

RESPONSIBLE MANAGEMENT

Labour practices: Health & safety

The health, safety and wellbeing of our employees constitutes one of the principal lines of attention and action by the company, which is implanted through the occupational health and safety management system

Telefónica guarantees very high levels of protection and health and safety for its workers. In 2013 we began the audit process for the OHSAS 18001 standard

The most important lines of action on matters of occupational health and safety during 2013 were:

OHSAS audit of health & safety management system

As part of our commitment to very high levels of protection for workers' health and safety, as well as implementing a coordinated and efficient system for managing health and safety at work, during 2013 we started the audit process according to the standard OHSAS (Occupational Health & Safety Assessment Series) 18001, for all Group companies in Spain.

The first step was to start an internal audit process, the work for which was performed by technicians from the Joint Health and Safety Service. Its aim was to assess the compliance of the health and safety management system for the 36 companies of the Group, evaluating their capacity to comply with the applicable laws and regulations, as well as their ability to meet specific targets and identify possible areas for improvement.

Similarly, we evaluated the effectiveness of the system through sampling in different provinces, visiting, among other places, A Coruña, Ciudad Real, Guadalajara, Madrid, Segovia, Toledo, Valladolid and Zaragoza, in the case of Telefónica Spain.

During these visits the Joint Prevention Service staff worked closely with those responsible for the different units involved, such as Property, Security,

Operations, etc., as well as with representatives of the other companies of the Telefónica Group.

Following this internal analysis and the adoption of appropriate measures of improvement, the process of external OHSAS audit was begun, undertaken by technical auditors accredited to do so.

An exhaustive revision of the health and safety management system procedures for working, and of Telefónica's own installations proper, was carried out. During the external audit, various aspects of the system including those listed below were verified, at both the central and provincial levels:

- Emergency measures.
- Evaluation of risks.
- Investigation of occupational accidents.
- Vigilance of individual protection equipment.
- Coordination of business activities with our collaborating companies.
- Revision of installations (telephone exchanges, inspection boxes, base stations, posts, etc.).
- Health & safety committees.
- Development of annual preventive scheduling.
- Health monitoring management.

Health promotion during 2013

During the year, various health promotion campaigns were carried out.

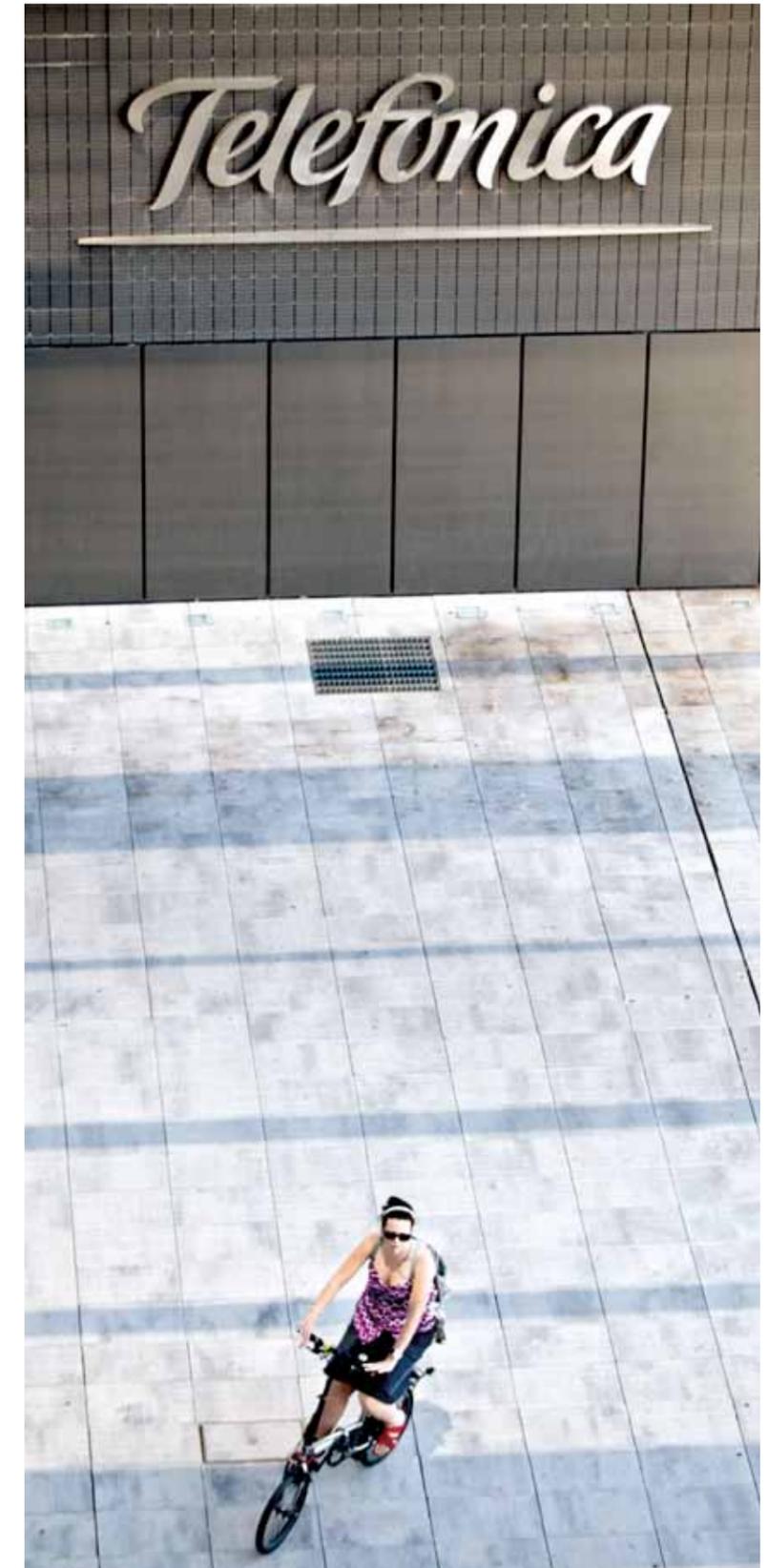
Some of these take place during the medical examination, like the campaigns to prevent colon cancer, prostate cancer and gynaecological conditions, and to mitigate cardiovascular risk.

