**Telefónica Tech**

# DIGITAL
# IS IN OUR DNA

ANNUAL REPORT

# Telefónica Tech, the Leading NextGen Solutions Provider

Telefónica Tech envisions technology as a force for good. Its more than 6,300 professionals **partner with customers** to co-create solutions to become more agile, sustainable, efficient, secure, and competitive in the digital age.

Telefónica Tech leverages extensive global reach, deep ICT knowledge, and innovative capabilities to deliver **NextGen IT Solutions**. Telefónica Tech has a strong and sustainable service portfolio across: Cloud, Cyber Security, IoT, Artificial Intelligence, Business Applications, Big Data and Blockchain. This portfolio is complemented with high-value consulting, professional and managed services to support its customers in their digital transformation journey.

2023 marked another year of outperformance for Telefónica Tech, generating €1.9Bn in revenues and surpassing market growth for the third consecutive year. This consistent pace strengthens the committed strategy of achieving a €3Bn revenue target by 2026.

# Market Beaten for the Third Year in a Row in 2023

**FINANCIALS**

## €1.9BN€

**26.7% YoY growth.**

Consistent growth trajectory since its creation with +39% CAGR for the 2020/23 period.

**PEOPLE**

## >6,300

**Diversified Highly Skilled Professionals.**

With ~4k certifications with key tech vendors.

**DIFFERENTIATED VALUE PROPOSITION**

## E2E

**Comprehensive end-to-end services & strong delivery capabilities.**

Telefónica Tech has a wide range of services and integrated technological solutions in Cyber Security, Cloud, IoT, Big Data, Artificial Intelligence and Business Applications. Telefónica Tech has 1 DOC (2 locations in Spain and Colombia) and a Global Network of SOCs to monitor, protect and resolve security incidents in the digital world.

**STICKY BLUE-CHIP CUSTOMER BASE**

## 5.5M

**Telefónica Group B2B customer base.**

Telefónica Tech provides its services across the extensive Telefónica Group B2B customer base regardless of size: from Corporate & Public Administration to Small and Medium Enterprises & SOHO.

**BUILDING A GREENER FUTURE**

## 58%

**of the Telefónica Tech portfolio is verified with Eco Smart seal.**

Most of the Tech services help our customer to optimize resource consumption, improve traffic planning and quality of cities, reduce $CO_2$ emissions and promote the circular economy.

# Exceptional Capabilities to Harness the Potential of Technology

Since its creation in 2019, Telefónica Tech once again posted growth which surpassed market performance, standing on the shoulders of our greatest strengths, our highly skilled workforce, as a leading provider of advanced NextGen Solutions, and a well-established reputation for excellent delivery across Europe and the Americas. With 1.9Bn€ of revenues, 2023 is the third year in a row where we have grown faster than the market.

Telefónica Tech has multiple blue-chip customers across diverse industries, many of which have long-term established relationships with Telefónica. Our capabilities reach +5.5 million B2B customers of the Telefónica Group, with global reach and key hubs in the UK & Ireland, Central Europe, Hispam. Brazil and USA.

Telefónica Tech offers a comprehensive, end-to-end NextGen Solutions suite across Cloud, Cyber Security, IoT, Artificial Intelligence, Business Applications, and Big Data. The strong sustainable portfolio, leveraging a wide partner ecosystem, combined with high value professional and managed services, allow Telefónica Tech to accompany its customers of any size and digital maturity to successfully execute their digital transformation journey. Telefónica Tech's strong portfolio also contributes to meeting the ESG objectives of our B2B customers.

TELEFÓNICA TECH IS THE PARTNER OF CHOICE FOR ANY ORGANIZATION OF ANY SIZE, WITH A UNIQUE MIX OF THE BEST PEOPLE, THE BEST TECH AND THE BEST PLATFORMS. OUR AIM IS SIMPLE TO HELP OUR CUSTOMERS TRANSFORM DIGITALLY AND CREATE MORE SUSTAINABLE AND RESILIENT BUSINESSES.

A highly skilled diversified team of +6,300 professionals (>60 nationalities, 4,000 certifications in third party technologies), located close to our customers (~80% in Europe), bring their experience to develop, integrate, implement, support and optimize all solutions required by customers.

Continuous training is in our commitment to providing the best services to our customers. In 2023, we have made a big investment in the growth of our talent and experts. Telefónica Tech has delivered >105,000 hours of training in 2023.

**With a proven track record, commercial reach, and leadership capabilities, mean that Telefónica Tech is an attractive ally for the different technology players.**

Telefónica Tech offers value added services over third party products to help our customers in their digital transformation. Telefónica Tech has solid and lasting partnerships with top hardware & software providers as well as hyperscalers based on excellent customer experience and high technical expertise.

Telefónica Tech completed a 3-year cycle in 2023, becoming fully operational in all the regions where it does business. In 2023, Telefónica Tech merged the Cyber Security & Cloud and the IoT & Data units to offer the best service to all its clients and it has aligned a portfolio with technological trends. Cloud is a facilitator of IoT, Data and AI, with Cyber Security integrated in all the business processes.

# Telefónica Tech Worldwide

>60
**Nationalities**

US
Mexico
Colombia
Peru
Brazil
Chile

Telefónica Tech now has geographic commercial units, Spain & Americas and the UK, Ireland and Central Europe, along with cross-cutting service units, which will enable extending capabilities across its presence. Telefónica Tech is starting a new cycle under this new model to keep sustainable business growth and achieve 3Bn€ revenues in 2026.

## LEADING PRESENCE IN EUROPE WITH >85% REVENUE FROM HARD CURRENCY MARKETS*

*Hard currencies include EUR, GBP, and USD. % as of FY23

Nordics
Ireland
UK
Dach
Adriatics
Spain
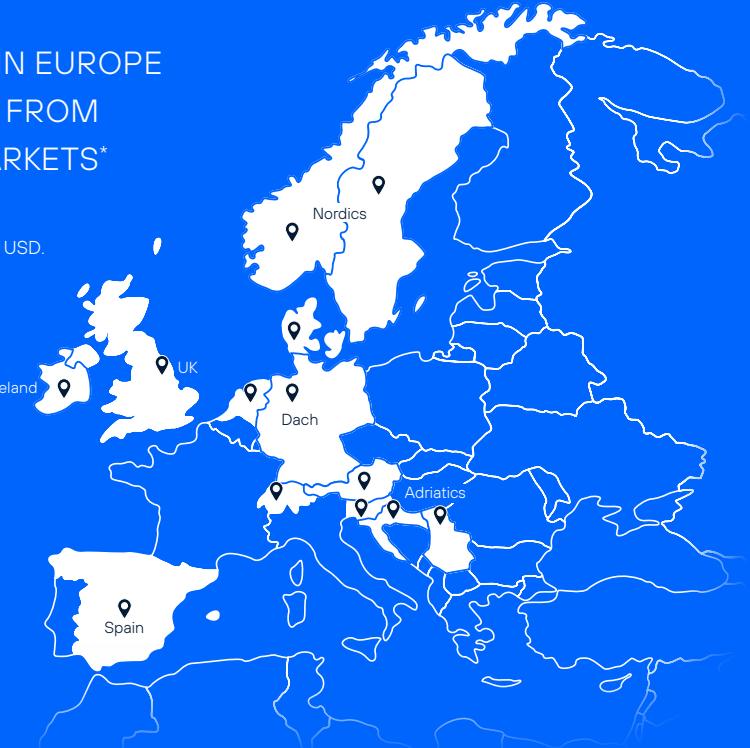
~80%
**People located in Europe**

+6,300
**Professionals**

1.9BN€
**Revenues in 2023**

1 DOC
**(2 locations in Spain and Colombia)**

Global Network of
SOCs

+26.7%
**YoY Revenue Growth**
(+21.7% in constant perimeter)
~x2 market growth in FY 23

**Solid growth with +39% CAGR 2020-2023**

5
**Acquisitions in the last 2 years**

>4,000
**Certifications in third party technologies**

# Letter from the CEO

*"TELEFÓNICA TECH
AND THE ENTIRE TEAM
HAD AN INTENSE
AND EXCITING 2023."*

*"Despite the difficulties we have encountered due to the social and economic effects of global political conflict and increasing inflation, we can overall affirm that 2023 has been a successful year full of opportunities for our business. We have again demonstrated remarkable growth above that of the market, reaffirming our position as a premier provider of cutting-edge NextGen Solutions. Our most valuable assets are our talented workforce and well-recognized delivery capabilities in Europe and the Americas.*

*We continue to act as one of the main growth engines within the Telefónica Group, being a catalyst of the B2B segment. Our credentials reflect our strong record of providing innovative IT solutions and services. Our customers recognise our leadership in digital transformation and our alignment with their ESG goals, which gives us the opportunity to compete among the best companies that offer advanced IT professional and managed services. Industry Analysts are acknowledging our leadership in many of the digital practices we offer to the market. We are also strengthening our ties with our strategic technology partners, creating new and distinct ways of working with them.*
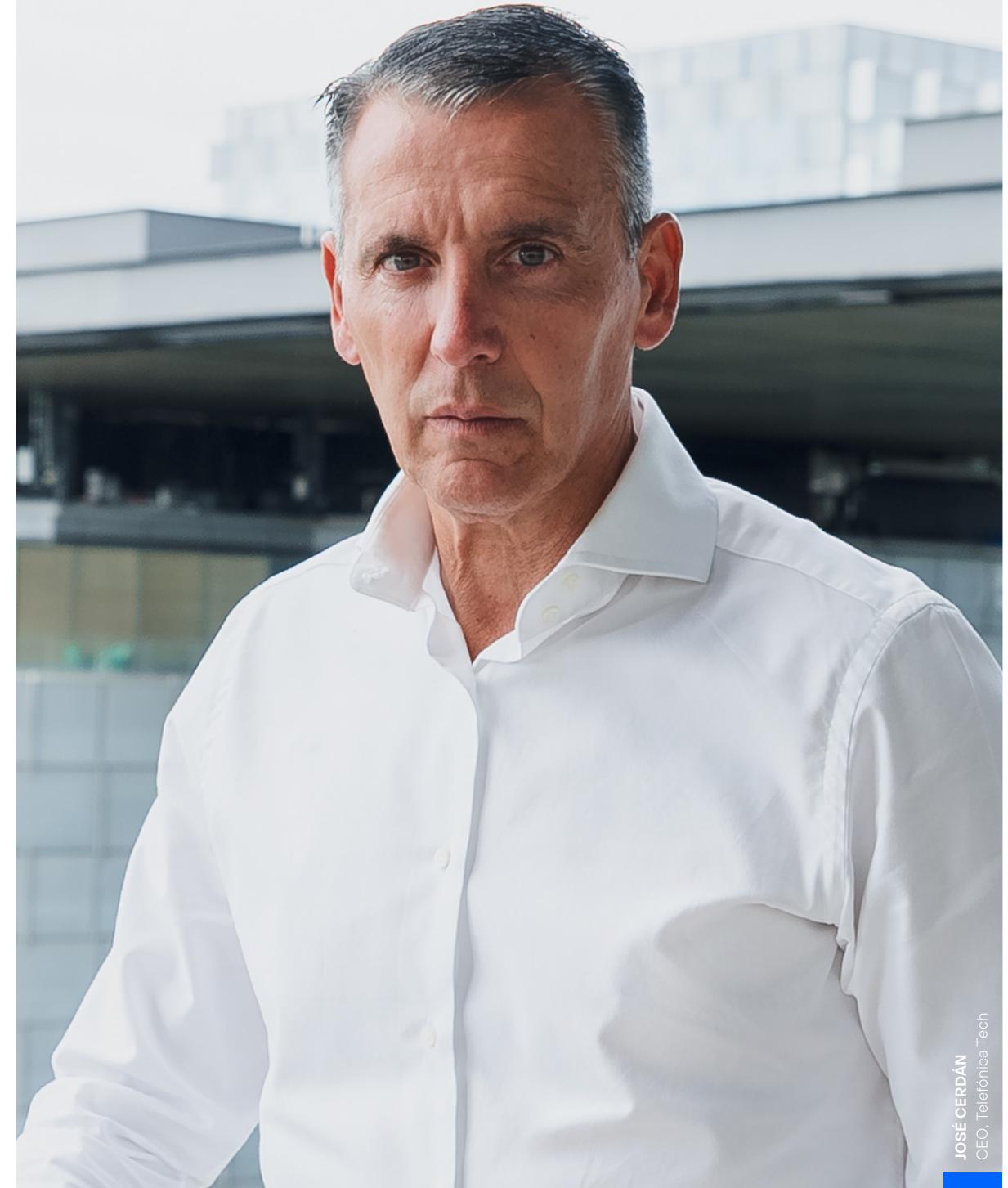
JOSÉ CERDÁN
CEO, Telefónica Tech

*"WE HAVE AGAIN
DEMONSTRATED
REMARKABLE GROWTH
ABOVE THAT OF THE
MARKET, REAFFIRMING
OUR POSITION AS A
PREMIER PROVIDER OF
CUTTING-EDGE NEXTGEN
SOLUTIONS."*

**JOSÉ CERDÁN**
CEO, Telefónica Tech

*We pride ourselves in being a people-first organisation. We believe our people and our team is our greatest asset, and our focus has long been on fostering a Company that embraces diversity and inclusion, open communication, learning and professional development. In 2023, we established our Telefónica New People Model aiming to attract and retain the best talent. During 2024, we will continue to prioritize caring for our people.*

*Telefónica Tech today is a significantly different business from what it was three years ago, not only in terms of size, we have nearly tripled our revenues to 1.9Bn€, but also in terms of capabilities and geographic presence as we have strengthened our position via organic and inorganic actions.*

*We are now embarking on a new cycle to maintain sustainable business growth for the next three years while securing the necessary capabilities to meet our targets. To meet our vision, we are now implementing a new Operating Model for Telefónica Tech.*

*In 2023, we have unified the Cyber Security & Cloud and the IoT & Big Data businesses to provide the best service to all our customers and we have unified a portfolio aligned with technological trends; Cloud becomes an enabler of Artificial Intelligence and IoT Solutions, with Cyber Security embedded in all the business processes. We now have geographic commercial units, Spain & Americas and the UK, Ireland and Central Europe, combined with transversal service units, which will enable us to maximize growth.*

*In Telefónica Tech, we all share a common vision: to make a difference that matters. We aim to maintain our leading position as a NextGen Technology Solutions Provider, motivating us to keep using our combined strengths to transform our B2B customers lives, create better and more distinctive solutions, and shape the future. As we move forward, we will stick to our ambition during these challenging times and collaborate to achieve positive results for our people, customers, and partners. I encourage you all to take charge and make the most of 2024."*

# Executive Committee

Telefónica Tech operates with geographic units and global service lines as transversal units expanding high-value capabilities across all geographies.

**José Cerdán**
CEO, Telefónica Tech

**Pablo Eguirón**
CFO & Corporate Development,
Telefónica Tech

**Mario Silva**
Strategy & Business Transformation
Director, Telefónica Tech

**Diego Colchero**
Chief Legal Officer,
Telefónica Tech

**María Jesús Almazor**
COO Spain, Hispam, Brazil
& USA, Telefónica Tech

**Gonzalo Martín-Villa**
COO, the UK & Ireland and
Central Europe, Telefónica Tech

**Javier Llamas**
People Director,
Telefónica Tech

**María Díaz Hernández**
Head of Marketing & Comms,
Telefónica Tech

**María Ángeles Callejo**
Chief of Staff and Head of ESG,
Telefónica Tech

# Advisory Board

Telefónica Tech established an Advisory Board in 2022 to boost the company's growth. It is a support mechanism for the governing and management bodies of commercial companies, whose objective is, among others, accelerate growth and improve the competitiveness of the business sector, facilitate the presentation of trends, help shape value propositions, contribute innovative ideas, enrich the strategic debate, contribute to the continuous search for reputational improvements and, in any case, contribute to the generation of debates that include the sustainable and profitable transformation of commercial companies.

## PRESIDENT

**José Cerdán**
CEO,
Telefónica Tech

## VICEPRESIDENT

**Juan Ignacio Cirac**
Director at the Max Planck
Institute for Quantum Optics

## SECRETARY

**Diego Colchero**
General Counsel,
Telefónica

THE ADVISORY BOARD ACCOMPANIES US TO DEFINE THE BEST STRATEGY TO PROVIDE A DIFFERENTIAL CUSTOMER JOURNEY FOR OUR CUSTOMERS.

**Angel Vilá**
COO,
Telefónica

**María Jesús Almazor**
COO Spain, Hispam, Brazil
& USA, Telefónica Tech

**Gonzalo Martín-Villa**
COO, the UK & Ireland and
Central Europe, Telefónica Tech

**Chema Alonso**
Chief Digital Officer,
Telefónica

**María García-Legaz**
Chief of Staff,
Telefónica

**Jaime Bergel**
Director, H.I.G.
Capital Spain

**Eva Fernández**
Global Communications
Director, Telefónica

**Isabel Fernández**
Rector, Alfonso X
El Sabio University

**Verónica Pascual**
Member of the Board
of Directors, Telefónica

**Alejandro Romero**
COO,
Constella Intelligence

**Claudia Sender**
Member of the Board
of Directors, Telefónica

**Marisa de Urquía**
Wholesale Director,
Telefónica Spain

*This image was edited using generative AI*

# OUR
# ACHIEVEMENTS

OUR ACHIEVEMENTS

# Value Proposition

Telefónica Tech offers strong, comprehensive, **end-to-end sustainable NextGen IT Solutions** across Cloud, Cyber Security, IoT, Artificial Intelligence, Business Applications, and Big Data.

With a vast global reach and deep expertise in consulting, professional, and managed services, we harness innovative capabilities to offer sustainable NextGen IT Solutions.

We combine our in-house products with leading third-party solutions, integrating Professional and Managed Services on our delivery platforms to support customers in their **digital transformation journey**.

# Telefónica Tech Offers a Comprehensive, end-to-end NextGen Solutions Suite

## PROFESSIONAL & MANAGED SERVICES CONSULTANCY

**BUSINESS APPS**
Make your business ready to intelligent automation

**360° DIGITAL BUSINESS**
Growing together

**CONNECTIVITY & IOT**
End to end managed Connectivity platform

**AI & DATA**
Transform telco, devices and external data into value

**HYBRID CLOUD**
Elevate your business with our experience-based IT

**CYBER SECURITY & NAAS**
Build a resilient business

**FUTURE WORKPLACE**
Connect talent with business objectives

### HYBRID CLOUD

**IaaS**
Multicloud
Google Cloud  VDC
aws  Azure

**PaaS**
Platforms Business Process
ORACLE  SAP
bmc helix  vmware

**SaaS**

**CaaS**
Containers

**Housing & Hosting**
Hewlett Packard Enterprise  vmware

### CYBER SECURITY & NAAS

**Managed Security Services**

**Cyber Threat Intelligence**
Vulnerability Management

**Managed Detection & Response**
DFIR. Managed SIEM

**OT Security**

**Naas**
SASE. SD-WAN. SD-LAN. SD-BRANCH

FORTINET  CISCO
CHECK POINT  zscaler
netskope  paloalto
aruba  CROWDSTRIKE

### FUTURE WORKPLACE

**Productivity**
Microsoft 365
Google Workspace

**Unified Comms**
cisco  ZOOM
webex  Cloud Comms

**Contact Center**
GENESYS  Contact Center

**Virtualisation**
CITRIX

**Device Management**
vmware

### BUSINESS APPS

**ERP**
Microsoft Dynamics CRM
SAP

**Customer Experience - CRM**
Microsoft Dynamics CRM
SAP  salesforce

**Automation**
Microsoft Power Platform
bmcsoftware  UiPath

**HR**
SAP Success Factors

### 360° DIGITAL BUSINESS

**Bundles for SMEs Saas**

**Bundles for B2C**

**Device as a Service**
Microsoft  McAfee
Qustodio  Bitdefender

### CONNECTIVITY & IOT

**MVNO**
Kite Platform  Jasper

**MVNE KITE**
Local SIM Kite
Kite Platform

**Global SIM**
Kite Platform  Jasper

**IoT Solutions**
Industry 5.0, Devices, Mobility management
BOSCH  GEOTAB
Pietro Fiorentini  SIEMENS
CONNPAL  Telit

### AI & DATA

**Professional Services**
Strategy & Data Governance, Data Consulting

**AI & Analytics**
Data Analytics & AI
Smart Steps  teradata.
Smarts Digits  STRATIO
TrustOS
tableau

**Generative AI**
aws  NVIDIA
Microsoft  IBM
Google Cloud

**Data-Powered Solutions**
Transport, Tourism, Retail, Media

**Blockchain**

① # Hybrid Cloud

We accompany our customers in defining, deploying, and accelerating their cloud journey, optimizing processes through world class cloud-based applications to build trust and resilience.

Our Hybrid Cloud combines private and public Cloud solutions. We cover the management of our customers IT workloads, data & applications: from on-premise data centers to VDC (Virtual Data Center), Public Cloud, or hybrid solutions. All underpinned by our strategic partnerships with the world's leading hyperscalers.

We merge our comprehensive Cloud services with industry-specific expertise, advanced technologies, and global resources to guide our customers in their cloud journey step by step. Our professional and managed services migrate workloads to the hybrid cloud, offering expertise in strategy, migration, and optimization. Furthermore we integrate critical business applications into the cloud, ensuring seamless transitions and leveraging industry-leading expertise for enhanced performance and scalability.

② # Cyber Security and NaaS

As a Global Managed Security Service Provider, we offer a comprehensive Cyber Security portfolio, including preventive, detection, and response measures, ensuring business resilience against evolving threats.

Through Govertis, Part of Telefónica Tech, we offer consulting in Cyber Security, Privacy, GRC (Governance Risk and Compliance), IRM (Incident Response Management) and Regulatory Compliance unifying legal and technological perspectives in the private and public sectors.

Our NaaS solutions deliver scalable, secure network infrastructure, enhancing connectivity efficiency. Implementing SASE, we transition networks to the cloud, boosting performance and security, safeguarding valuable assets for our clients and stakeholders.

Telefónica Tech leverages cutting-edge DOC (Digital Operations Center) and a Global Network of SOCs (Security Operations Centers) to offer Managed Security expertise. With instant access to technology and scale, we protect customers and drive growth. Our intelligence teams deliver global managed services, aiding in identifying, detecting, preventing, and recovering from cyber-attacks.

③ # Future Workplace

We revamp digital work, prioritizing secure digitalization for client workforces and empowering teams with new innovative processes and ways of working. The future digital workplace emphasizes seamless integration of advanced technologies, enhancing collaboration, flexibility, and productivity through AI, automation, and remote capabilities, reshaping work dynamics.

At Telefónica Tech, we provide the CCaaS (Contact Center as a Service) and omnichannel solution that best suits our customer's needs, regardless of the size of their business. We have more than 20 years of experience implementing and managing these services.

④ # Business Applications

We transform organisations with connected intelligent applications. Our Center of excellence provides strategic guidance and expertise in deploying a wide array of software solutions, including CRM, ERP, Microsoft Dynamics 365, Power Platforms, etc. We empower businesses to innovate, adapt, and maintain a competitive edge, enabling seamless app creation and process automation for all users.

Through our agile work methodology based on squads our expert teams provides tailor-made solutions for various industries. Our Center of excellence provides expertise on strategy, governance, review, migration and roll-out of intelligent business applications. Telefónica Tech is in the top echelon of Microsoft's Business Applications global network of partners.

⑤ **360° Digital Business**

We offer SMEs user-friendly digital solutions and dedicated support for growth and transformation. By embracing online platforms, Cloud, and Cyber Security Solutions, SMEs optimize resources, adapt quickly to market demands, and expand their reach, driving growth, reducing costs, and enhancing sales channel automation through cloud-based processes.

Acens, as part of Telefónica Tech, is a business unit specialized in the development of Cloud solutions for small and medium-sized companies. They offer flexible, secure and effective solutions, across private, public, and hybrid cloud environments.

⑥ **Connectivity & IoT**

With IoT, Data, and AI, we digitally transform the physical world, connecting a myriad of objects. We specialize in sector specific IoT solutions, offering advanced platforms and managed communications. Our integrated services span platform setup, configuration, and management, enabling informed business decisions through data-driven insights.

Geprom, Part of Telefónica Tech, provides integral solutions for Industry 4.0.

⑦ **AI & Data**

We are specialized in advanced data analytics, offering comprehensive professional services from strategy and consultancy to delivery and managed services. Our end-to-end portfolio empowers clients across various sectors to make informed decisions and develop intelligent management models.

We have subject matter expertise building, managing, and deploying AI solutions that leverage Azure AI services such as Azure OpenAI and Copilot, as well as data science and machine learning. We support all phases of AI solutions development—from AI readiness and requirements definition to development, deployment, maintenance, performance tuning and monitoring.

Our team work closely with clients to support their journey to Artificial Intelligence, building complete end-to-end AI solutions that are responsible, secure and human-centric.

TELEFÓNICA TECH IS A LEADING GLOBAL PROFESSIONAL AND MANAGED SERVICES COMPANY, PROVIDING A BROAD RANGE OF CAPABILITIES AND SOLUTIONS IN CONSULTING, DATA STRATEGY, DIGITAL TECHNOLOGY, AND OPERATIONS.

PART I
OUR ACHIEVEMENTS

# Our Resources

Telefónica Tech was created as a dedicated vehicle to boost the growth of Tech services in the Telefónica Group. It began its operations with the carve-out of most of the Cloud, Cyber Security, IoT, Artificial Intelligence, Business Applications, and Big Data businesses in Spain, the UK & Ireland, Central Europe. Hispam, Brazil and USA.

# PEOPLE

During this time, it has also significantly complemented its commercial and operational capabilities in the UK and Central Europe and has completed its portfolio of solutions with both organic and inorganic actions.

Telefónica Tech is now embarking on a new cycle to maintain sustainable business growth by leveraging our position as a leading provider of high-value technology integration solutions and services in all the geographies it operates.

**+6,300**
PROFESSIONALS

**>60**
NATIONALITIES

**~80%**
RESOURCES
LOCATED IN **EUROPE**

**>4,000**
CERTIFICATIONS IN THIRD
PARTY TECHNOLOGIES

# PORTFOLIO

# DELIVERY CAPABILITIES

**>100**

PRODUCTS & SERVICES

STRONG

**Partner**

ECOSYSTEM

**DOC**
(DIGITAL OPERATIONS CENTER)

WITH AN END-TO-END VIEW
TO THE CUSTOMER

**SOCs**
(SECURITY OPERATIONS CENTER)

GLOBAL NETWORK

**58%**

OF THEM CERTIFIED
AS SUSTAINABLE WITH
**ECO SMART SEAL**

**ECOSMART**
SERVICES

VERIFIED BY
**AENOR**

**TheThinX**

**Kite** Platform

# Digital Operations

Telefónica Tech's Managed and Professional Services enable clients to proactively address evolving threats, technology advancements, compliance needs, and technological trends. With continuous monitoring, rapid threat detection, and effective incident response, our Cyber Security solutions ensure comprehensive protection for critical assets spanning data, cloud, endpoints, and networks.

**Operating as a global network of knowledge and expertise**, we leverage vast resources and 6,300 professionals worldwide, along with over 4,000 certifications in third-party technologies. This network is supported by cutting-edge Digital Operations Center (DOC) and Security Operations Centers (SOCs) strategically located across Europe, and the Americas. These facilities, including specialized DOC with locations in Spain and Colombia, work in tandem to provide follow the sun monitoring, agile supervision, and specialized solutions.

OUR GLOBAL NETWORK OF DOC, SOCS, ASSOCIATED SOCS AND DEDICATED SOCS PROVIDE THE SCALE, CAPABILITIES AND BEST-IN-CLASS SERVICES TO OUR CUSTOMERS.

## +3,600 m$^2$

**+400** MONITORING STATIONS

**+200** CUSTOMER TECHNICAL OFFICES

# A Global Network of Shared Knowledge



DEDICATED SOCs SERVICES

ASSOCIATED SOCs

GLOBAL NETWORK OF SECURITY OPERATIONS CENTERS

Technical Offices

Affiliated SOCs

Satellite SOCs

Own Customer Premises Dedicated SOCs

**DOC**
**Spain,** Madrid (Central Hub)
**Colombia,** Bogotá

SOC 1

SOC n

SOC 2

SOC 3

...
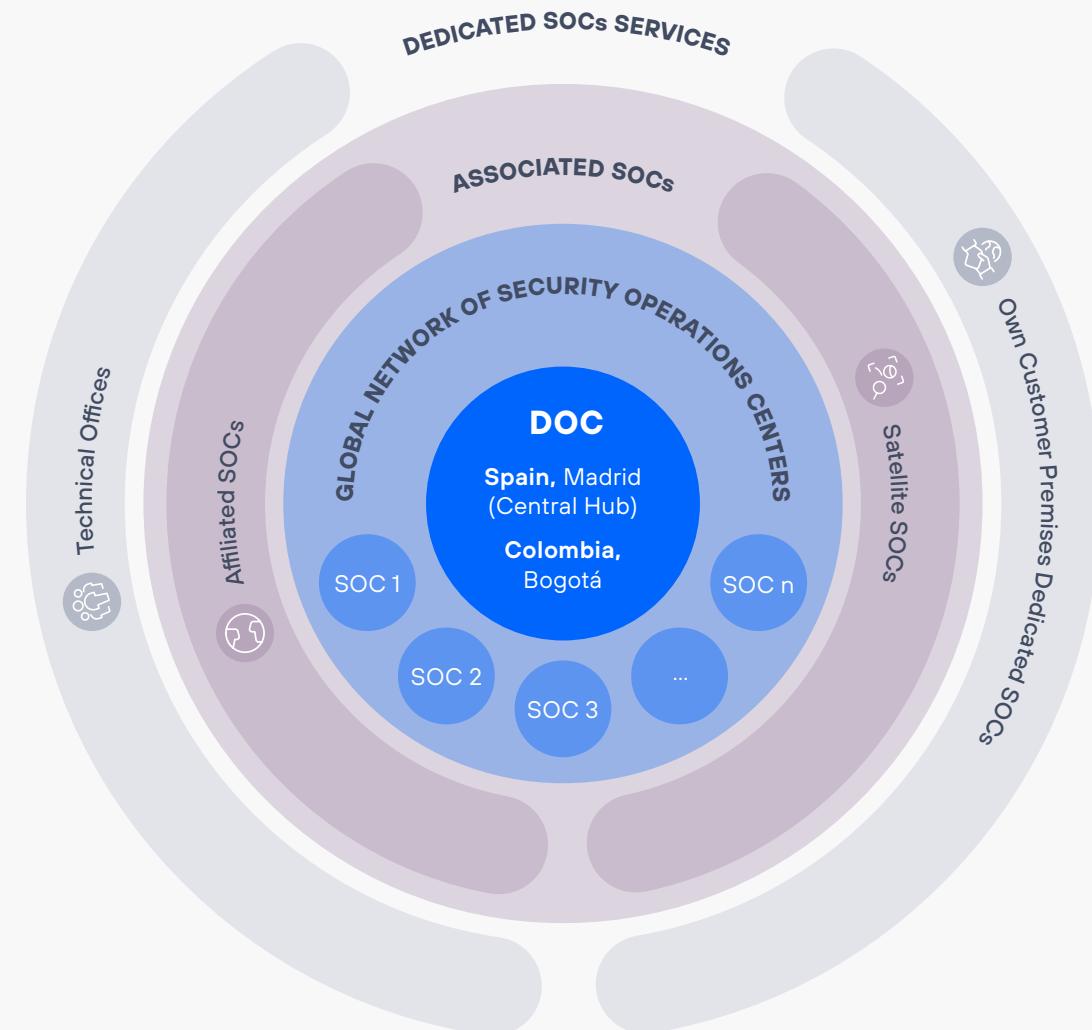
Telefónica Tech's DOC offer a **360° perspective**, integrating agile supervision and specialization to ensure top-tier solutions for Cyber Security and Cloud services. With associated SOCs, technical offices, and dedicated SOCs, we deliver **managed security services tailored to client needs**, providing reliable delivery, global management, and resolution for critical services.

