

Guideline

Diversity & Inclusion Policy Telefónica Germany

Approved by the Corporate Board of the Telefónica Deutschland Group
on 27 November 2024.

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1. Introduction

At Telefónica Germany, our goal is to democratize access to a sustainable digital future to create a better everyday life and participation for all. Our commitment to acting responsibly is reflected in the company's existing guidelines and principles. We are committed to respecting human rights and taking responsibility for our value chain, as reflected in our Principles for Respecting Human Rights and our Human Rights Policy.

This policy demonstrates our approach and commitment to manage diversity, equity and holistic inclusion. The policy at German level is a supplement to the existing non-discrimination policy at the global level of Telefónica S.A. Diversity, holistic inclusion and equity are essential aspects of a responsible business environment. We have therefore included them as key elements in our Responsible Business Plan 2025.

We are convinced that promoting diversity in our teams and an inclusive working environment offers great benefits for our company. Diversity of perspectives is a prerequisite for a deep understanding of our customers' needs and helps us to be innovative. We are convinced that creating an inclusive corporate culture fosters an environment in which all employees can develop their full potential and unleash new potential for innovation through diversity of perspectives. Diversity and the holistic inclusion of different perspectives and realities of life are therefore key components of Telefónica's corporate success, which we actively promote and manage.

As a company, we also stand for the connection between people and a strong democracy. Together with our approximately 7,000 employees, we engage in dialog and drive projects that promote a diverse, open and resilient society.

With this policy, we want to reaffirm our attitude and work for diversity, equity and an inclusive corporate culture of people in all areas of our company.

