Corporate Responsibility Factbook

2014

BUILDING A SUSTAINABLE DIGITAL FUTURE

Telefónica

Telefónica Deutschland Takes Responsibility

2014 was a special year for our company, which saw Telefónica Deutschland and the E-Plus Group join forces to become Germany's biggest telecoms provider based on mobile customer numbers. Now we have the chance to completely reposition our company in order to drive digital transformation. Our goal is to become the leading digital telco in Germany, and this not only gives us interesting business opportunities; it also means we are taking on even more responsibility towards society, our customers, our employees and our shareholders.

Digitisation is already a reality in people's lives and their work. We want to support our customers with innovative products, make their lives easier and more sustainable. Modern technologies help to actively shape society and better protect the climate and the environment.

As a company, we focus on the areas where we as a telecoms provider can make the biggest contribution. Digital communication facilitates the inclusion of all sections of society. We believe modern technologies should be open to everyone. Which is why, for example, we help young people develop their own digital ideas and, through them, make a difference in their environment. And at the other end of the scale we enable senior citizens to participate in social developments through

access to the Internet. Furthermore, M2M technologies are opening up brand new possibilities for reducing energy consumption and CO_2 emissions.

In this CR Factbook 2014 we summarise our activities and provide you with an overview of how we practise our Corporate Responsibility at Telefónica.

Thorsten Dirks
Chief Executive Officer
Vorstandsvorsitzender der Telefónica Deutschland Holding AG

Strategic Plan for More Sustainability

Digital communication doesn't just bring the world closer together – it is also a key to sustainable development. It is this vision that guides our Corporate Responsibility (CR) strategy.

With digital applications, we are helping to shape a development that is fundamentally changing the world. We particularly assume responsibility in those areas in which we, as a telecommunications company, can achieve the greatest impact. In keeping with the global CR strategy of our parent company Telefónica S.A., we follow three strategic priorities:

> _ **Enabling better lives** – It is our aim to make the working and social environment of our customers simpler and to shape it in a more sustainable way with digital solutions.
>
> _ **Transforming society** – It is our aim to initiate and support social innovation and to make a contribution to social inclusion with the help of digital communication. The focus here is on our youth programme Think Big.
>
> _ **Caring for the planet** – It is our aim to enable our customers to enjoy a sustainable lifestyle with the help of digital products and services, and to constantly improve efficiency and the conservation of resources in all our internal processes.

For each of these three areas, we set ourselves annual goals and develop measures that are consistent with our understanding of sustainability, as well as with the expectations of our stakeholders. We have defined clear responsibilities for the management of our CR strategy and the achievement of our goals. The Corporate Responsibility department coordinates all CR activities across the board and initiates new projects. The CR goals and targets are checked and approved by the management board and we use company-wide key performance indicators (KPIs) to integrate them into our control procedures.

