

Policy

Diversity & Inclusion Policy Telefónica Deutschland Group

Approved by the Corporate Board of the Telefónica Deutschland Group on 11 November 2021.

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1. INTRODUCTION

At Telefónica Deutschland Group, we follow our purpose of democratizing access to the sustainable digital future to create a better everyday for all. We believe that handling the transformation in a responsible way is an essential aspect in delivering on this mission and put responsibility at the core of our strategy.

Our commitment to responsible action is reflected in existing policies and principles at the company. We are committed to respect human rights and take responsibility for our value chain, which is declared in our principles on respecting human rights and in our human rights policy. Our position paper “Freedom and Responsibility in the Digital Age” serves as our voluntary code of conduct in the context of the digital transformation.

With the non-discrimination policy at hand, we aim at reaffirming our commitment in the context of diversity and inclusion management as well as providing equal opportunities. The policy on German level is an addition to the existing non-discrimination policy on global level of Telefónica S.A. Diversity, inclusion and equal opportunities are essential aspects of a responsible business environment. We therefore incorporated them as key elements in our Responsible Business Plan 2025 and thus in our Corporate Responsibility Targets.

We are convinced that encouraging diversity in our teams and promoting an inclusive leadership style offers major advantages for the business. It allows us to attract and retain diverse talent. Cognitive diversity is a prerequisite for a profound understanding of our customers’ needs and drives innovation across the company.

Furthermore, incorporating diversity and inclusion and thus leveraging the power of around 8,000 employees of Telefónica Deutschland brings us closer to a diverse, open, and adaptive society.

Through this policy, we aim at reaffirming equal opportunities and non-discriminatory treatment of people in all areas of our company irrespective of their level or job type, ensuring the absence of prejudice associated with any of the dimensions as displayed in the following four layers of diversity:



Figure 1: Diversity Dimensions, Source: Charta der Vielfalt

2. FIELD OF APPLICATION

This policy is applicable to all companies and entities of Telefónica Deutschland Group.

This policy applies to all Telefónica Deutschland employees throughout their career in the company, from their first contact with the company until their employment relationship ends. The policy covers all aspects of employment, including recruitment, remuneration, working conditions, quality of life activities, training, evaluation, promotion, disciplinary procedures, and the termination of the contract. It specifies both rights and responsibilities of our employees. The leadership has a particular responsibility to ensure compliance with this policy.

3. SOCIAL DIALOGUE

At Telefónica Deutschland we are committed to the basic ILO regulations on employment, particularly referring to freedom of association and co-determination rights according to “Gesetz über die Mitbestimmung der Arbeitnehmer” (MitbestG).

Furthermore, we respect the regulations of Betriebsverfassungsgesetz (Works Constitution Act) and guarantee that the representatives of the workers council are treated fairly, free from discrimination and that they have all the facilities made available to be able to perform their representative duties.

4. COMMITMENTS

Through this Policy, our company aims to ensure that it is managed in such a way that it is free from any prejudices associated with difference. Telefónica Deutschland therefore takes a firm stance against any discriminatory conduct or practice, and it is committed to continuing to make progress in the effective integration of all types of people into the workplace irrespective of level or job type, regardless of any diversity dimension as displayed in Figure 1.

As a sign of our commitment and with the aim of further promoting diversity and inclusion, diversity objectives are incorporated as KPI into the variable remuneration scheme for the company's management board.

With the following initiatives and actions, we promote diversity, inclusion, and equal opportunities throughout our organisation:

4.1. A working environment free from harassment and discrimination

Telefónica Deutschland is committed to prevent any discriminatory conduct and practices. Working conditions free from any harassment and discrimination are of utmost importance for us. We are committed to ensuring that our employees as well as any stakeholders with whom we interact, ensure an environment that is free from derogatory or hostile comments, gestures, or any other discriminatory behaviour. This applies to a face-to-face, hybrid or digital working environment.

Furthermore, we only accept inclusive language and communication, free of any discriminatory reference. This means our communications are free of any sexist, prejudicial or discriminatory references to any group in all our wordings, images, documents, advertising, and commercial materials, both internally and externally.

4.2. Equal chances regarding employment, professional classification, and career development

At Telefónica Deutschland, we practice recruitment, contracting, development, promotion, training, and professional classification solely on objective criteria related to the requirements of the position. In addition, we promote a working environment based on respect, which values differences and offers equal opportunities.

We aim at further improving diversity by targeted recruiting and development activities, amongst others through a cross-functional "Digital Transformation Program" aiming at attracting a diverse group of talents.

To ensure cognitive diversity among our senior leadership team by balancing gender distribution, we require to have at least one woman on the shortlist in the hiring process for executive positions. Our commitment to offer equal opportunities in career development is reflected in the fact that Telefónica Deutschland has been included in the Bloomberg Gender Equality Index since 2019. This Index

highlights companies for its transparent promotion of equal opportunities for women in the workplace, backed up by key figures.

Moreover, 100% of our employees have access to learning and development opportunities. Digital training offerings that can be accessed mostly digital and thus according to personal needs as well as time and location restrictions ensure equal availability to everyone in the company. Tailored development plans that are developed in cooperation with the respective manager and partially with objective, external support by specialized consulting companies consider both individual strengths as well as personal restrictions.

