Telefónica S.A.

2024 CDP Corporate Questionnaire 2024

Word version

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C1. Introduction

(1.1) In which language are you submitting your response?

Select from:
☑ English

(1.2) Select the currency used for all financial information disclosed throughout your response.

Select from:
☑ EUR

(1.3) Provide an overview and introduction to your organization.

(1.3.2) Organization type

Select from:
☑ Publicly traded organization

(1.3.3) Description of organization

Telefónica is one of the largest telecommunications companies in the world in terms of market capitalisation and number of customers. Supported by the best fixed, mobile, and broadband networks, as well as an innovative range of digital and data economy services, our Company is favorably placed to meet the needs of our customers and capture growth in new businesses. Our headquarters is in Madrid (Spain). At the end of 2023, we operated in 12 countries, with a presence in 38 countries, and had a customer base that surpasses 388 million connections throughout Spain, Germany, and Latin America, where most of our growth strategy is focused. We are, therefore, one of the most international companies in the sector, generating around 69% of our business outside the domestic market. Movistar (Spain and Hispam), Vivo (Brazil), and O2 (Germany) are the main brand names around which we structure our commercial offer. We are a wholly private company with 1.1 million direct shareholders. We are listed on the continuous market of the Spanish stock exchanges, as well as on the stock exchanges in New York and Lima. Revenue totalled 40,652 million euros. The number of Telefónica employees on 31 December 2023 totalled 104,132. We delivered on all our financial targets for 2023, and not only continued to report organic growth but now also started growing in euro terms. We executed our strategy to build a stronger, future proof Telefónica and focused our investments on next generation networks, while maintaining a disciplined capital allocation framework. At the same time, we embraced the industry wide transformation and actively support the transition to a fairer regulatory environment. More information at: https://www.telefonica.com/en/wp-content/uploads/sites/5/2024/03/management-sustainability-report-2023.pdf.
[Fixed row]

(1.4) State the end date of the year for which you are reporting data. For emissions data, indicate whether you will be providing emissions data for past reporting years.

	End date of reporting year	Alignment of this reporting period with your financial reporting period	Indicate if you are providing emissions data for past reporting years
	12/31/2023	*Select from:* ☑ Yes	*Select from:* ☑ No

[Fixed row]

(1.4.1) What is your organization's annual revenue for the reporting period?

40652000000

(1.5) Provide details on your reporting boundary.

	Is your reporting boundary for your CDP disclosure the same as that used in your financial statements?
	Select from: ☑ Yes

[Fixed row]

(1.6) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

ISIN code - bond

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

ISIN code - equity

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ Yes

(1.6.2) Provide your unique identifier

ES0178430E18

CUSIP number

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

Ticker symbol

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

SEDOL code

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

LEI number

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

D-U-N-S number

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

Other unique identifier

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

[Add row]

(1.7) Select the countries/areas in which you operate.

Select all that apply

☑ Peru

☑ Chile

☑ Spain

☑ Brazil

☑ Mexico

☑ Panama

☑ Ecuador

☑ Germany

☑ Uruguay

☑ Colombia

☑ Argentina
☑ Guatemala
☑ Puerto Rico
☑ United States of America
☑ Bolivia (Plurinational State of)
☑ Venezuela (Bolivarian Republic of)
☑ United Kingdom of Great Britain and Northern Ireland

(1.24) Has your organization mapped its value chain?

(1.24.1) Value chain mapped

Select from:
☑ Yes, we have mapped or are currently in the process of mapping our value chain

(1.24.2) Value chain stages covered in mapping

Select all that apply
☑ Upstream value chain
☑ Downstream value chain

(1.24.3) Highest supplier tier mapped

Select from:
☑ Tier 2 suppliers

(1.24.4) Highest supplier tier known but not mapped

Select from:
☑ Tier 3 suppliers

(1.24.7) Description of mapping process and coverage

At Telefónica we are aware that a very important part of our social and environmental impact is directly related to our supply chain. We assume this responsibility and we make sustainability a key part of how we do business. In this way, collaborating with suppliers is of strategic value, as it facilitates alignment with our commitments

to customers and to the rest of society. In order to build trusting relationships with our suppliers, we have developed robust policies and processes with a triple purpose.

- *Identify and manage the potential/actual impacts of Telefónica on society and the environment through our commercial relationships.*
- *Jointly identify potential/actual sustainability risks common to our supply chain in order to address them effectively.*
- *Collaborate proactively on key issues (e.g. CO2 emissions), harnessing the opportunities, in order to turn the ICT supply chain into a driver for sustainability.*

This triple approach ensures that we are delivering to our customers products and services which not only have a positive impact on society and the planet, but which have also been developed in a responsible manner.

The mapping of Telefónica's value chain is aligned with the EU regulatory requirements, mainly focused on CSRD and CSDDD and is based on information collected through:

-Internal sources: Consolidated Management report, Key indicators, Consolidated Annual Accounts Report and Human Rights and Environmental Due Diligence Report

-External sources: Value Chain Implementation Guidance (May 2024, EFRAG), Telecommunications sectorial value chain and benchmark analysis of value chains in other sectors

-Interviews/workshops with the different corporate areas of the company to understand the agents, activities and geographical scope of Telefónica's value chain.

The company's value chain includes 8 overall stages that cover the whole company's upstream, own operations, and downstream activities. This is then segregated into more than 20 activities that cover the company's business model and the entire products/service life cycle process from its conception to delivery, consumption and end-life of the product/service. The important aspects taken into account for the consideration of each of these activities are (1) the relevant activity, (2) the agents involved, (3) the geographical scope of the activity.

[Fixed row]

(1.24.1) Have you mapped where in your direct operations or elsewhere in your value chain plastics are produced, commercialized, used, and/or disposed of?

(1.24.1.1) Plastics mapping

Select from:

☑ No, but we plan to within the next two years

(1.24.1.5) Primary reason for not mapping plastics in your value chain

Select from:

☑ Not an immediate strategic priority

(1.24.1.6) Explain why your organization has not mapped plastics in your value chain

Currently, 89% of the waste produced by the company are cables and electronic waste produced in decommissioning processes when migrating the network from copper to fibre optic. The remaining 11% corresponds to paper (3%), batteries (7%) and other types of waste (1%), meaning that plastics consumption and generation in the company does not exceed 1%. Therefore, the immediate priority in our circular economy strategy is to reuse and recycle 100% of our waste, especially cables and electronic waste, setting specific circular economy targets for customer premise equipment, network equipment and mobile phones to become a zero-waste company by 2030. Although plastic waste is not a strategic priority due to its volume, we introduce single-use plastic reduction criteria in our supply chain sustainability policy and in technical specifications in purchasing processes. In the upcoming years we plan to extend our ambition in this direction, as a second phase after increasing the circularity of priority materials (cables and electronic equipment).
[Fixed row]

C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities

(2.1) How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities?

Short-term

(2.1.1) From (years)

1

(2.1.3) To (years)

7

(2.1.4) How this time horizon is linked to strategic and/or financial planning

Following TCFD main recommendations, the timeframes we have used in the vulnerability analysis of climate-related risks are 2030 for short term, 2040 for medium term and 2050 for long term, since our infrastructures have an estimated lifetime of 20 to 30 years and physical risks related to climate change are expected to have a greater impact in the medium and long terms.
The company's financial horizons are:

-Short: 0-1 year
-Medium: 1-5 years
-Long: 5 years

Although the financial TH are not fully aligned with the TH used in the identification, assessment and management of environmental issues. The results of this analysis are taken into account in TEFs strategic planning. The short time horizon aligns directly with Telefónica's short-term 2030 SBTi targets, aimed at reducing Scope 1 and 2 emissions by 90% to stay on track for net-zero by 2040. Telefónica's strategic focus in this period revolves around compliance with increasingly climate related regulations such as reporting initiatives, adoption of renewable energy, and improving energy efficiency across operations.
Financially, short-term planning involves allocating investments to decarbonization initiatives that deliver immediate cost reductions and regulatory compliance benefits. This timeframe aligns with Telefónica's current financial strategies, which emphasize investments in sustainable technologies and operational improvements reported in the company's financial and Climate Action Plans.

Medium-term

(2.1.1) From (years)

8

(2.1.3) To (years)

17

(2.1.4) How this time horizon is linked to strategic and/or financial planning

Following TCFD main recommendations, the timeframes we have used in the vulnerability analysis of climate-related risks are 2030 for short term, 2040 for medium term and 2050 for long term, since our infrastructures have an estimated lifetime of 20 to 30 years and physical risks related to climate change are expected to have a greater impact in the medium and long terms.
The company's financial horizons are:
-Short: 0-1 year
-Medium: 1-5 years
-Long: 5 years

Although the financial TH are not fully aligned with the TH used in the identification, assessment and management of environmental issues. The results of this analysis are taken into account in TEFs strategic planning. The medium-term horizon, aligns with Telefónica's SBTi targets of becoming net-zero by 2040, focusing on achieving comprehensive reductions in Scope 3 emissions, which involve its entire value chain. This horizon also marks a critical phase where both transition risks and physical risks begin to escalate, potentially impacting infrastructure and operations. Strategically, this timeframe is key to upgrading existing infrastructure, adapting to physical climate risks, and ensuring long-term resilience, particularly given the 20-30 year lifespan of the company's assets.

Long-term

(2.1.1) From (years)

18

(2.1.2) Is your long-term time horizon open ended?

Select from:
☑ No

(2.1.3) To (years)

27

(2.1.4) How this time horizon is linked to strategic and/or financial planning

Following TCFD main recommendations, the timeframes we have used in the vulnerability analysis of climate-related risks are 2030 for short term, 2040 for medium term and 2050 for long term, since our infrastructures have an estimated lifetime of 20 to 30 years and physical risks related to climate change are expected to have a greater impact in the medium and long terms.
The company's financial horizons are:
-Short: 0-1 year
-Medium: 1-5 years
-Long: 5 years

Although the financial TH are not fully aligned with the TH used in the identification, assessment and management of environmental issues. The results of this analysis are taken into account in TEFs strategic planning. Beyond 2040, Telefónica will have achieved its net-zero emissions target. This horizon is focused on managing the physical risks that will become most prominent, such chronic climate hazards. Telefónica's long-term strategy aims to ensure that its infrastructure can endure and adapt to these risks. he long-term planning horizon is crucial for sustaining Telefónica's competitive edge in a changing climate landscape and is linked to the company's strategic planning for future-proofing operations beyond current timeframes. In the same line as the medium-term horizon, this timeframe is key to upgrading existing infrastructure, adapting to physical climate risks, and ensuring long-term resilience, particularly given the 20-30 year lifespan of the company's assets
[Fixed row]

(2.2) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts?

	Process in place	Dependencies and/or impacts evaluated in this process
	Select from: ☑ Yes	*Select from:* ☑ Both dependencies and impacts

[Fixed row]

(2.2.1) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?

	Process in place	Risks and/or opportunities evaluated in this process	Is this process informed by the dependencies and/or impacts process?
	Select from: ☑ Yes	*Select from:* ☑ Both risks and opportunities	*Select from:* ☑ Yes

[Fixed row]

(2.2.2) Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities.

Row 1

(2.2.2.1) Environmental issue

Select all that apply

☑ Climate change

☑ Biodiversity

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☑ Dependencies

☑ Impacts

☑ Risks

☑ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Upstream value chain

☑ Downstream value chain

(2.2.2.4) Coverage

Select from:

☑ Full

(2.2.2.5) Supplier tiers covered

Select all that apply

☑ Tier 1 suppliers

☑ Tier 2 suppliers

(2.2.2.7) Type of assessment

Select from:

☑ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

☑ More than once a year

(2.2.2.9) Time horizons covered

Select all that apply

☑ Short-term

☑ Medium-term

☑ Long-term

(2.2.2.10) Integration of risk management process

Select from:

☑ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

☑ Site-specific

☑ National

(2.2.2.12) Tools and methods used

Commercially/publicly available tools

☑ Biological Diversity Protocol

☑ Encore tool

☑ TNFD – Taskforce on Nature-related Financial Disclosures

☑ WWF Biodiversity Risk Filter

☑ Other commercially/publicly available tools, please specify **:**Sectorial Materiality Tool (SBTN) and Natural Capital Protocol (NCP) from Capitals Coalition

Enterprise Risk Management

☑ COSO Enterprise Risk Management Framework

☑ Enterprise Risk Management

☑ Internal company methods

☑ ISO 31000 Risk Management Standard

☑ Risk models

International methodologies and standards

☑ IPCC Climate Change Projections

Databases

☑ Nation-specific databases, tools, or standards

☑ Regional government databases

Other

☑ External consultants

☑ Internal company methods

☑ Materiality assessment

☑ Scenario analysis

(2.2.2.13) Risk types and criteria considered

Acute physical

☑ Cold wave/frost

☑ Drought

☑ Flood (coastal, fluvial, pluvial, ground water)

☑ Heat waves

☑ Wildfires

Chronic physical

☑ Changing precipitation patterns and types (rain, hail, snow/ice)

☑ Changing temperature (air, freshwater, marine water)

☑ Changing wind patterns

Policy

☑ Carbon pricing mechanisms

☑ Increased difficulty in obtaining operations permits

☑ Other policy, please specify **:**Supply chain interruptions, taxes due to operating in protected natural areas.

Market

☑ Availability and/or increased cost of certified sustainable material

☑ Availability and/or increased cost of raw materials

☑ Changing customer behavior

☑ Other market, please specify **:**Reduced ESG investor interest in the company due to low index scores and standards requesting information on nature-related issues

Reputation

☑ Increased partner and stakeholder concern and partner and stakeholder negative feedback

☑ Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation & conversion, water stress)

Technology

☑ Transition to lower emissions technology and products

☑ Other technology, please specify **:**Increase in R&D investment (EEP & REP), withdrawal of technologies or equipment that have an impact on biodiversity.

Liability

☑ Exposure to litigation

☑ Non-compliance with regulations

(2.2.2.14) Partners and stakeholders considered

Select all that apply

☑ Customers

☑ Employees

☑ Investors

☑ Suppliers

☑ Regulators

☑ Local communities

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

☑ No

(2.2.2.16) Further details of process

TEF monitors significant risks(R) that could impact(imp.) its business model, ensuring proper identification(id.), management, and quantification.TEF employs a global R management model (GRM) based on the COSO framework, complemented by a R Management Policy (approved by the Board of Directors) and a Corporate R

Management Manual. These tools align the main R with the company's strategic obj. TEF assesses env.-related R and opportunities(O) over short, medium, and long terms. The GRM assessment is conducted biannually, integrating results into the Global R Management Matrix.

i. R&O Id.&Assessment. TEF incorporates climate imp., dependencies(dep.), and effects into its R management (RM) process, using a Top-Down approach (row 1) and Bottom-Up evaluations (row 2). The Top-Down approach addresses global R&O that could affect corporate sust., markets, shareholders, investors, or marketing management. These "Basic Risks" are periodically reviewed by relevant global op. areas. R&O are analyzed under various scn and timeframes, following TCFD recommendations. Key R Indicators consider probability, financial imp., historical and future dev., control level, reputational imp., and exposure estimation (imp.prob.).

ii. RM and Prioritization TEF prioritizes R based on estimated financ imp., incorporating them into business decisions. Developments are updated and reported using an RM tool. Local R are rev. and are updated periodically by Executive Committees at the country level and reported to the Corporate Function of RM. Physical risks (PRs) are analyzed using scn from the 5th IPCC report, with RCP2.6 as the most optimistic and RCP8.5 as the most pessimistic. Transition risks (TRs) are assessed using the IEANZE2050 scn plus the NGFSNZE2050 scn.

iii. Opps Management TEF id., assesses, and manages climate-related opps using the IEANZE2050 and NGFSNZE2050 scn. This proactive management detects new business opps in a low-carbon economy. The proc. includes:

a) Id. relevant opps. aligned with TCFD proposals.

b) Assessing opps by evaluating current conditions, trends linked to climate scn, and estimating imp.&prob.

c) Opps are id. in the top-down approach, but their management is carried out at the local level.

Additionally, TEF complements this process by analyzing its economic actvs. contributions to the main drivers of biodiversity loss (CC, land use change, pollution, overexploitation of resources and invasive species) and the dep. of these actv. on the ecosystem services provided by nature, both conducted for TEF's direct operations and its value chain.

This analysis supports:

i. The double materiality assessment which consists of id., assessing, and reporting all material topics that are significant, both from an imp. perspective (how TEF's actv. affect the env. and society) and financial perspective (how sustainability-related factors affect TEF's actv., from a R&M point of view). Material R&M generally derive from imp.&dep. The process followed is summarised:

a) Id. the actual and potential imp. relating to env., social and governance matters across own ops. and in our upstream and downstream value chain;

b) assessment of whether such imp. lead to R&O, and

c) R&O that derive from dep. on natural or social rscs.

ii. We assess nature-related imp.&dep. for our direct ops. and across our value chain, using ENCORE, and SBTN tools. Based on the results, we have started to id. nature-related R&O, using the reporting framework provided by the TNFD.

Row 2

(2.2.2.1) Environmental issue

Select all that apply

☑ Climate change

☑ Biodiversity

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☑ Dependencies

☑ Impacts

☑ Risks

☑ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Upstream value chain

☑ Downstream value chain

(2.2.2.4) Coverage

Select from:

☑ Full

(2.2.2.5) Supplier tiers covered

Select all that apply

☑ Tier 1 suppliers

☑ Tier 2 suppliers

(2.2.2.7) Type of assessment

Select from:

☑ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

☑ More than once a year

(2.2.2.9) Time horizons covered

Select all that apply

☑ Short-term

☑ Medium-term

☑ Long-term

(2.2.2.10) Integration of risk management process

Select from:

☑ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

☑ Site-specific

☑ National

(2.2.2.12) Tools and methods used

Commercially/publicly available tools

☑ Biological Diversity Protocol

☑ Encore tool

☑ TNFD – Taskforce on Nature-related Financial Disclosures

☑ WWF Biodiversity Risk Filter

☑ Other commercially/publicly available tools, please specify **:**Sectorial Materiality Tool (SBTN) and Natural Capital Protocol (NCP) from Capitals Coalition

Enterprise Risk Management

☑ COSO Enterprise Risk Management Framework

☑ Enterprise Risk Management

☑ Internal company methods
☑ ISO 31000 Risk Management Standard
☑ Risk models

International methodologies and standards
☑ IPCC Climate Change Projections

Databases
☑ Nation-specific databases, tools, or standards
☑ Regional government databases

Other
☑ External consultants
☑ Internal company methods
☑ Materiality assessment
☑ Scenario analysis

(2.2.2.13) Risk types and criteria considered

Acute physical
☑ Cold wave/frost
☑ Drought
☑ Flood (coastal, fluvial, pluvial, ground water)
☑ Heat waves
☑ Wildfires

Chronic physical
☑ Changing precipitation patterns and types (rain, hail, snow/ice)
☑ Changing temperature (air, freshwater, marine water)
☑ Changing wind patterns

Policy

☑ Carbon pricing mechanisms

☑ Increased difficulty in obtaining operations permits

☑ Other policy, please specify **:**Supply chain interruptions, taxes due to operating in protected natural areas.

Market

☑ Availability and/or increased cost of certified sustainable material

☑ Availability and/or increased cost of raw materials

☑ Changing customer behavior

☑ Other market, please specify **:**Reduced ESG investor interest in the company due to low index scores and standards requesting information on nature-related issues

Reputation

☑ Increased partner and stakeholder concern and partner and stakeholder negative feedback

☑ Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation & conversion, water stress)

Technology

☑ Transition to lower emissions technology and products

☑ Other technology, please specify **:**Increase in R&D investment (EEP & REP), withdrawal of technologies or equipment that have an impact on biodiversity.

Liability

☑ Exposure to litigation

☑ Non-compliance with regulations

(2.2.2.14) Partners and stakeholders considered

Select all that apply

☑ Customers

☑ Employees

☑ Investors

☑ Suppliers

☑ Local communities

☑ Regulators

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

☑ No

(2.2.2.16) Further details of process

TEF monitors significant risks(R) that could imp. its BM, ensuring proper identification(id.), management, and quantification. TEF employs a global R management model (GRM) based on the COSO framework plus a R Management Policy (approved by the Board of Directors) and a Corporate R Management Manual. These tools align the main R with the company's strategic targets. TEF assesses env.-related R and opportunities(O) over short, medium, and long terms. The GRM assessment is conducted biannually, integrating results into the Global R Management Matrix.

i.R&O Id.&Assessment TEF incorporates climate impacts(imp.), dependencies(dep.), and effects into its R management (RM) process, using a Top-Down approach (row 1) and Bottom-Up evaluations (row 2). In the bottom-up approach, local managers identify R, integrating them into the company's op. cash-flow if feasible, and manage exposure to acute physical events. Modelling is carried out every 3yrs by an external consultant.

1.Data Collection: Corporate Insurance team compiles data

2.Analysis: QA process to correct errors, based on stat. calc.(RMS, EQCat, etc.) with historical climate-related events

3.Results: results are disclosed by country & R, measuring their imp. and likelihood compared against the Group's R Retention Level (RRL)

ii.RM and Prioritization TEF prioritizes R based on estimated financial imp., incorporating them into business decisions. Developments are updated and reported using an RM tool. Local R are reviewed and are updated periodically by Executive Committees at the country level and reported to the Corporate Function of RM. Physical risks (PRs) are analyzed using scn from the 5th IPCC report, with RCP2.6 as the most optimistic and RCP8.5 as the most pessimistic. Transition risks (TRs) are assessed using the IEANZE2050 scn, complemented by the NGFSNZE2050 scn.

iii.O. Management TEF id., assesses, and manages climate-related O using the IEANZE2050 and NGFSNZE2050 scn. This proactive management detects new business O in a low-carbon economy. The process includes:

a) Id. relevant O aligned with TCFD proposals.

b) Assessing O by evaluating current conditions, trends linked to climate scn, and estimating imp.&prob

c) Managing O in line with climate targets.

Additionally, TEF complements this process by analyzing its economic actv. contributions to the main drivers of biodiversity loss (CC, land use change, pollution, overexploitation of rsc. and invasive species) and the dep. of these actv. on the ecosystem services provided by nature, both conducted for TEF's direct ops. and its value chain.

This analysis supports:

i.The double materiality assessment which consists of id., assessing, and reporting all material topics that are significant, both from an imp. perspective (how TEF's actv. affect the env. and society) and financial perspective (how sust.-related factors affect TEF's actv., from a R&M point of view). Material R&O generally derive from imp.&dep. The process followed is summarised:

a) Id. the actual and potential imp. relating to env., social and governance matters across own ops. and in our upstream and downstream value chain;

b) assessment of whether such imp. lead to R&O, and

c) R&O that derive from dep. on natural or social rscs.

ii. We assess nature-related imp.&dep. for our direct ops. and across our value chain, using ENCORE, and SBTN tools. Based on the results, we have started to id. nature-related R&O, using the reporting framework provided by the TNFD.

[Add row]

(2.2.7) Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed?

(2.2.7.1) Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed

Select from:

☑ Yes

(2.2.7.2) Description of how interconnections are assessed

TEF has applied the double materiality methodology since 2021, facilitating the inclusion of sustainability as a decisive factor in our strategy and decision-making processes. In addition, it enables us to ensure that our policies, action plans, metrics and targets are in alignment with our critical issues from a dual materiality perspective:

- *Financial materiality focuses on how sustainability factors affect TEF's activities.*
- *Impact materiality considers how TEF's activities affect society and the environment.*

Issues are considered relevant if it is material from either perspective, or both.

In 2023, TEF updated its methodology to align with the CSRD and new ESRS. This update involved a thorough assessment of impacts, risks (including dependencies on external factors like natural and human resources), and opportunities (IROs), incorporating stakeholder expectations under the concept of dynamic materiality. The analysis covered environmental issues such as climate change and biodiversity. TEF followed a five-step process:

1. *Context analysis.*
2. *Identification of impacts, risks (which include dependencies), and opportunities (IROs).*
3. *Assessment of potentially material IROs.*
4. *Determination of material issues*
5. *Oversight and validation*

This assessment allows TEF to identify risks and opportunities through the impacts and dependencies identified.

- TEF identified an opp for its line of P&S due to the impact its clients have on the environment. TEF has created in 2023 the "ESG Customer and business development" area which focuses on integrating ESG in the commercial offer and in the innovation and development processes of P&S, in order to obtain a competitive advantage that allows us to capture the new market opportunities.

- TEF measures its carbon footprint annually and has developed a Strategic Plan that includes its decarbonization pathway to achieve its NZ target in 2040.The cost of offsetting its carbon footprint in the event of non-compliance with this Plan was considered as a transition risk, connecting the impact of TEF's scope 1,2 and 3 emissions with a risk that might induce great costs.

- TEF's energy dependency was considered during the identification and selection of risks and opportunities, mainly through the risk regarding the potential increase in the cost of electricity due to droughts or regulatory/market-related transition events. This is one of the main drivers of the Energy Effiency Plan and the Renewable Energy Plan, which enables TEF to reduce its exposure to potential cost increases, leading to potentially significant savings in the future and tackling both a risk and an opportunity related to climate change

These risks and opportunities can financially impact Telefónica, affecting its profit and loss, asset valuation, and overall business development in case of materialization.
[Fixed row]

(2.3) Have you identified priority locations across your value chain?

(2.3.1) Identification of priority locations

Select from:

☑ No, but we plan to within the next two years

(2.3.7) Primary reason for not identifying priority locations

Select from:

☑ Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

(2.3.8) Explain why you do not identify priority locations

At Telefónica we understand the importance of biodiversity protection and efficient water management. Although these environmental issues have not been determined as material after the materiality assessment, it is important for us to manage them responsibly and to continue working to minimise their impacts. Telefónica's management of biodiversity risks and opportunities starts with identifying and assessing nature-related dependencies and impacts. After an initial assessment, which included analysing and quantifying the direct impacts of non-linear infrastructures (base stations, buildings, etc.) in the countries in which we operate, the main conclusion was that 98% of our facilities are located in habitats with low or very low biodiversity value, such as urban areas. Furthermore, we do not have facilities located in habitats with high value, which means that our direct impact on biodiversity is not very significant. We have also analysed the impacts and dependencies on natural capital at a corporate level, both for our direct operations and those of our suppliers. Internationally recognised protocols, methodologies and tools, such as the Natural Capital Protocol (NCP), ENCORE (from UNEPWCMC) and the Sectoral Materiality Tool (SBTN) were used for this assessment.
We have examined the contribution of the Telefónica Group's economic activities to the main drivers of biodiversity loss and the dependencies of these activities on the ecosystem services provided by nature, both for our direct operations and for our supply chain (dependency and impact screening). The results show that there are greater dependencies and impacts across the supply chain than in Telefónica's direct operations. After assessing the direct impacts from our non-linear infrastructures locations and having analysed the nature-related impacts and dependencies of our economic activities at a corporate level, our next step is to locate our interface with nature (first step of the LEAP approach), to identify the geographic locations of our direct operations that are in or near ecologically sensitive

locations (e.g. protected areas, Key Biodiversity Areas). Combining these sensitive locations with the material locations (locations with material nature-related dependencies, impacts, risks and opportunities) we will define our priority locations. This has not yet been done but we envisage having it done within the next two years.
[Fixed row]

(2.4) How does your organization define substantive effects on your organization?

Risks

(2.4.1) Type of definition

Select all that apply

☑ Qualitative

☑ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

☑ Other, please specify :OIBDA (Operative Income Before Depreciations and Amortizations)

(2.4.3) Change to indicator

Select from:

☑ % decrease

(2.4.4) % change to indicator

Select from:

☑ Less than 1%

(2.4.6) Metrics considered in definition

Select all that apply

☑ Likelihood of effect occurring

☑ Other, please specify :None but the % of decrease in OIBDA

(2.4.7) Application of definition

According to the Risk Management corporate policy, a risk is defined as substantive and therefore to be reported to the Audit and Control Committee depending on the level of analysis performed:

a) At a company level, a risk with a financial effect of either 0.3% decrease of the company's OIBDA (if the probability of the risk happening is higher than 50%) or 0.77% decrease (without factoring in probability).

b) At a local asset level, the threshold lies at 0.5% decrease of each asset's OIBDA, with a minimum financial impact of 2M€. OIBDA is used as an indicator because it is one of the measures of financial performance that Telefonica uses to determine profitability of the company, hence directly affecting the business strategy.

There are some risks that, although they do not fall within this definition, are escalated to substantive risks due to stakeholders expectations (to assess strategic impact) and to fully integrate Telefonica´s zero-tolerance policies (e.g., for reputational risks in sustainability and corruption). Risks and opportunities are considered to have a substantive significant strategic impact if these impact our ability to meet stakeholders' expectations and demands. In relation to reputation, sustainability, compliance and corruption, a zero-tolerance level is established at TEF, therefore restricting any risks associated with a negative perception of our commitment towards a low carbon economy or adaptation against resource scarcity will be considered a significant strategic impact.

The metrics and thresholds are reviewed annually. During this annual review, Telefónica evaluates whether global (0.3%, 0.77%) or local (0.5%) OIBDA thresholds and other key risk factors remain appropriate based on evolving business, regulatory, and environmental conditions. The company's Global Risk Management Model (GRM) ensures that these thresholds align with both strategic objectives and best practices, considering updates from the Board of Directors and alignment with COSO standards.

This approach allows Telefónica to maintain an up-to-date understanding of both financial and non-financial risks, ensuring that the company operates within its defined risk appetite while working toward its strategic climate and business objectives.

Opportunities

(2.4.1) Type of definition

Select all that apply

☑ Qualitative

☑ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

☑ Other, please specify :OIBDA (Operative Income Before Depreciations and Amortizations)

(2.4.3) Change to indicator

Select from:

☑ % increase

(2.4.4) % change to indicator

Select from:

☑ Less than 1%

(2.4.6) Metrics considered in definition

Select all that apply

☑ Likelihood of effect occurring

☑ Other, please specify **:**None but the % of increase in OIBDA

(2.4.7) Application of definition

Criteria for determining substantive effects of opportunities have been normalized with the criteria used for risks, therefore using the same economic ranges of OIBDA:

a) An opportunity with a financial effect of either 0.3% increase of the companys OIBDA (if the probability of the risk happening is higher than 50%) or 0.77% increase (without factoring in probability).

There are some opportunities that, although they do not fall within this definition, are escalated to substantive opportunity due to stakeholders expectations (to assess strategic impact) and to fully integrate Telefonica´s zero-tolerance policies (e.g., for reputational risks in sustainability and corruption).

Risks and opportunities are considered to have a substantive significant strategic impact if these impact our ability to meet stakeholders' expectations and demands. In relation to reputation, sustainability, compliance and corruption, a zero-tolerance level is established at TEF, therefore restricting any risks associated with a negative perception of our commitment towards a low carbon economy or adaptation against resource scarcity will be considered a significant strategic impact. As a general rule, any opportunity linked to measures or business activities that contribute to reducing Scope 1&2&3 emissions, that promote energy savings, improve energy efficiency or address climate change mitigation and adaptation will be considered as a positive strategic and financial impacts. However, opportunities are evaluated on a case-by-case basis and there is no economic range that necessarily requires internal reporting.

Although it is challenging to precisely quantify the potential financial implications and, where applicable, the costs associated with capitalizing on the identified opportunities, we have estimated that the potential future impact of such opportunities exceeds the threshold for "substantive". These estimates are derived from several factors, including the professional judgment of our subject matter experts within the business, guidelines or requirements provided by governmental agencies, and publications from non-profit organizations.

[Add row]

C3. Disclosure of risks and opportunities

(3.1) Have you identified any environmental risks which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

Climate change

(3.1.1) Environmental risks identified

Select from:

☑ Yes, both in direct operations and upstream/downstream value chain

Plastics

(3.1.1) Environmental risks identified

Select from:

☑ No

(3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

☑ Not an immediate strategic priority

(3.1.3) Please explain

Currently, 89% of the waste produced by the company are cables and electronic waste produced in decommissioning processes when migrating the network from copper to fibre optic. The remaining 11% corresponds to paper (3%), batteries (7%) and other types of waste (1%), meaning that plastics consumption and generation in the company does not exceed 1%. Therefore, the immediate priority in our circular economy strategy is to reuse and recycle 100% of our waste, especially cables and electronic waste, setting specific circular economy targets for customer premise equipment, network equipment and mobile phones to become a zero-waste company by 2030. Although plastic waste is not a strategic priority due to its volume, we introduce single-use plastic reduction criteria in our supply chain

sustainability policy and in technical specifications in purchasing processes. In the upcoming years we plan to extend our ambition in this direction, as a second phase after increasing the circularity of priority materials (cables and electronic equipment).
[Fixed row]

(3.1.1) Provide details of the environmental risks identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.1.1.1) Risk identifier

Select from:
☑ Risk1

(3.1.1.3) Risk types and primary environmental risk driver

Chronic physical
☑ Changing temperature (air, freshwater, marine water)

(3.1.1.4) Value chain stage where the risk occurs

Select from:
☑ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply
☑ Peru
☑ Chile
☑ Spain
☑ Brazil
☑ Mexico
☑ Ecuador
☑ Germany
☑ Uruguay
☑ Colombia
☑ Argentina

☑ Venezuela (Bolivarian Republic of)

(3.1.1.9) Organization-specific description of risk

Rising mean temperatures could increase Telefónica's operating costs due mostly to the increase on refrigeration needs of network equipment.

The in-depth quantitative Climate Scenario Analysis from the Climate Change Risk and Opportunities analysis (CCRO) highlighted temperature increase as one of the main significant climatic hazards to our activity. The increase of the global average temperature would directly affect the operational conditions of our network equipment, especially in data centres, fixed operational buildings and cell sites. High temperatures can affect the telecommunication equipment producing failures, write-offs and early retirement and therefore increase the risk of service disruption; therefore, cooling is essential for our business model. In the climate scenarios analysed, the average temperatures are expected to increase until 2050 in all countries where we operate. However, our analysis identifies that this risk has a significant operational impact particularly in two regions: Brazil and Spain, with an increase of 2.5ºC. Therefore, cooling needs and operational costs could also rise.

To avoid this risk Telefónica has several action lines with the objective of reducing cooling needs. We promote energy efficiency projects, like free-cooling, and we include more critical technical specifications in the network equipment we are buying from now on so it can work under higher temperatures.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased indirect [operating] costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ Likely

(3.1.1.14) Magnitude

Select from:

☑ Low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

An increase in average temperature such as that described in IPCC RCP 8.5 can have a significant impact on our cooling needs and therefore the amount of electricity consumed by our assets, which may incur higher energy costs. For example, the electricity consumption of our network was 5,739,167 MWh in 2023. A 10% increase in this electricity consumption of our network would have an average estimated impact of 82M million euros in our energy OPEX.

Managing this risk involves establishing lines of action with the aim of reducing electricity consumption (such as free cooling, liquid cooling, or equipment modernization) or improving the equipment of our networks so that they withstand higher temperatures, which will have an impact in CAPEX in the foreseeable future. In this sense, our Adaptation Plan includes several actions to achieve this reduction in cooling needs, and our Energy Efficiency Plan will allow us to reduce the electricity consumption of our assets, mitigating the effects of this risk. For these reasons, according to our Global Risk Analysis Procedure, the estimated economic impact of this risk is classified as substantive.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

12000000

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

12000000

(3.1.1.25) Explanation of financial effect figure

The final financial figures have been calculated based on:

(1) Temperature increases projected in scenario RCP 8.5 (data used was specific to the locations of those assets included in the analysis) and

(2) An empirical model to determine the impact of temperature increases on electricity consumption.

For this model, the following parameters have been taken into account to determine the expected consumption increase:

a) Countries' historical electricity consumption data,

b) % of consumption by asset,

c) Regression parameters

d) Average temperature changes.

Subsequently, to determine the increase of costs due to the increase on average temperatures the following parameters have been used:

a)Annual consumption, % consumption by asset
b)Increase in electricity prices associated to temperature
c)Average temperature changes.

From these models, we were able to calculate the potential CAPEX and OPEX increase due to increase in average temperature. Overall, financial impact comes from: Σ [ΔIT CAPEX(5%)Δ IT OPEX(5%)Δ ENERGY OPEX (90%)].

(3.1.1.26) Primary response to risk

Infrastructure, technology and spending

☑ Other infrastructure, technology and spending, please specify **:**Increased capital expenditure in more energy efficient cooling equipment

(3.1.1.27) Cost of response to risk

10200000

(3.1.1.28) Explanation of cost calculation

The final cost of management and response is associated to: - The CAPEX involved in the implementation of Energy Efficiency Plan - Costs related to the implementation & maintenance of EMS Overall, the cost comes from: Σ [Energy Efficiency Projects CAPEX (98%) + EMS (2%)] = 10,303,000€

(3.1.1.29) Description of response

To manage this risk, we have implemented several lines of action to reduce cooling related electricity consumption. We support a variety of energy efficiency projects, both to reduce air conditioning consumption (e.g. free cooling, liquid cooling, modernisation of equipment, etc.) and regarding the network equipment itself, including technical specifications for the network equipment so that it can operate at higher temperatures.
As an example:
SITUATION: Rising of temperatures could increase our operating costs due mostly to the increase on refrigeration needs of network equipment. In 2023 we continued modernising our network to increase its efficiency and therefore reduce Telefónica's exposure to costs in refrigeration needs.
TASK: Through the Energy Efficiency Plan, the organisation reduces its electricity consumption, associated with air conditioning, through energy efficiency projects (free cooling, liquid cooling, modernisation of equipment, etc.) and technical specifications for network equipment so that it can operate at higher temperatures.
ACTION: New air-conditioning solutions: measures have been implemented such as the increase in temperature set points, the implementation of free cooling for air-conditioning technical rooms with external air and technological innovations such as liquid cooling by immersion, a disruptive model for cooling servers by immersion in an electrically non-conductive, non-toxic, and biodegradable liquid. Additionally, in 2023, a proof of concept based on the use of chillers with magnetic levitation compressors was deployed in Spain.

RESULTS: The use of this technology will improve the efficiency of the equipment at partial loads by up to 35%, as well as reducing emissions due to refrigerant leaks, as the technology works with refrigerant gases with a GWP (Global Warming Potential) value of 1 (much lower than the typical values of refrigerants, which range between 200 and 2,000). This response contributes to SDG 13

Climate change

(3.1.1.1) Risk identifier

Select from:

☑ Risk2

(3.1.1.3) Risk types and primary environmental risk driver

Acute physical

☑ Other acute physical risk, please specify **:**Increased severity and frequency of extreme weather events such as heavy precipitation (rain, hail, snow/ice), wildfires and floods.

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Peru
☑ Chile
☑ Spain
☑ Brazil
☑ Mexico
☑ Venezuela (Bolivarian Republic of)
☑ Ecuador
☑ Germany
☑ Uruguay
☑ Colombia
☑ Argentina

(3.1.1.9) Organization-specific description of risk

During 2022 the Climate Change Risk and Opportunities analysis (CCRO) was updated to reflect the current reality of Telefónica, and both to value the mitigation and/or adaptation measures already implemented and to identify, study and assess the risks derived from climate change to which the company is still exposed to.

The in-depth quantitative Climate Scenario Analysis from the Climate Change Risk and Opportunities analysis (CCRO) highlighted the increase in the frequency and intensity of floods, as the most significant climatic hazard to the activity of Telefónica, followed by wildfires. They can cause physical damage to our infrastructures and therefore could produce service and operations disruptions. In the climate scenarios that were analysed, the greatest exposure to physical risks lies in the infrastructure that supports fixed and mobile connectivity. As a result, Telefónica's assets with greater exposure to risk are: Base Stations and Fixed Line network. The geographical area with the greatest exposure is Latin America, namely in Brazil due to our greatest % of activity being located there.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased indirect [operating] costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Long-term

☑ The risk has already had a substantive effect on our organization in the reporting year

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ More likely than not

(3.1.1.14) Magnitude

Select from:

☑ Medium

(3.1.1.15) Effect of the risk on the financial position, financial performance and cash flows of the organization in the reporting year

An increase in severity and extreme weather events such as heavy precipitations, wildfires and floods can damage Telefónica's infrastructure. The two main financial impact drivers are the damages to our network assets and to our telecommunication equipment (both in terms of CAPEX and OPEX), the income losses for services disruption due to electricity cuts or infrastructure damage, the cost of an increase in the premiums of the assets exposed. In addition, managing this risk implies some

extra costs from the implementation and operation of the Global Business Continuity System included in our Adaptation Plan and, especially, by accounting for the average costs from assets that are not currently covered by the insurance premium.

For context, some events took place during 2023:

- *High temperatures caused a number of fire outbreaks in Chile. 65 mobile sites were damaged, leading to customers' services being suspended and/or degraded. Customers' homes were also affected. +*
- *Cyclone Yaku caused torrential rain, flooding and landslides in Peru. A number of different Company sites were affected by the cyclone, leading to multiple fibre optics outages and impacting services to customers.*
- *The Coastal El Niño phenomenon in Peru. A number of Company sites were impacted, multiple fibre optics outages occurred and services to customers were affected.*
- *In Chile, Significant flooding in the central and southern areas of the country affected employees (due to travel issues), facilities and network infrastructure. The network infrastructure was mainly affected by power cuts, while facilities were impacted by water leakage issues.*

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

An increase in severity and extreme weather events such as heavy precipitations, wildfires and floods can damage Telefónica's infrastructure. The two main financial impact drivers are the damages to our network assets and to our telecommunication equipment (both in terms of CAPEX and OPEX), the income losses for services disruption due to electricity cuts, the cost of an increase in the premiums of the assets exposed. On the other hand, managing this risk implies some extra costs from the implementation and operation of the Global Business Continuity System included in our Adaptation Plan and, especially, by accounting for the average costs from assets that are not currently covered by the insurance premium.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.18) Financial effect figure in the reporting year (currency)

1800000

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

44000000

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

44000000

(3.1.1.25) Explanation of financial effect figure

The financial impact of this risk is calculated by analysing the extreme weather events forecast of the countries in which we have presence and its possible impact assuming we did not carry out any control, mitigation or adaptation action. The financial impact has been calculated based on the results of our Climate Scenario Analysis, considering scenario RCP 8.5 as the more pessimistic one in which projections show more frequent and severe extreme weather events.

The impact was calculated based on the following parameters:

- *Destruction of physical assets and service interruption*
- *Impact of extreme weather events on our assets (IT equipment CAPEX and OPEX)*
- *% of assets annually affected by floods*
- *Cost of an increase in the premium to cover the most exposed assets*
- *Value of the assets exposed to floods and wildfires*
- *Costs associated to service interruption*
- *Asset expenditure*

*Overall, financial impact come from: **Σ** [INCOME LOSSES&PENALTIES(20%) + **Δ**NETWORK OPEX (19%) +**Δ** NETWORK CAPEX(60%) + **Δ** INSURANCE COSTS (1%))*

(3.1.1.26) Primary response to risk

Policies and plans

☑ Other policies or plans, please specify **:**Business Continuity Plans and Global Crisis Management Systems (GCMS)

(3.1.1.27) Cost of response to risk

10000000

(3.1.1.28) Explanation of cost calculation

The potential final cost of management and response is associated to:

- *Costs associated with the implementation of Global Business Continuity Systems (GBCS) in all countries*
- *The average costs not covered by our insurance premium*

*Overall, the cost comes from: **Σ**[Global Continuity Plan annual cost (1%) + cost not covered by insurance premium (99%)] = 10,000,000€*

(3.1.1.29) Description of response

To manage this risk, we have implemented the Global Business Continuity (GBC) System within our Adaptation Plan, ensuring the resilience of our operations against potential interruptions. This includes:

a) Business Continuity Plans in each country to restore essential functions.

b) A global Crisis Management System (GCMS) to handle high-impact threats, supported by a Global Crisis Committee with specialists for each incident type.

Additionally, our insurance model considers the impact of extreme weather events on assets.

SITUATION: An increase in severity and extreme weather events such as heavy precipitations, wildfires and floods can damage our infrastructure mainly our telecom network assets.

TASK: The GCMS has a Global Crisis Committee (GCC), including specialists for each type of event and acting in 4 phases:

i)Alert of the crisis.

ii) Evaluation of the impact.

iii) Implementation of the action procedures.

iv) Return to normality.

To mitigate the more critical effects of acute risks, TEF's Corporate Assurance Dept. also determines the most appropriate insurance contracts and premiums for each country based on the outcomes of climate modelling. This considers the risk exposure of that specific country (e.g., higher in Latam).

ACTION: In February 2023, the Crisis Committee was activated to manage a wildfire in Chile. High temperatures caused multiple fire outbreaks, leading to a state of emergency as fires spread, affecting both rural and urban areas. The fires damaged 65 mobile sites, disrupting customer services, and affected customers' homes. The Committee held 23 sessions, established action plans, issued warnings to employees in affected areas, and implemented emergency commercial measures for affected customers.

RESULT: The operation returned to normality.

TIMELINE: the GCC was activated in February 2023 and the incident was deemed closed in March 2023, but the action plans developed as a result of the incident continue to be monitored.

Climate change

(3.1.1.1) Risk identifier

Select from:

☑ Risk3

(3.1.1.3) Risk types and primary environmental risk driver

Market

☑ Other market risk, please specify **:**Increased cost of electricity due to regulation or shortage (hydro).

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Upstream value chain

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Peru
☑ Chile
☑ Spain
☑ Brazil
☑ Mexico
☑ Venezuela (Bolivarian Republic of)
☑ Ecuador
☑ Germany
☑ Uruguay
☑ Colombia
☑ Argentina

(3.1.1.9) Organization-specific description of risk

During the first half of 2023, the electricity price in the EU grew from €28.4 per 100 kWh to €29.4 per 100 kWh. However, a price drop took place during the second half of the year that brought the price back to a similar amount to that of the same period of the previous year: €28.5 per 100 kWh. Nevertheless, this price is still much higher than the levels prior to the peak that occurred in 2022 (for example, the price in the same period in 2021 was €23.5 per 100 kWh).

The Telecom sector is not intense in terms of fossil fuels but is very dependent on the electricity consumption for its networks. For this reason, an increase in the electricity price due to emerging regulation of the electricity generation sector or shortage of natural resources, may have a high impact on our energy OPEX. In this sense we differentiate two types of risks according to the electric mix of the countries in which we are present:

(i) Countries with an electric mix highly dependent on fossil fuels: the increase on fuel and energy taxes and regulations can cause increases in electricity production costs and therefore increase kWh price. This is the case of countries like Germany.

(ii) Countries with an electric mix with a high percentage of hydraulic generation: These countries have a high vulnerability to drought periods so water stress can also increase electricity prices. This is the case of Brazil and Peru.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased indirect [operating] costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ More likely than not

(3.1.1.14) Magnitude

Select from:

☑ High

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The telecommunications sector is not fossil-fuel intensive but is highly dependent on electricity consumption for its networks. For this reason, an increase in electricity prices due to a new regulation in the electricity generation sector or a shortage of hydro generation due to a drought may impact our energy OpEx.

We are managing this risk through our Energy Efficiency Plan (EEP) and our Renewable Energy Plan (REP), purchasing renewable energy certificates and PPAs (OPEX) and developing self-generation projects (CAPEX). In this regard, Telefónica Germany has signed two PPA agreements for the period 2025-2040, equivalent to 550 GWh per year, which will cover 87% of the total consumption of Telefónica's operations in Germany, and Telefónica Brazil has several "Distributed Generation" (DG) agreements that will supply more than 700 GWh/year and will cover almost half of the electricity consumption of its networks in the country. Thanks to these initiatives, we strive to achieve our commitment on making electricity consumption 100% renewable in own facilities by 2030.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

260000000

(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

260000000

(3.1.1.25) Explanation of financial effect figure

The financial impact of this risk has been calculated based on the following aspects:

- Traffic demand from Telefónica's customers, which will continue to increase significantly in the coming years, even if this increase will be partially offset by energy efficiency improvements.

- Telefónica's energy consumption projections per country up until 2030.

- Projection of electricity prices (based on the NZE 2050 scenario): electricity prices will increase substantially until 2030 as a result of usage of polluting energies, and will decrease from that year, as a result of the adoption of new sources of renewable energy.

Overall, the financial impact of this risk comes from: Σ(Δ Energy consumption projections x Δ increase in electricity price)

(3.1.1.26) Primary response to risk

Policies and plans

☑ Other policies or plans, please specify **:**Energy Efficiency Plan, Renewable Energy Plan and internal carbon price

(3.1.1.27) Cost of response to risk

8420000

(3.1.1.28) Explanation of cost calculation

The cost of management considers the costs associated to: - Purchase of RE Certificates (OPEX) in Spain, Germany, Brazil, Colombia, Chile and Peru - Energy consulting costs in Brazil (OPEX) - PPA consulting costs (OPEX) - Self-generation project investment (CAPEX) Overall, the cost of management comes from: Σ [PPA (2%) + GOO (90%) + REP Capex (8%)] = 8,353,000€

(3.1.1.29) Description of response

To manage this risk and reduce our exposure to rising electricity prices, we have implemented two main plans:

a) Energy Efficiency Plan (EEP) and

b) Renewable Energy Plan (REP).

SITUATION: Keeping electricity consumption stable despite the increase in digitalization and data traffic is one of TEF's greatest challenges.
TASK: Improving operational efficiency through the efficient use of resources, REs and efficiency.

ACTION: a) EEP: implementation of set points at maximum and minimum temperatures, free cooling, automatic shutdown and monitoring systems, infrastructure modernization, or more efficient base station planning. b) REP: reduces our operating costs and makes us less dependent on fluctuations in prices through GoOs, PPAs and self-generation.
RESULT: EEP: in 2023, energy consumption was reduced by 8.6% compared to 2015, despite traffic increasing 8.6-fold. 170 energy efficiency and management initiatives were rolled out in TEF's networks and offices, saving 281 GWh. The Power Usage Effectiveness of our main data centres reached 1.69 in 2023. REP: GoO up to 100% of electricity consumption in Spain, Germany, Brazil, Peru, and Chile, and have been extended to other countries. In 2023, Argentina, Ecuador and Colombia increased their RE consumption to 10%, 41% and 89%. TEF Germany signed 2 PPA agreements for 2025-2040 (550 GWh/year), covering 87% of its energy consumption. TEF Brazil's "Distributed Generation" (DG) (700 GWh/year) will cover 50% of the electricity consumption of its networks. 82% of the energy consumed (4,921,777 MWh) and 74% of the electricity consumed (373,363 MWh) in the data centres we operate are from renewable sources.
TIMELINE: EEP began in 2010, with 1,574 projects implemented since then and saving more than €2.2 billion. REP potential savings in energy OPEX could reach more than 25% in 2030.
This contributes to the progress of SDG 13 through TEF's energy consumption, % of RE and % of renewable electricity at owned installations KPIs.
[Add row]

(3.1.2) Provide the amount and proportion of your financial metrics from the reporting year that are vulnerable to the substantive effects of environmental risks.

Climate change

(3.1.2.1) Financial metric

Select from:
☑ OPEX

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

8070000

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:
☑ Less than 1%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

10100000

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

☑ Less than 1%

(3.1.2.7) Explanation of financial figures

The amount of OPEX vulnerable to transition risks is derived from the Purchase of RE Certificates in Spain, Germany, Brazil, Colombia, Chile and Peru and Chile Energy consulting costs, PPA consulting costs (€8.07M) (linked to Risk nº 3).

The amount of OPEX vulnerable to physical risks is derived from the implementation of an Energy Management System (EMS) (€100k) in accordance with the ISO 14001 standard (linked to Risk nº 1). All our operators have an externally certified EMS. Our EMS(s) enable(s) us to manage our most critical environmental aspects, such as energy and waste, as well as others that are less relevant due to the nature of our operations (biodiversity, water, noise). It is worth mentioning that we were not subject to any significant environmental penalties in 2023. And also, from costs associated with the implementation of GBCS in all countries and the average costs not covered by our insurance premium (€10M) (linked with Risk nº 2). The Global Business Continuity System included in our Adaptation Plan to manage risks proactively, ensures the utmost resilience of our operations in the event of any possible interruption.

Climate change

(3.1.2.1) Financial metric

Select from:

☑ CAPEX

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

350000

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

☑ Less than 1%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

10100000

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

☑ Less than 1%

(3.1.2.6) Amount of CAPEX in the reporting year deployed towards risks related to this environmental issue

10450000

(3.1.2.7) Explanation of financial figures

The amount of CapEx vulnerable to transition risks is derived from self-generation project investment (€350k) (linked with Risk nº 3). We have currently 484 systems installed (both in fixed network buildings and in mobile network base stations). These systems not only contribute to improving our electricity use through renewable sources but also allow us to avoid using fossil fuel-based generators in isolated (off-grid) base stations, achieving considerable reductions in consumption, which range between 70% and 100%.

The amount of Capex vulnerable to physical risks comes from the CAPEX involved in the implementation of the project from the Energy Efficiency Plan (€10,100,000) (link with Risk nº 1). Allows us to manage this risk, but we also consider it an opportunity because it provides us with an important competitive advantage in our sector as it increases the efficiency & resilience of our networks & reduces our operating costs. The EEP promotes projects aimed at reducing energy consumption and cooling needs, such as free cooling, the renovation of power plants and AC, or the inclusion of technical specifications in the purchase of network equipment so that it can operate at higher temperatures.
[Add row]

(3.5) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Select from:

☑ No, and we do not anticipate being regulated in the next three years

(3.6) Have you identified any environmental opportunities which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

	Environmental opportunities identified
Climate change	*Select from:* ☑ Yes, we have identified opportunities, and some/all are being realized

[Fixed row]

(3.6.1) Provide details of the environmental opportunities identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp1

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

☑ Other products and services opportunity, please specify **:**Development and/or expansion of low emission goods and services

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Downstream value chain

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ Peru
☑ Chile
☑ Spain
☑ Brazil
☑ Mexico
☑ Venezuela (Bolivarian Republic of)
☑ Ecuador
☑ Germany
☑ Uruguay
☑ Colombia
☑ Argentina

(3.6.1.8) Organization specific description

Telefónica has identified opportunities in a low-carbon economy to grow the business by selling products that reduce the carbon emissions of our customers and other sectors. In this regard, digitalisation will be essential in tackling the transition to a low-carbon economy. According to the Smarter 2030, the ICT sector has the potential to reduce 3.6 GtCO2 by 2030. Telefónica's business strategy is committed to the digital revolution to address environmental challenges, promoting the sale and development of new products in the following business lines: services based on the IoT, Cloud, Big Data and Broadband Connectivity. High growth forecasts of these technologies and their usefulness in the fight against change climate, results in the main opportunity presented for Telefónica in a scenario transition to an emission-free economy.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Increased revenues resulting from increased demand for products and services

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Medium-term
☑ The opportunity has already had a substantive effect on our organization in the reporting year

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☑ Virtually certain (99–100%)

(3.6.1.12) Magnitude

Select from:

☑ High

(3.6.1.13) Effect of the opportunity on the financial position, financial performance and cash flows of the organization in the reporting period

Telefónica estimates potential increases in revenues due to products and services that we currently have in our portfolio that serve to tackle climate change. In 2023, thanks to the efficiencies generated by Eco Smart and connectivity services, Telefónica's customers avoided a total of 86.142 million tonnes of CO2. This demonstrates the capacity of new technologies to accelerate the transformation of the economy into a low-carbon model. The positive effect of these services on Telefónica's financial position is evident as increased sales of low-carbon products boost revenues. These technologies also enhance the company's revenue streams by meeting growing customer demand for low-carbon solutions. The cost of implementing these types of services is related to Telefonica's taxonomy-aligned CAPEX during the reporting year, which has been verified by an external and independent third party.

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Telefónica estimates potential increases in revenues due to increased demand for technological solutions and development of new products and services, which will allow Telefónica to seize new business opportunities through our Eco Smart solutions and services which we will develop in the coming years based on innovative technologies such as 5G and artificial intelligence (AI). According to estimates by Precedence Research, the global green tech market will grow from 553 billion in 2021 to more than 690.3B in 2030. Additionally, a study by the Exponential Roadmap initiative indicates that while the telecommunications sector is responsible for just 1.4% of global emissions, the development of digital technologies can contribute significantly to cutting emissions across other sectors. According to the study, the implementation of digital solutions in sectors such as energy, industry, agriculture, building, and transport has the potential to reduce fuel-related emissions by 15% by 2030, and by a further 35% indirectly through its ability to transform people's habits. The cost of implementing these types of services is related to Telefonica's taxonomy-aligned CAPEX during the reporting year, which has been verified by an external and independent third party.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ Yes

(3.6.1.16) Financial effect figure in the reporting year (currency)

656000000

(3.6.1.19) Anticipated financial effect figure in the medium-term - minimum (currency)

1100000000

(3.6.1.20) Anticipated financial effect figure in the medium-term - maximum (currency)

1100000000

(3.6.1.23) Explanation of financial effect figures

The potential financial impact has thus been estimated based on:

- Telefónica's revenues associated to Digital Services in 2022, categorized by country

- Global growth projections for digital services. According to Market Research Future, nosiness growth in the Digital Services market is estimated to increase more than 80% by 2030 from a 2022 base year.

For the reporting year, the financial impact of this opportunity comes from:

Σ [(current Digital Services revenues) x (% of these services associated to tackle climate change)].

For medium-term, the financial impact of this opportunity comes from:

Σ [(current Digital Services revenues) x (Expected growth to 2030 of these services) x (% of these services associated to tackle climate change)].

(3.6.1.24) Cost to realize opportunity

11000000

(3.6.1.25) Explanation of cost calculation

Overall, the cost corresponds to the proportion of the taxonomy-aligned CapEx associated with TEF digital services, as per CapEx defined in section '1.1.2. KPI related to capital expenditure' of the COMMISSION DELEGATED REGULATION (EU) 2021/2178. The reported Taxonomy figures have been verified by and external and independent third party: Σ [Taxonomy-aligned digital services/IOT Capex] = 11,000,000€

(3.6.1.26) Strategy to realize opportunity

TEF, a founding member of the EU Green Digital Coalition, is advancing new digital services based on broadband connectivity, IoT, cloud, and big data to optimize resource consumption and reduce environmental impact. The Telefónica Tech business unit is pivotal in scaling these digital services, helping B2B customers transition to a more digital and sustainable world.

SITUATION: Technological advancements offer innovative opportunities. The global green tech market is projected to grow from 553 billion in 2021 to over 690.3 billion by 2030.
TASK: TEF aims to leverage cloud, AI, blockchain, IoT, and other technologies to combat climate change, promote sustainability, and enhance environmental management.
ACTION: TEF has created in 2023 a new business department who reports directly to the CSO, the "ESG Customer and business development" area which focuses on integrating ESG in the commercial offer and in the innovation and development processes of P&S, in order to obtain a competitive advantage that allows us to capture the new market opportunities that are being generated in terms of sustainability. TEF has also invested in MITIGA, a climate technology company focused on minimizing climate-related risks.
RESULT: In 2023, the solutions catalogue of Telefónica Tech and various regional units were evaluated, verifying that 52% of the services offered for B2B customers generate environmental benefits and help mitigate their environmental impact. The remaining companies will be assessed by the end of 2025, according to the Group's Strategic Plan. TEF anticipates increased demand for tech solutions to implement more sustainable processes, seizing new business opportunities through EcoSmart solutions and services such as 5G and AI.
TIMELINE: Since 2019, Telefónica Tech has driven the growth of digital services in IoT, Big Data, cloud, and cybersecurity. TEF's offerings include EcoSmart services focusing on energy, water consumption and CO2 emissions reduction, and circular economy integration. Other initiatives are an emissions calculator, Eco Rating for phones, buyback and sale of refurbished phones, and sustainability marketing training. Sustainable tech applications include drones, cloud, and IoT for agriculture, digitalization of sea harbours, intelligent waste management, monitoring of urban trees, and certified sustainable construction. Telefónica Tech launched in 2019 and will continue to boost the growth of digital services in the upcoming years.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp2

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Resource efficiency

☑ Cost savings

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ Peru
☑ Chile
☑ Spain
☑ Brazil
☑ Mexico
☑ Venezuela (Bolivarian Republic of)
☑ Ecuador
☑ Germany
☑ Uruguay
☑ Colombia
☑ Argentina

(3.6.1.8) Organization specific description

Since the electricity consumption of our network is high, TEF sees a major opportunity associated with cost reductions arising from energy management. By being more efficient in the use of this resource, the operating costs of our networks will be reduced.

TEFs Energy Efficiency Plan (EEP) allows us to manage this opportunity. The EEP promotes projects aimed at reducing energy consumption and cooling needs, such as free cooling, the renovation of power plants and AC, or the inclusion of technical specifications in the purchase of network equipment so that it can operate at higher temperatures.

Additionally, the Sustainable Platform Design project, which is part of the Autonomous Network Journey program, includes technology initiatives such as modernising our network by replacing copper with fibre optics (85% more efficient); deploying 5G (which is up to 90% more efficient than 4G); virtualisation; cloud migration; implementing Power Saving Features (PSFs) and AI/machine learning (ML) platforms to optimise energy consumption while maintaining quality; shutting down legacy networks to minimise network co-existence; modernising infrastructure and renovating power plants and HVAC equipment; free cooling; immersion cooling; shutting down HVAC equipment; reducing fuel consumption by using hybrid stations with solar photovoltaic energy; delaying the ignition of generators using deep-cycle lithium batteries; and using more environmentally friendly fuels such as hydrogen/methanol.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Reduced indirect (operating) costs

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Medium-term
☑ The opportunity has already had a substantive effect on our organization in the reporting year

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☑ Virtually certain (99–100%)

(3.6.1.12) Magnitude

Select from:

☑ High

(3.6.1.13) Effect of the opportunity on the financial position, financial performance and cash flows of the organization in the reporting period

The Telecom sector is not intense in terms of fossil fuels but is very dependent on the electricity consumption for its networks. In 2023, our total electricity consumption reached 5,739,167 MWh. Thanks to the implementation of energy efficiency projects included in its Energy Efficiency Plan (EEP), Telefónica has reduced its energy consumption by 8.6% compared to 2015, an 8.6-fold increase in the traffic handled by its network. Thus, reducing the indirect operating costs associated to energy consumption. In 2023, the EEP allowed us to implement 170 energy efficiency and management initiatives, (saving 281 GWh).

On the other hand, realizing this opportunity requires a significant investment of OPEX and CAPEX into the Energy Efficiency Plan, which allow Telefonica to improve its infrastructure of fixed and mobile networks, offices and data centres.