Others are run at certain periods only, and the workforce is invited to participate and take advantage of the consultations and checkups offered, by means of notices posted on the intranet. These are the annual campaigns of anti-flu vaccination and the promotion of healthy habits, such as exercise, eating properly and giving up smoking.

In addition, during 2013 we have continued to work on making the procedures and instructions in the area of health, safety and wellbeing more uniform, and promoting and publicising 'good practices' among the operators of the different geographical areas of Telefónica Group.

Europe

- During 2013, Telefónica United Kingdom has used its expertise to support one of its principal partners – Capita – in obtaining OHSAS 18001 certification, meaning that the two organizations





Telefónica continues to develop procedures and instructions for the health, safety and wellbeing of its employees all over the world

- are sharing synergies with a view to an effective policy on health and safety at work.
- In Germany, they are committed to a global – holistic – concept of health and safety at work, and so they have developed a specific programme called EAP (Employee Assistance Programme) for problems of stress, and the programme BEM (for reintegration at work after a long illness).
- In Ireland, a design and construction manual has been defined as part of the network sharing process, and in this the requirements for all aspects of network design and construction are set out.
- In the case of Spain, the content of the occupational health and safety website has been reorganised.

Latin America

- Various countries in Latin America have made good progress in the continuous improvement of their preventive activities, such as Mexico, which has given 500 employees training in forming emergency teams. The Health & Safety Committee made 26 trips around the country, including both corporate offices and other installations, with the objective of ensuring the health and safety of all staff.

- In Venezuela, the first phase of the *Health and Safety Programme* was adapted so as to cover, among other things, processes for declaration and investigation of accidents, identification of danger, evaluation and notification of risks, etc.
- In Nicaragua, seven joint occupational health and safety committees have been set up.
- In Ecuador, a *Programme of Industrial Safety Inspections* was carried out at telephone exchanges located in the cities of Quito and Guayaquil.
- In Colombia, the pilot programme TSAN has been developed, which focuses on working safely at heights, identifying the needs for standards, procedures and individual and team equipment for such work.
- In Argentina, working conditions have been checked in 175 buildings, awareness-raising workshops were held for operational supervisors, reaching 83% of them, and over 5,000 people were mobilised for evacuation drills in 186 buildings all over the country.
- In El Salvador, the 'complete health fair' was held to promote the benefits in the areas of health and nutrition to employees.

Latin America	2013	2012
Accident rate	12.92	11.50
Serious accident ratio	575.81	468.94
Mean duration	44.56	40.78

Europe	2013	2012
Accident rate	5.01	5.01
Serious accident ratio	152.08	130.72
Mean duration	30.35	26.08

GRI global indicators 2013

	Total 2013	Total 2012
IR	0.93	0.83
ODR	0.39	0.34
LDR	38.10	29.68
AR	5,599.35	5,658.76

IR: Injury rate
 ODR: Occupational disease rate
 LDR: Lost day rate
 AR: Absentee rate

Worker representation on Joint Health and Safety Committees

The health and safety model established in Telefónica's different zones shows a high degree of representativeness and participation by workers through the corresponding health and safety committees in all Telefónica regions.

These committees permit the health and safety objectives set to be turned into practice and consolidated, by means of continuous analysis and follow-up of the programmed preventive activity.

Accident rates

In the interests of transparency and comparability with other companies of our sector, the ratios only include the core businesses of Telefónica: fixed and mobile telephony in all the countries where we operate, together with all the activities in Spain, being the corporate centre of the company. Employees of business units not related to the main activity of our company (mainly those of Atento and Terra in Latin America) have therefore been excluded from the calculations of these rates. Likewise, the social employment enterprises of ATAM have been excluded, as they would diminish the comparability of Telefónica with the other

operators, the main object of their activities being the integration of people with a disability.

With respect to the relevant indicators, a reduction in the serious accident ratio, the mean duration and accident rate in Europe can be seen, as a consequence of the health and safety policies applied. In the case of Latin America, the most noticeable decline is in the serious accident ratio.

Milestones

Start of the external OHSAS audit process for the 36 Telefónica companies.

Challenges

The audit process of Telefónica Group in Spain, whose principal aim is for every single one of the companies of the Group to obtain OHSAS certification, will be completed. To achieve this, we will continue to work with the representatives of the different units involved to fit the procedures and processes to the standard for continuous improvement of occupational health and safety cited.

The health and safety committees permit the occupational health and safety targets set to be turned into practice and consolidated