

Declaration of Principles on Respecting Human Rights

Telefónica Deutschland



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Our commitment to respecting human rights

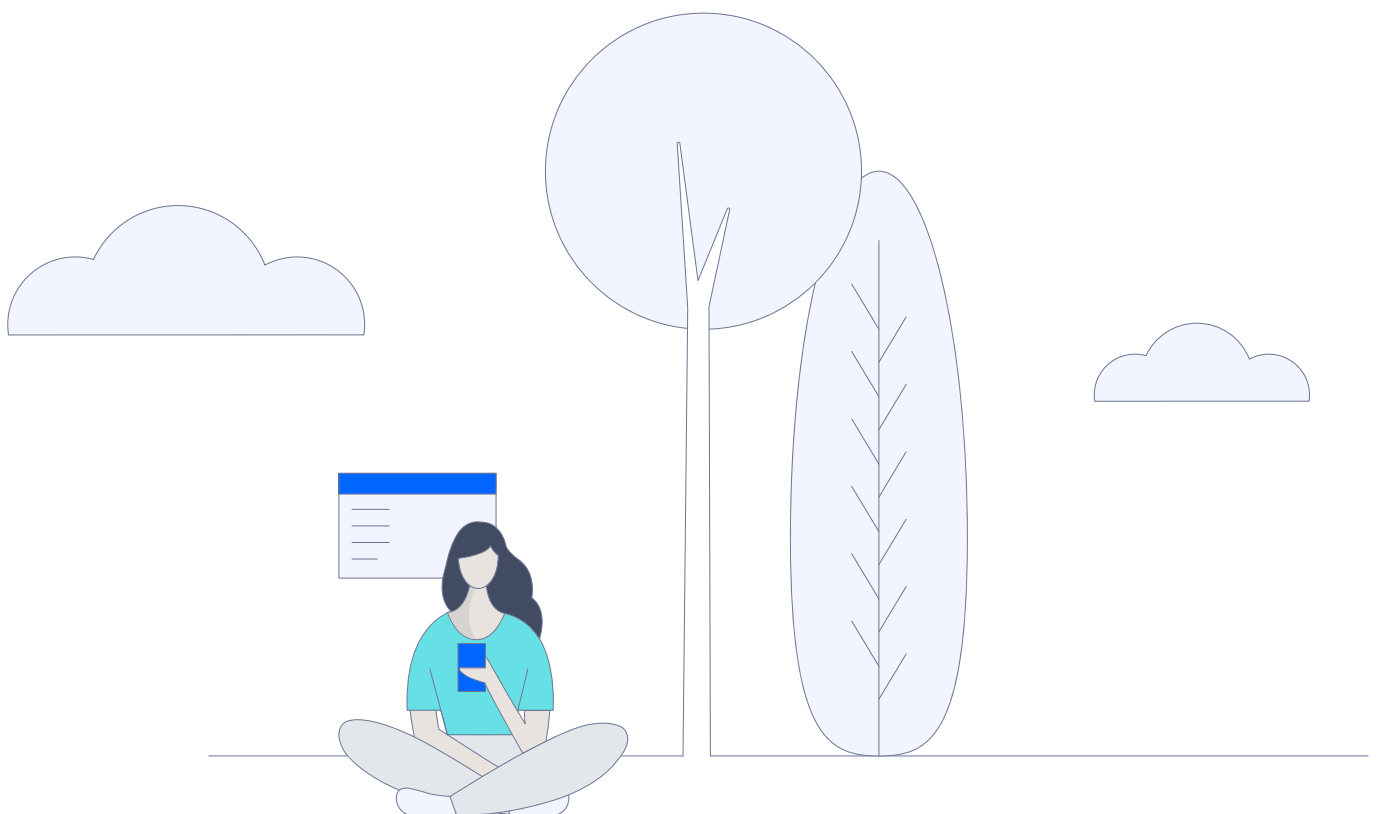
We democratise access to sustainable digitalisation to make day-to-day life better for everyone. We want to use digitalisation for the benefit of people and strengthen the connections between them. In the interest of responsible corporate governance, we consider potential impacts that our business activities might have on people and the environment.

In doing so, we embed not only the legislative requirements such as the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG), but also our own understanding of values. In this Declaration of Principles, we commit ourselves to respecting and protecting human rights and specify our corporate obligations. We implement applicable laws, respect internationally recognised human rights and ensure that, within

the scope of our business activities, potential human rights and environment-related risks are avoided. Where we are unable to do so, we aim to identify risks as early as possible and mitigate them responsibly.

The Declaration of Principles applies to all companies of the Telefónica Deutschland Holding AG (Telefónica Deutschland). It is complemented by the Group [Human Rights Policy](#).

