

NOTA DE PRENSA

PRESS RELEASE

TELEFÓNICA DOUBLES USE OF RENEWABLE ELECTRICITY

- **The company accelerates its plan to be 100% renewable and joins the RE100 global initiative**
- **Thanks to its Renewable Energy Plan, Telefónica will achieve potential savings of 6% in energy costs and keep about 1.5 million tons of CO2 from entering the atmosphere by 2030**
- **The company is already 100% renewable in Germany and the United Kingdom, and in Spain renewable electricity accounts for 79% of company consumption**
- **Telefónica has 4,200 base stations that self-generate renewable energy**

Madrid, Friday 2 June 2017.- 44% of Telefónica's electricity consumption is already renewable, which is equivalent to the average annual consumption of 203,749 households. This means that the company has doubled its use of renewable electric energy from 21% one year ago. Telefónica is accelerating the fulfilment of its goals to help support the Paris Agreement: to reach 50% renewable energy by 2020 and 100% by 2030, combined with a reduction in energy consumption.

In order to make its commitment public, Telefónica has joined RE100, a global and collaborative initiative involving influential businesses committed to achieving 100% renewable electricity in order to massively increase the demand for renewable energy.

"Our Renewable Energy Plan helps us to improve our competitiveness, reduce our operational costs and to make growth compatible with a sustainable strategy. Our goal is to have the best network, one that not only allows us to offer excellent connectivity in technological terms, but also one that is the most efficient and clean in the sector in terms of energy and carbon", explains Enrique Blanco, Telefónica's Global CTO.

Sam Kimmins, Head of RE100, The Climate Group says: "By joining RE100 and progressing its renewable electricity goals, Telefónica is demonstrating that climate leadership and business leadership go hand in hand. Going 100% renewable means Telefónica is saving on energy costs while preventing CO2 emissions – that's a smart business decision. The company is one of the largest multinationals in Spain with a large electricity footprint and even larger global reach. How it chooses to source its energy matters in driving market change and delivering on global climate goals."

Telefónica's Renewable Energy Plan includes four action areas, depending on the markets in which the company operates and the regulations in force in each one: acquisition of renewable electricity with a guarantee of origin, long-term power purchase agreements (PPA), shorter bilateral

NOTA DE PRENSA

PRESS RELEASE

agreements and self-production. The company estimates that Plan will allow Telefónica to save 6% in energy costs by 2030.

The progress achieved this year through the Plan is mostly due to purchasing renewable electricity with guarantees of origin in Spain, which represents 79% of Telefónica's energy consumption in the country, as well as the commitment of the operations in the United Kingdom and Germany, which are already 100% renewable.

In addition, in other countries such as Costa Rica and Uruguay, the electricity consumed by the company is renewable by more than 90%, thanks to the high development of these technologies in these countries.

PPAs are the preferred course of action in Latin America, where Telefónica Mexico's power agreement is especially noteworthy: it will have two photovoltaic solar power plants that will be operational by the end of 2017 and will supply the operation for 15 years. This represents 50% of its annual electrical energy consumption.

In 2017 and 2018, new PPAs will be signed in other markets where the regulation allows this, such as Chile, Argentina and Colombia.

Bilateral agreements are available in various countries. For example, Telefónica acquired renewable energy in Brazil, where it is the company with the largest number of buildings in the free electric market. These are short to medium-term contracts, which provide savings of more than 15 million euros a year. Other national branches, such as Chile, Peru and Colombia have also undertaken projects for the purchase of clean energy.

Finally, Telefónica is self-generating renewable energy and innovating to increase its use in the network. Currently, the company has 4,200 mobile telephone base stations that self-generate clean electricity, while in Uruguay 16 photovoltaic solar power plants are being installed in rural areas. With a power of 24kWp, they generate almost 600MWh of renewable energy each year, equivalent to the average consumption of 172 households. In addition, in the company's Madrid business complex, Distrito Telefónica, solar panels generate more than 3GWh/year.

In addition, in the last 2 years the company has invested 1.4 million dollars in photovoltaic generation systems in Colombia, which has allowed for the replacement of equipment that used to consume diesel fuel 24 hours a day. In doing so, the emission of 474 tCO₂ were avoided, the equivalent to the annual absorption of 91 hectares of forest, with approximate annual savings of almost 500,000 dollars.

Given the success in Colombia, Telefónica has decided to reduce annual diesel consumption by 4% worldwide by implementing the project in other operations.

About RE100

NOTA DE PRENSA

PRESS RELEASE

[RE100](#) is a collaborative initiative of the world's most influential businesses committed to 100% renewable power. Renewables are a smart business decision, providing greater control over energy costs, while helping companies to deliver on emission reduction goals. Together, leading companies are sending a powerful signal to policymakers and investors to meet growing demand for renewable energy and accelerate the transition to a robust, low carbon economy. RE100 is brought to you by [The Climate Group](#) in partnership with [CDP](#), as part of the [We Mean Business](#) coalition.

Telefónica's Energy and Climate Change Objectives

In addition to switching to renewable energy, the company will reduce energy consumption per traffic unit (energy intensity) by half, and will decrease Greenhouse Gas emissions (GHG) by 30% in absolute terms by 2020. Telefónica estimates that the launch of energy-efficient projects and the use of renewable energy will generate savings of 90 million euros.

More information: <https://www.telefonica.com/en/web/responsible-business/environment>