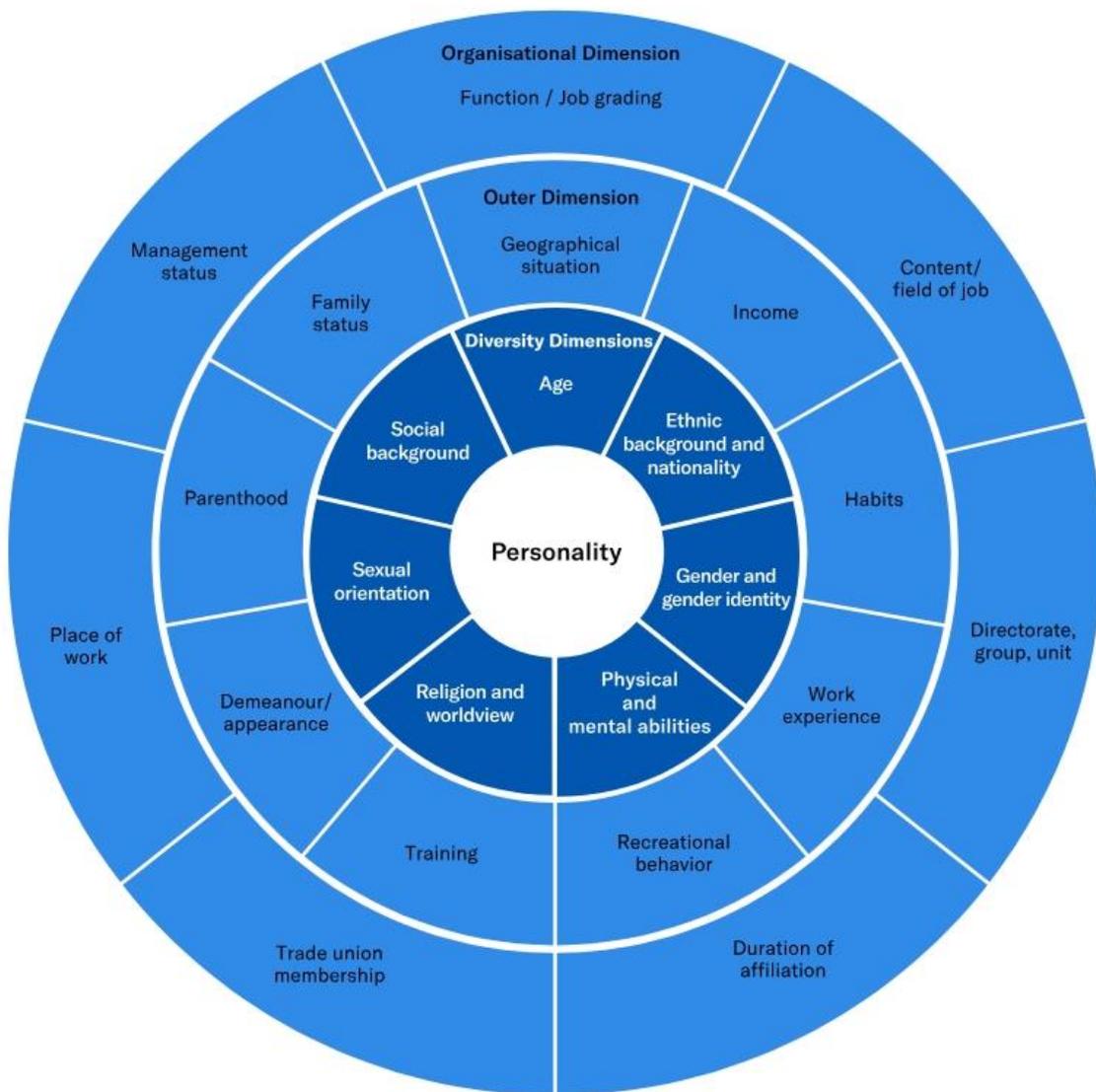


Figure 1: Diversity dimensions. Source: Charta der Vielfalt

2. Application Area

This policy applies to all companies of the Telefónica Germany Group. It applies to all employees of Telefónica Germany throughout their entire career in the company. This applies from the first contact with the organization until the termination of the employment relationship. The policy covers all aspects of the employment relationship, including recruitment, remuneration, working conditions, quality of life measures, training, appraisal, promotion, disciplinary procedures and termination of employment. It sets out both the rights and obligations of our employees. Diversity, equity and inclusion need everyone in the company - but managers in particular. Accordingly, managers have a special responsibility to comply with this policy.

3. Social Dialog

At Telefónica Germany, we are committed to the fundamental ILO provisions on employment, in particular freedom of association and co-determination rights in accordance with the German Employee Co-determination Act (MitbestG).

In addition, we respect the Works Constitution Act and ensure that works council representatives are treated fairly and without discrimination and that they are provided with all the necessary resources to perform their representative duties.

4. Obligations

Through this policy, our company aims to ensure that stereotyping, prejudice or discrimination of any kind based on one or more dimensions of diversity is prevented. Telefónica Germany is therefore firmly opposed to any discriminatory behavior or practices and is committed to continuing to make progress in terms of diversity, equity and holistic inclusion.

No one may be discriminated against or given preferential treatment because of their gender, sexual orientation or gender identity, age, disability, origin, skin color, language, home country and social background, faith, religious or political beliefs.

As a sign of our commitment and to further promote diversity and inclusion, the proportion of women in senior management positions is included as a KPI in the company's variable compensation system.

We promote diversity, inclusion and equal opportunities throughout our organization with the following initiatives and measures:

4.1 A working environment free from discrimination

Telefónica Germany is committed to creating a working environment that is free from discrimination and harassment. We make every effort to prevent discriminatory behavior and practices. We promote working conditions that are based on respect, appreciation and equal opportunities - for all people, regardless of the core dimensions of diversity listed in Figure 1. This applies equally to personal encounters in the work context and to hybrid or digital collaboration.

In its communications, Telefónica Germany strives to use inclusive language that is sensitive to discrimination, recognizing diversity as a reality and an asset while avoiding stereotyping. This applies to all our wording, images, documents, advertising and communication materials, both internally and externally.

4.2 Equal opportunities in employment, job classification and career development

At Telefónica Germany, recruitment, contracting, development, promotion, training, and job classification are based exclusively on objective criteria relating to the requirements of the respective position. In addition, we promote a working environment based on respect, openness, and appreciation, which supports diversity and is characterized by an inclusive corporate culture.

We want to further improve our diversity through targeted recruitment and development measures by considering different life realities and needs and reflecting them in our offers and programs.