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Telefónica's Energy Efficiency Plan (EEP) and Sustainable Platform Design are set to significantly improve the company's financial position by enhancing energy management through initiatives like free cooling, network modernization, and the adoption of efficient technologies.
By seizing this opportunity, Telefónica will achieve lower operational expenses, thereby strengthening the company's financial position and boosting profitability. On the other hand, realizing this opportunity will require increased investment in OPEX and CAPEX for the Energy Efficiency Plan. This investment will be directed towards further improving infrastructure across fixed and mobile networks, offices, and data centers.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ Yes

(3.6.1.16) Financial effect figure in the reporting year (currency)

44000000

(3.6.1.19) Anticipated financial effect figure in the medium-term - minimum (currency)

195000000

(3.6.1.20) Anticipated financial effect figure in the medium-term - maximum (currency)

195000000

(3.6.1.23) Explanation of financial effect figures

The financial impact of this opportunity is calculated by projecting:

- *Company's energy consumption considering energy efficiency measures.*
- *Company's energy consumption without taking into account energy efficiency measures*
- *For the time horizon beyond the reporting year, the average cost of electricity based on the NZE scenario.*

We have also taken into account that these estimated savings will increase if energy prices or taxes increase in the future. Overall, the financial impact of this opportunity comes from: Σ [(BAU's energy consumption) – (MLS's energy consumption) x (Δ Avg cost of electricity)

(3.6.1.24) Cost to realize opportunity

10200000

(3.6.1.25) Explanation of cost calculation

The cost to realize this opportunity considers the CAPEX involved in the EEP, in projects that are mainly developed in our infrastructures of fixed and mobile network, offices and data centres, which amounted to €10,2M.: Σ [Energy Efficiency Projects CAPEX (98%) + EMS (2%)] = 10,200,000€

(3.6.1.26) Strategy to realize opportunity

Through the EEP and the Sustainable Platform Design project, which is part of the ANJ program, we aim to decouple the growth of our business from energy consumption, giving us a significant competitive advantage in our sector.
SITUATION: Energy efficiency is a global priority due to the high cost, external market dependence, and environmental impact of traditional energy sources.
TASK: TEF must launch initiatives to reduce energy consumption as service demand increases.

ACTION: The EEP reduces electricity use through measures like temperature set points, free cooling, automatic shutdowns, monitoring systems, infrastructure modernization, and efficient base station planning. In 2020 and 2021, TEF tested 5G network functionalities and AI/ML platforms to optimize energy consumption by automating threshold settings, shutting down cells during off-peak hours, and performing periodic quality checks. The Sustainable Platform Design project includes modernizing the network by replacing copper with fibre optics (85% more efficient), deploying 5G (up to 90% more efficient than 4G), virtualization, cloud migration, implementing Power Saving Features (PSFs), and AI/ML platforms to optimize energy use while maintaining quality. It also involves shutting down legacy networks, modernizing infrastructure, renovating power plants and HVAC equipment, free cooling, immersion cooling, reducing fuel consumption with hybrid stations using solar photovoltaic energy, delaying generator ignition with deep-cycle lithium batteries, and using environmentally friendly fuels like hydrogen/methanol.
RESULT: Thanks to the implementation of more than 1574 energy efficiency projects since 2010, TEF has reduced energy consumption by 8.6% compared to 2015, while the traffic managed by its networks has increased 8.6-fold. In 2023, 170 energy efficiency and management initiatives were rolled out in TEF's networks and offices, saving 281 GWh. This has contributed a financial saving of more than 2.2 billion€ for the Company since 2010. The Power Usage Effectiveness of our main data centres reached a value of 1.69 in 2023. In 2023, AI/ML platforms were deployed in Germany with savings (additional to the savings from the 4G/5G PSFs already active) of up to 5%.
TIMELINE: The EEP began in 2010, with ongoing measures to enhance the decarbonization transition of services. On the other hand, the Autonomous Network Journey was launched in 2021.

Climate change

(3.6.1.1) Opportunity identifier

Select from:
☑ Opp3

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Energy source
☑ Use of low-carbon energy sources

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:
☑ Upstream value chain

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ Peru
☑ Chile
☑ Spain
☑ Brazil
☑ Mexico
☑ Venezuela (Bolivarian Republic of)
☑ Ecuador
☑ Germany
☑ Uruguay
☑ Colombia
☑ Argentina

(3.6.1.8) Organization specific description

TEF has identified a major opp associated with the use of renewable energy. This opp provides us with a major competitive advantage, as it reduces our exposure to fuel and energy price volatility or potential water shortages for hydroelectric generation and delivers significant energy OpEx savings. Our strategic goal is to ensure 100% of our electricity consumption comes from renewable sources by 2030.
The Renewable Energy Plan (REP) includes self-generation, purchasing renewable energy with Guarantees of Origin (GoO), distributed generation, and long-term Power Purchase Agreements (PPAs). This approach reduces exposure to market variations and achieves significant electricity cost savings. Key milestones were achieved before 2023: In Germany, TEF signed two PPAs: one for 2025-2035 covering 54% of operations (350 GWh/year), and another for 2025-2040 covering 33%. In Spain, four PPAs for 2022-2031 began in 2022, covering 30% of consumption (482 GWh/year). Another PPA signed in 2020 brings the total in Spain to 582 GWh, covering 50% of technical buildings' consumption. GoO programs enabled Argentina and Ecuador to certify 10% and 41% of their electricity as renewable, respectively. Colombia increased to 89%, and Chile achieved 100%, joining Europe, Brazil, and Peru. Globally, 61% of operations are certified as renewable. Operations in Germany, Spain, Brazil, Peru and Chile also certified 100% of RE at 3rd-party sites, enabling us to reach a figure of 87% globally.

(3.6.1.9) Primary financial effect of the opportunity

Select from:
☑ Reduced indirect (operating) costs

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply
☑ Medium-term
☑ The opportunity has already had a substantive effect on our organization in the reporting year

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:
☑ Virtually certain (99–100%)

(3.6.1.12) Magnitude

Select from:

☑ Medium-high

(3.6.1.13) Effect of the opportunity on the financial position, financial performance and cash flows of the organization in the reporting period

Telefónica has identified a significant opportunity in transitioning to renewable energy, which is expected to positively impact its financial position, performance, and cash flows across medium term horizon. By reducing dependence on volatile fuel prices through Power Purchase Agreements (PPAs) and self-generation renewable energy, the company achieves greater cost stability, resulting in immediate savings in both direct and indirect operating costs.

In 2023, we ensure OPEX savings linked to PPAs thanks to a less direct energy cost and the minimization of market fluctuations.

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Telefónica has identified a significant opportunity in transitioning to renewable energy, which is expected to positively impact its financial position, performance, and cash flows across medium term horizon. By reducing dependence on volatile fuel prices through Power Purchase Agreements (PPAs) and self-generation renewable energy, the company achieves greater cost stability, resulting in immediate savings in both direct and indirect operating costs.

Over the medium to long term, Telefónica's goal of sourcing 100% renewable electricity by 2030 will further decrease direct energy costs and minimize exposure to market fluctuations. Additionally, the purchase of renewable energy through Guarantees of Origin (GoO) contributes to the company's renewable energy targets, though it does not directly impact price volatility. Overall, these strategies will enhance profitability and cash flow management while reducing long-term energy costs

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ Yes

(3.6.1.16) Financial effect figure in the reporting year (currency)

63000000

(3.6.1.19) Anticipated financial effect figure in the medium-term - minimum (currency)

75000000

(3.6.1.20) Anticipated financial effect figure in the medium-term - maximum (currency)

75000000

(3.6.1.23) Explanation of financial effect figures

The financial impact is calculated by projecting what the energy consumption of our network and the kWh price would be in the climate scenario analysed (IEA NZE 2050) and what is the potential average price of energy that we can achieve thanks to the purchase agreements executed under our Renewable Energy Plan. We consider different mixes between the following solutions: self-generation, purchasing renewable energy with guarantees of origin, and long-term Power Purchase Agreement (PPAs). According to our calculations, taking into account the time horizons and the percentage of renewable energy that we will consume in each of the countries, and the path defined in our Renewable Energy Plan, we have the objective of achieving 100% of electricity consumption from renewable sources by 2030. Additionally, the potential savings associated to a reduction in our Scope 2 emissions have been estimated using Telefónica's internal emissions projections, the expected carbon price for each geography, and the savings associated with avoided emissions.

Overall, the financial impact of this opportunity comes from: Σ [(Electricity consumption covered by PPA) x (Δ Savings in electricity price of each PPA)]

(3.6.1.24) Cost to realize opportunity

8420000

(3.6.1.25) Explanation of cost calculation

The cost of management considers the costs associated to:

- *Purchase of RE Certificates (OPEX) in Argentina, Spain, Brazil, Colombia, Chile, Ecuador, Germany and Peru*
- *Energy consulting costs (OPEX)*
- *PPA consulting costs (OPEX)*
- *Self-generation project investment (CAPEX)*

Overall, the cost of management comes from: Σ [PPA (2%) + GOO (90%) + REP Capex (8%)] = 8,420,000€

(3.6.1.26) Strategy to realize opportunity

Our strategic goal is to ensure 100% of our electricity consumption comes from renewable sources by 2030. The Renewable Energy Plan (REP) includes self-generation, purchasing renewable energy with Guarantees of Origin (GoO), distributed generation, and long-term Power Purchase Agreements (PPAs). This approach reduces exposure to market variations and achieves significant electricity cost savings.
SITUATION: The electricity consumption of our network is high (5,739,167 MWh in 2023), so increases in kWh price due to the increase on the fuels or a lower availability of water for hydroelectric generation taxes may incur high costs for Telefónica.

TASK: TEFs CC strategy includes 3 global energy and GHG emissions targets. One of them focus on taking advantage of this opportunity: Commit to REs as a sustainable source for our business, achieving 100% of electricity consumption from RE by 2030.
ACTION: In 2016, TEF established the REP, considering all kinds of solutions: self-generation, purchasing RE with guarantees of origin, distributed generation & long-term PPAs. Our goal, as part of the RE100 initiative, is for the electricity we consume in all our operations to come entirely from renewable sources by 2030.
RESULT: The programme for the purchase of renewable electricity with a GoO covers up to 100% of electricity consumption in countries such as Spain, Germany, Brazil, Peru, and Chile, and has also been extended to other countries. In 2023, Argentina, Ecuador and Colombia continued to increase their renewable electricity consumption to 10%, 41% and 89% respectively. On the other hand, PPAs cover 50% of the consumption of the operator's technical buildings in Spain, TEF Germany has signed two PPA agreements for the period 2025-2040, equivalent to 550 GWh per year, covering 87% of the total consumption of their operations, and TEF Brazil has several "Distributed Generation" (DG) agreements that will supply more than 700 GWh/year and cover almost half of the electricity consumption of its networks. Thanks to the REP, 82% of the energy consumed comes from renewable sources (4,921,777.53 MWh out of 6,011,860.84 MWh) and 74% of the electricity consumed (373,363 MWh) in the data centres we operate (both our own and those of 3rd parties) comes from renewable sources,
TIMELINE: Measures and actions will continue to be implemented in the upcoming years. The REP projects potential savings in energy OPEX that could reach more than 25% in 2030.

Climate change

(3.6.1.1) Opportunity identifier

Select from:
☑ Opp4

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Capital flow and financing
☑ Access to new financing options

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:
☑ Upstream value chain

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply
☑ Peru
☑ Ecuador

☑ Chile
☑ Spain
☑ Brazil
☑ Mexico
☑ Venezuela (Bolivarian Republic of)
☑ Germany
☑ Uruguay
☑ Colombia
☑ Argentina

(3.6.1.8) Organization specific description

In 2020,the EU agreed to reduce GHG emissions by 55% by 2030, which is expected to require an additional investment of approx. €700billion per year. According to the "2021 Institutional Investor Survey", 97% of investors consider climate risk as very or somewhat important in their investment decisions and 61% expect more transparency from companies.
The European telco sector is a major contributor to the fight against CC. TEF is investing in greening its own ops and rolling out more energy-effic. next gen networks, which play an important enabling role for smart solutions, thus reducing the env imp across other sectors of the economy and society.
TEF is a pioneer in the capital market in terms of sust finance and stands out for the volume and diversification of its financ. instruments. TEF uses green bonds and hybrid green and sust instruments to finance projects with a positive env imp, as defined in its sust financ framework These operations are supported by the Sust. Finance Framework, last updated in July 2023 to keep in line with best market practice and investor expectations. The framework is aligned with benchmark standards such as the Green Bond Principles promoted by ICMA, among others. It has also been endorsed by Sustainalytics' Second Party Opinion.Besides, TEF uses other sust banking financing instruments, such as loans and credits linked to sustainability objectives, which enable it to make progress in achieving corporate targets linked to emissions reduction.

(3.6.1.9) Primary financial effect of the opportunity

Select from:
☑ Increased access to capital

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply
☑ The opportunity has already had a substantive effect on our organization in the reporting year

(3.6.1.12) Magnitude

Select from:
☑ High

(3.6.1.13) Effect of the opportunity on the financial position, financial performance and cash flows of the organization in the reporting period

In the reporting period, the use of financial instruments such as bonds, hybrids, and bank financing has significantly impacted Telefónica's financial position, performance, and cash flows. These tools are increasingly key for the Group's financing strategy and support the transition towards a more sustainable economy. The strong demand from investors for all Telefónica's issuances, mainly international, makes possible to increase the amount of financing obtained and to improve financing conditions significantly, with very competitive interest rates.
As an example, Telefónica's green senior bond (EUR 850 million) issued in November 2023, was positively received by institutional investors, over 90% international, with nearly 200 orders and a book of 2,500 million, which prompted the company to increase the volume issued with respect to the initially foreseen. In addition, the conditions have been significantly improved, from the initial indications, with a spread of 135-140 basis points, to the final spread of 110 basis points. The final coupon has been set at 4.183% (please see: https://www.telefonica.com/en/communication-room/press-room/telefonica-issues-a-e850-million-green-bond/) By the end of 2023, the sustainable financing activity of the Group's financing reached 33.6% of the Company's total financing.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:
☑ Yes

(3.6.1.16) Financial effect figure in the reporting year (currency)

2600000000

(3.6.1.23) Explanation of financial effect figures

The financial impact figure of this opportunity is approached quantitatively using the following variables:
a)Sustainable financing balance sheet debt (accounted under current and non-current financial liabilities items), hybrids (accounted under current and non-current financial liabilities items), and undrawn committed credit lines.
b)It is considered linked to ESG:
- use of proceeds allocation in the eligible category projects are those included in a Framework duly validated by a Second Party Opinion, like the corporate Telefónica's Sustainable Financing Framework, regularly updated in accordance with ICMAs or other recognized standards.
- financing linked to the ESG performance supported by a Sustainable Financing Framework according to ICMA, LMA, or LSTA principles for ESG-linked instruments, duly validated by a Second Party Opinion.
- financing linked to ESG key performance indicators endorsed by the financial entities with which the operation is undertaken.
For the reporting year (2023) the following instruments were issued and thus considered to calculate the total financial effect: green hybrid bond for an amount of 1 billion (January); green hybrid amounting to €750 Million (September); and green senior bond for an amount of €850 million (November).

(3.6.1.24) Cost to realize opportunity

300000

(3.6.1.25) Explanation of cost calculation

Seizing this opportunity requires a specialized multidisciplinary team that understands both finance and sustainability. This team is responsible for identifying, assessing and interacting with sustainable financial markets. Other costs are related to obtaining second opinions, maintaining the sustainable financial frameworks and reporting and auditing all issuances.

Most relevant costs linked with this opportunity (<300k€) is having a qualified team in both areas of expertise: finance and sustainability. These teams are responsible for identifying, assessing and accessing sustainable financial (SF) markets. TEF has had these teams in place for years. The cost of the opportunity also includes fees associated with Maintaining and updating the SF frameworks and obtaining a second party opinion, as well as costs associated with the process of reporting and auditing TEF's sustainable issuances.

(3.6.1.26) Strategy to realize opportunity

TEF uses green bonds and sustainable hybrid instruments to finance projects with a positive environmental impact as defined in its sustainable financing framework, like telecommunication network transformation and modernisation projects. TEF uses other sustainable bank financing instruments, such as loans and credit facilities linked to sustainability targets, to progress towards achieving its emissions reduction targets.
SITUATION: TEF is making a major investment effort to advance in the roll-out of high-speed telco networks, more efficient in terms of energy consumption and environmental impact than legacy networks. Also, digitalization is a key lever to decarbonize the global economy, as reflected in the EUs twin transition (green and digital). Access to SF is a key element in achieving this.
TASK: ESG criteria are an increasingly important factor in decision-making processes for investors & financial markets participants. Therefore, TEF seeks to strengthen its leadership in the field of sustainable finance. TEF ability to attract sustainable flows of capital reflects the impact and positive perception from investors of TEF's activity.
ACTION: In 2018, TEF published its SF framework (last updated in July 2023), endorsed by Sustainalytics' 2nd party opinion, aligned with the ICMAs Green, Social and Sustainable Principles. Funds are allocated to finance/refinance the transformation of high-speed fixed and mobile networks (green projects), improve mobile broadband coverage in rural areas and support entrepreneurship (social projects).
RESULT: TEF is among the market leaders in its sector in terms of issuance volume and diversification of instruments. At the end of 2023, the TEF Group's Sustainable finance activity amounted to €18.8 billion, representing 33.6% of total financing. TEF was the 1st company in the sector to issue a green bond (€1bn) in 2019, the first green hybrid (€500M) in 2020, and the sector's first sustainable hybrid (€1bn) in 2021. In 2023, two green hybrids (€1bn and €750M) were issued, as well as a new green senior bond (€850M). So far, TEF has issued €10bn in bonds and hybrids and has accessed €10bn in loans and facilities.
TIMELINE: By the end of 2023, the SF activity of the Group's financing reached 33.6% of the Company's total financing. As this figure is within the range of the 30-35% target set for 2024, the Company has announced an updated target of around 40% of the financing activity to meet sustainable criteria by 2026
[Add row]

(3.6.2) Provide the amount and proportion of your financial metrics in the reporting year that are aligned with the substantive effects of environmental opportunities.

Climate change

(3.6.2.1) Financial metric

Select from:

☑ Revenue

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

656000000

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

☑ 1-10%

(3.6.2.4) Explanation of financial figures

Figures reported come from the taxonomy-aligned financial indicators disclosed for the 2023 financial year. 656 million euros represented the revenues derived from digital services/solutions providing data and analysis that enable the reduction of GHG emissions associated with other activities (Climate Change Mitigation activity 8.2. of the European Taxonomy). These revenues are linked to opportunity nº 1; all digital services based on broadband connectivity, the Internet of Things (IoT), the cloud and big data, which have the potential to optimise our customers' resource consumption and reduce their impact on the environment.

Climate change

(3.6.2.1) Financial metric

Select from:

☑ CAPEX

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

44000000

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

☑ Less than 1%

(3.6.2.4) Explanation of financial figures

Figures reported come from the taxonomy-aligned financial indicators disclosed for the 2023 financial year. 44 million euros represented the CapEx derived from the right-of-use additions recognised in accordance with IFRS 16, as well as additions of property, plant and equipment and intangible assets and right-of-use additions arising from business combinations of: 1. Digital services/solutions providing data and analysis that enable the reduction of GHG emissions associated with other activities (Climate Change Mitigation activity 8.2. of the European Taxonomy); and 2. Some specific measures implemented to improve the energy efficiency of telecommunications networks (33 million euros) (CCM 8.2.), energy saving measures for equipment (8 million euros) (CCM 7.3.) and for installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings(3 million euros) (CCM 7.5.), as well as the installation of charging points for electric vehicles in buildings (0.04 million euros) (CCM 7.4.). CapEx is linked to opportunity nº 1 all digital services based on broadband connectivity, the Internet of Things (IoT), the cloud and big data, which have the potential to optimise our customers' resource consumption and reduce their impact on the environment. And also linked to opportunity nº 2, specifically with the projects aimed at reducing energy consumption and cooling needs, such as free cooling, the renovation of power plants and AC, or the inclusion of technical specifications in the purchase of network equipment so that it can operate at higher temperatures, as the replacement of ACs, power supply systems, lights or electricity generation and the service is paid for by sharing the savings resulting from the measures implemented.

Climate change

(3.6.2.1) Financial metric

Select from:

☑ OPEX

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

200000

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

☑ Less than 1%

(3.6.2.4) Explanation of financial figures

Figures reported come from the taxonomy-aligned financial indicators disclosed for the 2023 financial year. 0.2 million euros represented the OpEx derived come from direct non-capitalised costs related to short-term leases, maintenance and repairs, and any other direct expenditures relating to the day-to-day servicing of property, plant and equipment assets that are necessary to ensure the continued and effective functioning of digital services/solutions providing data and analysis that enable the reduction of GHG emissions associated with other activities (Climate Change Mitigation activity 8.2. of the European Taxonomy). This Opex is linked to opportunity nº 1 all digital services based on broadband connectivity, the Internet of Things (IoT), the cloud and big data, which have the potential to optimise our customers' resource consumption and reduce their impact on the environment.
[Add row]

C4. Governance

(4.1) Does your organization have a board of directors or an equivalent governing body?

(4.1.1) Board of directors or equivalent governing body

Select from:

☑ Yes

(4.1.2) Frequency with which the board or equivalent meets

Select from:

☑ More frequently than quarterly

(4.1.3) Types of directors your board or equivalent is comprised of

Select all that apply

☑ Executive directors or equivalent

☑ Non-executive directors or equivalent

☑ Independent non-executive directors or equivalent

(4.1.4) Board diversity and inclusion policy

Select from:

☑ Yes, and it is publicly available

(4.1.5) Briefly describe what the policy covers

Telefónica's Diversity and Inclusion Policy in relation to the Board of Directors and their selection, intends to ensure that proposals for the appointment or re-election of Directors are based on a prior analysis of the skills required by the Company's Board of Directors, and encourage diversity of knowledge, training and professional experience, of age, disability and gender, without implicit biases that could imply any discrimination, in particular on the grounds of gender, disability or any other personal condition, and which facilitate the selection of a number of female directors that enable a balanced presence of women and men.

(4.1.6) Attach the policy (optional)

Diversity-and-Inclusion-Policy.pdf
[Fixed row]

(4.1.1) Is there board-level oversight of environmental issues within your organization?

	Board-level oversight of this environmental issue
Climate change	*Select from:* ☑ Yes
Biodiversity	*Select from:* ☑ Yes

[Fixed row]

(4.1.2) Identify the positions (do not include any names) of the individuals or committees on the board with accountability for environmental issues and provide details of the board's oversight of environmental issues.

Climate change

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply
☑ Board-level committee

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:
☑ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

☑ Board Terms of Reference

☑ Board mandate

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

☑ Scheduled agenda item in some board meetings – at least annually

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

☑ Reviewing and guiding annual budgets

☑ Overseeing and guiding scenario analysis

☑ Overseeing the setting of corporate targets

☑ Monitoring progress towards corporate targets

☑ Approving corporate policies and/or commitments

☑ Overseeing and guiding the development of a climate transition plan

☑ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

☑ Other, please specify :Overseeing value chain engagement

☑ Overseeing and guiding public policy engagement

☑ Approving and/or overseeing employee incentives

☑ Monitoring the implementation of the business strategy

☑ Monitoring the implementation of a climate transition plan

☑ Overseeing and guiding the development of a business strategy

(4.1.2.7) Please explain

The Board of Directors (BOD) holds the highest level of responsibility for overseeing the company's Climate Change Strategy (CCS), including the oversight of the corporate targets setting process, and monitoring its progress as part of the Global Responsible Business Plan (GRBP). The BOD approves corporate policies and/or commitments, including policies related to environmental issues as well as emission reduction targets. The BOD is supported by 4 committees, including the Executive Commission, which manage specific aspects of climate-related responsibilities. The Sustainability and Regulation Committee (SRC) is the primary committee responsible for monitoring the organization's CCS. This committee oversees the implementation of the GRBP and, monitors the progress towards climate related targets ensuring the achievement of climate related KPIs, such as emissions reduction, renewable energy (RE), and energy efficiency (EE). The SRC also supervises the implementation of actions related to climate R&O providing an oversight and guidance when conducting scenario analysis. The Senior Managers who report to this committee on the CCS are the CSO (Chief Sustainability Officer) and the CTIO (Chief Technology & Information Officer) to the extent that this strategy affects their responsibilities. Additionally, the SRC is responsible for the management of TEF's supply chain and the development of the Climate Action Plan (CAP).

To integrate CC considerations into all levels of governance, the BOD has embedded these aspects into strategic indicators and targets across the company. The BOD also approves the company's Climate Action Plan (CAP), aligned with the 1.5ºC pathway, which includes analysis of different climate scenarios. This plan also anticipates various regulatory requirements and aligns with the TCFD recommendations, providing further details on climate-related R&O. The SRC, in turn, receives updates from the Energy & Climate Change Office, which is responsible for developing and implementing the plan, including setting targets. The plan encompasses various business models to ensure that the company meets its climate objectives. Moreover, the Audit and Control Committee plays a crucial supervisory role, particularly in the areas of compliance, risk management model analysis (climate risks included), progress verification, reviewing annual budgets, and the company's reporting processes. The Nominating, Compensation, and Corporate Governance Committee is responsible for assessing the skills, knowledge, and experience needed on the BOD, overseeing the variable compensation system, and approving the variable remuneration of all employees including the Board members. Some of the main decisions in 2023 focused on the evolution of the company's sustainability indicators. TEF announced its commitment to achieving a 90% reduction in its global operational emissions (Scope 1 and 2) and a 56% reduction in its value chain emissions by 2030.

Biodiversity

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

☑ Board-level committee

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

☑ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

☑ Board Terms of Reference

☑ Board mandate

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

☑ Scheduled agenda item in some board meetings – at least annually

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

☑ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

☑ Approving corporate policies and/or commitments

(4.1.2.7) Please explain

The BOD is in charge of approving corporate policies and/or commitments, including policies related to environmental issues. The BOD is supported by 4 committees, including the Executive Commission, which manage specific aspects of environmental-related responsibilities. Telefónica works towards being a decarbonised and circular company by using renewable energy, implementing energy efficiency projects, circular economy practices and biodiversity management. Telefonica's main commitment related with biodiversity (as defined in the Environmental Policy) is focused on protecting biodiversity through ecosystem preservation and natural capital improvement by considering both the interactions with biodiversity of the company's own operations and those from our value and supply chain. Additionally, the SRC is responsible for reviewing and guiding the assessment process for dependencies, impacts risk and opportunities, performed by the ESG Strategy area. The Senior Managers who report to this committee on the environmental strategy are the CSO (Chief Sustainability Officer) and the CTIO (Chief Technology & Information Officer) to the extent that this strategy affects their responsibilities.
[Fixed row]

(4.2) Does your organization's board have competency on environmental issues?

Climate change

(4.2.1) Board-level competency on this environmental issue

Select from:

☑ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

☑ Consulting regularly with an internal, permanent, subject-expert working group

☑ Engaging regularly with external stakeholders and experts on environmental issues

☑ Integrating knowledge of environmental issues into board nominating process

☑ Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)

☑ Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Additional training

☑ Course certificate (relating to environmental issues), please specify :ESG Academy/Foretica

[Fixed row]

(4.3) Is there management-level responsibility for environmental issues within your organization?

	Management-level responsibility for this environmental issue
Climate change	*Select from:* ☑ Yes
Biodiversity	*Select from:* ☑ Yes

[Fixed row]

(4.3.1) Provide the highest senior management-level positions or committees with responsibility for environmental issues (do not include the names of individuals).

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Chief Technology Officer (CTO)

(4.3.1.2) Environmental responsibilities of this position

Policies, commitments, and targets

☑ Measuring progress towards environmental corporate targets

☑ Setting corporate environmental targets

Strategy and financial planning

☑ Developing a climate transition plan

☑ Implementing a climate transition plan

☑ Managing annual budgets related to environmental issues

(4.3.1.4) Reporting line

Select from:

☑ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ Annually

(4.3.1.6) Please explain

The Chief Technology & Information Officer-CTIO is responsible to the design and development of networks and systems, assisting the operational businesses in the selection and implementation of technologies, management of main suppliers. In this sense, is also responsible for the monitoring of the climate-related issues and the achievement of the energy efficiency and reduction targets because on him/her depends the operation of our network, which is the main energy consumption source of Telefónica. In addition, network infrastructures are the most exposed to the physical Climate Change risks. In this context, the CTIO is also in charge to review and guide annual budgets on climate change mitigation actions, which is therefore managed by the regional CEO (OBs), as part of the approval of the strategic business plan. Additionally, the CTO is responsible for supporting in the development and implementation of the climate transition plan which includes climate change mitigation actions. The CTIO leads the Global Operations Department which, jointly with the Global Environment Department, lies within the Global Climate Change and Energy Efficiency Office (CC&EEO).

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Chief Sustainability Officer (CSO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Engagement

☑ Managing public policy engagement related to environmental issues

☑ Managing value chain engagement related to environmental issues

Policies, commitments, and targets

☑ Measuring progress towards environmental corporate targets

☑ Measuring progress towards environmental science-based targets

☑ Setting corporate environmental targets

Strategy and financial planning

☑ Conducting environmental scenario analysis

☑ Developing a climate transition plan

☑ Implementing a climate transition plan

Other

☑ Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from:

☑ Other, please specify **:**Director Chief Corporate Affairs and Sustainability Officer

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ Quarterly

(4.3.1.6) Please explain

The Global Sustainability Direction, led by the Chief Sustainability Officer (CSO), is responsible for:

a)Monitoring the achievement of CC targets, focusing on emissions reduction.

b)Coordinating and managing the ESG strategy, including climate-related issues.

c)Managing public policy and value chain engagement related to environmental issues including climate related topics.

d)Assessing and managing climate-related R&O based on climate scenarios.

Progress in climate-related areas, such as carbon reduction targets and renewable energy goals, is regularly reported to the Management Committee in each country and, at a global level, to the Sustainability and Regulation Committee. The CSO reports to this committee and is responsible for reviewing and reporting information on climate change KPIs. The CSO leads the Responsible Business Office and the Environment Department, which lies within the Global Energy and Climate Change Office (E&CCO). The E&CCO has the following responsibilities:

a) Assess and monitor Telefónica's environmental KPIs such as energy and fuel consumption, percentage of renewable electricity, scope 1,2 and 3 emissions.

b) Setting corporate environmental targets,

c) Develop and implementing transition plans.

d) Monitor performance against targets, for example, performance against carbon targets (SBTs), and against renewable targets (100%).

e) Review compliance with our stakeholders' expectations and ensure a high level of performance in climate-related indices.

f) Permanently monitor possible climate-related regulatory aspects which may affect the company's operations and compliance with stakeholders' expectations. The Responsible Business Office convenes quarterly, bringing together the heads of Global Sustainability, Compliance & Data Protection Officer (DPO), Internal Audit, Procurement, Data & Analytics, Global Consumer, Technology and Information, Legal Services, Strategy, and Finance, among others, to monitor the Responsible Business Plan.

[Add row]

Biodiversity

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Chief Sustainability Officer (CSO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Policies, commitments, and targets

☑ Monitoring compliance with corporate environmental policies and/or commitments

☑ Setting corporate environmental policies and/or commitments

Strategy and financial planning

☑ Developing a business strategy which considers environmental issues

☑ Implementing the business strategy related to environmental issues

(4.3.1.4) Reporting line

Select from:

☑ Other, please specify **:**Director Chief Corporate Affairs and Sustainability Officer

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ Quarterly

(4.3.1.6) Please explain

The Global Sustainability Direction, led by the Chief Sustainability Officer (CSO), is responsible for:

a) Monitoring the achievement of environmental targets, including biodiversity protection.

b)Coordinating and managing the ESG strategy, including Telefónica's interaction with nature.

c) Managing public policy and value chain engagement.

d) Assessing and managing nature-related R&O.

Progress in environmental-related areas, such as biodiversity, is regularly reported to the Management Committee in each country and, at a global level, to the Sustainability and Regulation Committee. The CSO reports to this committee and is responsible for reviewing and reporting information on environmental KPIs. The CSO leads the Responsible Business Office and the Environment Department, which leads the environmental strategy. Our strategy addresses the main drivers of biodiversity loss (such as climate change, resource exploitation and ecosystem use change), improves employee awareness on environmental topics, integrates environmental considerations across the business and supports our externally certified Environmental Management Systems, which allow Telefónica to monitor all the environmental aspects associated with our activities (energy, waste, emissions, biodiversity, water or noise). The Responsible Business Office convenes quarterly, bringing together the heads of Global Sustainability, Compliance & Data Protection Officer (DPO), Internal Audit, Procurement, Data & Analytics, Global Consumer, Technology and Information, Legal Services, Strategy, and Finance, among others, to monitor the Responsible Business Plan.

(4.5) Do you provide monetary incentives for the management of environmental issues, including the attainment of targets?

Climate change

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

☑ Yes

(4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

10

(4.5.3) Please explain

Since 2019, reduction of CO2 emissions at TEF is one of the nonfinancial KPIs to be considered in the calculation of the annual variable remuneration of all our employees, including the BOD, the Executive Chairman and the Chief Operating Officer (COO). Telefónica's remuneration policy aims to align the interests of executives and board members with the company's long-term objectives, which include carbon emissions reduction targets, scope 1 and 2 neutralization emissions, and other ESG initiatives. The remuneration of the Executive Directors in 2023 is divided into several components:

a) Short-Term Variable Remuneration: The metrics for 2023 were: Operating Income (30%), OIBDA (30%), Free Cash Flow (20%), and non-financial ESG objectives (20%) where up to 5% is linking with reducing GHG Emissions

b) Long-Term Variable Remuneration: The incentives were based on relative TSR (50%), Free Cash Flow (40%), and CO2 Emissions Neutralization (Scopes 1+2) (10%).
[Fixed row]

(4.5.1) Provide further details on the monetary incentives provided for the management of environmental issues (do not include the names of individuals).

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Corporate executive team

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

☑ Shares

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Achievement of environmental targets

☑ Reduction in absolute emissions in line with net-zero target

Strategy and financial planning

☑ Achievement of climate transition plan

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

a) The short-term variable remuneration (VR), applies to all employees including the executive members of the Board of Directors such as the Executive Chairman and the Chief Operating Officer. This variable remuneration is based on corporate objectives and is approved by the Board of Directors (BOD) at the beginning of each fiscal year. The BOD selects quantifiable and measurable metrics that best reflect the Telefónica Group's value creation levers: 80% of the objectives are operational and financial, and the remaining 20% are linked to sustainability (ESG) targets, aligned with the company's Corporate Plan. This includes a 5% weight for GHG emissions reduction within the short-term VR. The maximum level of the Short-Term Variable Remuneration in 2023 is set at 85,92% of the target for maximum achievement of the predetermined targets. To calculate the payment coefficient for each level of objective performance, a performance scale is determined for each metric, which includes a minimum threshold below which no incentive is paid. At 100% objective performance, the target Short-Term Variable Remuneration is paid, and at maximum objective performance, the maximum Short-Term Variable Remuneration is received. Therefore, Executive Directors may not receive any variable remuneration if the minimum performance thresholds are not met.
b) The long-term incentive plan (2021-2026) applies to executives, board members, C-suite, and other Directive members of the company and includes a 10% weight linked to the reduction/neutralization of CO2 emissions (Scopes 1 and 2 by 2025). The Plan allows participating Telefónica Group executives to receive a certain number of shares after a period of three years, based on the allocation of theoretical shares. These theoretical shares serve as the basis for determining the number of ordinary shares delivered under the Plan as variable remuneration, contingent on achieving the established objectives for each cycle.
c) For each cycle, the BOD determines a performance scale that includes a minimum threshold of 90% achievement, below which no incentive is paid. Achieving this threshold results in the delivery of 5% of the theoretical shares granted. At 100% achievement, 10% of the theoretical shares granted are delivered. Additionally, meeting a minimum level of emission reductions for Scopes 1 and 2, in line with the 1.5ºC scenario of the Paris Agreement, is necessary for this part of the incentive to be paid.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

TEF has set ambitious targets and strategic levers to align with a 1.5ºC pathway and achieve zero emissions by 2040, including value chain emissions, and neutralize unabated emissions through nature-based solutions. One key lever to reach our targets is incorporating climate change objectives into the variable remuneration system. Short-Term Incentives: The executive members of the Board of Directors' short-term incentives are linked to the achievement of emissions targets. Specifically, these incentives are tied to the reduction of absolute emissions in the short term. In our Climate Action Plan, we have set interim targets validated by the SBTi, such as reducing Scope 1 and 2 emissions by 90% in our main markets (Spain, Germany, and Brazil) by 2025, reducing these emissions by 90% in other markets by 2030, and reducing Scope 3 emissions by 56% by 2030. The incentives are tied to specific KPIs related to these short and medium-term objectives, with annual CO2 emissions reduction being the key KPI. By linking variable remuneration to emissions reduction targets, we prioritize environmental goals at the organizational level, motivating the Board of Directors to exceed interim targets and thereby contribute to the overall objective of reaching net zero emissions by 2040 at TEF. Long-Term Incentives: TEF's long-term commitment is to achieve net zero emissions from its operations and value chain globally by 2040, with an interim target of neutralizing the impact of Scope 1 and 2 unabated emissions from our main markets starting in 2025. This involves removing these emissions from the atmosphere and permanently storing them. The long-term incentive, applicable only to the Executive team, is directly linked to our target of reaching net zero emissions by 2040 and includes the annual neutralization of unabated emissions. To assess progress, the KPI used is the amount of CO2 emissions neutralized

through nature-based solutions. In this context, the short- and long-term variable remuneration scheme for the Corporate Executive team and directors is linked to achieving KPIs in our Climate Action Plan. By incorporating environmental metrics into the remuneration system, we foster a culture of sustainability throughout the company. This approach aligns individual and organizational goals with our climate objectives, ensuring that our commitment to reducing emissions and advancing our CCS is embedded in the Group's everyday strategy.
[Add row]

(4.6) Does your organization have an environmental policy that addresses environmental issues?

	Does your organization have any environmental policies?
	Select from: ☑ Yes

[Fixed row]

(4.6.1) Provide details of your environmental policies.

Row 1

(4.6.1.1) Environmental issues covered

Select all that apply
☑ Climate change
☑ Biodiversity

(4.6.1.2) Level of coverage

Select from:
☑ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Upstream value chain

☑ Downstream value chain

(4.6.1.4) Explain the coverage

The Environmental Policy has been developed in accordance with international standard ISO 14001:2015 and applies to all the companies in the Telefónica Group, regardless of location or business activity. For these purposes, the Telefónica Group is all companies in which Telefónica S.A. holds, directly or indirectly, the majority of shares, interests, or voting rights, or to the governing or management body of which Telefónica S.A. has appointed, or is entitled to appoint, the majority of members, so that it effectively controls the relevant company. Telefónica, S.A., as the ultimate parent company of the Group, is responsible for establishing the bases, tools and mechanisms required to adequately and efficiently coordinate Telefónica S.A. and all the other companies which make up the Group.

(4.6.1.5) Environmental policy content

Environmental commitments

☑ Commitment to a circular economy strategy

☑ Other environmental commitment, please specify **:To implement environmental management systems. To apply principles of continuous environmental improvement in our business. To foster innovation in digital services and products. To promote best management practice among our supply chain & partners.**

☑ Commitment to respect legally designated protected areas

☑ Commitment to comply with regulations and mandatory standards

☑ Commitment to take environmental action beyond regulatory compliance

☑ Commitment to stakeholder engagement and capacity building on environmental issues

Climate-specific commitments

☑ Commitment to 100% renewable energy

☑ Commitment to net-zero emissions

☑ Commitment to not invest in fossil-fuel expansion

☑ Other climate-related commitment, please specify **:**To minimise the impact of refrigerant gases. To introduce energy efficiency measures. To define GHG emission reduction targets, for Scope 1, 2 and 3, which are ambitious and science-based.

Social commitments

☑ Other social commitment, please specify **:**Please see Row 3: Supply Chain Sustainability Policy.

Additional references/Descriptions

☑ Description of environmental requirements for procurement

☑ Reference to timebound environmental milestones and targets

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

☑ Yes, in line with the Paris Agreement

(4.6.1.7) Public availability

Select from:

☑ Publicly available

(4.6.1.8) Attach the policy

Telef Global Environmental Policy 2019.pdf

Row 2

(4.6.1.1) Environmental issues covered

Select all that apply

☑ Climate change

(4.6.1.2) Level of coverage

Select from:

☑ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Upstream value chain

☑ Downstream value chain

(4.6.1.4) Explain the coverage

The Energy Management Policy is defined as part of the Telefónica Group's Environmental Policy and develops the principles of environmental management in the field of energy. It applies all Group companies regardless of their geographical location or activity. As parent company of the Group, Telefónica, S.A. is responsible for establishing the bases, instruments and mechanisms necessary to ensure successful, efficient coordination between itself and the other companies in the Group. This Policy seeks to provide a common frame of reference for setting targets and undertaking actions based on Telefónica's commitment to consume energy efficiently and reduce its greenhouse gas emissions in its move towards a company with net-zero carbon emissions.

(4.6.1.5) Environmental policy content

Environmental commitments

☑ Commitment to comply with regulations and mandatory standards

☑ Commitment to take environmental action beyond regulatory compliance

☑ Commitment to stakeholder engagement and capacity building on environmental issues

☑ Other environmental commitment, please specify **:*** To apply common energy management standards. * To incorporate criteria, gradually, for internalising the cost of energy and carbon. * To have our energy performance verified by an external organisation.

Climate-specific commitments

☑ Commitment to 100% renewable energy

☑ Commitment to net-zero emissions

☑ Commitment to not invest in fossil-fuel expansion

Additional references/Descriptions

☑ Reference to timebound environmental milestones and targets

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

☑ Yes, in line with the Paris Agreement

☑ Yes, in line with another global environmental treaty or policy goal, please specify **:**Global Environmental Policy.

(4.6.1.7) Public availability

Select from:

☑ Publicly available

(4.6.1.8) Attach the policy

Telef Energy Management Policy 2022.pdf

Row 3

(4.6.1.1) Environmental issues covered

Select all that apply

☑ Climate change

(4.6.1.2) Level of coverage

Select from:

☑ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

☑ Upstream value chain

(4.6.1.4) Explain the coverage

The 'Supply Chain Sustainability Policy' is applicable across all companies within the Telefónica Group. Its origins are in the Telefónica Business Principles which constitute the reference framework in the relationship of the Company with its different stakeholders, and more specifically in the commitment taken on by Telefónica with Sustainable Management in the Supply Chain. It applies to all Purchases of Products and Services for the Telefónica Group, regardless of its operations and geography. Similarly, it refers to the entirety of the Telefónica supply chain, applying to both direct and indirect suppliers.

(4.6.1.5) Environmental policy content

Environmental commitments

☑ Commitment to a circular economy strategy

☑ Commitment to comply with regulations and mandatory standards

☑ Commitment to take environmental action beyond regulatory compliance

☑ Commitment to stakeholder engagement and capacity building on environmental issues

☑ Other environmental commitment, please specify **:**The supplier must apply the principle of caution and shall commit to apply eco-efficient criteria in the development of its activity with Telefónica, regarding to consumption of materials, resources, and atmospheric emissions (Single Use Plastics).

Climate-specific commitments

☑ Other climate-related commitment, please specify **:**To take action to minimize the impact of its activities on climate change considering in its planning for such action the entire supply chain. To reduce its greenhouse gas emissions by setting reduction targets for the next 3 years.

Social commitments

☑ Adoption of the UN International Labour Organization principles

☑ Commitment to respect internationally recognized human rights

☑ Other social commitment, please specify **:*** UN Convention on the Rights of the Child) * OECD (The Organisation for Economic Co-operation and Development) guidelines, * United Nations initiatives of Global Compact. * Sustainable Development Goals and the defence of Human Rights. * ISO

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

☑ Yes, in line with another global environmental treaty or policy goal, please specify **:**Global Environmental Policy.

(4.6.1.7) Public availability

Select from:

☑ Publicly available

(4.6.1.8) Attach the policy

Telef Sust Supply Chain Policy 2020.pdf
[Add row]

(4.10) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

(4.10.1) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

Select from:

☑ Yes

(4.10.2) Collaborative framework or initiative

Select all that apply

☑ RE100

☑ SME Climate Hub

☑ UN Global Compact

☑ The Climate Pledge

☑ We Mean Business

☑ Race to Zero Campaign

☑ Exponential Roadmap Initiative

☑ Science-Based Targets Initiative (SBTi)

☑ Task Force on Climate-related Financial Disclosures (TCFD)

☑ Other, please specify **:European Green Digital Coalition, Business ambition for 1.5ºC, 1.5 Supply Chain Leaders, Planet Pledge, World Economic Forum's 1t.org, Spanish Green Growth Group, env-related WG of associations in the telecom sector such as ITU, ETNO, GSMA and JAC**

(4.10.3) Describe your organization's role within each framework or initiative

a) Since 2002, Telefónica (TEF) is an active participant of the UN Global Compact (UNGC), being one of the first Spanish companies who signed the 10 Principles of the UNGC to work on issues such as human rights, labour practices and the environment and currently engaged with the initiatives such as caring for climate and responsible climate policy engagement among others.
b) In 2017,TEF joined the RE100 initiative the global and collaborative initiative of companies committed to 100 renewable electricity. Through the initiative we committed to sourcing 100% renewable electricity globally by 2030. As a large consumer of electricity, we also help countries to generate more clean energy. To meet both objectives we promote long-term power purchase agreements (PPAs) with electricity companies, we contribute to the construction of small renewable hydroelectric or solar energy plants and we self-generate electricity. • More than a third of mobile operators by revenue, including TEF since 2019, have met rigorous criteria set by the UNs Race to Zero campaign and committed to net zero emissions by 2050 at the latest.
c) TEF is member of the Exponential Roadmap Initiative since 2020. This initiative brings together companies taking action to halve their own emissions and the emissions in their value chain before 2030, integrating climate deeply in business strategy and influencing climate action in society.
d) TEF supports the SME Climate Hub, which promotes decarbonisation amongst SMEs and encourages them to sign the SME Climate Commitment as well as supporting them with specialised, tools knowledge and best practice for implementing a robust climate strategy. SME Climate Hub is a global initiative launched by We Mean Business Coalition, the International Chamber of Commerce (ICC), the Exponential Roadmap Initiative and the UN's Race to Zero campaign.
e) In 2021, TEF was one of the first 100 companies to adhere to The Climate Pledge, a joint initiative between Amazon and the NGO Global Optimism for those companies that commit to achieving carbon neutrality by 2040.

f) TEF reports non-financial information in accordance with applicable regulations and the foremost internationally recognized benchmark standards This includes the recommendations of TCFD on environmental reporting. TCFD compliance table can be found in section 2.20.8 of our annual report.
g) In line with our commitment to promoting green digital solutions and transparently communicating the environmental benefits they deliver; we have been a founding member of the EGDC since 2021, a joint initiative of the European Commission and leading European ICT companies.
h) In 2019, TEF joined the UN campaign Business Ambition for 1.5ºC. Thus, before the UN, it commits to meet climate objectives to contain the increase in global temperature.
i) From 2020 on, we are supporting initiatives such as the 1.5ºC Supply Chain Leaders, which advocates for the reduction of emissions by small and medium-sized enterprises through the SME Climate Hub. It aims for SMEs to halve their emissions by 2030 and achieve net zero emissions by 2050.
j) In 2021, we joined the Planet Pledge initiative launched by the World Federation of Advertisers. It aims to help companies marketing and communications teams to be part of the solution to climate change.
k) In 2022, TEF joined the World Economic Forum's 1 trillion trees initiative, which aims to accelerate nature-based solutions.
l) TEF has committed to conserve and plant 1.5 million trees by 2030. Telefónica is part of the Spanish Green Growth Group GECV, an association of Spanish companies that promotes public-private collaboration to address environmental challenges such as climate change, circular economy, energy efficiency, sustainable finance, digitalisation, water and natural capital.
m) Knowing that collective work can help align all companies with the Paris Agreement's goals, TEF actively collaborates with other associations in the telco sector such as ITU, ETNO, GSMA and JAC in joint initiatives, sharing best practices and promoting digitalization as a key element in the green transition.
n) Since 2022, TEF supports the CDP SBTi campaign as a supply chain member. This is a collective engagement mechanism to accelerate the adoption of science-based targets in the private sector.
o) TEF Brazil is an active member of technical discussion groups of the Brazilian Business Council for Sustainable Development (CEBDS), such as the Water Thematic Chamber. CEBDS promotes sustainable development through articulation with governments and civil society and represents the WBCSD in Brazil.
p) In 2022, TEF Brazil became signatory of the Brazilian Business Commitment on Biodiversity, to act in the protection of Brazilian forests and biodiversity.
q) In 2023, TEF Brazil signed as a member of the TNFD Early Adopters Initiative.
[Fixed row]

(4.11) In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment?

(4.11.1) External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the environment

Select all that apply

☑ Yes, we engaged directly with policy makers

☑ Yes, we engaged indirectly through, and/or provided financial or in-kind support to a trade association or other intermediary organization or individual whose activities could influence policy, law, or regulation

(4.11.2) Indicate whether your organization has a public commitment or position statement to conduct your engagement activities in line with global environmental treaties or policy goals

Select from:

☑ Yes, we have a public commitment or position statement in line with global environmental treaties or policy goals

(4.11.3) Global environmental treaties or policy goals in line with public commitment or position statement

Select all that apply

☑ Paris Agreement

(4.11.4) Attach commitment or position statement

From words to action_ unlocking the digital and green transition - Telefónica.pdf

(4.11.5) Indicate whether your organization is registered on a transparency register

Select from:

☑ Yes

(4.11.6) Types of transparency register your organization is registered on

Select all that apply

☑ Voluntary government register

(4.11.7) Disclose the transparency registers on which your organization is registered & the relevant ID numbers for your organization

EU Transparency register & 52431421-12

(4.11.8) Describe the process your organization has in place to ensure that your external engagement activities are consistent with your environmental commitments and/or transition plan

Telefónica's environmental policy, a cornerstone of our corporate governance system, is implemented across the entire organization and underscores our commitment to align our engagement activities to environmental commitments. The Policy specifically states: "to collaborate with other organizations in promoting a carbon-free and circular economy, leveraging digitalization to address the major environmental challenges of our time" [page 6]. At the corporate level, communications, advocacy, and policymaker engagement are overseen by the Public Policy, Competition, and Regulatory Officer, who collaborates closely with Telefónica's Global Sustainability Department to ensure alignment with our climate change strategy. Telefonica´s advocacy actions include participation in industry working groups and professional associations, investment and collaboration in research and active participation in ICT and climate change standardisation activities, aligned with the 1.5ºC emissions reduction pathway (Paris Agreement) A clear example of Telefónica's efforts to align its engagement activities with its environmental commitments is its role as a founding member of the European Green Digital Coalition (EGDC). This initiative, supported by EU Member States through the Declaration "A Green and Digital Transformation of the EU," is led by the European Commission and leading European ICT companies. The EGDC aims to drive the EU's green transition by leveraging digitalization. As part of this initiative, member companies, including Telefónica, are required to set science-based targets to reduce their greenhouse gas (GHG) emissions by 2030 and achieve net-zero emissions by 2040 at the latest. Additionally, recognizing the value of collective efforts in aligning companies with the Paris Agreement's goals, Telefónica shares best practices and actively collaborates with industry associations such as the European Telecommunications Network Operators' Association (ETNO), the GSMA, and the Joint Alliance for CSR (JAC). ETNO represents European electronic communications network operators, GSMA promotes public-private collaboration on environmental issues, and JAC brings together 27 telecommunications operators to develop and implement sustainability standards across common supplier factories and drive climate action in the supply chain. Telefónica plays an active role in these initiatives, advocating for digitalization as a crucial component of the green transition.
[Fixed row]

(4.11.1) On what policies, laws, or regulations that may (positively or negatively) impact the environment has your organization been engaging directly with policy makers in the reporting year?

Row 1

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

European Taxonomy on Sustainable Finance

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply
☑ Climate change

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Financial mechanisms (e.g., taxes, subsidies, etc.)

☑ Sustainable finance

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:

☑ Regional

(4.11.1.5) Country/area/region the policy, law, or regulation applies to

Select all that apply

☑ Europe

(4.11.1.6) Your organization's position on the policy, law, or regulation

Select from:

☑ Support with minor exceptions

(4.11.1.7) Details of any exceptions and your organization's proposed alternative approach to the policy, law, or regulation

The EU Taxonomy Regulation is a key tool to guide green investment to activities most needed for the transition to net zero and environmental sustainability. Although the ICT sector is included in the EU Taxonomy Regulation, the decarbonization potential of the Telecommunication networks (TN) is currently not recognized. To include the deployment and operations of the TN under the EU Taxonomy eligible activities would recognise not only the substantial efforts taken by European telecoms network operators to reduce their emissions and environmental impact, but more importantly the fact that next generation telecoms networks are an essential component in the greening by and decarbonization of the whole economy. Telefonica has long been aware of the issues associated with the unrecognition of networks in the taxonomy and has been working to increase visibility of the current legal frameworks and promote sectorial collaboration over this topic. In fact, Telefonica leads the ETNO's Sustainable Working Group and the Sustainable Finance Workstream. We have conducted a sectoral positioning paper in collaboration with ETNO in 2022 showcasing our position, we have participated in the DG CONNECT and JRC Workshop, we have elaborated a sector-specific proposal with ETNO and GSMA using the EU taxonomy stakeholder request mechanism created by the Sustainable Finance Platform and participated with the Sustainable Finance Platform Usability group to raise awareness of the networks situation. In addition, the European Commission, through the White Paper published in February of this year, has also pointed out the need to improve the usability and potential scope of the EU Taxonomy for green investment in electronic communications networks. Thus, the issue has been identified by several parties, highlighting its significance in advancing sustainable finance within the sector. TEF jointly with sector peers remains committed to working closely with the European Commission, policymakers, and stakeholders to promote a major recognition of the potential of the Electronic Telecommunication Networks in the current legal frameworks, as we believe that a greater push for digitalization, starting with its basic infrastructure and followed by transformative economy-wide policies to increase digital penetration, will better equip society to meet Climate Change challenges.

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply

☑ Discussion in public forums

☑ Participation in working groups organized by policy makers

☑ Responding to consultations

☑ Submitting written proposals/inquiries

(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

0

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

The EU Taxonomy is a fundamental pillar in establishing the EU's sustainable financing framework. It sets technical criteria to identify which economic activities contribute to climate objectives, thereby channelling private financial flows towards sustainable economic activities. For Telefónica, this is crucial as green financing mechanisms and solutions support our efforts, particularly in an environment where the pressure on the telecommunications industry to innovate and deploy networks more quickly and efficiently is stronger than ever. The ICT sector is one of the sectors included in the Climate Delegated Act for its potential to mitigate climate change. However, the way it is included does not properly reflects the decarbonization potential of the telecommunication network. According to ETNO and BCG, the sector could reduce global CO2 emissions by up to 15% through full digitalization (e.g., smart cities, buildings, transport, IoT, energy). Other studies suggest digital technologies could indirectly support a further reduction of up to 35% by influencing consumption habits. The sector is working on greening its own operations by rolling out energy-efficient next generation networks, purchasing renewable energy, and advancing circularity initiatives. However, as demand for data and connectivity is continuing to grow strongly, further efforts are needed to reduce the environmental impacts of networks, including through improving energy efficiency, increasing renewable energy use, increasing circularity, and addressing emissions across the industry's value chain. Promoting investment in green and efficient digital networks is also crucial for cultivating competitive and innovative markets and ensuring widespread coverage for all citizens. Including telecommunications networks as an eligible activity within the European taxonomy would help bridge the current investment gap by attracting much-needed capital towards the telecommunications sector, which is essential to meet the €174 billion investment required to achieve the 2030 Digital Decade Targets, according to the EU Commission. Additionally, it would address the existing information gap in the markets, ensuring better alignment between sustainable investment figures and those that qualify as taxonomic. By clearly defining telecommunications as a green investment, it would facilitate more accurate and informed investment decisions, thus enhancing market transparency and promoting sustainable growth.

(4.11.1.11) Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation

Select all that apply

☑ Paris Agreement

Row 2

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

RSPG - Radio Spectrum Policy Group

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply

☑ Climate change

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Environmental impacts and pressures

☑ Emissions – CO2

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:

☑ Regional

(4.11.1.5) Country/area/region the policy, law, or regulation applies to

Select all that apply

☑ Europe

(4.11.1.6) Your organization’s position on the policy, law, or regulation

Select from:

☑ Support with minor exceptions

(4.11.1.7) Details of any exceptions and your organization’s proposed alternative approach to the policy, law, or regulation

In the field of regulations and external relations, we establish Telefónica's position in the sector's main forums and participate in the development of the regulatory agenda for the future. During public consultation and working groups, Telefónica expressed concerns regarding spectrum policy initiatives that could undermine the positive impact on digitalization and energy efficiency. Spectrum scarcity and high spectrum prices can adversely affect coverage and end-user prices, hindering customer digitalization and their potential to improve energy efficiency. In terms of energy efficiency in mobile networks, spectrum regulators can influence three main factors: restricting spectrum supply, compelling licensees to maintain legacy technologies, and limiting network sharing. Alternatively, advocates for policies that enable flexible spectrum management instead of limiting spectrum supply or imposing restrictions that could hamper network efficiency. Mobile operators can generally expand network capacity by acquiring more spectrum frequencies or by densifying and reusing their existing frequencies. Expanding capacity by adding spectrum is typically more energy efficient than densifying the network with new sites, as increasing the number of sites raises electricity overhead and can lead to higher-than-necessary energy consumption for mobile services. One of our key strategic decisions in recent years has been the transformation of our network to phase out legacy technologies such as 2G and 3G, as well as copper networks. This transformation is an energy efficiency measure because 4G/5G technologies have seven times less environmental impact than 2G/3G, and fiber has 18 times less impact than copper. Network transformation initiatives account for at least 75% of our energy savings. In 2023, investment in these new telecommunication networks represented approximately 50% of Telefónica Group's CapEx. Moreover In 2023, the RSPG published a “The Role of Radio Spectrum to help combat Climate Change”, a policy which emphasizing the need for more efficient equipment and energy efficiency standards in the radio spectrum systems. Telefónica played a key role by actively participating in the RSPG consultation and contributing to the response prepared by ETNO working group. The company addressed questions on energy efficiency, connectivity networks, and other strategies to reduce environmental impact, contributing significantly to the development of recommendations.

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply

☑ Other, please specify **:**Contribution to RSPG on how Spectrum Policies can help combat Climate Change

(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

0

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

The RSPG Opinion on the Role of Radio Spectrum Policy in combating climate change provides a series of recommendations to the European Commission (EC), Member States, and stakeholders to promote a more environmentally friendly society through the use of wireless technologies. Two key points fall under the RSPG's activities: 1 The need for a common set of methodologies to understand and assess the impact of electronic communications services (ECS) wireless technologies on climate change, involving ECS stakeholders and all interested parties. 2 The importance of having accurate information on emissions and energy efficiency (EE) related to spectrum use at the national level. These activities will assist Member States and the EC in taking appropriate regulatory actions within the spectrum area to combat climate change. The scope of the RSPG's activities includes identifying methodologies to assess the EE of wireless technologies, considering variables such as frequency band and access technology type. This may involve input from stakeholders and collecting best practices from Member States on how EE is measured and managed nationally in relation to spectrum use. Additionally, the RSPG aims to assess how efficient spectrum policies can facilitate Europe's green digital transition and reduce greenhouse gas (GHG) emissions. Actions such as lowering spectrum award prices, avoiding restrictions on co-investment, simplifying administrative procedures for deployment, and relaxing EMF exposure limits beyond the Council Recommendation would help operators invest in upgrading networks to more efficient and climate-neutral standards. In general, efficient spectrum policies and regulations support EE. Providing sufficient spectrum resources and avoiding unnecessary deployment and operational limitations allow operators to deploy and operate networks efficiently, including switching off legacy networks. Reducing energy costs incentivizes operators to use radio spectrum more efficiently, but this requires network upgrades. A healthy telecom sector, supported by spectrum licensing and regulation, is essential for such investments. Furthermore, incentives such as reduced spectrum fees, lower license renewal prices, or perpetual licenses could encourage efforts towards EE and climate neutrality.

(4.11.1.11) Indicate if you have evaluated whether your organization’s engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation

Select all that apply

☑ Paris Agreement

[Add row]

(4.11.2) Provide details of your indirect engagement on policy, law, or regulation that may (positively or negatively) impact the environment through trade associations or other intermediary organizations or individuals in the reporting year.

Row 1

(4.11.2.1) Type of indirect engagement

Select from:

☑ Indirect engagement via a trade association

(4.11.2.4) Trade association

Europe

☑ Other trade association in Europe, please specify **:**ETNO (European Telecommunications Network Operators' Association)

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☑ Climate change

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

☑ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

☑ Yes, we publicly promoted their current position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

Telefónica and the telecommunications sector have been actively engaging with policymakers and stakeholders to advocate for greater recognition of the enabling potential of Electronic Telecommunication Networks within the current EU Sustainable Finance Framework. Telefónica's position is consistent with ETNO's stance on the recognition of Electronic Telecommunication Networks within the EU Sustainable Finance Framework. From this shared perspective, ETNO and Telefónica have been collaborating in various initiatives, including sectoral positioning papers, public consultations, surveys, workshops, and proposals, all aimed at promoting the inclusion of network infrastructure in this regulation. Despite some recognition of the role of digital technologies in supporting green objectives, this recognition is insufficient within the development of the EU taxonomy framework. It is crucial for telecommunications infrastructure deployment and operation to be recognized as

sustainable investments and properly included in such a regulatory framework, as it enables GHG emissions reduction and is a critical foundation for achieving the goals set by the European Commission (EC) in the European Industrial Strategy. The most recent contribution occurred in December, when Telefónica, together with ETNO and GSMA, proposed a new taxonomic activity for telecommunications networks using the EU taxonomy stakeholder request mechanism, established by the Sustainable Finance Platform. For more information, please refer to section 1.8.6, "Telecommunications Networks," in the Taxonomy of the annual report. (see, https://finance.ec.europa.eu/sustainable-finance/overview-sustainable-finance/platform-sustainable-finance/stakeholder-request-mechanism_en)

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

277753

(4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

The European Telecommunications Network Operators' Association (ETNO) aims to foster a sustainable and innovative digital environment in Europe. Their funding and initiatives focus on promoting digital transformation, enhancing connectivity, and ensuring that the telecom sector contributes positively to environmental sustainability. ETNO aims is found in their following pillars: 1 Digital Transformation: Supporting the development and deployment of advanced digital technologies to improve efficiency and reduce environmental impact. 2 Sustainable Connectivity: Promoting the use of green technologies and practices within the telecom industry to minimize carbon footprints. 3 Policy Advocacy: Engaging with policymakers to shape regulations that encourage sustainable practices and innovation in the telecom sector. ETNO's advocacy can lead to stricter environmental standards for telecom operators, ensuring that they adopt greener technologies and practices. Also, by working closely with EU policymakers, ETNO can influence the creation of regulatory frameworks that support sustainable digital infrastructure. ETNO's initiatives can encourage the adoption of innovative solutions that reduce environmental impact, potentially leading to new laws or regulations that mandate such practices across the industry.

