



TELEFÔNICA BRASIL S.A.

Climate Action Plan

July 2025



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01 Introduction: Climate Change

“Connectivity is the foundation upon which our business relies. That is why we work to make our network low-carbon and more efficient. We promote digitalization and connectivity as levers to help our customers develop their activities more efficiently and sustainably.”

Climate change is leaving increasingly visible marks on our planet. In 2024, Copernicus – the European Union’s climate monitoring service – confirmed that it was the hottest year ever recorded, with the global average temperature reaching 1.6°C above the pre-industrial level (1850–1900), surpassing for the first time the 1.5°C threshold defined in the Paris Agreement.

In Brazil, Cemaden – the National Center for Monitoring and Alerts of Natural Disasters – reported a record number of disaster alerts: 3,620 alerts, the highest since 2011.²

The 2024 data – global and Brazilian – are not merely alarming statistics; they are clear calls to action. Limiting warming to 1.5°C is more than a technical target: it is about preserving opportunities, livelihoods, biodiversity, and safety.

The IPCC Sixth Assessment Report (AR6 Synthesis Report: Climate Change 2023) highlights the urgent need for substantial action to limit global warming to 1.5°C above pre-industrial levels and avoid the worst effects of climate change. To achieve this target, **the report recommends reducing global greenhouse gas emissions by 43% by 2030 compared to 2019 levels**, aiming for a 60% reduction by 2035 and net zero emissions before 2050. de redução até 2035 e zero emissões líquidas antes de 2050.

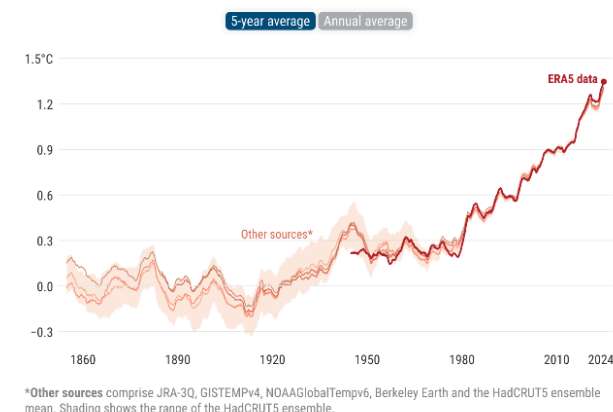
Science warns that global stability, across environmental, social, and economic aspects, will depend on joint efforts and coordination among governments, companies, **and society to restructure the current model of production and consumption into a low-carbon economy.**

Beyond reducing greenhouse gas (GHG) emissions, especially carbon dioxide (CO₂), the Science Based Targets initiative (SBTi) also considers neutralization as a transitional mechanism when applied to a maximum limit of residual emissions, through their removal from the atmosphere and storage in different forms.

Forests remain the most efficient and cost-effective known solution for capturing CO₂, in addition to other environmental services. Considering the interdependence between climate, biodiversity, and human society, nature conservation stands out as a key factor in addressing climate change. Without urgent mitigation and adaptation measures, these ecosystems will become increasingly threatened, **jeopardizing the health and well-being of current and future generations.**

Global surface temperature: increase above pre-industrial

Reference period: pre-industrial (1850–1900) • Credit: C3S/ECMWF



¹ Available at: <https://climate.copernicus.eu/copernicus-2024-first-year-exceed-15degc-above-pre-industrial-level>

² Available at: <https://www.gov.br/mcti/pt-br/acompanhe-o-mcti/noticias/2025/01/cemaden-registra-recorde-de-alertas-e-mais-de-1-6-mil-ocorrencias-de-desastre-no-brasil-em-2024>

³ Available at: <https://www.ipcc.ch/report/sixth-assessment-report-cycle/>

According to the SBTi, companies must set long-term science-based targets and reduce as much as possible – generally more than 90% – before 2050.

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Carbon is also present **in all goods used to sustain modern life on Earth**; therefore, the adoption of a circular economy that extends product lifespan and reincorporates waste into production cycles is also a decarbonization strategy. According to the Circularity Gap Report 2024, material management and use contribute 70% of global greenhouse gas (GHG) emissions. The extraction and use of these materials are still responsible for around 90% of biodiversity loss and water stress, since only 7.2% of the global economy is circular.

Incorporating the concept of circularity into business, especially in telecommunications, helps prevent emissions and biodiversity impacts due to the sector's high dependence on finite mineral resources. It is essential to anchor the sector's technological foundations in sustainable supply chains to ensure the socio-environmental value that connectivity represents for planetary benefit. Positive impacts for the environment occur when travel is replaced by remote activities or when resource optimization measures such as energy and water efficiency are applied in urban infrastructure, as well as in agricultural and industrial production, enabled by real-time data transmission.



Through **digitalization and Big Data and Internet of Things (IoT) services**, Telefónica Brasil facilitates this transition for businesses and society, offering solutions that help reduce customer emissions. Digital technologies can help reduce global emissions by more than 15% in sectors such as energy, industry, agriculture, construction, and transportation—and by up to 35% thanks to their ability to transform people's habits.

As a way of providing external accountability and internal guidance in achieving its objectives—both short-term and medium- to long-term—Telefónica Brasil has developed this Climate Action Plan. The Plan periodically presents the Company's greenhouse gas (GHG) emissions performance, the actions implemented, and its decarbonization roadmaps. The Plan reflects the Company's continuous effort to address the challenges of the climate crisis in an integrated manner, with responsibility, innovation, and cooperation, reinforcing that the **#FuturoVivo** (LivingFuture) depends on the actions and choices we make today.

The Plan is structured into **three main models**, aligned with the business and with the emission scopes: **Operational, Value Chain, and Commercial Models**. In addition, it includes cross-cutting pillars in the **Economic and Governance models**, which guide and enable the Company's transition toward a low-carbon economy.

⁵ The report can be accessed at: <https://www.circularity-gap.world/2024#download>

⁶ The report can be accessed at: <https://www.weforum.org/stories/2019/01/why-digitalization-is-the-key-to-exponential-climate-action/#:~:text=Connectivity%20will%20be%20a%20key,EU%20and%20the%20US%20combined.>

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02 About Telefônica Brasil

We are Telefônica Brasil S.A., the largest telecommunications company in the country, **with more than 33,000 direct employees and approximately 101,000 allies**, as we refer to our service providers and contractors. Currently, the Company offers a broad and diversified portfolio of mobile and fixed telephony services, mobile data, broadband internet (fiber to the home – FTTH), ultra-broadband, pay TV, information technology, and digital services throughout the national territory, providing a digital ecosystem that attracts more than 116 million accesses.

We market our services and solutions under the Vivo brand, recognized as one of the most valuable in Brazil across all industries. We have become a digital hub that facilitates customer access to services in various areas such as entertainment, digital security, finance, health, and education, in addition to providing fixed and mobile telecommunications services nationwide, with a complete and convergent product portfolio for B2C and B2B customers.

We maintain absolute leadership in the mobile segment, with 102.4 million lines in operation, corresponding to 38.8% of all active lines in Brazil. **Our 4G network covers 96.8% of the population, while our 4.5G network covers 92.3%**, ensuring the differentiation of our network compared to the main competitors.

In fixed operations, in the first quarter of 2025, we reached more than 29 million homes passed (HPs) with fiber-to-the-home (FTTH) technology in 444 cities. In addition, all cities with FTTH technology also offer fiber-based TV (IPTV), aiming to deliver the best speed and customer experience.

All of this is driven by our purpose of “Digitizing to Bring People Closer” – connecting individuals, businesses, and society as a whole, building a more connected nation, and transforming the lives of Brazilians. We strive to enhance our customers’ autonomy, personalization, and real-time choices, placing them in control of their digital lives with security and reliability – with the quality that only Vivo provides.

In the capital markets, we are a publicly traded company with common **shares listed on B3 – Brasil, Bolsa, Balcão, under the ticker VIVT3, and on the New York Stock Exchange through the trading of American Depositary Receipts (ADRs), under the code VIV.**

Our controlling shareholder is the Telefónica Group, one of the largest telecommunications conglomerates in the world, with a presence in Europe and Latin America.

02 About Telefônica Brasil



About this Plan

This plan will be updated periodically, or in shorter intervals if necessary, and must be approved by the Company's Board of Directors, through the reporting of the Quality and Sustainability Committee, and made available on its Investor Relations website.

Telefônica Brasil will receive feedback from external stakeholders, including investors, on the plan through the Sustainability email: sustentabilidade.br@telefonica.com

Plan Models

The Climate Action Plan of Telefônica Brasil is guided by five fundamental models, which define the roadmap to achieve its short-, medium-, and long-term climate objectives.



Operational Model

Aims to generate efficiencies in Telefônica Brasil's internal processes with the objective of reducing Scope 1 and Scope 2 emissions, as well as compensating for and neutralizing those that have not yet been possible to avoid.



Value Chain Model

Addresses Scope 3 emissions through the engagement and development of suppliers and manufacturers and by applying circularity criteria in the procurement of equipment and materials.



Commercial Model

Encourages Telefônica Brasil to develop and offer digital products and services that enable the reduction of emissions generated by customers and promotes conscious consumption, so that consumers apply sustainability criteria in their purchasing decisions.



Economic Model

Encompasses tools for investment in operational efficiency and the internalization of the carbon price as levers to support decision-making and the financial analysis of climate change.



Governance Model

Transversal across the entire Company, guiding the other models. Telefônica Brasil operates under governance supported by solid pillars aimed at achieving goals related to priority themes in its strategy, which include climate objectives. Within this model, the Company also recognizes its ability to influence society and establishes alliances with groups aligned with its interests in order to foster discussions and actions to combat climate change.

03 Our Strategy (SDG 13)

About Our Decarbonization Journey

Our decarbonization journey began in 2010, when we started monitoring our greenhouse gas (GHG) emissions. Since then, we have prepared our annual emissions inventory, following the methodological guidelines of the GHG Protocol, based on the principles of relevance, completeness, consistency, transparency, and accuracy.

Given the climate urgency to limit global warming to 1.5°C, we have intensified our efforts to reduce emissions, establishing ambitious targets soon after the signing of the Paris Agreement. Telefónica Brasil is committed to reaching net zero emissions by 2035, **reducing Scope 1, 2, and 3 emissions to a residual level compatible with this scenario and neutralizing remaining emissions.**

Our decarbonization journey includes short-term (2025), medium-term (2030), and long-term (2040) targets, validated by the Science Based Targets initiative (SBTi). By advancing the Net Zero goal by five years—an unprecedented step for large companies in the sector—the Company established a medium-long-term objective (2035), demonstrating its commitment to continuous progress.

⁷ Available at: <https://www.stockholmresilience.org/research/planetary-boundaries.html>

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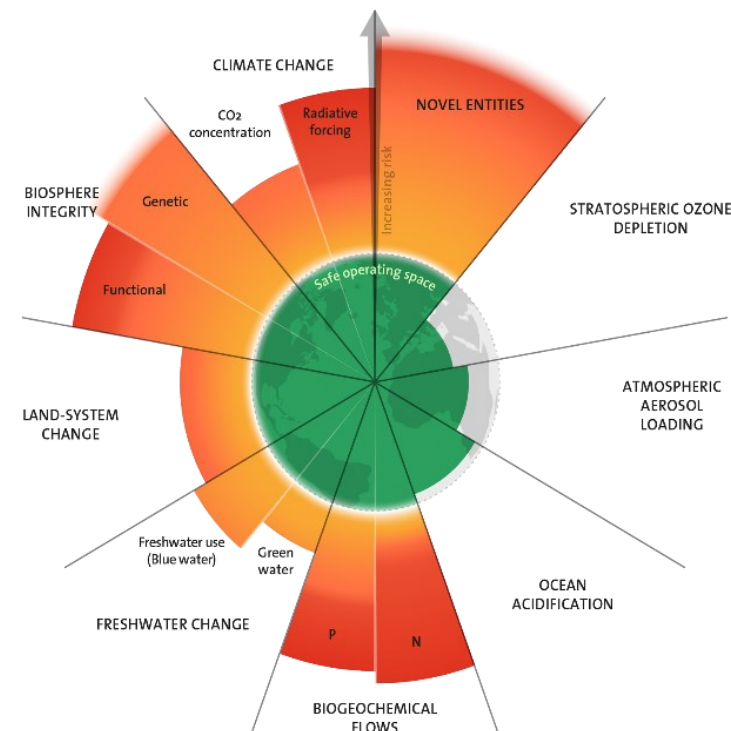
Biodiversity (SDG 15)

Biodiversity, also known as the diversity of life, refers to the variety of organisms on Earth, including fauna, flora, bacteria, fungi, and the ecosystems that shelter them. **This diversity is essential for the health of the planet and human well-being, as it provides critical ecosystem services such as water availability, clean air, and fertile soil for food production.**

However, human actions have exceeded the biophysical limits of the Earth system, undermining humanity's ability to operate safely. In 2009, a group of scientists led by Johan Rockström identified nine safe boundaries that are crucial to maintaining planetary stability, known as planetary boundaries. In 2023, these scientists quantified all boundaries and found that six out of nine had been surpassed. **This indicates that Earth is approaching critical tipping points, resulting in biodiversity loss, global temperature rise, and ocean acidification.**

Therefore, we must act to prevent Earth from exceeding safe boundaries.

Telefónica Brasil recognizes the importance of biodiversity as an essential pillar for the planet's health and for sustainable development. To this end, the Company adopts practices to minimize impacts on biodiversity and contribute to the **conservation of ecosystems through investments in forest restoration and protection projects in the Amazon biome.**



⁷ Available at: <https://www.stockholmresilience.org/research/planetary-boundaries.html>

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Our Journey in Biodiversity

Telefônica Brasil's first step in support of biodiversity occurred in 2022, when we signed the Business Commitment for Biodiversity. This commitment aims to highlight the importance of biodiversity and ecosystem services for companies, as well as to demonstrate the fundamental role they can play in the conservation and sustainable use of these resources, through sustainable consumption and production standards.

Telefônica Brasil has committed to the following targets:

Target 01

Incorporate biodiversity as a principle of responsible business.

Target 02

Apply the mitigation hierarchy in network deployment, operation, and maintenance activities.

Target 03

Acknowledge that everything is interconnected: forests, climate, and biodiversity.

In 2023, the Company conducted a study to assess the environmental risks and impacts of telecommunications activities, both direct and indirect. **The focus of the assessment was to evaluate the impact on biodiversity, considering the infrastructures required in natural areas.** Stores, administrative buildings, and distribution centers were excluded, as they are located in urban areas where the impact on biodiversity is less significant.

The study focused on **Radio Base Stations (RBS)** and Backbones, which support signal transmission.

The assessment identified potential impacts that RBS and Backbones may cause to biodiversity, especially regarding electromagnetic structures and land use. Below are some of the direct impacts identified:



Land use and habitat fragmentation:

The installation of RBS and the expansion of Backbones may cause habitat fragmentation. However, BTS occupy a relatively small area, which minimizes this impact. Furthermore, Backbones, being linear structures, also present a low environmental impact in this respect.



Electromagnetic radiation:

RBS emit non-ionizing radiation, mainly in the radio frequency range. Although research on the effects on biodiversity remains inconclusive, ongoing monitoring is crucial.



The main impacts on biodiversity are associated with environmental degradation during raw material extraction and infrastructure installation. The extent and severity of these impacts vary depending on the location and the application of the mitigation hierarchy.

Although the direct impact identified in Telefônica Brasil's operations is considered low, the Company's nationwide presence implies that adverse effects may occur across all Brazilian biomes. Therefore, we are committed to engaging partner companies in actions that prevent deforestation related to their activities and, when unavoidable, guiding them on the principles of mitigation (minimize, restore, and compensate).

In 2024, we committed to incorporating the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) to assess and disclose nature-related risks and opportunities. As we have done with climate-related issues, our goal is to integrate biodiversity into business decisions and strategic planning. As part of this alignment, in July 2024 we revised our Environmental Policy and incorporated the commitment to biodiversity protection, **which unfolds into six actions, including the application of the mitigation hierarchy, impact and dependency analysis, and the prevention of deforestation in our own activities and throughout the supply chain.**

In our journey to incorporate TNFD recommendations into our governance and business model, the Company is conducting a new study aimed at understanding impacts and dependencies related to biodiversity.

Through these initiatives, we reaffirm our commitment to sustainability and biodiversity protection, recognizing that environmental responsibility must be a strategic priority in our operations. By integrating TNFD recommendations and deepening our understanding of the Company's impacts and dependencies, we are not only strengthening our governance but also actively contributing to a more sustainable future. This approach not only mitigates risks but also opens opportunities for innovations that respect and preserve the planet's natural wealth, fostering balanced and responsible development.

05 Nature-Based Solutions

Nature-Based Solutions consist of actions aimed at the protection, restoration, management, and sustainable use of natural resources. These solutions leverage the intrinsic capacity of nature, in contrast to conventional engineering. In addition, they play a fundamental role in combating climate change.

The IUCN (International Union for Conservation of Nature), in its publication “Nature-based solutions for climate change mitigation”, estimates that Nature-Based Solutions, when applied across all ecosystems, can deliver emissions reductions and removals of at least 5 GtCO₂e per year by 2030. This figure may increase to at least 10 GtCO₂e per year by 2050.

While working to reduce CO₂ emissions across all three Scopes, **Telefônica Brasil offsets its residual emissions through investment in preservation and restoration projects in Brazilian forests.**

Solutions that Preserve Ecosystems

Forest protection is a crucial strategy in combating climate change. Forests store a significant amount of carbon dioxide and, when destroyed or damaged, **can become a source of greenhouse gas emissions.**

According to the IUCN, reducing emissions through the prevention of natural ecosystem loss and degradation is one of the most effective and cost-efficient solutions available. This approach is consistent with the mitigation hierarchy for biodiversity impacts, which establishes that impacts **must first be avoided; if that is not possible, they must be minimized; and when they occur, restoration must be implemented.**

Aligned with our objective of limiting global warming to 1.5°C, Telefônica Brasil invests in REDD+ projects (Reducing Emissions from Deforestation and Forest Degradation).