With this Declaration of Principles, Telefónica Deutschland commits itself to respecting and promoting human rights within the company, along the supply chains and towards customers and the wider society.



Standards and frameworks

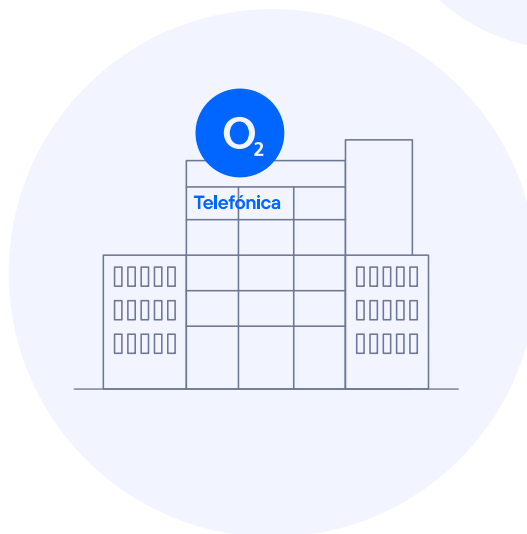
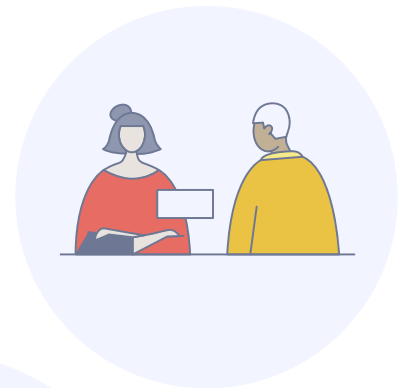
We are committed to the principles of the following internationally recognised human rights frameworks and standards:

- The International Bill of Human Rights (which includes the United Nations Universal Declaration of Human Rights, the United Nations International Covenant on Civil and Political Rights, and the United Nations International Covenant on Economic, Social and Cultural Rights)
- The United Nations Guiding Principles on Business and Human Rights (UNGPs)
- The Conventions and Recommendations of the International Labour Organization (ILO) for labour and social standards, in particular the ILO's core labour standards
- The International Labour Organization's Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration)
- The Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- The Ten Principles of the United Nations Global Compact (UNGC)
- The Charter of Fundamental Rights of the European Union
- The United Nations Convention on the Rights of the Child
- We further support the United Nations 2030 Agenda for Sustainable Development and aim to make a contribution to achieving the Sustainable Development Goals (SDGs).

Our company policies and guidelines

The norms and values embedded in these frameworks are also reflected in our own policies and guidelines and constitute our binding framework. In addition to this Declaration of Principles, the following guidelines are central:

- **Responsible Business Principles** 🚩: Our binding guidelines for our activities and decisions when dealing with third parties – both within and outside our company.
- **Human Rights Policy** 🚩: Our commitment to respecting and promoting human rights within our businesses, in our supply chain, with customers and the society.
- **Supply Chain Sustainability Policy** 🚩: An overview of the minimum requirements we expect of our business partners, suppliers and their sub-suppliers, forming the basis for a trusting cooperation.



Overview of other relevant guidelines:

The most important guidelines and guiding principles for successful sustainability management



Governance for responsible corporate management

- Business Principles
- Management Declaration
- Declaration of Principles on Respecting Human Rights
- Human Rights Policy
- Corruption prevention guidelines
- Guidelines on handling conflicts of interest, invitations, gifts and incentives
- Whistle-blower Policy
- Policy Compliance Organisation
- Business continuity management guidelines
- Company guidelines on corporate responsibility
- Donation guidelines
- Risk Management Policy
- Guidelines for ethically responsible communication
- Social Media Guidelines
- Artificial Intelligence Principles
- Whistle-blower procedure for human rights and environment-related risks or violations



Sustainable supply chain management

- Supply Chain Sustainability Policy (incl. conflict minerals)
- Low-carbon procurement guidelines
- Purchasing guidelines
- General Conditions for the Supply of Goods & Services
- Supplier Management Instruction
- Rules for the procurement of services and handling service providers



Work environment

- Bonus arrangements in the remuneration of the Management Board and of the executives
- Diversity & Inclusion Policy
- Equality Policy
- Health policy
- Group standard occupational health and safety management
- Risk assessment guidelines
- Guidelines on occupational health care
- Guidelines for occupational health and safety officers
- Emergency organisation guidelines
- Fire safety regulation guidelines
- First aid guidelines



Environmental and energy management

- Environmental policy
- Sustainable Energy Management Policy
- Group-wide commitment to achieving net zero emissions



