

Business value through sustainability

How we shape responsible digitalisation along the lines of environmental, social and governance issues – for our business customers, employees, and society.

ESG
FACT
BOOK 25



Contents

3	Foreword
4	Strategy and sustainability management
7	Business impacts
9	Environment
10	Energy
12	Climate
14	Circular economy
16	Social
17	Product and service experience
20	Network quality and coverage
22	Digital skills
24	Shaping an attractive work environment
26	Work enablement for the future
28	Governance
29	Governance, compliance and ethical principles
31	Data protection and information security
33	Human rights and sustainable supply chain management
35	Imprint

Foreword

Dear readers,

we live in a time of change – full of challenges, but also full of opportunities. As a telecommunications provider, we bear a special responsibility: We connect people, businesses, and ideas – and thus help shape the digital future of our country.

The year 2025 was a year of transition for us. With the completion of our Responsible Business Plan 2025, we laid a strong foundation: about 80% of our sustainability goals have been achieved or are on track, our grid is based on 100% renewable energy, and our Path to Net Zero by 2040 is clearly defined. These achievements have not only been recognised with awards such as the EcoVadis Gold Score and the ESG Transparency Award – they also demonstrate what is possible when conviction meets action.

Because taking responsibility for the environment and society is not an obligation for us, on the contrary:

“Sustainability is part of how we see ourselves and a key driver for innovation, efficiency and growth.”

Santiago Argelich Hesse

Chief Executive Officer (CEO)



“We take our responsibility seriously and are convinced of the economic added value of sustainable practices.”

Valentina Daiber

Chief Officer Legal & Corporate Affairs

Therefore, we already voluntarily report our ESG data in accordance with the Corporate Sustainability Reporting Directive (CSRD) of the European Union. We published our first CSRD-compliant Group Sustainability Report in 2024, and in 2025, we will create transparency and invite dialogue with this ESG Factbook and the O₂ Telefónica ESG microsite.

Our mission remains: We want to offer everyone the best digital experience – with a high-performance, reliable network, services and products that make everyday life easier, and a clear commitment to responsible business practices. We combine digitalisation and sustainability, rely on artificial intelligence, promote participation, and build structures that are resilient and future-proof.

We believe O₂ Telefónica has the potential to be more than just a telecommunications company. We can be a true enabler – for a society that is becoming more digital, sustainable, and just. This requires courage, clarity, and collaboration. That is precisely the core of our new corporate strategy, Transform & Grow – and precisely the path we want to take together.

Let us resolutely continue down this path – with the firm intention of shaping the future.

Cordially,

Santiago Argelich Hesse,

Chairman of the
Management Board of
Telefónica Deutschland
Holding AG

Valentina Daiber,

Member of the
Management Board of
Telefónica Deutschland
Holding AG

Strategy and sustainability management

ESG as a driver for resilience, performance, and sustainable value creation

We manage our sustainability efforts with the [Responsible Business Plan \(RBP\)](#). It serves as our instrument for systematically integrating environmental, social, and governance (ESG) issues into all business processes. This is based on the double materiality assessment, which we used to identify the relevant issues, impacts, risks, and opportunities (IROs) ([see next page](#)).

Based on this foundation, we have defined four strategic areas of action, each with its own relevant topics and objectives. These are closely linked to our mission: We want to offer our customers the best digital experience – through connectivity and advanced services tailored to every need. Technological innovation and excellent service are key pillars for building trust and supporting the digital development of individuals, businesses, and public administrations. Sustainability has been firmly anchored in our corporate governance since 2015: For example, the variable compensation structure for the Executive Board and bonus-eligible employees takes relevant ESG goals into account. Further information on compensation structure and sustainability can be found [online](#).

We have successfully implemented our RBP 2025. Our strategy is regularly reviewed and further developed. We will publish the new sustainability strategy in spring 2026 as part of the ESG group strategy of the Telefónica, S.A. Group. Read more about the RBP here: [Sustainability](#). Using four strategic areas of action, we ensure that sustainability is a key success factor for our company's future viability – and also contribute to achieving the UN Sustainable Development Goals (SDGs) (more information [online](#)). In doing so, we always incorporate the expectations of our stakeholders, such as customers, employees, and suppliers, into our strategic decision making. Read [online](#) about how we engage in dialogue with them.

Environment and climate

[Energy](#), [climate](#), and the [circular economy](#) are key priorities for us: We are investing in a network infrastructure that reduces our carbon footprint. Our goal is to strengthen O₂ Telefónica's sustainability performance – not only for ourselves, but also for our customers. You can find all the progress and targets related to this starting on page [10](#).

Customers and society

[Product and service experience](#), [network quality and coverage](#), and [digital skills](#) are further key topics. The goal is to ensure a modern infrastructure and provide innovative solutions. Data protection and information security are always integral components – also in scalable solutions for our customers and their reputation. Our approach is to promote the responsible use of technology through practical tools and targeted knowledge transfer. All progress and goals in this regard can be found from page [18](#) onwards.

Responsible corporate governance

Transparent, ethical, and sustainable practices are a central foundation of our business. With a focus on [governance](#), [compliance and ethical principles](#), [data protection and information security](#), as well as [human rights and sustainable supply chain management](#), we aim to minimise risks and strengthen our company's credibility with our customers. All progress and objectives in this regard can be found starting on page [29](#).

Employees

With key themes such as [work enablement for the future](#) and [shaping an attractive work environment](#), we are focusing on strengthening the diversity, health, and digital skills of our employees. Only a motivated and qualified team can create the foundation for stability and innovation in joint projects. You can find all the progress and targets related to this starting on page [24](#).

Material topics

In 2024, we conducted a double materiality analysis (DMA) for our [Group Sustainability Report](#) in accordance with the European Sustainability Reporting Standards (ESRS). This analysis assesses both the environmental and social impacts as well as the associated financial opportunities and risks for our company. In 2025, the analysis was fully updated with the involvement of both external and internal stakeholders. These material topics, along with company-specific strategy topics such as network quality and coverage, are presented on the following pages. We have assigned them to our fields of action:

PRESENTATION OF THE DOUBLE MATERIALITY ASSESSMENT (DMA) AND ITS ALLOCATION IN THE RESPONSIBLE BUSINESS PLAN (RBP)

	 Environment	 Social	 Governance	
RBP	Climate and environment <ul style="list-style-type: none"> • Energy • Climate • Circular economy 	Customers and society <ul style="list-style-type: none"> • Product and service experience • Network quality and coverage • Digital skills 	Employees <ul style="list-style-type: none"> • Shaping an attractive working environment • Work enablement for the future 	Responsible corporate governance <ul style="list-style-type: none"> • Governance, compliance and ethical principles • Human rights and sustainable supply chain management • Data protection and information security
	↓ ↑	↓ ↑	↓ ↑	↓ ↑
Results of the double materiality assessment	ESRS E1 Climate change <ul style="list-style-type: none"> • Climate change adaptation • Climate change mitigation • Energy E5 Circular economy <ul style="list-style-type: none"> • Resources inflows, including resource use • Resources outflows related to products and services 	ESRS S4 Consumers and end-users <ul style="list-style-type: none"> • Information-related impacts for consumers and/or end-users • Personal safety of end-users • Social inclusion of consumers and/or end-users 	ESRS S1 Own workforce <ul style="list-style-type: none"> • Working conditions • Equal treatment and equal opportunities for all • Other labour rights 	ESRS G1 Business conduct <ul style="list-style-type: none"> • Corporate culture • Protection of whistleblowers • Management of relationships with suppliers • Corruption and bribery • Network and data security S2 Workers in the value chain <ul style="list-style-type: none"> • Working conditions • Equal treatment and equal opportunities for all • Other labour rights

Milestones of our commitment to sustainability

How O₂ Telefónica has systematically developed the topic of sustainability with its three pillars of Environment, Social, and Governance over the past years – we present the key milestones in chronological order.



Business impacts



AI as a driver for network quality and operational excellence

Our network planning utilises AI-based analyses to better align expansion with actual demand. **Digital twins** allow us to identify potential bottlenecks earlier and adapt processes accordingly. This ensures the network remains energy-efficient and stable – even during periods of increased data traffic.

O₂ Telefónica, in collaboration with Tech Mahindra and NVIDIA, is developing an AI-based model for telecommunications networks. The “**Large Telco Model**” uses generative AI to support network operations analytics. It can help detect disruptions earlier, prioritise operational processes, and provide data-driven support for decision making. The goal is to further develop and streamline network management processes.

We have further developed our **AI-based supplier screening** to evaluate publicly available information from news, social media, and other sources for a more robust supply chain. The models can identify indications of potential human rights or environmental risks earlier and forward relevant anomalies to procurement for review.

Early warning system for safety and resilience

Our **threat intelligence programme** analyses information on geopolitical developments, cyber threats, and climate risks on a daily basis. When it detects potentially critical developments, predefined response and prevention measures are automatically triggered. In this way, the programme supports the protection and resilience of infrastructure and services – also with our customers in mind.