⁸ United Nations Environment Programme and International Union for Conservation of Nature (2021). Nature-based solutions for climate change mitigation. Nairobi and Gland.

Solutions that Restore Ecosystems

To limit global warming to 1.5°C, **it is essential to reach Net Zero as quickly as possible**. According to SBTi's Corporate Net-Zero Standard, achieving "net zero emissions" means balancing the emissions generated by a company with those it removes or eliminates from the atmosphere. The Net Zero commitment, as established by SBTi, is based on two main premises:



Reducing GHG emissions to a level consistent with the **1.5°C scenario of the Paris Agreement**;



Neutralizing residual emissions by permanently removing an equivalent amount of CO₂ from the atmosphere, **through carbon credits or by developing nature-based solutions**.

Considering the Company's goal of becoming Net Zero by 2035, since 2021 we have invested in projects that restore ecosystems, thereby contributing to the removal of CO₂ from the atmosphere.

Established Criteria

Land tenure compliance

- Projects located in areas that are regularized (with land ownership and usage rights) and in compliance with established laws and regulations.

Permanence

- Evidence that the project will be maintained over time – long-term impact.

Additionality

- Demonstrating that the project would not occur without the incentive provided by carbon credits.

Certified projects

- Projects certified under **nationally or internationally recognized** accreditation schemes and verified by an accredited independent third party. These programs must have a registry to uniquely identify, record, and track the carbon credits issued.

Location

- Projects **preferably** located in Brazil.

Co-benefits

- Projects that provide additional **environmental and social benefits**, aiming to contribute, whenever possible, to the achievement of the Sustainable Development Goals (SDGs), while respecting the rights of local communities and Indigenous peoples.
- Projects that promote the **conservation and enhancement of biodiversity**.

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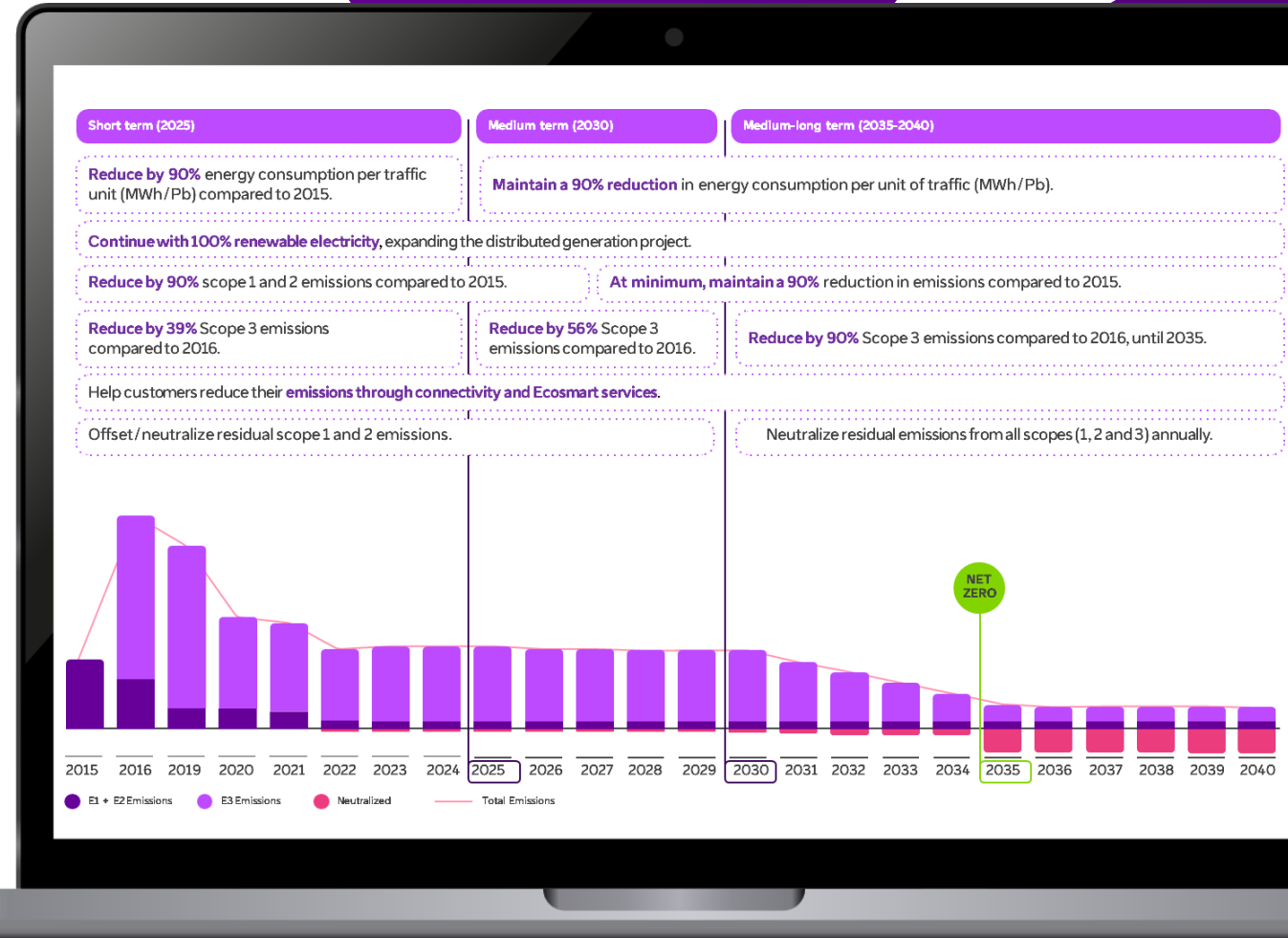
Our Goals and Metrics

Telefônica Brasil has established ambitious targets to reduce its greenhouse gas (GHG) emissions, aligned with scientific recommendations and the Paris Agreement. The Company is committed to achieving net zero emissions by 2035, which involves **reducing Scope 1, 2, and 3 emissions to a residual level consistent with the 1.5°C scenario, in addition to neutralizing the remaining emissions.**

Our decarbonization journey considers **short-term (2025), medium-term (2030), and long-term (2040)** objectives, validated by the Science Based Targets initiative (SBTi) at the Group level.

By advancing the goal of becoming a Net Zero company to 2035,

the Company has established a medium-long-term objective. This goal bridges the Company's medium- and long-term objectives, which have been validated by science. In doing so, the Company demonstrates its continuous progress and its ability to adapt to changes in the **technological, economic, and regulatory environment.**



07 Accounting and Reporting

Telefônica Brasil conducts monthly monitoring of its Greenhouse Gas (GHG) emissions

Telefônica Brasil conducts monthly monitoring of greenhouse gas (GHG) emissions from more than 36,500 pieces of equipment and 5,000 vehicles across Brazil, with all flex-fuel models operating exclusively on ethanol since 2022. The results of this monitoring are presented quarterly to senior management, enabling continuous tracking of progress against the annual emissions reduction target. Emission targets **are rigorously overseen** by senior leadership and integrated into the Company's operations, thereby promoting sustainable growth.

In line with the principle of transparency, since 2010 Telefônica Brasil has reported its emissions through the Public Emissions Registry of the Brazilian GHG Protocol Program, having received the Gold Seal since 2012. In addition to the GHG inventory, avoided emissions resulting from renewable energy consumption and implemented energy efficiency initiatives **are calculated and verified annually**.

Characteristics of Our Emissions

In 2024, Telefônica Brasil's absolute emissions **totaled approximately 372 thousand tCO₂e**.

Scope 01

26.3 thousand tCO₂e:

Direct emissions from Telefônica Brasil. These emissions are associated with the Company's operational processes and include emissions from fuel consumption in generators (stationary sources) and the vehicle fleet (mobile sources), as well as fugitive emissions from fluorinated gases used primarily in air-conditioning equipment and in fire suppression gases.

Scope 02

(market-based)
0 tCO₂e:

Indirect emissions from Telefônica Brasil related to the purchase of electricity from renewable sources (100%).

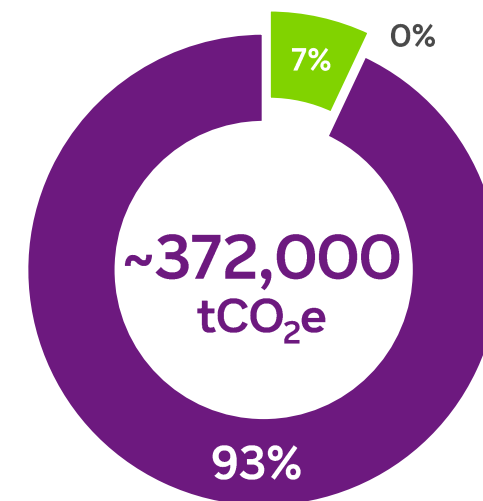
Scope 03

345.5 thousand tCO₂e:

Value chain emissions (Scope 3) account for an impressive 93% of our total emissions. In this context, the supply chain—covering the procurement of products, services, and capital goods—is the main contributor, representing 80% of Scope 3 emissions. In addition, emissions generated by the use of products sold to customers account for 16%. Activities related to energy consumption and business travel each represent 2% of this total.

Total CO₂ Emissions 2024

- Direct Emissions (Scope 1)
- Indirect Emissions (Scope 2)
- Indirect Emissions (Scope 3)



⁹ The achievement of this target impacts up to 5% of all executives' bonuses and influences the profit-sharing program for other employees, assigning the topic the highest priority within the Company. For more information, see the Governance Model.

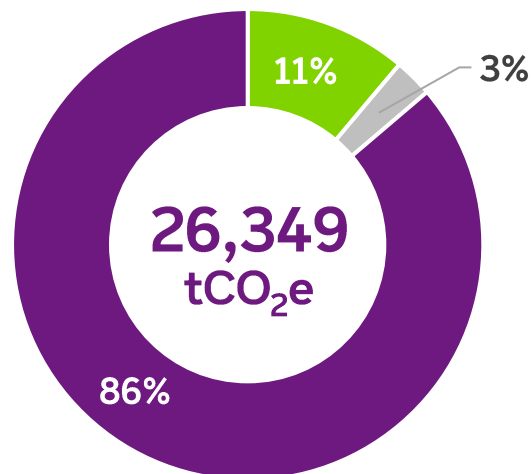
¹ Telefônica Brasil's absolute emissions include Scope 1 (Kyoto and Montreal), Scope 2 (market-based), and Scope 3 emissions.

Operational and Electricity Emissions

Scope 1, which covers the Company's operational emissions, represents 7% of total absolute emissions. Within this scope, fugitive emissions stand out as the main source, accounting for 86% of emissions, due to the use of cooling systems for telecommunications equipment.

Scope 1 Emissions (tCO₂e)

- Mobile combustion
- Stationary combustion
- Fugitive emissions



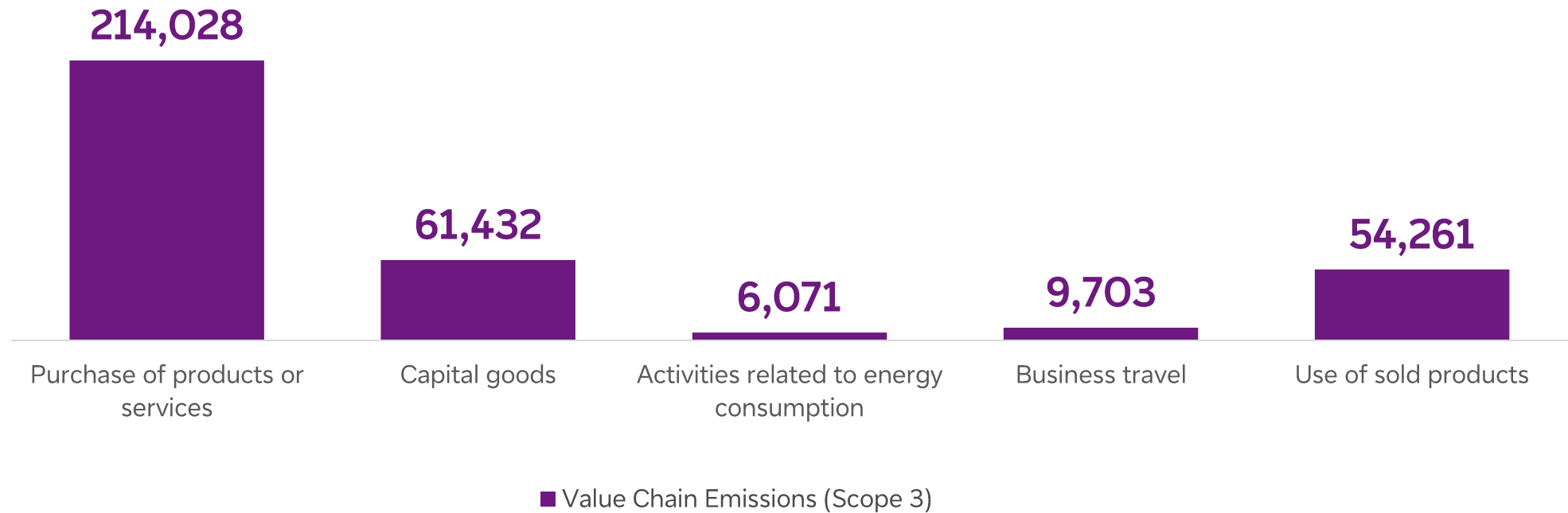
Telefônica Brasil's fugitive emissions consist of gases regulated by the Kyoto Protocol, which account for 36%, and gases regulated by the Montreal Protocol, representing 64%. Among the gases associated with Kyoto, FM 200 (HFC-227ea) stands out as a fire suppression agent that, despite its effectiveness, has a high Global Warming Potential (GWP). In 2024, this gas was responsible for approximately 5% of Telefônica Brasil's operational emissions. The Company's most significant challenge lies in gas R22 (HCFC-22), which in the same year accounted for 55% of Scope 1 emissions.

Scope 2 emissions, in turn, refer to indirect emissions resulting from electricity consumption in operations. More than 90% of Telefônica Brasil's electricity consumption is dedicated to maintaining technical infrastructures such as radio base stations and fixed and mobile telephony exchanges. Adopting a market-based approach, Telefônica Brasil has reduced its CO₂ emissions related to electricity (Scope 2) to zero, by using 100% electricity from renewable sources. However, considering the location-based approach, the Company's emissions would be equivalent to 85,776 tCO₂e.

Value Chain Emissions

Value chain emissions (Scope 3) represent the main source of emissions, accounting for **93% of the Company's absolute emissions**.

Value Chain Emissions (Scope 3)



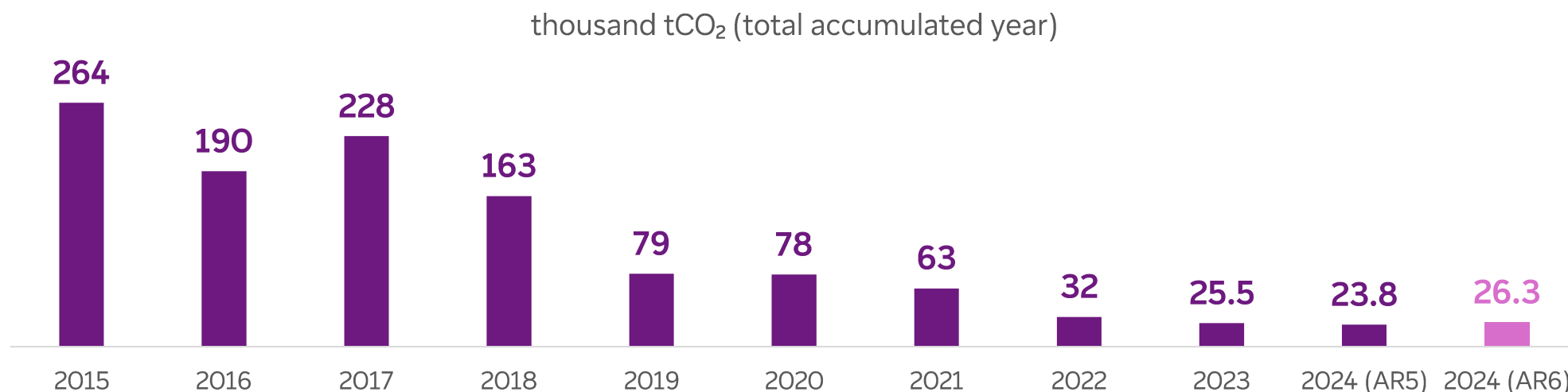
Performance (2024 vs 2023)

The year 2024 was marked by significant challenges, driven by the intensification of the frequency and severity of extreme climate events in Brazil, along with record global average temperatures. The country faced severe impacts, such as devastating floods in Rio Grande do Sul, historic droughts in the rivers of the Pantanal and the Amazon, and wildfires that ravaged several biomes. **These events caused profound social damage, directly affecting the lives of millions of Brazilians.**

In response to this climate emergency, and in alignment with the principle of transparency and the Telefónica Group's best practices, the Company began using the Global Warming **Potential (GWP) values from the Sixth Assessment Report (AR6) to account for its greenhouse gas (GHG) emissions.**

Despite the challenging scenario and the increase in emission factors, in 2024 the Company **managed to maintain the level achieved in 2023, reaching a 90% reduction in operational emissions (Scopes 1 and 2) compared to the 2015 baseline year.**

Compared to the previous year, before the update of emission factors to AR6, Vivo achieved a reduction of **approximately 7% in its Scope 1 and 2 emissions in 2024, demonstrating its effective contribution to a low-carbon economy.** This result stems from a series of initiatives implemented in recent years, consolidated under the Operational Model.

