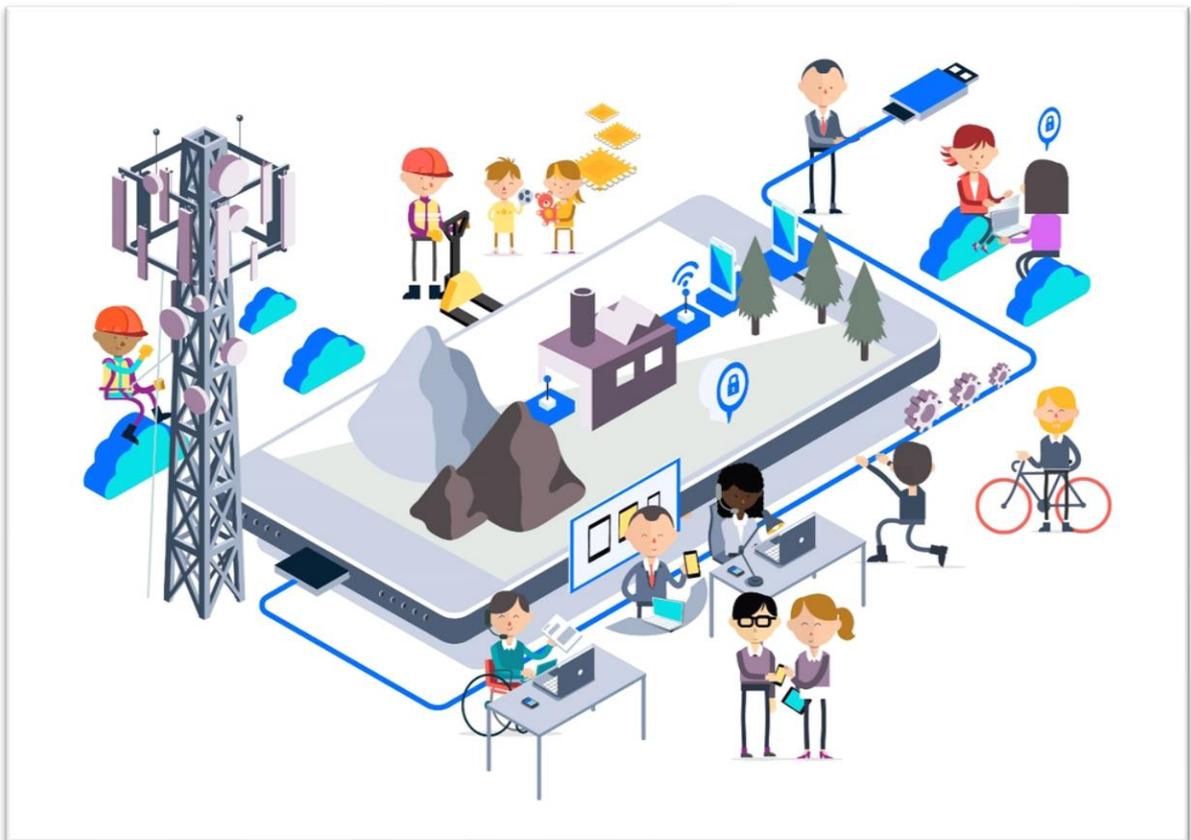


Supply Chain Sustainability Policy

Telefónica Deutschland Holding AG

Corporate policy

Approved by the Management Board of Telefónica Deutschland Holding AG on the 16th of November 2022



November 2022

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1. INTRODUCTION

Telefónica Deutschland is aware of its responsibility in the Supply Chain arising from both its international presence and the influence enabled by its business volume. For this reason, the company promotes, establishes and maintains high responsible business standards vis-à-vis its Suppliers, promoting compliance not only with respect to product and service quality standards, but also with respect to legislation as well as ethical, social, environmental and privacy standards throughout Telefónica Deutschland's Supply Chain.