To this end, the Telefónica Deutschland Group has introduced KPIs throughout the group in the following areas: employees, customers, energy and environment, corporate governance, health and safety in the workplace, society and suppliers. In all of this, the basis for the realisation of our goals is our employees, whom we keep regularly informed and include in our CR activities.
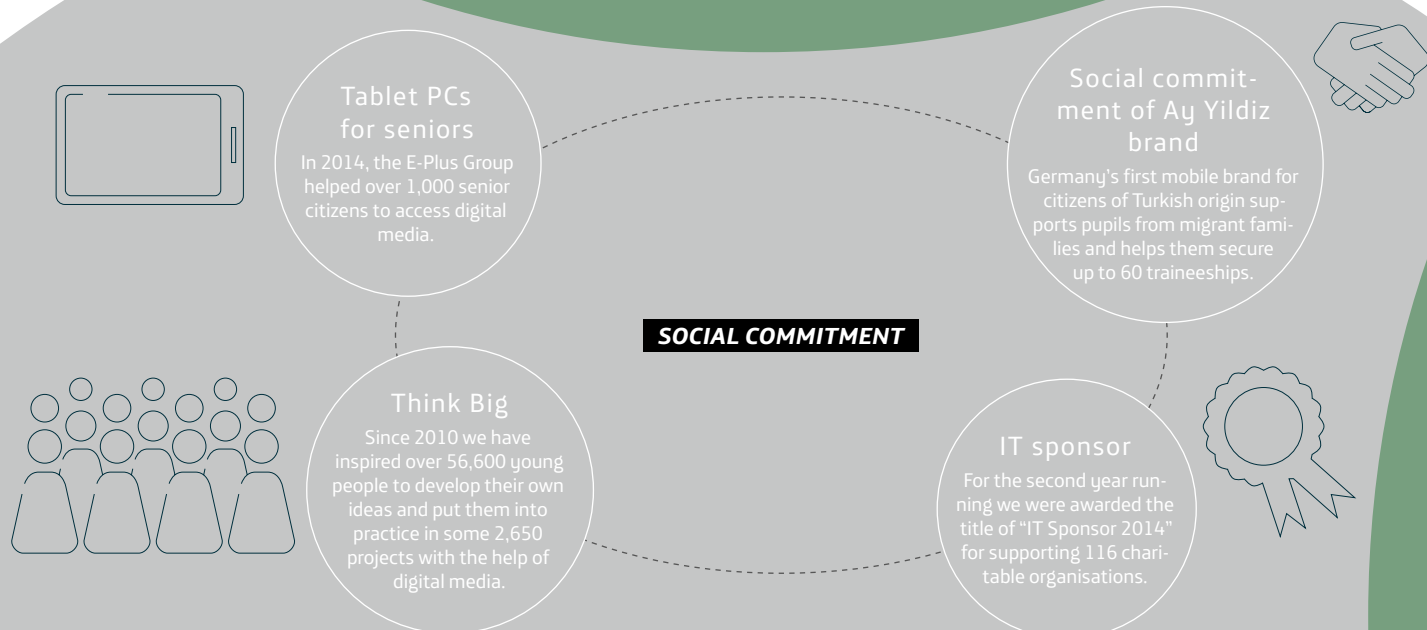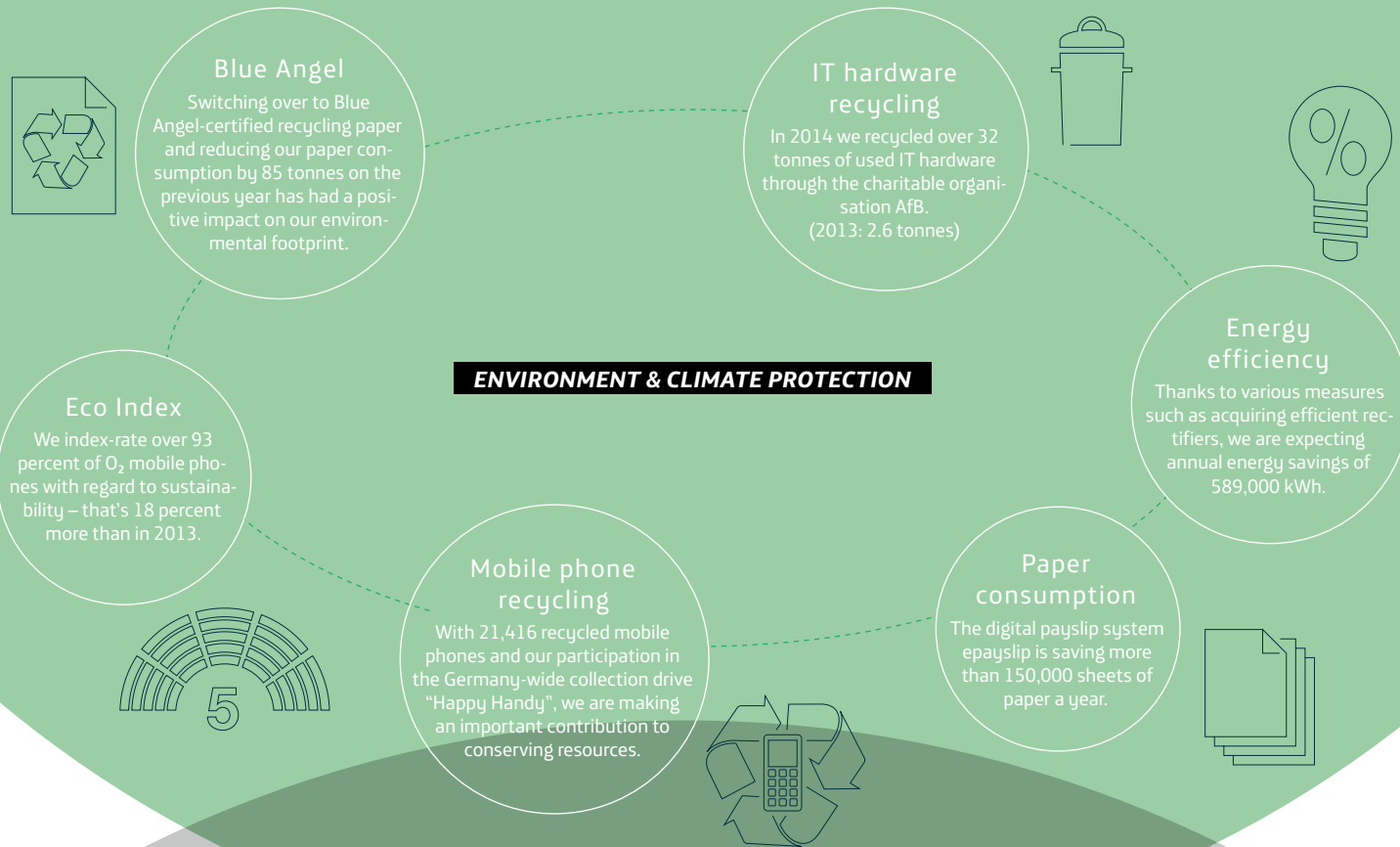