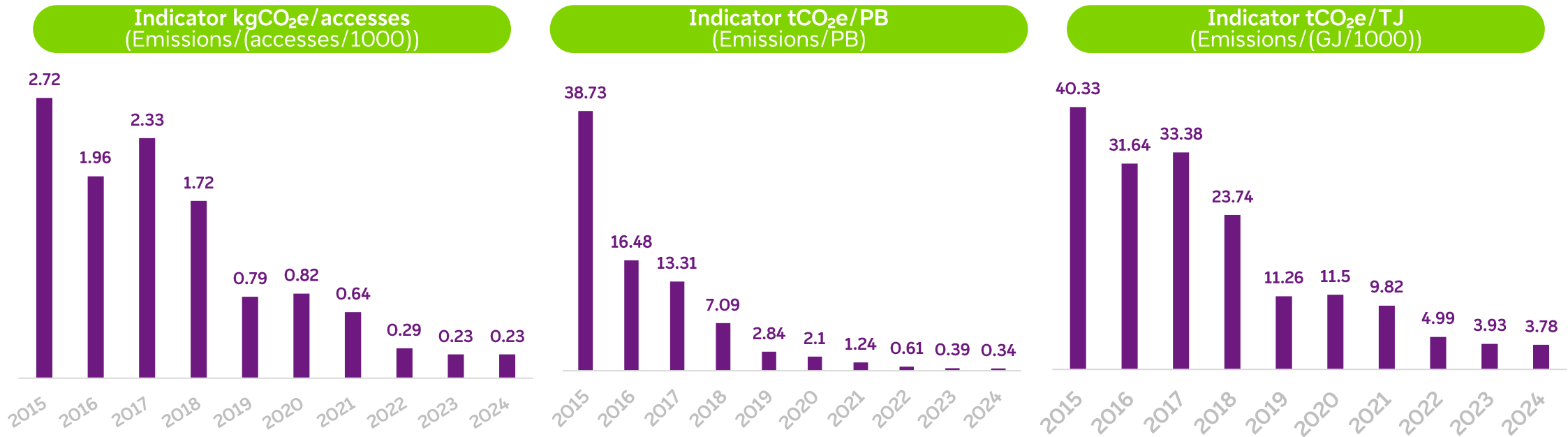


The table below provides a detailed overview of Telefônica Brasil's progress in relation to its climate targets.

	Performance		Target	Progress ¹¹
	2023	2024		
Total Emissions Reduction	61%	55%	90% by 2035	61%
Reduction of Scope 1 and 2 emissions	90%	90%	90% by 2025	100%
Compensation of residual Scope 1 and 2 emissions	100%	100%	100% by 2025	100%
Renewable energy in own operations	100%	100%	100% by 2030	100%

Emission Intensity Indicators (Scope 1 and 2 (Market-based))

Emission intensity indicators are used to assess the impact of the Company's operations, providing a clear view of process efficiency and the effectiveness of the sustainability strategies implemented.



¹¹ Progress toward the target

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08 Operational Model

Although Telefônica Brasil's business model is not carbon-intensive, the Company depends on electricity to keep data transmission and switching networks running. **Therefore, maintaining stable electricity consumption despite the increasing digitalization of society and growing data traffic on networks is one of Telefônica Brasil's greatest challenges.**

One of Telefônica Brasil's priorities in its climate strategy, aligned with the Company's Environmental Policy, **is the reduction of operational emissions, decoupling greenhouse gas (GHG) emissions from business growth.** To this end, the Company relies on an Operational Efficiency Plan, which includes a set of measures to mitigate its own emissions. These actions include reducing fossil fuel use (e.g., reduced fuel consumption in generators), modernizing machinery and equipment, managing refrigerant gases, and adopting renewable alternatives in its operational fleet.

In 2024, Telefônica Brasil obtained approval from the Federal Court of Accounts (Tribunal de Contas da União – TCU) to change the fixed-line telephony concession regime to a private authorization regime. **This transition provides the Company with greater flexibility, allowing it to focus its investments on more efficient areas that promise higher financial returns.**

With the formalization of the agreement with Anatel, Telefônica Brasil committed to investing approximately R\$ 4.5 billion in infrastructure improvements. These resources will be allocated to both the maintenance and expansion of networks, with the goal of benefiting regions with lower coverage and competitiveness.

As a result of this migration, Telefônica Brasil launched projects to improve its operational efficiency. **More than 1,900 sites were identified as having potential to be consolidated or decommissioned,** which not only generates operational and energy efficiency but also contributes to carbon emissions reduction by eliminating emission sources such as generating and cooling equipment. **In 2025, the Company carried out decommissioning in 12 of these locations and plans to complete another 200 sites by the end of 2026.**

Our Energy Approach

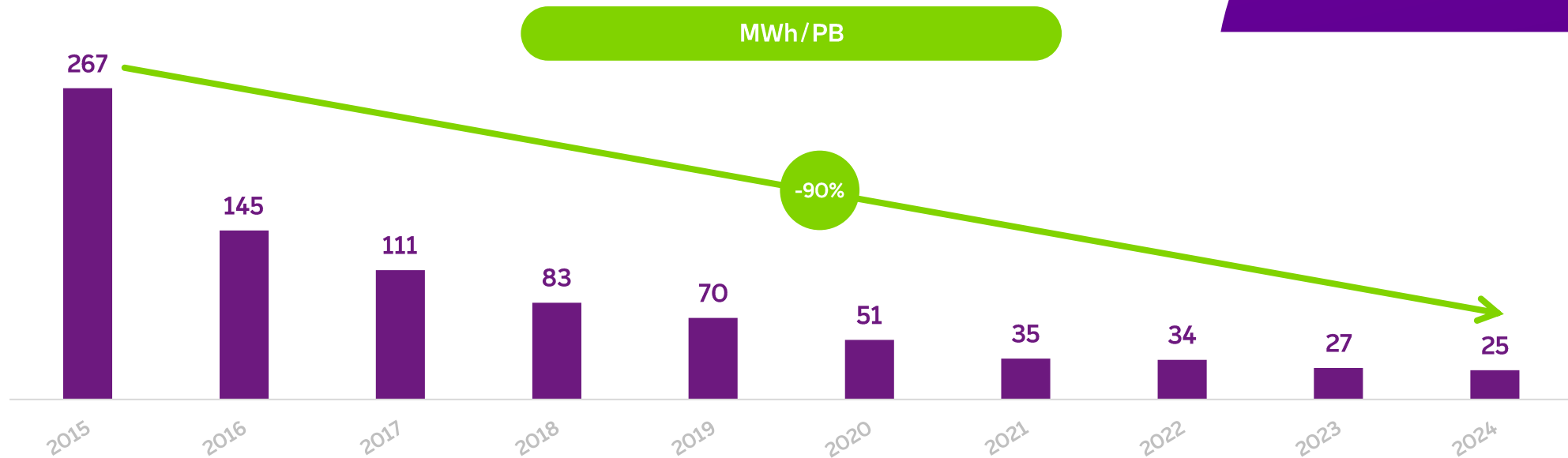
Telefônica Brasil recognizes that energy is an essential resource, not only to ensure the continuous operation of its extensive telecommunications network but also to provide quality service to the millions of customers who rely on it.

As part of its commitment to sustainability, the Company was a pioneer in Brazil and within the Telefónica Group outside Europe by achieving the goal of consuming 100% renewable energy. This milestone, reached 12 years ahead of the original target, reflects the Company's engagement in adopting sustainable practices.

One of the Company's priorities is to maintain stable electricity consumption despite the growth of digitalization and the increase in network data traffic. This challenge has been successfully addressed through the Energy Efficiency **Plan** and the **Renewable Energy Plan**, which include a wide range of actions from infrastructure modernization to self-generation of electricity.

Energy Intensity

The Company's Energy Intensity assessment considers energy consumption within the organization, including fleet and operational fuel, as well as electricity, in relation to traffic (MWh/PB). **In 2024, the Company achieved a significant milestone in this indicator, with a 90% reduction compared to the 2015 baseline year. The challenge now is to maintain this level in the coming years..**



Energy Efficiency Plan

Telefónica Brasil aims to make its telecommunications network more energy efficient. To this end, the Company relies on the **Energy Efficiency Plan**, which drives projects focused on Network Transformation, Equipment Modernization, Consolidation and Optimization, and Power Saving Features (PSFs).

In 2024, the Company implemented 33 Energy Efficiency and Management projects across networks and offices. **These projects enabled savings of 68 GWh and avoided the emission of more than 3 thousand tCO₂e into the atmosphere. Since 2020, the execution of these projects has helped avoid the consumption of approximately 344 GWh, generating estimated savings of €86 million.**

Network Transformation:



Project aimed at deactivating 2G and 3G networks, consolidating equipment, reconfiguring sites, and replacing copper networks with fiber optics, which are 85% more efficient. In addition, studies show that 5G technology is up to 90% more efficient than 4G in terms of energy consumption per traffic unit.

Modernization of Obsolete Equipment:



Project involving the replacement of obsolete equipment with more efficient options that incorporate technological innovation in electrical infrastructures (cabinets, primary substations, UPS) as well as in cooling infrastructure equipment such as chillers.

Consolidation and Optimization:



Project aimed at increasing the occupancy rate of technical spaces to levels that optimize facility efficiency. In addition, the Company is conducting a study of its current infrastructure in order to categorize sites based on their reliability and efficiency. This analysis will enable the development of consolidation projects and the transfer of loads from less efficient buildings to more efficient ones.

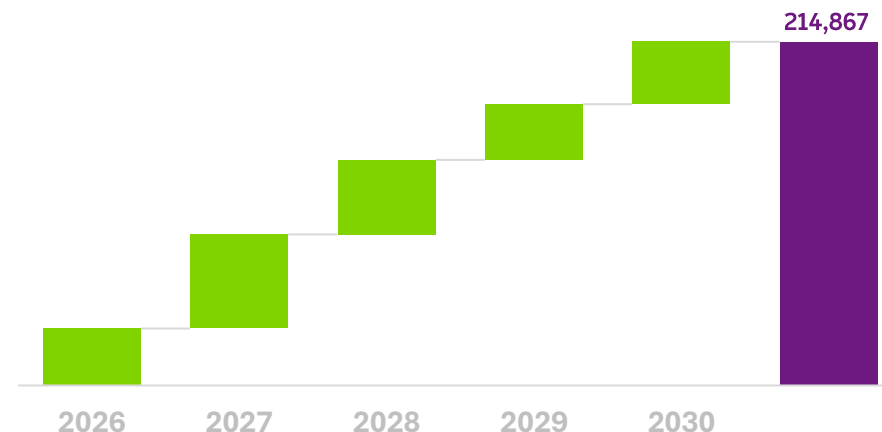
Power Saving Features (PSFs):



Systems designed to optimize energy consumption outside peak hours, with the potential to reduce electricity consumption by up to 20% without compromising network quality. In 2024, the Company implemented new PSF functions in 4G and 5G networks.

With the Energy Efficiency Plan, the Company projects achieving cumulative efficiency of more than 214 thousand MWh by 2030.

Efficiency (MWh)



¹² For more details, see - ericsson.com/es/blog/3/2021/1/achieving-sustainability-with-energy-efficiency-in-5g-networks e Nokia confirms 5G as 90 percent more energy efficient.

Renewable Energy Plan

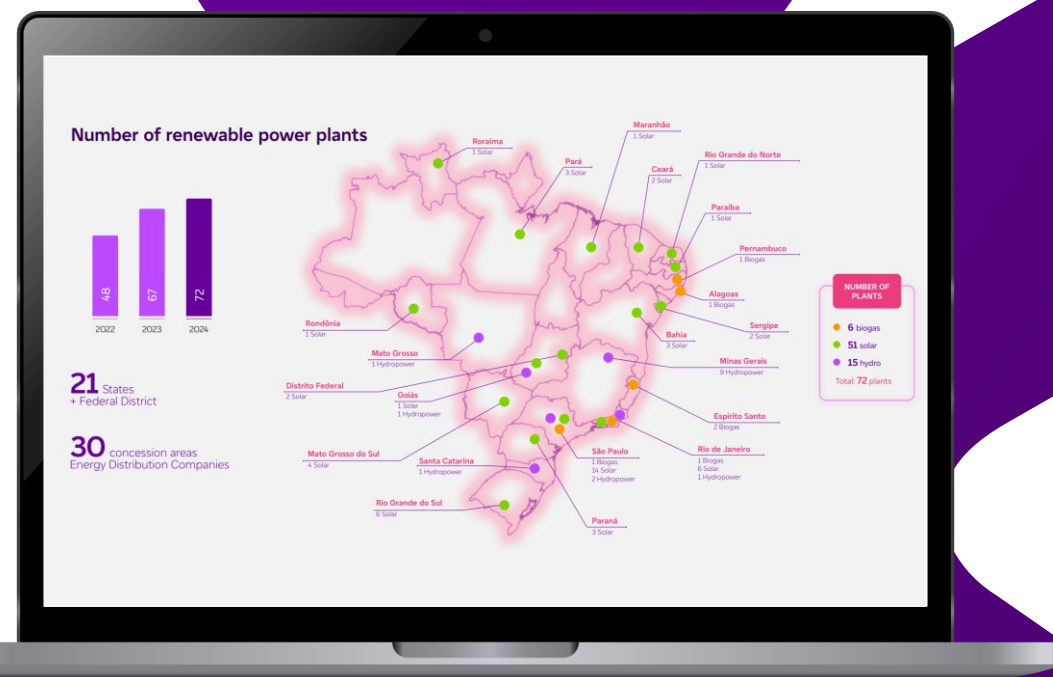
Since 2018, Telefônica Brasil has become a benchmark in sustainability by sourcing 100% of the electricity consumed in its operations from renewable sources. To maintain this commitment to renewable consumption, the Company focuses on diversifying and regionalizing its generation sources, ensuring supply reliability. This is achieved through a combination of incentivized energy purchases in the free market, self-generation of electricity, the distributed generation project, and the purchase of I-REC (International REC Standard) certificates for sites that have not yet been converted to one of the initial models.

Distributed Generation

Project involving the gradual installation of small solar, hydro, and biogas power plants instead of concentrating generation in large facilities. This model provides additional benefits beyond electricity generation, as it minimizes environmental impact, facilitates access for small generators, and fosters employment across the country, especially in disadvantaged rural areas. This initiative contributes to the gradual transition from the current economic model to a low-carbon and socially just model.

Currently, the Company operates **72 renewable power plants, consisting of 51 solar plants, 15 hydro plants, and 6 biogas plants, located across 21 states and the Federal District, producing around 646 thousand MWh per year — enough to supply 308 thousand households.** These plants not only diversify the Company's energy mix but also strengthen the country's electricity matrix, increasing its resilience to climate risks such as water scarcity.

Through a partnership established with Elera Renováveis in 2024, Telefônica Brasil began producing part of its electricity from renewable sources. This collaboration includes the installation of four solar parks in the Janaúba Solar Complex in Minas Gerais (MG), with a generation capacity of 508 MWh per year. With this initiative, the Company will meet up to 73% of its consumption in the free energy market, supplying up to 200 medium-voltage consumer units.



Strategic Actions Related to Operational Areas



Networks

The Company's network infrastructure concentrates the largest share of operational emissions, representing 86% of the total. Due to this relevance, the Networks area has the greatest potential for action and the largest number of projects aimed at reducing emissions, as listed below.

Reduction of Installed TR Load

As part of the ongoing operations optimization project, the engineering team is conducting a detailed study to improve the TR (tons of refrigeration) load, which measures the amount of heat a cooling system must remove to maintain the ideal temperature in environments, taking into account the reduction in the number of equipment units. Estimates suggest that by 2035, the project will result in the elimination of approximately 6,000 kilograms of refrigerant gas from the plant, representing a reduction of around 5.8% in the area's emissions.

Modernization and Efficiency

This project aims to identify equipment approaching the end of its useful life, characterized by a significant increase in maintenance stoppages. This situation not only causes service interruptions but also leads to high consumption of inputs, including refrigerant gases. The project proposes including such equipment in a replacement schedule, adopting new machines that are technologically more advanced, energy efficient, and that use environmentally friendly refrigerant gases. Through this project, the Company expects to remove approximately 26,000 kilograms of R22 gas from the plant, resulting in an estimated 13% reduction in the area's total emissions by 2035.

Gas Retrofit

The Company is making significant progress in sustainability by replacing R22 gas with R449c gas in its large-scale central equipment. This change is strategic, as R449c has a lower Global Warming Potential (GWP) compared to R22. With an annual plan to remove 1,000 kilograms of R22, the project aims to completely eliminate 10,000 kilograms of this gas from the plant by 2035. This replacement has the potential to reduce the area's total emissions by up to 5%.

Note: In compliance with the Montreal Protocol, which requires the ban on the production and import of hydrochlorofluorocarbons (HCFCs), such as R22, Telefónica Brasil will avoid purchasing this gas by 2030 and eliminate it from its infrastructure by 2035.

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Strategic Actions Related to Operational Areas

Decommissioning of Sites

With the recent approval for the authorization regime, the Company established a plan to optimize its operations by reducing the number of active sites. Decommissioning will contribute to more efficient operations and allow for the removal of obsolete equipment, such as telephony systems, cooling devices, and backup power generators. Estimates indicate that by 2035, this initiative will result in an 8.7% reduction in total network infrastructure emissions compared to the previous year. In addition, the project foresees the removal of 9,200 kilograms of refrigerant gas from the plant.

