

# United Nations Global Compact: Communication on Progress

Aspect GC principle	Most relevant GRI indicator	Program/Project	Milestone 2007
<b>Human rights Principles 1-2</b>	HR2, HR4, Q1.1, Q1.2, PA1, PA2, PA3, PA4, PA5, PA7	<ul style="list-style-type: none"> <li>• Business Principles</li> </ul>	<ul style="list-style-type: none"> <li>• The Business Principles were ratified by 81% of Telefónica Group companies</li> </ul>
		<ul style="list-style-type: none"> <li>• GeSi Supply Chain Working Group</li> </ul>	<ul style="list-style-type: none"> <li>• E-TASC application to analyse and monitor supply chain accountability levels in the ICT sector</li> </ul>
		<ul style="list-style-type: none"> <li>• Project “Digital Inclusión in Latam”</li> </ul>	<ul style="list-style-type: none"> <li>• Investment of 3.343 billion euros to expand ICTs to non-urban areas (growth of 18.9% on 2006)</li> <li>• More than 81% of Telefónica's 102 million mobile customers in Latin America used pre-pay products</li> <li>• Telefónica contributed a net 161 million euros to Universal Service Funds</li> <li>• Increase in Proniño indicators: 130% economical investment, 121% attention centres, 109% beneficiaries</li> </ul>
		<ul style="list-style-type: none"> <li>• Integral Plan "Telefónica Accesible"</li> </ul>	<ul style="list-style-type: none"> <li>• Major advances were made in the fields of handsets, websites, accessibility to Top stores, customer service and human resources</li> </ul>
		<ul style="list-style-type: none"> <li>• Labour audit</li> </ul>	<ul style="list-style-type: none"> <li>• These audits were carried out in 12 countries</li> </ul>

<b>Labour standards Principles 3-6</b>	HR5, HR6, HR7, HR9, LA (1 to 14), IO3	<ul style="list-style-type: none"> <li>• Business Principles</li> </ul>	<ul style="list-style-type: none"> <li>• 48.3% of women / in workforce.</li> <li>• 32.8% women in senior management</li> <li>• 12.8% increased of disabled persons Workforce in Telefónica Group</li> <li>• Employee satisfaction increased 3% in average</li> <li>• Nearly 53,000 employees unionised / 171,000 employees under collective bargaining</li> </ul>
		<ul style="list-style-type: none"> <li>• Labour audit</li> </ul>	<ul style="list-style-type: none"> <li>• Close to 2,700 risk assessments were made on the health of employees / Over 135,000 employees underwent medical tests</li> <li>• Workplace accident rate 1.011 (accidents per 1,000 employees in Telefonica de España)</li> </ul>
		<ul style="list-style-type: none"> <li>• Integral Plan "Telefónica Accesible" - Internal accessibility Normative</li> </ul>	<ul style="list-style-type: none"> <li>• We have completed, alongside ATAM, the preparation of specific rules for accessibility in hiring personnel</li> </ul>
<b>Environment Principles 7-9</b>	EN (1 to 8), EN (11 to 14), EN (16 to 20), EN22, EN23, EN26, EN28, PA8, PA11, Q1.1, Q3.13, IO5, IO7, IO8	<ul style="list-style-type: none"> <li>• The Strategic and Environmental Plan</li> </ul>	<ul style="list-style-type: none"> <li>• Telefónica created the Corporate Environmental Department. Furthermore, a functional organisational model was devised, entailing environmental committees with multi-disciplinary teams in all countries</li> <li>• The first group-wide inventory of greenhouse gas emissions</li> <li>• Telefónica joined the “Caring for Climate</li> <li>• 862 Environmental Impact Studies (+7.08%)</li> </ul>
		<ul style="list-style-type: none"> <li>• Efficiency programme in paper consumption</li> </ul>	<ul style="list-style-type: none"> <li>• Telefónica reduce paper consumption drastically in Spain (23%)</li> </ul>

		<ul style="list-style-type: none"> <li>• ISO Audit (ISO 14001)</li> </ul>	<ul style="list-style-type: none"> <li>• Certification was obtained by the Colombia mobile business and an internal pre-certification audit was carried out at the Argentina mobile business</li> </ul>
<b>Anti-corruption Principles 10</b>	SO (2 to 8)	<ul style="list-style-type: none"> <li>• Business Principles</li> </ul>	<ul style="list-style-type: none"> <li>• 36,000 Telefónica Group employees have received training on the Business Principles</li> <li>• Telefónica signed, along with Spain's other main mobile operators, a Code of Conduct under which they undertook to jointly promote the safe and responsible use of mobile telephony among minors</li> </ul>
		<ul style="list-style-type: none"> <li>• Agreement with Union Network International</li> </ul>	<ul style="list-style-type: none"> <li>• The Company signed, along with the Union Network International (UNI) and <i>Spanish unions UGT</i> and <i>CC.OO.</i>, the new code of conduct, replacing the previous one signed in 2001</li> <li>• Transparency about corruption incidents occurred in Telefónica</li> </ul>