

12th Global Workshop on Energy and Climate Change

Ángel Vilá: "We intend to increase ESG financing to over €10 billion in the coming years"

- Included in this target are all green and sustainable bonds already issued, those to be launched in the following years and also loans and ESG bank financing.
- The company is targeting net-zero emissions by 2025 in its key markets and by 2040 in all its footprint, including its value chain.

Madrid, 30 November 2021. Ángel Vilá, COO of Telefónica, announced today at the opening of the 12th Global Workshop on Energy and Climate Change that the company intends to increase the weight of ESG financing to over €10 billion in the coming years. In addition to the €3,250 million already raised through bond issues to date, it will add new green and sustainable bonds, together with loans and bank financing, to continue supporting projects with environmental and social impact.

Telefónica was the first company in the telco sector to launch a green bond, back in January 2019. Since then, and after also launching the first hybrid green bond in 2020 and the first hybrid sustainable bond in 2021, the company has maintained its leadership in the industry in terms of sustainable financing, having the largest volume of ESG financing in the bond market.

"Investor support plays a central role to deploy the necessary infrastructure and develop cutting-edge technologies. Their interest in our potential to decarbonize the economy have placed Telefónica as the largest green issuer in the ICT sector," said Vilá.

With the funds raised, Telefónica seeks to finance or refinance projects with a positive environmental and social impact that contribute to Sustainable Development Goals/SDG 9 (build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation); SDG 8 (promote inclusive and sustainable economic growth and employment); and SDG 7 (ensure access to affordable, secure, sustainable and modern energy for all).

Green digitalization to move forward

Telefónica's 12th Global Energy and Climate Change Workshop, which takes place over three days, is the annual meeting point for the leaders of the company's energy transformation and their main partners, with innovation and digitalization as the way to protect the planet and reduce energy consumption and global carbon footprint.

"Beyond our own transformation, we also help our customers address their environmental challenges. Our Eco Smart cloud, IoT, big data and AI services reduce energy and water consumption and CO2 emissions; improve traffic planning and air quality; and boost circular economy. Our ambition is to help our customers avoid 12 million tons of CO2 per year. And this has just begun, ultrafast 5G connectivity and the solutions it enables are expected to further cut carbon emissions across sectors," said Ángel Vilá.

All the above on a low-carbon basis, as the main objective that the telco is taking to its 12th workshop regarding its commitment to the planet is to achieve net-zero emissions by 2025 in its key markets and by 2040 in all its footprint, including its value chain. To reach this, it will continue to reduce direct and indirect emissions with the 1.5°C scenario by 70% globally by 2025. As an intermediate target it will start to neutralise the remaining emissions in its main markets in the same year.

Its commitment to the environment is an essential pillar, as evidenced by the fact of having a Climate Change Office for over 16 years and decoupling its ability to grow relative to the emissions generated. In five years, the company has reduced all its emissions by 40%, 61% for scopes 1 + 2 and 27% in scope 3 since 2016.

This evolution has been possible thanks to the transformation of the network included in its Energy Efficiency Plan. By 2025, Telefónica will have replaced 100% of the copper network with fibre in Spain, 85% more efficient. An additional positive impact will come from 5G, up to 90% more efficient than 4G. It has also updated its operating model, with 80% of its processes digitized, including Artificial Intelligence capabilities in solutions, services and call centers. Moreover, Telefónica already uses 100% renewable electricity in Europe, Brazil and Peru.

In conclusion, Telefónica's COO underlined how "the green and digital transitions go hand-in-hand, with digitalization powering the green transition. These twin transitions will accelerate the development of the climate-smart technologies necessary to achieve net-zero emissions goals".

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