Data protection and freedom of expression

- Group data protection standard incl. commitment and guidelines on handling data
- Data protection contract guidelines
- Data protection information obligation guidelines
- Procedural instructions for data protection controls
- Procedural instructions for data privacy incidents



Information security

- Information security policy
- Corporate Rule on Minimum Controls
- Confidentiality levels
- Guidelines on security incidents
- Guidelines on physical safety
- Cloud security policy

Human rights and environment-related areas of action

Respecting human rights in our business and within our supply chains is a key component of our human rights and environmental strategy. We are committed to the following topics:

Non-discrimination and promotion of diversity and equal treatment

Telefónica Deutschland does not tolerate any discrimination or unequal treatment on the basis of gender, gender identity, national or social origin, ethnic origin, skin colour, religion or world view, sexual orientation, political conviction, age, disability, marital status, pregnancy, family situation or other circumstances in dealing with employees, suppliers, business partners, customers or other stakeholder groups.

We also pursue a zero-tolerance approach to violence and harassment in the workplace. This includes, for example, abuse or corporal punishment, the threat of physical or verbal abuse, sexual harassment and all other forms of harassment or intimidation.

We promote diversity, equality and inclusion in our company through various programs. Detailed information can be found in our [Diversity and Inclusion Policy](#) and in the [Equality Policy](#).

Prohibition of forced labour and modern slavery

We do not tolerate any form of forced labour or modern slavery (zero tolerance). Any type of work or service must be voluntary and not performed under threat of punishment.

This includes imprisonment, the use of physical or psychological violence, the restriction of freedom (of movement), the withholding of wages, demanding recruitment fees or other payments, the confiscation of personal documents, human trafficking, abusive labour conditions or other forms of exploitation.

Prohibition of child labour

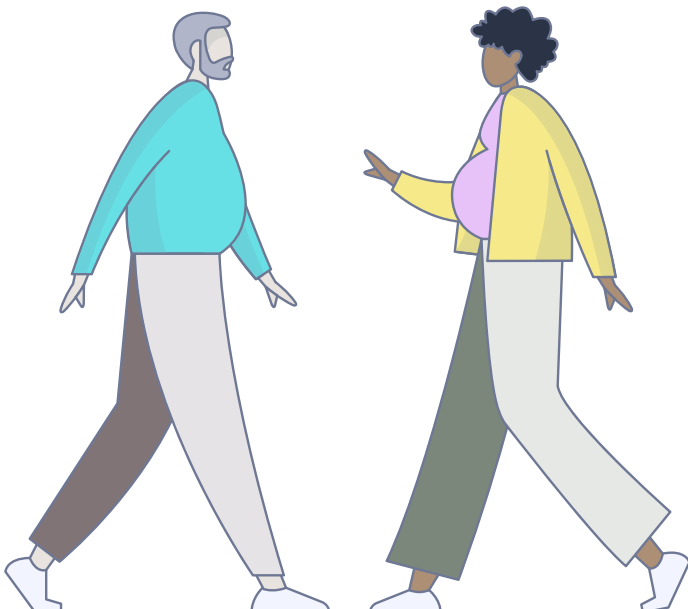
Telefónica Deutschland does not tolerate child labour within the meaning of the ILO Convention Nos. 138 and 182 (zero tolerance). Children under the age of 15 may not pursue commercial employment in principle. Children and adolescents aged between 15 and 18 who have access to the labour market in accordance with local legislation may not be exposed to work which could be detrimental to their physical or mental health, their safety or morals.

Freedom of association and the right to collective bargaining

Workers may join employee representatives and have the right to engage in collective bargaining. Membership of trade unions or employee representatives has no disadvantages for workers, such as discrimination, intimidation or reprisal.

We collaborate with employee representatives constructively and on the basis of trust and appreciate the contribution they make to the well-being of our employees.


We seek to facilitate and not impede access to parallel instruments of voluntary association and collective bargaining for the workers in our supply chains and, in particular, in countries with restricted rights of association.



Right to health and safety in the workplace

We are committed to complying with the globally recognised standards for occupational health and safety as set out in the aforementioned Conventions and Recommendations of the ILO and in the International Bill of Human Rights of the United Nations and have implemented appropriate measures. They include occupational health and safety training, appropriate personal protective equipment and promoting an ergonomic workplace.

Further information on occupational health and safety can be found in our Health Policy (internal guideline) and in the Group Standard Occupational Health and Safety Management Standard (internal guideline).

We expect from security staff that works for us to behave fairly towards third parties at all times and to contribute to workplace safety. These minimum requirements are formulated to our suppliers and business partners in the [Supply Chain Sustainability Policy](#) .