To meet the expectations of our stakeholders, the CR department identifies relevant sustainability issues that form an intensive dialogue with them. With procurement activities in 24 countries worldwide, our sustainable supplier management, with which we integrate ethical, ecological, social and health-related criteria into our procurement processes, is one of these areas.
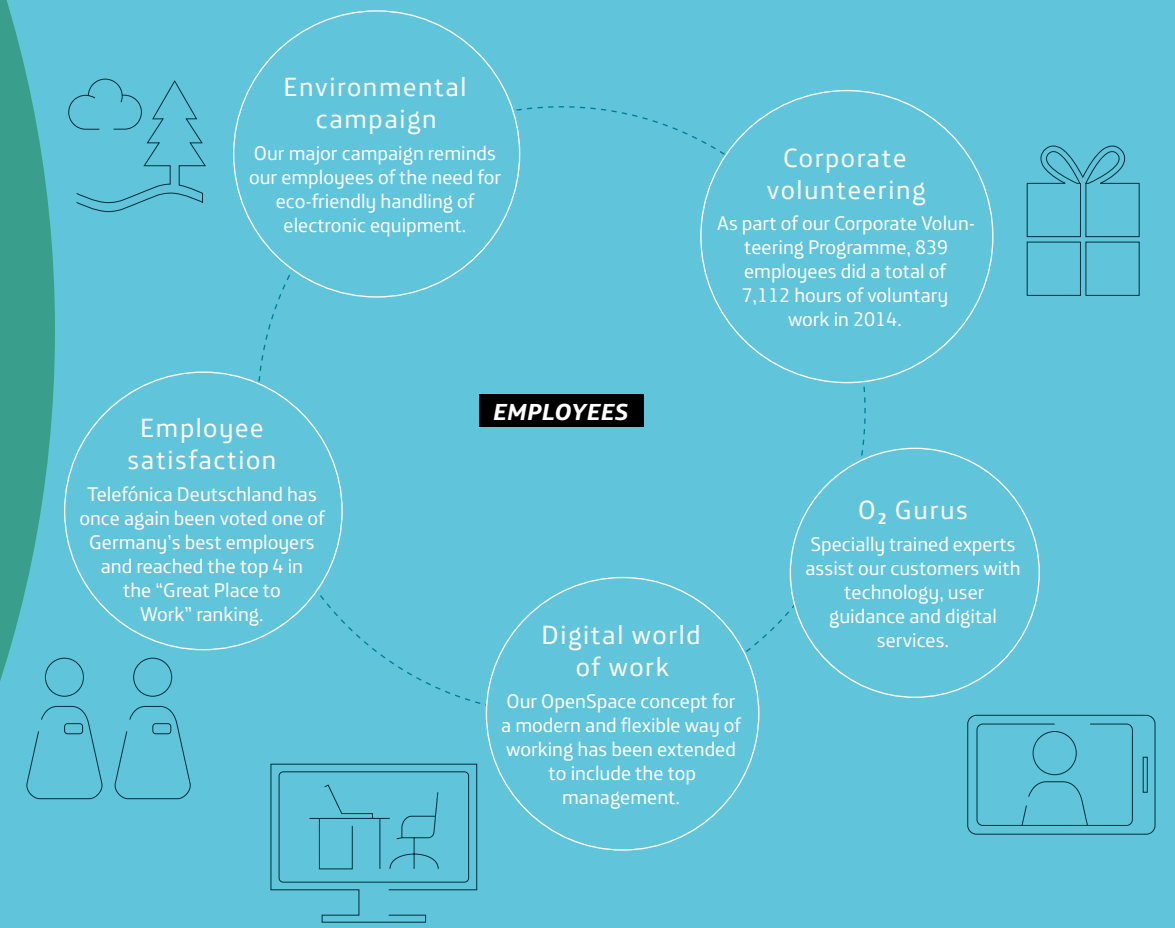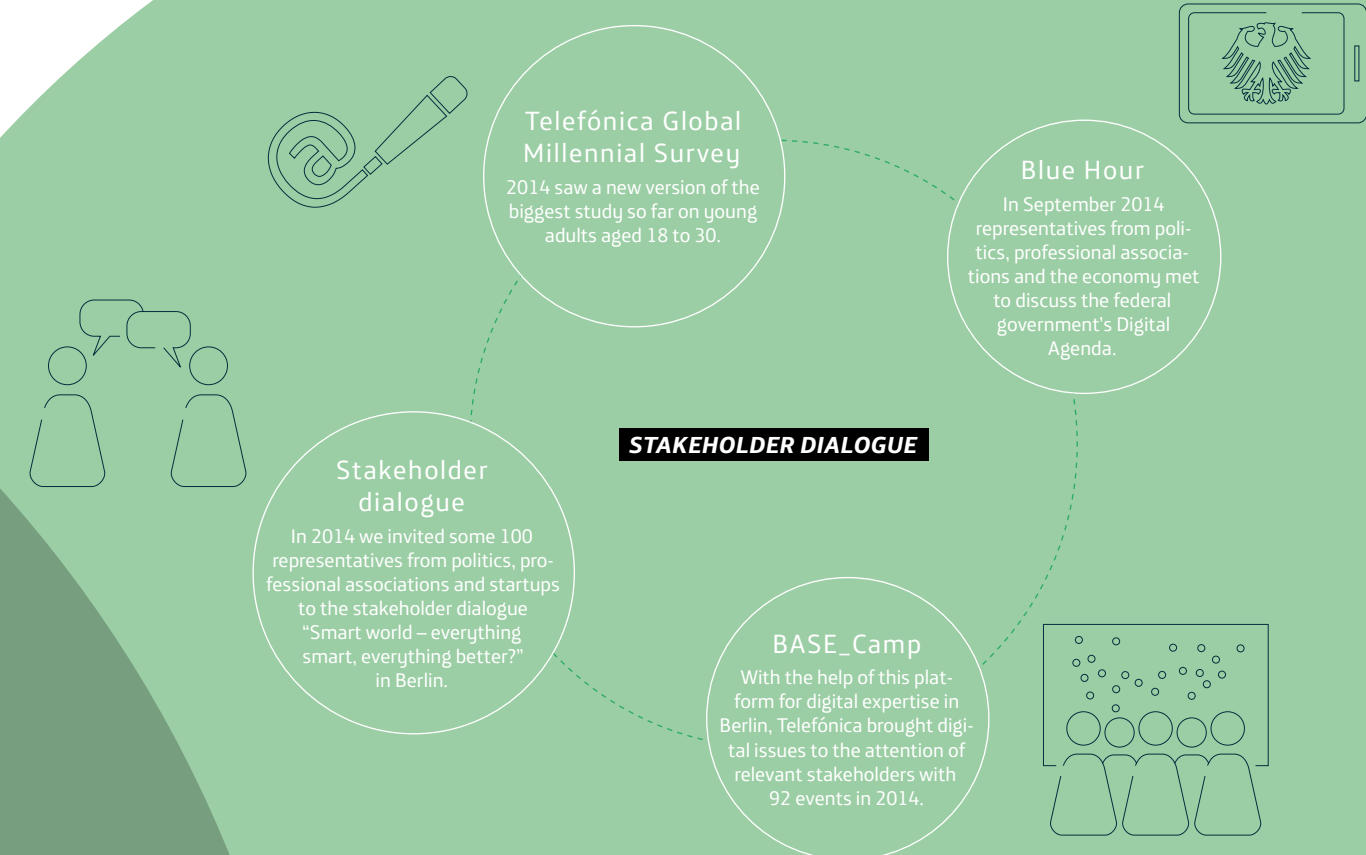
Our CR Involvement at a Glance