2. BASIC PRINCIPLES

This Policy has its origins in the **Telefónica Deutschland Business Principles**, the [Declaration of Principles on Respecting Human Rights](#) and the [Human Rights Policy](#), the latter two of which can be found at www.telefonica.de/human-rights, all of which constitute the reference framework for the company's relationship with its various stakeholders. These represent the framework for upholding and implementing internationally accepted social, economic and cultural human rights and environmental standards and document **Telefónica Deutschland's commitment to responsible and sustainable management** within the **Supply Chain**.

The Supply Chain Sustainability Policy has been drafted in accordance with national and international standards such as **the Act on Corporate Due Diligence Obligations in Supply Chains, the United Nations Universal Declaration of Human Rights, the Declaration of Principles and Conventions of the International Labour Organization (ILO) regarding labour and social standards, the United Nations Convention on the Rights of the Child, the guidelines of the Organisation for Economic Co-operation and Development (OECD) and the standards of the International Organization for Standardization (ISO)**.

This Policy is not only in line with the vision Telefónica Deutschland has in terms of sustainability and risk management, but also with a strategic business position in which we consider the following as extremely important:

- the establishment of stable and mutually beneficial relationships with our Suppliers
- compliance with applicable legislation as well as with standards regarding ethical and responsible behaviour and social, environmental and privacy matters, not only by the company itself, but also by its business partners

It also emphasises our commitment to the initiatives of the United Nations such as the **Global Compact (UNGC)**, the **Sustainable Development Goals (SDG)** and the protection of **human rights**.

3. SCOPE OF APPLICATION

This Policy has the character of a corporate policy and is therefore applicable to all companies belonging to Telefónica Deutschland Holding AG ("**Telefónica Deutschland Group**").

In its role as parent company within the Group, Telefónica S.A. establishes the principles, instruments and mechanisms needed for an appropriate and efficient coordination between this company and the other Group companies; this remains without prejudice to and does not undermine the autonomous decision-making capability that corresponds to each of these companies, in accordance with the corporate purpose of each of these companies and the fiduciary duties that the members of their Management Boards have with regard to their shareholders.

This Policy **applies to all purchases of products and services** and **refers to the entirety of Telefónica Deutschland's Supply Chain**. It constitutes a component of the purchase contracts with effect for direct as well as indirect Suppliers. This means direct Suppliers must likewise suitably establish within their Supply Chains the standards and due diligence obligations agreed herein and shall react to and bear responsibility without limitations for violations within their own Supply Chain of the minimum standards contained in this Policy.

4. PRINCIPLES OF ACTION AND ACTION OBLIGATIONS

Telefónica Deutschland is committed to acting with rigour, objectivity, transparency and professionalism in its relationships with Suppliers and makes a commitment to in particular:

- always act ethically and responsibly
- consider the expectations regarding human rights and the environment as per the framework determined by Telefónica Deutschland when selecting Suppliers
- fulfil the commitments made to Suppliers
- use mechanisms that ensure appropriate transparency in procurement management and, especially in negotiations with Suppliers and in the decision-making process for the awarding of contracts, allow Suppliers to raise any questions that they may have
- avoid any actions that might be interpreted as dishonest, including situations of conflicts of interest or situations that generate undue advantages for the company
- ensure equal opportunity to all Suppliers involved in a specific procurement process, basing the selection of Suppliers, the awarding of contracts and other decisions on objective criteria
- promote a culture of responsible and sustainable business among our Suppliers in accordance with the expectations and principles defined for Telefónica Deutschland
- work with the Suppliers to ensure compliance with the minimum requirements for responsible and sustainable actions (as defined in detail among other things in this document) and to support continuous improvement
- have compliance with the minimum requirements for responsible and sustainable actions verified by means of independent supervision and/or verification

- Provide its own employees and those of its direct Suppliers with training and professional development to ensure responsible and sustainable actions in accordance with the expectations and principles defined for Telefónica Deutschland and the contractually enshrined principles. The Supplier will facilitate such training of its employees by Telefónica Deutschland.