Right to fair labour conditions

We are committed to creating fair and appropriate labour conditions and promoting well-being, interaction and development of employees.

This includes **appropriate remuneration** in line with at least national or local legislation. Employees receive information on payment of wages in a written and comprehensible form at the beginning of the employment relationship. Wage reductions as a form of disciplinary measure are prohibited.

We are committed to reducing and eliminating gender pay gaps for work of equal value and meet the requirements of the regulations regarding remuneration transparency (Transparency in Wage Structures Act, EntgTranspG). Our remuneration is competitive and is complemented by additional benefits.

We aspire that workers in the supply chain also receive an appropriate and fair salary.

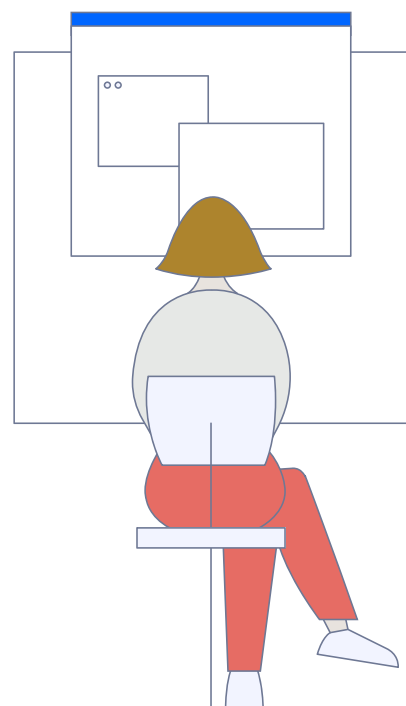
We comply with the **working and rest times** of the ILO's core labour standards and the applicable national regulations. Furthermore, the compatibility of work and private life is an important matter for Telefónica Deutschland. It encompasses rules and procedures on overtime, annual leave, sick days and parental leave. Overtime is remunerated or compensated accordingly. We also set these expectations towards our suppliers and business partners.

Right to data protection

We ensure the lawful processing of personal data to respect the fundamental rights and freedoms of people, in particular the right to informational self-determination.

Our aim is for customers, employees, suppliers, business partners and investors to retain sovereignty over their data. We protect third-party data in all products, processes and systems, and ensure that Telefónica Deutschland complies with data protection regulations. Our actions are straightforward and transparent, and we communicate with all relevant interest groups about innovations at an early stage.

In addition to personal data, we ensure the protection of traffic and inventory data. Exceptions that allow traffic and inventory data to be shared with state authorities are subject to legal obligations.



Our customers have access to their personal data via self-service tools.

More information on the lawful processing and management of data can be found in our Group Data Protection Standard (internal guidelines), the Data Protection and Information Obligation Guidelines (internal guideline) and the Information Security Policy (internal guideline).

Right to freedom of expression and freedom of information

We democratise access to and the use of digital networks and technologies. Everyone should have the opportunity to freely express their opinions and engage in a respectful manner with one another. As a company, we do not position ourselves politically and promote the **right to freedom of expression** within the regulatory parameters by which we are bound.

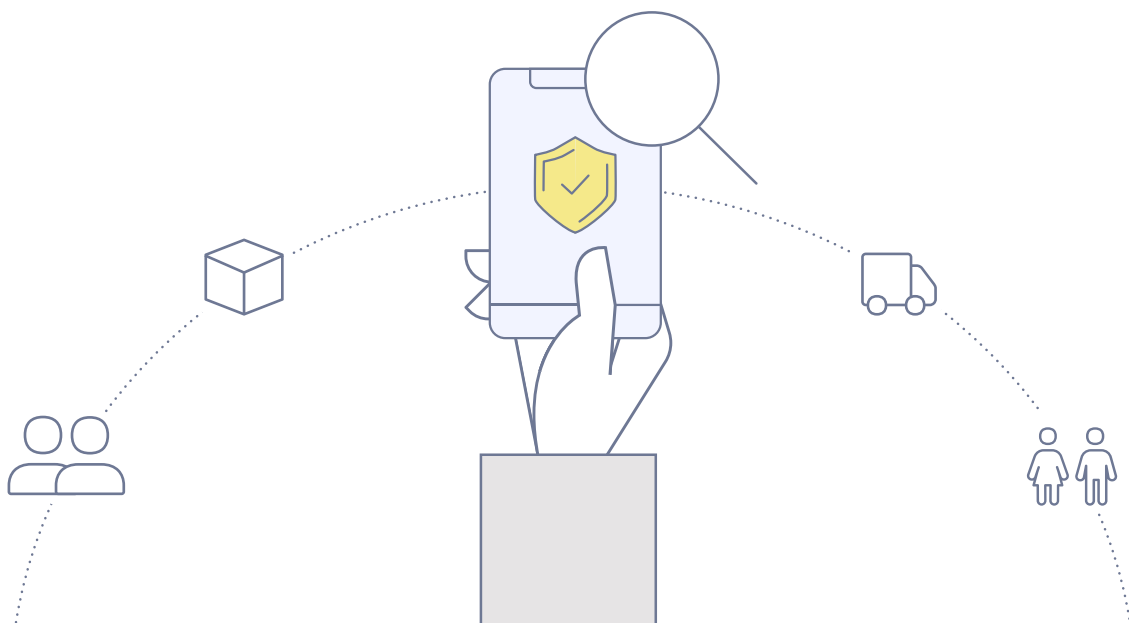
Similar to the right to freedom of expression, the **right to freedom of information** forms the basis of open and democratic societies. Aware of this outstanding importance, we enable and encourage the exchange of information via our public communications networks. Based on the principle of Net Neutrality, we are committed to not restricting access to information and the right to information for third parties and are obliged to transport all data traffic unhindered. Exceptions to this, such as blocking or restricting information, are subject to strict legal requirements (e.g., European regulation on Net Neutrality). As an access provider, we may or will only block access to information via our public communications networks if the relevant legal requirements are met.