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

☑ Paris Agreement

Row 2

(4.11.2.1) Type of indirect engagement

Select from:

☑ Indirect engagement via a trade association

(4.11.2.4) Trade association

Global

☑ Other global trade association, please specify **:**GSMA (Global System for Mobile Communications Association)

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☑ Climate change

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

☑ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

☑ Yes, we publicly promoted their current position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

Telefónica and the telecommunications sector have been actively engaging with policymakers and stakeholders to advocate for greater recognition of the enabling potential of Electronic Telecommunication Networks within the current EU Sustainable Finance Framework. Telefónica's position is consistent with GSMA's stance on the recognition of Electronic Telecommunication Networks within the EU Sustainable Finance Framework. From this shared perspective, GSMA and Telefónica have

been collaborating in various initiatives, including sectoral positioning papers, public consultations, surveys, workshops, and proposals, all aimed at promoting the inclusion of network infrastructure in this regulation Despite some recognition of the role of digital technologies in supporting green objectives, this recognition is insufficient within the development of the EU taxonomy framework. It is crucial for telecommunications infrastructure deployment and operation to be recognized as sustainable investments and properly included in such a regulatory framework, as it enables GHG emissions reduction and is a critical foundation for achieving the goals set by the European Commission (EC) in the European Industrial Strategy. The most recent contribution occurred in December, when Telefónica, together with ETNO and GSMA, proposed a new taxonomic activity for telecommunications networks using the EU taxonomy stakeholder request mechanism, established by the Sustainable Finance Platform. For more information, please refer to section 1.8.6, "Telecommunications Networks," in the Taxonomy of the annual report. (see, https://finance.ec.europa.eu/sustainable-finance/overview-sustainable-finance/platform-sustainable-finance/stakeholder-request-mechanism_en

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

1346949

(4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

Telefónica has played a fundamental role in advancing sustainability within the telecom sector through its active involvement in various initiatives. Telefónica led the climate change working group within the GSMA (Global System for Mobile Communications Association), aligning criteria and consolidating efforts to decarbonize the telecommunication sector. This group, in collaboration with GeSI (Global Enabling Sustainability Initiative) and the ITU (International Telecommunication Union), published the "Scope 3 Guidance for Telecommunications Operators" in 2023. GSMA has been at the forefront of promoting sustainability and addressing climate change, with initiatives like the GSMA Innovation Fund for Climate Resilience and Adaptation. This fund is focused on two key pillars: Climate Resilience and Adaptation, supporting digital innovations that help vulnerable populations adapt to climate change; and Sustainable Development, leveraging mobile technology to create solutions that contribute to sustainable development goals, especially in low-income regions. Telefónica's contributions within GSMA have been crucial in shaping global standards for environmental sustainability in the telecom sector. The success of GSMA-funded projects, supported by Telefónica's leadership, has the potential to demonstrate the effectiveness of digital solutions in combating climate change, influencing policymakers to support similar innovations through favorable regulations. Through these efforts, GSMA and Telefónica are advocating for new policies that encourage the telecom industry to adopt more sustainability practices, ultimately setting global benchmarks for sustainability.

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

☑ Paris Agreement

Row 3

(4.11.2.1) Type of indirect engagement

Select from:

☑ Indirect engagement via a trade association

(4.11.2.4) Trade association

Global

☑ Other global trade association, please specify **:**JAC (Joint Alliance for CSR)

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☑ Climate change

(4.11.2.6) Indicate whether your organization’s position is consistent with the organization or individual you engage with

Select from:

☑ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual’s position in the reporting year

Select from:

☑ Yes, we publicly promoted their current position

(4.11.2.8) Describe how your organization’s position is consistent with or differs from the organization or individual’s position, and any actions taken to influence their position

Telefónica aligns closely with the Joint Alliance for CSR (JAC) in promoting sustainability and ethical practices within the ICT supply chain. Both entities focus on conducting thorough sustainability audits, promoting ethical practices, and supporting capacity building for suppliers. JAC, with the help of Telefónica, conducts detailed audits of our suppliers to ensure adherence to environmental and social standards. Our commitment to ethical practices emphasizes labor rights, environmental protection, and anti-corruption, working closely with JAC and GSMA on initiatives to reduce emissions in our supply chain. To further enhance sustainability practices, we support suppliers through training and development. In collaboration with other telecom operators in JAC, we actively engage in climate change initiatives. Our on-site audits verify supplier compliance, addressing critical issues such as forced labor, conflict minerals and other environmental issues. As part of our Annual Audit Plan, we evaluate performance and establish improvement plans for non-compliant suppliers to ensure corrective actions are taken. Additionally, in collaboration with other telecom companies within the JAC initiative, we audited 137 companies in the ICT sector and surveyed 10,342 employees from 13 supplier factories in 2023. This comprehensive approach allows us to address different levels of our supply chains effectively. Our efforts not only align with JAC’s goals but also contribute to setting higher industry standards for environmental and social responsibility, influencing broader regulatory changes in the ICT sector.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

35000

(4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

The JAC is an association of telecom operators that focuses on conducting Corporate Social Responsibility (CSR) audits of Information and Communication Technology (ICT) suppliers globally. Their funding and initiatives aim to ensure sustainability and ethical standards in the supply chain. JAC’s aim is founding in the following pillars: 1 Sustainability Audits: Conducting thorough audits to ensure that suppliers adhere to environmental and social standards. 2 Ethical Practices: Promoting ethical practices within the supply chain, including labor rights, environmental protection, and anti-corruption measures. 3 Capacity Building: Supporting suppliers in improving their sustainability practices through training and development programs. By setting high standards for environmental compliance, JAC can influence suppliers to adopt greener practices, which may lead to stricter environmental regulations in the industry. The findings from JAC’s audits can provide valuable data to policymakers, helping to shape regulations that promote sustainability and ethical practices in the ICT sector. JAC’s initiatives can help establish industry-wide standards for environmental and social responsibility, encouraging other sectors to adopt similar practices and potentially influencing broader regulatory changes.

(4.11.2.11) Indicate if you have evaluated whether your organization’s engagement is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

☑ Paris Agreement

[Add row]

(4.12.1) Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.

Row 1

(4.12.1.1) Publication

Select from:

☑ In mainstream reports, in line with environmental disclosure standards or frameworks

(4.12.1.2) Standard or framework the report is in line with

Select all that apply

☑ GRI

☑ TCFD

☑ Other, please specify **:** Spanish Law 11/2018 of 28 December

(4.12.1.3) Environmental issues covered in publication

Select all that apply

☑ Climate change

☑ Biodiversity

(4.12.1.4) Status of the publication

Select from:

☑ Complete

(4.12.1.5) Content elements

Select all that apply

☑ Strategy

☑ Governance

☑ Emission targets

☑ Emissions figures

☑ Risks & Opportunities

☑ Value chain engagement

☑ Dependencies & Impacts

☑ Biodiversity indicators

☑ Public policy engagement

☑ Content of environmental policies

☑ Other, please specify **:Environmental targets and figures TCFD content table**

(4.12.1.6) Page/section reference

Chapter 1.7 Finance for the transition to a sustainable economy (pages 31-37) Chapter 1.8. European taxonomy for sustainable activities (pages 38-52) Chapter 2.1-2.4 Building a Greener Future (pages 88-137) Chapter 2.15 Governance and culture of sustainability (pages 279-286) Appendix Table of Climate-related Financial Disclosures (pages 363-365)

(4.12.1.7) Attach the relevant publication

management-sustainability-report-2023 CDP.pdf

(4.12.1.8) Comment

Find attached the consolidated Management report

Row 2

(4.12.1.1) Publication

Select from:

☑ In mainstream reports, in line with environmental disclosure standards or frameworks

(4.12.1.2) Standard or framework the report is in line with

Select all that apply

☑ TCFD

☑ Other, please specify **:***TCFD - Guidance on Metrics, Targets and Transition Plans *Integrity matters - Net zero commitments by businesses, financial institutions, cities and regions *We Mean Business Coalition - Climate Transition Action Plans

(4.12.1.3) Environmental issues covered in publication

Select all that apply

☑ Climate change

(4.12.1.4) Status of the publication

Select from:

☑ Complete

(4.12.1.5) Content elements

Select all that apply

☑ Strategy

☑ Governance

☑ Emission targets

☑ Emissions figures

☑ Risks & Opportunities

☑ Value chain engagement

☑ Dependencies & Impacts

☑ Public policy engagement

☑ Content of environmental policies

☑ Other, please specify **:Circular economy targets**

(4.12.1.6) Page/section reference

Chapter 2 Metrics and targets (pages 7-14) Chapter 3 Risks and opportunities (pages 15-23) Chapter 4 Circular economy (pages 24-26) Chapter 5 Neutralising and offsetting residual emissions (pages 27-30) Chapter 6 The road to net zero (pages 31-13) Chapter 7 Models of the Plan (Operational, Value chain, Commercial, Economic and Governance and advocacy model) (pages 35-68)

(4.12.1.7) Attach the relevant publication

climate-action-plan-telefonica CDP.pdf

(4.12.1.8) Comment

To guarantee compliance with our short-, medium- and long-term targets, in 2022 we published for the first time our Climate Action Plan: Telefonica's transition plan to a net zero economy. The climate action plan has been integrated into Telefónica's governance model and includes the quantification of GHG emissions, the implementation of specific actions with verifiable KPIs and the definition of oversight and accountability responsibilities within the organisation. The plan not only defines actions in Telefónica's operational model, but also in its business and financial strategy and in its commitment to customers, the supply chain and society as a whole. Our Climate Action Plan is a living document, and was recently reviewed and updated. The 2024 version (which was approved by the Board of Directors) can be found in the following link: https://www.telefonica.com/en/wp-content/uploads/sites/5/2022/03/climate-action-plan-telefonica.pdf
[Add row]

C5. Business strategy

(5.1) Does your organization use scenario analysis to identify environmental outcomes?

Climate change

(5.1.1) Use of scenario analysis

Select from:

☑ Yes

(5.1.2) Frequency of analysis

Select from:

☑ Every two years

[Fixed row]

(5.1.1) Provide details of the scenarios used in your organization's scenario analysis.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

☑ IEA NZE 2050

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Policy

☑ Market

☑ Reputation

☑ Technology

☑ Liability

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 1.5°C or lower

(5.1.1.7) Reference year

2022

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2030

☑ 2040

☑ 2050

(5.1.1.9) Driving forces in scenario

Finance and insurance

☑ Cost of capital

☑ Other finance and insurance driving forces, please specify :(1) Worldwide annual clean energy investment. (2) Increase of investment in transmission and distrbution grids.

Stakeholder and customer demands

☑ Consumer attention to impact

☑ Impact of nature footprint on reputation

Regulators, legal and policy regimes

☑ Global regulation

☑ Level of action (from local to global)

☑ Global targets

☑ Methodologies and expectations for science-based targets

Relevant technology and science

☑ Other relevant technology and science driving forces, please specify :Development of certain technology

Macro and microeconomy

☑ Domestic growth

☑ Globalizing markets

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

Projections for our scenario analysis are derived primarily from the IEA NZE 2050 scenario, complemented with data from the NGFS NZE 2050 projections and the SSP database. These sources provide critical parameters, such as electricity prices and CO2 emissions. We used a selection of hypotheses from the IEA NZE 2050 scenario, complementing them with the NGFS scenario to better differentiate between distinct regions of the EU and Brazil. The NGFS datasets, which are updated more frequently and include a broader variety of variables, enhance the comprehensiveness of our analysis.

A common set of hypotheses was applied across all evaluated countries. These include the assumption that an increase in GHG emissions will lead to a temperature rise of less than 1.5C by 2100, with the economic value of impacts being based on historical business and country-specific data.

Some of the key driving forces considered in our scenario analysis are the decrease in capital costs for renewable and energy projects, the increase in worldwide annual clean energy investment, and the rise in investment in transmission and distribution grids. Additionally, it considers the additional efforts by governments to significantly strengthen and successfully implement energy and climate policies and related targets.

The scenario analysis is based on several critical assumptions, including the continued progression of global CC initiatives and the effectiveness of global policies in limiting temperature rises. However, there are inherent uncertainties in projecting the speed of technological advancements and the evolution of global regulations. Constraints also exist in the availability of updated regional data and the variability in the economic valuation of climate impacts across different countries. Despite these uncertainties, our approach provides a strong foundation for anticipating and mitigating climate-related risks and capitalizing on emerging opportunities.

(5.1.1.11) Rationale for choice of scenario

When selecting the 3 scenarios for our analysis, we adopted an exploratory approach. This involves exploring various potential outcomes and future scenarios to understand how they might impact the results of the company and key indicators. By analyzing these scenarios, we aim to make informed decisions on how to adapt and mitigate potential effects on our business.

In line with Telefonica´s commitment to achieving net-zero by 2040, we selected the IEA Net Zero Emissions (IEA NZE 2050) scenario. IEA NZE 2050 complemented with NGFS NZE 2050 projections scenario was chosen due to its comprehensive and globally recognized projections related to net-zero emissions by 2050. However, the IEA data had limitations, particularly in differentiating between distinct regions within the EU and providing comprehensive data for Brazil. To address these gaps, the NGFS NZE 2050 projections were integrated, as they are updated more frequently and include a broader array of variables.

This combination ensures a more robust and detailed analysis, allowing for a more precise assessment of risks and opportunities across different regions and sectors. The common set of hypotheses applied, such as the anticipated temperature rise of less than 1.5ºC by 2050, aligns with global climate targets and provides a consistent framework for evaluating economic impacts based on historical business and country-specific data.

Furthermore, the Time Horizon (TH) used in the vulnerability analysis of CC risks are 2030 (short term), 2040 (medium term), and 2050 (term), corresponding to the estimated 20-to-30-year lifespan of our infrastructures. Risks related to CC are anticipated to have a more significant impact in the medium and long terms.
Assets analysed: Telecommunication towers, TV-related programming and broadcasting buildings, base stations and switch and data centers were analysed.
Regions covered: The analysis focused on countries where we have the highest level of activity, representing 74% of the Group's total asset value (Spain, Germany and Brazil).
Results were extrapolated to the entire organization to estimate the overall quantitative impact of potential R&O.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

☑ RCP 8.5

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☑ No SSP used

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Acute physical

☑ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 4.0°C and above

(5.1.1.7) Reference year

2022

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2030

☑ 2040

☑ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Climate change (one of five drivers of nature change)

Relevant technology and science

☑ Other relevant technology and science driving forces, please specify :Development of certain technology

Macro and microeconomy

☑ Domestic growth

☑ Globalizing markets

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

Projections for our analysis are derived from the RCP 8.5 dataset, extracted from the EU's Copernicus program. This dataset provides the most pessimistic climate projections, including factors such as temperature rise and precipitation changes which leads to an increase in the frequency and severity of extreme weather events and increased severity of chronic events. From a socio-economic perspective, RCP 8.5 envisions a trajectory marked by high energy intensity, slow technological progress, and limited regulation, leading to continued reliance on fossil fuels and high emissions

Our analysis incorporates asset location and value, historical data, and projections developed by TEF or third parties. We applied a series of common hypotheses, including an increase in GHG emissions leading to a 4C rise in temperature by 2100, and assessed the economic impact of these changes based on TEF's historical business and country-specific data. The results were extrapolated to cover our entire asset portfolio, providing a comprehensive global impact overview.

Our analysis was quantitative and qualitative, providing a data-driven basis for understanding and addressing climate-related risks and opportunities. The analysis relies on several key assumptions such as, temperature and GHG emissions, it assumes that GHG emissions will continue to increase, leading to a 4C rise in temperature by 2100, as projected by the RCP 8.5 scenario; and economic impact, the economic impacts are estimated based on historical data and country-specific projections. Additionally, there are inherent uncertainties and limitations, such as the speed of change; the actual rate of change in climate impacts and ecosystem services may differ from projections, affecting the reliability of long-term forecasts. Consumer trends and regulations also play a role, as changes in consumer attitudes and evolving global regulations can impact TEF Despite these uncertainties, the use of the RCP 8.5 scenario and the consideration of key driving forces offer a robust framework for assessing and managing climate-related risks and opportunities, guiding our strategic and resilience planning.

(5.1.1.11) Rationale for choice of scenario

When selecting our 3 scenarios for our analysis, we adopted an exploratory approach. This involves exploring various potential outcomes and future scenarios to understand and analyzing how they might impact the results of the company ands key indicators. By analysing these scenarios, we aim to make informed decisions on how to adapt and mitigate potential effects on our business. in order to make decisions to adapt and mitigate possible effects.. The RCP 8.5 scenario was selected

due to its representation of the most pessimistic climate projections, providing a worst-case scenario for our analysis. This approach ensures that we are prepared for the most severe potential impacts of climate change, such as a 4C rise in temperature by 2100 and significant increases in GHG emissions. The RCP 8.5 dataset from the EU's Copernicus was chosen for its comprehensive and reliable data, including critical factors like temperature rise and precipitation changes.
This data, combined with our historical business and country-specific data, allows for a thorough and detailed assessment of potential economic impacts. By focusing on the most extreme scenario, we aim to develop robust strategies to enhance our resilience to climate change across our global operations.
Time Horizon (TH): The TH used in the vulnerability analysis of climate-related risks are 2030 (short term), 2040 (medium term), and 2050 (long term). This is aligned with the estimated 20-to-30-year lifespan of our infrastructures, with CC risks expected to have a greater impact in the medium and long terms.
Assets analysed: Telecom towers, TV programming and broadcasting activities, base stations, and switch and data centers.
Regions covered: The analysis focused on countries where we have the highest level of activity, representing 74% of the Group's total asset value.
Results were extrapolated to the entire organization to estimate the overall quantitative impact of potential R&O

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

☑ RCP 2.6

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☑ No SSP used

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Acute physical

☑ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 2.0ºC - 2.4ºC

(5.1.1.7) Reference year

2022

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2030

☑ 2040

☑ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Climate change (one of five drivers of nature change)

Relevant technology and science

☑ Other relevant technology and science driving forces, please specify **:**Development of certain technology

Macro and microeconomy

☑ Domestic growth

☑ Globalizing markets

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

Projections are derived from the RCP 2.6 dataset, sourced from the EU's Copernicus program, which includes key factors such as temperature rise and precipitation. From a socio-economic perspective, RCP 2.6 considers a transition towards a low-emission economy driven by reduced energy intensity, technological innovation, and stringent climate policies that enforce increased regulation. This is the reference for mitigation plans aligned with the Paris agreement.
This analysis incorporates asset location and value, historical data, and projections developed by TEF or third parties. A common set of hypotheses was applied for the RCP 2.6 scenario across all evaluated countries. These hypotheses include an increase in GHG emissions leading to a temperature rise of less than 2C by 2100, and the economic impact of these changes based on TEF's historical business and country-specific data. The results have been extrapolated to cover our entire asset portfolio, providing a comprehensive global impact overview.
Our analysis was quantitative and qualitative, providing a data-driven approach to understanding and addressing risks and opportunities related to climate change. The analysis is based on several key assumptions: temperature and GHG Emissions, It is assumed that GHG emissions will increase in line with the RCP 2.6 scenario, leading to a temperature rise of less than 2C by 2100; and economic impact, assumes that economic impacts can be reliably projected based on historical business and country-specific data. Additionally, there are inherent uncertainties and limitations, such as the speed of change; the actual rate of change in climate impacts and ecosystem services may differ from projections, affecting the reliability of long-term forecasts. Consumer trends and regulations also play a role, as changes in consumer attitudes and evolving global regulations can impact TEF Despite these uncertainties, the use of the RCP 2.6 scenario and consideration of key driving forces provide a robust framework for assessing climate-related R&O, guiding strategic decision-making and resilience planning.

(5.1.1.11) Rationale for choice of scenario

When selecting the 3 scenarios for our analysis, we adopted an exploratory approach. This involves exploring various potential outcomes and future scenarios to understand and analyzing how they might impact the results of the company and key indicators. By analysing these scenarios, we aim to make informed decisions on how to adapt and mitigate potential effects on our business. in order to make decisions to adapt and mitigate possible effects The RCP 2.6 scenario was selected for its representation of a low-emission pathway, reflecting a more optimistic outlook compared to higher emissions scenarios.
This scenario assumes significant mitigation efforts leading to a temperature rise of less than 2C by 2100. It was chosen to provide a conservative estimate of potential impacts, allowing us to prepare for significant but manageable climate changes. The RCP 2.6 dataset from the EU's Copernicus was selected due to its detailed and reliable projections, which include crucial variables such as temperature and precipitation changes. By using this scenario, we aim to develop strategies that address both current and future climate risks effectively, ensuring robust planning and resilience across our global operations.
Time Horizon (TH): The TH used in the vulnerability analysis of climate-related risks are 2030 (short term), 2040 (medium term), and 2050 (long term). This is based on the estimated 20-to-30-year lifespan of our infrastructures, with CC risks expected to have a more significant impact in the medium and long terms.
Assets analysed: The analysis includes telecom towers, TV programming and broadcasting buildings, base stations and switch and data centers.
Regions covered: The analysis concentrated on countries where we have significant activity, representing 74% of the Group's total asset value.
Results were extrapolated to the entire organization to estimate the overall quantitative impact of potential R&O.
[Add row]

(5.1.2) Provide details of the outcomes of your organization's scenario analysis.

Climate change

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

☑ Risk and opportunities identification, assessment and management

☑ Strategy and financial planning

☑ Resilience of business model and strategy

☑ Capacity building

☑ Target setting and transition planning

(5.1.2.2) Coverage of analysis

Select from:

☑ Organization-wide

(5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

Scenario Narratives and Time Horizons The scenario analysis employs three main frameworks: the International Energy Agency (IEA) Net Zero Emissions (NZE) 2050, and two IPCC climate scenarios, RCP 2.6 and RCP 8.5. These scenarios explore different futures depending on global efforts to mitigate climate change. The time horizons considered include the short-term (2030), medium-term (2040), and long-term (2050), providing a full spectrum of risks and opportunities. Quantitative Results The following financial impacts were identified through scenario analysis:

a) Flood-related infrastructure damage: €44 million by 2050 under RCP 8.5.

b) Increased energy costs due to extreme heat: €12 million by 2050, mainly affecting Latin American operations.

c) Market risk from rising energy costs: €260 million under the IEA NZE 2050 scenario, reflecting the need for more energy to power telecommunications networks as prices increase.

d) Opportunities for decarbonization solutions: Potential for €1,100 million in increased revenues from digital solutions that help clients lower their carbon footprint.

e)Energy efficiency savings: €195 million, resulting from implementing more than 1,500 energy efficiency initiatives since 2010. These results are derived from a combination of asset evaluation, energy use projections, and modelling based on historical data and climate scenario inputs. Strategic and Financial Implications The organization must adjust its strategy and financial planning to address the critical uncertainties posed by climate change and its effects on the business model and value chain:

f) Business model: Increasing emphasis on digital solutions that aid in decarbonization will help mitigate risks from climate-related disruptions. In addition, ongoing investments in energy efficiency will lower costs and increase resilience.

g) Value chain adjustments: Climate risks and opportunities have significant implications for the organization's infrastructure. The analysis indicates that upgrading or replacing telecommunications towers, data centres, and other critical assets in high-risk regions, such as Brazil and Latin America, will be necessary to reduce vulnerability to both physical and market risks.

h) Revenue diversification: Increased demand for digital solutions that help clients decarbonize presents a key opportunity. By aligning these offerings with global climate goals, the organization can boost revenues while reducing exposure to physical and transition risks. Organizational Response and Resilience To build resilience in the face of climate-related risks, the organization must focus on the following areas:

i) Financial flexibility: The organization's sustainable financing framework, with a current financial effect of €2.6 billion in capital, provides essential resources for responding to climate-related risks. These funds can be used to upgrade infrastructure, invest in renewable energy, and implement other adaptive measures.

j) Asset management: The ability to redeploy or upgrade critical assets is essential. Investments in energy efficiency and renewable energy systems will help reduce the risks associated with climate change. These measures include ongoing initiatives to decarbonize operations, such as the goal to achieve 100% renewable electricity by 2030 through power purchase agreements (PPAs) and self-generation projects. In 2023 we implemented 11 self-generation projects in Ecuador with estimated annual production of 34,000 kWh.

k) Mitigation and adaptation investments: The organization has already implemented over 1,500 energy efficiency projects since 2010, saving more than 13,846 GWh and avoiding 4.03 $MtCO_2e$. These projects, along with ongoing initiatives under the company's Climate Action Plan (CAP), will help manage the transition risks and ensure the company remains resilient in a low-carbon economy. In addition, the organization has a comprehensive Global Risk Management Model that includes business continuity plans for climate-related disasters. These plans are supported by international insurance programs (Global Business Continuity Systems) to cover potential losses and a crisis management system that operates under four stages: alert, evaluation, development, and closure.

Additional Environmental Considerations

While the primary focus of the scenario analysis was on climate change, it has also identified potential risks and opportunities related to other environmental issues, such as biodiversity. For instance, increased reliance on renewable energy sources and digital solutions could reduce the organization's impact on ecosystems. However, the effects of climate change on biodiversity, particularly in vulnerable regions like Latin America, may also influence the company's operations in the long term. By addressing these interconnected environmental issues, the organization can better prepare for the future impacts of climate change while contributing to broader sustainability goals.

[Fixed row]

(5.2) Does your organization's strategy include a climate transition plan?

(5.2.1) Transition plan

Select from:

☑ Yes, we have a climate transition plan which aligns with a 1.5°C world

(5.2.3) Publicly available climate transition plan

Select from:

☑ Yes

(5.2.4) Plan explicitly commits to cease all spending on, and revenue generation from, activities that contribute to fossil fuel expansion

Select from:

☑ No, and we do not plan to add an explicit commitment within the next two years

(5.2.6) Explain why your organization does not explicitly commit to cease all spending on and revenue generation from activities that contribute to fossil fuel expansion

Energy is an essential resource in developing our business and our annual consumption –over 95% of which is from the telecommunications network – is equivalent to that of a country such as El Salvador. Telefónica has a renewable target for electricity, but not a specific target related with fossil fuels, since electricity consumption is the most relevant source for our operational emissions (95%). The Climate Action Plan discloses key actions to achieve Telefónica's operational emissions reduction targets and disclosed the main levers to achieve them. These actions are aimed at reducing fuel consumption for both stationary and mobile sources and are essential in achieving our energy and emissions targets.

(5.2.7) Mechanism by which feedback is collected from shareholders on your climate transition plan

Select from:

☑ We have a different feedback mechanism in place

(5.2.8) Description of feedback mechanism

Telefónica brings forward a feedback mechanism for all stakeholders regarding the Climate Action Plan, which allows Telefónica to be aware of their comments and views concerning the plan. Telefónica discloses its climate strategy to all its stakeholders through the non-financial information disclosure to the Spanish Securities&Exchange Commission (CNMV) and to other international official bodies through the publication of this information in the Shareholders & Investors section of the corporate website. Telefónica has a "queries channel" available to all stakeholders, which offers the possibility to make inquiries, requests, doubts or to suggest any aspect regarding the Responsible Business Principles of the company, which include the Climate Strategy of the organization. On the other hand, from the General Secretariat of the Company, and with the support of other areas like People, Sustainability and Investor Relations, permanent contact and communication is maintained with the proxy advisors, attending to their queries in relation to the Climate Action Plan and offering them the clarifications that they might deem relevant. From the Shareholder's Office, Telefónica ensures transparent, agile and fluid communication with all its shareholders, facilitating a channel to meet their and providing a communication service, including emails and Telefónica's monthly newsletter "Acción Telefónica", which includes information of interest regarding the Climate Action Plan.

(5.2.9) Frequency of feedback collection

Select from:

☑ More frequently than annually

(5.2.10) Description of key assumptions and dependencies on which the transition plan relies

Key assumptions:

- We assume a big development of produts and services that generate environmental benefits (carbon emissions reduction in our clients).

- Future ETS market will indirectly impact energy prices in the medium-long term.

- Development of international regulation like CSRD, CSDDD and SOX in other countries.

- Thanks to new technologies development (i.e. 5Gvs 4G and fiber vs copper) we will decouple our business growth from energy use and CO2 emissions.

- More availability of financial resources and improved interest rate given the sustainability background of the company and the sustainable network needs to be deployed.

Key dependencies:

- One of the key corporate targets is that TEF will use 100% renewable electricity. In this context TEF depends on governments to promote policies that allows the development of renewable energy purchase options (RECs and PPAs) and to ensure the decarbonisation of national electricity mixes. Climate change can triggers extreme weather events that can significantly impact energy generation from water sources and change country mix into a more expensive and less renewable one. These are specially important in LATAM countries.

- For Scope 3 related levers we rely on key suppliers collaboration and willingness to apply ambitious climate-related targets under SBTi requirements. TEF has a firm commitment to allocate financial resources on an annual basis to implement the following key decarbonisation levers:

- Development of a more efficient transformation of telecommunications networks

- Renewable Energy Plan - Energy Eciency Plan

- Carbon pricing - Emission Neutralisation Plan

- Actions to decarbonise the value chain

- Portfolio of products and services that generate environmental benefits (Eco Smart)

- Mainstreaming climate change into organisational culture and partnerships with industry associations and other institutions

(5.2.11) Description of progress against transition plan disclosed in current or previous reporting period

The implementation of actions defined in Telefónica's climate strategy has led to a reduction in GHG emissions in its three scopes, compared to the base years. The main results derived from projects such as the efficient transformation of the communications network, the use of renewable energies, the incorporation of circularity criteria or the engagement actions with suppliers are shown below:

- *57% reduction in Scope 1 emissions from a 2015 base year, which entails 163,741 tonnes of CO2e less in eight years.*
- *86% reduction in Scope 2 emissions from a 2015 base year, equivalent to 1,310,295 tonnes of CO2e.*
- *As a result, Telefónica's operational emissions reduction is 81% from base year.*
- *Decrease in value chain emissions (Scope 3) by 31%, from a 2016 base year, meaning 884,961 tonnes of CO2e less in seven years.*
- *Improved energy efficiency, achieving a ratio of energy consumption per unit of traffic of 89% in 2023 compared to 2015. In this period, energy consumption decreased by 8.6% and data traffic increased by 8.6.*
- *Improvement of the PUE (Power Usage Effectiveness) of our main data centres, which reached a value of 1.69 in 2023.*
- *Implementation of 1,574 energy efficiency projects since 2010, which have generated savings of more than €2.2 billion and 13,846 GWh and avoided 4.03 MtCO2e emissions to the atmosphere.*
- *100% renewable electricity consumption in European markets, Brazil, Peru, and Chile. Globally 84% (3,851,889.44 MWh).*
- *Thanks to the Renewable Energy Plan, 82% of the energy consumed comes from renewable sources (4,921,777.53 MWh out of 6,011,860.84 MWh).*
- *74% of the electricity consumed (373,363 MWh) in the data centres we operate (both our own and those of third parties) comes from renewable sources.*

- *Distributed generation in Brazil and signing of long-term power purchase agreements in Spain and Germany to guarantee electricity supply from renewable sources for more than ten years.*
- *Offset 65% of 2023 operational emissions from Germany, Brazil, and Spain, through the purchase of more than 33,000 high-quality carbon credits.*
- *€18.8 billion in sustainable financing at year-end 2023, which has helped the deployment of more efficient networks.*
- *Implementation of the Eco Rating system in all Telefónica Group operators, which makes it possible to assess the environmental impact of mobile phones.*

(5.2.12) Attach any relevant documents which detail your climate transition plan (optional)

climate-action-plan-telefonica CDP.pdf

(5.2.13) Other environmental issues that your climate transition plan considers

Select all that apply

☑ Other, please specify **:**Circular economy

(5.2.14) Explain how the other environmental issues are considered in your climate transition plan

Our climate transition plan considers the implementation of circularity criteria in our business model. Circular economy practices avoid the purchase of new equipment, reduce the resources depletion risk, give continuity to the supply chain and help to reduce GHG emissions from the manufacturing stage of the products that we buy. TEF integrates its circular economy strategy both in its own operations (reuse and recycling of resources) and in its value chain (engagement with main suppliers and customers). Some examples of actions related to circular economy that have an impact in the reduction of GHG emissions are:

1.Extension of the use of materials and equipment, by promoting the reuse and recycling of valuable equipment and materials rather than their disposal. This avoids the emissions associated with the extraction&processing of new natural resources, which would be necessary if these valuable materials were not reused&recycled.

2.Introducing environmental criteria in the design of home connectivity equipment helps us to improve the efficiency of products by considering concepts such as repairability and recyclability. This allows us to have more durable equipment by reducing the consumption of raw materials, energy and emissions associated with both the production processes and the use phase of the products.

3.We have incorporated environmental and circular purchasing criteria for our suppliers, such as the commitment to establish eco-efficiency measures in the development of its activities or the reduction of single-use plastics. Telefónica has a Corporate Instruction for low-carbon purchases, which includes the calculation of the Total Cost of Ownership (TCO), incorporating the lifetime energy and carbon cost of the equipment in the procurement process.

4.Eco Rating is a system that assesses the environmental impact of mobile phones throughout their life cycle through a methodology that assigns a score to each device. One of its main objectives is to encourage manufacturers to reduce the environmental impact of their devices. Working with mobile device manufacturers is particularly important for TEF, as the emissions associated with the manufacture, transport&use of mobile devices account for more than 25% of our Scope 3 emissions.

5.The reuse of used mobile phones reduces the consumption of energy and resources since it avoids the manufacture of new equipment. Thus, TEF offers its customers options to buyback and sell refurbished mobile phones.

[Fixed row]

(5.3) Have environmental risks and opportunities affected your strategy and/or financial planning?

(5.3.1) Environmental risks and/or opportunities have affected your strategy and/or financial planning

Select from:

☑ Yes, both strategy and financial planning

(5.3.2) Business areas where environmental risks and/or opportunities have affected your strategy

Select all that apply

☑ Products and services

☑ Upstream/downstream value chain

☑ Investment in R&D

☑ Operations

[Fixed row]

(5.3.1) Describe where and how environmental risks and opportunities have affected your strategy.

Products and services

(5.3.1.1) Effect type

Select all that apply

☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

TEF integrates the R&O posed by CC into its business model through its Climate Strategy (CS), with a particular focus on its P&S. The company views its offerings as opportunities to help customers decarbonize their operations through digitalization and connectivity, which are essential for resource efficiency and sustainability (see opp 1 in 3.6.1). Continuous advancements in technological P&S for the digitalization of the economy present innovative opportunities for TEF to assist customers with their decarbonization strategies. Customers can transform their operations through digitalization by developing new P&S that facilitate progress toward decarbonization and a more digital future, such as IoT, Big Data, cloud computing, and cybersecurity.

As a case study, the REDEIA project provides a clear example of how TEF applies its technological expertise to advance decarbonization goals. In this project, the Spanish electricity transmission grid is being digitalized to enhance the use of high-voltage lines. This digitalization improves the efficiency of the electricity system and increases the integration of renewable energy. Telefónica Tech serves as one of the principal technological partners in the project, providing NB-IoT connectivity, meteorological sensors, and cloud services. These technologies are essential for monitoring and communication systems, promoting the reinforcement of the transmission grid with minimal environmental impact. As a result, the system becomes more efficient, and the integration of renewable energy into the grid increases, making Spain's electricity mix less carbon-intensive. The project has been analyzed by the European Green Digital Coalition, and it has been found that its application across 13 electricity transmission lines contributes to avoiding more than 50,000 tons of CO2 equivalent emissions. Most substantial business decision: TEF has created in 2023 a new business department that reports directly to the CSO. The "ESG Customer and business development" area focuses on integrating ESG in the commercial offer and in the innovation and development processes of P&S, to obtain a competitive advantage that allows TEF to capture the new market opportunities that are being generated in terms of sustainability.
TEF continued developing green digital solutions and rolling out the Eco Smart seal in new markets. TEF aim is to have all its P&S evaluated by this label by 2025. In 2023, efficiencies generated by EcoSmart, and connectivity services enabled customers to avoid emitting 86.1 MtCO2e, with 52% of service solutions verified as EcoSmart.

Upstream/downstream value chain

(5.3.1.1) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

TEF integrates the R&O related to CC into its business model through its CS, with a particular focus on its value chain (VC), including suppliers and clients, and its products and services (P&S). TEF's business strategy is aligned with the Climate Action Plan, which provides a roadmap for addressing climate-related challenges throughout the entire value chain. A significant risk in the upstream is the rising cost of electricity (see risk 3 in 3.1.1).
In 2023, TEF's network consumed over 5.5 TWh of electricity, and increases in energy prices, driven by rising fuel costs or reduced water availability for hydroelectric generation, could significantly impact operational expenses. To mitigate this risk, TEF collaborates with electricity providers to secure renewable energy through long-term Power Purchase Agreements (PPAs), which cover 61% of its assets. This strategy reduces the company's reliance on traditional energy sources and helps manage cost volatility. TEF's strategic goal is to ensure that 100% of its electricity consumption comes from renewable sources by 2030. This comprehensive approach not only shields TEF from market fluctuations but also generates significant savings on electricity costs (see opp 3 in 3.6.1).

TEF collaborates with its suppliers to ensure their equipment is more energy-efficient, thus reducing energy consumption and scope 3 emissions. This engagement with suppliers is critical for meeting the expectations our shareholders, investors, customers, and other stakeholders. To further drive decarbonization efforts, TEF has incorporated energy efficiency principles in the procurement of high-energy-consumption products, such as electricity and fuels. TEF has progressively adopted TCO criteria to internalize energy and carbon costs, ensuring that these factors are fully considered in purchasing decisions. Additionally, in 2023, TEF expanded its Supplier Engagement Program, encouraging high-emission suppliers to join the CDP Supply Chain program and set emission reduction targets aligned with SBTi. Strategic suppliers are also part of TEF's Carbon Reduction Program, aimed at lowering product emissions through life cycle analysis. Regarding the downstream, TEF's circular economy strategy supports its 2030 zero-waste goals and operates on three levels: operations, the value chain, and the business model. A key target is to reuse and recycle 100% of its network equipment by 2025, minimizing environmental impact while enhancing resource efficiency. Additionally, as customers are also part of the value chain, TEF works to deliver P&S that are sustainable and contribute to reducing their carbon footprint.

Investment in R&D

(5.3.1.1) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

While connectivity and digital solutions play a crucial role in reducing CO2 emissions and improving lives, they are resource-intensive, consuming minerals, water, and energy. According to the European Commission, digital technologies account for 8-10% of global energy consumption and 2-4% of GHG emissions. To mitigate these environmental impacts, we are focused on reducing the environmental footprint of our networks, which underpins all our digital solutions. The global GHG

emissions targets creates significant business opps such as new services based on 5G and AI, which can assist clients in their own decarbonization efforts. Additionally, we expect to see increased demand for low-impact products through initiatives like the Eco Rating label and circular economy products (see opp 1 in 3.6.1). To further promote innovation, TEF's open innovation strategy attracts talent, technology, and new business models by fostering collaboration with startups. In 2023, we made a strategic investment in MITIGA, a climate tech company focused on minimizing climate-related risks. Another major initiative was the launch of the Autonomous Network Journey (ANJ), a transformative network program that drives efficiency through disruptive technology and innovation. The ANJ leverages the transition toward softwarization and unbundled architectures, involving extensive changes in network architecture, systems, and processes. This program enhances autonomy by utilizing data management, AI, and machine learning, while adhering to a customer-first, sustainability-driven, and security-by-design approach. With over 100 initiatives, the ANJ program aims to increase agility, intelligence, efficiency, and sustainability across our networks.As part of our commitment to sustainability, the Sustainable Platform Design project (integrated in ANJ program), focuses on making our networks more energy efficient. Key initiatives include replacing copper with fiber optics (which is 85% more efficient), deploying 5G (up to 90% more efficient than 4G), virtualization, cloud migration, and implementing PSFs. AI and machine learning platforms are also being used to optimize energy consumption while maintaining high service quality. In addition, we are shutting down legacy networks, modernizing infrastructure, and upgrading power plants. Furthermore, TEF sees significant cost-saving opps through energy management (see opp 2 in 3.6.1). The EEP promotes projects aimed at reducing energy consumption and cooling needs. These include free cooling, renovating power plants and AC systems, and specifying network equipment to operate efficiently at higher temperatures. Other initiatives to reduce energy consumption include immersion cooling, hybrid stations powered by solar photovoltaic energy, and delaying generator ignition using deep-cycle lithium batteries. We are also exploring the use of environmentally friendly fuels like hydrogen and methanol to further minimize environmental impact.

Operations

(5.3.1.1) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

TEF sees as an opportunity decarbonize its electricity consumption by prioritizing the use of renewable sources (see opp 2 and 3 in 3.6.1). However, although the telecom sector is not fossil-fuel intensive, it is highly dependent on electricity consumption for its networks and operations - Our network's electricity consumption is high, reaching 6,012 GWh in 2023. Therefore, one of the key risks identified upstream is the increased need for cooling due to rising temperatures (see risk 1 in 3.1.1), which could raise operational costs by impacting network equipment, especially in data centers. This could lead to equipment failures, early write-offs, and higher risks of service disruptions, making efficient cooling solutions vital to TEF. To transition towards a decarbonized economy which requires to improve

operational efficiency through efficient resource use, renewable energies, and production efficiency. TEF has implemented the Energy Efficiency and Renewable Energy plans:

a) Energy Efficiency Plan (EEP), which reduces electricity consumption through set points at maximum and minimum temperatures, free cooling, automatic shutdown and monitoring systems, and more efficient base station planning, among other measures.

b) Renewable Energy Plan (REP), which lowers operating costs, decreases dependency on electricity price fluctuations through long-term Power Purchase Agreements (PPAs) and self-generation of energy, and allows us to further decarbonise our operations. The EEP began in 2010, with 1,440 energy efficiency projects implemented over the years, achieving savings of more than 8.8 TWh and 1,266 million EUR in energy costs. REP projects have the potential to save more than 25% in energy OPEX by 2030, as TEF has committed to making energy consumption 100% renewable in its facilities by that year. Measures from both plans will continue to be implemented to improve the decarbonization transition of our services in the coming years. Since the implementation of our EEP and REP, we have launched 170 initiatives, saving 281 GWh of energy consumption. These initiatives have led to an 8.6% reduction in energy consumption since 2015, despite an 8.65 PB increase in data traffic. As a result, TEF was able to reduce its market based GHG emissions related to energy consumption by 81% compared to 2015. Moreover, the Sustainable Platform Design project (integrated in ANJ program) focuses on making our networks more energy efficient. Key initiatives include replacing copper with fiber optics (which is 85% more efficient), deploying 5G (up to 90% more efficient than 4G), virtualization, cloud migration, and implementing PSFs. AI and machine learning platforms are also being used to optimize energy consumption while maintaining high service quality. In addition, we are shutting down legacy networks, modernizing infrastructure, and upgrading power plants.

[Add row]

(5.3.2) Describe where and how environmental risks and opportunities have affected your financial planning.

Row 1

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

- ☑ Revenues
- ☑ Direct costs
- ☑ Indirect costs
- ☑ Access to capital
- ☑ Capital allocation
- ☑ Capital expenditures

(5.3.2.2) Effect type

Select all that apply

- ☑ Risks
- ☑ Opportunities

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

☑ Climate change

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

Incorporation of Environmental Risks and Opportunities into Financial Planning Processes: As explained in the environmental risk management section of the annual report, the economic impact of risks and opportunities is integrated into financial planning through the definition and implementation of plans such as the climate action plan, the energy efficiency plan, or the business continuity plan. Additionally, the company is actively responding to new requirements under the Corporate Sustainability Reporting Directive (CSRD), which will further refine our financial planning by assessing the costs, benefits, and potential savings associated with climate change management. Impact on Resource Allocation and Financing Strategies: As a result of our commitment to sustainable finance, Telefónica is also working in adjusting its resource allocation and financing strategies to better address environmental risks and opportunities. The company actively uses debt instruments like green bonds and sustainability-linked loans to support sustainability goals. Case Study: Sustainable Financing and Emission Reduction

A specific example of how environmental opportunities have influenced our financial planning and in line with OPP 4, is our extensive use of green financial instruments. Since implementing this strategy in 2019, we have not only met but exceeded our sustainability targets, significantly contributing to emission reductions. As result of this strategy, TEF has surpassed 33% of sustainable financing and raised at least 1.85 BEUR in green bonds and 750 MEUR in green hybrid bonds. Also, TEF complies with regulatory requirements for sustainable financing, identifying, and reporting the alignment of revenues, CapEx, and OpEx for eligible activities according to EU Taxo, considering activities contributing significantly to CC mitigation and adaptation. Funding Strategies for Environmental Commitments: Telefónica plans to continue financing its environmental commitments through a diversified approach, leveraging green bonds and sustainability-linked loans. As well as improving and increasing the level of alignment among environmental risks and opportunities and the financial statements.
[Add row]

(5.4) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition	Methodology or framework used to assess alignment with your organization's climate transition	Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy
	Select from:	*Select all that apply*	*Select from:*

	Identification of spending/revenue that is aligned with your organization's climate transition	Methodology or framework used to assess alignment with your organization's climate transition	Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy
	☑ Yes	☑ A sustainable finance taxonomy ☑ Other methodology or framework	☑ At both the organization and activity level

[Fixed row]

(5.4.1) Quantify the amount and percentage share of your spending/revenue that is aligned with your organization's climate transition.

Row 1

(5.4.1.1) Methodology or framework used to assess alignment

Select from:

☑ A sustainable finance taxonomy

(5.4.1.2) Taxonomy under which information is being reported

Select from:

☑ EU Taxonomy for Sustainable Activities

(5.4.1.3) Objective under which alignment is being reported

Select from:

☑ Climate change mitigation

(5.4.1.4) Indicate whether you are reporting eligibility information for the selected objective

Select from:

☑ Yes

(5.4.1.5) Financial metric

Select from:

☑ Revenue/Turnover

(5.4.1.6) Amount of selected financial metric that is aligned in the reporting year (currency)

656000000

(5.4.1.7) Percentage share of selected financial metric aligned in the reporting year (%)

1.6

(5.4.1.8) Percentage share of selected financial metric planned to align in 2025 (%)

1.9

(5.4.1.9) Percentage share of selected financial metric planned to align in 2030 (%)

2.4

(5.4.1.10) Percentage share of financial metric that is taxonomy-eligible in the reporting year (%)

5.9

(5.4.1.11) Percentage share of financial metric that is taxonomy non-eligible in the reporting year (%)

96

(5.4.1.12) Details of the methodology or framework used to assess alignment with your organization’s climate transition

To carry out the calculation of the Revenue KPI in accordance with the EU Regulation, Telefónica uses the information from the local and/or global database for the different business units. Information on the VMED O2 UK joint venture is excluded from the scope as the Company is not fully consolidated. Transactions between

Group companies were analysed for identification and traceability purposes. However, they are not included in the calculation as they are excluded from full consolidation due to being intercompany transactions. Throughout the entire process, due care was taken to avoid double counting:

a. Reconciliation with accounting information, which ensures appropriate consideration of eliminations and adjustments on consolidation.

b. Use of consistent information sources, which prevents considering the same item in two different KPIs or twice in the same KPI.

c. Verification of the completeness and accuracy of the data.

This financial metric shows the relative weight of turnover derived from products or services associated with economic activities covered by the Taxonomy over total turnover. For the economic activities to be Taxonomy aligned, they also meet the related technical screening criteria, do not significant harm requirements and social minimum safeguards. Telefónica has analyzed the various items included in its revenue model, enabling it to identify revenue items considered Taxonomy-eligible and then differentiate between those that comply with the technical screening criteria described in the previous section (Taxonomy aligned items) and those that are not covered by the Taxonomy. Climate transition-related revenues (specifically contributing to climate change mitigation) were classified as follows:

a) Taxonomy-aligned activities (656 million): digital services/solutions providing data and analysis that enable the reduction of GHG emissions associated with other activities (CCM 8.2.).

b) Taxonomy-eligible but not Taxonomy-aligned activities (€875 million): from cloud services made available to users via the Internet, facilitating the storage of user data in data centres (€858 million) (CCM 8.1.); as well as the installation and maintenance of solar panels (€17 million) (CCM 7.6.). Other revenues identified:

c) Activities classified as Taxonomy-eligible contributing to circular economy objective: Maintenance and repair of customer equipment (€21 million) (CE 5.1.), Sale of second-hand mobile handsets (€32 million) (CE 5.4), and rental of equipment necessary for the provision of services and the leasing of mobile handsets (€829 million) (CE 5.5.).

d) Taxonomy non-eligible activities (€38,239 million): connectivity solutions provided through state-of-the-art data transmission networks and other networks and revenues from voice and television services, new handset sales and digital services/solutions that do not reduce GHG emissions associated with other activities.

Telefónica obtained third party verification/assurance for this revenue KPI alignment information. To calculate the percentage share of selected financial metric planned to align for 2025 and 2030, internal growth projections have been estimated, mainly based in the growth potential of the digital services market and other related activities. Projections have only been undertaken for activity 8.2, as it was the only considered Taxonomy-aligned.

Row 2

(5.4.1.1) Methodology or framework used to assess alignment

Select from:

☑ A sustainable finance taxonomy

(5.4.1.2) Taxonomy under which information is being reported

Select from:

☑ EU Taxonomy for Sustainable Activities

(5.4.1.3) Objective under which alignment is being reported

Select from:

☑ Climate change mitigation

(5.4.1.4) Indicate whether you are reporting eligibility information for the selected objective

Select from:

☑ Yes

(5.4.1.5) Financial metric

Select from:

☑ CAPEX

(5.4.1.6) Amount of selected financial metric that is aligned in the reporting year (currency)

44000000

(5.4.1.7) Percentage share of selected financial metric aligned in the reporting year (%)

0.5

(5.4.1.8) Percentage share of selected financial metric planned to align in 2025 (%)

0.6

(5.4.1.9) Percentage share of selected financial metric planned to align in 2030 (%)

0.8

(5.4.1.10) Percentage share of financial metric that is taxonomy-eligible in the reporting year (%)

9.8

(5.4.1.11) Percentage share of financial metric that is taxonomy non-eligible in the reporting year (%)

90

(5.4.1.12) Details of the methodology or framework used to assess alignment with your organization's climate transition

For CapEx KPI calc. in accordance with EU Reg., Telefónica uses the information from the local and/or global database for the different business units. Transactions between Group companies were analysed for identification and traceability purposes. However, they are not included in the calculation as they are excluded from full consolidation due to being intercompany transactions. Information on the VMED O2 UK joint venture is excluded from the scope as the Company is not fully consolidated. Due care was taken to avoid double counting:

a.Reconciliation with accounting info., which ensures appropriate consideration of eliminations&adjustments on consolidation.

b.Use of consistent info. sources, which prevents considering the same item in two different KPIs or twice in the same KPI.

c. Verification of the completeness&accuracy of data

This financial metric shows the proportion of capital CapEx associated with assets or processes associated with economic actv. covered by Taxonomy. For the economic actv. to be Taxonomy aligned, they also meet related technical screening criteria, do not significant harm requirements&social minimum safeguards. The denominator of this KPI includes additions to property, plant&equipment&intangible assets, as well as additions of right-of-use assets recognized in accordance with IFRS 16, as well as additions of property, plant&equipment, intangible assets or right-of-use assets arising from business combinations. Climate transition-related investments (specifically contributing to climate change mitigation) were classified as follows:

a) Taxonomy-aligned activities (€44 million): investments related to digital services/solutions specific measures and applied to telecom networks improving their energy efficiency (€33 million) (CCM 8.2); energy saving measures on equipment (€8 million) and buildings(€3 million) are also included (CCM 7.3 and 7.5), installation of charging points for electric vehicles (€0.04 million) (CCM 7.4.). Initiatives identified by TEF considered for actv.7.3 alignment are mainly related to modernization of air conditioning&free cooling in buildings. TEF includes EER purchase criteria identifying minimum performance, in line with its energy efficiency strategy. Equipment that meets the minimum criteria of high EE was considered Taxonomy-aligned. Initiatives identified by TEF considered for actv.7.5 alignment are mainly related to installation, maintenance&repair of instruments&devices for measuring, regulation and controlling energy performance of buildings. Initiatives identified by TEF correspond to the implementation of electronic devices to improve energy management of buildings.

b) Taxonomy-eligible but not Taxonomy-aligned activities (€739 M): investments linked to cloud services that are made available to users via Internet, facilitating the storage of user data in data centers (€37 million) (CCM 8.1.). Additions related to fleet management (€6 million) (CCM 6.5), acquisition & ownership of buildings (€62 million) (CCM 7.7), Other investments identified:

c) Activities classified as Taxonomy-eligible contributing to circular economy objective: Maintenance and repair of customer equipment (€1 million), purchase of equipment necessary for the provision of services (routers, set-top boxes and B2B equipment)(€633million) (CE 5.5.).

d) Taxonomy non-eligible activities (€7,200 million): investments associated with next-generation data transmission networks (access, infrastructure, transmission, core&capitalized expenditure related to labor)&other networks as well as other CapEx concepts (non-eligible right-of-use additions, systems, etc.) To calculate percentage share of selected financial metric planned to align for 2025&2030, internal growth projections have been estimated, mainly based in growth potential of digital services market&other related activities. Projections consider activities substantially contributing to climate change mitigation.

Row 3

(5.4.1.1) Methodology or framework used to assess alignment

Select from:

☑ A sustainable finance taxonomy

(5.4.1.2) Taxonomy under which information is being reported

Select from:

☑ EU Taxonomy for Sustainable Activities

(5.4.1.3) Objective under which alignment is being reported

Select from:

☑ Climate change mitigation

(5.4.1.4) Indicate whether you are reporting eligibility information for the selected objective

Select from:

☑ Yes

(5.4.1.5) Financial metric

Select from:

☑ OPEX

(5.4.1.6) Amount of selected financial metric that is aligned in the reporting year (currency)

200000

(5.4.1.7) Percentage share of selected financial metric aligned in the reporting year (%)

0.01

(5.4.1.8) Percentage share of selected financial metric planned to align in 2025 (%)

0

(5.4.1.9) Percentage share of selected financial metric planned to align in 2030 (%)

0

(5.4.1.10) Percentage share of financial metric that is taxonomy-eligible in the reporting year (%)

1

(5.4.1.11) Percentage share of financial metric that is taxonomy non-eligible in the reporting year (%)

99

(5.4.1.12) Details of the methodology or framework used to assess alignment with your organization’s climate transition

To carry out the calculation of the OpEx KPIs in accordance with the EU Regulation, Telefónica uses the information from the local and/or global database for the different business units. Transactions between Group companies were analysed for identification and traceability purposes. However, they are not included in the calculation as they are excluded from full consolidation due to being intercompany transactions. Information on the VMED O2 UK joint venture is excluded from the scope as the Company is not fully consolidated Throughout the entire process, due care was taken to avoid double counting:

a. Reconciliation with accounting information, which ensures appropriate consideration of eliminations and adjustments on consolidation.

b. Use of consistent information sources, which prevents considering the same item in two different KPIs or twice in the same KPI.

c. Verification of the completeness and accuracy of the data

This indicator shows the proportion of operating expenditure (OpEx) associated with the economic activities covered by the taxonomy. The denominator includes direct non-capitalised costs related to short-term leases, maintenance and repairs, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment that are necessary to ensure the continued and effective functioning of such assets. Telefónica analysed the different items included in its OpEx model, obtaining a Taxonomy-aligned result of approximately 0.01% in 2023. This amount was associated to digital services/solutions aimed at providing data and analysis that reduce GHG emissions from other activities (CCM 8.2). Taxonomy eligible but non-Taxonomy-aligned was of 1% of the total company OpEx and it was associated with the refurbishment, repair and maintenance of customer equipment (CE 5.1.).Non taxonomy-eligible OpEx amounts to 2,795 million euros. The estimated growth in the percentage share of selected financial metric to align in 2025 and 2030 is expected to remain close to 0%.

[Add row]

(5.4.2) Quantify the percentage share of your spending/revenue that was associated with eligible and aligned activities under the sustainable finance taxonomy in the reporting year.

Row 1

(5.4.2.1) Economic activity

Select from:

☑ Data-driven solutions for GHG emissions reductions

(5.4.2.2) Taxonomy under which information is being reported

Select from:

☑ EU Taxonomy for Sustainable Activities

(5.4.2.3) Taxonomy alignment

Select from:

☑ Taxonomy-aligned

(5.4.2.4) Financial metrics

Select all that apply

☑ Turnover

☑ CAPEX

☑ OPEX

(5.4.2.5) Types of substantial contribution

Select all that apply

☑ Activity enabling mitigation

(5.4.2.6) Taxonomy-aligned turnover from this activity in the reporting year (currency)

656000000

(5.4.2.7) Taxonomy-aligned turnover from this activity as % of total turnover in the reporting year

1.6

(5.4.2.8) Taxonomy-aligned turnover from this activity that substantially contributed to climate change mitigation as a % of total turnover in the reporting year

1.6

(5.4.2.9) Taxonomy-aligned turnover from this activity that substantially contributed to climate change adaptation as a % of total turnover in the reporting year

0

(5.4.2.13) Taxonomy-aligned CAPEX from this activity in the reporting year (currency)

33000000

(5.4.2.14) Taxonomy-aligned CAPEX from this activity as % of total CAPEX in the reporting year

0.4

(5.4.2.15) Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change mitigation as a % of total CAPEX in the reporting year

0.4

(5.4.2.16) Taxonomy-aligned CAPEX from this activity that substantially contributed to climate change adaptation as a % of total CAPEX in the reporting year

0

(5.4.2.20) Taxonomy-aligned OPEX from this activity in the reporting year (currency)

200000

(5.4.2.21) Taxonomy-aligned OPEX from this activity as % of total OPEX in the reporting year

0.01

(5.4.2.22) Taxonomy-aligned OPEX from this activity that substantially contributed to climate change mitigation as a % of total OPEX in the reporting year

0.01

(5.4.2.23) Taxonomy-aligned OPEX from this activity that substantially contributed to climate change adaptation as a % of total OPEX in the reporting year

0

(5.4.2.27) Calculation methodology and supporting information

In 2023, in order to carry out the calculation of the revenues, CapEx and OpEx KPIs in accordance with the EU Regulation,TEF continued to use as a basis the information corresponding to the various business units, with a high granularity level, that contribute to the aggregation of the information at consolidation level for the Group (bottom up). Intragroup transactions were excluded from the calculations. Throughout the entire process, due care was taken to avoid double counting:

a. Reconciliation with accounting information, which ensures appropriate consideration of eliminations and adjustments on consolidation.

b. Use of consistent information sources, which prevents considering the same item in two different KPIs or twice in the same KPI.

c. Verification of the completeness and accuracy of the data

Taxonomy- aligned revenue (€656 M) from Activity 8.2 Data-driven solutions for GHG emissions reductions was obtained from the revenues associated to digital services/solutions linked to the collection, transmission and analysis of data that reduce emissions associated to other activities. Taxonomy-aligned Capex (€33M) from Activity 8.2 Data-driven solutions for GHG emissions reductions was obtained from investments directly and exclusively related to digital services/solutions and some specific measures applied to telecommunications networks that improve their energy efficiency.

(5.4.2.28) Substantial contribution criteria met

Select from:

☑ Yes

(5.4.2.29) Details of substantial contribution criteria analysis

The substantial contribution to climate change mitigation of data-driven solutions is associated with the fulfilment of the following technical screening criteria:

1. ICT solutions predominantly used for the provision of data and analytics enabling GHG emission reductions. Regarding technical criterion one, the use of solutions to reduce emissions, is demonstrated through a set of studies and methodologies that evaluate, identify, and often quantify the impacts of the digital solutions provided by Telefónica to its customers on the climate (Avoided emissions methodology, Eco Smart label, LCA). To address the technical screening criteria outlined in the Taxonomy, the solutions were grouped into 8 different categories, namely: solutions for smart cities, mobility solutions, industry 5.0 solutions, smart working solutions, energy efficiency solutions, agricultural management solutions, e-health solutions. The report titled "Evidence on the Substantial Contribution of Digital Solutions to Decarbonisation" was developed to compile the quantification of the potential of the aforementioned digital solutions in reducing/avoiding carbon emissions. Although undertaking a Life Cycle Assessment analysis is not considered an applicable criterion to the categories of solutions described by the EU Taxonomy, as there is no alternative solution on the market for the ICT solutions analysed in Telefónica's portfolio, Telefónica has in place the different LCAs studies carried out in 2022 to measure the impact of its digital solution services on both fixed and mobile networks comparing its impact based on the use of old and new technologies being deployed in each of these networks. The results of these studies showed how the climate impact was reduced when the digital services connectivity depended on fibre instead copper and 4G/5G instead 2G/3G. When comparing the environmental impact of new technologies with legacy technologies in

its fixed and mobile networks, results showed that fibre has 18 times less environmental impact than copper, and 4G/5G has seven times less impact than 2G/3G (in terms of PB). Telefónica analyses were carried out using the ETSI ES 203 199 standard and the results were verified by an independent third-party. In line with such the recommendations from such standard, these LCA studies are anticipated to be updated in 2024, incorporating significant improvements to enhance impact assessment analysis and achieve more accurate results.

(5.4.2.30) Do no significant harm requirements met

Select from:

☑ Yes

(5.4.2.31) Details of do no significant harm analysis

The 'do not significant harm to climate change adaptation' principle for activity 8.2 requires the identification and assessment of physical climate risks associated with TEF's data-driven solutions for GHG emissions reductions under different climate scenarios. The objective is to identify and apply adaptation solutions that significantly reduce the material risks identified.
Risk identification is carried out in accordance with the Group's risk management approach, tailored to the cause underlying the climate risk assessment. For each risk, the probability of occurrence is estimated, along with the possible impact and economic value, to arrive at an expected level of exposure for each scenario analyzed. To this end, TEF assessed the physical risk of CC using climate projections covering both the RCP2.6 and RCP 8.5 climate scenarios and time horizons up to 2030, 2040 and 2050. In addition, TEF has developed an Adaptation Plan, which includes several lines of initiatives aimed at protecting the Company's assets against any extreme weather events to reduce its exposure to the main physical risks identified and to adapt to the consequences of climate change.

DNSH to the transition to a circular economy: The maintenance of the network infrastructure is the main source of waste for TEF. Regarding the management of waste at the end of the useful life of electrical and electronic equipment, TEF maintains contractual agreements for the collection of waste and verifies that the waste manager is authorized and has adequate control over the waste. In addition, the appropriate documentation is in place to ensure compliance with the directives applicable to the equipment purchased and that are part of the Company's operations.

(5.4.2.32) Minimum safeguards compliance requirements met

Select from:

☑ Yes

Row 2

(5.4.2.1) Economic activity

Select from:

☑ Data processing, hosting and related activities

(5.4.2.2) Taxonomy under which information is being reported

Select from:

☑ EU Taxonomy for Sustainable Activities

(5.4.2.3) Taxonomy alignment

Select from:

☑ Taxonomy-eligible but not aligned

(5.4.2.4) Financial metrics

Select all that apply

☑ Turnover

☑ CAPEX

(5.4.2.10) Taxonomy-eligible but not aligned turnover from this activity in the reporting year (currency)

858000000

(5.4.2.11) Taxonomy-eligible but not aligned turnover from this activity as % of total turnover in the reporting year

2.1

(5.4.2.17) Taxonomy-eligible but not aligned CAPEX associated with this activity in the reporting year (currency)

37000000

(5.4.2.18) Taxonomy-eligible but not aligned CAPEX associated with this activity as % of total CAPEX in the reporting year

0.5

(5.4.2.27) Calculation methodology and supporting information

In 2023, in order to carry out the calculation of the revenues and CapEx KPIs in accordance with the EU Regulation, TEF used as a basis the information corresponding to the various business units, with a high granularity level, that contribute to the aggregation of the information at consolidation level for the Group (bottom up). Intragroup transactions were excluded from the calculations. Throughout the entire process, due care was taken to avoid double counting:

a. Reconciliation with accounting information, which ensures appropriate consideration of eliminations and adjustments on consolidation.

b. Use of consistent information sources, which prevents considering the same item in two different KPIs or twice in the same KPI.

c. Verification of the completeness and accuracy of the data

Taxonomy-elegible but not aligned revenues (€858M) from Activity 8.1 Data processing, hosting and related activities was obtained from revenues derived from cloud services provided to users over Internet, allowing user data to be stored in data centres (€858 million). Taxonomy-elegible but not aligned CapEx (€37M) from Activity 8.1, were obtained from investments linked to cloud services that are made available to users via Internet, facilitating the storage of user data in data centers.