Any company or organisation that wishes to be considered as a Telefónica Deutschland Supplier is obliged to observe these minimum requirements and the expectations with regard to human rights and the environment enshrined in the Telefónica Deutschland framework and to address these appropriately throughout its own Supply Chain.

Irrespective of the Supplier's own obligations pursuant to the Act on Corporate Due Diligence Obligations in Supply Chains(LkSG), this includes in particular the appropriate observation of human rights and environment-related due diligence obligations¹ with the aim of preventing and minimising human rights and environment-related risks² and bringing to an end the violation of human rights and environmental obligations.

This includes the Suppliers' obligation to enable Telefónica Deutschland to verify and report on compliance with the minimum requirements for responsible and sustainable actions on the basis of independent supervision and/or verification. Such verification can take the form of information provided by the Supplier and/or audits conducted on-site. The Supplier supports Telefónica Deutschland in this regard by responding promptly and adequately to requests for information, be it directly or via a verification platform chosen by Telefónica Deutschland, and by granting Telefónica Deutschland or its representatives reasonable access in the course of an audit to all pertinent information, facilities and employees in order for verification to be carried out.

¹ Section 3 LkSG

² Section 2 LkSG

These obligations apply to all of Telefónica Deutschland's direct Suppliers and must also be appropriately passed on by said Suppliers to their own Sub-Suppliers and enforced within their own Supply Chain at all times. Breaches of the aforementioned standards, obligations and prohibitions by a Supplier or Sub-Supplier also constitute a breach of the respective supply contract and, if the relevant further prerequisites are met, allowing Telefónica Deutschland to end its commercial relationship with the Supplier and giving Telefónica Deutschland the right to demand compensation from the Supplier for damages that the company suffers as a result of the breaches on the part of the Supplier or its Sub-Supplier and/or as a result of the contract termination. Notwithstanding the above, Telefónica Deutschland may opt not to terminate the contractual relationship with the Supplier, but to demand corrective measures which result in compliance on the part of the Supplier with the minimum requirements for sustainable actions as well as compliance with the statutory requirements relating to the Supply Chain. In this case, evaluation as to whether the corrective measures are adequate in terms of content, form and time frame will be the sole responsibility of Telefónica Deutschland.

It is the responsibility of the Suppliers to appropriately communicate this Policy and the adopted obligations regarding responsible and sustainable business, to ensure that their employees and Sub-Suppliers receive appropriate training, and to introduce procedures and standards that facilitate compliance and which fulfil the contractual and statutory requirements, in particular those of the LkSG.

5. MINIMUM STANDARDS FOR RESPONSIBLE AND SUSTAINABLE ACTIONS

To fulfil our responsibility obligations throughout the value chain, we expect our Suppliers to commit to the principles stipulated in Section 2 and observe the areas of action derived from these, including our Business Principles³, which are based on respect for and the promotion of human rights, environmental protection and the three basic values of integrity, commitment and transparency. The Supplier must

³ Available at: www.telefonica.de/geschaeftsgrundsaeetze

comply in particular with the following obligations on this basis and ensure to an appropriate degree that these are also implemented within its Supply Chain.

5.1 Respect for the law as a general principle for the rest of the criteria

Compliance with the law: The Supplier must at all times comply with the applicable international, national or local regulations.

5.2 Ethics and responsibility criteria

- **Anti-corruption:** Telefónica Deutschland operates in accordance with current legislation, professional ethics and internal rules, and does not tolerate any form of corruption, extortion or bribery. The Suppliers will actively and systematically combat any type of influence contrary to law or ethics with respect to the decisions of Telefónica Deutschland or other companies and institutions as well as corruption within their own company or Supply Chain. All forms of bribery are therefore prohibited and no person may promise, offer or grant benefits of any nature to another person for the purpose of influencing decisions of any kind (including governmental, administrative or judicial decisions), obtain undue advantage, or offer or accept gifts, entertainment or other incentives that may influence or reward a business decision.
- **Conflicts of interest:** For Telefónica Deutschland, its relationships with its Suppliers are founded on loyalty that stems from common interests. The Suppliers must therefore utilise mechanisms to avoid conflicts of interest and ensure the independence of the actions carried out in the context of their relationship with Telefónica Deutschland and must fully comply with all applicable legislation. A conflict of interest is any situation in which the interests of Telefónica Deutschland and of the Supplier, persons employed by the Supplier, or persons or entities affiliated to the Supplier collide, either directly or indirectly.