Securely outsourced IT technology

With our new **data center housing**, companies outsource their own IT hardware – such as servers and storage – to one of our data centres. We provide the infrastructure, including power supply, climate control, physical security, and network connections, while customers retain full control over their systems. This highly secure solution is more resource-efficient and scalable – for sustainable digitalisation in medium-sized businesses.

Flexible solutions for networked locations

We have further expanded **5G coverage** and now reach approx. **99% of the German population**. This near-universal availability creates a stable framework for companies to implement digital processes regardless of location – for example, in logistics, manufacturing, or municipal applications.

O₂ Telefónica and Siemens have developed a **5G slicing solution** that connects automation systems via virtual, separate 5G networks. This allows for more targeted control and monitoring of **industrial applications** – with prioritised network resources and integrated security functions.

Our **5G campus networks** for industry are scalable and can be individually configured. They support communication between machines and systems and utilise prioritised network resources as well as security mechanisms that can be adapted to different requirements – for example, for complex production environments or extensive sites.

Responsibility with impact



Empowering young people online

As part of our "WAKE UP!" initiative, we implemented numerous programmes in 2025 to raise awareness among young people about disinformation and digital responsibility. At project days, such as Safer Internet Day or "Social Media meets Politics" at BASECAMP, students discussed topics like fake news, digital sovereignty, and democratic participation with experts from media, politics, and civil society.

Measurably good – what we will have

100%

Electricity from renewable energy sources

~ 99%

5G coverage of the entire German population

56M

People reached through social programmes

100%

The potential high-risk suppliers were checked against ESG criteria.

[Further key figures online](#)

EXCELLENT! AWARDS AND RATINGS 2025



ESG transparency award (EUPD Group)

Awarded "Leading Company" 2025 status with an overall score of 96% for transparent and reliable ESG reporting



CDP climate rating

Top grade A in the global climate protection ranking, for the eleventh time in a row for our parent company Telefónica, S.A. Group.



EcoVadis Gold

Excellence in ESG sustainability management; with 81 out of 100 points, among the top 5% of all companies assessed worldwide by EcoVadis.



Sustainalytics ESG top-rated

With an ESG risk rating of 17.7, Sustainalytics confirms a low risk of material financial impact from ESG factors.

Environment

Energy – Climate – Circular economy

Our goal is to design network infrastructure and business activities in such a way that energy consumption decreases and resources are used more efficiently. Only in this way can we support a more sustainable digital infrastructure and more responsible value creation.



Continuous electricity from renewable energy sources at all company and grid locations

100%



Reduction of scope 1 and 2 emissions in 2025 (compared to base year 2015)

97.5%



Recycling rate of network waste 2025

99.9%

Energy

We use the opportunities offered by digitalisation to reduce energy consumption and CO₂ emissions.

Strategy

On the way to even greater efficiency and electricity from renewable energy sources

Our environmental and climate strategy focuses on **reducing energy consumption** and **sourcing all electricity from renewable energy sources**, secured by recognised certificates of origin and drawn from various renewable energy portfolios. Through a range of measures, we are specifically reducing our **energy consumption per unit of data** and the associated **energy-related greenhouse gas emissions**, while simultaneously strengthening security of supply. As part of the Telefónica, S.A. Group, we are acting in accordance with the Group-wide goal of **net-zero emissions by 2040**. Business customers can benefit from our solutions, which contribute to improved energy efficiency and support them in **achieving their decarbonisation targets**. Read more about this in the following section on [climate](#).

Policies

We are committed to effective energy management

Our [Environment and Energy Policy](#) forms the basis for the responsible use of energy within the company. It defines how we **optimise our energy consumption** and thereby reduce emissions. These guidelines are a binding component of our **energy management system according to ISO 50001**. This ensures that we systematically control and continuously optimise our energy consumption. Our [Supply Chain Sustainability Policy](#) obligates O₂ Telefónica' suppliers to calculate and disclose their scope 1 and 2 emissions according to the GHG Standard, reduce their energy consumption, and prioritise the use of renewable energy sources.

Targets

We had the following targets by the end of 2025:

- To reduce **energy intensity** by up to 87% compared to the base year 2015. Energy intensity is calculated as: total energy consumption (electricity and fuel consumption) divided by data volume per petabyte.
- To continuously source 100% electricity from **renewable energy sources** at all company and network locations.

Performance

Our approach works

- ✓ Our energy intensity – data volume per petabyte – decreased by over 87% in 2025 compared to the base year 2015 (2024: 85.2%), thus we have achieved our target.
- ✓ The use of electricity from renewable energy sources at all company and network locations is 100% annually – also in 2025.



All key indicators and definitions can be found in our interactive [KPI tool](#).



Actions

Innovative approaches for a sustainable energy portfolio

100% renewable electricity: We are committed to a sustainable energy portfolio. We have entered into long-term power purchase agreements (PPAs) with two offshore wind farms in Germany, which have been supplying electricity from renewable energy sources since 2025. In addition, we procure annual certificates of origin for electricity from renewable energy sources to offset any remaining conventional electricity purchases. We also utilise a portion of our own renewable energy generation.

Increasing digital efficiency: We switch off unused systems in development and test environments at night and on weekends and introduce technologies such as the AWS Graviton Processor, which offers improved energy efficiency compared to conventional processors. It features lower power consumption per calculation, enables optimised performance per watt for workloads such as databases, and its process architecture promotes less heat generation, thus reducing cooling requirements.

Infrastructure modernisation: Our heating, ventilation, and air conditioning systems in data centres and technical sites are continuously being modernised and optimised. We are replacing outdated air conditioning technology with more energy-efficient hybrid fan units. In addition, we are switching to free cooling and using outside air for cooling to reduce energy consumption.

Making energy consumption transparent: The Eco-Smart label identifies products that meet defined sustainability criteria – particularly energy-efficient operation and a digitally accessible CO₂ footprint. Further information can be found in the [Circular Economy](#) chapter. In addition, we rely on smart energy monitoring with AI and smart meters – both in our data centres and in the networks for our business customers. We consider defined sustainability criteria in our purchasing decisions.

Business value

Solutions for the future viability of our customers

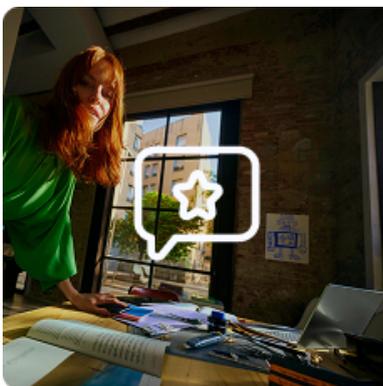
With us, companies and institutions can support their **climate transition** – through the use of digital technologies that **enable more energy- and emission-efficient processes**. We provide high-performance infrastructures and intelligent data solutions that contribute to reducing emissions and complying with regulatory requirements, as well as promoting the resilience and future viability of sustainable business models. This also includes the continuous expansion of our 5G network, which offers improved energy efficiency per unit of data compared to previous mobile generations. Our solutions include, among others:

- 1. IoT and big data platforms** for real-time emissions tracking and operational optimisation
- 2. AI-supported network planning** to reduce energy demand and increase efficiency
- 3. Cloud-based services**, which – depending on the individual usage scenario and energy consumption – can have a lower CO₂ footprint compared to local systems.

Next steps

We know where we want to go

We will continue to rely on sourcing electricity from renewable energy sources and continuously improving energy efficiency. These measures contribute to the implementation of our climate strategy and support our goal of achieving **net-zero emissions** by 2040.



Business impact story: Increasing energy efficiency with O₂ Telefónica

Efficient Residential Heating uses our IoT to smartly connect heating systems – for less consumption and lower costs.

→ [Click here for the story:](#)

["Less energy, more comfort: Heating control with IoT"](#)

Climate

We are aiming for [net zero by 2040](#) for a more climate-friendly digitalisation.

Strategy

Managing risks, reducing emissions – climate protection needs both

For us, climate protection means more than just adaptation. We want to take active steps and focus on two key levers to proactively address climate change:

Firstly, we adapt to **climate risks**. We continuously assess locations, processes, and infrastructure for physical risks such as extreme weather events, as well as chronic risks such as temperature changes. In addition, we conduct climate scenario analyses in accordance with European reporting requirements and TCFD standards to systematically evaluate opportunities and risks and thus strengthen the stability of our networks. Furthermore, we have developed a **climate transition plan**. Read more about the analysis and the plan [here](#).

On the other hand, in addition to adaptation measures, we focus on the **continuous reduction of our greenhouse gas emissions** – a key lever for improving our CO₂ balance and promoting the energy transition through concrete actions. Furthermore, we make a measurable contribution to **decarbonisation along the entire value chain**: both in our own business operations (scope 1 and 2) and in the supply chain (scope 3). Detailed information on the [methodology](#) can be found at our parent company, Telefónica, S.A. Group; our measures for reducing our energy-related greenhouse gas emissions are described in the [Energy](#) chapter, and all key performance indicators are available online in our interactive [KPI tool](#).

With this strategy, we not only respond to potential damage from extreme weather or rising costs during the transition, but also seize opportunities arising from the development of products and services with lower environmental impacts. Furthermore, we provide digital solutions that can support the decarbonisation of other industry sectors.