Telefónica Tech is a **trusted partner** - delivering advisory, integration and managed security services, including offensive and defensive capabilities. We combine a global team of experts with proprietary and partner technology to co-create tailored security programs to provide a **full stack of Cyber Security solutions and transform security into a business enabler**. Our agile ways of working ensure we can implement rapid-response protocols to maintain network access control and secure sensitive data and systems against incoming cyber threats.





# Telefónica Tech, a global managed security service provider with a complete portfolio of Cyber Security capabilities

## PROFESSIONAL & MANAGED SERVICES AND CONSULTING

**IDENTIFY** → **Cyber-Exposure Management**. Cyber-Threat Intelligence. Vulnerability Management. Offensive Security.

**PROTECT** → **Zero-Trust Defense**. Managed Security Services. Managed Secure Networking Services.

**DETECT & RESPOND** → **Managed Extended Detection & Response**. DFIR. Managed SIEM

Network    Identity    End-point    Cloud

**NEXTDEFENSE PLATFORM**

OT    Data    Apps    People    **SECURITY INFORMATION**

**The multidisciplinary team at Telefónica Tech's DOC offers a suite of services.**

These services **empower enterprises** with risk mitigation, continuous compliance, broader expertise, supply chain protection, and financial predictability, thereby **enhancing security posture and meeting compliance requirements** effectively.

Telefónica Tech's Managed Security Services **address urgent client needs** by providing access to skilled Cyber Security and Cloud professionals, sector-specific expertise, global scalability, cost-effectiveness, and comprehensive knowledge across network, endpoint, Cloud, IoT, and industrial security domains.



① **Monitoring** of security and Cloud services in the client's infrastructure.



② **24x7 Service** to ensure reliable and secure service delivery.



③ **360-degree visibility** of current security posture.



④ **Global management and resolution for critical services.**



⑤ **Integrated by dedicated leaders and expert lines for each type of client** who control all processes and actions, as well as specialized and multidisciplinary staff.
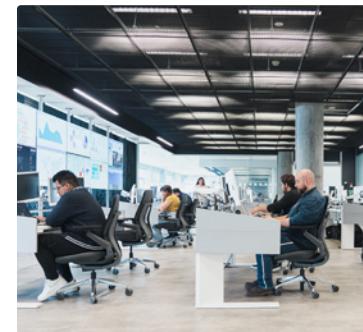


⑥ **Modularity and integration,** increasing service delivery capabilities.

### BEST IN CLASS TECHNOLOGY

| | | | |
|---|---|---|---|
| **350K** | Tickets managed per year. | **>10K** | Fraudulent sites closed per year. |
| **500K** | Alerts managed per year. | **120K** | Digital customer notifications. |
| **15K** | Managed security devices. | **20M** | IoCs in our intelligence. |

### TRUSTED PARTNER

Years of **Cyber Security** practice in Telefónica.

**Pioneers** in proprietary security developments.

BY LEVERAGING TELEFÓNICA TECH'S MANAGED SECURITY SERVICES, CLIENTS CAN TRANSITION FROM FEARING SUCCESSFUL ATTACKS TO CONFIDENTLY DEFENDING AGAINST THEM, THEREBY ENHANCING CUSTOMER AND EMPLOYEE EXPERIENCES, AGILITY, AND TRANSFORMATION INITIATIVES.

# Kite Platform

**KITE PLATFORM IS THE MANAGED CONNECTIVITY SOLUTION DEVELOPED BY TELEFÓNICA TECH.**

Kite Platform solution is a combination of a dedicated Mobile Core network and a software platform. Our dedicated Mobile Core is integrated with the operators we work with and managed by cloud-hosted software that allows access via a web portal or a set of APIs from anywhere in the world. The Kite Software Platform is the core engine where all business logic is built.

Kite Platform goes beyond IoT connectivity management and provides multi-dimensional benefits across all IoT environments, from the devices to the products and platforms, thus constituting the foundational component of Telefónica's IoT portfolio. It supports a wide range of SIM cards, offers an end-to-end service and is capable of handling not only traditional cellular connectivity, but also all the new IoT network connectivity technologies, such as broadband IoT (NB-IoT) and LTE-M.

**Kite Platform is a strategic asset with multiple benefits for our customers.**
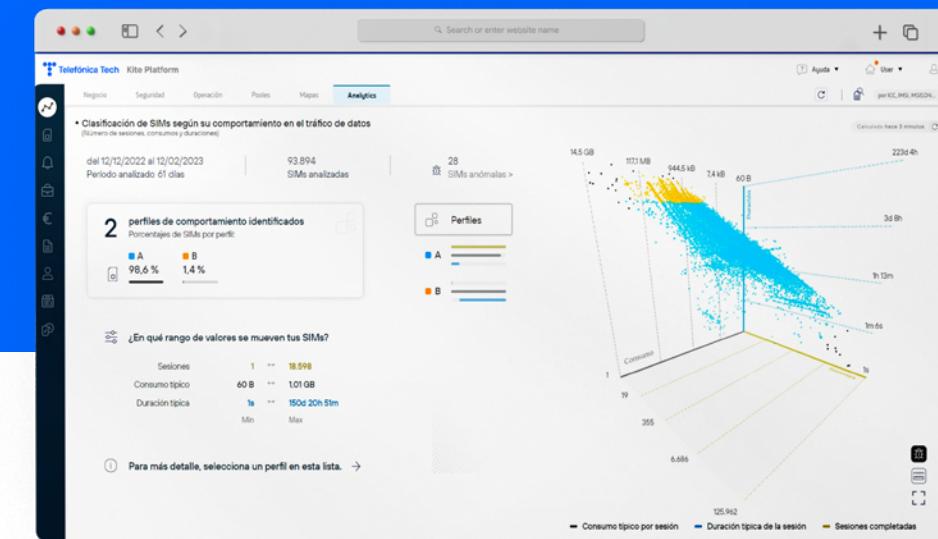
## The scope and scale of Kite Platform includes:

**>30M**
Active IoT managed connections.

**175**
Countries with managed IoT connections.

**13**
Local mobile operators already integrated.

Recognised for the **tenth consecutive time** as a Leader in the 2024 **Gartner® Magic Quadrant™** for Managed in IoT Connectivity Services, Worldwide.

# TheThinX

Telefónica Tech value proposition for IoT bundles devices, connectivity, remote management through Kite Platform and support capabilities.

In order to meet our customers' requirements, we have an extensive IoT devices catalogue to fit different industries and special projects, from dedicated smart meters for utilities to mobility trackers in logistics.

TheThinX is an open lab so clients, partners and institutions can simulate the real-world operation of any IoT project prior to mass deployment. It is one of the world's most advanced and best equipped IoT environments, featuring state-of-the-art radio access, such as LPWA technologies (NB-IoT, LTE-M, etc.).

## We provide technical and professional support throughout the testing process

- Resolution of communication incidents.

- Support for engineering testing.

- Support in the commissioning of communication integration modules.

- Specification of the connectivity's supported by the Telefónica Group that are best suited to IoT use cases.

- Access to lower-level consultancy services to optimise the IoT solution.

- Access to Telefónica Tech's Device Certification Programme.

- Comprehensive set of test tools: coverage levels, environmental conditions, and battery consumption.

PRE-TESTING GUARANTEES THE QUALITY OF THE FINAL PRODUCT AND OPTIMISES THE RESOURCES AVAILABLE, WHICH SIMPLIFIES AND ACCELERATES THE CREATION OF PROTOTYPES AS MUCH AS POSSIBLE.

*TheThinX Lab, Madrid, Spain.*

OUR ACHIEVEMENTS

# Scaled European Champion in Tech Services

Telefónica Tech was created as a dedicated vehicle to boost the growth of Tech services in the Telefónica Group. It began its operations with the carve-out of most of the Cloud, Cyber Security, IoT, Artificial Intelligence, Business Applications, and Big Data businesses in Spain, the UK & Ireland, Central Europe, Hispam, Brazil and USA.

During this time, it has also significantly complemented its commercial and operational capabilities in the UK and Central Europe and has completed its portfolio of solutions with both organic and inorganic actions.

Telefónica Tech is now embarking on a new cycle to maintain sustainable business growth by leveraging our position as a leading provider of high-value technology integration solutions and services in all the geographies it operates.

# Telefónica Tech Build Up

(1) From both Altostratus and Geprom acquisitions
(2) Legally incorporated in January 2022
(3) January 2022
(4) May 2023

⬭ Employees at acquisition

## 0.7Bn€

↗

**Carve-out**

| | | | |
|---|---|---|---|
| Spain | UK | Germany | Americas |

**Govertis & iHackLabs** ~100

Reinforcing Cyber Security consultancy & training capabilities.

~**2,500** Professionals

○ **2020**

## 0.9Bn€

↗

**Telefónica Tech UK&I (ex-CANCOM UK&I)** ~600

A Cloud leader with strong competencies in Microsoft Azure.

**Altostratus Acquisition** ~70[1]

A Google Cloud expert.

**Geprom[2] Acquisition**

A company focused on industry 4.0 engineering.

~**4,000** Professionals

○ **2021**

## 1.5Bn€

↗

**Incremental Acquisition** ~350

Microsoft Dynamics partner in the UK.

**BE-terna Acquisition** ~1,000

A leading European provider of Microsoft Cloud solutions, covering DACH, the Nordics and Adriatics.

**Opening of Digital Operations Center (DOC) in Spain[3]**

**Launch of first IoT MVNO**

~**6,000** Professionals

○ **2022**

## 1.9Bn€

↗

**Full company consolidation of recent acquisitions**

**Opening of Digital Operations Center (DOC) in Colombia[4]**

**New Operating Model**

Enabling global portfolio and cross-geography capabilities.

~**6,300** Professionals

○ **2023**

# A New Operating Model
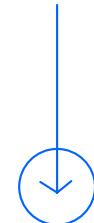
**GROWTH AND MARGIN AMBITION UNDERPINNED BY A REVAMPED OPERATING MODEL AND ORGANISATIONAL STRUCTURE.**

As detailed in section 6, for 23-26 period, Telefónica Tech has the following priorities: (i) Continue to grow sustainably in revenue and ahead of market performance, (ii) Significantly increase margins and profitability of the business and (iii) Secure the necessary capabilities to meet our targets.

To meet our vision, we are now implementing a new Operating Model for Telefónica Tech with the intention to meet the following objectives:

**GEOGRAPHICAL BUSINESS UNITS WITH COMMERCIAL FOCUS AND GLOBAL SERVICE LINES AS TRANSVERSAL UNITS TO EXPAND CAPABILITIES.**

**1.**
A single and consolidated view of the B2B Digital Customer with a unified and globalised portfolio (Cloud infrastructure as an enabler of IoT, AI & Data and Cyber Security embedded in all business processes, by design) and integrated end-to-end solutions.

**2.**
A simple organization with integrated commercial business units to maximise the opportunity (allowing greater industry sector specialization), business support functions integrated and centralized into a single company and consistent organization across our footprint.

**3.**
Improving business mix by pushing higher-value/higher margin services (i.e. professional & managed services), mainly thanks to (i) the Integrated commercial model with focus on commercial development and execution by geographies and (ii) unifying specialist sales to optimise our commercial expertise.

**4.**
Gain operational leverage by maximising efficiency though resource mutualisation, resource cost efficiency and better cross-geographic utilization. The model also aims to exploit Near-shoring/offshoring hubs of talent to capture talent where service costs are lower.

The implementation of the New Operating Model will be a progressive process.

**Telefónica Tech is now organized as follows:**

# 1.

Geographical Business Units to maximise the opportunity: Spain & Americas and rest of Europe (the UK, Ireland and Central Europe).

# 2.

Transversal Capability Areas: where we will be progressively consolidating high value capabilities that will be organized in different Global Services Lines (GSLs), where our product development, sales engineering and delivery capabilities will be allocated. Not all the practices of our portfolio will be moved into a GSL so each Business Line will continue to have their local portfolio, that combined with the global one, will make up our Telefónica Tech offer.

# 3.

Global support functions: to serve all Business Units and GSLs across Telefónica Tech.

**GPS**

Growth
Profitability
Sustainability

**Empower people** ▶ **to lead change**

**Leading change** ▶ **to connect lives better**

**G**rowth

**Keep Growing**
· Enable Global portfolio (GSLs)
· Higher share of wallet
· Across the geo footprint

**NEW OPERATING MODEL**

**P**rofitability

**Expand Margins**
· More high-value services (MS,PS)
· Commercial focus
· Operating leverage

**S**ustainability

**Reinforce & Optimize Capabilities**
· Extend and activate new capabilities
· Resource mutualization
· Cross-geographic utilization

# Telefónica Tech and BE-terna,
## Reinforcing Presence in Central European, the Nordics & Adriatics

SECURING PRESENCE IN GERMANY,
AUSTRIA, SWITZERLAND,
THE ADRIATIC REGION
AND THE NORDICS.

POSITIONING THE COMPANY
AS ONE OF THE TOP LEADING
EUROPEAN MICROSOFT
SOLUTIONS PROVIDERS.

BE-terna, part of Telefónica Tech, is one of the top five Cloud Microsoft Dynamics partners in Europe. It specializes in driving digital transformation based mainly on Microsoft, but also works with Infor, UI Path and Qlik to optimise business processes for different industries.

Founded in 2005, BE-terna has a highly skilled team of +1,000 employees at 28 locations across Germany, Austria, Switzerland, the Adriatic region, and the Nordics, among other markets. With this new acquisition, Telefónica Tech significantly enriched its geographic scale and Professional and Managed Services capabilities across Europe.

BE-terna is among the top Microsoft Dynamics partners in Europe and has achieved many prestigious partner awards including the Inner Circle in 2022 as well as recently receiving Microsoft's Small and Midsize Management Advanced Specialization. In addition, BE-terna has multiple industry certifications and awards, including the status of Microsoft gold partner for eleven competencies, Qlik Elite Solution Provider, and Infor Gold Channel Partner.

Acquired for
**~350m€**.

**+1,000** highly skilled
professionals at
**28 locations**.

One of the **top 5**
Cloud Microsoft Dynamics
Partners in Europe.

Inner Circle in 2021 & 2022,
**Microsoft Gold Partner**
for 11 competencies, Qlik Elite
Solution Provider, and Infor
Gold Channel Partner.

# Telefónica Tech UK&I and Incremental,
## Building a Leader in the UK Market for IT Services

CONSOLIDATING A LEADING POSITION IN THE UK MARKET AS ONE OF THE LEADING COMPANIES IN DIGITAL TRANSFORMATION.

INCREASING SCALE AND OFFERING OF MICROSOFT TECHNOLOGIES.

**Incremental**
Part of Telefónica Tech

In August 2021, Telefónica Tech set the foundation in the UK & Ireland with the acquisition of Telefónica Tech UK&I (formerly CANCOM UK&I). Telefónica Tech UK&I provides end to end advanced Cloud and Security services in the UK & Ireland.

In March 2022, Telefónica Tech acquired Incremental, a leading digital transformation and data analytics company and Microsoft partner. Launched in 2016, Incremental Group has two key specialised business areas: it is one of the leading Microsoft Dynamics Partners in the UK and is also a major player in the Data and Analytics market. It has been a Microsoft Business Applications Inner Circle member for the past three years and is one of only two partners in EMEA on Microsoft's Global Advisory Board for data analytics.

With this new acquisition, Telefónica Tech significantly increased its scale and competencies in Microsoft technologies, making it one of Microsoft's largest partners in the UK, with 16 Gold Competencies and 5 Advanced Specialisations. With these capabilities, Telefónica Tech consolidated its leading position in the UK market, considered to be the largest and fastest growing IT services market in Europe.

**Invested up to 0.6Bn€** in the UK to acquire CANCOM UK&I (0.4Bn€) and Incremental (up to 0.2Bn€).

**+600** highly skilled professionals.

End-to-end **Microsoft services provider**, including digital transformation, managed services, and data analytics.

**Microsoft partner** with 16 gold competencies and 5 Advanced Specialisations, Azure Expert MSP and 2022/2023 Inner Circle for Microsoft Business Applications.

It has approximately 600 highly skilled professionals in Professional and Managed services and is a Cloud leader with strong competencies in Microsoft Azure (certified as Microsoft Gold Partner in 10 competencies) is an AWS partner, in addition to other relevant partnerships with leading technology vendors.

# Altostratus,
## Leading the Journey to the Cloud
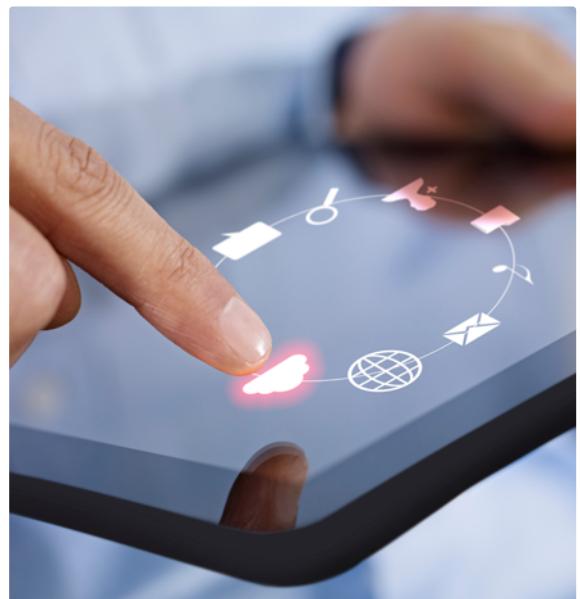


Following the strategic partnership announced with Google Cloud in 2020, Telefónica Tech acquired Altostratus in July 2021 to strengthen its Cloud capabilities by adding to its team their highly qualified professionals.

Altostratus Cloud Consulting specialises in multi-cloud services and is recognized as a Google Cloud Premier Partner for Southern Europe. Altostratus contributes to the Telefónica Tech portfolio with a strong expertise in consulting skills, cloud architecture implementation, journey to cloud migration processes and managing public cloud services. It covers different segments, from large corporations to SMEs, and offers tailor-made solutions in Big Data and Machine Learning technology as well as proprietary solutions.



# Geprom,
## Reinforces our Capabilities in Industry 4.0



Geprom, is a technology-based engineering company headquartered in Spain specialising in industrial automation and the digital transformation of existing factory production processes. It has over 40 professional experts in Industry and has a strong network of partners and top-tier customers that it accompanies in the development and integration of turnkey projects in the areas of planning, production, quality control, logistics and specialised maintenance.

Its business focuses on the implementation of end-to-end technological solutions in the factory, covering the entire value chain: from the sensor, the automation line operator, to the strategic layers of factory control (MOM) or disruptive tools such as the digital twin, through to the design and robotisation of facilities, commissioning, development, and the interconnection between systems with a strong component of innovation.

This acquisition enhanced Telefónica Tech's positioning in the industrial sector to help companies become more efficient, competitive, and sustainable.

# Govertis,
## Reinforcing Cyber Security Consulting Capabilities
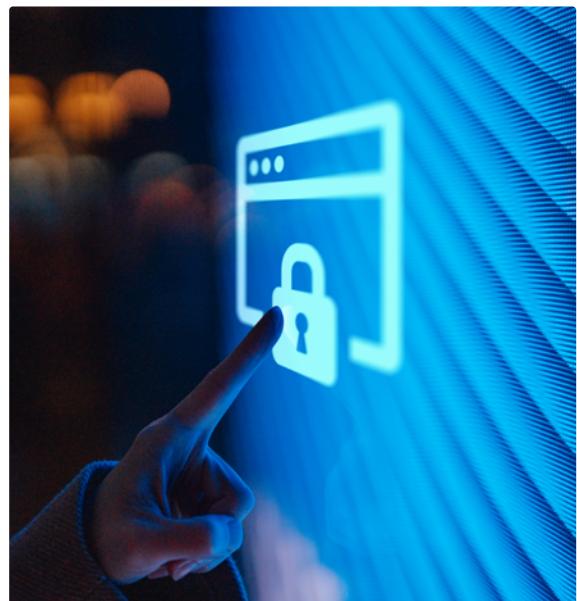


Telefónica Tech acquired Govertis in August 2020 to improve our consulting portfolio unifying legal and technological expertise. With this acquisition Telefónica Tech incorporated advisory capabilities in GRC (IT Governance, Risk and Compliance) and IRM (Integrated Risk Management), including expert services in both individual projects and in services integrated within the customer's processes.

Our customers can be supported in their strategic planning and management of Cyber Security, Privacy, Cyber-resiliency, IT Governance, Operational Technologies and industrial systems, Risk Management, and IT Compliance.

Govertis has expertise in multiple sectors including finance, industry and manufacturing, services, logistics, technology and state and local government.



# iHackLabs,
## Fostering Cyber Security Training



In such a fast-changing and dynamic environment as cyber threats, one of the greatest challenges of today's security market is the shortage of talent. iHackLabs allows Telefónica Tech to incorporate a highly specialized training platform to be used by our professionals and to extend these training services to our customers both in private sectors and Public Administration.

The solution has different cloud based training platforms and labs under a SaaS model that simulates real cyber threat situations adapted to the specific needs of companies and organisations of all kinds in multiple sectors. It focuses especially on the offensive, defensive and forensic areas of Cyber Security and has, among other resources, platforms for training response teams to tackle incidents (known as Red/ Blue teams: ethical hacking teams that simulate cyber-attacks and defend organisations from them). It also has platforms that replicate the full cycle of ransomware and denial-of-service attacks (DoS and DDoS) as well as a pentesting services unit.

# PEOPLE-FIRST ORGANISATION

*Emma Onien, Telefónica Tech UK&I*

PART II

PEOPLE-FIRST ORGANIZATION

# Figures

Telefónica Tech stands as a vibrant, innovative organization boasting a diverse workforce of over 6,300 highly skilled professionals hailing from more than 60 countries. We are passionate about the power of technology to drive positive change and are dedicated to delivering exceptional customer experiences.

With ~80% of our team based in Europe, we are strategically positioned to offer tailored support to our customers. Our team embodies a rich tapestry of backgrounds and experiences, with a noteworthy 28% representation of women. The average age of our workforce is approximately 39, reflecting a dynamic blend of experience and vitality.

Investing in our people is paramount, evident in our tally of around 4,000 certifications in third-party technologies. Since our inception in 2019, our team has steadily expanded, with over 1,000 new recruits joining us in 2023 alone. Our attrition rate remains below industry standards, currently around 12.8%, underscoring our commitment to nurturing a supportive workplace culture. Talent development is at the core of our principles, in 2023 we invested over 105,000 hours in training activities.

**Our talent pool is sourced from various channels, including acquisitions, fresh talent from the tech market, and individuals transferred from Telefónica Group Business units.**

## Evolution of FTEs

~78% Located in Europe

+60%    +50%    +5%

~2,500    ~4,000    ~6,000    ~6,300

Q4'20    Q4'21    Q4'22    **Q4'23**

EVOLUTION OF OUR NUMBER OF PEOPLE

# Talent Source

**24%**
**Telefónica Tech**

**25%**
**M&A**

**51%**
**External Market**

*Alfonso Moreno, Telefónica Tech Spain*

**>60**
Nationalities
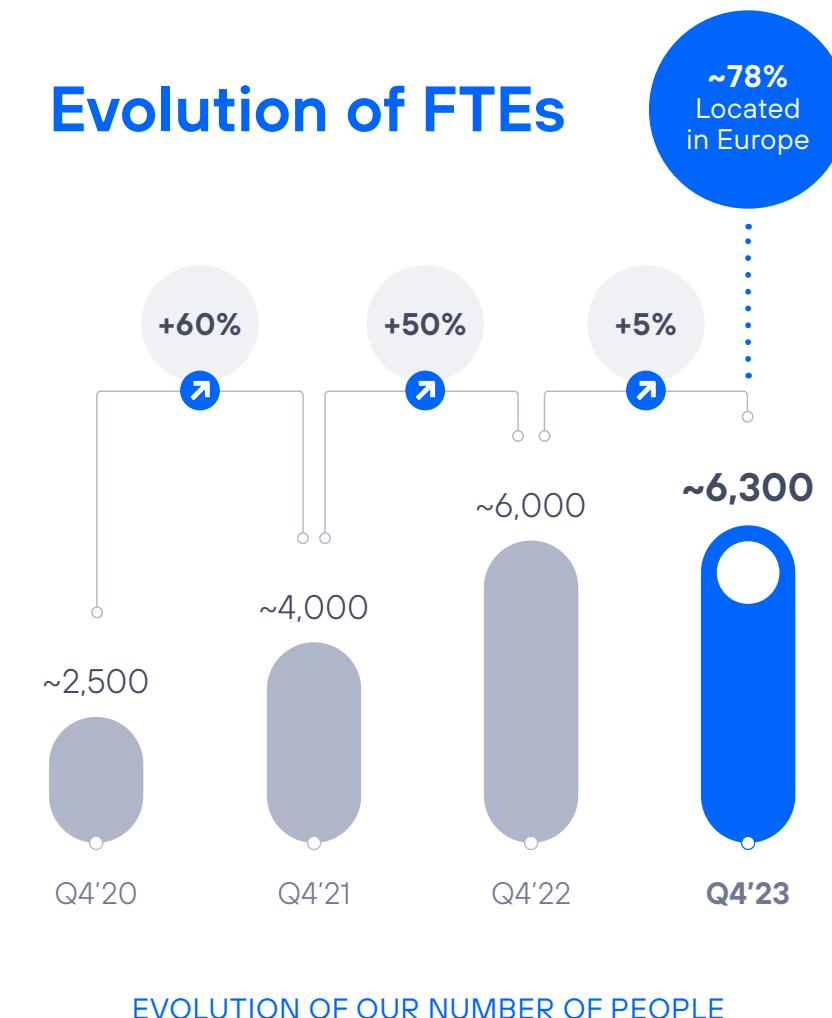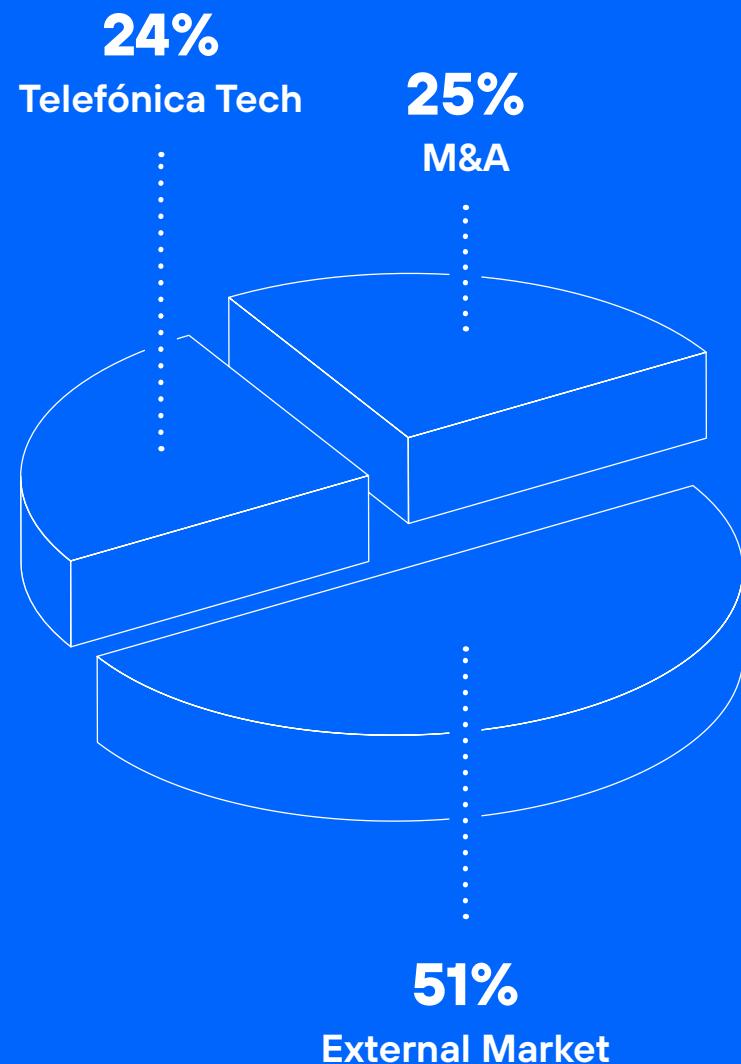
**>4,000**
Certifications in third
party technologies

**~80%**
Located in Europe

**>80%**

of our People dedicated
to Sales and Project Delivery

PEOPLE-FIRST ORGANIZATION

# Our Culture & Pillars

We are cultivating a robust culture of innovation, empowering us to attract, assimilate, nurture, and retain top-tier talent from diverse backgrounds, ensuring we provide unparalleled expertise to our customers. Our unwavering focus on our customers' success permeates everything we do, driving them to operate with greater speed, intelligence, and foresight to stay ahead of emerging trends.

**Aligned with the culture of the whole of the Telefónica Group, #weareopen, #wearebold and #wearetrusted.**

# #WEAREOPEN

because we work from the inside like an open and collaborative system in order to provide our customers with a close and kind attitude.

# #WEAREBOLD

because we are going one step further than what it is expect from us, innovating to offer our customers useful solutions.

# #WEARETRUSTED

because we have the best network, allowing us to offer our clients the security and trustworthiness they expect from us.

Our commitment to them: excellence in execution, attention to detail, and the best quality.