- **Human rights:** As part of its commitment to human rights, Telefónica Deutschland implements a due diligence process to avoid causing, contributing to or being linked to human rights violations. To minimise any potential risks in this regard in the Supply Chain, the Suppliers of Telefónica Deutschland shall implement sufficient internal processes, in particular taking into account the due diligence obligations relating to human rights as regulated in the LkSG⁴ in an appropriate manner in order to identify, avoid and terminate possible adverse impacts of their activities on human rights and human rights risks within the meaning of the LkSG.⁵

5.3 Social criteria

Employment relationship: The work performed by a Supplier's employees must be based on a recognised employment relationship established in accordance with the statutory provisions. This includes the company's obligations towards its employees regarding labour laws or social security. The misuse of subcontracted labour or the recurring use of Sub-Supplier contracts to circumvent legal obligations is not permitted. The workers must be provided with a written contract of employment either in the official language of the place of work or in English, according to the worker's choice. The workers may not be charged any employers' or agents' recruitment fees or other fees for their employment. If any such fees are found to have been paid by workers, these are to be reimbursed.

- **Working hours:** The Supplier's standard working hours must comply with national legislation and industry reference standards with the criteria that offer the worker the highest level of protection. The workers shall not be required to work more than 48 hours per week on a regular basis and shall be provided with at least one day off after on average seven days. Overtime required by the employer shall be voluntary, shall not be requested on a regular basis and

⁴ Section 3 LkSG

⁵ Section 2 (2) LkSG

shall always be remunerated at a special rate. According to ILO Convention 1, these provisions shall not apply to persons holding positions of supervision and/or management. The Supplier shall promote the right to digital disconnection during daily and weekly rest periods, leave time and other occasions as well as respect for personal and family privacy outside of the working hours legally or conventionally determined.

- **Salaries:** An employee's remuneration must be an adequate living wage and must at least meet or exceed the minimum wage applicable as per national or local legislation. It must be ensured that overtime is remunerated or compensated appropriately. Employees must receive understandable information in writing regarding their working conditions with respect to their wages prior to commencement of the employment relationship as well as regular detailed payslips. Wage reductions are not permitted as a disciplinary measure. All disciplinary measures must be recorded.
- **Violence and harassment in the workplace:** The Supplier will promote an environment of zero tolerance regarding violence and harassment. Abuse or corporal punishment, the threat of physical abuse, sexual or other harassment, verbal abuse or other forms of intimidation are forbidden.
- **Forced labour and human trafficking:** Work may not be performed under conditions of slavery of any kind or under other forms of the exercise of domination or oppression. Further, the deployment of security forces for the protection of business projects is forbidden if, due to the actual circumstances, there is a reasonable likelihood that, as a result of inadequate instructions or control on the part of the Supplier, there is the threat of the prohibition of torture and cruel, inhuman and degrading treatment being violated, of injury to life and limb, or of the right to freedom of association and trade union freedom being compromised.

The workers cannot be obliged to pay "deposits" or to surrender identity documents or passports to their employer and may give notice of termination in the form required by law. The Supplier must ensure with a corporate policy and a clearly defined process that nowhere in its Supply Chain or in its own business is labour provided under conditions of slavery or force and that nowhere is human trafficking engaged in. At the request of Telefónica Deutschland, the Supplier shall report on the measures it has taken to ensure that its operations and its Supply Chain are free from modern slavery and human trafficking as well as on the success of these measures.

