



Assessment of biodiversity- related impacts and dependencies

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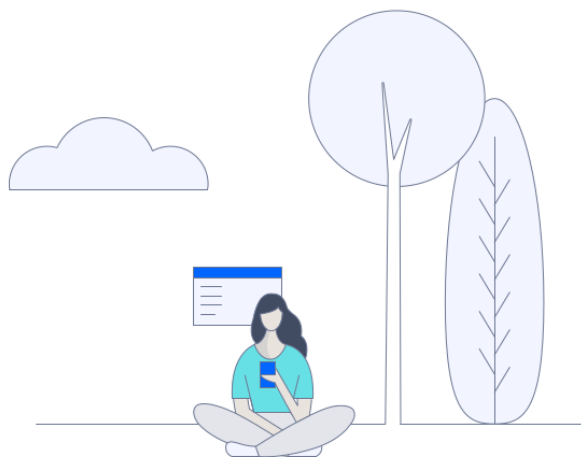
At Telefónica, we are committed to protecting biodiversity. That is why we are developing **Telefónica's Biodiversity Strategy**, that will help us to strengthen our commitment to nature and to our stakeholders.

Telefónica's management of biodiversity risks and opportunities starts with an **assessment of dependencies and impacts**, which is the first step we have taken in this area.

The assessment scope considers both our direct operations and those of our supply chain, which has allowed us to determine Telefónica's impacts and dependencies on various ecosystems, species and ecosystem services.

The following **internationally recognised protocols, methodologies and tools** were used for both projects:

- (i) The Natural Capital Protocol (NCP), developed by the Capitals Coalition, and the Endangered Wildlife Trust's Biological Diversity Protocol (BDP) for the 2019 assessment;
- (ii) ENCORE (from UNEP-WCMC) and the Sectoral Materiality Tool (from SBTN), for the 2023 assessment.



The first biodiversity assessment identified and quantified the direct impacts of non-linear infrastructures across the countries in which we operate, obtaining results for each facility and its area of influence. A Geographic Information System (GIS) was used, cross-referencing the area occupied by our infrastructures with various layers of information about protected areas and species, which allowed us to determine our **impact on the quality of habitats and ecosystem services**.

The main finding of the study was that **98% of our facilities are located in habitats with low or very low biodiversity value**, such as urban areas, and that we have no facilities located in high-value habitats, which means that the organisation has a relatively insignificant direct impact on biodiversity.

The second biodiversity assessment involved an analysis of the contribution of various economic activities to the main **drivers of global biodiversity loss** (i.e.,

climate change, land use change, pollution, overexploitation of resources, invasive alien species), as well as the **dependencies of these activities on the ecosystem services** provided by nature, both for direct operations and the supply chain.

The results of this second biodiversity assessment show that Telefónica's **main impacts** take place throughout the operations **of its supply chain** and are mainly linked to land and water use change and climate change. Telefónica's main dependencies on ecosystem services are related to flood and storm protection and, to lesser extent, to climate regulation and erosion control.

These two assessments will help us to **understand and quantify our nature-related risks and opportunities** and to improve our decision-making to enhance the organisation's resilience, in line with the current leading reporting frameworks and initiatives, such as the TNFD¹.

In short, at Telefónica we are opting for being more aware of our biodiversity-related impacts, dependencies, risks and opportunities, in order to be able to take more informed and efficient decisions and therefore improve our relationship with nature.



¹The [Taskforce on Nature-related Financial Disclosures](#) (TNFD) is a global initiative under development that seeks to define the framework for financial reporting on nature-related issues. In 2023, the TNFD will publish a framework for disclosure and management of nature-related risks, with guidelines currently available as a beta 4.0 release.



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