Telefónica

Annual Report on Corporate Governance

Included in the Chapter 4 of the 2024 Consolidated Management Report on Telefónica, S.A. and its Group of Companies

Annual Corporate Governance Report

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4.1. Main aspects of Corporate Governance in 2024 and 2025

4.1.1. Corporate Governance System

Telefónica's basic corporate governance system principles are set forth in its Bylaws, in the Regulations of its Board of Directors, in the Regulations for the General Shareholders' Meeting, in the Regulations for the Audit and Control Committee, in the Regulations for the Nominating, Compensation and Corporate Governance Committee, in the Internal Code of Conduct for Securities Markets Issues, and in certain Policies relating to this matter; particularly noteworthy, among others, are the Diversity Policy in relation to the Board of Directors and the Selection of Board Members, the Disclosure, Contact and Engagement Policy for Shareholders, Institutional Investors and Proxy Advisors, the Remuneration Policy of the Directors of Telefónica, S.A. and the Responsible Business Policy. These regulations determine the action principles of the Board of Directors, govern its organization and operation and set the rules of conduct of its members.

The principles underlying Telefónica's corporate governance system are the following:

a. the maximization of the value of the Company in the interest of the stakeholders,

b. the essential role of the Board of Directors in the supervision of the management of the Company, and

c. transparency as regards information in relations with its stakeholders including employees, shareholders, investors and customers, among others.

In this regard, the Board of Directors will take the necessary measures to ensure: (i) that the Company's management team pursues the creation of value for the shareholders, (ii) that such management team is under its actual supervision, (iii) that no person or small group of persons holds a decision-making power that is not subject to checks and balances or controls, and (iv) that any shareholder receives privileged treatment compared to the others.

4.1.2. Continuous improvement of Corporate Governance

Telefónica undertakes the firm commitment to continuously improve its corporate governance framework by expanding, enhancing and consolidating best practices in this subject.

To this end, the Company carries out an ongoing analysis and review of its corporate governance structures and the degree of compliance with the main recommendations existing in the subject of good governance, always in consideration of possible initiatives to make short and medium term improvements and seeking out the formula for governance that best defends the interests of its shareholders and sustainable value creation.

In this context, Telefónica has adopted, among others, the following decisions and measures:

i) the implementation of the new recommendations of Technical Guide 1/2024 on Public Interest Audit Committees and the appointment by the Board of Directors of a verifier of the Company's Sustainability Information, in anticipation of the Draft Law on Corporate Information on Sustainability;

ii) the progressive renewal of the Board of Directors through the appointment of new Directors who possess the necessary knowledge, experience, and professional background to contribute to the success of the Telefónica Group's project in the coming years and to face the challenges that will arise in the telecommunications sector, as well as the reorganization of various positions within the Board of Directors, including the appointment of Mr. Marc

Thomas Murtra Millar as the new Executive Director and Chairman of the Board, Ms. María Luisa García Blanco as Chairwoman of the Audit and Control Committee, Mr. Peter Löscher as Lead Independent Director, and Mr. Carlos Ocaña Orbis as the new Proprietary Director, at the request of the Sociedad Estatal de Participaciones Industriales (SEPI);

iii) the continuous implementation of a Training Program to all members of its Board of Directors in those matters that have been deemed appropriate; and

iv) the update of part of the regulations and internal policies of the Company in those matters where it has been required.

The detail of the matters indicated in the above paragraphs is given below:

> New Technical Guide 1/2024 on Public Interest Audit Committees

In the 2024 financial year, significant corporate governance improvements have been adopted in the areas of auditing and sustainability. In particular, the Company has taken into consideration the new recommendations included in Technical Guide 1/2024 on Public Interest Audit Committees, prepared by the National Securities Market Commission. Among other improvements, this has led to the review of the content of the annual report on the activities of the Audit and Control Committee for the 2024 fiscal year. Furthermore, in the area of sustainability, the Board of Directors, anticipating the Draft Law on Corporate Information on Sustainability, which is currently in the parliamentary process (and will amend the Commercial Code, the Capital Companies Act, and the Audit Act, and which transposes into Spanish law Directive (EU) 2022/2464 of the European Parliament and of the Council of December 14, 2022, amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC, and Directive 2013/34/EU) as regards corporate sustainability reporting, resolved on December 11, 2024 the appointment of the verifier of the Company's Sustainability Information for the said fiscal year.

> Changes related to the composition of the Board of Directors and its Committees

Following the vacancy on the Board of Directors due to the voluntary resignation of Independent Director Ms. Carmen García de Andrés, for personal reasons and to facilitate the renewal of the Company's governing body, the Board of Directors, following the favorable report of the Nominating, Compensation and Corporate Governance Committee, approved on May 8, 2024 the appointment of Mr. Carlos Ocaña Orbis as new Proprietary Director, at the request of the Sociedad Estatal de Participaciones Industriales (SEPI).

Additionally, in light of the Company's new shareholder structure and the expressed preference of some relevant shareholders to initiate a new phase in the executive chairmanship, on January 18, 2025, the Board of Directors of Telefónica, following the favorable report of the Nominating, Compensation and Corporate Governance Committee, agreed to: (i) the orderly renewal of the Company's chairmanship to align it with its new shareholder structure; and (ii) the appointment of Mr. Marc Thomas Murtra Millar as the Company's Executive Director, also appointing him as Executive Chairman of the Board of Directors and delegating all delegable powers to him, replacing the former Executive Chairman, Mr. José María Álvarez-Pallete López, who resigned at that same meeting.

Furthermore, the CNMV Technical Guide 1/2019 on nomination and remuneration committees recommends that in companies with a lead independent director, this person should be a member of the Nominating, Compensation and Corporate Governance Committee or, alternatively, that this Committee maintains regular contact with him. In this regard, on January 29, 2025, the Board of Directors, with the abstention of the Executive Directors and at the proposal of the Nominating, Compensation and Corporate Governance Committee, agreed to appoint as Lead Independent Director to the Independent Director, Mr. Peter Löscher (Chairman of the Nominating, Compensation and Corporate Governance Committee), replacing Mr. José Javier Echenique Landiríbar.

Additionally, on January 29, 2025, the Audit and Control Committee, replacing Mr. José Javier Echenique Landiríbar, agreed to appoint Independent Director Ms. María Luisa García Blanco as Chairwoman of the said Committee. This appointment not only reinforces the Company's commitment to gender diversity but also underscores the importance of the essential criteria of merit and capability in all selection processes carried out at Telefónica.

> Training and Information Programmes

Telefónica continually offers all members of its Board of Directors training programmes and refresher courses on those aspects of special importance to the performance of their duties.

In this regard, throughout the 2024 financial year, training and information sessions have been imparted to the members of the Board of Directors and of the Board Committees by external consultants and internal teams related to the following topics, among others:

- Artificial Intelligence (AI):
  - Training session on AI from a technical perspective, on March 3, 2024.
  - Training session on AI from a legal perspective, on March 5 and May 6, 2024.
  - Training session on the AI market and challenges, on March 19, 2024.
  - Training session on AI trends, on May 29, 2024.
- Risk Management: Training session on the Telefónica Group's Risk Management Model, on July 29 and December 10, 2024.
- Sustainability: Training session on regulations in the field of sustainability and the interoperability of the different standards applicable to the Telefónica Group, on September 24, 2024.
- Knowledge of the Brazilian market and Telefónica Brasil (Vivo) in São Paulo (Brazil), in November 2024, on the occasion of an Offsite Strategic Board of Directors meeting.

On the other hand, when new Directors join the Board Members, Telefónica makes the relevant Company information available to them. The purpose is for new member of the Board of Directors or its Committees can have the right support they need to rapidly get up to speed regarding the Company and its Group, in such way that from they can actively and effectively perform their duties immediately after their appointment.

Among the documentation provided to new Board Members are the following: (i) the basic corporate regulations (Bylaws, Regulations for the General Shareholders' Meeting, Regulations of the Board of Directors, Regulations of the Audit and Control Committee, and Regulations for the Nominating, Compensation and Corporate Governance Committee. Similarly, the Diversity Policy in relation to the Board of Directors and the Selection of Board Members, the Remuneration Policy of the Directors, and the Disclosure, Contact and Engagement Policy for Shareholders, Institutional Investors and Proxy Advisors); (ii) the Internal Code of Conduct for Securities Markets Issues (RIC), which establishes a series of communication obligations and restrictions on carrying out operations with securities issued by companies of the Telefónica Group; and (iii) the Schedule of ordinary sessions of the Board of Directors and of the Board Committees.

Internal sessions are also organised with the representatives of the most relevant areas so that they are familiar with the details and functioning of the Board of Directors and its Committees, as appropriate.

> Update of Corporate Regulations and Policies

During the financial year 2024, the Board of Directors has approved, among others, the following corporate regulations and policies: (i) update of the Regulatory and Organizational Framework Policy of Telefónica; (ii) update of the Global Privacy Policy; and (iii) new Global Environmental and Energy Policy.

4.1.3. Main aspects of the Board of Directors

As of the date of drawing up of this Report, the Board of Directors of Telefónica, S.A. is composed of 14 members, with one vacancy following the passing of the Vice-Chairman and Lead Independent Director, Mr. José Javier Echenique Landiríbar on December 15, 2024.

The current composition of the Board of Directors and of each of its Committees is detailed below.

		Board of Directors				Board Committees			
Name	**Post**	**Executive**	**Proprietary**	**Independent**	**Other External**	**Executive Commission**	**Audit and Control**	**Nominating, Compensation and Corporate Governance**	**Sustainability and Regulation**
Mr. Marc Thomas Murtra Millar [1]	Chairman	X				C			
Mr. Isidro Fainé Casas	Vice-Chairman		X			VC			
Mr. José María Abril Pérez	Vice-Chairman		X			VC			M
Mr.Ángel Vilá Boix	Chief Operating Officer (C.O.O.)	X				M			
Ms. María Luisa García Blanco[2]	Member			X			C	M	M
Mr. Peter Löscher [3]	Member			X		M	M	C	
Mr. Carlos Ocaña Orbis [4]	Member		X			M	M		
Ms. Verónica Pascual Boé	Member			X				M	
Mr. Francisco Javier de Paz Mancho	Member				X	M		M	C
Mr. Alejandro Reynal Ample	Member			X					
Mr. Francisco José Riberas Mera	Member			X					
Ms. María Rotondo Urcola	Member			X			M		M
Ms. Claudia Sender Ramírez	Member			X		M			
Ms. Solange Sobral Targa	Member			X					M

C	**Chairman**
VC	**ViceChairman**
M	**Member**

1 The Board of Directors of Telefónica, S.A., at its meeting held on January 18, 2025, following a favourable report from the Nominating, Compensation and Corporate Governance Committee, resolved to appoint, by co-optation, Mr. Marc Thomas Murtra Millar as Executive Chairman of Telefónica, S.A.'s Board of Directors, replacing Mr. José María Álvarez-Pallete López.

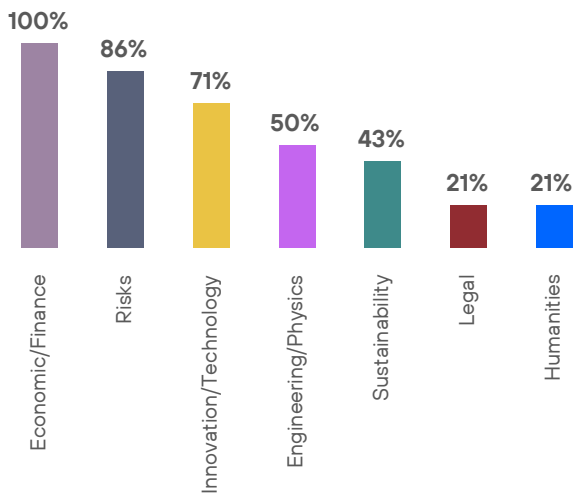
2 The Audit and Control Committee of Telefónica, S.A., at its meeting held on January 29, 2025, agreed to appoint Ms. María Luisa García Blanco as Chairwoman of the aforementioned Committee.

3 The Nominating, Compensation and Corporate Governance Committee of Telefónica, S.A., at its meeting held on February 20, 2024, resolved to appoint Mr. Peter Löscher as Chairman of the aforementioned Committee, replacing Mr. José Javier Echenique Landiríbar, who remained as a Member of the aforementioned Committee until December 15, 2024. Likewise, the Board of Directors of Telefónica, S.A., at its meeting held on January 29, 2025, at the proposal of the Nominating, Compensation and Corporate Governance Committee, resolved to appoint Mr. Peter Löscher as Lead Independent Director.

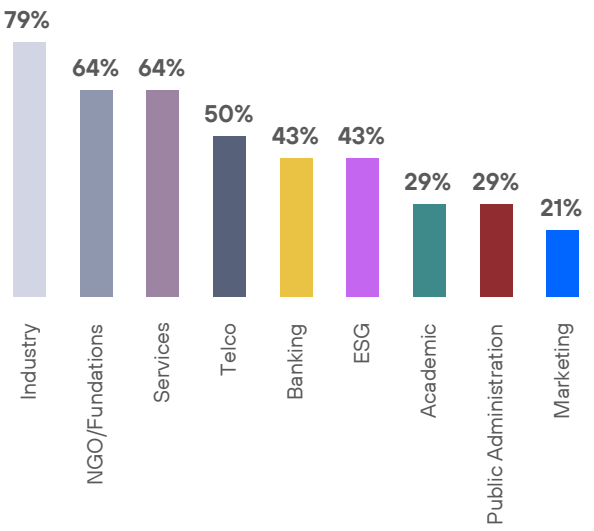
4 The Board of Directors of Telefónica, S.A., at its meeting held on May 8, 2024, following a favourable report from the Nominating, Compensation and Corporate Governance Committee, resolved to appoint, by co-optation, Mr. Carlos Ocaña Orbis as Proprietary Director to the Board of Directors of Telefónica, S.A., nominated by the shareholder Sociedad Estatal de Participaciones Industriales (SEPI), in order to fill the vacancy resulting from the resignation from Ms. Carmen García de Andrés. Likewise, the Board of Directors, at its meeting held on May 8, 2024, following a favourable report from the Nominating, Compensation and Corporate Governance Committee, resolved to appoint Mr. Carlos Ocaña Orbis as Member of the Executive Commission and Member of the Audit and Control Committee.

Below are some aspects regarding diversity on the Board of Directors of Telefónica, S.A.:

% Directors with the following Knowledge and Skills



% Directors with Professional Experience in the following sectors



Nationality

Spanish		11
Austrian		1
Brazililan		2

It is detailed below the individual attendance of directors at meetings of the Board of Directors and each of its Committees during the year 2024.

Attendance at meetings of the Board and its Committees in 2024

		Board Committees			
Name	Board of Directors	Executive Commission	Audit and Control	Nominating, Compensation and Corporate Governance	Sustainability and Regulation
Mr. José María Álvarez-Pallete López	15/15	17/17			
Mr. Isidro Fainé Casas	14/15	17/17			
Mr. José María Abril Pérez	15/15	17/17			10/10
Mr.Ángel Vilá Boix	15/15	17/17			
Ms. María Luisa García Blanco	15/15		14/14	12/12	10/10
Mr. Peter Löscher	15/15	16/17	13/14	12/12	
Mr. Carlos Ocaña Orbis	9/9		9/9		
Ms. Verónica Pascual Boé	15/15			12/12	
Mr. Francisco Javier de Paz Mancho	15/15	17/17		12/12	10/10
Mr. Alejandro Reynal Ample	14/15				
Mr. Francisco José Riberas Mera	12/15				
Ms. María Rotondo Urcola	15/15		14/14		10/10
Ms. Claudia Sender Ramírez	15/15	16/17			
Ms. Solange Sobral Targa	15/15				10/10

Note. The table details the attendance of directors who have personally attended the meetings of the Board of Directors or its committees, not counting the attendance of directors made by proxy.

The **total number of meetings held by the Board of Directors and the Committees in 2024** amounted **more than 60**, demonstrating the intense activity of these bodies and the Directors's firm undertaking to perform their duties with dedication and commitment.

4.2. Ownership Structure

4.2.1. Share Capital

As of December 31, 2024, the share capital of Telefónica, S.A. was set at 5,670,161,554 euros and is divided into 5,670,161,554 common shares, of a single series and with a par value of 1 euro each, fully paid in. All the shares of the Company have the same characteristics and carry the same rights and obligations.

On May 13, 2024, the share capital reduction deed was registered, for an amount of 80,296,591 euros, in which 80,296,591 own shares that were in treasury stock were redeemed, with a nominal value of 1 euro each. Following the share capital reduction, the share capital was set at 5,670,161,554 euros.

The shares of Telefónica, S.A. are represented by book entries that are listed on the Spanish Electronic Market (within the selective Ibex 35 index) and on the four Spanish Stock Exchanges (Madrid, Barcelona, Valencia and Bilbao), as well as on the New York and Lima Stock Exchanges (on these latter two Exchanges through American Depositary Shares (ADSs), with each ADS representing one share of the Company).

As of December 31, 2024, the total number of shareholders of Telefónica, S.A. amounted to 1 million, and the distribution by investors categories was as follows:

Investor Category	% Share Capital
Domestic Institutional	33 %
Foreign Institutional	38 %
Retail	29 %

Treasury shares

At its meeting held on May 31, 2017, the Board of Directors of the Company approved the General Framework for Discretionary Treasury Shares Operations of Telefónica, S.A., as provided in articles 16.2 and 17.6 of Telefónica's Internal Code of Conduct for Securities Markets Issues (the "IRC").

Such General Framework sets forth the discretionary action principles for the management of treasury shares, observing and respecting the provisions of the above-mentioned Code, particularly as regards restrictions on price, volume and timing of the transactions.

As of the closing date of the 2024 fiscal year, the number of direct shares held as treasury shares stood at 26,874,751 (0.47% of the share capital).

As for the changes in treasury shares that occurred during the fiscal year, see Note 17 (Equity) of the Consolidated Accounts of Telefónica, S.A. for fiscal year 2024.

Furthermore, and in connection with the authorization granted to the Board of Directors by the shareholders at the General Shareholders' Meeting to acquire the Company's own shares, the shareholders acting at the Ordinary General Shareholders' Meeting of Telefónica held on March 31, 2023 resolved to renew the aforementioned authorization granted by the shareholders themselves at the General Shareholders' Meeting of June 8, 2018 for the derivative acquisition of own shares, either directly or through companies of the Group, on the terms that are literally set forth below:

"A) To authorize, pursuant to the provisions of Section 144 et seq. of the Spanish Companies Act (Ley de Sociedades de Capital), the derivative acquisition by Telefónica, S.A., -either directly or through any of the subsidiaries-, at any time and as many times as it deems appropriate, of its own fully-paid in shares through purchase and sale, exchange or any other legal transaction.

The minimum acquisition price or minimum value consideration shall be equal to the par value of the shares of its own stock acquired, and the maximum acquisition price or maximum value consideration shall be equal to the listing price of the shares of its own stock acquired by the Company on an official secondary market at the time of the acquisition.

Such authorization is granted for a period of 5 years as from the date of this General Shareholders' Meeting and is expressly subject to the limitation that the par value of the Company's own shares acquired directly or indirectly pursuant to this authorization added to those already held by Telefónica, S.A. and any of its subsidiaries shall at no time exceed the maximum amount permitted by the Law at any time, and the limitations on the acquisition of the Company's own shares established by the regulatory Authorities of the markets on which the shares of Telefónica, S.A. are traded shall also be observed.

It is expressly stated for the record that the authorization granted to acquire shares of its own stock may be used in whole or in part to acquire shares of Telefónica, S.A. that it must deliver or transfer to directors or employees of the Company or of companies of its Group, directly or as a result of the exercise by them of their option rights, all within the framework of duly approved compensation systems referencing the listing price of the Company's shares.

B) To authorize the Board of Directors, as broadly as possible, to exercise the authorization granted by this resolution and to implement the other provisions contained therein; such powers may be delegated by the Board of Directors to the Executive Commission, the Executive Chairman of the Board of Directors, the Chief Operating Officer or any other person expressly authorized by the Board of Directors for such purpose.

C) To deprive of effect, to the extent of the unused amount, the authorization granted under Item V on the Agenda by the shareholders at the Ordinary General Shareholders Meeting of the Company on June 8, 2018."

Authorisation to increase share capital

As regards the authorizations conferred in respect of the share capital, and in addition to the authorization already described to acquire the Company's own shares, the shareholders acting at the Ordinary General Shareholders' Meeting held on June 12, 2020 resolved to delegate to the Board of Directors, as broadly as required by Law, pursuant to the provisions of Section 297.1.b) of the Companies Act, the power to increase the share capital on one or more occasions and at any time, within a period of five year from the date of adoption of such resolution, by the maximum nominal amount of 2,596,065,843 euros, equal to one-half of the share capital of the Company on the date of adoption of the resolution at the General Shareholders' Meeting, issuing and floating the respective new shares for such purpose with or without a premium, the consideration for which will consist of monetary contributions, with express provision for incomplete subscription of the shares to be issued. The Board of Directors was also authorized to exclude pre-emptive rights in whole or in part, as provided in section 506 of the Companies Act. However, the power to exclude pre-emptive rights is limited to 20% of the share capital on the date on which the resolution is adopted. In accordance with the above-mentioned authorization, as of the end of fiscal year 2024, the Board would be authorized to increase the share capital by the maximum nominal amount of 2,596,065,843 euros.

Furthermore, the shareholders at the Ordinary General Shareholders' Meeting of Telefónica, S.A., held on June 12, 2020, delegated to the Board of Directors, in accordance with the general rules governing the issuance of debentures and pursuant to the provisions of applicable law and the Company's Bylaws, the power to issue debentures, bonds, notes and other fixed-income securities and hybrid instruments, including preferred shares, which may in all cases be simple, exchangeable and/or convertible and/or grant the holders thereof a share in the earnings of the Company, as well as warrants, with the power to exclude the pre-emptive rights of shareholders. The aforementioned securities may be issued on one or more occasions, within a maximum period of five years as from the date of adoption of the resolution. However, the power to exclude pre-emptive rights is limited to 20% of the share capital on the date on which the resolution is adopted. The securities issued may be debentures, bonds, notes and other fixed-income securities, or debt instruments of a similar nature, or hybrid instruments in any of the forms admitted by Law (including, among others, preferred interests) both simple and, in the case of debentures, bonds and hybrid instruments, convertible into shares of the Company and/or exchangeable for shares of the Company, of any of the companies of its Group or of any other company and/or giving the holders thereof an interest in the corporate earnings. Such delegation also includes warrants or other similar instruments that may entitle the holders thereof, directly or indirectly, to subscribe for or acquire newly-issued or outstanding shares, payable by physical delivery or through differences. The aggregate amount of the issuance or issuances of instruments that may be approved in reliance on this delegation may not exceed, at any time, 25,000 million euros or the equivalent thereof in another currency. In the case of notes and for purposes of the above-mentioned limits, the outstanding balance of those issued in reliance on the delegation shall be computed. In the case of warrants, and also for the purpose of such limit, the sum of the premiums and exercise prices of each issuance shall be taken into account.

Furthermore, under the aforementioned delegation resolution, the shareholders at the Ordinary General Shareholders' Meeting of Telefónica, S.A. resolved to authorize the Board of Directors to guarantee, in the name of the Company, the issuance of the aforementioned instruments issued by the Companies belonging to its Group of Companies, within a maximum period of five years as from the date of adoption of the resolution.

Restrictions on the transferability of securities and/or voting rights

As for the existence of restrictions on the transfer of securities and/or voting rights, in accordance with article

26 of the Company's Bylaws, no shareholder may exercise a number of votes exceeding 10 percent of the total share capital with voting rights existing at any time, regardless of the number of shares held, all of the foregoing with full and mandatory submission to the provisions of the Law. In determining the maximum number of votes that each shareholder may cast, only the shares held by the shareholder in question shall be computed, not including those held by other holders who have delegated their representation to that shareholder, without prejudice to the application of the same percentage limit of 10 percent to each of the shareholders represented individually.

The limitation established in the preceding paragraph shall also apply to the maximum number of votes that may be cast -either jointly or separately- by two or more shareholder companies belonging to the same group of entities, as well as to the maximum number of votes that may be cast by an individual or legal entity that is a shareholder, and the entity or entities, also shareholders, that the former directly or indirectly controls.

For the purposes indicated in the preceding paragraph, in order to consider the existence of a group of entities, as well as the control situations indicated above, the provisions of section 18 of the Companies Act shall apply.

Establishing in the Bylaws the maximum number of votes that may be cast by the same shareholder or by shareholders belonging to the same group (article 26 of the Bylaws) is warranted because the purpose of such measure is to establish an appropriate balance and to protect the position of minority shareholders, preventing a possible concentration of votes on a small number of shareholders, which could affect the furtherance of the corporate interest or the interest of all the shareholders as a guide for the actions of the shareholders at the General Shareholders' Meeting. Telefónica believes that this measure does not constitute a mechanism to block public tender offers but rather a guarantee that the acquisition of control will require sufficient consensus among all the shareholders since, as is natural and may be seen from experience, potential offerors may condition their offer to the removal of such requirement.

In addition, and in accordance with section 527 of the Companies Act, at listed companies, bylaw provisions that directly or indirectly establish, in general terms, the maximum number of votes that may be cast by a single shareholder, companies belonging to the same group or those acting in concert with the foregoing shall cease to have effect when, following a public tender offer, the offeror has reached a percentage equal to or greater than 70 percent of the capital carrying voting rights, unless such offeror is not subject to equivalent neutralization measures or has not adopted them.

On the other hand, the shareholders at a General Shareholders' Meeting of Telefónica, S.A. have not resolved to adopt any neutralization measure in the event of a public tender offer in reliance on the provisions of the Securities Market Act.

In addition, the provisions of Article 7 of Law 19/2003 of July 4, 2003 on the legal regime governing the movement of capital and economic transactions abroad and on certain measures to prevent money laundering and Article 18 of Royal Decree 571/2023 of July 4, 2003 on foreign investment, which require prior authorisation for foreign investments in Spain in activities directly related to national defence, are applicable. This authorisation is exempted in two cases: (a) acquisitions of less than 5% of the share capital provided that they do not allow participation in the administrative body and (b) acquisitions of between 5% and 10% of the share capital provided that the investor renounces in a public deed before the Administration not to exercise or transfer to third parties its voting rights and not to form part of any corporate administrative bodies.

Likewise, the provisions of Article 7.bis.1 of the aforementioned Law 19/2003 must be taken into account, which requires prior authorisation for foreign investment involving the acquisition of a stake equal to or greater than 10% of the share capital (or any that entails the acquisition of total or partial control) when it affects strategic sectors such as: critical telecommunications infrastructure, data processing or storage, critical and dual-use telecommunications technologies, artificial intelligence, robotics, cybersecurity, sectors with access to sensitive information, etc. Article 7.bis.3 of this Law requires prior authorisation for foreign investments with the same percentage or effect on the control of the company when, among other cases, the foreign investor is directly or indirectly controlled by the government of a third country.

In both cases, investment transactions carried out without the required prior authorisation are not valid and have no legal effect until they are legalised, so that, until the necessary authorisation is obtained, the foreign investor cannot exercise his economic or political rights.

4.2.2. Significant Shareholders

According to the information existing at the Company, there is no individual or legal entity that directly or indirectly, individually or jointly with others, exercises or may exercise control over Telefónica on the terms set out in section 5 of the Securities Market Act.

As of the date of drawing up of this Report, there are, however, certain shareholders holding interests that may be considered significant within the meaning of Royal Decree 1362/2007, of October 19, and which are the following:

Name or corporate name of shareholder	% voting rights attributed to shares		% of voting rights through financial instruments		% of total voting rights
	Direct	Indirect	Direct	Indirect	
Sociedad Estatal de Participaciones Industriales (*)	10	0.00	0.00	0.00	10.00
Criteria Caixa, S.A.U. (**)	9.99	0.00	0.00	0.00	9.99
Banco Bilbao Vizcaya Argentaria, S.A. (***)	4.93	0.00	0.00	0.00	4.93
Public Investment Fund. (****)	0.00	9.97	0.00	0.00	9.97
BlacRock, Inc. (*****)	0.00	3.09	0.00	1.20	4.29

(*)Based on the information notified by Sociedad Estatal de Participaciones Industriales (SEPI) for the 2024 Annual Report on Corporate Governance of Telefónica, S.A.
(**) Based on the information provided by Criteria Caixa, S.A.U. for the 2024 Annual Report on Corporate Governance of Telefónica, S.A. Likewise, and without this implying an incremental or additional participation, Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona, as the sole shareholder of Criteria Caixa, S.A.U., holds the same participation indirectly.
(***) Based on the information provided by Banco Bilbao Vizcaya Argentaria, S.A. for the Annual Corporate Governance Report of Telefónica, S.A. for the 2024 financial year. Furthermore, according to the aforementioned information provided by BBVA, the percentage of economic rights attributed to the shares of Telefónica, S.A. owned by BBVA at December 31, 2024, it would increase by 0.231% without voting rights of the company's share capital.
(****) Based on the information notified by Public Investment Fund to the CNMV on February 6, 2025, Public Investment Fund's indirect stake is held through Green Bridge Investment Company SCS (a company controlled by Saudi Telecom Company which in turn is controlled by Public Investment Fund).
(*****) Based on the information notified by BlackRock, Inc. to the CNMV on November 25, 2024.

Breakdown of indirect interest:

Name or corporate name of indirect owner	Name or corporate name of direct owner	% voting rights attributed to shares	% of voting rights through financial instruments	% of total voting rights
Public Investment Fund	Green Bridge Investment Company SCS	9.97	0.00	9.97
BlackRock, Inc.	BlackRock Group	3.09	1.20	4.29

It is hereby stated for the record that Telefónica is not aware of the existence of family, commercial, contractual or corporate relationships (whether significant or not arising in the ordinary course of business) among the holders of significant interests in its share capital.

Below is a description of the commercial, contractual or corporate relationships existing between the holders of significant interests and Telefónica, S.A. and/or its Group of companies (except for those of little significance or arising in the ordinary course of business):

Name of related party	Nature of relationship	Brief description
Banco Bilbao Vizcaya Argentaria, S.A.	Corporate	Shareholding of Banco Bilbao Vizcaya Argentaria, S.A. (or any of the companies of its Group), together with Telefónica, S.A. and with CaixaBank, S.A., in Telefónica Factoring España, S.A., TFP, S.A.C., Telefónica Factoring Colombia, S.A., Telefônica Factoring do Brasil, Ltda.,Telefónica Factoring México, S.A. de C.V., SOFOM, E.N.R., Telefonica Factoring Chile, S.A. (indirectly through Telefónica Factoring España, S.A.) and Telefónica Factoring Ecuador, S.A. (indirectly through TFP, S.A.C.).
Banco Bilbao Vizcaya Argentaria, S.A.	Corporate	Shareholding of Ciérvana, S.L. (a company which belongs to Grupo BBVA), together with Telefónica Compras Electrónicas, S.L.U., in Adquira España, S.A.
Banco Bilbao Vizcaya Argentaria, S.A.	Contractual	Memorandum of understanding executed by Telefónica Digital España, S.L.U. with the aim of exploring a potential collaboration to offer loans to consumers and SME in Argentina, Colombia, and Perú.
Banco Bilbao Vizcaya Argentaria, S.A.	Contractual	Financial Collaboration Agreement signed with Banco Bilbao Vizcaya Argentaria, S.A., with special conditions for the Employees, Retirees and Pre-retirees group of the Telefónica Group.
Banco Bilbao Vizcaya Argentaria, S.A.	Corporate	Joint venture agreement executed between Telefónica Innovación Digital, S.L.U. (previously called Telefónica Digital España, S.L.U.) and Compañía Chilena de Inversiones, S.L., an affiliated company of BBVA, related to the incorporation of a subsidiary in Colombia with the aim of commercializing loans to consumers and SME in such country. On January 5, 2021, this company was incorporated as a 50% joint venture between the two companies, under the name Movistar Consumer Finance Colombia, S.A.S.

Similarly, below is a description of the relationships and/or positions of some of the Directors of Telefónica, S.A. with its significant shareholders:

Name or company name of related director or representative	Name of company name of related significant shareholder	Company name of the group company of the significant shareholder	Description of relationship/post
Mr. José María Abril Pérez	Banco Bilbao Vizcaya Argentaria, S.A.	Banco Bilbao Vizcaya Argentaria, S.A.	Formerly General Manager of Wholesale and Investment Banking in Banco Bilbao Vizcaya Argentaria, S.A.
Mr. Isidro Fainé Casas	Criteria Caixa, S.A.U.	Criteria Caixa, S.A.U.	Chairman of Criteria Caixa, S.A.U.

Remarks
Mr. José María Abril Pérez Name or company name of the shareholder represented or that has proposed their appointment: Banco Bilbao Vizcaya Argentaria, S.A.
Mr. Isidro Fainé Casas Name or company name of the shareholder represented or that has proposed their appointment: Criteria Caixa, S.A.U.

4.2.3. Directors' Shareholdings

As of December 31, 2024, the total percentage of voting rights (attributed to shares and financial instruments) held by the Board of Directors was 0.41%.

4.3. General Shareholders' Meeting

4.3.1. Shareholders' Rights

The Bylaws of Telefónica, S.A. provide for a single class of shares (common shares), giving all the holders thereof identical rights. There are no non-voting shares or shares, or a loyalty vote, carrying more than one vote or with privileges in the distribution of dividends, or reinforced quorum or qualified majorities other than those established by law.

There is no provision for the shareholders at a General Shareholders´ Meeting having to approve decisions entailing an acquisition, disposition or the contribution to another company of essential assets or similar corporate transactions other than those established by law.

This section describes some of the main rights of the shareholders of the Company.

Right to receive information

The General Shareholders' Meeting is called as much in advance as required by law, through a notice published in, at a minimum: (i) the Official Gazette of the Commercial Registry or one of the widest circulation dailies in Spain; (ii) the website of the National Securities Market Commission; and (iii) the Company's corporate website.

The notice published on the Company's corporate website remains accessible on a continuous basis at least until the holding of the General Shareholders' Meeting. Likewise, the Board of Directors may publish notices in other media, if it deems appropriate, in order to ensure public and effective dissemination of the call to meeting.

From the date of publication of the notice of the call to the General Shareholders' Meeting, the Company makes available to its shareholders the documents and information that must be provided to them in accordance with legal or bylaw-mandated requirements in connection with the various items included on the Agenda; such items and documents are posted on the Company's website from the above-mentioned date. Notwithstanding the foregoing, shareholders may obtain such documents and information immediately and free of charge at the Company's registered office, and request that they be delivered or mailed to them free of charge, in the cases and on the terms established by law.

In addition, from the date of publication of the call to the General Shareholders' Meeting and until the fifth day prior to the date set for the holding of the meeting on first call, any shareholder may request in writing such information or clarifications or ask such questions in writing as it deems relevant concerning the matters included on the Agenda of the call to meeting, or concerning the information accessible to the public that the Company may have provided to the National Securities Market Commission since the holding of the immediately preceding General Shareholders' Meeting, or concerning the auditor's report.

The Board of Directors will be required to provide in writing, until the day of the holding of the General Shareholders' Meeting, the requested information or explanations, as well as to reply, also in writing, to the questions asked. The replies to the questions and to the requests for information will be sent through the Secretary of the Board of Directors by any of the members of the Board or by any person expressly authorized by the Board of Directors for such purpose.

During the holding of the General Shareholders' Meeting, shareholders may request such information or explanations as they deem appropriate concerning the matters included on the Agenda or with respect to the information accessible to the public provided by the Company to the National Securities Market Commission since the holding of the last General Shareholders' Meeting or concerning the auditor's report. In the event that it is impossible to satisfy the shareholder's right at that time, the Board of Directors will be required to provide such information in writing within seven days of the end of the General Shareholders' Meeting.

The Board of Directors will be required to provide the requested information as described in the two preceding paragraphs in the manner and within the periods established by law, except in those cases where: (i) such information is unnecessary for the protection of the shareholder's rights or there are objective reasons to consider that it could be used other than for corporate purposes, or the dissemination thereof would harm the Company or its related companies; (ii) the request for information or explanations does not relate to matters

included on the Agenda or, in the case of paragraph two of this subsection (Right to Receive Information), to information accessible to the public that was provided by the Company to the National Securities Market Commission since the holding of the last General Shareholders' Meeting; and (iii) it is so established in statutory or regulatory provisions. The exception described in subsection (i) above shall not apply if the information was requested by shareholders representing at least one-fourth of the share capital.

The replies to shareholders attending the General Shareholders' Meeting from a distance electronically and simultaneously and exercising their right to receive information through such procedure shall be provided, where applicable, during the meeting itself, or in writing, within seven days following the General Shareholders' Meeting.

Supplement to the call to the General Shareholders' Meeting and right to submit new proposal for resolutions

Shareholders representing at least three percent of the share capital may request that a supplement to the call to the Ordinary General Shareholders' Meeting be published, including one or more items on the Agenda, provided the new items are accompanied by a rationale or, if appropriate, by a duly substantiated proposed resolution. In addition, and on the terms set forth in section 519 of the Companies Act (Ley de Sociedades de Capital), shareholders representing at least three percent of the share capital may, within five days following publication of the notice of the call to meeting, submit duly substantiated proposed resolutions on matters already included or that must be included on the Agenda. Such rights shall be exercised by means of duly authenticated notice, which must be received by the Company in accordance with the provisions of the Law.

Right to attend and to appoint a proxy

Shareholders holding at least 300 shares registered in their name in the respective book-entry register five days prior to the General Shareholders' Meeting and providing evidence thereof through the respective attendance card or certificate issued by the Company or by any of the Depositary Entities Members of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (IBERCLEAR) or in any other form allowed by applicable legislation may attend the General Shareholders' Meeting called.

Any shareholder having the right to attend may be represented at the General Shareholders' Meeting by another person, even if such person is not a shareholder. Proxies may be granted through the proxy forms printed on the attendance cards or in any other manner allowed by law, without prejudice to the provisions of the Companies Act regarding cases of representation by family members and the grant of general powers of attorney. The documents granting the proxy for the General Shareholders' Meeting shall include instructions concerning the direction of the vote. Unless the shareholder granting the proxy expressly states otherwise, it shall be deemed that such shareholder issues precise voting instructions in favor of the proposed resolutions submitted by the Board of Directors on the matters included on the Agenda. If there are no voting instructions because the shareholders acting at the General Shareholders' Meeting could decide on matters that, while not included on the Agenda and therefore not known on the date on which the proxy is granted, might be put to a vote at the General Shareholders' Meeting, the proxy shall cast the vote in the direction the proxy considers best, taking into account the interest of the Company and that of the shareholder the proxy represents. The same provisions shall apply when the respective proposal or proposals submitted to a decision of the shareholders at the General Shareholders' Meeting were not made by the Board of Directors.

It is expressly stated for the record that the notice of call of the last Ordinary General Shareholders' Meeting expressly provided that unless the shareholder granting the proxy expressly stated otherwise, such shareholder would be deemed to issue precise instructions to vote against the respective resolution on any matter that, while not included on the Agenda and therefore not known on the date on which the proxy was granted, might be put to a vote at the General Shareholders' Meeting.

If the proxy document does not state the specific person to whom the shareholder grants his proxy, it shall be deemed to have been granted to the Chair of the Board of Directors of the Company or to the person who may replace him as Chair of the General Shareholders' Meeting. If the appointed proxy should be in a situation of conflict of interest regarding the vote on any of the proposals which, whether or not included on the Agenda, are submitted at the General Shareholders' Meeting and the shareholder granting the proxy has not issued precise voting instructions, the proxy shall be deemed to have been granted to the Secretary for the General Shareholders' Meeting.

Shareholders who are not holders of the minimum number of shares required to attend may also grant a proxy in writing with respect to such shares to a shareholder with the right to attend or form a group with other shareholders in the same situation until they have the necessary number of shares, and grant a proxy in writing to one of them.

Right to vote and adoption of resolutions

Every share present in person or by proxy at the General Shareholders' Meeting shall entitle the holder thereof to one vote.

Resolutions shall be adopted by simple majority, meaning that proposed resolutions will be approved when the number of votes in favor of each proposal is greater than the number of votes against it (regardless of the number of blank votes and abstentions), without prejudice to the reinforced voting quorums established in the law and in the Bylaws.

Rules for amending the Company's Bylaws

The Bylaws and Regulations for the General Shareholders' Meeting of Telefónica confer upon the shareholders acting at a General Shareholders' Meeting the power to approve the amendment of the Bylaws (articles 15 and 5, respectively), subject to applicable legal provisions for all other matters.

