

NOTA DE PRENSA

PRESS RELEASE

The company awarded in the Sustainable Procurement Award category.

Telefónica Awarded at Amazon Business Exchange Awards for driving sustainability in its supply chain

- **This is the second edition of the awards that highlight the most innovative companies in various categories including Bringing People Together, Innovating with Intent and Procurement Hero.**
- **The awards were presented at the ABX2020 virtual event, which brings together purchasing, finance and supply chain experts from all industries.**

Madrid, October 7, 2020 - Telefónica today received the Sustainable Procurement Award at the Amazon Business Exchange Awards 2020, celebrated at the Amazon Business Exchange (ABX2020) online event. These awards are aimed at leaders and organizations that are driving exceptional change and digital transformation, optimizing supply chains, helping teams implement more modern ways of working to save costs, removing barriers and creating inclusive environments in their procurement.

This award is granted to Telefónica for promoting sustainability in its supply chain, which makes it stand out as a benchmark in this area.

In recent years, Telefónica has gone from a relationship focused on requiring its suppliers to comply with certain standards, to a relationship based on a mutual commitment to sustainability, with the conviction that this represents a benefit for the entire society. Thus, it establishes a collaboration with its strategic suppliers that promotes innovation in terms of sustainability. This is the case of its program to reduce by at least 30% the emissions in the supply chain per euro purchased before 2025 (in the last three years they have decreased by 24%).

In addition, Telefónica, together with its suppliers, also promotes the circular economy by sharing a digital system for waste management or promoting the eco-design of equipment and devices, among others.

Support to local suppliers

It is also important to highlight in Telefónica's sustainability policy its support for local suppliers as a fundamental element of the economic recovery. Specifically, last year it awarded them 83% of its purchase volume - about 20,000 million euros.

In parallel, Telefónica works to make its processes more efficient, relying on new technologies and end-to-end digitization of the entire purchasing process (source to pay). Among other initiatives, this year it has launched a pilot with Amazon Business in Spain and Germany, for specific low-value purchases.

The company also works hand in hand with its suppliers to ensure that they meet the minimum criteria of responsible business set out in its Sustainability Policy in the Supply Chain, supporting them in their improvement plans. Telefónica is part of the sector initiative JAC (Joint Audit Cooperation), which is responsible for auditing the factories of critical suppliers of telecommunications companies. In total, through JAC and other initiatives, it carried out more than 18,000 audits on different aspects of sustainability in 2019.

More information on sustainability in the supply chain:

<https://www.telefonica.com/en/web/responsible-business/our-commitments/supply-chain>