For example, as a voluntary member of the "Clearingstelle Urheberrecht im Internet" (CUII), we adhere to its recommendations for imposing DNS blocking. Drawing on objective criteria, the CUII examines whether the legal requirements for blocking a website due to structural and clear copyright infringements are met. In cases in which the CUII recommends blocking a DNS, the recommendation is also subject to a review by the German Federal Network Agency for Electricity, Gas, Telecommunications, Post and Railways (Bundesnetzagentur) regarding its compatibility with the requirements of Net Neutrality.

More information on freedom of expression and information can be found in the [Guideline for ethically responsible communication](#) ↗.

Child and youth protection rights in the digital space

We feel a special obligation towards children and young people and therefore commit to UNICEF's Children's Rights and Business Principles. Compliance with important legal requirements for the protection of minors in the media in Germany and our social responsibility towards children and young people are our top priority. Our Youth Protection Officer ensures that the needs of young mobile communications and Internet users are considered and that our products and tariffs are in accordance with the statutory youth protection requirements.



Our communication does not interfere with the individual rights of children (honour, privacy and self-image) or does not have any negative impacts on children's rights. We help to protect children and young people from content and communication which could cause them physical, moral or psychological harm.

More information on this can be found in the [Guideline For Ethically Responsible Communication](#) ↗

Anti-corruption

We respect honesty and integrity and operate in accordance with the applicable laws as well as our internal rules regarding ethical and responsible management. We do not accept any form of corruption, extortion or bribery (zero tolerance).

We combat corruption in its various forms by establishing a control environment featuring elements such as internal rules, anti-corruption processes and by continuously train our employees. More information on this can be found in the [Guideline on Anti-Corruption](#) ↗.

We expect our suppliers and business partners to take active and consistent action against any type of criminal or unethical influence by companies or institutions, as well as against corruption in their own company. Our expectations regarding anti-corruption in the supply chain are formulated in the [Supply Chain Sustainability Policy](#) ↗.

Rights of local communities

We respect the rights of local communities which may be affected by the business activities of Telefónica Deutschland or our suppliers and business partners.

At our business locations, we pay attention to health, safety and environmental protection for our employees and the neighbourhood. In particular, we pay attention to the limits set for electromagnetic radiation as well as air, water and soil pollution, and investigate noise complaints. We also take a responsible and sustainable approach to deforestation and waste management.

We promote the expansion of our telecommunications network in rural regions to enable everyone to access and use digital networks and technologies. We pursue to develop network infrastructure in consensus with local communities and municipalities. To his end, we are in dialogue with them and take into account their concerns as well as the technical, legal, environmental and economic parameters.

Minerals from conflict-affected and high-risk areas

The manufacturing of products that we distribute as part of our business activities can pose risks to people along supply chains. This includes, for example, minerals used in smartphones which are sourced from higher risk areas.

As a service company without own production, we are in close dialogue with business partners and suppliers. Therefore, we have established processes to identify and mitigate human rights and environmental risks in the supply chain. The expectations we have of our business partners and suppliers on responsible sourcing of minerals are formulated in the [Supply Chain Sustainability Policy](#) ↗.

These include compliance with the Minamata Convention on Mercury, the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, and the Stockholm Convention on Persistent Organic Pollutants.



