

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