ENVIRONMENT & CLIMATE PROTECTION

Blue Angel
Switching over to Blue Angel-certified recycling paper and reducing our paper consumption by 85 tonnes on the previous year has had a positive impact on our environmental footprint.

IT hardware recycling
In 2014 we recycled over 32 tonnes of used IT hardware through the charitable organisation AfB.
(2013: 2.6 tonnes)

Energy efficiency
Thanks to various measures such as acquiring efficient rectifiers, we are expecting annual energy savings of 589,000 kWh.

Eco Index
We index-rate over 93 percent of O_2 mobile phones with regard to sustainability – that's 18 percent more than in 2013.

Mobile phone recycling
With 21,416 recycled mobile phones and our participation in the Germany-wide collection drive "Happy Handy", we are making an important contribution to conserving resources.

Paper consumption
The digital payslip system epayslip is saving more than 150,000 sheets of paper a year.

EMPLOYEES

Environmental campaign
Our major campaign reminds our employees of the need for eco-friendly handling of electronic equipment.

Corporate volunteering
As part of our Corporate Volunteering Programme, 839 employees did a total of 7,112 hours of voluntary work in 2014.

Employee satisfaction
Telefónica Deutschland has once again been voted one of Germany's best employers and reached the top 4 in the "Great Place to Work" ranking.

O_2 Gurus
Specially trained experts assist our customers with technology, user guidance and digital services.

Digital world of work
Our OpenSpace concept for a modern and flexible way of working has been extended to include the top management.

SOCIAL COMMITMENT

Tablet PCs for seniors
In 2014, the E-Plus Group helped over 1,000 senior citizens to access digital media.

Social commitment of Ay Yildiz brand
Germany's first mobile brand for citizens of Turkish origin supports pupils from migrant families and helps them secure up to 60 traineeships.

Think Big
Since 2010 we have inspired over 56,600 young people to develop their own ideas and put them into practice in some 2,650 projects with the help of digital media.

IT sponsor
For the second year running we were awarded the title of "IT Sponsor 2014" for supporting 116 charitable organisations.

STAKEHOLDER DIALOGUE

Telefónica Global Millennial Survey
2014 saw a new version of the biggest study so far on young adults aged 18 to 30.

Blue Hour
In September 2014 representatives from politics, professional associations and the economy met to discuss the federal government's Digital Agenda.

Stakeholder dialogue
In 2014 we invited some 100 representatives from politics, professional associations and startups to the stakeholder dialogue "Smart world – everything smart, everything better?" in Berlin.

BASE_Camp
With the help of this platform for digital expertise in Berlin, Telefónica brought digital issues to the attention of relevant stakeholders with 92 events in 2014.

In Dialogue With Our Target Groups

It is our intention to create greater opportunities for our customers and society through the use of new technology. To understand the needs of our customers with regard to digital technology and services and to anchor the most important issues for them in our three strategic priorities, we cultivate intensive dialogue with our stakeholders through various channels. Our primary target groups are our employees, customers, suppliers, shareholders and NGOs.

Representative office in the German capital
The team at our representative office acts as an interface to politics, the economy and professional associations. In 2014 the Telefónica Deutschland Group invited contributors to Berlin for a stakeholder dialogue on data protection aimed at increasing discussion of the issue in society. Based on the question "Smart world – everything smart, everything better?", the Telefónica Deutschland Group discussed opportunities and challenges of innovative data-based applications with representatives from politics, professional associations and startups.

Dialogue format "Telefónica Blue Hour"
The Telefónica Blue Hour is an opportunity for discussion between the Telefónica Deutschland Group and members and employees of the German parliament on current issues in ICT (information and communication technology) policy. In 2014, for example, Telefónica welcomed the Parliamentary State Secretary to the Federal Minister of Economics and Technology Brigitte Zypries to the Blue Hour as a guest speaker and led a discussion with her on the federal government's Digital Agenda.

Information for shareholders
CR information that is relevant to capital markets is provided to shareholders and outside creditors by the Investor Relations department, the press department and our company's website.

Cooperation with local authorities
A dialogue with society and a relationship of trust in our work with local authorities are our main focus in our efforts to expand our mobile phone network.

— Thomas Kranig, President of the Bavarian State Office for Data Protection Supervision

— In 2014, 92 events were held in BASE_camp

— O₂ Gurus support our customers in various ways.

Stakeholder survey
To identify the most important sustainability issues for Telefónica, we ask our employees, customers, shareholders, suppliers and partners for their feedback on our Corporate Responsibility involvement through an online survey.

Customer contact
We make contact with our customers via our shops and hotlines as well as through innovative formats like the O₂ Pop-up Shop on Facebook. Our customers can also interact with each other and with Telefónica employees in the O₂ Forum and at www.mobilfunkexperten.de for BASE. And specially trained experts – the O₂ Gurus – help our customers personally with questions on technology and user guidance in store, on the O₂ hotlines, in short videos, on our social media channels or via online chat.

Employees
We create a dialogue with our employees through various formats such as our regular surveys on staff satisfaction or current corporate development. In 2014 we also launched an environmental campaign to remind our employees of the need for careful use of resources.