Implementation of human rights and environmental due diligence

The implementation of human rights and environment-related due diligence is based on the aforementioned national and international standards and framework conditions. They are aligned with the requirements of the German Act on Corporate Due Diligence Obligations in Supply Chains and the United Nations Guiding Principles on Business and Human Rights.

Risk management and responsibilities

The Management Board of Telefónica Deutschland is responsible for monitoring compliance with and implementation of our human rights and environment-related due diligence obligations. Our Human Rights Officer engages on an ongoing basis with the Management Board.

We consider human rights as a cross-cutting theme within our company and therefore strengthen effective and structured collaboration across various departments. The cross-departmental Human Rights and Environment Committee supports the exchange and collaboration between departments.

The Corporate Responsibility and Sustainability Directorate is responsible for implementing and monitoring the human rights and environment-related due diligence processes.

The Management Board is informed at least once a year about the work of the Human Rights Officer and the progress made in implementing the risk management and due diligence processes.

Due diligence process for human rights



Risk and impact analyses (incl. priority risks)

Regular risk and impact assessments help us understand the risks and impacts that our business activities and business relations as well as our products and services have on people and the environment. We therefore perform annual analyses for our own business areas and our direct suppliers as part of our risk management process. We also conduct ad hoc assessments where necessary.

The first step involves assessing our risks based on an **abstract analysis**. We use, for example, country, site, product and service risk indicators to develop a comprehensive risk profile. To assess risks in the supply chain, we also use an AI-based tool for supplier monitoring and a platform for supplier evaluation.

The second step is an assessment of our **concrete risks**. It is important to us that risks are evaluated from the perspective of those affected and are prioritised by applying the appropriateness criteria. To do this, we determine the severity (degree of negative impact, number of people affected/size of the environmental areas affected, irreversibility) and probability of occurrence of risks. We also assess our contribution and ability to influence the mitigation or remediation of risks.

We follow a **risk-based** approach to prevention and remediation.

As part of the risk analysis for 2023, Telefónica Deutschland has not identified any priority risks in its own operations. However, we have identified two risks that we address regardless.

- We actively work on mitigating the risk of unequal treatment in employment.
- We maintain a high occupational health and safety standard to manage risks of accidents in network deployment, particularly with a focus on technicians conducting work at heights or underground.

The following priority risks were identified for our direct supply chain:

- Occupational health & safety
- Inadequate wages
- Freedom of association
- Unequal treatment in employment

The risks were particularly identified in our supply chains in Asia, Northern Africa, and Northern America. Our human rights related expectations with regards to the identified risks are formulated in our Supplier Code of Conduct. In addition, a dedicated LkSG-training is available for suppliers to raise further awareness. We track supplier performance through self-assessments and act in consequence with monitoring and improvement measures.

Preventive measures and process integration

In order to prevent risks, we integrate the results of the risk analysis into company processes. We also take appropriate preventive measures in our own business and together with our suppliers and business partners. We not only adapt and improve existing measures, but also develop new approaches.

Our most important preventive measures include:

- **Guidelines and documentation of due diligence processes:** An overview of the relevant guidelines can be found at the beginning of this Declaration of Principles (see "Our commitment to respecting human rights").

We have developed a manual on our human rights strategy for employees. It documents the implementation of human rights and environment-related due diligence processes.

- **Sustainable purchasing practices and the Supply Chain Sustainability Policy:** In order to protect people and the environment in our global supply chains, we are committed to sustainable procurement practices and supplier management.

The [Supply Chain Sustainability Policy](#)  formulates the minimum requirements for suppliers and business partners and serves as an important foundation.

- **Capacity building and training:** We use trainings to communicate our approach to protecting and respecting human rights and the requirements of the LkSG to specific departments and management functions. Trainings are made available to all employees and direct suppliers.

There are also topic-specific training courses that all Telefónica Deutschland employees are required to complete regularly. These include trainings regarding occupational health and safety, the General Act on Equal Treatment (AGG), energy and environmental management, data protection, information security and the Responsible Business Principles.

- **Controls and on-site assessments:** We assess high-risk suppliers as part of targeted audits and control measures. They include on-site assessments and improvement plans, which are jointly agreed on with suppliers. The implementation of corrective measures is documented and tracked. In doing so, we cooperate with other companies in the sector initiative Joint Alliance for CSR (JAC).

