

## Use of proceeds

- Proceeds to be allocated towards eligible investments: mainly **Energy Efficiency** in the network transformation, from **copper to fibre optic** (fixed network) and **5G deployment** (mobile network), and also **self-generation of renewable** energy, according to [Telefónica's SDG Framework](#) (last updated January 2021)
- Investments for Green projects consist of shutting down legacy units, deploying and upgrading network infrastructure, and placement optimisation.
- Eligible investments refer to new investments made after issuance as well as any investments made 2 years prior to issuance

## Green projects' impact

- New **fibre optic and 5G infrastructure**, as part of the network's transformation, as well as **renewable energy**, are key contributors to Telefonica's emissions reduction target to **reduce scopes 1+2 GHG emissions by 90% in absolute terms in 2025 in our 3 main markets**.
- Telefonica has global **targets** on energy and climate change **aligned with the 1.5° scenario** (validated by **Science Based Target Initiative**<sup>2</sup>) and the electricity it consumes in its main markets is already **100% renewable**.
- **Migrating clients to fibre optic reduces the environmental impact of networks by reducing energy consumption** (85% more efficient per customer); 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.
- 5G technology is expected to represent an unprecedented, disruptive, technological change in many different economic sectors and in society over the next decade. It is up to 90% more energy efficient than 4G in terms of energy consumption per traffic unit and has much more capacity, so it will be able to provide increased services with a lower energy consumption than 4G<sup>3</sup>.

## Annual reporting

- Telefonica will provide impact reporting metrics on Green Projects, such as:
  - energy consumption per data traffic (MWh/PB)
  - energy saved (MWh)
  - estimated GHG Emissions avoided (tCO<sub>2</sub>eq)
- Reporting will be made publicly available in our website, first time within a year after the issuance.
- Third-party auditors will ensure the Allocation Report is consistent with Telefónica's SDG Framework, on an annual basis until full allocation.

### Impacts<sup>1</sup>



### SDG contribution

This issuance contributes to the achievement of the UN SDG