- **Child and Adolescent labour:** The Supplier shall ensure that its operations and its Supply Chain are free from Child Labour. In cases in which the Supplier is compelled to eliminate Child Labour, it must do so in a manner consistent with the best interests of the Children concerned. Children and Adolescents under the age of 18 who have access to the labour market in accordance with local legislation may not work during the night or under dangerous conditions. Any action taken must be in the best interests of the Child in accordance with the ILO's Convention Concerning the Minimum Age for Admission to Employment (Convention 138) and the Convention Concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour (Convention 182) and the United Nations Convention on the Rights of the Child.
- **Freedom of association and the right to collective bargaining:** The workers of the Supplier and its Sub-Suppliers have the right to form and join trade unions as well as to collectively bargain and strike in accordance with the national law. The employing company is to be open with respect to the activities of the unions and their organisational work. The employee representatives may not be discriminated against and may perform their representative function during operations as stipulated by legal regulations. Where legislation limits the right to freedom of association and collective

bargaining, the employer shall facilitate and not hinder the development of parallel legal means for free and independent association and bargaining.

- **Diversity, inclusion and non-discrimination:**

- The Supplier shall internally promote team diversity and ensure equal opportunity among its employees.
- It shall pursue a policy of equal treatment and there shall be no discrimination with regard to recruitment, remuneration, access to training, promotion, employment termination or retirement on grounds of gender, gender identity, ethnic origin, caste, skin colour, pregnancy, family status, national origin, religion or world view, age, disability, biological sex, marital status, sexual orientation, trade union membership, political affiliation or any other circumstance.
- It shall additionally promote the implementation of conciliation measures that favour respect for the personal and family life of its employees, facilitating the best-possible balance between the latter and their work responsibilities according to the applicable laws.

- **Health and safety conditions:**

- The Supplier shall provide its employees with a safe and healthy working environment, taking into account local, national and international guidelines and in accordance with the specific hazards/risks of each activity.
- Adequate measures must be taken to prevent workplace injuries and accidents by minimising the dangers inherent to the activities and the work environment.
- The Supplier shall provide its employees with appropriate tools for their activities as well as any individual or collective protective equipment necessary to ensure a safe work environment, taking into consideration relevant risks.

- The workers shall receive training regarding health and safety that enables them to identify any risks associated with their activities and the work environment as well as learn the codes of conduct required to minimise those risks.
- Access to clean sanitary facilities, safe and clean drinking water and hygienic facilities for the storage and consumption of food must be ensured.
- If accommodation is provided, this must be clean and safe and must satisfy the workers' basic needs.
- The company shall appoint an executive responsible for health and safety.
- The Supplier shall notify Telefónica Deutschland immediately if an accident occurs or if any public health issues arise which affect the Supplier and the interests and rights of Telefónica Deutschland.
- The Supplier should have in place or be in the process of introducing a health and safety policy which satisfies the requirements of ISO 45001 or other internationally accepted standards.
- The above applies equally to Suppliers, their contractual partners, and staff working at Telefónica Deutschland company offices. The employees and independent contractual partners of Telefónica Deutschland must likewise satisfy Telefónica Deutschland's health and safety standards and must follow Telefónica Deutschland's instructions.
- Policies and appropriate strategies are to be introduced regarding the management, minimisation, monitoring and communication of safety risks in the areas of work and occupational hygiene, workplace accidents, and work-related injuries and work-related illnesses.

- Contingency plans and strategies are to be established and maintained to minimise harm to life, the environment and property.
- Upon request, the Supplier shall report to Telefónica Deutschland regarding any indicators requested relating to the safety, health and well-being of its employees and/or Sub-Suppliers via the channels established by Telefónica Deutschland and within the deadlines stipulated.

- **Minerals from conflict-affected and high-risk areas (Conflict Materials):**

The Supplier shall have in place a clear policy and strategies to ensure compliance with Article 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. There should additionally be policies and strategies in place which are in accordance with the principles for complying with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. If requested by Telefónica Deutschland, the Supplier must complete the Conflict Minerals Reporting Template⁶ of the Responsible Minerals Initiative or a similar survey recognised by Telefónica Deutschland in order to improve transparency regarding the origins of such minerals in our value chain.