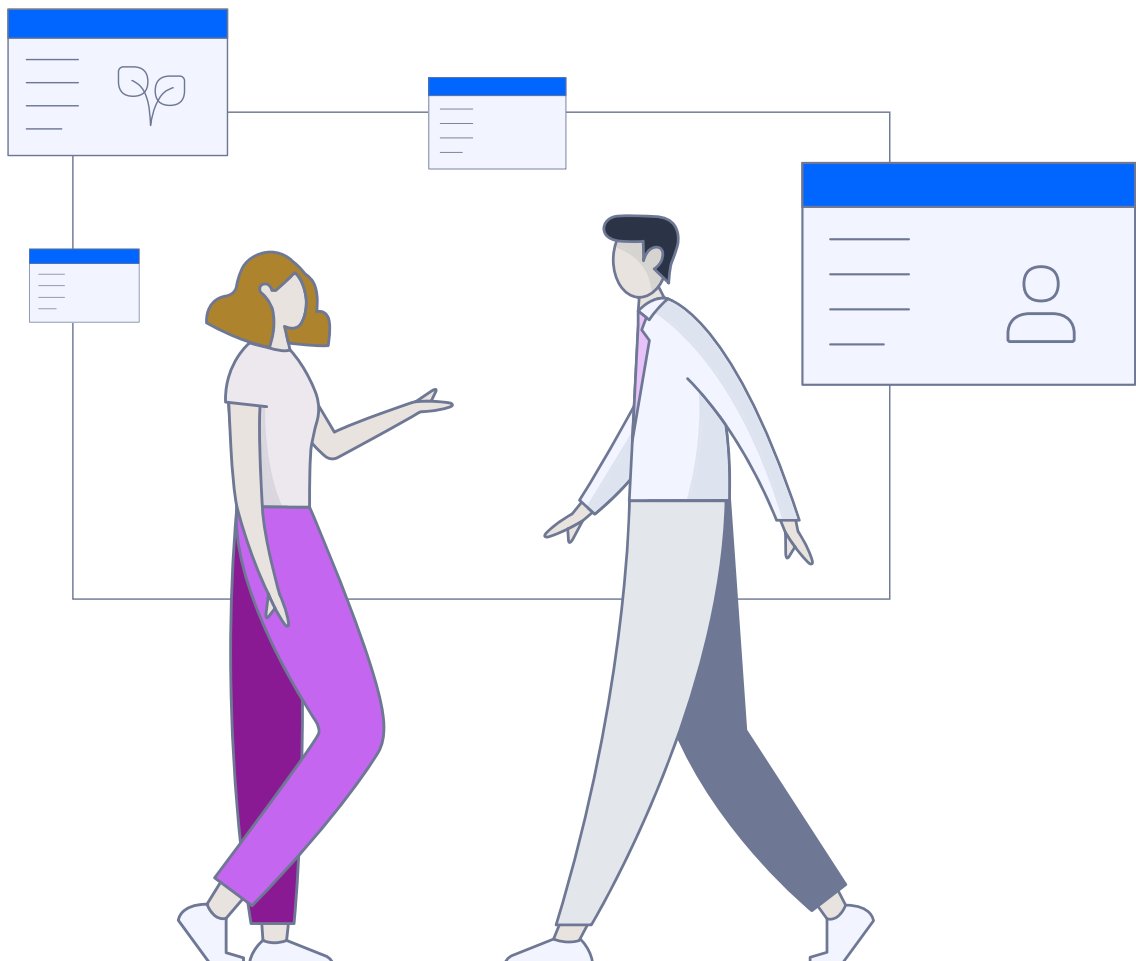
Monitoring and reporting

We review the effectiveness of our risk management and due diligence processes annually as well as on an ad hoc basis. We pay particular attention to assessing the effectiveness of preventive measures, remedial actions and the complaints procedure.

We use regular checks to assess whether our implementation is effective in terms of preventing or mitigating human rights and environment-related risks. We measure the progress made in our due diligence processes using suitable indicators.

We report on the progress made in implementing our risk management system and due diligence processes in our annual [non-financial sustainability reports](#) 📄.

From 2023, we will also report annually to the German Federal Office for Economic Affairs and Export Control (BAFA) on our implementation of the LkSG requirements. The report will also be published on our corporate website.