*IF IT'S GOOD FOR YOU, IT'S GOOD FOR US.*
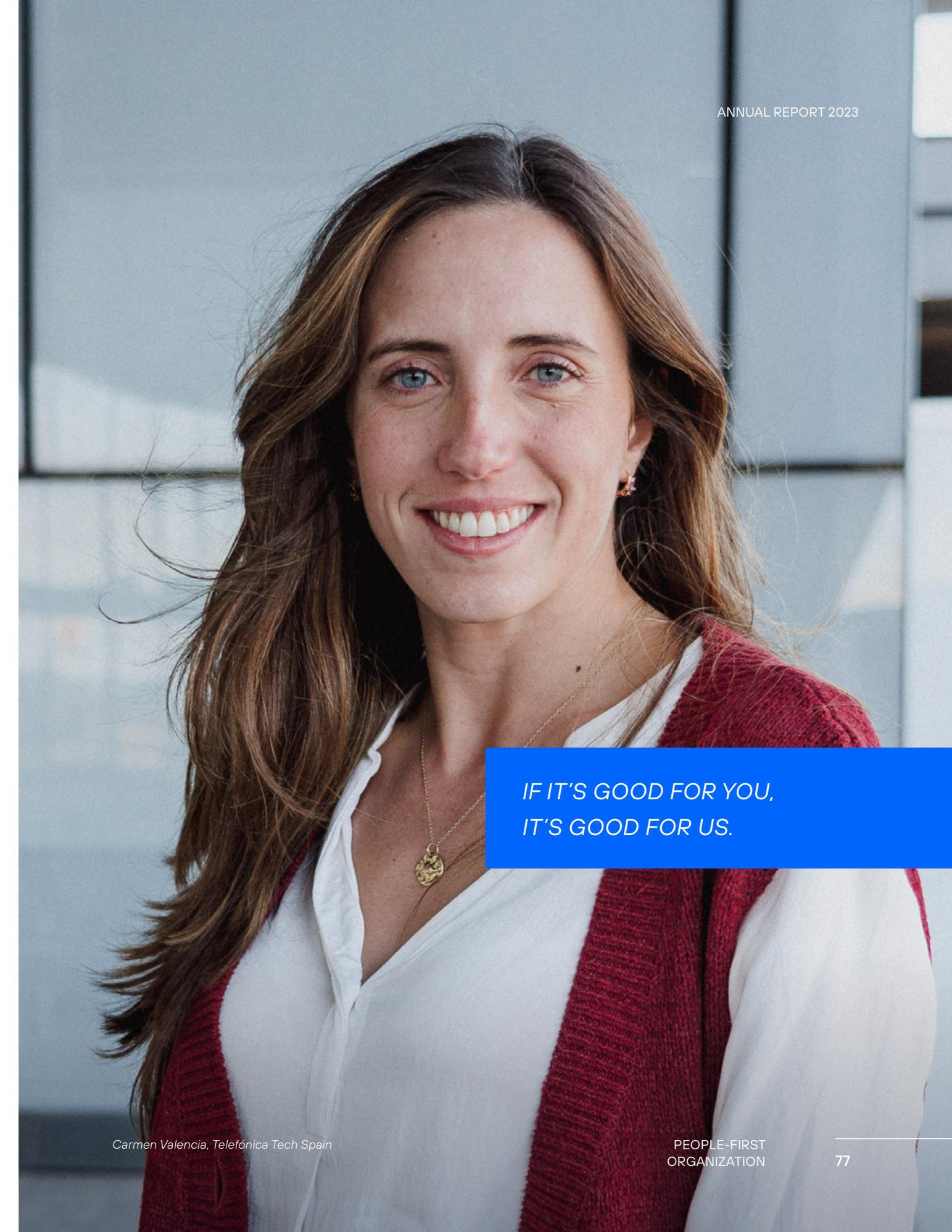
*Carmen Valencia, Telefónica Tech Spain*

## OUR CULTURE PILLARS

### Leadership

Leading change with our people, and with a high level of personal commitment.

### Courage

To be the company that challenges the status quo, going beyond our day-to-day work.

### Transparency

To be fully transparent in the company's processes.

### Team Spirit

To be a team rowing in the same direction, with the same goal, and with a strong sense of belonging to the company.

### Excellence

To be the benchmark company in technology and to do so with the best and most qualified professionals.



## OUR FOCUS

Our emphasis is on cultivating a vibrant culture that champions initiatives for **young talent, gender diversity, inclusivity for individuals with disabilities, and charitable endeavours**.

PART II

PEOPLE-FIRST ORGANIZATION

# We are Commited to Talent

At Telefónica Tech, our achievements are directly tied to the caliber of our team. Our journey towards digitalization is anchored in the remarkable talent within our ranks—a diverse array of highly skilled specialists who represent our most invaluable asset.

From the very beginning, we have committed ourselves to enhancing our global capabilities, a pledge reaffirmed by the ongoing integration of top-notch talent. Our unwavering focus revolves around nurturing a team that not only boasts diversity but, more crucially, excels in expertise. These accomplished professionals play a pivotal role in guiding our emphasis towards professional and managed services.

In our quest to attract and retain top-tier talent, we prioritize both specialization and continuous training, all while prioritizing their well-being and fostering avenues for professional growth. This strategic approach ensures that our team remains at the forefront of innovation, propelling our collective success in the ever-evolving realm of technology.

Within this framework, we have meticulously delineated six distinct career paths - pre-sales, sales, service delivery, technology, product, and business support - each featuring 15 distinct stages of development. This structured approach not only ensures a comprehensive growth trajectory for our professionals but also aligns seamlessly with our overarching principles and values.

Throughout 2023, we undertook significant efforts in implementing our new career development plan, successfully deploying it across four countries. This initiative directly impacted more than 2,500 employees, requiring the active involvement of over 400 direct managers and the execution of more than 260 Calibration Committees.
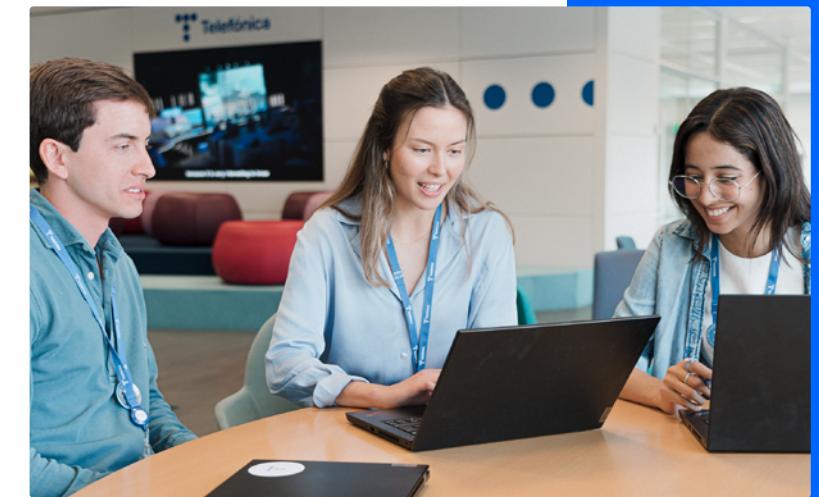


# PATH

# Innovative Career Path

In 2022, Telefónica Tech introduced an innovative people model aimed at strategically advancing talent and fostering continuous professional development. This initiative was designed to attract and retain top professionals while cultivating a motivated workforce.

Crafted around 4 key principles - universal scope, motion of progression, consistency across Telefónica Tech, and customized career paths - this model serves as the foundation for our Enterprise Value Proposition. It encompasses five core pillars - Career Path, Performance, Compensation, Training &

Professional Learning, and Recruitment - and is fortified by four crucial capabilities: business impact, emphasizing excellence; customer focus, embedded across all pillars; entrepreneurial mentality, seeking individuals with courage; and focus on people, valuing team spirit, transparency, and leadership.

Our immediate challenges for the plan include expanding its deployment to additional geographic regions, initiating a new assessment cycle to evaluate assignment and stage changes, and launching the digital process through our Success Factors platform. These strategic initiatives underscore our ongoing commitment to the professional growth and advancement of our workforce, ensuring that our career development plan remains dynamic and responsive to the evolving needs of our organization.

# Continuous Learning

At the heart of our Tech services lie our exceptional experts in Cloud, Cyber Security, IoT, Artificial Intelligence, Business Applications, and Big Data. Ensuring the continual development and certification of our team stands as a paramount commitment for us.

Telefónica Tech relies on a dedicated tool, SkillsBank, to drive professional growth within a dynamic ecosystem of continuous learning, specialization, and seamless rotation between diverse areas. This forward-thinking approach anticipates emerging learning solutions, positioning us to proactively pursue the most sought-after

positions based on evolving professional skills. SkillsBank serves as a strategic instrument, offering insights into the current skill set within our organization while enabling us to strategically plan for future needs.

In 2023, we logged an impressive total of over 105,000 training hours, resulting in the issuance of nearly 1,400 new certifications. By the year's end, we proudly achieved a milestone of over 4,000 certifications, a testament to our steadfast commitment to nurturing a highly skilled and certified team.

# Caring for People

At the core of our Leadership Essentials is an unwavering commitment to the well-being of every individual within Telefónica Tech. Focusing on our **6,300 professionals**, we offer a comprehensive range of social **benefits**. Additionally, we advocate for flexibility in work arrangements, embracing hybrid models to facilitate work-life balance. Our commitment extends to empowering each professional to shape their career path through a transparent model, fostering their growth and development. In this manner, we actively foster a vibrant workplace that not only encourages professional advancement but also prioritizes the physical and psychological well-being of our team members.



# Equal Pay for Equal Work

We are firmly committed to achieving pay equity, aligning ourselves with the standards established by the Telefónica Group to ensure fair compensation for all our employees.

PART II

PEOPLE-FIRST ORGANIZATION

# We Are Commited to Diversity

Diversity and inclusion are fundamental components of our talent management strategies across all the markets in which we operate. Effectively embracing diversity in an inclusive manner is vital for meeting the diverse needs of our customers.

We adhere to the Diversity and Inclusion Policy established throughout the entire Telefónica Group, which emanates from our Responsible Business Principles. This policy underscores our unwavering commitment to equal opportunities and the non-discriminatory treatment of individuals across all areas of our company. Furthermore, we take a firm stance against any conduct or practice associated with prejudice, including factors such as nationality, ethnic origin, skin colour, marital status, family responsibility, religion, age, disability, social status, political opinion, serological and health status, sexual orientation, gender identity, and expression.



# Talent Has No Labels

Aligned with the mission of the Telefónica Group ("Making our world more human by connecting people's lives"), we are committed to ensuring inclusivity in our collective journey toward a better world. Our goal is to normalize disability, shed light on diverse realities, and highlight the potential of this talent pool, fostering genuine integration.

Currently, nearly 2.5% of our Telefónica Tech workforce consists of individuals with disabilities. Our commitment extends to ongoing efforts aimed at enhancing inclusion and expanding opportunities.

Telefónica Tech has established a longstanding partnership with the "Goodjob Foundation" to enhance the employability of people with disabilities, particularly in the Cyber Security field. As part of the Include Programme, this initiative involves training people with disabilities in diverse areas of interest, offering internships across various Group companies. In recognition of our dedication to the genuine integration of individuals with disabilities into society, Telefónica Tech was honoured with the **#include 2021 Award in the #includeR Company category**. This award underscores our commitment to making the labour market a driving force in achieving comprehensive social integration.

*"This recognition encourages us to continue
collaborating with the Goodjob Foundation in the
training and employability plan so that people with
disabilities can join the labour market with equal
opportunities.*
*The programme offers results that support it,
as more than 90% had no knowledge of Cyber
Security before starting and after their passage
through the project they are qualified professionals
capable of working in Telefónica Tech's Digital
Operations Center, as well as in other Cyber Security
positions."*

**María Jesús Almazor**
COO Spain, Hispam, Brazil & USA,
Telefónica Tech

# ⚥ Gender Equality

Women make up 28% of Telefónica Tech's workforce. We are actively leading initiatives to increase the representation of women in our teams, particularly in Operations and Delivery areas, where there is a higher concentration of professionals with STEM backgrounds.

To tackle the persistent shortage of women in STEM careers and entrepreneurship, especially in certain countries where we operate, we collaborate with various programs aimed at encouraging young women to pursue technical careers. Additionally, we advocate for global initiatives promoting equality in our sector.

Throughout 2023, Telefónica Tech embarked on a series of initiatives involving STEM women and our female Tech experts. Their engagement spanned both internal and external events, including articles and interviews in the press, with the aim of inspiring women to pursue careers in STEM careers and consider a future with Telefónica Tech.

## #WomenWithTech:

A global campaign aimed at promoting and showcasing female role models in the field of technology. Through this initiative, we seek to inspire and encourage children and young people to explore STEM professions.

In 2023, we hosted our second #WWT event.



# #Women WithTech

Also, various actions took place during the past
year, including:

### #ADayWithMaríaJesúsAlmazor:

One employee was invited to spend a workday
alongside María Jesús Almazor (COO Spain,
Hispam, Brazil & USA, Telefónica Tech).

### Workshops #WomenLeaders:

These workshops aimed to inspire internal
female leadership and foster networking among
colleagues through discussions, activities, and
networking opportunities.

### #GirlsInspireTech:

During this event, six of our colleagues led workshops on
Cyber Security, Cloud, IoT, Big Data, Artificial Intelligence,
and Blockchain.



#ADayWithMaríaJesúsAlmazor



#WomenLeaders



#GIT



#GIT



#GIT

# OUR
# CREDENTIALS

*This image was created using generative AI*

PART III
OUR CREDENTIALS

# Our Customers, Our Best Credentials

Telefónica Tech capabilities are recognized by its large customer across multiple industries, its solid and extensive partner ecosystem and by Industry Analysts.

SECTORS

# PUBLIC SECTOR

Telefónica Tech offers a comprehensive catalogue of solutions to support Public Administration clients in addressing their challenges. Positioned as a key player in cyber defense projects, Telefónica Tech plays a pivotal role in the digital transformation of cities and territories.

A NOTABLE STATISTIC FROM THE UNITED NATIONS PREDICTS THAT 70% OF PEOPLE WILL BE LIVING IN CITIES BY 2050, HIGHLIGHTING THE INCREASING IMPORTANCE OF URBAN PLANNING AND TECHNOLOGY INTEGRATION.

## SMART CITIES

Through digitalization and technology adoption, including IoT, Big Data, Artificial Intelligence, and Blockchain, cities can achieve more efficient management and sustainable resource use. Smart solutions encompass environmental monitoring, energy consumption tracking, intelligent transportation systems, IoT sensors for real-time data collection, and enhanced waste management. The implementation of these technologies aims to improve the quality of life, optimize resource utilization, and create resilient urban environments.



THE IN-HOUSE DEVELOPED **THINKING CITY PLATFORM** HAS BEEN DEPLOYED IN **OVER 70 TERRITORIES**, PROVIDING PUBLIC BODIES WITH LIVE DATA AND INFORMATION FOR INFORMED DECISION-MAKING.

## CITIZEN ENGAGEMENT

Enhancing service delivery is crucial for the public sector. Online user-friendly services, incorporating technologies like chatbots and AI-driven customer service, streamline interactions, reduce bureaucratic bottlenecks, and enhance the overall citizen experience.

## CYBER SECURITY

As government agencies digitize operations, ensuring the protection of sensitive data and critical infrastructure against cyber threats is paramount. Robust Cyber Security frameworks maintain public trust in digital transactions and communication.

CYBER DEFENSE PROJECTS OFFERED BY TELEFÓNICA TECH INCLUDE PROFESSIONAL AND MANAGED SERVICES, TECHNOLOGY TO PREVENT, DETECT, AND RESPOND TO SECURITY THREATS, AND THE PROTECTION OF CRITICAL INFRASTRUCTURE.

TELEFÓNICA TECH CURRENTLY HAS 14 VDC NODES DEPLOYED IN DATA CENTERS DISTRIBUTED WORLDWIDE.

## DATA PROTECTION AND PRIVACY COMPLIANCE

Public administrations must deploy robust data protection measures, ensuring that the personal information of citizens is handled responsibly and in compliance with GDPR standards. This involves implementing secure data storage solutions, encryption protocols, and comprehensive privacy policies.

## SOVEREIGN CLOUD

Sovereign cloud is crucial for safeguarding national data, ensuring data residency compliance, and enhancing Cyber Security. It promotes data sovereignty, mitigates risks, and addresses regulatory concerns in a rapidly evolving digital landscape. Telefónica Tech is playing a relevant role providing secure and compliant cloud infrastructure hosted in Spain, offering government entities and critical industries with data sovereignty, privacy, and regulatory adherence.

## DATA DRIVEN DECISION MAKING

Establishing robust information management systems is a primary technological need for the public sector. Big Data Analytics empowers administrators to derive valuable insights, identify trends, and make informed policy decisions. Embracing digital technologies leads to cost efficiencies, automation of tasks, reduced paperwork, and optimized resource allocation, with cloud computing providing scalable and cost-effective solutions.

## AI & BLOCKCHAIN

Emerging technologies such as Artificial Intelligence (AI) and Blockchain hold immense potential in transforming public administration. AI automates routine tasks, optimizes decision-making processes, and improves the efficiency of public services. Blockchain's decentralized and secure nature revolutionizes record-keeping, reducing the likelihood of fraud and corruption.

In conclusion, Telefónica Tech is a leading provider of solutions for the public sector. Successful digital transformation not only modernizes services but empowers governments to better address citizen needs, fostering a responsive, transparent, and efficient public sector.
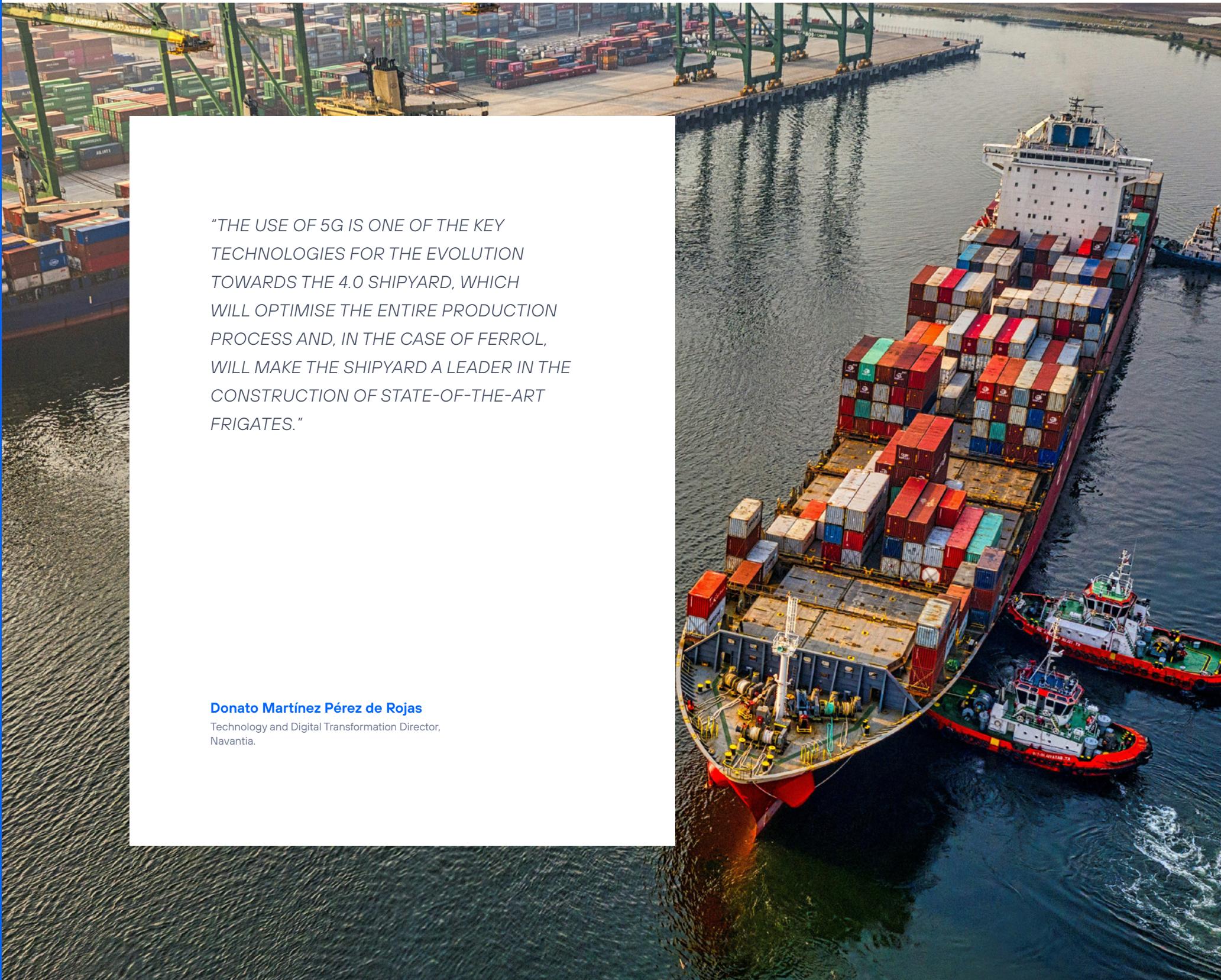
*"THE USE OF 5G IS ONE OF THE KEY TECHNOLOGIES FOR THE EVOLUTION TOWARDS THE 4.0 SHIPYARD, WHICH WILL OPTIMISE THE ENTIRE PRODUCTION PROCESS AND, IN THE CASE OF FERROL, WILL MAKE THE SHIPYARD A LEADER IN THE CONSTRUCTION OF STATE-OF-THE-ART FRIGATES."*

**Donato Martínez Pérez de Rojas**
Technology and Digital Transformation Director, Navantia.

**WHO**
**NAVANTIA.** Leading company in the manufacture of high-tech ships.

**WHERE**
Spain.

**CHALLENGE**
Shipyards powered by Edge Computing and 5G applied to ship repair and construction processes.

**SERVICE SET**
Defense, IoT/OT Security, Cyber Security.

**OUTCOME**
Telefónica Tech has developed a solution that enables remote technical support using augmented reality and 3D models for diagnosis and support. Furthermore, it also provides a solution for a virtual display of parts to verify in real time how the construction components will fit together before going ahead with their manufacture and assembly. In addition, the solution provides support for the process of building the vessels in a modular way with blocks that are assembled together, a critical aspect is the verification that each of the "blocks" will fit perfectly with the others. Telefónica Tech also delivers wireless communications offering high bandwidth, quality of service and high reliability. And last but not least, our solution provides them with the ability to run use case applications, such as augmented reality in real time and with low latency.
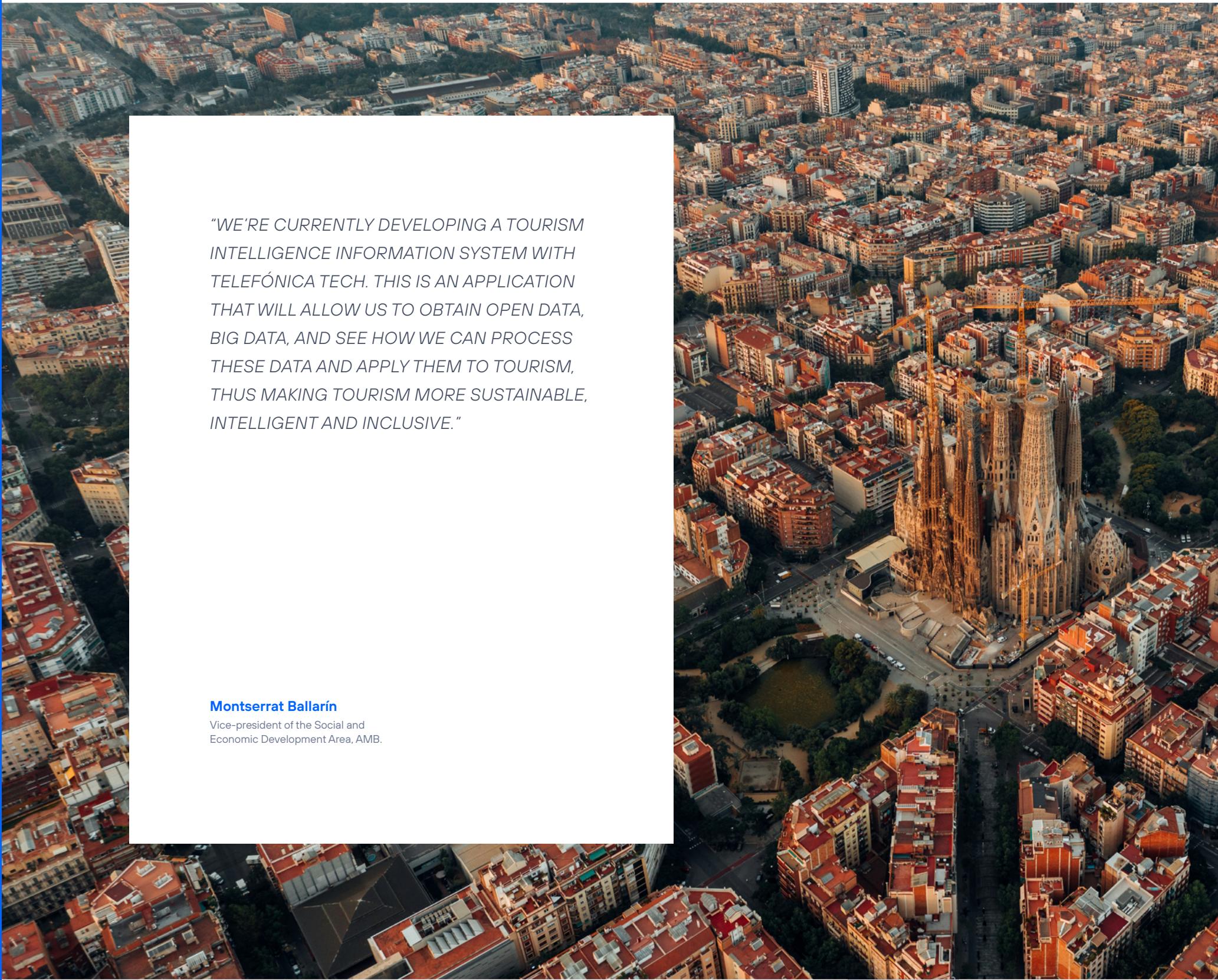
*"WE'RE CURRENTLY DEVELOPING A TOURISM INTELLIGENCE INFORMATION SYSTEM WITH TELEFÓNICA TECH. THIS IS AN APPLICATION THAT WILL ALLOW US TO OBTAIN OPEN DATA, BIG DATA, AND SEE HOW WE CAN PROCESS THESE DATA AND APPLY THEM TO TOURISM, THUS MAKING TOURISM MORE SUSTAINABLE, INTELLIGENT AND INCLUSIVE."*

**Montserrat Ballarín**
Vice-president of the Social and
Economic Development Area, AMB.

**AMB**

**WHO**
**AMB.** Several municipalities in the Barcelona Metropolitan Area.

**WHERE**
Spain.

**CHALLENGE**
Create an application for more sustainable, intelligent and inclusive tourism.

**SERVICE SET**
Smart Cities, Smart Tourism and Leisure insights.

**OUTCOME**
Telefónica Tech developed an approach with a solution that identifies the profiles of tourists, where they come from, what their chosen offer is, what they spend, how much they consume and how they rate the quality of the offer, among other data. This solution can understand tourism, by segmenting socio-demographic profiles, and the behaviour of tourist, providing rapid answers to specific needs. Based on this invaluable information, the municipalities can make smart supply-related decisions to visitors, providing insights through which they can optimise the commercial initiatives and discover new lines of business.

*"TELEFÓNICA'S PROJECT ARISES FROM THE AWARD OF A PUBLIC TENDER, THE BID PROVIDED BY TELEFÓNICA BEING THE BEST, BOTH IN THE TECHNICAL AND ECONOMIC ASPECTS. WE PARTICULARLY VALUED HOW THEY RESPONDED TO THE REQUIREMENTS WE HAD ESTABLISHED, THE PERSONNEL INCLUDED WITHIN THE SERVICE AND OF COURSE THE EXPERIENCE THE COMPANY HAS, IN THIS CASE TELEFÓNICA, IN ORDER TO PROVIDE A GUARANTEED SERVICE."*

**Francisco Lázaro**
Data Protection Officer,
Renfe.

**renfe**

**WHO**
**RENFE.** The national passenger and freight railway company.

**WHERE**
Spain.

**CHALLENGE**
The creation of a Privacy Office.

**SERVICE SET**
Privacy, Cyber Security, IT Governance and Integrated Risk Management.

**OUTCOME**
Support Renfe to meet requirements from the complex regulatory environments such as privacy, Cyber Security, IT Governance and Integrated Risk Management, generating a positive impact on the perception of the business by its customers, suppliers and employees through to the creation of a Privacy Office.

*"USING MOBILE DATA IN OUR TRANSPORT MODEL WAS A CLEAR DECISION GIVEN THE BENEFITS THAT THIS NEW DATA, INCLUDING TIS, OFFERS OVER TRADITIONAL METHODS OF CAPTURE. WE BELIEVE THAT USING THIS DATA WILL SAVE MONEY AND GIVE US GREATER FLEXIBILITY."*

**Mark Kemp**
Director of Growth, Strategy & Highways,
Buckinghamshire Country Council.

**national highways**

**WHO**
**NATIONAL HIGHWAYS.** A government-owned company charged with operating, maintaining, and improving motorways and major roads in England.

**WHERE**
The UK.

**CHALLENGE**
Optimisation of the transport plan.

**SERVICE SET**
Mobility Insights, which gives access to our anonymised database containing over 4 billion network events generated every day by O2 customers.

**OUTCOME**
The anonymised data, together with the data collected by the road operator, provides valuable insights for infrastructure modelling and planning and simplifies processes. National Highways has improved its efficiency and gets better data which translates into better decisions and better transport planning, improves the annual cost savings of millions of pounds in data collections costs and improved workforce productivity because the time spent on data collection has been reduced from 6 months to 7 days, resulting in massive savings in man hours.

*"THE THIRD STATISTICAL REVOLUTION IS THE DATA REVOLUTION. AT INE WE ARE AWARE THAT THE NEW SOURCES OF INFORMATION THAT HAVE PROLIFERATED IN SUCH A DIGITALISED SOCIETY ARE A GREAT OPPORTUNITY FOR THE PRODUCERS OF STATISTICS, AS THESE NEW SOURCES WILL ALLOW US TO PROVIDE MUCH MORE TIMELY, DETAILED AND FREQUENT INFORMATION."*

**Belén Gonzalez**
Assistant Director-General for Statistics on Tourism, Science and Technology.

**Instituto Nacional de Estadística**
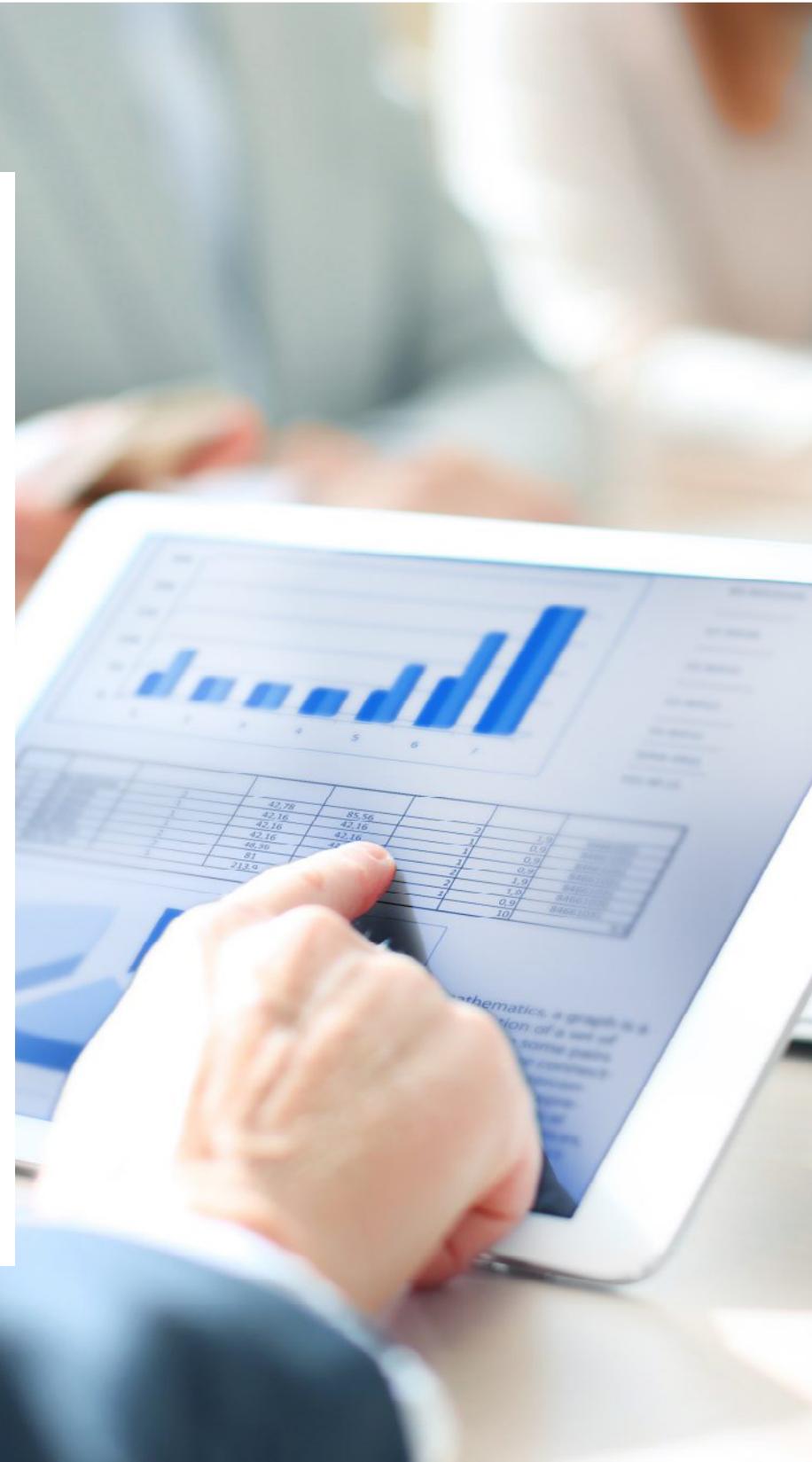
**WHO**
**INE.** National Statistics Institute of the Government of Spain. Official agency in Spain that collects statistics about demography, economy, and society.