BASE_camp platform
"BASE_camp" is a platform for digital expertise in the heart of the government district in Berlin. Entrepreneurs, companies, consumers, politicians and scientists as well as digital media experts use it to discuss possibilities and challenges of digitisation. As an open venue for communication, it can be used as an event location, a networking space or a tryout space by any member of Berlin's digital community. In various formats, such as "UdL Digital Talk" or "Mobile Living", Telefónica discusses central digital issues with relevant stakeholders.

Telefónica Global Millennial Study
We conduct studies to help us record current social developments and integrate them into our business processes. The Telefónica Global Millennial Study is the largest study to date of young adults aged between 18 and 30 and their use of digital media. In 2014 we published a new edition of this study, which revealed that young adults in Germany value flexibility and a good job and they welcome new technologies; however, they are less protective of their data than young people in other countries.

PRIORITY

Enabling Better Lives

As a telecommunications company, we develop digital solutions aimed at simplifying the working and social environment of our customers and shaping it in a more sustainable way. Enabling better lives with our products and protecting our customers in the digital world are an important part of our corporate social responsibility.

Data protection

Every day millions of customers use our communication networks and put their trust in our services. The protection and security of their personal data has top priority in all of our products and processes. Moreover, whenever we develop new products, we allow for data protection regulations and data-protection-friendly designs at an early stage. We always act in accordance with all German data protection laws, which clearly state how customer data is to be handled. We handle our customers' data responsibly and communicate transparently with them and the public as to how Telefónica uses personal data and what for. If you have any questions or comments, please contact our data protection officer using our contact form, which is available online.

Youth protection

As an integrated telecommunications provider with mobile and landline services, we see it as our responsibility to assume an educational role on the subject of youth protection with regard to media use. We are therefore active in various ways both within our company and through promoting helpful services and available information to young people and parents. In the think tank "Centre for Child Protection on the Internet" set up by the Federal Ministry for Families, we are helping to develop a central advice and help system for young Internet users. The Telefónica Deutschland Group is a member of the Association for the Voluntary Self-Monitoring of Multimedia Service Providers (FSM), which is involved in a wide variety of media-education projects for children and young people. Moreover, through our youth protection hotline, we advise parents on child-friendly selection and configuration of mobile products. If you have any questions or comments, please contact our youth protection officer using our contact form, which is available online.

Innovative products with M2M technologies

Digital solutions save time, money and resources. They vastly increase people's options and can also help the environment and the climate by simplifying complex processes. In particular, services based on data communication between machines (M2M) are increasing in importance. As society transitions to new forms of energy, M2M applications can reduce energy losses by up to 30 percent with intelligent power supply systems. A good example of a digital solution for our customers is our "O₂ Car Connection" product, which enables them to reduce their emissions through safer and more efficient driving. And for companies, our "O₂ Fleet Store" solution allows businesses to control their vehicle fleet efficiently as well as reducing costs and CO_2 emissions. But in other areas too, digital solutions make everyday life easier. Thanks to Telefónica services like the "BASE Wallet" or the mobile payment system "mpass", customers can shop simply and straightforwardly via smartphone.

VerbaVoice and Wayra

Innovative technologies and services can also be instrumental in overcoming social challenges. For example, the written interpreting service "VerbaVoice" helps hearing-impaired people to live a more accessible life by making it easier for them to take part in conversations or lectures. To further encourage the development of innovative products, the startup initiative Wayra helps young entrepreneurs develop their business ideas.

Security of information

In its fundamental business principles, Telefónica is committed not only to data protection but also to the security of information. By taking extensive technical, administrative and physical measures, we maintain the confidentiality of personal data and protect it against possible external risks — for example, unauthorised access to data, unauthorised use or knowledge of data, changes to or dissemination of data, or loss, destruction or misuse of data.

PRIORITY Transforming Society

Digital communication is one of the most effective forces for transforming society. As a co-creator in the digitisation process, we want to initiate social innovation and do our bit towards inclusion. We also involve our employees in charitable activities. The main focus of our social CR activities is our youth programme Think Big, with which we promote young people's creativity and the implementation of their projects with the help of digital media.

Corporate volunteering

Corporate volunteering is a significant component of our social responsibility. Our employees can lend their support to social issues – both locally and worldwide – by getting involved in corporate volunteering activities. As well as voluntary activities for our youth programme Think Big, we support their involvement in the international Proniño programme run by the Fundación Telefónica. This programme supports young people in Latin America and also takes a stand against child labour. We give our employees two days off a year to participate in voluntary work. What's more, in 2014 with the help of our donation programme "Can Do Giving" they were given the option of specifying a share of their salary to be donated each month to a charitable organisation. And to support the causes of our employees, Telefónica tops up every donation by 20 percent.

Think Big: Got a good idea? Don't wait! Get started!

Digital competence is considered a key skill in the modern working world. We believe that the possibilities of digital technology should be open to all young people. Only in this way they can fully develop their potential and do their bit for the positive development of society. This is where Think Big comes in, a joint initiative of the Telefónica Foundation, the German Children and Youth Foundation (DKJS) and the Telefónica Deutschland Group, that was set up in 2010. Through workshops, coaching and financial support for projects, Think Big inspires and helps 14-to-25-year-olds find their way in the digital world, expand their technological skills, develop ideas and entrepreneurial spirit and start their own social projects.

So far more than 56,600 young people have taken part in over 2,650 projects. By the end of 2015 we hope to have reached more than 75,000 young people with the programme and to motivate them to develop their ideas and get involved in society. The ideas they have come up with range from a networking platform for young artists and clubs, to a YouTube channel against racism, right through to tutoring apps. The young participants document the results independently on the programme website www.think-big.org. What all the supported projects have in common is that they involve solution strategies for social problems and challenges, are non-profit-making, reach as many people as possible and are implemented using digital technology.