The procedure for amending the Bylaws is established in sections 285 and seq. of the Companies Act, and must be approved at the General Shareholders' Meeting complying with the quorum and majorities required in sections 194 and 201 of the same law. In particular, if the General Shareholders' Meeting is summoned to deliberate on Bylaw amendments, including capital increases or reductions, bond issuance, on eliminating or restricting pre-emptive rights in respect of new shares and on the transformation, merger, spin-off or the global assignment of assets and liabilities and the relocation of the registered office abroad, then shareholders that own at least fifty percent of the subscribed capital with voting rights will have to be present or be represented by proxy on first call. If there is no sufficient quorum, the General Shareholders' Meeting will be held on second call, in which case at least twenty-five percent of the subscribed capital with voting rights will need to be present, either in person or by proxy. When shareholders that represent less than fifty percent of the subscribed capital with voting rights are present at the Meeting, either in person or by proxy, the resolutions referred to above may only be approved when two-thirds of the capital, present or represented by proxy at the Meeting, vote in favor of the resolution.

Pursuant to section 286 of the Companies Act, if the Bylaws are amended, the Directors or, if appropriate, the shareholders who made the proposal must draw up in full the text of their proposed amendment and a written report justifying the amendment, which must be made available to the shareholders when the General Shareholders' Meeting is called to deliberate on the amendment.

Furthermore, and pursuant to section 287 of the Companies Act, the notice calling the General Shareholders' Meeting must clearly state the items that might be amended, and note that all the shareholders are entitled to analyze the full text of the proposed amendment and the report on such amendment at the registered offices, as well as to request such documents to be delivered or sent to them free of charge.

Pursuant to section 291 of the Companies Act, when new obligations are established for the shareholders due to an amendment of the Bylaws, the resolution must be passed with the approval of the affected shareholders. Furthermore, if the amendment directly or indirectly affects a type of shares, or part of them, the provisions of section 293 of such Act shall apply.

The procedure for voting on proposed resolutions at the General Shareholders' Meeting is regulated in section 197 bis of the Companies Act and in the internal regulations of Telefónica (in particular, article 23 of the Regulations for the General Shareholders' Meeting). This article states, among other things, that when amendments are made to the Bylaws, each article or group of articles which is materially different will be voted on separately.

Corporate Website

Telefónica complies with applicable legislation and best practices in terms of the content of its website concerning Corporate Governance. In this respect, it fulfills both the technical requirements for access to and content of the Company website, including information on General Shareholders' Meetings, through direct access from the homepage of Telefónica, S.A. in the "Shareholders and Investors" section, which includes not only all of the information that is legally required but also information that the Company considers to be of interest.

4.3.2. Dialogue with the Shareholders

The Regulations for the General Shareholders' Meeting and the Regulations of the Board of Directors of Telefónica, S.A. devote several of their sections to governing the channels whereby relations between the Board of Directors and the shareholders of the Company (both individual shareholders and institutional shareholders and investors) are established in order to thereby ensure the greatest possible transparency in such relations. It is further expressly provided that the Board of Directors undertakes to guarantee equal treatment in its relations with the shareholders. The purpose of the Company's actions in this area, based on the paramount standard of transparency, is the distribution of all public information generated by the Company, making it accessible to all its shareholders simultaneously and in a non-discriminatory manner, complying with their need for information and ensuring

that published information satisfies the standards of quality, clarity and truthfulness.

In addition, and within this context, the Board of Directors of the Company, at its meeting held on November 25, 2015, approved the Policy on Information, Communication and Contacts with Shareholders, Institutional Investors and Proxy Advisors, the second and third edition of which was also approved by the Board at its meetings of November 4, 2019 and December 16, 2020, respectively, to include new developments and the latest trends on the matter. In the latest edition of December 16, 2020, the name of said Policy was changed to Disclosure, Contact and Engagement Policy of Telefónica, S.A. for shareholders, institutional investors and proxy advisors.

In connection therewith, and as provided in such Policy, the Board of Directors of Telefónica is the body responsible for establishing and supervising appropriate mechanisms of communication and relationship with shareholders, institutional investors and proxy advisors that fully respect the rules prohibiting market abuse and that provide similar treatment to shareholders in the same position.

Thus, the Board of Directors, acting through its corresponding decision-making bodies, endeavors to defend, protect and facilitate the exercise of the rights of shareholders, institutional investors and the markets in general and, in particular, their right to information, within the framework of protecting the corporate interest, which is understood as the achievement of a profitable and sustainable business over the long-term, which fosters its continuity and the maximization of the economic value of the company, all in accordance with the following principles:

a) Transparency and truthfulness, immediacy, equality and symmetry in the diffusion of economic/financial, non-financial and corporate information by dissemination thereof through the reporting and communication channels provided in this Policy, which contribute to maximizing the dissemination and quality of information available to the market, to investors and to other stakeholders.

b) Published information shall be clearly written and must be true, complete in all material respects and comply with all applicable legal requirements, such that it reasonably provides a true and fair view of the financial and nonfinancial position, the profits/losses and the business of the Company in all material respects.

c) Information shall be subjected to an internal control system of a Coordination and Control Committee, and to supervision by the Internal Audit directorate, the Audit and Control Committee, the Board of Directors and the External Auditor.

d) Encouraging the engagement within the Company of shareholders and institutional investors, particularly by providing access to information relevant to the exercise by shareholders of their rights, mainly the rights to attend and vote at the General Meeting.

e) Development of information disclosure tools that take advantage of new technology in order to communicate rapidly and effectively using economical means.

f) Compliance with applicable law, particularly the Market Abuse Regulation, and the internal rules of the Company, especially the Internal Code of Conduct for Securities Markets Issues.

Telefónica disseminates to the market and communicates to its shareholders and institutional investors and to its other stakeholder groups, its information through various channels:

- **Communications to the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) (CNMV) and other international official bodies.**

The Company sends to the CNMV all information that under applicable law is classified as inside or relevant, periodic financial and non-financial information, and corporate information as required by law.

Likewise, the Company delivers each and every one of the communications that it has filed for these purposes with the CNMV to other foreign supervisory authorities and bodies in all markets on which its shares are admitted to listing. Information sent to the CNMV is immediately disseminated on the CNMV's website and is subsequently published on the Company's website.

Within this context, Telefónica mainly publishes the following financial, non-financial and corporate information: i) Communications of Inside Information and Other Relevant Information; ii) Quarterly results information; iii) Semi-annual results information; iv) Annual Information (Annual Financial Statements and Management Report, which includes the Statement of Non-financial Information (Sustainability information), the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration, together with the External Auditor's Report); and iv) Annual Informational Reports (including the Universal Registration Document filed on an annual basis with the CNMV, or the 20-F report, filed with the Securities and Exchange Commission (SEC) in the United States).

- **Corporate website of Telefónica.**

In compliance with applicable legal provisions, the Company has a corporate website, which is an official channel of communication to allow for the exercise by shareholders of the right to obtain information and to disseminate information of interest to investors and

other stakeholders, favoring transparency, immediacy and the subsequent access to information. The information is published simultaneously in Spanish and English, with the Spanish version taking precedence in the event of any inconsistency.

Telefónica's corporate website also provides access to the following information; i) General information regarding the Company; ii) financial information; iii) Inside Information and Other Relevant Information Communications issued by the Company; iv) Share information; v) Information on corporate governance; vi) Non-financial information-ESG; vii) Debt and Ratings; and viii) Specific information for shareholders (section "Shareholder Zone" of the corporate website) which is focused on minority shareholders.

In particular, the presentations of annual, semi-annual and quarterly results, as well as other types of significant institutional or economic/financial presentations are published through Telefónica's corporate website.

Telefónica also streams webcasts and conference calls regarding presentations of quarterly results and other significant communications for the market, allowing access to shareholders, analysts and any other persons who so desire.

All documents required by applicable legal provisions regarding the call to and holding of General Shareholders' Meetings are also published on the corporate website, which promotes informed participation and the exercise of the rights to information and participation.

- **General Shareholders' Meeting**

As already mentioned in preceding paragraphs, the Board of Directors encourages informed and responsible participation by the shareholders at the General Shareholders` Meeting, and adopts such measures and guarantees as may be appropriate to ensure that the shareholders at the General Shareholders' Meeting effectively perform their duties under the law and the Company's corporate governance principles.

In addition, from the call to the General Shareholders' Meeting, the shareholders can access the Office of the Shareholder, in order to resolve questions that might be raised and respond to and inform those persons who wish to take the floor.

The Office of the General Secretary of the Company, with the support of the Investor Relations, People and Sustainability Area, is responsible for maintaining ongoing contact and dialogue with proxy advisors, answering their questions regarding proposed resolutions submitted at the General Shareholders' Meeting and providing the clarifications they deem to be required, so that their voting recommendations can be based on a real understanding of the Company and its situation.

Likewise, Telefónica must also monitor the policies and recommendations of such proxy advisors, as well as international developments and trends in corporate governance, and evaluate the recommendations and principles issued by proxy advisers in relation to corporate governance standards, taking into account the particular circumstances of the Company and its environment and, in any event, the legal provisions that may apply to the Company.

- **Relationships with shareholders, institutional investors and financial analysts**

The Disclosure, Contact and Engagement Policy of Telefónica, S.A. for Shareholders, Institutional investors and Proxy advisors requires the Company to inform, communicate with and respond appropriately to its shareholders and investors with transparency, truthfulness, immediacy, equality and symmetry in the dissemination of information. Telefónica communicates directly with its shareholders, institutional investors and financial analysts through the Investor Relations area that includes Shareholders´Office.

Therefore, Investor Relations is in charge of and responsible for any contact with shareholders, institutional investors and financial analysts, channelling through it any communication that is made, both orally and in writing, requesting the participation of other areas of the Telefónica Group that may have competence in the matters that are the subject of consultation, such as the General Secretary's Office, People or Sustainability. Likewise, the Group's Investor Relations department will coordinate the communication of the different subsidiaries with the market in order to ensure that it is appropriate, consistent and coherent at all times.

a) Investor Relations

In charge of continuously responding to questions and suggestions made by institutional investors and financial analysts on an individualized basis through

- An e-mail address (ir@telefonica.com).
- A telephone number (+34 91 482 87 00) and a mailing address (Distrito Telefónica - Edificio Central Pl. 2ª C/ Ronda de la Comunicación s/n 28050 Madrid).
- In addition, to provide detailed reports on the evolution, strategy, results of the Company and to answer questions from analysts and institutional investors, informational meetings and roadshows are organized at the main financial centers worldwide. These meetings are held by both Investor Relations

and Telefónica's management team, in a face-to-face format, hybrid or virtual.

During 2024, contact was maintained with approximately 500 institutional investors, attending 27 roadshows and sectoral or general conferences organised by investment banks, both face-to-face and virtual.

Attendance at forums and conferences in the telecommunications sector or generally in Europe/Latin America and in Environmental, Social and Governance matters (ESG), is also a natural channel for Telefónica's communication with institutional investors. Thus, during 2024, Telefónica has been present at 19 sectoral or general conferences organized by banks.

There are also presentations to and meetings with analysts and institutional investors that delve into strategic issues of the Company, which supplement the published information and may be necessary or appropriate to facilitate communication and the long-term creation of value.

Within this context and for some years now, Telefónica has an Engagement Program with the Company's main investors, informing them transparently and on an ongoing basis of, among other things, business strategy, financial performance, corporate governance (composition of the Board of Directors and Good Governance practices), remuneration and sustainability. In addition to Investor Relations, other areas of the Telefónica Group responsible for matters concerning which queries are received, such as the Office of the General Secretary, People or Sustainability, also participate in this program. The Company is committed to the main investors in ESG, and regularly makes telephone calls, roadshows and holds face-to-face meetings in London, Paris and USA, or in virtual format.

All these measures are used to coordinate and manage communication with the market in order to ensure that it is appropriate, consistent and coherent at all times.

Communication with institutional investors, analysts and shareholders may not take place during the periods prior to publication of the results of the Group or of subsidiaries that are subject to securities market rules.

b) Office of the Shareholder

Telefónica's Shareholders' Office ensures transparent, agile and fluid communication with its shareholders, providing the same information in due time and form as it does to institutional shareholders.

The Company provides all of them with a communication service consisting of sending emails with information of interest to the Company, inside information and other relevant information communications, news, quarterly results (videos, infographics, etc.), monthly newsletters, Acción Telefónica magazine, podcasts, blogs, stock market information, among others, in order to promote transparency and communication between the Company and its shareholders. This information is sent to shareholders who request this service and is available for consultation and/or download in the "Shareholders' Area" section of the corporate website.

The quarterly magazine "Acción Telefónica" includes financial, operational and sustainability information, as well as a summary of financial results, news reports and exclusive campaigns for shareholders that can be accessed. It is available in digital format, in the "Shareholder Zone", and can also be viewed on IOS and Android devices by installing the corresponding app.

The monthly newsletter containing stock market information, news, technological advances, news, videos, offers, promotions, cultural visits, upcoming events, sponsorships, acknowledgements, blogs, podcasts, etc., is also distributed to shareholders registered with the communications service.

The "Shareholder Zone" website includes the "Shareholder Offers Area", where shareholders can register to enjoy more than 400 offers on various products and services from different well-known brands. These offers range from travel to education and culture, as well as health and sports, among others.

There is also a current affairs section that includes the most listened podcasts and the most interesting current affairs blogs, both published by the Company.

During 2024, the offer of free training courses for shareholders on the most important subjects of the moment has been maintained, allowing them to improve their knowledge of the digital and financial world and access to cultural and sporting events sponsored by the Company.

In addition, the Shareholders' Office holds regular meetings with shareholders in the various Spanish provinces with the largest number of shareholders, informing them of the Company's strategy and the latest results published, thus offering personalised treatment to shareholders and complying with the transparency requirements to offer the same information to individual and institutional shareholders. These meetings establish a two-way communication between the Company and its shareholders, where points of view can be exchanged. During 2024, 2 face-to-face meetings have been held at the Barcelona and Bilbao Stock Exchanges, analysing the results and the company's strategic plan for the coming years. Likewise, 2 virtual meetings have been held with shareholders that are hosted on the "Shareholders Zone" website for viewing.

Throughout the year, personal communication is maintained, via telephone, electronic, postal and virtual, with the shareholder, especially on the occasion of the presentation of results and the main communications of inside or relevant information, such as distribution of dividends, calls for General Meetings of Shareholders, corporate operations, etc.

On the other hand, in order to improve the dialogue between the Company and its shareholders, Information Assemblies may be held periodically in which the shareholders participate, under the terms established, to discuss and address current issues of the Telefónica Group and that are considered of special attractiveness and interest to this group. These questions may concern regulatory developments in the field of listed companies, aspects related to the progress of the business or other matters.

Upon the holding of the General Shareholders' Meeting, the channels of communication with shareholders are expanded to facilitate their participation therein. The Office of the Shareholder can be contacted directly through a form within a specific microsite for the Meeting. Shareholders can use this medium to ask questions relating to items on the agenda, the delivery of documentation relating thereto, and the procedure for participating in the General Shareholders' Meeting, either in person or by proxy, with a section of frequently asked questions and a virtual assistant to facilitate information and an explanatory video of participation in the Meeting, as well as information on the communication channels with the Shareholders' Office: free telephone and email.

The channels for contacting Telefónica's Office of the Shareholder are:

- Toll-free information number (900 111 004 from Spain) open from 9:00 a.m. to 7:00 p.m., Monday to Friday, except national holidays. This call center is staffed by qualified personnel specializing in the economic/ financial field. Information is provided regarding communications of privileged or significant information made by the Company, including the dividend policy, results, corporate transactions, among other things.
- E-mail address (accionistas@telefonica.com) for responding to questions and suggestions from the Company's shareholders. This channel of communication is attended to in Spanish as well as in English.
- Postal mail.

  Distrito Telefonica, Edificio Central Pl. 2ª Ronda de la Comunicación s/n Madrid 20850, Spain.
- Specific section for shareholders ("Shareholders' Area") on the corporate website.

Furthermore, throughout the year, the Office of the Shareholder collects and manages the suggestions and requests of the shareholders regarding other areas of the Telefónica Group, such as customer service, billing, sales, etc. and is thus a means for bringing the Company closer to the shareholders.

The engagement activities carried out in the year are indicated below:

- 4 virtual and face-to-face meetings and about 200 telematic communications (quarterly magazine, monthly newsletter, Shareholders' Meeting communications, relevant information of cultural and informative interest for shareholders and call centre).
- More than 17,000 shareholders contacted.

- **Social Media.**

Telefónica's social media profiles: Linkedin, X (Twitter), YouTube, Instagram, Facebook and Tik Tok, have become a channel for the communication of corporate, business, event and conference information.

In addition, and subject to securities market regulations on the communication of inside information, the Company may use social media to simultaneously communicate inside information as an additional or complementary channel to the CNMV, provided that the Company complies with the requirements of applicable legal provisions on the communication of inside information and other relevant information and with the other internal rules of the Company.

- **Mass Media.**

Based on the circumstances, and every time, the Company considers the suitability of summoning the media for the presentation of its annual results, with the participation, when appropriate, of Telefónica's management team, in order to inform the media regarding the progress of the Company and its projects, always subject to the principles of non-disclosure of inside information and other relevant information that has not already been published and the equal treatment of shareholders.

4.3.3. Main Aspects of the 2024 Ordinary General Shareholders' Meeting

Attendance and celebration

The Ordinary General Shareholders' Meeting held on April 12, 2024 was held at the offices of Telefónica, S.A. located in Distrito Telefónica, Ronda de la Comunicación s/n, Auditorio del Edificio Central, giving the attendees the possibility to participate by telematic means, in accordance with the provisions of article 21 of the Bylaws and article 18 of the Regulations of the General Shareholders' Meeting.

To promote the participation of as many shareholders as possible and to contribute to the sustainable management of the event, the Company enabled mechanisms on the website to allow shareholders (or their proxies) to attend the General Shareholders' Meeting remotely.

Similarly, and since the Ordinary General Shareholders' Meetings of the Company held in 2019, the Shareholders' Meeting of 2024 was broadcast live on Telefónica's corporate website, which enabled shareholders not present, investors and interested persons in general to be fully informed of the results and the matters discussed.

Quorum and attendance figures

At the 2024 Ordinary General Shareholders' meeting, the quorum was 62.13%. Such quorum breaks down as follows:

Attendance data

Date of general meeting	% physically present	% present by proxy	% distance voting		Total
			Electronic voting	Other	
12/04/2024	0,11%	56.16%	0.47%	5.39%	62.13%
Of which, free float	0.01%	34.94%	0.47%	0.20%	35.62%

Outcomes of the votes

All the items on the Agenda were approved by a majority; the percentage of affirmative votes was 98.07% on average.

The following table summarizes the resolutions approved at the 2024 Ordinary General Shareholders' Meeting and the results of the votes:

Item of the Agenda	Summary of the resolution	Votes in favour	Votes Against	Abstentions	Result of the Voting
I.1	Approval of the 2023 Annual Accounts and of the Management Report.	3,437,015,105 (99.5598%)	2,522,292 (0.0731%)	12,675,295 (0.3672%)	***Passed***
I.2	Approval of the Non-Financial Information Statement.	3,436,870,182 (99.5556%)	2,732,423 (0.0791%)	12,610,087 (0.3653%)	***Passed***
I.3	Approval of the management of the Board of Directors.	3,427,424,990 (99.2820%)	12,217,824 (0.3539%)	12,569,878 (0.3641%)	***Passed***
II.	Approval of the Proposed Allocation of the Profits/Losses.	3,437,110,183 (99.5625%)	7,711,867 (0.2234%)	7,390,642 (0.2141%)	***Passed***
III.	Re-election of the Statutory Auditor for fiscal year 2024.	3,435,760,266 (99.5234%)	3,954,990 (0.1146%)	12,497,436 (0.3620%)	***Passed***
IV.1	Re-election of Mr. Isidro Fainé Casas as proprietary Director.	3,395,444,038 (98.3556%)	43,079,736 (1.2479%)	13,688,918 (0.3965%)	***Passed***
IV.2	Re-election of Mr. José Javier Echenique Landiríbar as independent Director.	3,388,121,825 (98.1435%)	51,432,389 (1.4898%)	12,658,478 (0.3667%)	***Passed***
IV.3	Re-election of Mr. Peter Löscher as independent Director.	3,388,981,343 (98.1684%)	51,007,871 (1.4775%)	12,223,478 (0.3541%)	***Passed***
IV.4	Re-election of Ms. Verónica María Pascual Boé as independent Director.	3,404,562,649 (98.6197%)	33,456,130 (0.9691%)	14,193,913 (0.4112%)	***Passed***
IV.5	Re-election of Ms. Claudia Sender Ramírez as independent Director.	3,420,944.293 (99.0943%)	17,106,410 (0.4955%)	14,161,989 (0.4102%)	***Passed***
IV.6	Ratification and appointment of Ms. Solange Sobral Targa as independent Director.	3,423,516,977 (99.1688%)	14,444,662 (0.4184%)	14,251,053 (0.4128%)	***Passed***
IV.7	Ratification and appointment of Mr. Alejandro Reynal Ample as independent Director.	3,426,365,723 (99.2513%)	13,005,606 (0.3767%)	12,841,363 (0.3720%)	***Passed***
V	Reduction of share capital through the cancellation of own shares.	3,436,904,701 (99.5566%)	7,099,187 (0.2056%)	8,208,804 (0.2378%)	***Passed***
VI.	Shareholder compensation by means of dividend distribution.	3,443,742,424 (99.7546%)	4,701,198 (0.1362%)	3,769,070 (0.1092%)	***Passed***
VII.	Approval of a Long-Term Incentive Plan.	3,158,964,225 (91.5055%)	59,153,032 (1.7135%)	234,095,435 (6.7810%)	***Passed***
VIII.	Delegation of powers to formalise, interpret, correct and execute the resolutions adopted by the General Shareholders' Meeting.	3,439,276,134 (99.6253%)	4,003,491 (0.1160%)	8,933,067 (0.2588%)	***Passed***
IX.	Consultative vote on the 2023 Annual Report on Director Remuneration.	3,054,800,652 (88.4882%)	142,710,948 (4.1339%)	254,701,092 (7.3779%)	***Passed***
*Proposal not on the agenda: removal of the COO.		61,001 (0.0018%)	3,435,276,066 (99.5094%)	16,875,625 (0.4888%)	***Denied***

The full texts of the resolutions adopted by the General Shareholders' Meeting held on April 12, 2024 may be viewed on the Company's corporate website and on the CNMV website (Communication of Other Relevant Information sent on March 8, 2024).

Communication with shareholders

During 2024 and especially on the occasion of the Ordinary General Shareholders' Meeting, Telefónica continued to strengthen communications, service and relationships with its shareholders and investors:

– Call Center (900 111 004 Shareholder Call Center):

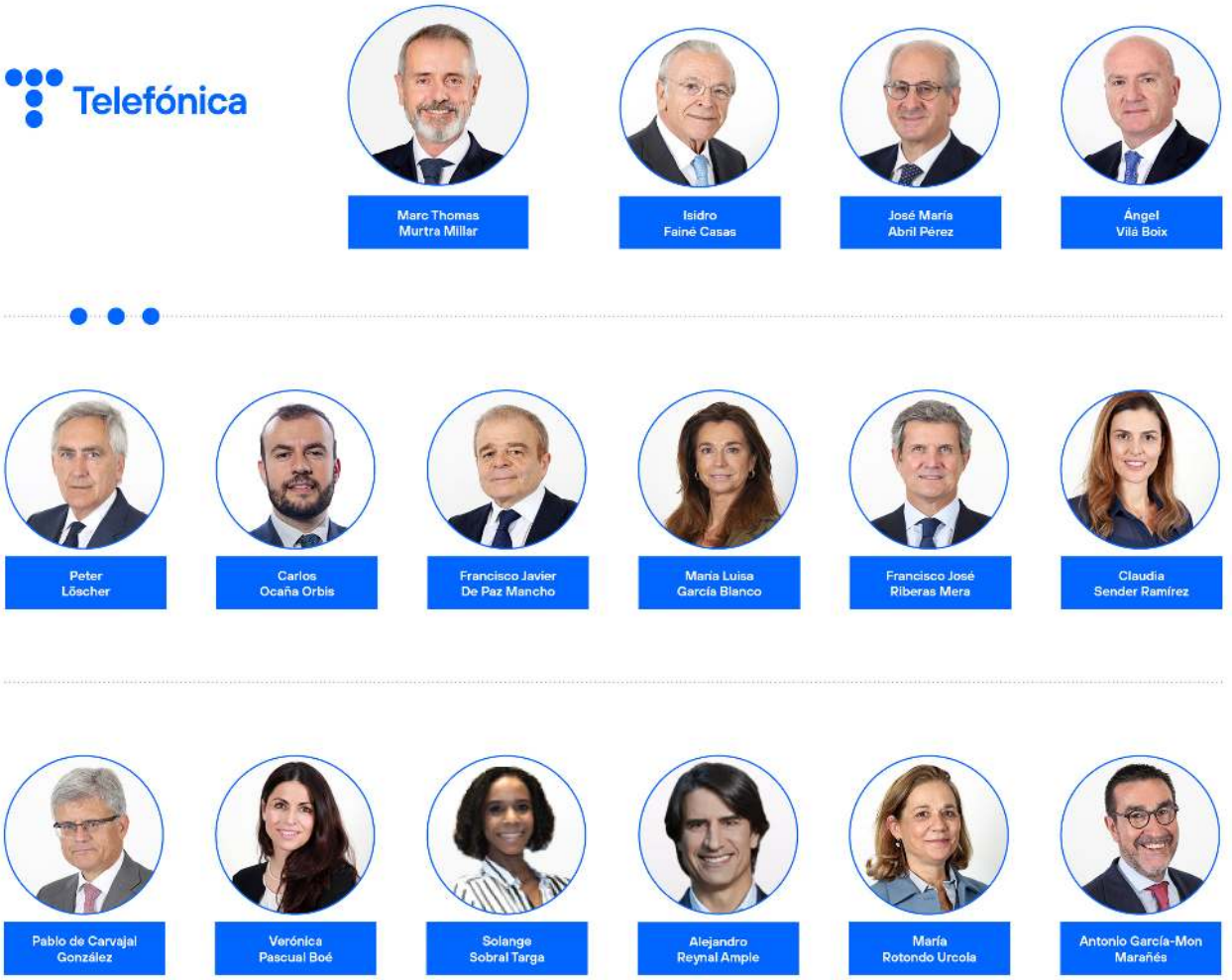
- 17,923 queries responded to during 2024.
- 6,864 queries during the period of the General Shareholder' Meeting.

– Shareholders' Mailbox:

- 27,094 e-mails responded to during 2024.
- 9,759 e-mails during the period of the General Shareholders' Meeting.

4.4. Organisational structure of the administrative bodies

4.4.1. Board of Directors



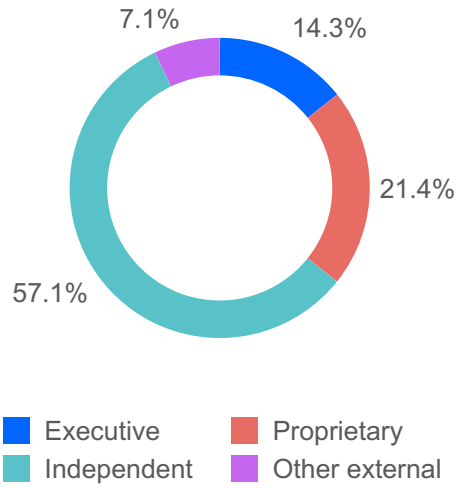
Structure of the Board of Directors (size, composition, diversity, procedure for selecting Directors)

Size

As of December 31, 2024, and as of the date of drawing up of this Report, the Board of Directors was and is composed of 14 members.

Additionally, it should be noted that the Company's Board of Directors has four Committees (the Executive Committee and three Advisory Committees), which ensures the active participation of its Directors.

Composition by category of Director



- Executive Directors: 2/14
- Independent Directors: 8/14

  The Independent Directors represent 57,1% of the Board of Directors, which gives a high degree of compliance with corporate governance recommendations, which require that the management body consist of a large majority of external Directors and that the number of independent Directors represent at least one-half of the total number of Directors. It should be noted that these recommendations have been expressly incorporated in the Regulations of the Board of Directors of the Company, as amended on December 16, 2020.
- Proprietary Directors: 3/14
- Other External Directors: 1/14

Diversity

Telefónica S.A. has a Director Selection Policy as of November 25, 2015. This Policy was updated i) on December 13, 2017 to include the Diversity Policy applicable to the Board of Directors and, consequently, was renamed the Diversity Policy in relation to the Telefónica, S.A. Board of Directors and the Selection of Directors, and ii) on December 16, 2020, in order to adapt this Policy to the applicable regulations and, specifically, to the recommendations of the Good Governance Code of the National Securities Market Commission (CNMV), which was partially reformed in June 2020.

This Policy ensures that the procedures for selecting Directors are based on a prior analysis of the of the skills required by the Board of Directors, and favors thereof diversity of knowledge, training and professional experience, age, disability and gender on the Board, free from any implicit bias that might imply any form of discrimination, particularly on account of gender, disability or any other personal condition, and that facilitate the selection of female Directors in a number that allows the achievement of an equal balance of women and men.

In accordance with the provisions of said Policy, the selection of candidates to serve as a Director at Telefónica adheres to the following principles:

1. An effort is made to ensure that the Board of Directors has a balanced composition, with a large majority of non-Executive Directors and an appropriate mix of Proprietary and Independent Directors, while also endeavoring to ensure that Independent Directors have sufficient weight within the Board of Directors.

In particular, and on the occasion of the appointment by co-option of Mr. Carlos Ocaña Orbis (candidate proposed by the significant shareholder Sociedad Estatal de Participaciones Industriales (SEPI)) as Proprietary Director of the Company on May 8, 2024, following a favorable report from the Nominating, Compensation and Corporate Governance Committee, an effort has been made to achieve a balanced composition of the Board of Directors. This appointment reflects the permeability of the share capital and the significant shareholders of Telefónica, as well as the current shareholding structure of the Company.

2. The Board of Directors endeavors to ensure that the procedures for the selection of Directors favor diversity of knowledge, training, professional experience, age and gender, and are free from any implicit biases that might imply any form of discrimination. All of the foregoing is in order for the Board of Directors to have an appropriate, diverse and balanced composition overall, which i) enriches analysis and debate, ii) contributes multiple viewpoints and positions, iii) favors decision-making taking into account the nature and complexity of the business, as well as the social and environmental context, iv) gives it maximum independence, and v) allows for compliance with legal requirements and good governance recommendations in relation to composition and suitability required to be met by the members of the various internal oversight Committees of the Board of Directors.

In particular, the Company's Board of Directors promotes the aim of inclusion of female Directors, as well as measures that promote the Company having a significant number of female senior executive officers based on good governance recommendations, all without prejudice to the key principles of merit and ability that must govern all of the Company's staff selection processes.

The Board of Directors regularly evaluates the degree of compliance and effectiveness of this Policy and, in particular, the percentage of female directors at any given time.

3. The process for the selection of candidates to serve as Directors is also based on a prior analysis of the skills required by the Board of Directors. Such analysis is conducted by the Company's Board of Directors, with the advice and with the required report or proposal, if applicable, of the Nominating, Compensation and Corporate Governance Committee.

In this regard, on January 18, 2025, the Company's Board of Directors, following a favorable report from the Nominating, Compensation and Corporate Governance Committee, agreed to the orderly renewal of the Company's Chairmanship to adapt it to its new shareholding structure. Therefore, it approved the appointment by co-option of Mr. Marc Thomas Murtra Millar as Executive Director of the Company, following a prior analysis of the competencies required by the Board of Directors. His profile and professional career are detailed in the section related to the "Professional background of the members of the Board of Directors."

4. In the case of re-election or ratification, the report or proposal of the Nominating, Compensation and Corporate Governance Committee contains an evaluation of the work and effective dedication to the position for the most recent period of time during which the proposed Director has been in that position, as well as the Director's ability to continue to perform satisfactorily.

5. The required report or proposal of the Nominating, Compensation and Corporate Governance Committee is published upon the call to the General Shareholders' Meeting at which the ratification, appointment or re-election of each Director is submitted.

Furthermore, the Board of Directors and the Nominating, Compensation and Corporate Governance Committee ensure, within the scope of their respective powers, that the candidates chosen for the position of Director are persons of recognized probity, competence and experience, who are willing to devote the time and effort required for the performance of their duties, exercising rigorous care in the selection of the persons called upon to serve as Independent Directors.

Accordingly, all the candidates for the position of Director shall be professionals of integrity, whose conduct and professional career is in line with Telefónica's Responsible Business Principles.

Additionally, candidates for Director shall be considered in particular if they have education and professional experience, in telecommunications, technology, consumer awareness, ESG knowledge, marketing, accounting, auditing, risk management (both financial and non-financial) and international experience and team leadership in multinationals will be valued.

On the other hand, and with regard to gender diversity, following the voluntary resignation of Ms. Carmen García de Andrés as Independent Director, for personal reasons and to facilitate the renewal of the Company's governing body, the percentage of female Directors relative to the total number of Board members is currently 35.71%. In this regard, the Company continues to work towards incorporating women who meet the required professional profile to increase gender diversity on the Board of Directors, achieving a balanced presence of women and men, and to avoid selection procedures suffering from implicit biases that hinder the appointment of female Directors and to comply with the best international corporate governance practices in terms of equality.

Likewise, in 2018 the Company's Board of Directors, at the proposal of the Nominating, Compensation and Corporate Governance Committee, unanimously appointed Ms. María Luisa García Blanco as Independent Director of Telefónica. This appointment was ratified by the shareholders at the Ordinary General Shareholders' Meeting of Telefónica held on June 8, 2018.

On the other hand, in 2019 the Company's Board of Directors, at the proposal of the Nominating, Compensation and Corporate Governance Committee, unanimously appointed Ms. Claudia Sender Ramírez and Ms. Verónica Pascual Boé as Independent Directors of Telefónica. These appointments were ratified by the Ordinary General Shareholders' Meeting of Telefónica held on June 12, 2020, at which both were appointed as Directors for the statutory term of 4 years.

Also, in 2021, the Board of Directors of the Company unanimously appointed, at the proposal of the Nominating, Compensation and Corporate Governance Committee, Ms. María Rotondo Urcola as Independent Director of Telefónica. This appointment was ratified by the Ordinary General Shareholders' Meeting of Telefónica held on April 8, 2022, at which she was appointed Director for the statutory term of 4 years.

Lastly, in the 2023 financial year, the Board of Directors unanimously appointed, at the proposal of the Nominating, Compensation and Corporate Governance Committee, Ms. Solange Sobral Targa as Independent Director of Telefónica. This appointment was ratified by the General Shareholders' Meeting of Telefónica held on April 12, 2024, where she was appointed Director for the statutory term of 4 years.

It should also be noted that the same criteria and principles that the Company applies to the process of selecting and appointing the members of the Board of Directors are applied to the appointment of the Directors who are part of the various Committees of the Company's Board of Directors, as well as, with regard to gender diversity, the appointment of female senior executive, all without prejudice to the key principles of merit and ability that must govern all of the Company's staff selection processes.

In this regard, on January 29, 2025, the Audit and Control Committee of Telefónica, S.A. agreed to appoint the Independent Director, Ms. María Luisa García Blanco, as Chairwoman of said Committee.

Lastly, with regard to performance evaluation, the Board of Directors conducts an annual evaluation of its operation and of that of its Committees, assessing in particular the application, in terms of the composition and competencies of the Board of Directors, of the various aspects of diversity included in the aforementioned Policy, as well as the performance of the Chairman of the Board of Directors, of the Company's Chief Executive Officer and of the various Directors, paying special attention to the heads of the various Board Committees and adopting appropriate measures for their improvement. This assessment is carried out every 3 years with the assistance of an external consultant, whose independence is verified by the Nominating, Compensation and Corporate Governance Committee. In this regard, as indicated at the end of this section under the title "Evaluation of the Board and of its Committees", for the evaluation corresponding to the financial year 2023, the Company was supported by Egon Zehnder as external advisor.

The Diversity Policy in relation to the Telefónica, S.A. Board of Directors and the Selection of Directors is public and may be viewed on the corporate website.

Procedure for the Selection, Appointment, Re-election and Cessation of Directors

Selection and Appointment

As mentioned earlier, Telefónica's Bylaws provide that the Board of Directors shall consist of a minimum of five and a maximum of twenty members, who shall be appointed by the shareholders at the General Meeting. Specifically, at the Annual General Meeting of April 8, 2022, the number of members of the Board of Directors was set at fifteen in accordance with article 29 of the Bylaws. However, there is currently a vacancy on the Board of Directors following the passing of the Vice Chairman and Lead Independent Director, Mr. José Javier Echenique Landiríbar.

The Directors shall hold office for a maximum period of four years and may be re-elected one or more times for periods of the same maximum length. On a provisional basis, the Board of Directors, in accordance with the provisions of the Companies Act and of the Bylaws, may fill existing vacancies on an interim basis, subject to ratification at the first General Shareholders' Meeting held.

Otherwise, and in any event, the proposals for the appointment of Directors must comply with the provisions of the Bylaws and of the Regulations of the Board of Directors, must be preceded by the corresponding report of the Nominating, Compensation and Corporate Governance Committee and, in the case of Independent Directors, by the corresponding proposal. In any event, the proposals must be accompanied by a supporting report from the Board of Directors assessing the competence, experience and merits of the proposed candidate.

In this regard, and in accordance with the responsibilities assigned to the Nominating, Compensation and Corporate Governance Committee, this Committee must evaluate the skills, knowledge and experience required on the Board of Directors, defining the functions and competencies required of the candidates who must fill each vacancy, and evaluating the specific amount of time and dedication that will allow them to perform their duties effectively.

With regard to the latter, and in accordance with the provisions of Article 27.2 of the Regulations of the Board of Directors, those who are members of more than five Boards of Directors of other companies other than Telefónica, S.A. and its Group companies may not be appointed to the Company's Board. For these purposes, a) all Boards of Directors of companies that are part of the same Group shall be counted as a single board of directors; and b) those Boards of Directors of asset-holding companies or those that constitute vehicles or complements for the professional exercise of the Director himself/herself, his/her spouse or person with a similar relationship, or his/her closest relatives, shall not be counted. As an exception, and for duly justified reasons, the Board of Directors may exempt the Director from this prohibition.

Similarly, Nominating, Compensation and Corporate Governance Committee must submit to the Board of Directors the proposals for the appointment of Independent Directors, whether for their appointment on an interim basis or for their submission to a decision by the shareholders at the General Shareholders' Meeting, along with the proposals for the re-election or separation of said Directors at the General Shareholders' Meeting. Likewise, it must report on the proposals for the appointment of the remaining Directors of the Company, whether for their appointment on an interim basis or for their submission to a decision by the shareholders at the General Shareholders' Meeting, along with the proposals for their re-election or separation at the General Shareholders' Meeting.

Similarly, it shall explain the category of each Director by the Board of Directors at the General Shareholders' Meeting at which the shareholders must make or ratify

their appointment. Furthermore, such category shall be reviewed annually by the Board, after verification by the Nominating, Compensation and Corporate Governance Committee, and a summary of this review shall be included in the Annual Corporate Governance Report.

In any case, and in the event of the re-election or ratification of Directors at the General Meeting, the report of the Nominating, Compensation and Corporate Governance Committee or, in the case of Independent Directors, the proposal of said Committee, shall contain an assessment of the work and effective dedication to the position during the last period of time in which it was held by the proposed Director, as well as its ability to continue to do so.

The Board of Directors and the Nominating, Compensation and Corporate Governance Committee shall ensure, within the scope of their respective powers, that the candidates proposed for the position of Director are persons of recognized probity, competence and experience, who are willing to devote the time and effort required for the performance of their duties, exercising rigorous care in the selection of the persons called upon to serve as Independent Directors.

The Board of Directors must endeavor to ensure that the procedures for the selection of its members promote diversity with respect to issues such as age, gender, disability, knowledge, education and professional experience, and are free from any implicit bias that might imply any form of discrimination, and, in particular, facilitate the selection of female Directors in such numbers as to achieve a balanced presence of women and men.

In this regard, and as mentioned earlier, at its meeting of November 25, 2015 the Board of Directors approved a Policy for the Selection of Directors, which on December 13, 2017, was updated to include the Diversity Policy applicable to the Board of Directors, such that it was renamed the Diversity Policy in relation to the Telefónica, S.A. Board of Directors and the Selection of Board Members. Likewise, on December 16, 2020, the Board of Directors approved an update of this Policy to reflect the most recent regulatory standards and, in particular, to adjust it to the provisions of the Recommendations of the Good Governance Code of the National Market Securities Commission (CNMV) regarding diversity.

The Nominating, Compensation and Corporate Governance Committee shall verify, on an annual basis, compliance with the Policy for the diversity of the Board of Directors and selection of Directors, and shall include the corresponding summary in the Annual Corporate Governance Report and in such other documents as are deemed appropriate. In addition, the Board of Directors shall periodically evaluate the degree of compliance with and effectiveness of the Policy and, in particular, the percentage of female Directors at any given time, and a detailed description of the Policy, as well as the objectives set in this respect and the results obtained, shall be included in the Annual Corporate Governance Report. Likewise, the Nominating, Compensation and Corporate Governance Committee may also propose to the Board of Directors any updates and proposed improvements of the Policy it deems appropriate.

Re-election

The Company's Directors may be re-elected one or more times for periods of the same length as that of the initial period.

