Inaugural Green Bond from Telefónica

**FACT SHEET**

### Use of Proceeds

- Proceeds to be allocated towards eligible investments: energy efficiency in the network transformation from copper to fibre optic in Spain
- Investments consist of shutting down legacy units, upgrading the network infrastructure and placement optimisation
- Eligible investments refer to new investments made after issuance as well as any investments made 3 years prior to issuance

### Impact

- Migrating clients to fibre optic reduces environmental impact of networks by reducing energy consumption (85% per customer); as well as reducing the need for cooling systems; reducing the number of central offices; and reducing the overall maintenance needs of the networks – all of which result in further GHG emissions reductions
- New fiber optic infrastructure is a key contributor to Telefonica’s emissions reductions target to reduce GHG emissions by 50% in absolute terms before 2030
  
  Telefonica has global targets on energy and climate change and has also committed to 100% renewable electricity consumption in 2030
- The Science Based Targets Initiative have certified Telefonica’s targets as fully aligned to the Paris Agreement

The impact of **network transformation in Spain from 2016-2018** (despite exponential increases in data traffic)

- Energy consumption per client, including all the necessary technical equipment to provide the service. Comparing energy consumption per client in both networks, results in >85% energy savings.

- The impact... Equivalent to the carbon sequestered by 900,000 trees

- Energy saved c.200 GWh
  - 7 times less energy (-85%) per customer
  - 4 times distance capacity: freeing up infrastructure and allowing equipment to be recycled
  - -50% failures (1.8 M litres of fuel)

- Fiber optic infrastructure also contributes to achievement of the UN Sustainable Development Goals:
  - 7.3 By 2030, double the global rate of improvement in energy efficiency
  - 9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes

### Annual Reporting

- Telefónica will provide impact reporting metrics on
  - energy consumption per data traffic
  - estimated GHG Emissions reduced (tCO2eq)
  - energy saved (in MWh)

- Reporting will be made available in the company’s 2019 Annual Integrated Report, to be published in the first quarter 2020, currently audited by PwC.