In 2014 we integrated the "Think Big School" programme into the overall concept of Think Big in the first stage of the programme "Think Big Lab". It encourages young people to expand their digital skills and develop project ideas in workshops in educational establishments, at events or at Telefónica itself. In the three further programme stages of Think Big, the young entrepreneurs are given financial support of between €400 and €5,000. They also receive individual mentoring from professional partner organisations and Telefónica employees as well as access to digital technology. In the year under review we also developed a new mentoring module called the "Digital Workshop", which allows young people to get free advice from a team of experts on new technologies such as developing an app, and thus acquire knowledge of digital technologies for their projects.

Think Big project example: Online stock market game "Tradity"

One example of how Think Big successfully facilitated a project by young people is the online stock market game "Tradity". Project creators Moritz Funk and Khai Ba (in the photo below) had the idea of making business and financial topics accessible to young people in a fun and interactive way. Players can score points by putting their knowledge of the stock exchange to the test. The game quickly became very popular and is now already entering its third round. It's one of five projects receiving the highest level of support – Think Big Pro – since November 2014. This comprises funding to the tune of €5,000, a workplace for eight months in a co-working space in one of the German Social Impact Labs and professional coaching.

Tablet PCs for seniors

No social group should be left behind on the way to the digital age. Which is why we are especially keen to facilitate access to digital and mobile media for older people as well, and to overcome the digital divide. The mobile Internet offers the older generation in particular all kinds of opportunities to make their everyday lives easier, such as video calls with friends and relatives, locating the nearest pharmacy open at night or calling up news or weather information on the move.

Although more and more senior citizens are getting to know the Internet and would like to access the technology, older people still use the World Wide Web noticeably less than younger people.

For this reason, in 2012 the E-Plus Group joined forces with the Digital Opportunities foundation to launch the project "Tablet PCs for Seniors". Since then, the project has provided selected institutions for the elderly in Germany with tablet PCs, including free Internet flat rate, for a period of four weeks, after which the institution may keep some of the devices permanently. Over and above the technical equip-

ment, the Internet beginners of the 60-plus generation are also given introductory training by supporters from media and politics. To participate in the scheme, amongst other the institutions must help the older people to use the tablets. The Digital Opportunities foundation oversees the project and at the same time analyses how tablets help introduce older people to the Internet and facilitate access to the digital society.

By the end of 2014, tablet PCs were allocated to institutions for the elderly at 39 locations in Germany, thus reaching over 1,000 senior citizens.

Monetary and non-monetary donations

In 2014 we donated €218,933 to institutions, organisations or projects associated with children and young people with a focus on promoting media literacy and social involvement in the digital world, as well as to environmental and climate protection initiatives. All expenditure for the Think Big programme was borne by the Telefónica Foundation. This amounted to €2 million. As part of the "Stifterhelfen.de" initiative, in 2014 we again gave away a total of 275 O_2 product packages valued at €150 each to charitable organisations through this Internet portal.

Support for traineeships

Ay Yildiz, a brand of the Telefónica Deutschland Group, supports pupils from migrant families. With the aim of turning a cross-cultural background into a career advantage, in 2014 the company established a network of 22 businesses and organisations offering over 60 trainee positions. Ay Yildiz is Germany's first mobile brand for citizens of Turkish origin.

Competition for young people

The opportunities and challenges of digital living for children and young people are at the heart of our social involvement. To give them more confidence in dealing with digital media beyond Think Big and our youth protection measures (see Priority: Enabling better lives), in 2014 Telefónica renewed its support for the Germany-wide mobile phone film-clip competition "mobile clip festival" run by the JFF – Institute for Media Education in Research and Practice.

Open days for children and young people

Girls' Day 2014, a Germany-wide day devoted to career orientation for girls, saw a total of 100 girls from the 8th, 9th and 10th classes invited to the Telefónica offices in Munich and Hamburg, where they developed their own digital project ideas together with some of our employees. They then created a website for their ideas and filmed a video via smartphone. All of which helped the girls expand their digital media skills. In the E-Plus Group, 25 girls in Düsseldorf were given an insight into technical careers. On the Telefónica Children's Day, more than 75 children spent a school-free day at Telefónica in Munich visiting their parents at work.

PRIORITY Caring for the Planet

Digital solutions enable us to reduce our ecological footprint and allow each and every one of us to do our bit for climate protection. Which is why we want to enable our customers to enjoy a sustainable lifestyle with the help of digital products and services. And within the company too, we strive to constantly improve efficiency and ensure we use resources responsibly.

Environmental management
Conservation of resources and climate protection are key principles of our environmental management policy. Our environmental management system has been ISO 14001-certified since 2004 and in 2014 Telefónica Deutschland Holding AG's compliance with the standard was again confirmed. As well as energy efficiency measures, our activities include conserving resources, returning our used electronic equipment, promoting mobile phone recycling among our private and business customers, increasing transparency with regard to electromagnetic fields, and promoting good health.

Energy efficiency
The vast majority of electricity consumption in the Telefónica Deutschland Group goes on our network at 95 percent. That's why Telefónica Germany GmbH & Co. OHG is targeting a reduction of energy consumption in the network of 30 percent per

customer connection by 2015 (base year: 2007). To this end, in 2014 we replaced the existing rectifiers with more efficient ones at 233 stations in our mobile network. We are expecting to achieve an annual energy saving of 589,000 kWh in future with this measure, and thus reach our self-imposed target by 2015.

In the course of removing the withdrawn cooling agent R22, we also replaced a further 59 air-conditioning units with more efficient ones. Over 90 percent of Telefónica Germany GmbH & Co. OHG facilities at 23,942 locations are run without air-conditioning. We also conducted tests with the energy efficiency software of our mobile system-technology suppliers, with the aim of reducing the average energy consumption of the components in future without compromising the network quality.