In the same way as proposals for appointments, proposals for the re-election of Directors must be preceded by the corresponding report of the Nominating, Compensation and Corporate Governance Committee, and, in the case of Independent Directors, by the corresponding proposal.

Cessation or Removal

Directors shall cease to hold office when the time period for which they were appointed expires, or when so decided by the shareholders at the General Meeting in the exercise of the powers legally granted to them.

When a Director ceases to hold office before the end of his or her term, whether by resignation or by resolution of the General Meeting, the Director must adequately explain in a letter which will be sent to all members of the Board of Directors the reasons for leaving office or, in the case of non-executive Directors, the Director's views as to the grounds for removal by the shareholders acting at the General Meeting.

In addition, to the extent material to investors, the Company shall as soon as possible make public the cessation in office, including sufficient information as to the reasons or circumstances stated by the Director.

The Board of Directors shall not propose the removal of any Independent Director prior to the end of the bylaw-mandated period for which the said Director was appointed, unless due grounds therefor are present, as acknowledged by the Board at the proposal of the Nominating, Compensation and Corporate Governance Committee. Specifically, due grounds shall be deemed to exist when the Director has failed to perform the duties inherent in his position.

The removal of Independent Directors may also be proposed as a result of Public Tender Offers, mergers or other similar corporate transactions that entail a change in the structure of the company's capital.

Likewise, in accordance with the provisions of article 12 of the Regulations of the Board of Directors, the Directors must tender their resignation to the Board of Directors and formalize, where appropriate, and depending on the circumstances, such resignation in the following cases:

a. When they cease to hold the executive positions with which their appointment as Directors was associated, or when the reasons for their appointment no longer exist.

b. When they are affected by any of the cases of incompatibility or prohibition provided by Law.

c. When they are severely reprimanded by the Nominating, Compensation and Corporate Governance Committee for having failed to fulfill any of their obligations as Directors.

Directors' obligation to inform the Company of situations that may damage its credit or reputation

In particular, in accordance with Article 12.3 of the Board of Directors' Regulation, Directors must inform when they are subject to circumstances, whether or not related to their conduct within the Company itself, that may adversely affect the standing or reputation thereof, and particularly when they are under investigation in any criminal matter, in which case the Directors must notify the Company of the progress of any such legal proceedings. Having been notified or otherwise become aware of any of the circumstances mentioned in this paragraph, the Board of Directors shall examine the case as soon as possible and, based on the specific circumstances, and after a report from the Nominating, Compensation and Corporate Governance Committee, shall determine the measures to be adopted, including the request for the resignation of said Director, which it must accept, or the proposal to resign at the next General Meeting. Any such matter shall be included in the Annual Corporate Governance Report unless special circumstances justify otherwise, which circumstances must recorded in formal minutes. Those obligations shall be without prejudice to any information that the Company must disseminate at the time that any such measures are adopted.

Neither the Bylaws nor the Regulations of the Board establish any limit as to the age of the Directors.

Professional background of the members of the Board of Directors as of the date of drawing up of this Report

MR. MARC THOMAS MURTRA MILLAR

Executive Chairman

Executive Director

Joined the Board in 2025.

Nationality: Spanish and British. Born in 1972 in Blackburn, Lancashire, the United Kingdom.

Education: Graduated in Industrial Engineering from the Higher Technical School of Industrial Engineers of Barcelona (ETSEIB) at the Polytechnic University of Catalonia. Master in Business Administration (MBA) from the Leonard School of Business at New York University.

Experience: He began his professional career in the nuclear industry at British Nuclear Fuels Ltd in the United Kingdom and continued his career at the strategy consulting firm DiamondCluster, where he worked for large technology companies. He has dedicated several years to public service, where he specialized in Digital Strategy, Digital Transformation, and Public-Private Partnerships. In this role, he served as the General Director of Red.es, as well as the Chief of Staff to the Minister of Industry, Tourism, and Trade of the Government of Spain. Additionally, he has been Managing Partner at Closa Investment Bankers, as well as Director of CREA Inversión, and has extensive knowledge of the technology sector. He was also the Executive Chairman of the Board of Directors of Indra from May 2021 to January 2025 and an Independent Director at Ebro Foods, S.A. from January 2022 to January 2025.

Other relevant positions: Currently, he is the Chairman of the Telefónica Foundation, Chairman of VMED O2 UK Ltd, First Vice Chairman of Profuturo Foundation and Trustee of Caixa d'Estalvis i Pensions de Barcelona "la Caixa" Banking Foundation.

Board Committees of which he is a member: The Executive Commission (Chairman).

MR. ISIDRO FAINÉ CASAS

Vice Chairman

Proprietary Director

Joined the Board in 1994.

Nationality: Spanish. Born in 1942 in Manresa, Spain.

Education: Doctorate in Economics from the Universidad de Barcelona; ISMP in Business Administration from Harvard University; and a Diploma in Senior Management from the IESE Business School. Academic Numerary of the Royal Academy of Economics and Finance and of the European Royal Academy of Doctors.

Experience: He began his professional career in banking as Investment Manager at Banco Atlántico in 1964. Later, in 1969, he joined the Banco de Asunción in Paraguay as its General Manager. He returned to Barcelona to hold various positions of responsibility in several financial organizations: Head of Personnel of Banca Riva y García (1973); Director and General Manager of Banca Jover (1974) and General Manager of Banco Unión (1978). In 1982 he joined "la Caixa" as its Deputy Executive General Manager, holding various positions of responsibility. In 1991, he was appointed Executive Deputy General Director, and in 1999, General Manager of the bank, whose presidency he assumed in 2007, remaining until 2014. He was the Chairman of CaixaBank, S.A. since 2011 until his resignation as a member of the Board of Directors in 2016. Likewise, he was Chairman of Naturgy Energy Group, S.A. from 2016 to 2018, when he was named Honorary Chairman. He was Director of Suez, S.A. since 2014 until 2020.

Other relevant positions: He is Chairman and Member of the Executive Commission of the Board of Trustees of the Bancaria Caixa d'Estalvis i Pensions de Barcelona Foundation, "la Caixa", Chairman of the Board and of the Executive Commission of Criteria Caixa, S.A.U.; Chairman of the Board of Directors of Inmo Criteria Caixa, S.A.U.; Special Advisory of "The Bank of East Asia Limited"; Chairman of the Spanish Confederation of Savings Banks (CECA), and of the World Savings Bank Institute (WSBI); Vice-President of the European Savings Banks Group (ESBG); President of the Social and Philanthropic Council of WSBI-ESBG; President of the Spanish Confederation of Senior Officers and Executives (CEDE) and of the Spanish Chapter of the Club of Rome, Deputy-Chairman of the Royal Academy of Economic and Financial Sciences and Founder of the Financial Circle; and President of the Fundación Cajas de Ahorros (Funcas) and of the Board of Trustees of "la Caixa" Research Institute Foundation and Honorary Chairman of the Naturgy Energy Group, S.A. Additionally, he is the First Vice Chairman of the Board of Directors of ACS, Actividades de Construcción y Servicios, S.A.

Board Committees of which he is a member: The Executive Commission (Vice Chairman).

MR. JOSÉ MARÍA ABRIL PÉREZ

Vice Chairman

Proprietary Director

Joined the Board in 2007.

Nationality: Spanish. Born in 1952 in Burgos, Spain.

Education: Degree in Economics from the Commercial University of Deusto, and a professor for nine years at said university.

Experience: Between 1975 and 1982 he was the Chief Financial Officer of Sociedad Anónima de Alimentación (SAAL). Thereafter, and until joining the Banco Bilbao Vizcaya Argentaria Group, he held the position of Chief Financial Officer of Sancel-Scott Iberica. In 1985 he joined Banco Bilbao as Director of Corporate Banking Investment. Subsequently, from January to April 1993, he was the Executive Coordinator of Banco Español de Crédito, S.A. In 1998, he was appointed General Manager of Industrial Group, and in 1999, a member of the Management Committee of Grupo BBV. He has been a Director, among other companies, at Repsol, Iberia and Corporación IBV, Ibermática, S.A. and Vice-Chairman of Bolsas y Mercados Españoles (BME). In 2002 he was appointed General Director of Wholesale and Investment Banking and a Member of the Executive Committee of Banco Bilbao Vizcaya Argentaria, S.A.

Other relevant positions: He is currently Director of Arteche Lantegi Elkartea, S.A.

Board Committees of which he is a member: The Executive Commission (Vice Chairman) and the Sustainability and Regulation Committee (Member).

MR. ÁNGEL VILÁ BOIX

Chief Operating Officer

Executive Director

Joined the Board in 2017.

Nationality: Spanish. Born in 1964 in Barcelona, Spain.

Education: Degree in Industrial Engineering from the Polytechnic University of Catalonia in Barcelona, and an MBA from Columbia Business School, where he studied with a Fulbright La Caixa fellowship.

Experience: He joined Telefónica in 1997, assuming successively the positions of Controller of the Group, CFO of Telefónica Internacional, Director of Corporate Development and General Manager of Finance and Corporate Development. In 2015 he was appointed General Manager of Strategy and Finance. Before joining Telefónica, he developed his professional career at Citigroup, McKinsey&Co., Ferrovial and Planeta. In the financial sector, he was a member of the Board of Directors of Banco Bilbao Vizcaya Argentaria (BBVA) and of the Advisory Panel of Macquarie MEIF Infrastructure Fund.

In the TMT (Technology, Media and Telecom) sector, he was the Chairman of Telefónica Contenidos, Vice-Chairman of Telco SpA. (Italy) and a member of the Board of Endemol, Digital+, Atento, Telefónica Czech, CTC Chile, Indra SSI and Terra Lycos.

Other relevant positions: He is currently Trustee of the Telefónica Foundation, Director of VMED O2 UK Ltd. and Director of Mediobanca SpA.

Positions in other companies within the Telefónica Group (no executive duties): He is member of the Advisory Boards of Telefónica España and Telefónica Tech.

Board Committees of which he is a member: The Executive Commission (Member).

MS. MARÍA LUISA GARCÍA BLANCO

Member

Independent Director

Joined the Board in 2018.

Nationality: Spanish. Born in 1965 in Córdoba, Spain.

Education: Law degree from the University of Córdoba (Spain).

Experience: Government attorney (1992 promotion), on leave since October 2013. She was Assistant General Manager of Constitutional Law and Human Rights, and the government attorney heading the Department of Constitutional Law and Human Rights. Representative of the Kingdom of Spain to the European Court of Human Rights. Coordinator and leader of the Spanish Delegation to various United Nations Committees in Geneva (2002-2013). Other noteworthy activities include: Secretary of the Board of Directors of the State Society of Agricultural Infrastructures of the North (SEIASA DEL NORTE) and of its Audit and Control Committee (1999-2010); member of the Board of Directors of the State Society of Agricultural Infrastructures (SEIASA) (2010-2013); Director of the State Water Company of the North Basin (ACUANORTE) (2009-2012) and of the State Water Company of the Basins of Spain (AcuaEs) (2012-2013); and coordination and cooperation activities for the promotion and defense of Human Rights in Uruguay (2006), Colombia (2007 and 2008), Chile (2009), and Guatemala (2010). She was also Chairwoman of the Committee of Experts of 65YMAS.COM (2020-2023).

Other relevant positions: Founding Partner of Salama García Blanco, whose major areas of activity include: administrative constitutional law, advising and providing technical protection for credit institutions, civil and commercial procedure, and arbitration (Arbitrator in the Spanish Court of Arbitration, in the Madrid Court of Arbitration and in the Civil and Commercial Court of Arbitration -CIMA-). Member of the CIMA Governance and Control Committee. Director of Ibercaja Banco, S.A.; Member of the Strategy, Appointments and Compensation Committees of Ibercaja Banco, S.A. Chairwoman of the Experts Committee of Women of 65YMAS.COM.

Positions in other companies within the Telefónica Group (no executive duties): She is member of the Advisory Board of Telefónica España.

Board Committees of which she is a member: The Audit and Control Committee (Chairwoman), the Nominating, Compensation and Corporate Governance Committee (Member) and the Sustainability and Regulation Committee (Member).

MR. PETER LÖSCHER

Member and Lead Independent Director

Independent Director

Joined the Board in 2016.

Nationality: Austrian. Born in 1957 in Villach, Austria.

Education: Degree in Economics from the Vienna University of Economics, and in Business Administration from the Chinese University of Hong Kong. MBA from the Vienna University of Economics, and completion of the Harvard Business School Advanced Administration Program. Honorary doctorate in Engineering from Michigan State University; honorary doctorate from the Slovak University of Engineering in Bratislava.

Experience: Former Chairman of the Board of Directors of Sulzer AG and Former Chairman of the Supervisory Board of OMV AG (Austria). From March 2014 to March 2016, he was the CEO of Renova Management AG (Switzerland). Former Chairman and CEO of Siemens AG. He was previously the President of Global Human Health; a member of the Executive Board of Merck & Co., Inc.; Chief Operating Officer of GE Healthcare Bio-Sciences, a member of the Corporate Executive Council of GE; and Director of Operations and a member of the Board of Amersham Plc. He held executive leadership positions at Aventis and Hoechst. He also served as Chairman of the Board of Directors of the Siemens Foundation.

Other relevant positions: He is currently a member of the Supervisory Board of Royal Philips, a Director of Thyssen-Bornemisza Group AG (Switzerland), Independent Director of CaixaBank, S.A. and a non-executive member of the Board of Directors of Doha Venture Capital LLC, in Qatar. He is also an emeritus member of the Advisory Board of the Economic Development Board of Singapore and a member of the International Advisory Board of Bocconi University, as well as a honorary professor at Tongji University (Shanghai).

Positions in other companies within the Telefónica Group (no executive duties): Chairman of the Supervisory Board of Telefónica Deutschland Holding AG (since April 2020).

Board Committees of which he is a member: The Executive Commission (Member), the Audit and Control Committee (Member), and the Nominating, Compensation and Corporate Governance Committee (Chairman).

MR. CARLOS OCAÑA ORBIS

Member

Propietary Director

Joined the Board in 2024.

Nationality: Spanish. Born in 1980 in Madrid, Spain.

Education: Degree in Economics, specializing in Economic Analysis from the Complutense University of Madrid (Spain). Additionally, he has completed a General Management Program (PDG) at IESE Business School, University of Navarra, and a Frontiers of Innovation and Entrepreneurship Program at MIT, School of Management.

Experience: He began his professional career in 2003 as a Consultant at Economistas 2004, later assuming the position of Deputy Chief of Staff and Advisor to the Economic Office of the President of the Government from May 2004 to April 2008. He was Director General of the Cabinet of the Ministry of Industry, Tourism, and Trade from 2008 to 2011 and a member of the Board of Directors of Paradores and Red.es from 2008 to 2011. Additionally, he was an External Consultant at GLG from 2012 to 2014. He was also a monitor of the PDG at IESE in 2013, a professor of Economic Environment in the Master's in Economics at the University of Vigo from 2013 to 2017, and a professor of Economics in the International Master's in Public Affairs at the International University Menéndez Pelayo from 2016 to 2018.

Other relevant positions: He is currently Deputy to the General Director of Real Madrid CF (since 2012), a member of the Advisory Board of the Hermes Institute (since 2023), a member of the Governing Board of the Real Madrid University School (since 2023), a member of the Strategy Committee of the PRISA Group, and Co-director and professor of the Master's in Digital Transformation and Applied Technologies in Sports at the Real Madrid University School (since 2021). Additionally, he is Secretary of the World Football Club Association (since 2019), a member of the Advisory Board of the ADEI Observatory (Google) (since 2018), and a member of the Supervisory Committee of Foro de Foros Foundation (since 2015). He is also a professor of Strategy and Business Model in the MBA program at the European University (since 2013).

Board Committees of which he is a member: The Executive Commission (Member) and the Audit and Control Committee (Member).

MS. VERÓNICA PASCUAL BOÉ

Member

Independent Director

Joined the Board in 2019.

Nationality: Spanish and French. Born in 1979 in Barcelona, Spain.

Education: Degree in Aeronautical Engineering from the Polytechnic University of Madrid. Master in Business Administration from the Collège des Ingénieurs de Paris, and Executive Master in Positive Leadership and Strategy (EXMPLS) from the IE Business School. She completed postgraduate courses at INSEAD, Stanford, Harvard Business School and Global Eisenhower Fellow 2024.

Experience: She is an entrepreneur who has led for 18 years a Group of companies linked to the digital transformation led by ASTI Mobile Robotics Group, a company based in Spain, France, Germany and the United States. Since 2021, after integrating ASTI Mobile Robotics into ABB Robotics, she has moved to the position of Global Manager of Robótica Móvil Autónoma until 2023. She began her professional career at the international level in the Human Resources Strategic Management Department of the Bouygues multinational industrial group. In 2004, she joined the family company ASTI, holding various management positions at that company (Technical and Commercial Management). By the end of 2006, she was its General Manager, and in 2008, she opted to acquire the said company. She had previously held a variety of positions, including: Sponsor and Founder of the Digital Innovation Hub of Burgos, of DIHBU (2018); Chairwoman of the Industry Working Group 4.0 of the Governing Authority of Castile and León (2016-2018); Member of the Advisory Board of the Quality Agency of the University System (2015-2016); Member of the Advisory Board of the EAE Business School (2015-2016); Member of the Governing Board of APD Castilla y León (2014-2015); Member of the Board of Directors of Empresa Familiar Castilla y León (2001-2013).

Other relevant positions: She is Chairwoman of ASTI Tecnología y Talento Foundation, Chairwoman of Endeavor España Foundation, Director of General de Alquiler de Maquinaria, S.A., Director of Marsi Bionics and Director of Viscofan, S.A. She leads ALBP Corp. Member of the global network of Eisenhower Fellowship (Global Eisenhower Fellow 2024).

Positions in other companies within the Telefónica Group (no executive duties): She is member of Telefónica Audiovisual Digital and of the Advisory Board of Telefónica Tech.

Board Committees of which she is a member: The Nominating, Compensation and Corporate Governance Committee (Member).

MR. FRANCISCO JAVIER DE PAZ MANCHO

Member

Other External Director

Joined the Board in 2007.

Nationality: Spanish. Born in 1958 in Valladolid, Spain.

Education: Degree in Information and Advertising. Studied law. Senior Business Management Program at the IESE (University of Navarre).

Experience: From 2016 to 2021, he has been Chairman of Telefónica Ingeniería de Seguridad, S.A. From 2018 to 2021 he has been a member of the Board of Directors of Telefónica Móviles de Argentina, S.A. From 2020 to 2021 he has been a member of the Board of Directors of Pegaso PCS, S.A. of C.V. (Mexico). From 2016 to 2020, he was Director of the Board of Directors of Telefónica Móviles México, S.A. From 2014 to 2016 he was the Chairman of Telefónica Gestión de Servicios Compartidos España, S.A.U. From 2006 to 2014 he was a member of the Executive Committee of the Superior Council of Chambers. From 2008 to 2018 he was a Director of Telefónica Argentina, S.A. From 2008 to 2012 he was the Chairman of Atento Inversiones y Teleservicios, S.A.U. From 2004 to 2007 he was the Chairman of the MERCASA National Company. He was also Deputy Chairman and Director of Corporate Strategy of the Grupo Panrico Donuts; General Manager of Internal Trade at the Ministry of Commerce and Tourism; General Secretary of the Consumers' Union of Spain (UCE); Chief Executive Officer of the magazine *Ciudadano*; General Secretary of Juventudes Socialistas; and a member of the Executive Board of the PSOE. He has also held the following positions and responsibilities: Director of Túnel del Cadí; President of the Pan y Bollería Marca Employers' Group (COE); Director of Mutua de Accidentes de Zaragoza (MAZ); Director of the Grupo Pan rico; Head of the Commercial Distribution Monitoring Office of the Ministry of Commerce and Tourism; member of the Economic and Social Council and of its Standing Committee; and Director of Tabacalera, S.A.

Positions in other companies within the Telefónica Group (no executive duties): He is Director of Telefónica Brasil, S.A. and of Telefónica Audiovisual Digital, S.L.U. He is also member of the Advisory Boards of Telefónica España and Telefónica Hispanoamérica.

Board Committees of which he is a member: The Executive Commission (Member), the Nominating, Compensation and Corporate Governance Committee (Member), and the Sustainability and Regulation Committee (Chairman).

MR. ALEJANDRO REYNAL AMPLE

Member

Independent Director

Joined the Board in 2023.

Nationality: Spanish. Born in 1973 in Valencia, Spain.

Education: He earned his bachelor's and master's degree in Mechanical Engineering form Georgia Institute of Technology and a MBA from the Harvard Business School.

Experience: He began his professional career in various strategic management positions at Telefónica and The Coca Cola Company. He has worked in the United States, Europe, Latin America and the Caribbean. He has a proven and successful track record in business transformation in multi-billion dollar companies. He was Chairman and CEO of Apple Leisure Group (ALG), a leisure travel and luxury resort management group with more than 38,000 employees in 14 countries, owned by Hyatt Hotels Corporation, actively participating in its acquisition in August 2021. Prior to ALG, he spent 8 years as CEO of Atento, a customer relationship management and business process outsourcing services company. At Atento he led the strategic transition from Telefónica to Bain Capital in 2012 and in 2014 he successfully led the company to an IPO on the NYSE.

Other relevant positions: He is currently Chairman and CEO of Four Seasons, which he joined in 2022 after an extensive international career in the global travel and hospitality, business services and telecommunications industries.

MR. FRANCISCO JOSÉ RIBERAS MERA

Member

Independent Director

Joined the Board in 2017.

Nationality: Spanish. Born in 1964 in Madrid, Spain.

Education: Degrees in Law and in Economics and Business Administration from Universidad Pontificia de Comillas (ICADE E-3), Madrid.

Experience: He began his professional career holding a variety of positions in Gonvarri Group, as Director of Corporate Development and later as its Chief Executive Officer. In 1997 he created Gestamp Automoción, and since then, he has served as its Executive Chairman, creating over time what is now the Grupo Gestamp.

Other relevant positions: He is currently the Executive Chairman of Gestamp Automoción. He is also a member of the Board of Directors of CIE Automotive and of Wallbox, N.V. Furthermore, he is a member of the management bodies of other companies within Grupo Gestamp, and of companies in the Acek family holding group, including companies in the Groups Gonvarri, Acek Energías Renovables e Inmobiliaria Acek. He is also Chairman of SERNAUTO (Asociación Española de Proveedores de Automoción) and the Gestamp Foundation.

MS. MARÍA ROTONDO URCOLA

Member

Independent Director

Joined the Board in 2021.

Nationality: Spanish. Born in 1964 in Madrid, Spain.

Education: Degree in Economic Science and Business Studies from Universidad Complutense of Madrid. She has received complementary training at various institutions such as ESG Academy/Foretica, IESE, IC-A, EEC, IMD, NYU, Harvard, Boston College, among others.

Experience: In terms of her professional experience, it is highlighted by having spent the last 10 years at Banco Santander (2006-2016) as Global Head of Telecommunications, Media and Technology Sector within the Investment Banking area. Previously (1989-2006), at Santander Investment Sociedad de Valores y Bolsa, she was an investment analyst specialized in various sectors, particularly the telecommunications sector, Macroeconomist, and Director of European Analysis. Previously, she worked for two years in New York at Extebank and at the Spain-US Chamber of Commerce. She was also an Independent Director of Indra (2017-2021).

Other relevant positions: She is currently an Independent Director of CACEIS Bank Spain, of Santander CACEIS Latam Holdo, of Libertas 7 and Resiter, S.A. in Chile. Since 2016 she has been associated with IE University, on the advisory board, and is currently Co-Director and professor in the Executive Sustainability Programme. In addition, she teaches classes at BME since 2014, in the Master Investor Relations. In addition, she is also a lecturer in various forums and continuing his activities as a Consultant/Mentor. Additionally, she is a member of the advisory board of the Faculty of Economics and Business at Nebrija University.

Board committees of which she is a member: Audit and Control Committee (Member) and Sustainability and Regulation Committee (Member).

MS. CLAUDIA SENDER RAMÍREZ

Member

Independent Director

Joined the Board in 2019.

Nationality: Brazilian. Born in 1974 in São Paulo, Brazil.

Education: Degree in Chemical Engineering from the Polytechnic School of the University of São Paulo, and a Master's degree in Business Administration (MBA) from the Harvard Business School in Boston.

Experience: She has held various positions with the following entities, among others: (i) Director of Director of Metalúrgica Gerdau, S.A. (2021-2023); (ii) Director of Yduqs University, formerly known as Estácio (from 2019 to 2021); (iii) Latam Airlines Group: Vice-President for Customer Relations (2017-2019); CEO of LATAM Brazil (2013-2017); Vice-President of LATAM Brazil (2011-2013); (iv) at Whirlpool, S.A.: Vice-President of Marketing (2009-2011); Division Director of Marketing (2007-2009); and Director of Strategic Planning (2005-2007); and (v) at Bain & Company Brazil: Consultant specializing in Strategy (1998-2005).

Other relevant positions: She is currently Director of Holcim Ltd (since 2019); Director of Gerdau, S.A. (since 2019); Director of Amigos do Bem (since 2017), a Brazilian NGO dedicated to the eradication of poverty in Northwestern Brazil; of Hospital Israelí Albert Einstein and of Ensina Brasil; and Director of Embraer, Empresa Brasileira de Aeronáutica, S.A. (since 2021).

Positions in other companies within the Telefónica Group (no executive duties): She is member of the Advisory Boards of Telefónica Tech and Telefónica Hispanoamérica.

Board Committees of which she is a member: The Executive Commission (Member).

MS. SOLANGE SOBRAL TARGA

Member

Independent Director

Joined the Board in 2023.

Nationality: Brazilian. Born in 1972 in São Paulo, Brazil.

Education: Degree in Computer Science from the Federal University of São Carlos (Brasil) and a Master's degree in Computer Science from the State University of Campinas (Brasil).

Experience: She has extensive experience in digital business development and leadership of multidisciplinary teams, currently acting as a digital transformation agent for particularly valuable brands around the world. Additionally, she was a member of the Diversity and Inclusion Committee at Banco Itaú from May 2021 to October 2023.

Other relevant positions: She is Vice President and Partner of CI&T, in charge of its expansion in EMEA, actively participating in the acquisition and integration of Somo, a leading agency in the delivery of digital products and solutions for major global brands. Since 2021, she has been a member of several Board of Directors, being an Independent Director at Unidas in Brazil from February 2021 to June 2022. She is also a member of the Advisory Board with WCD Brazil since April 2022 as well as with Brazilian Chambers in the UK from September 2023. In addition, in 2023 she became director of Bienal of São Paulo.

Positions in other companies within the Telefónica Group (no executive duties): She is Director of Telefónica Brasil, S.A., being a member of the Sustainability and Quality Committee since then, and a member of the Digital Security Advisory Committee since November 2023.

Board Committees of which she is a member: The Sustainability and Regulation Committee (Member).

Functions and Operation of the Board of Directors

General functions of the Board of Directors

The Board of Directors is the highest management and representative body of the Company. As such it is empowered, within the scope of the corporate purpose defined in the Bylaws, to perform any legal acts or transactions for purposes of management and disposition, under any title, except for those reserved by law or by the Bylaws exclusively to the shareholders at a General Shareholders' Meeting.

The foregoing provisions notwithstanding, the Board of Directors is configured basically as a supervisory and control body, entrusting the day-to-day management of the Company's business to the executive bodies and to the management team.

The Board of Directors cannot delegate those powers that the law or the Bylaws reserve to its own exclusive purview, or those other powers that are necessary for the responsible exercise of its basic function of supervision and control, or the powers delegated to it by the shareholders at a General Shareholders' Meeting, unless such subdelegation is expressly authorized.

Specifically, the Board of Directors cannot, under any circumstances, delegate the following powers:

a) Supervision of the effective operation of the Committees that it has created and of the activities of the delegated bodies and of the Officers that it has designated.

b) Determination of the Company's general policies and strategies.

c) Authorization or waiver of the obligations arising from the duty of loyalty, in accordance with the provisions of of the Law, in the Bylaws and in the Regulations of the Board of Directors.

d) Its own organization and operation.

e) Preparation of the Annual Accounts and their submission at the General Shareholders' Meeting.

f) Preparation of any type of report that by law must be presented to the management body, provided that the transaction to which the report refers cannot be delegated.

g) Appointment and removal of the Company's Chief Operating Officers, as well as the establishment of the terms of their contracts.

h) Appointment and removal of the Officers who are to report directly to the Board or to any of its members, as well as the establishment of the basic conditions of their contracts, including their compensation.

i) Decisions regarding the compensation of the Directors, within the framework of the Bylaws and of the compensation policy approved by the shareholders at the General Shareholders' Meeting.

j) The call to the General Shareholders' Meeting and the preparation of the agenda and the proposed resolutions.

k) The policy regarding the Company's own shares.

l) The powers delegated by the shareholders at the General Shareholders' Meeting to the Board of Directors, unless subdelegation of such powers was expressly authorized by the shareholders.

m) Approval of the strategic or business plan, the annual management and budgetary goals, the investment and finance policy, the corporate social responsibility and sustainability policy or dividend policy.

n) Determination of the risk control and risk management policy, including tax-related risks, and supervision of the internal information and control systems.

o) Determination of the corporate governance policy of the Company and of the Group; its organization and operation; and, in particular, the approval and modification of its internal Regulations.

p) Approval of the disclosure, contact and engagement policy for shareholders, institutional investors and proxy advisers, including the policy on communication of economic/financial, non-financial and corporate information.

q) Approval of the diversity policy in relation to the Board of Directors and the selection of directors.

r) Approval of the financial information that the Company must periodically disclose because of its status as a listed company.

s) Definition of the structure of its Group of companies.

t) Approval of investments or transactions of all kinds that, because of their high amount or special characteristics, are of a strategic nature or entail a special tax risk, unless their approval is within the purview of the shareholders at the General Shareholders' Meeting.

u) Approval of the creation or acquisition of interests in special-purpose entities or entities that are domiciled in countries or territories that are considered to be tax havens, as well as any other transactions of a similar nature that, due to their complexity, might diminish the transparency of the Company and its Group.

v) The approval, subject to a report from the Audit and Compliance Committee, of related-party transactions under the terms established in Article 37 of the Board Regulations, unless their approval corresponds to the General Meeting.

The Company's Board of Directors may delegate the approval of transactions between companies forming part of its group that are carried out within the scope

of ordinary management and under market conditions, as well as transactions entered into under contracts whose standard conditions are applied *en masse* to a large number of customers, carried out at prices or rates established on a general basis, and whose amount does not exceed 0.5% of the net turnover of the company, determined in accordance with the rules of calculation laid down in the Law.

In any event, when duly justified urgent circumstances arise, the decisions corresponding to the foregoing matters may be adopted by the delegated bodies or persons and must be ratified at the next meeting of the Board of Directors that is held after the adoption of the decision.

Allocation of positions and duties

The Board of Directors of Telefónica, S.A. has implemented a corporate governance structure that ensures the effective fulfillment of its duties and responsibilities.

This structure is configured basically in the following way:

- **Chief Executive Officer**

The Chairman of the Board of Directors holds the position of chief executive of the Company, with responsibility for effective guidance of the business activities, always in accordance with the decisions and criteria set by the shareholders at the General Shareholders' Meeting and by the Board of Directors.

This position was held by Mr. José María Álvarez-Pallete López during the fiscal year 2024 and until January 18, 2025. Currently, the Executive Chairman of Telefónica, S.A. is Mr. Marc Thomas Murtra Millar.

As Chief Executive Officer, all of the powers and duties of the Board of Directors are expressly delegated to him, except for those that cannot be delegated, whether by law, the Bylaws or the Regulations of the Board of Directors, article 5.4 of which establishes the powers that are reserved to the Board of Directors and that cannot be delegated. In addition to such delegation of powers, the Company's Chief Executive Officer is granted specific (non-general) powers to carry out specific transactions that have been approved by the Company.

- **Chief Operating Officer**

The powers of the Board of Directors associated with the conduct of the business and with the fulfillment of the highest executive duties in all of the Company's business areas are delegated to the Chief Operating Officer, Mr. Ángel Vilá Boix, except for the powers that cannot be delegated, whether by law, the Bylaws or the Regulations of the Board of Directors. In addition to such delegation of powers, the Company's Chief Operating Officer is granted specific (non-general) powers to carry out specific transactions that have been approved by the Company.

- **Lead Independent Director**

The Lead Independent Director performs, among others, the following duties and tasks:

a) Coordinates the work of the External Directors, in order to protect the interests of all of the Company's shareholders; reflects the concerns of the said Directors; and meets with them when he deems it appropriate.

b) When appropriate, he may ask the Chairman of the Board to call a meeting of the Board of Directors, in keeping with Good Governance standards.

c) He may request that certain matters be included on the Agenda of the meetings of the Board of Directors that have already been called.

d) Directs the evaluation carried out by the Board of Directors of its Chairman.

e) He may preside over meetings of the Board of Directors, in the absence of the Chairman and of the Vice Chairmen.

f) Maintains contacts with investors and shareholders in order to know their views, for the purpose of forming an opinion regarding their concerns, particularly with regard to the Company's corporate governance.

g) Coordinates the Chairman's succession plan.

Mr. José Javier Echenique Landiríbar was the Lead Independent Director until December 15, 2024, the date of his passing. On January 29, 2025, the Board of Directors of the Company, with the abstention of the Executive Directors and at the proposal of the Nominating, Compensation and Corporate Governance Committee, appointed Mr. Peter Löscher, an Independent Director, as the new Lead Independent Director.

- **General Secretary and Secretary of the Board of Directors**

The Secretary of the Board of Directors, Mr. Pablo de Carvajal González, assists the Chairman of the Board in the fulfillment of his duties, and ensures the proper functioning of the Board of Directors, with very particular attention to providing to the Directors the necessary advice and information; keeping the company records; properly reflecting in the minute books the proceedings of the meetings of the Board of Directors; and attesting to its resolutions.

The Secretary of the Board also sees to the formal and substantive legality of the activities of the Board of Directors and to their compliance with the Bylaws and with the Regulations for the General Shareholders'

Meeting and of the Board of Directors, ensuring that the good governance recommendations adopted by the Company and in force at any time are duly taken into account.

The Secretary of the Board is also the General Secretary of the Company. Mr. Pablo de Carvajal González is also Telefónica's Global Director of Regulatory Affairs and Head of the Security Area.

The Board of Directors also has a Deputy Secretary, Mr. Antonio García-Mon Marañés, who assists the Secretary and replaces him in the performance of his duties in the event of his absence or inability. Mr. García-Mon is also Deputy General Secretary and Director of Corporate Legal Services.

Neither the Secretary nor the Deputy Secretary of the Board have the status of Directors.

- **Committees of the Board of Directors**

As of December 31, 2024, and as of the date of drawing up of this Report, the Board of Directors had and has an Executive Commission and three advisory or control committees, whose composition, duties and powers are described in detail in advance.

Operation of the Board of Directors

Both the Bylaws and the Regulations of the Board specify that the Board of Directors shall meet routinely once a month, and, at the initiative of the Chairman, as often as he deems it appropriate for the proper functioning of the Company.

During fiscal year 2024, the Telefónica Board of Directors held 15 meetings, each lasting between three and four hours, depending on the topics discussed. Likewise, it should be noted that one of these meetings corresponds to the strategic session that the Board of Directors holds annually to analyze the company´s strategy and its impact on the business developed by the Telefonica Group.

The meetings of the Board of Directors have been held in mixed format. At all these meetings, the Secretary of the Board of Directors attested to the identity of all the attendees.

The power to call a meeting of the Board of Directors and, if appropriate, to draw up the Agenda of the Board's meetings rests with the Chairman of the Board of Directors, who must however call a meeting when requested to do so by three Directors who indicate the issues to be discussed.

A meeting of the Board of Directors may also be called by at least one-third of its members, with an indication of the Agenda, if, after the submission of a request to the Chairman of the Board of Directors, the Chairman, without just cause, has not called the meeting within a period of one month.

The Company adopts the measures that are necessary in order for the Directors to have, whenever possible and sufficiently in advance, the necessary information, which shall be drawn up and oriented specifically toward the preparation of the meetings of the Board and of its Committees. In no case shall its compliance be waived on the grounds of the importance or confidential nature of the information, except under absolutely exceptional circumstances.

In this regard, and in accordance with the provisions of articles 18 and 20 of the Regulations of the Board of Directors, the Board of Directors and its Committees shall draw up a calendar of the meetings to be held during the year. Such calendar may be modified by resolution of the Board itself or of the corresponding Committee, or pursuant to a decision by its Chairman, in which case the modification must be disclosed to the Directors as soon as possible.

The Board and its Committees also have an Action Plan that contains a detailed description and the frequency of the activities to be carried out in each fiscal year, according to the powers and duties assigned to them.

Similarly, all of the meetings of the Board and of the Committee have a pre-established Agenda, which is communicated at least three days before the date on which the meeting is scheduled to be held, along with the call to the meeting. The Agenda for each meeting clearly indicates the items regarding which the Board of Directors or the Executive Commission must make a decision or adopt a resolution.

With the same goal, in general, the documentation associated with the Agenda for the meetings is made available to the Directors sufficiently in advance. In this regard, and in compliance with the provisions of article 19 of the Regulations of the Board of Directors, the Chairman of the Board of Directors organizes the discussions, seeking and encouraging the active participation of all of the Directors in the deliberations, safeguarding the unconstrained statement of their viewpoints. Similarly, with the assistance of the Secretary, the Chairman ensures that the Directors receive beforehand sufficient information to deliberate on the items on the Agenda. He also ensures that sufficient time is devoted to the discussion of strategic issues and stimulates debate during the meetings, safeguarding the unconstrained statement of viewpoints by the Directors.

To facilitate the provision of all of the information and clarifications that may be necessary regarding some of the issues to be addressed, the main officers of the Group attend essentially all of the meetings of the Board and of its Committees, along with the speakers who are deemed appropriate, for the presentation of matters lying within their purview, according to the matters to be dealt with on

the agenda for each meeting. In this regard, before the start of the corresponding agenda item, the Chairman requests the incorporation of the speakers to participate in said item. The speakers present the appropriate information and answer the questions raised, but in no case do the speakers or any other guests at the meetings take part in the deliberations, and this does not affect the independence or freedom of judgement of the Directors and members of the Board Committees.

Furthermore, and in general, the Regulations of the Board of Directors (article 25) expressly provide that the Directors are vested with the broadest powers for obtaining information about any aspect of the Company and to examine its books, records, documents and other background materials relating to corporate activities. The exercise of this right of information is channeled through the Chairman or the Secretary of the Board of Directors, who handle requests from the Directors, either providing the information directly to the Directors or placing them in touch with the proper contact persons at the appropriate organizational level.

The Board of Directors can validly hold a meeting when a majority of its serving members are present or represented at the meeting. The Directors must personally attend the meetings of the Board of Directors. If, under exceptional circumstances, they are unable to do so, they shall ensure that the proxy they give to another member of the Board of Directors includes, insofar as possible, the appropriate instructions. Non-executive Directors can delegate their proxy only to another non-executive Director. Such delegations may be made by letter, mail or in any other way that ensures the certainty and validity of the proxy, in the opinion of the Chairman of the Board of Directors (article 19 of the Regulations of the Board of Directors and article 34.4 of the Bylaws).

In all cases, resolutions are adopted by an absolute majority of the votes of the Directors who are present at the meeting, either in person or by proxy, except in those instances in which, for certain resolutions to be valid, the law, the By-Laws or the Regulation of the Board of Directors requires the favorable vote of a larger number of Directors.

Board Committees

Both the Bylaws and the Regulations of the Board provide for an Executive Commission of the Board of Directors, with general decision-making authority and, consequently, with the express delegation of all of the powers of the Board of Directors, (except for those powers that, by law or pursuant to the Bylaws, cannot be delegated), as well as for the existence of an Audit and Control Committee and a Nominating, Compensation and Corporate Governance Committee.

The Regulations also authorize the Board of Directors to create one or more advisory or control committees, in addition to those mentioned above, entrusted with the task of examining and continuously monitoring any area of special importance to the good governance of the Company, or performing the specific analysis of any factor or issue whose significance or magnitude requires it. These Committees report to the Board of Directors regarding the conclusions reached on the issues or matters that they have been entrusted to review.

As of December 31, 2024, and on the date of issuance of this Report, the Board of Directors had and has an Executive Commission and three advisory or control committees (the Audit and Control Committee, the Nominating, Compensation and Corporate Governance Committee and the Sustainability and Regulation Committee), whose composition, duties and powers are described below.

On the other hand, the meetings held by the Board of Directors' Committees, during financial year 2024, were held in mixed format, i. e. with the attendance of the Directors in person and online. At all these meetings, the Secretary of each Committee attested to the identity of all the attendees.

In accordance with the provisions of article 20 b) 3. of the Regulations of the Board, a full report is delivered to the Board of Directors on the matters addressed by the Committees, and so that it will be aware of the said matters for the exercise of its responsibilities. At the beginning of each of the monthly meetings of the Board of Directors, the Chairman of each of the Committees delivers a report on the major matters that were addressed and on the activities and tasks that were carried out by the respective Committee, making available to the Directors the corresponding documentation, so that the Directors will be aware of such activities for the purposes of the exercise of their responsibilities.