**WHERE**
Spain.

**CHALLENGE**
Create together with INE a new statistical model that combines traditional surveys with mobile telephony data to obtain more detailed, timely and frequent statistics.

**SERVICE SET**
Tourism Insights.

**OUTCOME**
The INE is working with Telefónica Tech on the transition from the traditional model based 100% on surveys to a hybrid model that combines these surveys with data obtained from Telefónica's mobile network, among others. This means, on the one hand, that the sample sizes are closer to the universe and, on the other hand, that the updating frequency capacity of public statistics is much greater. Thanks to Telefónica Tech's Tourism Insights solution, with the new data sources, the INE is able to offer much more information and more accurate information to society as a whole, while this information is available in a timely fashion with much greater frequency and detail.

SECTORS

# HEALTHCARE INDUSTRY

Telefónica Tech Health: Transforming healthcare delivery through secure Infrastructure Services.

Digitalization has emerged as a transformative force within the healthcare industry, reshaping the way medical services are delivered, managed, and experienced. Emerging technologies like Blockchain for secure data sharing, 5G for enhanced connectivity, the integration of patient-generated data and virtual reality for therapeutic applications are poised to make significant contributions to personalize healthcare interventions.

As Telefónica Tech we have a Centre of Healthcare Excellence in the UK that leverages our deep, longstanding experience in the healthcare sector to provide transformational healthcare solutions that connect patients and medical professionals, driving efficiency while increasing safety and security of patient data and supporting innovation in health technology.

TELEFÓNICA TECH'S HEALTHCARE CENTRE OF EXCELLENCE WORKS EXTENSIVELY WITH OVER 42 NHS TRUSTS AND A FURTHER 26 HEALTHCARE ORGANISATIONS, SUPPORTING MORE THAN SIX MILLION PATIENTS ACROSS THE UK & IRELAND.

TELEFÓNICA TECH IS A PROVEN HOSTING PARTNER, WITH MANY ACCREDITED EPIC RESOURCES WITHIN OUR RAPIDLY GROWING PRACTICE. APPLICATION AVAILABILITY SLAS OF 99.99% CONSISTENTLY ACHIEVED.

2026, 15% OF FIRST CONTACT CARE DELIVERY WILL SHIFT FROM EMERGENCY DEPT TO PATIENT HOMES.

SOURCE: GARTNER 2023.

AI ACCELERATES TOWARD MAINSTREAM ADOPTION WITH 100% OF CIOS REPORTING THAT SOME FORM OF AI WILL BE IMPLEMENTED BY 2025.

SOURCE: GARTNER 2023

## 96%
### CSAT
Outstanding customer satisfaction
ISO 27001 Accredited

## 42
### NHS Trust
Customers

## 6M
### Patients
Supported by our
infrastructure services

### ELECTRONIC HEALTH RECORDS (EHRS)

One of the cornerstones of healthcare digitalization is the adoption of Electronic Health Records. EHRs replace traditional paper records, enabling seamless and secure storage of patient information. This accessibility enhances healthcare providers' ability to make informed decisions, reduces errors, and ensures better coordination among various medical professionals involved in patient care. Our dedicated Healthcare practice in the UK has subject matter experts in Electronic Patient Record (EPR) platforms both implementation, and ongoing managed service.

### TELEHEALTH AND TELEMEDICINE

Digitalization has revolutionized healthcare through telehealth and telemedicine, providing remote medical consultations, diagnosis, and monitoring. This enhances accessibility, reduces in-person visits, and lessens the burden on healthcare facilities. Wearable devices and sensors enable continuous monitoring, aiding in tracking chronic conditions and customizing treatment, ultimately improving patient outcomes and reducing hospital re-admissions.

### ARTIFICIAL INTELLIGENCE (AI) IN DIAGNOSTICS

AI plays a pivotal role in healthcare diagnostics, analyzing vast datasets to identify patterns and anomalies that may go unnoticed by human practitioners. Machine learning algorithms enhance diagnostic accuracy, predict disease progression, and aid in personalized treatment plans. AI applications in radiology, pathology, and genomics are revolutionizing the field.

## CYBER SECURITY AND DATA PRIVACY

The sensitive nature of healthcare data requires robust Cyber Security measures to safeguard patient information and comply with legislation. The healthcare environment has a high risk of suffering cyberattacks due to the convergence of an infinite number of heterogeneous elements: classic IT systems, medical devices, personal devices and IoT, among others. Cyber Security helps prevent and safeguard healthcare facilities, from malware, ransomware and DDoS (Distributed Denial-of-Service) assaults resulting in patient care disruptions, system failures, and potential data breaches.

▬▬  GROWTH IN IT SPENDING DRIVEN BY INITIATIVES FOR THE DIGITAL TRANSFORMATION OF CARE DELIVERY, TRANSITIONING TO THE CLOUD, VIRTUAL CARE AND INCREASING INVESTMENTS IN DATA AND ANALYTICS.

SOURCE: GARTNER 2023.

## DATA STRATEGY AND MANAGEMENT

Patient data must adhere to strict security standards and regulations, ensuring optimal management for AI deployment and system interoperability. Big Data Analytics contribute to health initiatives by analyzing vast datasets to identify trends, monitor outbreaks, and predict the spread of diseases enabling proactive measures for community health enhancement. Additionally, the integration of patient-generated data, genomics, and social determinants of health enable personalized patient care, and proactive health management, leading to improved outcomes, operational efficiency, and enhanced patient experiences.

▬▬  *"GOOD TO WORK WITH A SUPPLIER THAT TRULY WANTS TO MAKE A DIFFERENCE AND IS IN SUPPORT OF WHAT THE CLIENT WANTS."*

HEAD OF IT, NHS TRUST.
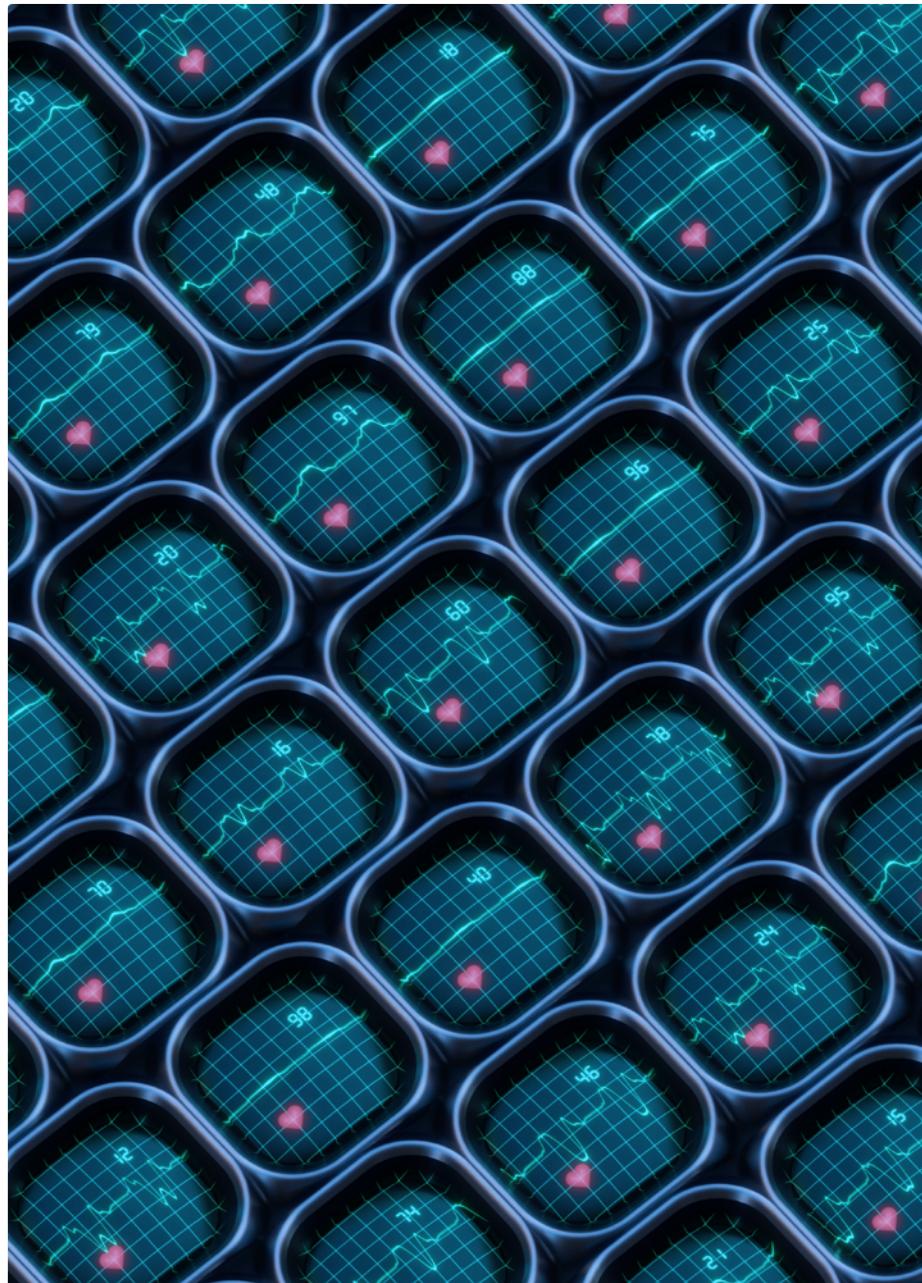
In Telefónica Tech we are helping Healthcare Organizations work more efficiently, with improved patient care, using digital solutions including Cloud and infrastructure, Modern Workplace, Networking and Cyber Security. We are experts in Big Data, IoT, Business Applications, Blockchain and Artificial Intelligence and we accompany our healthcare customers on their journey towards their digital transformation.

*"TELEFÓNICA TECH HAS HELPED US OVERCOME OUR TEAMS' LACK OF RESOURCES AND TIME, AS WE DO NOT HAVE INFINITE RESOURCES. THEY HAVE PROVIDED US WITH ADDITIONAL CAPACITY TO MOVE PROJECTS FORWARD FASTER AND DELIVER BETTER RESULTS IN LESS TIME. ONE OF THE BENEFITS OF IMPLEMENTING SERVICENOW, FOR EXAMPLE, IS THE IMPROVEMENT IN THE TIME OUR STAFF HAS TO ATTEND TO PATIENTS."*

**Matt Harris**
Digital Services Director,
Oxford University Hospitals.

**NHS**
**Oxford Health**
**NHS Foundation Trust**

**WHO**
**OXFORD UNIVERSITY HOSPITALS.** Publicly funded healthcare systems of the United Kingdom.

**WHERE**
The UK & Ireland.

**CHALLENGE**
Taking its technology infrastructure to a new strategic level.

**SERVICE SET**
Health Platform as a Service.

**OUTCOME**
The ServiceNow solution, a transformative platform-as-a-service, helped the foundation achieve this goal, thanks to efficient, self-service IT support. Eighty-seven percent of the 11,000 tickets logged in the first 3 months of support were resolved through self-service.

The platform also enabled a 360° view of critical transformation projects by managing active projects through a single dashboard, obtaining a more detailed analysis of the budget, time, and impact that these projects can provide.

**80%** accuracy patient tracking

**>20,000** hospital staff work smarter

**Enhanced** real-time information on patient discharge

*"GOES ABOVE AND BEYOND TO HELP US. WE KNOW THEY WILL BRING TO OUR ATTENTION PRODUCTS AND SERVICES THAT THEY FEEL WILL BENEFITS US NOW, BUT ALSO IN THE FUTURE."*

**Stuart Mulligan**
Head of ICT at Health & Social Care Trust, BHSCT.

**HSC** Belfast Health and Social Care Trust

**WHO**
**BHSCT.** One of the largest integrated health and social care trusts.

**WHERE**
The UK.

**CHALLENGE**
Provide a system that would accurately manage and monitor bed allocation as well as the overall patient journey in a single comprehensive view throughout their hospital care, in a more efficient way thus reducing the complex co-ordination of multiple different departments and resources.

**SERVICE SET**
Digital Solution Inpatient Care Flow system.

**OUTCOME**
Telefónica Tech developed Inpatient Care Flow, a digital solution for accurately tracking patient flow within Belfast's healthcare system. The software aids in precise patient journey monitoring, resource forecasting, and cost control. Integration with key clinical systems enhances transparency and Governance. Implemented within three months, it has improved admission and discharge processes, patient flow, safety, and communication. Discharge times at Mater Hospital improved significantly, occurring three times faster than targeted. The system empowers staff, eliminates paper reliance, and improves healthcare outcomes.

**NHS**
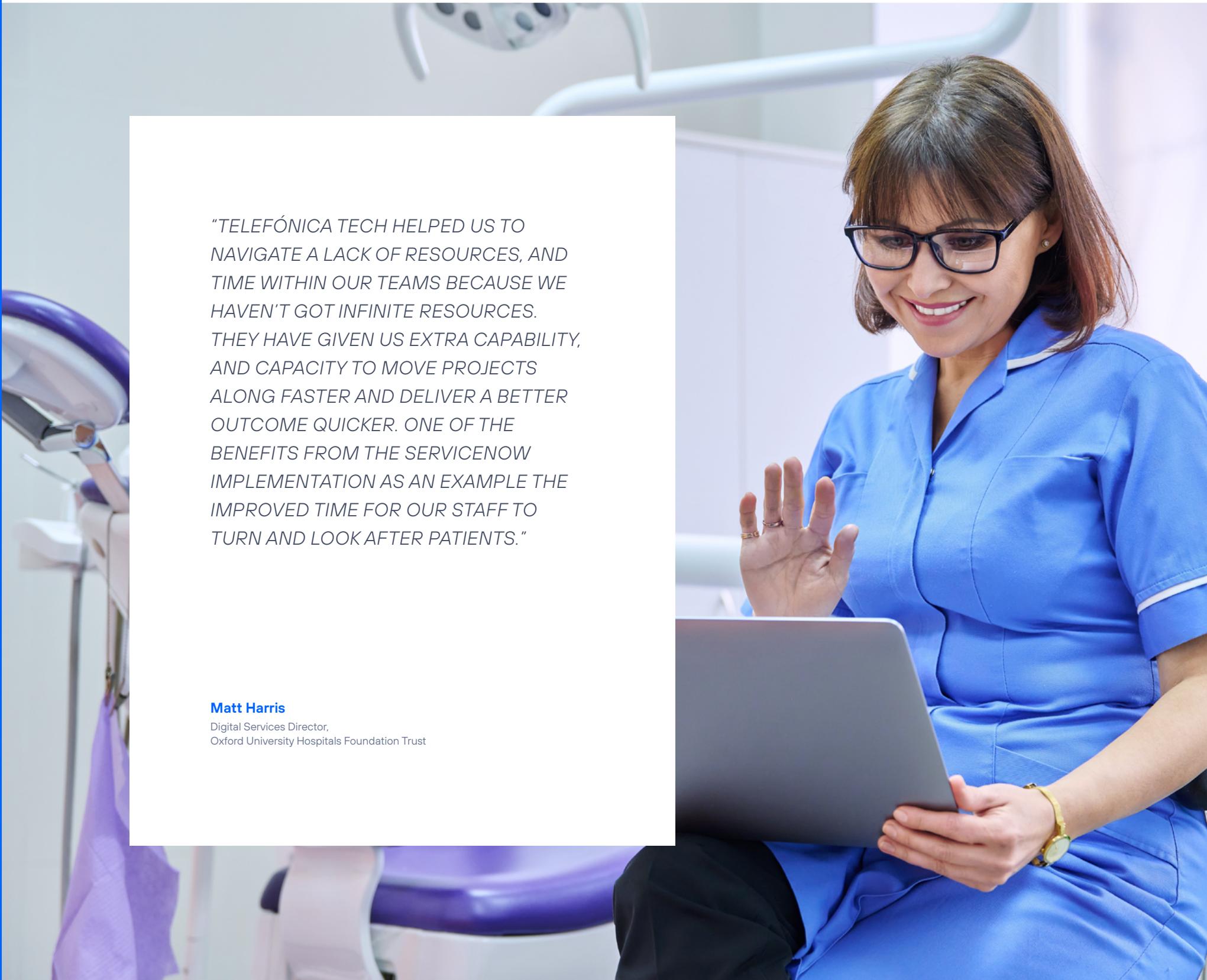
"*TELEFÓNICA TECH HELPED US TO NAVIGATE A LACK OF RESOURCES, AND TIME WITHIN OUR TEAMS BECAUSE WE HAVEN'T GOT INFINITE RESOURCES. THEY HAVE GIVEN US EXTRA CAPABILITY, AND CAPACITY TO MOVE PROJECTS ALONG FASTER AND DELIVER A BETTER OUTCOME QUICKER. ONE OF THE BENEFITS FROM THE SERVICENOW IMPLEMENTATION AS AN EXAMPLE THE IMPROVED TIME FOR OUR STAFF TO TURN AND LOOK AFTER PATIENTS.*"

**Matt Harris**
Digital Services Director,
Oxford University Hospitals Foundation Trust

**WHO**
**NHS.** Publicly funded healthcare systems of the United Kingdom.

**WHERE**
The UK & Ireland.

**CHALLENGE**
Digital transformation to provide healthcare.

**SERVICE SET**
Modern Workplace, Cloud and Data, Networking and Connectivity, Cyber Security and Business Applications, Telefónica Platform as a Service (PaaS).

**OUTCOME**
Telefónica Tech health solution is transforming healthcare delivery through secure infrastructure services. We deliver various healthcare specific solutions into over 42 NHS Trusts, a further 26 healthcare organisations and our infrastructure supports over 6 million patients across the UK & Ireland. We are helping trusts work more efficiently, with improved patient care using digital solutions across cloud & infrastructure, Modern Workplace, networking and Cyber Security.

SECTORS

# BANKING & INSURANCE

The banking and insurance sectors are undergoing a transformative journey, driven by rapid technological advancements, and Telefónica Tech stands as a catalyst in this digital revolution. Positioned at the forefront, the company plays a pivotal role in propelling digital transformation initiatives, offering innovative solutions to elevate customer experiences, enhance operational efficiency, and fortify security measures within the financial industry.

Telefónica Tech's suite of solutions for banking and insurance clients underscores the strategic importance of investing in various key areas such as digital infrastructure, cloud computing, security measures, AI integration, personalization, and collaboration with fintech companies. This holistic and comprehensive approach reflects a deep understanding of the evolving needs of the financial landscape, positioning Telefónica Tech as a key enabler of digital progress.

## CUSTOMER-CENTRIC DIGITAL EXPERIENCES

Acknowledging the dominance of digital natives and evolving customer expectations, Telefónica Tech underscores the importance of customer-centric digital experiences. Providing a seamless and omnichannel experience through Data Analytics, online banking, mobile apps, and chatbots is identified as crucial for building strong customer relationships and gaining a competitive advantage. The rise of digital banking and neo banking is highlighted as a significant trend, driven by the widespread availability of broadband internet and the surge in mobile banking and digital payment solutions.

## QUANTUM COMPUTING

In the banking sector, quantum computing holds the potential to revolutionize data analysis, risk modeling, and cryptographic processes. While large-scale adoption may still be in the future, banks are exploring the possibilities offered by quantum computing to stay ahead in an era of rapid technological evolution.

## SUSTAINABLE AND GREEN BANKING

Sustainability emerges as a key focus in the banking sector, with an emphasis on environmentally friendly practices. Integration of green initiatives into operations, such as energy-efficient data centers and the development of sustainable financial products, reflects a commitment to corporate social responsibility and aligns with the growing awareness of environmental issues among consumers.

## OPERATIONAL EFFICIENCY AND COST REDUCTION

Operational efficiency and cost reduction are identified as achievable through automation and AI technologies. Robotic Process Automation (RPA) is highlighted for streamlining routine tasks and reducing manual errors, while AI algorithms enhance credit scoring, risk assessment, and claims processing.

IT SPENDING IN BAKING INDUSTRY WILL REACH **8.2% BY 2027** AS A PERCENT OF TOTAL REVENUE.
SOURCE: GARTNER.

## SECURITY REINFORCEMENT

Given the sensitivity of customer data in the financial industry, a robust focus on Cyber Security is imperative. Telefónica Tech emphasizes the adoption of comprehensive security measures and advanced technologies, including AI and Blockchain, to prevent fraud and safeguard data privacy. The company advocates continuous monitoring, threat intelligence, and proactive incident response strategies to navigate the ever-evolving Cyber Security landscape successfully.

BANKS WILL ADOPT GENERATIVE AI SERVICES TO OFFER MORE PERSONALIZED USER EXPERIENCES, WITH SPENDING EXPECTED TO REACH $85 BILLION BY 2030 FROM $6 BILLION GLOBALLY IN 2024, GROWING BY OVER 1,400%.
SOURCE: JUNIPER RESEARCH.

## DATA ANALYTICS AND AI FOR INFORMED DECISION-MAKING

Telefónica Tech acknowledges the relevance of Data Analytics in driving informed decisions in banking, providing insights for risk management, fraud detection, and personalized product recommendations. AI is recognized for its role in enhancing efficiency, supporting growth, and transforming customer experiences in the banking and insurance sectors.

## REGTECH SOLUTIONS

The automation of regulatory compliance processes is identified as crucial for adapting to changing regulations, maintaining trust, and upholding credibility in an ever-evolving regulatory landscape.

In conclusion, Telefónica Tech's strategic approach underscores the necessity for technological advancements in the banking and insurance sectors. By embracing these innovations, financial institutions can not only meet the demands of a tech-savvy customer base but also enhance operational efficiency, data security, and regulatory compliance. In the unfolding Fourth Industrial Revolution, institutions leveraging technology, guided by the comprehensive solutions offered by Telefónica Tech, are poised to thrive in an increasingly competitive and dynamic landscape.
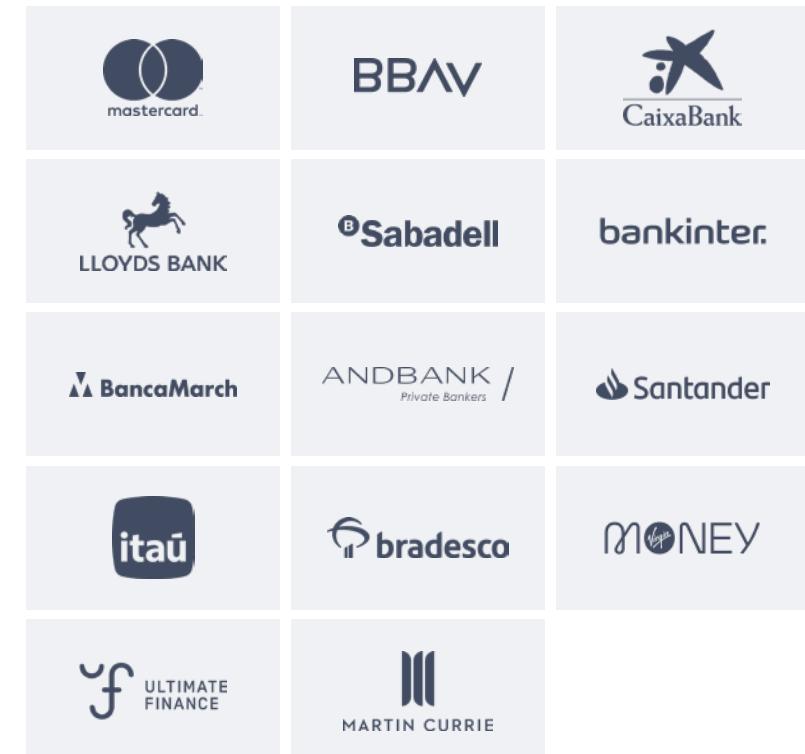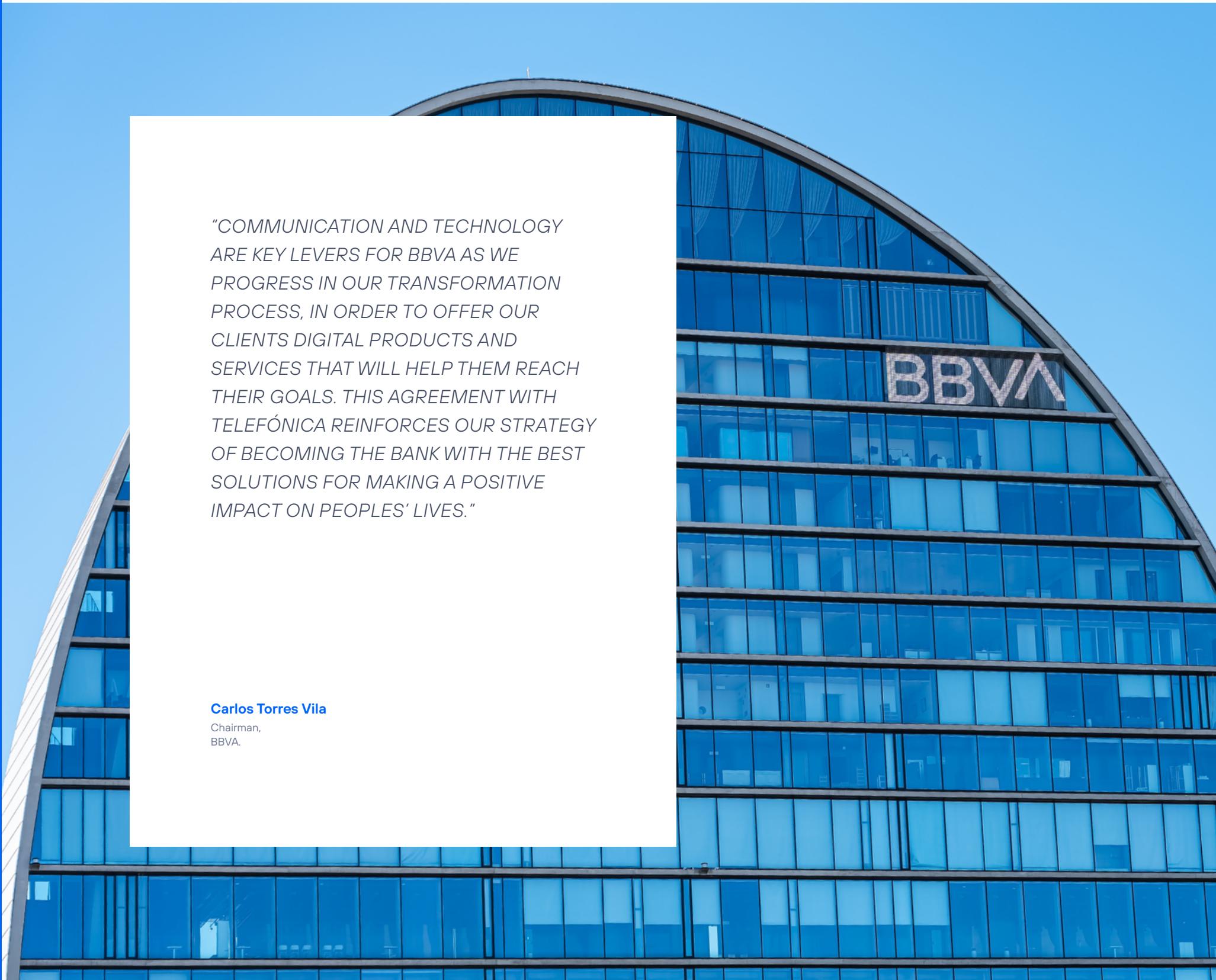
**BBVA**

*"COMMUNICATION AND TECHNOLOGY ARE KEY LEVERS FOR BBVA AS WE PROGRESS IN OUR TRANSFORMATION PROCESS, IN ORDER TO OFFER OUR CLIENTS DIGITAL PRODUCTS AND SERVICES THAT WILL HELP THEM REACH THEIR GOALS. THIS AGREEMENT WITH TELEFÓNICA REINFORCES OUR STRATEGY OF BECOMING THE BANK WITH THE BEST SOLUTIONS FOR MAKING A POSITIVE IMPACT ON PEOPLES' LIVES."*

**Carlos Torres Vila**
Chairman,
BBVA.

**WHO**
**BBVA.** Spanish multinational financial services company.

**WHERE**
Worldwide.

**CHALLENGE**
Increase the capacity of the technological network, facilitate operations on the cloud and improve communications between its employees in Spain and the Americas.

**SERVICE SET**
SDN, NFV, Cloud, Cloud Computing, Global VPN, MPLS connectivity.

**OUTCOME**
Telefónica has revolutionized BBVA's network infrastructure, enhancing capacity by tenfold while minimizing costs through a unified global provider. This integration, supported by advanced SDN and NFV technologies, slashes the time-to-market for new services to mere hours. A user-friendly portal and comprehensive API catalog facilitate seamless system integration. The optimized network ensures swift, secure communications across all geographies, bolstering the customer experience. With global MPLS solutions across 20 sites and nine Telepresence rooms, collaboration is streamlined. Integrated voice and mobile systems in Spain, WAN networks in six countries, and mobile networks in five further enhance connectivity across 20 sites and 7 countries.

*"WITHIN JUST A FEW HOURS' POST-IMPLEMENTATION, I'D IDENTIFIED CIRCA 100 OPPORTUNITIES (VIA THE NEW CRM), THAT I OTHERWISE WOULDN'T HAVE UNCOVERED. THE ABILITY FOR MANAGERS TO IDENTIFY AND SHARE THESE HIGH VALUE OPPORTUNITIES WITH THE TEAM IS COMPLETELY TRANSFORMATIVE TO OUR BUSINESS."*

**David Maxwell**
Relationship Manager,
Virgin Money

*"THE MICROSOFT POWER PLATFORM OFFERING, IMPLEMENTED BY TELEFÓNICA TECH HAS BEEN GAME CHANGING FOR VIRGIN MONEY'S POSITION AS A LEADER FOR SMALL AND MEDIUM-SIZED BUSINESSES WITHIN THE FINANCE INDUSTRY."*

**Wilson Ferguson**
Senior Digital Development Manager,
Virgin Money

**WHO**
**VIRGIN MONEY.** Leading banking and financial services organisation.

**WHERE**
Australia and the UK.

**CHALLENGE**
Enhancing reporting, centralising data centres, and increasing its customer acquisition rate.

**SERVICE SET**
Dynamics 365 for Sales, Office 365 integration, Customer Windows application, Power Platform, Power Automate, Power BI.