- **Forced eviction and land expropriation**

The Supplier will ensure that, in relation to the acquisition, use or development of land, there are no unlawful forced evictions or the unlawful expropriation of forests and waters in the course of its operations and within its Supply Chain.

⁶ Conflict Minerals Reporting Template on the website:

<https://www.responsiblemineralsinitiative.org/reporting-templates/cmrt/>

(Direct link: https://www.responsiblemineralsinitiative.org/media/docs/RMI_CMRT_6.22.xlsx)

5.4 Environmental criteria

- **Compliance with the law:** The Supplier must at all times act in compliance with international, national and local legislation, especially in terms of waste, emissions, noise, resource consumption and dangerous substances.

Protection of basis for life: The Supplier will ensure that no harmful environmental impacts are caused in the Supply Chain which result in the protection being contravened of resources that provide the basis for life.

- **Life cycle and preventive action:** The Supplier must apply the precautionary principle so as to minimise the possible environmental impacts of its activities. The entire life cycle is to be taken into account, from the extraction of raw materials and water consumption to production, transport, dealing with waste and avoiding environmental pollution. The Supplier will also ensure that the environmental impacts of its products and services are minimised on the basis of eco-design practices, taking into account among other things energy consumption, the use of less polluting materials such as recycled materials, subsequent reuse and repairability, and avoiding planned obsolescence.
- **Environmental policy:** The Supplier must have in place a documented and up-to-date environmental policy that includes commitments to protect the environment and biodiversity, to comply with all applicable laws and to continuously improve.
- **Environmental management:** The Supplier should have in place or be in the process of introducing a documented environmental management system that ensures effective planning, execution and monitoring with regard to the material environmental aspects of its activities. This system must satisfy the requirements of ISO 14001 or similar internationally accepted standards.
- **Climate change:** The Supplier is to take action to minimise the harmful impacts of its operations on climate change and is to consider the entire Supply Chain (Scopes I, II and III) in its analyses. It should additionally reduce its greenhouse gas emissions by setting reduction targets for the next three

years, which should, as far as possible, be based on science. To this end, it will promote energy efficiency and renewable energy initiatives within its own activities. The Supplier must additionally provide Telefónica Deutschland upon request with information regarding the greenhouse gas emissions and energy consumption relevant to the products and services it supplies to Telefónica Deutschland.

- **Waste:** In particular in the context of its activities for Telefónica Deutschland, the Supplier must have in place a coordinated waste management system which focuses on reusability and recycling. When managing waste derived from its work with Telefónica Deutschland, it must register all the necessary information on the free-of-charge GReTel⁷ platform (Telefónica Deutschland's waste management platform). This must happen within a maximum of two weeks following delivery of the waste to the waste management company unless expressly authorised otherwise by Telefónica Deutschland.
- **Single-use plastics:** Suppliers and partners should act to reduce the use of single-use plastics in their supplies to Telefónica Deutschland and in their internal operations wherever possible. Suppliers should in particular prioritise the elimination of single-use plastics from supplies of products for the O₂ brands.
- **Eco Rating:** Suppliers of mobile devices to Telefónica Deutschland must provide the complete results of the evaluation of each and every device model based on the Eco Rating methodology provided by Telefónica Deutschland. During the process of validating the results, Telefónica Deutschland or its representatives may also request documents or objective evidence to accredit the results of said evaluation.

⁷ The Supplier must contact the division that manages the contract or, alternatively, Telefónica Deutschland's environmental division that commissions the service to obtain the username and password as well as information on use of the GReTel tool (<https://gretel.telefonica.com>). For questions, please send an email to: gretel@telefonica.com.