Additionally, and in the same way as the Board of Directors itself, all of the Committees prepare, at the start of each fiscal year and in accordance with the provisions of article 20 b) 3. of the Regulations of the Board of Directors, an Action Plan that contains a detailed description of, and a schedule for, the actions to be taken in each fiscal year in each Committee's individual area of activity.

Similarly, all of the Committees prepare an Activity Memorandum (which, for the Audit and Control Committee is called Annual Report on the activity, and the Nominating, Compensation and Corporate Governance Committee, is known as the Report of the Operation), which summarize the major activities and actions that were carried out during the preceding fiscal year, including the details of the matters that were examined and addressed at the meetings that were held, and emphasizing the aspects associated with their duties and responsibilities, composition and performance.

The Executive Commission

The Board of Directors has delegated its authority or powers (except for those that by law, under the bylaws and pursuant to the regulations cannot be delegated) to an Executive Commission.

The Executive Commission provides the Board of Directors with greater operability and effectiveness in the exercise of its functions, inasmuch as it meets more often than the Board of Directors does.

In accordance with the provisions of article 38 of the Bylaws of Telefónica, S.A., article 21 of the Regulations of the Company's Board of Directors governs the Executive Commission in the following terms:

a) Composition.

The Executive Commission shall consist of the Chairman of the Board of Directors, once he has been appointed as a member of the Committee, and no fewer than three and no more than ten other members, all of whom shall be Directors, appointed by the Board of Directors.

The Board of Directors shall endeavor to ensure that the Executive Commission has at least two non-executive Director, of whom at least one shall be independent.

In any event, in order to be valid, the appointment or renewal of the members of the Executive Commission shall require the favorable vote of at least two-thirds of the members of the Board of Directors.

As of the date of drawing up of this Report, the Executive Commission is composed of the following persons:

Name	Post	Category
Mr. Marc Thomas Murtra Millar	Chairman	Executive
Mr. Isidro Fainé Casas	Vice Chairman	Proprietary
Mr. José María Abril Pérez	Vice Chairman	Proprietary
Mr. Ángel Vilá Boix	Member	Executive
Mr. Peter Löscher	Member	Independent
Mr. Carlos Ocaña Orbis	Member	Proprietary
Mr. Francisco Javier de Paz Mancho	Member	Other External
Ms. Claudia Sender Ramírez	Member	Independent

b) Operation.

The Executive Commission shall meet whenever it is called by its Chairman, normally holding meetings every 15 (fifteen) days. During the year 2024 it held 17 meetings, lasting on average 2 hours and 30 minutes each. Also noteworthy is the high level of participation of all of its members.

The Chairman and the Secretary of the Board of Directors shall serve as the Chairman and the Secretary of the Executive Commission. One or more Vice Chairmen and a Deputy Secretary may also be appointed.

The Executive Commission can validly hold a meeting when a majority of its members are present at the meeting, either in person or by proxy.

Resolutions shall be adopted by an absolute majority of the Directors present at the meeting either in person or by proxy. In the event of a tie in the voting, the Chairman shall cast the deciding vote.

c) Relationship with the Board of Directors.

The Executive Commission shall promptly inform the Board of Directors of the matters that are discussed and the decisions that are made at its meetings. Copies of the minutes of such meetings shall be made available to the members of the Board (article 21.c of the Regulations of the Board).

Most important activities during the fiscal year

During fiscal year 2024 the Executive Commission of the Board of Directors of Telefónica, S.A. analyzed and reviewed, deliberated on and adopted resolutions (which have been ratified by the Company's Board of Directors) relating to certain issues associated with the following matters, among others:

- The business developed by the Telefónica Group: i) products and services (Digitalisation, Open Gateway, Home Advanced Connectivity (HAC), Telefónica Open Innovation, Digital Services, B2B and B2C Business, etc.), ii) the evolution of the business in the various different countries in which the Telefónica Group operates, and iii) market trends.
- The regulatory situation of the telecommunications industry (including, among others, regulatory changes and spectrum auctions).
- Corporate and finance-related transactions of the Telefónica Group.
- Monitoring of the share and its evolution.

Audit and Control Committee

The Audit and Control Committee of Telefónica, S.A. is governed by the provisions of article 39 of the Bylaws and by the provisions of article 22 of the Regulations of the Board of Directors. In particular, it regulates the composition, competencies and functioning of such Committee. The current version of the Regulations of the Audit and Control Committee is available for consultation on the Company's corporate website, under Information for Shareholders and Investors, in the Corporate

Governance section, under Company's Internal Regulations..

a) **Composition.**

The Audit and Control Committee shall consist of the number of Directors that the Board of Directors determines at any given time. In no case shall the said number be fewer than three persons appointed by the Board of Directors. All of its members must be External or Non-Executive Directors, and at least a majority of them must be Independent Directors. In appointing the members of the committee, and, in particular, its Chairman, the Board of Directors shall take into account their knowledge and experience in matters of accounting, auditing and management of both financial and non-financial risks. Collectively, the members of the Committee shall possess the technical knowledge that is pertinent to the area of business to which the Company belongs.

The Chairman of the Audit and Control Committee, whose position in any case shall be held by an Independent Director, shall be appointed from among the members of such Committee. The Chairman must be replaced every four years and may be re-elected after a period of one year has elapsed since his departure.

During the fiscal year 2024, the composition of the Audit and Control Committee has been modified to adapt to the changes that have occurred in the composition of the Board of Directors, as well as due to the mandatory rotation of the Chairman every 4 years as provided in the Regulations of the Board of Directors and the Regulations of the Audit and Control Committee.

As of the date of drawing up of this Report, the Audit and Control Committee is composed of the following persons:

Name	Post	Category
Ms. María Luisa García Blanco	Chairwoman	Independent
Mr. Peter Löscher	Member	Independent
Mr. Carlos Ocaña Orbis	Member	Proprietary
Ms. María Rotondo Urcola	Member	Independent

Additionally, it is noted that Mr. José Javier Echenique Landiríbar held the position of Chairman and Member of the Audit and Control Committee until December 15, 2024, the date of his passing.

On January 29, 2025, the Audit and Control Committee agreed to appoint Independent Director Ms. María Luisa García Blanco as the Chairwoman of said Committee.

On the other hand, all members of the Audit and Control Committee are External or Non-Executive Directors, and the majority are Independent Directors. All of them have financial training and have been appointed considering their knowledge and experience in accounting, auditing, or risk management, both financial and non-financial.

b) **Responsibilities.**

Without prejudice to any other tasks that may be assigned to it by the Board of Directors, the primary function of the Audit and Control Committee shall be to support the Board of Directors in its supervisory functions. In particular, the Committee shall have at least the following responsibilities:

1) To provide information to the shareholders at the General Shareholders' Meeting about the issues that arise within its purview and, in particular, about the outcome of the audit, explaining how the audit contributed to the integrity of the financial information, and the role that the Committee played in the process.

2) To present to the Board of Directors the proposals for the selection, appointment, re-election and replacement of the external auditor, taking responsibility for the selection process, as provided by law, along with the terms and conditions under which the external auditor is to be retained, as well as collecting regularly from the auditor information about the audit plan and its implementation, in addition to preserving its independence in the fulfillment of its duties.

3) To supervise internal audit, which shall endeavor to ensure the proper operation of internal reporting and control systems, and which will functionally report to the Chairman of the Audit and Control Committee, and in particular shall be required:

a) Ensuring the independence and effectiveness of the internal audit function;

b) Proposing the selection, appointment and removal of the head of the internal audit department;

c) Proposing the budget for that department;

d) To approve the annual focus and work plan, ensuring that its activity is principally focused on material risks (including reputational risks);

e) To review the annual activities report;

f) To receive regular information about its activities, the implementation of the annual work plan, including any incidents or limitations in scope that arise during such implementation, the outcome and the follow-up on its recommendations; and

g) To verify that the senior executive officers take into account the conclusions and recommendations of its reports.

4) To supervise and assess the process of preparing and submitting and the integrity of the mandatory financial and non-financial information relating to the Company and the Group and to submit recommendations or proposals to the Board of Directors intended to safeguard the integrity thereof. With respect thereto, it shall review compliance

with legal requirements, the proper determination of the scope of consolidation and the correct application of accounting standards, informing the Board of Directors thereof.

5) To endeavor ensure that the annual accounts submitted by the Board of Directors to the shareholders at the General Shareholders' Meeting are prepared in accordance with the legal provisions on accounting. However, in cases where the statutory auditor has included a qualification in its audit report, the Chairman of the Committee shall clearly explain the content and scope thereof at the General Meeting. In addition, a summary of such explanation shall be made available to the shareholders at the time of publication of the call to the General Meeting.

6)To supervise the effectiveness of the Company's internal control system, particularly endeavoring to ensure the effective implementation in practice of the policies and systems on internal control, as well as on internal audit, and the systems for the control and management of financial and non-financial risks relating to the Company and the Group (including operational, technological, legal, social, environmental, political and reputational risks and corruption-related risks), and to discuss with the Statutory Auditor any significant weaknesses in the internal control system detected during the audit, all without infringing the independence thereof. In such cases, and if applicable, it may submit recommendations or proposals to the Board of Directors and the corresponding period for follow-up thereon.

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

a) The types of financial (including contingent liabilities and other off-balance sheet risks) and non-financial (operational, technological, legal, social, environmental, political and reputational, including corruption-related risks) risks to which the Company is exposed;

b) A multi-level risk control and management model;

c) the setting of the risk level that the Company deems acceptable; the measures contemplated to mitigate the impact of the identified risks, should they materialize; and

d) the internal control and information systems to be used to control and manage the above-mentioned risks.

7) To supervise the risk control and management unit, which shall perform the following duties:

a) ensure the proper operation of the risk control and management systems, and particularly to ensure that all material risks affecting the Company are identified, managed and quantified;

b) actively participate in preparing the risk strategy and in important decisions regarding the management thereof; and

c) endeavor to ensure that the risk control and management systems properly mitigate risks within the framework of the policy determined by the Board of Directors.

8) To establish and supervise a mechanism that enables employees and other people connected with the Company, such as Directors, shareholders, suppliers, contractors and subcontractors, to confidentially and anonymously, with due regard for the rights of complainant and the subject of any complainant, report any significant improprieties, including financial, accounting or any other kind of improprieties regarding the Company, that they become aware of within the Company or its Group.

9) To establish and maintain appropriate relations with the Statutory Auditor in order to receive, for review by the Committee, information on all matters that could entail a threat to the independence thereof, as well as any other matters relating to the audit procedure, and when applicable, authorization of services other than those that are prohibited, upon the terms contemplated by applicable law, and such other communications as may be provided for in auditing legislation and auditing rules. In any event, the Audit and Control Committee must receive, on an annual basis, a declaration from the Statutory Auditor of its independence from the Company or entities directly or indirectly related thereto, as well as detailed and itemized information regarding additional services of any kind provided to and the corresponding fees received from, such entities by the Auditor or by the persons or entities related thereto pursuant to the provisions of applicable law.

10) To issue on an annual basis, prior to the issuance of the audit report, a report stating an opinion on whether the independence of the Statutory Auditor has been compromised. This report must in all cases include a reasoned assessment of the provisions of each and every one of the additional services referred to in point 9) above, both individually and as a whole, other than the legal audit and regarding the rules on independence or regulations on the activity of auditing.

11) To preserve the independence of the Statutory Auditor in the performance of its duties, and in this regard: (i) in the event of the resignation of the statutory auditor, examine the circumstances giving rise to such resignation; (ii) endeavor to ensure that the compensation received by the statutory auditor for its work does not compromise the quality or independence thereof; (iii) ensure that the Company communicates through the CNMV any change in auditor and attaches a statement regarding any disagreements with the outgoing auditor and, if any, the substance thereof; (iv) ensure that the statutory auditor meets annually with the full Board of Directors to inform

the Board of Directors of the work performed and on the accounting status and the risks of the Company; and (v) ensure that the Company and the statutory auditor applicable legal provisions regarding the provision of non-audit services, limits on the concentration of the auditor's business, and generally all other provisions regarding the independence of the auditors.

12) To analyze and report on the financial terms, accounting impact and, if applicable, the exchange ratio proposed for structural modifications and corporate transactions that the Company expects to carry out, prior to submission to the Board of Directors.

13) To report in advance to the Board of Directors on all matters provided by law and the By-Laws, and particularly regarding:

1. Financial information and the management report, which shall include the required non-financial information that the Company must periodically make public; and

2. The creation or acquisition of interests in special-purpose entities or entities domiciled in countries or territories considered to be tax havens.

14) To report on related-party transactions that must be approved by the shareholders acting at a General Shareholders' Meeting or by the Board of Directors and to supervise the internal process established by the Company for those transactions for which approval has been delegated by the Board of Directors.

15) To supervise the application of the general policy on the disclosure of economic/financial, non-financial and corporate information and communication with shareholders and investors, proxy advisers and other stakeholders, and to monitor the manner in which the Company communicates and engages with small and medium-sized shareholders, all with respect to those aspects within the purview of the Committee.

16) As regards those companies of the Group that are deemed to be Public-Interest Entities (Entidades de Interés Público) (as defined by applicable law), and with respect to which it is so approved by the Board of Directors, to perform all those duties of the Audit Committee at any time contemplated by applicable law, provided that (a) such companies are directly or indirectly wholly-owned by the Company pursuant to the provisions of applicable law , or (b) the assumption of such duties has been unanimously approved by the shareholders of the subsidiary.

The provisions of paragraphs 2), 9) and 10) shall be understood as being without prejudice to the regulatory framework governing the auditing of accounts.

Mechanisms established by the Board of Directors to ensure that the Annual Accounts that the Board of Directors submits to the General Shareholders' Meeting are drawn up in accordance with accounting standards

By virtue of the foregoing, Telefónica's Audit and Control Committee is responsible for ensuring that the annual accounts that the Board of Directors submits to the General Shareholders' Meeting are drawn up in accordance with accounting regulations and that, in those cases in which the auditor has included a qualification in its audit report, the Chairman of the Audit and Control Committee must clearly explain to the General Shareholders' Meeting the opinion of the Committee on the content and scope of the audit report and make a summary of such opinion available to the shareholders at the time of publication of the notice of the General Shareholders' Meeting.

Mechanisms established to preserve the independence of external auditors, financial analysts, investment banks and rating agencies, including how the legal provisions have been implemented in practice

With regard to the independence of the Company's external auditor, and in accordance with the provisions of Telefónica´s Regulations of the Board of Directors (Article 39), the Board of Directors has established, through the Audit and Control Committee, a stable and professional relationship with the Accounts Auditor, with strict respect for the independence thereof.

Furthermore, the Audit and Control Committee, as part of its fundamental powers (Article 22 of the Regulations of the Board of Directors and Article 4 of the Regulations of the Audit and Control Committee), has established and maintains the appropriate relationships with the auditors to receive information on those matters that may threaten their independence, to be considered by the Committee, and any others related to the process of carrying out the audit, and, where appropriate, the authorisation of services other than those prohibited, in accordance with the terms set forth in the applicable law, as well as other communications set forth in audit legislation and audit regulations.

In any case, the Audit and Control Committee annually receives the accounts auditor's declaration of independence with regard to the Company or entities directly or indirectly related to it, as well as detailed and personalised information on the additional services of any kind provided and the corresponding fees received from these entities by the reported auditor, or the persons or entities related to him/her in accordance with the provisions of current regulations.

Furthermore, the Committee issues, prior to issuing the audit report of the accounts, an annual report that expresses an opinion on whether the independence of the accounts auditor has been compromised. This report states, in any case, the evaluation, with supporting

evidence/rationale, of the provision of each and every one of the additional services referred to in the previous section, taken into account individually and together, different to the statutory audit and in relation to the independence regime or the regulations governing account auditing.

On the other hand, as regards financial analysts, investment banks and rating agencies, their work and actions are developed and carried out in accordance with strict criteria, rules of independence and compliance. In particular, the agreements entered into by Telefónica, S.A. with the rating agencies include clauses recognizing the independence of the rating agency and its right to freely determine, apply and modify the rating methodologies at its sole discretion.

In any event, the Audit and Control Committee must preserve the independence of the statutory auditor in the performance of its duties, and in this regard: (i) in the event of the resignation of the statutory auditor, examine the circumstances giving rise to such resignation; (ii) endeavor to ensure that the compensation received by the statutory auditor for its work does not compromise the quality or independence thereof; (iii) ensure that the Company communicates through the CNMV any change in auditor and attaches a statement regarding any disagreements with the outgoing auditor and, if any, the substance thereof; (iv) ensure that the statutory auditor meets annually with the full Board of Directors to inform the Board of Directors of the work performed and on the accounting status and the risks of the Company; and (v) ensure that the Company and the statutory auditor applicable legal provisions regarding the provision of non-audit services, limits on the concentration of the auditor's business, and generally all other provisions regarding the independence of the auditors.

In addition, and in accordance with the Regulations of the Board of Directors (Article 22), the Company's Audit and Control Committee puts forward proposals to the Board of Directors for the selection, appointment, re-election and replacement of the external auditor, taking responsibility for the selection process in accordance with the law, as well as the terms and conditions of his/her contract, regularly obtaining information from the auditor on the audit plan and the execution thereof, as well as preserving his/her independence in the exercise of his/her duties.

Furthermore, the external auditor has direct access to the Audit and Control Committee, participating regularly in its meetings, without the presence of members of the Company's management team when this is deemed necessary. In this regard, and in accordance with the requirements of US regulations on this matter, the External Auditor reports to the Audit and Control Committee, at least on an annual basis, on the most significant accounting policies and practices followed in drawing up the Company's financial and accounting information, on any alternative accounting treatment within generally accepted accounting principles and practices that affects any relevant element within the financial statements that may have been discussed with the management team, and, finally, on any relevant communication between the auditor and the Company's management team. In addition, and in accordance with Article 39 of the Regulations of the Board of Directors, the auditor shall hold an annual meeting with the full Board of Directors to provide an update on the work carried out and the evolution of the Company´s accounting and risk situation.

In accordance with the Company's internal regulations, and also in line with the legal requirements imposed by Spanish, European and US regulations, contracting any service with the Company's External Auditor must always be approved beforehand by the Audit and Control Committee. Furthermore, this contracting of services, other than those of the audit itself, is carried out in strict compliance with the Audit Act, European regulations and the Sarbanes-Oxley Act enacted in the United States and its implementing regulations. In this respect, and before hiring the auditor, the Audit and Control Committee analyses the content of the work to be carried out, assessing the situations that may entail a risk to the independence of the Company's External Auditor, and specifically supervises the percentage represented by the fees paid by the latter of the audit firm's total revenue. In this regard, the Company states in its Annual Report, in accordance with the legal requirements in force, how much the Company's External Auditor is paid, including those fees related to services of a different nature from auditing.

Consequently, the Company has implemented, in practice, the legal provisions on this matter as indicated in the preceding paragraphs.

c) Operation.

The Audit and Control Committee must have access to information in a suitable, timely and sufficient manner, for which purpose:

- The Chairman of the Committee and, if deemed appropriate or requested, the rest of its Members, shall maintain regular contact with the key personnel involved in the governance and management of the Company.

- The Chairman of the Committee, through the Secretary of the Committee, shall channel and provide the necessary information and documentation to the other members of the Committee, allowing sufficient time for them to analyze such information prior to their meetings.

This information shall be available through the corresponding information technology application, enabled by the Company for the handling of the documentation associated with this Committee.

The Audit and Control Committee shall meet at least once every quarter, and whenever a meeting is deemed appropriate, in response to a call from its Chairman. In any event, the Committee shall meet, at a minimum, on each date on which annual or interim financial information is published. In such cases, the Internal Auditor shall be present. If any type of review report is issued, the Auditor shall also be present.

In this regard, and with reference to the meetings held with the Statutory Auditor and with the Internal Auditor, the provisions of article 7 of the Regulations of the Company's Audit and Control Committee are complied with, which provisions establish that, for the proper exercise of its supervisory function, the Committee must be familiar with, and understand, the decisions made by Senior Management regarding the application of the most significant criteria and the results of the reviews conducted by the Internal Audit Office, while maintaining fluid communications with the Statutory Auditor. In point of fact, the External Auditor has participated in meetings of the Audit and Control Committee in order to explain the work that was done, and also to clarify, at the request of Committee, those issues that may have been raised in connection with the duties assigned to such External Auditor. The members of the Committee also held separate meetings with each of these contact persons when such meetings were deemed necessary, in order to conduct a rigorous follow-up of the preparation of the Company's financial information.

During 2024, the Audit and Control Committee held 14 meetings, lasting on average two hours each. Also noteworthy is the high level of participation of all of its members.

Likewise, in the fulfillment of its duties, the Committee may request the presence of the following persons at its meetings: the Statutory Auditor, the head of the Internal Audit Office, any Director, employee or Officer of the Company and the experts that it deems appropriate.

Attendance at the formal meetings of the Committee shall be preceded by the allocation, on the part of its Members, of sufficient time to analyze and evaluate the information received by them.

The Committee also has a Secretary, as well as the necessary support staff for planning meetings and agendas; for drafting documents and meeting minutes; and for compiling and distributing information, among other tasks.

For the purposes of appropriate scheduling that makes it possible to ensure the efficient accomplishment of the objectives pursued, the Committee establishes an Annual Work Plan.

The meetings are scheduled by the Chairman of the Committee, who communicates them to the Secretary of the Committee, so that its members will receive the documentation sufficiently in advance. All of these actions are performed bearing in mind that the duties of the Members of the Committee are fundamentally supervisory and advisory, with no involvement in execution or management, which are the responsibility of Senior Management.

Most important activities during the fiscal year and fulfillment of duties.

The primary activities and actions performed by the Audit and Control Committee of the Board of Directors of Telefónica, S.A. during fiscal year 2024 were related to the powers and duties of such Committee. Accordingly, the Audit and Control Committee has performed the following tasks, among others:

- In the financial and non-financial area: i) a review of the Company's financial information (Annual Accounts and Management Reports, which include the Statement of Non-Financial Information for 2023, periodic quarterly and semi-annual financial information about the Telefónica Group and the Group's Public Interest Entities (PIEs) for which this Committee has assumed the duties of their Audit Committee, and Alternative Performance Measures, included in the Company's Financial Information); ii) review of financial and non-financial issues (results of the impairment test for fiscal year 2023 and preliminary analysis for 2024, review of financial accounting aspects of corporate transactions, main tax risks and macroeconomic outlook and investment transactions in entities domiciled in territories considerated as tax heavens; iii) review of the prospectuses presented by the Company to the various supervisory bodies (including, among others, the Form 20-F Annual Report and numerous prospectuses regarding equity and debt financing); and iv) a review of specific presentations on financial and tax aspects of and changes in accounting rules.

- Regarding Related-Party Transactions, the following items, among others: i) preparation of the 2023 Report of the Audit and Control Committee on related-party transactions and of the Report of the Audit and Control Committee on the approval of related-party transactions during fiscal year 2023; ii) conclusions of the Internal Audit area in connection with the review of the process for obtaining and monitoring related-party transactions through the "Related-Party Transactions Supervision Process Report"; iii) the preparation of Framework Agreements on certain lines of transactions with the SEPI Group and with the rest of the bodies and entities belonging to the Spanish General Government Administration and to the State Public Sector

(rest of the Spanish Government Administration); and iv) renewal of Framework Agreements on transactions and financial advice made with the BBVA Group, and on certain lines of transactions with the SEPI Group and with the Rest of the Spanish Government Administration. The Committee also submitted to the Board of Directors the reports on related-party transactions (sponsorships, donations or other similar transactions with entities related to Telefónica, S.A.) for individual approval by the Board of Directors, as they are not part of the ordinary course of business of the Telefónica Group.

- Regarding internal audit and internal control: i) review of the work carried out by Internal Audit on the review of global cross-cutting processes and on regulatory requirements; ii) analysis of the 2023 Annual Activities Report of the Internal Audit Department as well as the 2024 Annual Plan of the Internal Audit Department; iii) presentation of the results of the review of the indicators of financial and non-financial information included in the Telefónica Group's employee compensation for fiscal year 2023; iv) review of the Company's Internal Control Systems and the aforementioned PIEs; and v) review of the Risk Management System.

- Regarding compliance, the activities carried out by the Compliance area, including, among others, the report on the activities within the Internal Reporting System (IRS) (whistle-blowing channel) of the Telefónica Group, the monitoring of particularly important investigations, and the monitoring of the Telefónica Group's Regulatory Framework Simplification Project. Also, specific presentations on particular aspects or initiatives of the Company's Compliance Program.

- Regarding the external auditor: i) approval of the proposed fees to be received by PwC as Statutory Auditor for fiscal year 2024, for auditing services and other audit-related services; ii) approval of non-audit work; iii) report on the independence of the external auditor; and iv) evaluation of the role of the external auditor. In addition, the Committee approved the commencement of work to commence the selection process for a new Statutory Auditor and Verifier of Sustainability Information for Telefónica, S.A. and its consolidated Group for the period 2027-2029.

- Regarding sustainability, the Committee has reviewed, among other things, the non-financial information prepared by the Company in accordance with applicable legal provisions, the Company's reporting processes (specifically, the dual materiality process carried out by Telefónica, S.A.), and the risk analysis and management process. The Committee also proposed to the Board of Directors the appointment of PwC as Verifier of the Sustainability Information of Telefónica, S.A. and its Consolidated Group for fiscal year 2024.

- Other items of interest include the following: i) preparation of the monthly report of the Head of the Treasury Stock Management Team of Telefónica, S.A. on treasury stock transactions; ii) a review to ensure that the financial information published on the Company's website is continuously updated and matches the information prepared, in each instance, by the Board of Directors and published on the CNMV website; iii) periodic training to ensure that the knowledge imparted to the members of the Committee (specifically, on artificial intelligence, new developments with respect to CNMV Technical Guide 1/2024 on Audit Committee and Public Interest Entities, Risk Management Model, etc.) is up to date; iv) preparation of the Audit and Control Committee's Report on the Functioning of the Audit and Control Committee; v) status of the Telefónica Group litigation; vi) results obtained from the Audit and Control Committee Evaluation Process for fiscal year 2023 and the corresponding Action Plan; and vii) evaluation of the role of the Internal Audit Department.

The Nominating, Compensation and Corporate Governance Committee

The Nominating, Compensation and Corporate Governance Committee of Telefónica, S.A. is governed by the provisions of article 40 of the Bylaws and of article 23 of the Regulations of the Board of Directors. Accordingly, and in order to comply with the recommendations set forth in Technical Guide 1/2019 of the National Securities Market Commission regarding Nominating and Compensation Committees, the Board of Directors, at its meeting held on June 26, 2019, approved the Regulations of the Nominating, Compensation and Corporate Governance Committee of Telefónica, S.A., which was amended by resolution of the Board of Directors at its meeting of December 16, 2020, following a favourable report from the Nominating, Compensation and Corporate Governance Committee, to adapt it to the recommendations of the Good Governance Code as amended in June 2020 (as well as Article 23 of the Regulations of the Board of Directors).

Article 40 of the Company's By-Laws, article 23 of the Regulations of the Board of Directors and the Regulations of the Nominating, Compensation and Corporate Governance Committee govern such Committee under the terms set out in the following sections. The current version of the Regulations of the Nominating,

Compensation and Corporate Governance Committee is available for consultation on the Company's corporate website, under Information for Shareholders and Investors, in the Corporate Governance section and Company's internal regulations.

a) Composition.

The Nominating, Compensation and Corporate Governance Committee shall consist of the number of Directors that the Board of Directors determines at any given time. In no case shall the said number be fewer than three persons appointed by the Board of Directors. All of its members must be external or non-executive Directors, and the majority of them must be independent Directors. The Lead Independent Director must also be a member of the Committee.

The members of the Nominating, Compensation and Corporate Governance Committee shall be appointed such that as a group they have the knowledge, aptitudes and experience appropriate for the duties that they are called upon to perform.

The Chairman of the Nominating, Compensation and Corporate Governance Committee, whose position shall in any case be held by an independent Director, shall be appointed from among the members of such Committee.

As of the date of drawing up of this Report, the Nominating, Compensation and Corporate Governance Committee is composed of the following persons:

Name	Post	Category
Mr. Peter Löscher	Chairman	Independent
Ms. María Luisa García Blanco	Member	Independent
Ms. Verónica Pascual Boé	Member	Independent
Mr. Francisco Javier de Paz Mancho	Member	Other External

The Vice Chairman and Lead Independent Director, Mr. José Javier Echenique Landiríbar, held the position of Member of the Nominating, Compensation and Corporate Governance Committee until December 15, 2024, the date of his passing.

In this regard, the Board of Directors of Telefónica, S.A., in its meeting on January 29, 2025, at the proposal of the Nominating, Compensation and Corporate Governance Committee, agreed to appoint Mr. Peter Löscher, an Independent Director, as the Lead Independent Director.

b) Responsibilities.

Notwithstanding any other tasks that may be assigned to it by the Board of Directors, the Nominating, Compensation and Corporate Governance Committee shall have the following responsibilities:

1) To evaluate the skills, knowledge and experience necessary within the Board of Directors. For such purposes, it shall determine the functions and aptitudes needed in the candidates who must fill each vacancy and shall evaluate the time and dedication required for them to effectively carry out their tasks and shall ensure that the non-executive Directors have sufficient availability to properly perform their duties.

2) To establish a goal for representation by the less represented gender on the Board of Directors and prepare guidance on how to reach this objective.

3) To submit proposed appointments of independent Directors to the Board of Directors for appointment on an interim basis to fill a vacancy or for submission of such proposals to a decision by the shareholders at the General Shareholders' Meeting, as well as proposals for the re-election or removal of such Directors by the shareholders at the General Shareholders' Meeting.

4) To report on the proposed appointments of the other Directors of the Company for their appointment on an interim basis to fill a vacancy or for submission of such proposals to a decision by the shareholders at the General Shareholders' Meeting, as well as proposals for the re-election or removal thereof by the shareholders at the General Shareholders' Meeting.

5) To also report on proposals for the appointment and removal of the Secretary and any Deputy Secretary of the Board of Directors of the Company, as well as proposals for the appointment, re-election and removal of Directors from the subsidiaries thereof.

6) To report on proposals for the appointment and removal of the Senior Executive Officers of the Company and its subsidiaries.

7) To report on the proposals for appointment of the members of the Executive Commission and of the other Committees of the Board of Directors, as well as the respective Secretary and, if applicable, the respective Deputy Secretary.

8) To propose to the Board of Directors the appointment of the Lead Director from among the independent Directors.

9) Together with the Chairman of the Board of Directors, to organize and coordinate a periodic evaluation of the Board of Directors and its Committees, including the performance and contribution of each Director and the evaluation of the performance of the Chairman of the Board of Directors under the direction of the Lead Director pursuant to the Regulations of the Board of Directors.

10) To report on the periodic evaluation of the performance of the Chairman of the Board of Directors.

11) To examine or organize the succession of the Chairman of the Board of Directors and, if applicable, to make proposals to the Board of Directors so that such succession occurs in an orderly and planned manner.

12) To propose to the Board of Directors, within the framework established in the By-Laws, the compensation

for the Directors and review it periodically to ensure that it is in keeping with the tasks performed by them, as provided in Article 33 of the Regulations of the Board of Directors.

13) To propose to the Board of Directors, within the framework established in the By-Laws, the extent and amount of the compensation, rights and remuneration of a financial nature, of the Chairman of the Board of Directors, the executive Directors and the Senior Executive Officers of the Company, as well as the basic terms of their contracts, for purposes of contractual implementation thereof.

14) To confirm compliance with and to periodically review the compensation policy applied to the Directors and Senior Executive Officers, including share-based compensation systems and the application thereof.

15) To prepare and propose to the Board of Directors an annual report regarding the Director compensation policy.

16) To verify the information regarding the compensation of the Directors and Senior Executive Officers set forth in the various corporate documents, including the annual report on the Director compensation policy.

17) To supervise compliance with the Company's internal corporate governance policies and rules, as well as the Company's internal codes of conduct in force from time to time, while also endeavoring to ensure that the corporate culture is aligned with its purpose and values.

18) To periodically evaluate and review the Company's corporate governance system, such that it fulfils the mission of promoting the corporate interest and takes due account of the legitimate interests of the other stakeholders.

19) To supervise the implementation of the general policy regarding the communication of economic/financial, non-financial and corporate information and communication with shareholders and investors, proxy advisers and other stakeholders, and to monitor the manner in which the Company communicates and engages with small and medium-sized shareholders, all as regards aspects within the purview of this Committee.

20) To endeavor to ensure that any conflicts of interest do not adversely affect the independence of external advice provided to the Committee.

21) To exercise such other powers and perform such other duties as are assigned the Nominating, Compensation and Corporate Governance Committee in the Regulations of the Board of Directors.

c) Operation.

The Nominating, Compensation and Corporate Governance Committee must have access to information in a suitable, timely and sufficient manner, for which purpose:

- The Chairman of the Committee and, if deemed appropriate or requested, the rest of its members, shall maintain regular contact with the key personnel involved in the governance and management of the Company.
- The Chairman of the Committee, or, if applicable, the Secretary of the Committee, shall channel and provide the necessary information and documentation to the other members of the Committee, allowing sufficient time for them to analyze such information prior to their meetings.

This information shall be available through the corresponding information technology application, enabled by the Company for the handling of the documentation associated with this Committee.

The Nominating, Compensation and Corporate Governance Committee shall meet at least once every quarter, and whenever a meeting is deemed appropriate, in response to a call from its Chairman. In addition to holding the meetings scheduled on the annual calendar, the Nominating, Compensation and Corporate Governance Committee shall meet whenever the Company's Board of Directors or the Chairman of the Board of Directors requests the issuance of a report or the preparation of a proposal within the scope of its responsibilities, and whenever, in the opinion of the Chairman of the Board, a meeting is appropriate for the proper fulfillment of its duties.

During 2024 it held 12 meetings, lasting on average two hours each. Also noteworthy is the high level of participation of all of its members.

The Committee shall also meet sufficiently in advance of the meetings of the Board of Directors.

Attendance at the formal meetings of the Committee shall be preceded by the allocation, on the part of its Members, of sufficient time to analyze and evaluate the information received by them.

The Committee shall have a Secretary (who will normally be the Secretary or the Deputy Secretary of the Board of Directors), as well as the necessary support staff for planning meetings and agendas; for drafting documents and meeting minutes; and for compiling and distributing information, among other tasks.

For the purposes of appropriate scheduling that makes it possible to ensure the efficient accomplishment of the objectives pursued, the Committee shall establish an Annual Work Plan.

The meetings shall be scheduled by the Chairman of the Committee, who shall communicate them to the Secretary of the Committee, so that its members will receive the documentation sufficiently in advance. All of these actions shall be performed bearing in mind that the duties of the Members of the Committee are fundamentally supervisory and advisory, with no involvement in execution or

management, which are the responsibility of Senior Management.

The Nominating, Compensation and Corporate Governance Committee shall consult the Chairman of the Board of Directors, particularly with regard to matters involving the Executive Directors and Senior Executives.

Most important activities during the fiscal year and fulfillment of duties.

The primary activities and actions performed by the Nominating, Compensation and Corporate Governance Committee of the Board of Directors of Telefónica, S.A. during fiscal year 2024 have been associated with the powers and functions of such Committee or with legal requirements or with Telefónica's internal regulations. Accordingly, the Nominating, Compensation and Corporate Governance Committee has analyzed and reported on the following issues, among others:

a) Proposals and/or reports on appointments associated with the Board of Directors of Telefónica, S.A. and its Committees.

At its meeting held on February 20, 2024, the Committee unanimously resolved to appoint Mr. Peter Löscher as Chairman of the Nominating, Compensation and Corporate Governance Committee, replacing Mr. José Javier Echenique Landiríbar, who continued to serve on the Committee as a Member until December 15, 2024, the date of his death.

Likewise, and in relation to the proposals to be submitted to the shareholders at the Company's Ordinary General Shareholders' Meeting of 2024, the Committee, at its meeting held on March 7, 2024, passed the following resolutions:

(i) To favorably report the re-election, for a new four-year term, of the Director Mr. Isidro Fainé Casas, with the classification of Proprietary Director.

(ii) To propose the re-election, for a new four-year term, of the Directors Mr. José Javier Echenique Landiríbar, Mr. Peter Löscher, Ms. Verónica Pascual Boé, and Ms. Claudia Sender Ramírez, with the classification of Independent Directors.

(iii) To propose the ratification of the interim appointment (co-option) of Ms. Solange Sobral Targa and Mr. Alejandro Reynal Ample as Directors of the Company, as approved by the Board of Directors, for a term of four years, with the classification of Independent Directors.

Regarding the above proposals for the re-election of Directors, the Nominating, Compensation and Corporate Governance Committee has reviewed and evaluated the performance and commitment of each such Director during their term of office and, in each case, has concluded that the work of these Directors has been satisfactory, efficient and diligent and that their effective dedication to their duties has been appropriate.

Furthermore, at its meeting held on May 7, 2024, the Committee reported favorably to the Board of Directors on the voluntary resignation of Ms. Carmen García de Andrés from her position as Director of Telefónica, S.A. and, consequently, from all of her positions on the Board of Directors and the Committees of said Board.

Consequently, and in order to fill the aforementioned vacancy, at the same meeting the Committee reported favorably on the interim appointment (co-option) of Mr. Carlos Ocaña Orbis as a Proprietary Director, at the proposal of the Sociedad Estatal de Participaciones Industriales (SEPI), thus responding to the formal request made by SEPI in its capacity as a shareholder of the Company. At this same meeting, the Committee also reported favorably to the Board of Directors on the appointment of Mr. Carlos Ocaña Orbis as Member of the Executive Commission and Member of the Audit and Control Committee of Telefónica, S.A.

b) Proposed appointments of Directors within the decision-making bodies of the Subsidiaries or Affiliates of the Telefónica Group.

c) Proposed appointments related to Senior Executives and the organizational structure of the Telefónica Group.

d) The remuneration regime for the Directors, Senior Executives and Employees of the Telefónica Group (fixed and variable compensation).

e) Telefónica, S.A. Share Plans.

f) Process of evaluation of the operation of the Board of Directors, its Committees and the General Shareholders' Meeting of Telefónica, S.A.

g) Annual Corporate Governance Report and Annual Report on Remuneration of Directors for 2023.

h) Preparation of the 2023 Report on the operation of the Nominating, Compensation and Corporate Governance Committee.

The Sustainability and Regulation Committee

The Sustainability and Regulation Committee is governed by the provisions of article 24 of the Regulations of the Board of Directors, which integrates the former Sustainability and Quality Committee and the Regulation and Institutional Affairs Committe, amended on December 13, 2023, with the aim of improving the systematisation of the division of competences between the Commissions.

a) Composition.

The Board of Directors determines the number of members of this Committee, which shall in no case be less than three. All members thereof must be external or non-executive Directors and the majority thereof must be independent Directors.

The Chairman of Sustainability and Regulation will be appointed from among its members.

As of the date of drawing up of this Report, the Sustainability and Regulation Committee is composed of the following persons:

Name	Post	Category
Mr. Francisco Javier de Paz Mancho	Chairman	Other External
Mr. José María Abril Pérez	Member	Proprietary
Ms. María Luisa García Blanco	Member	Independent
Ms. María Rotondo Urcola	Member	Independent
Ms. Solange Sobral Targa	Member	Independent

b) Functions.

Without prejudice to other functions that may be assigned to it by the Board of Directors, the Sustainability and Regulation Committee shall have, at a minimum, the following functions:

1) To carry out, through study, analysis and discussion, the permanent monitoring of the main sustainability and regulatory issues affecting the Group at any given time.

2) To serve as a channel of communication and information on sustainability and regulatory matters in the telecommunications sector or in any other sector relevant to the business of the Company or the Group, facilitating such communication between the management team and the Board of Directors, and, where appropriate, to bring to the attention of the Board of Directors those matters that are considered relevant for the Company or for any of the companies of the Group and on which it is necessary or advisable to adopt a decision or establish a specific strategy, including, in particular, matters related to the supervisory and regulatory bodies competent in the telecommunications sector.

3) To supervise and review the strategies and policies of the Company's Responsible Business Policy, including environmental and social issues, ensuring that they are aimed at responding to the expectations of the company's stakeholders and the creation of value, and to propose to the Board of Directors that they be updated and modified when necessary.

4) To promote a proactive relationship strategy with our stakeholders: customers, investors, suppliers, employees and society in general, with the purpose of defining the material issues affecting the Company from risk and opportunity perspectives.

5) To supervise the impact analyses linked to the Responsible Business strategy and our reputation, both from a business perspective and from the perspective of their impact on society, and in particular Human Rights and the Environment, as well as the legal modifications, recommendations and best business practices, which could have a significant influence for the Telefónica Group in matters of sustainability and reputation.