Lifelong learning for all is a vital component of our corporate culture. This is why 100% of our employees have access to learning and development opportunities. Further training opportunities, most of which are digital and can therefore be accessed according to personal needs and without time or location restrictions, ensure that everyone in the company has barrier-free access to further development opportunities. Tailor-made development plans, which are developed in collaboration with the respective manager and sometimes with objective, external support from specialized consulting companies, consider both individual strengths and personal limitations.

At Telefónica Germany, we promote individual career paths and want to give all employees equal access to new career opportunities - regardless of diversity characteristics. Through targeted mobility measures that contribute to the horizontal and vertical career development of employees in the company, we contribute to strengthening diversity and social mobility at Telefónica Germany for all employees.

Embracing diversity and participation is a journey, not a destination. This is why we regularly assess equal opportunities in the company in our employee surveys. A consistently high proportion of over 90% of employees state that Telefónica Germany offers everyone the same opportunities.

4.3 Diversity in management positions

The filling of and development towards senior management positions follows a structured process that ensures that nominations for such management positions consider the composition of the management team, among other criteria, and promote diversity of knowledge, experience, gender, nationality and other dimensions.

To ensure diversity in our management team, we make sure that at least one woman is on the shortlist when filling management positions. Telefónica Germany underlines its commitment to a diverse management team by setting ambitious targets for a quota of women at management level.

Our commitment to equal opportunities in career development is also reflected in the fact that Telefónica has been included in the Bloomberg Gender Equality Index since 2019. This index highlights companies for their transparent promotion of equal opportunities for women in the workplace, underpinned by key figures.

4.4 Compatibility and balance of private and professional life

Our principles of hybrid work form the basis for successful collaboration in a hybrid and digital working environment and are continuously being developed in the context of constantly changing working methods and conditions. An important goal of the principles is to strengthen employee engagement and retention through flexible working options. The aim is to leverage the potential of employees across all generations, genders and professional and personal backgrounds and to promote the compatibility of their respective lifestyles with their professional careers. At the same time, personal encounters in the offices

are supporting an inclusive workplace culture and strengthen collaboration and reliable networks. In this way, young and new employees also experience a working environment in which they have the opportunity to network and build stable and trusting relationships.

The principles are:

- Flex and Connect - combining mobile work with personal meetings on site
- Working Anytime - the greatest possible time flexibility
- Outcome-based leadership - consistent focus on results
- Digital Excellence - openness to digital working methods and tools
- Responsible Travel - responsible travel

In connection with digital forms of work, Telefónica Germany expressly recognizes the right to "digital disconnection". We are convinced that personal interests outside of work are an important part of personal growth and well-being and contribute to a diversity of perspectives.

4.5 Compensation

Our compensation guidelines are based on the criteria of experience and skills in relation to the requirements of the respective position. We have introduced a standardized remuneration system within Telefónica Germany GmbH & Co. OHG that ensures an objective assessment and equal treatment of positions and salaries.

In addition, we are committed to further reducing salary differences between the genders and to monitoring the development of the adjusted salary differences between the genders on an annual basis. We fulfill the requirements of the regulations on pay transparency (Pay Transparency Law).

4.6 Strengthening digital participation through accessibility

As a central player and driver of digitalization in Germany, we want to ensure that people with disabilities can also take advantage of the opportunities offered by the digital transformation and thus create a more accessible world. For this reason, we are committed to incorporating accessibility criteria into our products and services and to improving the accessibility of our processes and facilities, including our stores, customer service and information channels.

At the same time, we are committed to promoting inclusion in the workplace, including technical aids and support to reduce and remove barriers so that our employees can work in an environment with equal working conditions. Telefónica Germany covers the costs of individual workplace adaptations where these are necessary to enable employees to perform their work effectively.

4.7 Awareness and training

To promote an equal and inclusive working environment in which all employees feel psychologically safe and have equal opportunities, training on the General Equal Treatment Act is an integral part of the training plan at Telefónica Germany.

These mandatory courses are held digitally every three years to ensure maximum accessibility. Each course ends with a test. The aim is to convey key principles on diversity, equal treatment, and inclusion and to raise awareness of unconscious bias – especially among managers and people involved in personnel selection.

