



OUR APPROACH

# Corporate responsibility and sustainability as part of the Telefónica vision\_

The company's vision is borne out of the conviction that technology should be available to every person, company and public administration so that they can BE MORE\_

Telefónica helps people to access, understand and enjoy what technology can offer them

Technology is amazing and it's getting more amazing every day. But technology is nothing without people. What is important is how it improves people's lives. Technology transforms the way in which people are in touch, keep up to date, enjoy, buy, share and learn. Technology also strengthens businesses, providing them with opportunities and increasing their productivity.

### Why do we work every day?

As a consequence of this reality, at Telefónica we believe that technology should be open to everyone so that we can all *be more\_*. In this way, we can all do more, live better, *be more\_*. We believe in this for three reasons:

- **Firstly**, because Digital Technology provides new opportunities for people and holds the power to transform the Company in a positive light. Due to this, we take the lead in this transformation, creating opportunities for the many and not the few.
- **Secondly**, because bringing technology to people requires a number of special capabilities; Telefónica is uniquely positioned to make a difference. We can bring technology to people through our networks and our commercial capabilities. This is what we know how to do best.
- **And thirdly**, because technology is creating an unstoppable and irreversible revolution within our industry. We can take advantage of arising opportunities for those companies that best respond to the needs of customers.

### How do we work?



**Disrupt.** We anticipate this change and will be innovative using our knowledge of the digital world and our spirit of openness. *Disrupt* means to improve the rules of the game to generate greater value for our customers and for Telefónica.



**Deliver.** We take advantage of our global presence, while remaining agile, allowing us to fulfil our commitment of carrying affordable technology to people.

**Discover.** We have always known the importance of being focused on our customers. However, it is now up to us to discover what it is they need in the digital world.

### How do we work every day?

*Discover, Disrupt, Deliver* define the way we work. These three key attitudes summarise our existing corporate behaviour and brand values as well as the insights we gathered from our customers, employees and analysts.

### What do we do for our customers?

Connectivity is the first step into the digital world. To be a Digital Telco means taking another step. Our mission is to act as a guide for people and businesses. We help people to access, better understand and enjoy what technology can offer them. This means that we will use our consumer knowledge, our networks, our technology and our commercial experience to deliver simple digital services that are smart, safe and enjoyable. In summary, a Digital Telco brings the best of technology to people.



**We can all BE MORE\_**  
The digital world creates opportunities for companies. We want our shareholders to *be more\_* by capitalising on the new revenue streams that flow in from our digital future.



We all aim to develop our potential as professionals. We want our employees to *be more\_*, achieving the best for themselves, their teams and their clients. We are all committed to being a Great Place to Work.



Technology changes the way in which people live. We want our customers to *be more\_*, discovering, understanding and making the most of technology.



Technology offers new business opportunities and increases productivity. We want businesses to *be more\_* thanks to the tools and knowledge in order to stay at the cutting edge of the latest digital innovations.



Institutions are challenged to accelerate socio-economic development. We want institutions to *be more\_* transformational and for this reason we are openly collaborating with them.



In the digital world, businesses cannot do everything on their own. We want our partners, startups and entrepreneurs to *be more\_* thanks to our scope, vision and experience.



Society seeks socio-economic progress and the protection of the natural environment. We want it to *be more\_* by making the most out of technology.



Corporate sustainability is a source of competitiveness and progress: it helps reduce risk and increase brand value and differentiation for customers

### Sustainability in the Telefónica vision

We are living through a social and economic revolution unprecedented in the history of humankind, brought on by the possibilities that technology opens up to people.

Our mission is to make these possibilities available to all companies and individuals, so that they can live better, do more things and *Be more...*

The sustainability strategy of the Company is a part of this mission and manifests itself in clear results:

- Helping people to live better. At Telefónica we are convinced that with our technology and services we can help to improve the quality of life and safety of our users.
- Transforming society. We at Telefónica know that where there are ICT, there are development and opportunities, and that the new technologies are a source of enterprise and social innovation.
- Caring for the planet. At Telefónica we are working on efficient management of the environmental risks of our operation, and we provide services that further the environmental sustainability of people and cities.

### ¿What is our strategic sustainability management?

Business transparency and the management of integrity through the Business Principles of Telefónica allow the creation of trust in the markets, and more generally among the stakeholder groups of the Company.

Corporate sustainability is a clear source of competitiveness and progress: it helps to reduce the risk premium on financial markets, increases the value of the brand and the distinctiveness for clients, facilitates employee fidelity, ensures a stable project as a Company and for society, bolsters the legitimacy to operate and permits sustainable development of the communities where Telefónica is present.

In Telefónica, sustainability is analysed from a value perspective, with 3 main guidelines: growth in activity, increase in profitability and risk management. It is centered on quality, innovation and productivity to create long-term competitive advantage and value.

This is realised in a series of key projects linked to operation with criteria of sustainability (economic, social and environmental), 100% aligned with the Company mission, and which offer responsible and transparent management of our entire footprint.

Protection of minors, supply chain sustainability, privacy and freedom of expression, human rights in all their aspects, management of the business opportunities linked to the positive impacts of our services on society and the environment, are some of the projects under way.

All this is very much in harmony with the concept of *stakeholder engagement*, that helps Telefónica to have a voice in debates on sustainability issues, beyond the traditional ones handled within projects as part of their needs.

The progress and results of this process can be seen in the Annual Corporate Sustainability report, which takes the materiality matrix as a reference, all within a framework of international reporting standards and verified externally. With these, we keep our *stakeholders* informed about the main advances in management issues and the evolution of indicators, in addition to stating our objectives for future years.

Sustainability at Telefónica is rated as among the best in our sector by its most influential analysts, and our actions are acknowledged in the most prestigious worldwide sustainability rankings, such as the Dow Jones Sustainability Index (DJSI), the Carbon Disclosure Project (CDP), Sustainalytics, Oekom, FTSE, etc.



### Awards



Member of the top category, DJSI World Index, 86 points



Listed for twelve consecutive years



Nº 5 in the telco industry



Sustainability Leaders Bronze class



Prime Rating



5<sup>th</sup> telco out of 112 operators



Excellence Investment Register