6) To analyse, report and propose to the Board of Directors the principles to which the Group's Sponsorship and Patronage policy must conform, monitoring the same, as well as individually approving those sponsorships or patronages whose amount or importance exceeds the threshold set by the Board and must be approved by the latter.

7) To analyse, promote and supervise Telefónica Group's sustainability objectives, action plans and practices in the environmental and social areas, including aspects such as ethical behaviour, human rights, the environment and climate change, responsible management of the supply chain, digital trust and the responsible use of technology, talent and diversity, sustainable customer responsibility, ethical and sustainable products and services and inclusive connectivity, as well as other issues identified as risks or opportunities for the Company in terms of sustainability and monitor compliance with sustainability, environmental and social best practices through, among others, quality indices, ESG, reputation measurement and sustainability indices, making recommendations where necessary to improve the Telefónica Group's management in these fields.

8) To ensure that the corporate culture is aligned with its purpose and values with transparency towards its stakeholders.

9) To report to the Audit and Control Committee on sustainability risks and on the process of preparation, presentation and integrity of sustainability information

(or non-financial information) in accordance with international reference standards.

10) In relation to the non-financial indicators in the area of sustainability of the variable remuneration of Directors and Senior Executives, be aware of and inform the Nominating, Compensation and Corporate Governance Committee of these indicators, in order to facilitate their better contribution to the business strategy of sustainability and to the long-term interests of the Company and the Group in this area.

11) Any other matters related to the fields within its competence that are requested by the Board of Directors or its Chairman.

In relation to these functions, and regarding sustainability issues, Telefónica wants to be a relevant player in the communities in which it operates, internalizing in its strategy and way of operating the impacts of its activities on society and the environment. Its purpose, in this area, is to make the world more human, connecting people's lives, which implies that it is always attentive to how it can contribute to generate a positive impact through its products and services, trying to minimize any negative impact that its activities may cause. It is about being an ethical and responsible Company, and Telefónica's strategy and governance reflect that concern.

The Group's Responsible Business Principles and Responsible Business Plan respectively form the ethical framework and roadmap for sustainability, and both are approved by the Board of Directors, as well as the Group's most relevant policies in this area (see the Sustainability Report 2024). Furthermore, the Sustainability and Regulation Committee supervises the implementation of the Responsible Business Plan at its monthly meetings.

The Group's Responsible Business Plan details objectives and projects related to the Company's sustainability management, including, among others, respect for Human Rights, customer responsibility, privacy commitments, freedom of expression and information, security, ethical management of artificial intelligence, responsible management of technology, sustainable management of the supply chain, climate change and environmental strategy, promotion of diversity, safety and well-being of our employees, as well as a business strategy focused on generating products and services that contribute to addressing society's major social and environmental challenges (sustainable innovation).

Some of the most relevant objectives of the Responsible Business Plan are considered in determining the variable compensation of the Company's employees.

The full details of the sustainability governance structure can be found in chapter 2.4. Governance of the Sustainability Report 2024.

Most important activities during the fiscal year and fulfillment of duties.

The primary activities and actions performed by the Sustainability and Regulation Committee of the Board of Directors of Telefónica, S.A. during fiscal year 2024 have been associated with the powers and functions of such Committee or with Telefónica's internal regulations. Accordingly, the Sustainability and Regulation Committee has analyzed and reported on the following issues, among others:

- Regarding Sustainability: i) analysis of the quality indices of the main services provided by Telefónica Group companies, ii) monitoring of the main Customer Experience indicators by these companies, and (iii) analysis of the most significant Sustainability issues (sustainable finance, supply chain, privacy and cybersecurity, risks in the field of Sustainability (ESG), talent management and diversity, human rights, environment and climate change, and positioning in the main ESG ratings), including the Responsible Business Plans in the area of Sustainability (ESG) and the Statement of Non-Financial Information (Sustainability Information) with the corresponding analysis of the double materiality process carried out by Telefónica, S.A. The Committee also proposed the appointment of the Verifier of the Sustainability Information of Telefónica, S.A. and its Consolidated Group of Companies for the fiscal year 2024.

- Regarding regulation, the most significant regulatory issues for the Telefónica Group, as reflected in the Regulatory Agenda; all at the global level, by region (Europe and Latin America) and by country. The most significant developments in relation to the most important matters in the Regulatory Agenda are updated at each meeting, as well as the specific documents or reports submitted to the Committee if the issue or situation so warrants. Update on regulatory approvals of corporate transactions.

- Regarding Sponsorship and Patronage, continuous monitoring of the Sponsorship and Patronage Policy, the Telefónica Group's global Sponsorship portfolio, and the sponsorship proposals presented by the Global Sponsorship Department of Telefónica, S.A.

- Regarding the Company's Institutional Relations, the most significant institutional milestones of the Telefónica Group.

Evaluation of the Board and of its Committees

Once a year, all of the Company's Directors evaluate the performance of the Board of Directors of Telefónica, S.A., of its Committees and of the General Shareholders' Meeting. Furthermore, every three years such evaluation is carried out with the assistance of an external consultant, whose independence is verified by the Nominating, Compensation and Corporate Governance Committee.

The assessments for the 2021 and 2022 financial years were carried out internally by the Company, without the support of an external advisor; for the evaluation for the financial year 2023, the Board of Directors, on the proposal of the Nominating, Compensation and Corporate Governance Committee, was supported by the Consulting Firm Egon Zehnder as external advisor; and the evaluation for the financial year 2024 has been carried out internally by the Company, without the support of an external consultant.

Specifically, at the end of the 2024 financial year, all Directors were given a questionnaire to carry out the evaluation process for that year.

The questionnaire contained a wide range of questions grouped under the following headings:

- The Board of Directors: Composition, Function and Powers, expressly including the adequacy of the performance and contribution of i) each Director on the Board of Directors, ii) the Chairman of the Board, iii) the Lead Independent Director, and iv) the Secretary of the Board.
- Committees of the Board of Directors: Composition, Function and Powers, expressly including the performance and input of i) the Committee Chairs, and ii) the Secretariat for these Committees.
- Rights and Duties of Directors.
- Stakeholders and General Shareholders' Meeting.
- Suggestions and Comments.

The Nominating, Compensation and Corporate Governance Committee, at its meeting held on January 28, 2025, reviewed and analysed the results of this evaluation, concluding that, in general, the aspects related to the Board of Directors, Committees and General Meeting had been highly valued and were considered optimal and competent on the whole.

However, as a result of this evaluation, and in order to continue promoting the improvement of the company's corporate governance system, certain areas for optimisation were identified, in view of which, and after a detailed examination and analysis of the results achieved, the Board of Directors, at the proposal of the Nominating, Compensation and Corporate Governance Committee, at its meeting of January 29, 2025, established an Action Plan for the implementation of the following suggestions and recommendations:

- With regard to the matters included in the Agendas of the meetings, we will consider introducing, when deemed appropriate, more matters related to (i) business (customers, offers, digital transformation), (ii) the Company's long-term strategy and (iii) strategic development linked to technological changes, as well as, if necessary, scheduling additional sessions when deemed appropriate.
- To continue to offer the members of the Board training and refresher knowledge programs on a continuous basis on those aspects that are of special importance for the performance of their duties.
- Finally, to continue working on the optimization of the process of making the documentation of the meetings of the Board and its Committees available to the Board Members, so that it is made available to them, whenever possible, sufficiently in advance.

4.4.2. Management Team

As of the date of drawing up of this Report, their composition is shown below.

4.5. Transactions with Related Parties and Conflicts of Interest

4.5.1. Transactions with Related Parties

- **The procedure for approval of related-party and intragroup transactions**

As mentioned above, the Board of Directors, at its meeting held on June 29 and 30, 2021, and at the proposal of the Nominating, Compensation and Corporate Governance Committee, approved the partial amendment of the company's Board of Directors' Regulations which basically consists of adapting them to the novelties of Law 5/2021 of April 12, which amends the revised text of the Capital Companies Act and other financial regulations with regard to the promotion of long-term shareholder involvement in listed companies (Law 5/2021). Specifically, the Board of Directors' Regulations were adapted to the amendments introduced by Law 5/2021 to the regime of related-party transactions applicable to listed companies.

Likewise, the Board of Directors, at its aforementioned meeting held on June 29 and 30, 2021, approved, in coordination with the aforementioned amendment of the Board of Directors' Regulations, to partially amend the Regulations of the Audit and Control Committee, in order to incorporate the changes introduced in the Board of Directors' Regulations.

Following the aforementioned amendment, Article 5.4 of the Board of Directors' Regulations includes the following non-delegable powers of the Board, among others:

The approval, subject to a report from the Audit and Control Committee, of related-party transactions under the terms established in Article 37 of these Regulations, unless its approval corresponds to the General Meeting.

The Company's Board of Directors may delegate the approval of transactions between companies forming part of its group that are carried out within the scope of ordinary management and under market conditions, as well as transactions entered into under contracts whose standard conditions are applied en masse to a large number of customers, carried out at prices or rates established on a general basis, and whose amount does not exceed 0.5% of the net turnover of the company, determined in accordance with the rules of calculation laid down in the Law.

In this regard, and in accordance with the provisions of article 29.f) of the Board of Directors' Regulations:

No Director may directly or indirectly carry out professional or commercial operations or transactions with the company or with any of the companies of its group, when such operations or transactions are outside the ordinary course of business or are not carried out under market conditions, except for those operations or transactions that are authorised by the company under the terms provided for in the regime on related-party transactions established by law, in the Articles of Association, and in these Regulations.

Article 37 of the Board of Directors' Regulations establishes the following with regard to the regime on related-party transactions:

1. *The Board of Directors, subject to a favourable report from the Audit and Control Committee, shall approve transactions that the company or its subsidiaries carry out with directors, shareholders holding 10% or more of the voting rights or represented on the company's Board of Directors, or any other persons who should be considered related parties under the terms of the law, provided that, under current legislation, they are considered to be related party transactions, and unless their approval corresponds to the General Shareholders' Meeting. This power cannot be delegated, except in the cases and under the terms provided for in the law and in Article 5.4 of these Regulations.*

2. *In relation to the adoption of the motion to approve related-party transactions whose competence corresponds to the Board of Directors and has not been delegated, the Director involved or the Director representing or related to the shareholder involved must abstain from participating in the deliberation and voting in accordance with the provisions of the law.*

3. *In the event that the Board of Directors delegates the approval of related-party*

transactions in accordance with the provisions of the law and Article 5.4 of these Regulations, the Board of Directors itself shall establish an internal procedure of information and periodic control in relation thereto, in which the Audit and Control Committee shall intervene, in order to verify the fairness and transparency of these transactions and, where appropriate, compliance with the applicable legal criteria. The approval of such transactions shall not require a prior report from the Audit and Control Committee.

4. *In relation to related-party transactions whose approval depends on the General Meeting, the proposed motion for approval adopted by the Board of Directors shall be submitted to the General Meeting with an indication as to whether it has been approved by the Board of Directors with or without the majority of the independent Directors voting against.*

Likewise, Article 4, section xiv) of the current Regulations of the Audit and Control Committee establishes, among the competencies of this Committee, the following:

Report on related party transactions to be approved by the General Meeting or the Board of Directors and supervise the internal procedure established by the Company for those transactions whose approval has been delegated by the Board of Directors, as the case may be.

In relation to the above, and within the framework of the aforementioned regulation, the Board of Directors of the Company, at its meeting held on June 29 and 30, 2021, following a favourable report from the Audit and Control Committee, moved to establish a generic delegation for the approval of all related-party transactions that are so allowed, that is:

a. Intra-group transactions (companies subject to a potential conflict of interest) that are carried out in the ordinary course of business and on an arm's length basis; and

b. Transactions which are concluded under contracts whose standardised conditions are applied *en masse* to a large number of customers, made at general prices or rates, and whose amount does not exceed 0.5% of the company's net turnover.

Such delegation was made to the bodies or persons who, in accordance with the general powers of attorney in force at any given moment and the internal contracting regulations of Telefónica, S.A. and the other applicable companies in its group, and in accordance with the functions they perform within the Telefónica Group (such as financing, telecommunications services and all those derived from the ordinary business of the group), have the powers to carry out such delegation.

The approval of the related-party transactions referred to in the aforementioned delegation motion of the Board of Directors, does not require a prior report from the Audit and Control Committee, although such transactions must be reported half-yearly to the Audit and Control Committee and the Board of Directors in order to verify the fairness and transparency of such transactions and, where appropriate, compliance with the applicable legal criteria.

During fiscal year 2024 neither Telefónica, S.A. nor any company in its Group has carried out transactions with any member of the Board of Directors or with any Senior Executives other than those derived from the Group's ordinary business or traffic, except as indicated in the following paragraph in respect of transactions with parties related.

Notwithstanding the above, the significant and relevant transactions carried out by companies of the Telefónica Group with related parties are included in Note 11 (Related Parties) and in Note 10 (Associates and joint ventures) of the Consolidated Annual Accounts of Telefónica, S.A. of Telefónica, S.A. corresponding to fiscal year 2024, as in Section D of the Statistical Annex of the Annual Corporate Governance Report.

4.5.2. Conflicts of Interest

Company policy establishes the following principles governing possible conflicts of interest that may affect Directors, Senior Executives or significant Shareholders:

- With respect to Directors, Article 29 of the Regulations of the Board of Directors establishes that Directors shall inform the Board of Directors of any situation of direct or indirect conflict they may have with the interest of the Company. In the event of conflict, the Director affected shall refrain from participating in the transaction to which the conflict refers.

  Moreover, and in accordance with the provisions set out in the Regulations of the Board, Directors shall refrain from participating in votes that affect matters in which they or persons related to them have a direct or indirect interest.

  It is also established that Directors may not directly or indirectly carry out professional or commercial operations or transactions with the Company or with any of the companies of its Group, when such operations or transactions are outside the ordinary course of business or are not carried out under market conditions, except for those operations or transactions that are authorised by the Company under the terms

provided for in the regime on related-party transactions established by law, in the Articles of Association and in the Regulations of the Board of Directors (regime described in section 4.5.1. above).

Directors must also report with respect to themselves as well as the persons related thereto (a) the direct or indirect interests held by them and (b) the offices held or duties performed at any company that is in a situation of actual competition with the Company.

For purposes of the provisions of this paragraph, the following shall not be deemed to be in a situation of actual competition with the Company, even if they have the same or a similar or complementary corporate purpose: (i) companies controlled thereby (within the meaning of Article 42 of the Commercial Code); and (ii) companies with which Telefónica, S.A. has established a strategic alliance. Likewise, for purposes of the provisions hereof, proprietary Directors of competitor companies appointed at the request of the Company or in consideration of the Company's interest in the capital thereof shall not be deemed to be in a situation of prohibition of competition.

Transactions arising from the duty of loyalty and its exemption regime shall also be subject to prevailing laws.

- With regard to significant shareholders, Article 37 of the Board Regulations establishes that the Board of Directors, following a favourable report from the Audit and Control Committee, shall approve transactions that the company or its subsidiaries carry out with shareholders holding 10% or more of the voting rights or represented on the Company's Board of Directors, provided that, under current legislation, they are considered to be related-party transactions, and unless their approval corresponds to the General Shareholders' Meeting. This power cannot be delegated, except in the cases and under the terms provided by law and in Article 5.4 of the Company's Board of Directors' Regulations, as described in section 4.5.1 above.

- With respect to Senior Executives, the Internal Code of Conduct for Securities Markets Issues, updated on May 6, 2020, sets out the general principles of conduct for the persons subject to the said regulations who are involved in a conflict of interest. The aforementioned Code includes all the Company's management personnel within the concept of affected persons.

In accordance with that established in this Regulation, the People with Management Responsibilities, their Administrative Personnel and the managers or employees of Telefónica Group who have Inside Information, or participate or have access to or knowledge of a Confidential Operation (as defined in the previous terms of the Internal Code of Conduct for Securities Markets Issues) have the obligation to (a) remain loyal to the Group and its shareholders at all times, regardless of his/her own or other's interests; (b) refrain from intervening in or influencing decision making that could affect persons or companies with which there is conflict; and (c) refrain from accessing information classified as confidential that affects said conflict. Additionally, these people (except for the members of the Company Board of Directors who will be governed in terms of communicating conflicts under the standards established in the regulation of the Board of Directors) have the obligation to make the Company aware of these situations, by means of the computer system established by Telefónica for this purpose, as soon as possible, that would potentially entail the manifestation of conflicts of interest because of its activities outside the Telefónica Group, its family relationships, its personal assets or any other reason with: (a) financial intermediaries operating with the Group Telefónica; (b) professional or institutional investors who have a significant relationship with the Group Telefónica; (c) suppliers of significant equipment or material; or (d) professional service providers or External Advisors.

Telefónica, S.A. is the only company of the Telefónica Group that is listed in Spain, so it is not necessary to have defined the specific mechanisms that would be applied to resolve possible conflicts of interest with subsidiaries listed in Spain.

Based on the information provided above, it is also noted that Telefónica, S.A. is not controlled by another entity within the meaning of Article 42 of the Commercial Code.

4.6. Risk Control and Management Systems

See Section 3 ("Risks") of the 2024 Consolidated Management Report of Telefónica, S.A.

4.7. Internal Risk Control and Management Systems in relation to the Financial Information System (ICFR)

4.7.1. Control Environment

Responsible bodies and/or functions of: (i) the existence and maintenance of a suitable and effective ICFR; (ii) its deployment; and (iii) its supervision.

The Board of Directors is, in accordance with Laws and the Bylaws, the highest administrative and representative body of the Company, and basically consists of a supervisory and control body, while the executive bodies and management team are responsible for the day-to-day management of the Company's businesses.

Telefónica's Board of Directors is ultimately responsible for the supervision of the Company's internal information and control systems, including the Internal Control System for Financial Reporting (ICFR).

The Bylaws and the Regulation of the Board of Directors of the Company state that the primary duty of the Audit and Control Committee of Telefónica, S.A. is supporting the Board of Directors in its supervisory functions. Its competencies include, among others, the following ones:

i. Submitting to the Board of Directors proposals for the selection, appointment, re-election and replacement of the external auditor, being responsible for the selection process in accordance with the provisions of the Law, as well as the conditions of their engagement, and regularly collecting information from the auditor regarding the audit plan and its execution, in addition to preserving its independence in the exercise of its functions.

ii. To supervise the internal audit, ensuring the proper functioning of the information and internal control systems which will functionally report to the Chairman of the Audit and Control Committee, and in particular:

   a. Ensure the independence and effectiveness of the internal audit function.

   b. Propose the selection, appointment and removal of the head of the Internal Audit service.

   c. Propose the budget for that service.

   d. Approve the guidelines and the annual work plan, ensuring that its activity is mainly focused on relevant risks (including reputational risks);

   e. Review the annual activity report;

   f. Receive periodic information on its activities, the execution of the annual work plan, including possible incidents and limitations as and when they occur in its development as well as on the results and monitoring of its recommendations; and

   g. Verify that senior management takes into account the conclusions and recommendations of its reports.

iii. Supervise and evaluate the process of preparation, presentation and completeness of the mandatory financial information regarding the Company and the Group, and submit recommendations and proposals to the Board of Directors aimed at safeguarding integrity. In relation to this, it is responsible for supervising:

a. The correct design and operation of the controls on the breakdown and the procedures of the process for preparing the financial information, revealing any material information regarding that reporting process of the Group.

b. The environment of internal control over the financial reporting, with the objective of providing, faced with third parties, reasonable assurance regarding the reliability in the process for reporting and preparing the financial information according to accounting standards.

c. Any significant change that affects the internal control system of the financial reporting process in a material way, and which has occurred during the annual assessment period.

d. Compliance with regulatory requirements, adequate delimitation of the consolidation perimeter, and the correct application of the accounting criteria, giving account to the Board of Directors.

iv. Supervise and evaluate the process of preparation, presentation and integrity of the mandatory financial and non-financial information of the Company and the Group and to present recommendations and proposals to the Board of Directors with the intention of safeguarding its integrity. In this regard, it will review compliance with the regulatory standards, the appropriate delimitation of the scope of consolidation, reporting to the Board of Directors.

v. Ensure that the annual accounts presented by the Board of Directors to the General Shareholders' Meeting are prepared in accordance with accounting standards. Notwithstanding the foregoing, in cases in which the Auditor has included any exceptions in its audit report, the Chairman of the Audit and Control Committee shall clearly explain the Committee's opinion on its content and scope at the General Meeting. Similarly, a summary of this opinion will also be made available to shareholders at the time of the publication of the call of the General Meeting.

vi. Supervise the effectiveness of the Company's internal control, in particular, ensuring that the policies and systems established in the field of internal control are effectively implemented in practice, as well as the internal audit and the financial and non-financial risk management and control systems relating to the Company and the Group (including operational, technological, legal, social, environmental, political, reputational or corruption-related risks); as well as discuss with the Account Auditor the significant design, material and operating weaknesses of the controls over financial information reporting detected in the development of the audit, and do all of this without breaking their independence. For those purposes, where applicable, it may submit recommendations or proposals to the Board of Directors and the corresponding deadline for their follow-up. With regard to this, the Board of Directors is responsible for proposing the Policy on Risk Control and Management, which will identify or determine, at least:

a. The various types of financial (including contingent liabilities and any other off-balance sheet risks) and non-financial risks (including operational, technological, legal, social, environmental, political and reputational risks, including those related to corruption) faced by the Company.

b. A risk control and management model based on various levels, which will include a specialized risk committee where sectoral rules so provide for it or where the Company deems it appropriate.

c. Setting of the risk level which the Company considers acceptable.

d. he planned measures for mitigating the impact of the identified risks should they materialize; and

e. The internal control and reporting systems to be employed to control and manage those risks, including contingent liabilities and any other off-balance sheet risks.

vii. Supervise the risk management and control the department, which will perform the following duties:

a. Ensure the proper functioning of risk control and management systems and, in particular, that all significant risks affecting the Company are appropriately identified, managed and quantified.

b. Actively participate in the development of the risk strategy and in major risk-management decisions; and

c. To ensure that the risk control and management systems adequately mitigate the risks within the framework of the policy defined by the Board of Directors.

viii. Establish and supervise a mechanism that allows employees and other people related to the Company, such as directors, shareholders, suppliers, contractors or subcontractors to communicate, confidentially and anonymously, any potentially important irregularities, including financial and accounting ones, or of any other nature, related to the Company, that they may notice within the Company or its Group, whilst respecting the rights of the whistle-blower as well as of the person being reported.

ix. Establish and maintain the opportune relations with the Account Auditor to receive information on those issues that may be a threat to the independence of the Auditor, for examination by the Committee, and

any other related to the process of developing the audit of accounts, and, when applicable, the authorization of services other than those prohibited, in the terms stated in the applicable legislation, as well as other communications expected in the legislation on audit of accounts, and in the auditing standards. In any case, the Audit and Control Committee shall receive annually from the Account Auditor the declaration of its independence in relation to the Company or entities linked to it directly or indirectly, as well as the detailed and individualized information of the additional services of any type provided and the corresponding fees received from these entities by the aforementioned Auditor, or by the persons or entities linked to them in accordance with the provisions of current regulations.

x. On an annual basis, prior to the issuance of the account audit report, issue a report expressing an opinion on whether the Account Auditor's independence is compromised. This report must conclude, in any case, on the reasoned assessment of the rendering of each and every one of the additional services referred to in point vi above, individually considered and as a whole, other than the legal audit and in relation to the independence regime or with the regulations governing the activity of the account audit.

xi. To preserve the independence of the Accounts Auditor in the performance of their duties and, in this regard: (a) in the event of the Accounts Auditor resigning, to examine the circumstances that may have led do it; (b) to ensure that the remuneration of the Auditor for their work does not compromise their quality or independence; (c) to supervise that the Company notifies the change of auditor through the National Securities Market Commission and accompanies it with a statement on any possible existence of disagreements with the outgoing auditor and, if so, to disclose the details; (d) to ensure that the Auditor holds an annual meeting with the Board of Directors in order to report it on the work performed and on the evolution of the Company's accounting and risk situation; and (e) ensure that the Company and the Auditor comply with current regulations on the provision of non-audit services, the limits on the concentration of the auditor's business and, in general, other regulations on auditor independence.

xii. Analyze and report the economic conditions, the accounting impact and, if applicable, the exchange ratio proposed for the operations of structural and corporate modifications that the Company plans to carry out, before being submitted to the Board of Directors.

xiii. Inform, in advance, the Board of Directors, on all matters stated in the Law and the Bylaws, and, in particular, on:

1. The financial information that the Company must periodically publish;

2. The creation or acquisition of participations in special purpose entities or domiciled in countries or territories that are considered tax havens.

xiv. Report the related operations to be approved by the General Shareholders' Meeting or the Board of Directors and supervise the internal procedure established by the Company for those whose approval has been delegated by the Board of Directors.

xv. Supervise the application of the general policy relating to the communication of economic-financial, non-financial and corporate information, as well as communication with shareholders and investors, voting members and other stakeholders, monitoring the way in which the Company communicates and relates to small and medium-sized shareholders, in all aspects which fall within the responsibilities of the Audit and Control Committee.

xvi. Exercise, with regard to companies of its Group which are considered Public Interest Entities (as they are defined in the current legislation) as approved by the Board of Directors, provided that they are fully owned, directly or indirectly, by the Company, in accordance with the provisions of current legislation, and which are not attributed to a Board of Directors, all the functions of the Audit Committee contemplated at any time by current legislation.

As mentioned above, it is established that the Accounts Auditor will hold an annual meeting with the full Board of Directors to inform them about the work conducted and the evolution of the accounting and risk situation of the Company.

The provisions above are understood without prejudice to the regulations governing the audit of accounts.

According to the Regulation of the Board of Directors, the periodicity of the sessions of the Audit and Control Committee must be, at least, quarterly. 14 sessions have been held this year.

All areas and functional units of the Telefónica Group are relevant to the internal control over financial information (ICFR), with the Finance and Control area being a key piece, as responsible for the preparation, maintenance and updating of the different procedures that include its own operations, in which the tasks carried out are identified, as well as those responsible for their execution.

In order to perform its supervisory duties, the Audit and Control Committee has the support of the entire Company Management, including Internal Audit, which functionally depends on this Committee and sets up as an independent area in the management of the Company, which supports the Audit and Control Committee in its competencies on assurance, risk management, and the internal control system, applying a systematic and disciplined approach by the following main lines of action:

- Review of the Internal Regulation of the Telefónica Group coordinated by Compliance, from an analysis point of view of the correct design of general controls at the entity level.
- Coordination and supervision of the Risk Management System.
- Continuous auditing.
- Specific reviews or audits on the Company processes. Among these activities, the following, at least, are included:
  a. Assessment on the internal control over financial reporting, required by the Sarbanes-Oxley Act of 2002, to companies listed in the United States of America which also serves to cover the assessment on the System for the Internal Control over financial reporting (ICFR) for companies listed in Spain, with a reasonable assurance approach.
  b. Audits on the efficiency and effectiveness of the design and execution of the controls in processes, including the preparation and reporting of non-financial and sustainability information; as well as the evaluation of its Internal Control System and the evaluation of related party processes; and
  c. Other audits on specific risks, including Public Interest Entities, and compliance reviews across the Telefónica Group based on the periodicity established in the annual Internal Audit plans.
- Assessment of the internal control environment through specific audits on the applications and technological infrastructures used in product and service deployment for both internal and external clients. With the focus on the governance model, both in the deployment of new technologies: and new regulatory requirements, all with potential impact on cybersecurity and data protection risks, as well as on network and system security, cybersecurity and privacy;
- Sustainability audits, relating to environmental, social and governance factors;
- Audit procedures on fraud aspects to evaluate their impacts on governance systems, the design or operation of internal control and risk management;
- Review of disputes over balances and transactions between Group companies when administrative channels (arbitration) have been exhausted.
- Perform other specific audits or reviews, of interest for the Board of Directors or Senior Management of the Company.
- Review of allegations where it may have a material impact on the Company's governance, internal control and risk management systems.

The internal control supervision system is complemented by the functions assigned to the Compliance area. This area, which is also configured as an independent area of the Company's management and reports to the Audit and Control Committee, is responsible for developing the Company's Compliance Program, including prevention, reaction and response functions and, likewise, the competent area to perform the following functions:

- Coordination and review of the consistency of the internal Regulatory Framework of the Telefónica Group, encouraging the development and supervision of standards to strengthen internal control, and promoting, in turn, actions that favor the updating and communication of these in accordance with what is established on the Regulation for the preparation and organization of the regulatory framework of Telefónica.
- Supervision of controls on fund outflows [2].
- Responsibility for the "Internal Information System", including investigations derived from the information incorporated into this System; and, carrying out investigations when there are sufficient reasons or indications to conclude that a potential infringement could have been committed.

Departments and/or mechanisms in charge of: (i) the design and review of the organizational structure; (ii) defining clearly the lines of responsibility and authority, with an appropriate distribution of tasks and functions; and (iii) sufficient procedures so this structure is communicated effectively throughout the Company, especially with regard to the process of preparing financial information.

People area carries out the deployment of the organizational structure in the respective fields within the

[2] In the case of Telefónica Brazil, the supervision of controls over the outflow of funds is carried out by the Finance area.

framework of the decisions taken by the Board of Directors of the Company.

The Financial-Accounting Information System in the Telefónica Group is regulated through several manuals, instructions and internal rules and regulations, internally available on the Intranet, the most noteworthy of which are the following:

- **Corporate Regulation on the Recording, Communication and Control of Financial and Sustainability Information of the Telefónica Group**, which sets out the general principles of the Financial-Accounting Information System and of the Sustainability Information Control System of the Group, as well as considers periodic information requirements of the Company, including control processes and systems for both financial and sustainability information, as well as the mechanisms for the periodic evaluation or verification of the operation of these processes and systems.

- **Manual of Accounting Policies**, which includes the accounting standards applicable to the reporting of the companies of the Telefónica Group for the preparation of the consolidated financial information. The Manual of Accounting Policies is based on IFRS (International Financial Reporting Standards), specifically, on the set of regulations and interpretations in force published by the IASB at all times.

- **Reporting instructions**, which establish the procedures and annual calendar to be followed by all the companies of the Telefónica Group in the monthly reporting of the financial-accounting information and the external audit in order to comply with the legal and informational obligations of the Telefónica Group, including aspects related to the evaluation of the effectiveness of the internal control evaluation on the Group's financial report, both from Internal Auditing and the Accounts Auditor.

  Similarly, specific reporting instructions are devised for companies in which the Telefónica Group participates by means of a joint management agreement (joint ventures and operations) and for the main companies over which it has significant influence.

- **Manual for Completing the Consolidation Reporting of the Telefónica Group**, which is updated, at least, annually and establishes specific instructions to fill in the reporting forms necessary for the preparation of consolidated annual accounts and interim consolidated financial information.

- **Corporate Accounting Plan ("PCC")**, which includes the list of accounts, their content, and the corresponding accounting movements. The PCC intends to homogenize the sources of financial information included in the accounting of the companies of the Telefónica Group.

- **Corporate Regulation on Intragroup Operations**, mandatory for all companies in the Telefónica Group, and whose purpose is to recast in a specific regulation the mandatory compliance criterion with regard to the accounting recording and payment of transactions between companies in the Group.

Code of conduct, approving body, dissemination and instruction degree, included principles and values (stating whether there are specific mentions to the recording of operations and the preparation of financial information), body in charge of analyzing non-compliance and proposing corrective or disciplinary actions.

With regards to the Code of Conduct, the Board of Directors of Telefónica approved the Business Principles, that are applied in a homogeneous manner in all countries where the Telefónica Group operates and apply to all its employees (the Business Principles affect at all levels of the organization, directors and non-directors) and they include commitments in matters of privacy and security, compliance and fiscal transparency, environment, responsible communication and protection of minor stockholders, among others.

The Business Principles emanate from three basic values: integrity, commitment and transparency, which are essential values to foster the trust relationship that Telefónica wants to have with its groups of interest.

Regarding the financial information, the following principles are set:

- Transparency of the information: we shall provide, immediately and without discrimination, all the relevant information. We are aware of the importance for all our groups of interest to share true, complete, timely and clear information in the reports registered with the relevant Supervising Bodies of the Securities Markets, as well as in other public communications of the Company.

- Privileged Information: we abstain from using, in our own profit or that of third parties, any privileged information, safeguarding the confidentiality and establishing the controls and processes legally required by the Supervising Bodies of the Securities Markets in all the actions related to these markets.

The Business Principles are available for all employees at the Intranet, there are procedures to update, monitor adherence to and disseminate these Business Principles in the Telefónica Group. Likewise, training programs are also periodically established to ensure employees are aware of these principles. In the case of new employees, in addition to providing them the Responsible Business Principle as part of the documentation provided in the onboarding process, they are offered specific training on the subject to do within a maximum of 3 months from their joining the company.

In this regard, Telefónica has a Corporate Policy on the Comprehensive Discipline Program that aims to define the basic principles of the Group's disciplinary system and that provides that all employees must receive a homogeneous, objective, proportional and non-arbitrary treatment, without prejudice to and with absolute respect for the legislation and other regulations that are applicable in each case to the Group companies in the different countries in which it operates.

Likewise, the Global Sustainability (ESG) Office, in collaboration with the Areas of General Secretariat, Legal Services, People Area, Internal Audit, Purchasing and Supply Chain Management (SCM), Compliance, Security, Global Consumer, Strategy, Finance, Communication, Data & Analytics, Privacy, Technology and Information, Corporate Inspection, Tax, Fundación Telefónica, Telefónica Tech and Telefónica Infra,as well as other companies and subsidiaries that generate and manage sustainability, they monitor the Responsible Business Plan approved by the Board of Directors, reporting to the Executive Committee and the Sustainability and Regulation Commission, through the head of Sustainability. This same operation also applies to the exercise of, for instance, the following responsibilities:

- Ensure that Telefónica develops its business in an ethical and responsible manner, proposing initiatives and measures that contribute to compliance with the Group's Responsible Business Principles.
- Analyze any aspect that could pose a risk to compliance with the Responsible Business Principles or the associated policies.
- Promote a proactive relationship strategy with interest groups (customers, investors, suppliers, and employees, among others).
- Coordinate and align the preparation, monitoring and supervision of the different sustainability projects.
- Monitor the objectives related to the different sustainability topics: customer responsibility, privacy, security, diversity, inclusion and employee well-being, respect for human rights and due diligence, responsible supply chain, climate change and energy, circular economy, sustainable products and services, compliance and management of the Whistle-Blowing channel, among others.

On a different issue, in case of being aware of any conduct which contravenes what is established by the Law, by the Business Principles or by other valid internal regulations, after proper analysis, disciplinary measures will be applied in accordance with the regime established in the applicable labor legislation, distinguishing between minor, serious and very serious sanctions, depending on the circumstances.

Telefónica also has an "Internal Code of Conduct" for matters relating to Securities Markets, which sets out the general guidelines and principles of conduct to be followed by persons affected by securities and financial instrument operations issued by the Company or its subsidiary Companies.

Similarly, and as detailed below, Telefónica has a Whistle-blowing Channel.

Whistle-blowing Channel, which enables to inform the Audit and Control Committee about any irregularities of a financial and accounting nature, as well as eventual breaches of the code of conduct and irregular activities in the organization, informing, where applicable, about a confidential nature.

As specified in Article 22 of Telefónica, S.A.'s Regulations for the Board of Directors, and in Article 4 of Regulation for the Audit and Control Committee, the Audit and Control Committee´s competencies include, among others: "establishing and supervising a mechanism that allows employees and other people related to the Company, such as Board Members, shareholders, suppliers, contractors or subcontractors to communicate, in a confidential and anonymous manner, respecting the rights of the whistle-blower and the reported party, irregularities of potential significance, including financial and accounting ones, or of any other nature, related to the Company, detected within the Company or its Group."

The Telefónica Group has an Internal Information System, which includes the Whistle-blowing Channel, adapted to Law 2/2023, of February 20, regulating the protection of people who report regulatory and combat infractions against corruption. The Whistle-blowing Channel is governed by the Policy and the Internal Information System Management; Procedure approved by Telefónica's Board of Directors in June 2023.

The Whistleblowing Channel is the preferred mechanism that Telefónica makes available to all employees, directors and Board Members of the Group Companies as well as third parties related to them and, in particular, suppliers and contractors, shareholders, volunteers, interns and workers in training periods so that they can communicate any information related to any company in the Group and that may involve: (i) any possible irregularity, or act contrary to the Responsible Business Principles or any other applicable internal regulations; (ii) any eventual irregularity referring to accounting matters, issues related to auditing and/or aspects related to the internal control over financial reporting, to which the Sarbanes-Oxley Act of the United States of America and other applicable regulations to these matters are referred; or (iii) any possible irregularity or act contrary to the law, including those conducts that may constitute a serious or

very serious criminal or administrative infraction, as well as a violation of European Union law, in relation to the activities subject to this regulation.

The Board of Directors of Telefónica has entrusted the management of its Internal Information System to the Chief Compliance Officer, who, in his capacity as responsible for the System, carries out his functions autonomously and independently and has the personal and material resources to do so. The Chief Compliance Officer periodically informs the Telefónica Audit and Control Committee of the activity related to the Whistle-blowing Channel. Additionally, in listed companies, their Audit and Control Committee will receive complaints regarding matters related to accounting aspects, to audit issues, to internal controls over financial information and / or all those issues related to in the Sarbanes-Oxley Act, including any fraud, material or not, that affects the Management, and that affects any company in the Group, as well as the result, in these cases, of the management derived from the investigation, or audit, if applicable.

In every investigation, the confidentiality of the data provided through the Internal Information System and the rights to privacy, honor, and the presumption of innocence of the people investigated will be guaranteed to the whistle-blowers. The whistle-blower who wishes to remain anonymous may do so. In this case, the anonymous communications or whistle-blows received will be treated respecting the guarantees established in the Internal Information System Management Policy and Procedure. Any action aimed at preventing an employee from making a communication or whistle-blow will be sanctioned in accordance with the applicable labor and disciplinary regime.

Periodic training and updating courses for personnel involved in the preparation and review of financial information, as well as ICFR assessment, which cover, at least, accounting rules, auditing, internal control and risk management.

The Consolidation and Accounting Polices Area develops specific training actions, as well as updating seminars addressed to all personnel in the financial areas and other affected areas of the Group (Tax, M&A, etc.), with the aim of making known those changes which, from an accounting and financial point of view, are relevant for the preparation of the consolidated financial information.

This Area also publishes updated Information and Bulletins on IFRS (International Financial Reporting Standards) where to present a summary of the main changes in accounting matters, as well as clarifications on various applicable aspects that may arise in this matter.

The Telefónica Group has also a training platform included in the corporate People area management tool, which includes both a Finance School, with specific knowledge and updating programs in financial information matters and an internal control training program that includes training related to auditing, internal control and risk management.

In addition, it should be noted that, based on the relevance of any new accounting developments, the staff of the departments involved in financial reporting attend (when possible and/or necessary) technical sessions given by external companies, related to the main developments in accounting.

Finally, the Group offers the Corporate University "Universitas Telefónica" with the objective of contributing to the Group's progress through the ongoing development of its professionals. All the programs in the training offer of the University of Telefónica are based on the development of the corporate culture, the business strategy and management and leadership competences.

4.7.2. Risk Assessment of Financial Information

Main characteristics of the risk identification process, including those related to error or fraud.

The ICFR was developed by the Group in accordance with international internal control standards established by COSO (Committee of Sponsoring Organizations, of the Treadway Commission), in its Internal Control – Integrated Framework report of 2013, which establishes five components in which the effectiveness and efficiency of internal control systems should be based:

- Establish an effective internal control environment, emphasizing organizational culture, integrity and ethical values.
- Assess the risks that an entity could incur in compiling its financial information.
- Design and implement the necessary controls to mitigate the risks identified, ensuring that actions are aligned with the financial reporting objectives of the Organization.
- Establish the appropriate information and communication circuits to support effective decision making and control processes, including those related to the detection and communication of system weaknesses or inefficiencies.
- Monitor said controls to ensure their effective design and operability, as well as the validity of their effectiveness over time.

Given the width of the universe of processes with impact on financial reporting at the Telefónica Group, a model has been developed to select the most relevant

processes based both on risk assessment and Group materiality, the so-called Scope Definition Model, and which is a part of the Audit Methodology on the Internal Control over Financial Information (ICFR) System of the Telefónica Group. This model, based both in the principle of relative importance and the assessment of risks related to financing reporting at Group level, is applied to the financial information reported by subsidiaries multi-group and associate companies. The model selects the significant accounts at the consolidated level, the evaluation of ICFR of the Group can be upholded. Subsequently, identifies the relevant processes which generate the financial information for these epigraphs or accounts.

Once the relevant processes have been identified, an understanding is made on those processes that have a more relevant impact on significant accounts, to review, in the first instance, the effectiveness of the design of their internal control structures, and in a second phase, the operating of the key controls which address the main associated risks or "objectives of control of financial information" (also named as financial assumptions or assertions).Given that the internal control evaluation the Group's financial reporting is performed as of the closing date of each year, throughout the year, and up until the corresponding activities are carried out to contrast the results obtained through the Scope Definition Model.

