

Global Human Rights Policy

Approved by the Board of Directors of Telefónica S.A. on at its meeting of May 29, 2019

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1. Introduction

Telefónica is a company committed to respecting the dignity of all persons and the rights which are inherent to them as human beings and seeks to promote and preserve the wellbeing of the societies in which it operates.

This Policy formalises our commitment to human rights which is included in the Telefónica Business Principles, in general, and more specifically in a set of policies and regulations which safeguard the respect for, and implementation of, internationally recognised social, economic, and cultural human rights. We use a human rights due diligence process to identify, prevent, and mitigate the violation of human rights, and we are committed to providing fair and equitable remedy should we cause an adverse impact on such rights.

Our policy is based on the **United Nations Guiding Principles for Business and Human Rights** and the following International Human Rights agreements and commitments:

- The United Nations Universal Declaration of Human Rights,
- The United Nations Global Compact,
- The United Nations International Covenant on Economic, Social, and Cultural Rights,
- The Guidelines of the Organisation for Cooperation and Economic Development for Multinational Companies,
- The fundamental rights in the eight core conventions of the International Labour Organisation as highlighted in the Declaration on Fundamental Principles and Rights at Work,
- The United Nations International Covenant on Civil and Political Rights,
- The United Nations Convention on the Rights of the Child,
- The United Nations Convention on the Rights of Persons with Disabilities.
- The Global Network Initiative's Principles on Freedom of Expression and Privacy ("the GNI Principles")

2. Purpose and Scope of this Policy

The purpose of this Policy is to:

- Reaffirm Telefónica's commitment to respect and promote human rights in our operations and supply chains.
- To establish the general guidelines necessary to ensure this commitment in our operations.

These general guidelines define a framework for action - understood as a minimum requirement - for the Telefónica Group that may be developed in greater detail in each of the operators that makes up the group.

This document constitutes a corporate policy and, therefore, is applicable to all the companies that make up the Telefónica Group.

As the parent company of the Group, Telefónica, S.A. is responsible for establishing the bases, instruments, and mechanisms necessary for an adequate and efficient coordination between this Company and the remainder of the Group; all of this without prejudice to, and without impairing, the autonomous decision-making capability of each of the said companies, in accordance with their own corporate interests and the fiduciary duties that the members of their management bodies maintain towards their shareholders.

3. Our commitments

Our approach regarding the respect and promotion of human rights has been developed around areas that cover our sphere of influence in our relationship with employees, suppliers, customers, and society at large, and is specified by the following commitments:

3.1. Commitment to the customer

At Telefónica we work to offer products and services that contribute to generating a positive impact on the lives of people, starting with the following commitments:

- Privacy: To ensure the proper processing of personal data with the goal of respecting the fundamental rights and freedoms of individuals, and specifically, the fundamental right to the protection of personal data.
- Security: To provide secure and reliable infrastructure and services, and to ensure the protection of the data, preventing its loss, modification, misuse, or unauthorised access.
- Freedom of Expression: To respect and work to protect privacy and freedom of expression, trying to prevent or minimise the impact that may result from possible governmental restrictions. These restrictions must be consistent with national and/or international standards and laws, and must be necessary and proportional to the pertinent purpose, such as, for example, national security or the protection of children.
- The responsible development and use of products and services: To apply special care to new value propositions, including those based on advanced

technologies, incorporating due diligence processes at different stages of their creation and application.

- Child protection: To contribute to the protection of children and young people online, and to promote the responsible use of technology by this group through programmes and projects for this purpose.
- No-discrimination: Prevent the discriminatory treatment in relation to our clients, without prejudices associated to race, nationality, ethnic origin, religion, gender, sexual orientation and gender identity, marital status, age, disability, or family responsibilities.

3.2. Commitment to the employee

We have internal policies and processes to promote the respect for labour rights and prevent discriminatory practices. These commitments are fundamentally:

- Diversity, inclusion and equal opportunities: To promote equal opportunities and prevent the discriminatory treatment of people in all areas of our organisation and of our value proposals, without prejudices associated to race, nationality, ethnic origin, religion, gender, sexual orientation and gender identity, marital status, age, disability, or family responsibilities. To promote equal salaries among similar positions in similar contexts. To reject all forms of harassment, threat, or intimidation -either verbal, physical, sexual, or psychological- in the workplace.
- Health and Safety: To provide a safe and healthy workplace at all our facilities through the adoption of occupational health and safety procedures and regulations. To provide mechanisms for reconciling personal and professional lives and the right to rest. To promote the communication and reinforcement of a culture of security, developing awareness of the risk, and encouraging responsible behaviour by its workers through information and training sessions, among other activities.
- Freedom of association and the right to collective bargaining: To guarantee trade-union freedom, freedom of association, the right to industrial action, and the right to collective bargaining regardless of the area where we develop our operations.
- Forced labour and slavery: To prohibit and reject any form of forced labour, slavery, or human trafficking within our operations and to conduct risk-based due diligence to minimise any possible risk in our supply chains.
- Child labour: To respect the rights of children. To prohibit and reject the use of child labour in our operations, verifying that, in our hiring processes, all employees are above the local legal minimum working age, respecting, in any case, the provisions of Convention no. 138. of the International Labour Organisation.

