



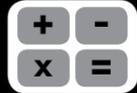
GROWING COMMITMENT TO RENEWABLE ENERGY AS PART OF MITIGATION STRATEGY



NO LEADERSHIP IN ADVOCATING FOR CLEAN ENERGY AND CLIMATE CHANGE POLICIES



FURTHER DEVELOPMENT OF IT ENERGY SOLUTIONS AND RELATED AMBITION TO DRIVE ENERGY SAVINGS AND SMART GRID DEPLOYMENT



SUMMARY

21/100

16TH PLACE

Telefónica is one of the world leaders in the telecommunication sector with a strong presence in Spanish and Portuguese-speaking markets, and with strong growth in emerging markets. While still scoring relatively poorly overall, Telefónica moved up 10 points since the last Leaderboard with improvements in solutions and energy criteria, tying for second most improved from last year's Leaderboard. Its overall score is dragged down by its lack of clean energy advocacy. In order to prove its standing as a clean tech solutions provider, Telefónica needs to be more transparent on the scope of energy savings its IT solutions provide. Telefónica is not yet leveraging its own leadership in either global or national climate change policy discussions. As this company expands into new markets, its own energy footprint will grow, increasing the importance to build this growth in renewable energy sources.



CLIMATE SOLUTIONS

9/40

=16TH PLACE

Energy Savings Calculations (3/10)

Telefónica makes reference to [several cases studies](#) to report how its services could provide greenhouse gas (GHG) savings. Nevertheless, these case studies are vaguely described and present no detailed pre- and post-intervention data. Additionally, descriptions of tools specifically to reduce emissions, such as [Smart Cities](#), do not provide the needed details to score high in this criterion. Telefónica states that more details will be published on case studies when relevant industry metrics are released in 2013. Providing verified case studies on savings will not only allow future clients and customers to understand Telefónica's offerings, but will also spur greater innovation and acceptance by policy makers.

Public Metrics (2/10)

In the case studies at hand, Telefónica refers to some methodologies but does not offer any verification or assumption used to calculate the GHG savings that its services offer. Telefónica is credited with a lead role in the development of International Telecoms Union methodologies on IT solutions savings, due to be published in 2013.

Investment (4/10)

Telefónica's annual report discloses that 1.5% of its annual Research and Development budget goes to Green IT solutions based on Machine to Machine (M2M) technology in telecoms networks.

Future Savings Goal (0/10)

Telefónica has no future savings goal.

COMPETITOR COMPARISON

TELEFÓNICA	21	9	11	1
SOFTBANK	39	11	7	21
SPRINT	43	5	19	19
VODAFONE	40	23	11	6



IT ENERGY IMPACT

11/25

=12TH PLACE

Energy & Emissions Targets (3/5)

Telefónica sets a strong relative target for network use of a 30% emissions reduction by 2015 from a 2007 baseline. The company states that this energy consumption represents 80% of its carbon footprint. In November 2012 it also set a 30% CO₂ reduction target per connection by 2020. While this is significant, the company needs to commit to a deadline for reducing its absolute GHG emissions, as Sprint has already done.

Mitigation Strategies (5/10)

Telefónica highlights significant energy efficiency savings on its networks. Its Carbon Disclosure Project submission reveals that 11% of company electricity is provided by a small amount of on-site renewable energy and purchased renewable energy. To improve its score, Telefónica needs to set a target for increasing renewable energy use, especially for off-grid mobile base stations.

Infrastructure Siting Policy (2/5)

Unlike many companies, Telefónica does not yet have a policy that prioritises investment in its operations in locations that have a high availability of renewable energy. However, it does score for increasing the amount of mobile base stations powered by solar energy to replace diesel use, which is a large source of emissions by mobile networks in developing countries.

Product Efficiency & Supply Chain Footprint (1/5)

Telefónica receives 1 point for the "Green Customer Experience" in partnership with Nokia, and the ECORATING project in the UK, both for mobile services. To improve its score, Telefónica needs to provide more clear information on how it is taking responsibility for its supply chain footprint as part of its mitigation strategy.



POLITICAL ADVOCACY

1/35

=14TH PLACE

Political Speech (1/10)

Telefónica submitted no relevant examples of senior executives supporting climate change or clean energy policy or of relevant public speech by the company. It received minimal points only for a broad recognition of climate change.

Political Policy (0/15)

While Telefónica is active in many industry groups, it has submitted no example of company support for specific clean energy policy, such as Vodafone's support for a UK decarbonisation target for the power sector.

Telefónica received no **Repetition Bonus (0/10)** or **Negative Lobby Penalties**.