(5.4.2.28) Substantial contribution criteria met

Select from:

☑ No

(5.4.2.29) Details of substantial contribution criteria analysis

The substantial contribution to climate change mitigation of data processing, hosting and relative activities requires compliance with two main technical criteria:

a) Implement all relevant practices listed in the most recent version of the EU Code of Conduct for Energy Efficiency in Data Centres and third-party assurance at least every three years.

b) Use of refrigerants in the data centre cooling system which global warming potential (GWP) do not exceed 675.

In 2023, after more than a year in development, the European Commission published the framework for assessing data centres in the context of activity 8.1. of the Taxonomy Climate Delegated Regulation. Once the audit criteria have been established, the Company will use that framework to explore how to carry out the alignment analysis for this activity.

(5.4.2.30) Do no significant harm requirements met

Select from:

☑ Yes

(5.4.2.31) Details of do no significant harm analysis

Although activity 8.1 was not considered to be aligned, the DNSH fulfilment process was undertaken. The 'do not significant harm to climate change adaptation' principle for activity 8.1 requires the identification and assessment of physical climate risks associated with TEF's data processing, hosting and related activities under different climate scenarios. The objective is to identify and apply adaptation solutions that significantly reduce the material risks identified. Risk identification is carried out in accordance with the Group's risk management approach, tailored to the cause underlying the climate risk assessment. For each risk, the probability of

occurrence is estimated, along with the possible impact and economic value, to arrive at an expected level of exposure for each scenario analyzed. To this end, TEF assessed the physical risk of climate change using climate projections covering both the RCP2.6 and RCP 8.5 climate scenarios and time horizons up to 2030, 2040 and 2050. In addition, TEF has developed an Adaptation Plan, which includes several lines of initiatives aimed at protecting the Company's assets against any extreme weather events to reduce its exposure to the main physical risks identified and to adapt to the consequences of climate change. DNSH to sustainable use and protection of water and marine resources: TEF's water consumption is mainly due to sanitary use, and to a lesser extent to its use in cooling. Aware of this, TEF takes several measures to use water more efficiently, especially in areas of high-water stress (717 megaliters in 2023). Water consumption of data centers is undertaken through a closed cooling system, so there are no discharges to freshwater streams or seawater that could cause harm or have a material adverse impact. Of the 2.8 million of liters of water we consumed in 2023, the vast majority was for sanitary uses of the Group's employees.

DNSH to the transition to a circular economy: The maintenance of the network infrastructure is the main source of waste for TEF. Regarding the management of waste at the end of the useful life of electrical and electronic equipment, TEF maintains contractual agreements for the collection of waste and verifies that the waste manager is authorized and has adequate control over the waste. In addition, the appropriate documentation is in place to ensure compliance with the directives applicable to the equipment purchased and that are part of the Company's operations.

(5.4.2.32) Minimum safeguards compliance requirements met

Select from:

☑ Yes

[Add row]

(5.4.3) Provide any additional contextual and/or verification/assurance information relevant to your organization's taxonomy alignment.

(5.4.3.1) Details of minimum safeguards analysis

Telefónica's compliance was assessed in accordance with the Platform on Sustainable Finance's Report on Minimum Safeguards (the Platform Report) published in October 2022. In addition, in 2023 and in line with the Commission Notice on the interpretation and implementation of certain legal provisions of the EU Taxonomy Regulation, progress has been made towards developing the Company's management approach to identifying, mitigating and remediating adverse human rights impacts. It is worth noting that the Platform Report was prepared for the sole purpose of guiding the European Commission in its task of establishing formal criteria for assessing social issues. However, Telefónica considered it good practice to anticipate potential future regulatory developments and analysed its alignment with social safeguards based on the four areas identified in the report: human rights, corruption, taxation and fair competition. Telefónica respects and promotes human rights throughout its entire value chain. For this reason, it has a due diligence system in place that includes policies, regular adverse impact assessment procedures, management measures to prevent and mitigate identified potential impacts, monitoring and communication procedures, and complaint and remedy mechanisms. It also has competition, anti-corruption, responsible business, conflict of interest and fiscal responsibility policies and procedures in place, among others, to reinforce the Group's commitment to social rights and sustainable growth.

(5.4.3.2) Additional contextual information relevant to your taxonomy accounting

The scope of application of the EU Taxonomy Regulation consists of the activity of Telefónica, S.A. and all Group subsidiaries. Telefónica offers connectivity solutions and digital services that connect people by deploying E&S efficient telecommunication networks. In 2023, Telefónica used detailed information from its business units to calculate revenues, CapEx, and OpEx KPis, following regulations and a bottom-up approach for data consolidation. After assessing each of the three indicators, the following were identified as the main Taxonomy-eligible economic activities according to the Climate Delegated Act:

- Activities that can make a substantial contribution to CC mitigation: Activity 8.1. Data processing, hosting, and related activities & Activity 8.2. Data-driven solutions for GHG emissions reductions In addition, other secondary activities mainly related to energy efficiency and sustainable mobility were identified. These activities correspond to individual measures in the Taxonomy Regulation. These activities are: – Activity 6.5, 7.3, 7.4, 7.5, 7.6 and 7.7.

The most relevant Taxonomy financial KPIs obtained for the company in relation with Climate mitigation and adaptation objectives were:

a) Eligible revenue: 3,8%
b) Aligned revenue: 1,6%
c) Eligible CapEx: 1,9%
d) Aligned CapEx: 0,5%

Among the activities reported in the 2022 financial year as having the potential to make a substantial contribution to climate change adaptation were:

a) Activity 8.3. Programming and broadcasting activities.

b) Activity 13.3. Motion picture, video and television programme production, sound recording and music publishing activities. In 2023, the conclusion reached after a more in-depth analysis of the audiovisual content identified in the 2022 Report was that content associated with the two activities is not eligible and therefore does not make a substantial contribution to the target of climate change adaptation.

(5.4.3.3) Indicate whether you will be providing verification/assurance information relevant to your taxonomy alignment in question 13.1

Select from:

☑ Yes

[Fixed row]

(5.10) Does your organization use an internal price on environmental externalities?

	Use of internal pricing of environmental externalities	Environmental externality priced
	Select from: ☑ Yes	*Select all that apply* ☑ Carbon

[Fixed row]

(5.10.1) Provide details of your organization’s internal price on carbon.

Row 1

(5.10.1.1) Type of pricing scheme

Select from:

☑ Shadow price

(5.10.1.2) Objectives for implementing internal price

Select all that apply

☑ Drive energy efficiency

☑ Drive low-carbon investment

☑ Identify and seize low-carbon opportunities

☑ Setting and/or achieving of climate-related policies and targets

(5.10.1.3) Factors considered when determining the price

Select all that apply

☑ Alignment to scientific guidance

☑ Price/cost of voluntary carbon offset credits

(5.10.1.4) Calculation methodology and assumptions made in determining the price

In 2023, we continued implementing a shadow price in our purchasing decisions for hardware that consumes fossil fuels or electricity, as well as hardware containing refrigerant gases. By applying Total Cost of Ownership (TCO), we include in the purchasing decision process both the cost of energy consumption and the GHG emissions costs during the useful life of the equipment, so that low carbon procurement becomes one of the important decision-making criteria. When determining our ICP, we decided to start with a low-medium price (height dimension) with a large coverage of all our Operational Business (width dimension), since we thought that this financial effect of ICP could lead to higher acceptability within the company. Firstly, we did research looking at external resources such as IEA Scenarios, EUA prices or Carbon Pricing Leadership Coalition, that show price ranges from USD 50-100/t CO2; since we are not subject to CBAM or EU ETS, these prices seemed too high for building the business case. We also looked at median price ranges in CDP's annual carbon pricing report where USD 28 was the median price for shadow prices. Based on our previous experience of the price of the carbon credits purchased in the VCM from 2020-2022 and in the price ranges of our off-take agreements until 2026, we obtained an average price of 16-20/t CO2. Considering peers' benchmark, our experience, and the future prediction of prices in the VCM, we decided to set the ICP in 30 €/t CO2

(5.10.1.5) Scopes covered

Select all that apply

☑ Scope 1

☑ Scope 2

(5.10.1.6) Pricing approach used – spatial variance

Select from:

☑ Uniform

(5.10.1.8) Pricing approach used – temporal variance

Select from:

☑ Evolutionary

(5.10.1.9) Indicate how you expect the price to change over time

TEF uses the same shadow carbon price for all Operational Business in all the geographies where TEF operates. We determined the ICP based on the price of the carbon credits purchased in each region, which help us to make investment based on a risk analysis. It is expected that a new ICP instrument will be implemented in the coming years (carbon fee). We anticipate rising carbon prices in the coming years. Reports from Ecosystem Marketplace's "State of the Voluntary Carbon Markets" (Nov 2023) and the World Economic Forum's "Scaling Voluntary Markets: A Playbook for Corporate Action" (Sep 2023) indicate significant growth in voluntary carbon markets (VCM) and an increase in carbon credits. This growth is expected to be driven by increased corporate commitments to reduce GHG

emissions and a growing demand for sustainable solutions. Also, in the World Bank's "State and Trends of Carbon Pricing 2024" (May 2024) is said that to achieve a 1.5C pathway, ETSs and carbon taxes are needed. The High-Level Commission on Carbon Prices suggested that carbon prices should have been USD 40-80 per tCO2e by 2020 and USD 50-100 per tCO2e by 2030 to limit temperature rise to well below 2C. All existing carbon prices are below the IPCC's recommended levels of USD 170 to 290 per tCO2e needed to limit warming to 1.5C. Therefore, we expect to increase TEF's ICP up to the values recommended by the IPCC, after these first years of implementation and testing.

(5.10.1.10) Minimum actual price used (currency per metric ton CO2e)

30

(5.10.1.11) Maximum actual price used (currency per metric ton CO2e)

30

(5.10.1.12) Business decision-making processes the internal price is applied to

Select all that apply

☑ Capital expenditure

☑ Procurement

(5.10.1.13) Internal price is mandatory within business decision-making processes

Select from:

☑ Yes, for some decision-making processes, please specify **:**TEF's Corporate Instruction on low-carbon procurement is mandatory in all Group companies. Specifically, it applies to procurement processes >€3M of equipment that uses energy or contains refrigerant gases and automatic extinguishing systems.

(5.10.1.14) % total emissions in the reporting year in selected scopes this internal price covers

1

(5.10.1.15) Pricing approach is monitored and evaluated to achieve objectives

Select from:

☑ Yes

(5.10.1.16) Details of how the pricing approach is monitored and evaluated to achieve your objectives

In 2020, we first implemented an internal carbon price (ICP) to inform our decisions relating to emissions reduction and energy efficiency initiatives. In this regard, our strategy was to increase energy efficiency of our operations. In 2022, we implemented a shadow price in our purchasing decisions, which is mandatory for all TEF Group companies. Specifically, when procuring equipment that uses energy (electricity or fuel) or that contains fluorinated gases, by calculating the Total Cost of Ownership (TCO). This enables us to bear in mind not just the purchase price, but also the price of the energy used, and the emissions generated during its useful life. As a result, we can make better investment decisions, and choose to buy more efficient equipment that will produce fewer operational emissions over its useful life, which contributes to achieve or climate-related targets (scope 12 emissions reduction and intensity energy target). The year after the ICP implementation (shadow price) and aiming to reinforce internal awareness, five training sessions were held for over 500 employees from operations, procurement, and sustainability. We also worked in changing the procurement IT-systems to record the implementation of TCO and link it to each specific purchase, aiming at easing the monitoring process. Currently we are starting a regular monitoring with the Global Procurement Area. With this monitoring we want to determine if the low carbon procurement instruction is being implemented correctly, if our ICP is influencing business decisions towards the acquisition of more efficient equipment and the achievement of our targets and if the carbon price level is effective and has influence in decision-making. As an example, when awarding the indoor and outdoor power plant systems for TEF Germany for the 2023-2025 period, we calculated the TCO, which includes the shadow carbon price. This enabled us to select more efficient equipment, improving the efficiency of the rectifier modules from 96% to 98%. The TCO analysis estimates that by choosing more efficient equipment, we will achieve energy cost savings of 1.1 million per year, as well as a reduction of 778 t CO2 annually.

In the upcoming years, we anticipate gaining a clearer understanding, in quantitative terms, of how the internal carbon price has contributed to advancing energy efficiency, driving low-carbon investments, seizing low-carbon opportunities, and meeting our climate-related targets and policies.
[Add row]

(5.11) Do you engage with your value chain on environmental issues?

	Engaging with this stakeholder on environmental issues	Environmental issues covered
Suppliers	*Select from:* ☑ Yes	*Select all that apply* ☑ Climate change
Customers	*Select from:* ☑ Yes	*Select all that apply* ☑ Climate change
Investors and shareholders	*Select from:* ☑ Yes	*Select all that apply* ☑ Climate change
Other value chain stakeholders	*Select from:*	*Select all that apply*

	Engaging with this stakeholder on environmental issues	Environmental issues covered
	☑ Yes	☑ Climate change

[Fixed row]

(5.11.1) Does your organization assess and classify suppliers according to their dependencies and/or impacts on the environment?

Climate change

(5.11.1.1) Assessment of supplier dependencies and/or impacts on the environment

Select from:

☑ Yes, we assess the dependencies and/or impacts of our suppliers

(5.11.1.2) Criteria for assessing supplier dependencies and/or impacts on the environment

Select all that apply

☑ Contribution to supplier-related Scope 3 emissions

(5.11.1.3) % Tier 1 suppliers assessed

Select from:

☑ 100%

(5.11.1.4) Define a threshold for classifying suppliers as having substantive dependencies and/or impacts on the environment

TEF evaluates its supp. into 3 groups(G) based on emissions(em.) contribution to TEFs Scope 3. Supp. with a with a higher climate imp. are required to undertake more env. init. G 1: about 20 supp. accounting for approx. 50% of supply chain em.(see Carbon Red. Program). G 2: together with G 1, account for almost 90% of

supply chain em., about 200 supp.(see Supp. Eng. Program). G 3: together with G 1&2, accounts for 100% of supply chain em., less than 9.000 supp.(see Supply Chain Policy).

(5.11.1.5) % Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

Select from:

☑ 100%

(5.11.1.6) Number of Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

8462
[Fixed row]

(5.11.2) Does your organization prioritize which suppliers to engage with on environmental issues?

Climate change

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

☑ Yes, we prioritize which suppliers to engage with on this environmental issue

(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

☑ Procurement spend

☑ Product lifecycle

☑ Business risk mitigation

☑ Strategic status of suppliers

☑ Supplier performance improvement

☑ In line with the criteria used to classify suppliers as having substantive dependencies and/or impacts relating to climate change

(5.11.2.4) Please explain

TEF engages suppliers(supp.) on env. issues based on criteria such as procurement spend to gauge financial inv., business risk mitigation, and product lifecycle. The strategic importance of suppliers and their performance improvement potential are also considered, focusing on those with significant CC. imp.&dep. TEF's evaluation process starts with all supp. accepting the Supply Chain Sustainability Policy, which sets basic responsible business standards (including env./CC requirements). High-risk supp. are identified based on social and env. factors, particularly CC, product origin, and potential reputational risks. Their sust. performance is then assessed through a third-party evaluation (IntegrityNext platform), which covers aspects like env. governance, substance use, waste management, and GHG emissions. Key supp. are audited annually to ensure compliance with critical standards. If a supp. cannot provide necessary info. or fails to meet standards, TEF begins an escalation process, working with the supp. to address issues and prevent further business until improvements are made. Moreover, TEF engages with strategic supp. regarding climate change to reduce emissions at the level of the products they provide us with and at the company level. In this way, through the Supplier Engagement Programme (e.g.), uses CDP Supply Chain data to evaluate the climate maturity and emissions performance of TEF's most strategic suppliers. [Fixed row]

(5.11.5) Do your suppliers have to meet environmental requirements as part of your organization's purchasing process?

Climate change

(5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

☑ Yes, environmental requirements related to this environmental issue are included in our supplier contracts

(5.11.5.2) Policy in place for addressing supplier non-compliance

Select from:

☑ Yes, we have a policy in place for addressing non-compliance

(5.11.5.3) Comment

TEF recognizes the importance of its supply chain, for this reason, TEF promotes, establishes, and maintains high levels of responsibility with its suppliers, encouraging compliance not only with quality standards for P&S but also with legislation, social and environmental standards throughout its supply chain. Consequently, TEF has developed the Supply Chain Sustainability Policy. This policy stipulates that TEF's suppliers must commit to complying with the Minimum Standards for Sustainable Business and to ensuring their subcontractors do the same. Any breach of these minimum criteria by the supplier will be considered a contract violation, allowing TEF to terminate the contractual relationship and demand appropriate indemnities or compensation for any damage or loss resulting from

the breach and/or contractual termination. However, as an alternative to contract termination, TEF reserves the right to require corrective measures from supplier to comply with these minimum criteria. The minimum criteria for the environmental part include those related to life cycle and preventive action, environmental policy and management, waste management, GHG emissions, and use of refrigerant gases, among others. Furthermore, for strategic suppliers in terms of emissions, TEF requires the participation of these suppliers into various carbon reduction initiatives, via the policy, including, setting, and validating SBTi targets, according to their importance in TEF's scope 3 emissions.
[Fixed row]

(5.11.6) Provide details of the environmental requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place.

Climate change

(5.11.6.1) Environmental requirement

Select from:

☑ Setting a science-based emissions reduction target

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

☑ Certification

☑ Supplier self-assessment

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

☑ 100%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

☑ 26-50%

(5.11.6.7) % tier 1 supplier-related scope 3 emissions attributable to the suppliers required to comply with this environmental requirement

Select from:

☑ 100%

(5.11.6.8) % tier 1 supplier-related scope 3 emissions attributable to the suppliers in compliance with this environmental requirement

Select from:

☑ 26-50%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

☑ Retain and engage

(5.11.6.10) % of non-compliant suppliers engaged

Select from:

☑ 1-25%

(5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply

☑ Providing information on appropriate actions that can be taken to address non-compliance

(5.11.6.12) Comment

TEF's supply chain (SC) management is governed by Supply Chain Sustainability Policy (SCSP), which all suppliers must accept. Compliance with the Minimum Standards for Sustainable Business outlined in this policy is mandatory for any entity wishing to be considered a TEF supplier. Specifically, clause 4.4 on Environmental Criteria mandates that suppliers take action to minimize the impact of their activities on CC, considering the entire SC. TEF is committed to sustainability and has established a series of collaborative initiatives with its suppliers, considering their impact on emissions throughout the SC. To manage this, suppliers are classified into 3 groups based on their contribution to TEF's overall emissions (see 5.11.1). In 2022, a new requirement regarding CC was incorporated into the purchasing process. TEF, through a letter signed by the CPO and CSO, requested its strategic suppliers to establish short-term emission reduction targets in

line with the SBTi. These suppliers were asked to define science-based reduction targets and to be validated by SBTi. These strategic suppliers were selected based on the % of emissions represented by the purchase of their P&S in categories 1&2 of TEF's scope 3, covering around 80% of the emissions. Of all suppliers, 38 have committed to the SBTi requirements, 20 are working on the commitment, 1 is discussing the commitment internally, and 14 have yet to respond, with their cases being escalated to procurement heads internally.
[Add row]

(5.11.7) Provide further details of your organization's supplier engagement on environmental issues.

Climate change

(5.11.7.2) Action driven by supplier engagement

Select from:
☑ Emissions reduction

(5.11.7.3) Type and details of engagement

Capacity building
☑ Provide training, support and best practices on how to measure GHG emissions
☑ Provide training, support and best practices on how to mitigate environmental impact
☑ Provide training, support and best practices on how to set science-based targets
☑ Support suppliers to develop public time-bound action plans with clear milestones
☑ Support suppliers to set their own environmental commitments across their operations

Information collection
☑ Collect GHG emissions data at least annually from suppliers

(5.11.7.4) Upstream value chain coverage

Select all that apply
☑ Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

☑ 51-75%

(5.11.7.6) % of tier 1 supplier-related scope 3 emissions covered by engagement

Select from:

☑ 76-99%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

Telefonica continued with the Supplier Engagement Programme (SEP) in 2023. An invitation to complete de CDP Supply Chain questionnaire was sent to almost 200 suppliers (which represent around 90% of our supplier emissions in 2022) where the supplier provides information on their climate strategy, targets and actions. The data provided by suppliers is uploaded to a tool providing a maturity-level score for each supplier. This score takes into account 5 dimensions: strategy, measurement, reporting and validation, emissions reduction, communication and engagement. For each of the dimensions, the supplier is provided with potential actions to improve their maturity score via a pledge model.
As support, capacity-building webinars that tackle the 4 aforementioned dimensions and how a supplier can achieve a high maturity level in these. We measure the success of the engagement through the % supply chain emissions -Cat 1&2- and the % of procurement spend covered. If the % of emissions attributed to suppliers engaged is over 70% and % of procurement spend is over 50% we consider this engagement to be successful. As we around 90% of supply chain emissions -cat 1&2 reported and 55% of procurement spend covered we consider this initiative to be a success.

Impact of engagement: The SEP allows us to improve our S3 calculation & to develop an accurate carbon maturity curve which classifies suppliers in 5 levels. It has also allowed us to provide capacity-building material (scorecards, webinars, pledge model) and identify improvement and collaboration areas for each maturity level ensuring that there is a tailored engagement to each supplier. The suppliers then commit to pledges on taking actions to reduce climate impacts on products & services including, Renewable Energy purchase, EE Projects, Targets (SBT) & switch to lower emissions vehicles, etc. The SEP also drives supplier action in the following: emissions measurement, circular economy, waste & resource reduction & end-of life management, supply chain engagement, among others. As important note, the SEP, although initiated by Telefonica, has been developed and raised at sector-level. Currently (2024) the SEP is elevated through the JAC (Joint Alliance for CSR). Thus 13 other telecoms joined the SEP and have invited their suppliers. Thus, the scope of the SEP has quadrupled & provides an example of the benefits of sector collaboration in the reduction of supply chain emissions & the promotion of climate action.

(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

☑ Yes, please specify the environmental requirement **:**Sustainability in the Supply Chain Policy requirements - setting science based targets

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

☑ Yes

Climate change

(5.11.7.2) Action driven by supplier engagement

Select from:

☑ Emissions reduction

(5.11.7.3) Type and details of engagement

Capacity building

☑ Provide training, support and best practices on how to mitigate environmental impact

☑ Support suppliers to set their own environmental commitments across their operations

☑ Other capacity building activity, please specify :Support suppliers in identifying the stages of greatest impact on the carbon footprint of their products and establishing carbon reduction commitments in their operations.

Information collection

☑ Collect GHG emissions data at least annually from suppliers

☑ Collect targets information at least annually from suppliers

☑ Other information collection activity, please specify :Life Cycle Assessment of the suppliers' main products

Innovation and collaboration

☑ Collaborate with suppliers on innovations to reduce environmental impacts in products and services

(5.11.7.4) Upstream value chain coverage

Select all that apply

☑ Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

☑ 1-25%

(5.11.7.6) % of tier 1 supplier-related scope 3 emissions covered by engagement

Select from:

☑ 26-50%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

In 2023, we continued with the Carbon Reduction Programme (CRP) initiative to engage a smaller number of strategic suppliers from Group 1 (covering around 50% supply chain emissions) and focus the engagement on product-related emissions (through the use of LCAs). This initiative is a joint action in collaboration with other telecoms (4) and consists of engaging with supplier on an individual basis to reduce emissions at product level. Each telco engages with a group of 3 or 4 common suppliers on identifying the most carbon-intensive products being provided to the participants & providing a plan to reduce the emissions related to that product.
The identification of the carbon intensity is done through life-cycle assessments (LCAs) & is carried out to identify which products have the greatest potential for achieving carbon reductions & how the reductions are done.

TEF engages with 3 suppliers through monthly. Working and follow-up meetings are held periodically, and each telco offers support to identify both the stages of greatest impact in the LCA and the existing opportunities and alternatives to reduce emissions at the product level. A specialized consultant accompanies all telcos in this support. As the CRP is our most tailored programme & is done hand in hand with each of the participating suppliers, the measure of success used is the number of suppliers that are engaged through in the programme (threshold: 3 suppliers) Telefonica considers that having an individual and tailored approach with 3 of the most strategic suppliers in terms of emissions can ensure a significant reduction in emissions and improvement in scope 3 data collection. As TEF engaged with over 3 suppliers in the CRP during 2023, the initiative is considered to be a success.
Impact of engagement: The CRP allows us to improve our S3 calculation by receiving a large amount of LCAs; it also allows to support our suppliers with developing plans and actions to reduce the emission attributed to their specific products (design, materials used, packaging, etc). As with the SEP, although initiated by TEF, the initiative has been developed and raised at sector-level. Currently (2024) the CRP is elevated through the JAC. Thus 11 other telecoms joined the CRP and have invited a minimum of 3 suppliers. Resulting in a 3x scope increase of the CRP & providing an example of the benefits of sector collaboration in the reduction of supply chain emissions & the promotion of climate action.

(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

☑ Yes, please specify the environmental requirement **:**Sustainability in the Supply Chain Policy requirements - setting science based targets

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

☑ Yes

[Add row]

(5.11.9) Provide details of any environmental engagement activity with other stakeholders in the value chain.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☑ Customers

(5.11.9.2) Type and details of engagement

Education/Information sharing

☑ Share information about your products and relevant certification schemes

(5.11.9.3) % of stakeholder type engaged

Select from:

☑ 100%

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

☑ 26-50%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

Scope 3 emissions are 85% of the total emissions generated by Telefónica, and of these emissions, 29% come from the use of the products we sell to our customers ("Category 11. Use of sold products"), where we use our devices information (during the use stage) for the calculation, which represent 61% of the customer-related emissions. Telefónica works to make its customers aware of the climate change impact by providing information on this topic on our web, blog, social networks, etc.

We also have in place specific campaigns focused on the products & services we offer to our customers. In 2021 we launched an Eco Rating (ER) system in all our operations & in 2022 we continued to promote the visibility of the initiative.
This is an initiative that measures the environmental impact of mobile phones throughout the entire lifecycle of the handset (from the material extraction stage, production, transport and use, to disposal or recycling of the devices), assessing 13 environmental indicators, such as GHG emissions, resource use or energy consumption, and 6 material efficiency criteria, (such as recycled material content or ease of repair) to obtain a single score for each device. The ER label shows the environmental impact of the handsets simply & clearly, through a score on a scale from 1 to 100 that evaluates how sustainable the handset is; the higher the score, the more environmentally friendly the handset. The label also shows additional information on durability, repairability, recyclability, climate efficiency & resource efficiency. The label helps customers to make informed decisions by helping them to incorporate sustainability criteria when choosing mobile devices, thus helping to drive more sustainable practices in the industry. Besides, this initiative encourages manufacturers to reduce the environmental impact of their devices & aligns the telecommunications industry in improving transparency. Working with mobile device manufacturers is especially relevant for Telefónica, since the emissions associated with their manufacture, transport & use account for more than 25% of the company's scope 3 emissions. Additionally for mobile devices, Telefónica offers its customers "tu.com", the first website for the sale of electronic devices in Spain that allows customers to offset the carbon footprint generated by these devices, thanks to blockchain technology.

(5.11.9.6) Effect of engagement and measures of success

Measures of success: We inform our customers about the score of their devices on the Eco Rating (ER) scale and offer them the possibility of choosing a more sustainable option within their purchasing criteria. We use as a measure of success of the initiative the % of Telefónica's portfolio of devices that currently have an ER score and the average score of our devices' portfolio. We would consider the initiative to be successful if more than 40% of our portfolio had been rated and the average score is over 60. Impact: We consider the success of the engagement strategy to be high due to the fact that, being the new version of the Eco Rating methodology launched only for around one year and a half (in May 2021), by the end of 2022 we managed to evaluate the catalogue of mobiles we offer to our clients and obtained the Eco Rating seal in more than 300 devices (71% of our portfolio), with an average score of 76 out of 100 (all above the threshold established by Telefonica as a success). We have implemented the system in 100% of our operations, that is 10 countries excluding Venezuela, where Telefónica has no mobile sales business. Also important to highlight is the fact that, among our competitors, Telefonica is the only telecommunications company that has implemented and promoted the ER system in Latin America, making our customers participate of this engagement initiative in these geographies.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☑ Investors and shareholders

(5.11.9.2) Type and details of engagement

Education/Information sharing

☑ Share information on environmental initiatives, progress and achievements

(5.11.9.3) % of stakeholder type engaged

Select from:

☑ 1-25%

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

☑ None

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

With the understanding of the important role investors play in the transition towards a climate-neutral economy, Telefónica actively engages with its investor base, both equity and debt investors, to inform them of progress updates against announced targets (e.g., emissions reductions), the initiatives and projects being realized to reach these targets, our roadmap for the future and explain how the company's solutions and services can help to decarbonize the economy. This allows investors to make decisions and publish regulatory disclosures based on environmental and/or general sustainability criteria related to Telefónica. This engagement is two-way: Telefónica also seeks to improve its processes, initiatives and general performance by listening to feedback from its investor base.

(5.11.9.6) Effect of engagement and measures of success

On the equity side, Telefónica monitors the level of sustainable and responsible investment in the company by tracking the share ownership in Telefónica from institutional investors that consistently incorporate ESG criteria into their investment strategies. In 2023, this figure reached 37.2%, an improvement of 0.8 p.p. vs. the prior year, with a CAGR of 7.8% in 2017-2023 period. In particular, it is interesting to note that within Telefónica's ESG equity investments, investments managed by ESG thematic funds, including those promoting environmental and social characteristics (Art. 8 SFDR) and those pursuing sustainability targets (Art. 9 SFDR), continued to grow. In 2023 the percentage of Telefónica shares managed through ESG investment funds reached 5.8% of institutional shares in the Company, compared to 4.8% the previous year.
On the debt side, TEF uses mainly bonds and hybrids to offer green debts to the markets. By linking our financing to business-relevant projects we consider our investors' expectations in our long-term decision-making processes. This allows us to improve the financing conditions significantly, with very competitive interest rates. At the end of 2023, sustainable financing activity amounted to 18,800 million euros, a 33.6% of total financing representing an increase of 6.3 p.p. compared to 2022. Among others, the impact associated with TEF's sustainable financing of green projects has meant more than 470,000 tCO2 avoided.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☑ Other value chain stakeholder, please specify :employees

(5.11.9.2) Type and details of engagement

Education/Information sharing

☑ Educate and work with stakeholders on understanding and measuring exposure to environmental risks

☑ Run an engagement campaign to educate stakeholders about the environmental impacts about your products, goods and/or services

☑ Share information about your products and relevant certification schemes

☑ Share information on environmental initiatives, progress and achievements

(5.11.9.3) % of stakeholder type engaged

Select from:

☑ 1-25%

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

☑ None

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

In 2023, we launched ESG Academy, a space for training aimed at Telefónica's entire workforce. There are two formats:

• Online: a space inside Telefónica's learning platforms which brings together internal training relating to sustainability, along with external training courses and a number of different resources of interest. The content is in Spanish and is intended for self-learning. We have run a communication campaign to publicise both its launch and the content it offers. We delivered more than 5,500 hours of training, involving 2,500 employees, and over 3,300 courses were completed.

• Live: in collaboration with Universitas (Telefónica's corporate university) and with other areas of the Company, we held live-format courses featuring inhouse and external speakers. Training content was based on the basic ESGs pillars of our business and how we approach them as for example: environment, digital inclusion, privacy or security. Through this method, we trained 1,054 employees in Spain, Hispanoamérica and Brazil.

Awareness campaigns We ran a number of internal campaigns related to ESG issues (strategy, significant progress, rankings, recognition, awareness on key dates, etc.) targeting the entire workforce. In the case of the ESG Academy, the communication campaign focused on publicising the platform as well as on disseminating short videos and short courses on each of the topics. The main channels used were our internal social network (Workplace) and newsletters. The posts, which all featured a manager as spokesperson, achieved over 40,000 views.

(5.11.9.6) Effect of engagement and measures of success

We conducted various internal training sessions related to ESG issues:
Environment (E):
a) Environmental management: internal training aimed at employees holding responsibilities in the operation of the Environmental Management System, in order to improve the Company's performance.
b) Waste management: sessions designed for the heads of different areas regarding use of the waste management platform at all our operators.
c) Climate change: specific training was given on managing climate change to the members of the Board of Directors. There was also a training course for the marketing, communication and branding team as part of the Planet Pledge initiative.

Environment (E)
a) The campaigns run centred on the circular economy, climate change and specific dates such as that of Earth Hour. We also held the fourteenth edition of the Energy and Climate Change Workshop.
[Add row]

(5.13) Has your organization already implemented any mutually beneficial environmental initiatives due to CDP Supply Chain member engagement?

(5.13.1) Environmental initiatives implemented due to CDP Supply Chain member engagement

Select from:
☑ No, but we plan to within the next two years

(5.13.2) Primary reason for not implementing environmental initiatives

Select from:
☑ Other, please specify **:**As part of our environmental strategy we carry out several initiatives to reduce the environmental impact of our products and services but not as a consequence of a petition due to CDP Supply Chain member engagement.

(5.13.3) Explain why your organization has not implemented any environmental initiatives

As part of our environmental strategy, we are undertaking a number of initiatives to reduce the environmental impact of our products and services. Through the implementation of energy efficiency projects, we have managed to reduce electricity consumption by 8.6% since 2015, while data traffic on our networks has increased 8.6 times. In Europe, Brazil, Peru and Chile, 100% of the electricity we use in our own facilities comes from renewable sources (84% globally). Our goal, as part of the RE100 initiative, is to have all the electricity we use in all our operations come from renewable sources by 2030. We also have our own supplier

engagement programme. Suppliers that account for around 90% of our supply chain emissions were asked by Telefónica to provide climate data through CDP Supply Chain, information that was used in the Supplier Engagement Program initiative, which categorises suppliers according to their climate maturity and provides training to help them improve. In addition, the most strategic suppliers were required to align and validate their emissions reduction targets with the Science Based Target (SBTi) initiative. We also train our key suppliers on carbon footprint management and reporting as part of our Supplier Engagement Programme and the annual CDP Supply Chain Campaign. However, these initiatives are not the result of a petition, but rather the engagement of CDP Supply Chain members.
[Fixed row]

(5.13.1) Specify the CDP Supply Chain members that have prompted your implementation of mutually beneficial environmental initiatives and provide information on the initiatives.

Row 1

(5.13.1.2) Environmental issues the initiative relates to

Select all that apply
☑ Climate change

(5.13.1.4) Initiative ID

Select from:
☑ Ini1

(5.13.1.6) Details of initiative

Suppliers accounting for around 90% of our supply chain emissions were invited by Telefónica to provide climate data through CDP Supply Chain, information that was used in the Supplier Engagement Program initiative, which categorises suppliers by their level of climate maturity and provides training sessions to help them improve. Additionally, the most strategic suppliers were required to align and validate their emissions reduction targets with the Science Based Target initiative (SBTi). Additionally, as part of our Supplier Engagement Programme and as part of the annual CDP Supply Chain campaign, we train our key suppliers on carbon footprint management and reporting.

(5.13.1.7) Benefits achieved

Select all that apply
☑ Increased transparency of upstream/downstream value chain

(5.13.1.8) Are you able to provide figures for emissions savings or water savings in the reporting year?

Select from:

☑ No

[Add row]

C6. Environmental Performance - Consolidation Approach

(6.1) Provide details on your chosen consolidation approach for the calculation of environmental performance data.

	Consolidation approach used	Provide the rationale for the choice of consolidation approach
Climate change	*Select from:* ☑ Operational control	*We use the same consolidation approach as used in our financial accounting*
Plastics	*Select from:* ☑ Operational control	*We use the same consolidation approach as used in our financial accounting*
Biodiversity	*Select from:* ☑ Operational control	*We use the same consolidation approach as used in our financial accounting*

[Fixed row]

C7. Environmental performance - Climate Change

(7.1) Is this your first year of reporting emissions data to CDP?

Select from:
☑ No

(7.1.1) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

	Has there been a structural change?
	Select all that apply ☑ No

[Fixed row]

(7.1.2) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?
	Select all that apply ☑ No

[Fixed row]

(7.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Select all that apply

☑ The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

☑ The Greenhouse Gas Protocol: Scope 2 Guidance

☑ The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard

☑ Other, please specify **:**The ITU-T&GeSI&GSMA sectoral guidance (Guidance for assessment of Scope 3 emissions for operators)

(7.3) Describe your organization’s approach to reporting Scope 2 emissions.

(7.3.1) Scope 2, location-based

Select from:

☑ We are reporting a Scope 2, location-based figure

(7.3.2) Scope 2, market-based

Select from:

☑ We are reporting a Scope 2, market-based figure

(7.3.3) Comment

To reach the point of decarbonisation of the Company, not only we need maximum efficiency in energy usage, but we also need the energy to come from renewable sources. To do this, Telefónica has a Renewable Energy Plan, whereby 100% of our electricity will come from zero-emissions sources by 2030. This will be feasible thanks to a combination of PPAs, RECs, energy specific projects and self-generation. Thanks to this energy specific initiatives we have access to emission factors from our electricity suppliers. This is the reason why we calculate and report a market-based scope 2 figure under the GHG Protocol Scope 2 Guidance and CDP’s Technical Note on Accounting of Scope 2 emissions. Given this calculation, our market-based emissions figure is 822kt CO2e less than our location-based figure.
[Fixed row]

(7.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

Select from:

☑ No

(7.5) Provide your base year and base year emissions.

Scope 1

(7.5.1) Base year end

12/30/2015

(7.5.2) Base year emissions (metric tons CO2e)

286201

(7.5.3) Methodological details

Scope 1 emissions (direct GHG emissions). They come from two main sources: fuel consumption (fleet and operations) and fugitive emissions of fluorinated gases. The emissions factors used are stated in the GHG Protocol Cross Sector Tools (2017), the IPCC Fifth Assessment Report (2014) and the carbon footprint reporting tools provided by the ministries of the different countries. The calculation methodology for the preparation of Telefónica's GHG inventory is based on the GHG Protocol methodology.

Thus, CO2eq emissions are calculated based on the following formula: EmissionsCO2eq = Activity[data,country] x Emission Factor[activity,country,GHG] x GWP Global Warming Potential

Thus, the CO2eq emissions generated by the emission of a GHG during an activity in a region are calculated by multiplying each activity data in that region, by the emission factor of that activity in that country and by the global warming factor of that particular GHG.

Scope 2 (location-based)

(7.5.1) Base year end

12/31/2015

(7.5.2) Base year emissions (metric tons CO2e)

1869500.0

(7.5.3) Methodological details

Scope 2 emissions (indirect GHG emissions). There are two emission sources: electricity consumption and district heating. The emissions factors used are taken from the International Energy Agency's Statistics-Emissions Factors (2023) report and from local official sources (energy or environment ministries) in each country. District heating emissions factors are supplier based. The calculation methodology for the preparation of Telefónica's GHG inventory is based on the GHG Protocol methodology.

Thus, CO2eq emissions are calculated based on the following formula: EmissionsCO2eq = Activity[data,country] x Emission Factor[activity,country,GHG] x GWP Global Warming Potential

Thus, the CO2eq emissions generated by the emission of a GHG during an activity in a region are calculated by multiplying each activity data in that region, by the emission factor of that activity in that region and by the global warming factor of that particular GHG.

Scope 2 (market-based)

(7.5.1) Base year end

12/31/2015

(7.5.2) Base year emissions (metric tons CO2e)

1524954

(7.5.3) Methodological details

Scope 2 emissions (indirect GHG emissions). There are two emission sources: electricity consumption and district heating. The emissions factors used are taken from the International Energy Agency's Statistics-Emissions Factors (2023) report and from local official sources (energy or environment ministries) in each country. District heating emissions factors are supplier based. We use residual emission factors in countries where we use renewable energy. The calculation methodology for the preparation of Telefónica's GHG inventory is based on the GHG Protocol methodology.

Thus, CO2eq emissions are calculated based on the following formula: EmissionsCO2eq = Activity[data,country] x Emission Factor[activity,country,GHG] x GWP Global Warming Potential

Thus, the CO2eq emissions generated by the emission of a GHG during an activity in a region are calculated by multiplying each activity data in that region, by the emission factor of that activity in that region and by the global warming factor of that particular GHG. Thanks to our energy specific initiatives (PPAs, RECs, energy specific projects and self-generation) we have access to emission factors from our electricity suppliers. This is the reason why we calculate and report a market-based scope 2 figure under the GHG Protocol Scope 2 Guidance and CDP's Technical Note on Accounting of Scope 2 emissions.

Scope 3 category 1: Purchased goods and services

(7.5.1) Base year end

12/31/2016

(7.5.2) Base year emissions (metric tons CO2e)

1373189

(7.5.3) Methodological details

To calculate the emissions of purchased goods and services (cat. 1), Telefónica uses both the hybrid method and the supplier-specific method. For all our purchases (except from the mobile devices), we use the hybrid method (according to GHG Protocol), also called supplier-level (economic activity data) method (according to GSMA methodology), which multiplies the supplier's emission intensity (e.g., t CO2e/ € of revenue) by the amount spent on the supplier (e.g., €). The method considers the expenditures classified as "Services", "B2B/B2C", "IT" and "Advertising and Marketing" (covering four of the six global procurement categories in which Telefónica's purchases are classified by the Corporate Procurement Department) and supplier-specific data of scope 1&2 and 3 upstream emissions to calculate emissions from Category 1. Every spend data from these categories is classified into "equipment" or "services". For purchases classified as "equipment" scopes 1, 2 and scope 3 (only upstream categories) emissions of the supplier are taken into account for calculating the specific purchased emissions intensity. For purchases classified as "service", only scopes 1 & 2 emissions of the supplier are considered for calculating the specific purchased emissions intensity. In the case of purchased mobile devices, we use the supplier-specific method (according to GHG Protocol), also called product-level method (according to GSMA methodology), according to which the units of devices acquired are multiplied by the specific emissions of the production and transportation stages of each model's Life Cycle Assessment (LCA).For the procurement category "Mobility" (one of the six global procurement categories in which Telefónica's purchases are classified), the units of mobile devices (i.e. mobile phones, tablets, and other devices such as computers, TVs or audio devices) purchased are multiplied by the specific Life Cycle Assessment (LCA) emissions of each type of purchased device (e.g., kg CO2e/unit). The data sources of mobile devices product emissions are publicly available LCA studies from the suppliers or data from the Eco Rating Initiative, where information is also provided by suppliers. For models without publicly available PCFs, LCA or Eco Rating data, the manufacture stage and product stage emissions are calculated based on average emissions of other models.

Scope 3 category 2: Capital goods

(7.5.1) Base year end

12/31/2016

(7.5.2) Base year emissions (metric tons CO2e)

448342.0

(7.5.3) Methodological details

To calculate the emissions of capital goods (cat. 2), we use the hybrid method (according to GHG Protocol), also called supplier-level (economic activity data) method (according to GSMA methodology), in which the supplier's emissions intensity (e.g., t CO2e/€ of revenue) is multiplied by the amount spent on the supplier (e.g., €). The method considers the expenditures classified as "Network" (covering one of the six global procurement categories in which Telefónica's purchases are classified by the Corporate Procurement Department), which are classified as Capital Goods automatically by the model, and supplier-specific data of scope 1&2 and 3 upstream emissions to calculate emissions from Category 2. Expenditures classified as are used for calculating emissions from Category 2. All expenditures of procurement category "Network" and are the ones used as activity data for calculating Category 2 emissions, together with the supplier's emission intensity (e.g., t CO2e/€ of revenue). This calculation follows the hybrid method (according to GHG Protocol) or the supplier-level (economic activity data) method (according to GSMA methodology). The procurement data (activity data) contain the awarded amount (€) of each purchase, specifying the supplier to which it is awarded, the global procurement category, the business company that is undertaking this purchase, the country where it is located and the type of purchase (equipment or service). They cover the 12 months of the reporting year. Supplier's emission intensity (t CO2e/€) is calculated with the specific supplier's Scope 1,2&3 emissions (only upstream categories) and supplier's revenue. For purchases classified as "equipment" scopes 1, 2 and scope 3 (only upstream categories) emissions of the supplier are taken into account for calculating the specific purchased emissions intensity. For purchases classified as "service", only scopes 1 & 2 emissions of the supplier are considered for calculating the specific purchased emissions intensity.

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

(7.5.1) Base year end

12/31/2016

(7.5.2) Base year emissions (metric tons CO2e)

244512

(7.5.3) Methodological details

SBTi corporate Net-Zero standard establishes that longterm targets must cover at least 90% of an organisation's scope 3 emissions and that all material categories must be included in the inventory. In order to define the most relevant categories (those for which there is more opportunity to reduce emissions), we screened all 15 categories in accordance with the GHG Protocol. Five categories are material and represent 91% of our scope 3 total. The other 10 categories are excluded from

Telefónica's GHG inventory, either because they are not applicable, because they are reported in other scopes, or because they account for less than 5% of the scope. The methodology for quantifying scope 3 emissions is consistent with recommendations from the GHG Protocol (Corporate Value Chain (Scope 3) Accounting and Reporting Standard) and from the ITU-T&GeSI&GSMA sectoral guidance (Guidance for assessment of Scope 3 emissions for operators). The emissions associated with fuel-and- energy-related activities (cat. 3) are those associated with extraction, production and transportation of the energy we consume. They are calculated in Telefónica by multiplying on methodology is based on the activity data (the amount of fuel, electricity and district heating consumedused in the reporting year (e.g., kWh or l) by the different business units) and the relevant country-specific emission factors for upstream emissions and transmission&distribution losses per unit of consumption (e.g., kg CO2e/kWh or kg CO2e/l)upstream emission factors and transmission & distribution losses, which are specific to each country and obtained from the International Energy Agency's Statistics-Emissions Factors (2023) report and the UK's Department for Environment, Food and Rural Affairs (DEFRA)'s 2023 UK Government GHG Conversion Factors for Company Reporting report.

Scope 3 category 4: Upstream transportation and distribution

(7.5.1) Base year end

12/31/2016

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

We carried out an estimation of "upstream transportation and distribution" emissions which accounts for 18.000 tCO2. This results showed that this category is not relevant in terms of total emissions (less than 5%) The distance-based method has been used for the calculation of this category. In this method, distance is multiplied by mass or volume of goods transported and relevant emission factors that incorporate average fuel consumption, average utilization, average size and mass or volume of the goods and the vehicles, and their associated GHG emissions. Emission factors are obtained from UKs Government GHG Conversion Factors for Company Reporting report. for the three main types of transportation mode: air, land and sea-travel.

Scope 3 category 5: Waste generated in operations

(7.5.1) Base year end

12/31/2016

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

The waste-type specific method has been used, multiplying the waste type produced for each specific waste treatment method (landfill, incineration, refurbishment, recycling) by applying waste type-specific and waste treatment-specific emission factors obtained from UKs Government GHG Conversion Factors for Company Reporting into the waste volumes generated by Telefónica. This account for 600 tCO2 showing that this category is not relevant in terms of total emissions (less than 5%).

Scope 3 category 6: Business travel

(7.5.1) Base year end

12/31/2016

(7.5.2) Base year emissions (metric tons CO2e)

93640.0

(7.5.3) Methodological details

For calculating business travel emissions, we use both the distance-based method (for distances travelled by plane, train, bus, rental car and boat) and the spend-based method (for journeys in certain modes of transport where the mileage is not known). Business travel emissions of buses, trains, planes, ferries, helicopters and rental cars are calculated in Telefónica by multiplying the distance travelled in each type/mode of transport (e.g., pkm) by an emission factor for the mode used, expressed in passenger-kilometre (e.g., tCO2e/pkm). Business travel emissions of modes of transport where the distance is not available are calculated in Telefónica by multiplying the amount spent by Telefónica on rental cars (e.g., €) by the relevant EEIO (Environmentally-Extended Input-Output) emission factor per unit of economic value (e.g., t CO2e/€).The data sources for of emission factors for transport modes where the distance is available, is used are the 2023 UK Government GHG Conversion Factors for Company Reporting report from the UK's Department for Environment, Food and Rural Affairs (DEFRA). The data sources for country-specific relevant EEIO emission factor for expenditures on land travel is the Spanish database of INE (the National Statistic Institute), for concepts related with land-travel and sea-traveland the Air Emission Accounts by area of activity and economic aggregated data by area of activity (Cuentas de emisiones a la atmósfera por ramas de actividad y Agregados por ramas de actividad) from Spain's INE (the National Statistics Institute)

Scope 3 category 7: Employee commuting

(7.5.1) Base year end

12/31/2016

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Employee commuting emissions have been estimated using a distance-based method with different modes of transportation for each country. The model specifically incorporates, the average commute time by region, the percentage of work travels and the average distance in kms travelled by different modes of transportation. Data was available from the European commission on Transport statistics for the EU compared to several world countries. This data was used to calculate the comparative proportion of car, bus, rail, and tram/metro journeys taken. This was done by summing the car, bus, rail, and tram + metro categories to work out a percentage of use for each region. The data source for emission factors for transport modes is the UK Government GHG Conversion Factors for Company Reporting report from the UK's Department for Environment, Food and Rural Affairs (DEFRA). This accounts for 76,041 tCO2 and it is not taking into account in our scope 3 calculation.

Scope 3 category 8: Upstream leased assets

(7.5.1) Base year end

12/31/2016

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

Telefónica leases space for network infrastructure sharing, but we have the operational control of the energy bill, so the emissions arising from electricity consumption at those sites have already been included in Scope 2

Scope 3 category 9: Downstream transportation and distribution

(7.5.1) Base year end

12/31/2016

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

These emissions stem from downstream transportation and distribution of sold products in vehicles and facilities not owned or controlled by Telefónica are not material. We carried out an assessment of these emissions in one of the countries in Telefónica and it is not relevant in terms of total emissions (less than 5%).

Scope 3 category 10: Processing of sold products

(7.5.1) Base year end

12/31/2016

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

This category is not applicable to Telefónica Group. Typically, Telefónica Group does not manufacture products and does not sell intermediate products, therefore there are no emissions from further downstream processing of products

Scope 3 category 11: Use of sold products

(7.5.1) Base year end

12/31/2016

(7.5.2) Base year emissions (metric tons CO2e)

695861

(7.5.3) Methodological details

We use two approaches for calculating emissions from the use of sold products (cat. 11):

a) *Emissions from the use of mobile devices such as smartphones, feature phones, laptops, tablets, TVs, gaming consoles, smartwatches or audio devices (smartphones or tablets) are calculated by multiplying the number of sold mobile devices (units) (per device type, model, supplier and country) by the use life*

stage specific LCA product emissions (e.g., t CO2e/unit) for of each device. The emissions data are publicly available LCA studies from suppliers or data from the Eco Rating initiative, where information is also provided by suppliers.

b) *Emissions from the use of customer premise equipment, such as routers and set-top boxes (STBs), are calculated in Telefónica by multiplying the number of devices installed (e.g., units) by the annual energy consumption (e.g., kWh/year) and the country-specific electricity emission factor (e.g., t CO2/kWh). Should energy consumption for a specific technology in a given country not be available, then consumption is estimated based on the average consumption of that technology in all countries. Should consumption not be available for a given technology, then an average consumption per product type is taken to estimate energy usage. for each country. The source of the electricity emissions factors is the same as the one used for the location-based method of calculating Scope 2 emissions. They are obtained from internationally and locally recognised sources, such as the report "Statistics - Emissions Factors 2023" from the IEA and from local official sources (energy or environment ministries) in each country.*

Scope 3 category 12: End of life treatment of sold products

(7.5.1) Base year end

12/30/2016

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

End-of-Life treatment of sold products includes emissions from the waste disposal and treatment of products sold by Telefónica (in the reporting year) at the end of their life. We carried out an assessment of these emissions which accounts for 5386 tCO2 and it is not relevant in terms of total emissions. (less than 5%).

Scope 3 category 13: Downstream leased assets

(7.5.1) Base year end

12/31/2016

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Telefónica has estimated the emissions of the 15 categories included in the GHG Protocol Scope 3 Standard in order to have a comprehensive view of the total Scope 3 emissions related to its business companies in all the geographies. This has allowed us to identify the most relevant categories of our activity. Main downstream leased assets are office buildings and space in data centers. These emissions are already accounted for in our scope 1 and 2 emissions as we have operational control of these assets, and we pay for the energy consumed. For example, Telefónica leases space for virtual hosting & cloud computing services in our data centers. This category includes emissions from the operation of assets that are owned by Telefónica (acting as lessor) and leased to other entities in the reporting year that are not already included in scope 1 or scope 2. This category is applicable to lessors (i.e., companies that receive payments from lessees). Emissions are calculated multiplying the electricity consumption of Telefónica's leased assets (e.g. kWh) by the country-specific electricity emission factor (e.g., t CO2/kWh). The source of the electricity emissions factors is the same as the one used for the location-based method of calculating Scope 2 emissions. They are obtained from internationally and locally recognised sources, such as the report "Statistics - Emissions Factors (2023 Edition)" from the International Energy Agency, IEA or local sources, such as Ministries of Energy or Ministries of Environment of different countries. We carried out an assessment of these emissions which accounts for 110.750 tCO2 and it is not relevant in terms of total emissions. (less than 5%).

Scope 3 category 14: Franchises

(7.5.1) Base year end

12/31/2016

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

Telefónica has estimated the emissions of the 15 categories included in the GHG Protocol Scope 3 Standard in order to have a comprehensive view of the total Scope 3 emissions related to its business companies in all the geographies. This has allowed us to identify the most relevant categories of our activity. In this category, emissions stem from the operation, during the reporting period, of the different franchises owned by Telefónica. We carried out an assessment of these emissions and it is not relevant in terms of total emissions. (less than 5%).

Scope 3 category 15: Investments

(7.5.1) Base year end

12/31/2016

(7.5.2) Base year emissions (metric tons CO2e)

33886.0

(7.5.3) Methodological details

Although they are not included in our inventory, we also calculate and report other emissions that we consider strategic to our business. This category includes emissions from the entities of the investees over which we do not have operational control. For example, VMED O2 UK, the joint venture created in the UK in 2021 is included. Telefónica uses both the investment-specific method and the average-data method for calculating emissions from investments. For companies whose carbon emissions were publicly available, the equity investment emissions of Telefónica are calculated using the investment-specific method by multiplying scope 1 and scope 2 emissions of the investee company (e.g., t CO2e) by Telefónica's share of equity in the investee company (%). For companies whose carbon emissions are not publicly available, the equity investment emissions of Telefónica are calculated using the average-data method, by multiplying the revenue of the investee company (e.g., €) by the appropriate EEIO emission factor that is representative of the investee company's sector of the economy (e.g., t CO2e/) and by Telefónica's share of equity in the investee company (%).
[Fixed row]

(7.6) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

122459.68

(7.6.3) Methodological details

They come from two main sources: fuel consumption (fleet and operations) and fugitive emissions of fluorinated gases. The emissions factors used are stated in the GHG Protocol Cross Sector Tools (2017), the IPCC Fifth Assessment Report (2014) and the carbon footprint reporting tools provided by the ministries of the different countries. The calculation methodology for the preparation of Telefónica's GHG inventory is based on the GHG Protocol methodology. Thus, CO2eq emissions are calculated based on the following formula: EmissionsCO2eq = Activity[data,country] x Emission Factor[activity,country,GHG] x GWP Global Warming Potential

Thus, the CO2eq emissions generated by the emission of a GHG during an activity in a country are calculated by multiplying each activity data in that country, by the emission factor of that activity in that country and by the global warming factor of that particular GHG.
[Fixed row]

(7.7) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

1036537

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

214659

(7.7.4) Methodological details

There are two emission sources: electricity consumption and district heating. There are two methods for calculating these emissions, one that is location based and one that is market based. Telefónica has a Renewable Energy Plan, whereby 100% of our electricity will come from zero-emissions sources by 2030. This will be feasible thanks to a combination of PPAs, RECs, energy specific projects and self-generation. Thanks to this energy specific initiatives we have access to emission factors from our electricity suppliers. This is the reason why we calculate and report a market-based scope 2 figure under the GHG Protocol Scope 2 Guidance and CDP's Technical Note on Accounting of Scope 2 emissions. Given this calculation, our market-based emissions figure is 822kt CO2e less than our location-based figure. The emissions factors used are taken from the International Energy Agency's Statistics-Emissions Factors (2023) report and from local official sources (energy or environment ministries) in each country.
[Fixed row]

(7.8) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

(7.8.1) Evaluation status

Select from:
☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

1026696

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Supplier-specific method

☑ Hybrid method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

67.6

(7.8.5) Please explain

Telefónica has estimated the emissions of the 15 categories included in the GHG Protocol Scope 3 Standard to have a comprehensive view of its business companies' emissions in all the geographies. This has allowed us to identify our most relevant categories.

Purchased goods and services is one of the most relevant categories, with 51% of our scope 3 emissions in 2023. It considers the total purchase volume of TEF, covering 5 of the 6 global procurement categories in which purchases are classified by the Corporate Procurement Department. AD, EF and calculations of this category are verified by an independent third party. Expenditures classified as "Services", "B2B/B2C", "IT" and "Advertising" are used with supplier-specific emissions data to calculate Cat.1 emissions. This calculation follows the hybrid method (according to GHG Protocol), which multiplies the supplier's emission intensity (e.g., t CO2e/ € revenue) by the amount spent on the supplier (e.g., €). The procurement data contain the awarded amount of each purchase, specifying the supplier, the procurement category, the business company, its country and the type of purchase (equipment or service). Supplier's emission intensity (t CO2e/€) is calculated with the specific supplier's emissions and the supplier's revenue. For purchases classified as "equipment" scopes 1&2&3 (only upstream) emissions of the supplier are considered. For purchases classified as "service", only scopes 1&2 emissions of the supplier are considered for calculating the emissions intensity. The data sources of for the supplier's revenue&emissions are Telefonica's CDP Supply Chain report, CDP's disclosure system or the supplier's annual reports / financial statements. For the procurement category "Mobility", the supplier-specific method is used, by multiplying the units of mobile devices (i.e. smartphones, tablets, computers, TVs or audio devices) purchased by the specific Life Cycle Assessment (LCA) emissions of each type of purchased device (e.g., kg CO2e/unit). The data sources of mobile devices product emissions are publicly available LCA studies from the suppliers or data from the Eco Rating Initiative, where information is also provided by suppliers. For models without publicly available PCFs, LCA or Eco Rating data, the manufacture stage and product stage emissions are calculated based on average emissions of other models.

Capital goods

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

225403

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Hybrid method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

72.5

(7.8.5) Please explain

Telefónica has estimated the emissions of the 15 categories included in the GHG Protocol Scope 3 Standard in order to have a comprehensive view of the total Scope 3 emissions related to its business companies in all the geographies. This has allowed us to identify the most relevant categories of our activity.

Capital goods is one of the most relevant categories, representing around 11% of our scope 3 emissions in 2023. Activity data, emissions factors and calculations of this category are verified by an independent third party for the whole reporting scope of the Company. Expenditures classified as "Network" are used together with supplier-specific data of scope 1&2 and 3 upstream emissions to calculate emissions from Category 2. This calculation follows the hybrid method (according to GHG Protocol), which multiplies the supplier's emission intensity (e.g., t CO2e/€ of revenue) by the amount spent on the supplier (e.g., €). This is the same methodology explained in category 1 - Purchased Goods and Services. All expenditure with suppliers classified as "Network" is classified as Capital Goods automatically by the model. Every spend data from the "Network" category is classified into "equipment" or "services". For purchases classified as "equipment" scopes 1, 2 and scope 3 (only upstream categories) emissions of the supplier are taken into account for calculating the specific purchased emissions intensity. For purchases classified as "service", only scopes 1 & 2 emissions of the supplier are considered for calculating the specific purchased emissions intensity. (a) For TOP suppliers, the supplier's emission intensity is obtained dividing Scope 1, 2 (for all purchases) and scope 3 upstream emissions (only for equipment purchases) obtained from CDP Supply Chain, CDP or the supplier's annual reports, by the total revenue of the supplier, reviewing that these data have been verified by an independent third-party and prioritising the use of Scope 2 Market-Based. (b) For other suppliers (non-TOP suppliers), when no emission data is available, the supplier's emission intensity is obtained using the average intensity of suppliers in the same global procurement category that do report their Scope 1,2&3 emissions.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

105225

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Other, please specify :Consumption of fuel and energy

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

Telefónica has estimated the emissions of the 15 categories included in the GHG Protocol Scope 3 Standard in order to have a comprehensive view of the total Scope 3 emissions related to its business companies in all the geographies. This has allowed us to identify the most relevant categories of our activity. Fuel-and-energy-related activities is one of the relevant categories, representing 5% of our scope 3 emissions in 2023. Activity data, emissions factors and calculations of this category are verified by an independent third party for the whole reporting scope of the Company. It includes emissions from extraction, production and transportation of 100% of fuels and energy purchased and acquired by Telefónica, not already accounted for in scope 1 or scope 2, including: a) Upstream emissions of purchased fuels (extraction, production, and transportation of fuels consumed by Telefónica). b) Upstream emissions of purchased electricity (extraction, production, and transportation of fuels consumed in the generation of electricity and district heating consumed by Telefónica). c) Transmission and distribution (T&D) losses (generation of electricity and district heating that is consumed (i.e., lost) in a T&D system) and its upstream (well-to-tank) emissions. d) Generation of purchased electricity that is sold to end users. This is not deemed relevant for Telefonica Group as it does not operate as an energy retailer. Upstream fuel and energy emissions are calculated in Telefónica by multiplying the fuel electricity and district heating used in the reporting year (e.g., kWh or l) by the relevant country-specific emission factors for upstream emissions per unit of consumption (e.g., kg CO2e/kWh or kg CO2e/l). The emission factors are obtained from the International Energy Agency's Statistics-Emissions Factors (2023) report and the 2023 UK Government GHG Conversion Factors for Company Reporting report.

Upstream transportation and distribution

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

Telefónica has estimated the emissions of the 15 categories included in the GHG Protocol Scope 3 Standard in order to have a comprehensive view of the total Scope 3 emissions related to its businesses companies in all the geographies. This has allowed us to identify the most relevant categories for our activity. We carried

out an estimation of "upstream transportation and distribution" emissions and the results showed that this category is not relevant in terms of total emissions (less than 5%) The distance-based method has been used for the calculation of this category. In this method, distance is multiplied by mass or volume of goods transported and relevant emission factors that incorporate average fuel consumption, average utilization, average size and mass or volume of the goods and the vehicles, and their associated GHG emissions. Emission factors are obtained from UKs Government GHG Conversion Factors for Company Reporting report for the three main types of transportation mode: air, land and sea-travel. We are not reporting the Scope 3 WTT impact of the transportation.