The aforementioned procedure for identifying and reviewing the key controls covers the objectives of the financial information (also named financial premises) of accuracy, valuation, completeness, cut-off of operations, existence / occurrence, presentation, breakdown, and rights and obligations. This identification of the key controls, aimed at addressing the aforementioned financial premises of the significant accounts and relevant processes in scope, is carried out annually, verifying that no event has taken place so as to determine a modification of this as at the year-end date.

With regard to the process for identifying the company perimeter, the Finance and Control Office carries out, in a periodic manner, an update on its consolidation perimeter, verifying additions and removals of companies with the legal and financial departments of the different companies which are part of the Group, including the corporate departments.

As previously mentioned, Telefónica constantly monitors the most significant risks that could affect the main companies that make up its Group. For that purpose the Company has a Risk Management Model based on COSO (Committee of Sponsoring Organizations of the Treadway Commission). It is implemented in a homogeneous manner in the main operations of the Group, and the persons responsible for the Company, in their field of action, carry out a timely identification, assessment, response and monitoring of the main risks. Telefónica's risk management, including those related to financial information, is integrated into the planning process and is aligned with the Company's strategy, in line with the requirements of COSO ERM 2017, "Enterprise Risk Management - Integrating with Strategy and Performance".

The Board of Directors of the Company, through the Audit and Control Committee, is the entity's governing body that supervises the previous process, as defined in Article 22 of the Regulation of the Board of Directors of Telefónica.

4.7.3. Control Activities

Procedures for reviewing and authorizing the financial information and the description of the ICFR, to be disclosed in the securities market, indicating those responsible, as well as the documents describing the flow of activities and controls (including those related to fraud risk) of different types of transactions that may materially affect the financial statements, including the accounts closing procedure and specific review of relevant value judgements, estimates, valuations and projections.

The Board of Directors of Telefónica, S.A. approved, on March 29, 2023, an update of the "Regulations Governing Disclosure and Reporting to the Markets" (RCIM) to reflect, among other issues, the treatment of non-financial information and information on sustainability for the purposes of Communication and Information to the Markets. This regulation regulates the basic principles of functioning of the financial disclosure control processes and systems for reporting economic-financial and sustainability information and any other information that the Company considers necessary to publish, through which to aim at guaranteeing that the Company's relevant or privileged information is known by the markets, investors and other stakeholders, thus maximizing the disclosure and quality of this information, and ensuring that the mechanisms required to perform regular evaluations of the functioning of these processes and systems are established.

In addition, on a quarterly basis, the Consolidation and Accounting Polices Department (which forms part of the Finance and Control Department) of Telefónica submits to the Audit and Control Committee the periodic financial information, highlighting the main events occurred and the accounting criteria applied in its preparation, clarifying those aspects of major importance occurred during the period.

Likewise, the Telefónica Group has documented economic-financial processes in place which enable that the criteria for preparing financial information are common, both in the companies of the Group and in those activities that are outsourced, if any.

Likewise, the Company follows documented procedures for preparing the consolidated financial information, so

that the persons responsible for the different areas involved verify this information.

Additionally, in accordance with internal regulations, the Executive Chairmen or Chief Executive Officers and the Finance Directors of the companies of the Group must submit to the Consolidation and Accounting Policies Office an annual certificate stating that the financial statements presented fairly present in all material respects the equity, the financial position, the results of operations and the cash flows as of the date and for the period presented.

In relation to the accounting closing procedure, the Consolidation and Accounting Polices Office issues the reporting and external audit instructions (in the case of external audits, for the purposes of information of schedules and reports to be issued) aligned with the internal control assessment approach over the financial reporting of Internal Audit; which includes the content, procedures and schedule to be followed by the departments and companies of the Telefónica Group as well as investee entities through joint control agreements (joint ventures and operations) or material entities over which it exercises significant influence and through its external auditors in the reporting of the financial-accounting information and the results of the audit processes.

The specific review on relevant judgments, estimates, valuations and projections is carried out by the Consolidation and Accounting Polices Office, to identify critical accounting policies to the extent that they require the use of estimates and value judgements. In these cases, the Consolidation and Accounting Polices Office establishes, likewise, the necessary operational coordination actions with the rest of the units in the Telefónica Group in their specific fields of action and knowledge, prior to presenting them to the Audit and Control Committee. The most relevant ones are dealt with by the Audit and Control Committee and Senior Management defines the presentation format in the annual accounts, prior to approval by the Board of Directors.

Finally, Internal Audit, within its Annual Audit Plan, among other actions, establishes work plans to assess the model for internal control over financial reporting of the Telefónica Group, in line with the above stated.

Internal control policies and procedures on information systems (among others, on access security, change control, system operation, operation continuity, separation of functions) that support the relevant processes of the company with regard to the preparation and publication of financial information.

The Global Security Policy of Telefónica considers an integral concept that encompasses the physical and operational security (of people and assets), digital security, business continuity, supply chain security and prevention of commercial fraud. In order to reach a homogeneous level of security, a global corporate security regulatory Framework is defined that will take into account the analysis of threats and risks, as well as the establishment of preventive, detection and corrective controls, in the activities aimed at identify, protect, detect, respond and recover.

The Global Director of Security and Intelligence leads the development and monitors the implementation of the regulatory framework and global security initiatives. For more information, see the Security section of Telefónica's Global Transparency Centre.

The Telefonica Group's Global Information and Technology Department is responsible for the technological strategy of both the Network and the Information Technology System for the Group's main operating markets, defining the strategy and technological planning, as well as its evolution and ensuring compliance with the quality of service, cost and security conditions required by the Group. Among its various functions are the definition of Systems and Networks that improve the efficiency, effectiveness and profitability of the Group's processes. For operators in Latin America, these same functions are assumed and carried out by the regional Network and Systems Department but always based on the guidelines set out by the Global Directorate for Technology and Information.

Finally, the Internal Audit unit, based on the scope established in each Annual Audit Plan, executes certain procedures to verify the effectiveness of design and operation, as well the efficiency of the defined internal control environment, to ensure compliance with all Group policies and regulations on Security and Data Processing and Protection, focusing on the governance model and the integrity accuracy of the information, reviewing in the audit work the effectiveness of the internal control structures defined and implemented, both in their design and operation and on the basis of the established scope.

Internal control policies and procedures aimed at supervising the managing of activities outsourced to third parties, as well as those aspects of assessment, calculation or valuation commended to independent experts that may affect in a material manner the financial statements.

In the case that a process or part of a process is outsourced to a third party unrelated to the Company, this does not exempt from the need to have controls which ensure an adequate control level in the whole of the process. Given the importance of service outsourcing and the consequences that this can cause on the opinion about the effectiveness of the internal control over financial reporting, the necessary actions are taken in the Telefónica Group in order to achieve to evidence an adequate control level. The actions that are carried out to achieve the mentioned objective may vary among the

three following ones, which, depending on the case, may be complementary:

- **Certification of internal control by an independent third party**: ISAE 3402, SSAE 18, SOC or analogous, certifications in their different typologies.
- **Establishing specific controls**: identified, designed, implemented and assessed by the Company and/or the Telefónica Group.
- **Direct assessment**: an assessment, carried out by the Internal Audit area, on certain outsourced processes, with the scope established in its Annual Audit Plan, as appropriate.

When Telefónica or any of its subsidiaries uses the services of an independent expert whose result and conclusions may present potential impacts on the consolidated financial information, with regard to the process to select a supplier, the area that requests the service and, if applicable, together with the Purchase department, must make sure about the competence, training, credentials and independence of the third party regarding the methods and main hypotheses considered. The Finance and Control Office has established control activities aimed at guaranteeing the validity of data, the methods used, and the reasonability of the hypotheses used by the third party through the recurrent monitoring on the own KPIs1 of each duty which enable to ensure compliance of the outsourced process according to the policies and guidelines issued by the Group. In terms of security, we have requirements for our suppliers, and we identify and monitor the risks associated with the provision of a service/product (for more information, see the Security in the Supply Chain section of Telefónica's Global Transparency Centre).

Likewise, there is an internal procedure for engaging independent experts which requires certain levels of approval.

4.7.4. Information and Communication

A specific function in charge of defining, keeping updated the accounting policies (area or department of accounting policies) and resolving issues or conflicts derived from its interpretation, maintaining fluid communication with those responsible for operations in the organization, as well as an updated accounting policy manual informed to the units through which the entity operates.

The Consolidation and Accounting Polices Office of the Group is in charge of defining and updating the accounting policies for the purposes of preparing and reporting consolidated financial information.

Thus, this area publish news and updated Information Bulletins on IFRS (International Financial Reporting Standards), where this area presents a summary of the main changes in accounting matters, as well as clarifications on various aspects that may arise regarding this matter.

Additionally, the Telefónica Group has a Manual of Accounting Policies which is permanently updated. The objectives of this Manual are: to adapt the corporate accounting principles and policies to the IFRS regulatory framework; to maintain accounting principles and policies which enable that the information is comparable within the Group and which facilitate an optimum management from the origin of the information; to improve the quality of the accounting information of the various Group companies and of the Consolidated financial information by disclosing, agreeing and implementing accounting principles which are unique to the Group; and to facilitate the accounting integration of acquired and newly-created companies into the Group's accounting system by means of having a reference Manual.

All companies belonging to the Telefónica Group must comply in a mandatory manner with the mentioned Manual when carrying out their reporting for the preparation of the consolidated financial information.

This documentation is available for the whole Group on the Telefónica Intranet in an integrated Accounting and Reporting portal. In this portal, in addition to the digitalized Manual, the history of IFRS Bulletins can be accessed, as well as the Reporting Manual with its forms and all the details of the corporate chart of accounts. All accounting and reporting update communications are made through this tool, which is part of the Group's digital transformation project.

Likewise, the Accounting Policies Area maintains a fluid communication with the accounting heads of the Group's main operations, both proactively and reactively. This communication is useful not only for resolving doubts or conflicts but also to ensure that accounting criteria in the Group are homogeneous as well as to share best practices among Group companies.

Mechanisms for obtaining and preparing the financial information with standardized formats applied and used by all the units in the entity or the Group, which support the main financial statements and notes, as well as information detailing the ICFR.

As stated above, there is a Manual for Filling in the Consolidation Reporting of the Telefónica Group which provides specific instructions for preparing the details which make up the financial-accounting reporting package, provided by all components of the Telefónica

Group for the preparation of the Telefónica Group's consolidated financial statements and its explanatory notes.

Likewise, the Telefónica Group has implemented a specific system, through an IT System, which supports the reporting of the individual financial statements of its various subsidiaries, as well as the necessary notes and disclosures for preparing the consolidated annual accounts. This tool is used, likewise, to carry out the consolidation process and its subsequent analysis. The system is managed centrally, and all components of the Telefónica Group use the same account plan.

4.7.5. Supervision of System Operation

The supervision activities and results of the ICFR evaluation performed during the year. Procedure for which the person responsible performs the evaluation establishes the scope and reports their results, with the entity defining an action plan that details the pertinent corrective measures and consideration of its impact on the financial information.

As indicated above, the Corporate Bylaws and the Regulation of the Board of Directors state that the primary duty of the Audit and Control Committee shall be to support the Board of Directors in its supervisory duties, establishing among its competencies to supervise the effectiveness of the Company's internal controls and the systems for risk management and control, as well as to discuss, where appropriate, with the Account Auditors significant deficiencies or material weaknesses in the internal control system over financial reporting (ICFR) detected during the development of both the integrated audit performed by the Account Auditor and the evaluation of internal control on the Group's financial reporting at the end of each year, carried out by Internal Audit.

Along the same lines as the above, Telefónica has a Corporative Internal Control Policy that sets that the Board of Directors, through the Audit and Control Committee, supervises the internal control system, with the support of Internal Audit of the Telefónica Group. In that Policy, "internal control" is defined as the process performed by the Board of Directors, Management and the rest of the staff of the Company, being designed with the purpose of providing a reasonable assurance degree for the attainment of the objectives related to operations, information and compliance. With the purpose of helping to the achievement of its objectives, the Company has an internal control model defined in accordance with the criteria established by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

Likewise, there is an Internal Audit Organization Policy, which includes aspects regarding the organization and functioning of this area, including its statute. According to what is set in that Policy and in the Corporate Internal Control Policy itself, Internal Audit is the area in Telefónica in charge of confirming, by means of appropriate evidence, the adequate functioning of the internal control and risk management structures and, if applicable, detecting possible inefficiencies or non-compliance with the control system that the Group establishes in its processes. In this respect, Internal Audit functionally depends on the Audit and Control Committee and becomes an area independent from the Company management which supports this Committee in its competencies on assurance, risk management and the internal control system, applying a systematic and disciplined approach, through the means indicated above in 4.7.1.

The Internal Audit function is developed in accordance with the International Standards for the Professional Practice of Internal Auditing and, in this regard, it has been awarded a Quality Certificate from the International Institute of Internal Auditors.

With regard to the supervision of the Internal Control System Over Financial Reporting (ICFR), Telefónica, S.A., as company listed on the New York Stock Exchange, is subject to the regulatory requirements established by the North American regulatory bodies that regulate companies listed on that Stock Exchange. Among those requirements is the aforementioned Sarbanes-Oxley Act, of 2002, and, specifically, Section 404 of that Act, which stipulates the need for companies listed in the US market to assess on an annual basis the effectiveness of the procedures and structures of the internal control over financial reporting (ICFR). In order to comply with this requirement, and as stated above, the Telefónica Group has a Methodology of the system for the internal control over Financial Reporting (ICFR), Internal Audit is the area in charge of performing, on an annual basis, the assessment on its effectiveness as of the year-end date, with a reasonable assurance approach, in accordance with the guidelines established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in its Internal Control – Integrated Framework report of 2013.

Additionally, and also in accordance with what is established in Section 404 of this Act, the External Auditor issues their own independent opinion of reasonable assurance on the effectiveness of the Internal Control System over Financial Reporting (ICFR), in accordance with the criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

Review on specific processes and controls

Based on the results obtained after the application of the Outcome Definition Model, a direct review is made on the processes associated with the headings and companies

in scope. For this purpose, the Internal Control over Financial Reporting System Audit Methodology is applied, which is aligned with the guidelines established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in its Internal Control – Integrated Framework report.

As indicated above, the "Scope Definition Model" is available, which is based both on the principle of relative importance(materiality) and on the assessment of risks related to the financial reporting processes of the Telefónica Group. Based on the application of this model, the identification of the relevant financial accounting by company of the consolidation perimeter is carried out.

Once the accounts and companies are identified having identified within the scope of the evaluation, the Internal Control System Auditing Methodology on the Group's Financial Information is applied as follows:

- Identify economic-financial processes associated with the significant accounts so that a reasonable coverage is achieved in the evaluation of the ICFR of the Group, considered as a whole.
- As part of the scope definition procedures, Information Technology (IT) systems and tools and technological infrastructures associated with these economic-financial processes in scope (technological processes) are also identified. Additionally, as part of the risk assessment and the previous procedures, those aspects of cybersecurity that could have a relevant impact on the ICFR are also considered for the purposes of concluding on their inclusion in the scope of the Evaluation of the effectiveness of the ICFR of the Group, considered as a whole.
- Identify significant risks and high inherent risks regarding financial reporting associated to those processes.
- Carry out Walkthroughs of the economic-financial processes and technological processes in the scope of the evaluation, considerations of transactions carried out, which allows the design of the controls associated with these processes, and identifying the key controls that address the specific risks and the financial assumptions associated with these processes.
- Additionally, assess the operability of the previously qualified key controls, by applying the corresponding evaluation tests and its design assessed as effective. For this purpose, the corresponding assessment tests are applied, based on the nature, timing and scope that determine both the periodicity and the risk rating of the key control.
- In the event that control deficiencies and/or opportunities for improvement are identified during the Internal Control System for Financial Information (ICFR) assessment procedures, they are reported to Management through the corresponding conclusions reported by Internal Audit, prior analysis of their impact, both at individual and aggregate level, on the evaluation of the Internal Control System for Financial Information (ICFR) of the Telefónica Group. For the purposes of this assessment, the existing compensating controls are taken into consideration, which mitigate the risks that the deficiencies identified could not be remedied at year-end.
- Where appropriate, execute the necessary audit procedures related to those investigations of facts reported through the Internal Information System, in which there may be effects on the correct design or operability of internal control.
- Internal Audit communicates to both Management and the Audit and Control Committee any significant deficiencies or material weaknesses in the internal control system over financial reporting (ICFR) identified, if applicable, as a result of its evaluation of internal control over the financial report, as well as the design and status of the implementation of the corresponding action plans, which are subject to periodic monitoring by the Audit and Control Committee.

Review on IT general controls

The Information Technology General Controls (ITGCs) of IT Systems (IT applications and Systems), which support the financial and economic processes in the assessment scope of the internal control over financial reporting (ICFR), are evaluated at least annually, also on the basis of the above-mentioned evaluation methodology.

The review on IT general controls over IT systems and tools and the technological infrastructures (databases and operating systems), has the objective to assess the effectiveness of the design and operability of key controls related to (i) managing changes to programs, which includes the authorization of the changes implemented at the production stage and that must be supported by their corresponding user tests (UATs), ensuring an adequate segregation of duties and environments, such as (ii) logical access, which includes the control on credentials and profiles, as well as the segregation of duties and the monitoring of activities that are critical in information systems and tools and in the technological infrastructures that supports them (databases and operating systems), and (iii) other IT general controls which support the correct operation of information systems and tools (managing changes to infrastructures, back-ups, managing security patches and programmed tasks and their monitoring as well as the activities of managing gaps). Additionally, appropriate audit testing of internal control over cybersecurity aspects included within the scope of the Assessment of the effectiveness of the Group's ICFR.

Self-assessment Questionnaires

In addition, all the companies that depend from the Group which are not within the direct scope of the Annual ICFR Assessment performed by Internal Audit,

receive annually internal control self-assessment questionnaires, whose answers must be subsequently certified by the local persons responsible of their ICFR in each Company (Executive Presidents and/or Finance Directors, or functional positions). These questionnaires address aspects of internal control over financial reporting (ICFR) that are considered minimum requirements in order to achieve a reasonable assurance of the reliability of the financial information reported. The answers are demonstrably audited by the corresponding Internal Audit Units.

Weakness detection and management procedure
As previously stated, the Internal Audit area is also in charge, among other functions, to provide support to the Audit and Control Committee in the supervision of the functioning of the system for the internal control over financial reporting (ICFR).

The Internal Audit department participates in the Audit and Control Committee meetings and informs regularly about the conclusions of the carried out works, and also informs about the action plans designed and agreed for mitigation and about the degree of implementation thereof. This includes, where applicable, to communicate internal control significant deficiencies and material weaknesses which may have been identified in the process for ICFR assessment, as well as the follow-up on the implementation of action plans related to significant deficiencies and material weaknesses.

On the other hand, the Accounts Auditor also participates in the Audit and Control Committee, at the request of the Audit and Control Committee, in order to explain and clarify aspects of their audit reports and the rest of work carried out by the External Auditor, which including work carried out to audit the effectiveness of the internal control over Group's financial reporting. As well as Internal Audit, the External Auditor is obliged to communicate the significant deficiencies or material weaknesses identified in the development of their integrated audit, which includes the audit of the Internal Control System over Financial Information (ICFR) on the system for the internal control over financial reporting (ICFR). For this purpose, the Accounts Auditor has direct access at all times to Senior Management and the Chairman of the Audit and Control Committee, and, in parallel with the Internal Auditing, it also reports independently to that Committee the results of both the preliminary and final phase of their audit on the ICFR.

Action plans
In the event that control deficiencies and/or opportunities for improvement are detected as a result of the assessment of the Telefónica Group's Internal Control System for Financial Information (SCIIF), depending on the scope established, the control owners communicate their action plans agreed for solving the identified control deficiencies and/or improvement opportunities, as well as the deadlines scheduled for their implementation. These action plans have as fundamental objectives:

- To remedy the control deficiencies identified in the ICFR annual assessment, so that the control activities are designed and operate in an effective manner, or failing that, the risk generated is substantially mitigated.
- To prioritize the implementation of improvement opportunities in the efficiency of processes; improvement opportunities are defined as such, since they do not constitute internal control deficiencies.

Conclusion of the assessment of the Internal Control System for Financial Information (ICFR) as of December 31, 2024.

Internal Audit has carried out its assessment of the effectiveness of the Internal Control System for Financial Information (ICFR) as of December 31, 2024. To perform this assessment, the guidelines established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in its "Internal Control - Integrated Framework of 2013" report, were considered. Based on the assessment carried out, it was concluded that, as of December 31, 2024, the Telefónica Group's Internal Control System for Financial Information (ICFR) was effective in accordance with these guidelines.

4.7.6. External Auditor's Report

As indicated above, the Group was commissioned to the External Auditor, both to perform a reasonable assurance audit the effectiveness of the internal control system over financial reporting (ICFR) in accordance with the criteria established in Internal Control - Integrated Framework of 2013 issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), and to review the description of the ICFR of the Telefónica Group, included in this Consolidated Management Report, whose report is attached below to this document.

Telefónica, S.A.

Independent reasonable assurance report
on the design and effectiveness of Internal Control
over Financial Reporting (ICFR)

This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Independent reasonable assurance report on the design and effectiveness of Internal Control over Financial Reporting (ICFR)

To the board of directors of Telefónica, S.A.

We have carried out a reasonable assurance engagement of the design and effectiveness of Internal Control over Financial Reporting (hereinafter, ICFR) and the accompanying description thereof included in section 4.7 of the Annual Corporate Governance Report of Telefónica, S.A. (the Company) as at December 31, 2024. This internal control system is based on the criteria and policies defined by Telefónica, S.A. in accordance with the guidelines established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in its "Internal Control-Integrated Framework" report, in its most recent framework published in 2013.

Internal Control over Financial Reporting is a process designed to provide reasonable assurance on the reliability of financial information in accordance with the applicable financial reporting framework and includes those policies and procedures that: (i) permit the maintenance, in reasonable detail, of records that accurately reflect the transactions that have taken place; (ii) provide reasonable assurance that the transactions are appropriately recorded to permit the preparation of financial information, in accordance with the applicable financial reporting framework, and that these transactions only take place pursuant to the pertinent authorisation; and (iii) provide reasonable assurance in relation to the prevention or timely detection of unauthorised acquisitions, use or disposal of assets which could have a material effect on the financial information.

Inherent limitations

In this regard, it should be borne in mind that, given the inherent limitations of Internal Control over Financial Reporting, regardless of the quality of its design and operation, such internal control system only permits the provision of reasonable, but not absolute, assurance in relation to the objectives pursued, such that errors, irregularities or fraud may occur which may not be detected. In addition, projections of the evaluation of internal control to future periods are subject to risks such as that internal control may become inadequate as a result of future changes in applicable conditions, or that in the future, the degree of compliance with established policies or procedures may be reduced.

Directors' responsibility

The directors of Telefónica, S.A. are responsible for adopting the necessary measures to reasonably ensure the implementation, maintenance and supervision of appropriate Internal Control over Financial Reporting, as well as for the evaluation of its effectiveness, the development of improvements to that system and for the preparation and establishment of the content of the accompanying information relating to ICFR.

Our responsibility

Our responsibility is to issue a reasonable assurance report on the design and effectiveness of Telefónica, S.A.´s Internal Control over Financial Reporting, based on the work we have performed and on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (ISAE 3000) (Revised), "Assurance Engagements other than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC).

R. M. Madrid, hoja M-63.988, folio 75, tomo 9.267, libro 8.054, sección 3ª
Inscrita en el R.O.A.C. con el número S0242 - NIF: B-79031290

A reasonable assurance engagement includes understanding Internal Control over Financial Reporting, assessing the risk that material weaknesses in internal control may exist, that controls are not properly designed or do not operate effectively, the execution of tests and evaluations of the design and effective application of the aforementioned internal control system, based on our professional judgement, and the performance of such other procedures as may be deemed necessary.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our independence and quality Management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Opinion

In our opinion, Telefónica, S.A. maintained, as at December 31, 2024, in all material respects, effective Internal Control over Financial Reporting for the financial year ended December 31, 2024, which is based on the criteria and policies defined by Telefónica, S.A.´s management in accordance with the guidelines established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in its "Internal Control-Integrated Framework" report in its most recent framework published in 2013.

Similarly, the accompanying description of ICFR included in section 4.7 of the Annual Corporate Governance Report of Telefónica, S.A. as at December 31, 2024 has been prepared, in all material respects, in accordance with the requirements established by article 540 of the consolidated text of the Companies Act and Circular 5/2013 of June 12, 2013 of the Comisión Nacional del Mercado de Valores (CNMV), and subsequent amendments, the most recent being Circular 3/2021, of September 28 of the CNMV, for the purposes of the description of ICFR in Annual Corporate Governance Reports.

Our work does not constitute an audit nor is it subject to the regulations governing the audit activity in force in Spain, and as a result we do not express an audit opinion in the terms provided in the aforementioned regulations.

PricewaterhouseCoopers Auditores, S.L.

Vanesa González Prieto

27 February 2025

4.8. Annual Corporate Governance Report Statistical Annex

Annual Corporate Governance Report Statistical Annex for listed companies (established by Circular 3/2021, of September 28, of the National Securities Market Commission, that modifies Circular 5/2013, of June 12, that established the templates for the Annual Corporate Governance Report for listed companies)

Unless otherwise indicated, in compliance with the provisions contained in Circular 3/2021, of September 28, of the National Securities Market Commission, which amends Circular 5/2013, of June 12, that established the templates for the Annual Corporate Governance Report for listed companies, the data is as of December 31, 2024.

A. Ownership Structure

A.1 Complete the following table on share capital and the attributed voting rights, including those corresponding to shares with a loyalty vote as of the closing date of the year, where appropriate:

Indicate whether company bylaws contain the prevision of double loyalty voting:

No.

Date of the last modification of the share capital	Share capital (€)	Number of shares	Number of voting rights
13/05/2024	5,670,161,554	5,670,161,554	5,670,161,554

Indicate whether there are different classes of shares with different associated rights:

No.

A.2 List the company's significant direct and indirect shareholders at the closing date of the financial year, including the directors with a significant shareholding:

Name or company name of shareholder	% voting rights attributed to shares		% of voting rights through financial instruments		% of total voting rights
	Direct	Indirect	Direct	Indirect	
Sociedad Estatal de Participaciones Industriales (SEPI)	10.00	0.00	0.00	0.00	10.00
Criteria Caixa, S.A.U.	9.99	0.00	0.00	0.00	9.99
Banco Bilbao Vizcaya Argentaria, S.A.	4.93	0.00	0.00	0.00	4.93
Public Investment Fund	0.00	4.97	0.00	0.00	4.97
BlackRock, Inc.	0.00	3.09	0.00	1.20	4.29

Breakdown of the indirect holding:

Name or company name of indirect owner	Name or company name of direct owner	% voting rights attributed to shares	% of voting rights through financial instruments	% of total voting rights
BlackRock, Inc.	Grupo BlackRock	3.09	1.20	4.29
Public Investment Fund	Green Bridge Investment Company SCS	4.97	0.00	4.97

A.3 Give details of the participation at the close of the fiscal year of the board of directors who are holders of voting rights attributed to shares of the company or through financial instruments, whatever the percentage, excluding the directors who have been identified in Section A2 above:

Name or company name of director	% voting rights attributed to shares		% of voting rights through financial instruments		% of total voting rights	% voting rights which may be transferred through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
Mr. José María Álvarez-Pallete López	0.05 %	0.00 %	0.06 %	0.00 %	0.11 %	0.00 %	0.00 %
Mr. Isidro Fainé Casas	0.01 %	0.00 %	0.00 %	0.00 %	0.01 %	0.00 %	0.00 %
Mr. José María Abril Pérez	0.01 %	0.01 %	0.00 %	0.00 %	0.02 %	0.00 %	0.00 %
Mr. Ángel Vilá Boix	0.02 %	0.00 %	0.04 %	0.00 %	0.06 %	0.00 %	0.00 %
Ms. María Luisa García Blanco	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Mr. Peter Löscher	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Mr. Francisco Javier de Paz Mancho	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Mr. Francisco José Riberas Mera	0.00 %	0.21 %	0.00 %	0.00 %	0.21 %	0.00 %	0.00 %
Dª María Rotondo Urcola	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %

Total percentage of voting rights held by the Board of Directors
0.41%

Breakdown of the indirect holding:

Name or company name of director	Name or comany name of the direct owner	% voting rights attributed to shares	% of voting rights through financial instruments	% of total voting rights	% voting rights which may be transferred through financial instruments
Mr. José María Abril Pérez	Other company shareholders	0.01 %	0.00 %	0.01 %	0.00 %
Ms. María Luisa García Blanco	Other company shareholders	0.00 %	0.00 %	0.00 %	0.00 %
Mr. Francisco José Riberas Mera	Other company shareholders	0.21 %	0.00 %	0.21 %	0.00 %

List the total percentage of voting rights represented on the Board:

Total percentage of voting rights held by the Board of Directors
25.33%

A.7 Indicate whether the company has been notified of any shareholders' agreements that may affect it, in accordance with the provisions of Articles 530 and 531 of the Spanish Corporate Enterprises Act. If so, describe them briefly and list the shareholders bound by the agreement:

Yes.

Parties to the shareholders' agreement:

Telefónica, S.A.

Prosegur Global Alarmas Row, S.L./ Prosegur Compañía de Seguridad, S.A.

% of share capital concerned:

0.87%

Brief description of the agreement:

On February 28, 2020, as part of the transaction whereby Telefónica de Contenidos, S.A. acquired 50% of the share capital of Prosegur Alarmas España, S.L. from Prosegur Global Alarmas Row, S.L., 49,545,262 shares of Telefónica, S.A. (the "Shares") were delivered to Prosegur Global Alarmas Row, S.L. as payment of the transaction price.

On the same day, Telefónica, S.A., Prosegur Global Alarmas Row, S.L., as shareholder, and Prosegur Compañía de Seguridad, S.A. as guarantor, signed a contract whereby Prosegur Global Alarmas Row, S.L. undertook, among other obligations, to assume certain restrictions on the transferability of the Shares delivered to it (the Shareholders' Agreement).

In particular, the Shareholders' Agreement restricted the free transfer of the Shares for a period of nine months from the date of signature and provides for a number of covenants governing the transfer of the Shares after that initial period.

This agreement was notified to the National Securities Market Commission as 'Other Relevant Information' on February 28, 2020, including a transcription of the relevant clauses included in the agreement relating to restrictions on the transferability and orderly sale of the Shares.

On December 2, 2020, Prosegur Global Alarmas Row, S.L. transferred 39,545,262 Shares to Prosegur Compañía de Seguridad, S.A. (company of the Prosegur Group). As a consequence of the transfer and the provisions of Clause 2.3 of the Shareholders' Agreement, Prosegur Compañía de Seguridad, S.A. entered into an agreement to adhere to the Shareholders' Agreement, becoming bound in its capacity as guarantor and shareholder.

Expiry date of the agreement, if any:

-

Indicate whether the company is aware of any concerted actions among its shareholders. If so, provide a brief description:

No.

A.8 Indicate whether any individual or company exercises or may exercise control over the company in accordance with Article 5 of the Spanish Securities Market Act. If so, please identify them:

No.

A.9 Complete the following table with details of the company's treasury shares:

At the closing date of the financial year:

Number of direct shares	Number of indirect shares (*)	Total percentage of share capital
26,874,751	—	0.47 %

(*) Through:

--

A.11 Estimated float:

	%
Estimated float	64.07 %

A.14 Indicate whether the company has issued shares that are not traded on a regulated EU market:

Yes.

B. General Shareholders' Meeting

B.4 Give details of attendance at General Shareholders' Meetings held during the reporting year and the two previous years:

Attendance data					
			% distance voting		
Date of general meeting	% physical presence	% present by proxy	Electronic voting	Other	Total
08/04/2022	0.08%	56.26%	0.75%	1.49%	58.58%
Of which, float	0.01%	37.35%	0.75%	0.16%	38.27%
31/03/2023	0.1%	54.84%	0.46%	2.75%	58.15%
Of which, float	0.02%	38.07%	0.46%	0.49%	39.04%
12/04/2024	0.11%	56.16%	0.47%	5.39%	62.13%
Of which, float	0.01%	34.94%	0.47%	0.20%	35.62%

B.5 Indicate whether there has been any item on the agenda at the general meetings held during the year that has not been approved by the shareholders.

No.

B.6 Indicate whether the articles of incorporation contain any restrictions requiring a minimum number of shares to attend General Shareholders' Meetings, or to vote remotely:

Yes.

Number of shares required to attend General Meetings	300

Number of shares required for voting remotely	300

C. Structure of the Company's Administration

C.1 Board of Directors

C.1.1 Maximum and minimum number of directors established in the articles of incorporation and the number of directors set by the General Meeting:

Maximum number of directors	20
Minimum number of directors	5
Number of directors set by the general meeting	15

C.1.2 Complete the following table on Board members:

Name or company name of director	Representative	Category of director	Position on the Board	Date first appointed	Date of last appoint_ ment	Election procedure
Mr. José María Álvarez-Pallete López	—	Executive	Chairman	26/07/2006	23/04/2021	Resolution of General Shareholders' Meeting
Mr. Isidro Fainé Casas	—	Proprietary	Vice Chairman	26/01/1994	12/04/2024	Resolution of General Shareholders' Meeting
Mr. José María Abril Pérez	—	Proprietary	Vice Chairman	25/07/2007	08/04/2022	Resolution of General Shareholders' Meeting
Mr. Ángel Vilá Boix	—	Executive	Chief Operating Officer	26/07/2017	08/04/2022	Resolution of General Shareholders' Meeting
Ms. María Luisa García Blanco	—	Independent	Director	25/04/2018	08/04/2022	Resolution of General Shareholders' Meeting
Mr. Carlos Ocaña Orbis	—	Proprietary	Director	08/05/2024	08/05/2024	Co-optation
Mr. Peter Löscher	—	Independent	Director	08/04/2016	12/04/2024	Resolution of General Shareholders' Meeting
Ms. Verónica Pascual Boé	—	Independent	Director	18/12/2019	12/04/2024	Resolution of General Shareholders' Meeting
Mr. Francisco Javier de Paz Mancho	—	Other External	Director	19/12/2007	08/04/2022	Resolution of General Shareholders' Meeting
Mr. Alejandro Reynal Ample	—	Independent	Director	13/12/2023	12/04/2024	Resolution of General Shareholders' Meeting
Mr. Francisco José Riberas Mera	—	Independent	Director	04/05/2017	23/04/2021	Resolution of General Shareholders' Meeting
Ms. María Rotondo Urcola	—	Independent	Director	29/09/2021	08/04/2022	Resolution of General Shareholders' Meeting
Ms. Claudia Sender Ramírez	—	Independent	Director	18/12/2019	12/04/2024	Resolution of General Shareholder`Meeting
Ms. Solange Sobral Targa	—	Independent	Director	13/12/2023	12/04/2024	Resolution of General Shareholder`Meeting

Total number of directors	14

Indicate any cessations, whether through resignation or by resolution of the general meeting, that have taken place in the Board of Directors during the reporting period:

Name or company name of director	Category of director	Date of last appointment	Leaving date	Committees of which they were members	Indicate whether the termination took place before the end of the mandate
Ms. Carmen García de Andrés	Independent	23/04/2021	07/05/2024	Audit and Control Committee/ Sustainability and Regulation Committee	Yes

C.1.3 Complete the following tables on the members of the Board and their categories:

EXECUTIVE DIRECTORS

Name or company name of director	Post in organisation chart of the company	Profile
Mr. José María Álvarez-Pallete López	Executive Chairman	Degree in Economics from the Complutense University of Madrid. He also studied Economics at the Free University of Brussels, in Belgium. He holds an International Management Programme from IPADE Business School. He also holds an Advanced Studies Diploma from the University Complutense of Madrid. He began his professional career at Arthur Young Auditors in 1987, before joining Benito & Monjardín/ Kidder, Peabody & Co. in 1988. In 1995, he joined the Compañía Valenciana de Cementos Portland (CEMEX) as head of the Investor Relations and Analysis Department. In 1996, he was promoted to Chief Financial Officer in Spain, and in 1998 to Chief Administration and Finance Officer of the CEMEX Group Indonesia and to a member of the Board of CEMEX Asia Ltd. In February 1999, he joined the Telefónica Group as Chief Financial Officer of Telefónica Internacional S.A.U., and in September of the same year he became Chief Financial Officer of Telefónica S.A. In July 2002, he was appointed Executive Chairman of Telefónica Internacional S.A.; in July 2006, General Manager of Telefónica Latinoamérica; and in March 2009 Chairman of Telefónica Latinoamérica. In September 2011 he was named Executive Chairman of Telefónica Europe, and in September 2012 he was appointed Chief Operating Officer of Telefónica S.A. He has been a member of the Board of Telefónica S.A., since July 2006 and Chairman & CEO of Telefónica, S.A. since April 8, 2016 until January 18, 2025.
Mr. Ángel Vilá Boix	Chief Operating Officer (C.O.O.)	The profile of Mr. Ángel Vilá Boix is described in this Report in section "4.4. Organisational Structure of the Governing Bodies. Professional background of the members of the Board of Directors".

Total number of executive directors	2
Percentage of Board	14.29 %

EXTERNAL PROPRIETARY DIRECTORS

Name or company name of director	Name or company name of the significant shareholder represented by the director or that nominated the director	Profile
Mr. José María Abril Pérez	Banco Bilbao Vizcaya Argentaria, S.A.	The profile of Mr. José María Abril Pérez is described in this Report in section "4.4. Organisational Structure of the Governing Bodies. Professional background of the members of the Board of Directors".
Mr. Isidro Fainé Casas	Criteria Caixa, S.A.U.	The profile of Mr. Isidro Fainé Casas is described in this Report in section "4.4. Organisational Structure of the Governing Bodies. Professional background of the members of the Board of Directors".
Mr. Carlos Ocaña Orbis	Sociedad Estatal de Participaciones Industriales	The profile of Mr. Carlos Ocaña Orbis is described in this Report in section "4.4. Organisational Structure of the Governing Bodies. Professional background of the members of the Board of Directors".

Total number of proprietary directors	3
Percentage of Board	21.43 %

EXTERNAL INDEPENDENT DIRECTORS

Name or company name of director	Profile
Ms. María Luisa García Blanco	The profile of Ms. María Luisa García Blanco is described in this Report in section "4.4. Organisational Structure of the Governing Bodies. Professional background of the members of the Board of Directors".
Mr. Peter Löscher	The profile of Mr. Peter Löscher is described in this Report in section "4.4. Organisational Structure of the Governing Bodies. Professional background of the members of the Board of Directors".
Ms. Verónica Pascual Boé	The profile of Ms. Verónica Pascual Boé is described in this Report in section "4.4. Organisational Structure of the Governing Bodies. Professional background of the members of the Board of Directors".
Mr. Alejandro Reynal Ample	The profile of Mr. Alejandro Reynal Ample is described in this Report in section "4.4. Organisational Structure of the Governing Bodies. Professional background of the members of the Board of Directors".
Mr. Francisco José Riberas Mera	The profile of Mr. Francisco José Riberas Mera is described in this Report in section "4.4. Organisational Structure of the Governing Bodies. Professional background of the members of the Board of Directors".
Ms. María Rotondo Urcola	The profile of Ms. María Rotondo Urcola is described in this Report in section "4.4. Organisational Structure of the Governing Bodies. Professional background of the members of the Board of Directors".
Ms. Claudia Sender Ramírez	The profile of Ms. Claudia Sender Ramírez is described in this Report in section "4.4. Organisational Structure of the Governing Bodies. Professional background of the members of the Board of Directors".
Ms. Solange Sobral Targa	The profile of Ms. Solange Sobral Targa is described in this Report in section "4.4. Organisational Structure of the Governing Bodies. Professional background of the members of the Board of Directors".

Total number of independent directors	8
Percentage of Board	57.14 %

Indicate whether any director classified as independent receives from the company or any company in its group any amount or benefit other than remuneration as a director, or has or has had a business relationship with the company or any company in its group during the past year, whether in his or her own name or as a significant shareholder, director or senior executive of a company that has or has had such a relationship.
--

If so, include a statement by the Board explaining why it believes that the director in question can perform his or her duties as an independent director.

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OTHER EXTERNAL DIRECTORS

Identify the other external directors, indicate the reasons why they cannot be considered either proprietary or independent, and detail their ties with the company or its management or shareholders:

Name or company name of director	Reasons	Company, manager or shareholder to which or to whom the director is related	Profile
Mr. Francisco Javier de Paz Mancho	Mr. Francisco Javier de Paz Mancho was appointed Director of Telefónica, S.A. in 2007, and therefore, in accordance with article 529 duodecies of the Spanish Companies Act ("Those who, among other situations, have been Directors for a continuous period of more than 12 years may not be considered Independent Directors under any circumstances"), and 12 years after his appointment, he was reclassified from Independent Director to 'Other External' Director.	Telefónica, S.A.	The profile of Mr. Francisco Javier de Paz Mancho is described in this Report in section "4.4. Organisational Structure of the Governing Bodies. Professional background of the members of the Board of Directors".

