

# United Nations Global Compact: Progress Report



Telefónica signed up to the Global Compact Principles in 2002. Since then, the company has reported annually on its commitment to this initiative, on the application of the 10 Principles and on the evaluation of the results obtained in policies applied to achieve these Principles.

Most relevant GRI Indicator	Tool	2008 Progress
<b>Human Rights</b> Principle 1: Support and respect the protection of internationally proclaimed fundamental human rights within your area of influence Principle 2: Ensure that businesses are not complicit in human rights abuses.		
HR1, HR2, HR3, HR4, HR8, Q1.1, Q1.2, PA1, PA2, PA3, PA4, PA5, PA7	Business Principles	<ul style="list-style-type: none"> <li>The Company signed up to the ‘Human Rights: A Call to Action’, and ‘<i>CEO Statement</i>’ promoted on the 60<sup>th</sup> Anniversary of the Universal Declaration of Human Rights</li> </ul>
	Regulation to Extend Business Principles to the Supply Chain	<ul style="list-style-type: none"> <li>Implementation of the Supply Chain Evaluation Programme using RC criteria: over 1,100 evaluations and 55 audits carried out on suppliers in various countries</li> </ul>
	Digital Inclusion Strategy	<ul style="list-style-type: none"> <li>Over 370 million euros dedicated to reducing the digital divide</li> <li>275 million euros invested in Universal Service Funds</li> <li>Over 82% of Telefónica’s 123 million mobile service customers in Latin America use pre-pay services</li> <li>More than 230,00 people trained in new technologies</li> <li>Growth in Proniño indicators: 156% financial investment, 82% educational centres, 103% beneficiaries (107,602 children)</li> </ul>

## Most relevant GRI Indicator

## Tool

## 2008 Progress

- Progress in disability divide: accessible web pages in Europe and Spain /development of tele-support platform / Spoken text message services/ new models of accessible fixed line and mobile terminals / Tele-interpretation centres for the deaf in Argentina, Brazil and Colombia

## Human Resources Audits

- These audits have been carried out in 17 countries

## Labour Standards

Principle 3: Uphold freedom of association and effective recognition of the right to collective bargaining

Principle 4: Support the elimination of all kinds of forced or compulsory labour

Principle 5: Support the abolition of child labour

Principle 6: Support the elimination of discrimination in respect of employment and occupation.

HR5, HR6, HR7, HR9,  
LA (1 to 14), IO3

Business Principles &  
Code of Conduct with  
Union Network  
International (UNI)

- 49% of the workforce are women (48.3% in 2007)
- 16.9% of management and 46.6% of middle management are women (in 2007 these figures were 19.7% and 41.8% respectively)
- 1,500 disabled people form part of our staff
- 3 point increase in employee satisfaction up to 69%
- 146,300 employees covered by collective agreements\*
- 134,000 employees vote in trades union elections\*\*
- Signature of the Telefónica España Collective Agreement 2008 – 2010

\* Number of employees with collective agreements, where this agreement was negotiated through trades unions, guilds, workers' representatives, etc.). Agreement is understood to mean a framework agreement for a group of workers which specifies general labour conditions, their rights and responsibilities (salaries, hours, breaks, holidays, redundancy arrangements, definition of professional categories, salary revisions, etc.).

\*\* Number of employees who participate in workers representative elections processes (free and guaranteed elections).

Most relevant GRI Indicator

Tool

2008 Progress

Health and Safety  
Prevention Policy

- Almost 2,600 employee health risk evaluations were carried out / 30% of the workforce benefit from health protection (Atento data not included)

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### Environmental

Principle 7: Businesses should support a preventative approach to environmental challenges

Principle 8: Undertake initiatives to promote greater environmental responsibility

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

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EN (1 a 30), PA8, PA11, IO7, IO8

Climate Change Office

- Good Practice Manual for Network Energy Efficiency drafted
- 5% reduction in electricity consumption (Kwh / equivalent access)
- Inclusion of energy variable in procurement procedures
- Development of initiatives to provide efficient solutions for customers: telepresence, *Connected Household*, Energy Efficiency Service Buildings
- Marketing efficient equipment: *Nokia 3110 Evolve* the first handset made from low-energy consuming, recycled material to be launched in Spain; *Universal Charger* launched in the UK
- Implementation of renewable energy projects: 1,437 installations

Overall Environmental  
Management System

- Design of an Overall Environmental Management System, that conforms to the international ISO 14001 standard, to set management guidelines for all Group companies
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## Most relevant GRI Indicator

## Tool

## 2008 Progress

- Defining the Environmental Behaviour Index (EBI) based on ISO standard 14031
- Employee environmental training and awareness raising: 34,607 hours of training given
- Drafting of an Operational Control Standard
- 954 Environmental impact studies carried out (+10.67%)
- Fostering recycled paper use: 683t (504t used in 2007)

## Anti-corruption

Principle 10: Work to fight corruption in all forms including extortion and bribery.

## SO (2 to 8)

## Business Principles

- 69,219 employees trained in Business Principles (36,000 in 2007)
- 1,300 Internal Audits and inspections carried out
- Access to a single complaints channel for all company employees, following the incorporation of Telefónica Europe in 2008
- Risk Management Policy approved
- Signature of the European Commission's 'European Transparency' Initiative
- Transparency concerning corruption or related incidents

To find out more in detail about this information and the indicators associated with compliance with these Principles, please see our on line report ([www.telefonica.com/cro8](http://www.telefonica.com/cro8)), GRI tables and verifications of the same.