**OUTCOME**
Telefónica Tech and Virgin Money collaborated to redesign processes using Microsoft technology, focusing on Dynamics 365 for Sales and the adaptable Power Platform. Telefónica Tech helped Virgin Money overcome decentralized data centers, multiple legacy systems and manual processes in Small Business Banking. The goal was to enhance the customer and employee experience in Business Direct Small Business Banking with a cloud-based Microsoft Dynamics CRM system. Integrating Dynamics 365 Sales integrated with Office 365, enhances collaboration, and provides real-time key decision-making insights. As a result since implementation, customer acquisition has surged by 580%, driven by a faster and more user-friendly application process, increasing from 5% to 34%.
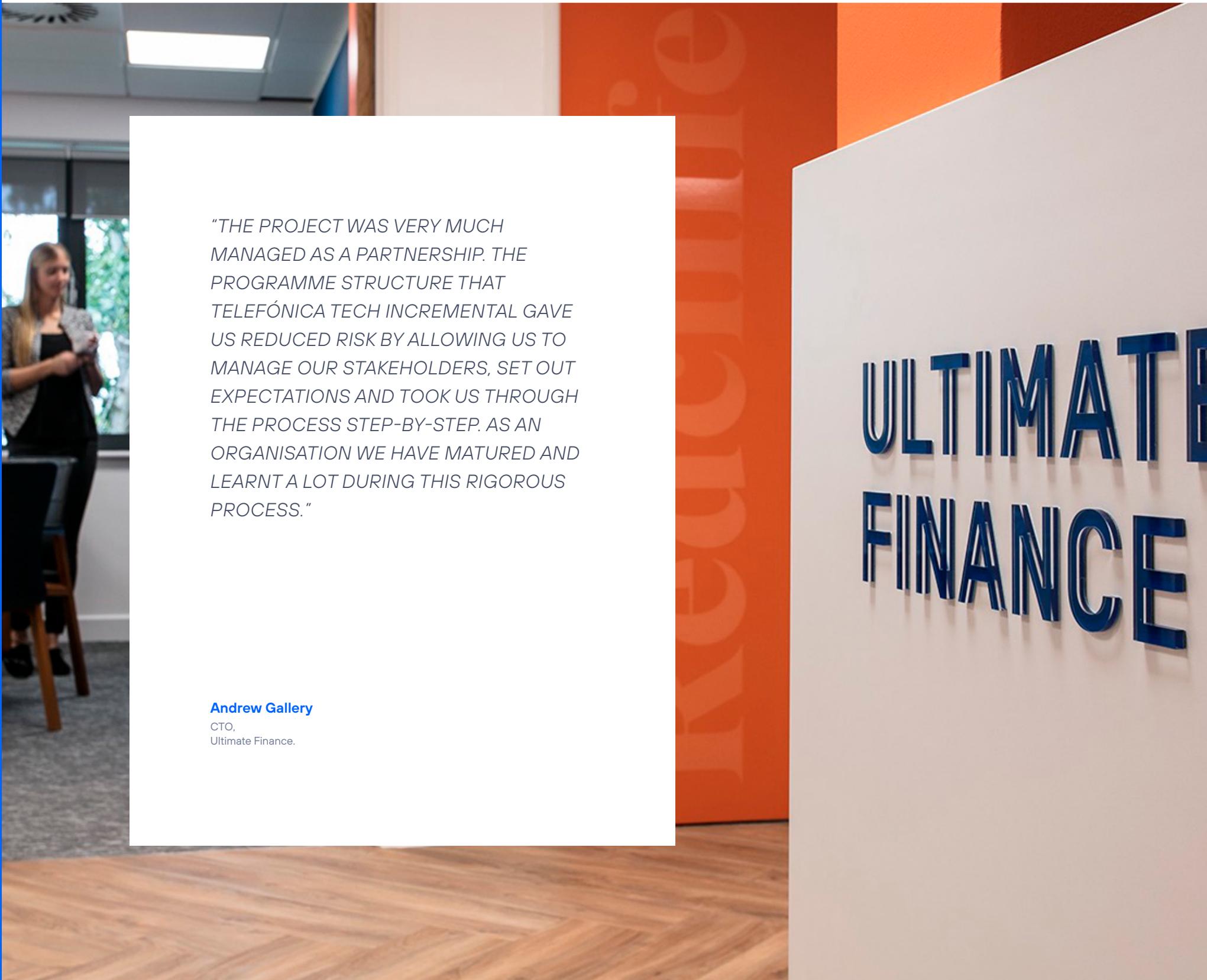
*"THE PROJECT WAS VERY MUCH MANAGED AS A PARTNERSHIP. THE PROGRAMME STRUCTURE THAT TELEFÓNICA TECH INCREMENTAL GAVE US REDUCED RISK BY ALLOWING US TO MANAGE OUR STAKEHOLDERS, SET OUT EXPECTATIONS AND TOOK US THROUGH THE PROCESS STEP-BY-STEP. AS AN ORGANISATION WE HAVE MATURED AND LEARNT A LOT DURING THIS RIGOROUS PROCESS."*

**Andrew Gallery**
CTO,
Ultimate Finance.

## WHO
**ULTIMATE FINANCE.** Financial Services as an independent funder.

## WHERE
The UK.

## CHALLENGE
Provide a new single digital platform as a new solution to consolidate everything all the data and information to solve problems with the legacy systems.

## SERVICE SET
Microsoft Dynamics, CRM.

## OUTCOME
Ultimate Finance faced data fragmentation and duplication issues. Dynamics 365 CRM was chosen to streamline processes and unify customer data, with the aim of delivering a highly effective customer journey and engagement with the company's new digital products. Migration from legacy systems was challenging but successful. Now, thanks to Telefónica Tech, all nine Ultimate Finance's financial products are managed seamlessly from lead to funding. As a result, Ultimate Finance have massively increased visibility enabling better prioritization and increased sales opportunities.

*"THE PROJECT WAS DELIVERED ON TIME, IT RESTORED SYSTEM DEPENDABILITY AND INCREASED CONFIDENCE ACROSS OUR SALES AND COMMERCIAL TEAMS IN MULTIPLE GEOGRAPHIES. A KEY OBJECTIVE WAS REMOVING RELIANCE ON A SINGLE SYSTEM AND PARTNER. DYNAMICS HAS SOLVED THAT FOR US. THE TEAM NOW SPEND MORE TIME ON QUALITATIVE DATA ANALYSIS AND ACCESS DATA MUCH EASIER, THANKS TO IMPROVED VISUAL REPORTING AND MANAGEMENT INFORMATION (MI) CAPABILITIES. WE HAVE SUCH GREAT VISIBILITY NOW ON WORKFLOW AND CAN MANAGE RESOURCE EFFECTIVELY. WE'RE ACTIVELY USING EVERY CAPABILITY THE SOLUTION OFFERS, TO THE HUGE BENEFIT OF THE BUSINESS."*

**Hayley Keenan**
Head of CRM,
Data and Change.

**MARTIN CURRIE**

**WHO**
**MARTIN CURRIE.** Global financial services organisation.

**WHERE**
Worldwide.

**CHALLENGE**
Connect the global front office using Microsoft Dynamics 365.

**SERVICE SET**
Dynamics 365, Power Platform, Adobe Sign.

**OUTCOME**
Martin Currie Investment Management sought to unify global business units with a new CRM system as their legacy Dynamics neared end-of-life. Telefónica Tech customized Dynamics 365 Customer Service and integrated Dynamics 365 Marketing, ensuring stability, efficiency, and future scalability. Their approach delivered significant cost savings, enhanced sales capabilities, and improved productivity, establishing a robust digital infrastructure for continuous improvement.

145

SECTORS

# RETAIL INDUSTRY

At Telefónica Tech we provide our clients with all the necessary tools to digitize their spaces, understand their business and their clients in detail, increase their sales and improve their operational processes.

The implementation of IoT, Big Data, AI and Blockchain technologies in the Retail sector allows us to offer personalized shopping experiences through smart stores.

Thanks to the information collected, processes can be optimized and more effective strategies applied to attract and retain customers.

## INTERNET OF THINGS (IOT) IN PHYSICAL STORES

Connectivity capabilities together with IoT devices, such as smart shelves and beacons, enhance the in-store experience by providing real-time inventory information, personalized offers, and interactive displays.

Advanced technologies such as RFID (Radio-Frequency Identification), IoT (Internet of Things), and Blockchain enhance inventory visibility, reduce errors, and improve overall supply chain efficiency. Real-time tracking enables retailers to streamline logistics, reduce costs, and respond promptly to market demands.

## CYBER SECURITY AND DATA PRIVACY

Protecting customer data and ensuring compliance with privacy regulations are of paramount concerns that require robust Cyber Security measures.

RETAILERS HIGHLIGHT *"IMPROVE THE CUSTOMER EXPERIENCE"* AS THE NUMBER 1 OBJECTIVE OF DIGITAL INVESTMENT. MARKETING AND IT SECURITY ARE AMONG RETAILERS' TOP PRIORITIES FOR IT INVESTMENTS.
SOURCE: GARTNER 2023.

## PERSONALIZED MARKETING AND CUSTOMER INSIGHTS

Digital technologies allow retailers to gather and analyze vast amounts of customer data. This information is harnessed to create personalized marketing strategies, tailoring promotions, recommendations, and advertisements to individual preferences. Understanding customer behaviour through Data Analytics enhances engagement and builds lasting customer relationships.

TELEFÓNICA TECH'S SMART RETAIL PLATFORM MANAGES OVER 50K SENSORS, IN 93 COUNTRIES. OVER 5 MILLION PEOPLE WATCH OUR SCREENS EVERY DAY, AND 20 MILLION PEOPLE LISTEN TO THE MUSIC.

## SMART RETAIL EXPERIENCE

The Smart Retail Platform from Telefónica Tech integrates all the technological solutions available to convert a conventional physical point of sale into an interactive sales space. The main benefits include are understanding customer behaviour in the store, identifying the most valuable customers, optimizing actions at the point of sale and carrying out improvement campaigns aimed at targeted audiences.

BY 2027, IMMERSIVE SHOPPING TECHNOLOGIES WILL EXPAND TO ENABLE MORE THAN 7% OF SALES INTERACTIONS IN NONFOOD SEGMENTS.
SOURCE: GARTNER 2023.

## ARTIFICIAL INTELLIGENCE (AI) FOR PERSONALIZATION

AI is playing an increasingly significant role in providing personalized shopping experiences. Predictive analytics and machine learning algorithms will enable retailers to anticipate customer preferences and offer tailored recommendations.

Digitalization is fundamentally reshaping the retail landscape, driving innovation, and redefining customer expectations. Retailers that successfully embrace and adapt to these digital transformations will not only thrive in the current market but also, be well-positioned to navigate the dynamic challenges and opportunities that the future holds. The digitalization of the retail industry is a strategic evolution that propels the industry into a new era of customer-centric, data-driven, and seamlessly integrated commerce.

| | | |
|---|---|---|
| DUFRY | INDITEX | ALDI |
| JAKO | BENJAMIN a padaria | La Vaguada |
| GOfit | atosa | la torre outlet Zaragoza |
| killtec | FLAME | DK |
| LOEWE | consum | |
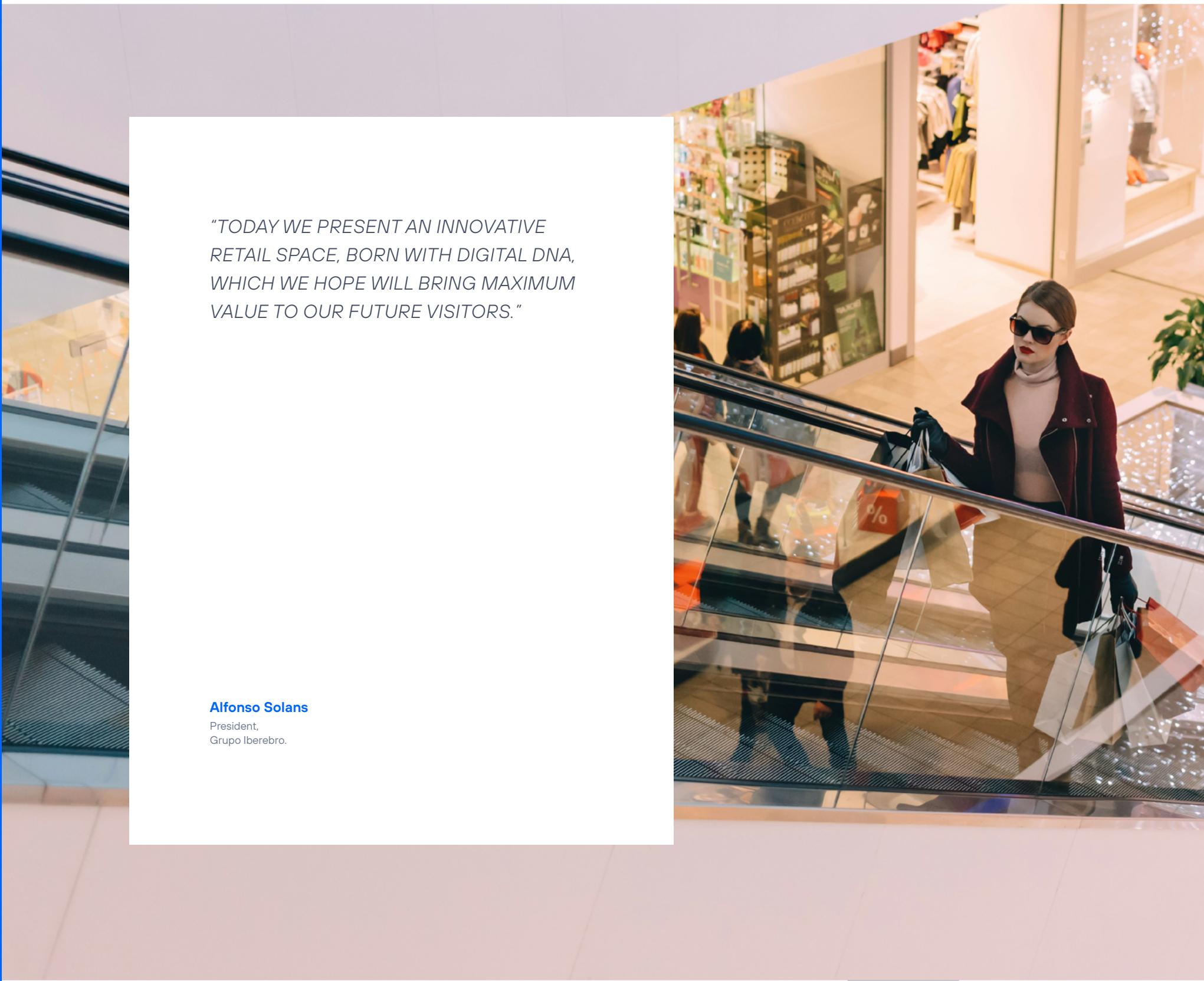
*"TODAY WE PRESENT AN INNOVATIVE RETAIL SPACE, BORN WITH DIGITAL DNA, WHICH WE HOPE WILL BRING MAXIMUM VALUE TO OUR FUTURE VISITORS."*

**Alfonso Solans**
President,
Grupo Iberebro.

**la torre outlet Zaragoza**

## WHO
**LA TORRE OUTLET.** Innovative Commercial Space and Centers.

## WHERE
Spain.

## CHALLENGE
Create the first fully digitalised shopping complex in Spain.

## SERVICE SET
Tourism and Leisure, Dynamic Marketing, Smart Corporate Spaces, Indoor Insights.

## OUTCOME
Thanks to the implementation of Telefónica Tech's digital solutions, Torre Outlet has become the first fully digitalised shopping complex in Spain. IoT, Big Data and AI technology capabilities integrate all available data sources to help the centre optimise decision-making. All this allows Torre Outlet to operate more efficiently by being able to make real-time decisions and develop data-driven plans. Furthermore it delivers to the customers a new concept of shopping centre where real and digital worlds come together. With the integration of different technological solutions (audio-visual devices, networks and infrastructure, security circuit, data collection) though a single partner, Telefónica Tech provides a comprehensive solution.

*"THIS IS A FLAGSHIP PROJECT IN THE APPLICATION OF TECHNOLOGY TO IMPROVE OUR SERVICES AND ANOTHER STEP IN THE COMPANY'S CONTINUOUS DISRUPTION IN THE SEARCH FOR THE BEST POSSIBLE EXPERIENCE FOR OUR CUSTOMERS. TECHNOLOGY CAN AND MUST BE AN ALLY IN THE CONSTRUCTION OF AN ACTIVE AND SUSTAINABLE SOCIETY."*

**Alfonso Arroyo**
Member of the GO fit Presidential Office,
GO fit.

**GO**fit

**WHO**
**GO FIT.** A leading company in sports and physical activity.

**WHERE**
Spain.

**CHALLENGE**
Design the wellness center of the future.

**SERVICE SET**
Endpoint and workstation protection, asset, network and application monitoring, secure cloud infrastructure and identity management for more sector-specific issues such as OT and IoT Security.

**OUTCOME**
Using an advanced analytics model that will allow GO fit to predict the influx of visitors to its facilities a week ahead, taking into account weather indicators, holiday calendars and other leisure and sports events, cross-referencing occupancy data with programming to try to occupy off-peak hours and thus detect patterns and improve the customer offer so that their users achieve their goals.

*"FROM THE VERY BEGINNING, WE WERE CONVINCED THAT WITH BE-TERNA, PART OF TELEFÓNICA TECH, WE WOULD HAVE AN EXPERIENCED PARTNER AT OUR SIDE WHO WOULD OFFER US OPTIMAL SOLUTION CONCEPTS AND IDEAS FOR THE SPECIFIC CHALLENGES WE WERE FACING IN THE TEXTILE TRADE. A PARTICULARLY POSITIVE POINT IS THAT THE PROJECT TEAM SUPPORTED US WITH EXCEPTIONAL EXPERTISE."*

**Maik Weber**
Project Manager,
JAKO AG.

### WHO
**JAKO AG.** A leading German team sports outfitter.

### WHERE
Germany.

### CHALLENGE
Introducing a new ERP system to form the basis for further digitalisation projects.

### SERVICE SET
Implementation and set-up of a new ERP system.

### OUTCOME
Deploy Microsoft Dynamics 365 Business Central and the BE-terna Fashion industry solution, where JAKO has 350 users working within the system. The implementation created a stable foundation for growth, new processes, and further digitalisation projects. It was particularly important for JAKO to be able to lay stable foundations for further growth and various new processes.
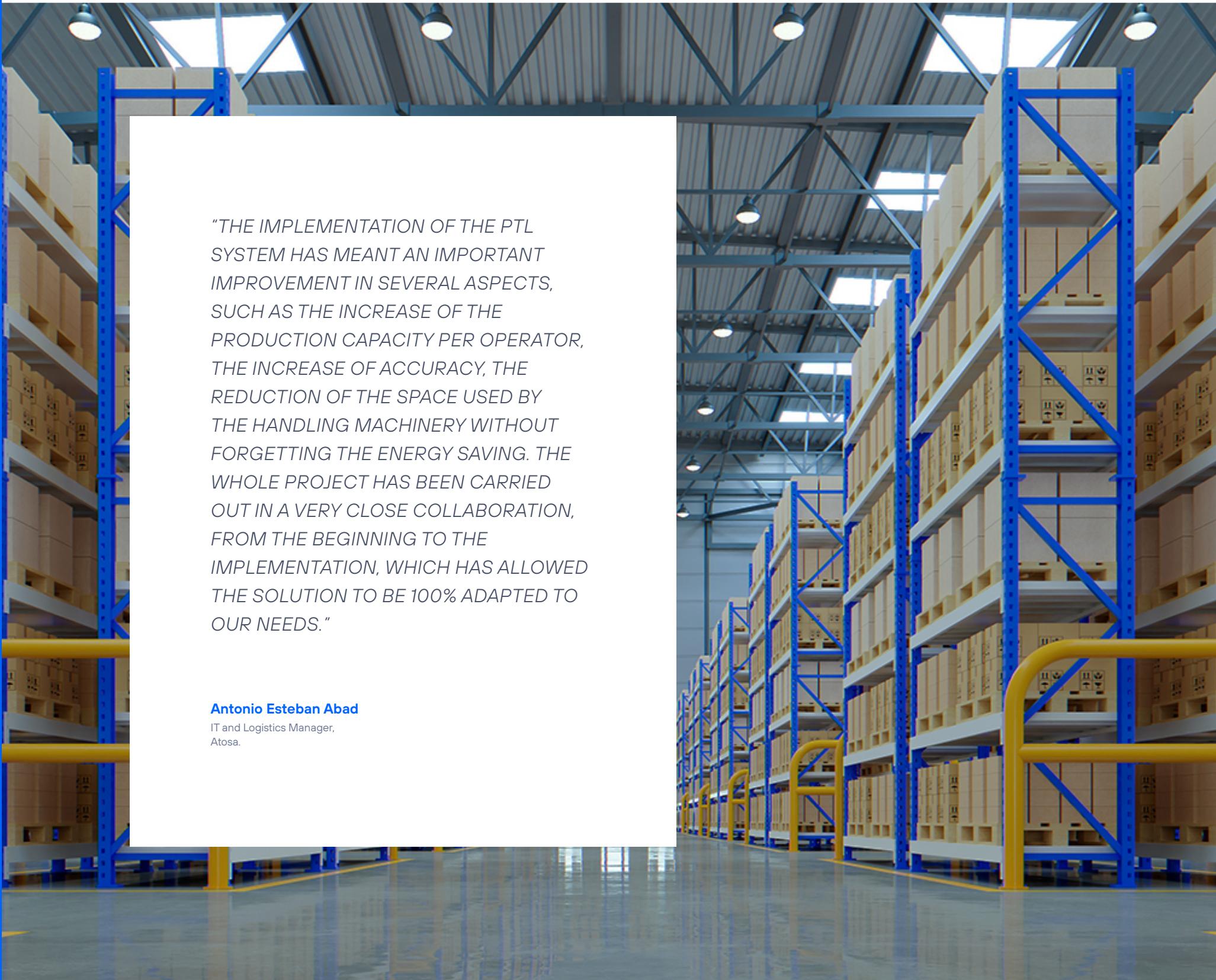
*"THE IMPLEMENTATION OF THE PTL SYSTEM HAS MEANT AN IMPORTANT IMPROVEMENT IN SEVERAL ASPECTS, SUCH AS THE INCREASE OF THE PRODUCTION CAPACITY PER OPERATOR, THE INCREASE OF ACCURACY, THE REDUCTION OF THE SPACE USED BY THE HANDLING MACHINERY WITHOUT FORGETTING THE ENERGY SAVING. THE WHOLE PROJECT HAS BEEN CARRIED OUT IN A VERY CLOSE COLLABORATION, FROM THE BEGINNING TO THE IMPLEMENTATION, WHICH HAS ALLOWED THE SOLUTION TO BE 100% ADAPTED TO OUR NEEDS."*

**Antonio Esteban Abad**
IT and Logistics Manager,
Atosa.

**WHO**
**ATOSA.** A multinational company dedicated to the distribution of toys, costumes and accessories.

**WHERE**
Spain.

**CHALLENGE**
Optimising Atosa's order dispatching carrying out a technological transformation of its order expedition system.

**SERVICE SET**
PTL system combined with the use of ProGlove smart gloves for order preparation.

**OUTCOME**
Through our company Geprom, we executed a technological consultancy and implemented a PTL (Put to Light) system to optimize the tasks of picking, location and preparation of orders by means of colour codes.

The implementation of the PTL system, integrated with the warehouse management tools (WMS) and production (MES), together with the use of ProGlove industrial smart gloves, which replaced traditional picking guns. Atosa has achieved accurate barcode reading, greater ergonomics for employees and significantly improved the company's efficiency and competitiveness.
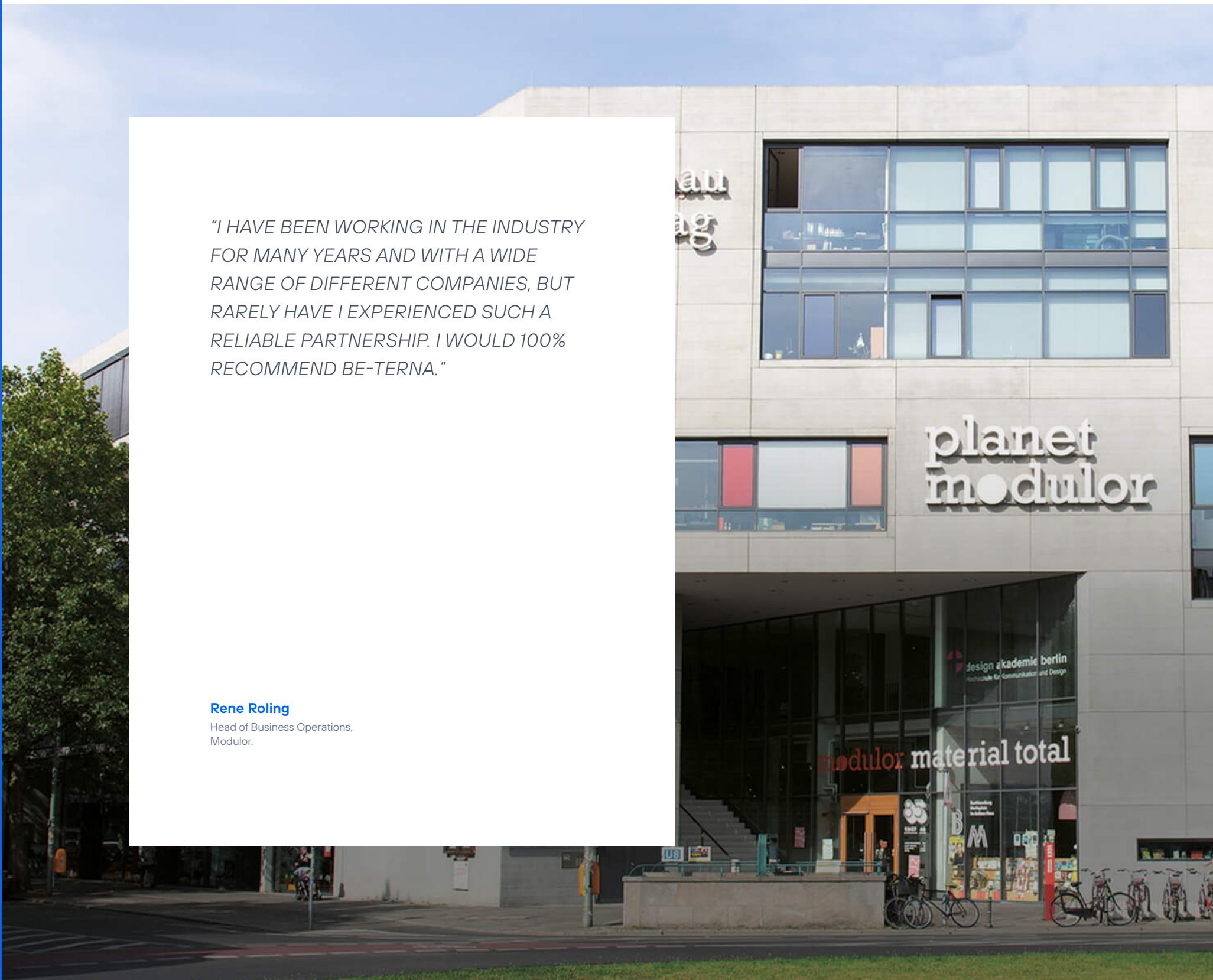
*"I HAVE BEEN WORKING IN THE INDUSTRY FOR MANY YEARS AND WITH A WIDE RANGE OF DIFFERENT COMPANIES, BUT RARELY HAVE I EXPERIENCED SUCH A RELIABLE PARTNERSHIP. I WOULD 100% RECOMMEND BE-TERNA."*

**Rene Roling**
Head of Business Operations,
Modulor.

# modulor

**WHO**
**MODULOR.** A well-established concept store.

**WHERE**
Germany.

**CHALLENGE**
Make its complex warehouse processes more efficient and mobile to improve its warehouse logistics significantly, reduce errors, and thus save costs.

**SERVICE SET**
BE-terna Reactor Platform.

**OUTCOME**
Modulor set great store by being actively involved and able to make adjustments at any time, which narrowed down the range of possible solutions. Ultimately, it decided on the Reactor Platform from BE-terna. The platform makes it possible to develop individual user applications directly in the ERP system – the changes then result directly in a mobile application. Furthermore, the solution has enabled a dramatic reduction in the number of errors and ensured problem-free picking and minimized delays.

SECTORS

# DIGITALIZATION IN SMEs

Telefónica Tech guides SMEs through every step of their digitalization journey, ensuring business continuity and building their capacity to compete in the global marketplace. We offer a completely unique and holistic approach to helping businesses thrive in the digital age. Our digital solutions based on Cloud, Cyber Security, IoT, Artificial Intelligence, Business Applications, and Big Data help SMEs of all sizes and sectors, no matter where they are starting from in their digital transformation journey.

SMES REPRESENT 90% OF ALL COMPANIES AND PLAY A VITAL ROLE IN THE GLOBAL ECONOMY, CONTRIBUTING UP TO 70% TO EMPLOYMENT AND GDP. HOWEVER, 67% OF SMES AND MID-SIZED BUSINESSES ARE FIGHTING FOR SURVIVAL.

SOURCE: WORLD ECONOMIC FORUM

In today's rapidly evolving digital landscape, staying abreast of the latest technological trends is essential for small and medium-sized enterprises (SMEs) to maintain their competitive edge.

While facing current economic challenges, SMEs must carefully consider the critical role of technology and innovation in driving future growth. Notably, ensuring constant connectivity remains a significant cost factor, especially for smaller businesses.

OVER 85% OF ORGANIZATIONS RECOGNISE INCREASED ADOPTION OF NEW TECHNOLOGIES AND EXPANDING DIGITAL ACCESS AS KEY DRIVERS OF TRANSFORMATION.

SOURCE: WORLD ECONOMIC FORUM

### ONLINE PRESENCE AND E-COMMERCE

Digitalization enables SMEs to establish a robust online presence through websites, social media platforms, and e-commerce stores. This expanded digital footprint allows them to reach broader audiences, attract new customers, and compete effectively in the global marketplace, breaking down geographical barriers and driving sales growth.

### CLOUD COMPUTING AND REMOTE COLLABORATION

Cloud-based solutions empower SMEs with cost-effective access to advanced computing resources, storage, and collaboration tools. Cloud platforms facilitate remote work, enabling teams to collaborate seamlessly regardless of location. This flexibility enhances productivity, reduces overhead costs, and fosters a more agile and adaptable workforce.

AT ACENS, PART OF TELEFÓNICA TECH, WE MANAGE 311,000 DOMAINS AND MORE THAN 1 MILLION CUSTOMER EMAIL ACCOUNTS. WE HOST 140,000 WEBSITES ON 22,000 SERVERS THAT OCCUPY 22 PETABYTES OF STORAGE.

### CYBER SECURITY

Security incidences among smaller companies continue to increase with the cost of these incidents rising sharply. Increased digitalization exposes SMEs to Cyber Security threats such as data breaches and malware attacks. Implementing robust Cyber Security measures and educating employees about Cyber Security best practices are crucial to safeguarding sensitive information.

NEARLY 43% OF CYBER ATTACKS ARE ON SMALL BUSINESSES, AND ONLY 14% OF SMALL BUSINESSES ARE PREPARED TO FACE A CYBER ATTACK, AND 60% OF SMALL BUSINESSES IMPACTED BY A CYBER ATTACK GO OUT OF BUSINESS WITHIN 6 MONTHS.

SOURCE: ACCENTURE'S CYBERCRIME STUDY 2023. UNIVERSITY OF MARYLAND.

TELEFÓNICA TECH HAS A BUSINESS APPLICATIONS CENTER OF EXCELLENCE THAT PROVIDES EXPERTISE ON GUIDING ITS CUSTOMERS IN THEIR DIGITALIZATION JOURNEY.