Energy Saving as a Service (ESaaS)

The ESaaS project represents an innovative approach to modernizing the Company's infrastructure by enabling the replacement of large-scale machines with more advanced models, in partnership with a specialized supplier. In this model, the partner assumes the initial investment, as well as the operation and maintenance of the newly implemented equipment. In return, the Company compensates the supplier based on the savings generated, with a particular focus on reducing electricity and input consumption. By 2035, approximately 8,000 kilograms of R22 gas are expected to be removed from the plant, contributing to a potential 4% reduction in the area's emissions.



Networks

In addition to the projects mentioned above, the Company is implementing additional initiatives, such as optimizing the mobile plant layout and improving the maintenance process. Collectively, these actions aim to reduce 2,500 kilograms of R22 installed in the plant, which may result in a 2% decrease in the area's operational emissions by 2035.

Note: In compliance with the Montreal Protocol, which requires the ban on the production and import of hydrochlorofluorocarbons (HCFCs), such as R22, Telefónica Brasil will avoid purchasing this gas by 2030 and eliminate it from its infrastructure by 2035.

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The Networks area is committed to reducing emissions from fuel consumption in its generators, which currently account for 3% of total operational emissions. To this end, it is implementing several innovative projects.

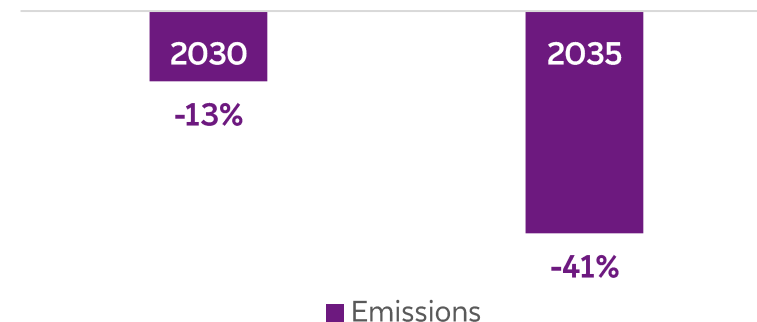
Renewable Diesel (HVO): Assessment of the acquisition of alternative fuels for generators, such as natural gas and Renewable Diesel (HVO – Hydrotreated Vegetable Oil).

Lithium Battery: The Company is exploring the use of Lithium Batteries, which can provide temporary power during outages, with the capacity to sustain operations for up to one hour. This solution allows delaying the activation of generators, thereby reducing fuel consumption.

BESS (Battery Energy Storage System): Project aimed at delaying generator activation. In this model, the Company will not bear the investment in batteries, as these would be provided by a commercial partner, including maintenance. Payment would be made to the supplier based on the efficiency generated by the system.

These initiatives reflect Telefónica Brasil's commitment to adopting sustainable and innovative solutions, contributing to the reduction of emissions and the transition to low-carbon operations.

Estimated CO₂ Emissions – Networks



Data Center

Within the scope of the Data Center (DC), a highlight is the expansion project of the Chucrí Zaidan DC, which will integrate the equipment from the Tamboré DC. This expansion will include the installation of 14 robust cooling machines, totaling approximately 4,000 kilograms of refrigerant gas installed by 2028.

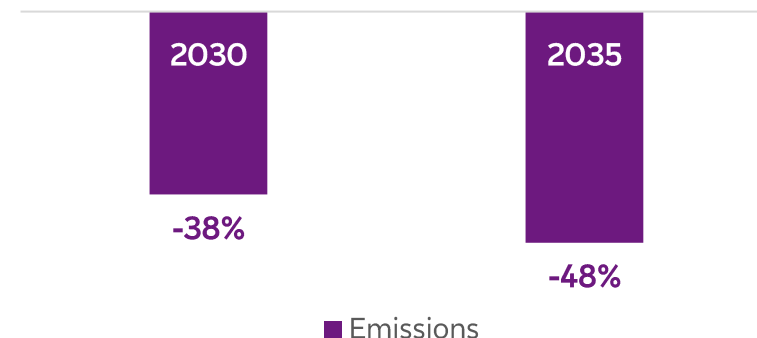
Additionally, due to the increase in the number of equipment, it will be necessary to expand the number of generators. This measure aims to ensure operational continuity and avoid interruptions during potential power outages.

With the expansion of the Chucrí Zaidan DC, the Company will optimize operational efficiency and data storage capacity. However, the migration will result in an initial increase in diesel and refrigerant gas consumption, leading to higher CO₂ emissions.

As part of the expansion and improvement project, the Company also plans to remove FM200 gas—known for its significant Global Warming Potential (GWP)—used in fire suppression. To ensure proper disposal of this gas, a considerable volume is expected to be allocated to quality testing, thereby guaranteeing the integrity of the cylinder contents.

During the expansion and improvement process of the Chucrí Zaidan DC, an increase in emissions is projected, especially in the first two years. However, by 2035, a 48% reduction in Data Center emissions is expected, as illustrated in the adjacent chart.

Estimated CO₂ Emissions – Data Center



Assets – Fleets

Actions for a More Efficient and Sustainable Fleet

Efficient Fleet Reallocation

With the growing demand for efficient logistics in remote regions, Telefônica Brasil is implementing a vehicle fleet reallocation strategy, with the main objective of avoiding an increase in the number of diesel-powered vehicles. **Diesel vehicles, especially 4x4 models that were previously allocated to urban areas, will be transferred to locations where their robustness and off-road capability are essential.** This change not only optimizes available resources but also prevents higher diesel consumption, reducing greenhouse gas emissions and reaffirming our commitment to sustainable practices. The Company's goal is to improve fleet performance, ensuring that operations are carried out with safety, efficiency, and a lower environmental impact.

Fleet Renewal: Less Fuel, More Efficiency

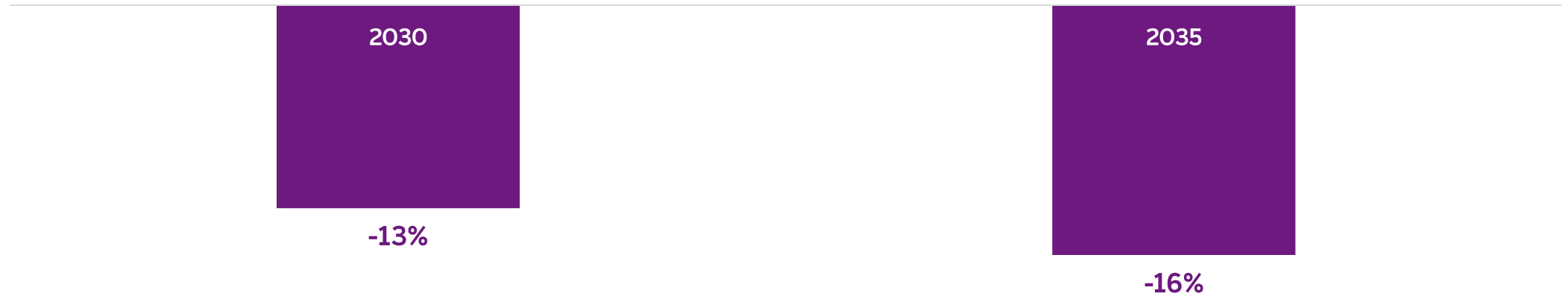
Aiming to enhance operational efficiency and promote sustainability, the Company is implementing a continuous vehicle renewal project, with the goal of updating 10% of the aggregated fleet annually. **This initiative will modernize our fleet with new, technologically advanced vehicles,** while also generating a significant environmental impact. It is estimated that this renewal will reduce annual fuel consumption by 80 thousand liters.

Expansion of the Electric Vehicle Fleet

In alignment with the Company's low-carbon commitment, Telefônica Brasil plans to acquire at least 200 electric vehicles in its next contract renewal, scheduled for 2027. **This initiative aims not only to modernize the Company's fleet but also to significantly reduce ethanol consumption, with estimated savings of approximately 40 thousand liters per month.** With the transition to electric mobility, the Company will not only reduce GHG emissions but also contribute to lowering particulate matter (PM), nitrogen oxides (NOx), and sulfur oxides (SOx). By implementing this strategy, the Company reaffirms its commitment to becoming a benchmark in environmental responsibility within the sector.

Telefônica Brasil is committed to optimizing its fleet by reviewing processes to promote more efficient resource use. **Currently, the Company operates a fleet of more than 5,000 vehicles across Brazil, all of which have operated exclusively on ethanol since 2022.** With the implementation of these initiatives, Telefônica Brasil projects a 16% reduction in fleet emissions by 2035.

Estimated CO₂ Emissions – Fleets



Projection of Emission Reductions

With the implementation of these projects in operational areas, Telefônica Brasil expects to achieve a significant reduction of up to 39% in Scope 1 emissions by 2035, compared to the last inventoried year, which is 2024.

Estimated CO₂ Emissions



09 Value Chain Model (Scope 3)

According to the SBTi initiative, value chain emissions are the most significant and challenging for most corporations. These emissions encompass all indirect emissions that occur both **upstream and downstream in a company's value chain**. They include everything from the extraction and processing of raw materials to manufacturing, logistics, distribution, use, and final disposal of products. Since these emissions occur outside organizations' direct control, their reduction requires joint effort and effective engagement throughout the entire chain, involving partners and suppliers.

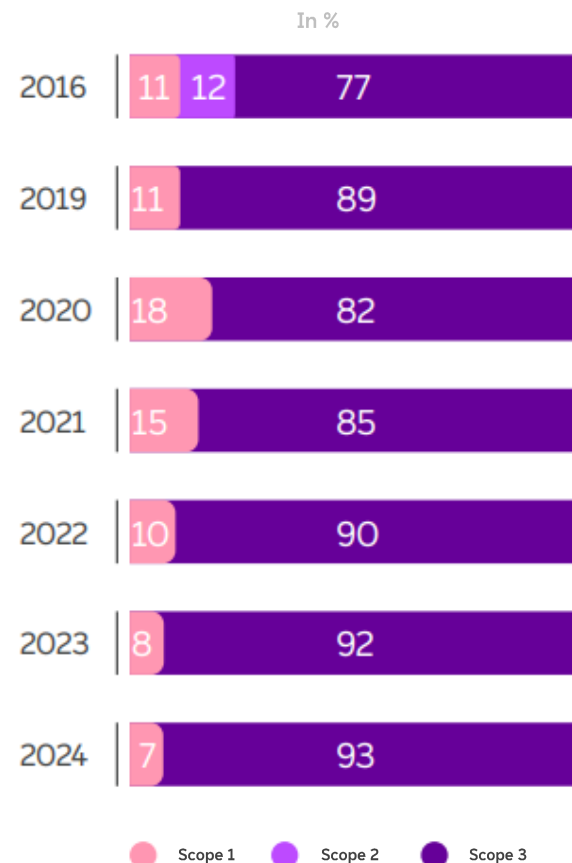
At **Telefônica Brasil**, the commitment to decarbonizing the operational model has been exemplary, resulting in reduced greenhouse gas emissions in Scopes 1 and 2. However, Scope 3 emissions have become even more significant. Although this indicator has shown a 46% decrease since the baseline year, it currently represents **93%** of the Company's total emissions, compared to 69% recorded in 2016.

Among the trends and best practices recommended by the **Science Based Targets initiative (SBTi)**, the implementation of procurement policies that incorporate sustainability and climate change criteria stands out. In addition, the initiative calls for supplier engagement, encouraging them to reduce their own emissions and to develop **more efficient** products aligned with the principles of the circular and low-carbon economy.

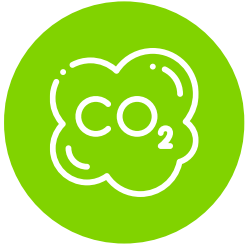
Currently, the purchase of products and services is **Telefônica Brasil's** main source of emissions, representing **80% of Scope 3 emissions**. Based on SBTi's recommended best practices, the Company has identified significant opportunities to achieve its emissions reduction targets through collaborations with suppliers. This includes the implementation of **environmental criteria** in procurement and the adoption of strategies to reduce material and resource consumption, such as extending the lifespan of electronic equipment. nas compras e a adoção de estratégias para reduzir o consumo de materiais e recursos, como o prolongamento da vida útil de equipamentos eletrônicos.

Additionally, **Telefônica Brasil** actively engages in working groups, recognizing that cross-sector collaboration is the most effective strategy to achieve significant results in **reducing Scope 3 emissions**.

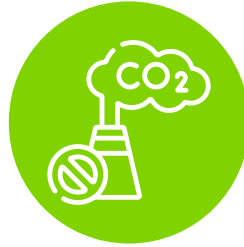
Emissions by Scope
Over the Years



The Company has a **diversified supply chain**, made up of companies of different regions, sizes, and sectors. These partners provide a wide range of products and services, ranging from mobile phones and devices **available in the Company's stores and website** to network infrastructure equipment such as antennas, cables, and transmitters, as well as services provided by communication agencies and consultancies.



56% reduction in CO₂ emissions in the value chain (Scope 3) by **2030** and **90% by 2035**, compared to the **2016** baseline year.



Work with key suppliers so that 65% of supply **chain emissions** have reduction targets aligned with the Science **Based Targets initiative (SBTi)** by 2025 and **90%** by 2031.



Introduce environmental criteria in 100% of new home **connectivity equipment** by **2025**.



Refurbish and **reuse 90%** of fixed equipment (**modems and decoders**) returned by customers.

Strategic Actions for Scope 3 Emissions Management

10 Supply Chain Engagement Carbon Program

To achieve the target of reducing value chain emissions by 56% by 2030 and 90% by 2035, Telefônica Brasil has intensified the engagement of its key suppliers. To this end, the Company structured **the Supply Chain Engagement Carbon Program**, with the objective of engaging them on the impacts of their business on climate change and proposing initiatives for the measurement, management, and reduction of greenhouse gases (GHG). **Among Telefônica Brasil's 1,200 suppliers, 125 companies were selected from the most carbon-intensive categories:**



Electronic equipment
(B2B and B2C)



Network equipment
(energized)



Network materials
(passive)



Network services



Transport and logistics

This selection covers more **than 80% of supplier emissions and 58% of spending with the supply chain. By inviting all suppliers in the most carbon-intensive categories to the Program**, Telefônica Brasil ensures the principle of fairness in competitive processes, providing all suppliers with the opportunity to deepen their knowledge in carbon management and climate change. Through this approach, the Company gradually incorporates sustainability requirements into its competitive processes.

Following the selection, a diagnostic was conducted to assess each company's maturity level regarding its performance in carbon management and climate change. At the beginning of the project, it was found that only **30% of suppliers measured, mitigated, or committed to reducing their emissions, highlighting the need to develop and prepare the Company's supply chain for a low-carbon economy.**

In response, Telefônica Brasil developed a program with annual cycles, beginning by engaging suppliers through a climate change training track, covering in webinars both basic concepts—such as **preparing an emissions inventory—and more advanced topics, such as climate risks and reporting transparency.**

Companies that choose to continue their development journey receive the support of tailored consulting services, free of charge, in exchange for making a climate commitment with Telefônica Brasil and with the planet. With this consulting support, suppliers are able to address sector-specific questions, map their GHG emission sources, and carry out a carbon inventory. **Furthermore, the consulting firm works alongside suppliers in setting voluntary targets, whether in emissions reduction, renewable energy use, or carbon offsetting.** The targets presented by suppliers must follow the SMART methodology (Specific, Measurable, Achievable, Realistic, and Timely).

Through monitoring, it is possible to measure each supplier's progress toward the targets presented and, when necessary, recommend adjustments to the companies' ambitions so that they are more aligned with their representativeness as Telefónica Brasil suppliers.

For carbon-intensive service suppliers, contracts usually include a requirement to establish emission reduction targets aligned with the Science Based Targets initiative (SBTi). These suppliers must develop and present science-based emission reduction targets to SBTi within six months after signing the contract and complete their validation within the deadlines established by the Program.

In 2024, the Program trained 86 companies and impacted more than 220 professionals. As a result, Telefónica Brasil **achieved that 87% of the carbon-intensive suppliers participating in the Program made voluntary climate commitments.**

CDP Supply Chain

Since 2021, the most relevant suppliers in terms of emissions have been invited to participate in the CDP Supply Chain Program, which aims to collect information from suppliers related to climate change, including the measurement and management of greenhouse gas emissions, the implementation of reduction practices, and the adoption of renewable energy. In addition, the program provides a platform for companies to share best practices, learn from each other, and promote collaboration in reducing CO₂ emissions.

In summary, the CDP Supply Chain Program fosters transparency, engagement, and collective action on climate change within the supply chain. In 2024, we invited 61 Telefónica Brasil suppliers—responsible for more than 70% of the Company's supply chain emissions—to respond to the CDP climate change questionnaire. Obtaining primary information directly from suppliers makes it possible to improve the accuracy of Scope 3 calculations and the Company's carbon footprint.

Programa Parceiro Plural

The **Programa Parceiro Plural** (Plural Partner Program) is an innovative and high-impact initiative, with the primary objective of transforming Telefónica Brasil's value chain into one of the most sustainable in the market, with emphasis on ESG (Environmental, Social, and Governance) practices. Launched in August 2024, the Program is structured around three fundamental pillars: **Communicate, Know, and Contribute**, and applies to 100% of the suppliers registered in the Company's database.

Through transparent communication and continuous engagement, the Program aims for partners to become references in Sustainability practices and in the ESG Agenda, helping **Telefónica Brasil maintain its leadership in sustainability**. Communication with suppliers was enhanced with the creation of an institutional webpage, which strengthens connection and efficiency in partner interactions.