Waste generated in operations

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

Telefónica has estimated the emissions of the 15 categories included in the GHG Protocol Scope 3 Standard in order to have a comprehensive view of the total Scope 3 emissions related to its business companies in all the geographies. This has allowed us to identify the most relevant categories for our activity. We carried out an estimation of the emissions from third-party disposal and treatment of waste generated as part of Telefónica Groups operations by applying emission factors to the waste volumes generated by Telefónica and the results showed that this category is not relevant in terms of total emissions (less than 5%). To calculate emissions the waste-type-specific method has been used. Emissions from waste depend on the type of waste being disposed of, and the waste diversion method. Therefore, waste type (e.g., cardboard, food-waste, wastewater) and the waste treatment method (e.g., incinerated, landfilled, recycled, wastewater) is differentiated. The applied emissions factors are obtained from UKs Government GHG Conversion Factors for Company Reporting report.

Business travel

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

34284

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Spend-based method

☑ Distance-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

99.6

(7.8.5) Please explain

Telefónica has estimated the emissions of the 15 categories included in the GHG Protocol Scope 3 Standard in order to have a comprehensive view of the total Scope 3 emissions related to its business companies in all the geographies. This has allowed us to identify the most relevant categories for our activity. Business travel is not one of the most important categories, as it only represents 2% of our scope 3 emissions. However, for years we have been implementing plans and actions to reduce emissions in this category, so we consider it relevant to include it in the total of our scope 3. These category includes emissions from transportation of employees for business-related activities during the reporting year (in vehicles not owned or operated by Telefónica, but vehicles owned or operated by third parties, such as aircraft, trains, buses, and passenger cars.). Activity data, emissions factors and calculations of this category are verified by an independent third party for the whole reporting scope of the Company. Telefónica uses both the distance-based method (for a plane, rail, bus, ferry, helicopter and rental cars) and the spend-based method (for taxis, rail, bus, ferries and rental cars, if distances are not available) for calculating category 6 emissions. Business travel emissions of buses, trains, planes, ferries, helicopters and rental cars are calculated in Telefónica by multiplying the distance travelled in each type/mode of transport (e.g., pkm) by an emission factor for the mode used, expressed in passenger-kilometre (e.g., tCO2e/pkm). Business travel emissions of modes of transport where the distance is not available are calculated in Telefónica by multiplying the amount spent by Telefónica on rental cars (e.g., €) by the relevant EEIO (Environmentally-Extended Input-Output) emission factor per unit of economic value (e.g., t CO2e/€). The data source for emission factors for transport modes where the distance is available, is the 2023 UK Government GHG Conversion Factors for Company Reporting report from the UK's Department for Environment, Food and Rural Affairs (DEFRA). The data sources for country-specific relevant EEIO emission factor for expenditures on land travel is the Spanish database of INE (the National Statistic Institute), for concepts related with land-travel and sea-travel. We are not reporting the Scope 3 WTT impact of the tr

Employee commuting

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

Telefónica has estimated the emissions of the 15 categories included in the GHG Protocol Scope 3 Standard in order to have a comprehensive view of the total Scope 3 emissions related to its business companies in all the geographies. This has allowed us to identify the most relevant categories of our activity. Category 7

emissions include emissions from the transportation of Telefónica's employees between their homes and their worksites during the reporting period. These trips are made in vehicles not owned or controlled by Telefónica. We carried out an assessment of these emissions and it is not relevant in terms of total emissions. (less than 5%). Employee commuting emissions have been estimated using a distance-based method with different modes of transportation for each country. The model specifically incorporates, the average commute time by region, the percentage of work travels and the average distance in kms travelled by different modes of transportation. Data was available from the European commission on Transport statistics for the EU compared to several world countries. This data was used to calculate the comparative proportion of car, bus, rail, and tram/metro journeys taken. This was done by summing the car, bus, rail, and tram metro categories to work out a percentage of use for each region. The data source for emission factors for transport modes is the UK Government GHG Conversion Factors for Company Reporting report from the UK's Department for Environment, Food and Rural Affairs (DEFRA). We are not reporting the Scope 3 WTT impact of the transportation.

Upstream leased assets

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

Telefónica leases space for network infrastructure sharing, but we have the operational control of the energy bill, so the emissions arising from electricity consumption at those sites have already been included in Scope 2.

Downstream transportation and distribution

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

Telefónica has estimated the emissions of the 15 categories included in the GHG Protocol Scope 3 Standard in order to have a comprehensive view of the total Scope 3 emissions related to its business companies in all the geographies. This has allowed us to identify the most relevant categories of our activity. For more details, please refer to the explanation of Category 4 "Upstream transportation and distribution". These emissions stem from downstream transportation and distribution of sold products in vehicles and facilities not owned or controlled by Telefónica are not material. We carried out an assessment of these emissions in one of the countries in Telefónica and it is not relevant in terms of total emissions (less than 5%).

Processing of sold products

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

This category is not applicable to Telefónica Group. Typically, Telefónica Group does not manufacture products and does not sell intermediate products, therefore there are no emissions from further downstream processing of products.

Use of sold products

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

578975

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Hybrid method

☑ Average product method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

72.8

(7.8.5) Please explain

Telefónica has estimated the emissions of the 15 categories included in the GHG Protocol Scope 3 Standard in order to have a comprehensive view of the total Scope 3 emissions related to its business companies in all the geographies. This has allowed us to identify the most relevant categories of our activity. Use of sold products is one of the most important categories, representing 29% of our scope 3 emissions in 2023. Category 11 includes emissions from end use of goods and services sold in the reporting year, such as mobile devices, as well as those installed in customer premises, such as routers and set up boxes (STBs). Activity data, emissions factors and calculations of this category are verified by an independent third party for the whole reporting scope of the Company. Telefónica uses two different approaches for calculating category 11 emissions. a) Emissions from the use of mobile devices such as smartphones, feature phones, laptops, tablets, TVs, gaming consoles, smartwatches or audio devices are calculated in Telefónica by multiplying the number of sold mobile devices (units) (per device type, model, supplier and country) with the product emissions of the use life stage (e.g., t CO2e/unit) for each mobile device. b) Emissions from use of Customer Premise Equipment such as routers/broadband and set-top boxes (STBs) are calculated in Telefónica by multiplying the number of sold products (e.g., units) by the annual energy use (e.g., kWh/year) associated with each model in each country, the equipment lifetime (e.g., year) and the country's emission factor for electricity (e.g., t CO2/kWh). Should energy consumption for a specific technology in a given country not be available, then consumption is estimated based on the average consumption of that technology in all countries. Should consumption not be available for a given technology, then an average consumption per product type is taken to estimate energy usage. Energy usage is then multiplied by the electricity emission factor for the country.

End of life treatment of sold products

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

Telefónica has estimated the emissions of the 15 categories included in the GHG Protocol Scope 3 Standard in order to have a comprehensive view of the total Scope 3 emissions related to its business companies in all the geographies. This has allowed us to identify the most relevant categories of our activity. End-of-Life treatment of sold products includes emissions from the waste disposal and treatment of products sold by Telefónica (in the reporting year) at the end of their life. We carried out an assessment of these emissions and it is not relevant in terms of total emissions. (less than 5%).

Downstream leased assets

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

Telefónica has estimated the emissions of the 15 categories included in the GHG Protocol Scope 3 Standard in order to have a comprehensive view of the total Scope 3 emissions related to its business companies in all the geographies. This has allowed us to identify the most relevant categories of our activity. This category includes emissions from the operation of assets that are owned by Telefónica (acting as lessor) and leased to other entities in the reporting year that are not already included in scope 1 or scope 2. This category is applicable to lessors (i.e., companies that receive payments from lessees). Emissions are calculated multiplying the electricity consumption of Telefónica's leased assets (e.g. kWh) by the country-specific electricity emission factor (e.g., t CO2/kWh). We carried out an assessment of these emissions and it is not relevant in terms of total emissions. (less than 5%).

Franchises

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

Telefónica has estimated the emissions of the 15 categories included in the GHG Protocol Scope 3 Standard in order to have a comprehensive view of the total Scope 3 emissions related to its business companies in all the geographies. This has allowed us to identify the most relevant categories of our activity. In this category, emissions stem from the operation, during the reporting period, of the different franchises owned by Telefónica. We carried out an assessment of these emissions and it is not relevant in terms of total emissions. (less than 5%).

Investments

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

35060

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Average data method

☑ Investment-specific method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

94.1

(7.8.5) Please explain

Telefónica has estimated the emissions of the 15 categories included in the GHG Protocol Scope 3 Standard in order to have a comprehensive view of the total Scope 3 emissions related to its business companies in all the geographies. This has allowed us to identify the most relevant categories of our activity. Cat.15 is not one of the most important categories, since it only represented 1.7% of the total Scope 3 emissions in 2023, but we are calculating it, because we predict that these new businees model may increase in the future and, therefore, their associated emissions. Activity data, emissions factors and calculations of this category are verified by an independent third party for the whole reporting scope of the Company. Telefónica uses both the investment-specific method and the average-data method for calculating emissions from investments. For companies whose carbon emissions were publicly available, the equity investment emissions of Telefónica were calculated using the investment-specific method by multiplying scope 1 and scope 2 emissions of the investee company (e.g., t CO2e) by Telefónica's share of equity in the investee company (%). For companies whose carbon emissions were not publicly available, the equity investment emissions of Telefónica were calculated using the average-data method, by multiplying the revenue of the investee company (e.g., €) by the appropriate EEIO emission factor that is representative of the investee company's sector of the economy (e.g., t CO2e/€) and by Telefónica's share of equity in the investee company (%).

Other (upstream)

(7.8.1) Evaluation status

Select from:

☑ Not evaluated

(7.8.5) Please explain

Not applicable, no other Scope 3 emission sources different from these 15 categories identified.

Other (downstream)

(7.8.1) Evaluation status

Select from:

☑ Not evaluated

(7.8.5) Please explain

Not applicable, no other Scope 3 emission sources different from these 15 categories identified.
[Fixed row]

(7.9) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	*Select from:* ☑ Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	*Select from:* ☑ Third-party verification or assurance process in place
Scope 3	*Select from:* ☑ Third-party verification or assurance process in place

[Fixed row]

(7.9.1) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Row 1

(7.9.1.1) Verification or assurance cycle in place

Select from:
☑ Annual process

(7.9.1.2) Status in the current reporting year

Select from:
☑ Complete

(7.9.1.3) Type of verification or assurance

Select from:
☑ Limited assurance

(7.9.1.4) Attach the statement

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(7.9.1.5) Page/section reference

4-9

(7.9.1.6) Relevant standard

Select from:
☑ ISO14064-3

(7.9.1.7) Proportion of reported emissions verified (%)

100
[Add row]

(7.9.2) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Row 1

(7.9.2.1) Scope 2 approach

Select from:

☑ Scope 2 market-based

(7.9.2.2) Verification or assurance cycle in place

Select from:
☑ Annual process

(7.9.2.3) Status in the current reporting year

Select from:
☑ Complete

(7.9.2.4) Type of verification or assurance

Select from:
☑ Limited assurance

(7.9.2.5) Attach the statement

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(7.9.2.6) Page/ section reference

4-9

(7.9.2.7) Relevant standard

Select from:
☑ ISO14064-3

(7.9.2.8) Proportion of reported emissions verified (%)

100

Row 2

(7.9.2.1) Scope 2 approach

Select from:

☑ Scope 2 location-based

(7.9.2.2) Verification or assurance cycle in place

Select from:

☑ Annual process

(7.9.2.3) Status in the current reporting year

Select from:

☑ Complete

(7.9.2.4) Type of verification or assurance

Select from:

☑ Limited assurance

(7.9.2.5) Attach the statement

DECLARACION TELEFONICA GLOBAL 2023 EN revCC.pdf

(7.9.2.6) Page/ section reference

4-9

(7.9.2.7) Relevant standard

Select from:

☑ ISO14064-3

(7.9.2.8) Proportion of reported emissions verified (%)

100
[Add row]

(7.9.3) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Row 1

(7.9.3.1) Scope 3 category

Select all that apply

☑ Scope 3: Investments
☑ Scope 3: Capital goods
☑ Scope 3: Business travel
☑ Scope 3: Use of sold products
☑ Scope 3: Purchased goods and services
☑ Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)

(7.9.3.2) Verification or assurance cycle in place

Select from:

☑ Annual process

(7.9.3.3) Status in the current reporting year

Select from:

☑ Complete

(7.9.3.4) Type of verification or assurance

Select from:

☑ Limited assurance

(7.9.3.5) Attach the statement

(7.9.3.6) Page/section reference

4-9

(7.9.3.7) Relevant standard

Select from:
☑ ISO14064-3

(7.9.3.8) Proportion of reported emissions verified (%)

100
[Add row]

(7.10) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Select from:
☑ Decreased

(7.10.1) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

Change in renewable energy consumption

(7.10.1.1) Change in emissions (metric tons CO2e)

6877

(7.10.1.2) Direction of change in emissions

Select from:

☑ Decreased

(7.10.1.3) Emissions value (percentage)

1.9

(7.10.1.4) Please explain calculation

*Thanks to renewable energy Plan our renewable electricity consumption has increased by 319,446 MWh, this means an increase of 7.1% with respect to 2023. For example, we continued the distributed generation (DG) project in Brazil. To date, we have installed 67 renewable energy plants out of a total of 85 planned. These plants will generate over 700 GWh per year for our operations, thereby reducing dependence on renewable energy certificates (iRECs). Through these activities we reduced our Scope 2 Market based emissions by 6,877 tCO2e, and our total S1 and S2 emissions in the previous year were 353,346 tCO2e, therefore we arrived at -1.9% through (-6,877/353,346*100=-1.9%)(i.e. an 1.9%) decrease in emissions.*

Other emissions reduction activities

(7.10.1.1) Change in emissions (metric tons CO2e)

9349

(7.10.1.2) Direction of change in emissions

Select from:

☑ Decreased

(7.10.1.3) Emissions value (percentage)

2.6

(7.10.1.4) Please explain calculation

*In 2023, with the aim of managing network capacity efficiently, we intensified the use of power-saving features (PSF), especially during off-peak periods. We incorporated advanced AI, machine learning and automatic traffic prediction tools. Additionally, in 2023 we have implemented Energy Efficiency Projects aimed to reduce fuel consumption in operations and vehicles, that led us to a reduction of 7,531 MWh. Through these activities we reduced our Scope 1 + 2 Market based emissions by 9,349 tCO2e, and our total S1 and S2 emissions in the previous year were 353,346 tCO2e, therefore we arrived at -2.6% through (-9,349/353,346*100=-2.6%)(i.e. an 2.6%) decrease in emissions.*

[Fixed row]

(7.10.2) Are your emissions performance calculations in 7.10 and 7.10.1 based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Select from:
☑ Market-based

(7.12) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

Select from:
☑ No

(7.15) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Select from:
☑ Yes

(7.15.1) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used global warming potential (GWP).

Row 1

(7.15.1.1) Greenhouse gas

Select from:
☑ CO2

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

50695

(7.15.1.3) GWP Reference

Select from:
☑ IPCC Fifth Assessment Report (AR5 – 100 year)

Row 2

(7.15.1.1) Greenhouse gas

Select from:
☑ CH4

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

239

(7.15.1.3) GWP Reference

Select from:
☑ IPCC Fifth Assessment Report (AR5 – 100 year)

Row 3

(7.15.1.1) Greenhouse gas

Select from:
☑ N2O

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

212

(7.15.1.3) GWP Reference

Select from:
☑ IPCC Fifth Assessment Report (AR5 – 100 year)

Row 4

(7.15.1.1) Greenhouse gas

Select from:
☑ HFCs

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

71314

(7.15.1.3) GWP Reference

Select from:
☑ IPCC Fifth Assessment Report (AR5 – 100 year)
[Add row]

(7.16) Break down your total gross global Scope 1 and 2 emissions by country/area.

Argentina

(7.16.1) Scope 1 emissions (metric tons CO2e)

23088

(7.16.2) Scope 2, location-based (metric tons CO2e)

132111

(7.16.3) Scope 2, market-based (metric tons CO2e)

121322

Bolivia (Plurinational State of)

(7.16.1) Scope 1 emissions (metric tons CO2e)

2

(7.16.2) Scope 2, location-based (metric tons CO2e)

30

(7.16.3) Scope 2, market-based (metric tons CO2e)

30

Brazil

(7.16.1) Scope 1 emissions (metric tons CO2e)

26947

(7.16.2) Scope 2, location-based (metric tons CO2e)

63726

(7.16.3) Scope 2, market-based (metric tons CO2e)

0

Chile

(7.16.1) Scope 1 emissions (metric tons CO2e)

9541

(7.16.2) Scope 2, location-based (metric tons CO2e)

79253

(7.16.3) Scope 2, market-based (metric tons CO2e)

0

Colombia

(7.16.1) Scope 1 emissions (metric tons CO2e)

10141

(7.16.2) Scope 2, location-based (metric tons CO2e)

32614

(7.16.3) Scope 2, market-based (metric tons CO2e)

5563

Ecuador

(7.16.1) Scope 1 emissions (metric tons CO2e)

1103

(7.16.2) Scope 2, location-based (metric tons CO2e)

8834

(7.16.3) Scope 2, market-based (metric tons CO2e)

8352

Germany

(7.16.1) Scope 1 emissions (metric tons CO2e)

5955

(7.16.2) Scope 2, location-based (metric tons CO2e)

337459

(7.16.3) Scope 2, market-based (metric tons CO2e)

234

Guatemala

(7.16.1) Scope 1 emissions (metric tons CO2e)

640

(7.16.2) Scope 2, location-based (metric tons CO2e)

575

(7.16.3) Scope 2, market-based (metric tons CO2e)

0

Mexico

(7.16.1) Scope 1 emissions (metric tons CO2e)

4304

(7.16.2) Scope 2, location-based (metric tons CO2e)

37345

(7.16.3) Scope 2, market-based (metric tons CO2e)

35240

Panama

(7.16.1) Scope 1 emissions (metric tons CO2e)

6

(7.16.2) Scope 2, location-based (metric tons CO2e)

176

(7.16.3) Scope 2, market-based (metric tons CO2e)

21

Peru

(7.16.1) Scope 1 emissions (metric tons CO2e)

9688

(7.16.2) Scope 2, location-based (metric tons CO2e)

54984

(7.16.3) Scope 2, market-based (metric tons CO2e)

0

Puerto Rico

(7.16.1) Scope 1 emissions (metric tons CO2e)

56

(7.16.2) Scope 2, location-based (metric tons CO2e)

809

(7.16.3) Scope 2, market-based (metric tons CO2e)

0

Spain

(7.16.1) Scope 1 emissions (metric tons CO2e)

20679

(7.16.2) Scope 2, location-based (metric tons CO2e)

243903

(7.16.3) Scope 2, market-based (metric tons CO2e)

3942

United Kingdom of Great Britain and Northern Ireland

(7.16.1) Scope 1 emissions (metric tons CO2e)

0

(7.16.2) Scope 2, location-based (metric tons CO2e)

576

(7.16.3) Scope 2, market-based (metric tons CO2e)

1014

United States of America

(7.16.1) Scope 1 emissions (metric tons CO2e)

584

(7.16.2) Scope 2, location-based (metric tons CO2e)

2203

(7.16.3) Scope 2, market-based (metric tons CO2e)

0

Uruguay

(7.16.1) Scope 1 emissions (metric tons CO2e)

486

(7.16.2) Scope 2, location-based (metric tons CO2e)

1465

(7.16.3) Scope 2, market-based (metric tons CO2e)

1465

Venezuela (Bolivarian Republic of)

(7.16.1) Scope 1 emissions (metric tons CO2e)

9240

(7.16.2) Scope 2, location-based (metric tons CO2e)

40477

(7.16.3) Scope 2, market-based (metric tons CO2e)

40477
[Fixed row]

(7.17) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

Select all that apply
☑ By business division

(7.17.1) Break down your total gross global Scope 1 emissions by business division.

	Business division	Scope 1 emissions (metric ton CO2e)
Row 1	*Operational Business, this includes all telecom operators in all our countries.*	*113385*
Row 2	*Infrastructure Business, it includes our telecom infrastructure business (Telxius) in all countries.*	*9075*

[Add row]

(7.20) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

Select all that apply
☑ By business division

(7.20.1) Break down your total gross global Scope 2 emissions by business division.

	Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Row 1	*Operational Business, this includes all telecom operators in all our countries.*	*1030880*	*214597*
Row 2	*Infrastructure Business, it includes our telecom infrastructure business (Telxius) in all countries.*	*5656*	*63*

[Add row]

(7.22) Break down your gross Scope 1 and Scope 2 emissions between your consolidated accounting group and other entities included in your response.

Consolidated accounting group

(7.22.1) Scope 1 emissions (metric tons CO2e)

122460

(7.22.2) Scope 2, location-based emissions (metric tons CO2e)

1036537

(7.22.3) Scope 2, market-based emissions (metric tons CO2e)

214659

(7.22.4) Please explain

We use operational control and the same consolidation approach as used in our financial accounting.

All other entities

(7.22.1) Scope 1 emissions (metric tons CO2e)

0

(7.22.2) Scope 2, location-based emissions (metric tons CO2e)

0

(7.22.3) Scope 2, market-based emissions (metric tons CO2e)

0

(7.22.4) Please explain

We use operational control and the same consolidation approach as used in our financial accounting.
[Fixed row]

(7.23) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Select from:
☑ Yes

(7.23.1) Break down your gross Scope 1 and Scope 2 emissions by subsidiary.

Row 1

(7.23.1.1) Subsidiary name

TELEFONICA ESPAÑA (Spain)

(7.23.1.2) Primary activity

Select from:

☑ Telecommunications services

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply

☑ ISIN code - equity

(7.23.1.5) ISIN code – equity

ES0178430E18

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

18947

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

234976

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

0

(7.23.1.15) Comment

Subsidiary is reported because it was requested by CDP Capital Markets or Supply Chain and the answer is delegated to Telefónica SA.

Row 2

(7.23.1.1) Subsidiary name

TELEFONICA DEL PERU

(7.23.1.2) Primary activity

Select from:

☑ Telecommunications services

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply

☑ ISIN code - equity

(7.23.1.5) ISIN code – equity

PEP705001209

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

3564

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

54557

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

0.0

(7.23.1.15) Comment

Subsidiary is reported because it was requested by CDP Capital Markets or Supply Chain and the answer is delegated to Telefónica SA.

Row 3

(7.23.1.1) Subsidiary name

TELEFONICA CHILE SA

(7.23.1.2) Primary activity

Select from:

☑ Telecommunications services

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply

☑ ISIN code - equity

(7.23.1.5) ISIN code – equity

CLP3058U1199

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

9405

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

78723

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

0.0

(7.23.1.15) Comment

Subsidiary is reported because it was requested by CDP Capital Markets or Supply Chain and the answer is delegated to Telefónica SA.

Row 4

(7.23.1.1) Subsidiary name

TELXIUS TELECOM SA

(7.23.1.2) Primary activity

Select from:

☑ Telecommunications services

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply

☑ Other unique identifier, please specify :Código de Identificación Fiscal

(7.23.1.11) Other unique identifier

ESA86565926

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

9075

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

5656

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

63

(7.23.1.15) Comment

Subsidiary is reported because it was requested by CDP Capital Markets or Supply Chain and the answer is delegated to Telefónica SA.

Row 5

(7.23.1.1) Subsidiary name

TELEFÓNICA BRASIL S.A.

(7.23.1.2) Primary activity

Select from:

☑ Telecommunications services

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply

☑ ISIN code - equity

(7.23.1.5) ISIN code – equity

BRVIVTACNOR0

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

25524

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

63429

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

0.0

(7.23.1.15) Comment

Subsidiary is reported but has its own CDP specific answer

Row 6

(7.23.1.1) Subsidiary name

Telefonica Deutschland Holding AG

(7.23.1.2) Primary activity

Select from:

☑ Telecommunications services

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply

☑ ISIN code - equity

(7.23.1.5) ISIN code – equity

DE000A1J5RX9

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

5955

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

337459

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

234

(7.23.1.15) Comment

Subsidiary is reported because it was requested by CDP Capital Markets or Supply Chain and the answer is delegated to Telefónica SA.

Row 8

(7.23.1.1) Subsidiary name

TELEFONICA DE ARGENTINA S.A. (T.A.S.A)

(7.23.1.2) Primary activity

Select from:

☑ Telecommunications services

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply
☑ Other unique identifier, please specify :Clave Única de Identificación Tributaria

(7.23.1.11) Other unique identifier

AR30-63945397-5

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

23076

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

131691

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

121322

(7.23.1.15) Comment

Subsidiary is reported because it was requested by CDP Capital Markets or Supply Chain and the answer is delegated to Telefónica SA.
[Add row]

(7.26) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

Row 1

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 1

(7.26.4) Allocation level

Select from:

☑ Company wide

(7.26.6) Allocation method

Select from:

☑ Allocation based on the market value of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

12141900

(7.26.9) Emissions in metric tonnes of CO2e

36.58

(7.26.10) Uncertainty (±%)

30

(7.26.11) Major sources of emissions

Fuel consumption in operations (diesel, natural gas, LPG) and vehicles (gasoline and diesel) and fugitive emissions from refrigerant gases used in airconditioning units.

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. The sources identified at service provision phase are: - Scope I: Fuel Consumption (Base Stations, Technical Buildings, Data Centres, Shops, Call centers, Offices and Vehicles Fleet) and fugitive emissions from refrigerant gases used in airconditioning units. On first instance, the allocation of emissions will be based on the CO2 inventory of Telefónica under the scheme of the GHG Protocol, ISO 14064 and ITU-T L1420, correspondent to the accesses and costs of the service provision. The major limitations of this process are that at the moment, there is not a global and sectoral methodology/standard to evaluate the energy and CO2 Savings due to ICT product and services provision.

(7.26.14) Where published information has been used, please provide a reference

Information on the company's carbon footprint for Scopes 1, 2 and 3 as well as revenues is available in the company's integrated report from pages 406 to 410 int he followig link: https://www.telefonica.com/es/wp-content/uploads/sites/4/2024/03/informe-anual-gestion-consolidado-2023.pdf.

Row 2

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 2: market-based

(7.26.4) Allocation level

Select from:

☑ Company wide

(7.26.6) Allocation method

Select from:

☑ Allocation based on the volume of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

12141900

(7.26.9) Emissions in metric tonnes of CO2e

64.11

(7.26.10) Uncertainty (±%)

30

(7.26.11) Major sources of emissions

Electricity in networks and offices

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. The sources identified at service provision phase are: - Scope II: Electricity Consumption (Base Stations, Technical Buildings, Data Centres, Offices, shops and Call centers) On first instance, the allocation of emissions will be based on the CO2 inventory of Telefónica under the scheme of the GHG Protocol, ISO 14064 and ITU-T L1420, correspondent to the accesses and costs of the service provision. The major limitations of this process are that at the moment, there is not a global and sectoral methodology/standard to evaluate the energy and CO2 Savings due to ICT product and services provision.

(7.26.14) Where published information has been used, please provide a reference

Information on the company's carbon footprint for Scopes 1, 2 and 3 as well as revenues is available in the company's integrated report from pages 406 to 410 int he followig link: https://www.telefonica.com/es/wp-content/uploads/sites/4/2024/03/informe-anual-gestion-consolidado-2023.pdf.

Row 3

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 3

(7.26.3) Scope 3 category(ies)

Select all that apply

☑ Category 1: Purchased goods and services

☑ Category 2: Capital goods

☑ Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

☑ Category 11: Use of sold products

(7.26.4) Allocation level

Select from:

☑ Company wide

(7.26.6) Allocation method

Select from:

☑ Allocation based on the market value of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

12141900

(7.26.9) Emissions in metric tonnes of CO2e

578.33

(7.26.10) Uncertainty (±%)

30

(7.26.11) Major sources of emissions

Categories 1&2: emissions from raw material extraction, production and transportation of goods and services or capital goods purchased, which are calculated using both the supplier-specific method (amount spent on goods and services using market values multiplied by the supplier's emission intensity) and the hybrid method (number of purchased mobile devices multiplied by the product emissions of mobile devices).
Category 3: upstream emissions of purchased fuels and electricity consumed by Telefónica and transmission&distribution losses. (Calculated by multiplying the amount of fuel, electricity and district heating used and the upstream emission factors).
Category 11: emissions from end use of goods and services sold by Telefónica in the reporting year, such as mobile devices, as well as those installed in customer premises, such as routers and set up boxes (STBs). Emissions from the use of sold mobile devices are calculated using specific product life cycle emissions and emissions from the use of the rest of the sold products are calculated based on their electricity consumption and the country where the products are used.

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. For Scope 3 emissions we only report on categories that relate to the services we provide to the client. These are: Cat 1, Cat 2, Cat 3 y Cat 11

(7.26.14) Where published information has been used, please provide a reference

Information on the company's carbon footprint for Scopes 1, 2 and 3 as well as revenues is available in the company's integrated report from pages 406 to 410 int he followig link: https://www.telefonica.com/es/wp-content/uploads/sites/4/2024/03/informe-anual-gestion-consolidado-2023.pdf.

Row 4

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 1

(7.26.4) Allocation level

Select from:

☑ Business unit (subsidiary company)

(7.26.6) Allocation method

Select from:

☑ Allocation based on the volume of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Other unit, please specify :Connectivity Accesses

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

112995

(7.26.9) Emissions in metric tonnes of CO2e

0.25

(7.26.10) Uncertainty (±%)

5

(7.26.11) Major sources of emissions

Fuel consumption in operations (diesel, natural gas, LPG) and vehicles (gasoline and diesel) and fugitive emissions from refrigerant gases used in airconditioning units.

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. The sources identified at service provision phase are: - Scope I: Fuel Consumption (Base Stations, Technical Buildings, Data Centres, Shops, Call centers, Offices and Vehicles Fleet) and fugitive emissions from refrigerant gases used in airconditioning units. On first instance, the allocation of emissions will be based on the CO2 inventory of Telefónica under the scheme of the GHG Protocol, ISO 14064 and ITU-T L1420, correspondent to the accesses and costs of the service provision. The

major limitations of this process are that at the moment, there is not a global and sectoral methodology/standard to evaluate the energy and CO2 Savings due to ICT product and services provision.

(7.26.14) Where published information has been used, please provide a reference

Information on the company's carbon footprint for Scopes 1, 2 and 3 as well as revenues is available in the company's integrated report from pages 406 to 410 int he followig link: https://www.telefonica.com/es/wp-content/uploads/sites/4/2024/03/informe-anual-gestion-consolidado-2023.pdf.

Row 5

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 2: market-based

(7.26.4) Allocation level

Select from:

☑ Business unit (subsidiary company)

(7.26.6) Allocation method

Select from:

☑ Allocation based on the volume of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Other unit, please specify **:**Connectivity Accesses

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

112995

(7.26.9) Emissions in metric tonnes of CO2e

0

(7.26.10) Uncertainty (±%)

5

(7.26.11) Major sources of emissions

Electricity in networks and offices

(7.26.12) Allocation verified by a third party?

Select from:
☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. The sources identified at service provision phase are: - Scope II: Electricity Consumption (Base Stations, Technical Buildings, Data Centres, Offices, shops and Call centers) On first instance, the allocation of emissions will be based on the CO2 inventory of Telefónica under the scheme of the GHG Protocol, ISO 14064 and ITU-T L1420, correspondent to the accesses and costs of the service provision. The major limitations of this process are that at the moment, there is not a global and sectoral methodology/standard to evaluate the energy and CO2 Savings due to ICT product and services provision.

(7.26.14) Where published information has been used, please provide a reference

Information on the company's carbon footprint for Scopes 1, 2 and 3 as well as revenues is available in the company's integrated report from pages 406 to 410 int he followig link: https://www.telefonica.com/es/wp-content/uploads/sites/4/2024/03/informe-anual-gestion-consolidado-2023.pdf.

Row 6

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 3

(7.26.3) Scope 3 category(ies)

Select all that apply

☑ Category 1: Purchased goods and services

☑ Category 2: Capital goods

☑ Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

☑ Category 11: Use of sold products

(7.26.4) Allocation level

Select from:

☑ Business unit (subsidiary company)

(7.26.6) Allocation method

Select from:

☑ Allocation based on the volume of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Full time equivalents (FTE)

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

112995

(7.26.9) Emissions in metric tonnes of CO2e

19.14

(7.26.10) Uncertainty (±%)

5

(7.26.11) Major sources of emissions

Categories 1&2: emissions from raw material extraction, production and transportation of goods and services or capital goods purchased, which are calculated using both the supplier-specific method (amount spent on goods and services using market values multiplied by the supplier's emission intensity) and the hybrid method (number of purchased mobile devices multiplied by the product emissions of mobile devices). Category 3: upstream emissions of purchased fuels and electricity consumed by Telefónica and transmission&distribution losses. (Calculated by multiplying the amount of fuel, electricity and district heating used and the upstream emission factors). Category 11: emissions from end use of goods and services sold by Telefónica in the reporting year, such as mobile devices, as well as those installed in customer premises, such as routers and set up boxes (STBs). Emissions from the use of sold mobile devices are calculated using specific product life cycle emissions and emissions from the use of the rest of the sold products are calculated based on their electricity consumption and the country where the products are used.

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. For Scope 3 emissions we only report on categories that relate to the services we provide to the client. These are: Cat 1, Cat 2, Cat 3 y Cat 11

(7.26.14) Where published information has been used, please provide a reference

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Row 7

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 1

(7.26.4) Allocation level

Select from:

☑ Company wide

(7.26.6) Allocation method

Select from:

☑ Allocation based on the market value of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

2977792

(7.26.9) Emissions in metric tonnes of CO2e

8.97

(7.26.10) Uncertainty (±%)

30

(7.26.11) Major sources of emissions

Fuel consumption in operations (diesel, natural gas, LPG) and vehicles (gasoline and diesel) and fugitive emissions from refrigerant gases used in airconditioning units.

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. The sources identified at service provision phase are: - Scope I: Fuel Consumption (Base Stations, Technical Buildings, Data Centres, Shops, Call centers, Offices and Vehicles Fleet) and fugitive emissions from refrigerant gases used in airconditioning units. On first instance, the allocation of emissions will be based on the CO2 inventory of Telefónica under the scheme of the GHG Protocol, ISO 14064 and ITU-T L1420, correspondent to the accesses and costs of the service provision. The major limitations of this process are that at the moment, there is not a global and sectoral methodology/standard to evaluate the energy and CO2 Savings due to ICT product and services provision.

(7.26.14) Where published information has been used, please provide a reference

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Row 8

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 2: market-based

(7.26.4) Allocation level

Select from:

☑ Company wide

(7.26.6) Allocation method

Select from:

☑ Allocation based on the market value of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

2977792

(7.26.9) Emissions in metric tonnes of CO2e

15.72

(7.26.10) Uncertainty (±%)

30

(7.26.11) Major sources of emissions

Electricity in networks and offices

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. The sources identified at service provision phase are: - Scope II: Electricity Consumption (Base Stations, Technical Buildings, Data Centres, Offices, shops and Call centers) On first instance, the allocation of emissions will be based on the CO2 inventory of Telefónica under the scheme of the GHG Protocol, ISO 14064 and ITU-T L1420, correspondent to the accesses and costs of the service provision. The major limitations of this process are that at the moment, there is not a global and sectoral methodology/standard to evaluate the energy and CO2 Savings due to ICT product and services provision

(7.26.14) Where published information has been used, please provide a reference

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Row 9

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 3

(7.26.3) Scope 3 category(ies)

Select all that apply

☑ Category 1: Purchased goods and services

☑ Category 2: Capital goods

☑ Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

☑ Category 11: Use of sold products

(7.26.4) Allocation level

Select from:

☑ Company wide

(7.26.6) Allocation method

Select from:

☑ Allocation based on the market value of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

2977792

(7.26.9) Emissions in metric tonnes of CO2e

141.8

(7.26.10) Uncertainty (±%)

30

(7.26.11) Major sources of emissions

Emissions are those associated with Telefónica's purchases of products and services.

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. For Scope 3 emissions we only report on categories that relate to the services we provide to the client. These are: Cat 1, Cat 2, Cat 3 y Cat 11

(7.26.14) Where published information has been used, please provide a reference

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Row 10

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 1

(7.26.4) Allocation level

Select from:

☑ Company wide

(7.26.6) Allocation method

Select from:

☑ Allocation based on the market value of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

10793000

(7.26.9) Emissions in metric tonnes of CO2e

32.5

(7.26.10) Uncertainty (±%)

30

(7.26.11) Major sources of emissions

Fuel consumption in operations (diesel, natural gas, LPG) and vehicles (gasoline and diesel) and fugitive emissions from refrigerant gases used in airconditioning units.

(7.26.12) Allocation verified by a third party?

Select from:
☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. The sources identified at service provision phase are: - Scope I: Fuel Consumption (Base Stations, Technical Buildings, Data Centres, Shops, Call centers, Offices and Vehicles Fleet) and fugitive emissions from refrigerant gases used in airconditioning units. On first instance, the allocation of emissions will be based on the CO2 inventory of Telefónica under the scheme of the GHG Protocol, ISO 14064 and ITU-T L1420, correspondent to the accesses and costs of the service provision. The major limitations of this process are that at the moment, there is not a global and sectoral methodology/standard to evaluate the energy and CO2 Savings due to ICT product and services provision.

(7.26.14) Where published information has been used, please provide a reference

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Row 11

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 2: market-based

(7.26.4) Allocation level

Select from:

☑ Company wide

(7.26.6) Allocation method

Select from:

☑ Allocation based on the market value of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

10793000

(7.26.9) Emissions in metric tonnes of CO2e

57

(7.26.10) Uncertainty (±%)

30

(7.26.11) Major sources of emissions

Electricity in networks and offices

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. The sources identified at service provision phase are: - Scope II: Electricity Consumption (Base Stations, Technical Buildings, Data Centres, Offices, shops and Call centers) On first instance, the allocation of emissions will be based on the CO2 inventory of Telefónica under the scheme of the GHG Protocol, ISO 14064 and ITU-T L1420, correspondent to the accesses and costs of the service provision. The major limitations of this process are that at the moment, there is not a global and sectoral methodology/standard to evaluate the energy and CO2 Savings due to ICT product and services provision

(7.26.14) Where published information has been used, please provide a reference

Information on the company's carbon footprint for Scopes 1, 2 and 3 as well as revenues is available in the company's integrated report from pages 406 to 410 int he followig link: https://www.telefonica.com/es/wp-content/uploads/sites/4/2024/03/informe-anual-gestion-consolidado-2023.pdf.

Row 12

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 3

(7.26.3) Scope 3 category(ies)

Select all that apply

☑ Category 1: Purchased goods and services

☑ Category 2: Capital goods

☑ Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

☑ Category 11: Use of sold products

(7.26.4) Allocation level

Select from:

☑ Company wide

(7.26.6) Allocation method

Select from:

☑ Allocation based on the market value of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

10793000

(7.26.9) Emissions in metric tonnes of CO2e

514.1

(7.26.10) Uncertainty (±%)

30

(7.26.11) Major sources of emissions

Categories 1&2: emissions from raw material extraction, production and transportation of goods and services or capital goods purchased, which are calculated using both the supplier-specific method (amount spent on goods and services using market values multiplied by the supplier's emission intensity) and the hybrid method (number of purchased mobile devices multiplied by the product emissions of mobile devices). Category 3: upstream emissions of purchased fuels and electricity consumed by Telefónica and transmission&distribution losses. (Calculated by multiplying the amount of fuel, electricity and district heating used and the upstream emission factors). Category 11: emissions from end use of goods and services sold by Telefónica in the reporting year, such as mobile devices, as well as those installed in customer premises, such as routers and set up boxes (STBs). Emissions from the use of sold mobile devices are calculated using specific product life cycle emissions and emissions from the use of the rest of the sold products are calculated based on their electricity consumption and the country where the products are used.

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. For Scope 3 emissions we only report on categories that relate to the services we provide to the client. These are: Cat 1, Cat 2, Cat 3 y Cat 11

(7.26.14) Where published information has been used, please provide a reference

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Row 13

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 1

(7.26.4) Allocation level

Select from:

☑ Company wide

(7.26.6) Allocation method

Select from:

☑ Allocation based on the market value of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

3397835

(7.26.9) Emissions in metric tonnes of CO2e

10.23

(7.26.10) Uncertainty (±%)

30

(7.26.11) Major sources of emissions

Fuel consumption in operations (diesel, natural gas, LPG) and vehicles (gasoline and diesel) and fugitive emissions from refrigerant gases used in airconditioning units.

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. The sources identified at service provision phase are: - Scope I: Fuel Consumption (Base Stations, Technical Buildings, Data Centres, Shops, Call centers, Offices and Vehicles Fleet) and fugitive emissions from refrigerant gases used in airconditioning units. On first instance, the allocation of emissions will be based on the CO2 inventory of Telefónica under the scheme of the GHG Protocol, ISO 14064 and ITU-T L1420, correspondent to the accesses and costs of the service provision. The major limitations of this process are that at the moment, there is not a global and sectoral methodology/standard to evaluate the energy and CO2 Savings due to ICT product and services provision.

(7.26.14) Where published information has been used, please provide a reference

The company's carbon footprint information for Scopes 1, 2 and 3 as well as revenues are available in the company's integrated report: https://www.telefonica.com/es/wp-content/uploads/sites/4/2024/03/informe-anual-gestion-consolidado-2023.pdf.

Row 14

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 2: market-based

(7.26.4) Allocation level

Select from:

☑ Company wide

(7.26.6) Allocation method

Select from:

☑ Allocation based on the market value of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

3397835

(7.26.9) Emissions in metric tonnes of CO2e

17.94

(7.26.10) Uncertainty (±%)

30

(7.26.11) Major sources of emissions

Electricity in networks and offices

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. The sources identified at service provision phase are: - Scope II: Electricity Consumption (Base Stations, Technical Buildings, Data Centres, Offices, shops and Call centers) On first instance, the allocation of emissions will be based on the CO2 inventory of Telefónica under the scheme of the GHG Protocol, ISO 14064 and ITU-T

L1420, correspondent to the accesses and costs of the service provision. The major limitations of this process are that at the moment, there is not a global and sectoral methodology/standard to evaluate the energy and CO2 Savings due to ICT product and services provision

(7.26.14) Where published information has been used, please provide a reference

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Row 15

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 3

(7.26.3) Scope 3 category(ies)

Select all that apply

☑ Category 1: Purchased goods and services

☑ Category 2: Capital goods

☑ Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

☑ Category 11: Use of sold products

(7.26.4) Allocation level

Select from:

☑ Company wide

(7.26.6) Allocation method

Select from:

☑ Allocation based on the market value of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

3397835

(7.26.9) Emissions in metric tonnes of CO2e

161.8

(7.26.10) Uncertainty (±%)

30

(7.26.11) Major sources of emissions

Categories 1&2: emissions from raw material extraction, production and transportation of goods and services or capital goods purchased, which are calculated using both the supplier-specific method (amount spent on goods and services using market values multiplied by the supplier's emission intensity) and the hybrid method (number of purchased mobile devices multiplied by the product emissions of mobile devices). Category 3: upstream emissions of purchased fuels and electricity consumed by Telefónica and transmission&distribution losses. (Calculated by multiplying the amount of fuel, electricity and district heating used and the upstream emission factors). Category 11: emissions from end use of goods and services sold by Telefónica in the reporting year, such as mobile devices, as well as those installed in customer premises, such as routers and set up boxes (STBs). Emissions from the use of sold mobile devices are calculated using specific product life cycle emissions and emissions from the use of the rest of the sold products are calculated based on their electricity consumption and the country where the products are used.

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. For Scope 3 emissions we only report on categories that relate to the services we provide to the client. These are: Cat 1, Cat 2, Cat 3 y Cat 11

(7.26.14) Where published information has been used, please provide a reference

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Row 16

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 1

(7.26.4) Allocation level

Select from:

☑ Company wide

(7.26.6) Allocation method

Select from:

☑ Allocation based on the market value of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

40000

(7.26.9) Emissions in metric tonnes of CO2e

0.1

(7.26.10) Uncertainty (±%)

30

(7.26.11) Major sources of emissions

Fuel consumption in operations (diesel, natural gas, LPG) and vehicles (gasoline and diesel) and fugitive emissions from refrigerant gases used in airconditioning units.

(7.26.12) Allocation verified by a third party?

Select from:
☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

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(7.26.14) Where published information has been used, please provide a reference

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Row 17

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 2: market-based

(7.26.4) Allocation level

Select from:

☑ Company wide

(7.26.6) Allocation method

Select from:

☑ Allocation based on the market value of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

40000

(7.26.9) Emissions in metric tonnes of CO2e

0.2

(7.26.10) Uncertainty (±%)

30

(7.26.11) Major sources of emissions

Electricity in networks and offices

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. The sources identified at service provision phase are: - Scope II: Electricity Consumption (Base Stations, Technical Buildings, Data Centres, Offices, shops and Call centers) On first instance, the allocation of emissions will be based on the CO2 inventory of Telefónica under the scheme of the GHG Protocol, ISO 14064 and ITU-T L1420, correspondent to the accesses and costs of the service provision. The major limitations of this process are that at the moment, there is not a global and sectoral methodology/standard to evaluate the energy and CO2 Savings due to ICT product and services provision

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Row 18

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 3

(7.26.3) Scope 3 category(ies)

Select all that apply

☑ Category 1: Purchased goods and services

☑ Category 2: Capital goods

☑ Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

☑ Category 11: Use of sold products

(7.26.4) Allocation level

Select from:

☑ Company wide

(7.26.6) Allocation method

Select from:

☑ Allocation based on the market value of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

40000

(7.26.9) Emissions in metric tonnes of CO2e

1.9

(7.26.10) Uncertainty (±%)

30

(7.26.11) Major sources of emissions

Categories 1&2: emissions from raw material extraction, production and transportation of goods and services or capital goods purchased, which are calculated using both the supplier-specific method (amount spent on goods and services using market values multiplied by the supplier's emission intensity) and the hybrid method (number of purchased mobile devices multiplied by the product emissions of mobile devices). Category 3: upstream emissions of purchased fuels and electricity consumed by Telefónica and transmission&distribution losses. (Calculated by multiplying the amount of fuel, electricity and district heating used and the upstream emission factors). Category 11: emissions from end use of goods and services sold by Telefónica in the reporting year, such as mobile devices, as well as those installed in customer premises, such as routers and set up boxes (STBs). Emissions from the use of sold mobile devices are calculated using specific product life cycle emissions and emissions from the use of the rest of the sold products are calculated based on their electricity consumption and the country where the products are used.

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. For Scope 3 emissions we only report on categories that relate to the services we provide to the client. These are: Cat 1, Cat 2, Cat 3 y Cat 11

(7.26.14) Where published information has been used, please provide a reference

Information on the company's carbon footprint for Scopes 1, 2 and 3 as well as revenues is available in the company's integrated report from pages 406 to 410 int he followig link: https://www.telefonica.com/es/wp-content/uploads/sites/4/2024/03/informe-anual-gestion-consolidado-2023.pdf.

Row 19

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 1

(7.26.4) Allocation level

Select from:

☑ Company wide

(7.26.6) Allocation method

Select from:

☑ Allocation based on the market value of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

2.582

(7.26.9) Emissions in metric tonnes of CO2e

7.77

(7.26.10) Uncertainty (±%)

30

(7.26.11) Major sources of emissions

Fuel consumption in operations (diesel, natural gas, LPG) and vehicles (gasoline and diesel) and fugitive emissions from refrigerant gases used in airconditioning units.

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. The sources identified at service provision phase are: - Scope I: Fuel Consumption (Base Stations, Technical Buildings, Data Centres, Shops, Call centers, Offices and Vehicles Fleet) and fugitive emissions from refrigerant gases used in airconditioning units. On first instance, the allocation of emissions will be based on the CO2 inventory of Telefónica under the scheme of the GHG Protocol, ISO 14064 and ITU-T L1420, correspondent to the accesses and costs of the service provision. The major limitations of this process are that at the moment, there is not a global and sectoral methodology/standard to evaluate the energy and CO2 Savings due to ICT product and services provision.

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Row 20

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 2: market-based

(7.26.4) Allocation level

Select from:

☑ Company wide

(7.26.6) Allocation method

Select from:

☑ Allocation based on the market value of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

2.582

(7.26.9) Emissions in metric tonnes of CO2e

13.63

(7.26.10) Uncertainty (±%)

30

(7.26.11) Major sources of emissions

Electricity in networks and offices

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. The sources identified at service provision phase are: - Scope II: Electricity Consumption (Base Stations, Technical Buildings, Data Centres, Offices, shops and Call centers) On first instance, the allocation of emissions will be based on the CO2 inventory of Telefónica under the scheme of the GHG Protocol, ISO 14064 and ITU-T

L1420, correspondent to the accesses and costs of the service provision. The major limitations of this process are that at the moment, there is not a global and sectoral methodology/standard to evaluate the energy and CO2 Savings due to ICT product and services provision

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Row 21

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 3

(7.26.3) Scope 3 category(ies)

Select all that apply

☑ Category 1: Purchased goods and services

☑ Category 2: Capital goods

☑ Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

☑ Category 11: Use of sold products

(7.26.4) Allocation level

Select from:

☑ Company wide

(7.26.6) Allocation method

Select from:

☑ Allocation based on the market value of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

2.582

(7.26.9) Emissions in metric tonnes of CO2e

123

(7.26.10) Uncertainty (±%)

30

(7.26.11) Major sources of emissions

Categories 1&2: emissions from raw material extraction, production and transportation of goods and services or capital goods purchased, which are calculated using both the supplier-specific method (amount spent on goods and services using market values multiplied by the supplier's emission intensity) and the hybrid method (number of purchased mobile devices multiplied by the product emissions of mobile devices). Category 3: upstream emissions of purchased fuels and electricity consumed by Telefónica and transmission&distribution losses. (Calculated by multiplying the amount of fuel, electricity and district heating used and the upstream emission factors). Category 11: emissions from end use of goods and services sold by Telefónica in the reporting year, such as mobile devices, as well as those installed in customer premises, such as routers and set up boxes (STBs). Emissions from the use of sold mobile devices are calculated using specific product life cycle emissions and emissions from the use of the rest of the sold products are calculated based on their electricity consumption and the country where the products are used.

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. For Scope 3 emissions we only report on categories that relate to the services we provide to the client. These are: Cat 1, Cat 2, Cat 3 y Cat 11

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Row 22

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 1

(7.26.4) Allocation level

Select from:

☑ Company wide

(7.26.6) Allocation method

Select from:

☑ Allocation based on the market value of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

29562992

(7.26.9) Emissions in metric tonnes of CO2e

89.1

(7.26.10) Uncertainty (±%)

30

(7.26.11) Major sources of emissions

Fuel consumption in operations (diesel, natural gas, LPG) and vehicles (gasoline and diesel) and fugitive emissions from refrigerant gases used in airconditioning units.

(7.26.12) Allocation verified by a third party?

Select from:
☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. The sources identified at service provision phase are: - Scope I: Fuel Consumption (Base Stations, Technical Buildings, Data Centres, Shops, Call centers, Offices and Vehicles Fleet) and fugitive emissions from refrigerant gases used in airconditioning units. On first instance, the allocation of emissions will be based on the CO2 inventory of Telefónica under the scheme of the GHG Protocol, ISO 14064 and ITU-T L1420, correspondent to the accesses and costs of the service provision. The major limitations of this process are that at the moment, there is not a global and sectoral methodology/standard to evaluate the energy and CO2 Savings due to ICT product and services provision.

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Row 23

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 2: market-based

(7.26.4) Allocation level

Select from:

☑ Company wide

(7.26.6) Allocation method

Select from:

☑ Allocation based on the market value of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

29562992

(7.26.9) Emissions in metric tonnes of CO2e

156.1

(7.26.10) Uncertainty (±%)

30

(7.26.11) Major sources of emissions

Electricity in networks and offices

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. The sources identified at service provision phase are: - Scope II: Electricity Consumption (Base Stations, Technical Buildings, Data Centres, Offices, shops and Call centers) On first instance, the allocation of emissions will be based on the CO2 inventory of Telefónica under the scheme of the GHG Protocol, ISO 14064 and ITU-T L1420, correspondent to the accesses and costs of the service provision. The major limitations of this process are that at the moment, there is not a global and sectoral methodology/standard to evaluate the energy and CO2 Savings due to ICT product and services provision

(7.26.14) Where published information has been used, please provide a reference

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Row 24

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 3

(7.26.3) Scope 3 category(ies)

Select all that apply

☑ Category 1: Purchased goods and services

☑ Category 2: Capital goods

☑ Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

☑ Category 11: Use of sold products

(7.26.4) Allocation level

Select from:

☑ Company wide

(7.26.6) Allocation method

Select from:

☑ Allocation based on the market value of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

29562992

(7.26.9) Emissions in metric tonnes of CO2e

1408.1

(7.26.10) Uncertainty (±%)

30

(7.26.11) Major sources of emissions

Categories 1&2: emissions from raw material extraction, production and transportation of goods and services or capital goods purchased, which are calculated using both the supplier-specific method (amount spent on goods and services using market values multiplied by the supplier's emission intensity) and the hybrid method (number of purchased mobile devices multiplied by the product emissions of mobile devices). Category 3: upstream emissions of purchased fuels and electricity consumed by Telefónica and transmission&distribution losses. (Calculated by multiplying the amount of fuel, electricity and district heating used and the upstream emission factors). Category 11: emissions from end use of goods and services sold by Telefónica in the reporting year, such as mobile devices, as well as those installed in customer premises, such as routers and set up boxes (STBs). Emissions from the use of sold mobile devices are calculated using specific product life cycle emissions and emissions from the use of the rest of the sold products are calculated based on their electricity consumption and the country where the products are used.

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. For Scope 3 emissions we only report on categories that relate to the services we provide to the client. These are: Cat 1, Cat 2, Cat 3 y Cat 11

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Row 25

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 1

(7.26.4) Allocation level

Select from:

☑ Business unit (subsidiary company)

(7.26.6) Allocation method

Select from:

☑ Allocation based on the volume of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Other unit, please specify :Connectivity Accessess

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

2931

(7.26.9) Emissions in metric tonnes of CO2e

6.34

(7.26.10) Uncertainty (±%)

5

(7.26.11) Major sources of emissions

Fuel consumption in operations (diesel, natural gas, LPG) and vehicles (gasoline and diesel) and fugitive emissions from refrigerant gases used in airconditioning units.

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. The sources identified at service provision phase are: - Scope I: Fuel Consumption (Base Stations, Technical Buildings, Data Centres, Shops, Call centers, Offices and Vehicles Fleet) and fugitive emissions from refrigerant gases used in airconditioning units. On first instance, the allocation of emissions will be based on the CO2 inventory of Telefónica under the scheme of the GHG Protocol, ISO 14064 and ITU-T L1420, correspondent to the accesses and costs of the service provision. The major limitations of this process are that at the moment, there is not a global and sectoral methodology/standard to evaluate the energy and CO2 Savings due to ICT product and services provision.

(7.26.14) Where published information has been used, please provide a reference

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Row 26

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 2: market-based

(7.26.4) Allocation level

Select from:

☑ Business unit (subsidiary company)

(7.26.6) Allocation method

Select from:

☑ Allocation based on the volume of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Other unit, please specify :Connectivity Accesses

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

2931

(7.26.9) Emissions in metric tonnes of CO2e

0

(7.26.10) Uncertainty (±%)

5

(7.26.11) Major sources of emissions

Electricity in networks and offices

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. The sources identified at service provision phase are: - Scope II: Electricity Consumption (Base Stations, Technical Buildings, Data Centres, Offices, shops and Call centers) On first instance, the allocation of emissions will be based on the CO2 inventory of Telefónica under the scheme of the GHG Protocol, ISO 14064 and ITU-T

L1420, correspondent to the accesses and costs of the service provision. The major limitations of this process are that at the moment, there is not a global and sectoral methodology/standard to evaluate the energy and CO2 Savings due to ICT product and services provision

(7.26.14) Where published information has been used, please provide a reference

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Row 27

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 3

(7.26.3) Scope 3 category(ies)

Select all that apply

☑ Category 1: Purchased goods and services

☑ Category 2: Capital goods

☑ Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

☑ Category 11: Use of sold products

(7.26.4) Allocation level

Select from:

☑ Business unit (subsidiary company)

(7.26.6) Allocation method

Select from:

☑ Allocation based on the volume of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Other unit, please specify :Connectivity Accesses

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

2931

(7.26.9) Emissions in metric tonnes of CO2e

0.229

(7.26.10) Uncertainty (±%)

5

(7.26.11) Major sources of emissions

Categories 1&2: emissions from raw material extraction, production and transportation of goods and services or capital goods purchased, which are calculated using both the supplier-specific method (amount spent on goods and services using market values multiplied by the supplier's emission intensity) and the hybrid method (number of purchased mobile devices multiplied by the product emissions of mobile devices). Category 3: upstream emissions of purchased fuels and electricity consumed by Telefónica and transmission&distribution losses. (Calculated by multiplying the amount of fuel, electricity and district heating used and the upstream emission factors). Category 11: emissions from end use of goods and services sold by Telefónica in the reporting year, such as mobile devices, as well as those installed in customer premises, such as routers and set up boxes (STBs). Emissions from the use of sold mobile devices are calculated using specific product life cycle emissions and emissions from the use of the rest of the sold products are calculated based on their electricity consumption and the country where the products are used.

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. For Scope 3 emissions we only report on categories that relate to the services we provide to the client. These are: Cat 1, Cat 2, Cat 3 y Cat 11

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Row 28

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 1

(7.26.4) Allocation level

Select from:

☑ Company wide

(7.26.6) Allocation method

Select from:

☑ Allocation based on the market value of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

40662500

(7.26.9) Emissions in metric tonnes of CO2e

12249.16

(7.26.10) Uncertainty (±%)

30

(7.26.11) Major sources of emissions

Fuel consumption in operations (diesel, natural gas, LPG) and vehicles (gasoline and diesel) and fugitive emissions from refrigerant gases used in airconditioning units.

(7.26.12) Allocation verified by a third party?

Select from:
☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. The sources identified at service provision phase are: - Scope I: Fuel Consumption (Base Stations, Technical Buildings, Data Centres, Shops, Call centers, Offices and Vehicles Fleet) and fugitive emissions from refrigerant gases used in airconditioning units. On first instance, the allocation of emissions will be based on the CO2 inventory of Telefónica under the scheme of the GHG Protocol, ISO 14064 and ITU-T L1420, correspondent to the accesses and costs of the service provision. The major limitations of this process are that at the moment, there is not a global and sectoral methodology/standard to evaluate the energy and CO2 Savings due to ICT product and services provision.

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Row 29

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 2: market-based

(7.26.4) Allocation level

Select from:

☑ Company wide

(7.26.6) Allocation method

Select from:

☑ Allocation based on the market value of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

40662500

(7.26.9) Emissions in metric tonnes of CO2e

21471.44

(7.26.10) Uncertainty (±%)

30

(7.26.11) Major sources of emissions

Electricity in networks and offices

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. The sources identified at service provision phase are: - Scope II: Electricity Consumption (Base Stations, Technical Buildings, Data Centres, Offices, shops and Call centers) On first instance, the allocation of emissions will be based on the CO2 inventory of Telefónica under the scheme of the GHG Protocol, ISO 14064 and ITU-T L1420, correspondent to the accesses and costs of the service provision. The major limitations of this process are that at the moment, there is not a global and sectoral methodology/standard to evaluate the energy and CO2 Savings due to ICT product and services provision

(7.26.14) Where published information has been used, please provide a reference

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Row 30

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 3

(7.26.3) Scope 3 category(ies)

Select all that apply

☑ Category 1: Purchased goods and services

☑ Category 2: Capital goods

☑ Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

☑ Category 11: Use of sold products

(7.26.4) Allocation level

Select from:

☑ Company wide

(7.26.6) Allocation method

Select from:

☑ Allocation based on the market value of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

40662500

(7.26.9) Emissions in metric tonnes of CO2e

193679.9

(7.26.10) Uncertainty (±%)

30

(7.26.11) Major sources of emissions

Categories 1&2: emissions from raw material extraction, production and transportation of goods and services or capital goods purchased, which are calculated using both the supplier-specific method (amount spent on goods and services using market values multiplied by the supplier's emission intensity) and the hybrid method (number of purchased mobile devices multiplied by the product emissions of mobile devices). Category 3: upstream emissions of purchased fuels and electricity consumed by Telefónica and transmission&distribution losses. (Calculated by multiplying the amount of fuel, electricity and district heating used and the upstream emission factors). Category 11: emissions from end use of goods and services sold by Telefónica in the reporting year, such as mobile devices, as well as those installed in customer premises, such as routers and set up boxes (STBs). Emissions from the use of sold mobile devices are calculated using specific product life cycle emissions and emissions from the use of the rest of the sold products are calculated based on their electricity consumption and the country where the products are used.

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. For Scope 3 emissions we only report on categories that relate to the services we provide to the client. These are: Cat 1, Cat 2, Cat 3 y Cat 11

(7.26.14) Where published information has been used, please provide a reference

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Row 31

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 1

(7.26.4) Allocation level

Select from:

☑ Company wide

(7.26.6) Allocation method

Select from:

☑ Allocation based on the market value of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

1820800

(7.26.9) Emissions in metric tonnes of CO2e

5485

(7.26.10) Uncertainty (±%)

30

(7.26.11) Major sources of emissions

Fuel consumption in operations (diesel, natural gas, LPG) and vehicles (gasoline and diesel) and fugitive emissions from refrigerant gases used in airconditioning units.

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. The sources identified at service provision phase are: - Scope I: Fuel Consumption (Base Stations, Technical Buildings, Data Centres, Shops, Call centers, Offices and Vehicles Fleet) and fugitive emissions from refrigerant gases used in airconditioning units. On first instance, the allocation of emissions will be based on the CO2 inventory of Telefónica under the scheme of the GHG Protocol, ISO 14064 and ITU-T L1420, correspondent to the accesses and costs of the service provision. The major limitations of this process are that at the moment, there is not a global and sectoral methodology/standard to evaluate the energy and CO2 Savings due to ICT product and services provision.

(7.26.14) Where published information has been used, please provide a reference

Information on the company's carbon footprint for Scopes 1, 2 and 3 as well as revenues is available in the company's integrated report from pages 406 to 410 int he followig link: https://www.telefonica.com/es/wp-content/uploads/sites/4/2024/03/informe-anual-gestion-consolidado-2023.pdf.