Total number of other external directors	1
Percentage of Board	7.14 %

Indicate any changes that have occurred during the period in each director's category:

Name or company name of director	Date of change	Previous category	Current category
—	—	—	—

C.1.4 Complete the following table with information relating to the number of female directors at the close of the past four years, as well as the category of each:

	Number of female directors				% of total directors for each category			
	Year 2024	Year 2023	Year 2022	Year 2021	Year 2024	Year 2023	Year 2022	Year 2021
Executive	0	0	0	0	0.00%	0.00 %	0.00%	0.00%
Proprietary	0	0	0	0	0.00%	0.00 %	0.00%	0.00%
Independent	5	6	5	5	62.50%	60.00 %	55.56%	55.56%
Other external	0	0	0	0	0.00%	0.00 %	0.00%	0.00%
Total	5	6	5	5	35.71%	40.00 %	33.33%	33.33%

C.1.11 List the positions of director, administrator or representative thereof, held by directors or representatives of directors who are members of the company's board of directors in other entities, whether or not they are listed companies:

Identity of the director or representative	Company name of the listed or non-listed entity	Position
Mr. José María Alvarez-Pallete López	VMED O2 UK Ltd.	Chairman
Mr. Isidro Fainé Casas	Fundación Bancaria "la Caixa"	Chairman
	Criteria Caixa, S.A.U.	Chairman
	Inmo Criteria Caixa, S.A.U.	Chairman
	Confederación Española de Cajas de Ahorros (CECA)	Chairman
	World Savings Banks Institute (WSBI)	Chairman
	European Savings Banks Group (ESBG)	Vice-Chairman
	Confederación Española de Directivos y Ejecutivos (CEDE)	Chairman
	Capítulo Español del Club de Roma	Chairman
	Real Academia de las Ciencias Económicas y Financieras (RACEF)	Vice-Chairman
	ACS, Actividades de Construcción y Servicios, S.A.	First Vice-Chairman
Mr. José María Abril Pérez	Arteche Lantegi Elkartea, S.A.	Director
Mr. Ángel Vilá Boix	VMED O2 UK Ltd.	Director
	Mediobanca, SpA	Director
Ms. María Luisa García Blanco	Ibercaja Banco, S.A.	Director
Mr. Peter Löscher	Royal Philips N.V.	Director
	Telefónica Deutschland Holding, AG (Telefónica Group)	Chairman
	Thyssen-Bornemisza Group AG	Director
	Doha Venture Capital LLC	Director
	CaixaBank, S.A.	Director

Ms. Verónica Pascual Boé	General de Alquiler de Maquinaria, S.A. (GAM)	Director
	Albp. Corp. S.L.U.	Sole Director
	ALBP SCR	Sole Director
	ALBP Real Estate	Sole Director
	Telefónica Audiovisual Digital, S.L.U. (Grupo Telefónica)	Director
	Marsi Bionics	Director
	Viscofan	Director
Mr. Francisco Javier de Paz Mancho	Telefónica Brasil, S.A. (Telefónica Group)	Director
	Telefónica Audiovisual Digital, S.L.U. (Telefónica Group)	Director
	Aldesa	Director
Mr. Alejandro Reynal Ample	Four Seasons	Chairman - CEO
Mr. Francisco José Riberas Mera	Acek Desarrollo y Gestión Industrial, S.L.	Representative of Director
	Gestamp Automoción, S.A.	Chairman
	Sociedades del Grupo Gestamp Automoción	Director
	Holding Gonvarri, S. L.	Secretary Director
	Companies of the Gonvarri Group	Director
	Acek Energías Renovables, S.L.	Joint and several director
	Sociedades del Grupo Acek Energías Renovables	Director
	Inmobiliaria Acek, S.L.	Joint and several director
	Sociedades del Grupo Inmobiliaria Acek	Director
	CIE Automotive, S.A.	Director
	Otras sociedades participadas por Acek, Desarrollo y Gestión Industrial, S.L.	Director
	Orilla Asset Management, S.L.	Chairman - CEO
	Q-Energy Tenencia y Gestión III, SCR, S.A.	Director
	Wallbox, N.V.	Director
	Otras sociedades participadas por Orilla Asset Management, S.L.	Director
Ms. María Rotondo Urcola	Caceis Bank Spain, S.A.U.	Director
	Libertas 7	Director
	Santander Caceis Latam Holding 1, S.L.	Director
	Resiter, S.A.	Director
Ms. Claudia Sender Ramírez	Holcim Ltd.	Director
	Gerdau, S.A.	Director
	Embraer, la Empresa Brasileira de Aeronáutica, S.A.	Director
	Sociedad Beneficiante Hospital Israelí Albert Einstein	Director
	Amigos do Bem	Director
	Sociedad Beneficiente Ensina Brasil	Director
Ms. Solange Sobral Targa	Telefónica Brasil, S.A. (Grupo Telefónica)	Director
	Somo Custom Ltd.	Director

Listed below are the positions indicated in the table above that are remunerated:

Mr. Isidro Fainé Casas: Chairman of Criteria Caixa, S.A.U.; Chairman of Inmo Criteria Caixa, S.A.U.; Chairman of Confederación Española de Cajas de Ahorros (CECA) and First Vice-Chairman of ACS, Actividades de Construcción y Servicios, S.A.
Mr. José María Abril Pérez: Director of Arteche Lantegi Elkartea, S.A.
Mr. Ángel Vilá Boix: Director of Mediobanca, SpA.
Ms. María Luisa García Blanco: Director of Ibercaja Banco, S.A.
Mr. Peter Löscher: Director of Royal Philips N.V.; Chairman of Telefónica Deutschland Holding, AG; Director of Thyssen-Bornemisza Group AG; Director of Doha Venture Capital LLC and Director of CaixaBank, S.A.
Ms. Verónica Pascual Boé: Director of General de Alquiler de Maquinaria, S.A. (GAM); Director of Telefónica Audiovisual Digital, S.L.U. and Director of Viscofan.
Mr. Francisco Javier de Paz Mancho: Director of Telefónica Brasil, S.A.; Director of Telefónica Audiovisual Digital, S.L.U. and Director of Aldesa.
Mr. Alejandro Reynal Ample: Chairman and CEO of Four Seasons.
Mr. Francisco José Riberas Mera: Representative of Director of Acek Desarrollo y Gestión Industrial, S.L.; Chairman of Gestamp Automoción, S.A.; Director of Group Companies Gestamp Automoción; Chairman and CEO of Orilla Asset Management, S.L., and Director of Wallbox, N.V.
Ms. María Rotondo Urcola: Director of Caceis Bank Spain, S.A.U.; Director of Libertas 7; and Director of Santander Caceis Latam Holding 1, S.L. and Director of Resiter, S.A.
Ms. Claudia Sender Ramírez: Director of Holcim Ltd; Director of Gerdau, S.A. and Director of Embraer, Empresa Brasileira de Aeronáutica, S.A.
Ms. Solange Sobral Targa: Director of Telefónica Brasil, S.A.

Indicate, where appropriate, the other remunerated activities of the directors or directors' representatives, whatever their nature, other than those indicated in the previous table.

Mr. José María Abril Pérez: Advisor of Madlane Bay, S.L.
Ms. María Luisa García Blanco: Member of the Advisory Board of Telefónica España; Partner of Salama García Blanco Abogados; and Member of the CIMA Governance and Control Committee.
Ms. Verónica Pascual Boé: Member of the Advisory Board of Telefónica Tech.
Mr. Francisco Javier de Paz Mancho: Member of the Advisory Boards of Telefónica España and Telefónica Hispanoamérica.
Ms. María Rotondo Urcola: Co-Director and Professor of IE University; Professor of BME and Mentor.
Ms. Claudia Sender Ramírez: Member of the Advisory Boards of Telefónica Tech and Telefónica Hispanoamérica.
Ms. Solange Sobral Targa: Partner and Vice-Chairwoman of CI&T Ltd.

C.1.12 Indicate whether the company has established rules on the maximum number of company boards on which its directors may sit, explaining if necessary and identifying where this is regulated, if applicable:

Yes.

C.1.13 Indicate the remuneration received by the Board of Directors as a whole for the following items:

Remuneration accruing in favour of the Board of Directors in the financial year (thousands of euros)	20,664
Funds accumulated by current directors for long-term savings systems with consolidated economic rights (thousands of euros)	2,915
Funds accumulated by current directors for long-term savings systems with unconsolidated economic rights (thousands of euros)	22,989
Pension rights accumulated by former directors (thousands of euros)	317

C.1.14 Identify members of senior management who are not also executive directors and indicate their total remuneration accrued during the financial year:

Name or company name	Position(s)
Mr. Pablo de Carvajal González	General Secretary and Secretary of the Board of Directors, Director Global of Regulation and Head of Security area
Ms. Laura Abasolo García de Baquedano	Chief Financial and Control Officer & Head of Hispanoamérica
Mr. Eduardo Navarro de Carvalho	Chief Corporate Affairs & Global Sustainability (ESG) Office
Mr. Mark Evans	Chief Strategy & Development Officer
Mr. Juan Francisco Gallego Arrechea	General Manager of Internal Audit

Number of women in senior management	1
Percentage of total senior management	20 %

Total remuneration of senior management (thousand euros)	15,074

C.1.15 Indicate whether the Board regulations were amended during the year

No.

C.1.21 Explain whether there are any specific requirements, other than those relating to directors, for being appointed as chairman of the Board of Directors.

Yes.

C.1.23 Indicate whether the articles of incorporation or Board regulations establish any term limits for independent directors other than those required by law or any other additional requirements that are stricter than those provided by law:

No.

C.1.25 Indicate the number of meetings held by the Board of Directors during the year. Also indicate, if applicable, the number of times the Board met without the chairman being present. Meetings where the chairman gave specific proxy instructions are to be counted as attended.

Number of Board meetings	15
Number of Board meetings held without the chairman's presence	0

Indicate the number of meetings held by the coordinating director with the other directors, where there was neither attendance nor representation of any executive director:

Number of meetings	2

Indicate the number of meetings held by each Board committee during the financial year:

Number of meetings held by the Executive Committee	17
Number of meetings held by the Audit and Control Committee	14
Number of meetings held by the Nominating, Compensation and Corporate Governance Committee	13
Number of meetings held by the Sustainability and Regulation Committee	10

C.1.26 Indicate the number of meetings held by the Board of Directors during the year with member attendance data:

Number of meetings at which at least 80% of the directors were present in person	15
Attendance in person as a % of total votes during the year	91.11 %
Number of meetings with attendance in person or proxies given with specific instructions, by all directors	15
Votes cast in person and by proxies with specific instructions, as a % of total votes during the year	100 %

C. 1.27 Indicate whether the individual and consolidated financial statements submitted to the Board for issue are certified in advance:

No.

Identify, if applicable, the person(s) who certified the individual and consolidated financial statements of the company for issue by the Board:

-

C.1.29 Is the secretary of the Board also a director?

No.

If the secretary is not a director, complete the following table:

Name or company name of the secretary	Representative
Mr. Pablo de Carvajal González	—

C.1.31 Indicate whether the company changed its external auditor during the year. If so, identify the incoming and outgoing auditors:

No.

If there were any disagreements with the outgoing auditor, explain their content:

No.

C.1.32 Indicate whether the audit firm performs any non-audit work for the company and/or its group and, if so, state the amount of fees it received for such work and express this amount as a percentage of the total fees invoiced to the company and/or its group for audit work:

Yes.

	Company	Group Company	Total
Amount of non-audit work (thousands of euros)	1,172	564	1,736
Amount of non-audit work / Amount of audit work (%)	24.87	3.24	7.85

Observations

C.1.33 Indicate whether the auditors' report on the financial statements for the preceding year contains reservations. If so, indicate the reasons given to shareholders at the general meeting by the chairman of the audit committee to explain the content and extent of the qualified opinion or reservations.

No.

C.1.34 Indicate the number of consecutive years for which the current audit firm has been auditing the company's individual and/or consolidated financial statements. Also, indicate the number of years audited by the current audit firm as a percentage of the total number of years in which the financial statements have been audited:

	Individual	Consolidated
Number of consecutive years	8	8
Number of years audited by the current audit firm/ number of years in which the company has been audited (in %)	19.05	24.24

C.1.35 Indicate whether there is a procedure for directors to be sure of having the information necessary to prepare the meetings of the governing bodies with sufficient time; provide details if applicable:

Yes.

Detail the procedure

The Company adopts the necessary measures, whenever possible, that the Directors receive the necessary information, specially drawn up and geared to preparing the meetings of the Board and its Committees, sufficiently in advance. Under no circumstances shall such a requirement not be fulfilled, on the grounds of the importance or the confidential nature of the information, part from absolutely exceptional cases.

In this regard, and in accordance with Articles 18 and 20 of the Regulation of the Board of Directors, at the beginning of each year the Board of Directors and its Committees set the calendar of ordinary meetings to be held during the year. The calendar may be amended by resolution of the Board itself, or by decision of the Chairman, in which case the Directors shall be made aware of the amendment as soon as practicable. Likewise, the Regulations of the Audit and Control Committee and the Regulations of the Nominating, Compensation and Good Governance Committee detail the operating regime of these Committees.

Also, the Board and its Committees shall prepare an Action Plan detailing the actions to be carried out and their timing for each year, as per their assigned powers and duties.

Likewise, all the meetings of the Board and the Board Committees have a pre-established agenda, which is communicated at least three days prior to the date scheduled for the meeting together with the call for the session. The Agenda for each meeting will clearly state points on which the Board of Directors, or the Executive Committee, have to adopt a decision or resolution.

For the same purpose, in general, the Directors are sent the documentation related to the agenda of the meetings sufficiently in advance. In accordance with Article 19 of the Regulations of the Board of Directors, the Chairman of the Board of Directors organizes the debates, promoting and encouraging all Directors to play an active role in the deliberations, safeguarding their right to freely adopt their own position on all matters. Moreover, with the assistance of the Secretary, he shall ensure that the Directors are sent sufficient information to discuss the points set out in the agenda sufficiently in advance of the meeting. He also ensures that sufficient time is given over to discussing strategic matters, and shall encourage debate during meetings, safeguarding the Directors' right to adopt their positions freely on all points discussed.

To provide all the information and clarifications necessary in relation to certain points deliberated, the Group's senior executive officers attend nearly all the Board and Committee meetings to explain the matters within their powers.

Furthermore, and as a general rule, the Regulations of the Board of Directors (Article 25) expressly establish that Directors are granted the broadest powers to obtain information about all aspects of the Company, to examine its books, records, documents and other data regarding corporate transactions. Exercising of this right to receive information shall be channelled through the Chairman or Secretary to the Board of Directors, who shall respond to the requests made by the Directors, providing them with the requested information directly or offering them the proper contacts at the appropriate level of the organization.

C.1.39 Identify individually as regards directors, and in aggregate form in other cases, and provide details of any agreements between the company and its directors, executives or employees containing indemnity or golden parachute clauses in the event of resignation or dismissal without due cause or termination of employment as a result of a takeover bid or any other type of transaction.

Number of beneficiaries	9
Type of beneficiary Executive Directors, Senior Executives and other Employees	

Description of Agreement: With regards to the conditions applicable to termination of contracts, Mr. José María Álvarez-Pallete López (Executive Chairman until January 18,2025), and the Chief Operating Officer (C.O.O.), Mr. Ángel Vilá Boix, maintain the conditions of his previous contract which provided for agreed economic compensation for the termination of the employment relationship, where applicable, that can amount to four years' of remuneration at the most. Annual remuneration on which the indemnity is based is the last fixed remuneration and the arithmetic mean of the last two variable remuneration payments received by contract.

Regarding the contracts of members of Senior Executives, in general, they are contractually entitled the right to receive the economic compensation indicated below in the event that their employment relationship is ended for reasons attributable to the Company or, in some instances, is due to objective reasons such as a change of control in the Company. However, if the employment relationship is terminated because of a breach attributable to the Executive, he/she will not be entitled to any compensation whatsoever. That notwithstanding, in certain cases the severance benefit to be received by the member of Senior Management according to their contract is not calculated as per these general criteria, but rather is based on other circumstances of a personal or professional nature or on the time when the contract was signed. The agreed economic compensation for the termination of the employment relationship, where applicable, consists of a maximum of three times annual remuneration plus another year based on length of service at the Company. Annual remuneration on which the indemnity is based is the last fixed remuneration and the arithmetic mean of the last two variable remuneration payments received by contract.

Meanwhile, contracts that tie employees to the Company under a common employment relationship do not include indemnity clauses for the termination of their employment. In these cases, the employee is entitled to any indemnity set forth in prevailing labor legislation. However, contracts of some company employees, depending on their level and seniority, as well as their personal or professional circumstances or when they signed their contracts, establish their right to receive compensation in the same cases as in the preceding paragraph, generally consisting of a year and a half salary. The annual salary on which the indemnity is based is the last fixed salary and the average amount of the last two variable payments received by contract.

Indicate whether, beyond the cases established by legislation, these agreements have to be communicated and/or authorised by the governing bodies of the company or its group. If so, specify the procedures, the cases concerned and the nature of the bodies responsible for their approval or communication:

	Board of directors	General Shareholders' Meeting
Body authorizing the clauses	-	-

Are these clauses notified to the General Shareholders' Meeting	No

C.2 Committees of the Board of Directors

C.2.1 Provide details of all committees of the Board of Directors, their members, and the proportion of executive, proprietary, independent and other external directors forming them:

EXECUTIVE COMMISSION

Name	Position	Current
Mr. José María Álvarez-Pallete López	Chairman	Executive
Mr. Isidro Fainé Casas	Vice Chairman	Proprietary
Mr. José María Abril Pérez	Vice Chairman	Proprietary
Mr. Ángel Vilá Boix	Member	Executive
Mr. Peter Löscher	Member	Independent
Mr. Carlos Ocaña Orbis	Member	Proprietary
Mr. Francisco Javier de Paz Mancho	Member	Other External
Ms. Claudia Sender Ramírez	Member	Independent

% of executive directors	25.00%
% of proprietary directors	37.50%
% of independent directors	25.00%
% of external directors	12.50%

AUDIT AND CONTROL COMMITTEE

Name	Position	Current
Mr. Peter Löscher	Member	Independent
Mr. Carlos Ocaña Orbis	Member	Proprietary
Ms. María Luisa García Blanco	Member	Independent
Ms. María Rotondo Urcola	Member	Independent

% of executive directors	0.00%
% of proprietary directors	25.00%
% of independent directors	75.00%
% of other external directors	0.00%

Identify the directors who are members of the audit committee and have been appointed taking into account their knowledge and experience in accounting or audit matters, or both, and state the date that the Chairperson of this committee was appointed.

Name of directors with experience
Mr. Peter Löscher
Mr. Carlos Ocaña Orbis
Ms. María Luisa García Blanco
Ms. María Rotondo Urcola
Date of appointment of the chairperson
19/02/2020

NOMINATING, COMPENSATION AND CORPORATE GOVERNANCE COMMITTEE

Name	Position	Current
Mr. Peter Löscher	Chairman	Independent
Ms. María Luisa García Blanco	Member	Independent
Ms. Verónica Pascual Boé	Member	Independent
Mr. Francisco Javier de Paz Mancho	Member	Other External

% of executive directors	0.00%
% of proprietary directors	0.00%
% of independent directors	75.00%
% of other external directors	25.00%

SUSTAINABILITY AND REGULATION COMMITTEE

Name	Position	Current
Mr. Francisco Javier De Paz Mancho	Chairman	Other External
Mr. José María Abril Pérez	Member	Proprietary
Ms. María Luisa García Blanco	Member	Independent
Ms. María Rotondo Urcola	Member	Independent
Ms. Solange Sobral Targa	Member	Independent

% of executive directors	0.00%
% of proprietary directors	20.00%
% of independent directors	60.00%
% of other external directors	20.00%

C.2.2 Complete the following table with information regarding the number of female directors who were members of Board committees at the close of the past four years:

Number of female directors				
	2024 Year Number %	2023 Year Number %	2022 Year Number %	2021 Year Number %
Executive Commission	1 (12,50%)	1 (12,50%)	0	0
Audit and Control Committee	2 (50,00%)	3 (60,00%)	2 (50,00%)	2 (50,00%)
Nominating, Compensation and Corporate Governance Committee	2 (50,00%)	2 (40,00%)	1 (20,00%)	1 (20,00%)
Sustainability and Regulation Committee	3 (60,00%)	4 (66,67%)	N/A	N/A

D. Related-Party and Intragroup Transactions

D.2 Give individual details of operations that are significant due to their amount or of importance due to their subject matter carried out between the company or its subsidiaries and shareholders holding 10% or more of the voting rights or who are represented on the board of directors of the company, indicating which has been the competent body for its approval and if any affected shareholder or director has abstained. In the event that the board of directors has responsibility, indicate if the proposed resolution has been approved by the Board without a vote against the majority of the independents:

	Name or company name of the shareholder or any of its subsidiaries	% Shareholding	Name or company name of the company or entity within its group	Amount (thousands of euros)	Approving body	Identity of the significant shareholder or director who has abstained	The proposal to the board, if applicable, has been approved by the board without a vote against the majority of independents
(1)	BBVA and/or Group BBVA Companies	4.93	Telefónica, S.A.	300	Board of Directors	Proprietary Director BBVA	N/A
(2)	BBVA and/or Group BBVA Companies	4.93	Telefónica, S.A.	2,539	Board of Directors	Proprietary Director BBVA	N/A
(3)	BBVA and/or Group BBVA Companies	4.93	Telefónica, S.A.	17,606	Board of Directors	Proprietary Director BBVA	N/A
(4)	BBVA and/or Group BBVA Companies	4.93	Telefónica, S.A.	268,710	Board of Directors	Proprietary Director BBVA	N/A
(5)	BBVA and/or Group BBVA Companies	4.93	Telefónica, S.A.	349,085	Board of Directors	Proprietary Director BBVA	N/A
(6)	BBVA and/or Group BBVA Companies	4.93	Telefónica, S.A.	38,560	Board of Directors	Proprietary Director BBVA	N/A
(7)	BBVA and/or Group BBVA Companies	4.93	Telefónica, S.A.	11,882	Board of Directors	Proprietary Director BBVA	N/A
(8)	BBVA and/or Group BBVA Companies	4.93	Telefónica, S.A.	146,029	Board of Directors	Proprietary Director BBVA	N/A
(9)	BBVA and/or Group BBVA Companies	4.93	Telefónica, S.A.	62,850	Board of Directors	Proprietary Director BBVA	N/A
(10)	BBVA and/or Group BBVA Companies	4.93	Telefónica, S.A.	6,910,571	Board of Directors	Proprietary Director BBVA	N/A
(11)	BBVA and/or Group BBVA Companies	4.93	Rest of Telefonica Group Companies	1,164	Board of Directors	Proprietary Director BBVA	N/A

(12)	BBVA and/or Group BBVA Companies	4.93	Rest of Telefonica Group Companies	4,555	Board of Directors	Proprietary Director BBVA	N/A
(13)	BBVA and/or Group BBVA Companies	4.93	Rest of Telefonica Group Companies	10	Board of Directors	Proprietary Director BBVA	N/A
(14)	BBVA and/or Group BBVA Companies	4.93	Rest of Telefonica Group Companies	30,108	Board of Directors	Proprietary Director BBVA	N/A
(15)	BBVA and/or Group BBVA Companies	4.93	Rest of Telefonica Group Companies	209	Board of Directors	Proprietary Director BBVA	N/A
(16)	BBVA and/or Group BBVA Companies	4.93	Rest of Telefonica Group Companies	88,100	Board of Directors	Proprietary Director BBVA	N/A
(17)	BBVA and/or Group BBVA Companies	4.93	Rest of Telefonica Group Companies	12,162	Board of Directors	Proprietary Director BBVA	N/A
(18)	BBVA and/or Group BBVA Companies	4.93	Rest of Telefonica Group Companies	240	Board of Directors	Proprietary Director BBVA	N/A
(19)	BBVA and/or Group BBVA Companies	4.93	Rest of Telefonica Group Companies	10,172	Board of Directors	Proprietary Director BBVA	N/A
(20)	BBVA and/or Group BBVA Companies	4.93	Rest of Telefonica Group Companies	31,825	Board of Directors	Proprietary Director BBVA	N/A
(21)	BBVA and/or Group BBVA Companies	4.93	Rest of Telefonica Group Companies	91,577	Board of Directors	Proprietary Director BBVA	N/A
(22)	BBVA and/or Group BBVA Companies	4.93	Rest of Telefonica Group Companies	161,470	Board of Directors	Proprietary Director BBVA	N/A
(23)	BBVA and/or Group BBVA Companies	4.93	Rest of Telefonica Group Companies	48,886	Board of Directors	Proprietary Director BBVA	N/A
(24)	BBVA and/or Group BBVA Companies	4.93	Rest of Telefonica Group Companies	118,238	Board of Directors	Proprietary Director BBVA	N/A
(25)	BBVA and/or Group BBVA Companies	4.93	Rest of Telefonica Group Companies	790,975	Board of Directors	Proprietary Director BBVA	N/A
(26)	BBVA and/or Group BBVA Companies	4.93	Rest of Telefonica Group Companies	12	Board of Directors	Proprietary Director BBVA	N/A
(27)	CaixaBank and/ or Group CaixaBank Companies	2.51	Rest of Telefonica Group Companies	139,036	Board of Directors	Proprietary Director CaixaBank	N/A
(28)	CaixaBank and/ or Group CaixaBank Companies	2.51	Rest of Telefonica Group Companies	2,608	Board of Directors	Proprietary Director CaixaBank	N/A
(29)	CaixaBank and/ or Group CaixaBank Companies	2.51	Rest of Telefonica Group Companies	14,014	Board of Directors	Proprietary Director CaixaBank	N/A
(30)	CaixaBank and/ or Group CaixaBank Companies	2.51	Rest of Telefonica Group Companies	29,330	Board of Directors	Proprietary Director CaixaBank	N/A

	Name or company name of the shareholder or any of its subsidiaries	Nature of the relationship	Type of operation and other information required for its evaluation
(1)	BBVA and/or Group BBVA Companies	Contractual	External services (see Note 10, section 4.9 IAGC free format).
(2)	BBVA and/or Group BBVA Companies	Contractual	Financial expenses (see Note 10, section 4.9 IAGC free format).
(3)	BBVA and/or Group BBVA Companies	Contractual	Financial revenues (see Note 10, section 4.9 IAGC free format).
(4)	BBVA and/or Group BBVA Companies	Contractual	Derivative asset instruments (balance sheet value. See Note 10, section 4.9 IAGC free format).
(5)	BBVA and/or Group BBVA Companies	Contractual	Cash and cash equivalents (see Note 10, section 4.9 IAGC free format).
(6)	BBVA and/or Group BBVA Companies	Contractual	Other receivables (see Note 10, section 4.9 IAGC free format).
(7)	BBVA and/or Group BBVA Companies	Contractual	Other financial debts (see Note 10, section 4.9 IAGC free format).
(8)	BBVA and/or Group BBVA Companies	Contractual	Derivative liability instruments (balance sheet value, see Note 10, section 4.9 IAGC free format).
(9)	BBVA and/or Group BBVA Companies	Contractual	Other payment obligations (see Note 10, section 4.9 IAGC free format).
(10)	BBVA and/or Group BBVA Companies	Contractual	Derivative financial instruments (notional value in force at 12/31/2024. See Note 10, section 4.9 IAGC free format).
(11)	BBVA and/or Group BBVA Companies	Contractual	Procurements (income statement expenses. See Note 10, section 4.9 IAGC free format).
(12)	BBVA and/or Group BBVA Companies	Contractual	External services (see Note 10, section 4.9 IAGC free format).
(13)	BBVA and/or Group BBVA Companies	Contractual	Leasing expenses (see Note 10, section 4.9 IAGC free format).
(14)	BBVA and/or Group BBVA Companies	Contractual	Financial expenses (see Note 10, section 4.9 IAGC free format).
(15)	BBVA and/or Group BBVA Companies	Contractual	Other expenses (see Note 10, section 4.9 IAGC free format).
(16)	BBVA and/or Group BBVA Companies	Contractual	Revenues from services delivery (see Note 10, section 4.9 IAGC free format).
(17)	BBVA and/or Group BBVA Companies	Contractual	Revenues from sales of goods (see Note 10, section 4.9 IAGC free format).
(18)	BBVA and/or Group BBVA Companies	Contractual	Other revenues (see Note 10, section 4.9 IAGC free format).
(19)	BBVA and/or Group BBVA Companies	Contractual	Customers and trade debtors (see Note 10, section 4.9 IAGC free format).
(20)	BBVA and/or Group BBVA Companies	Contractual	Derivative asset instruments (balance sheet value. See Note 10, section 4.9 IAGC free format).
(21)	BBVA and/or Group BBVA Companies	Contractual	Cash and cash equivalents (see Note 10, section 4.9 IAGC free format).
(22)	BBVA and/or Group BBVA Companies	Contractual	Other financial debts (see Note 10, section 4.9 IAGC free format).
(23)	BBVA and/or Group BBVA Companies	Contractual	Derivative liability instruments (balance sheet value. See Note 10, section 4.9 IAGC free format).
(24)	BBVA and/or Group BBVA Companies	Contractual	Guarantees and collaterals received (see Note 10, section 4.9 IAGC free format).
(25)	BBVA and/or Group BBVA Companies	Contractual	Derivative financial instruments (notional value as of 12/31/2024. See Note 10, section 4.9 IAGC free format).
(26)	BBVA and/or Group BBVA Companies	Contractual	Other transactions (see Note 10, section 4.9 IAGC free format).

(27)	CaixaBank and/or Group CaixaBank Companies	Contractual	Procurements (income statement expenses. See Note 10, section 4.9 Free format IAGC).
(28)	CaixaBank and/or Group CaixaBank Companies	Contractual	Leasing expenses (see Note 10, section 4.9 IAGC free format).
(29)	CaixaBank and/or Group CaixaBank Companies	Contractual	Financial expenses (see Note 10, section 4.9 IAGC free format).
(30)	CaixaBank and/or Group CaixaBank Companies	Contractual	Allocations of rights of use (see Note 10, section 4.9 IAGC free format).

D.3 Give individual details of the operations that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with the administrators or managers of the company, including those operations carried out with entities that the administrator or manager controls or controls jointly, indicating the competent body for its approval and if any affected shareholder or director has abstained. In the event that the board of directors has responsibility, indicate if the proposed resolution has been approved by the board without a vote against the majority of the independents:

D.4 Report individually on intragroup transactions that are significant due to their amount or relevant due to their subject matter that have been undertaken by the company with its parent company or with other entities belonging to the parent's group, including subsidiaries of the listed company, except where no other related party of the listed company has interests in these subsidiaries or that they are fully owned, directly or indirectly, by the listed company.

In any case, report any intragroup transaction conducted with entities established in countries or territories considered as tax havens:

D.5 Give individual details of the operations that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with other related parties pursuant to the international accounting standards adopted by the EU, which have not been reported in previous sections.

G. Degree of Compliance with Corporate Governance Recommendations

Specify the Company's degree of compliance with recommendations of the Good Governance Code for listed companies.

In the event that a recommendation is not followed or only partially followed, a detailed explanation of the reasons must be included so that shareholders, investors and the market in general have enough information to assess the company´s conduct. General explanations are not acceptable.

1. That the Articles of Association of listed companies should not limit the maximum number of votes that may be cast by one shareholder or contain other restrictions that hinder the takeover of control of the company through the acquisition of its shares on the market.

Explain

In accordance with Article 26 of the Corporate Bylaws, no shareholder may cast a number of votes in excess of 10% of the total voting capital existing at any time, regardless of the number of shares held by such shareholder and in full compliance with mandatory requirements of law. In determining the maximum number of votes that each shareholder may cast, only the shares held by each such shareholder shall be computed. It does not include additional votes cast on behalf of other shareholders who may have appointed them as proxy, who are themselves likewise restricted by the 10% voting ceiling.

The limitation established in the preceding paragraphs shall also apply to the maximum number of votes that may be collectively or individually cast by two or more shareholder companies belonging to the same group of entities, as well as to the maximum number of votes that may be cast by an individual or corporate shareholder and the entity or entities that are shareholders themselves and which are directly or indirectly controlled by such individual or corporate shareholder.

In addition, Article 30 of the Corporate Bylaws stipulates that no person may be appointed as Director unless they have held, for more than three years prior to their appointment, a number of shares of the Company representing a nominal value of at least 3,000 euros, which the Director may not transfer while in office. These requirements shall not apply to those persons who, at the time of their appointment, are related to the Company under an employment or professional relationship, or when the Board of Directors resolves to waive such requirements with the favorable vote of at least 85 percent of its members.

Article 31 of the Corporate Bylaws establishes that, in order for a Director to be appointed Chairman, Vice-Chairman, Chief Executive Officer or member of the Executive Commission, it shall be necessary for such Director to have served on the Board for at least the three years immediately prior to any such appointment. However, such length of service shall not be required if the appointment is made with the favorable vote of at least 85 percent of the members of the Board of Directors.

The Corporate Bylaws (Article 26) restrict the number of shares that may be cast by a single shareholder or by shareholders belonging to the same group in order to achieve a suitable balance and protect the position of minority shareholders, thus avoiding a potential concentration of votes among a reduced number of shareholders, which could impact on the guiding principle that the General Shareholders' Meeting must act in the social interest and interest of all the shareholders. Telefónica believes that this measure does not constitute a blocking mechanism of takeover bids but rather a guarantee that the acquisition of control required the sufficient support of all shareholders, because, naturally, and as taught by experience, potential offerors may make their offer conditional upon the removal of this requirement.

In relation to the above and in accordance with the provisions of Article 527 of the Spanish Companies Act, any clauses in the Bylaws of listed corporations that directly or indirectly restrict the number of shares that may be cast by a single shareholder by shareholders belonging to the same group or by any parties acting together with the aforementioned, will rendered null and void when, subsequent to a takeover bid, the offeror has a stake equal to or over 70% of the share capital which confers voting rights, unless the offeror was not subject to neutralization measures to prevent a takeover bid or had not adapted these measures accordingly.

In addition, the special requirements for appointment as Director (Article 30 of the Corporate Bylaws) or as Chairman, Vice-Chairman, Chief Operating Officer or member of the Executive Commission (Article 31 of the Corporate Bylaws) are justified by the desire that access to the management decision-making body and to the most significant positions thereon is reserved to persons who have demonstrated their commitment to the Company and who, in addition, have adequate experience as members of the Board, such that continuity of the management model adopted by the Telefónica Group may be assured in the interest of all of its shareholders and stakeholders. In any event,

these special requirements may be waived by broad consensus among the members of the Board of Directors, namely, with the favorable vote of at least 85% of its members, as provided by the aforementioned Articles of the Corporate Bylaws.

2. That when the listed company is controlled by another entity in the meaning of Article 42 of the Commercial Code, whether listed or not, and has, directly or through its subsidiaries, business relations with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to the those of any of them it should make accurate public disclosures on:

a) The respective areas of activity and possible business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries.

b) The mechanisms in place to resolve any conflicts of interest that may arise.

Not applicable

3. That, during the ordinary General Shareholders' Meeting, as a complement to the distribution of the written annual corporate governance report, the chairman of the Board of Directors should inform shareholders orally, in sufficient detail, of the most significant aspects of the company's corporate governance, and in particular:

a) Changes that have occurred since the last General Shareholders' Meeting.

b) Specific reasons why the company has not followed one or more of the recommendations of the Code of Corporate Governance and the alternative rules applied, if any.

Complies

4. That the company should define and promote a policy on communication and contact with shareholders and institutional investors, within the framework of their involvement in the company, and with proxy advisors that complies in all aspects with rules against market abuse and gives equal treatment to similarly situated shareholders. And that the company should publish this policy on its website, including information on how it has been put into practice and identifying the contact persons or those responsible for implementing it.

And that, without prejudice to the legal obligations regarding dissemination of inside information and other types of regulated information, the company should also have a general policy regarding the communication of economic-financial, non-financial and corporate information through such channels as it may consider appropriate (communication media, social networks or other channels) that helps to maximise the dissemination and quality of information available to the market, investors and other stakeholders.

Complies

5. That the Board of Directors should not submit to the General Shareholders' Meeting any proposal for delegation of powers allowing the issue of shares or convertible securities with the exclusion of preemptive rights in an amount exceeding 20% of the capital at the time of delegation.

And that whenever the Board of Directors approves any issue of shares or convertible securities with the exclusion of preemptive rights, the company should immediately publish the reports referred to by company law on its website.

Complies

6. That listed companies that prepare the reports listed below, whether under a legal obligation or voluntarily, should publish them on their website with sufficient time before the General Shareholders' Meeting, even if their publication is not mandatory:

a) Report on the auditor's independence.

b) Reports on the workings of the audit and nomination and remuneration committees.

c) Report by the audit committee on related-party transactions.

Complies

7. That the company should transmit in real time, through its website, the proceedings of the General Shareholders' Meetings.

And that the company should have mechanisms in place allowing the delegation and casting of votes by means of data transmission and even, in the case of large-caps and, to the extent that it is proportionate, attendance and active participation in the General Meeting to be conducted by such remote means.

Complies

8. That the audit committee should ensure that the financial statements submitted to the General Shareholders' Meeting are prepared in accordance with accounting regulations. And that in cases in which the auditor has included a qualification or reservation in its audit report, the chairman of the audit committee should clearly explain to the general meeting the opinion of the audit committee on its content and scope, making a summary of this opinion available to shareholders at the time when the meeting is called, alongside the other Board proposals and reports.

Complies

9. That the company should permanently publish on its website the requirements and procedures for certification of share ownership, the right of attendance at the General Shareholders' Meetings, and the exercise of the right to vote or to issue a proxy.

And that such requirements and procedures promote attendance and the exercise of shareholder rights in a non-discriminatory fashion.

Complies

10. That when a duly authenticated shareholder has exercised his or her right to complete the agenda or to make new proposals for resolutions in advance of the General Shareholders' Meeting, the company:

a) Should immediately distribute such complementary points and new proposals for resolutions.

b) Should publish the attendance, proxy and remote voting card specimen with the necessary changes such that the new agenda items and alternative proposals can be voted on in the same terms as those proposed by the Board of Directors.

c) Should submit all these points or alternative proposals to a vote and apply the same voting rules to them as to those formulated by the Board of Directors including, in particular, assumptions or default positions regarding votes for or against.

d) That after the General Shareholders' Meeting, a breakdown of the voting on said additions or alternative proposals is communicated.

Not applicable

11. That if the company intends to pay premiums for attending the General Shareholders' Meeting, it should establish in advance a general policy on such premiums and this policy should be stable.

Not applicable

12. That the Board of Directors should perform its functions with a unity of purpose and independence of criterion, treating all similarly situated shareholders equally and being guided by the best interests of the company, which is understood to mean the pursuit of a profitable and sustainable business in the long term, promoting its continuity and maximising the economic value of the business.

And that in pursuit of the company's interest, in addition to complying with applicable law and rules and conducting itself on the basis of good faith, ethics and a respect for commonly accepted best practices, it should seek to reconcile its own company interests, when appropriate, with the interests of its employees, suppliers, clients and other stakeholders that may be affected, as well as the impact of its corporate activities on the communities in which it operates and on the environment.

Complies

13. That the Board of Directors should be of an appropriate size to perform its duties effectively and in a collegial manner, which makes it advisable for it to have between five and fifteen members.

Complies

14. That the Board of Directors should approve a policy aimed at favouring an appropriate composition of the Board that:

a) Is concrete and verifiable;

b) Ensures that proposals for appointment or re-election are based upon a prior analysis of the skills required by the Board of Directors; and

c) Favours diversity of knowledge, experience, age and gender. For these purposes, it is considered that the measures that encourage the company to have a significant number of female senior executives favour gender diversity.

That the result of the prior analysis of the skills required by the Board of Directors be contained in the supporting report from the nomination committee published upon calling the General Shareholders' Meeting to which the ratification,

appointment or re-election of each director is submitted.

The nomination committee will annually verify compliance with this policy and explain its findings in the annual corporate governance report.

Complies

15. That proprietary and independent directors should constitute a substantial majority of the Board of Directors and that the number of executive directors be kept to a minimum, taking into account the complexity of the corporate group and the percentage of equity participation of executive directors.

And that the number of female directors should represent at least 40% of the members of the Board of Directors before the end of 2022 and thereafter, and no less than 30% prior to that date.