Policies

We are committed to emissions reduction and sustainable procurement

Our [Environment and Energy Policy](#) forms the basis for all emission reduction measures and is anchored in our **environmental management system according to ISO 14001**. For supplier relationships, we have a procurement policy for low CO₂ emissions, which incorporates environmental criteria in the selection of products and suppliers, as well as a [Supply Chain Sustainability Policy](#). This policy sets requirements for **climate management for suppliers**, including scientifically sound emission reduction targets for relevant scope 3 emissions in accordance with the 1.5-degree scenario.

Targets

Our overarching target is **net-zero emissions** by 2040 across the entire value chain (including scope 3). To achieve this, we have defined interim targets. These reduction targets are aligned with the guidelines of our parent company, Telefónica, S.A. Group, the first telecommunications company with climate targets validated by the Science Based Targets initiative (SBTi).

We had the following targets by the end of 2025:

- **Scope 1 and 2:** reduction of CO₂ emissions by 95% compared to the base year 2015.
- **Scope 3:** reduction of CO₂ emissions by 39% compared to 2016.

From 2025 onwards, all remaining and unavoidable scope 1 and 2 emissions will be offset (market-based) by purchasing **CO₂ certificates**.

In addition, we are making a measurable contribution to CO₂ reduction in business and society through the expansion of 5G and the introduction of digital solutions such as Smart Grids and IoT.

Performance

Our emissions at a glance

-  Our scope 1 and 2 emissions were reduced by 97.5% by the end of 2025 compared to the base year 2015 (2024: 97%).
-  Our scope 3 emissions were reduced by 18% in 2025 compared to 2016 (2024: 24.4%).
-  We have already certified offset 100% (4,535 t CO₂e) of the remaining emissions in 2025 (2024: 80%).



All key indicators and definitions can be found in our interactive [KPI tool](#).



Actions

Greater resilience and fewer emissions

Three approaches to reducing emissions: To reduce scope 1 and 2 emissions, we focus on energy efficiency, the expansion of renewable energy sources and circular economy measures (see chapter [Energy](#) and [Circular economy](#)).

A significant portion of scope 1 emissions comes from company vehicles. Therefore, in 2024, we adjusted our company car policies and electric vehicle policy to reduce CO₂ emissions and accelerate the electrification of our fleet. At our antenna sites, we are gradually switching to free cooling to reduce greenhouse gases. We offset unavoidable emissions through certified climate protection projects that are audited according to internationally recognised standards such as Verra (VCS).

In 2025, the focus was on optimising our cloud resources, for example through rightsizing for demand-driven resource utilisation. In the supply chain, we can reduce emissions by applying sustainable procurement criteria and including CO₂ costs in the selection process for certain product categories.

Rethinking hardware and processes: Already in the design process, we pay attention to the CO₂ balance of our products, increasingly use recycled materials and design packaging to be more resource-efficient – for example with new routers as part of the “Circular Router Project” (see chapter [Circular economy](#)).

We are strengthening our resilience: We remain capable of acting even in crises: Business Continuity Management (BCM) ensures that we remain operational in the event of natural disasters, disruptions, or emergencies. As part of our IT emergency planning, we deploy emergency power generators, for example, to keep our IT systems and networks stable.

At mobile communication sites, we use robust outdoor enclosures (SSCs) that are tested according to ETSI standard 300019-1-4. They protect critical technology such as power supply and control systems from heat, rain, and extreme conditions – thus increasing operational stability at outdoor locations.

Business value

Intelligent solutions for the future viability of our customers

With IoT and cloud solutions, we contribute to **energy efficiency and resource-efficient use**. Our network infrastructure uses electricity from renewable energy sources and supports the reduction of our carbon footprint. IoT and cloud services enable energy-efficient process control and demand-based resource allocation to reduce emissions. In this way, we aim to create **sustainable connectivity with lower environmental impact** and drive decarbonisation along the value chain (see measures in the Energy and Climate chapters and online via our interactive [KPI tool](#)).

Next steps

We drive decarbonisation forward

Our path leads to net zero by 2040. Following the successful reduction of scope 1 and 2 emissions by the end of 2025, we focus on scope 3. We want to drive **decarbonisation forward in the value chain** and are planning new interim targets by 2030. A pilot project combines an internal CO₂ price with product data from our suppliers. In this way, we are laying the foundation for procurement that combines climate protection and economic efficiency.

Circular economy

We are increasingly aligning aspects of our business activities with the principles of the circular economy.

Strategy

Rethinking design. Less material, more circularity

By 2030, we aim to achieve the target of “Zero ICT Waste” by working towards reusing or recycling 100% of the information and communication technology (ICT) waste generated. The central approaches of [our strategy](#) are **reducing resource input**, including through the use of materials with recycled content and integrating circular economy principles into the design process. We also **minimise resource outputs** through the take-back and reuse of hardware, thereby extending the lifespan of devices. Furthermore, we intend to **embed circular economy criteria** throughout the supply chain to promote the **use of secondary materials** and reduce the environmental impact of manufacturing.

Policies

We have established principles for resource conservation and waste prevention

With our [Environment and Energy Policy](#), we have committed ourselves to conserving resources and promoting reuse and recycling. This policy is anchored in our **environmental management system according to ISO 14001**. Our internal Waste Management Policy governs the avoidance, separation, and recovery of waste in the relevant business processes along the value chain. This is complemented by the [Supply Chain Sustainability Policy \(SCSP\)](#), which defines sustainability requirements for suppliers and promotes the integration of circularity principles.

Targets

We had the following targets by the end of 2025:

- To increase the share of our business customers’ digital products and services that are awarded the **Eco Smart seal** to at least 60%.
- To take back 80% of **used devices** (refurbished routers) from customers and return them to the recycling loop.
- To increase the **recycling rate** for network waste to 98%.

As part of the Telefónica, S.A. Group, by 2030, we aim to

- become a “Zero ICT Waste Company”, meaning **reuse or recycle** 100% of the ICT waste generated in business operations.

Performance

Results of our circular approaches

- ✓ 63% of our digital products and services already carry the **Eco Smart Label** (2024: 63%).
- 🕒 In 2025, the share of **refurbished routers** was 68% (2024: 81%), which was below the target. This was due to a reduced return rate of routers to the leasing partner under the existing contractual agreement.
- ✓ 99.9% of network equipment is already **reused or recycled** (2024: 99.7%).



All key indicators and definitions can be found in our [interactive KPI tool](#).

Actions

More recycling, fewer raw materials

Increased use of recycled and more environmentally friendly materials in products and packaging: One example is the new energy-efficient HomeBox4 router, which has a significantly increased recycled content and will be available from 2026. Furthermore, the device is designed to be easier to repair – see also the section “Business value”.

We also design our packaging to be resource-efficient, for example, by using half SIM cards and shipping boxes with reduced plastic content. In this way, we reduce the need for new raw materials and the amount of material used in the design process, thus reducing waste.

Eco Smart criteria: 63.0 % of our products are developed according to Eco Smart criteria, which focus on environmental responsibility and resource conservation:

- low energy consumption during operation
- high recyclability of the hardware components,
- long service life due to update capability and repairability,
- transparent CO₂ balance sheet, which can be viewed via digital platforms.

The initial assessment of the product groups according to the Eco Smart criteria was carried out by the independent certification company AENOR INTERNACIONAL, S.A.U. in accordance with the requirements of the standard EN ISO/IEC 17029:2019. Products and services bearing the Eco Smart label meet the defined, externally verified criteria.

Using devices for longer instead of buying new ones: To conserve resources, we rely on a circular economy: Through leasing and subscription models as well as trade-in programmes like our “O₂ Business Device-as-a-Service” for business customers, we take back used devices, refurbish them, and either reintegrate them into the cycle or recycle them professionally. At the same time, we help to avoid rising costs and longer delivery times that can arise from raw material shortages or geopolitical conflicts.

Bringing used devices back into circulation: Since 2021, our customers have been able to sell used devices to an external partner via the O₂ mobile phone buy-back programme. After receiving and inspecting the devices, the partner refurbishes them and puts them back into circulation.

Business value

Added value through circular economy principles

With the **HomeBox4 router**, we are setting a clear example for a circular economy and more resource-efficient operation of digital infrastructure. The device is durable, repairable, and recyclable, and bears the TÜV Rheinland “Green Product Mark” as independent proof of defined sustainability criteria. We already focus on **efficient material use** and **reducing the CO₂ footprint** during the **design process**. This offers clear advantages for our business customers:

- **Cost-saving potential:** Longer service life and the possibility of refurbishment can reduce the total cost of ownership (TCO) for acquisition and operation. Companies need to purchase new hardware less frequently.
- **Supporting ESG targets:** The use of hardware based on circular principles can help reduce the ecological footprint and support companies in achieving their own sustainability goals.
- **Strengthening security of supply:** In times of geopolitical tensions and raw material shortages, the reuse of equipment can reduce the risk of supply bottlenecks and long waiting times.
- **Innovative installation service:** For business customers, we also offer a free installation service when activating new business plans. This ensures that companies are reliably online from day one – without any additional effort.