5. Supporting Organizations

This policy is supported by the **Global Diversity Council**, an association of international diversity ambassadors with the aim of promoting diversity throughout the Telefónica organization. The Global Diversity Council meets once a quarter to discuss internal and external best practices and measures. In addition, the Global Diversity Council regularly reviews the company's performance in terms of diversity.

The JAV (Youth and Trainee Representation) serves as a representative body for young adult employees up to the age of 25 and promotes their well-being and development within the company.

There is also a separate representative body for employees with disabilities. The **representative body for employees with disabilities** supports and advises employees with disabilities, represents their interests, and promotes inclusion both during recruitment and in day-to-day operations.

The **Corporate Innovation, DE&I and Culture** Directorate drives forward the topics of diversity, equal participation, and an inclusive corporate culture through targeted, sustainable, and strategic measures within the company. The Directorate is responsible for projects to increase and strengthen diversity within the company and for creating an inclusive working environment in which diversity of perspectives is promoted and everyone can develop their full potential.

The Directorate works closely with the Inclusion Officer to create an inclusive working environment that actively breaks down barriers and sees diversity as an opportunity.

UN Standards of Conduct for Business – Telefónica has signed the UN Principles against LGBTI Discrimination. This is a sign of our commitment to respecting and strengthening the rights of LGBTI people and promoting equal rights for LGBTI people.

PROUT AT WORK – The non-profit PROUT AT WORK Foundation creates a visible, tangible, and tangible public sphere for queer people in the workplace. As Telefónica Germany, we work together with our cooperation partner to implement equal opportunities for the LGBTIAQ+ community so that talents and potentials can be fully utilized while establishing an inclusive sense of belonging. As a PROUT EMPLOYER, Telefónica Germany is working strategically and sustainably in collaboration with PROUT AT WORK to identify and implement tailor-made measures for more LGBTIAQ+ inclusion and an inclusive corporate culture.

2hearts – people with a migrant background bring special potential, strengths and resources that are urgently needed in the world of work. As a community for people with international family histories and hybrid identities, 2hearts supports migrant tech talent in the tech industry. As Telefónica Germany, we are expanding our talent pool as part of the cooperation

and promoting cultural diversity. When recruiting new employees, Telefónica Germany specifically targets people with a migration background in cooperation with 2hearts.

Charta der Vielfalt - The aim of the charter is to promote diversity in companies and institutions. It is intended to promote the recognition, appreciation and inclusion of diversity in the world of work in Germany. Organizations that sign the Charta der Vielfalt commit to creating a working environment that is free of prejudice. All employees should be valued, regardless of gender, nationality, ethnic origin, religion or ideology, disability, age, sexual orientation and identity. The patron of the initiative is Federal Chancellor Olaf Scholz.

6. Reporting Channels

Telefónica Germany has established a whistleblower procedure that enables individuals, companies and other organizations, such as non-governmental organizations, to report human rights and environmental risks or violations within the meaning of the German Supply Chain Due Diligence Act (LkSG), as well as violations of applicable law within the meaning of Section 2 of the German Whistleblower Protection Act (HinSchG). The Whistleblower Protection Act (HinSchG) and other laws, internal guidelines, [business principles](#), the [Declaration of Principles on Respect for Human Rights](#), the [Supply Chain Sustainability Policy](#) or concerns regarding a potential or actual violation of these regulations. The whistleblowing procedure is designed to ensure that all reports received are investigated and dealt with in a transparent and fair manner. The procedure for complaints and reports as well as all reporting channels are described on the website [Whistleblower procedure \(telefonica.de\)](#).

The internal reporting channel (tell-us@telefonica.com) is managed internally by the TEF Compliance department. The ombudsman is an external lawyer who reports to TEF Compliance. This enables violations to be reported anonymously. An internal guideline defines how incoming reports are managed. All reports are handled in a strictly confidential, prudent and respectful manner and in accordance with data protection regulations and Telefónica Germany's business principles.

Information on the whistleblowing channel can be found at the following addresses:

Website of Telefónica Germany: [Ombudsperson Telefónica Germany](#)

The [whistleblowing channel](#) on the Telefónica Germany website; [whistleblower procedure \(telefonica.de\)](#)

7. Declaration of Human Rights Principles

In addition, further measures for observing human rights due diligence obligations are embedded in the risk-based human rights due diligence process (human rights policy statement).