- **Dangerous substances:** The Supplier must comply with all laws, regulations and requirements with respect to the prohibition and restriction of dangerous substances.⁸ Hazardous chemicals and other materials contained in products, especially those listed as substances of very high concern (SVHC) in the REACH Regulation, must be identified and managed accordingly so as to ensure their safe use, recycling, reuse and disposal. Their use must be avoided or, if this is not possible, be reduced to a minimum, always in compliance with the REACH requirements. The Supplier is obliged to use electrical and electronic equipment that complies with all relevant European Union standards such as the RoHS Directive and the REACH chemicals directive, including if used in a non-European country. If required by Telefónica Deutschland in certain cases, the Supplier must sign the environmental declaration on electrical or electronic equipment in which it expressly declares compliance with the relevant regulation or, if there is one, the equivalent regulation that is applicable in the territory in question.
- **Consumption of materials and resources and atmospheric emissions:** The Supplier must undertake to pay attention to ecological efficiency within the framework of its activity for Telefónica Deutschland, particularly when this concerns scarce resources such as drinking water. It must also reduce the emission of harmful gases into the atmosphere.
- **Refrigerant gases:** The Supplier may not supply devices containing ozone-depleting gases (such as CFCs or HCFCs) or refill these gases unless expressly authorised by Telefónica Deutschland. In offers, priority is always to be given to gases which are energy-efficient and therefore have lower global warming potential (GWP). When maintenance work is performed on cooling equipment, it must be ensured that these gases do not leak into the atmosphere. The Supplier must also maintain a record of the quantity (in kilograms) of each

⁸ This includes in particular the national and international conventions for the protection of human rights and the environment as listed in Appendix 2 of the LkSG.

type of gas refilled. This information must be reported to Telefónica Deutschland on a quarterly⁹ basis.

- **Environmental training:** The Supplier must offer and implement environmental training for those employees who perform tasks involving significant environmental impacts. This training must focus on how to manage environmental aspects associated with their tasks as well as on how to act in the event of environmental accidents. If deemed necessary by Telefónica Deutschland, the company can demand that the training content be validated.

5.5 Criteria for data privacy, confidentiality of information and freedom of speech

The contractual partner shall notify Telefónica Deutschland as to whether it has a data protection management system in place with which it protects the personal data entrusted to it in accordance with the applicable data protection legislation (national and international), be it the data of customers, shareholders, employees or Suppliers. The contractual partner must sign suitable contractual data protection regulations as applicable in the specific case. In particular, the contractual partner undertakes to:

- process personal data exclusively in accordance with the contractual agreements and, in the case of a data protection agreement where Telefónica Deutschland acts as the controller, in accordance with Telefónica Deutschland's instructions and under no circumstances for its own purposes unless authorised by Telefónica Deutschland
- under no circumstances process the information provided for any purposes other than those agreed with or authorised by Telefónica Deutschland

⁹ The Supplier must report this information to the unit that manages the contract or, alternatively, to the environmental division of the company that commissions the service.

- not communicate personal data processed on behalf of Telefónica Deutschland to third parties unless authorised by Telefónica Deutschland
- not reveal to third parties any information or confidential material to which it has access via its relationship with Telefónica Deutschland without the prior authorisation of Telefónica Deutschland (and to ensure that its employees and Sub-Suppliers likewise act accordingly)
- include in every contract a paragraph covering the handling of personal data after termination of the contract (e.g. destruction or return)
- The processor will apply maximum caution when safeguarding information and personal data with the aim of ensuring its confidentiality and integrity. It will implement the technical and organisational measures required with respect to the monitoring, management and storage of data with the aim of preventing its alteration, loss, processing or unauthorised access, all in accordance with the legislation in force regarding intellectual property, trade secrets and the protection of personal data as applicable as well as Telefónica Deutschland's data protection and security standards. If this security is compromised, the processor shall act diligently and responsibly and shall notify Telefónica Deutschland immediately.
- Notwithstanding the obligations outlined above, if the processor is responsible for processing information from the communications of customers and/or users of Telefónica Deutschland, it must have measures in place to ensure Telefónica Deutschland's compliance at all times with the obligations regarding collaboration with the relevant authorities¹⁰ while respecting the data subjects' right to privacy and freedom of speech.