Next steps

On the road to zero waste

By 2030, we aim to achieve the target of “**Zero ICT Waste**”. This means that components of our digital infrastructure should be kept in circulation as much as possible, for example, through reuse or recycling, or they should be replaced by suitable alternatives.

Social

Product and service experience – Network quality and coverage – Digital skills – Shaping an attractive work environment – Work enablement for the future

We aim to make digital offerings understandable, broadening access to the internet and strengthening digital skills – and thus create new opportunities for both our customers and our employees in an increasingly digital world.



Customer satisfaction:

**slightly
increased**



5G coverage for
the entire German
population in 2025

~ 99%



Strengthening digital
skills: people reached
and inspired in 2025

56 million

Product and service experience



We want to offer our customers the best value for money and service experience.

Strategy

Customer satisfaction as a growth driver

Our customers' needs are our top priority. Our actions are based on our internal **Customer Relationship Principles**, which aim for a responsible and **transparent customer relationship**. We offer personalised support, take the time to understand individual requirements, and deliver tailored solutions. We are committed to ensuring data protection, health and safety, and product safety – from product development and service processes to digital offerings. This is based on technological excellence, which enables reliable connectivity and fosters long-term customer satisfaction.

We ensure the most **consistent service experience** possible across personal and digital channels. In doing so, we focus on the needs of our customers. We proactively respond to these needs and develop solutions designed to create long-term added value. For business customers, we continuously expand our range of digital services, such as IoT applications and cloud-based network solutions. We always consider sustainability and data protection to ensure efficient network operations and to take environmental aspects into account.

Policies

Quality, safety, and responsibility in focus

We are committed to truthful information, **education, awareness-raising, and inclusion**. Our [Guidelines for ethically responsible communication](#) defines clear principles for content and channels, with special **protection for children and young people**. Our [commitment to data privacy](#) and our [AI Code of Conduct](#) contribute to a sovereign digital life. Read more about these guidelines in the chapter [Digital skills](#).

Our **quality management system, certified according to ISO 9001**, ensures compliance with defined **quality standards** through clear processes, regular audits, and continuous improvement. Should a customer ever be dissatisfied, we offer a variety of contact options. Furthermore, our [Whistleblowing Procedure](#) allows for the **confidential reporting of complaints** – for example, regarding human rights or environmental risks, as well as potential legal violations.

To measure customer satisfaction, we have established binding guidelines for the standardised and neutral calculation of the Net Promoter Score (NPS) in our internal **Quality Management Manual**. Compliance with these guidelines is regularly audited both internally and externally. Our [Responsible Business Principles](#) include safety and quality standards for our products and services, as well as for the products we distribute. Our [Human Rights Policy](#) ensures **responsible design practices** and the protection of health and safety during the use of our products.

Targets

We want to become the provider with the highest **customer satisfaction** and therefore work continuously to improve our customer experience – online, in our service, and with our offerings. We had the following targets by the end of 2025:

- To increase the **O₂ NPS** value.
- To maintain the **Business to Partner NPS** value at a high level.

Performance

Our approach is proving effective

- ✓ Compared to the previous year, we were able to slightly increase the weighted average **O₂ NPS** despite increased competitive pressure.
- ✓ The **Business to Partner NPS** increased within the year 2025.



All key indicators and definitions can be found in our interactive [KPI tool](#).

Actions

What we do: self-service, IoT and security

Improving customer experience: With the Medallia tool, we systematically collect feedback at all touchpoints of the customer journey. We use the insights gained for data-driven decisions, analyse the drivers of the Net Promoter Score (NPS), and implement targeted improvement measures. Regular monitoring supports the continuous improvement of customer satisfaction.

Additionally, we use speech analysis in the hotline to evaluate customer feedback and optimise processes.

Get in touch directly: If customers have any questions, concerns or complaints, they can reach us through a variety of channels, such as by phone, chat, letter, or messaging. We also offer digital self-service solutions via our online portal or apps like "My O₂" or the "O₂ Business App".

Customer service training: Our employees who interact with customers undergo a standardized coaching process with an internal audit score. In addition, quality assurance programmes and regular training – for example, on complaint management and communication – support service quality.

New employees receive initial training, and there are interview guidelines. A talent development programme promotes the development of future managers in customer service.

Leveraging AI for better service: We are implementing a robust governance framework for the use of AI, based on

Group-wide guidelines. This includes conducting a bias analysis for each machine learning model, with the aim of obtaining fair and non-discriminatory results.

Furthermore, the AI "Aura" has been facilitating access to information and contract details since 2018. This AI assistant uses large-language models, rule-based dialogues, and generative AI to efficiently answer inquiries. Aura is available via the O₂ online portal, WhatsApp, and the hotline and is continuously being developed. Full implementation is planned for the end of 2026.

Flexible plans: We offer a range of plans for various technologies such as DSL, cable, or fiber optics, as well as mobile LTE/5G routers for internet access via the mobile network and mobile services on demand. For business customers, we offer flexible options with transparent terms and fair pricing. We also provide special offers for people with specific needs, such as the deaf or those with a migration background, to promote digital inclusion (read more in chapter [Digital skills](#)).

IoT and data solutions for the future: We expand our IoT portfolio to include solutions for smart metering, smart mobility, and smart factories, as well as secure 5G campus networks. This allows us to offer companies tailored connectivity for their individual needs. Through Mobility Insights, we provide anonymised mobility data for research into climate-friendly mobility, health, and energy efficiency. The Data Anonymisation Platform (DAP) meets high data protection standards and is TÜV-certified (see chapter [Data protection and information security](#)).

Fostering innovation through collaborations: Through Wayra, our Open Innovation Hub, we initiate targeted partnerships with startups to solve technological challenges. In 2025, new technologies were validated and innovations accelerated in more than 15 pilot projects.

Making data protection transparent: Data protection information sheets inform customers about our form of data processing and their rights (see chapter [Data protection and information security](#)).

Regarding **health and product safety**, we comply with legal regulations and limits and provide transparent information on the topic of mobile communications and health. You can read more information [here](#).

Business value

Three solutions for secure performance and powerful networks

Excellent service and customized solutions also apply to business customers. We support companies with technologies for reliably **high network performance**, **flexible site connectivity**, and **secure data infrastructure** – in whose development we consider technical efficiency and environmental aspects.

Three examples:

1. Defined network performance with 5G slicing

With 5G network slicing, companies get their own network areas with defined speed, latency and security – ideal for IoT and critical processes.

Sustainability advantage: Intelligent control and virtualisation allow for more efficient use of bandwidth and reduced energy consumption.

2. Agile site networking with SD-WAN

Our SD-WAN solutions connect locations flexibly, quickly and securely via fixed and mobile networks – including central control and integrated security features.

Sustainability advantage: SD-WAN replaces classic hardware architectures and enables remote management, thereby reducing material costs and lowering energy-related emissions.

3. Data Center Housing for maximum safety

Our highly secure data centre infrastructure offers redundant power supply and direct network connectivity. **Sustainability advantage:** Modern efficiency standards can reduce energy consumption and avoid the need to operate in-house server rooms, thereby reducing space requirements and the need for electricity and cooling energy.

Next steps

Our roadmap to 2040

We will further expand the **digital service experience**, optimise AI-powered offerings, and develop new IoT solutions for business customers. Continuously improving the product and service experience – especially with regard to new technologies such as 5G and IoT – remains a key objective.



Network quality and coverage

We offer our customers a modern, high-performance network infrastructure, thus enabling access to the digital world.

Strategy

We enable digital participation

We continuously work to provide a **modern, reliable, and secure network** throughout Germany. Our focus is clear: connectivity – even where it is currently lacking. In small towns, along connecting roads, and along railways, we make tangible progress. In this way, we contribute to supporting comparable living conditions, promote **social and economic participation**, and strengthen fundamental rights such as **freedom of expression and information**. For these reasons, we continuously invest in the expansion and modernisation of our networks and services. At the same time, we rely on state-of-the-art technologies that can reduce energy consumption and unlock the potential for resource-efficient business models. We are aware that comprehensive education and the development of **digital skills** are crucial so that our customers can use our network safely and independently. You can read about what we are doing in this regard in chapter [Digital skills](#).

Policies

Strong principles for digital participation

We act in accordance with the EU Accessibility Act (Directive (EU) 2019/882) and our [Responsible Business Principles](#) to ensure that people and businesses – including those in rural areas – can use **accessible digital services**. Our [Declaration of Principles on Respecting Human Rights](#) and our [Human Rights Policy](#) define access to telecommunications as a societal responsibility. The [Guideline for Ethically Responsible Communication](#) enshrines this as a fundamental principle.

The principles of our [AI Code of Conduct](#) demonstrate our commitment to using AI to promote digital inclusion. The

[Manifesto for a New Digital Deal](#) is a Group-wide strategic policy document primarily addressing **digital responsibility**, **data protection**, **net neutrality**, and **social inclusion**.

Targets

We had the following targets by the end of 2025:

- Provide high-quality **5G coverage** for 99% of the total German population – taking into account residential and work locations as well as commuter movements.
- Provide 100Mbit/s **internet speed** for the rural population.