Row 32

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 2: market-based

(7.26.4) Allocation level

Select from:

☑ Company wide

(7.26.6) Allocation method

Select from:

☑ Allocation based on the market value of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

1820800

(7.26.9) Emissions in metric tonnes of CO2e

9614.6

(7.26.10) Uncertainty (±%)

30

(7.26.11) Major sources of emissions

Electricity in networks and offices

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. The sources identified at service provision phase are: - Scope II: Electricity Consumption (Base Stations, Technical Buildings, Data Centres, Offices, shops and Call centers) On first instance, the allocation of emissions will be based on the CO2 inventory of Telefónica under the scheme of the GHG Protocol, ISO 14064 and ITU-T

L1420, correspondent to the accesses and costs of the service provision. The major limitations of this process are that at the moment, there is not a global and sectoral methodology/standard to evaluate the energy and CO2 Savings due to ICT product and services provision

(7.26.14) Where published information has been used, please provide a reference

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Row 33

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 3

(7.26.3) Scope 3 category(ies)

Select all that apply

☑ Category 1: Purchased goods and services

☑ Category 2: Capital goods

☑ Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

☑ Category 11: Use of sold products

(7.26.4) Allocation level

Select from:

☑ Company wide

(7.26.6) Allocation method

Select from:

☑ Allocation based on the market value of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

1820800

(7.26.9) Emissions in metric tonnes of CO2e

56.0814

(7.26.10) Uncertainty (±%)

30

(7.26.11) Major sources of emissions

Categories 1&2: emissions from raw material extraction, production and transportation of goods and services or capital goods purchased, which are calculated using both the supplier-specific method (amount spent on goods and services using market values multiplied by the supplier's emission intensity) and the hybrid method (number of purchased mobile devices multiplied by the product emissions of mobile devices). Category 3: upstream emissions of purchased fuels and electricity consumed by Telefónica and transmission&distribution losses. (Calculated by multiplying the amount of fuel, electricity and district heating used and the upstream emission factors). Category 11: emissions from end use of goods and services sold by Telefónica in the reporting year, such as mobile devices, as well as those installed in customer premises, such as routers and set up boxes (STBs). Emissions from the use of sold mobile devices are calculated using specific product life cycle emissions and emissions from the use of the rest of the sold products are calculated based on their electricity consumption and the country where the products are used.

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. For Scope 3 emissions we only report on categories that relate to the services we provide to the client. These are: Cat 1, Cat 2, Cat 3 y Cat 11

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Row 34

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 1

(7.26.4) Allocation level

Select from:

☑ Business unit (subsidiary company)

(7.26.6) Allocation method

Select from:

☑ Allocation based on the market value of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

11500000

(7.26.9) Emissions in metric tonnes of CO2e

8

(7.26.10) Uncertainty (±%)

25

(7.26.11) Major sources of emissions

Fuel consumption in operations (diesel, natural gas, LPG) and vehicles (gasoline and diesel) and fugitive emissions from refrigerant gases used in airconditioning units

(7.26.12) Allocation verified by a third party?

Select from:
☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. The sources identified at service provision phase are: - Scope I: Fuel Consumption (Base Stations, Technical Buildings, Data Centres, Shops, Call centers, Offices and Vehicles Fleet) and fugitive emissions from refrigerant gases used in airconditioning units. On first instance, the allocation of emissions will be based on the CO2 inventory of Telefónica under the scheme of the GHG Protocol, ISO 14064 and ITU-T L1420, correspondent to the accesses and costs of the service provision. The major limitations of this process are that at the moment, there is not a global and sectoral methodology/standard to evaluate the energy and CO2 Savings due to ICT product and services provision.

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Row 35

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 2: market-based

(7.26.4) Allocation level

Select from:

☑ Business unit (subsidiary company)

(7.26.6) Allocation method

Select from:

☑ Allocation based on the market value of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

11500000

(7.26.9) Emissions in metric tonnes of CO2e

0.3

(7.26.10) Uncertainty (±%)

25

(7.26.11) Major sources of emissions

Electricity in networks and offices

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. The sources identified at service provision phase are: - Scope II: Electricity Consumption (Base Stations, Technical Buildings, Data Centres, Offices, shops and Call centers) On first instance, the allocation of emissions will be based on the CO2 inventory of Telefónica under the scheme of the GHG Protocol, ISO 14064 and ITU-T L1420, correspondent to the accesses and costs of the service provision. The major limitations of this process are that at the moment, there is not a global and sectoral methodology/standard to evaluate the energy and CO2 Savings due to ICT product and services provision

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Row 36

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 3

(7.26.3) Scope 3 category(ies)

Select all that apply

☑ Category 1: Purchased goods and services

☑ Category 2: Capital goods

☑ Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

☑ Category 11: Use of sold products

(7.26.4) Allocation level

Select from:

☑ Business unit (subsidiary company)

(7.26.6) Allocation method

Select from:

☑ Allocation based on the market value of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

11500000

(7.26.9) Emissions in metric tonnes of CO2e

657.9

(7.26.10) Uncertainty (±%)

25

(7.26.11) Major sources of emissions

Categories 1&2: emissions from raw material extraction, production and transportation of goods and services or capital goods purchased, which are calculated using both the supplier-specific method (amount spent on goods and services using market values multiplied by the supplier's emission intensity) and the hybrid method (number of purchased mobile devices multiplied by the product emissions of mobile devices). Category 3: upstream emissions of purchased fuels and electricity consumed by Telefónica and transmission&distribution losses. (Calculated by multiplying the amount of fuel, electricity and district heating used and the upstream emission factors). Category 11: emissions from end use of goods and services sold by Telefónica in the reporting year, such as mobile devices, as well as those installed in customer premises, such as routers and set up boxes (STBs). Emissions from the use of sold mobile devices are calculated using specific product life cycle emissions and emissions from the use of the rest of the sold products are calculated based on their electricity consumption and the country where the products are used.

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. For Scope 3 emissions we only report on categories that relate to the services we provide to the client. These are: Cat 1, Cat 2, Cat 3 y Cat 11

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Row 37

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 1

(7.26.4) Allocation level

Select from:

☑ Company wide

(7.26.6) Allocation method

Select from:

☑ Allocation based on the market value of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

111198800

(7.26.9) Emissions in metric tonnes of CO2e

334.97

(7.26.10) Uncertainty (±%)

30

(7.26.11) Major sources of emissions

Fuel consumption in operations (diesel, natural gas, LPG) and vehicles (gasoline and diesel) and fugitive emissions from refrigerant gases used in airconditioning units.

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. The sources identified at service provision phase are: - Scope I: Fuel Consumption (Base Stations, Technical Buildings, Data Centres, Shops, Call centers, Offices and Vehicles Fleet) and fugitive emissions from refrigerant gases used in airconditioning units. On first instance, the allocation of emissions will be based on the CO2 inventory of Telefónica under the scheme of the GHG Protocol, ISO 14064 and ITU-T L1420, correspondent to the accesses and costs of the service provision. The major limitations of this process are that at the moment, there is not a global and sectoral methodology/standard to evaluate the energy and CO2 Savings due to ICT product and services provision.

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Row 38

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 2: market-based

(7.26.4) Allocation level

Select from:

☑ Company wide

(7.26.6) Allocation method

Select from:

☑ Allocation based on the market value of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

111198800

(7.26.9) Emissions in metric tonnes of CO2e

587.17

(7.26.10) Uncertainty (±%)

30

(7.26.11) Major sources of emissions

Electricity in networks and offices

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. The sources identified at service provision phase are: - Scope II: Electricity Consumption (Base Stations, Technical Buildings, Data Centres, Offices, shops and Call centers) On first instance, the allocation of emissions will be based on the CO2 inventory of Telefónica under the scheme of the GHG Protocol, ISO 14064 and ITU-T

L1420, correspondent to the accesses and costs of the service provision. The major limitations of this process are that at the moment, there is not a global and sectoral methodology/standard to evaluate the energy and CO2 Savings due to ICT product and services provision

(7.26.14) Where published information has been used, please provide a reference

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Row 39

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 3

(7.26.3) Scope 3 category(ies)

Select all that apply

☑ Category 1: Purchased goods and services

☑ Category 2: Capital goods

☑ Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

☑ Category 11: Use of sold products

(7.26.4) Allocation level

Select from:

☑ Company wide

(7.26.6) Allocation method

Select from:

☑ Allocation based on the market value of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

111198800

(7.26.9) Emissions in metric tonnes of CO2e

5296.52

(7.26.10) Uncertainty (±%)

30

(7.26.11) Major sources of emissions

Categories 1&2: emissions from raw material extraction, production and transportation of goods and services or capital goods purchased, which are calculated using both the supplier-specific method (amount spent on goods and services using market values multiplied by the supplier's emission intensity) and the hybrid method (number of purchased mobile devices multiplied by the product emissions of mobile devices). Category 3: upstream emissions of purchased fuels and electricity consumed by Telefónica and transmission&distribution losses. (Calculated by multiplying the amount of fuel, electricity and district heating used and the upstream emission factors). Category 11: emissions from end use of goods and services sold by Telefónica in the reporting year, such as mobile devices, as well as those installed in customer premises, such as routers and set up boxes (STBs). Emissions from the use of sold mobile devices are calculated using specific product life cycle emissions and emissions from the use of the rest of the sold products are calculated based on their electricity consumption and the country where the products are used.

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. For Scope 3 emissions we only report on categories that relate to the services we provide to the client. These are: Cat 1, Cat 2, Cat 3 y Cat 11

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Row 40

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 1

(7.26.4) Allocation level

Select from:

☑ Company wide

(7.26.6) Allocation method

Select from:

☑ Allocation based on the market value of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

1364100

(7.26.9) Emissions in metric tonnes of CO2e

4.1

(7.26.10) Uncertainty (±%)

30

(7.26.11) Major sources of emissions

Fuel consumption in operations (diesel, natural gas, LPG) and vehicles (gasoline and diesel) and fugitive emissions from refrigerant gases used in airconditioning units.

(7.26.12) Allocation verified by a third party?

Select from:
☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. The sources identified at service provision phase are: - Scope I: Fuel Consumption (Base Stations, Technical Buildings, Data Centres, Shops, Call centers, Offices and Vehicles Fleet) and fugitive emissions from refrigerant gases used in airconditioning units. On first instance, the allocation of emissions will be based on the CO2 inventory of Telefónica under the scheme of the GHG Protocol, ISO 14064 and ITU-T L1420, correspondent to the accesses and costs of the service provision. The major limitations of this process are that at the moment, there is not a global and sectoral methodology/standard to evaluate the energy and CO2 Savings due to ICT product and services provision.

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Row 41

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 2: market-based

(7.26.4) Allocation level

Select from:

☑ Company wide

(7.26.6) Allocation method

Select from:

☑ Allocation based on the market value of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

1364100

(7.26.9) Emissions in metric tonnes of CO2e

7.2

(7.26.10) Uncertainty (±%)

30

(7.26.11) Major sources of emissions

Electricity in networks and offices

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. The sources identified at service provision phase are: - Scope II: Electricity Consumption (Base Stations, Technical Buildings, Data Centres, Offices, shops and Call centers) On first instance, the allocation of emissions will be based on the CO2 inventory of Telefónica under the scheme of the GHG Protocol, ISO 14064 and ITU-T L1420, correspondent to the accesses and costs of the service provision. The major limitations of this process are that at the moment, there is not a global and sectoral methodology/standard to evaluate the energy and CO2 Savings due to ICT product and services provision

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Row 42

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 3

(7.26.3) Scope 3 category(ies)

Select all that apply

☑ Category 1: Purchased goods and services

☑ Category 2: Capital goods

☑ Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

☑ Category 11: Use of sold products

(7.26.4) Allocation level

Select from:

☑ Company wide

(7.26.6) Allocation method

Select from:

☑ Allocation based on the market value of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

1364100

(7.26.9) Emissions in metric tonnes of CO2e

64.97

(7.26.10) Uncertainty (±%)

30

(7.26.11) Major sources of emissions

Categories 1&2: emissions from raw material extraction, production and transportation of goods and services or capital goods purchased, which are calculated using both the supplier-specific method (amount spent on goods and services using market values multiplied by the supplier's emission intensity) and the hybrid method (number of purchased mobile devices multiplied by the product emissions of mobile devices). Category 3: upstream emissions of purchased fuels and electricity consumed by Telefónica and transmission&distribution losses. (Calculated by multiplying the amount of fuel, electricity and district heating used and the upstream emission factors). Category 11: emissions from end use of goods and services sold by Telefónica in the reporting year, such as mobile devices, as well as those installed in customer premises, such as routers and set up boxes (STBs). Emissions from the use of sold mobile devices are calculated using specific product life cycle emissions and emissions from the use of the rest of the sold products are calculated based on their electricity consumption and the country where the products are used.

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. For Scope 3 emissions we only report on categories that relate to the services we provide to the client. These are: Cat 1, Cat 2, Cat 3 y Cat 11

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Row 43

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 3

(7.26.3) Scope 3 category(ies)

Select all that apply

☑ Category 1: Purchased goods and services

☑ Category 2: Capital goods

☑ Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

☑ Category 11: Use of sold products

(7.26.4) Allocation level

Select from:

☑ Company wide

(7.26.6) Allocation method

Select from:

☑ Allocation based on the market value of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

1807132

(7.26.9) Emissions in metric tonnes of CO2e

86.1

(7.26.10) Uncertainty (±%)

30

(7.26.11) Major sources of emissions

Categories 1&2: emissions from raw material extraction, production and transportation of goods and services or capital goods purchased, which are calculated using both the supplier-specific method (amount spent on goods and services using market values multiplied by the supplier's emission intensity) and the hybrid method (number of purchased mobile devices multiplied by the product emissions of mobile devices). Category 3: upstream emissions of purchased fuels and electricity consumed by Telefónica and transmission&distribution losses. (Calculated by multiplying the amount of fuel, electricity and district heating used and the upstream emission factors). Category 11: emissions from end use of goods and services sold by Telefónica in the reporting year, such as mobile devices, as well as those installed in customer premises, such as routers and set up boxes (STBs). Emissions from the use of sold mobile devices are calculated using specific product life cycle emissions and emissions from the use of the rest of the sold products are calculated based on their electricity consumption and the country where the products are used..

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. For Scope 3 emissions we only report on categories that relate to the services we provide to the client. These are: Cat 1, Cat 2, Cat 3 y Cat 11

(7.26.14) Where published information has been used, please provide a reference

nformation on the company's carbon footprint for Scopes 1, 2 and 3 as well as revenues is available in the company's integrated report from pages 406 to 410 int he followig link: https://www.telefonica.com/es/wp-content/uploads/sites/4/2024/03/informe-anual-gestion-consolidado-2023.pdf.

Row 45

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 1

(7.26.4) Allocation level

Select from:

☑ Company wide

(7.26.6) Allocation method

Select from:

☑ Allocation based on the market value of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

1807132

(7.26.9) Emissions in metric tonnes of CO2e

5.4

(7.26.10) Uncertainty (±%)

30

(7.26.11) Major sources of emissions

Fuel consumption in operations (diesel, natural gas, LPG) and vehicles (gasoline and diesel) and fugitive emissions from refrigerant gases used in airconditioning units.

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. The sources identified at service provision phase are: - Scope I: Fuel Consumption (Base Stations, Technical Buildings, Data Centres, Shops, Call centers, Offices and Vehicles Fleet) and fugitive emissions from refrigerant gases used in airconditioning units. On first instance, the allocation of emissions will be based on the CO2 inventory of Telefónica under the scheme of the GHG Protocol, ISO 14064 and ITU-T L1420, correspondent to the accesses and costs of the service provision. The major limitations of this process are that at the moment, there is not a global and sectoral methodology/standard to evaluate the energy and CO2 Savings due to ICT product and services provision.

(7.26.14) Where published information has been used, please provide a reference

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Row 46

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 2: market-based

(7.26.4) Allocation level

Select from:

☑ Company wide

(7.26.6) Allocation method

Select from:

☑ Allocation based on the market value of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

1807132

(7.26.9) Emissions in metric tonnes of CO2e

9.5

(7.26.10) Uncertainty (±%)

30

(7.26.11) Major sources of emissions

Electricity in networks and offices

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. The sources identified at service provision phase are: - Scope II: Electricity Consumption (Base Stations, Technical Buildings, Data Centres, Offices, shops and Call centers) On first instance, the allocation of emissions will be based on the CO2 inventory of Telefónica under the scheme of the GHG Protocol, ISO 14064 and ITU-T

L1420, correspondent to the accesses and costs of the service provision. The major limitations of this process are that at the moment, there is not a global and sectoral methodology/standard to evaluate the energy and CO2 Savings due to ICT product and services provision

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Row 47

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 1

(7.26.4) Allocation level

Select from:

☑ Company wide

(7.26.6) Allocation method

Select from:

☑ Allocation based on the market value of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

266308

(7.26.9) Emissions in metric tonnes of CO2e

0.8

(7.26.10) Uncertainty (±%)

30

(7.26.11) Major sources of emissions

Fuel consumption in operations (diesel, natural gas, LPG) and vehicles (gasoline and diesel) and fugitive emissions from refrigerant gases used in airconditioning units.

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. The sources identified at service provision phase are: - Scope I: Fuel Consumption (Base Stations, Technical Buildings, Data Centres, Shops, Call centers, Offices and Vehicles Fleet) and fugitive emissions from refrigerant gases used in airconditioning units. On first instance, the allocation of emissions will be based on the CO2 inventory of Telefónica under the scheme of the GHG Protocol, ISO 14064 and ITU-T L1420, correspondent to the accesses and costs of the service provision. The major limitations of this process are that at the moment, there is not a global and sectoral methodology/standard to evaluate the energy and CO2 Savings due to ICT product and services provision.

(7.26.14) Where published information has been used, please provide a reference

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Row 48

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:
☑ Scope 2: market-based

(7.26.4) Allocation level

Select from:
☑ Company wide

(7.26.6) Allocation method

Select from:
☑ Allocation based on the market value of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:
☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

266308

(7.26.9) Emissions in metric tonnes of CO2e

1.41

(7.26.10) Uncertainty (±%)

30

(7.26.11) Major sources of emissions

Electricity in networks and offices

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. The sources identified at service provision phase are: - Scope II: Electricity Consumption (Base Stations, Technical Buildings, Data Centres, Offices, shops and Call centers) On first instance, the allocation of emissions will be based on the CO2 inventory of Telefónica under the scheme of the GHG Protocol, ISO 14064 and ITU-T L1420, correspondent to the accesses and costs of the service provision. The major limitations of this process are that at the moment, there is not a global and sectoral methodology/standard to evaluate the energy and CO2 Savings due to ICT product and services provision

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Row 49

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 3

(7.26.3) Scope 3 category(ies)

Select all that apply

☑ Category 1: Purchased goods and services

☑ Category 2: Capital goods

☑ Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

☑ Category 11: Use of sold products

(7.26.4) Allocation level

Select from:

☑ Company wide

(7.26.6) Allocation method

Select from:

☑ Allocation based on the market value of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

266308

(7.26.9) Emissions in metric tonnes of CO2e

12.68

(7.26.10) Uncertainty (±%)

30

(7.26.11) Major sources of emissions

Categories 1&2: emissions from raw material extraction, production and transportation of goods and services or capital goods purchased, which are calculated using both the supplier-specific method (amount spent on goods and services using market values multiplied by the supplier's emission intensity) and the hybrid method (number of purchased mobile devices multiplied by the product emissions of mobile devices). Category 3: upstream emissions of purchased fuels and electricity consumed by Telefónica and transmission&distribution losses. (Calculated by multiplying the amount of fuel, electricity and district heating used and the upstream emission factors). Category 11: emissions from end use of goods and services sold by Telefónica in the reporting year, such as mobile devices, as well as those installed in customer premises, such as routers and set up boxes (STBs). Emissions from the use of sold mobile devices are calculated using specific product life cycle emissions and emissions from the use of the rest of the sold products are calculated based on their electricity consumption and the country where the products are used.

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. For Scope 3 emissions we only report on categories that relate to the services we provide to the client. These are: Cat 1, Cat 2, Cat 3 y Cat 11

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Row 51

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 1

(7.26.4) Allocation level

Select from:

☑ Company wide

(7.26.6) Allocation method

Select from:

☑ Allocation based on the market value of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

238148

(7.26.9) Emissions in metric tonnes of CO2e

0.7

(7.26.10) Uncertainty (±%)

30

(7.26.11) Major sources of emissions

Fuel consumption in operations (diesel, natural gas, LPG) and vehicles (gasoline and diesel) and fugitive emissions from refrigerant gases used in airconditioning units.

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. The sources identified at service provision phase are: - Scope I: Fuel Consumption (Base Stations, Technical Buildings, Data Centres, Shops, Call centers, Offices and Vehicles Fleet) and fugitive emissions from refrigerant gases used in airconditioning units. On first instance, the allocation of emissions will be based on the CO2 inventory of Telefónica under the scheme of the GHG Protocol, ISO 14064 and ITU-T L1420, correspondent to the accesses and costs of the service provision. The major limitations of this process are that at the moment, there is not a global and sectoral methodology/standard to evaluate the energy and CO2 Savings due to ICT product and services provision.

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Row 52

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 2: market-based

(7.26.4) Allocation level

Select from:

☑ Company wide

(7.26.6) Allocation method

Select from:

☑ Allocation based on the market value of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

238148

(7.26.9) Emissions in metric tonnes of CO2e

1.3

(7.26.10) Uncertainty (±%)

30

(7.26.11) Major sources of emissions

Electricity in networks and offices

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. The sources identified at service provision phase are: - Scope II: Electricity Consumption (Base Stations, Technical Buildings, Data Centres, Offices, shops and Call centers) On first instance, the allocation of emissions will be based on the CO2 inventory of Telefónica under the scheme of the GHG Protocol, ISO 14064 and ITU-T L1420, correspondent to the accesses and costs of the service provision. The major limitations of this process are that at the moment, there is not a global and sectoral methodology/standard to evaluate the energy and CO2 Savings due to ICT product and services provision

(7.26.14) Where published information has been used, please provide a reference

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Row 53

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 3

(7.26.3) Scope 3 category(ies)

Select all that apply

☑ Category 1: Purchased goods and services

☑ Category 2: Capital goods

☑ Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

☑ Category 11: Use of sold products

(7.26.4) Allocation level

Select from:

☑ Company wide

(7.26.6) Allocation method

Select from:

☑ Allocation based on the market value of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

238148

(7.26.9) Emissions in metric tonnes of CO2e

11.34

(7.26.10) Uncertainty (±%)

30

(7.26.11) Major sources of emissions

Categories 1&2: emissions from raw material extraction, production and transportation of goods and services or capital goods purchased, which are calculated using both the supplier-specific method (amount spent on goods and services using market values multiplied by the supplier's emission intensity) and the hybrid method (number of purchased mobile devices multiplied by the product emissions of mobile devices). Category 3: upstream emissions of purchased fuels and electricity consumed by Telefónica and transmission&distribution losses. (Calculated by multiplying the amount of fuel, electricity and district heating used and the upstream emission factors). Category 11: emissions from end use of goods and services sold by Telefónica in the reporting year, such as mobile devices, as well as those installed in customer premises, such as routers and set up boxes (STBs). Emissions from the use of sold mobile devices are calculated using specific product life cycle emissions and emissions from the use of the rest of the sold products are calculated based on their electricity consumption and the country where the products are used.

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. For Scope 3 emissions we only report on categories that relate to the services we provide to the client. These are: Cat 1, Cat 2, Cat 3 y Cat 11

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Row 54

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 1

(7.26.4) Allocation level

Select from:

☑ Company wide

(7.26.6) Allocation method

Select from:

☑ Allocation based on the market value of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

3108490

(7.26.9) Emissions in metric tonnes of CO2e

9.36

(7.26.10) Uncertainty (±%)

30

(7.26.11) Major sources of emissions

Fuel consumption in operations (diesel, natural gas, LPG) and vehicles (gasoline and diesel) and fugitive emissions from refrigerant gases used in airconditioning units

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. The sources identified at service provision phase are: - Scope I: Fuel Consumption (Base Stations, Technical Buildings, Data Centres, Shops, Call centers, Offices and Vehicles Fleet) and fugitive emissions from refrigerant gases used in airconditioning units. On first instance, the allocation of emissions will be based on the CO2 inventory of Telefónica under the scheme of the GHG Protocol, ISO 14064 and ITU-T L1420, correspondent to the accesses and costs of the service provision. The major limitations of this process are that at the moment, there is not a global and sectoral methodology/standard to evaluate the energy and CO2 Savings due to ICT product and services provision.

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Row 55

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 2: market-based

(7.26.4) Allocation level

Select from:

☑ Company wide

(7.26.6) Allocation method

Select from:

☑ Allocation based on the market value of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

3108490

(7.26.9) Emissions in metric tonnes of CO2e

16.41

(7.26.10) Uncertainty (±%)

30

(7.26.11) Major sources of emissions

Electricity in networks and offices

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. The sources identified at service provision phase are: - Scope II: Electricity Consumption (Base Stations, Technical Buildings, Data Centres, Offices, shops and Call centers) On first instance, the allocation of emissions will be based on the CO2 inventory of Telefónica under the scheme of the GHG Protocol, ISO 14064 and ITU-T L1420, correspondent to the accesses and costs of the service provision. The major limitations of this process are that at the moment, there is not a global and sectoral methodology/standard to evaluate the energy and CO2 Savings due to ICT product and services provision

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Row 56

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 3

(7.26.3) Scope 3 category(ies)

Select all that apply

☑ Category 1: Purchased goods and services

☑ Category 2: Capital goods

☑ Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

☑ Category 11: Use of sold products

(7.26.4) Allocation level

Select from:

☑ Company wide

(7.26.6) Allocation method

Select from:

☑ Allocation based on the market value of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

3108490

(7.26.9) Emissions in metric tonnes of CO2e

148.06

(7.26.10) Uncertainty (±%)

30

(7.26.11) Major sources of emissions

Categories 1&2: emissions from raw material extraction, production and transportation of goods and services or capital goods purchased, which are calculated using both the supplier-specific method (amount spent on goods and services using market values multiplied by the supplier's emission intensity) and the hybrid method (number of purchased mobile devices multiplied by the product emissions of mobile devices). Category 3: upstream emissions of purchased fuels and electricity consumed by Telefónica and transmission&distribution losses. (Calculated by multiplying the amount of fuel, electricity and district heating used and the upstream emission factors). Category 11: emissions from end use of goods and services sold by Telefónica in the reporting year, such as mobile devices, as well as those installed in customer premises, such as routers and set up boxes (STBs). Emissions from the use of sold mobile devices are calculated using specific product life cycle emissions and emissions from the use of the rest of the sold products are calculated based on their electricity consumption and the country where the products are used.

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. For Scope 3 emissions we only report on categories that relate to the services we provide to the client. These are: Cat 1, Cat 2, Cat 3 y Cat 11

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Information on the company's carbon footprint for Scopes 1, 2 and 3 as well as revenues is available in the company's integrated report from pages 406 to 410 int he followig link: https://www.telefonica.com/es/wp-content/uploads/sites/4/2024/03/informe-anual-gestion-consolidado-2023.pdf.

Row 57

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 1

(7.26.6) Allocation method

Select from:

☑ Allocation based on the market value of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

58966

(7.26.9) Emissions in metric tonnes of CO2e

0.09

(7.26.10) Uncertainty (±%)

25

(7.26.11) Major sources of emissions

Fuel consumption in operations (diesel, natural gas, LPG) and vehicles (gasoline and diesel) and fugitive emissions from refrigerant gases used in airconditioning units.

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. The sources identified at service provision phase are: - Scope I: Fuel Consumption (Base Stations, Technical Buildings, Data Centres, Shops, Call centers, Offices and Vehicles Fleet) and fugitive emissions from refrigerant gases used in airconditioning units. On first instance, the allocation of emissions will be based on the CO2 inventory of Telefónica under the scheme of the GHG Protocol, ISO 14064 and ITU-T L1420, correspondent to the accesses and costs of the service provision. The major limitations of this process are that at the moment, there is not a global and sectoral methodology/standard to evaluate the energy and CO2 Savings due to ICT product and services provision.

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Row 58

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 2: market-based

(7.26.6) Allocation method

Select from:

☑ Allocation based on the market value of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

58966

(7.26.9) Emissions in metric tonnes of CO2e

0

(7.26.10) Uncertainty (±%)

25

(7.26.11) Major sources of emissions

Electricity in networks and offices

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. The sources identified at service provision phase are: - Scope II: Electricity Consumption (Base Stations, Technical Buildings, Data Centres, Offices, shops and Call centers) On first instance, the allocation of emissions will be based on the CO2 inventory of Telefónica under the scheme of the GHG Protocol, ISO 14064 and ITU-T L1420, correspondent to the accesses and costs of the service provision. The major limitations of this process are that at the moment, there is not a global and sectoral methodology/standard to evaluate the energy and CO2 Savings due to ICT product and services provision

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Row 59

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 3

(7.26.3) Scope 3 category(ies)

Select all that apply

☑ Category 1: Purchased goods and services

☑ Category 2: Capital goods

☑ Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

☑ Category 11: Use of sold products

(7.26.4) Allocation level

Select from:

☑ Business unit (subsidiary company)

(7.26.6) Allocation method

Select from:

☑ Allocation based on the market value of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

58966

(7.26.9) Emissions in metric tonnes of CO2e

544

(7.26.10) Uncertainty (±%)

25

(7.26.11) Major sources of emissions

Categories 1&2: emissions from raw material extraction, production and transportation of goods and services or capital goods purchased, which are calculated using both the supplier-specific method (amount spent on goods and services using market values multiplied by the supplier's emission intensity) and the hybrid method (number of purchased mobile devices multiplied by the product emissions of mobile devices). Category 3: upstream emissions of purchased fuels and elCectricity consumed by Telefónica and transmission&distribution losses. (Calculated by multiplying the amount of fuel, electricity and district heating used and the upstream emission factors). Category 11: emissions from end use of goods and services sold by Telefónica in the reporting year, such as mobile devices, as well as those installed in customer premises, such as routers and set up boxes (STBs). Emissions from the use of sold mobile devices are calculated using specific product life cycle emissions and emissions from the use of the rest of the sold products are calculated based on their electricity consumption and the country where the products are used.

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. For Scope 3 emissions we only report on categories that relate to the services we provide to the client. These are: Cat 1, Cat 2, Cat 3 y Cat 11

(7.26.14) Where published information has been used, please provide a reference

Information on the company's carbon footprint for Scopes 1, 2 and 3 as well as revenues is available in the company's integrated report from pages 406 to 410 int he followig link: https://www.telefonica.com/es/wp-content/uploads/sites/4/2024/03/informe-anual-gestion-consolidado-2023.pdf.

Row 60

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 1

(7.26.4) Allocation level

Select from:

☑ Business unit (subsidiary company)

(7.26.6) Allocation method

Select from:

☑ Allocation based on the volume of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

1185000

(7.26.9) Emissions in metric tonnes of CO2e

1.8

(7.26.10) Uncertainty (±%)

25

(7.26.11) Major sources of emissions

Fuel consumption in operations (diesel, natural gas, LPG) and vehicles (gasoline and diesel) and fugitive emissions from refrigerant gases used in airconditioning units.

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. The sources identified at service provision phase are: - Scope I: Fuel Consumption (Base Stations, Technical Buildings, Data Centres, Shops, Call centers, Offices and Vehicles Fleet) and fugitive emissions from refrigerant gases used in airconditioning units. On first instance, the allocation of emissions will be based on the CO2 inventory of Telefónica under the scheme of the GHG Protocol, ISO 14064 and ITU-T L1420, correspondent to the accesses and costs of the service provision. The major limitations of this process are that at the moment, there is not a global and sectoral methodology/standard to evaluate the energy and CO2 Savings due to ICT product and services provision.

(7.26.14) Where published information has been used, please provide a reference

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Row 61

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 2: market-based

(7.26.4) Allocation level

Select from:

☑ Business unit (subsidiary company)

(7.26.6) Allocation method

Select from:

☑ Allocation based on the volume of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

1185000

(7.26.9) Emissions in metric tonnes of CO2e

0

(7.26.10) Uncertainty (±%)

25

(7.26.11) Major sources of emissions

Electricity in networks and offices

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. The sources identified at service provision phase are: - Scope II: Electricity Consumption (Base Stations, Technical Buildings, Data Centres, Offices, shops and Call centers) On first instance, the allocation of emissions will be based on the CO2 inventory of Telefónica under the scheme of the GHG Protocol, ISO 14064 and ITU-T L1420, correspondent to the accesses and costs of the service provision. The major limitations of this process are that at the moment, there is not a global and sectoral methodology/standard to evaluate the energy and CO2 Savings due to ICT product and services provision

(7.26.14) Where published information has been used, please provide a reference

Information on the company's carbon footprint for Scopes 1, 2 and 3 as well as revenues is available in the company's integrated report from pages 406 to 410 int he followig link: https://www.telefonica.com/es/wp-content/uploads/sites/4/2024/03/informe-anual-gestion-consolidado-2023.pdf.

Row 62

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 3

(7.26.4) Allocation level

Select from:

☑ Business unit (subsidiary company)

(7.26.6) Allocation method

Select from:

☑ Allocation based on the volume of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

1185000

(7.26.9) Emissions in metric tonnes of CO2e

49.1

(7.26.10) Uncertainty (±%)

25

(7.26.11) Major sources of emissions

Categories 1&2: emissions from raw material extraction, production and transportation of goods and services or capital goods purchased, which are calculated using both the supplier-specific method (amount spent on goods and services using market values multiplied by the supplier's emission intensity) and the hybrid method (number of purchased mobile devices multiplied by the product emissions of mobile devices). Category 3: upstream emissions of purchased fuels and elCectricity consumed by Telefónica and transmission&distribution losses. (Calculated by multiplying the amount of fuel, electricity and district heating used and the upstream emission factors). Category 11: emissions from end use of goods and services sold by Telefónica in the reporting year, such as mobile devices, as well as those installed in customer premises, such as routers and set up boxes (STBs). Emissions from the use of sold mobile devices are calculated using specific product life cycle emissions and emissions from the use of the rest of the sold products are calculated based on their electricity consumption and the country where the products are used.

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. For Scope 3 emissions we only report on categories that relate to the services we provide to the client. These are: Cat 1, Cat 2, Cat 3 y Cat 11

(7.26.14) Where published information has been used, please provide a reference

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Row 63

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 1

(7.26.4) Allocation level

Select from:

☑ Business unit (subsidiary company)

(7.26.6) Allocation method

Select from:

☑ Allocation based on the market value of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

97884

(7.26.9) Emissions in metric tonnes of CO2e

0.1

(7.26.10) Uncertainty (±%)

25

(7.26.11) Major sources of emissions

Fuel consumption in operations (diesel, natural gas, LPG) and vehicles (gasoline and diesel) and fugitive emissions from refrigerant gases used in airconditioning units.

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. The sources identified at service provision phase are: - Scope I: Fuel Consumption (Base Stations, Technical Buildings, Data Centres, Shops, Call centers, Offices and Vehicles Fleet) and fugitive emissions from refrigerant gases used in airconditioning units. On first instance, the allocation of emissions will be based on the CO2 inventory of Telefónica under the scheme of the GHG Protocol, ISO 14064 and ITU-T L1420, correspondent to the accesses and costs of the service provision. The major limitations of this process are that at the moment, there is not a global and sectoral methodology/standard to evaluate the energy and CO2 Savings due to ICT product and services provision.

(7.26.14) Where published information has been used, please provide a reference

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Row 64

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 2: market-based

(7.26.4) Allocation level

Select from:

☑ Business unit (subsidiary company)

(7.26.6) Allocation method

Select from:

☑ Allocation based on the market value of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

97884

(7.26.9) Emissions in metric tonnes of CO2e

0

(7.26.10) Uncertainty (±%)

25

(7.26.11) Major sources of emissions

Electricity in networks and offices

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. The sources identified at service provision phase are: - Scope II: Electricity Consumption (Base Stations, Technical Buildings, Data Centres, Offices, shops and Call centers) On first instance, the allocation of emissions will be based on the CO2 inventory of Telefónica under the scheme of the GHG Protocol, ISO 14064 and ITU-T L1420, correspondent to the accesses and costs of the service provision. The major limitations of this process are that at the moment, there is not a global and sectoral methodology/standard to evaluate the energy and CO2 Savings due to ICT product and services provision.

(7.26.14) Where published information has been used, please provide a reference

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Row 65

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 3

(7.26.4) Allocation level

Select from:

☑ Business unit (subsidiary company)

(7.26.6) Allocation method

Select from:

☑ Allocation based on the market value of products purchased

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

97884

(7.26.9) Emissions in metric tonnes of CO2e

4.06

(7.26.10) Uncertainty (±%)

25

(7.26.11) Major sources of emissions

Categories 1&2: emissions from raw material extraction, production and transportation of goods and services or capital goods purchased, which are calculated using both the supplier-specific method (amount spent on goods and services using market values multiplied by the supplier's emission intensity) and the hybrid method (number of purchased mobile devices multiplied by the product emissions of mobile devices). Category 3: upstream emissions of purchased fuels and electricity consumed by Telefónica and transmission&distribution losses. (Calculated by multiplying the amount of fuel, electricity and district heating used and the upstream emission factors). Category 11: emissions from end use of goods and services sold by Telefónica in the reporting year, such as mobile devices, as well as those installed in customer premises, such as routers and set up boxes (STBs). Emissions from the use of sold mobile devices are calculated using specific product life cycle emissions and emissions from the use of the rest of the sold products are calculated based on their electricity consumption and the country where the products are used.

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

We obtain these values in the methodology of data acquisition and emissions reporting of Telefónica, according to GHG Protocol, ISO 14064 and ITU-T L1420. For Scope 3 emissions we only report on categories that relate to the services we provide to the client. These are: Cat 1, Cat 2, Cat 3 y Cat 11

(7.26.14) Where published information has been used, please provide a reference

Information on the company's carbon footprint for Scopes 1, 2 and 3 as well as revenues is available in the company's integrated report from pages 406 to 410 int he followig link: https://www.telefonica.com/es/wp-content/uploads/sites/4/2024/03/informe-anual-gestion-consolidado-2023.pdf.
[Add row]

(7.27) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Row 1

(7.27.1) Allocation challenges

Select from:

☑ Customer base is too large and diverse to accurately track emissions to the customer level

(7.27.2) Please explain what would help you overcome these challenges

Customer base is too large and diverse to accurately track emissions to the customer level. There is not a standard methodology of connectivity and digital products and services GHG emissions accounting, this situation derives from the difficulty of associate the emissions of operations to a concrete service or to the use of network of a concrete customer. Due to the complexity and the lack of proper regulations, the scope of this methodology is focused on calculating the emissions in the “service provision phase” of the products and services we provide in our mobile and fixed operations worldwide. The scope considers basically our networks and the accesses they provide due to the complexity of making an evaluation of the emissions that a specific service generates and the compensation of dematerialization

and emission savings that other services involve, such as teleconferencing, e-learning, e-billing etc. However, Telefónica has an objective to identify a business line on solutions that could reduce the energy consumption in customers. These solutions have embedded a carbon footprint related to the provision of this service and that are directly controlled by Telefónica, where our main challenge is to define the best way to allocate emissions to services. Another challenge is to improve the uncertainty ranges of calculations and try to avoid estimated values and count on real information.
[Add row]

(7.28) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

(7.28.1) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

Select from:
☑ Yes

(7.28.2) Describe how you plan to develop your capabilities

Our roadmap for emissions allocation in customers products and services is managed by the Office of Climate Change and Energy Efficiency on a global level. The main activities carried out and that will be developed in the future are: Phase 1: Emissions allocation based on accesses and global emissions generation. In here we work with account managers to get the information from customers. Phase 2: emissions estimations based on general assumptions and sector guidance. Phase 3: emissions accounting per service provided and case studies with customers, based on ITU-T L1430 Methodology on Environmental Impact Assessment on ICT Projects
[Fixed row]

(7.29) What percentage of your total operational spend in the reporting year was on energy?

Select from:
☑ More than 0% but less than or equal to 5%

(7.30) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	*Select from:* ☑ Yes
Consumption of purchased or acquired electricity	*Select from:* ☑ Yes
Consumption of purchased or acquired heat	*Select from:* ☑ Yes
Consumption of purchased or acquired steam	*Select from:* ☑ No
Consumption of purchased or acquired cooling	*Select from:* ☑ Yes
Generation of electricity, heat, steam, or cooling	*Select from:* ☑ Yes

[Fixed row]

(7.30.1) Report your organization’s energy consumption totals (excluding feedstocks) in MWh.

Consumption of fuel (excluding feedstock)

(7.30.1.1) Heating value

Select from:

☑ LHV (lower heating value)

(7.30.1.2) MWh from renewable sources

66410

(7.30.1.3) MWh from non-renewable sources

201173

(7.30.1.4) Total (renewable and non-renewable) MWh

267583

Consumption of purchased or acquired electricity

(7.30.1.1) Heating value

Select from:

☑ LHV (lower heating value)

(7.30.1.2) MWh from renewable sources

4849439

(7.30.1.3) MWh from non-renewable sources

883800

(7.30.1.4) Total (renewable and non-renewable) MWh

5733239

Consumption of purchased or acquired heat

(7.30.1.1) Heating value

Select from:

☑ LHV (lower heating value)

(7.30.1.2) MWh from renewable sources

136

(7.30.1.3) MWh from non-renewable sources

3665

(7.30.1.4) Total (renewable and non-renewable) MWh

3801

Consumption of purchased or acquired cooling

(7.30.1.1) Heating value

Select from:
☑ LHV (lower heating value)

(7.30.1.2) MWh from renewable sources

1309

(7.30.1.3) MWh from non-renewable sources

0

(7.30.1.4) Total (renewable and non-renewable) MWh

1309

Consumption of self-generated non-fuel renewable energy

(7.30.1.1) Heating value

Select from:

☑ LHV (lower heating value)

(7.30.1.2) MWh from renewable sources

5929

(7.30.1.4) Total (renewable and non-renewable) MWh

5929

Total energy consumption

(7.30.1.1) Heating value

Select from:
☑ LHV (lower heating value)

(7.30.1.2) MWh from renewable sources

4921778

(7.30.1.3) MWh from non-renewable sources

1090083

(7.30.1.4) Total (renewable and non-renewable) MWh

6011861
[Fixed row]

(7.30.6) Select the applications of your organization’s consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	*Select from:* ☑ No
Consumption of fuel for the generation of heat	*Select from:* ☑ No
Consumption of fuel for the generation of steam	*Select from:* ☑ No
Consumption of fuel for the generation of cooling	*Select from:* ☑ No
Consumption of fuel for co-generation or tri-generation	*Select from:* ☑ No

[Fixed row]

(7.30.7) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

(7.30.7.1) Heating value

Select from:

☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

66410

(7.30.7.8) Comment

Liquid biofuels - liquid fuels derived from biomass such as ethanol and biodiesel.

Other biomass

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.8) Comment

No further details provided

Other renewable fuels (e.g. renewable hydrogen)

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.8) Comment

No further details provided

Coal

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.8) Comment

No further details provided

Oil

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

138865

(7.30.7.8) Comment

No further details provided

Gas

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

38672

(7.30.7.8) Comment

No further details provided

Other non-renewable fuels (e.g. non-renewable hydrogen)

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

23636

(7.30.7.8) Comment

Natural gas, LPG and propane

Total fuel

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

267583

(7.30.7.8) Comment

No further details provided
[Fixed row]

(7.30.9) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

Electricity

(7.30.9.1) Total Gross generation (MWh)

5929

(7.30.9.2) Generation that is consumed by the organization (MWh)

5929

(7.30.9.3) Gross generation from renewable sources (MWh)

5929

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

5929

Heat

(7.30.9.1) Total Gross generation (MWh)

0

(7.30.9.2) Generation that is consumed by the organization (MWh)

0

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0

Steam

(7.30.9.1) Total Gross generation (MWh)

0

(7.30.9.2) Generation that is consumed by the organization (MWh)

0

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0

Cooling

(7.30.9.1) Total Gross generation (MWh)

0

(7.30.9.2) Generation that is consumed by the organization (MWh)

0

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0
[Fixed row]

(7.30.16) Provide a breakdown by country/area of your electricity/heat/steam/cooling consumption in the reporting year.

Argentina

(7.30.16.1) Consumption of purchased electricity (MWh)

431172

(7.30.16.2) Consumption of self-generated electricity (MWh)

87

(7.30.16.3) Is some or all of this electricity consumption excluded from your RE100 commitment?

Select from:
☑ No

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

431259.00

Bolivia (Plurinational State of)

(7.30.16.1) Consumption of purchased electricity (MWh)

93

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.3) Is some or all of this electricity consumption excluded from your RE100 commitment?

Select from:
☑ No

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

93.00

Brazil

(7.30.16.1) Consumption of purchased electricity (MWh)

1734973

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

1734973.00

Chile

(7.30.16.1) Consumption of purchased electricity (MWh)

263640

(7.30.16.2) Consumption of self-generated electricity (MWh)

242

(7.30.16.3) Is some or all of this electricity consumption excluded from your RE100 commitment?

Select from:

☑ No

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

263882.00

Colombia

(7.30.16.1) Consumption of purchased electricity (MWh)

291193

(7.30.16.2) Consumption of self-generated electricity (MWh)

1467

(7.30.16.3) Is some or all of this electricity consumption excluded from your RE100 commitment?

Select from:

☑ No

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

292660.00

Ecuador

(7.30.16.1) Consumption of purchased electricity (MWh)

63465

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.3) Is some or all of this electricity consumption excluded from your RE100 commitment?

Select from:
☑ No

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

63465.00

Germany

(7.30.16.1) Consumption of purchased electricity (MWh)

777014

(7.30.16.2) Consumption of self-generated electricity (MWh)

112

(7.30.16.3) Is some or all of this electricity consumption excluded from your RE100 commitment?

Select from:
☑ No

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

3389

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

780515.00

Guatemala

(7.30.16.1) Consumption of purchased electricity (MWh)

1871

(7.30.16.2) Consumption of self-generated electricity (MWh)

19

(7.30.16.3) Is some or all of this electricity consumption excluded from your RE100 commitment?

Select from:

☑ No

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

1909.00

Mexico

(7.30.16.1) Consumption of purchased electricity (MWh)

85851

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.3) Is some or all of this electricity consumption excluded from your RE100 commitment?

Select from:
☑ No

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

85851.00

(7.30.16.7) Provide details of the electricity consumption excluded

None

Panama

(7.30.16.1) Consumption of purchased electricity (MWh)

0

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.3) Is some or all of this electricity consumption excluded from your RE100 commitment?

Select from:

☑ No

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

0.00

(7.30.16.7) Provide details of the electricity consumption excluded

None

Peru

(7.30.16.1) Consumption of purchased electricity (MWh)

2130

(7.30.16.2) Consumption of self-generated electricity (MWh)

128

(7.30.16.3) Is some or all of this electricity consumption excluded from your RE100 commitment?

Select from:

☑ No

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

2258.00

(7.30.16.7) Provide details of the electricity consumption excluded

None

Puerto Rico

(7.30.16.1) Consumption of purchased electricity (MWh)

2491

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.3) Is some or all of this electricity consumption excluded from your RE100 commitment?

Select from:

☑ No

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

2491.00

(7.30.16.7) Provide details of the electricity consumption excluded

None

Spain

(7.30.16.1) Consumption of purchased electricity (MWh)

1496287

(7.30.16.2) Consumption of self-generated electricity (MWh)

1688

(7.30.16.3) Is some or all of this electricity consumption excluded from your RE100 commitment?

Select from:
☑ No

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

1721

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

3

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

1499699.00

(7.30.16.7) Provide details of the electricity consumption excluded

None

United Kingdom of Great Britain and Northern Ireland

(7.30.16.1) Consumption of purchased electricity (MWh)

584649

(7.30.16.2) Consumption of self-generated electricity (MWh)

7

(7.30.16.3) Is some or all of this electricity consumption excluded from your RE100 commitment?

Select from:
☑ No

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

584656.00

(7.30.16.7) Provide details of the electricity consumption excluded

None

United States of America

(7.30.16.1) Consumption of purchased electricity (MWh)

6256

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.3) Is some or all of this electricity consumption excluded from your RE100 commitment?

Select from:

☑ No

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

6256.00

(7.30.16.7) Provide details of the electricity consumption excluded

None

Uruguay

(7.30.16.1) Consumption of purchased electricity (MWh)

27124

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.3) Is some or all of this electricity consumption excluded from your RE100 commitment?

Select from:
☑ No

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

27124.00

(7.30.16.7) Provide details of the electricity consumption excluded

None

Venezuela (Bolivarian Republic of)

(7.30.16.1) Consumption of purchased electricity (MWh)

274234

(7.30.16.2) Consumption of self-generated electricity (MWh)

8

(7.30.16.3) Is some or all of this electricity consumption excluded from your RE100 commitment?

Select from:

☑ No

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

274242.00

(7.30.16.7) Provide details of the electricity consumption excluded

None
[Fixed row]

(7.30.17) Provide details of your organization’s renewable electricity purchases in the reporting year by country/area.

Row 1

(7.30.17.1) Country/area of consumption of purchased renewable electricity

Select from:

☑ Germany

(7.30.17.2) Sourcing method

Select from:

☑ Unbundled procurement of Energy Attribute Certificates (EACs)

(7.30.17.3) Renewable electricity technology type

Select from:

☑ Renewable electricity mix, please specify :solar and wind

(7.30.17.4) Renewable electricity consumed via selected sourcing method in the reporting year (MWh)

52420

(7.30.17.5) Tracking instrument used

Select from:

☑ GO

(7.30.17.6) Country/area of origin (generation) of purchased renewable electricity

Select from:

☑ Sweden

(7.30.17.7) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☑ Yes

(7.30.17.8) Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2008

(7.30.17.9) Vintage of the renewable energy/attribute (i.e. year of generation)

Select from:

☑ 2023

(7.30.17.10) Supply arrangement start year

2023

(7.30.17.11) Ecolabel associated with purchased renewable electricity

Select from:

☑ No additional, voluntary label

(7.30.17.12) Comment

The energy purchasing strategy established in the Renewable Energy Plan is put into effect in several different ways. In Europe, given the maturity of the energy market, the strategy is based on the acquisition of Guarantees of Origin.

Row 2

(7.30.17.1) Country/area of consumption of purchased renewable electricity

Select from:

☑ Germany

(7.30.17.2) Sourcing method

Select from:

☑ Unbundled procurement of Energy Attribute Certificates (EACs)

(7.30.17.3) Renewable electricity technology type

Select from:

☑ Renewable electricity mix, please specify :solar and wind

(7.30.17.4) Renewable electricity consumed via selected sourcing method in the reporting year (MWh)

18220

(7.30.17.5) Tracking instrument used

Select from:

☑ GO

(7.30.17.6) Country/area of origin (generation) of purchased renewable electricity

Select from:

☑ Sweden

(7.30.17.7) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☑ Yes

(7.30.17.8) Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2009

(7.30.17.9) Vintage of the renewable energy/attribute (i.e. year of generation)

Select from:

☑ 2023

(7.30.17.10) Supply arrangement start year

2023

(7.30.17.11) Ecolabel associated with purchased renewable electricity

Select from:

☑ No additional, voluntary label

(7.30.17.12) Comment

The energy purchasing strategy established in the Renewable Energy Plan is put into effect in several different ways. In Europe, given the maturity of the energy market, the strategy is based on the acquisition of Guarantees of Origin.

Row 3

(7.30.17.1) Country/area of consumption of purchased renewable electricity

Select from:

☑ Germany

(7.30.17.2) Sourcing method

Select from:

☑ Unbundled procurement of Energy Attribute Certificates (EACs)

(7.30.17.3) Renewable electricity technology type

Select from:

☑ Renewable electricity mix, please specify **:**solar and wind

(7.30.17.4) Renewable electricity consumed via selected sourcing method in the reporting year (MWh)

683020

(7.30.17.5) Tracking instrument used

Select from:

☑ GO

(7.30.17.6) Country/area of origin (generation) of purchased renewable electricity

Select from:

☑ Sweden

(7.30.17.7) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☑ Yes

(7.30.17.8) Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2011

(7.30.17.9) Vintage of the renewable energy/attribute (i.e. year of generation)

Select from:

☑ 2023

(7.30.17.10) Supply arrangement start year

2023

(7.30.17.11) Ecolabel associated with purchased renewable electricity

Select from:

☑ No additional, voluntary label

(7.30.17.12) Comment

The energy purchasing strategy established in the Renewable Energy Plan is put into effect in several different ways. In Europe, given the maturity of the energy market, the strategy is based on the acquisition of Guarantees of Origin.

Row 5

(7.30.17.1) Country/area of consumption of purchased renewable electricity

Select from:

☑ Spain

(7.30.17.2) Sourcing method

Select from:

☑ Unbundled procurement of Energy Attribute Certificates (EACs)

(7.30.17.3) Renewable electricity technology type

Select from:

☑ Renewable electricity mix, please specify :solar, wind and small hydropwer

(7.30.17.4) Renewable electricity consumed via selected sourcing method in the reporting year (MWh)

631338

(7.30.17.5) Tracking instrument used

Select from:

☑ GO

(7.30.17.6) Country/area of origin (generation) of purchased renewable electricity

Select from:

☑ Spain

(7.30.17.7) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☑ No

(7.30.17.9) Vintage of the renewable energy/attribute (i.e. year of generation)

Select from:

☑ 2023

(7.30.17.10) Supply arrangement start year

2022

(7.30.17.11) Ecolabel associated with purchased renewable electricity

Select from:

☑ No additional, voluntary label

(7.30.17.12) Comment

The energy purchasing strategy established in the Renewable Energy Plan is put into effect in several different ways. In Europe, given the maturity of the energy market, the strategy is based on the acquisition of Guarantees of Origin.

Row 6

(7.30.17.1) Country/area of consumption of purchased renewable electricity

Select from:

☑ Spain

(7.30.17.2) Sourcing method

Select from:

☑ Physical power purchase agreement (physical PPA) with a grid-connected generator

(7.30.17.3) Renewable electricity technology type

Select from:

☑ Renewable electricity mix, please specify :solar, wind and small hydropower

(7.30.17.4) Renewable electricity consumed via selected sourcing method in the reporting year (MWh)

670898

(7.30.17.5) Tracking instrument used

Select from:

☑ Contract

(7.30.17.6) Country/area of origin (generation) of purchased renewable electricity

Select from:

☑ Spain

(7.30.17.7) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☑ Yes

(7.30.17.8) Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2004

(7.30.17.9) Vintage of the renewable energy/attribute (i.e. year of generation)

Select from:

☑ 2023

(7.30.17.10) Supply arrangement start year

2020

(7.30.17.11) Ecolabel associated with purchased renewable electricity

Select from:

☑ No additional, voluntary label

(7.30.17.12) Comment

No further details provided

Row 8

(7.30.17.1) Country/area of consumption of purchased renewable electricity

Select from:

☑ Spain

(7.30.17.2) Sourcing method

Select from:

☑ Unbundled procurement of Energy Attribute Certificates (EACs)

(7.30.17.3) Renewable electricity technology type

Select from:

☑ Renewable electricity mix, please specify :solar, wind and small hydropower

(7.30.17.4) Renewable electricity consumed via selected sourcing method in the reporting year (MWh)

39211

(7.30.17.5) Tracking instrument used

Select from:

☑ GO

(7.30.17.6) Country/area of origin (generation) of purchased renewable electricity

Select from:

☑ Spain

(7.30.17.7) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☑ No

(7.30.17.9) Vintage of the renewable energy/attribute (i.e. year of generation)

Select from:

☑ 2023

(7.30.17.10) Supply arrangement start year

2022

(7.30.17.11) Ecolabel associated with purchased renewable electricity

Select from:

☑ No additional, voluntary label

(7.30.17.12) Comment

The energy purchasing strategy established in the Renewable Energy Plan is put into effect in several different ways. In Europe, given the maturity of the energy market, the strategy is based on the acquisition of Guarantees of Origin.

Row 9

(7.30.17.1) Country/area of consumption of purchased renewable electricity

Select from:

☑ Brazil

(7.30.17.2) Sourcing method

Select from:

☑ Unbundled procurement of Energy Attribute Certificates (EACs)

(7.30.17.3) Renewable electricity technology type

Select from:

☑ Wind

(7.30.17.4) Renewable electricity consumed via selected sourcing method in the reporting year (MWh)

779997

(7.30.17.5) Tracking instrument used

Select from:

☑ I-REC

(7.30.17.6) Country/area of origin (generation) of purchased renewable electricity

Select from:

☑ Brazil

(7.30.17.7) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☑ Yes

(7.30.17.8) Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2015

(7.30.17.9) Vintage of the renewable energy/attribute (i.e. year of generation)

Select from:

☑ 2023

(7.30.17.10) Supply arrangement start year

2023

(7.30.17.11) Ecolabel associated with purchased renewable electricity

Select from:

☑ No additional, voluntary label

(7.30.17.12) Comment

All the electricity consumption of our operation, apart from distributed generation and incentive energy of the free-market, is supported by Energy attribute certificates, I-RECs.

Row 10

(7.30.17.1) Country/area of consumption of purchased renewable electricity

Select from:

☑ Brazil

(7.30.17.2) Sourcing method

Select from:

☑ Retail supply contract with an electricity supplier (retail green electricity)

(7.30.17.3) Renewable electricity technology type

Select from:

☑ Small hydropower (<25 MW)

(7.30.17.4) Renewable electricity consumed via selected sourcing method in the reporting year (MWh)

554971

(7.30.17.5) Tracking instrument used

Select from:

☑ Contract

(7.30.17.6) Country/area of origin (generation) of purchased renewable electricity

Select from:

☑ Brazil

(7.30.17.7) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☑ Yes

(7.30.17.8) Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2007

(7.30.17.9) Vintage of the renewable energy/attribute (i.e. year of generation)

Select from:

☑ 2023

(7.30.17.10) Supply arrangement start year

2007

(7.30.17.11) Ecolabel associated with purchased renewable electricity

Select from:

☑ No additional, voluntary label

(7.30.17.12) Comment

The Brazilian energy sector is partially liberalized as a consequence of some regulations changes. This liberalized market is only available for industry and commerce and is incentivized and supported by renewable energy sources. So, all the electricity available in this incentivized and liberalized market, comes from renewable sources but it is not supported by energy attribute certificates. This market only incentivizes energy from renewable sources: Solar PV, Wind, etc.

Row 11

(7.30.17.1) Country/area of consumption of purchased renewable electricity

Select from:

☑ Brazil

(7.30.17.2) Sourcing method

Select from:

☑ Physical power purchase agreement (physical PPA) with a grid-connected generator

(7.30.17.3) Renewable electricity technology type

Select from:

☑ Solar

(7.30.17.4) Renewable electricity consumed via selected sourcing method in the reporting year (MWh)

157065

(7.30.17.5) Tracking instrument used

Select from:

☑ Contract

(7.30.17.6) Country/area of origin (generation) of purchased renewable electricity

Select from:

☑ Brazil

(7.30.17.7) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☑ Yes

(7.30.17.8) Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2023

(7.30.17.9) Vintage of the renewable energy/attribute (i.e. year of generation)

Select from:

☑ 2023

(7.30.17.10) Supply arrangement start year

2021

(7.30.17.11) Ecolabel associated with purchased renewable electricity

Select from:

☑ No additional, voluntary label

(7.30.17.12) Comment

Thanks to a regulation in the energy market of Brazil, it is permitted to sign long-term contracts with renewable energy generators connected to the grid (Distributed Generation). All the electricity generated under this scheme comes from renewable sources (Solar PV, MiniHydro and Biogas).

Row 12

(7.30.17.1) Country/area of consumption of purchased renewable electricity

Select from:

☑ Brazil

(7.30.17.2) Sourcing method

Select from:

☑ Physical power purchase agreement (physical PPA) with a grid-connected generator

(7.30.17.3) Renewable electricity technology type

Select from:

☑ Small hydropower (<25 MW)

(7.30.17.4) Renewable electricity consumed via selected sourcing method in the reporting year (MWh)

144164

(7.30.17.5) Tracking instrument used

Select from:

☑ Contract

(7.30.17.6) Country/area of origin (generation) of purchased renewable electricity

Select from:

☑ Brazil

(7.30.17.7) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☑ Yes

(7.30.17.8) Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2018

(7.30.17.9) Vintage of the renewable energy/attribute (i.e. year of generation)

Select from:

☑ 2023

(7.30.17.10) Supply arrangement start year

2018

(7.30.17.11) Ecolabel associated with purchased renewable electricity

Select from:

☑ No additional, voluntary label

(7.30.17.12) Comment

Thanks to a regulation in the energy market of Brazil, it is permitted to sign long-term contracts with renewable energy generators connected to the grid (Distributed Generation). All the electricity generated under this scheme comes from renewable sources (Solar PV, MiniHydro and Biogas).

Row 13

(7.30.17.1) Country/area of consumption of purchased renewable electricity

Select from:

☑ Brazil

(7.30.17.2) Sourcing method

Select from:

☑ Physical power purchase agreement (physical PPA) with a grid-connected generator

(7.30.17.3) Renewable electricity technology type

Select from:

☑ Sustainable Biomass

(7.30.17.4) Renewable electricity consumed via selected sourcing method in the reporting year (MWh)

52592

(7.30.17.5) Tracking instrument used

Select from:

☑ Contract

(7.30.17.6) Country/area of origin (generation) of purchased renewable electricity

Select from:

☑ Brazil

(7.30.17.7) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☑ Yes

(7.30.17.8) Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2020

(7.30.17.9) Vintage of the renewable energy/attribute (i.e. year of generation)

Select from:

☑ 2023

(7.30.17.10) Supply arrangement start year

2021

(7.30.17.11) Ecolabel associated with purchased renewable electricity

Select from:

☑ No additional, voluntary label

(7.30.17.12) Comment

Thanks to a regulation in the energy market of Brazil, it is permitted to sign long-term contracts with renewable energy generators connected to the grid (Distributed Generation). All the electricity generated under this scheme comes from renewable sources (Solar PV, MiniHydro and Biogas).

Row 15

(7.30.17.1) Country/area of consumption of purchased renewable electricity

Select from:

☑ Mexico

(7.30.17.2) Sourcing method

Select from:

☑ Physical power purchase agreement (physical PPA) with a grid-connected generator

(7.30.17.3) Renewable electricity technology type

Select from:

☑ Solar

(7.30.17.4) Renewable electricity consumed via selected sourcing method in the reporting year (MWh)

4839

(7.30.17.5) Tracking instrument used

Select from:

☑ Other, please specify **:**Other, please specify CEL (Certificados de Energía Limpia - Clean Energy Certificates) - National system for tracking RE.

(7.30.17.6) Country/area of origin (generation) of purchased renewable electricity

Select from:

☑ Mexico

(7.30.17.7) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☑ Yes

(7.30.17.8) Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2019

(7.30.17.9) Vintage of the renewable energy/attribute (i.e. year of generation)

Select from:

☑ 2023

(7.30.17.10) Supply arrangement start year

2019

(7.30.17.11) Ecolabel associated with purchased renewable electricity

Select from:

☑ No additional, voluntary label

(7.30.17.12) Comment

Since 2018 the largest solar park in the country started supplying our operation in Mexico, thanks to a PPA signed between Telefónica and the solar power generation company. This solar park will supply 40% of the power consumed by Telefónica Mexico over the next 20 years.

Row 16

(7.30.17.1) Country/area of consumption of purchased renewable electricity

Select from:

☑ Colombia

(7.30.17.2) Sourcing method

Select from:

☑ Unbundled procurement of Energy Attribute Certificates (EACs)

(7.30.17.3) Renewable electricity technology type

Select from:

☑ Large hydropower (>25 MW)

(7.30.17.4) Renewable electricity consumed via selected sourcing method in the reporting year (MWh)

185790

(7.30.17.5) Tracking instrument used

Select from:

☑ I-REC

(7.30.17.6) Country/area of origin (generation) of purchased renewable electricity

Select from:

☑ Colombia

(7.30.17.7) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☑ Yes

(7.30.17.8) Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

1975

(7.30.17.9) Vintage of the renewable energy/attribute (i.e. year of generation)

Select from:

☑ 2023

(7.30.17.10) Supply arrangement start year

2022

(7.30.17.11) Ecolabel associated with purchased renewable electricity

Select from:

☑ No additional, voluntary label

(7.30.17.12) Comment

The energy purchasing strategy established in the Renewable Energy Plan is put into effect in several different ways. In some countries of Latin America, it is possible, because of the energy market, to acquire electricity bundled with energy attribute certificates.