The Program begins with a self-assessment questionnaire on ESG actions implemented by suppliers. This questionnaire is applied at the beginning of the relationship with Telefónica Brasil or during contract renewal. This process provides a comprehensive view of suppliers and identifies opportunities for training and improvement. In 2024, **581 self-assessment questionnaires** were conducted, and in 2025, the Company received responses from 1,369 suppliers, representing 61% of the recurring supplier base.

To support supplier development, monthly content is made available covering topics such as ethics, integrity, socio-environmental issues, human rights, diversity and inclusion, privacy, and risk management, among others. In addition, the Program offers personalized feedback to those seeking continuous improvement. The distinguishing factor of the **Programa Parceiro Plural** goes beyond evaluating ESG performance, as it also provides tailored training, enabling suppliers from different segments to constantly enhance their practices.

Sustainable Procurement

Aware that more than 80% of Scope 3 emissions originate in the supply chain, **Telefônica Brasil recognizes the importance of collaborating with companies that adopt ambitious decarbonization strategies** aligned with scientific guidelines. This approach plays a crucial role in reducing emissions related to the Company's procurement of goods and services.

With this objective in mind, Telefônica Brasil has integrated sustainability requirements into its procurement processes. Since the beginning of 2024, the Company has highlighted in its contracts with carbon-intensive service suppliers the need to establish emission reduction targets aligned with the **Science Based Targets initiative (SBTi)**. These suppliers must commit to developing science-based reduction targets and present them to SBTi within six months after signing the contract, as well as complete the validation of these targets within the deadlines established by the initiative.

In 2024, it was found that **54% of supply chain emissions** were aligned with science-based targets, i.e., from companies with objectives validated by SBTi. Telefônica Brasil aims to have 78% of its suppliers' emissions science-based by 2030.

To achieve this target, the Company implements engagement and **development programs across its value chain.**

11



Circular Economy

Extending the Lifespan of Materials and Equipment

Carbon is an essential element in all equipment used to ensure connectivity and promote digitalization. In this context, the transition to a circular economy emerges as a crucial strategy for reducing carbon emissions. This approach promotes the extension of product lifespan and the reintegration of waste into production cycles. **According to the Circularity Gap Report 2024, material management and use are responsible for an impressive 70% of global greenhouse gas (GHG) emissions.** In addition, extraction and use account for more than 90% of biodiversity loss and water stress, while only 7.2% of the global economy is considered circular.

The circular economy is fundamental to minimizing **resource waste and waste generation** by seeking to close production cycles and reduce the need for raw material extraction. Incorporating this business model is a sustainable practice that significantly benefits the environment, promoting greater efficiency in the use of energy and natural resources. These measures are essential in **addressing the triple planetary crisis**, which involves climate change, **biodiversity loss, and pollution**.

Moreover, this model is not only more beneficial for the planet compared to the linear economy but also proves to be highly profitable and innovative. It **reduces companies' vulnerability** to variations and disruptions in the supply of inputs and materials—a risk **intensified by climate change**.

Through its **Circular Economy** strategy, **Telefônica Brasil** has set the ambitious goal of achieving **Zero Waste by 2030** in its operations. This commitment enabled the Company to be one of the first to join the **Circular Connection** movement in 2023, launched in **Brazil by the UN Global Compact as part of the Ambition 2030 initiative**, with the objective of engaging companies in sustainable practices.

The **Company prioritizes the reuse**, repair, and recycling of materials and equipment, thereby avoiding disposal and reintegrating these resources into the production process. This approach not only avoids **emissions generated by the extraction and processing of new components** but also minimizes the need for manufacturing additional equipment. As a result, **in 2024 Telefônica Brasil recycled more than 97% of waste generated from its operations**.

Network Equipment

During the network transformation, many pieces of equipment are reused within the Telefónica Group, thereby promoting circular economy practices in the dismantling of old infrastructures. To enable this reuse, the Group has the MAIA marketplace, which allows each operator to view equipment available for internal reuse and connect with other operators and technology partners to promote the resale of second-hand equipment, thereby extending their lifespan. **In 2024, Telefônica Brasil reinforced its commitment to sustainability by allocating network equipment for reuse, resale, and recycling.**

The Matrix Project is another highlight of operations, as it enables more efficient fiber optic connections by reusing existing cabling at addresses and locations that previously belonged to the Company's customers. In addition, the project performs on-site connectorization, which reduces the consumption of pre-measured cables, avoiding waste. **In 2024 alone, the Project avoided the purchase and use of 38,000 kilometers of cables, resulting in savings of more than R\$ 29 million. Since its inception in 2022, 70,000 kilometers of cables have been avoided through the project.**

Customer-Premises Fixed Equipment

With the objective of refurbishing and reusing 90% of fixed equipment (modems and decoders) collected from customers' homes by 2025, **Telefônica Brasil repairs and repurposes equipment and materials before disposal, allowing them to be reintroduced into the Company's supply chain.**

The repair and reuse of Telefônica Brasil's equipment contribute to promoting the circular economy and reducing Scope 3 emissions. This practice reduces the need for purchasing new equipment and lowers the impact that would be generated throughout the entire production cycle, from raw material extraction to distribution center transportation and final disposal. **Since 2017, Telefônica Brasil has repaired more than 11 million modems and decoders, including more than 1.1 million devices in 2024 alone. These devices returned to customers' homes in perfect working condition, avoiding more than 38.5 thousand tons of CO₂ emissions associated with manufacturing new equipment.**

To facilitate the collection process, Telefônica Brasil customers may schedule home collection or return used devices at stores. Requests can be made through the call center, web forms, or the artificial intelligence system (Aura).

Mobile Devices (Vivo Renova)

Through the Vivo Renova program, Telefônica Brasil expands consumer engagement in sustainable practices. The Company encourages the reuse of mobile devices, extends the lifespan of devices, and facilitates customer access to new technologies.

With this, the Program promotes the exchange of old mobile phones for discount vouchers on the purchase of a new device, which facilitates customer access to new technologies while extending the lifespan of the devices received. The collected devices are delivered to a partner company that restores and commercializes the product. In 2024, more than 132,000 mobile devices were reused, and since the beginning of the program, **approximately 1 million mobile phones have been collected.**

When Repair and Reuse Are Not Possible

In such cases, the equipment is transferred to a Telefónica Brasil partner company, which collects, transports, stores, and separates the different materials—ferrous metals, non-ferrous metals, batteries, glass, plastics, among others—and carries out recycling. In this final stage, the materials are transformed into raw materials and can be reused by industry. What cannot be recovered becomes an energy source. **Thus, in 2024, Telefónica Brasil reused 78% of all modems and decoders collected, recycling the remaining 23%.**

Of the total waste sent to reverse logistics in technical and commercial operations, **78.7% corresponds to metal waste**, as most of the waste generated results from the network transformation process, when copper cables are replaced with fiber optic cables. **As a result, the Company recycles 97.4% of all its waste.**

Procurement with Circular Criteria

Telefónica Brasil is committed to becoming a Zero Waste company by 2030. To achieve this goal, the Company has adopted initiatives such as Ecodesign, reuse, and recycling with its suppliers. Through the Global Sustainable Supply Chain Policy, Telefónica Brasil requires suppliers to implement preventive measures to reduce the environmental impact of their operations, including eco-efficiency initiatives in both the supply of products and services and their own operations. This covers the entire life cycle, from raw material extraction, manufacturing, and transportation to waste management and final disposal. To integrate environmental criteria into home connectivity equipment, the Company introduced a questionnaire designed to assess the circularity of these devices. The criteria evaluated in the questionnaire include energy eco-efficiency measures, software upgradeability, battery durability, and reduction of single-use plastics. **In 2024, the Company incorporated these criteria into more than 60% of new procurement processes initially applied to fixed network equipment acquisitions and expects to reach 100% by 2025.**

Now that you have learned about some of the Company's Circular Economy projects, we invite you to explore our matrix below. It correlates each project with the fundamental principles of the Circular Economy:

PROJECTS	RAW MATERIAL	DESIGN	REDUCTION	COLLECTION	REPAIR	REUSE	RECYCLING	WASTE
MAIA					X	X		
MATRIX			X			X		
REPAIR AND REUSE OF MODEMS AND DECODERS				X	X	X	X	X
VIVO RENOVA				X	X	X	X	X
CIRCULARITY IN PROCUREMENT	X	X	X					

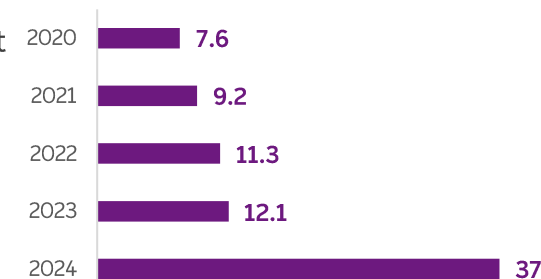
Vivo Recicle



Vivo Recicle is a reverse logistics program that promotes the circular economy and conscious consumption by enabling the recycling of small electronic waste, such as result of 2024, and batteries, at collection points throughout Brazil. In 2024, the program expanded its actions in partnership with Fundação Telefônica Vivo, involving young people from 23 public schools and NGOs, resulting in the collection of 23 tons of waste through competitions.

The campaign "**Desengaveta, Reciclar é construir um Futuro Vivo**" encouraged the disposal of unused equipment, promoting the reintegration of this waste into the circular economy. As a result of 2024, initiatives, Vivo Recicle collected 37 tons of electronic waste—an increase of more than 200% compared to the previous year. The Company's goal is to increase recycling from 150 tons accumulated between 2006 and 2023 to 375 tons by 2035.

Volume of waste collected
(in tons)



■ Volume of waste collected (in tons)

37

12 Commercial Model

“The acceleration of the technological era continues to surprise, bringing advances such as artificial intelligence, cloud computing, 5G connectivity, and an increasingly integrated Internet of Things (IoT). These innovations promise to catalyze significant transformations in the coming decade. This digital revolution has the potential to drive the global economy while simultaneously reducing energy use and inefficient resource exploitation across various sectors. Furthermore, it supports both sustainability and economic objectives, facilitating a rapid transition to new business models and operational structures.”

According to the SMARTer2030 – ICT Solution for 21st Century Challenges report, this role is reinforced by highlighting that digitalization has the potential to reduce global emissions by up to 20%.

In this context, through digitalization and Big Data and Internet of Things (IoT) services, Telefónica Brasil helps accelerate the transition of companies and society to a low-carbon economy, **offering solutions that support the reduction of its customers' emissions. To this end, we provide information on the environmental benefits or attributes of our products and services so that customers can identify how purchasing technological solutions will help advance their own sustainability goals.**

Objectives:



Help customers reduce their CO₂ emissions through the development of green digital and connectivity solutions.



Expand the portfolio and representation of products with the Eco Smart label for B2B customers.



Implement actions that enable customers to incorporate sustainability criteria into their purchasing decisions.



Expand 5G, resulting in greater energy efficiency.

Eco Rating

As part of its sustainability strategy, Telefônica Brasil develops and provides sustainable products, services, and solutions. With the Eco Rating label, **the Company encourages its customers to incorporate sustainability criteria into their purchasing decisions and motivates manufacturers to reduce the environmental impact of their devices.**

Available in both physical and online stores, the Eco Rating label guides consumers in choosing more sustainable smartphones by assessing the environmental impact of these devices throughout their entire lifecycle. The methodology assigns a score (from 1 to 100) to each device, where a higher score indicates a more sustainable phone.



Eco Rating



What Do the Bars on the Label Mean?



Durabilidade

They indicate, among other factors, the physical resistance of the device, the lifespan of its battery and components, as well as the warranty period. They indicate, among other factors, the physical resistance of the device, the lifespan of its battery and components, as well as the warranty period of the phone.



Reparabilidade

They measure the ease of repair of the device, including actions that can extend its lifespan by facilitating repair, reuse, and upgrades.



Reciclabilidade

They measure the ease of recovery and disassembly of the device's components and whether its materials can be recycled at the end of their lifespan.



Eficiência climática

They measure greenhouse gas emissions throughout the entire lifecycle of the device.



Eficiência de uso de recursos

They measure the impact caused by the extraction of raw materials required for the manufacturing of the device. The higher the score, the greater the protection and availability of raw materials.

Working with mobile device manufacturers is especially relevant for Telefônica Brasil, since the emissions associated with their manufacturing, transportation, and use account for **approximately 35% of the Company's supply chain emissions**. Since the update and launch of the new Eco Rating label system in 2021, through the end of 2024, the Telefónica Group has evaluated more than 350 mobile phone models. In Brazil, smartphones carrying the Eco Rating label are available through Vivo's sales channels—both online and in physical stores.

The Eco Rating label is promoted through in-store actions and on Vivo's website. The entire store team is trained to assist consumers at the time of purchase. **To view a smartphone's score, simply visit the website and select the desired device.**

Eco Smart Label

Supported by its network that operates with 100% renewable electricity and low CO₂ emissions, Telefônica Brasil offers B2B customers solutions in Connectivity, Internet of Things (IoT), Cloud, Big Data, and 5G. These solutions enable digital transformation and generate relevant environmental benefits in their activities and production processes. By optimizing resource use, these solutions accelerate the transition to circular economy models and reduce emissions, allowing businesses to develop more efficiently and sustainably while improving their competitiveness in the market.

The Eco Smart label highlights the environmental benefits of these solutions, enabling Telefônica Brasil's B2B customers to incorporate sustainability criteria into their business decisions. Verified by AENOR (Spanish Association for Standardization and Certification), the label guarantees the reliability of the environmental benefits identified in each solution.

The label presents four icons representing the different benefits generated by products and services: **energy efficiency, water consumption reduction, CO₂ emissions reduction, and circular economy.**

Below are examples of Eco Smart Products and Services from Telefônica Brasil:



ENERGY EFFICIENCY

Definition of the environmental benefit

Products and services that enable the control and management of energy in facilities, buildings, and/or equipment, reducing electricity consumption.

- Cloud computing services that reduce energy consumption through shared platforms, consolidating customer servers. This way, each customer avoids having to maintain its own servers, each consuming electricity.

Example of solution verified with the label

- Vivo Cloud – reduces electricity consumption and consequently CO₂ emissions through shared platforms.



RESPONSIBLE WATER CONSUMPTION

Definition of the environmental benefit

- Products and services that improve water quality or help reduce consumption, as well as control losses and leaks during storage, transportation, or consumption.

Example of solution verified with the label

- Clima Inteligente – real-time climate forecasting that allows better planning and control of the production process, from planting to harvesting.



CO₂ EMISSIONS REDUCTION

Definition of the environmental benefit

- Products and services that reduce customer or employee travel.
- Products and services that improve the performance and maintenance of cooling equipment, thereby avoiding refrigerant gas leaks.
- Fleet management products and services that help achieve fuel savings.

Example of solution verified with the label

- Smart Steps Transit – optimizes fuel consumption and reduces CO₂ emissions by providing data that helps customers plan the transportation of people and goods.



CIRCULAR ECONOMY

Definition of the environmental benefit

- Products and services that promote the collection, repair, and recycling of equipment. Solutions that optimize production processes, reducing raw material consumption or minimizing waste.

Example of solution verified with the label

- Vivo Tech Microinformática – Remote and on-site microinformatics management. The service includes hardware maintenance of mobile devices, thereby extending their lifespan.

Eco Smart Label

In 2024, the Company increased the share of products with the Eco Smart label in its B2B portfolio, **reaching 37% of items that provide environmental benefits to customers**. Aiming to further expand this share, Telefônica Brasil has been working to improve its processes, with the intention of incorporating, in the development phase of new solutions, the verification of environmental benefits that can be generated for its customers.

Avoided Emissions

Since 2018, the Telefónica Group has developed and applied a calculation methodology that converts efficiencies—whether in energy consumption, operations, or material use—resulting from services implemented for customers, into avoided CO₂ emissions. **In 2024, this methodology was enhanced, aligning with the WBCSD's Guidance on Avoided Emissions and the L.1480 standard – Enabling the Net Zero Transition**. The methodology specifically assesses how the use of information and communication technology solutions contributes to reducing greenhouse gas emissions in other sectors.

Based on methodological updates and the services marketed in 2024, **Telefônica Brasil estimates that it helped its customers avoid the emission of 14.8 million tons of CO₂**. This result demonstrates the potential of new technologies to drive the transformation of the economy toward a low-carbon model.

¹³ Available at: <https://www.wbcsd.org/avoided-emissions-implementation-hub/>

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Economic Model

Climate change influences a company's financial management, imposing challenges and requiring a long-term strategic vision. To ensure business continuity in a transition scenario toward a low-carbon economy, it is essential that organizations are aware of the necessary investments, act in mitigating risks, and know how to seize new market opportunities. **In addition, it is increasingly relevant to understand how climate change will impact financial statements through the analysis of costs, benefits, and efficiency gains provided by effective management.**

Disclosure of the Impact of Climate Change on the Business

In 2023, the International Sustainability Standards Board (ISSB) published the IFRS S2 Climate-related Disclosures standard, which establishes requirements for companies to disclose information on climate-related risks and opportunities that may impact their business models. In the same year, the Brazilian Securities and Exchange Commission (Comissão de Valores Mobiliários – CVM) published Resolution CVM No. 193, which provides for the preparation and disclosure of sustainability-related financial reports for publicly traded companies, based on ISSB standards. This resolution was later amended by Resolution CVM No. 227, published in 2025, which made the adoption of these standards mandatory for fiscal years beginning on or after January 1, 2026.

In this context, Telefônica Brasil is refining its disclosure model for sustainability-related financial information. **For climate issues, the emphasis is on identifying and reporting data on risks and opportunities that may reasonably impact the Company's cash flows, access to financing, or cost of capital in the short, medium, or long term.**

⁷ Available at: <https://www.stockholmresilience.org/research/planetary-boundaries.html>

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Sustainable Finance

Reinforcing the integration of sustainability into the Company's financial strategy, in 2022 Telefônica Brasil carried out its first issuance of Sustainability-Linked Bonds (SLBs), totaling R\$ 3.5 billion. This debt instrument is linked to the achievement of targets related to ESG criteria. To define KPIs (Key Performance Indicators) and targets, a study was conducted to evaluate the topics with the greatest potential impact on society and strategic relevance for the Company, addressing two main dimensions: environmental and social.