SMES ACKNOWLEDGE THAT A HIGH LEVEL OF DIGITALIZATION IS KEY TO BEING COMPETITIVE: APPROXIMATELY 25% OF SMES CITE THIS AS A TOP CHALLENGE.

SOURCE: WORLD ECONOMIC FORUM

### BUSINESS APPLICATIONS

SMEs can benefit from business applications for tasks including customer relationship management (CRM), ERP (Enterprise Resource Planning), BI, Data Analytics and automation solutions and platforms tailored to their needs. These tools streamline operations, improve efficiency, harness the power of Data Analytics, and strengthen their data and system security whilst also enhancing overall productivity.

### DIGITAL MARKETING AND CUSTOMER ENGAGEMENT

SMEs leverage digital marketing channels such as social media, email marketing, and search engine optimization (SEO) to engage with their target audience effectively. Personalized marketing campaigns, interactive content, and customer relationship management (CRM) systems help build brand loyalty, drive customer engagement, and increase sales.

### AUTOMATION AND EFFICIENCY

Digitalization streamlines business operations through automation of repetitive tasks and workflows. SMEs deploy software solutions for accounting, inventory management, and customer service automation, freeing up time and resources to focus on strategic initiatives and business growth.

### AI & DATA ANALYTICS

Digitalization equips SMEs with the capability to gather, analyze, and derive insights from vast amounts of data. Data Analytics tools provide valuable insights into customer behavior, market trends, and operational efficiency. This data-driven approach enables informed decision-making, targeted marketing strategies, and optimization of business processes. Deploying AI will be key to understand main customer behaviors and improve SME's sales and marketing strategies.
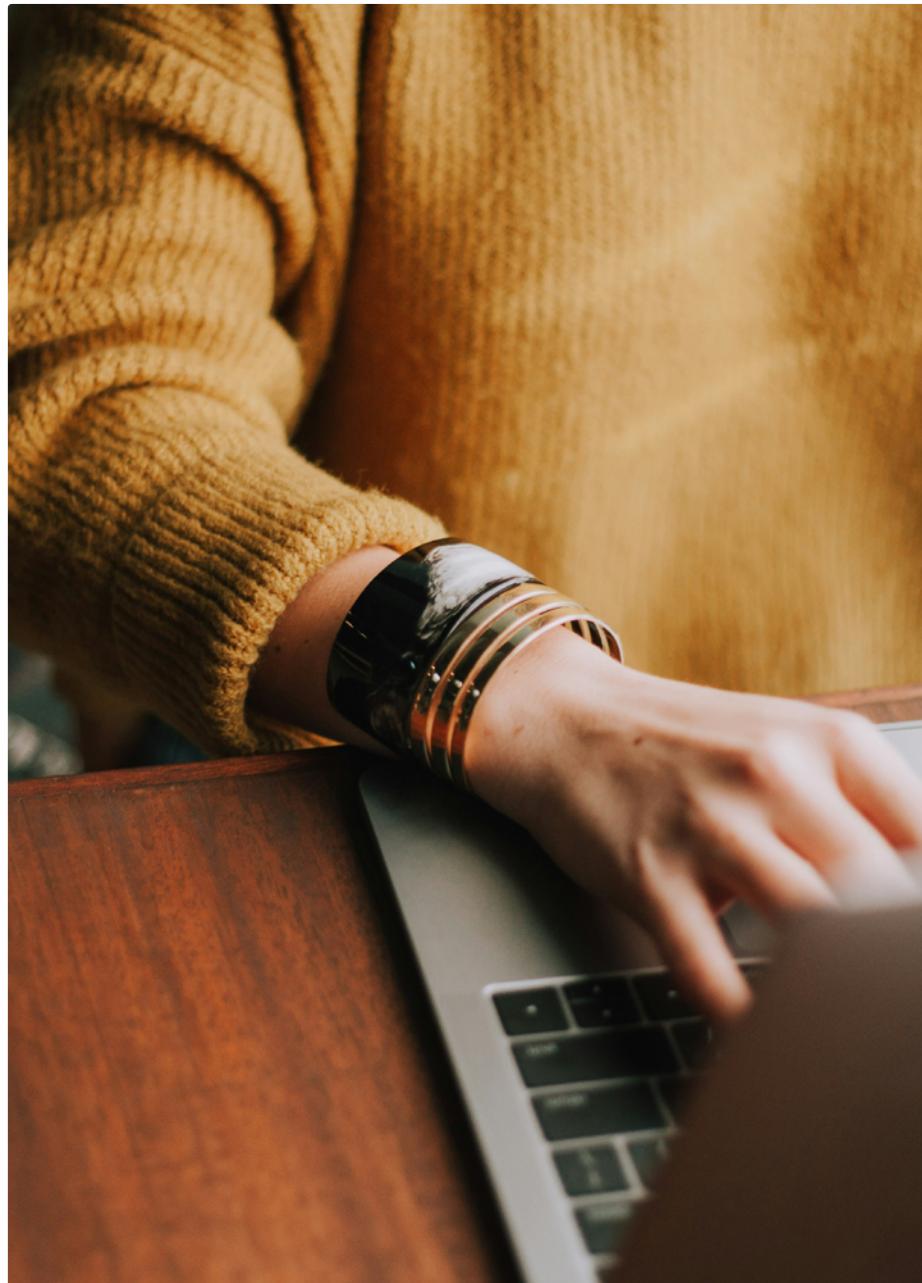
Digitalization presents unprecedented opportunities for SMEs to innovate, grow, and thrive in an increasingly digital economy. By embracing digital technologies, SMEs can enhance their competitiveness, expand their market reach, and deliver greater value to customers. However, navigating the challenges of digitalization requires strategic planning, investment in resources, and a commitment to continuous learning and adaptation. Ultimately, digitalization is not just about adopting new technologies but about transforming business processes, culture, and mindset to embrace the opportunities of the digital age.

SECTORS

# MANUFACTURE & UTILITIES

The manufacturing and utilities sector is facing a transformation towards new models to make it more efficient, resilient, and digital. Telefónica Tech guides manufacturing customers through the complex landscape of IT modernisation, reshaping traditional processes, enhancing efficiency, and unlocking new avenues for growth. In this sense Telefónica Tech acquired Geprom to gain specialization in industrial automation and the digital transformation of existing factory production processes.

We help drive our customers towards Industry 4.0 providing specific technological solutions based on secured asset connectivity (IT/OT, 5G and IoT Networks) combined with Data Analytics, Artificial Intelligence and Blockchain.

▬▬ X10 LEADER IN THE 2023 GARTNER MAGIC QUADRANT FOR MANAGED IOT (INTERNET OF THINGS) CONNECTIVITY SERVICES, WORLDWIDE.

### INDUSTRY 4.0 SOLUTIONS

Industry 4.0 solutions introduce a new era of smart manufacturing, integrating IoT, AI, and Data Analytics. These technologies optimize production processes, enhance efficiency, predict maintenance needs, and enable data-driven decision-making, fostering a more agile, connected, and competitive industrial landscape.

▬▬ AI TECHNOLOGIES ARE ALREADY WIDELY DEPLOYED IN UTILITIES WITH REALIZED VALUE. HOWEVER, GENAI HAS EMERGED AS A TOP TECHNOLOGY.

SOURCE: GARTNER 2023

Nowadays, we are in the transition between Industry 4.0 and Industry 5.0. In it, people collaborate closely, daily and efficiently with artificial intelligence. By combining the strengths of both, it enhances creativity, problem-solving, and adaptability. This approach not only boosts productivity but also fosters a more resilient and dynamic industrial ecosystem.

▬▬ UTILITIES ARE FINALLY MOVING TO THE CLOUD, WITH 41% SPENDING LESS ON LEGACY IT INFRASTRUCTURE. CIOS ARE INSTEAD CREATING HYBRID CLOUD-TO-EDGE ENVIRONMENTS TO SUPPORT EDGE-HOSTED USE CASES FROM SIMPLE SENSOR DATA ACQUISITION, THROUGH COMPUTER VISION TO AUTONOMOUS RESILIENT OPERATIONS.

SOURCE: GARTNER 2023



### AGILITY, SCALABILITY, AND EFFICIENCY THE SMART FACTORY PROMISE

Manufacturing must evolve by embracing an edge-to-cloud digital foundation, breaking free from legacy systems. Adaptable IT across cloud platforms, driven by IoT and AI, enhances operational flexibility, efficiency, and resilience. Smart factories derive value from real-time data insights, streamlined workflows, automated quality control, and improved customer experiences through quick adaptation to market changes and personalized products.

SMART UTILITIES SOLUTION FROM TELEFÓNICA TECH INCLUDES MORE THAN 300K SMART METERS.

TELEFÓNICA TECH IS THE TRUSTED PARTNER, RECENTLY HONOURED AS THE UK & IRELAND SOLUTION PROVIDER OF THE YEAR 2023 BY HEWLETT PACKARD ENTERPRISE.

### DATA-DRIVEN ORGANIZATION

The abundance of data generated through digitalization provides manufacturers with valuable insights. Analyzing this data enables informed decision-making, optimization of processes, and identification of new business opportunities.

### CYBER RESILIENCE

Smart factories initiatives are driving IT-OT network convergence leading to an expansion of the attack surface for cyber-physical assets as traditional air-gap protection diminishes. Manufacturers must invest in robust Cyber Security protocols and disaster recovery plans to safeguard their digitalized processes and maintain uninterrupted production protecting against potential cyber threats and unforeseen disasters.

### REGULATORY COMPLIANCE

New tightening regulations require manufacturers and Utility CEOs to consider Cyber Security requirements throughout the product lifecycle, introducing new responsibilities across the supply chain.

### SUSTAINABLE MANUFACTURING

Smart factories help manufacturers reduce their environmental impact by optimising energy and resource consumption, minimising waste and emissions, and improving recycling and reuse of materials. Also, smart factories support the transition to a circular economy by enabling the tracking and tracing of products throughout their life cycle.

# Digitally mature manufacturers are more resilient and profitable

Capturing the true value of Industry 4.0, McKinsey & Co, 2022

## 15-20%
INVENTORY HOLDING
COST REDUCTION

## 15-30%
LABOUR
PRODUCTIVITY
INCREASE

## 30-50%
DOWNTIME
REDUCTION

## 10-30%
TROUGHPUT
INCREASE

## 85%
FORECASTING
ACCURACY
IMPROVEMENT

## 10-20%
COST-OF-QUALITY
IMPROVEMENT
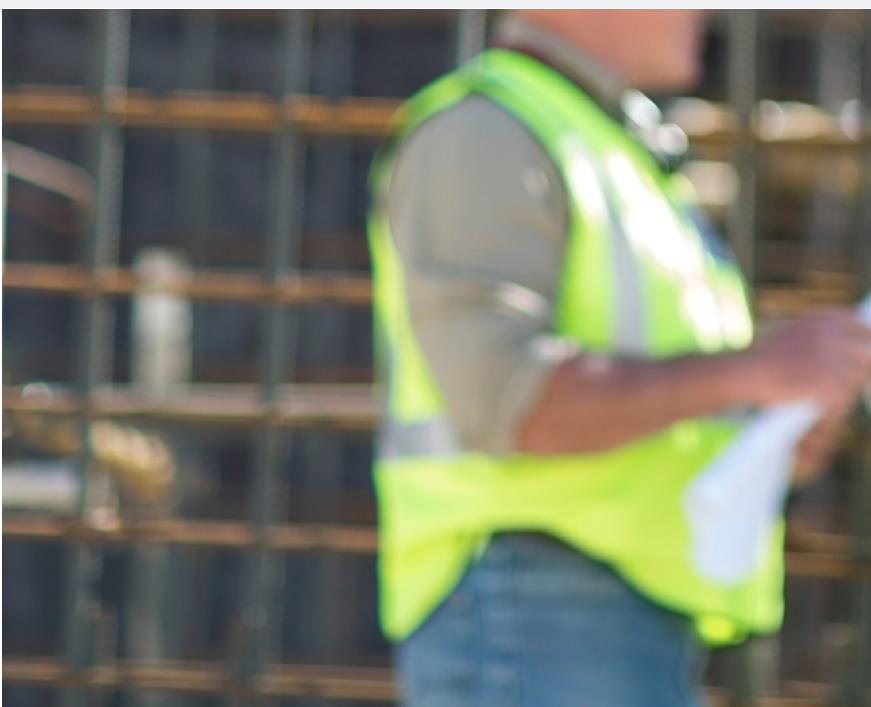
In conclusion, at Telefónica Tech we have a proven track record in the manufacturing sector. We have experience in all the enabling technologies for Industry 4.0: IT/OT, 5G and IoT Networks, Data Analytics Platforms and Artificial Intelligence, including, of course, Cyber Security capabilities and solutions. Telefónica Tech is the trusted partner for a more agile, secure and sustainable manufacturing operation.
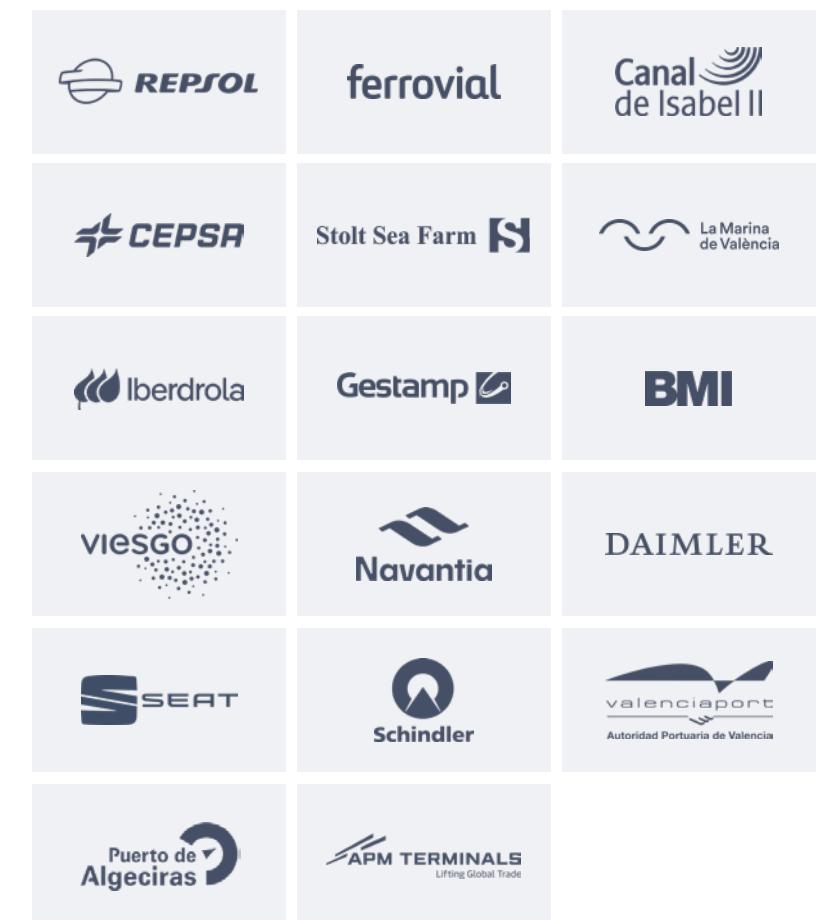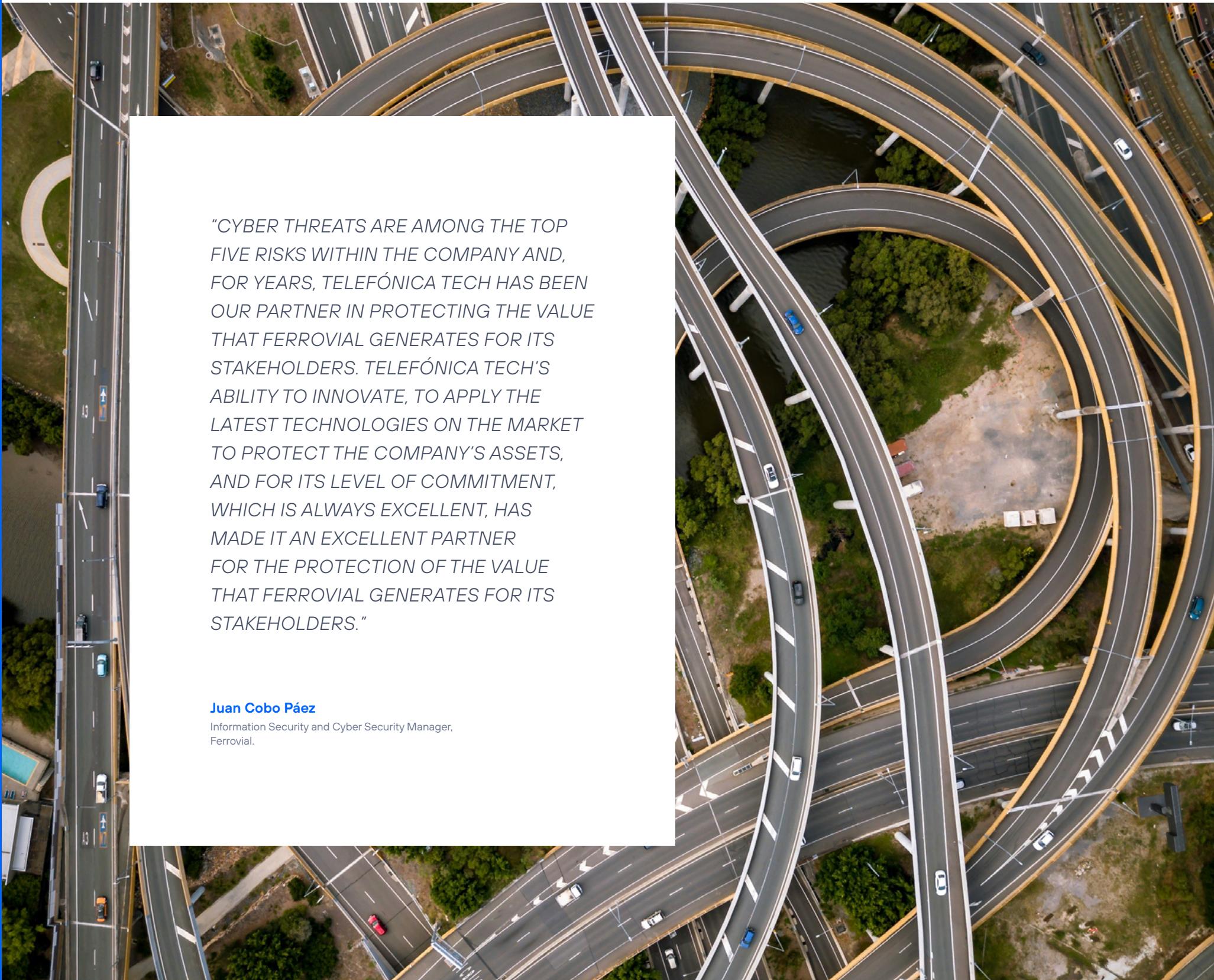
ferrovial

*"CYBER THREATS ARE AMONG THE TOP FIVE RISKS WITHIN THE COMPANY AND, FOR YEARS, TELEFÓNICA TECH HAS BEEN OUR PARTNER IN PROTECTING THE VALUE THAT FERROVIAL GENERATES FOR ITS STAKEHOLDERS. TELEFÓNICA TECH'S ABILITY TO INNOVATE, TO APPLY THE LATEST TECHNOLOGIES ON THE MARKET TO PROTECT THE COMPANY'S ASSETS, AND FOR ITS LEVEL OF COMMITMENT, WHICH IS ALWAYS EXCELLENT, HAS MADE IT AN EXCELLENT PARTNER FOR THE PROTECTION OF THE VALUE THAT FERROVIAL GENERATES FOR ITS STAKEHOLDERS."*

**Juan Cobo Páez**
Information Security and Cyber Security Manager, Ferrovial.

**WHO**
**FERROVIAL.** A world leader in transport infrastructure management.

**WHERE**
Spain.

**CHALLENGE**
The creation of a complete range of advanced security solutions.

**SERVICE SET**
Endpoint and workstation protection, asset, network and application monitoring, secure cloud infrastructure and identity management for more sector-specific issues such as OT and IoT Security.

**OUTCOME**
Support Ferrovial to meet requirements across the complex regulatory environments such as privacy, Cyber Security, IT Governance and Integrated Risk Management, generating a positive impact on the perception of the business by its customers, suppliers and employees through to the creation of a Privacy Office.
Also, Ferrovial is supported by a technical office with a team of specialized professionals, dedicated and integrated with the customer workflows and supported by Telefónica Tech' Digital Operations Center and a Global Network of SOCs 24x7.
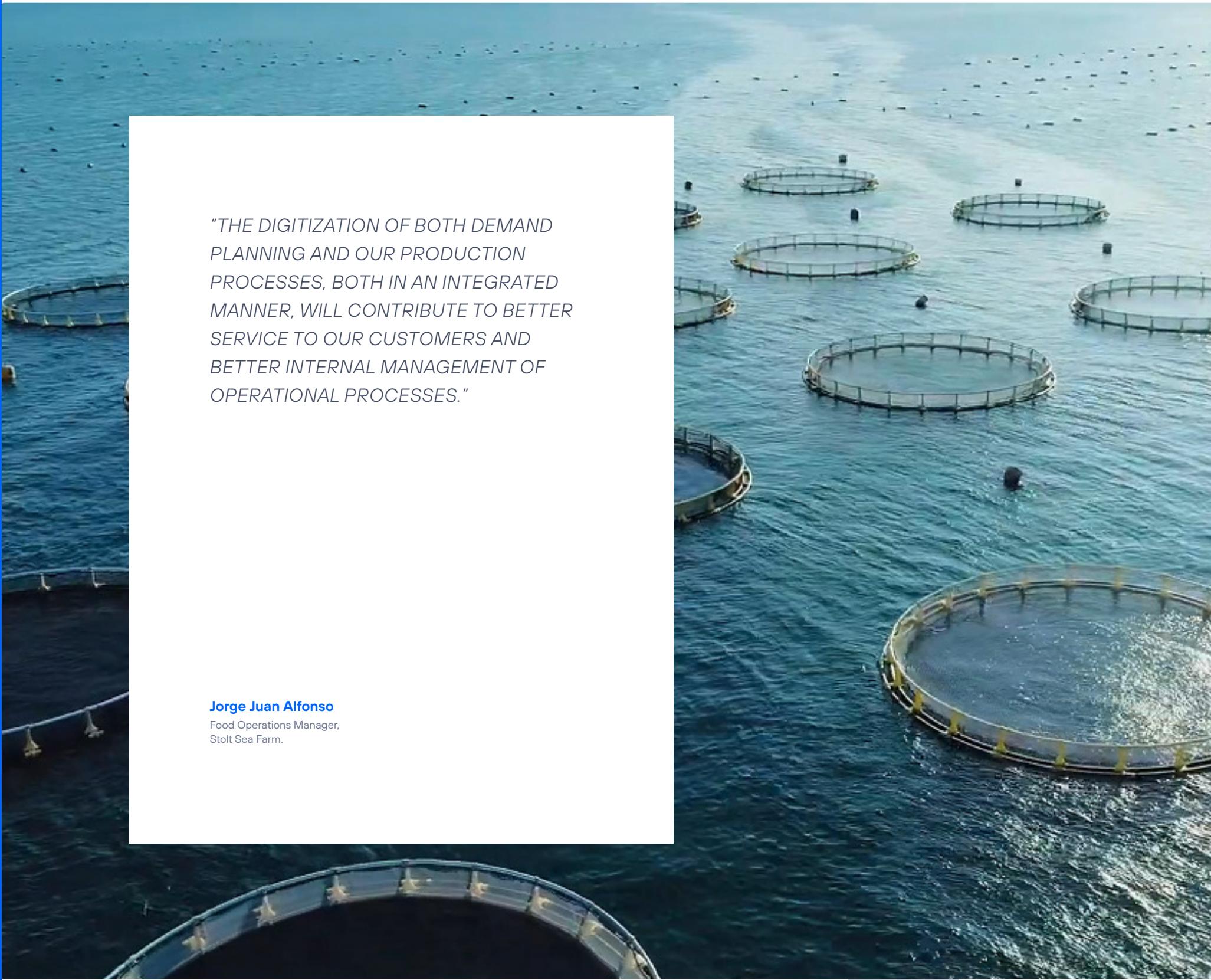
*"THE DIGITIZATION OF BOTH DEMAND PLANNING AND OUR PRODUCTION PROCESSES, BOTH IN AN INTEGRATED MANNER, WILL CONTRIBUTE TO BETTER SERVICE TO OUR CUSTOMERS AND BETTER INTERNAL MANAGEMENT OF OPERATIONAL PROCESSES."*

**Jorge Juan Alfonso**
Food Operations Manager,
Stolt Sea Farm.

## Stolt Sea Farm

### WHO
**SLOT SEA FARM.** Leading company in land-based turbot and sole aquaculture.

### WHERE
Spain, Portugal, France, Iceland and Norway.

### CHALLENGE
The "connected turbot" (as the project was named internally) is an ambitious project for a complete digitalization with AI of aquaculture farms, including the development of a tool to optimize the business, enabling the ability to predict the supply and demand of its fish.

### SERVICE SET
Advanced analytics with Big Data and Artificial Intelligence, WMS for warehouse management, MES system for digitalisation of production and APS for a production and demand planning.

### OUTCOME
Geprom, Part of Telefónica Tech, will digitalize Stolt Sea Farm's 14 aquaculture farms over five years, introducing a cutting-edge tool for optimizing operations. Integrating WMS for warehouse management, MES for production digitalisation, and APS for production and demand planning platforms, with Big Data and AI. The tool predicts supply and demand, improves planning with machine learning algorithms, and enhances efficiency in managing fish production and fingerling quantities.
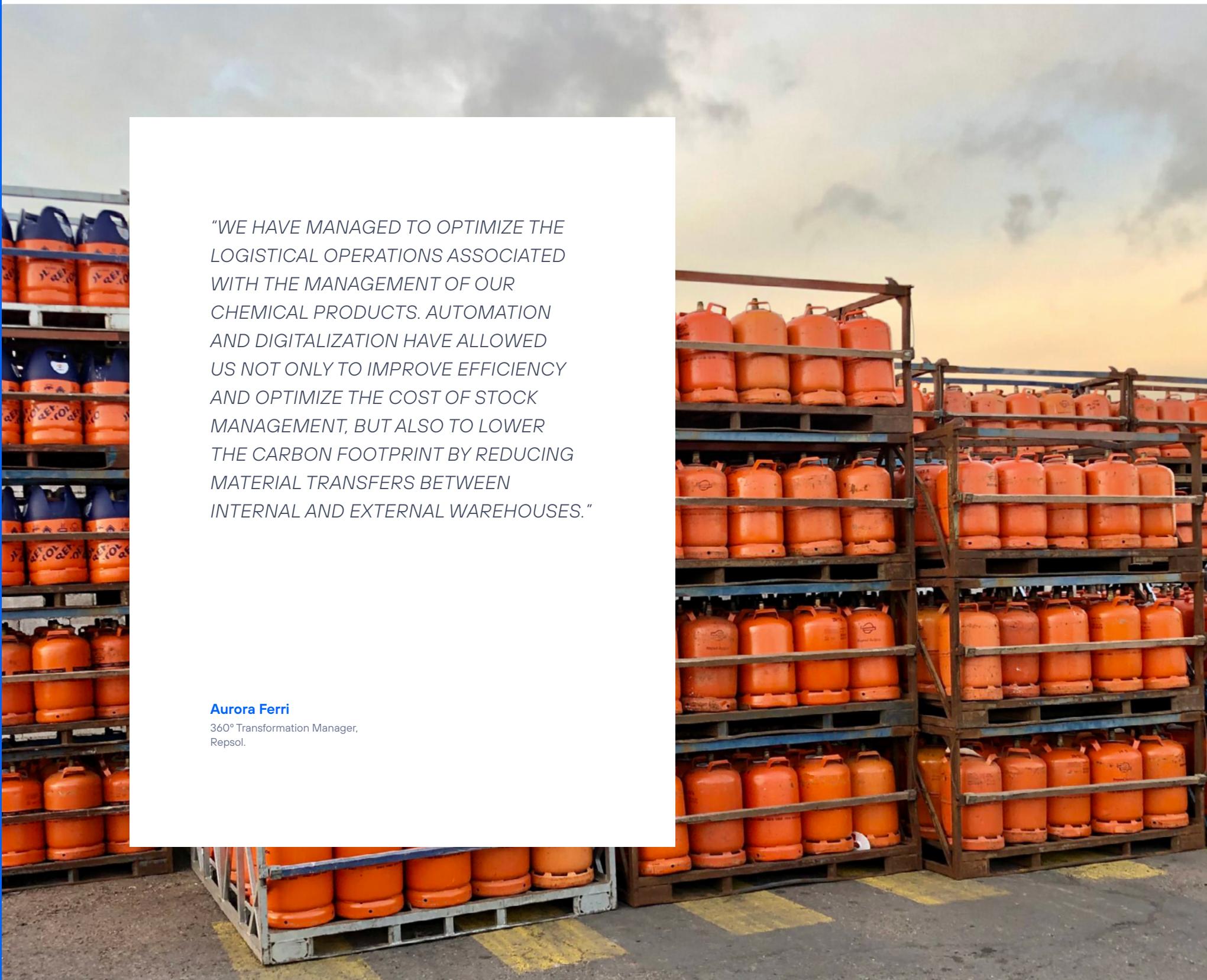
*"WE HAVE MANAGED TO OPTIMIZE THE LOGISTICAL OPERATIONS ASSOCIATED WITH THE MANAGEMENT OF OUR CHEMICAL PRODUCTS. AUTOMATION AND DIGITALIZATION HAVE ALLOWED US NOT ONLY TO IMPROVE EFFICIENCY AND OPTIMIZE THE COST OF STOCK MANAGEMENT, BUT ALSO TO LOWER THE CARBON FOOTPRINT BY REDUCING MATERIAL TRANSFERS BETWEEN INTERNAL AND EXTERNAL WAREHOUSES."*

**Aurora Ferri**
360° Transformation Manager,
Repsol.

**REPSOL**

**WHO**
**REPSOL.** A global multi-energy company provider.

**WHERE**
Spain.

**CHALLENGE**
Transform product management at its external warehouses.

**SERVICE SET**
Artificial Intelligence at the service of logistics and sustainability.

**OUTCOME**
The project aimed to optimize operations at Repsol's chemical plants by establishing efficient systems for the location, transportation and delivery of products to end customers. Thanks to the combination of artificial intelligence, big data, and Data Analytics, Repsol has automated complex logistical tasks, reduced storage and transportation costs (lower emissions), increased stock turnover, avoided waste associated with the age and possible deterioration of the stored product, and promoted sustainability.
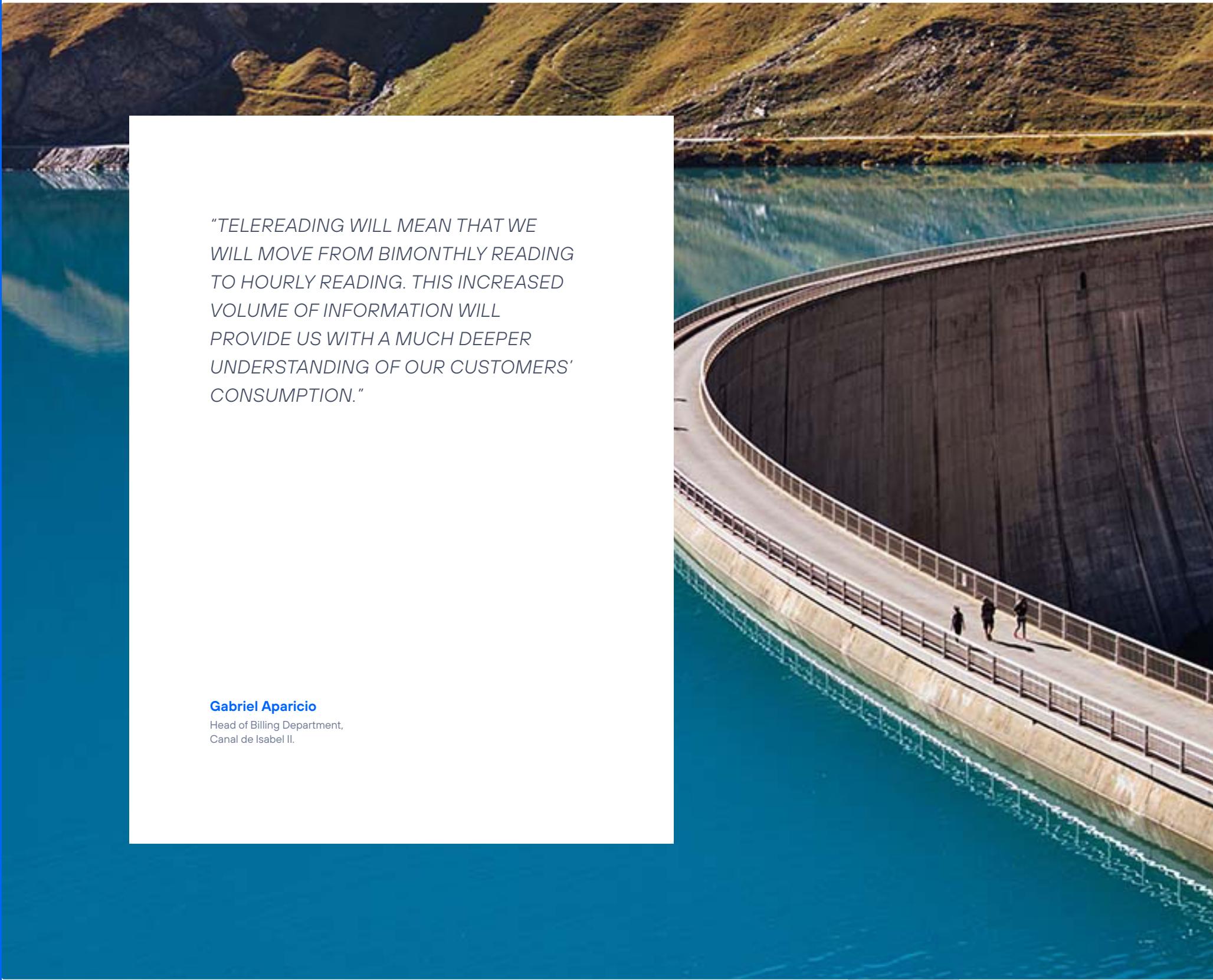
*"TELEREADING WILL MEAN THAT WE WILL MOVE FROM BIMONTHLY READING TO HOURLY READING. THIS INCREASED VOLUME OF INFORMATION WILL PROVIDE US WITH A MUCH DEEPER UNDERSTANDING OF OUR CUSTOMERS' CONSUMPTION."*

**Gabriel Aparicio**
Head of Billing Department,
Canal de Isabel II.

**Canal**
**de Isabel II**

**WHO**
**CANAL DE ISABEL II.** Water utility company.

**WHERE**
Spain.

**CHALLENGE**
Digital transformation in water management.

**SERVICE SET**
Energy and Utilities, Smart Water Management.

**OUTCOME**
Thanks to remote water meter reading, Canal de Isabel II is able to change from a bimonthly reading to an hourly reading. This means, on the one hand, a greater volume of information in order to have a better knowledge of its customers and, on the other hand, the ability to use this information to providing an excellent service to them. In addition, it allows them to remotely monitor and manage the smart meters to detect any that are malfunctioning and also early detection of possible water leaks or burst pipes. Furthermore, the digital transformation of water management will help to make more responsible use of such a valuable scarce resource, providing a more suitable and sustainable solution.