¹⁰ Judges and courts, state security forces and bodies that are empowered by law to make the requests covered by this rule. The competent authorities may vary according to the type of request and the applicable legislation in the country in question.

- Suppliers who design, develop or use artificial intelligence to perform their activities for Telefónica Deutschland must comply with our Artificial Intelligence Policy or equivalent regulations of their own.

6. CHANNEL FOR COMPLAINTS AND WHISTLE-BLOWING

Suppliers and their employees have the opportunity to Submit questions or complaints relating to observation of the aforementioned minimum requirements for responsible and sustainable actions via our confidential channel on the Supplier website,¹¹ through our reporting channel for human rights complaints¹² or by contacting an independent lawyer who serves as an ombudsperson¹³ regarding anti-corruption as well as human rights and environmental risks and violations.

Questions and complaints can be submitted anonymously or with the person stating their name. All enquiries are handled confidentially and are carefully examined. Should the Supplier identify a violation of the obligations laid out in this Policy within its own business or in the Supply Chain (including the Supply Chains of Sub-Suppliers), it must notify Telefónica Deutschland as soon as possible. The Supplier is obliged to afford its own employees and those of its Sub-Suppliers adequate access to and use of the Telefónica Deutschland reporting channel. Detailed information regarding Telefónica Deutschland's whistle-blower procedure can be found in the rules of procedure at www.telefonica.de/whistleblowing-procedure.

7. CHANGES AND UPDATES TO THE POLICY

This Policy updates and replaces the Supply Chain Sustainability Policy published and ratified in March 2020.

¹¹ www.telefonica.com/en/web/about_telefonica/suppliers

¹² humanrights-de@telefonica.com

¹³ www.telefonica.de/ombudsperson

8. DEFINITIONS

The following definitions apply solely to this Policy unless explicitly referenced otherwise in other documents.

- **Adolescents:** Persons who are 15 or older but have not yet turned 18.
- **Children:** Persons under the age of 15 unless local legislation stipulates a higher age for labour or mandatory schooling, in which case the higher age applies. In cases where local legislation sets the minimum age at 14 years old, this shall apply for developing countries in accordance with Convention 138 of the ILO.
- **Child Labour:** All labour performed by a Child or Adolescent in the context of the contractual clauses that does not comply with the provisions of the relevant ILO standards and all labour that may imply a risk or interfere with the education of a Child or Adolescent or could be damaging to the health or physical, mental, moral or social development of a child or adolescent.
- **Conflict Minerals:** These are:
 1. the following materials:
 - a. cassiterite, the metal from which tin is extracted;
 - b. columbite-tantalite, also known as coltan, from which tantalum is extracted;
 - c. gold;
 - d. wolframite, from which tungsten is extracted
 2. minerals that were extracted from the Democratic Republic of the Congo, Angola, Burundi, the Central African Republic, the Republic of the Congo, South Sudan, Tanzania, Uganda, Zambia or any other country which could be considered a conflict-affected area in the future.

Excluded from this definition are those minerals that, having been extracted from countries considered to be conflict-affected areas, have the

corresponding certification (from an independent body) that accredits that their extraction has not encouraged armed conflicts and/or human rights abuses in said areas.

- **Supplier:** For the purposes of this Policy, the term “Supplier” means any company, entity, business partner – such as franchises and other marketing channels – or legal person that provides any service and/or product to Telefónica Deutschland.
- **Supply Chain:** a company’s group of Suppliers, including both those directly supplying the company and those who supply said Suppliers all the way through to the last link in the chain.
- **LkSG:** Act on Corporate Due Diligence Obligations in Supply Chains as amended from time to time.
- **Sub-Supplier:** Any company, entity, business partner – such as franchises and other marketing channels – or legal person that provides a Telefónica Deutschland Supplier with preliminary work of relevance to the service/product supplied to Telefónica Deutschland. A Sub-Supplier is an indirect Supplier within the meaning of the LkSG and is, as such, part of the Supply Chain.