Based on this assessment, Telefônica Brasil chose to select KPIs and targets in the areas of diversity and climate, conveying to stakeholders how the Company aims to achieve its objectives: through a diverse and inclusive team and processes guided by a low-carbon economy. The GHG emissions target **established reinforces the Company's commitment to the climate change scenario and its contribution to limiting global warming to 1.5°C.**

This issuance also included the publication of the first [Sustainability-Linked Financing Framework](#), a document that outlines the guidelines adopted by Telefônica Brasil for debt issuance. The material underwent independent evaluation and is aligned with the 2021 Sustainability-Linked Bond Principles of the International Capital Market Association and the 2021 Sustainability-Linked Loan Principles of the Loan Markets Association (LMA).



Internal Carbon Pricing

Internal Carbon Pricing (ICP) is a strategy implemented to internalize the real cost of greenhouse gas (GHG) emissions. This mechanism represents one of the most effective approaches for companies to manage risks and identify opportunities related to the transition to a low-carbon economy. **By adopting ICP, companies are able to make more sustainable investment decisions.**

Aligned with the Company's Net Zero goal, Telefônica Brasil incorporates a shadow price into purchasing decisions for equipment that consumes electricity and/or fuel, as well as for equipment containing fluorinated gases. To this end, the Company has a Corporate Guideline on low-carbon procurement, which includes the calculation of the Total Cost of Ownership (TCO) of such equipment, **ensuring that procurement decisions are directed toward more efficient technologies and equipment with a smaller carbon footprint.**

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Governance Model

Telefônica Brasil S.A. is a publicly traded company, with common shares listed on B3 S.A. – Brasil, Bolsa, Balcão (B3), and securities – American Depositary Receipts (ADRs) – traded on the New York Stock Exchange (NYSE). The Company's corporate governance guides its operating strategy and the application of the **Principles of Responsible Business with ethics, transparency, and respect for applicable legal requirements and relevant capital market regulations.**

Governance

“Telefônica Brasil S.A. integrates sustainability issues into its organizational culture, with environmental and climate change matters being transversal across the entire Company.”

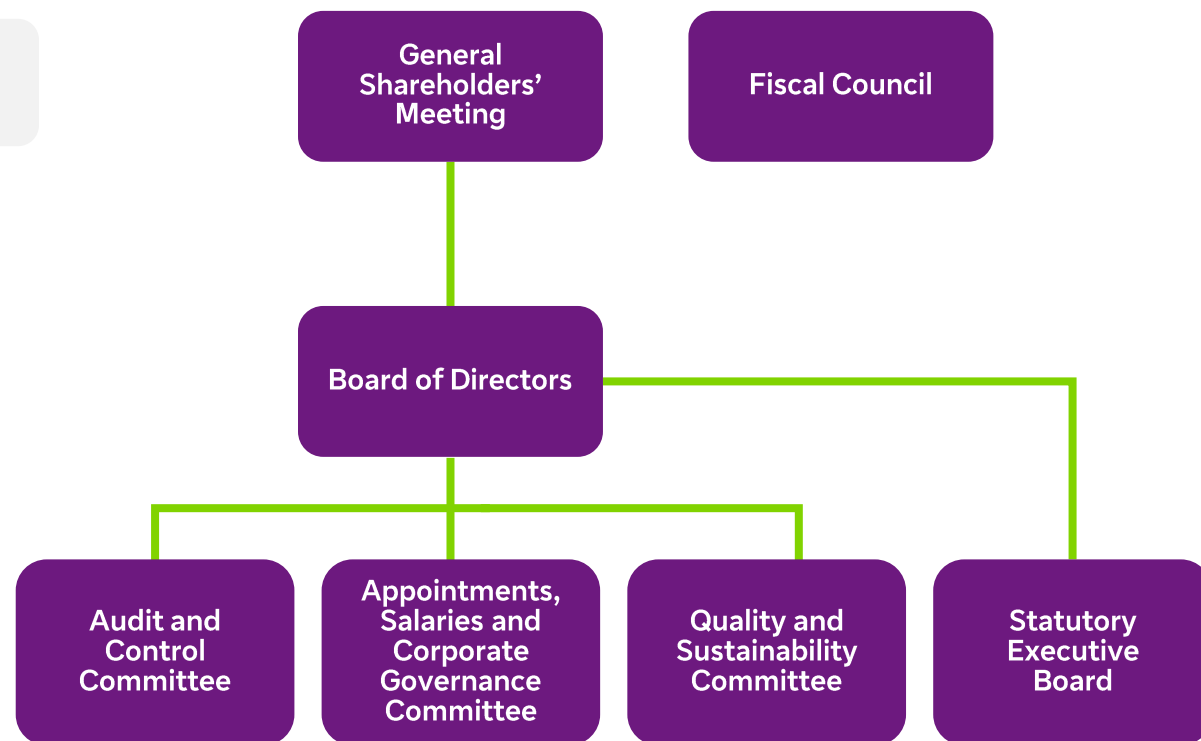
The provisions related to our corporate governance are set forth in the Company's Bylaws and internal regulations, which guide the activities of the Company's Management.

Transparency in accountability and the integrity of corporate climate action are becoming increasingly important in the disclosure and monitoring of climate commitments. These principles support decision-making by investors and other entities in the financial market.

Aligned with TCFD recommendations, Telefônica Brasil has integrated climate and sustainability aspects as part of its organizational culture. For Telefônica Brasil, sustainability has strategic value in the business, guided by ethical principles and consistent actions in environmental, social, and governance matters.

The Company's operations are guided by ESG (Environmental, Social, and Governance) criteria, which support its commitment to sustainable growth and contribution to the country's development.

The Company's corporate governance structure comprises the General Shareholders' Meeting, the Board of Directors and its advisory committees (Audit and Control Committee; Appointments, Salaries and Corporate Governance Committee; and Quality and Sustainability Committee), the Statutory Executive Board, and the Fiscal Council, as shown in the adjacent organizational chart.



¹⁴ The Task Force on Climate-related Financial Disclosures (TCFD) provides climate recommendations designed to help companies deliver high-quality information, supporting market transparency and promoting more informed capital allocation. With the publication of IFRS S2, the Financial Stability Board (FSB) requested the IFRS Foundation to monitor companies' progress on climate disclosures.

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Board of Directors

The Company's Board of Directors is composed of twelve members¹⁵, **four of whom are women and ten independent directors, elected by the General Shareholders' Meeting for a three-year term, with reelection permitted.**

The nomination and election process for the members of the Company's Board of Directors considers, whenever possible, in addition to the competencies required for the role, diversity of knowledge, education, and professional experience, as well as age, race, gender, geographic origin, and cultural background, as established in the Company's Diversity and Inclusion Policy. As part of the continuous improvement process of the Company's governance in matters related to climate and biodiversity, **the Board of Directors appointed one of its members as a sustainability expert of the Company, including but not limited to issues related to climate change and biodiversity, with the objective of ensuring the integration of these agendas into top leadership. The appointed director also serves as a member of the Quality and Sustainability Committee.**

Additionally, all directors receive training on the Principles of Responsible Business (Code of Ethics) and the Company's Sustainability Policy. Furthermore, at all ordinary meetings of the Quality and Sustainability Committee, updated information on the Company's ESG aspects is reported.

Announced to the market in April 2025, the Company's sustainability and ESG governance is coordinated by the Vice President of Communication and Sustainability, who reports directly to the CEO and also to the Board of Directors through the meetings of the Quality and Sustainability Committee.

¹⁵ The current members of the Board of Directors were elected at the Annual General Meeting held on April 25, 2025, and their term of office extends until the Annual General Meeting to be held in 2028.

Quality and Sustainability Committee

Composed of four members of the Board of Directors, the Committee meets on a regular basis twice a year and, extraordinarily, whenever convened by the Committee Chair to advise the Board on ESG matters, **with the purpose of incorporating and integrating relevant sustainability topics into the Company's actions, policies, and decisions**. The discussions and recommendations prepared by the Committee members are reported directly to the Board of Directors through presentations made by the Committee Chair.

In addition to the responsibilities assigned by the Board of Directors, the competencies and duties of the Quality and Sustainability Committee include:



i. Assessing and monitoring the adequacy of the Company's quality and sustainability strategy, as well as proposing improvements whenever opportunities are identified;



ii. Examining, analyzing, and periodically monitoring the Responsible Business Plan, as well as the Company's sustainability indexes, recommending actions when opportunities are identified;



iii. Examining, analyzing, and periodically monitoring customer satisfaction indexes and the quality of the main services provided by the Company, as well as the quality levels of customer service across various channels, recommending actions when opportunities are identified; and



iv. Examining, analyzing, and periodically monitoring the Company's quality and sustainability plans and actions.

Sustainability Committee

In operation since 2018, it is composed of the CEO, vice presidents, and executives responsible for ESG-related matters in the Company. **The purpose of this committee is to maintain sustainability at the highest level of governance in the Company**, making its management transversal across areas and promoting timely discussions of challenges and opportunities to boost the Company's sustainability performance.

Sustainability and Regulation Committee

A **global forum for the discussion of sustainability issues**, with the Company's CEO acting as the main sponsor for reporting the Company's key ESG developments and challenges.

Responsible Business Plan (PNR)

The Responsible Business Plan (PNR, in Portuguese) is the strategic instrument that guides sustainability in the Company in the short, medium, and long term. It is composed of six pillars of action, with more **than 100 indicators and targets, which are monitored and approved in a consolidated manner by the Board of Directors.**

Environmental and Climate Change Management is one of the PNR's pillars, whose indicators and targets are monitored and approved by the Board of Directors through reporting by the Quality and Sustainability Committee.

The environmental objectives, including climate change mitigation and net zero emissions, are incorporated into the PNR, which consolidates all of the Company's ESG goals and objectives. The PNR also includes opportunities related to climate change, such as targets linked to the Eco Rating and Eco Smart labels, which respectively indicate to B2C and B2B customers the sustainability level of our products and services.

Incentives Linked to ESG Targets



Short-Term Incentive

To drive the entire Company's progress on the ESG agenda, 20% of the variable compensation of the Executive Board (Statutory and Non-Statutory) and of all employees is tied to ESG indicators considered priorities by the Company in its strategy, such as Promoter Score (NPS), greenhouse gas emissions, and diversity.

The reduction of greenhouse gas emissions accounts for 5% within the 20% assigned to non-financial KPIs and is linked to annual (short-term) targets.

Long-Term Incentive

Telefónica Brasil offers long-term compensation, based on (1) Telefónica S.A. shares, such as: the Performance Share Plan (PSP TEF), for statutory and non-statutory directors; the Talent for the Future Share Plan (TFSP), for Senior Managers, Managers, and high-performing Specialists; and the Global Employee Share Plan (GESP), open to any employee who wishes to participate; and (2) Vivo phantom shares (PSP VIVT3), for statutory and non-statutory directors, under the local Performance Share Plans (PSPs) approved in 2022 and June 2024.

The delivery of incentives under the PSP includes clawback provisions and is subject to maintaining an active employment relationship with the Company at the date of cycle vesting, as well as achieving results tied to the objectives established in the plan, including the following indicators: Total Shareholder Return (TSR), Free Cash Flow (FCF), Neutralization/Offsetting of CO₂ Emissions, and Gender Equality – the presence of women in leadership positions. In this modality, 10% of compensation is linked to ESG indicators.

Policies

“Telefônica Brasil adopts a variety of policies that guide the Company in its commitments, unfolding into objectives and targets that drive the promotion of sustainable and resilient businesses. These strategic policies apply across the entire organization.

”Through its Environmental Management System (ISO 14001) and Energy Management System (ISO 50001), Telefônica Brasil implements international standards with the goal of operating more efficiently and sustainably. These systems not only guide the Company toward legal compliance but also undergo annual audits to identify opportunities for continuous improvement in environmental and energy performance.

In the [Environmental Policy](#), Telefônica Brasil commits to important goals such as protecting the environment, improving internal eco-efficiency, and transitioning to low-carbon operations, incorporating climate change Transition and Physical Risks into its management.

In the [Energy Policy](#), the Company highlights commitments such as the continuous pursuit of energy efficiency, maintaining the use of renewable sources, internalizing the cost of energy and carbon—such as the Total Cost of Ownership (TCO) and internal carbon price—and actively collaborating with the value chain to promote progress in its energy commitments and standards, with the objective of reducing indirect carbon emissions, especially in the supply chain and customer equipment.

Given the extensive role of subcontracted companies in Telefônica Brasil’s operations, the [Sustainable Supply Chain Policy](#) establishes minimum criteria for responsible business, including environmental issues such as climate change. The objective is to promote emissions reduction throughout the supply chain.

These three documents establish Telefônica Brasil’s [environmental and energy management](#) guidelines, ensuring that the standards set by the organization are followed both in its own activities and in the procurement of goods and services.

¹⁵ The current members of the Board of Directors were elected at the Annual General Meeting held on April 25, 2025, and their term of office runs until the Annual General Meeting to be held in 2028.

Transparency and Recognition in Sustainability

Transparent communication and reporting are fundamental principles of Telefônica Brasil. As a result, the Company is recognized by CDP and other sustainability indexes as a global leader in combating climate change and in other sustainability-related areas.

RATINGS	RECOGNITION
	Recognized as a Climate Change Leader by CDP since 2020.
	For the fifth consecutive year, recognized as a Supplier Engagement Leader by CDP.
	Gold Seal in the Brazilian GHG Protocol Program since 2012.
	Listed on the Carbon Efficient Index (ICO₂ B3) since 2010.

AWARDS	RECOGNITION
	Triple recognition at the AMCHAM ECO AWARD – in the new category “ Liderança Eco ” and with the cases “ Vivo Amplia Ação Climática para a Cadeia de Valor ” and “ A Estratégia de Descarbonização da Vivo ”.
	In 2023, during COP 28, received the “ Guardiões do Clima ” Award from the UN Global Compact in Brazil with the case “ Estratégia de Baixo Carbono ”.

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Risk Management

Telefônica Brasil has a Risk Management Model based on the **COSO ERM 2017 methodology (Committee of Sponsoring Organizations of the Treadway Commission – Enterprise Risk Management)**, which integrates risk management into the Company's strategy, facilitating the prioritization and development of coordinated actions in response to identified risks. The Company has a **Risk Management Policy**, approved by the Board of Directors, and a Corporate Risk Management Procedure, both aligned with international governance best practices.

The Risk Management Policy establishes that the Audit and Control Committee must validate, at least once a year, the main risks identified and the mitigation strategy guidelines. Currently, the Committee performs a semiannual evaluation of the most critical corporate risks, in addition to monitoring relevant risks through specific meetings, with the participation of the respective risk owners.

Risk Management Process

The risk management process is carried out consistently across all areas of the Company, with risk owners responsible for the identification, assessment, control, response, and monitoring of the main risks, thereby facilitating the prioritization and development of action plans to mitigate them.

⁷ Available at: <https://www.stockholmresilience.org/research/planetary-boundaries.html>

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The risk management framework covers the following stages:

1

Risk Identification

Risks are identified by managers, with the definition of the risk's triggering events and the assessment of the effects that the risk may have on achieving the Company's objectives. In this identification process, both risks associated with the execution of the strategic plan and potential emerging risks are considered, which could eventually cause an adverse impact on the Company's future performance, even if at an uncertain point in time.

2

Risk Assessment

The objective of risk assessment is to provide a sense of magnitude or relevance of the risks, considering both their potential impact and likelihood of occurrence. For impact purposes, both the quantified economic impact—whenever possible, in terms of operating cash flow, considering EBITDA and CAPEX—and reputational impact, as well as potential compliance implications, are taken into account. Additionally, other qualitative factors are considered, such as historical trends, the level of assurance or control, and perspectives on the risk's future development.

3

Risk Response

The risk management model encompasses not only the identification and assessment of risks but also the mechanisms for response and monitoring. In this sense, it includes procedures to address new challenges by aligning strategic objectives with the risks that may affect their achievement.

4

Monitoring and Reporting

The monitoring and reporting mechanisms include global initiatives, promoted and coordinated in alignment with the Group's main operations, of which the Company is a part, as well as specific actions designed to address concrete risks.

ESG-Related Risks

Environmental, Social and Governance (ESG)

In the context of sustainability and by the nature of its business, the Company is exposed to several types of ESG risks.

The risk management process takes the Company's strategy and objectives as a reference to identify the main risks that could affect their achievement, including risks directly related to sustainability and ESG factors. Telefónica Brasil focuses on analyzing, controlling, and mitigating the impacts of these risks, ensuring alignment with the Company's commitments and targets.

With regard to ESG aspects, the Company conducts a contextual analysis considering:

ESG Risk Analysis



Emerging medium- and long-term risks:

Based on the analysis of reports and studies, such as the World Economic Forum's Global Risks Report, to identify risk trends. Includes impacts on human rights and the environment, taking into account adverse effects on human rights and environmental threats that may pose risks to the Company.



ESG regulatory context:

In the markets where the Company is listed, monitoring changes in laws and regulations.



Stakeholder expectations:

Which guide our approach and actions to mitigate risks and promote responsible management.

The analysis includes identifying impacts, risks, and opportunities of material topics, incorporating the concept of double materiality.