Partially complies

The Company complies with the first part of the recommendation. On the other hand, regarding the number of female directors, until May 2024, as a result of the voluntary resignation submitted by Ms. Carmen García de Andrés as an Independent Director, the Company complied with the recommendation that the number of female directors should represent at least 40% of the members of the Board of Directors. Although currently the number of female directors represents 35.71%, the Company maintains its commitment to diversity and equal opportunities. All measures and processes adopted and agreed upon by the Board of Directors and the Nominating, Compensation and Corporate Governance Committee to facilitate the inclusion of a number of women on the Board that allows for a balanced presence of women and men, and to avoid selection procedures suffering from implicit biases that hinder the appointment of female directors, have been undertaken and carried out by the Company. To continue advancing in this area, the Nominating, Compensation and Corporate Governance Committee evaluates profiles to fill new vacancies on the Board of Directors in accordance with the Diversity Policy in relation to the Board of Directors of Telefónica, S.A. and the Selection of Directors, promoting gender diversity, experiences, and knowledge, without suffering from implicit biases that may imply any discrimination. In conclusion, the process of renewing the Company's Board of Directors has been designed and is being progressively implemented to ensure continuity in the management model of the Telefónica Group. In this regard, in the selection of new candidates to fill the vacancies that arise, the Company will continue to seek women who meet the required professional profile to thus increase gender diversity on the Board of Directors.

16. That the number of proprietary directors as a percentage of the total number of non-executive director not be greater than the proportion of the company's share capital represented by those directors and the rest of the capital.

This criterion may be relaxed:

a) In large-cap companies where very few shareholdings are legally considered significant.

b) In the case of companies where a plurality of shareholders is represented on the Board of Directors without ties among them.

Complies

17. That the number of independent directors should represent at least half of the total number of directors.

That, however, when the company does not have a high level of market capitalisation or in the event that it is a large-cap company with one shareholder or a group of shareholders acting in a concert who together control more than 30% of the company's share capital, the number of independent directors should represent at least one third of the total number of directors.

Complies

18. That companies should publish the following information on its directors on their website, and keep it up to date:

a) Professional profile and biography.

b) Any other Boards to which the directors belong, regardless of whether or not the companies are listed, as well as any other remunerated activities engaged in, regardless of type.

c) Category of directorship, indicating, in the case of individuals who represent significant shareholders, the shareholder that they represent or to which they are connected.

d) Date of their first appointment as a director of the company's Board of Directors, and any subsequent re-elections.

e) Company shares and share options that they own.

Complies

19. That the annual corporate governance report, after verification by the nomination committee, should explain the reasons for the appointment of any proprietary directors at the proposal of the shareholders whose holding is less than 3%. It should also explain, if applicable, why formal requests from shareholders for presence on the Board were not honoured, when their shareholding was equal to or exceeded that of other shareholders whose proposal for proprietary directors was honoured.

Not applicable

20. That proprietary directors representing significant shareholders should resign from the Board when the shareholder they represent disposes of its entire shareholding. They should also resign, in a proportional fashion, in the event that said shareholder reduces its percentage interest to a level that requires a decrease in the number of proprietary directors.

Not applicable

21. That the Board of Directors should not propose the dismissal of any independent director before the completion of the director's term provided for in the articles of incorporation unless the Board of Directors finds just cause and a prior report has been prepared by the nomination committee. Specifically, just cause is considered to exist if the director takes on new duties or commits to new obligations that would interfere with his or her ability to dedicate the time necessary for attention to the duties inherent to his or her post as a director, fails to complete the tasks inherent to his or her post, or is affected by any of the circumstances which would cause the loss of independent status in accordance with applicable law.

The dismissal of independent directors may also be proposed as a result of a public takeover bid, merger or other similar corporate transaction entailing a change in the shareholder structure of the company, provided that such changes in the structure of the board are the result of the proportionate representation criterion provided in Recommendation 16.

Complies

22. That companies should establish rules requiring that directors inform the Board of Directors and, when circumstances arise which affect them, whether or not related to their actions in the company itself, and which may harm the company's standing and reputation, and in particular requiring them to inform the Board of any criminal proceedings in which they appear as suspects or defendants, as well as of how the legal proceedings subsequently unfold.

And that, if the Board is informed or becomes aware in any other manner of any of the circumstances mentioned above, it must investigate the case as quickly as possible and, depending on the specific circumstances, decide, based on a report from the nomination and remuneration committee, whether or not any measure may be adopted, such as the opening of an internal investigation, asking the director to resign or proposing that he or she be dismissed. And that these events must be reported in the annual corporate governance report, unless there are any special reasons not to do so, which must also be noted in the minutes. This without prejudice to the information that the company must disseminate, if appropriate, at the time when the corresponding measures are implemented.

Complies

23. That all directors clearly express their opposition when they consider any proposal submitted to the Board of Directors to be against the company's interests. This particularly applies to independent directors and directors who are unaffected by a potential conflict of interest if the decision could be detrimental to any shareholders not represented on the Board of Directors.

Furthermore, when the Board of Directors makes significant or repeated decisions about which the director has serious reservations, the director should draw the appropriate conclusions and, in the event the director decides to resign, explain the reasons for this decision in the letter referred to in the next recommendation.

This recommendation also applies to the secretary of the Board of Directors, even if he or she is not a director.

Not applicable

24. That whenever, due to resignation or resolution of the General Shareholders' Meeting, a director leaves before the completion of his or her term in office, the director should explain the reasons for this decision, or in the case of non-executive directors, their opinion of the reasons for cessation, in a letter addressed to all members of the Board of Directors.

And that, without prejudice to all this being reported in the annual corporate governance report, insofar as it is relevant for investors, the company must publish the cessation as quickly as possible, adequately referring to the reasons or circumstances adduced by the director.

Complies

25. That the nomination committee should make sure that non-executive directors have sufficient time available in order to properly perform their duties.

And that the Board regulations establish the maximum number of company Boards on which directors may sit.

Complies

26. That the Board of Directors meet frequently enough so be able to effectively perform its duties, and at least eight times per year, following a schedule of dates and agenda established at the beginning of the year and allowing each director individually to propose items that do not originally appear on the agenda.

Complies

27. That director absences occur only when absolutely necessary and be quantified in the annual corporate governance report. And when absences do occur, that the director appoint a proxy with instructions.

Complies

28. That when directors or the secretary express concern regarding a proposal or, in the case of directors, regarding the direction in which the company is headed and said concerns are not resolved by the Board of Directors, such concerns should be included in the minutes at the request of the director expressing them.

Not applicable

29. That the company should establish adequate means for directors to obtain appropriate advice in order to properly fulfill their duties including, should circumstances warrant, external advice at the company's expense.

Complies

30. That, without regard to the knowledge necessary for directors to complete their duties, companies make refresher courses available to them when circumstances make this advisable.

Complies

31. That the agenda for meetings should clearly indicate those matters on which the Board of Directors is to make a decision or adopt a resolution so that the directors may study or gather all relevant information ahead of time.

When, in exceptional circumstances, the chairman wishes to bring urgent matters for decision or resolution before the Board of Directors which do not appear on the agenda, prior express agreement of a majority of the directors shall be necessary, and said consent shall be duly recorded in the minutes.

Complies

32. That directors be periodically informed of changes in shareholding and of the opinions of significant shareholders, investors and rating agencies of the company and its group.

Complies

33. That the chairman, as the person responsible for the efficient workings of the Board of Directors, in addition to carrying out the duties assigned by law and the articles of incorporation, should prepare and submit to the Board of Directors a schedule of dates and matters to be considered; organise and coordinate the periodic evaluation of the Board as well as, if applicable, the chief executive of the company, should be responsible for leading the Board and the effectiveness of its work; ensuring that sufficient time is devoted to considering strategic issues, and approve and supervise refresher courses for each director when circumstances make this advisable.

Complies

34. That when there is a coordinating director, the articles of incorporation or Board regulations should confer upon him the following powers in addition to those conferred by law: to chair the Board of Directors in the absence of the chairman and deputy chairmen, should there be any; to reflect the concerns of non-executive directors; to liaise with investors and shareholders in order to understand their points of view and respond to their concerns, in particular as those concerns relate to corporate governance of the company; and to coordinate a succession plan for the chairman.

Complies

35. That the secretary of the Board of Directors should pay special attention to ensure that the activities and decisions of the Board of Directors take into account such recommendations regarding good governance contained in this Good Governance Code as may be applicable to the company.

Complies

36. That the Board of Directors meet in plenary session once a year and adopt, where appropriate, an action plan to correct any deficiencies detected in the following:

a) The quality and efficiency of the Board of Directors' work.

b) The workings and composition of its committees.

c) Diversity in the composition and skills of the Board of Directors.

d) Performance of the chairman of the Board of Directors and the chief executive officer of the company.

e) Performance and input of each director, paying special attention to those in charge of the various Board committees.

In order to perform its evaluation of the various committees, the Board of Directors will take a report from the committees themselves as a starting point and for the evaluation of the Board, a report from the nomination committee.

Every three years, the Board of Directors will rely for its evaluation upon the assistance of an external advisor, whose independence shall be verified by the nomination committee.

Business relationships between the external adviser or any member of the adviser's group and the company or any company within its group must be specified in the annual corporate governance report.

The process and the areas evaluated must be described in the annual corporate governance report.

Complies

37. That if there is an executive committee, there should be at least two non-executive directors, at least one of whom should be independent, and its secretary should be the secretary of the Board.

Complies

38. That the Board of Directors must always be aware of the matters discussed and decisions taken by the executive committee and that all members of the Board of Directors receive a copy of the minutes of meetings of the executive committee.

Complies

39. That all members of the audit committee, in particular its chairman, be appointed in consideration of their knowledge and experience in accounting, audit and risk management issues, both financial and non-financial.

Complies

40. That under the supervision of the audit committee, there should be a unit in charge of the internal audit function, which ensures that information and internal control systems operate correctly, and which reports to the non-executive chairman of the Board or of the audit committee.

Complies

41. That the person in charge of the unit performing the internal audit function should present an annual work plan to the audit committee, for approval by that committee or by the Board, reporting directly on its execution, including any incidents or limitations of scope, the results and monitoring of its recommendations, and present an activity report at the end of each year.

Complies

42. That in addition to the provisions of applicable law, the audit committee should be responsible for the following:

1. With regard to information systems and internal control:

a) Supervising and evaluating the process of preparation and the completeness of the financial and non-financial information, as well as the control and management systems for financial and non-financial risks related to the company and, if applicable, to the group – including operating, technological, legal, social, environmental, political and reputational risk, or risk related to corruption – reviewing compliance with

regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of accounting criteria.

b) Ensuring the independence of the unit charged with the internal audit function; proposing the selection, appointment and dismissal of the head of internal audit; proposing the budget for this service; approving or proposing its orientation or annual work plans for approval by the Board, making sure that its activity is focused primarily on material risks (including reputational risk); receiving periodic information on its activities; and verifying that senior management takes into account the conclusions and recommendations of its reports.

c) Establishing and supervising a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report any potentially serious irregularities, especially those of a financial or accounting nature, that they observe in the company or its group. This mechanism must guarantee confidentiality and in any case provide for cases in which the communications can be made anonymously, respecting the rights of both the whistleblower and the person reported.

d) Generally ensuring that internal control policies and systems are effectively applied in practice.

2. With regard to the external auditor:

a) In the event that the external auditor resigns, examining the circumstances leading to such resignation.

b) Ensuring that the remuneration paid to the external auditor for it work does not compromise the quality of the work or the auditor's independence.

c) Making sure that the company informs the CNMV of the change of auditor, along with a statement on any differences that arose with the outgoing auditor and, if applicable, the contents thereof.

d) Ensuring that the external auditor holds an annual meeting with the Board of Directors in plenary session in order to make a report regarding the tasks performed and the development of the company's accounting situation and risks.

e) Ensuring that the company and the external auditor comply with applicable rules regarding the provision of services other than auditing, limits on the concentration of the auditor's business and, in general, all other rules regarding auditors' independence.

Complies

43. That the audit committee be able to require the presence of any employee or manager of the company, even stipulating that he or she appear without the presence of any other member of management.

Complies

44. That the audit committee be kept abreast of any corporate and structural changes planned by the company in order to perform an analysis and draw up a prior report to the Board of Directors on the economic conditions and accounting implications and, in particular, any exchange ratio involved.

Complies

45. That the risk management and control policy should identify or determine, as a minimum:

a) The various types of financial and non-financial risk (including operational, technological, financial, legal, social, environmental, political and reputational risks and risks relating to corruption) which the company faces, including among the financial or economic risks contingent liabilities and other off-balance sheet risks.

b) A risk control and management model based on different levels, which will include a specialised risk committee when sector regulations so require or the company considers it to be appropriate.

c) The level of risk that the company considers to be acceptable.

d) Measures in place to mitigate the impact of the risks identified in the event that they should materialise.

e) Internal control and information systems to be used in order to control and manage the aforementioned risks, including contingent liabilities or off-balance sheet risks.

Complies

46. That under the direct supervision of the audit committee or, if applicable, of a specialised committee of the Board of Directors, an internal risk control and management function should exist, performed by an internal unit or department of the company which is expressly charged with the following responsibilities:

a) Ensuring the proper functioning of risk management and control systems and, in particular, that they adequately identify, manage and quantify all material risks affecting the company.

b) Actively participating in drawing up the risk strategy and in important decisions regarding risk management.

c) Ensuring that the risk management and control systems adequately mitigate risks as defined by the policy laid down by the Board of Directors.

Complies

47. That in designating the members of the nomination and remuneration committee - or of the nomination committee and the remuneration committee if they are separate - care be taken to ensure that they have the knowledge, aptitudes and experience appropriate to the functions that they are called upon to perform and that the majority of said members are independent directors.

Complies

48. That large-cap companies have separate nomination and remuneration committees.

Explain

Article 40 of the Bylaws and Article 23 of the Regulation of the Board of Directors expressly state on regulating the Nominating, Compensation and Corporate Governance Committees, that the Board of Directors shall be entitled to set up two Committees, separately giving each of them powers for appointments, and the other the powers for remuneration, while the corporate governance powers may be included in either one of them.

The Board of Directors of Telefónica, S.A. has not considered appropriate, so far, separating the functions of the Nominating, Compensation and Corporate Governance Committee because it believes that by putting the powers to assess Directors and determine their remuneration in the same Committee, is helpful to coordinate and to produce a results-driven remuneration system (pay for performance). The Board also considers that the workload of the Nominating, Compensation and Corporate Governance Committee and, therefore, its members, is reasonable and does not make it advisable, for the time being, to divide it into two separate committees.

49. That the nomination committee consult with the chairman of the Board of Directors and the chief executive of the company, especially in relation to matters concerning executive directors.

And that any director be able to ask the nomination committee to consider potential candidates that he or she considers suitable to fill a vacancy on the Board of Directors.

Complies

50. That the remuneration committee exercise its functions independently and that, in addition to the functions assigned to it by law, it should be responsible for the following:

a) Proposing the basic conditions of employment for senior management to the Board of Directors.

b) Verifying compliance with company's remuneration policy.

c) Periodically reviewing the remuneration policy applied to directors and senior managers, including share-based remuneration systems and their application, as well as ensuring that their individual remuneration is proportional to that received by the company's other directors and senior managers.

d) Making sure that potential conflicts of interest do not undermine the independence of external advice given to the board.

e) Verifying the information on remuneration of directors and senior managers contained in the various corporate documents, including the annual report on director remuneration.

Complies

51. That the remuneration committee should consult with the chairman and the chief executive of the company, especially in matters relating to executive directors and senior management.

Complies

52. That the rules regarding the composition and workings of the supervision and control committees should appear in the regulations of the Board of Directors and that they should be consistent with those applying to legally mandatory committees in accordance with the foregoing recommendations, including:

a) That they be composed exclusively of non-executive directors, with a majority of independent directors.

b) That their chairpersons be independent directors.

c) That the Board of Directors select members of these committees taking into account their knowledge, skills and experience and the duties of each committee; discuss their proposals and reports; and require them to render account of their activities and of the work performed in the first plenary session of the Board of Directors held after each committee meeting.

d) That the committees be allowed to avail themselves of outside advice when they consider it necessary to perform their duties.

e) That their meetings be recorded and the minutes be made available to all directors.

Explain

1. The supervision and control committees which are attributed the powers referred to in recommendation 52 are the Audit and Control Committee and the Nominating, Compensation and Corporate Governance Committee. The composition and operation rules of the two Committees are set out in the Regulation of the Board of Directors and in the specific Regulations of each one of them. Likewise, both Committees are not only consistent with legally dispositions applicable but are also an improvement upon them, in certain areas. For example, according to the Regulation of the Board of Directors, the Nominating, Compensation and Corporate Governance Committee must have a majority of independent members, as opposed to the minimum of two according to prevailing laws. In fact, in practice, the Committee is composed of three Independent Directors and one with the category of "Other External".

Additionally, the Regulations of the Board of Directors establish that the Audit and Control Committee must have a majority of independent directors, also exceeding the minimum of two required by law. In practice, this Committee is composed of three Independent Directors and one with the category of "Proprietary".

2. The Board of Directors has a Consulting Committee (Sustainability and Regulation Committee) which has other functions strongly linked with the businesses developed by the Company and with management aspects. The mentioned Committee has some of the functions set out in Recommendations 53 and 54 below.

The Sustainability and Regulation Committee is expressly regulated in the Regulation of the Board of Directors, although with fewer details with respect to those that are legally mandatory. However, this non-mandatory committee is, in practice, subject to the operating rules set out in Recommendation 52 a), c), d) and e).

It has been considered that the Sustainability and Regulation Committee with powers in matters linked to the Company's businesses and management aspects do not necessarily have to be chaired by Independent Directors but rather it is preferable to take into account the technical knowledge and specific expertise of their members when appointing the Director to chair them who should sit on these committees.

It should also be noted that all Board Committees are composed of a majority of independent Directors.

53. That verification of compliance with the company's policies and rules on environmental, social and corporate governance matters, and with the internal codes of conduct be assigned to one or divided among more than one committee of the Board of Directors, in the exercise of its power of self-organisation, may have decided to create. And that such committee be composed exclusively of non-executive directors, with a majority of these being independent directors, and that the minimum functions indicated in the next recommendation be specifically assigned to it.

Complies

54. The minimum functions referred to in the foregoing recommendation are the following:

a) Monitoring of compliance with the company's internal codes of conduct and corporate governance rules, and ensuring that the corporate culture is aligned with its purpose and values.

b) Monitoring the implementation of the general policy on communication of economic and financial information, non-financial and corporate information and communication

with shareholders and investors, proxy advisors and other stakeholders. The manner in which the entity communicates and handles relations with small and medium-sized shareholders must also be monitored.

c) The periodic evaluation and review of the company's corporate governance system, and environmental and social policy, with a view to ensuring that they fulfil their purposes of promoting the interests of society and take account, as appropriate, of the legitimate interests of other stakeholders.

d) Supervision of the company's environmental and social practices to ensure they are in alignment with the established strategy and policy.

e) Supervision and evaluation of the way in which relations with the various stakeholders are handled.

Complies

55. That environmental and social sustainability policies identify and include at least the following:

a) The principles, commitments, objectives and strategy relating to shareholders, employees, clients, suppliers, social issues, the environment, diversity, tax responsibility, respect for human rights, and the prevention of corruption and other unlawful conducts.

b) Means or systems for monitoring compliance with these policies, their associated risks, and management.

c) Mechanisms for supervising non-financial risk, including that related to ethical aspects and aspects of business conduct.

d) Channels of communication, participation and dialogue with stakeholders.

e) Responsible communication practices that impede the manipulation of data and protect integrity and honour.

Complies

56. That director remuneration be sufficient in order to attract and retain directors who meet the desired professional profile and to adequately compensate them for the dedication, qualifications and responsibility demanded of their posts, while not being so excessive as to compromise the independent judgment of non-executive directors.

Complies

57. That only executive directors should receive remuneration linked to corporate results and personal performance, as well as remuneration in the form of shares, options or rights to shares or instruments referenced to the share price and long-term savings plans such as pension plans, retirement schemes or other provident schemes.

Consideration may be given to delivering shares to non-executive directors as remuneration providing this is conditional upon their holding them until they cease to be directors. The forgoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition.

Complies

58. That as regards variable remuneration, remuneration policies should incorporate the necessary limits and technical safeguards to ensure that such remuneration is in line with the professional performance of its beneficiaries and not based solely on general developments in the markets or in the sector in which the company operates, or other similar circumstances.

And, in particular, that variable remuneration components:

a) Are linked to pre-determined and measurable performance criteria and that such criteria take into account the risk undertaken to achieve a given result.

b) Promote sustainability of the company and include non-financial criteria that are geared towards creating long term value, such as compliance with the company's rules and internal operating procedures and with its risk management and control policies.

c) Are based on balancing the attainment of short-, medium- and long-term objectives, so as to allow remuneration of continuous performance over a period of time long enough to be able to assess its contribution to the sustainable creation of value, such that the elements used to measure performance are not associated only with one-off, occasional or extraordinary events.

Complies

59. That the payment of variable remuneration components be subject to sufficient verification that previously established performance or other conditions have been effectively met. Entities must include in their annual report on director

remuneration the criteria for the time required and methods used for this verification depending on the nature and characteristics of each variable component.

That, additionally, companies consider the inclusion of a reduction ('malus') clause for the deferral of the payment of a portion of variable remuneration components that would imply their total or partial loss if an event were to occur prior to the time of payment date that would make this advisable.

Complies

60. That remuneration related to company results should take into account any reservations that might appear in the external auditor's report and that would diminish said results.

Complies

61. That a material portion of executive directors' variable remuneration be linked to the delivery of shares or financial instruments referenced to the share price.

Complies

62. That once share or options or financial instruments have been allocated under remuneration schemes, executive directors be prohibited from transferring ownership or exercising options or rights until a term of at least three years has elapsed.

An exception is made in cases where the director has, at the time of the transfer or exercise of options or rights, a net economic exposure to changes in the share price for a market value equivalent to at least twice the amount of his or her fixed annual remuneration through the ownership of shares, options or other financial instruments.

The foregoing shall not apply to the shares that the director may need to sell in order to meet the costs related to their acquisition or, following a favourable assessment by the nomination and remuneration committee, to deal with such extraordinary situations as may arise and so require.

Complies

63. That contractual arrangements should include a clause allowing the company to demand reimbursement of the variable remuneration components in the event that payment was not in accordance with the performance conditions or when payment was made based on data subsequently shown to have been inaccurate.

Complies

64. That payments for contract termination should not exceed an amount equivalent to two years of total annual remuneration and should not be paid until the company has been able to verify that the director has fulfilled all previously established criteria or conditions for payment.

For the purposes of this recommendation, payments for contractual termination will be considered to include any payments the accrual of which arises as a consequence of or on the occasion of the termination of the contractual relationship between the director and the company, including amounts not previously vested of long-term savings schemes and amounts paid by virtue of post-contractual non-competition agreements.

Explain

With regards to the conditions applicable to termination of contracts Mr. José María Álvarez-Pallete López (Executive Chairman until January 18,2025), and the Chief Operating Officer (C.O.O.), Mr. Ángel Vilá Boix, maintain the conditions of his previous contract which provided for agreed economic compensation for the termination of the employment relationship, where applicable, that can amount to four years' of remuneration at the most. Annual remuneration on which the indemnity is based is the last fixed remuneration and the arithmetic mean of the last two variable remuneration payments received by contract.

Indicate whether any director voted against or abstained from approving this report.

No.

I declare that the details included in this statistical annex coincide and are consistent with the descriptions and details included in the annual corporate governance report published by the company.

4.9. Further information of interest

1. If there is any aspect regarding corporate governance in the company or other companies in the group that have not been included in other sections of this report, but which are necessary in order to obtain a more complete and comprehensible picture of the structure and governance practices in the company or group, describe them briefly below.

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2. This section may also be used to provide any other information, explanation or clarification relating to previous sections of the report, so long as it is relevant and not redundant.

Specifically, state whether the company is subject to any corporate governance legislation other than that prevailing in Spain and, if so, include any information required under this legislation that differs from the data requested in this report.

3. The company may also state whether it voluntarily complies with other ethical or best practice codes, whether international, sector-based, or other. In such a case, name the code in question and the date the company began following it. It should be specifically mentioned that the company adheres to the Code of Good Tax Practices of 20 July, 2010.

- Note 1 to Section 4.2.2. of Annual Corporate Governance Report and Section A.2. of Annual Corporate Governance Report Statistical Annex

In accordance with the last submitted communication by BlackRock, Inc. to the Spanish National Securities Market Commission (CNMV) on November 25, 2024, the details of the control chain through this entity owns the voting right and/or the financial instruments is the following:

1.- BlackRock, Inc., BlackRock Finance, Inc., BlackRock Holdco 2, Inc., BlackRock Financial Management, Inc., BlackRock International Holdings, Inc., BR Jersey International Holdings L.P., BlackRock (Singapore) Holdco Pte. Ltd., Blackrock HK Holdco Limited, BlackRock Lux Finco S.a.r.l., BlackRock Japan Holdings GK, BlackRock Japan Co., Ltd.

2.- BlackRock, Inc., BlackRock Finance, Inc., Trident Merger, LLC, BlackRock Investment Management, LLC.

3.- BlackRock, Inc., BlackRock Finance, Inc., BlackRock Holdco 2, Inc., BlackRock Investment Management, Inc., BlackRock International Holdings, Inc., BlackRock International Holdings, L.P., BlackRock Holdco 3, LLC, BlackRock Cayman 1 LP, BlackRock Cayman West Bay Finco Limited, BlackRock Cayman West Bay IV Limited, BlackRock Group Limited, BlackRock Finance Europe Limited, BlackRock Investment Management (UK) Limited.

4.- BlackRock, Inc., BlackRock Finance, Inc., BlackRock Holdco 2, Inc., BlackRock Financial Management, Inc., BlackRock International Holdings, Inc., BR Jersey International Holdings, L.P., BlackRock Australia Holdco Pty. Ltd., BlackRock Investment Management (Australia) Limited.

5.- BlackRock, Inc., BlackRock Finance, Inc., BlackRock Holdco 2, Inc., BlackRock Financial Management, Inc., BlackRock Holdco 4, LLC, BlackRock Holdco 6, LLC, BlackRock Delaware Holdings Inc.,BlackRock Institutional Trust Company, National Association.

6.- BlackRock, Inc., BlackRock Finance, Inc., BlackRock Holdco 2, Inc., BlackRock Financial Management, Inc., BlackRock Holdco 4, LLC, BlackRock Holdco 6, LLC, BlackRock Delaware Holdings Inc., BlackRock Fund Advisors.

7.- BlackRock, Inc.,BlackRock Finance, Inc., BlackRock Holdco 2, Inc., BlackRock Financial Management, Inc.

8.- BlackRock, Inc.,BlackRock Finance, Inc., BlackRock Holdco 2, Inc., BlackRock Financial Management, Inc., BlackRock International Holdings, Inc., BR Jersey International Holdings, L.P., BlackRock (Singapore) Holdco Pte. Ltd., BlackRock HK Holdco Limited, BlackRock Asset Management North Asia Limited.

9.- BlackRock, Inc., BlackRock Finance, Inc., BlackRock Holdco 2, Inc., BlackRock Financial Management, Inc., BlackRock International Holdings, Inc., BlackRock International Holdings, L.P.,BlackRock Holdco 3, LLC, BlackRock Cayman 1 LP, BlackRock Cayman West Bay Finco Limited, BlackRock Cayman West Bay IV Limited, BlackRock Group Limited, BlackRock Finance Europe Limited, BlackRock (Netherlands) B.V., BlackRock Asset Management Deutschland AG.

10.- BlackRock, Inc., BlackRock Finance, Inc., BlackRock Holdco 2, Inc., BlackRock Financial Management, Inc., BlackRock International Holdings, Inc., BlackRock Canada Holdings UCL, BlackRock Asset Management Canada Limited.

11.- BlackRock, Inc., BlackRock Finance, Inc., BlackRock Holdco 2, Inc., BlackRock Financial Management, Inc., BlackRock Capital Holdings, Inc., BlackRock Advisors, LLC.

12.- BlackRock, Inc., BlackRock Finance, Inc., BlackRock Holdco 2, Inc., BlackRock Financial Management, Inc., BlackRock International Holdings, Inc., BlackRock International Holdings, L.P., BlackRock Holdco 3, LLC, BlackRock Cayman 1 LP, BlackRock Cayman West Bay Finco Limited, BlackRock Cayman West Bay IV Limited, BlackRock Group Limited, BlackRock Finance Europe Limited, BlackRock Advisors (UK) Limited.

13.- BlackRock, Inc., BlackRock Finance, Inc., BlackRock Holdco 2, Inc., BlackRock Financial Management, Inc., BlackRock International Holdings, Inc., BlackRock International Holdings, L.P., BlackRock (Singapore) Holdco Pte. Ltd, BlackRock (Singapore) Limited.

14.- BlackRock, Inc., BlackRock Finance, Inc., Trident Merger, LLC, BlackRock Investment Management, LLC, Amethyst Intermediate, LLC, Aperio Holdings, LLC, Aperio Group, LLC.

- Note 2 to Section A.2 of Annual Corporate Governance Report Statistical Annex

Information on significant shareholdings has been provided:

(i) Based on the information notified by Sociedad Estatal de Participaciones Industriales (SEPI) for the 2024 Annual Report on Corporate Governance of Telefónica, S.A.

(ii) Based on the information provided by Criteria Caixa, S.A.U. for the 2024 Annual Report on Corporate Governance of Telefónica, S.A. Likewise, and without this implying an incremental or additional participation, Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona, as the sole shareholder of Criteria Caixa, S.A.U., holds the same participation indirectly.

(iii) Based on the information provided by Banco Bilbao Vizcaya Argentaria, S.A. (BBVA) for the Annual Corporate Governance Report of Telefónica, S.A. for the 2024 financial year. Furthermore, according to the aforementioned information provided by BBVA, the percentage of economic rights attributed to the shares of Telefónica, S.A. owned by BBVA at December 31, 2024, it would increase by 0.231% without voting rights of the Company's share capital.

(iv) Based on the information notified by Public Investment Fund to the CNMV on February 6, 2025, the indirect stake hold through Green Bridge Investment Company SCS (a company controlled by Saudi Telecom Company (STC) which in turn is controlled by Public Investment Fund) amounts to 9.97%.

(v) Based on the information notified by BlackRock, Inc. to the CNMV on November 25, 2024.

- Note 3 to Section A.3 of Annual Corporate Governance Report Statistical Annex

In those cases where the total percentage of voting rights does not coincide with the sum of direct and indirect shareholdings, this is due to the rounding of decimals.

The total percentage of voting rights represented on the Board of Directors (25.33%) is the result of adding the total percentage of voting rights held by members of the Board of Directors (0.41%) and the total percentage of voting rights of the Company's significant shareholders represented on the Board of Directors: Sociedad Estatal de Participaciones Industriales (10.00%), represented on the Board of Directors by the Proprietary Director Mr. Carlos Ocaña Orbis, Criteria Caixa, S.A.U. (9.99%) represented on the Board of Directors by the Proprietary Director Mr. Isidro Fainé Casas and Banco Bilbao Vizcaya Argentaria, S.A. (4.93%), represented on the Board of Directors by the Proprietary Director Mr. José María Abril Pérez.

- Note 4 to Section C.1.2 of Annual Corporate Governance Report Statistical Annex

Mr. Marc Thomas Murtra Millar was appointed by co-optation as Executive Chairman of the Board of Directors of Telefónica, S.A. in replacement of Mr. José María Álvarez-Pallete López, by agreement of the Company's Board of Directors, in its meeting on January 18, 2025, following a favorable report from the Nominating, Compensation and Corporate Governance Committee.

Mr. José Javier Echenique Landiríbar was Vice-Chairman and Lead Independent Director until December 15, 2024, the date of his death. Likewise, until said date, it is hereby stated that the Vice Chairman and Lead Independent Director Mr. José Javier Echenique Landiríbar additionally held the positions of Chairman of the Audit and Control Committee, Member of the

Executive Commission and Member of the Nominating, Compensation and Corporate Governance Committee.

The Board of Directors of Telefónica, S.A., in its meeting on January 29, 2025, at the proposal of the Nominating, Compensation and Corporate Governance Committee, agreed to appoint Independent Director Mr. Peter Löscher as Lead Independent Director.

Furthermore, on January 29, 2025, the Audit and Control Committee, in replacement of Mr. José Javier Echenique Landiríbar, agreed to appoint Independent Director Ms. María Luisa García Blanco as Chairwoman of said Committee.

- Note 5 to Section C.1.11 of Annual Corporate Governance Report Statistical Annex

Other positions held by the Company's Directors (other than those requested in section C.1.11) are listed below:

As of December 31, 2024, Mr. José María Álvarez-Pallete López was member of the Advisory Board of Seat, S.A. He was also Chairman of Fundación Telefónica, S.A., of the Fundación Profuturo and of the GSMA Association and is a Trustee of the following foundations: (i) Fundación Bancaria "La Caixa"; (ii) Fundación Inocente, Inocente; and (iii) Fundación Amigos de la Alhambra. Additionally, he is an Honorary Doctorate from CEU San Pablo University.

Mr. Isidro Fainé Casas is Chairman of the Fundación Instituto de Investigación "La Caixa" and of Cajas de Ahorro (Funcas). In addition, he is Honorary Chairman of Naturgy Energy Group, S.A., Special Advisor to the Board of "The Bank of East Asia".

Mr. Ángel Vilá Boix is a Trustee of the Telefónica Foundation and a member of the Advisory Boards of Telefónica España and Telefónica Tech.

Mr. Peter Löscher is Emeritus Member of the Advisory Council of the Singapore Economic Development Board, Member of the International Advisory Board of Bocconi University and Honorary Professor at Tongji University (Shanghai).

Mr. Carlos Ocaña Orbis is Deputy to the General Director of Real Madrid CF, a member of the Advisory Board of the Hermes Institute, a member of the Governing Board of the Real Madrid University School, a member of the Strategy Committee of the PRISA Group, and Co-director and professor of the Master's in Digital Transformation and Applied Technologies in Sports at the Real Madrid University School. Additionally, he is Secretary of the World Football Club Association, a member of the Advisory Board of the ADEI Observatory, and a member of the Supervisory Committee of the Foro de Foros Foundation. He is also a professor of Strategy and Business Model in the MBA program at the European University.

Ms. Verónica Pascual Boé is Chairwoman of the Asti Talent and Technology Foundation and Chairwoman of the Endeavor Foundation.

Mr. Francisco Javier de Paz Mancho is a Trustee of the Atenea Foundation.

Mr. Francisco José Riberas Mera is Chairman of: (i) Sernauto (Spanish Association of Automotive Suppliers); (ii) Fundación Gestamp; and (iii) Fundación Orilla; and is a Trustee representative of the following foundations: (i) Fundación Consejo España-Estados Unidos; (ii) Fundación Consejo España-India; (iii) Fundación Consejo España-China; (iv) Fundación Consejo España-Japón and (v) Fundación Endeavor. Additionally, he is Trustee of the Fundación FAD Juventud.

Ms. María Rotondo Urcola is a member of the Advisory Board of the Faculty of Economics and Business at Nebrija University.

- Note 6 to Section C.1.12 of Annual Corporate Governance Report Statistical Annex

In accordance with the provisions of Article 27.2 of the Regulations of the Board of Directors, the Directors must dedicate the necessary time and effort to the performance of their duties, and for this purpose they must inform the Nominating, Compensation and Corporate Governance Committee of their other professional obligations in case they might interfere with the performance of their duties as Directors.

In this regard, those who belong to more than five Boards of Directors of other companies other than Telefónica, S.A. and the companies of its Group may not be appointed as Directors of the Company.

For these purposes, a) all the Boards of Directors of companies that form part of the same Group shall be computed as a single Board; and b) those Boards of proprietary companies or companies that constitute vehicles or complements for the professional practice of the Director, his/her spouse or a person with an analogous relationship of affection, or his/her closest relatives, shall not be computed.

Exceptionally, and for duly justified reasons, the Board of Directors may exempt the Director from this prohibition.

- Note 7 to Section C.1.14 of Annual Corporate Governance Report Statistical Annex

The total remuneration of Senior Management includes the amount corresponding to the gross shares that the Senior Executives of the Company received on 2024 at the end of the First Cycle (2021-2023) of the Long-Term Incentive Plan approved by the General Shareholders' Meeting 2021.

- Note 8 to Section C.1.21 of Annual Corporate Governance Report Statistical Annex

In accordance with the provisions of Article 31.4 of the Company's Bylaws, in order for a Director to be appointed Chairman, he must have been a member of the Board of Directors for at least three years prior to his appointment. However, the aforementioned seniority shall not be necessary when the appointment is carried out with the favorable vote of at least 85% of the members of the Board of Directors.

-Note 9 to Section C.2.1 of Annual Corporate Governance Report Statistical Annex

Mr. José Javier Echenique Landiríbar held the positions of Member of the Executive Commission, Chairman and Member of the Audit and Control Committee and Member of the Nominating, Compensation and Corporate Governance Committee until December 15, 2024, date of his death.

In this sense, on January 29, 2025, the Audit and Control Committee agreed to appoint Independent Director, Ms. María Luisa García Blanco, as Chairwoman of the mentioned Committee.

- Note 10 to Section D.2 of Annual Corporate Governance Report Statistical Annex

BBVA and/or Group BBVA: Banco Bilbao Vizcaya Argentaria, S.A. and/or the companies that form part of its group.

CaixaBank and/or Group CaixaBank: CaixaBank, S.A. and/or the companies that form part of its group.

N/A is indicated in those cases in which no proposal has been made to the Shareholders' Meeting as the transaction has been approved by the Board of Directors.

The percentage interest held by CaixaBank, S.A. is that which that entity held in the Company on April 12, 2024, the date from which the transactions carried out with CaixaBank, S.A. and/or the companies forming part of its group ceased to be considered related-party transactions.

The amount of the transactions has been determined in accordance with the book value, consistent with the information that set forth in note 11 (Related Parties) of Telefónica's Consolidated Financial Statements for the year 2024. Notwithstanding the foregoing, Telefónica monitors the aggregate amount of related party transactions, valuing them in accordance with the criteria established by the CNMV for the purposes of complying with the related party transaction reporting regime regulated in Chapter VII bis of Title XIV of the Capital Companies Act.

- Note 11 to Section D.3 of Annual Corporate Governance Report Statistical Annex

There are no transactions that meet the requirements set forth in this Section.

- Note 12 to Section D.4 of Annual Corporate Governance Report Statistical Annex

There are no transactions that meet the requirements set forth in this Section.

- Note 13 to Section D.5 of Annual Corporate Governance Report Statistical Annex

There are no transactions that meet the requirements set forth in this Section.

- Note 14 to Section G of Annual Corporate Governance Report Statistical Annex

It is noted that Recommendations 2, 10, 11, 19, 20, 23 and 28 have been indicated as not applicable as the situation referred to in these Recommendations has not been verified during the 2024 financial year.

- Note 15: Detail any material agreements entered into by the company that come into force, are modified or are terminated in the event of a change in control of the company following a public takeover bid, and their effects.

Financing agreements:

On March 15, 2018, Telefónica, S.A., as borrower, and a group of credit entities, as lenders, with National Westminster Bank plc as the agent bank, entered into a syndicated loan amounting up to EUR 5,500 million.

On January 13, 2022, Telefónica, S.A. executed an amendment to the referred syndicated facility agreement with several domestic and international financial entities for a maximum aggregate amount of five thousand and five hundred (5,500) million euros, linked to sustainability objectives: greenhouse gas emissions reduction and increase of women in executive positions. Subsequently, on January 13, 2025, Telefónica, S.A. signed an extension of its sustainability-linked syndicated loan facility up to 5,500 million euros for an additional year (maturing on January 13, 2030). Additionally, signed two extension options of one additional year each, at the request of Telefónica, S.A., for a maximum maturity in 2032.

Likewise, on December 11, 2015, Telefónica, S.A., as borrower, and Banco Bilbao Vizcaya Argentaria, S.A. Niederlassung Deutschland, the Bank of Tokyo-Mitsubishi UFJ, Ltd., sucursal in Spain, Mizuho Bank Ltd, AB Svensk Exportkredit and Société Générale S.A., as original lenders, and with the support of Exportkreditnämnden, signed a financing agreement amounting up to USD 750 million. Also on that same date, Telefónica, S.A., as borrower, and Banco Santander, S.A. and Crédit Agricole Corporate and Investment Bank as original lenders, with the support of Finnvera Plc, entered into a financing agreement amounting up to EUR 500 million.

As provided for in all of the aforementioned contracts, in the event of a change of control in Telefónica, S.A., lenders may, under certain circumstances, require the early termination of these financing agreements.

The financing contracts consider the usual criteria in these types of agreement to determine if there has effectively been a change of control, such as obtain a majority of the voting rights, have the power to appoint a majority of the members of the management body, or

have control over the financial and operating policies of the Company.

Finally, it should be said that as of the year 2010, Telefónica, S.A. adheres to the Code of Good Fiscal Practices, as approved by the Large Companies' Forum - a body in which major Spanish companies and the Spanish tax authorities participate-, and complies with the content of the same.

Similarly, Telefónica Group is committed to the application of other international regulations and initiatives in the area of sustainability as well as, among others, the Universal Declaration of Human Rights, the United Nations Global Compact, and other conventions and treaties agreed by international bodies such as the Organization for Economic Cooperation and Development and the International Labor Organization.

This annual corporate governance report was approved by the company's Board of Directors at its meeting held on February 26, 2025.

Indicate whether any Directors voted against or abstained from voting on the approval of this report.

No.