Row 17

(7.30.17.1) Country/area of consumption of purchased renewable electricity

Select from:

☑ Colombia

(7.30.17.2) Sourcing method

Select from:

☑ Unbundled procurement of Energy Attribute Certificates (EACs)

(7.30.17.3) Renewable electricity technology type

Select from:

☑ Wind

(7.30.17.4) Renewable electricity consumed via selected sourcing method in the reporting year (MWh)

55729

(7.30.17.5) Tracking instrument used

Select from:

☑ I-REC

(7.30.17.6) Country/area of origin (generation) of purchased renewable electricity

Select from:

☑ Brazil

(7.30.17.7) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☑ Yes

(7.30.17.8) Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2014

(7.30.17.9) Vintage of the renewable energy/attribute (i.e. year of generation)

Select from:

☑ 2023

(7.30.17.11) Ecolabel associated with purchased renewable electricity

Select from:

☑ No additional, voluntary label

(7.30.17.12) Comment

The energy purchasing strategy established in the Renewable Energy Plan is put into effect in several different ways. In some countries of Latin America, it is possible, because of the energy market, to acquire electricity bundled with energy attribute certificates.

Row 18

(7.30.17.1) Country/area of consumption of purchased renewable electricity

Select from:

☑ Peru

(7.30.17.2) Sourcing method

Select from:

☑ Unbundled procurement of Energy Attribute Certificates (EACs)

(7.30.17.3) Renewable electricity technology type

Select from:

☑ Large hydropower (>25 MW)

(7.30.17.4) Renewable electricity consumed via selected sourcing method in the reporting year (MWh)

272063

(7.30.17.5) Tracking instrument used

Select from:

☑ I-REC

(7.30.17.6) Country/area of origin (generation) of purchased renewable electricity

Select from:

☑ Peru

(7.30.17.7) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☑ Yes

(7.30.17.8) Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2015

(7.30.17.9) Vintage of the renewable energy/attribute (i.e. year of generation)

Select from:

☑ 2023

(7.30.17.10) Supply arrangement start year

2022

(7.30.17.11) Ecolabel associated with purchased renewable electricity

Select from:

☑ No additional, voluntary label

(7.30.17.12) Comment

The energy purchasing strategy established in the Renewable Energy Plan is put into effect in several different ways. In some countries of Latin America, it is possible, because of the energy market, to acquire electricity bundled with energy attribute certificates.

Row 19

(7.30.17.1) Country/area of consumption of purchased renewable electricity

Select from:

☑ Ecuador

(7.30.17.2) Sourcing method

Select from:

☑ Unbundled procurement of Energy Attribute Certificates (EACs)

(7.30.17.3) Renewable electricity technology type

Select from:

☑ Large hydropower (>25 MW)

(7.30.17.4) Renewable electricity consumed via selected sourcing method in the reporting year (MWh)

24590

(7.30.17.5) Tracking instrument used

Select from:

☑ I-REC

(7.30.17.6) Country/area of origin (generation) of purchased renewable electricity

Select from:

☑ Peru

(7.30.17.7) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☑ Yes

(7.30.17.8) Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2015

(7.30.17.9) Vintage of the renewable energy/attribute (i.e. year of generation)

Select from:

☑ 2023

(7.30.17.10) Supply arrangement start year

2022

(7.30.17.11) Ecolabel associated with purchased renewable electricity

Select from:

☑ No additional, voluntary label

(7.30.17.12) Comment

The energy purchasing strategy established in the Renewable Energy Plan is put into effect in several different ways. In some countries of Latin America, it is possible, because of the energy market, to acquire electricity bundled with energy attribute certificates.

Row 20

(7.30.17.1) Country/area of consumption of purchased renewable electricity

Select from:

☑ Chile

(7.30.17.2) Sourcing method

Select from:

☑ Unbundled procurement of Energy Attribute Certificates (EACs)

(7.30.17.3) Renewable electricity technology type

Select from:

☑ Solar

(7.30.17.4) Renewable electricity consumed via selected sourcing method in the reporting year (MWh)

261879

(7.30.17.5) Tracking instrument used

Select from:

☑ I-REC

(7.30.17.6) Country/area of origin (generation) of purchased renewable electricity

Select from:

☑ Chile

(7.30.17.7) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☑ Yes

(7.30.17.8) Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2017

(7.30.17.9) Vintage of the renewable energy/attribute (i.e. year of generation)

Select from:

☑ 2023

(7.30.17.10) Supply arrangement start year

2023

(7.30.17.11) Ecolabel associated with purchased renewable electricity

Select from:

☑ No additional, voluntary label

(7.30.17.12) Comment

The energy purchasing strategy established in the Renewable Energy Plan is put into effect in several different ways. In some countries of Latin America, it is possible, because of the energy market, to acquire electricity bundled with energy attribute certificates.

Row 22

(7.30.17.1) Country/area of consumption of purchased renewable electricity

Select from:

☑ Argentina

(7.30.17.2) Sourcing method

Select from:

☑ Unbundled procurement of Energy Attribute Certificates (EACs)

(7.30.17.3) Renewable electricity technology type

Select from:

☑ Wind

(7.30.17.4) Renewable electricity consumed via selected sourcing method in the reporting year (MWh)

33844

(7.30.17.5) Tracking instrument used

Select from:

☑ I-REC

(7.30.17.6) Country/area of origin (generation) of purchased renewable electricity

Select from:

☑ Argentina

(7.30.17.7) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☑ Yes

(7.30.17.8) Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2020

(7.30.17.9) Vintage of the renewable energy/attribute (i.e. year of generation)

Select from:

☑ 2023

(7.30.17.10) Supply arrangement start year

2022

(7.30.17.11) Ecolabel associated with purchased renewable electricity

Select from:

☑ No additional, voluntary label

(7.30.17.12) Comment

The energy purchasing strategy established in the Renewable Energy Plan is put into effect in several different ways. In some countries of Latin America, it is possible, because of the energy market, to acquire electricity bundled with energy attribute certificates.

Row 23

(7.30.17.1) Country/area of consumption of purchased renewable electricity

Select from:

☑ Spain

(7.30.17.2) Sourcing method

Select from:

☑ Physical power purchase agreement (physical PPA) with a grid-connected generator

(7.30.17.3) Renewable electricity technology type

Select from:

☑ Wind

(7.30.17.4) Renewable electricity consumed via selected sourcing method in the reporting year (MWh)

1074.29

(7.30.17.5) Tracking instrument used

Select from:

☑ Contract

(7.30.17.6) Country/area of origin (generation) of purchased renewable electricity

Select from:

☑ Spain

(7.30.17.7) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☑ Yes

(7.30.17.8) Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2009

(7.30.17.9) Vintage of the renewable energy/attribute (i.e. year of generation)

Select from:

☑ 2023

(7.30.17.10) Supply arrangement start year

2021

(7.30.17.11) Ecolabel associated with purchased renewable electricity

Select from:

☑ No additional, voluntary label

(7.30.17.12) Comment

No further details provided

Row 24

(7.30.17.1) Country/area of consumption of purchased renewable electricity

Select from:

☑ Guatemala

(7.30.17.2) Sourcing method

Select from:

☑ Unbundled procurement of Energy Attribute Certificates (EACs)

(7.30.17.3) Renewable electricity technology type

Select from:

☑ Small hydropower (<25 MW)

(7.30.17.4) Renewable electricity consumed via selected sourcing method in the reporting year (MWh)

1884.36

(7.30.17.5) Tracking instrument used

Select from:

☑ I-REC

(7.30.17.6) Country/area of origin (generation) of purchased renewable electricity

Select from:

☑ Guatemala

(7.30.17.7) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☑ Yes

(7.30.17.8) Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2003

(7.30.17.9) Vintage of the renewable energy/attribute (i.e. year of generation)

Select from:

☑ 2023

(7.30.17.10) Supply arrangement start year

2023

(7.30.17.11) Ecolabel associated with purchased renewable electricity

Select from:

☑ No additional, voluntary label

(7.30.17.12) Comment

No further details provided

Row 25

(7.30.17.1) Country/area of consumption of purchased renewable electricity

Select from:

☑ Panama

(7.30.17.2) Sourcing method

Select from:

☑ Unbundled procurement of Energy Attribute Certificates (EACs)

(7.30.17.3) Renewable electricity technology type

Select from:

☑ Large hydropower (>25 MW)

(7.30.17.4) Renewable electricity consumed via selected sourcing method in the reporting year (MWh)

531.29

(7.30.17.5) Tracking instrument used

Select from:

☑ I-REC

(7.30.17.6) Country/area of origin (generation) of purchased renewable electricity

Select from:

☑ Panama

(7.30.17.7) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☑ Yes

(7.30.17.8) Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

1984

(7.30.17.9) Vintage of the renewable energy/attribute (i.e. year of generation)

Select from:

☑ 2023

(7.30.17.10) Supply arrangement start year

2023

(7.30.17.11) Ecolabel associated with purchased renewable electricity

Select from:

☑ No additional, voluntary label

(7.30.17.12) Comment

No further details provided

Row 26

(7.30.17.1) Country/area of consumption of purchased renewable electricity

Select from:

☑ Peru

(7.30.17.2) Sourcing method

Select from:

☑ Retail supply contract with an electricity supplier (retail green electricity)

(7.30.17.3) Renewable electricity technology type

Select from:

☑ Large hydropower (>25 MW)

(7.30.17.4) Renewable electricity consumed via selected sourcing method in the reporting year (MWh)

2486.82

(7.30.17.5) Tracking instrument used

Select from:

☑ Contract

(7.30.17.6) Country/area of origin (generation) of purchased renewable electricity

Select from:

☑ Peru

(7.30.17.7) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☑ No

(7.30.17.9) Vintage of the renewable energy/attribute (i.e. year of generation)

Select from:

☑ 2023

(7.30.17.10) Supply arrangement start year

2021

(7.30.17.11) Ecolabel associated with purchased renewable electricity

Select from:

☑ No additional, voluntary label

(7.30.17.12) Comment

No further details provided

Row 27

(7.30.17.1) Country/area of consumption of purchased renewable electricity

Select from:

☑ Ecuador

(7.30.17.2) Sourcing method

Select from:

☑ Unbundled procurement of Energy Attribute Certificates (EACs)

(7.30.17.3) Renewable electricity technology type

Select from:

☑ Small hydropower (<25 MW)

(7.30.17.4) Renewable electricity consumed via selected sourcing method in the reporting year (MWh)

607.32

(7.30.17.5) Tracking instrument used

Select from:

☑ I-REC

(7.30.17.6) Country/area of origin (generation) of purchased renewable electricity

Select from:

☑ Ecuador

(7.30.17.7) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☑ Yes

(7.30.17.8) Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2006

(7.30.17.9) Vintage of the renewable energy/attribute (i.e. year of generation)

Select from:
☑ 2023

(7.30.17.10) Supply arrangement start year

2023

(7.30.17.11) Ecolabel associated with purchased renewable electricity

Select from:
☑ No additional, voluntary label

(7.30.17.12) Comment

No further details provided

Row 28

(7.30.17.1) Country/area of consumption of purchased renewable electricity

Select from:
☑ Chile

(7.30.17.2) Sourcing method

Select from:
☑ Unbundled procurement of Energy Attribute Certificates (EACs)

(7.30.17.3) Renewable electricity technology type

Select from:
☑ Wind

(7.30.17.4) Renewable electricity consumed via selected sourcing method in the reporting year (MWh)

2356.26

(7.30.17.5) Tracking instrument used

Select from:

☑ I-REC

(7.30.17.6) Country/area of origin (generation) of purchased renewable electricity

Select from:

☑ Chile

(7.30.17.7) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☑ Yes

(7.30.17.8) Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2017

(7.30.17.9) Vintage of the renewable energy/attribute (i.e. year of generation)

Select from:

☑ 2023

(7.30.17.10) Supply arrangement start year

2023

(7.30.17.11) Ecolabel associated with purchased renewable electricity

Select from:

☑ No additional, voluntary label

(7.30.17.12) Comment

No further details provided

Row 29

(7.30.17.1) Country/area of consumption of purchased renewable electricity

Select from:

☑ Argentina

(7.30.17.2) Sourcing method

Select from:

☑ Unbundled procurement of Energy Attribute Certificates (EACs)

(7.30.17.3) Renewable electricity technology type

Select from:

☑ Wind

(7.30.17.4) Renewable electricity consumed via selected sourcing method in the reporting year (MWh)

2121.68

(7.30.17.5) Tracking instrument used

Select from:

☑ I-REC

(7.30.17.6) Country/area of origin (generation) of purchased renewable electricity

Select from:

☑ Argentina

(7.30.17.7) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☑ Yes

(7.30.17.8) Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2020

(7.30.17.9) Vintage of the renewable energy/attribute (i.e. year of generation)

Select from:

☑ 2023

(7.30.17.10) Supply arrangement start year

2023

(7.30.17.11) Ecolabel associated with purchased renewable electricity

Select from:

☑ No additional, voluntary label

(7.30.17.12) Comment

No further details provided

Row 30

(7.30.17.1) Country/area of consumption of purchased renewable electricity

Select from:

☑ Brazil

(7.30.17.2) Sourcing method

Select from:

☑ Unbundled procurement of Energy Attribute Certificates (EACs)

(7.30.17.3) Renewable electricity technology type

Select from:

☑ Wind

(7.30.17.4) Renewable electricity consumed via selected sourcing method in the reporting year (MWh)

10498.59

(7.30.17.5) Tracking instrument used

Select from:

☑ I-REC

(7.30.17.6) Country/area of origin (generation) of purchased renewable electricity

Select from:

☑ Brazil

(7.30.17.7) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☑ Yes

(7.30.17.8) Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2015

(7.30.17.9) Vintage of the renewable energy/attribute (i.e. year of generation)

Select from:

☑ 2023

(7.30.17.10) Supply arrangement start year

2021

(7.30.17.11) Ecolabel associated with purchased renewable electricity

Select from:

☑ No additional, voluntary label

(7.30.17.12) Comment

No further details provided

Row 31

(7.30.17.1) Country/area of consumption of purchased renewable electricity

Select from:

☑ United States of America

(7.30.17.2) Sourcing method

Select from:

☑ Unbundled procurement of Energy Attribute Certificates (EACs)

(7.30.17.3) Renewable electricity technology type

Select from:

☑ Wind

(7.30.17.4) Renewable electricity consumed via selected sourcing method in the reporting year (MWh)

10297.87

(7.30.17.5) Tracking instrument used

Select from:

☑ I-REC

(7.30.17.6) Country/area of origin (generation) of purchased renewable electricity

Select from:

☑ United States of America

(7.30.17.7) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☑ Yes

(7.30.17.8) Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2006

(7.30.17.9) Vintage of the renewable energy/attribute (i.e. year of generation)

Select from:

☑ 2023

(7.30.17.10) Supply arrangement start year

2023

(7.30.17.11) Ecolabel associated with purchased renewable electricity

Select from:

☑ No additional, voluntary label

(7.30.17.12) Comment

No further details provided

Row 32

(7.30.17.1) Country/area of consumption of purchased renewable electricity

Select from:

☑ Puerto Rico

(7.30.17.2) Sourcing method

Select from:

☑ Unbundled procurement of Energy Attribute Certificates (EACs)

(7.30.17.3) Renewable electricity technology type

Select from:

☑ Wind

(7.30.17.4) Renewable electricity consumed via selected sourcing method in the reporting year (MWh)

2771.12

(7.30.17.5) Tracking instrument used

Select from:

☑ I-REC

(7.30.17.6) Country/area of origin (generation) of purchased renewable electricity

Select from:

☑ United States of America

(7.30.17.7) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☑ Yes

(7.30.17.8) Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2008

(7.30.17.9) Vintage of the renewable energy/attribute (i.e. year of generation)

Select from:
☑ 2023

(7.30.17.10) Supply arrangement start year

2023

(7.30.17.11) Ecolabel associated with purchased renewable electricity

Select from:
☑ No additional, voluntary label

(7.30.17.12) Comment

No further details provided
[Add row]

(7.30.18) Provide details of your organization's low-carbon heat, steam, and cooling purchases in the reporting year by country/area.

Row 1

(7.30.18.1) Sourcing method

Select from:
☑ Heat/steam/cooling supply agreement

(7.30.18.2) Country/area of consumption of low-carbon heat, steam or cooling

Select from:

☑ Spain

(7.30.18.3) Energy carrier

Select from:

☑ Cooling

(7.30.18.4) Low-carbon technology type

Select from:

☑ Renewable energy mix

(7.30.18.5) Low-carbon heat, steam, or cooling consumed (MWh)

1309

(7.30.18.6) Comment

From supplier reports: All electricity consumed by Districlima for the production of chilled water is of renewable origin with certificates of origin of the electricity.

Row 2

(7.30.18.1) Sourcing method

Select from:

☑ Heat/steam/cooling supply agreement

(7.30.18.2) Country/area of consumption of low-carbon heat, steam or cooling

Select from:

☑ Germany

(7.30.18.3) Energy carrier

Select from:
☑ Heat

(7.30.18.4) Low-carbon technology type

Select from:
☑ Other biomass

(7.30.18.5) Low-carbon heat, steam, or cooling consumed (MWh)

136

(7.30.18.6) Comment

Unknown specific biomass
[Add row]

(7.30.19) Provide details of your organization’s renewable electricity generation by country/area in the reporting year.

Row 1

(7.30.19.1) Country/area of generation

Select from:
☑ Germany

(7.30.19.2) Renewable electricity technology type

Select from:
☑ Solar

(7.30.19.3) Facility capacity (MW)

0.07

(7.30.19.4) Total renewable electricity generated by this facility in the reporting year (MWh)

118.69

(7.30.19.5) Renewable electricity consumed by your organization from this facility in the reporting year (MWh)

111.56

(7.30.19.6) Energy attribute certificates issued for this generation

Select from:
☑ No

(7.30.19.8) Comment

No further comments provided

Row 2

(7.30.19.1) Country/area of generation

Select from:
☑ Spain

(7.30.19.2) Renewable electricity technology type

Select from:
☑ Solar

(7.30.19.3) Facility capacity (MW)

1.69

(7.30.19.4) Total renewable electricity generated by this facility in the reporting year (MWh)

4387.21

(7.30.19.5) Renewable electricity consumed by your organization from this facility in the reporting year (MWh)

1688.31

(7.30.19.6) Energy attribute certificates issued for this generation

Select from:

☑ No

(7.30.19.8) Comment

No further comments provided

Row 3

(7.30.19.1) Country/area of generation

Select from:

☑ Colombia

(7.30.19.2) Renewable electricity technology type

Select from:

☑ Solar

(7.30.19.3) Facility capacity (MW)

0.67

(7.30.19.4) Total renewable electricity generated by this facility in the reporting year (MWh)

1466.6

(7.30.19.5) Renewable electricity consumed by your organization from this facility in the reporting year (MWh)

1466.6

(7.30.19.6) Energy attribute certificates issued for this generation

Select from:

☑ No

(7.30.19.8) Comment

No further comments provided

Row 4

(7.30.19.1) Country/area of generation

Select from:

☑ Peru

(7.30.19.2) Renewable electricity technology type

Select from:

☑ Solar

(7.30.19.3) Facility capacity (MW)

0.06

(7.30.19.4) Total renewable electricity generated by this facility in the reporting year (MWh)

128.38

(7.30.19.5) Renewable electricity consumed by your organization from this facility in the reporting year (MWh)

128.38

(7.30.19.6) Energy attribute certificates issued for this generation

Select from:

☑ No

(7.30.19.8) Comment

No further comments provided

Row 5

(7.30.19.1) Country/area of generation

Select from:

☑ Venezuela (Bolivarian Republic of)

(7.30.19.2) Renewable electricity technology type

Select from:

☑ Solar

(7.30.19.3) Facility capacity (MW)

0.03

(7.30.19.4) Total renewable electricity generated by this facility in the reporting year (MWh)

7.66

(7.30.19.5) Renewable electricity consumed by your organization from this facility in the reporting year (MWh)

7.66

(7.30.19.6) Energy attribute certificates issued for this generation

Select from:

☑ No

(7.30.19.8) Comment

No further comments provided

Row 6

(7.30.19.1) Country/area of generation

Select from:

☑ Chile

(7.30.19.2) Renewable electricity technology type

Select from:

☑ Solar

(7.30.19.3) Facility capacity (MW)

0.12

(7.30.19.4) Total renewable electricity generated by this facility in the reporting year (MWh)

241.72

(7.30.19.5) Renewable electricity consumed by your organization from this facility in the reporting year (MWh)

241.72

(7.30.19.6) Energy attribute certificates issued for this generation

Select from:

☑ No

(7.30.19.8) Comment

No further comments provided

Row 7

(7.30.19.1) Country/area of generation

Select from:

☑ Argentina

(7.30.19.2) Renewable electricity technology type

Select from:

☑ Solar

(7.30.19.3) Facility capacity (MW)

0.05

(7.30.19.4) Total renewable electricity generated by this facility in the reporting year (MWh)

86.54

(7.30.19.5) Renewable electricity consumed by your organization from this facility in the reporting year (MWh)

86.54

(7.30.19.6) Energy attribute certificates issued for this generation

Select from:

☑ No

(7.30.19.8) Comment

No further comments provided

Row 8

(7.30.19.1) Country/area of generation

Select from:
☑ Uruguay

(7.30.19.2) Renewable electricity technology type

Select from:
☑ Solar

(7.30.19.3) Facility capacity (MW)

0.75

(7.30.19.4) Total renewable electricity generated by this facility in the reporting year (MWh)

1723.86

(7.30.19.5) Renewable electricity consumed by your organization from this facility in the reporting year (MWh)

733.89

(7.30.19.6) Energy attribute certificates issued for this generation

Select from:
☑ No

(7.30.19.8) Comment

No further comments provided

Row 9

(7.30.19.1) Country/area of generation

Select from:

☑ United Kingdom of Great Britain and Northern Ireland

(7.30.19.2) Renewable electricity technology type

Select from:

☑ Solar

(7.30.19.3) Facility capacity (MW)

0.01

(7.30.19.4) Total renewable electricity generated by this facility in the reporting year (MWh)

6.96

(7.30.19.5) Renewable electricity consumed by your organization from this facility in the reporting year (MWh)

6.96

(7.30.19.6) Energy attribute certificates issued for this generation

Select from:

☑ No

(7.30.19.8) Comment

No further comments provided

Row 10

(7.30.19.1) Country/area of generation

Select from:

☑ Guatemala

(7.30.19.2) Renewable electricity technology type

Select from:

☑ Solar

(7.30.19.3) Facility capacity (MW)

0.07

(7.30.19.4) Total renewable electricity generated by this facility in the reporting year (MWh)

18.67

(7.30.19.5) Renewable electricity consumed by your organization from this facility in the reporting year (MWh)

18.67

(7.30.19.6) Energy attribute certificates issued for this generation

Select from:

☑ No

(7.30.19.8) Comment

No further comments provided
[Add row]

(7.30.20) Describe how your organization’s renewable electricity sourcing strategy directly or indirectly contributes to bringing new capacity into the grid in the countries/areas in which you operate.

Telefonica recognizes, within the social context, the importance of environmental aspects and long-term sustainability. Since 2015, the organization has articulated efforts to shift towards renewable energies across its value chain. This transition adds up to the global fight against climate change throughout decarbonization and circularity as well as promotes solutions for environmental issues at a local level. Telefonica's Renewable Energy Plan includes all kinds of solutions such as: -self-generation, purchase of renewable energy with a guarantee of origin and long-term agreements (Power Purchase Agreements - PPA)- and prioritization of non-conventional renewable energy sources (direct impacts) as well as the purchase of Unbundled Energy Attribute Certificate (EAC) in the markets where we operate, because almost the 3rd part of renewable energy comes from this mechanism (indirect impact), for example, GO in Germany, iRECs in Peru and part of the consumption in Brazil.

The objective is to go beyond 100% renewable energy in the main markets, that is, to contribute to increasing the renewable energy mix through self-generation or facilitating the construction of new parks through a commitment to medium and long-term consumption. For example, in 2023, 84% of the total electricity consumption on our own facilities came from renewable sources. In addition, the ambitious distributed generation (DG) project in Brazil, which allowed for the installation of 48 new renewable energy plants in 2023, out of a total of 85 planned. These plants will generate over 700 GWh per year for our operations, thereby reducing dependence on renewable energy certificates or iRECs. In Spain, the four long-term renewable power purchase agreements (PPAs) signed for the period 2022-2031 came into operation in 2022. They account for 30% of total consumption, equivalent to 482 GWh per year for 10 years. In addition to these new agreements we have to consider also the one signed in 2020, enabling us to achieve a total of 582 GWh of renewable electricity coming from PPAs in our operations in Spain, covering 50% of the consumption of technical buildings.In addition, thanks to the extension of guarantee of origin programmes, countries such as Argentina and Ecuador certified 10% and 41%, respectively, of their electricity consumption in their own facilities as renewable for the first time, while Colombia managed to increase it to 89%. We should mention that in 2022 Chile achieved 100% of renewable electricity, joining Europe, Brazil and Peru, operations where electricity consumption at our own facilities is 100% renewable.   The objective of Telefonica, as part of the RE100 initiative, is to source completely all electrical consumption of global operations from renewable energy in 2030 (in own facilities).

Telefonica's Renewable Energy Plan focuses on continuing to sign long-term Power Purchase Agreements (PPA) and self-generation, in order to progressively reduce the purchase of certificates of renewable origin and increase savings in OpEx for electricity.In this way, Telefonica promotes the use of renewable energy in all the countries where it operates, contributing directly to the energy mix of each country, while serving as an example for other local companies in the sector in terms of innovation, adaptation, and sustainability by the use of renewable energies. In 2023, 84% of our total electricity consumption in our own facilities came from renewable sources. In Europe, Brazil, Chile and Peru, 100% of the electricity we used came from renewable sources. We continued the distributed generation (DG) project in Brazil. To date, we have installed 67 renewable energy plants out of a total of 85 planned. These plants will generate over 700 GWh per year for our operations, thereby reducing dependence on renewable energy certificates (iRECs). In addition, thanks to extending guarantee of origin programmes, for the first time Telxius Cable certified 100% of the electricity it consumed as renewable at its own facilities in its main markets, through the purchase of iRECs. In Hispanoamerica, we awarded the first multicountry and multi-annual purchase (2024-2026) for iRECs for a volume of between 451 GWh (2024) and 981 GWh (2026). This is an increase in the percentage of renewable consumption of between 53% and 76% for 2024 and 2026, respectively. In 2023, Argentina, Ecuador and Colombia continued increasing their consumption of renewable electricity, achieving 10%, 41% and 89% respectively. Regarding the electricity we use at non-Company facilities, our operations in Germany, Spain, Brazil, Peru and Chile also certified 100% of electricity consumption at third-party sites as being renewable, enabling us to reach a figure of 87% globally.

(7.30.21) In the reporting year, has your organization faced barriers or challenges to sourcing renewable electricity?

	Challenges to sourcing renewable electricity
	Select from: ☑ Yes, in specific countries/areas in which we operate

[Fixed row]

(7.30.22) Provide details of the country/area-specific challenges to sourcing renewable electricity faced by your organization in the reporting year.

Row 1

(7.30.22.1) Country/area

Select from:

☑ Venezuela (Bolivarian Republic of)

(7.30.22.2) Reason why it was challenging to source renewable electricity within selected country/area

Select all that apply

☑ Regulatory instability

☑ Limited supply of renewable electricity in the market

☑ Lack of electricity market structure supporting bilateral PPAs

☑ Inability to make exclusive renewable electricity usage claims

☑ Lack of credible renewable electricity procurement options (e.g. EACs, Green Tariffs)

☑ Other, please specify **:Regulated market**

(7.30.22.3) Provide additional details of the barriers faced within this country/area

The most important factor that affects us in this country is that the market is regulated by the government. This means that there is no market structure for purchasing guarantee of origin certificates, nor is the development of PPA agreements between companies facilitated. Furthermore, the general context of the country does not allow us to predict the future development of renewable energy sourcing.

Row 2

(7.30.22.1) Country/area

Select from:

☑ Uruguay

(7.30.22.2) Reason why it was challenging to source renewable electricity within selected country/area

Select all that apply

☑ Lack of credible renewable electricity procurement options (e.g. EACs, Green Tariffs)

☑ Other, please specify **:**In process of achieving 95% renewable energy in country electricity mix (meeting RE100 criteria)

(7.30.22.3) Provide additional details of the barriers faced within this country/area

At the moment, Uruguay is developing its market for Certificates of Origin. We expect that in 2024 this process will end and a country specific certificate will be available. In addition we are closely following the develop of the country electricity mix as if it reaches a 95% renewable energy origin, it will meet RE100 criteria. [Add row]

(7.45) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Row 1

(7.45.1) Intensity figure

0.000008293

(7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

337119

(7.45.3) Metric denominator

Select from:

☑ unit total revenue

(7.45.4) Metric denominator: Unit total

40625000000

(7.45.5) Scope 2 figure used

Select from:

☑ Market-based

(7.45.6) % change from previous year

6

(7.45.7) Direction of change

Select from:

☑ Decreased

(7.45.8) Reasons for change

Select all that apply

☑ Change in renewable energy consumption

☑ Other emissions reduction activities

(7.45.9) Please explain

In 2023, our revenue totalled 40,652 million euros (without the revenues from the UK operation, as this operation is not included in the boundary of scope 1&2 emissions calculations). Our intensity figure has decreased 6% because our scope 1 and 2 emissions (numerator) have decreased 16.227 tCO2e, even that our revenues (denominator), has increased by 2%. The decrease of our emissions has been possible thanks to our Energy Efficiency Plan. In 2023 under this plan we

carried out 170 initiatives in our networks and offices reducing energy consumption by 281 GWh. These efforts are reflected in the 89% improvement of our energy-intensive ratios (MWh/PB) since 2015, which shows the decoupling of our business growth from energy consumption. Moreover thanks to Renewable Energy Plan, in 2023, 84% of our electricity consumption is renewably sourced (considering electricity directly purchase, and consumed in own facilities). This has allowed us to reduce our Scope 2 emissions by 7k tonnes of CO2 equivalent.

Row 3

(7.45.1) Intensity figure

2.31

(7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

337119

(7.45.3) Metric denominator

Select from:

☑ Other, please specify **:**Unit of service provided petabyte (Traffic)

(7.45.4) Metric denominator: Unit total

146074

(7.45.5) Scope 2 figure used

Select from:

☑ Market-based

(7.45.6) % change from previous year

18

(7.45.7) Direction of change

Select from:

☑ Decreased

(7.45.8) Reasons for change

Select all that apply

☑ Change in renewable energy consumption

☑ Other emissions reduction activities

(7.45.9) Please explain

Our intensity figure has decreased 18% because our scopes 1 and 2 emissions have decreased 16.227 tCO2e but also because in 2023 traffic has increased 16% over the past year. The services that Telefónica offers are subject to continuously growing demand, not only in connectivity but also in data traffic which is increasing exponentially. The decrease of our emissions has been possible thanks to our Energy Efficiency Plan. In 2023 under this plan we carried out 170 initiatives in our networks and offices reducing energy consumption by 281 GWh. These efforts are reflected in the 89% improvement of our energy-intensive ratios (Mwh/PB) since 2015, which shows the decoupling of our business growth from energy consumption. Moreover thanks to Renewable Energy Plan, in 2023 84% of our electricity consumption is renewably (considering electricity directly purchased and consumed in own facilities). This has allowed us to reduce our Scope 2 emissions by 7k tonnes of CO2 equivalent.
[Add row]

(7.52) Provide any additional climate-related metrics relevant to your business.

Row 1

(7.52.1) Description

Select from:

☑ Energy usage

(7.52.2) Metric value

6011861

(7.52.3) Metric numerator

MWh

(7.52.4) Metric denominator (intensity metric only)

NA

(7.52.5) % change from previous year

1.55

(7.52.6) Direction of change

Select from:

☑ Decreased

(7.52.7) Please explain

In 2023, we implemented 170 initiatives focusing on energy management and efficiency in our networks and offices, with savings of 281 GWh. Our total energy consumption was 6,012 GWh (21,642,699 GJ), of which 95% was electricity and 5% was fuel. We must highlight that we have managed to improve our rate of energy consumption per unit of traffic by 89.3% compared to 2015.. Thanks to the implementation of energy efficiency projects, we have reduced energy consumption by 8.6% since 2015, even though data traffic through our networks has increased 8.6 times over.

Row 2

(7.52.1) Description

Select from:

☑ Other, please specify **:**Avoided emissions through our services

(7.52.2) Metric value

86100000

(7.52.3) Metric numerator

tonnes

(7.52.4) Metric denominator (intensity metric only)

NA

(7.52.5) % change from previous year

5.39

(7.52.6) Direction of change

Select from:

☑ Increased

(7.52.7) Please explain

In 2023, thanks to the efficiencies generated by our connectivity and Eco Smart services, we helped our customers avoid the emission of 86.1 million tonnes of CO2. This demonstrates the capacity of new technologies to accelerate the transformation of the economy into a more sustainable model.

Row 3

(7.52.1) Description

Select from:

☑ Other, please specify **:**Energy Efficiency

(7.52.2) Metric value

41

(7.52.3) Metric numerator

MWh

(7.52.4) Metric denominator (intensity metric only)

Unit of service provided (Traffic) in PB

(7.52.5) % change from previous year

15.22

(7.52.6) Direction of change

Select from:

☑ Decreased

(7.52.7) Please explain

In 2023, our energy consumption per traffic unit rate improved by 89% compared to 2015 and we saved €82 million through the implementation of energy efficiency and management projects.
[Add row]

(7.53) Did you have an emissions target that was active in the reporting year?

Select all that apply

☑ Absolute target

(7.53.1) Provide details of your absolute emissions targets and progress made against those targets.

Row 1

(7.53.1.1) Target reference number

Select from:

☑ Abs 1

(7.53.1.2) Is this a science-based target?

Select from:

☑ Yes, and this target has been approved by the Science Based Targets initiative

(7.53.1.3) Science Based Targets initiative official validation letter

Net Zero Approval Letter Telefonica.pdf

(7.53.1.4) Target ambition

Select from:

☑ 1.5°C aligned

(7.53.1.5) Date target was set

12/30/2019

(7.53.1.6) Target coverage

Select from:

☑ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☑ Carbon dioxide (CO2)

☑ Methane (CH4)

☑ Nitrous oxide (N2O)

☑ Hydrofluorocarbons (HFCs)

(7.53.1.8) Scopes

Select all that apply

☑ Scope 1

☑ Scope 2

(7.53.1.9) Scope 2 accounting method

Select from:

☑ Market-based

(7.53.1.11) End date of base year

12/30/2015

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

286201

(7.53.1.13) Base year Scope 2 emissions covered by target (metric tons CO2e)

1524954

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

0.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

1811155.000

(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

(7.53.1.54) End date of target

12/30/2030

(7.53.1.55) Targeted reduction from base year (%)

80

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

362231.000

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

122460

(7.53.1.58) Scope 2 emissions in reporting year covered by target (metric tons CO2e)

214659

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

337119.000

(7.53.1.78) Land-related emissions covered by target

Select from:

☑ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

101.73

(7.53.1.80) Target status in reporting year

Select from:

☑ Achieved

(7.53.1.82) Explain target coverage and identify any exclusions

This target is company-wide and covers 100% of both our Scope 1 &2(market based) emissions.

(7.53.1.83) Target objective

In 2020, in view of the urgent need to reduce CO2 emissions and given the need identified by the scientific world to increase ambition, we announced new energy and climate change (CC) targets for 2030, and 2040, aligned with the 1.5ºC scenario of the Paris Agreement and validated by the Science-Based Targets initiative (SBTi). In 2022, in order to align with the latest Net Zero Standard published by the SBTi, Telefónica succesfully validated its targets under the new standard. These targets are part of our CC strategy, which aims to decouple the growth of our business from energy consumption and GHG emissions and help us to leverage decarbonisation opportunities, to be more competitive, and to offer our customers an ever-cleaner network. With this purpose, we have defined a path of emission reduction until 2040, establishing milestones of emission reduction: Reduce our Scope 1&2 emissions by 80% by 2030, and achieving net-zero emissions by 2040.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☑ No

(7.53.1.86) List the emissions reduction initiatives which contributed most to achieving this target

In 2023 we reduced our total Scope 1&2 emissions by 81% compared with 2015 (base year). This has been possible mainly thanks to the actions within our Energy Efficiency Plan (EEP) and our Renewable Energy Plan (REP). These actions are based on implementing energy efficiency projects and transitioning to a greater proportion of renewable electricity.

- Our EEP enables Telefónica to decouple its business growth from energy consumption so that in 2023 we achieved 89% improvement of our energy-intensive ratios (MWh/Traffic PB) - Under the REP in 2023 we achieved a renewable-sourced electricity consumption of 84% at a global level in our own facilities. We continued the distributed generation (DG) project in Brazil. To date, we have installed 67 renewable energy plants out of a total of 85 planned. These plants will generate over 700 GWh per year for our operations, thereby reducing dependence on renewable energy certificates (iRECs). In addition, thanks to extending guarantee of origin programmes, for the first time Telxius Cable certified 100% of the electricity it consumed as renewable at its own facilities in its main markets, through the purchase of iRECs. In Hispanoamerica, we awarded the first multi-country and multi-annual purchase (2024-2026) for iRECs for a volume of between 451 GWh (2024) and 981 GWh (2026). This is an increase in the percentage of renewable consumption of between 53% and 76% for 2024 and 2026, respectively. In 2023, Argentina, Ecuador and Colombia continued increasing their consumption of renewable electricity, achieving 10%, 41% and 89% respectively. Regarding the electricity we use at non-Company facilities, our operations in Germany, Spain, Brazil, Peru and Chile also certified 100% of electricity consumption at third-party sites as being renewable, enabling us to reach a figure of 87% globally. With regard to self-generation of electricity, we have 484 systems installed (both in fixed network buildings and in mobile network base stations). These systems not only contribute to improving our electricity use through renewable sources but also allow us to avoid using fossil fuel-based generators in isolated (off-grid) base stations, achieving considerable reductions in consumption, which range between 70% and 100%. A noteworthy example of this initiative was the implementation of 11 self-generation projects in Ecuador, with estimated annual production of 34,000 kWh.

Row 2

(7.53.1.1) Target reference number

Select from:

☑ Abs 2

(7.53.1.2) Is this a science-based target?

Select from:

☑ Yes, and this target has been approved by the Science Based Targets initiative

(7.53.1.3) Science Based Targets initiative official validation letter

Net Zero Approval Letter Telefonica.pdf

(7.53.1.4) Target ambition

Select from:

☑ 1.5°C aligned

(7.53.1.5) Date target was set

12/30/2022

(7.53.1.6) Target coverage

Select from:

☑ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☑ Carbon dioxide (CO2)

☑ Methane (CH4)

☑ Nitrous oxide (N2O)

☑ Hydrofluorocarbons (HFCs)

(7.53.1.8) Scopes

Select all that apply

☑ Scope 1

☑ Scope 2

(7.53.1.9) Scope 2 accounting method

Select from:

☑ Market-based

(7.53.1.11) End date of base year

12/30/2015

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

286201

(7.53.1.13) Base year Scope 2 emissions covered by target (metric tons CO2e)

1524954

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

0.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

1811155.000

(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

(7.53.1.54) End date of target

12/30/2040

(7.53.1.55) Targeted reduction from base year (%)

90

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

181115.500

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

122460

(7.53.1.58) Scope 2 emissions in reporting year covered by target (metric tons CO2e)

214659

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

337119.000

(7.53.1.78) Land-related emissions covered by target

Select from:

☑ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

90.43

(7.53.1.80) Target status in reporting year

Select from:

☑ Underway

(7.53.1.82) Explain target coverage and identify any exclusions

This target is company-wide and covers 100% of both our Scope 1 &2(market based) emissions.

(7.53.1.83) Target objective

In 2020, in view of the urgent need to reduce CO2 emissions and given the need identified by the scientific world to increase ambition, we announced new energy and climate change (CC) targets for 2030, and 2040, aligned with the 1.5ºC scenario of the Paris Agreement and validated by the Science-Based Targets initiative (SBTi). In 2022, in order to align with the latest Net Zero Standard published by the SBTi, Telefónica succesfully validated its targets under the new standard. These targets are part of our CC strategy, which aims to decouple the growth of our business from energy consumption and GHG emissions and help us to leverage decarbonisation opportunities, to be more competitive, and to offer our customers an ever-cleaner network. With this purpose, we have defined a path of emission reduction until 2040, establishing milestones of emission reduction: Reduce our Scope 1&2 emissions by 80% in absolute terms by 2030, and achieving net-zero emissions by 2040.

(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

We internally updated our objective for reducing Scope 1&2 emissions by 90% by 2030 compared with 2015 (base year). In 2023 we reduced our total Scope 1&2 emissions by 81% compared with 2015 (base year). This has been possible mainly thanks to the actions within our Energy Efficiency Plan (EEP) and our Renewable Energy Plan (REP). These actions are based on implementing energy efficiency projects and transitioning to a greater proportion of renewable electricity.

- Our EEP enables Telefónica to decouple its business growth from energy consumption so that in 2023 we achieved 89% improvement of our energy-intensive ratios (MWh/Traffic PB)

- Under the REP in 2023 we achieved a renewable-sourced electricity consumption of 84% at a global level. In addition, we increased the procurement of renewable energy through new long-term renewable power purchase agreements (PPAs). In Germany we signed two PPA agreements. The first one for the period of 2025-2035, which will cover 54% of the total consumption of our operations, equivalent to 350 GWh per year, and a second one for the period of 2025-2040, which will cover around 33% of the consumption, equivalent to 200 GWh per year. In addition, thanks to extending guarantee of origin programmes, for the first time Telxius Cable certified 100% of the electricity it consumed as renewable at its own facilities in its main markets, through the purchase of iRECs. In Hispanoamerica, we

awarded the first multicountry and multi-annual purchase (2024-2026) for iRECs for a volume of between 451 GWh (2024) and 981 GWh (2026). This is an increase in the percentage of renewable consumption of between 53% and 76% for 2024 and 2026, respectively. In 2023, Argentina, Ecuador and Colombia continued increasing their consumption of renewable electricity, achieving 10%, 41% and 89% respectively. Regarding the electricity we use at non-Company facilities, our operations in Germany, Spain, Brazil, Peru and Chile also certified 100% of electricity consumption at third-party sites as being renewable, enabling us to reach a figure of 87% globally. In Europe, Brazil, Peru and Chile, 100% of the electricity we consume at our own facilities comes from renewable sources (84% at global level). Our goal, as part of the RE100 initiative, is for the electricity we consume in all our operations to come entirely from renewable sources by 2030.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☑ No

Row 3

(7.53.1.1) Target reference number

Select from:

☑ Abs 3

(7.53.1.2) Is this a science-based target?

Select from:

☑ Yes, and this target has been approved by the Science Based Targets initiative

(7.53.1.3) Science Based Targets initiative official validation letter

Net Zero Approval Letter Telefonica.pdf

(7.53.1.4) Target ambition

Select from:

☑ 1.5°C aligned

(7.53.1.5) Date target was set

12/30/2022

(7.53.1.6) Target coverage

Select from:

☑ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☑ Carbon dioxide (CO2)

☑ Methane (CH4)

☑ Nitrous oxide (N2O)

☑ Hydrofluorocarbons (HFCs)

(7.53.1.8) Scopes

Select all that apply

☑ Scope 3

(7.53.1.10) Scope 3 categories

Select all that apply

☑ Scope 3, Category 1 – Purchased goods and services

☑ Scope 3, Category 2 – Capital goods

☑ Scope 3, Category 3 – Fuel- and energy- related activities (not included in Scope 1 or 2)

☑ Scope 3, Category 6 – Business travel

☑ Scope 3, Category 11 – Use of sold products

(7.53.1.11) End date of base year

12/30/2016

(7.53.1.14) Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

1373189

(7.53.1.15) Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

448642

(7.53.1.16) Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

244512

(7.53.1.19) Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

93640

(7.53.1.24) Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

695861

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

2855844.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

2855844.000

(7.53.1.35) Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

100

(7.53.1.36) Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

100

(7.53.1.37) Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

100

(7.53.1.40) Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

100

(7.53.1.45) Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

100

(7.53.1.52) Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

100

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

(7.53.1.54) End date of target

12/30/2030

(7.53.1.55) Targeted reduction from base year (%)

56

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

1256571.360

(7.53.1.59) Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

1026696

(7.53.1.60) Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

225403

(7.53.1.61) Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

105224

(7.53.1.64) Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

34284

(7.53.1.69) Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

578975

(7.53.1.76) Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

1970582.000

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

1970582.000

(7.53.1.78) Land-related emissions covered by target

Select from:

☑ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

55.35

(7.53.1.80) Target status in reporting year

Select from:

☑ Underway

(7.53.1.82) Explain target coverage and identify any exclusions

This target is company-wide and covers 100% of relevant categories of Scope 3 emissions. Telefónica has estimated the emissions of the 15 categories included in the GHG Protocol Scope 3 Standard in order have a comprehensive view of the total Scope 3 emissions related to its business lines in all the geographies. This has allowed us to identify the most relevant categories for our activity. Scope 3 emissions represent 85% of the total generated by Telefónica. Of these emissions, 52% come from the purchases to our supply chain. ("Category 1. Purchased goods and services") and 29% from the use of products we sell to our customers ("Category 11. Use of sold products"). This is why in 2021 the 15 Scope 3 categories were re-screened according to the GHG Protocol to increase the quality of the data through methodological improvements. Other relevant categories include "Category 2. Capital goods" and "Category 3. Fuel- and energy-related activities", which account for over 18% of total value chain emissions. In addition, we calculate and report other emissions that we consider strategic to our business such as "Category 15. Investments", which in 2023 resulted in the emission of 35,060 tCO2e). This category includes emissions from Virgin Media O2, the joint venture created in the UK in 2021 (we have a 50% ownership but without operational control).

(7.53.1.83) Target objective

In 2022, in order to align with the latest Net Zero Standard published by the SBTi, Telefónica increased the ambition of its Scope 3 target by a) including all Scope 3 emissions into the target; and b) increasing its ambition to ensure the targeted reduction aligned with the 1.5C pathway. We calculate and reduce our carbon footprint every year, including direct emissions (Scope 1) from fuel consumption and fugitive emissions of refrigerant gases and indirect emissions from electricity consumption (Scope 2), and other indirect emissions related to our value chain (Scope 3).

(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

The emissions of our value chain (Scope 3) are the largest in our entire carbon footprint. Of the total Scope 3 emissions, about 85% come from the categories of purchases of products and services, capital goods and use of our products. In order to reduce our emissions in the value chain, cooperating with our main suppliers and the rest of the sector is paramount, as we share the same challenges.In this respect, we have our own Supplier Engagement Programme and we work closely with other operators in working groups in JAC (Joint Audit Cooperation) and GSMA, as well as in multi-sectoral initiatives such as 1.5C Supply Chain Leaders and

SME Climate HUB. To achieve this target, Telefónica is firmly committed to an open, collaborative relationship with its suppliers. Our commitment to them is based on establishing relations that enable us to jointly have a positive impact on our surroundings, through close collaboration and the sharing of good practices, fostered thanks to different initiatives with our suppliers, as the participation in ECOVADIS or JAC (Joint Audit Cooperation). In this sense, we work on the management of emissions in the supply chain, both globally and at a local level. In 2022, we continued to lead the climate change working group within the Joint Alliance for CSR (JAC) initiative to boost the decarbonisation of the sector. Over the course of the year, the climate supplier management of all JAC members was assessed to define and implement common emission reduction actions in the sector's supply chain (members account for over 60% of the industry's revenues). To accelerate the decarbonisation process of our supply chain, in 2022 we added a new climate change requirement in the procurement process, requiring our key suppliers (which account for 90% of our supply chain emissions) to establish in the short term a decarbonisation plan for their activity, aligned with the Science-Based Targets (SBTi) initiative. We continued our Supplier Engagement Programme and invited our most emissions-significant suppliers to join the CDP Supply Chain programme. In addition, we foster the ecodesign and reuse of devices – both customer and network equipment – to reduce emissions from these. We also offer sustainable purchasing criteria, like the Eco Rating label, which rates the sustainability of mobiles, thus encouraging manufacturers to improve them.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☑ No

Row 4

(7.53.1.1) Target reference number

Select from:

☑ Abs 4

(7.53.1.2) Is this a science-based target?

Select from:

☑ Yes, and this target has been approved by the Science Based Targets initiative

(7.53.1.3) Science Based Targets initiative official validation letter

Net Zero Approval Letter Telefonica.pdf

(7.53.1.4) Target ambition

Select from:

☑ 1.5°C aligned

(7.53.1.5) Date target was set

12/30/2022

(7.53.1.6) Target coverage

Select from:

☑ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☑ Carbon dioxide (CO2)

☑ Methane (CH4)

☑ Nitrous oxide (N2O)

☑ Hydrofluorocarbons (HFCs)

(7.53.1.8) Scopes

Select all that apply

☑ Scope 3

(7.53.1.10) Scope 3 categories

Select all that apply

☑ Scope 3, Category 1 – Purchased goods and services

☑ Scope 3, Category 2 – Capital goods

☑ Scope 3, Category 3 – Fuel- and energy- related activities (not included in Scope 1 or 2)

☑ Scope 3, Category 6 – Business travel

☑ Scope 3, Category 11 – Use of sold products

(7.53.1.11) End date of base year

12/30/2016

(7.53.1.14) Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

1373189

(7.53.1.15) Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

448642

(7.53.1.16) Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

244512

(7.53.1.19) Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

93640

(7.53.1.24) Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

695861

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

2855844.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

2855844.000

(7.53.1.35) Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

100

(7.53.1.36) Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

100

(7.53.1.37) Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

100

(7.53.1.40) Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

100

(7.53.1.45) Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

100

(7.53.1.52) Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

100

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

(7.53.1.54) End date of target

12/30/2040

(7.53.1.55) Targeted reduction from base year (%)

90

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

285584.400

(7.53.1.59) Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

1026696

(7.53.1.60) Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

225403

(7.53.1.61) Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

105224

(7.53.1.64) Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

34284

(7.53.1.69) Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

578975

(7.53.1.76) Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

1970582.000

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

1970582.000

(7.53.1.78) Land-related emissions covered by target

Select from:

☑ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

34.44

(7.53.1.80) Target status in reporting year

Select from:

☑ Underway

(7.53.1.82) Explain target coverage and identify any exclusions

This target is company-wide and covers 100% of relevant categories of Scope 3 emissions. Telefónica has estimated the emissions of the 15 categories included in the GHG Protocol Scope 3 Standard in order have a comprehensive view of the total Scope 3 emissions related to its business lines in all the geographies. This has allowed us to identify the most relevant categories for our activity. Scope 3 emissions represent 85% of the total generated by Telefónica. Of these emissions, 52% come from the purchases to our supply chain. ("Category 1. Purchased goods and services") and 29% from the use of products we sell to our customers ("Category 11. Use of sold products"). This is why in 2021 the 15 Scope 3 categories were re-screened according to the GHG Protocol to increase the quality of the data through methodological improvements. Other relevant categories include "Category 2. Capital goods" and "Category 3. Fuel- and energy-related activities", which account for over 18% of total value chain emissions. In addition, we calculate and report other emissions that we consider strategic to our business such as "Category 15. Investments", which in 2022 resulted in the emission of 43,982 tCO2e). This category includes emissions from Virgin Media O2, the joint venture created in the UK in 2021 (we have a 50% ownership but without operational control).

(7.53.1.83) Target objective

In 2022, in order to align with the latest Net Zero Standard published by the SBTi, Telefónica increased the ambition of its Scope 3 target by a) including all Scope 3 emissions into the target; and b) increasing its ambition to ensure the targeted reduction aligned with the 1.5C pathway. We calculate and reduce our carbon footprint every year, including direct emissions (Scope 1) from fuel consumption and fugitive emissions of refrigerant gases and indirect emissions from electricity consumption (Scope 2), and other indirect emissions related to our value chain (Scope 3).

(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

The emissions of our value chain (Scope 3) are the largest in our entire carbon footprint. Of the total Scope 3 emissions, about 85% come from the categories of purchases of products and services, capital goods and use of our products. In order to reduce our emissions in the value chain, cooperating with our main suppliers and the rest of the sector is paramount, as we share the same challenges.In this respect, we have our own Supplier Engagement Programme and we work closely with other operators in working groups in JAC (Joint Audit Cooperation) and GSMA, as well as in multi-sectoral initiatives such as 1.5C Supply Chain Leaders and SME Climate HUB. To achieve this target, Telefónica is firmly committed to an open, collaborative relationship with its suppliers. Our commitment to them is based on establishing relations that enable us to jointly have a positive impact on our surroundings, through close collaboration and the sharing of good practices, fostered thanks to different initiatives with our suppliers, as the participation in ECOVADIS or JAC (Joint Audit Cooperation). In this sense, we work on the management of emissions in the supply chain, both globally and at a local level. In 2022, we continued to lead the climate change working group within the Joint Alliance for CSR (JAC) initiative to boost the decarbonisation of the sector. Over the course of the year, the climate supplier management of all JAC members was assessed to define and implement common emission reduction actions in the sector's supply chain (members account for over 60% of the industry's revenues). To accelerate the decarbonisation process of our supply chain, in 2022 we added a new climate change requirement in the procurement process, requiring our key suppliers (which account for 90% of our supply chain emissions) to establish in the short term a decarbonisation plan for their activity, aligned with the Science-Based Targets (SBTi) initiative. We continued our Supplier Engagement Programme and invited our most emissions-significant suppliers to join the CDP Supply Chain programme. In addition, we foster the ecodesign and reuse of devices – both customer and network equipment – to reduce emissions from these. We also offer sustainable purchasing criteria, like the Eco Rating label, which rates the sustainability of mobiles, thus encouraging manufacturers to improve them.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☑ No

Row 5

(7.53.1.1) Target reference number

Select from:

☑ Abs 5

(7.53.1.2) Is this a science-based target?

Select from:

☑ Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

(7.53.1.4) Target ambition

Select from:

☑ 1.5°C aligned

(7.53.1.5) Date target was set

11/29/2023

(7.53.1.6) Target coverage

Select from:

☑ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☑ Carbon dioxide (CO2)

☑ Methane (CH4)

☑ Nitrous oxide (N2O)

☑ Hydrofluorocarbons (HFCs)

(7.53.1.8) Scopes

Select all that apply

☑ Scope 1

☑ Scope 2

(7.53.1.9) Scope 2 accounting method

Select from:

☑ Market-based

(7.53.1.11) End date of base year

12/30/2015

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

286201

(7.53.1.13) Base year Scope 2 emissions covered by target (metric tons CO2e)

1524954

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

0.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

1811155.000

(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

(7.53.1.54) End date of target

12/30/2030

(7.53.1.55) Targeted reduction from base year (%)

90

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

181115.500

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

122460

(7.53.1.58) Scope 2 emissions in reporting year covered by target (metric tons CO2e)

214659

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

337119.000

(7.53.1.78) Land-related emissions covered by target

Select from:

☑ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

90.43

(7.53.1.80) Target status in reporting year

Select from:

☑ Underway

(7.53.1.82) Explain target coverage and identify any exclusions

This target is company-wide and covers 100% of both our Scope 1&2 (market based) emissions.

(7.53.1.83) Target objective

In 2023 we internally updated our abs1 science-based target validated objective (80% reduction by 2030) in order to increase our ambition and seek 90% reduction in Scope 1&2 emissions by 2030 compared with 2015 (base year). This target is part of our CC strategy, which aims to decouple the growth of our business from energy consumption and GHG emissions and help us to leverage decarbonisation opportunities, to be more competitive, and to offer our customers an ever-cleaner network. With this purpose, we have defined a path of emission reduction until 2040, establishing milestones of emission reduction: Reduce our Scope 1&2 emissions by 90% by 2030 (updated from 80% to 90%), and achieving net-zero emissions by 2040.

(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

In 2023 we reduced our total Scope 1&2 emissions by 81% compared with 2015 (base year). This has been possible mainly thanks to the actions within our Energy Efficiency Plan (EEP) and our Renewable Energy Plan (REP). These actions are based on implementing energy efficiency projects and transitioning to a greater proportion of renewable electricity.

- Our EEP enables Telefónica to decouple its business growth from energy consumption so that in 2023 we achieved 89% improvement of our energy-intensive ratios (MWh/Traffic PB) - Under the REP in 2023 we achieved a renewable-sourced electricity consumption of 84% at a global level. In addition, we increased the procurement of renewable energy through new long-term renewable power purchase agreements (PPAs). In Germany we signed two PPA agreements. The first one for the period of 2025-2035, which will cover 54% of the total consumption of our operations, equivalent to 350 GWh per year, and a second one for the period of 2025-2040, which will cover around 33% of the consumption, equivalent to 200 GWh per year. In addition, thanks to extending guarantee of origin programmes, for the first time Telxius Cable certified 100% of the electricity it consumed as renewable at its own facilities in its main markets, through the purchase of iRECs. In Hispanoamerica, we awarded the first multicountry and multi-annual purchase (2024-2026) for iRECs for a volume of between 451 GWh (2024) and 981 GWh (2026). This is an increase in the percentage of renewable consumption of between 53% and 76% for 2024 and 2026, respectively. In 2023, Argentina, Ecuador and Colombia continued increasing their consumption of renewable electricity, achieving 10%, 41% and 89% respectively. Regarding the electricity we use at non-Company facilities, our operations in Germany, Spain, Brazil, Peru and Chile also certified 100% of electricity consumption at third-party sites as being renewable, enabling us to reach a figure of 87% globally. In Europe, Brazil, Peru and Chile, 100% of the electricity we consume at our own facilities comes from renewable sources (84% at global level). Our goal, as part of the RE100 initiative, is for the electricity we consume in all our operations to come entirely from renewable sources by 2030.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☑ No

[Add row]

(7.54) Did you have any other climate-related targets that were active in the reporting year?

Select all that apply

☑ Targets to increase or maintain low-carbon energy consumption or production

☑ Net-zero targets

☑ Other climate-related targets

(7.54.1) Provide details of your targets to increase or maintain low-carbon energy consumption or production.

Row 1

(7.54.1.1) Target reference number

Select from:
☑ Low 1

(7.54.1.2) Date target was set

12/30/2019

(7.54.1.3) Target coverage

Select from:
☑ Organization-wide

(7.54.1.4) Target type: energy carrier

Select from:
☑ Electricity

(7.54.1.5) Target type: activity

Select from:
☑ Consumption

(7.54.1.6) Target type: energy source

Select from:
☑ Renewable energy source(s) only

(7.54.1.7) End date of base year

12/30/2015

(7.54.1.8) Consumption or production of selected energy carrier in base year (MWh)

5684210

(7.54.1.9) % share of low-carbon or renewable energy in base year

17.2

(7.54.1.10) End date of target

12/30/2030

(7.54.1.11) % share of low-carbon or renewable energy at end date of target

100

(7.54.1.12) % share of low-carbon or renewable energy in reporting year

84

(7.54.1.13) % of target achieved relative to base year

80.68

(7.54.1.14) Target status in reporting year

Select from:
☑ Underway

(7.54.1.16) Is this target part of an emissions target?

Our renewable electricity target is one of the key levers to achieve our targets for reducing emissions covered Abs 1, Abs 2 and Abs 3. In 2023, the Renewable Energy Plan has allowed us to reduce our Scope 2 emissions by the equivalent of 7 thousand tons of CO2 compared to last year and shows that renewable energies are the key to achieving the decarbonisation of our operations and to reducing our carbon footprint in absolute terms.

(7.54.1.17) Is this target part of an overarching initiative?

Select all that apply

☑ RE100

(7.54.1.19) Explain target coverage and identify any exclusions

This target is company-wide and covers 100% of the electricity we use in our own facilities (where we have bill direct management).

(7.54.1.20) Target objective

TEFs CC strategy aims to decouple our business growth from energy consumption and GHG emissions. Through our Energy Efficiency Plan and our Renewable Energy Plan, we are managing to reduce energy expenditure while reducing our CO2 emissions in absolute terms. These are the 4 global objectives within our strategy:

- More renewable energy: To continue using 100% of electricity from renewable sources in our main markets, promoting development through long-term contracts and self-generation (HispAm 100% renewable by 2030).

- More energy efficiency: To reduce energy consumption per traffic unit (MWh/PB) by 90% in 2025 compared to 2015.

- Decrease CO2 emissions: reduce emission by 90% by 2030, compared to 2015.

- To have net zero emissions by 2040 taking into account Scopes 123. With the interim target of reducing by 90% emissions (scope 12) in our main markets (Spain, Brazil and Germany) in 2025 and neutralise residual emissions through nature-based solutions.

Our Renewable Energy Plan considers all kinds of solutions to achieve the 100% renewable objective: self-generation, purchasing renewable energy with guarantees of origin, and long-term purchase agreements (Power Purchase Agreement – PPA). It foresees potential OPEX savings of 25% by 2030.As a result of the various strategies established in our Renewable Energy Plan, in 2023 we achieved a renewable-sourced electricity consumption of 84%.

(7.54.1.21) Plan for achieving target, and progress made to the end of the reporting year

Our Renewable Energy Plan enables us to reduce carbon emissions and the energy costs of our network, thanks to self-generation and the signing of long-term agreements (PPA). By 2023, 84% of electricity generation from renewable sources has been achieved globally, and 100% renewable energy has been achieved at facilities in Europe, Brazil, Peru and Chile. Some of the actions in place to achieve this target are:

- With regard to self-generation of electricity, we have 484 systems installed (both in fixed network buildings and in mobile network base stations) that allow us, firstly, to improve renewable electricity consumption and, secondly, to avoid the use of fossil fuel generators in isolated (off-grid) base stations, reducing consumption by between 70% and 100%. A noteworthy example of this initiative was the implementation of 11 self-generation projects in Ecuador, with estimated annual production of 34,000 kWh.

- Signing of long-term agreements (PPA): Our Renewable Energy Plan focuses on continuing to sign long-term Power Purchase Agreements (PPAs) and selfgeneration, in order to progressively reduce the purchase of certificates of renewable origin and increase savings in OpEx for electricity.

- Certificates of guarantee of origin: In Hispanoamerica, we awarded the first multicountry and multi-annual purchase (2024-2026) for iRECs for a volume of between 451 GWh (2024) and 981 GWh (2026). This is an increase in the percentage of renewable consumption of between 53% and 76% for 2024 and 2026, respectively. In 2023, Argentina, Ecuador and Colombia continued increasing their consumption of renewable electricity, achieving 10%, 41% and 89% respectively. [Add row]

(7.54.2) Provide details of any other climate-related targets, including methane reduction targets.