Environmental Risk	Direct or indirect impact on the Company's operations from environmental issues, especially due to legal requirements during the deployment and operation of the network, as well as future requirements, regulations, or environmental taxes.
Climate Change	Direct or indirect impact on the Company's operations and business due to the consequences of climate change. Includes both physical and transition risks.
Human Rights	Potential human rights impact risk, which may arise from operational activities, relationships with employees, suppliers, and customers, or from environmental impacts they may cause.
Compliance with New ESG Reporting Requirements	Risks associated with the increase in ESG reporting requirements demanded by regulators, analysts, investors, and other stakeholders, in addition to issues such as cybersecurity, privacy, service quality and continuity, and tax transparency.

Climate Change-Related Risks and Opportunities

Risk and Opportunity Assessment



Telefônica Brasil is committed to communicating to stakeholders' information about the risks and opportunities that may reasonably impact the Company's business model. To this end, we conduct, at least every two years, a comprehensive assessment of climate-related risks and opportunities that may influence our business model.

Based on the recent updates of the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report, Telefônica Brasil carried out an assessment of climate risks considering the Shared Socio-Economic Pathways (SSP) scenarios for physical risks and the NGFS – Network for Greening the Financial System for transition risks and opportunities, across the time horizons of 2030, 2050, and 2070.

The assessment covers all of the Company's assets in Brazilian territory. In total, more than 40,000 assets were considered, including telecommunications towers, data centers, mobile switching centers, switch centers, telephone exchanges, and other corporate buildings.

Qualitative Assessment



Probabilities

Probabilities were calculated in two ways: (1) individual probability for each asset; and (2) average probability by region, segmented by asset class.

Impact

Impact (I) was calculated as the product of **Impact by Asset Type and the Regional Impact Factor**, preserving the particularities of each asset class and each region.

In the analysis, regional variability was considered based on the number of critical assets in each region. The impact factor was determined from the percentage of critical assets, using normalization of percentage values.

Final Impact



Maximum Impact



Regional Impact Factor

Climate Scenarios



Physical Risks:

For modeling the probability of each climate threat at the Company's asset locations, the analysis evaluated the historical scenario and the SSP1-2.6, SSP3-7.0, and SSP5-8.5 scenarios from the IPCC AR6 (2022).¹⁶

SSP5-8.5

- High greenhouse gas emissions scenario in which the average temperature increase could reach 4.4–5.5°C by 2100;
- An economy highly dependent on fossil fuels and focused on resource extraction;
- Sharp intensification of extreme climate events, such as droughts and floods.

SSP3-7.0

- Intermediate greenhouse gas emissions scenario in which the average temperature increase could reach 3.6°C by 2100;
- An economy dependent on fossil fuels with a slow and fragmented energy transition among countries;
- Extreme climate events continue to intensify.

SSP1-2.6

- Optimistic greenhouse gas emissions scenario in which the average temperature increase does not exceed 2.0°C by 2100;
- Compliance with the Paris Agreement in most countries;
- Rapid and intense climate policy interventions;
- Moderate and decreasing extreme climate events throughout the century.

¹⁶ IPCC, 2021: Summary for Policymakers. In: Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change [Masson-Delmotte, V., P. Zhai, A. Pirani, S.L. Connors, C. Péan, S. Berger, N. Caud, Y. Chen, L. Goldfarb, M.I. Gomis, M. Huang, K. Leitzell, E. Lonnoy, J.B.R. Matthews, T.K. Maycock, T. Waterfield, O. Yelekçi, R. Yu, and B. Zhou (eds.)]. Cambridge University Press, Cambridge, United Kingdom and New York, NY, USA, pp. 3–32, doi:10.1017/9781009157896.001 - Table SPM.1 | Changes in global surface temperature, which are assessed based on multiple lines of evidence, for selected 20-year time periods and the five illustrative emissions scenarios considered.

Climate Scenarios



Transition Risks:

This assessment considers socioeconomic scenarios for modeling the probability of each climate threat. The analysis evaluated the historical scenario and the scenarios of the NGFS – Network for Greening the Financial System: Current Policies, NDCs (Nationally Determined Contributions), and Net Zero 2050.

Current Policies

- This scenario assumes that **only currently implemented policies are maintained, with no development of new initiatives** for a transition to a low-carbon economy and, in this regard, no political reaction and slow technological change. In this scenario, **there are no efforts for a transition to a low-carbon** economy and, as a result, physical risks are also more severe.

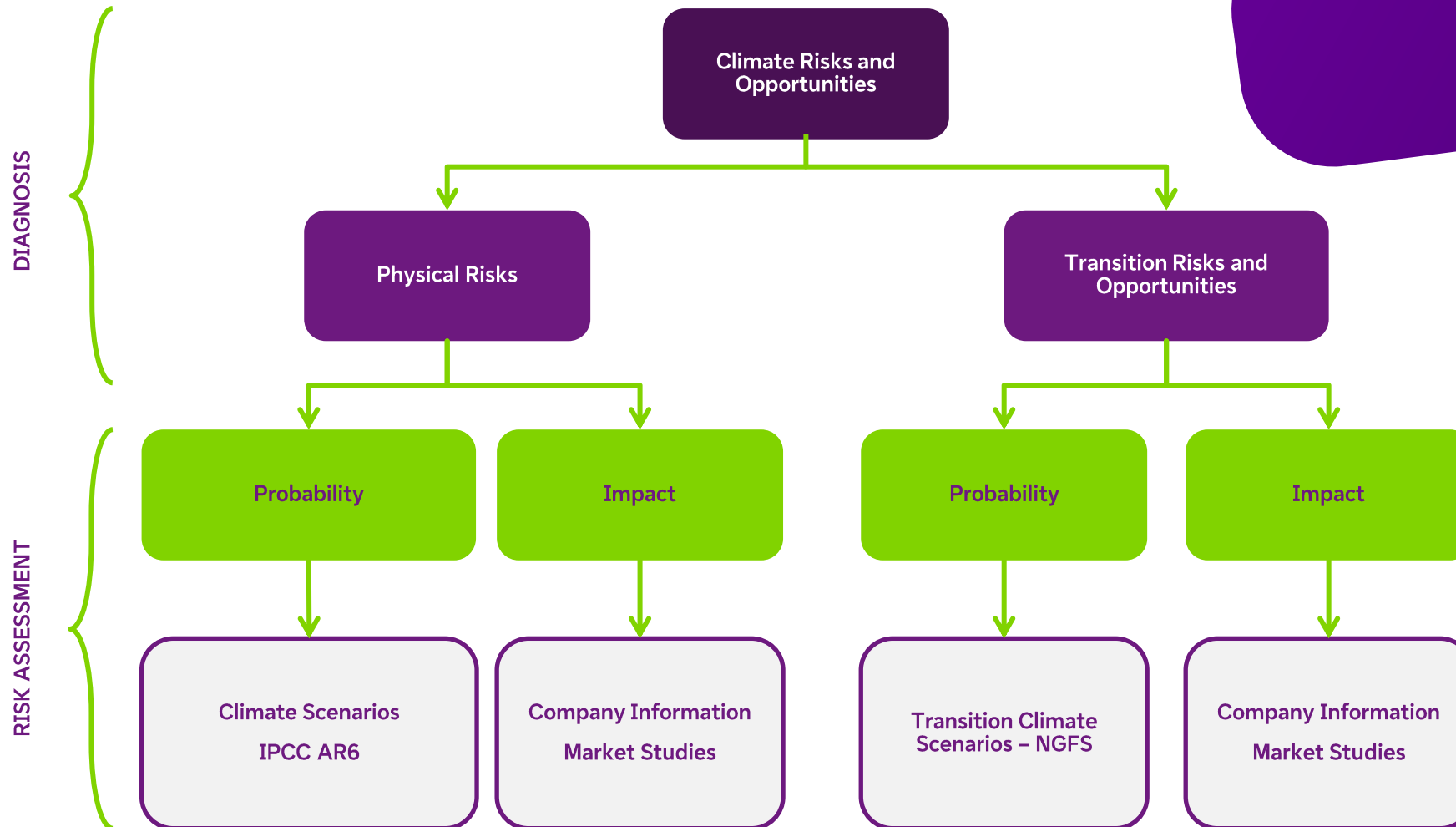
NDCs

- This scenario assumes that the unconditional NDCs (Nationally Determined Contributions) pledged by 2020 **are fully implemented** and that the respective energy and emissions targets for 2025 and 2030 are achieved in all countries. However, the extrapolation of policy ambition levels during the 2030–2100 period is subject to significant uncertainties. In this scenario, it is also considered that there is no effective transition to a low-carbon economy, **as efforts are insufficient** and, consequently, physical risks become more severe.

Net Zero 2050 (1.5°C)

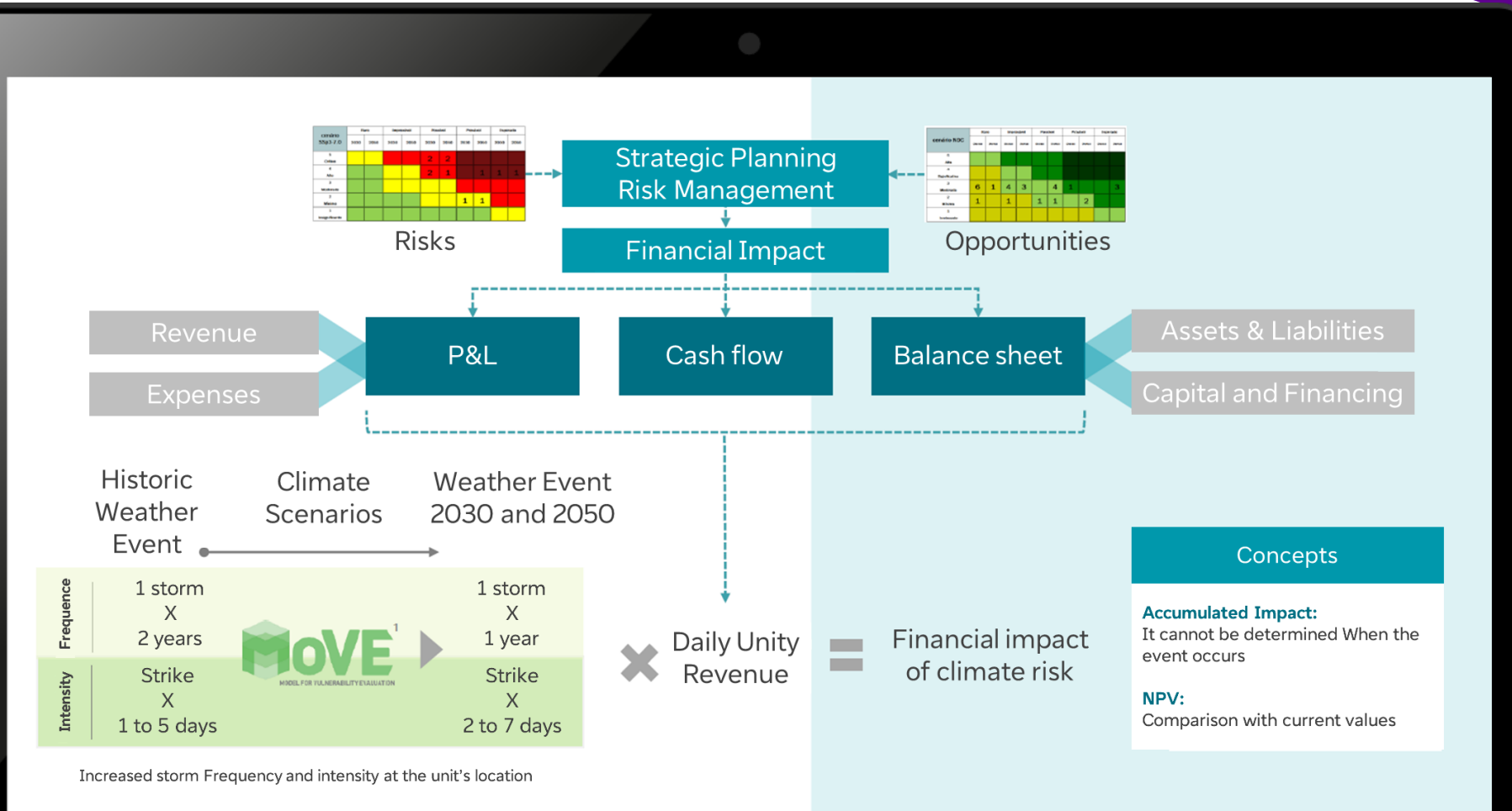
- This scenario imposes the goal of **limiting the temperature increase to 1.5°C** by the end of the 21st century, projecting the efforts required for the transition to a low-carbon economy. It assumes that the most ambitious climate policies are introduced early and gradually become more stringent, in an orderly manner across different countries and sectors. In this scenario, net carbon **emissions are neutralized around 2050**.

Risk and Opportunity Assessment Flow



Quantitative Assessment

Based on the results of the qualitative assessment, we selected the climate threats positioned in the quadrants that correspond to the critical risks of the risk matrix. The same approach was adopted to identify opportunities.



Identified Physical and Transition Risks

CATEGORY	NATURE	RISK DESCRIPTION	FINANCIAL IMPACT	RISK MANAGEMENT AND MITIGATION
PHYSICAL RISK – ACUTE	Heatwaves	Increased electricity consumption due to greater cooling needs associated with rising temperatures as a result of the higher frequency and recurrence of heatwaves. In addition, heatwaves can cause equipment overheating, affecting not only operational efficiency but also employees' physical well-being due to heat stress.	Increase in operating costs.	To manage these physical risks, Telefónica Brasil relies on an Energy Efficiency Plan, which aims to reduce electricity consumption, and a Renewable Energy Plan, which allows the Company to be less dependent on fluctuations in electricity prices. OPERATIONAL MODEL
PHYSICAL RISK – ACUTE	Storms and Floods	Business continuity risk and higher costs for replacing damaged assets due to the greater occurrence of extreme weather events.	Increase in operating costs due to the replacement of damaged assets. Revenue reduction due to service unavailability.	Telefónica Brasil has Business Continuity Plans applicable to all relevant processes and/or services, which aim to maximize the resilience of its operations in the face of any potential disruption. In addition, it has a crisis management system with a Crisis Committee structure, which is activated when necessary and supported by experts for each type of incident. Likewise, insurance against potential property impacts and service unavailability due to extreme weather events is considered within the insurance model. ADAPTATION PLAN
PHYSICAL RISK – CHRONIC	Droughts	Possible increase in electricity prices during drought periods, mainly due to the activation of thermoelectric plants, which triggers the tariff flag change to red.	Increase in operating costs.	The Renewable Energy Plan allows the Company to be less dependent on fluctuations in electricity prices. OPERATIONAL MODEL

Identified Physical and Transition Risks

CATEGORY	NATURE	RISK DESCRIPTION	FINANCIAL IMPACT	RISK MANAGEMENT AND MITIGATION
TRANSITION RISK	Market	Increase in electricity costs.	Increase in operating costs.	To manage these transition risks, Telefónica Brasil relies on an Energy Efficiency Plan, which aims to reduce electricity consumption, and a Renewable Energy Plan, which allows the Company to be less dependent on fluctuations in electricity prices. In addition, the Company has a Corporate Guideline on low-carbon procurement, which includes the calculation of the Total Cost of Ownership (TCO). This guides the acquisition of more efficient equipment, ensuring that purchasing decisions are directed toward low-carbon technologies. ADAPTATION PLAN AND ECONOMIC MODEL
TRANSITION RISK	Market	Increase in insurance premiums due to climate risks.	Increase in operating costs with insurance premiums for extreme weather events.	The Company has an insurance policy with coverage for Natural Risks, integrated into the Operational Risk policy. This protects assets against various incidents and dilutes the premium rate across all types of risks, including climate-related ones. ECONOMIC MODEL

Opportunities for Telefônica Brasil Linked to Climate Change

CATEGORY	NATURE	DESCRIPTION OF OPPORTUNITIES	FINANCIAL IMPACT	OPPORTUNITY MANAGEMENT
OPPORTUNITIES	Resource Efficiency	Cost optimization in networks and operations for improved energy management.	Reduction in operating costs (electricity OPEX).	The Energy Efficiency Plan provides an important competitive advantage in the sector by increasing network efficiency and resilience without causing higher energy consumption. OPERATIONAL MODEL
OPPORTUNITIES	Products and Services	Connectivity and digitalization solutions are essential to decarbonize other sectors of the economy and enable the Company to access new business opportunities.	Revenue growth driven by increased demand for connectivity and products and services that contribute to the decarbonization of the economy.	Digital solutions based on connectivity, IoT, Cloud, and Big Data have the potential to optimize resource consumption and reduce customers' environmental impact. For this reason, the Company's business units view the expansion of digital services as an opportunity, contributing to customer decarbonization. COMMERCIAL MODEL
OPPORTUNITIES	Energy Sources	Connectivity and digitalization solutions are essential to decarbonize other sectors of the economy and enable the Company to access new business opportunities.	Reduction in operating costs (electricity OPEX).	The Renewable Energy Plan includes all types of solutions (self-generation, purchase of renewable energy with guarantee of origin, distributed generation, and long-term PPAs) that have resulted in considerable savings in electricity costs for the Company. OPERATIONAL MODEL

Risk Management and Adaptation Plan

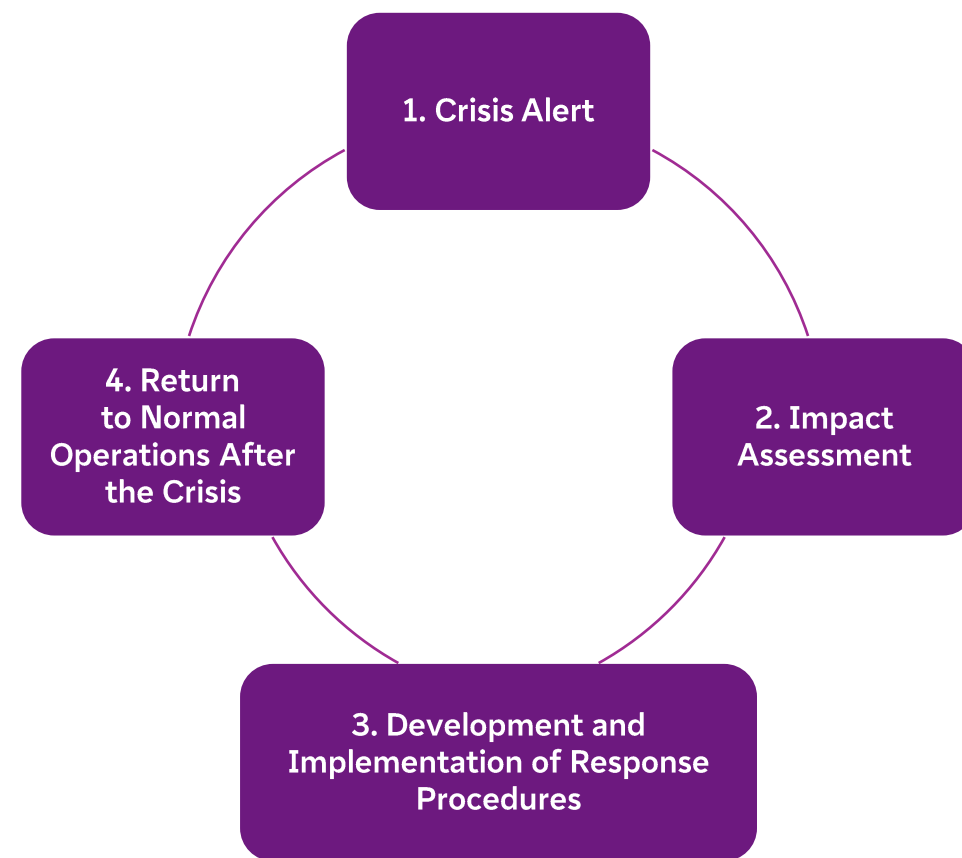
To manage the main risks identified, Telefônica Brasil has an Adaptation Plan that includes an Energy Efficiency Plan, a Renewable Energy Plan, and a dedicated Business Continuity area, guided by the Global Business Continuity Regulation (GBC). This Plan aims to ensure maximum resilience of the Company's operations in the face of any potential disruption.