Performance

We are on course

- ✓ By the end of 2025, we achieved **5G coverage** for approx. 99% of the total German population (2024: 98%)
- ✓ By the end of 2025, we already reached 99.7% of the rural population with 100 Mbit/s **internet speed** (4G/5G) (2024: 99.5%).



All key indicators and definitions can be found in our interactive [KPI tool](#).

Actions

Intelligent power for a strong network

Continuously expanding network coverage: We are continuously developing our network infrastructure and technologies to ensure high-performance and future-proof service. To this end, we are constantly investing in the expansion of our 4G and 5G networks. By 2025, we had activated 5G at over 2,900 locations and significantly improved indoor coverage in metropolitan areas – through the installation of new base stations, the integration of additional network elements, and continuous network optimisation. At the same time, we are continuously driving the technological advancement from 4G to 5G and on to 6G, and modernising our network infrastructure.

Optimising network performance and climate with AI: AI allows us to improve network quality even with increasing data demand or in heavily frequented regions, while simultaneously optimising energy use. This can contribute to reducing CO₂ emissions (see [Energy](#) chapter):

- With our “Large Telco Model”, we want to further automate processes in network operations.
- Generative AI detects malfunctions more efficiently, coordinates technician deployments, and thus contributes to a more reliable customer experience.
- Digital twins can gradually enable fully automated network control, identify bottlenecks early and optimise processes in real time.
- AI models are currently achieving a high level of forecast accuracy. This allows us to manage investments efficiently and expand capacities where they deliver the greatest added value. Calculations that used to take weeks are now completed in minutes on a cloud platform.
- Learning systems predict peak loads and control antennas intelligently. This ensures more efficient resource utilisation.

Strengthening resilience and recovery: We implement automated monitoring systems and emergency processes to quickly detect and resolve outages. The goal is a recovery time of under 30 minutes for critical disruptions.

Reaching rural populations: We rely on cooperation with competitors – for example, we share passive and active infrastructure at selected locations (“Greyspot”) and jointly build new sites in areas without mobile network coverage (“Whitespot”). In this way, we make a targeted contribution to improving network coverage – even in remote regions.

For information on measures and programmes to enable participation in the digital world and promote digital skills, please see the chapter [Digital skills](#).

Business value

Intelligent solutions for our customers

“The more intelligent the network operates, the better it becomes – and customers benefit from this.”

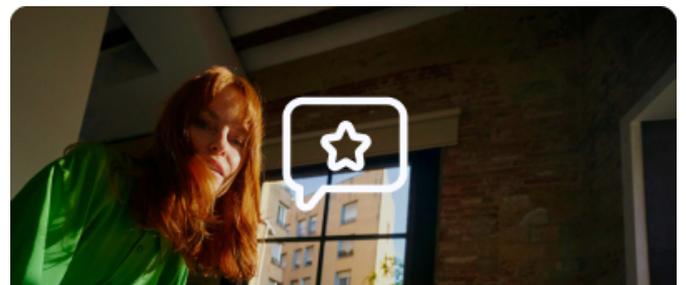
Mallik Rao,
Chief Technology & Enterprise Officer,
Member of the Board of Telefónica Deutschland Holding AG

With IoT, 5G, and intelligent network control, we create **planning certainty for critical applications** and IoT scenarios. Our network offers high bandwidth, low latency, and stable availability – supporting efficient resource utilisation, economic advantages, and future-proofing for campus networks, edge computing, and data-intensive processes. Our AI-powered network planning can identify bottlenecks early, manage them efficiently, and reduce operating costs. We ensure **robust network operation** designed for high stability and create the foundation for 5G campus networks and IoT solutions.

Next steps

Efficient and intelligent: the networks of the future

We aim to **close the remaining coverage gaps** and achieve near-complete **5G coverage** in Germany. In parallel, we are expanding Open RAN in pilot regions – an open wireless access network that enables flexible and resource-efficient network architectures. Intelligent network control and **AI-powered automation** will further improve energy efficiency.



Business impact stories:

Our network solutions expand coverage and quality – says Hamburg's central IT service provider Dataport.

→ [IoT for public administration: More secure data and more resource-efficient solutions.](#)

Digital skills

We want to enable all people to participate in the opportunities of the digital world and promote their digital skills.

Strategy

Empowering people for a safe and self-determined digital world

Digital participation means more than just the internet access we provide (more on this in the chapter [Network quality and coverage](#)). It also requires knowledge, security, and trust. That's why we promote digital skills in all age groups and focus on **prevention**, education – for example, against cyberbullying or disinformation – and **accessible services** for children and young people, older people, people with a migration background, and people with special needs. At the same time, we prioritise **data protection and security** – through transparent communication, tools for controlling personal data, and the implementation of clearly defined corporate standards (more information on the latter can be found in the chapter [Data protection and information security](#)). In this way, we contribute to a digital world that offers opportunities and minimises risks.

Policies

Principles for a safe, inclusive and fair digital life

Our [Responsible Business Principles](#) commit us to truthful **information, education, awareness-raising, and inclusion**. Our [Declaration of Principles on Respecting Human Rights](#), our [Human Rights Policy](#), and our [Data Privacy Commitment](#) provide a framework for **data protection and privacy**, as well as for the protection of children and young people in the digital sphere. Our [Policy for Ethically Responsible Communication](#) defines binding principles for content and channels and takes into account particularly vulnerable groups such as children and young people. With our [Commitment to Children's Rights](#), we establish special **due diligence obligations** in our dealings with young consumers. Furthermore, our [AI Code of Conduct](#) places people at the heart of technological progress. We comply with all legal requirements for youth media protection and have appointed a Youth Protection Officer who oversees and monitors the implementation of these requirements. We have also committed ourselves to the Corporate Digital Responsibility (CDR) Code. You can read more about youth media protection under [Youth Media Protection](#).

Targets

The target is to strengthen digital skills across all age groups, thereby fostering an **informed, resilient, and democratic society**. To this end, we support responsible media use and a sound understanding of democracy, while addressing risks such as cyberbullying, hate speech, and disinformation. We evaluate the impact of our programmes every six months based on reach, feedback, and usage – even without formal quantitative targets.



Performance

How we measure our progress

Through various measures within the framework of our **social programmes**, we reached approx. 56 million people in 2025 (2024: 2.9 million).



All key indicators and definitions can be found in our interactive [KPI tool](#).

Actions

Seize digital opportunities, understand risks

Media and democratic literacy: We offer free educational programmes for all age groups to promote media literacy, equal opportunities, and social cohesion. Parents, teachers, students, senior citizens, and employees benefit from training, materials, and learning formats for the safe use of digital media and artificial intelligence, as well as for strengthening media and democratic literacy. For young people, we combine technical and educational measures such as child protection tools, educational programmes, and a certified youth protection programme for O₂ TV. With our youth programme **WAKE UP!**, we strengthen digital resilience and raise awareness of issues such as cyberbullying, disinformation, and responsible media use. Read more online [here](#).

Digital inclusion for seniors: Since 2012, our “**Digitally Mobile in Old Age**” programme has systematically promoted basic digital skills for people aged 60 and over, as well as the safe use of new technologies such as artificial intelligence. Updated training formats, video tutorials, and free SIM cards facilitate access and specifically raise awareness of online security risks such as phishing, identity theft, disinformation, and digital fraud. Read more online [here](#).

Inclusion for people with a migration background: Our brands AY YILDIZ and Ortel Mobile offer multilingual service, prepaid plans without a contract, attractive data packages, and affordable per-minute rates to international landline and mobile networks, as well as intuitive usability, to provide immigrants with low-threshold and non-discriminatory access to mobile communication in Germany. Partners such as Lebara and Lyca mobile also use our mobile network to implement specific offers for these customers.

Access for the deaf: A dedicated O₂ service hotline for hearing-impaired customers enables barrier-free and inclusive customer service. In this way, we promote the independent use of our services.

Further measures and more detailed information on initiatives can also be found [here](#).

Business value

Digital responsibility for stable markets and trust

We are investing in a high-performance network and digital services to promote social inclusion, economic development, and stable digital markets. **Digital education** is a key component of our ESG strategy: it strengthens digital skills and raises awareness about risks such as violence, bullying, and disinformation.

By expanding our network and offering affordable digital services, we are helping to reduce **barriers to access** – especially in rural areas and for people with disabilities or low income.

Educational initiatives promote the **responsible handling of information**, can reduce risks such as fraud or cybercrime, and create reliable framework conditions for sustainable economic activity.



Next steps

Timetable until 2040

We will intensify our **educational initiatives** such as WAKE UP! and Digital Mobility in Old Age and expand **collaborations** to promote media literacy and digital participation. By 2040, we aim to specifically reach particularly disadvantaged and vulnerable people and further strengthen their digital resilience.

Shaping an attractive work environment

We are committed to fair cooperation, equal opportunities, diversity and collaborative partnerships to shape the world of work together.

Strategy

Creating a work environment that allows for full potential

We foster a work environment that supports **equal opportunities and diversity** and breaks down barriers – for example, regarding leadership positions or fair compensation. With flexible work arrangements, we support our employees in balancing their professional and private lives. The goal is an inclusive work environment that values diverse perspectives, strengthens collaboration, and promotes adaptability. To this end, we conduct regular discussions with our employees to design targeted measures and continuously improve them. Read more [online](#).