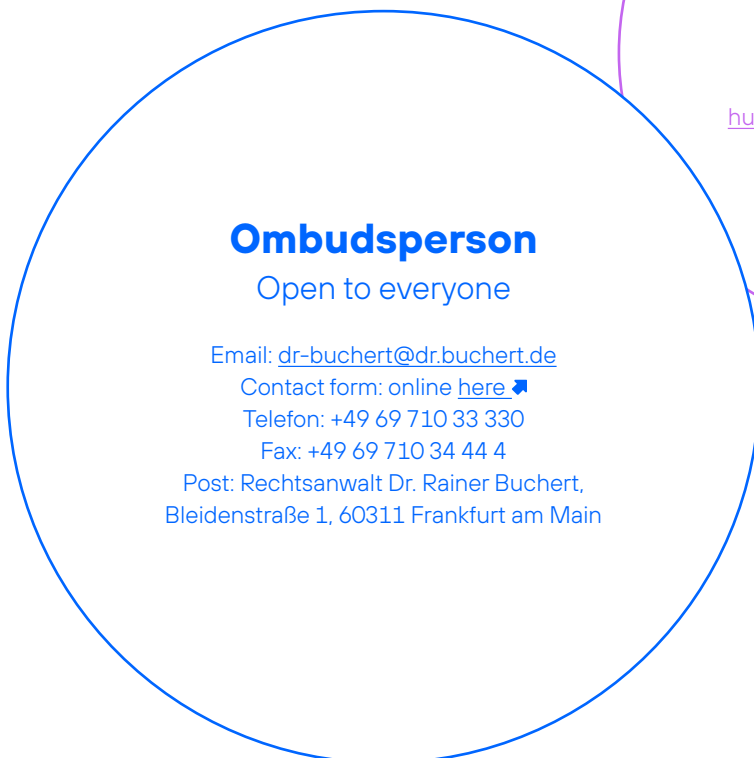
Complaints and remedial actions

Complaints procedure

We have set up a complaints procedure to offer our employees, suppliers, business partners, stakeholders, customers and other potentially affected parties the opportunity to report risks or violations to protect human rights and the environment. The procedure allows everyone who is potentially affected to report any risks or violations in our business or along our supply chain.

The complainant may speak for themselves or on behalf of other potentially affected people. Reports and complaints can be submitted in 21 languages.

Our complaints procedure consists of three reporting channels.



All complaints are treated confidentially and can also be submitted anonymously to the ombudsperson. We take all complaints seriously and investigate them carefully. It is a key concern for us to protect complainants from reprisals. For this purpose, all persons who are commissioned with the handling of complaints are contractually bound to secrecy and impartiality and are not bound by instructions. Personal information is never passed on to third parties.

While complaints are processed, we notify the complainant about the processing status and progress. If a complaint indicates an actual risk or violation, the expectations of those affected are taken into account when developing measures.

We consider complaints as an opportunity to continuously improve our risk management system and due diligence processes. We also review the effectiveness of the complaints procedure annually and on an ad hoc basis.

Detailed information about the complaints procedure and the rules of procedure can be found on our [company website](#) ↗.

Remedial actions

In the event that human rights or environment-related violations occur, we have developed a remediation concept to implement appropriate, immediate and targeted measures. We differentiate between violations in our own business and in the supply chain.

In our own business, we take immediate measures to end violations. For violations that occur in the supply chain, we work with our suppliers and business partners and use our ability to influence to end the violations. If we fail to see any improvement, we reserve the right to suspend or terminate the business relations as a last resort.

We are aware that, in some cases, we only have limited ability to influence along complex supply chains and cannot solve systemic problems on our own. We are therefore involved in international multi-stakeholder initiatives for transparency and sustainability in supply chains, such as the Public-Private Alliance for Responsible Minerals Trade (PPA), the Responsible Minerals Initiative (RMI) and the Joint Alliance for CSR (JAC), through the memberships of Telefónica S.A.

Stakeholder and rightsholder engagement

In the implementation of our risk management system and due diligence process, we consider the perspective of potentially affected and vulnerable groups on a continuous basis. It is important to us that the perspective and expectations of those affected are taken into account in the assessment of risks and violations, in the development of preventive measures and remedial actions, and in the processing of complaints.

Conclusion and adoption by the Management Board

We consider the implementation of our risk management system and due diligence processes as an ongoing task. We aim to continuously develop and improve our actions, processes and systems. We will regularly review this Declaration of Principles and update it as necessary.

19 December 2023



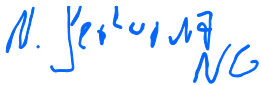
Markus Haas
Chief Executive Officer
Chairman of the Board of Directors of Telefónica Deutschland Holding AG
Member of the Executive Committee of Telefónica S.A.



Markus Rolle
Chief Financial Officer
Member of the Board of Directors of Telefónica Deutschland Holding AG



Valentina Daiber
Chief Officer Legal & Corporate Affairs
Member of the Board of Directors of Telefónica Deutschland Holding AG



Nicole Gerhardt
Chief Organizational Development & People Officer
Member of the Board of Directors of Telefónica Deutschland Holding AG



Andreas Laukenmann
Chief Consumer Officer
Member of the Board of Directors of Telefónica Deutschland Holding AG



Alfons Lösing
Chief Partner & Wholesale Officer
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