*"SUSTAINABILITY IS A KEY ELEMENT OF 'LA MARINA DE VALENCIA' PROJECT. IN THIS TYPE OF SEASIDE BAYS, FRESHWATER LEAKS ARE A COMMON OCCURRENCE. THANKS TO DIGITALISATION OF RECHARGING POINTS, WE WERE ABLE TO SOLVE THIS PROBLEM, IN FAVOUR OF OPTIMISATION AND EFFICIENT USE OF SUCH A BASIC AND SCARCE NATURAL RESOURCE AS WATER."*

**José Frasquet**
Head of Billing Department,
La Marina de Valencia.

**La Marina de València**

## WHO
**LA MARINA DE VALENCIA.** Innovative and cutting-edge urban marina in the Mediterranean arc that is making great strides towards becoming a port 4.0.

## WHERE
Spain.

## CHALLENGE
Provide a solution for intelligent lighting and water supply points to become integral to Port 4.0.

## SERVICE SET
Industry, Identity Access Management (IDoT, TrustOS and CapaciCard).

## OUTCOME
The application of Telefónica Tech's IDoT technology enables real-time management of boat consumption, early detection of leaks, predictive maintenance and optimisation of mooring management. IDoT technology, which brings together technologies related to Cyber Security, cloud computing, certification and 5G connectivity. The system also uses CapaciCard to facilitate identification of both users and devices and includes a Blockchain layer to ensure data immutability.
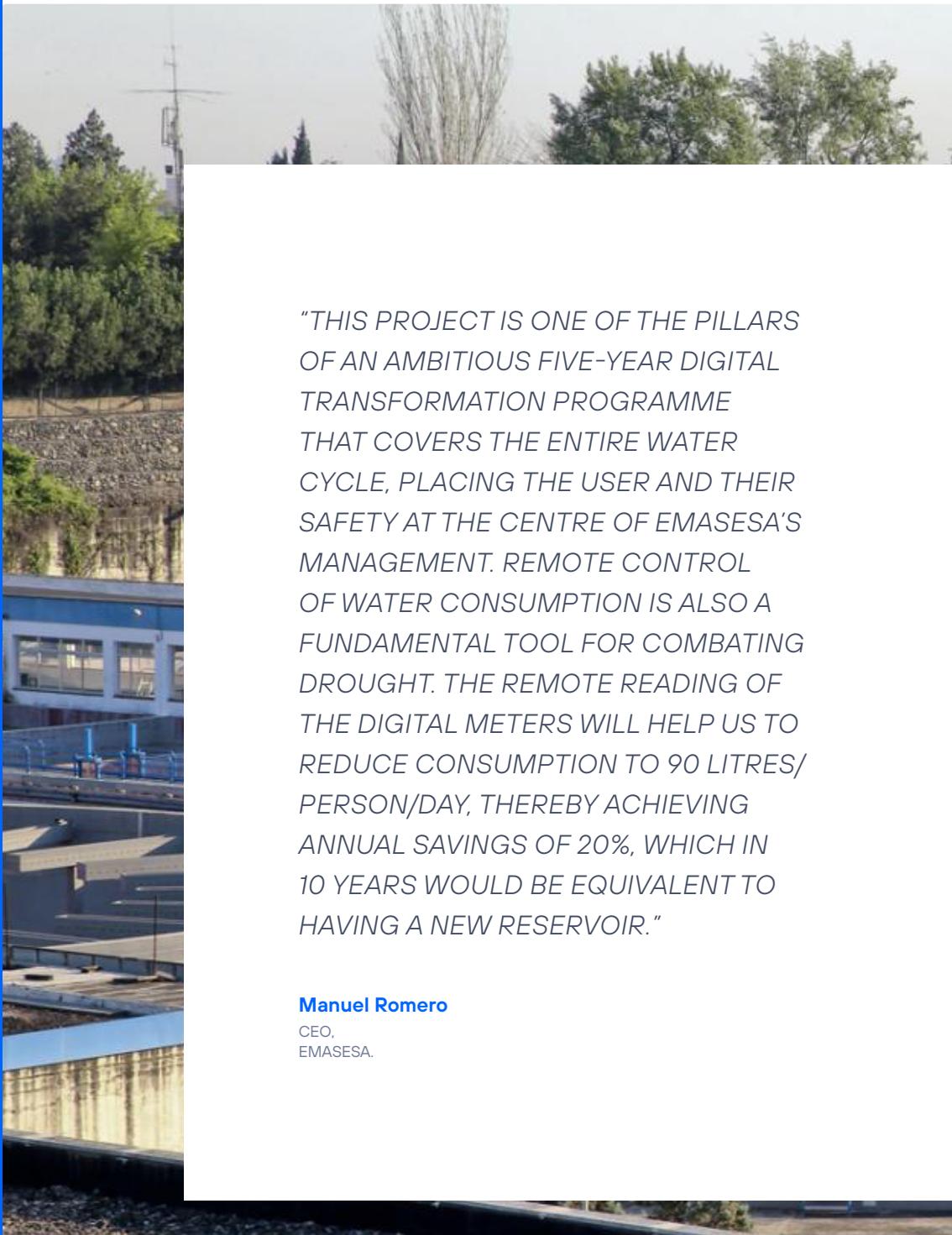
*"THIS PROJECT IS ONE OF THE PILLARS OF AN AMBITIOUS FIVE-YEAR DIGITAL TRANSFORMATION PROGRAMME THAT COVERS THE ENTIRE WATER CYCLE, PLACING THE USER AND THEIR SAFETY AT THE CENTRE OF EMASESA'S MANAGEMENT. REMOTE CONTROL OF WATER CONSUMPTION IS ALSO A FUNDAMENTAL TOOL FOR COMBATING DROUGHT. THE REMOTE READING OF THE DIGITAL METERS WILL HELP US TO REDUCE CONSUMPTION TO 90 LITRES/ PERSON/DAY, THEREBY ACHIEVING ANNUAL SAVINGS OF 20%, WHICH IN 10 YEARS WOULD BE EQUIVALENT TO HAVING A NEW RESERVOIR."*

**Manuel Romero**
CEO,
EMASESA.

**WHO**
**EMASESA.** Metropolitan Water Supply and Sanitation Company.

**WHERE**
Spain.

**CHALLENGE**
Supply smart metering solution for the City, enabling remote, automatic and accurate reading of consumption through NB-IoT networks.

**SERVICE SET**
Energy and Utilities, Smart Water Management and Metering.

**OUTCOME**
Thanks to Telefónica Tech Smart Metering solution, EMASESA will go from having quarterly in-person readings to having remote access to the consumption of the user community every hour. This information is essential to be able to monitor consumption in real time and detect anomalous consumption such as leaks in infrastructure and fraud, putting an end to consumption estimates and the need to access homes. The information received through NB-IoT technology, which will involve more than 7.5 million readings per day, will be stored in EMASESA's 'data lake', a technological platform equipped with artificial intelligence applied to efficient water management, that will make it possible to manage leaks, apply intelligent adduction or create a digital twin of the WWTP (Wastewater Treatment Plant).

*"THANKS TO FLEET MANAGEMENT, WE KNOW IN REAL TIME WHERE EACH LORRY IS AND WHAT IT IS DOING, SO THAT WE CAN GIVE OUR CUSTOMERS THE INFORMATION THEY ASK FOR AT ANY GIVEN MOMENT."*

**Paco Gimeno Giménez**
Director of Digital Transformation and Mobility, PreZero.

**WHO**
**PRE ZERO.** Innovative municipal waste management fleet.

**WHERE**
Worldwide.

**CHALLENGE**
Provide a telematic solution to have real-time control of its services.

**SERVICE SET**
Logistics, Fleet Management.

**OUTCOME**
Thanks to Telefónica Tech solutions PreZero has sensorised a fleet of more than 4,000 vehicles, which allows it to see the location of each vehicle, routes, areas of interest, kilometres and hours driven. In this way, fleet managers can also detect driving behaviour that is conducive to the overall effectiveness of the fleet. This allows them to optimize their fleet with a single information platform (vehicles and sensors) for the waste collection service, enhance efficiency thanks to the KPIs of service compliance and service efficiency in real-time, and achieve improved sustainability thanks to the location and state of the vehicles with route visualisation, route optimisation, journey analysis and driving habits.

OUR CREDENTIALS

# Partner Ecosystem

**Partnerships: the key to adding value with a customer-first mindset.**

We believe in the power of collaboration at Telefónica Tech. We know that working with others is essential in the fast-changing Tech services market. No company can keep up with the pace of new technology development on its own. We are experts in Digital Transformation. We have created a comprehensive commercial offer that supports customers through their "journey" of designing and building a customized digital solution. All of this is supported by an unrivaled network of technology partners. Working with the best creative and technical experts in the world ensures we stay ahead of innovation, able to deliver solutions to tomorrow's problems, today. Strong partners establish a solid base for business relationships and foster them. We are building very focused and strategic global partner relationships: ready to invest, to commit, and to collaborate in putting customers first.

**Our longstanding partnership ecosystem with technology and business leaders demonstrates our mutual commitment to help customers meet their business goals and accelerate digital transformation.**

# We Have the Highest Accreditations from the Best Technology Partners

Accreditations are a cornerstone for commercial success, they are a key requirement for tenders since they certify our technical capability for each partner in specific areas.

## Crowdstrike

### Crowdstrike Elite Solution Provider and Global MSP

**Status:** Elite Solution Provider, Global MSP.

**Areas:** NextDefense (Managed Detection and Response), Device Protection, XDR Extended Detection & Response.

**CROWDSTRIKE**
Global MSP

**THANKS!**

**Matthew Polly**
Vice President Channel and Alliances, CrowdStrike

"*Telefónica has a proud history of offering the best solutions to their small to medium-sized enterprises and large account customers in particular; and we know many businesses around the world are actively looking to replace legacy antivirus (AV) solutions with NextGeneration technology to better secure their data and assets against cyber threats. Coupling CrowdStrike Falcon with Telefónica Tech's NextDefense offering, our joint customers now have trusted and proven NextGen endpoint protection and world-class services that shows immediate time-to-value and gives them confidence that they are protected from breaches.*"

ACCREDITATIONS

# Microsoft

## Microsoft Solution Partner

**Status:** Maximum partnership level with Global attainment of all 6 Solution Partner Designations for Business Applications, Infrastructure (Azure), AI&Data (Azure), Modern Work, Security, and App&Innovation (Azure) and the Microsoft Cloud Designation achieved by having all 6 specializations. Legacy Gold Partner.

8 advanced specializations for Cloud Security, Infra and Database Migration to Microsoft Azure, Microsoft Azure Virtual Desktop, Modernize Endpoints, AI and Machine Learning on Microsoft Azure, Analytics on Microsoft Azure, Microsoft Low code Application Development, Small and Midsize Business Management.

Partner of the year 2023 in Spain and Brazil. Best Partner in Spain for SME digitalization and Best Partner for calls and meetings modernization.

**Areas:** Azure, Cloud Services and Solution Provider, Software, Modern Workplace Change, and Adoption, Licensing, Change Management and Adoption, Business Applications, Fast Track Partner and Surface and Surface Hub reseller.

**Alberto Granados**
President,
Microsoft Spain

"*At Microsoft we have long demonstrated our commitment to meeting and exceeding the data protection requirements of the European Union. **This joint value proposition with Telefónica to provide confidential hybrid cloud solutions** responds to the needs of digital sovereignty and demonstrates that we continue to make progress on this commitment.*"

## Palo Alto Diamond Innovator and MSSP

**Status:** Diamond Innovator, MSSP Innovator, Prisma MSSP, MDR Partner, ASC Partner, CPSP Partner, Prisma Access Approved Partner. PANW 2022 Award for Customer Excellence.

**Areas:** Cloud Security, Device Management, Network Security, NextDefense (Vulnerability Risk Management, Cyber Threat Intelligence, Managed Detection and Response).

## Google Premier Partner and MSP

**Status:** Premier Partner, Managed Service Provider, Work Transformation Enterprise Specialization, Infrastructure Specialization, Cloud Migration, Application Development, Data Analytics.

**Areas:** Cloud Service Provider, Workspace, Software, Cyber Security.
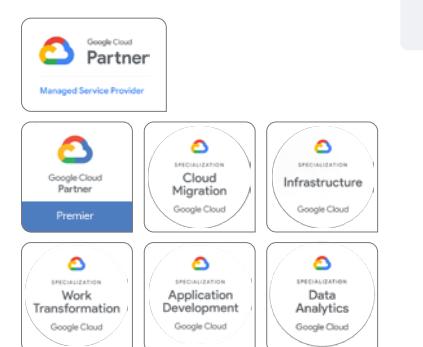
## IBM Platinum Partner

**Status:** Maximum partnership level as Platinum Partner.

**Areas:** Licenses & Hardware, Storage, Cloud, IoT, AI, Data, Security and Blockchain.

## CISCO Gold Partner

**Status:** Gold Integrator, Gold Provider, Advanced Collaboration Architecture Specialization, Advanced Data Center Architecture Specialization, Advanced Enterprise Networks Architecture Specialization, Advanced Security Architecture Specialization, Cisco Unified Contact Center Express Specialization, Meraki CPS Cisco Powered Services.

**Areas:** Cloud Networking, SASE, UCaaS and Collaboration, Cyber Security, Data Center Infrastructure, Professional and managed services, Infrastructure support contract services, End-user devices, and Contact Center.

## Netskope Global Platinum Partner and Global MSP

**Status:** Netskope Service Delivery Specialization. Managed Service Provider.

**Areas:** Security Service Edge, Cloud Firewall, Cloud Proxy.

## Checkpoint Stars Partner and Global MSSP

**Status:** 5 Star Reseller in Spain and 4Star Reseller in Latam, MSSP Partner, CloudGuard Specialized, Mobile Security Specialized.

**Areas:** Cloud Security, Device Management, Network Security.

## AWS Advanced Partner Tier Services and MSP

**Status:** Advanced Partner, Security Software Competency, Advanced Tier Services Competency, AWS Microsoft Workloads Services competency, Security Software Competency, Direct Connect Specialization, Authority to Operate on AWS (ATO) in Spain for the public sector and Acens became Telefónica Tech AWS Center of Expertise in Spain.

**Areas:** Cloud Services Provider, Security.
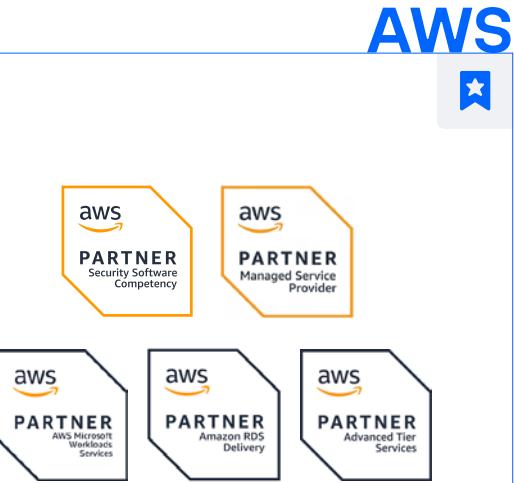
**Adolfo Hernández**
Vice President Global Telco Industry, AWS

*"We are excited to work with Telefónica to bring our successful collaboration to the next level and build out customer-centric solutions on AWS, especially on 5G and edge computing. **This collaboration means AWS can bring the highest level of cloud native expertise to an even wider audience with Telefónica**, significantly accelerating the pace of innovation and cloud adoption."*

# Oracle

### Oracle Partner Network and Cloud Service Provider (CSP)

**Status:** Cloud Solution provider with 8 Oracle expertise: Enterprise Communications, Exadata Database Machine, Oracle Private Cloud Appliance, Oracle SPARC Servers, StorageTek Tape Storage, Cloud Platform, Cloud Platform Data Management, Database Oracle Cloud. Oracle region in Madrid- Spain, with Telefónica.

**Areas:** Licenses & Hardware, Cloud Services Provider.

*"Our partnership with Telefónica also comes at a propitious moment for Spain, with the ongoing application of EU recovery funds to boost cloud adoption and business competitiveness in the country. This agreement reaffirms our commitment to providing Spanish businesses and public sector entities with a secure and scalable cloud services platform that helps accelerate the adoption of AI, machine learning and other new technologies in organizations of all sizes and sectors."*

**Albert Triola**
Senior Vice President Support Renewal Sales EMEA - Country Leader Oracle Spain, Oracle
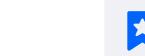
### HPE Platinum Partner Hybrid IT and Gold Aruba Partner

**Status:** Platinum Hybrid IT Specialist Partner and Gold Aruba Partner, GreenLake Competency.

**Areas:** Cloud Networking, Data Storage solutions, Computing, Hybrid Cloud, Digital Transformation, Servers, Hyperconverged and Converged Infrastructure, Data Protection, Virtualization, Digital Hybrid Workplace, Remote Connectivity, Managed Cloud Services, Managed Security, Everything-as-a-Service (IT-as-a-Service), Intelligent Storage, Modern Data Centers, SME Data Solutions, Asset Lifecycle and Upcycling, IT Support.

### VMware Partner

**Status:** VMware Advanced Technology Alliance.

**Areas:** Virtual Data Center, Device Management, Network virtualization, Desktop Virtualization, Hybrid Cloud, Cloud Comms & Networking, Cyber Security.

### Partner Edge Program

**Areas:** Success Factors, Rise S4H cloud public, Rise S4H cloud private, Open cloud solutions,

# ACCREDITATIONS

ACCREDITATIONS

FROM THE BEST TECHNOLOGY PARTNERS

## Fortinet

### Fortinet Integrator MSSP

**Status:** Regional Partner Advanced Integrator & MSSP Specialization on SD-WAN LAN Edge, SD-Branch & Operational Technology.

**Areas:** Device Management, SDWAN Network Security and NextDefense (Vulnerability Risk Management, Cyber Threat Intelligence, Managed Detection and Response).

**ENGAGE**
FORTINET EXPERT PARTNER
Integrator, MSSP

SPECIALIZATION
Adaptive Cloud Security

SPECIALIZATION
Zero Trust Access

SPECIALIZATION
SD-WAN

SPECIALIZATION
Operational Technology

**John Maddison**
EVP of Products and CMO, Fortinet

*"We are proud to expand our collaboration with Telefónica Tech to combine its managed security services and intelligence operations carried out from SOCs with our secure SD-WAN and SASE products. We are dedicated to working with our partners to develop solutions based on security-driven networking principles to solve customer challenges and protect people, devices, and data everywhere."*

PART III
OUR CREDENTIALS

# Industry Analysts Recognition

TELEFÓNICA TECH'S CAPABILITIES ARE
RECOGNIZED BY ITS LARGE CUSTOMER
ACROSS MULTIPLE INDUSTRIES, ITS SOLID
AND EXTENSIVE PARTNER ECOSYSTEM
AND BY INDUSTRY ANALYSTS.

## FUTURE WORKPLACE, UCAAS

### GlobalData.

**VERY STRONG**

Collaboration and Contact Center Services
(Global) Competitive Landscape.
June 2023.

RECOGNITIONS

## GENERAL

### IDC

**MAYOR PLAYER**

Worldwide Communications Service
Provider Digital Infrastructure and
Services 2023 Vendor Assessment.
November 2023.

### GlobalData.

**NUMBER 1**

Telecom Services Sector Scorecard
Q3 2023 Update.
October 2023.



*"Telefónica is a leader in the Enterprise Managed
Mobility Competitive Landscape. The company
stands out for its new enterprise mobility services
ranging from new UEM solutions to support
services, and new commercial propositions
around 5G for use cases including robots, drones
and remote support... Mobile security as an
important differentiator... Telefónica´s expansion
of its professional services, its vertical approach
for large clients and SMEs, and the improve of
consulting and advisory services. Telefónica
has also added proactive device management
support."*

**Kathryn Weldon**
February 2024.
GlobalData.

## IOT CONNECTIVITY SERVICES

## HIBRYD CLOUD

**GlobalData.**

**VERY STRONG**

Managed Hybrid Cloud Services
Competitive Landscape.
June 2023.

**analysys mason**

**LEADER**

Edge strategy case studies.
January 2024.

*"Telefónica is a leading provider of edge computing services, according to Analysys Mason's report, 'Edge Strategy case studies: operator progress report'. Telefónica is categorised as a 'multi-edge visionary' and is the only operator in the report to have a public industrial edge. The company's strong investment in edge gives it a unique positioning that can leverage its well-established systems integration business and early mover advantage in private networks, according to Analysys Mason."*

**Daniel Beazer**
December 2023.
Analysys Mason.

*"Telefónica is a leader in the global IoT market, having committed itself to a tight integration of the IoT portfolio with AI, analytics, blockchain, and security, resulting in compelling, innovative capabilities and solutions… The ability to provide end-to-end operational capabilities means Telefónica can successfully implement digital projects in support of customers' transformation strategies, especially those interested in leveraging AI as part of their IoT solution… Enterprises that place high importance on security and big data/analytics should consider Telefónica as it offers strong integration of these capabilities with its IoT portfolio."*

**John Marcus**
January 2024.
GlobalData.

**Gartner.**

**LEADER**

Telefónica is a Leader in the 2024 Gartner® Magic Quadrant™ for Managed in IoT Connectivity Services, Worldwide report for the tenth consecutive time. February 2024.

**IDC**

**LEADER**

Worldwide Managed IoT Connectivity Services 2023. August 2023.

**GlobalData.**

**VERY STRONG**

Telefónica Global Industrial IoT Services. January 2024.

**TRANSFORMA INSIGHTS**

**TOP GLOBAL LEADERS**

Communications Service Provider IoT Peer Benchmarking 2023 - Transforma Insights, February 2023.

## CYBER SECURITY & NAAS

### GlobalData.

**VERY STRONG**

Telefónica Managed Security.
January 31.

### FORRESTER®

**STRONG PERFORMER**

European Managed Security Services
Providers, Q3 2022.
August 2022.

### IDC

**LEADER**

European Managed Security
Services 2022.
January 2022.

### IDC

**MAJOR PLAYER**

Worldwide SD-WAN Managed
Services.
November 2023.

*"Telefónica Tech is very strong in
managed security, providing most
services and features required by MNCs
and large corporate customers in Europe
and Latin America. At the same time,
strategic alliances are leveraged with
partners around the world to extend
coverage and opportunities."*

**Amy DeCarlo**
January 2024.
GlobalData.

**INDUSTRY ANALYSTS**

# RECOGNITION

# ENVIRONMENTAL, SOCIAL & GOVERNANCE

*This image was created using generative AI*

PART IV
ENVIRONMENTAL, SOCIAL & GOVERNANCE

# ESG
# is at Tech Core

# Environmental, Social & Governance

Sustainability is becoming more important every year—in everything from how we work to what we make to who we work with. Stakeholders want to see how businesses are improving their sustainability. Customers want it from their brands, as they look for common values when buying

things. Partners and suppliers, too, look for clear actions toward ESG (that's environmental, social and governance) goals. And investors, knowing that customers and partners' assessment of a company's sustainability matters a lot, are also seeking this clarity.

The Strategy team at Telefónica Tech is responsible for the ESG strategy & initiatives throughout the company. The ESG area of Telefónica Tech consists of those who set the strategic goals and who oversee creating the company's transformation initiatives; they are part of the Telefónica Tech Executive Committee themselves.

We want to be the reliable partner for our customers: every enterprise depends on technology, and every enterprise must face ESG challenges. Our Telefónica Tech portfolio supports our customers achieve their ESG goals. Our Eco Smart portfolio helps to create a more sustainable future by lowering the environmental impact, while our Cyber Security capabilities are the essential pillar to enable any business to protect personal information and comply with regulatory, compliance & governance standards. Furthermore, we are promoting digitalisation and e-inclusion for SMEs with our dedicated suite for this segment.

**ESG is at the core of Telefónica Tech in both what we do and how we do it.**

# By offering our clients a strong value proposition, we ensure the success of their business

**Cloud and IoT solutions contribute to a greener future** by reducing our customers' environmental footprint.

**360° Digital Business solutions** for SMEs and **Workplace** have a positive impact on **digital inclusion and work-life balance.**

Our unique **Cyber Security capabilities** to help **protect** our **customers'** personal **information** and **comply with regulation and governance standards.**

Our **ERP solutions** enable companies to comply with ESG standards and **optimize** their **processes** for a more **ethical, responsible, and sustainable operation.**

58% of our portfolio is verified with the **Eco Smart seal.**



LOGISTICS
BANKING
TRANSPORT
INSURANCE
RETAIL
PUBLIC ADMINISTRATION
INDUSTRY
ENERGY & UTILITIES
AGRICULTURE & LIVESTOCK
TOURISM & LEISURE
OIL & GAS
HEALTHCARE
SPORTS
TELCO

Professional Services
Managed Services
Sales Specialist

**HYBRID CLOUD**
Manage your workloads, Data & Apps.

**360° DIGITAL BUSINESS**
Growing together.

**CYBER SECURITY**
Build a resilient business.

**DATA & AI**
Transform data into Value.

**CUSTOMER**

**FUTURE WORKPLACE**
Reinvent digital work.

**CONNECTIVITY & IOT**
Connectivity and devices to go one step further.

**BUSINESS APPS**
Business Applications in the cloud.

PART IV
ENVIRONMENTAL, SOCIAL & GOVERNANCE

# Building a Greener Future

The world today is facing unprecedented challenges that show how vital it is to coexist peacefully with our planet. Even in the context of multiple and serious global challenges, such as the conflict in Ukraine, the cost-of-living crisis and economic hardship and the disruption of supply chains, the climate crisis remains the main challenge for the future.

Telefónica Group has spent the last ten years lowering its environmental impact by shrinking our carbon footprint - including reaching net-zero emissions, 100% renewables and zero waste and expanding our role in offering products and services that reduce carbon emissions. For the latter, Telefónica Group prevented more than 86 million tons of $CO_2$ from being emitted through connectivity and Eco Smart services across the group.

In recent years, we have made further progress and made our commitment to sustainability and decarbonisation even more visible to our customers. Currently, 58% of Telefónica Tech's products and services have an Eco Smart seal, verified by AENOR (the Spanish Association for Standardization and Certification), which certifies that our digital solutions for companies achieve what they promise: optimise the consumption of resources such as energy and water, reduce $CO_2$ emissions and promote the circular economy.

**OUR PORTFOLIO OF DECARBONISATION SOLUTIONS IS ALREADY DELIVERING TANGIBLE RESULTS TO OUR CUSTOMERS AND DRIVING GROWTH.**

**1**

Water telemetry reduces water losses by **35%** and fuel consumption by **20%**.

**2**

Smart waste management reduces electricity consumption in buildings by **15%**, reducing fuel consumption by **10-15%** optimizing pick-up routes.

**3**

Cloud services are based on highly efficient data centres that help customers avoid the emission of **> 5,600 tons of $CO_2$** to reduce their energy consumption and $CO_2$ emissions.

**4**

Reducing travel can prevents the release of around **1.4 tons of $CO_2$** per person per year into the atmosphere.

# Environment

At Telefónica Tech we want our clients to get on the train of the sustainable digital revolution hand in hand with a trusted technology partner, committed to the environment and sustainability.