Row 1

(7.54.2.1) Target reference number

Select from:

☑ Oth 1

(7.54.2.2) Date target was set

12/30/2021

(7.54.2.3) Target coverage

Select from:

☑ Organization-wide

(7.54.2.4) Target type: absolute or intensity

Select from:

☑ Absolute

(7.54.2.5) Target type: category & Metric (target numerator if reporting an intensity target)

Engagement with suppliers

☑ Percentage of suppliers (by procurement spend) disclosing their GHG emissions

(7.54.2.7) End date of base year

12/30/2021

(7.54.2.8) Figure or percentage in base year

45

(7.54.2.9) End date of target

12/30/2030

(7.54.2.10) Figure or percentage at end of date of target

80

(7.54.2.11) Figure or percentage in reporting year

75

(7.54.2.12) % of target achieved relative to base year

85.7142857143

(7.54.2.13) Target status in reporting year

Select from:

☑ Underway

(7.54.2.15) Is this target part of an emissions target?

Yes, it is part of Abs 3

(7.54.2.16) Is this target part of an overarching initiative?

Select all that apply

☑ No, it’s not part of an overarching initiative

(7.54.2.18) Please explain target coverage and identify any exclusions

We work on the management of emissions in the supply chain, both globally & at a local level. Specifically it applies to the suppliers in our supply chain that account for almost 90% of categories 12 of Scope 3.

(7.54.2.19) Target objective

To achieve our Scp 3 target, whereby Cat. 1&2 represent 64% of total Scp 3 emissions, TEF is firmly committed to an open, collaborative relationship with its suppliers. Our commitment to them is based on establishing relations that enable us to jointly have a positive impact on our surroundings, through close collaboration and the sharing of good practices, fostered thanks to different initiatives with our suppliers, as the participation in ECOVADIS or JAC (Joint Audit Cooperation). We are part of the the climate change working group (led by TEF) within the Joint Alliance for CSR (JAC) to align criteria and join forces, with the commitment of decarbonising the sector. We were also part of the working group on climate change at GSMA, which together with GeSI (the Global Enabling Sustainability Initiative) and the ITU (International Telecommunication Union) published in 2023 the Scope 3 Guidance for Telecommunications Operators. In addition, we work closely with other operators in the Joint Alliance for CSR (JAC) and GSMA working groups, collaborating on methodological issues and specific actions to encourage emissions reductions in our common supply chain. We also participate in initiatives such as SME Climate HUB and 1.5ºC Supply Chain Leaders continued, with the aim of helping SMEs to measure their emissions and take specific action to reduce them and achieve their climate targets.

(7.54.2.20) Plan for achieving target, and progress made to the end of the reporting year

We have our own Supplier Engagement Programme and we work closely with other operators in working groups in JAC(Joint Audit Cooperation) and GSMA, as well as in multi-sectoral initiatives such as 1.5C Supply Chain Leaders and SME Climate HUB. For our more strategic suppliers we ran the Carbon Reduction Programme (CRP). This is a joint action in collaboration with other companies in the sector and consists of securing their engagement on an individual basis to promote emission reduction at product level. To accelerate the decarbonisation process of our supply chain, in 2022 we added a new climate change requirement in the procurement process, requiring our key suppliers (which account for 90% of our supply chain emissions) to establish in the short term a decarbonisation plan for their activity, aligned with the Science-Based Targets (SBTi) initiative. We continued our Supplier Engagement Programme and invited our most emissions significant suppliers to join the CDP Supply Chain programme. In 2023, a total of 218 suppliers were involved, accounting for 97% of our supply chain emissions. The information reported enables us to understand their degree of maturity in handling their carbon footprints and identify potential areas for collaboration. In addition, we verify the compliance of the most important suppliers through on-site audits. In a similar way, we also conduct on-site audits through our internal Allies Programme (for suppliers of services) and the sectoral-based Joint Alliance for CSR (JAC) initiative (for product manufacturers) in conjunction with other ICT sector companies. These audits address specific issues such as forced labour, child labour and/or conflict minerals, and include follow-up monitoring to ensure corrective actions are taken for any nonconformities detected. We also worked on reducing emissions associated with the use of customer premises equipment, mainly linked to electricity consumption by routers and set-top boxes, thanks to increasingly energy-efficient equipment. In 2022, we updated the corporate instruction on low carbon procurement, which considers the internal carbon pricing to guide purchasing decisions towards energy-efficient equipment with a lower carbon footprint. To reinforce internal awareness, five training sessions were held for over 500 employees from operations, procurement and sustainability

Row 2

(7.54.2.1) Target reference number

Select from:

☑ Oth 2

(7.54.2.2) Date target was set

12/30/2019

(7.54.2.3) Target coverage

Select from:

☑ Organization-wide

(7.54.2.4) Target type: absolute or intensity

Select from:

☑ Intensity

(7.54.2.5) Target type: category & Metric (target numerator if reporting an intensity target)

Energy consumption or efficiency

☑ MWh

(7.54.2.6) Target denominator (intensity targets only)

Select from:

☑ Other, please specify **:**Petabytes of data traffic (PB)

(7.54.2.7) End date of base year

12/30/2015

(7.54.2.8) Figure or percentage in base year

386.0

(7.54.2.9) End date of target

12/30/2025

(7.54.2.10) Figure or percentage at end of date of target

39

(7.54.2.11) Figure or percentage in reporting year

41

(7.54.2.12) % of target achieved relative to base year

99.4236311239

(7.54.2.13) Target status in reporting year

Select from:

☑ Underway

(7.54.2.15) Is this target part of an emissions target?

Our energy intensity target is also related to our emissions goals: Abs 1, Abs 2 and Abs 5.To optimise the power consumption of our network, in 2010 we compiled the Energy Efficiency Plan. At Telefónica, keeping our electricity consumption stable – despite the considerable rise in digitalisation of society and thus the data traffic circulating through our networks – is a priority. To do this, our Energy Efficiency Plan encompasses initiatives such as modernising our network by replacing copper with fibre optics; power plants and HVAC equipment renovation projects; using free cooling to cool with air directly from outside; shutting down legacy networks; implementing power-saving features (PSF) in the access network; and reducing fuel consumption by means of hybrid stations with photovoltaic solar energy.In 2023, we implemented 170 energy efficiency and management initiatives in our networks and offices, achieving savings of 281 GWh. Our total energy consumption was 6,012 GWh, 95% of which was electricity, while 5% was fuel. Our energy consumption per traffic unit rate improved by 89% compared to 2015 and we saved €82 million through the implementation of energy efficiency and management projects.Thanks to the implementation of energy efficiency projects, we have managed to reduce power consumption by 8.6% since 2015, even though data traffic through our networks has increased 8.6 times over.. The objective of these projects is to increase our network efficiency, e.g by replacing copper with fibre optic; shutting down legacy networks and reducing fuel consumption by implementing hybrid stations.

(7.54.2.16) Is this target part of an overarching initiative?

Select all that apply

☑ No, it's not part of an overarching initiative

(7.54.2.18) Please explain target coverage and identify any exclusions

In 2020, in view of the urgent need to reduce CO2 emissions and given the need identified by the scientific world to increase ambition, we announced new energy and climate change (CC) targets for 2030, and 2040, aligned with the 1.5ºC scenario of the Paris Agreement and validated by the Science-Based Targets initiative (SBTi). These targets are part of our CC strategy, which aims to decouple the growth of our business from energy consumption and GHG emissions and help us to leverage decarbonisation opportunities, to be more competitive, and to offer our customers an ever-cleaner network. With this purpose, we have defined a path of emission reduction until 2040, establishing milestones of emission reduction: Reduce our Scope 1 & 2 emissions 80% by 2030, and achieving net-zero emissions by 2040. These objective only applies to TEF main business lines related to teleccommunication services. Infrastructure (Telxius) and Global Units are excluded.

(7.54.2.19) Target objective

Telefónicas Climate Change strategy aims to decouple our business growth from energy consumption and GHG emissions. Through energy efficiency and renewable energy, we are managing to reduce energy expenditure while reducing our carbon emissions in absolute terms. At Telefónica, keeping our electricity consumption stable – despite the considerable rise in digitalisation of society and thus the data traffic circulating through our networks – is a priority. To do this, our Energy Efficiency Plan encompasses initiatives such as modernising our network by replacing copper with fibre optics; power plants and HVAC equipment renovation projects; using free cooling to cool with air directly from outside; shutting down legacy networks; implementing power-saving features (PSF) in the access network; and reducing fuel consumption by means of hybrid stations with photovoltaic solar energy.

(7.54.2.20) Plan for achieving target, and progress made to the end of the reporting year

In 2023, we undertook 170 energy efficiency and management initiatives in our networks and offices, achieving savings of 281 GWh. Total energy consumption was 6,012 GWh, 95% of which was electricity, while 5% was fuel. Our energy consumption per traffic unit rate improved by 89% compared to 2015 and we saved €82 million through the implementation of energy efficiency and management projects. As part of our energy efficiency projects, we promoted network transformation initiatives, which are responsible for 66% of our energy savings. We also continue to shut down legacy infrastructure, such as 2G and 3G networks, as well as copper networks. In Spain, in line with the 2024 copper closure plan, 1,914 plants were closed in 2023 (4,150 since 2014) and in Hispanoamerica progress was made with multi-layer and 2G shutdowns. We should also highlight improvements in the design of mobile sites, with a more sustainable approach from the point of view of construction, maintenance, energy consumption and emissions. This model, called the Smart Site model, encompasses all available best practices, such as upgrading equipment, free cooling, installing Bluetooth locks and using renewable energy. With regard to efficient management of network capacity, we increased the use of power saving features (PSFs) during eriods of low traffic and we used artificial intelligence (AI) tools, machine learning and automatic traffic prediction. In 2022, we implemented 6 new PSF functionalities in our 4G and 5G networks, enabling us to reduce energy consumption in off-peak hours by up to 30%, without compromising on quality. Given that we are very close to meeting this target, an update of this target will be assessed in the course of 2024.

Row 3

(7.54.2.1) Target reference number

Select from:

☑ Oth 3

(7.54.2.2) Date target was set

12/30/2022

(7.54.2.3) Target coverage

Select from:

☑ Organization-wide

(7.54.2.4) Target type: absolute or intensity

Select from:

☑ Absolute

(7.54.2.5) Target type: category & Metric (target numerator if reporting an intensity target)

Engagement with suppliers

☑ Percentage of suppliers (by emissions) with a science-based target

(7.54.2.7) End date of base year

12/30/2022

(7.54.2.8) Figure or percentage in base year

30

(7.54.2.9) End date of target

12/30/2026

(7.54.2.10) Figure or percentage at end of date of target

100

(7.54.2.11) Figure or percentage in reporting year

48

(7.54.2.12) % of target achieved relative to base year

25.7142857143

(7.54.2.13) Target status in reporting year

Select from:

☑ Underway

(7.54.2.15) Is this target part of an emissions target?

Yes, it is part of Abs 3

(7.54.2.16) Is this target part of an overarching initiative?

Select all that apply

☑ No, it's not part of an overarching initiative

(7.54.2.18) Please explain target coverage and identify any exclusions

We work on the management of emissions in the supply chain, both globally & at a local level. Specifically it applies to the suppliers in our supply chain that account for almost 90% of categories 12 of Scope 3.

(7.54.2.19) Target objective

To achieve our Scp 3 target, whereby Cat. 1&2 represent 64% of total Scp 3 emissions, TEF is firmly committed to an open, collaborative relationship with its suppliers. Our commitment to them is based on establishing relations that enable us to jointly have a positive impact on our surroundings, through close collaboration and the sharing of good practices, fostered thanks to different initiatives with our suppliers, as the participation in ECOVADIS or JAC (Joint Audit Cooperation). We are part of the the climate change working group (led by TEF) within the Joint Alliance for CSR (JAC) to align criteria and join forces, with the commitment of decarbonising the sector. We were also part of the working group on climate change at GSMA, which together with GeSI (the Global Enabling Sustainability Initiative) and the ITU (International Telecommunication Union) published in 2023 the Scope 3 Guidance for Telecommunications Operators. In addition, we work closely with other operators in the Joint Alliance for CSR (JAC) and GSMA working groups, collaborating on methodological issues and specific actions to encourage emissions reductions in our common supply chain. We also participate in initiatives such as SME Climate HUB and 1.5ºC Supply Chain Leaders continued, with the aim of helping SMEs to measure their emissions and take specific action to reduce them and achieve their climate targets.

(7.54.2.20) Plan for achieving target, and progress made to the end of the reporting year

We have our own Supplier Engagement Programme and we work closely with other operators in working groups in JAC(Joint Audit Cooperation) and GSMA, as well as in multi-sectoral initiatives such as 1.5C Supply Chain Leaders and SME Climate HUB. For our more strategic suppliers we ran the Carbon Reduction Programme (CRP). This is a joint action in collaboration with other companies in the sector and consists of securing their engagement on an individual basis to promote emission reduction at product level. To accelerate the decarbonisation process of our supply chain, in 2022 we added a new climate change requirement in the procurement process, requiring our key suppliers (which account for 90% of our supply chain emissions) to establish in the short term a decarbonisation plan for their activity, aligned with the Science-Based Targets (SBTi) initiative. We continued our Supplier Engagement Programme and invited our most emissions significant suppliers to join the CDP Supply Chain programme. In 2023, a total of 218 suppliers were involved, accounting for 97% of our supply chain emissions. The information reported enables us to understand their degree of maturity in handling their carbon footprints and identify potential areas for collaboration. In addition, we verify the compliance of the most important suppliers through on-site audits. In a similar way, we also conduct on-site audits through our internal Allies Programme (for suppliers of services) and the sectoral-based Joint Alliance for CSR (JAC) initiative (for product manufacturers) in conjunction with other ICT sector companies. These audits address specific issues such as forced labour, child labour and/or conflict minerals, and include follow-up monitoring to ensure corrective actions are taken for any nonconformities detected. We also worked on reducing emissions associated with the use of customer premises equipment, mainly linked to electricity consumption by routers and set-top boxes, thanks to increasingly energy-efficient equipment. In 2022, we updated the corporate instruction on low carbon procurement, which considers the internal carbon pricing to guide purchasing decisions towards energy-efficient equipment with a lower carbon footprint. To reinforce internal awareness, five training sessions were held for over 500 employees from operations, procurement and sustainability
[Add row]

(7.54.3) Provide details of your net-zero target(s).

Row 1

(7.54.3.1) Target reference number

Select from:
☑ NZ1

(7.54.3.2) Date target was set

12/30/2022

(7.54.3.3) Target Coverage

Select from:

☑ Organization-wide

(7.54.3.4) Targets linked to this net zero target

Select all that apply

☑ Abs1

☑ Abs2

☑ Abs3

☑ Abs4

☑ Abs5

(7.54.3.5) End date of target for achieving net zero

12/30/2040

(7.54.3.6) Is this a science-based target?

Select from:

☑ Yes, and this target has been approved by the Science Based Targets initiative

(7.54.3.7) Science Based Targets initiative official validation letter

Net Zero Approval Letter Telefonica.pdf

(7.54.3.8) Scopes

Select all that apply

☑ Scope 1

☑ Scope 2

☑ Scope 3

(7.54.3.9) Greenhouse gases covered by target

Select all that apply

☑ Carbon dioxide (CO2)

☑ Methane (CH4)

☑ Nitrous oxide (N2O)

☑ Hydrofluorocarbons (HFCs)

(7.54.3.10) Explain target coverage and identify any exclusions

These are Telefónicas global objectives, therefore apply to all our business lines in all the countries where we are present.

(7.54.3.11) Target objective

Telefónica's ambition is to achieve net zero emissions by 2040, including value chain emissions. In addition, interim targets are set such as reducing Scope 1 and 2 emissions by 90% in the main markets (Spain, Germany and Brazil) by 2025 and neutralising the residual emissions of these scopes through nature-based solutions. The global target for achieving net-zero in 2040 applies to the whole organisation, whereas the interim target that has been described previously only applies to scope 1 and 2 emissions of Telefónica's main markets (Spain, Germany and Brazil). In addition, Telefónica's climate action plan considers company-wide short-, medium and long-term targets for Scopes 1, 2 and 3, that have been validated by the SBTi initiative. Specifically, we will reduce our operations emissions (Scope 1+2) by 80% by 2030 through energy efficiency and renewable energy actions. We will also engage with suppliers and help to create a more circular economy, which will translate into a reduction of our value chain emissions (scope 3) of 56% by 2030 (39% by 2025). Additionally, we will improve energy consumption per unit of traffic (MWh/PB) by 90% in 2025 and we will consume 100% of electricity from renewable sources by 2030. As part of the progress made in 2023, we achieved 84% of electricity consumption from renewable sources in our own facilities, 100% in our main markets Peru and Chile, and reduced carbon emissions (scopes 12) by 81% compared to 2015 and also reduces our value chain (Scope 3) emissions by 31% vs 2016.

(7.54.3.12) Do you intend to neutralize any residual emissions with permanent carbon removals at the end of the target?

Select from:

☑ Yes

(7.54.3.13) Do you plan to mitigate emissions beyond your value chain?

Select from:

☑ Yes, and we have already acted on this in the reporting year

(7.54.3.14) Do you intend to purchase and cancel carbon credits for neutralization and/or beyond value chain mitigation?

Select all that apply

☑ Yes, we are currently purchasing and cancelling carbon credits for beyond value chain mitigation

(7.54.3.15) Planned milestones and/or near-term investments for neutralization at the end of the target

TEF will neutralise its unabated emissions after achieving its reduction target (at least 90% S123) by 2040 or its interim target by 2025 (90% reduction in main markets S12 compared to 2015). The forecast for this 10% of residual emissions is about 400 ktCO2e/year from 2040 and about 80 ktCO2e/year from 2025 (related with main markets). We will neutralise our unabated emissions by by permanently removing or sequestering an equivalent amount of CO2 from the atmosphere through the purchase of carbon credits or by developing our own projects, which must meet the following criteria:

a) Carbon sequestration initiatives, preferably nature based, like reforestation, afforestation or ecosystem restoration, using native plant species.
b) Demonstration of additionality and long-term impact.
c) Projects with environmental and social co-benefits, contributing as much as possible to the achievement of the SDGs.
d) Projects certified to nationally/internationally recognised standards and verified by an accredited third party.
e) Preferably located in areas where Telefónica is present.

We have been offsetting the impact of our emissions for several years through nature based projects that generate high quality carbon credits. Also in 2022 we closed a global purchase agreement of carbon credits to ensure its availability until 2026 for Spain, Brazil and Germany. For example:

- In Spain we offset 18% of our operational emissions (Scope 1 + 2) thanks to the Telefónica Forest and the acquisition of carbon credits under the global carbon credit agreement.
- In Brazil we continued to offset 100% of Scope 1 + 2 emissions through the purchase of carbon credits.
- In Germany we neutralised 60% of our operational emissions, as well as those from business travel through a reforestation project in Colombia.
- TEF S.A. mitigated 68% of its S12.

Finally, TEF uses green bonds and green and sustainable hybrid instruments to finance projects with a positive environmental impact as defined in its sustainable financing framework, for example improving energy efficiency by transforming the copper network to fibre optics (85% more efficient). In addition, Telefónica uses other sustainable bank financing instruments, such as loans and credit facilities linked to sustainability targets, which allow it to make progress towards achieving corporate targets linked to emissions reductions.

(7.54.3.16) Describe the actions to mitigate emissions beyond your value chain

Telefónica recognises that there is an urgent need to scale up finance in the near-term to support climate mitigation and therefore, in the near and medium term, and always on a temporary basis (before 2025 for Scope 1 and 2 emissions from main markets and before 2040 for Scope 3 emissions and those from Hispanoamerica), we will also invest in carbon credits to reduce emissions from deforestation and degradation, with the aim of contributing to halt deforestation in certain regions where Telefónica has operations. This criterion follows the recommendations of SBTi's Net-Zero corporate standard and the Draft Consensus Statement on High Quality

Tropical Forest Carbon Credits, drawn up by organisations such as WRI, WWF, EDF or IPAM Amazonia. Emission reduction offsets must comply with the following criteria defined by Telefónica:
• Be high-quality REDD credits, supporting the conservation of existing forest carbon stocks and sustainable forest management.
• Be located in countries with a high rate of deforestation (such as Brazil, Peru or Colombia), as these projects provide short-term incentives to keep forests intact and support indigenous and local communities.
• Meet established criteria for carbon removal projects: demonstrate additionality and long-term impact, include environmental and social co-benefits aligned with the 2030 SDG agenda, be certified by recognised standards, and verified by an accredited third party. Support for such projects that generate emission reduction credits by preventing deforestation also contributes to the first major agreement at the COP26 climate summit, whereby the countries with the largest tracts of forest pledged to stop massive felling in their states and end deforestation by 2030. In addition, introducing an internal carbon pricing helps us make better investment and equipment procurement decisions. When procuring energy-consumption intensive equipment, we take into account the Total Cost of Ownership (TCO). This enables us to bear in mind not just the purchase price, but also the price of the energy consumed, and the emissions generated during its useful life, and thereby to select more efficient equipment.

(7.54.3.17) Target status in reporting year

Select from:
☑ Underway

(7.54.3.19) Process for reviewing target

In line with SBTI Framework and to ensure that our targets remain aligned with the most recent climate science. At TEF we review them under SBTi criteria, and if necessary we will update and revalidate, every five years from the date of the original target approval. Since we set our targets in 2022 and following SBTi criteria, we will review and update them in 2027 if necessary. The Global CTIO and Global Sustainability Department make up the Energy and Climate Change Office where sustainability and climate change technical knwoledge lies. They are responsible for setting and reviewing climate-related targets and reports them to the CSO following a bottom-up approach. The CSO presents the targets in the Sustainability and Regulation Committee which is the primary committee responsible for monitoring the organization's Environmental Strategy. Finally the Board of Directors is in charge of approving them as it holds the higgest level of responsability for overseeing the Environmental Strategy, including the oversight of the corporate targets setting process as part of the Global Responsible Business Plan (GRBP) as well as monitoring its progress.
[Add row]

(7.55) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Select from:
☑ Yes

(7.55.1) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	*0*	*`Numeric input*
To be implemented	*52*	*14700*
Implementation commenced	*6*	*1604*
Implemented	*163*	*882809*
Not to be implemented	*0*	*`Numeric input*

[Fixed row]

(7.55.2) Provide details on the initiatives implemented in the reporting year in the table below.

Row 1

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in buildings

☑ Other, please specify :Lighting, heating, ventilation and air conditioning (HVAC), Power-Savings features PSFs, Power Modernization, network transformation, low carbon energy generation and others

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

46238

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 1

☑ Scope 2 (location-based)

☑ Scope 2 (market-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

52229290

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

10172745

(7.55.2.7) Payback period

Select from:

☑ 1-3 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ 6-10 years

(7.55.2.9) Comment

To optimise the power consumption of our network, in 2010 we compiled the Energy Efficiency Plan. At Telefónica, keeping our electricity consumption stable – despite the considerable rise in digitalisation of society and thus the data traffic circulating through our networks is a priority. To do this, our Energy Efficiency Plan encompasses initiatives such as modernising our network by replacing copper with fibre optics; new HVAC solutions and power plants equipment renovation project; using free cooling; shutting down legacy networks; implementing power-saving features (PSF); replacement of fuels for generators; applying AI/ML tools for optimization; using self-generation; and compacting and consolidating technical spaces. In 2023, we implemented 170 energy efficiency and management initiatives in our networks and offices, achieving savings of 281 GWh. Our total energy consumption was 6,0126 GWh, 95% of which was electricity, while 5% was fuel. Our

energy consumption per traffic unit rate improved by 89% compared to 2015 and we saved €82 million through the implementation of energy efficiency and management projects.. Thanks to the implementation of energy efficiency projects, we have managed to reduce power consumption by 8.6% since 2015, while data traffic through our networks has increased 8.6 times over. The objective of these projects is to increase our network efficiency.

Row 2

(7.55.2.1) Initiative category & Initiative type

Low-carbon energy consumption

☑ Other, please specify :wind, solar PV, biogas and hydropower,

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

836571

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 2 (location-based)

☑ Scope 2 (market-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

62785901

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

8352815

(7.55.2.7) Payback period

Select from:

☑ 1-3 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ 6-10 years

(7.55.2.9) Comment

In 2016 we established the Telefónica Renewable Energy Plan(REP). To reach decarbonisation, we need maximum efficiency in energy usage and to renewable sourced (RS) energy. Our RNP includes all types of solutions: self-generation, purchase of renewable energy with a guarantee of origin and long-term agreements(Power Purchase Agreements-PPA-). PPAs: long-term renewable electricity supply agreements not only guarantee emission-free electricity, but also offer opportunities for OpEx savings. Telefónica has several such contracts. Iin Spain, the 4 PPAs signed for the period 22-31 have already come into operation, which, together with the 1 signed in 2020, represent 582 GWh/year, cover 50% of the consumption of the operator's technical buildings and avoid some 87,300 tonnes of CO2/year. Telefónica Germany has also signed 2 PPA agreements for the period 25-40, equivalent to 550 GWh per year, which will cover 87% of the total consumption of Telefónica's operations in Germany. Guarantees of origin: the programme covers up to 100% of electricity consumption in countries such as Spain, Germany, Brazil, Peru, and Chile, and has also been extended to other countries. In 2023, Argentina, Ecuador and Colombia continued to increase their renewable electricity consumption to 10%, 41% and 89% respectively. In Latin America, the first multi-country and multi-year purchase (2024-2026) for certificates of origin (IRECs) was awarded for a volume of 451 GWh in 2024 and 981 GWh in 2026.
[Add row]

(7.55.3) What methods do you use to drive investment in emissions reduction activities?

Row 1

(7.55.3.1) Method

Select from:

☑ Financial optimization calculations

(7.55.3.2) Comment

In 2023 Telefónica managed to continue implementing projects under a disruptive business model called Energy Savings as a Service (ESaaS); this totally changes the way we optimise our infrastructure and is based on an agreement with a specialised supplier who designs the solution, invests, operates, maintains and ensures savings. The actions encompass a number of different initiatives and the service is paid for by sharing the savings generated thanks to the measures implemented. In Spain, we awarded contracts to modernise 40 centrals under the Energy Savings as a Service (ESaaS) model, which will allow us to improve the infrastructure of these buildings and at the same time save energy, all with investment from a third party. We also implemented a disruptive model in Colombia, using the Battery as a Service (BaaS) model, which enables us to reduce fuel consumption and pay with the savings achieved. This project will enable us to increase the autonomy of the batteries at 10 sites, thus disappearing 100% of the sites that operated 365 days a year with a generator.

Row 2

(7.55.3.1) Method

Select from:

☑ Dedicated budget for energy efficiency

(7.55.3.2) Comment

To reduce the carbon footprint, reduce operational costs and provide services at attractive prices, Telefónica assesses, defines, and implements projects with CAPEX dedicated for energy efficiency (since financial indicators suggest that the project is attractive). Examples of indicators that we use:- The Net Present Value (NPV), that determines when an investment complies with the basic financial objective of maximizing the investment. If the NPV is positive it means that the project is viable.- Payback: this is a KPI for the company to get an idea of the time it takes to recover the payment on an investment.

Row 3

(7.55.3.1) Method

Select from:

☑ Internal price on carbon

(7.55.3.2) Comment

Internal carbon pricing is one of the most effective tools for companies to manage the risks and opportunities associated with their carbon footprint and thus internalise the costs of GHG emissions, enabling efficient financing of their transition to a low-carbon economy. Setting an internal price on carbon means internalising the cost of GHG emissions by assigning a monetary value to each tonne emitted, so that companies can identify the cost of GHG emissions. In this context, Telefónica is working to evaluate different financing tools within the Group to establish an internal carbon price as a strategic lever to achieve net zero emissions. On the one hand, Telefónica implements a shadow price in purchasing decisions for equipment with electricity and/or fuel consumption, as well as equipment containing refrigerant gases. Telefónica's Corporate Instruction on low-carbon purchasing includes the calculation of the Total Cost of Ownership (TCO) of

this equipment, allowing procurement processes to be guided towards more efficient technologies and equipment, with a lower carbon footprint. The internal carbon price will help the organisation to make better investment and equipment purchasing decisions, as well as to achieve its emission reduction targets. On the other hand, Telefónica is working on developing an internal carbon fee on GHG emissions that will generate revenues for Telefónica to cover the payment of carbon credits or finance its own carbon removal projects.
[Add row]

(7.73) Are you providing product level data for your organization's goods or services?

Select from:
☑ No, I am not providing data

(7.74) Do you classify any of your existing goods and/or services as low-carbon products?

Select from:
☑ Yes

(7.74.1) Provide details of your products and/or services that you classify as low-carbon products.

Row 1

(7.74.1.1) Level of aggregation

Select from:
☑ Group of products or services

(7.74.1.2) Taxonomy used to classify product(s) or service(s) as low-carbon

Select from:
☑ The EU Taxonomy for environmentally sustainable economic activities

(7.74.1.3) Type of product(s) or service(s)

Other

☑ Other, please specify **:**Taxonomy-aligned economic activity 8.2 Data-driven solutions for GHG emissions reductions

(7.74.1.4) Description of product(s) or service(s)

Our digital and connectivity services - based on one of the most efficient and sustainable telecommunications networks in the sector - enable our customers to optimise their consumption of resources such as energy and water, improve traffic planning and air quality in cities, promote circular economy, and adopt more environmentally friendly behaviours, among others. We are committed to digitalisation as a tool for protecting the planet. This is why our sustainability strategy focuses on transforming our networks so that their capacity can always increase efficiently. This enables us to offer the best services with the least environmental impact. We offer digital solutions such as broadband, fiber, mobile connectivity, cloud, IoT and Big Data solutions.

1) Our broadband and mobile connectivity services allow our customers in the residential segment use applications or online services that allow them to transform many of their daily actions into more environmentally friendly ones (e.g., remote working, videoconferencing, online shopping, online banking, car sharing, accommodation apps…).

2) Cloud solutions, housed in highly efficient data centres, reducing energy consumption and avoiding CO2 emissions. Examples are virtual data centres, Iaas, Paas, etc.

3) IoT, big data, AI and blockchain solutions allow our clients to make their production processes more efficient and sustainable. These solutions are applied to sectors such as industry, agriculture, cities, etc.

(7.74.1.5) Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Select from:

☑ Yes

(7.74.1.6) Methodology used to calculate avoided emissions

Select from:

☑ The Avoided Emissions Framework (AEF)

(7.74.1.7) Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Select from:

☑ Use stage

(7.74.1.8) Functional unit used

We use different functional units depending on the service provided. Main examples are: number of M2M connections (for Fleet Management, Domestic Smart Meters, Smart Cities and other IoT services), number of fixed line home and B2C mobile connections (for remote working, videoconferencing, online shopping, etc.) and number of IaaS Telefonica servers, physical servers and suppliers' physical servers (for Cloud solutions).

(7.74.1.9) Reference product/service or baseline scenario used

The base scenario used is the situation before the implementation of the digital solution. Main examples: 1) For broadband and mobile B2C services would be different depending on the use (e.g. the client going to work every day to the office) 2) For Cloud solutions would be the use of servers or software on premise 3) For IoT solutions, specifically for Smart Meters would be the electricity consumption metering with analogue meters that do not allow the end-user to reduce energy consumption

(7.74.1.10) Life cycle stage(s) covered for the reference product/service or baseline scenario

Select from:

☑ Use stage

(7.74.1.11) Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

0.5198

(7.74.1.12) Explain your calculation of avoided emissions, including any assumptions

To calculate the total avoided emissions, the methodology follows the following general principle: [Carbon abatement = volume of service provided x carbon abatement factor] 1) Broadband and mobile B2C connectivity services: The volume factor is either the number of fixed line home connections, or the number of B2C mobile connections. As an example, the methodologies used for calculating the avoided emissions for Videoconferencing (avoided travel) are as follows: [(% of people who access videoconferencing) x (number of people with a Telefónica connection)] (abatement factor per user)] 2) Cloud services: The volume factor is the number of virtual services licenses sold or the number of IaaS, and Paas licenses sold, among others. As an example, the methodologies used for calculating the avoided emissions for Iaas Virtualization are as follows:[(No. of IaaS virtual servers expected small business virtualisation rate Annual energy consumption small server average business PUE)-(No. of IaaS Telefonica servers Annual energy consumption of large server)(Telefonica PUE)] local grid electricity factor. 3) IoT/BigData services: The volume factor is the number of relevant M2M connections, among others. As an example, the methodologies used for calculating the avoided emissions for Fleet Management and Workforce Management Software solutions are based on expected annual mileage. They are as follows: (No. M2M connections x daily km x number of working days per year x fuel efficiency x Expected savings from technology x Diesel fuel emission factor) Emission factors per connection varies between geographies due to local differences in considerations such as the local electricity grid mix, or average climate. The chosen methodology also takes into consideration rebound effects that arise from utilising the respective connections, and methodologies are designed to ensure that there is no additionality or double counting across categories. Where there is an element of uncertainty in the supporting calculations, we have chosen a conservative approach in order to not overestimate the impact.

(7.74.1.13) Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

1.6
[Add row]

(7.79) Has your organization canceled any project-based carbon credits within the reporting year?

Select from:
☑ Yes

(7.79.1) Provide details of the project-based carbon credits canceled by your organization in the reporting year.

Row 1

(7.79.1.1) Project type

Select from:
☑ Afforestation

(7.79.1.2) Type of mitigation activity

Select from:
☑ Carbon removal

(7.79.1.3) Project description

BOSQUE TELEFÓNICA (SPAIN) - ID 2021-b212 (https://www.miteco.gob.es/content/dam/miteco/es/cambio-climatico/temas/registro-huella/informes/2021-b212.pdf) "Telefónica Forest", located in Palencia (Spain) has planted over 12,500 trees of native species, which will help to restore a degraded agricultural area, transforming it for forestry use, involving rural communities and boosting the local economy by generating employment for young people and disadvantaged people. "Bosque Telefónica" is expected to absorb 3,000 tonnes of CO2 over its life cycle.

(7.79.1.4) Credits canceled by your organization from this project in the reporting year (metric tons CO2e)

120

(7.79.1.5) Purpose of cancelation

Select from:

☑ Voluntary offsetting

(7.79.1.6) Are you able to report the vintage of the credits at cancelation?

Select from:

☑ Yes

(7.79.1.7) Vintage of credits at cancelation

2021

(7.79.1.8) Were these credits issued to or purchased by your organization?

Select from:

☑ Purchased

(7.79.1.9) Carbon-crediting program by which the credits were issued

Select from:

☑ Other regulatory carbon crediting program, please specify **:**Spanish Climate Change Office registry for carbon absorption projects (https://www.miteco.gob.es/es/cambio-climatico/temas/mitigacion-politicas-y-medidas/inscripcion-registro.aspx)

(7.79.1.10) Method the program uses to assess additionality for this project

Select all that apply

☑ Market penetration assessment

(7.79.1.11) Approaches by which the selected program requires this project to address reversal risk

Select all that apply

☑ Monitoring and compensation

(7.79.1.12) Potential sources of leakage the selected program requires this project to have assessed

Select all that apply

☑ Not assessed

(7.79.1.13) Provide details of other issues the selected program requires projects to address

Not applicable.

(7.79.1.14) Please explain

Telefónica has an expert team responsible for analysing all carbon credit projects. In alignment with the criteria defined by Telefónica, all projects undergo a thorough due diligence analysis. The serial number of the credits canceled from this project and the cancelation date is: a) 2021-b212/00301-00420 canceled on 17/06/2024

Row 2

(7.79.1.1) Project type

Select from:

☑ Reforestation

(7.79.1.2) Type of mitigation activity

Select from:

☑ Carbon removal

(7.79.1.3) Project description

CÁCERES & CRAVO NORTE (COLOMBIA) - ID 576 (https://registry.verra.org/app/projectDetail/VCS/576) VCS Methodology: AR-AM0005,AR-ACM0003 The project proposes to carry out reforestation, with 25 native tree species, 1,230 ha in the Cáceres/Antioquia area and 9,640 ha in the Cravo Norte/Arauca area, areas which had previously been degraded by extensive livestock farming activities. It also promotes the sustainable management of forest resources to encourage natural regeneration.

(7.79.1.4) Credits canceled by your organization from this project in the reporting year (metric tons CO2e)

4614

(7.79.1.5) Purpose of cancelation

Select from:

☑ Voluntary offsetting

(7.79.1.6) Are you able to report the vintage of the credits at cancelation?

Select from:

☑ Yes

(7.79.1.7) Vintage of credits at cancelation

2015

(7.79.1.8) Were these credits issued to or purchased by your organization?

Select from:

☑ Purchased

(7.79.1.9) Carbon-crediting program by which the credits were issued

Select from:

☑ VCS (Verified Carbon Standard)

(7.79.1.10) Method the program uses to assess additionality for this project

Select all that apply

☑ Investment analysis

☑ Barrier analysis

(7.79.1.11) Approaches by which the selected program requires this project to address reversal risk

Select all that apply

☑ Monitoring and compensation

☑ Other, please specify **:**There are several factors that mitigate the risk of rising land opportunity costs that could cause the reversal of sequestration by the project: The land where the project will take place is private property. The plantation of native species requires

(7.79.1.12) Potential sources of leakage the selected program requires this project to have assessed

Select all that apply

☑ Not assessed

(7.79.1.13) Provide details of other issues the selected program requires projects to address

Tree Species Selection Criteria: -Adaptability -Volumetric efficiency -Ecological and cultural value -Seed availability -Resistance to pests and diseases

(7.79.1.14) Please explain

Telefónica has an expert team responsible for analysing all carbon credit projects. In alignment with the criteria defined by Telefónica, all projects undergo a thorough due diligence analysis. The serial numbers of the credits canceled from this project and the cancelation dates are: a) 15993-733734064-733737086-VCS-VCU-842-VER-CO-14-576-01012015-31122015-0 canceled on 26/01/2024 b) 15994-733748549-733749234-VCS-VCU-842-VER-CO-14-576-21082014-31122014-0 canceled on 26/01/2024 c) 3769-164590817-164590821-VCU-019-MER-CO-14-576-01012014-20082014-0 canceled on 26/01/2024 d) 15993-733737087-733737986-VCS-VCU-842-VER-CO-14-576-01012015-31122015-0 canceled on 26/01/2024

Row 3

(7.79.1.1) Project type

Select from:

☑ Other, please specify **:**Avoided Unplanned Deforestation (AUD project activity) and Avoided Planned Deforestation (APD project activity)

(7.79.1.2) Type of mitigation activity

Select from:

☑ Emissions reduction

(7.79.1.3) Project description

REDD EVERGREEN (BRAZIL) - ID 2539 (https://registry.verra.org/app/projectDetail/VCS/2539) VCS Methodology - VM0007 Conservation project, which protects forests located in one of the regions with the highest deforestation rate in the Amazon Biome, the municipality of Apuí, in Amazonas. The project, verified by VCS,

provides alternative income for extractive communities and helps to protect 250 species of birds, 40 mammals and 15 reptiles, as well as protecting flora species such as Mahogany, Cedar, Copaiba, Andiroba, Chestnut and Rosewood.

(7.79.1.4) Credits canceled by your organization from this project in the reporting year (metric tons CO2e)

16556

(7.79.1.5) Purpose of cancelation

Select from:

☑ Voluntary offsetting

(7.79.1.6) Are you able to report the vintage of the credits at cancelation?

Select from:

☑ Yes

(7.79.1.7) Vintage of credits at cancelation

2021

(7.79.1.8) Were these credits issued to or purchased by your organization?

Select from:

☑ Purchased

(7.79.1.9) Carbon-crediting program by which the credits were issued

Select from:

☑ VCS (Verified Carbon Standard)

(7.79.1.10) Method the program uses to assess additionality for this project

Select all that apply

☑ Other, please specify :Combined tool to identify the baseline scenario and demonstrate additionality in A/R CDM project activities (https://cdm.unfccc.int/methodologies/ARmethodologies/tools/ar-am-tool-02-v1.pdf)

(7.79.1.11) Approaches by which the selected program requires this project to address reversal risk

Select all that apply

☑ Other, please specify :Long-term agreements with stakeholders to ensure conservation and financial return; Benefit-sharing mechanisms with communities; Monitoring and verification; Policy and legal frameworks.

(7.79.1.12) Potential sources of leakage the selected program requires this project to have assessed

Select all that apply

☑ Other, please specify :VMD0009 Estimation of emissions from activity shifting for avoided planned deforestation/forest degradation and avoided planned wetland degradation (LK-ASP), v1.3; VMD0010 Estimation of emissions from activity shifting for avoiding unplanned deforest

(7.79.1.13) Provide details of other issues the selected program requires projects to address

Public consultation: The Project Proponent shall attempt to amicably resolve all grievances and provide a written response to the grievances in a manner that is culturally appropriate.

(7.79.1.14) Please explain

Telefónica and Telefônica Brasil have an expert team responsible for analysing all carbon credit projects. In alignment with the criteria defined by Telefónica, all projects undergo a thorough due diligence analysis. Additionally, in collaboration with the Compliance team in Brazil, Telefônica Brasil conducts a reputational analysis of project partners and other entities involved in the projects. The serial numbers of the credits canceled from this project and the cancelation dates are: a) 13020-467314586-467328141-VCS-VCU-262-VER-BR-14-2539-01012021-31072021-0 canceled on 18/01/2024 b) 13020-467658008-467661007-VCS-VCU-262-VER-BR-14-2539-01012021-31072021-0 canceled on 24/01/2024

Row 4

(7.79.1.1) Project type

Select from:

☑ Other, please specify : Avoided Unplanned Deforestation (AUD).

(7.79.1.2) Type of mitigation activity

Select from:

☑ Emissions reduction

(7.79.1.3) Project description

REDD JARI AMAPÁ (BRAZIL) - ID 1115 (https://registry.verra.org/app/projectDetail/VCS/1115) VCS Methodology - VM0015 Developed by the Jari Foundation and Biofílica S.A., the initiative trains local farmers in sustainable management techniques and agroextractive production in Pará and Amapá, promoting the well-being of communities and making them maintainers of forest resources. The project covers an area that includes 340 flora species, of which 54 are threatened of extinction, and 2,070 species of fauna, of which 133 are threatened with extinction. Beyond the benefits of carbon credits, the project has the additional CCB certification (Climate, Community & Biodiversity Standard), benefiting more than 60 families from 8 communities.

(7.79.1.4) Credits canceled by your organization from this project in the reporting year (metric tons CO2e)

6864

(7.79.1.5) Purpose of cancelation

Select from:

☑ Voluntary offsetting

(7.79.1.6) Are you able to report the vintage of the credits at cancelation?

Select from:

☑ Yes

(7.79.1.7) Vintage of credits at cancelation

2019

(7.79.1.8) Were these credits issued to or purchased by your organization?

Select from:

☑ Purchased

(7.79.1.9) Carbon-crediting program by which the credits were issued

Select from:

☑ VCS (Verified Carbon Standard)

(7.79.1.10) Method the program uses to assess additionality for this project

Select all that apply

☑ Consideration of legal requirements

☑ Investment analysis

☑ Other, please specify :Alternative land use scenarios

(7.79.1.11) Approaches by which the selected program requires this project to address reversal risk

Select all that apply

☑ Monitoring and compensation

(7.79.1.12) Potential sources of leakage the selected program requires this project to have assessed

Select all that apply

☑ Activity-shifting

(7.79.1.13) Provide details of other issues the selected program requires projects to address

Stakeholder Engagement: non-interest of stakeholders, especially communities and public bodies in participating in project activities, non-inclusion of vulnerable groups such as young people and women.

(7.79.1.14) Please explain

Telefónica and Telefônica Brasil have an expert team responsible for analysing all carbon credit projects. In alignment with the criteria defined by Telefónica, all projects undergo a thorough due diligence analysis. Additionally, in collaboration with the Compliance team in Brazil, Telefônica Brasil conducts a reputational analysis of project partners and other entities involved in the projects. Telefónica has an expert team responsible for analysing all carbon credit projects. In alignment with the criteria defined by Telefónica, all projects undergo a thorough due diligence analysis. The serial numbers of the credits canceled from this project and the cancelation dates are: a) 15022-638935757-638940340-VCS-VCU-263-VER-BR-14-1115-15022019-15102019-1 canceled on 18/04/2023 b) 15022-638940341-638942620-VCS-VCU-263-VER-BR-14-1115-15022019-15102019-1 canceled on 22/01/2024

Row 6

(7.79.1.1) Project type

Select from:

☑ Reforestation

(7.79.1.2) Type of mitigation activity

Select from:

☑ Carbon removal

(7.79.1.3) Project description

GALICIA REXENERA: A Pedra Torta (Caldas de Reis) - ID 2021-b097 (https://www.miteco.gob.es/content/dam/miteco/es/cambio-climatico/temas/registro-huella/informes/2021-b097.pdf) Afforestation project, which has restored an area of almost 30 hectares of local communally-owned woodland in Pontevedra (Spain), previously affected by a forest fire. The actions carried out consisted of reforestation and natural regeneration work involving native hardwoods, such as oak, birch, ash, and hazel, and with improved planting of native pine trees.

(7.79.1.4) Credits canceled by your organization from this project in the reporting year (metric tons CO2e)

352

(7.79.1.5) Purpose of cancelation

Select from:

☑ Voluntary offsetting

(7.79.1.6) Are you able to report the vintage of the credits at cancelation?

Select from:

☑ Yes

(7.79.1.7) Vintage of credits at cancelation

2021

(7.79.1.8) Were these credits issued to or purchased by your organization?

Select from:

☑ Purchased

(7.79.1.9) Carbon-crediting program by which the credits were issued

Select from:

☑ Other regulatory carbon crediting program, please specify :Spanish national scheme: Spanish Climate Change Office registry for carbon absorption projects (https://www.miteco.gob.es/es/cambio-climatico/temas/mitigacion-politicas-y-medidas/inscripcion-registro.aspx)

(7.79.1.10) Method the program uses to assess additionality for this project

Select all that apply

☑ Market penetration assessment

(7.79.1.11) Approaches by which the selected program requires this project to address reversal risk

Select all that apply

☑ Monitoring and compensation

(7.79.1.12) Potential sources of leakage the selected program requires this project to have assessed

Select all that apply

☑ Not assessed

(7.79.1.13) Provide details of other issues the selected program requires projects to address

Not applicable.

(7.79.1.14) Please explain

Telefónica has an expert team responsible for analysing all carbon credit projects. In alignment with the criteria defined by Telefónica, all projects undergo a thorough due diligence analysis. The serial number of the credits canceled from this project and the cancelation date is: a) 2021-b097/01202-01553 canceled on 17/06/2024

Row 7

(7.79.1.1) Project type

Select from:

☑ Reforestation

(7.79.1.2) Type of mitigation activity

Select from:

☑ Carbon removal

(7.79.1.3) Project description

GALICIA REXENERA: Castiñeiro da Auga (Salceda de Caselas) - ID 2022-b112 (https://www.miteco.gob.es/content/dam/miteco/es/cambio-climatico/temas/registro-huella/informes/2022-b112.pdf) This reforestation project involves the regeneration of 15,98 ha of a burnt area of local communally-owned woodland with chestnut, oak and pine trees in Pontevedra, Spain.

(7.79.1.4) Credits canceled by your organization from this project in the reporting year (metric tons CO2e)

100

(7.79.1.5) Purpose of cancelation

Select from:

☑ Voluntary offsetting

(7.79.1.6) Are you able to report the vintage of the credits at cancelation?

Select from:

☑ Yes

(7.79.1.7) Vintage of credits at cancelation

2022

(7.79.1.8) Were these credits issued to or purchased by your organization?

Select from:

☑ Purchased

(7.79.1.9) Carbon-crediting program by which the credits were issued

Select from:

☑ Other regulatory carbon crediting program, please specify :Spanish national scheme: Spanish Climate Change Office registry for carbon absorption projects (https://www.miteco.gob.es/es/cambio-climatico/temas/mitigacion-politicas-y-medidas/inscripcion-registro.aspx)

(7.79.1.10) Method the program uses to assess additionality for this project

Select all that apply

☑ Market penetration assessment

(7.79.1.11) Approaches by which the selected program requires this project to address reversal risk

Select all that apply

☑ Monitoring and compensation

(7.79.1.12) Potential sources of leakage the selected program requires this project to have assessed

Select all that apply

☑ Not assessed

(7.79.1.13) Provide details of other issues the selected program requires projects to address

Not applicable.

(7.79.1.14) Please explain

Telefónica has an expert team responsible for analysing all carbon credit projects. In alignment with the criteria defined by Telefónica, all projects undergo a thorough due diligence analysis. The serial number of the credits canceled from this project and the cancelation date is: a) 2022-b112/00099-00198 canceled on 17/06/2024

Row 8

(7.79.1.1) Project type

Select from:

☑ Reforestation

(7.79.1.2) Type of mitigation activity

Select from:

☑ Carbon removal

(7.79.1.3) Project description

MULTI-SPECIES REFORESTATION IN MATO GROSSO (BRAZIL) - ID 665 (https://registry.verra.org/app/projectDetail/VCS/665) VCS Methodology - AR-AMS0006 Reforestation project involving 50 native species in an area of 8 thousand hectares, including the replanting and natural forest management. In addition to the positive environmental impact, the project also develops educational activities, builds economic and social partnerships with the population so that they can live of the forest, and guarantees the preservation and strengthening of biodiversity.

(7.79.1.4) Credits canceled by your organization from this project in the reporting year (metric tons CO2e)

5105

(7.79.1.5) Purpose of cancelation

Select from:

☑ Voluntary offsetting

(7.79.1.6) Are you able to report the vintage of the credits at cancelation?

Select from:

☑ Yes

(7.79.1.7) Vintage of credits at cancelation

2015

(7.79.1.8) Were these credits issued to or purchased by your organization?

Select from:

☑ Purchased

(7.79.1.9) Carbon-crediting program by which the credits were issued

Select from:

☑ VCS (Verified Carbon Standard)

(7.79.1.10) Method the program uses to assess additionality for this project

Select all that apply

☑ Consideration of legal requirements

(7.79.1.11) Approaches by which the selected program requires this project to address reversal risk

Select all that apply

☑ Monitoring and compensation

(7.79.1.12) Potential sources of leakage the selected program requires this project to have assessed

Select all that apply

☑ Activity-shifting

(7.79.1.13) Provide details of other issues the selected program requires projects to address

Not applicable.

(7.79.1.14) Please explain

Telefónica and Telefônica Brasil have an expert team responsible for analysing all carbon credit projects. In alignment with the criteria defined by Telefónica, all projects undergo a thorough due diligence analysis. Additionally, in collaboration with the Compliance team in Brazil, Telefônica Brasil conducts a reputational analysis of project partners and other entities involved in the projects. The serial numbers of the credits canceled from this project and the cancelation dates are: a)

12827-452436488-452436827-VCS-VCU-896-VER-BR-14-665-26042009-25102015-0 canceled on 22/01/2024 b) 12827-452429423-452432010-VCS-VCU-896-VER-BR-14-665-26042009-25102015-0 canceled on 15/02/2023 c) 12827-452434011-452436187-VCS-VCU-896-VER-BR-14-665-26042009-25102015-0 canceled on 27/03/2023
[Add row]

C11. Environmental performance - Biodiversity

(11.2) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

(11.2.1) Actions taken in the reporting period to progress your biodiversity-related commitments

Select from:

☑ Yes, we are taking actions to progress our biodiversity-related commitments

(11.2.2) Type of action taken to progress biodiversity- related commitments

Select all that apply

☑ Land/water management

☑ Other, please specify **:**Assessment of nature-related dependencies, impacts, risks and opportunities. Investment in REDD+&removal projects of NBS that conserve/restore forest ecosystems. Mitigation hierarchy approach. “Bird-saving” patterns to prevent collisions with glass.

[Fixed row]

(11.3) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
	Select from: ☑ Yes, we use indicators	*Select all that apply* ☑ Other, please specify **:**Percentage of facilities/land use located in habitats with low biodiversity value (for determining the infrastructure impact on habitats, we used a Geographic Information System), Land restored/reforested, Trees planted/conserved.

[Fixed row]

(11.4) Does your organization have activities located in or near to areas important for biodiversity in the reporting year?

Legally protected areas

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☑ Yes

(11.4.2) Comment

Telefónica has over 130,000 non-linear facilities (fixed&mobile swtch sites, offices, base sations, radiolinks, TV studios, data centers, landing stations, shops or satellite hubs among others) located in 12 different countries. Around 5% of them are located in protected areas.

UNESCO World Heritage sites

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☑ Yes

(11.4.2) Comment

Telefónica has over 130,000 non-linear facilities (fixed&mobile switch sites, offices, base sations, radiolinks, TV studios, data centers, landing stations, shops or satellite hubs among others) located in 12 different countries. Around 0,1% of them are located in or near UNESCO World Heritage Sites.

UNESCO Man and the Biosphere Reserves

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☑ Yes

(11.4.2) Comment

Telefónica has over 130,000 non-linear facilities (fixed&mobile switch sites, offices, base sations, radiolinks, TV studios, data centers, landing stations, shops or satellite hubs among others) located in 12 different countries. Only 0,01% of them are located in or near UNESCO MAB reserves.

Ramsar sites

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☑ Yes

(11.4.2) Comment

Telefónica has over 130,000 non-linear facilities (fixed&mobile switch sites, offices, base sations, radiolinks, TV studios, data centers, landing stations, shops or satellite hubs among others) located in 12 different countries. Around 0,1% of them are located in or near Ramsar Sites.

Key Biodiversity Areas

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☑ Not assessed

(11.4.2) Comment

KBAs are sites contributing significantly to the global persistence of biodiversity. Some of the KBA may be also be legally protected areas (e.g. Central Amazon in Brazil), but we have not crossed the interface of our facilities with these sites specifically. Therefore, there may be some facilities of Telefónica located in or near KBAs, but we have not specifically located them.

Other areas important for biodiversity

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:
☑ Data not available

(11.4.2) Comment

Not available.
[Fixed row]

(11.4.1) Provide details of your organization’s activities in the reporting year located in or near to areas important for biodiversity.

Row 1

(11.4.1.2) Types of area important for biodiversity

Select all that apply
☑ Legally protected areas

(11.4.1.3) Protected area category (IUCN classification)

Select from:
☑ Unknown

(11.4.1.4) Country/area

Select from:
☑ Germany

(11.4.1.5) Name of the area important for biodiversity

In our last assessment, there were over 7,000 facilities of Telefónica located in or near important biodiversity areas in 12 countries, being Germany the country with more interference with these areas. Therefore, it is not possible to name of all them.

(11.4.1.6) Proximity

Select from:

☑ Data not available

(11.4.1.8) Briefly describe your organization’s activities in the reporting year located in or near to the selected area

For delivering connectivity to our customers, Telefónica needs fixed and mobile telecommunication networks, made of tangible assets, such as fixed&mobile switch sites, offices, base stations, radiolinks, TV studios, data centers, landing stations, shops or satellite hubs among others. Some of them are inevitably located in protected areas or important areas for biodiversity in these 12 countries: Argentina, Brazil, Chile, Colombia, Ecuador, Germany, Mexico, Peru, Spain, USA, Uruguay and Venezuela.

(11.4.1.9) Indicate whether any of your organization’s activities located in or near to the selected area could negatively affect biodiversity

Select from:

☑ Yes, but mitigation measures have been implemented

(11.4.1.10) Mitigation measures implemented within the selected area

Select all that apply

☑ Site selection

☑ Project design

☑ Operational controls

(11.4.1.11) Explain how your organization’s activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

After an initial assessment, which included analysing and quantifying the direct impacts of non-linear infrastructures (base stations, buildings, etc.) in the countries in which we operate, the main conclusion was that 98% of our facilities are located in habitats with low or very low biodiversity value, such as urban areas, which means that our direct impact on biodiversity is not very significant. Aiming at analysing Telefónica’s interface with biodiversity and natural capital, we have also identified and assess our biodiversity impacts and dependencies, both within our direct operations and across our value chain, concluding that Telefónica's main impacts take place

in its value chain. Regarding Telefónica's direct operations, they do not contribute significantly to the drivers of biodiversity loss. However, they can affect biodiversity, being its main pressures climate change and land use change, due to the energy consumption of telecommunications networks and its land occupation (construction of base stations and laying of cables). There may be other impacts with low severity to the fauna, derived from disturbances due to equipment noise or introduction of invasive species when building the access roads. To manage impacts on biodiversity, we follow the mitigation hierarchy throughout the network's lifecycle:

• Our operations perform the legal environmental impact assessments prior to the deployment of certain infrastructure. This ensures that all environmental impacts are identified and mitigation & avoidance measures are developed.

• The majority of our sites located at natural areas are small, but we take measures to minimise the land use of our infrastructure (prioritisation of locations outside protected natural areas, avoid the need to remove vegetation, co-location with other telco operators).

• There are always preventive containment measures in place to minimise soil and water pollution in the event of a potential accident, as well as the possible impact on the vegetation and fauna in the surrounding area. Special attention is given to areas of high biodiversity value.

• Ecological and geomorphological restoration plans in areas affected by the dismantling of telecommunications stations located in protected areas.

[Add row]

C13. Further information & sign off

(13.1) Indicate if any environmental information included in your CDP response (not already reported in 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) is verified and/or assured by a third party?

	Other environmental information included in your CDP response is verified and/or assured by a third party
	Select from: ☑ Yes

[Fixed row]

(13.1.1) Which data points within your CDP response are verified and/or assured by a third party, and which standards were used?

Row 1

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

☑ Climate change

☑ Biodiversity

(13.1.1.2) Disclosure module and data verified and/or assured

Introduction

☑ All data points in module 1

(13.1.1.3) Verification/assurance standard

General standards

☑ ISAE 3000

(13.1.1.4) Further details of the third-party verification/assurance process

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The work of the auditor in terms of non-financial review was limited solely to verifying the information identified in the section "2.20.9 Compliance table of Spanish Law 11/2018 of 28 December – GRI Standards" included in the CMR. The scope and consolidation approach for the calculation of environmental performance data is the same as in our financial accounting, which is operational control.
Likewise, the auditor has carried out a moderate assurance engagement of the application of the principles of inclusivity, materiality, responsiveness, and impact, related to the information included in the section "1.4 Materiality" of the CMR in accordance with the provision of the 2018 AccountAbility Principles Standard AA1000 (AA1000AP) issued by AccountAbility.
The NFIS has been drawn up in accordance with the provision of current mercantile legislation and in accordance with the criteria of the Sustainability Reporting Standards of the Global reporting Initiative as per the details provided for each matter in the section "2.20.9 Compliance table of Spanish Law 11/2018 of 28 December – GRI Standards" of the CMR. Our main reporting standard is GRI given its international relevance. Other standards or framework taken into account are TCFD and SASB.

(13.1.1.5) Attach verification/assurance evidence/report (optional)

Independent PwC Verification Report 2023.pdf

Row 7

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

☑ Climate change

(13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Climate change

☑ Waste data
☑ Carbon removals
☑ Fuel consumption
☑ Methane emissions
☑ Base year emissions
☑ Emissions breakdown by business division
☑ Electricity/Steam/Heat/Cooling generation
☑ Electricity/Steam/Heat/Cooling consumption
☑ Emissions reduction initiatives/activities
☑ Renewable Electricity/Steam/Heat/Cooling generation
☑ Progress against targets
☑ Renewable fuel consumption
☑ Project-based carbon credits
☑ Emissions breakdown by country/area
☑ Energy attribute certificates (EACs)
☑ Year on year change in absolute emissions (Scope 3)
☑ Renewable Electricity/Steam/Heat/Cooling consumption
☑ Year on year change in emissions intensity (Scope 3)
☑ Year on year change in absolute emissions (Scope 1 and 2)
☑ Year on year change in emissions intensity (Scope 1 and 2)

(13.1.1.3) Verification/assurance standard

General standards

☑ ISAE 3000

Climate change-related standards

☑ ISO 14064-3

(13.1.1.4) Further details of the third-party verification/assurance process

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December – GRI Standards" of the CMR. Our main reporting standard is GRI given its international relevance. Other standards or framework taken into account are TCFD and SASB Regarding the indicators on energy consump. and GHG, we have reviewed that they have been verified by an independent third party in accordance with the ISO14064-3 standards and we have evaluated the competence, capabilities and objectivity of the verification team and the adequacy of its work based on a review of the work planning activities and reports issued.

(13.1.1.5) Attach verification/assurance evidence/report (optional)

Independent PwC and AENOR Verification Report 2023.pdf

Row 8

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

☑ Climate change

☑ Plastics

☑ Biodiversity

(13.1.1.2) Disclosure module and data verified and/or assured

Identification, assessment, and management of dependencies, impacts, risks, and opportunities

☑ Identification, assessment, and management processes

(13.1.1.3) Verification/assurance standard

General standards

☑ ISAE 3000

☑ Other general verification standard, please specify **:**AA1000AP for materiality

(13.1.1.4) Further details of the third-party verification/assurance process

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(13.1.1.5) Attach verification/assurance evidence/report (optional)

Independent PwC Verification Report 2023.pdf

Row 9

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

☑ Climate change

☑ Biodiversity

(13.1.1.2) Disclosure module and data verified and/or assured

Governance

☑ All data points in module 4

(13.1.1.3) Verification/assurance standard

General standards

☑ ISAE 3000

(13.1.1.4) Further details of the third-party verification/assurance process

Our Consolidated Non-Financial Information Statement ("NFIS") for the year ended 31 December 2023 of Telefónica S.A. (Parent company) and subsidiaries which forms part of the accompanying Group consolidated management report ("CMR") was verified with the scope of a limited assurance engagement under the article 49 of the Code of Commerce (this process is done once per year).
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(13.1.1.5) Attach verification/assurance evidence/report (optional)

Independent PwC Verification Report 2023.pdf

Row 10

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply
☑ Climate change

(13.1.1.2) Disclosure module and data verified and/or assured

Business strategy
☑ Sustainable finance taxonomy aligned spending/revenue

(13.1.1.3) Verification/assurance standard

General standards

☑ ISAE 3000

(13.1.1.4) Further details of the third-party verification/assurance process

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(13.1.1.5) Attach verification/assurance evidence/report (optional)

Independent PwC Verification Report 2023.pdf

Row 11

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

☑ Climate change

☑ Biodiversity

(13.1.1.2) Disclosure module and data verified and/or assured

Business strategy

☑ Supplier compliance with environmental requirements

(13.1.1.3) Verification/assurance standard

General standards

☑ ISAE 3000

(13.1.1.4) Further details of the third-party verification/assurance process

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(13.1.1.5) Attach verification/assurance evidence/report (optional)

Independent PwC Verification Report 2023.pdf

Row 12

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

☑ Climate change

☑ Biodiversity

(13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Consolidation approach

☑ All data points in module 6

(13.1.1.3) Verification/assurance standard

General standards

☑ ISAE 3000

(13.1.1.4) Further details of the third-party verification/assurance process

Our Consolidated Non-Financial Information Statement ("NFIS") for the year ended 31 December 2023 of Telefónica S.A. (Parent company) and subsidiaries which forms part of the accompanying Group consolidated management report ("CMR") was verified with the scope of a limited assurance engagement under the article 49 of the Code of Commerce (this process is done once per year).
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(13.1.1.5) Attach verification/assurance evidence/report (optional)

Independent PwC Verification Report 2023.pdf
[Add row]

(13.3) Provide the following information for the person that has signed off (approved) your CDP response.

(13.3.1) Job title

Director Chief Corporate Affairs & Sustainability Officer

(13.3.2) Corresponding job category

Select from:

☑ Other C-Suite Officer

[Fixed row]