In 2014 we identified further levers for increasing our energy efficiency. These measures will be introduced gradually once the networks have been merged as part of the integration of the E-Plus Group into the Telefónica Deutschland Group. With an additional analysis, we hope to identify potential savings through more detailed recording of consumption. The results of this are expected in 2015, when we will also look into whether we can adapt the results from the test site to further sites. Efficiency, savings and innovations are also key components of the E-Plus Group's energy management. With existing landmark projects from E-Plus, such as energy self-sufficient mobile phone base stations or climate-friendly logistics solutions, we aim to further consolidate the positioning of the Telefónica Deutschland Group as an exemplary, environmentally conscious enterprise of the future.

Conservation of resources
Thanks to the increasing digitisation in our company, we are conserving valuable resources. In 2014, for example, we managed to reduce our paper consumption by a further 85 tonnes compared with the previous year, thus using over 72 percent less paper than in 2010. Two measures which contributed to our positive environmental impact in 2014 were switching over to Blue Angel-certified recycling paper in all Telefónica Germany offices and call centres, and changing to online billing. In May 2014 we also began sending Telefónica Germany GmbH & Co. OHG employees their payslips electronically. We also launched a campaign to raise our employees' awareness of the need for environmentally friendly behaviour at home, in the office and when dealing with electronic equipment and old mobile phones, and recommended green apps that help conserve both environment and climate. The campaign was backed by an employee mobile-phone collection drive and a competition for eco-friendly ideas.

By donating our used IT equipment to AfB gGmbH, a charitable organisation that provides work for disabled people, we help both the environment and the community in equal measure. In 2014 we extended our partnership to make AfB the main recipient of Telefónica Germany GmbH & Co OHG's waste hardware. As a result, we passed on over 32 tonnes of PCs, notebooks and flat-screen monitors to them – an increase of almost 92 percent on the 2.6 tonnes recycled the previous year. What's more, this led to the creation of three jobs for disabled people at AfB. As a basic principle, IT equipment at the Telefónica Deutschland Group is kept in use for as long as possible. Once this is no longer feasible, AfB collects it directly from our offices, guarantees certified erasure of the hard disks, tests and cleans the equipment, and sells it on with a warranty of at least 12 months. Equipment that no longer works properly is disposed of and documented step by step once the data has been erased.

Mobile phone recycling
Our mobile phone recycling initiatives have again been at the heart of our environmental management this year. With 21,416 recycled mobile phones in 2014, we once again made an important contribution to conserving resources and reaching our recycling targets. By the end of 2015 we aim to collect 50,000 used mobile phones in Germany. The proceeds from our mobile phone recycling go to charitable environmental projects run by our partners. In 2014 these were Naturefund e.V. and Naturschutzbund Deutschland e.V. (NABU). In our O$_2$ shops and partner shops we optimised our return system for used mobile phones by actively reminding customers that they can return their phones. We are currently working on further concepts in order to use a joint programme for the whole Telefónica Deutschland Group and increase the rate of return.

To further increase people's willingness to recycle their mobile phones, the Telefónica Deutschland Group has signed up to the Germany-wide "Happy Handy" initiative of the Information Centre for Mobile Communications (IZMF), through which the IZMF is encouraging schools and clubs to collect used mobile phones between October 2014 and the end of 2015 so that they can be recycled properly and in an environmentally responsible way. The initiative has high-profile backing from the Federal Minister for the Environment Dr. Barbara Hendricks.

Eco Index
We want to help our customers choose a socially and environmentally compatible smartphone wherever possible. Thanks to our Eco Index rating system launched in 2011, they can assess our O$_2$ mobile phones based on sustainability criteria. The Eco Index, which comprises a scale of 0 to a maximum of 5 points, was developed in conjunction with Forum for the Future, a British NGO for sustainable development, as well as various device manufacturers. In 2014, over 93 percent of mobile phones in the O$_2$ portfolio were Eco Index-rated, almost 18 percent up on the previous year thanks to direct dialogue with the manufacturers.

Mobile telephony and health
We provide our customers with extensive information on the electromagnetic properties of the products in our portfolio. When building new transmitters, we involve local authorities at an early stage. Furthermore, we are a member of the Information Centre for Mobile Communications (IZMF) and support research projects on the subject.

Measuring Progress – CR Key Performance Indicators 2012 – 2014

Telefónica in Germany regularly uses key performance indicators (KPIs) to measure its progress in the area of Corporate Responsibility. These KPIs form the basis for the CR reporting of the Telefónica Group and are published annually.

The KPIs listed below relate to Telefónica Germany GmbH & Co. OHG for the entire year 2014 and to the E-Plus Group for the fourth quarter of 2014. Any deviations in the reporting boundaries are marked accordingly.

The KPIs shown were subjected to an audit by an independent auditor in the course of producing the 2014 CR Report of Telefónica S.A. (see Sustainability Report 2014). The KPIs published in the Financial Report of the Annual Report of 2014 are marked here with an asterisk (*).