Business Continuity

A dedicated area for Business Continuity management, with the role of ensuring that the Company is prepared to respond appropriately in the event of a disaster, incident, or emergency.

Guided by the Global Business Continuity Regulation (GBC), which oversees preventive risk management, ensuring maximum resilience of the Company's operations against any potential disruption. The business continuity process begins with the Business Impact Analysis (BIA), which identifies critical processes, systems, and resources and based on this information, develops continuity plans aimed at restoring essential functions in the shortest possible time.

In addition, the Company has a Local Crisis Committee, which is activated in the event of high-impact disruptive events. The Committee is supported by specialists for each type of incident, such as natural disasters. Crisis management is structured into four phases:



Phases of Action of the Local Crisis Committee

Energy Efficiency and Renewable Energy Plans



Telefônica Brasil also has an **Energy Efficiency Plan** aimed at mapping projects to reduce energy consumption and identifying new opportunities to mitigate rising electricity demand. The Company also has a **Renewable Energy Plan** that reduces exposure to price fluctuations and strengthens resilience during drought periods, reducing dependence on hydroelectric sources.

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Advocacy

Telefônica Brasil is aligned with the Telefónica Group's commitment to an inclusive, fair, and sustainable digital transformation. We are engaged in developing innovative solutions for social and environmental challenges, as well as implementing best practices in Social and Corporate Responsibility.

Telefônica Brasil's strategy is consistent with the main national and global guidelines for sustainable development. The Company is a participant in the United Nations (UN) Global Compact and takes into account the impact of its operations on the Sustainable Development Goals (SDGs) of the 2030 Agenda. In addition, Telefônica Brasil actively participates in public consultations, forums, coalitions, and dialogues with legislators, policymakers, and decision-makers, sharing experiences, knowledge, studies, and other inputs that may contribute to the formulation of more effective and inclusive policies. **To ensure this purpose, the Company actively engages with associations that share our commitment to inclusive and sustainable**



Climate Advocacy

Connectivity forms the fundamental basis of our business. We are committed to making our network more efficient and lower in greenhouse gas emissions. We promote digitalization and connectivity as enablers to help our customers operate more efficiently and sustainably.

We recognize the urgency of limiting global warming to 1.5°C and achieving net zero emissions, as established in the Paris Agreement. To achieve this goal, a joint effort from governments, society, the private sector, and companies is essential in pursuit of a more sustainable planet.

One of the ways we act is through Climate Advocacy, which includes participation in working groups, associations, and dialogues with decision-makers and policymakers, guided by the climate commitments and principles established by Telefônica Brasil, while defending actions that help contain GHG emissions so as not to exceed the 1.5°C scenario established by the Paris Agreement. The Company's objective is to support the transition to a low-carbon economy and, together with other stakeholders, highlight the fundamental role of telecommunications networks in the decarbonization journey. In this context, the Sustainability and Institutional Relations Offices are tasked with promoting transparent and trustworthy interaction with our stakeholders, as well as supporting the business in its engagement with employees, opinion leaders, the press, public officials, and society at large.

Our Principles

Telefônica Brasil has established the following principles for its activities involving associations, dialogue with decision-makers and policymakers, as well as other actions within the scope of climate advocacy:

- a) Adherence to the **Responsible Business Principles**, Code of Ethics and Conduct of Telefônica Brasil, which encompass our commitments to ethical and long-term management, promoting fair and sustainable social and environmental development;
- b) Adherence to our **Environmental Policy**, which establishes the principles for managing and improving our environmental performance, and to the **Energy Management Policy**, which guides us toward efficient and low-carbon energy management;
- c) Alignment with the **climate commitments** established by Telefônica Brasil;
- d) Alignment with the **Paris Agreement and with emission reductions aimed at limiting the maximum global temperature increase to 1.5°C**.

How We Manage Our Advocacy Actions

To ensure alignment with the Paris Agreement and other operating principles, Telefônica Brasil has established an internal Working Group composed of professionals from the Institutional Relations and Sustainability areas, dedicated to environmental issues (climate, circular economy, and biodiversity). This group is responsible for monitoring and contributing to climate-related agendas and policies, as well as other issues relevant to the sector.

One of the Working Group's actions involves mapping, analyzing, monitoring, and engaging with the main associations in which Telefônica Brasil participates, particularly those directly involved with climate issues. Another action of the Group is monitoring discussions related to public policies and bills, by participating in public consultations, events, forums, and other dialogue mechanisms with policymakers. As part of its engagement with different coalitions, the Group is able to define strategies aligned with our climate and business objectives, identifying gaps and opportunities in existing policies, in line with the established principles of operation and ensuring a positive and sustainable impact.

Actions in Response to Misalignments With Climate Objectives

“The way we work reflects the type of Company we want to be and how we want everyone who interacts with us to see us.”

We emphasize that our commitment to the environment and climate action is expressed in the Company's Code of Ethics and Conduct, called the Responsible Business Principles. These principles reflect the type of company we want to be and the relationships we establish with stakeholders. Any known non-compliance is subject to evaluation and potential sanctions.

Based on this premise, through the internal Working Group, the organization analyzes and discusses actions involving associations, policymakers, public policy consultations, or other fronts related to climate advocacy, evaluating their alignment with the principles of operation established by the Company and with the Paris Agreement. It is the role of this Working Group to monitor, analyze, and identify possible cases of misalignment in existing or proposed policies, for evaluation by the relevant bodies within the Company and to define next steps on a case-by-case basis.

In cases of misalignment involving public policies, the Company initially indicates its position through public consultations and dialogue. If the misalignment persists, actions are considered ranging from engagement agendas on the subject with policymakers to formal positions, which may include studies and analyses, either directly or through associations. In cases of misalignment involving associations, debates and engagement actions on the subject with other participants and members are planned as an initial step. If the misalignment position is maintained by the association, other actions may be discussed, ranging from formalizing dissent to Telefônica Brasil's non-participation in discussions, or even the termination of the association.

Our Recent Contributions

Brazilian Sustainable Taxonomy



In November 2024, during COP29 in Azerbaijan, the Ministry of Finance, under the technical coordination of the Undersecretariat for Sustainable Economic Development (SDES), submitted for public consultation the 2nd Phase of the Brazilian Sustainable Taxonomy. The initiative aims to define and classify economic activities and investments that are aligned with sustainability objectives and efforts to address climate change.

As part of its advocacy strategy, Telefônica Brasil submitted to SDES and other members of the Interministerial Committee on the Brazilian Sustainable Taxonomy, through the delivery of a technical note, evidence on the role of digitalization and connectivity to support the development of public policy that fosters Brazilian socioeconomic development on sustainable foundations and aligned with the needs of the new digital economy.

Additionally, through the Participa +Brasil platform, we submitted contributions to the following workbooks: 2.8 – CNAE Services for quality of life and planning; 2.3 – CNAE C Manufacturing industries; 2.6 – CNAE F F Construction; and 4 Addressing inequalities.

Regulated Carbon Market



Given the climate urgency of limiting global warming to 1.5°C, in 2024 Telefônica Brasil, through the Brazilian Business Council for Sustainable Development (CEBDS, in Portuguese), signed the document entitled **“Positioning of the Brazilian Business Sector on the Urgency of Creating a Regulated Carbon Market in Brazil.”** This document was delivered to Senator Leila Barros, rapporteur of the Bill that resulted in Law 15.042/2024, which established the Brazilian Greenhouse Gas Emissions Trading System (SBCE, in Portuguese).

Participation in Industry Associations and Working Groups

ASSOCIATION	WHAT IT IS	PUBLIC POLICY	COMPANY ENGAGEMENT
CONEXIS	The employers' union of the country's leading telecommunications companies, whose mission is to promote a more connected and digital Brazil.	Conexis produces and publishes data and information, promotes studies and debates, and seeks to enable the expansion and improvement of connectivity and communications infrastructure in Brazil.	Christian Gebara, CEO of Vivo, is the current Chairman of the entity's Executive Board. Teams from various areas of the company take part in thematic committees and working groups.
BRASSCOM	The Brazilian Association of Information and Communication Technology (ICT) Companies and Digital Technologies (Brasscom) aims to promote the ICT sector among public, private, and third-sector stakeholders. It has more than 80 members across various fronts of the Digital Economy, including telecommunications operators, IT and telecommunications product and service providers, and digital platforms, among others.	In addition to actively collaborating in the development of public policies for digitalization through studies and dialogues between the private sector, the public sector, and the third sector, the association maintains thematic groups focused on topics such as Education, Talent and Workforce Development, and Diversity. It is also a signatory of the "12 Commitments for a Competitive Brazil," led by the Competitive Brazil Movement.	Alex Salgado, Chief Operating Officer (COO) of Telefônica Brasil's Business Unit, is a member of the Board of Directors. Teams from different areas participate in Working Groups, including the Digital Policy WG, led by Fabiano Carvalho, Senior Manager of Institutional Relations at Vivo.
ABRASCA	The Brazilian Association of Publicly-Held Companies (Abrasca) brings together publicly traded companies in the Brazilian market with the goal of supporting the improvement of the business environment in the country, including the development of governance and self-regulation measures.	Abrasca maintains technical committees responsible for promoting debates among its members and developing public positions, studies, and other inputs that are presented to policymakers. Within its ESG Committee, topics such as the Carbon Market, Sustainability Indices, and Climate, Environmental, and Social Risk Management are discussed.	Technical teams from various areas take part in different committees. Joanes Ribas, Telefônica Brasil's Sustainability Director, is the Chair of the ESG Committee.

Participation in Industry Associations and Working Groups

ASSOCIATION	WHAT IT IS	PUBLIC POLICY	COMPANY ENGAGEMENT
AMCHAM	Amcham Brazil is the largest multisectoral entity in the country and the largest American Chamber of Commerce outside the United States, bringing together more than 3,500 companies that represent approximately 33% of Brazil's GDP and more than 3 million direct jobs. Amcham promotes connections among more than 180,000 executives and works to reconcile cross-sector interests between the private and public sectors on issues such as Brazil-U.S. relations, competitiveness, sustainability, international trade, and investments.	Among Amcham's initiatives is the promotion of best business practices in sustainability, reflected in actions such as the Decarbonization Hub , the Eco Award , and Brazil for the Environment , a movement led by Amcham together with ICC Brazil to share corporate best practices on environmental preservation in the country and to support organizational advocacy efforts on environmental matters. Amcham also includes digital transformation and sustainability topics among its legislative priorities.	The Company participates in debates, events, and contributes to discussions on sustainability, in addition to other relevant topics.
MEI	The Business Mobilization for Innovation (MEI) is coordinated by the National Confederation of Industry and brings together the main stakeholders of the innovation ecosystem in Brazil. With the objective of strengthening the Science, Technology, and Innovation (ST&I) ecosystem, MEI seeks to catalyze private and public initiatives to advance innovation in Brazil. To this end, it brings together business leaders to discuss public policies on ST&I, research and development, industrial policy, strategic projects, and partnerships with national and international institutions.	MEI is organized into Working Groups that cover topics such as Digital Transformation, Sustainability, and Professional and Technological Education, among others. These groups seek to benchmark public and private policies, as well as discuss and propose improvements to regulatory and legislative frameworks, along with policies and incentive programs related to ESG, digitalization, and innovation.	The Company participates in debates and actively contributes with input to support MEI's position-building.
GSMA	The GSMA is a global organization that brings together the main stakeholders of the mobile ecosystem, including operators worldwide and providers of technology, products, and services, with the purpose of accelerating innovation and reducing inequalities through technology.	The GSMA represents the mobile industry's commitment to the United Nations Sustainable Development Goals (SDGs). The GSMA contributes to all 17 SDGs through the work carried out by GSMA Mobile for Development , leading relevant initiatives, including sector task forces to advance climate action and sustainability .	The Company participates in working groups related to climate change, biodiversity, and circular economy, as well as several other priority topics within the GSMA.

Participation in Industry Associations and Working Groups

ASSOCIATION	WHAT IT IS	PUBLIC POLICY	ATUAÇÃO COMPANHIA
CEBDS	The Brazilian Business Council for Sustainable Development (CEBDS) is a non-profit civil association that promotes sustainable development by engaging with governments and civil society, as well as disseminating the most up-to-date concepts and practices on the subject. One of its pillars of activity is representing the Brazilian business sector, through advocacy, in the development of public policies that guide the country toward sustainable development and actions that enhance competitiveness and the legal certainty of business.	The Brazilian Business Council for Sustainable Development (CEBDS) works on multiple fronts. To promote debate and the exchange of experiences, CEBDS organizes events and actions with key stakeholders. In addition, through advocacy, it operates within a network to influence public policies. It also develops initiatives in partnership with companies, organizations, and governments, fostering sustainable actions and practices. Finally, CEBDS has thematic chambers that function as discussion forums where, with the contribution of member companies, it focuses on research and the development of strategic projects.	Telefônica Brasil participates in the following Thematic Chambers (CT): - Climate - Energy - Biodiversity and Biotechnology - Sustainable Finance - Advocacy
Pacto Global Rede Brasil	The United Nations Global Compact is the world's largest corporate sustainability initiative, aimed at transforming corporate strategies in favor of sustainable development by engaging companies and organizations in adopting principles in the areas of human rights, labor, environment, and anti-corruption.	The United Nations Global Compact is supported by the UN General Assembly and has been recognized in various other intergovernmental contexts, including by the G8. To promote integrity and transparency in UN business partnerships, the Global Compact coordinates the development of policies and guidelines that emphasize the importance of due diligence and accountability in the selection and engagement of partners.	In 2010, Telefônica Brasil became a signatory of the United Nations Global Compact. We are part of the Ambition 2030 Movement, in which we have undertaken six commitments: Net-Zero Ambition, Women Lead, Race Is a Priority, Mind in Focus, Living Wage, and Circular Connection.

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The Journey to 2035

The journey to 2035 is challenging and requires an integrated and adaptive approach. At Telefônica Brasil, reducing emissions is as strategic as sustaining the growth of our business. Our culture of sustainability, combined with strong governance of social and environmental matters, has placed us on a trajectory of consistent progress.

To decarbonize our network, we became pioneers in the sector by using 100% renewable energy, including 72 distributed generation plants from solar, hydro, and biogas sources, in an initiative that accounts for nearly all of Telefônica Brasil's low-voltage consumption. In addition, we established a strategic partnership with Elera Renováveis to become self-producers of energy, **involving the installation of four solar farms in the Janaúba Solar Complex, in Minas Gerais (MG), with a total capacity of 237 MWp.** With this initiative, Telefônica Brasil will be able to meet up to 73% of its consumption in the free energy market, supplying up to 200 medium-voltage consumer units.

We have also invested in sustainable mobility, with a fleet of more than 5,000 vehicles across Brazil—all flex-fuel models running exclusively on ethanol since 2022. The Company also provides 35 electric bicycles for short-distance travel. Furthermore, we have made significant progress in implementing operational control and efficiency measures.

To continue driving the economy of the future, we have the opportunity to mobilize and transform our supply chain in our pursuit of net zero. **We have undertaken an important journey with 125 suppliers from different segments, covering the five carbon-intensive categories—such as electronic equipment, network equipment, network materials, transport, and logistics—which together account for more than 80% of supply chain emissions.**

This Climate Action Plan reflects these measures and, above all, our commitment to continue growing sustainably, with a positive impact for our shareholders, employees, and society, while caring for the planet we will leave to future generations.