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The agreement signed by UGT (General Union of Workers) and CCOO (Workers Commissions) provides the company with a framework of stability for more than 21,000 employees

TELEFÓNICA ESPAÑA AND THE UNIONS SIGN THE COLLECTIVE AGREEMENT THAT ALLOWS THE COMPANY TO PREPARE FOR FUTURE CHALLENGES

- It will be valid until 31 December 2021, extendable for another year, and agrees to an annual salary increase of 1.5%.
- It establishes the largest training programme developed by a company in Spain.
- It introduces new concepts such as flex-work, digital disconnection and advances in work and family life reconciliation.
- There is a commitment to incorporate two young people for each employee forced to retire.

Madrid, 27 September 2019.- Telefónica España and major trade unions UGT and CCOO today signed a Collective Bargaining Agreement that provides a framework of stability to over 21,000 employees from Telefónica España, Telefónica Móviles España and Telefónica Soluciones de Informática y Comunicaciones, becoming a point of reference for the sector.

The second Collective Bargaining Agreement of Related Companies will be valid for three years, including the current one, until 31 December 2021, with the possibility of extension for one more year. The agreement establishes a salary review of 1.5% per year, which ensures an improvement in remuneration and takes a further step towards the homogenisation of conditions for the employees of the three legal entities.

The company will make a very significant effort in the enforcement of a training policy to provide people with new technological skills that will make them more versatile, as well as provide them with a greater capacity to adapt to the current work environment and the new profiles required in the future.

More than 6,000 employees are expected to participate in reskilling programmes and there will be open skill improvement programmes for all company employees.

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This agreement will enable Telefónica to evolve towards a more digital company, more flexible and more prepared for future challenges through improved employability, position reclassifications and work and family life reconciliation, including pioneering measures such as adapting the working day, the right to digital disconnection and the implementation of new forms of work such as flex-work.

It also establishes as an objective to enforce the principle of equal treatment and opportunities between women and men through a new Equality Plan that implies the same opportunities for access to training, employment and promotions.

The text includes a policy to attract new talent and youth employment through the Talentum scholarship programme, among others, and thus incorporate new profiles in line with new professional needs.

In the context of this policy, the company undertakes to incorporate two new jobs for each person who retires due to forced retirement. Out of these, at least half will be intended for persons under 35 years of age. These people will come from both university and vocational training.

Among the improvements included in the Agreement, there is an annual bonus of 300 euros in 2020 and 2021, of which 150 euros can be consolidated each year.

The Collective Bargaining Agreement includes the "Individual Suspension Plan", the purpose of which is to improve the adequacy of the workforce and to allow eligible employees to suspend their employment under the established conditions.

With this voluntary, universal and non-discriminatory Plan, similar to the one established in the previous Agreement, employees who reach 53 years of age or more in 2019 and have more than 15 years of seniority in the company may suspend their relationship with the company. Those who opt for this Plan will receive 68% of the established compensation payment until the age of 65, they will maintain their health insurance, and the company will pay the Special Agreement with Social Security.