Name	Unit	2012	2013	2014
Economic KPIs				
Turnover	EUR mi	5.213*	4.914*	5.522*
Operating result (OIBDA)	EUR mi	1.279*	1.237*	679*
Investments (Capex)	EUR mi	(609)*	(666)*	(489)*
Suppliers				
Volume of purchases	EUR mi	1.968	1.791	2.202
Volume of purchases (domestic)[1]	EUR mi	1.227	1.176	1.532
Number of suppliers	number	1.905	1.536	1.220
Compliance				
Employees who completed training on basic business principles	percent	92	93	84,2
Contraventions of statutory regulations on data protection	number	1	0	1
Substantiated objections to advertising conduct	number	29	32	5
Legal action pursued because of anti-competitive conduct, infringements of anti-trust law or monopolistic practices and their consequences	number	0	0	0
Employees				
Employees (FTE)[2]	number	6.019*	5.940*	10.936*
Employee turnover	percent	10,0*	8,6*	10,2*
Proportion of women	percent	36,2*	35,8*	39,7*
Proportion of women in senior management	number	9*	4	14*
Proportion of women in senior management	percent	14,5*	8,7*	14,1*
of which female members of the board of management	number	2	1	4
of which female members of the board of management	percent	25,0	12,5	8,7
Proportion of employees with disability	number	108*	113*	261*
Average age of employees	number	37,0*	37,5*	38,0*
Average hours of training per employee	number	25*	34	22
Training hours	number	162.000*	173.000*	181.000*
Training participants	number	4.200*	5.100*	8.300*
Trainees/apprentices	number	108*	113*	171*
Work-related accidents	number	17	12	8
Satisfaction of employees	points (out of 100)	76	76*	61[1]

Name	Unit	2012	2013	2014
Customers				
Customer connections	mi	25,4*	25,2*	48
Total number of complaints	mi	1,85	1,33	1,25
Society				
Donations and investments in charitable projects	EUR	986.739*	307.967*	218.933*[2]
Participants in Think Big (young people)	number	17.000*	14.000*	14.708*
Participants in Corporate Volunteering Programme (employees)	number	797*	771*	839*
Hours of work in the Corporate Volunteering Programme	number	6.881*	9.758*	7.112*
Environment				
CO_2 emissions from electricity consumption and vehicle fleet[3]	tonnes	237.790*	239.380*	288.382*
CO_2 emissions from business trips[4]	tonnes	3.990*	3.389*	3.990*
Total electricity consumption[5]	MWh	486.029*	489.634*	589.682*
of which network[6]	MWh	462.644*	467.907*	560.615*
of which offices, shops, call centres[7]	MWh	23.385*	21.727*	29.066*
Proportion of electricity consumption from renewable energy	percent	70*	58*	60*
Water consumption[8]	m³	92.160*	93.059*	111.787*
Paper consumption[9]	tonnes	673*	585*	858*
Number of used mobile phones handed in[10]	number	47.898*	43.906*	53.868*
Number of mobile phones rated on the Eco Index[11]	percent	78,72*	75,68*	93,48*

1 For the first time, all employees were surveyed after the merger between Telefónica Germany GmbH & Co. OHG and the E-Plus Group.

2 In 2014 the Telefónica Foundation bore all the expenditure for the projects of the Think Big programme. The investments of the Telefónica Foundation in the German Think Big programme amounted to around EUR 2 million in 2014.

3 The CO_2 emissions are calculated in accordance with ISO 14.064, Greenhouse Gas Protocol (Scope 1+2 direct and indirect emissions) & ITU-T L.1420; energy and emissions for 2013 were audited in 2014, 2014 data is in the process of being verified as part of the Sustainability Report of Telefónica S.A. Direct and indirect CO_2 emissions at Telefónica Germany GmbH & Co. OHG rose slightly from 239,380 to 240,711 tonnes.

4 CO_2 emissions from business trips at Telefónica Germany GmbH & Co. OHG rose from 3,389 to 3,749 tonnes.

5 The total electricity consumption of Telefónica Germany GmbH & Co. OHG rose slightly from 489,634 MWh to 492,997 MWh.

6 The electricity consumption for the network of Telefónica Germany GmbH & Co. OHG rose slightly from 467,907 MWh to 473,356 MWh.

7 The electricity consumption for offices, shops and call centres at Telefónica Germany GmbH & Co. OHG fell from 21,727 MWh to 19,641 MWh.

8 The water consumption of Telefónica Germany GmbH & Co. OHG fell from 93,059 m³ to 92,014 m³.

9 The paper consumption is falling steadily as a result of our internal digitisation process and our efforts to speed up the conversion to online bills. Compared with the previous year, paper consumption at Telefónica Germany GmbH & Co. OHG fell 14.5% to 500 tonnes.

10 The number of used mobile phones handed in consists of those that are put into recycling and those that are reconditioned in our "Re-use" process or accepted as part of our trade-in scheme. In 2014 Telefónica Germany GmbH & Co. OHG collected 17,368 used mobile phones for recycling and the E-Plus Group collected 4,048. For "Re-use", Telefónica Germany GmbH & Co. OHG collected 1,263 mobile phones through its trade-in scheme (up to April 2014) and 20,417 used devices. The E-Plus Group collected 10,772 mobile phones for "Re-use" in the fourth quarter of 2014. So the number of mobile phones handed in to Telefónica Germany GmbH & Co. OHG rose by almost 7% on the previous year.

11 The 17.8% increase was a result of direct dialogue with the manufacturers regarding the respective sustainability criteria. A standardised product portfolio including continuation of the Eco Index is envisaged for the Telefónica Deutschland Group in 2015.

Imprint

C o n t a c t
We look forward to receiving your questions or feedback on
Corporate Responsibility in the Telefónica Deutschland Group.
Please e-mail the CR team at cr-de@telefonica.com.

P u b l i s h e d   b y
Telefónica Germany GmbH & Co OHG
Valentina Daiber
Director Corporate Affairs
Georg-Brauchle-Ring 23-25
80992 Munich
Germany

R e s p o n s i b l e   f o r   c o n t e n t
Dr. Markus Sardison
Head of Corporate Responsibility

P r o j e c t   m a n a g e m e n t
Katja Hauß

E d i t i n g   a n d   d e s i g n
akzente kommunikation und beratung gmbh

P i c t u r e   c r e d i t s
Telefónica Deutschland Group

R e p o r t i n g   d a t e
05/15
Figures were compiled as at 31 December 2014.