Policies

Principles of equality and inclusion

The [Diversity & Inclusion Policy](#) as well as the [Gender Equality Policy](#) create the framework for **fair opportunities**. We do not tolerate discrimination. We hire, promote, and train in a gender-neutral manner – and ensure balanced gender representation in leadership roles. We adhere to the principles of hybrid work – that is, a balanced mix of remote work and office presence.

“Diversity and inclusion are part of our daily operations and leadership culture at O₂ Telefónica. We create an environment that makes different perspectives visible and opens up space for innovation.”

Dr. Aylin Karabulut
Senior DE&I Manager
Culture & Employer Branding

Flexible working hours, results-oriented management, and the use of digital and AI-supported tools for **efficient collaboration**, along with responsible travel, create flexibility and **facilitate a better work-life balance**. We guarantee fair compensation, offer attractive benefits, and protect personal data in accordance with the law.

Targets

We had the following targets by the end of 2025:

- To increase the **proportion of women** in senior management to 34.6%.
- To achieve an adjusted **gender pay gap** of +/- 1%.
- To achieve a positive **work-life balance** rating among more than 80% of our employees.
- To achieve a consistently high level of **employee satisfaction**, as measured by the employee Net Promoter Score (eNPS >40).

Performance

Diversity, fairness and satisfaction are the focus

- ✓ In 2025, the **eNPS** score was 60 points. While this represents a decrease compared to the previous year (2024: 76), it remained at a solid level despite a challenging environment. Ongoing transformation and leadership processes, as well as an increased workload, impacted the rating.
- ✓ The adjusted **gender pay gap** reached a value of 0.2% in 2025 (2024: 1.2%).
- ✓ In 2025, 80% of our employees rated their **work-life balance** positively (2024: 83%). This slight change primarily reflects a higher work intensity. Employees continue to value the health and well-being initiatives offered.
- ✓ The **proportion of women** in senior management was 36.7 in 2025 (2024: 34%).



All key indicators and definitions can be found in our interactive [KPI tool](#).



Actions

Promoting diversity and creating opportunities

Improving together: To give everyone a voice, we conduct regular employee surveys. This allows us to identify strengths and areas for improvement, enabling us to continuously develop working conditions, collaboration, and offerings such as health services and work-life balance. We also use topic-specific pulse checks, for example, on mental health or hybrid work.

Living fairness: Every year, we review all salaries and benefits to ensure fair, transparent, and gender-equitable compensation and to further reduce the gender pay gap. In addition, we provide targeted support for women in their

career development – for example, through the annual “Women in Leadership” training programme, which includes mentoring, workshops, and networking opportunities. In addition, the global development program “Action for Leadership,” initiated by Nokia and implemented jointly with O₂ Telefónica, was held as a one-time initiative in 2025 and is aimed at women with leadership ambitions. The concepts and results developed within this programme are being further refined by participants and internal sponsors.

Diversity is a top priority: In the Diversity, Equity & Inclusion Ambassador Programme, each member of the O₂ Telefónica Board of Directors takes responsibility for a diversity issue, such as social background, cultural diversity or disability, and is personally committed to making progress in this area.

Shared Perspectives: Employee Resource Groups (Youngsters, PRIDE, Multiculturals) also provide a space for exchange, support, and the visibility of diverse perspectives. In addition, we strengthen diversity and inclusion through partnerships with external initiatives such as [PROUT AT WORK](#) (for LGBTQIA+), [2hearts](#) (tech talent with a migration background), [myAbility](#) (inclusion of people with disabilities), and [Netzwerk Chancen](#) (socially upwardly mobile individuals). In this way, we create a work environment where everyone can reach their full potential. You can read more about what we are doing to promote diversity online [here](#).

Living team spirit: Through corporate volunteering activities, we strengthen cohesion, take on responsibility, and embody the O₂ Telefónica spirit. In this way, we foster team spirit and personal development. Read [here](#) about what we did in 2025.

Business value

Diversity as a success factor

In 2025, we were among the top three finalists for the Handelsblatt and McKinsey Spark Awards, impressing the judges with our **commitment to diversity and inclusion**. The DE&I Executive Ambassador Programme was the only corporate project to receive an award in the “DE&I Accelerator” category. For us, diversity is not an add-on, but the foundation for innovation. Only with the power and diversity of our team can we, as a reliable partner, offer business clients **innovative, customised solutions**, continuity, and service quality.

Next steps

Further develop a fair and inclusive working environment

We want to further strengthen our **diverse working environment** and promote additional opportunities for women in leadership positions through flexible working models and digital solutions, as well as further strengthen the participation of all employees.

Work enablement for the future

We create an environment in which all employees can contribute their diverse skills and continuously develop their abilities. This strengthens their long-term employability. The safety and health of our employees are of particular importance to us.

Strategy

Skills and resilience for the digital workplace

Competent and motivated employees are the key to long-term business success. **Continuous professional development** and **promoting employee health** strengthen our company and our competitiveness. We pursue three key approaches to achieve this:

- We specifically strengthen digital skills and self-directed learning. **Continuing education** is part of everyday work and is recognised as working time.
- Everyone has the opportunity to take on **new roles or positions** – for example, as part of a job rotation, even on a part-time basis – in order to expand their own portfolio.
- Furthermore, we are committed to creating healthy working conditions. This strengthens **employee loyalty and motivation** and lays the foundation for the long-term success of our company.



Policies

We promote health and lifelong learning among all employees.

In our Code of Conduct and Responsible Business Principles, we have committed ourselves to **unrestricted access to learning and development opportunities** for all employees. We have enshrined this commitment in our Diversity & Inclusion Policy and our Gender Equality Policy. All employees should be able to secure their professional advancement. Regarding the health and safety of our employees, our Declaration of Principles on Respecting Human Rights commits us to adhering to globally recognised occupational **health and safety standards**. Based on our internal **health policy** for the prevention of workplace accidents and illnesses, we operate a **health and safety management system**, which is regularly reviewed as part of recertification according to **ISO 9001, 14001, and 50001**. We have also established further guidelines, including those for risk assessment and accident reporting.

Targets

We had the following targets by the end of 2025:

- 90% of our employees participate in further **training measures** in the field of Digital & Data.
- Initiate more than 50 **job rotations** within the company.

Performance

We continuously improve

-  The percentage of our employees who have participated in **further training measures** in the field of Digital & Data since 2020 was 93% in 2025 (2024: 81%).
-  We were able to facilitate 103 **job rotations** in 2025. This represents a 20% increase compared to the previous year (2024: 86).

 All key indicators and definitions can be found in our interactive [KPI tool](#).

Actions

Digital offerings for skills development and health

Strengthening future skills: In the area of education and training, the focus in 2025 was on leadership and artificial intelligence, as well as the expansion of our central learning ecosystem. It included:

- Coursera as a new digital learning platform for the nine key areas of AI, Data, Agile & Project Management, Communication, Consulting, Leadership, Innovation, DevOps & Tech Skills, and Marketing & Sales,
- LinkedIn Learning for individual, self-directed development,
- StackFuel, an interactive training course for the safe handling of data, analytics and AI applications,
- SAP SuccessFactors webinars and training courses on digital HR processes and talent management for internal networking and individual development.

The SkillsBank allows employees to reflect on their skills and plan their development steps. The platform is linked to talent management processes to provide individually tailored learning opportunities.

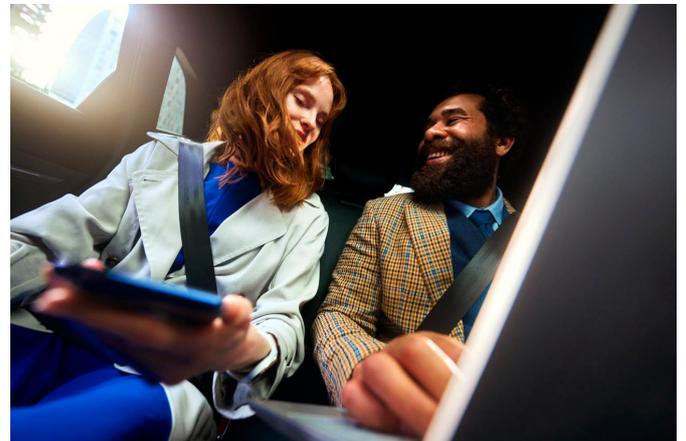
Safety and well-being are our top priorities: We regularly analyse workplace risks and accidents, conduct risk assessments, and establish clear guidelines for safe working practices, especially on mobile phone masts. Training courses and our "Feel Good" app make knowledge and resources readily available. In addition, we offer a diverse range of courses, initiatives, and a family service to support the physical and mental health of our employees.

Business value

Increased efficiency and digital services for customers support

"By expanding digital skills and fostering resilient teams, we not only strengthen the future viability of our workforce, we also create better solutions for business customers."

Nicole Gerhardt,
Chief Organisational Development & People Officer, Member of the Executive Board of Telefónica Deutschland Holding AG



Next steps

We are intensifying the measures

We consistently develop our **digital learning initiatives** and plan to strengthen exchange and drive continuous improvement in the health sector. At the same time, we are optimising our training programmes and increasingly using digital tools for risk assessments and real-time monitoring – so that we can permanently maintain our already **very low accident rate** and further increase the **resilience** of our employees.



