Telefónica

Telefónica's green senior bond

January 2026

Telefónica's green senior bond

Use of proceeds

- Examples of eligible green projects according to Telefónica's Sustainable Financing Framework (updated July 2023 with Sustainalytics' SPO):

  - Transformation and modernisation of telecommunications networks based on high-speed fixed and mobile networks, including supporting infrastructure and software to improve the energy efficiency of the networks, as well as the implementation of Telefónica's Renewable Energy Plan, and development and implementation of digital products and services with a focus on saving energy and/or natural resources.

- Referred to new investments made after issuance and investments made up to 36 months prior to issuance.

Green project's impact

- Telefonica was the 1st company in the world in the TelCo sector to obtain SBTi validation for its Net Zero target by 2040. Telefonica has global targets on energy and climate change aligned with the 1.5° scenario (validated by Science Based Target Initiative[2]) and the electricity consumed in its main markets is already 100% renewable.

- New high-speed telecommunication networks are key contributors, not only to Telefonica's Net Zero target but also to its energy efficiency target to reduce 95% energy consumption per unit of data traffic by 2030 (compared to 2015):

  - Migrating clients to fibre optic reduces the environmental impact of networks by reducing energy consumption (85% more efficient per customer[3]); as well as reducing the need for cooling systems; reducing the need for buildings by 50%; and reducing the overall maintenance needs of the networks – all of which result in GHG emissions reductions.

  - Mobile network transformation with high-speed technologies is expected to represent an unprecedented, disruptive, technological change in many different economic sectors and in society over the next decade. For example, 5G is up to 90% more efficient in terms of energy consumption per traffic unit[4] and has much more capacity, so it will be able to provide increased services with a lower energy consumption.

Annual reporting

- Telefonica will provide impact reporting metrics on Green Projects, such as: electricity consumption (kWh), electricity consumption per data traffic (kWh/PB), and estimated GHG Emissions avoided (tCO_2e).

- Reporting will be made publicly available on our website during 2027 with the 2026's issuances portfolio and on an annual basis until proceeds are fully allocated. Allocation and impact reports may refer to proceeds from a portfolio of one or more outstanding issuances, in any case Telefónica will publish a single annual report containing the information.

- Third-party auditors will ensure the allocation and impact reports are consistent with Telefónica's Sustainable Financing Framework.

Impact of proceeds[1]

Environment

+ 1 million
tCO_2e avoided emissions since 2019

SDG contribution

Targets

7 AFFORDABLE AND CLEAN ENERGY — 7.2 7.3

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE — 9.4

13 CLIMATE ACTION — 13.2

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1. Cumulative impacts of the financing included in Telefónica's Green Financing Instruments Report 2025 and previous bond issuances whose allocation report has already been published: green bond issued in February 2019, green hybrid issued in February 2020, sustainable hybrid issued in February 2021, sustainable hybrid issued in November 2021, sustainable senior bond issued in May 2022, Telefónica's Green Financing Instruments 2023 Report, and 2024 Report.
2. The Science Based Targets Initiative is joint initiative of the UN Global Compact, Carbon Disclosure Project, World Resources Institute and WWF.
3. Telefónica calculates energy consumption per client access, including technical equipment to provide the service. Comparing energy consumption per client access in both networks, results in >85% energy saving
4. Based on several on-site research carried out with different vendors. https://www.nokia.com/about-us/news/releases/2020/12/02/nokia-confirms-5g-as-90-percent-more-energy-efficient/ or https://www.telefonica.com/en/communication-room/blog/telefonica-makes-progress-in-the-design-of-a-green-5g-network/

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