

Green Bond Fact Sheet

Issuer Name: Telefónica		Date: 20-Feb-2019	
Issue date: 05-Feb-2019 Maturity date: 05-Feb-2024 Tenor: 5			
Issuer Name	Telefónica	Amount Issued	EUR1bn (USD1.14bn)
Country of risk	Spain	CBI Database	Included
Issuer Type ¹	Non-financial corporate	Bond Type	Senior unsecured
Green Bond Framework	Framework	Second party opinion	Sustainalytics
Certification Standard	Not certified	Assurance report	N/A
Certification Verifier	N/A	Green bond rating	N/A
Use of Proceeds			
<input checked="" type="checkbox"/> Energy	<input type="checkbox"/> Solar <input type="checkbox"/> Onshore wind <input type="checkbox"/> Offshore wind <input type="checkbox"/> Geothermal <input type="checkbox"/> Hydro	<input type="checkbox"/> Tidal <input type="checkbox"/> Biofuels <input type="checkbox"/> Bioenergy <input type="checkbox"/> District heating <input type="checkbox"/> Electricity grid	<input type="checkbox"/> Energy storage <input type="checkbox"/> Energy performance <input type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Buildings	<input type="checkbox"/> Certified Buildings <input type="checkbox"/> HVAC systems <input type="checkbox"/> Energy performance	<input type="checkbox"/> Water performance <input type="checkbox"/> Energy storage/meters <input type="checkbox"/> Other energy related	<input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Transport	<input type="checkbox"/> Electric vehicles <input type="checkbox"/> Low emission vehicles <input type="checkbox"/> Bus rapid transit <input type="checkbox"/> Passenger trains <input type="checkbox"/> Urban rail	<input type="checkbox"/> Freight rolling stock <input type="checkbox"/> Coach / public bus <input type="checkbox"/> Bicycle infrastructure <input type="checkbox"/> Energy performance	<input type="checkbox"/> Transport logistics <input type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Water & wastewater	<input type="checkbox"/> Water distribution <input type="checkbox"/> Water treatment <input type="checkbox"/> Wastewater treatment <input type="checkbox"/> Water storage	<input type="checkbox"/> Storm water mgmt <input type="checkbox"/> Desalination plants <input type="checkbox"/> Erosion control <input type="checkbox"/> Energy performance	<input type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Waste management	<input type="checkbox"/> Recycling <input type="checkbox"/> Waste prevention <input type="checkbox"/> Pollution control	<input type="checkbox"/> Landfill, energy capture <input type="checkbox"/> Energy performance <input type="checkbox"/> Infrastructure	<input type="checkbox"/> Waste to energy <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience

<input type="checkbox"/> Land use & agriculture	<input type="checkbox"/> Afforestation/parks <input type="checkbox"/> Land remediation <input type="checkbox"/> Sustainable agriculture <input type="checkbox"/> FSC Forestry <input type="checkbox"/> Energy/water efficiency <input type="checkbox"/> Adaptation & resilience <input type="checkbox"/> FSC Cellulose & paper
<input checked="" type="checkbox"/> Other	<input type="checkbox"/> Adaptation & resilience <input checked="" type="checkbox"/> ICT <input type="checkbox"/> Industry: process
Issue details	
Reporting	Telefónica intends to provide allocation and impact reporting annually on the company's website. The allocation report will comprise data on the eligible projects financed through the bonds, including the amounts allocated, the bond proceeds allocated per eligible category and the remaining balance of unallocated proceeds. With regards to the impact report, Telefónica will disclose a comprehensive list of relevant KPIs for each use of proceeds category.
Company information	Telefónica is a telecommunication and digital services company which offers connectivity, digital services and technological solutions, operating in Spain, the United Kingdom, Germany and Latin America. It is one of the largest telecom companies in the world
Firsts, records and certifications	First green bond by an ICT issuer in 2019 and first ever by a European one (the only previous ICT issuers were from USA and Taiwan)
Proceeds description	<p>Telefónica is expected to use the proceeds to finance and refinance, in whole or in part, existing and future projects that promote energy efficiency and the reduction of GHG emissions within its own operations and those of its clients.</p> <p>The Framework defines eligibility criteria in the following areas: 1) Energy Efficiency of Telefónica Network Infrastructure; 2) Renewable Energy; 3) Energy Efficiency: Digital Solutions for the Environment; 4) Digital Inclusion, Access for all through an Affordable Infrastructure; 5) Employment Generation and Economic Growth.</p>
Climate Bonds view	There has been very limited green bond issuance from the ICT sector, so it's definitely a step forward to see a large green bond come to market. Vodafone was the first telecoms provider to release a green bond framework, and CBI expects issuance in the sector to increase in 2019 which will also benefit investors looking to diversify their green and ESG based portfolios.
Underwriters	
Deal comments	
Credit Rating	N/A
Pricing summary	Final book at 5.2bn - over 5 times oversubscribed
Investors summary	More than 310 investors have participated, of which more than 80% are international investors. Green investors made up almost 50%

¹ Issuer categories: ABS, development bank, financial corporate, government-backed entity, loan, local government, non-financial corporate, sovereign