Governance

Governance, compliance and ethical principles – data protection and information security – human rights and sustainable supply chain management

We align our actions with legal requirements, take data sovereignty into account, and integrate human rights and sustainability standards into our procurement processes.



Total number of corruption cases in 2025:

0



Fines or other sanctions due to data protection breaches or security incidents in 2025:

0



Review of all potential high-risk suppliers using self-assessments on ESG aspects:

100%

Governance, compliance and ethical principles

We act in accordance with all applicable laws, social guidelines and our values.

Strategy

Reliability, integrity, and transparency form the basis of our actions

Responsible corporate governance is our guiding principle – our governance provides the framework for acting responsibly, sustainably, and in line with our values. Sustainability is firmly anchored in all business areas; guidelines and control mechanisms ensure **integrity, reliability, and transparency**. They ensure that environmental, social, and compliance standards are systematically integrated into management processes, provide clear guidance for all employees, and establish binding rules.

We act **ethically and in accordance with the law**. We consistently prevent corruption and unfair business practices, maintain the integrity of the corporate culture at O₂ Telefónica, and ensure the implementation of data protection and compliance standards. In doing so, we protect our reputation, the **trust of our stakeholders**, and the foundation for long-term business success.

Policies

Live with integrity and act in accordance with the rules

Our [Responsible Business Principles](#) document the ethical foundations and are the binding code of conduct at O₂ Telefónica – also on sustainability issues such as human rights, climate responsibility or responsible use of digital technologies.

With our [Guideline Anti-Corruption](#), which is based on the **UN Convention against Corruption**, national criminal law, and **OECD Guidelines**, we clearly commit to **zero tolerance** for bribery and unfair business practices. At the same time, our

Policy Compliance Organisation defines the structure of our **compliance management system**, including internal structures, roles, and responsibilities to prevent legal violations, claims for damages, and reputational damage. Our antitrust prevention policy provides an overview of legal regulations and prohibited conduct; it is mandatory for all employees. Our policy on gifts and invitations ensures that we **minimise conflicts of interest**, while our training policy defines the training requirements so that all employees are familiar with and adhere to our standards.

As part of our responsible corporate governance, we rely on a **Business Continuity Management (BCM)** system certified according to ISO 22301. The BCM policy governs impact and risk analyses as well as emergency planning to ensure that critical business processes remain as resilient as possible, even in the event of disruptions. The BCM system is regularly audited, and external certification was reaffirmed in 2025. In addition, **IT Service Continuity Management (ITSCM)**, based on **ISO 27031**, ensures the **resilience** of our IT and network infrastructure. A standardised process for transparency and disaster recovery plans was established in 2025.

To actively cultivate our corporate culture and promote the highest standards regarding human rights, environmental protection, and integrity, we have established a **comprehensive whistleblower system**. This system allows for the reporting of concerns about human rights and environmental risks in accordance with the Supply Chain Due Diligence Act (LkSG), about corruption or fraud in accordance with the German Whistleblower Protection Act (HinSchG), and about internal regulations. The [Whistleblowing Procedure](#) transparently outlines how such reports can be submitted – anonymously or non-anonymously – to an independent ombudsperson. Reports can be submitted in 21 languages and can be made online, by mail, or by telephone. A dedicated human rights mailbox and a compliance mailbox are also available. The **Whistleblowing Procedure** protects whistleblowers by ensuring they do not suffer any disadvantages. Further information about our due diligence processes can be found in the chapter [Human rights](#).

🎯 Targets

We had the following targets by the end of 2025:

- No **cases of corruption** within the company.
- More than 95% of our employees should have successfully completed the **training on the business principles**.

📊 Performance

We remain true to our commitment

- ✓ In 2025, as in the previous year, we recorded 0 **cases of corruption** and thus achieved our target.
- 🕒 85.4% (2024: 94.7%) of employees successfully completed the **training on the company principles**. Thus, despite a continued good completion rate, we are below our target.



All key indicators and definitions can be found in our interactive [KPI tool](#).

⚙️ Actions

This is how we ensure integrity and ability to act

We are prepared for emergencies and disruptions: Our Business Continuity Management (BCM) and crisis management policy have established contingency plans. All critical data centres and core sites are geographically separated but synchronised and designed to operate autonomously for 48 hours. Mobile backup power systems, pumps, and air conditioning units are available for disaster situations. In addition, emergency offices are in place that maintain a satellite internet connection even during outages.

Knowledge creates security: Training on the Responsible Business Principles and human rights is mandatory for all employees and is repeated every three years, as is training on the German General Equal Treatment Act (AGG). The Responsible Business Principles training also covers corruption prevention, antitrust law, and ESG topics such as sustainable supply chain management, climate responsibility, the circular economy, and the responsible use of digital technologies. In addition, we offer voluntary intensive training on anti-corruption, which teaches the proper handling of gifts and invitations as well as the recognition of and response to bribery attempts.

The Senior Leadership Team confirms compliance with anti-corruption requirements annually as part of the Group-wide certification process. Business partners contractually commit to complying with corresponding anti-corruption clauses.

Promoting a speak-up culture and strengthening compliance awareness: We continuously monitor the legal situation and raise awareness of compliance and ethical conduct – through awareness campaigns, internal communication, and our whistleblowing system. Reports are treated confidentially and processed by a trained team. In this way, we foster the integration of ethical conduct into our corporate culture.



💎 Business value

Legal certainty, digitally conceived

We are digitising legal and compliance processes with legal tech tools, enabling audit-proof documentation for **transparency and continuity** – across departments and, in the future, cloud-based. This allows us to respond to legal inquiries faster, streamline processes, and improve **compliance documentation** for greater trust and security. Clear digital workflows reduce risks in data protection and legal processes. Business clients benefit from **enhanced data protection, reliable compliance, and accelerated response times**.

▶️ Next steps

We make compliance smart

We want to further digitise compliance processes – with **legal tech and self-service platforms** for certificates and audits for our business clients. Training will be supplemented by micro-learning and gamification.

Data protection and information security

We are committed to ensuring that our customers retain control over their data and can manage their digital lives autonomously.

Strategy

For the principle of data sovereignty

Protecting personal data and mitigating cyber risks are our highest priorities. We act in accordance with the law, transparently and proactively to build trust and contribute to a secure digital society.

Policies

We're playing it safe

We protect personal data based on recognized standards and applicable laws, such as the General Data Protection Regulation (GDPR).

The Telecommunications Act (TKG) and the **ISO 27001:2022 Information Security Management System**. The corporate data protection standard forms the basis of the data protection management system and aims to ensure that data is processed lawfully and protected according to the current state of the art. It is supplemented by internal guidelines such as the information security policy, the data protection incident policy, and the crisis management policy.

Our resilience framework describes the fundamental **security control objectives**, which we specify in guidelines and standards and from which we derive control requirements. The **effectiveness of information security measures** is regularly reviewed – including through internal and external audits, such as **ISO 27001** certification audits, internal audit reviews, and internal control assessments.

Specific internal guidelines and procedures govern how we deal with threats and vulnerabilities, and how we raise employee awareness of these issues. These guidelines form the basis for **robust security and data protection management**, ensuring both transparency regarding data usage and the responsible handling of information. Implementing information security also includes the technical and organizational protection of our network and IT systems. This approach is supported by the Cyber Fusion Center, which coordinates comprehensive protective measures against cyberattacks.

Targets

We had the following targets by the end of 2025:

- **No data protection breaches or security incidents** that result in fines or other sanctions.
- Increasing the **completion rate** of the "Information Security" training among our employees to over 90%.



Performance

Encouraging results

-  As in the previous year, there were **no data protection breaches or security incidents** in 2025 that would have led to fines or other sanctions.
-  The completion rate for **information security training** in 2025 was 88.5% (2024: 89.6%), just below the target of over 90%. We further strengthened our employees' security awareness through numerous additional awareness measures supplementing the mandatory training.

 All key indicators and definitions can be found in our interactive [KPI tool](#).

Actions

Prevention, monitoring, response: our resilience triad

Minimising risks from the outset: We rely on the principle of "Privacy by Design and Default" to protect personal data as effectively as possible from the very beginning. By minimising data processing and access rights, we reduce potential attack surfaces.

Keeping security in focus: Our Cyber Fusion Center (CFC) is a central hub for improving cyber security. Here, systems and networks are continuously monitored, threats are identified, and incidents are handled quickly and in a coordinated manner. The Network Operations Center (NOC) provides additional support by monitoring network components to detect anomalies early and ensure the stability of our services.

Targeted skills development: Through mandatory and regularly updated training on data protection and information security, we strengthen our employees' awareness of current threats and regulatory requirements. In 2025, numerous additional measures covering various security topics were offered to address individual needs and further enhance security awareness.

Proactively addressing threats: In addition, we use Cyber Threat Intelligence (CTI) and the Threat Intelligence Programme to analyse the evolving threat landscape. This allows us to anticipate risks and initiate preventative measures to counter potential threats.