We measure equal opportunities at the company on a regular basis in our employee surveys, achieving outstandingly high percentage rates above 90% of employees stating that Telefónica Deutschland offers strong equal opportunities.

4.3. Diversity in Leadership positions

The development and promotion of senior leadership positions follows a structured process, which ensures that proposals for senior leadership positions are, amongst other criteria, based on a prior analysis of the needs of the management team, encouraging diversity of knowledge, experience, gender, nationality, and other dimensions.

Telefónica Deutschland underpins its commitment to a diverse senior leadership team by setting ambitious KPIs of a female quota on senior leadership team level.

4.4. Combining and balancing private and business life

We provide our employees highest possible flexibility with regard to working hours and location. Our hybrid working model allows for a better compatibility of work with individual life models. By pioneering the future of work including the implementation of our 5 Bold Moves, consisting of “Working Anywhere”, “Working Anytime”, “Digital by Default”, “Outcome-based leadership” and “70% Less internal Travel”, we are going to enable our existing workforce to tap their full potential by allowing them to work wherever and whenever they are most productive. Moreover, we also aim to open up our hiring and talent management for a more location-independent recruiting. Both aspects have a strong positive impact on diversity and inclusion.

In the context of digital ways of working, Telefónica Deutschland explicitly recognises the right to digital disconnection. We are convinced that personal interests apart from work are a key component for personal growth and well-being and contribute to cognitive diversity. Thus, want to grant our employees enough space and free time to pursue their personal interests.

4.5. Remuneration

Our remuneration policies are based on the criteria of merit and capabilities related to the requirements of the job. We have implemented a unified remuneration system within Telefónica Germany GmbH & Co. OHG that ensures an objective assessment and equal treatment of positions and salaries.

Furthermore, we are committed to further reducing the gender pay gap and monitor the evolution of the adjusted gender pay on a yearly basis. We comply with the requirements of the rules on transparency of remuneration (Entgelttransparenzgesetz).

4.6. Democratizing access

As part of our commitment to make technology available to society at scale, we want to ensure that people with disabilities can benefit from the digital transformation, building a more accessible world. For this reason, we are committed to include accessibility criteria in our products and services, as well as to improve the accessibility features of our processes and facilities, including the stores, customer service and information channels.

At the same time, we are committed to drive inclusion at the workplace, including technical aids and supports to reduce and eliminate barriers to ensure that our employees can participate in an environment with equal working conditions. Telefónica Deutschland assumes the cost of making personalised adaptations to the workstation, if they are necessary for the employee's ability to carry out their work effectively.

4.7. Raising awareness and training

In order to achieve an equal and inclusive working environment in which all employees feel free to express themselves and pursue equal opportunities, diversity and inclusion trainings are a mandatory part of the regular training curricula of each employee working for Telefónica Deutschland. The courses need to be retaken every three years and are offered in form of digital courses to allow maximum accessibility of the trainings. Each training needs to be completed with a test. Objective of the trainings is to educate on key diversity and inclusion principles and raise awareness towards unconscious biases for the entire workforce and especially for the people who manage teams as well as those involved in workforce selection processes.

5. SUPPORTING BODIES

This Policy is supported by the **Global Diversity Council**, an association of international Diversity Ambassadors with the objective of promoting diversity across the Telefónica organization. The Global Diversity Council meets once a quarter to discuss internal and external best practices and measures. Moreover, the Global Diversity Council periodically reviews the company's performance regarding diversity.

The JAV (Jugend- und Auszubildendenvertretung) serves as representative body for young adult employees up to 25 years, fostering their wellbeing and development in the company.

Moreover, a dedicated **council for the representation of employees with disabilities** is in place. This council supports and advises employees with disabilities, represents their interests, and fosters inclusion during the recruiting process as well as in running business.

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

Charta der Vielfalt – The aim of the charter is to promote diversity in companies and institutions. It aims to advance the recognition, appreciation, and inclusion of diversity in the world of work in Germany. Organizations that sign the Diversity Charter commit to creating a working environment that is free of prejudice. All employees should be valued, regardless of gender, nationality, ethnic origin, religion or belief, disability, age, sexual orientation, and identity. The patron of the initiative is Angela Merkel.

6. NOTIFICATION CHANNELS

Telefónica Deutschland has set up a whistleblowing channel for employees to report legal violations, e.g., related to discrimination and harassment. Contact person of the whistleblowing channel is an external attorney as ombudsperson and allows infringements to be reported anonymously. An internal policy describes the handling of incoming notifications. All notifications are treated in a strictly confidential, prudent, and respectful manner and in accordance with data protection requirements and Telefónica's Business Principles.

Information on the whistleblowing channel is accessible via:

- the Telefónica Deutschland's public website: [Ombudsperson Telefónica Germany](#)
- the Intranet: [Whistleblowing-Channel](#)

In addition, Telefónica Deutschland provides a contact channel via E-Mail to all internal and external stakeholders that serves as reporting line in case of violations of human rights: [Human Rights Channel](#).