ECOSMART

# Digital Solutions for Environmental Challenges

**Energy Saving**
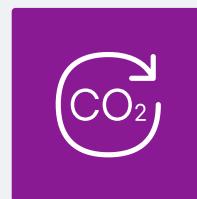
**Reduction in CO₂ Emissions**

**Reduction in Water Consumption**

**Circular Economy**

Smart **metering**

**e-Health**

Smart **factories**

Smart management of the **water cycle**

Smart **energy**

Smart **waste management**

Smart **traffic**

**Fleet** management

Smart **parking**

**New ways of working**

Smart **urban lighting**

Smart **agriculture/livestock**

Smart **irrigation**
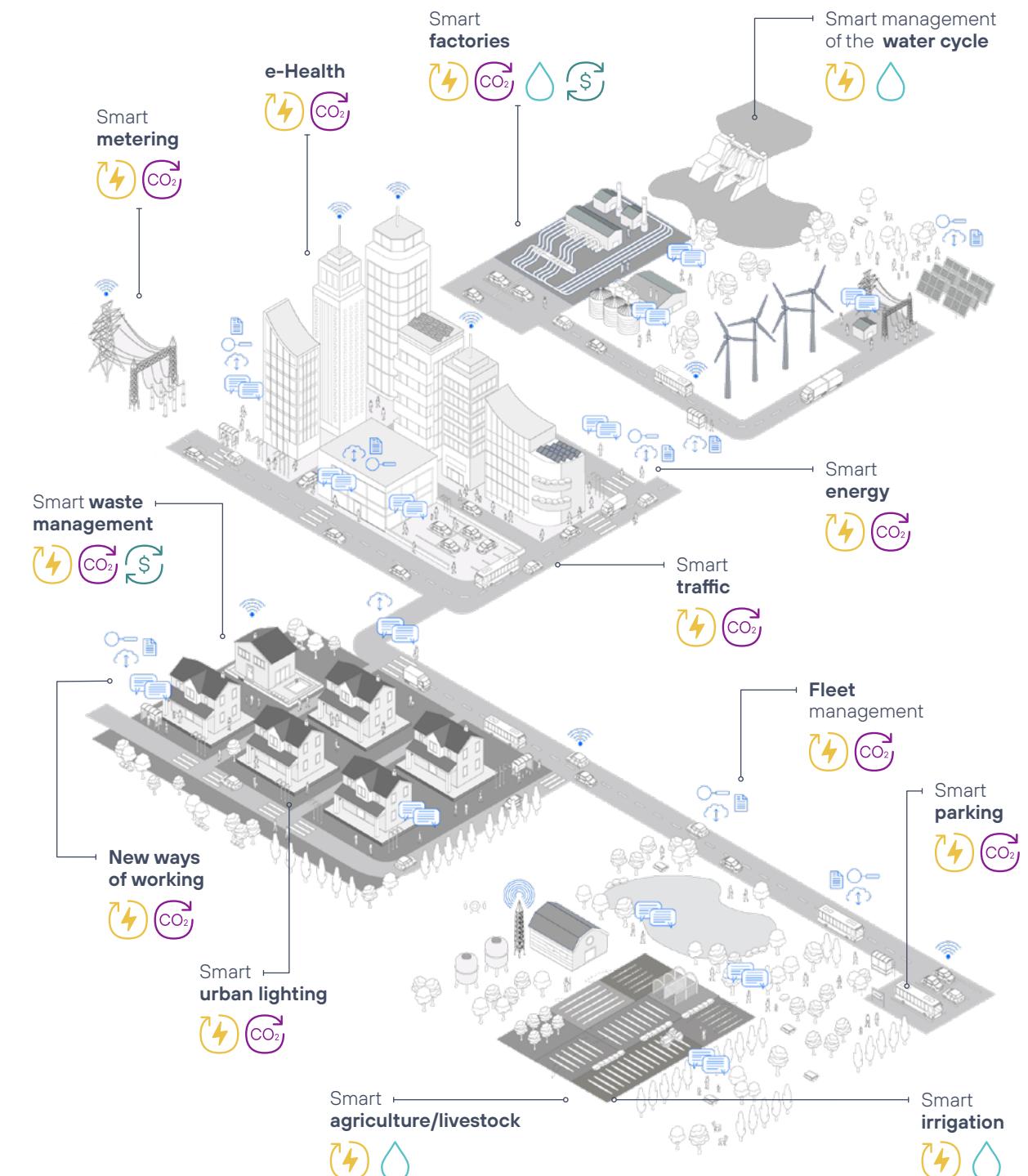
## EMASESA

*"This project is one of the pillars of an ambitious five-year Digital Transformation Program that covers the entire water cycle, placing the user and his or her safety at the centre of EMASESA's management. Remote control of water consumption is also a fundamental tool for combating drought. The remote reading of the digital meters will help us to reduce consumption to 90 litters/person/day, thereby achieving an annual saving of 20%, which in 10 years (drought cycle forecast) would be equivalent to having a new reservoir."*

## REPSOL

*"With this project we have managed to optimize the logistic operations associated with the management of our chemical products. Automation and digitalization have allowed us not only to improve efficiency and optimize the cost of stock management, but also to reduce the carbon footprint by reducing material transfers between internal and external warehouses."*

## BMI GROUP

*"With the help of Telefónica Tech's service to reuse, recycle and resell IT Assets, 600 decommissioned units have been reused and resold with a further 3,000 units set to be processed over the next two years. This initiative will reduce 1M Kg. of $CO_2$ emissions and save 6,000 Kg. of e-waste from being sent to landfill over the next 2 years."*

## REDEIA

*"Thanks to the new developments that we have designed together with Telefónica, we have improved the efficiency of use of the transmission grid, increasing renewable penetration in the electric sector. A further step in the energy transition."*

PART IV
ENVIRONMENTAL, SOCIAL & GOVERNANCE

# Helping Society Thrive
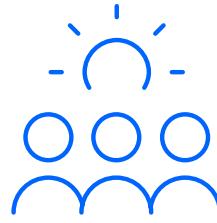
Telefónica Tech has the purpose of fostering economic and social progress through digitalization and e-inclusion, especially for the SME sector.

SMEs represent a significant part of the business structure of our footprint, and we are committed to bringing technology closer to them. In recent years we have developed a complete value proposition adapted to the segment, that enables the delivery of technology to the smallest businesses and strengthens the economic development of small and medium-sized enterprises.
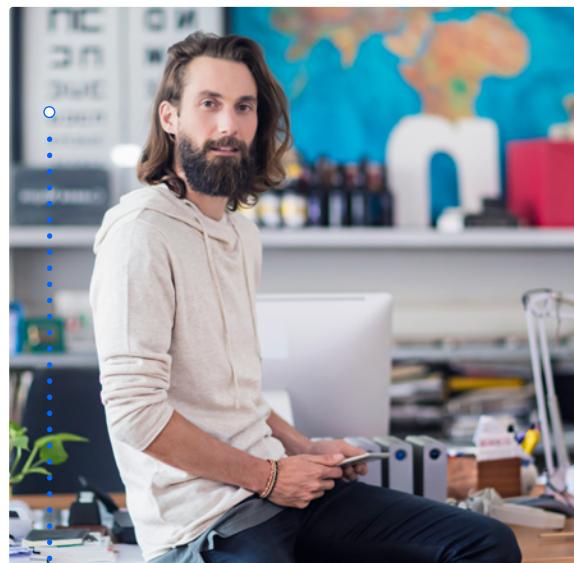


We are also incorporating responsibility by design into new solutions and services. Our target is to evaluate 100% of new products & services according to this approach by 2025. Responsibility by design is a process that allows us to incorporate ethical and sustainability criteria in the development of products and services, from their initial approach to their delivery to the client.

This means that we are evaluating:

**1**

Principles of responsibility to the customer (simplicity, transparency, integrity, and reputational impact).

**2**

Ethical principles applied to Artificial Intelligence and Data (fair, transparent, explainable, privacy & security from the design).

**3**

Accessibility and human rights.

**4**

Impact on the environment.

In Telefónica Tech, we believe **our people are our greatest asset**. We aim to attract, develop and retain the best talent. We are committed to diversity and inclusion, learning and professional development. As such, we invest in continuous learning and professional development of our people, and we are also promoting several initiatives to promote e-inclusion, such as the Bootcamps.
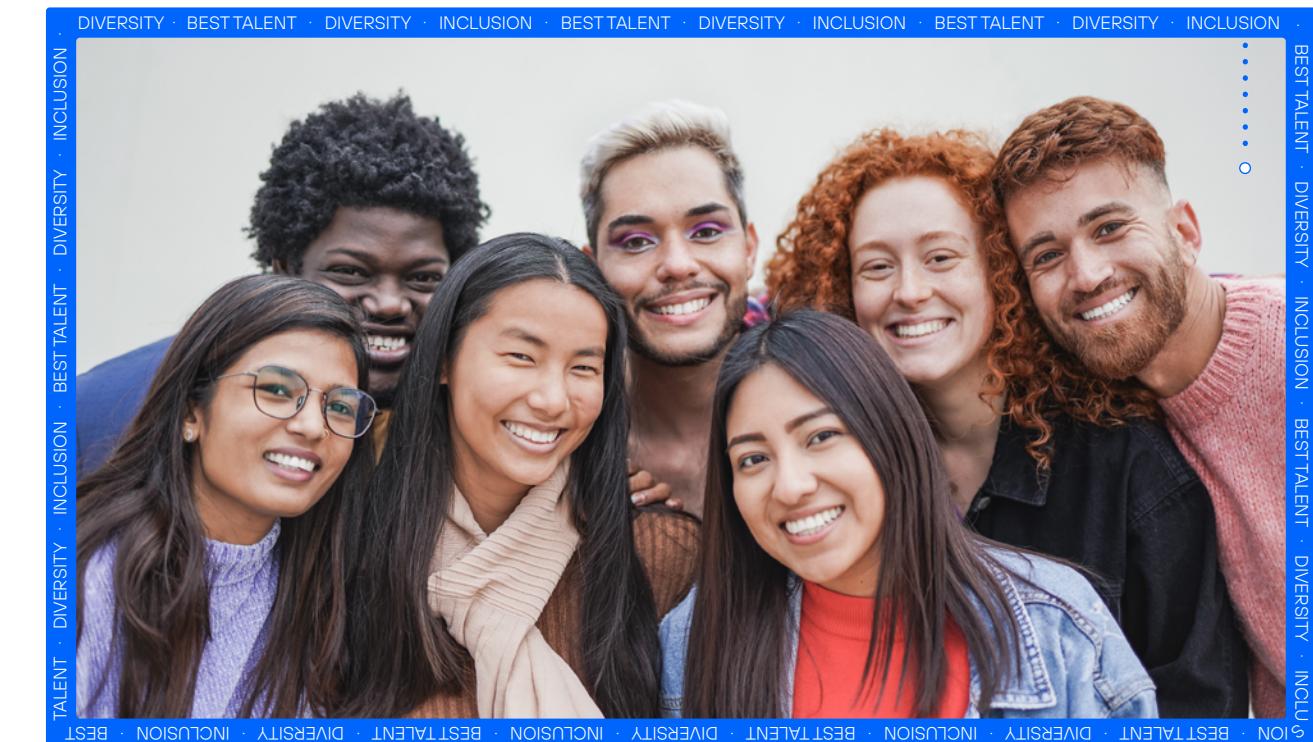
PART IV

ENVIRONMENTAL, SOCIAL & GOVERNANCE

# Leading by Example
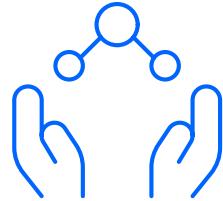
We embed ESG across the business, including the value chain, with the highest ethical standards according to our responsible business principles. Since its creation, Telefónica Tech has been aligned with ESG legal and regulatory requirements and Telefónica standards.

We have rigorous process development with dedicated teams to define processes and assure we have the right certifications. We have an Internal Security area, as well as several external accreditations. In 2023, we had 6 external security audits of our portfolio.

We also help our customers to meet their Governance requirements, Telefónica Tech is making security more human and building trust and confidence for our customers with our Cyber Security services. We ensure the security, privacy, and confidentiality of customer data with the highest security standards and processes.

*Resilience*

# 03

## Managed XDR

Monitoring: visibility and analytics.

Intelligent Platform, IA, ML.

**Correlation.**

**Automatization** of response rules.

**Analysis, Priorization, Containment, Action.**

**Recover** systems and data bases.

**Forensics.**

Implementation of Security **improvements.**

**DETECT, RESPONSE & RECOVER**

# 02

## Digital Zero Trust

**Identity** as the new **boundary**.

Proper Security Infrastructure to protect the **critical Business assets.**

**PROTECT**

# 01

## Validated Risk Mgmt.

Analysis of current Security Posture related with the **critical Business assets.**

Define the **risk tolerance** of the company.

⚠ **IDENTIFY & PREPARE**

# FINANCIAL & OPERATIONAL PERFORMANCE

# Third Consecutive Year Growing Above the Market

Telefónica Tech once again posted growth which surpassed market performance, standing, on the shoulders of our greatest strengths, our highly skilled workforce, as a leading provider of advanced NextGen IT Solutions and our well-established reputation for excellent delivery across Europe and the Americas.

In 2023, revenues reached 1,878m€ in 2023, growing at +26.7% YoY. In constant perimeter, revenue maintained solid double-digit growth of +21.7% YoY (c. 2x market growth).

**TELEFÓNICA TECH ANNUAL REVENUE SINCE ITS CREATION (M€)**

+€395m
+26.7% YoY

CAGR
**+39%**

Constant Perimeter +21.7 YoY in FY

| | | | |
|---|---|---|---|
| 706 | 944 | 1,482 | **1,878** |
| FY'20 | FY'21 | FY'22 | **FY'23** |

This is the third consecutive year growing above the market, delivering a consistent performance, and consolidating our strategy. Telefónica Tech revenue mix is well-balanced in services (high weight of revenue from Managed & Professional services & own platforms, with better margins) and geographies (>85% revenues from hard-currency markets).

Both Cyber Security & Cloud and IoT & Big Data outperformed the market growth in 2023; their revenues reached 1,622m€ (+24.1% YoY) and 259m€ (+46.1% YoY), respectively.

# Strong Commercial Activity, Large Revenue Visibility

Telefónica Tech maintained a robust commercial activity, with qualified commercial funnel & bookings posting double-digit growth in 2023. As such, it is well-positioned for delivering additional growth on the back of its strong sales pipeline in various technologies across sectors.

Telefónica Tech has multiple blue-chip customers across various industries, including public bodies, financial services, and healthcare.

# Consolidated Capabilities to Keep Delivering Revenue Growth



**STRONG DELIVERY CAPABILITIES**

Telefónica Tech has reinforced its capabilities with the opening of a new location for its Digital Operations Center in Bogota in 2023.

As a result, Telefónica Tech currently has a Global DOC with two locations (Spain and Colombia) and a Global Network of Security Operations Centers and "TheThinX", an Open Lab to simulate the real-world operation prior to real world deployments.



**HIGHLY SKILLED & DIVERSIFIED TEAM**

Telefónica Tech is a talent and innovation led organization of >6,300 highly skilled people from more than 60 nationalities that believe that technology can do great things. We are close to our customers, and ~80% of our People are in Europe. Our team currently holds +4,000 certifications in third party technologies.
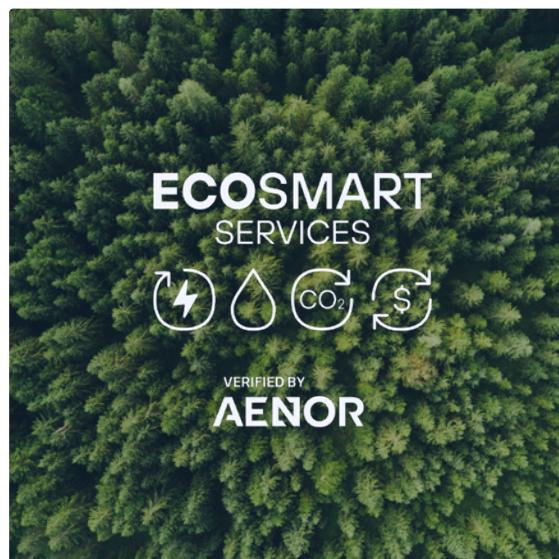


**SUSTAINABLE PORTFOLIO OF PRODUCTS AND SERVICES FOR THE BEST VALUE PROPOSITION**

Telefónica Tech actively contributes to meeting B2B customers ESG objectives. It offers solutions that promote the decarbonisation of the economy, fosters economic and social progress through digitalisation and guarantees the security, privacy, and confidentiality of customer data with the highest security standards and processes. Telefónica Group was ranked as the telco leader by STL Partners, highlighting the external audits of the environmental benefits of Telefónica Tech's Eco Smart services for the B2B segment.



**DIFFERENTIAL CUSTOMER JOURNEY**

Telefónica Tech offers a comprehensive, end-to-end NextGen Solutions suite across Cloud, Cyber Security, IoT, Artificial Intelligence, Business Applications, and Big Data enabling organisations of any size and digital maturity to successfully execute their digital transformation journey.



**CREDENTIALS BY CUSTOMERS, PARTNERS, AND INDUSTRY ANALYSTS**

Telefónica Tech has reinforced its market position and customer testimonials, with leading industry recognitions and extensive partnerships with key technology leaders, as described in chapter 3 "Our Credentials".

# New
# Operating
# Model

During this year, Telefónica Tech consolidated a 3-year cycle, establishing itself as a fully operational company in all the geographies where it operates. In Q2 23, it unified the Cyber Security & Cloud and the IoT & Big Data businesses to provide the best service to all its customers and it has unified a portfolio aligned with technological trends.

Telefónica Tech now operates with geographic commercial units (Spain & Americas, the UK & Ireland, and Central Europe), and Global Service Lines (GSL) as transversal units expanding high-value capabilities. IoT and Business Apps GSLs were launched in mid-2023 and Cyber Security capabilities are being expanded in the UK since Q4'23 as a part of the GSL launch. This new operating model is allowing us to unify the portfolio and deliver the best service boosting the growth by increasing the share of wallet of its customer base.

*Alberto Cuesta, Telefónica Tech Spain*

PART VI

# LOOKING FORWARD

*This image was created using generative AI*
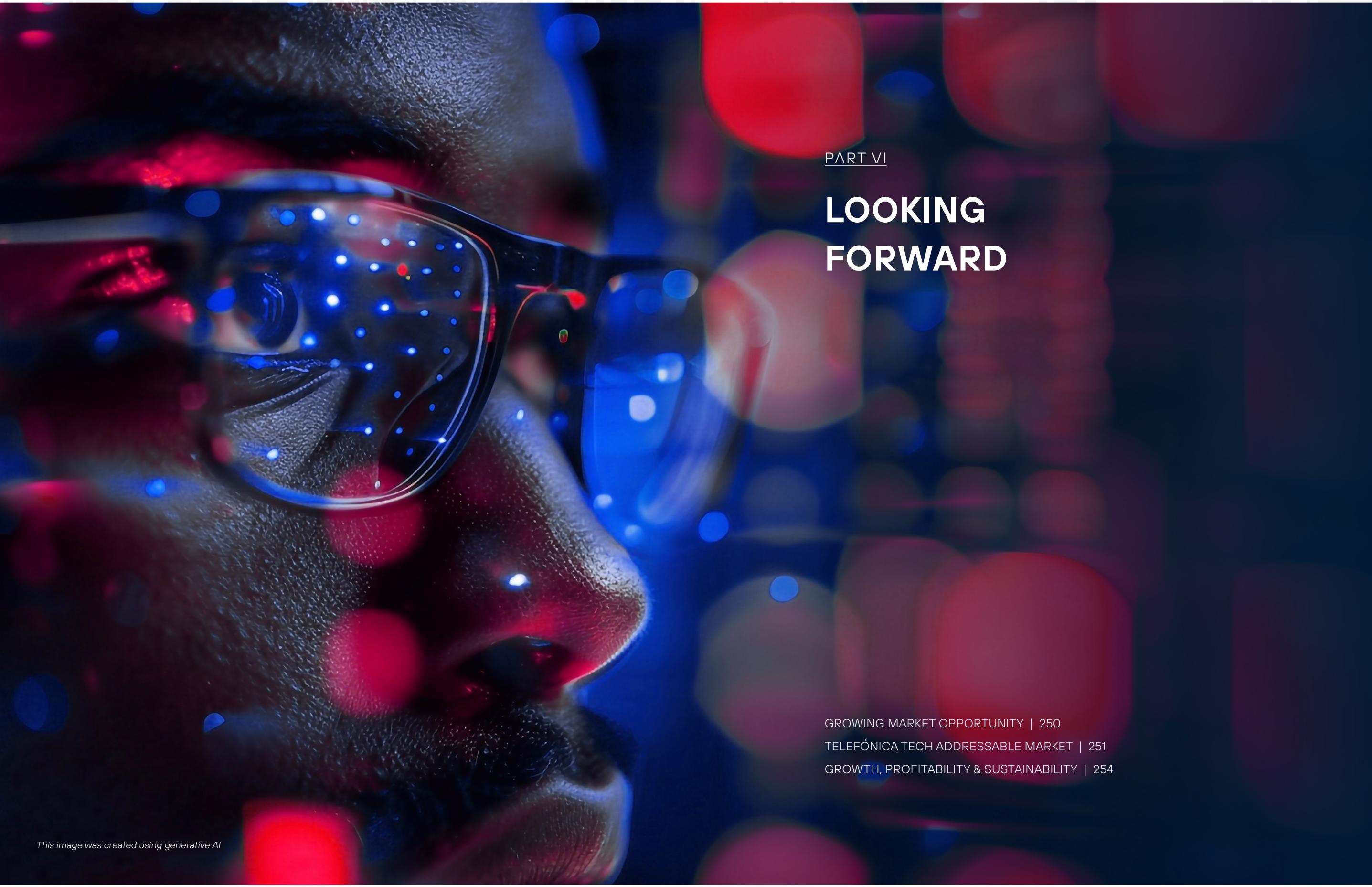
# Large & Rapidly Growing Market Opportunity

Tech services are essential for the transformation of every sector. Enterprises of all sizes are prioritizing Tech services in their internal IT budget to speed up their digital transformation.

Tech services are one of the most appealing opportunities. In the Telefónica footprint, the estimated market for Tech services in 2023 was 186Bn€ and it is forecasted to grow at 14.1% CAGR until 2026, reaching 276Bn€.

# Telefónica Tech Addressable Market

Since its creation, Telefónica Tech has consolidated a cycle in which it has established itself as a fully operational company in all the geographical & service areas in which it operates. During this time, it has also significantly complemented its commercial and operational capabilities in the UK & Ireland and Central Europe and has complemented its portfolio of solutions with both organic and inorganic actions.

## BN€ (CURRENT FX)

14,1%
CAGR 23-26

276

186

2023          2026

Source: Based on Gartner Forecasts
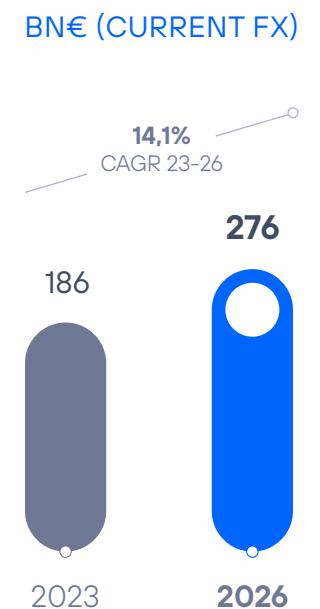
## TELEFÓNICA TECH HAS A PLAN TO REACH 3BN€ OF REVENUES BY 2026

Telefónica Tech is embarking on a new cycle to maintain sustainable business growth by leveraging its position as a leading provider of high-value technology integration solutions and services in all the geographies it operates.

€3.0Bn

~€1.9Bn

€1.5Bn

€0.9Bn

€0.7Bn

| 2020 | 2021 | 2022 | **2023** | 2024 | 2025 | **2026** |

**TELEFÓNICA TECH REVENUES**

After 3 years beating the market,
we have an ambition of reaching 3Bn€ in 2026.
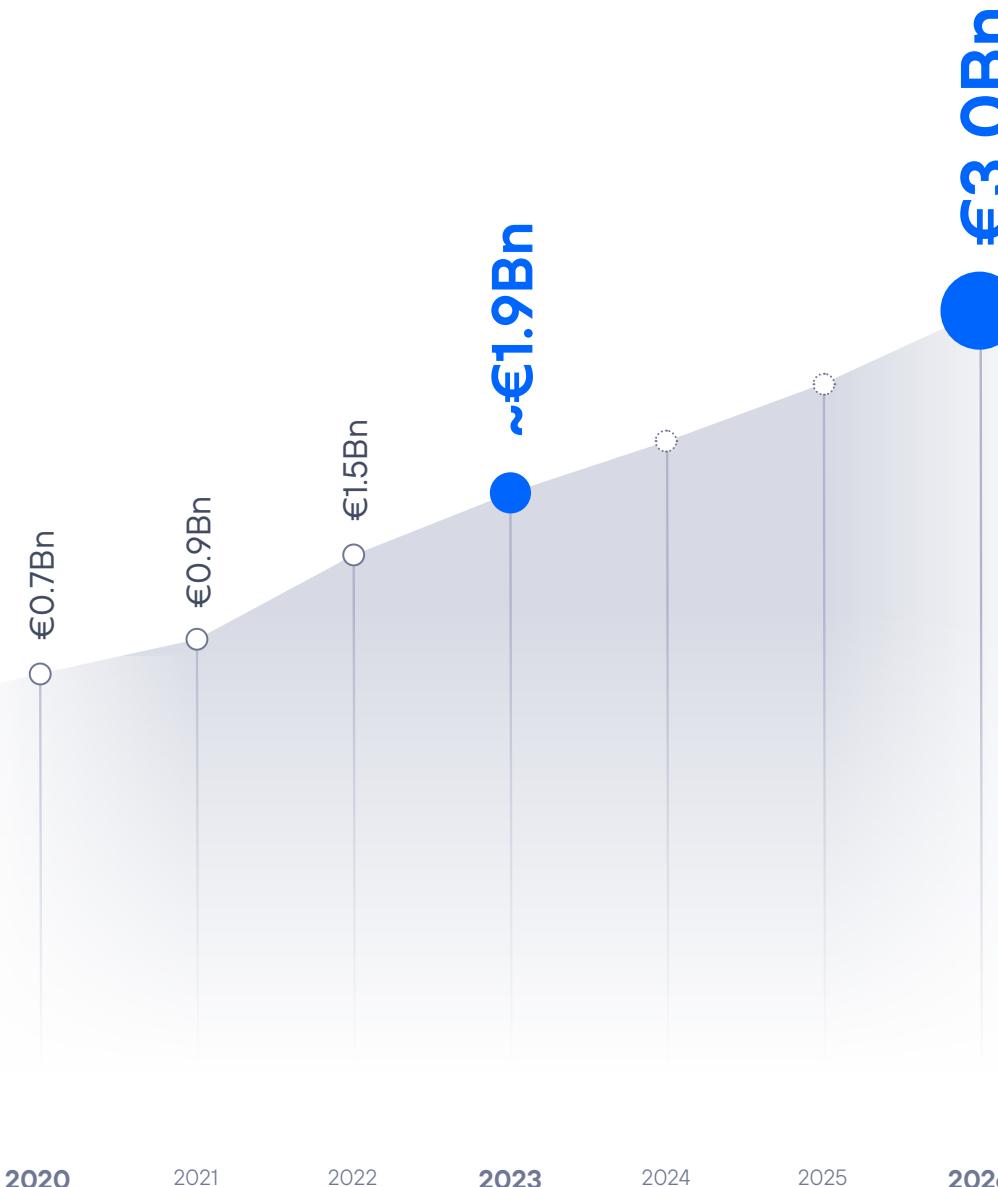
For 2023-2026 period, Telefónica Tech has a clear path to keep the business growing while expanding margins and reinforcing capabilities thanks to a future-proof playbook that contains multiple avenues of growth for the future.

Our main priorities for the forthcoming years are the following:
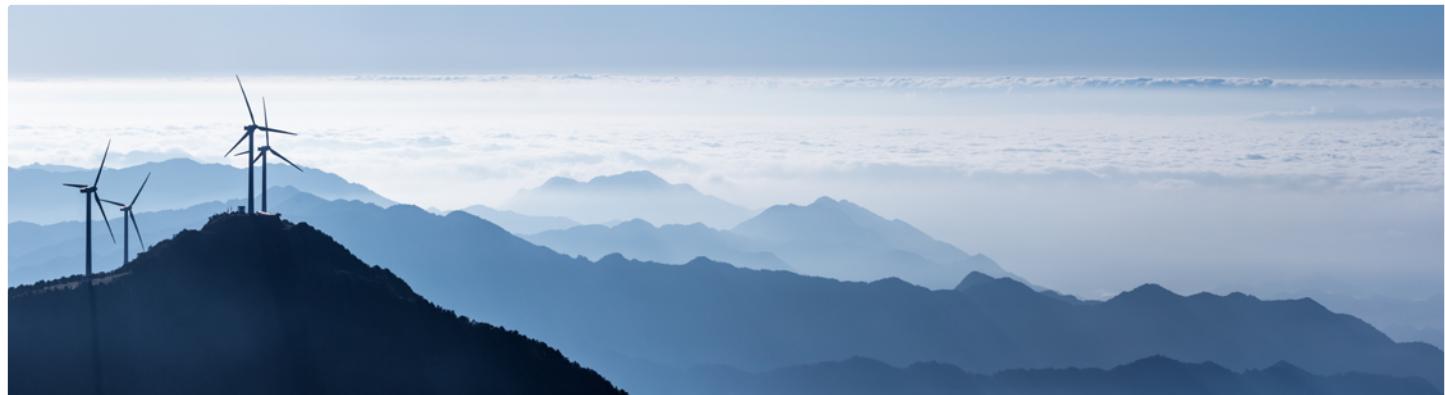


## Growth

**Continue to grow sustainably in revenue and ahead of market performance.**

Telefónica Tech is a scaled company that aims to continue growing above market in the coming years. Telefónica Tech has the following growth levers:

- Telefónica's sticky 5.5M B2B customer base represents a significant upside opportunity for Telefónica Tech, particularly within large enterprises.

- Cross-selling between our different customer bases and implementing new sales channels through our latest acquisitions.

- Launch new business lines across the different geographies we are operating by leveraging the capabilities we have.

## Profitability

**Keep expanding margins and profitability of the business.**

In the growth path, we continue working to improve profitability, this will be achieved as we gain scale and higher value capabilities, capture synergies, and increase the weight of high value services. The new operating model launched by Telefónica Tech in 2023 will be facilitating this by:

- GSLs (Global Service Lines) will allow Telefónica Tech to expand operating capabilities across its footprint pushing high-value services, sales and expanding margins while taking advantage of its global presence.

- Geographic business units will focus on commercial development and execution prioritizing high-value services in account plans and replicating industry sectorial success cases in other geographies.

## Sustainability

**Secure the necessary capabilities.**

We must keep reinforcing our market position, with leading industry recognitions and extensive partnerships with key technology leaders:

- Retain our position as a partner of reference for our customers. Increasing relevance to European customers and engage with all our customers end-to-end leveraging our differential customer journey.

- Continue to enhance our partner eco-system with world-class tech services leaders to win a wide range of recognitions and co-creating with them in the technology space.

- Being recognized by Industry Analysts as a leading Global Player to underpin complete customer confidence in our products and services portfolio.

## and more...

Additionally, Telefónica Tech is a talent led organization and through until 2026, will keep focusing on:

- Implementation of new ways to hire and retain talent. We have designed and implemented a new people model that includes a new professional career path and we are using different recruitment channels to ensure we reach the best talent.

- Configuration of a High Skill Workforce focused on products and services experts, with a huge number of resources of certified specialists. We have important internal programmes of upskilling and reskilling with strong certifications program mandatory at all levels.

- Talent allocation to the most optimal places to provide the Products and Services of Telefónica Tech efficiently.

**Telefónica Tech**