This three-pronged approach of prevention, monitoring, and rapid response strengthens the protection of digital infrastructure.

Prioritising data privacy: As a telecommunications provider, we process large amounts of mobility and usage data. The Data Anonymisation Platform (DAP) is a multi-stage process that anonymises this data. You can find more information about data protection [here](#).

Business value

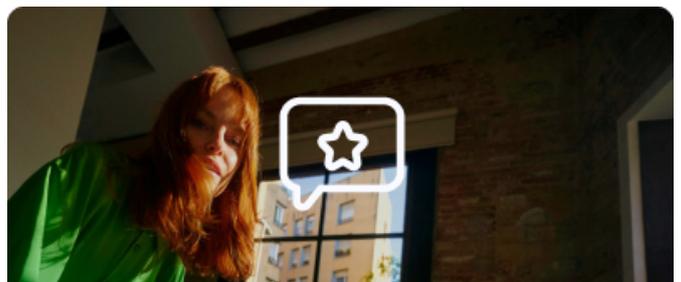
Keeping an eye on the dangers

Our **Threat Intelligence Programme** enables us to identify threats early and take preventative action. Attacker tactics and risks are continuously analysed, including in key areas such as 5G networks, IoT, ransomware, supply chains, cloud security, and social engineering. Emerging threats like AI-based attacks, malware trends, and phishing targeting business tools are also monitored. The programme delivers actionable insights for rapid decision-making, strengthens the **resilience of digital infrastructure**, and enhances the reliability of our services for our business customers.

Next steps

Certainly a good idea

As with compliance, we want to expand our AI-powered risk analyses and threat intelligence systems to **further optimise prevention**. The self-service platforms should also be usable for data protection requests and security certificates.



Business Impact Story: O₂ Telefónica enables secure network architectures for public administration

ekom21, an IT service provider for local authorities and public institutions in Hesse, uses our SD-WAN-based network architecture with integrated security functions to enable access to cloud services and technically secure the operation of sensitive applications.

→ [Click here for the story: 'We needed a flexible and, above all, secure network solution.'](#)

Human rights and sustainable supply chain management

We take sustainability criteria into account in our purchasing processes and are committed to environmental, social and human rights standards in the supply chain.

Strategy

Protect human rights, reduce risks

To effectively embed **respect for human rights** within our Group and in our own business activities, we employ a human rights due diligence process. This process implements the requirements of international frameworks, such as the UN Guiding Principles and the OECD Guidelines, as well as legal regulations, such as the German Supply Chain Act (LkSG). The six components of the process are described on the O₂ Telefónica [human rights website](#). We have also established a **comprehensive supply chain management**. Read more about this online [here](#).

Policies

We adhere to binding standards

In addition to the [Responsible Business Principles](#), the [Human Rights Policy](#) defines the commitment to integrating international standards, such as the **UN Guiding Principles**, **the OECD Guidelines**, and **ILO Standards**, into our processes, as well as systematically identifying and appropriately mitigating human rights risks. It is complemented by the [Commitment to Children's Rights](#), which focuses on the protection of children and young people and is based on the **UNICEF Principles on Children's Rights and Business Practices**.

The O₂ Telefónica [Declaration of Principles on Respecting Human Rights](#) explains our areas of action and reaffirms our **commitment to fair working conditions**. It sets out requirements for **preventing child and forced labour** as well as discrimination, supports the involvement of employee representatives, and explains the due diligence process as a key element for monitoring the implementation of these guidelines.

Our [Supply Chain Sustainability Policy](#) is a binding code of conduct for suppliers and applies to the procurement of products and services. It establishes clear **minimum environmental, social, and ethical standards**, including in particular human and labour rights, environmental and climate protection, integrity in business conduct, and data protection. Direct suppliers are required to contractually obligate their subcontractors to comply with comparable standards and regulations.

Our goal is to promote resilient and competitive supply chains together with our suppliers.

Targets

By the end of 2025, we pursued the following targets:

- Almost all of O₂ Telefónica's potential high-risk suppliers were reviewed using **self-assessments** regarding ESG aspects.
- The percentage of **resolved complaints** and reports on human rights issues is 100%.

Performance

Progress, but yet a need for action

- ✓ In 2025, the proportion of potential high-risk suppliers who had conducted an **ESG self-assessment** was 100% (2024: 78%).
- ✓ The percentage of **resolved reports and complaints** relating to human rights issues remained at 100%, same as the previous year.



All key indicators and definitions can be found in our interactive [KPI tool](#).

Actions

Governance, risk management and transparency: this is how we implement responsibility

We act in accordance with applicable laws: Our human rights due diligence process enables us to identify human rights and environmental risks and violations at an early stage and to take appropriate measures to prevent, mitigate, or – if they have already occurred – to initiate remedial measures.

Handling of reports and complaints: Individuals, companies, and organisations can report human rights and environmental risks or violations. All relevant information can be found on our [Whistleblowing Procedure](#) website, which we further improved in 2025 by using easily understandable language and infographics for all stakeholders.

Monitoring in high-risk countries: As part of the Joint Alliance for CSR (JAC), Telefónica, S.A. Group conducts regular audits of its suppliers. These audits verify compliance with key social and labour standards, including fair working conditions with appropriate wages and working hours, as well as health and safety in the workplace. The audits also define necessary corrective actions to specifically address identified risks. As a subsidiary of Telefónica, S.A. Group, we are part of JAC and have direct access to the results of the supplier audits.

Collaboration with suppliers: Nearly 100% of the suppliers contracted in 2025 through the procurement system have committed to complying with the Supply Chain Sustainability Policy. In addition, as part of our annual risk analysis, we use standardised questionnaires for high-risk suppliers to capture the identified priority risks. In 2025, these risks included: inadequate wages, unequal treatment in employment, disregard for freedom of association and the right to collective bargaining, and inadequate health and safety in the workplace. Through dialogue with suppliers, we clarify our expectations regarding working conditions and job security.

Supplier monitoring: Through AI-supported screening, we identify risks and critical events in the value chain early on (see section Business value) and initiate measures as needed.

Review of internal processes and training: We continuously review governance structures and processes to improve transparency and human rights due diligence. Regular online training for employees and suppliers supports the implementation of the German Supply Chain Act.

Business value

For sustainable partnerships: real-time monitoring of the supply chain

We have further developed our AI-based supplier screening to assess supply chain risks transparently and efficiently. Using advanced AI models, we analyse information from news, social media, and trusted sources in more than 180 languages. This allows us to identify **potential human rights or environmental violations** early on and forward critical alerts to procurement in real time. Continuous adjustments based on user feedback ensure the quality of our risk identification.

By using AI-powered supplier monitoring, we aim for transparency and security in the direct supply chain. We contribute to supporting fair and environmentally friendly conditions in the production of goods and the provision of services, aim to **reduce failure and compliance risks**, and **strengthen ESG conformity**. In this way, we pursue the goal of developing suppliers into reliable partners and creating added value through trust and competitiveness.

Next steps

Consistently advancing human rights due diligence

We solve all reports and complaints responsibly, aim to maintain the rate of ESG self-assessments for high-risk suppliers to nearly 100%, and **further developing AI-supported systems for risk analysis**. In addition, we intensify awareness training for internal teams and suppliers to ensure the consistent implementation of international standards.

Imprint

Publisher

Telefónica Deutschland Holding AG
Georg-Brauchle-Ring 50
80992 Munich
Germany
Tel.: +49 89 2442 0
www.telefonica.de

Corporate Responsibility & Sustainability

Contact: cr-de@telefonica.com
<https://www.telefonica.de/sustainability>

Responsible for the content

Claudia von Bothmer,
Director Corporate Responsibility & Sustainability

Project responsible

Melanie Borsos,
Head of Nonfinancial Reporting & Human Rights

Concept, editing and design

Telefónica Germany GmbH & Co. OHG,
Corporate Responsibility & Sustainability, Munich
[Accenture GmbH, Munich](#)
[nexxar GmbH, Vienna](#)

Publication

February 2026 – all figures were, unless otherwise stated, ascertained on 31 December 2025. The **ESG Factbook 2025** is available in German and English and can be accessed online at <https://reporting.telefonica.de/o2/sustainability/2025>.

The **2025 annual report** is available online at www.telefonica.de/annualreport

Picture credits

Cover: temporalimages, p. 3: Telefónica Deutschland, p. 7: Telefónica*, Fabian Wentzel:mf_guddyx via Getty Images, p. 8: Till Budde, p. 10: Telefónica*, p. 11: Telefónica*, p. 12: Abel Mitjà Varela_Morsa Images_Stone via Getty Images, p. 13: instamatics via Getty Images, p. 17: Telefónica*, p. 19: i3D_VR_via istock_getty images, p. 22: Telefónica*, p. 23: Till Budde, p. 25: Westend61 / Buero Monaco, p. 26: Telefónica*, p. 27: Telefónica*, p. 30: Westend61 / Daniel Ingold via Getty Images, p. 31: Telefónica*

*The rights to use this resource are reserved exclusively for the brands registered by the Telefónica group in any of its markets. Within this framework, its use is covered in all channels or media, internal or external, with time limit.