3.3. Commitment to society

We are committed to delivering a positive impact and sustainable growth to the societies in which we operate:

- **Anti-corruption:** We act with honesty and integrity. We fight corruption in its different forms through the implementation of a control environment consisting of elements such as internal regulations and procedures regarding anti-corruption, and the continuous training of our employees.
- **Digital inclusion:** To promote access to connectivity through partnerships in initiatives that promote connectivity in remote or hard-to-reach areas. To contribute to initiatives related to digital education and access to technology by groups at risk of social exclusion.
- **Environment:** To contribute to the protection of the environment and to promote a healthy environment for people, applying the principles contained in the Group's Environmental Policy and Regulations, and assuming the following commitments, among others:
 - To establish as fundamental principles the prevention of pollution, the protection of biodiversity, the efficient use of resources, and the circular economy.
 - To promote a decarbonised economy, disengaging the growth of our business from greenhouse gas emissions, and promoting the use of renewable energies.
 - To foster innovation in digital services and products that contribute to solving the global and local environmental challenges, generating a positive impact on the environment through technology.
- **Community:** To respect the economic, social, and cultural rights of those communities in which we develop our activity with the goal of maintaining collaborative relationships within the framework of trust. To actively listen to our stakeholders in order to understand their expectations and be able to achieve an effective contribution and environment of trust.

3.4. Commitment to the respect for human rights in our supply chain, and our relationships with business partners

We make the following commitments when we work with suppliers, contractors, or allies:

- To demand that they comply with the ethical and sustainability standards that we promote in our Business Principles and in our Supply Chain Sustainability Policy.
- To have a management system in place that seeks to ensure that our suppliers comply with these principles.
- To collaborate in initiatives that have the goal of eliminating, in the sector, the use of minerals whose extraction entails the violation of human rights and/or whose incomes finances armed conflicts.

4. Our due diligence process

Our due diligence process is based on the Guiding Principles for Business and Human Rights of the United Nations (UN). We ensure this process by identifying the priority issues for the company and our stakeholders, taking into account our impact, risks, and opportunities.

All areas, both business and supporting functions, are responsible for this process, each within its scope, for the purpose of achieving the following objectives:

- **Human Rights Policy:** To have a public commitment to human rights approved at the highest level.
- **Impact assessment:** To identify and prioritise the real and potential impacts of our activity on human rights. To promote the respect for human rights, regardless of the context where the business operates, in order to avoid causing, contributing to, or being related to adverse impacts on human rights. To periodically assess the impact on human rights of all our operations. To establish processes of dialogue with stakeholders in order to identify, assess, prevent, mitigate, and remedy violations, in such a way that continuous learning and improvement in this matter can be ensured.
- **Integration of impact assessment results into the company's processes:** To continuously review and update our main policies, processes, and management systems. To include human rights as a basic risk in the Company's risk map. To strengthen internal capabilities for the management of human rights, making the adequate resources and tools available.

- **Measurement and reporting on progress:** To measure and report on the implementation of our human rights due diligence process.
- **Grievance and Remedy Mechanism:** To ensure legitimate consultation and complaint processes for all stakeholders, in all the countries in which the Telefónica Group operates, including a consultation, complaint, and reporting mechanism. To establish adequate remedy mechanisms regarding any adverse impact that Telefónica is directly responsible for.

5. Consultation and whistleblowing channels

We make available a Responsible Business Channel to our stakeholders which makes it possible to report queries, requests, or complaints related to the compliance of the Business Principles and its associated policies and regulations, and more specifically, of this Policy.

All communications that are received through this channel are dealt with in accordance with our principles of confidentiality, respect, justification and thoroughness, privacy, and security, as set out in the Regulation about the Management of the Responsible Business Principles Channel.

This mechanism will be periodically subjected to a continuous improvement process based on the criteria of effectiveness defined by the United Nations Guiding Principles on Business and Human Rights, and relevant legislation on that matters.

Furthermore, there is an anonymous whistleblowing channel through which employees, directors, board members and other stakeholders of the Telefónica Group can report any possible irregularity and act contrary to the law or internal regulations. This channel is governed by the principles of confidentiality, respect and justification, with full respect for rights and guarantees in the process, both in the analysis and verification of the communications received as well as in the resolution and, where appropriate, adoption of corrective measures when appropriate.

6. Implementation and monitoring

The Corporate Ethics and Sustainability Global Area is responsible for the management of the due diligence process in matters of human rights, with the participation of their equivalent areas in the different countries, and is also responsible for promoting, coordinating, measuring, and reporting the development and implementation of this Policy on both a global and a local scale.

At Telefónica we are committed to maintaining a transparent management model of the human rights programme, and to periodically sharing the vision that our main stakeholders have in the field of human rights with the internal management bodies.

In turn, we will systematically include the subject of the management of human rights in the dialogues with our stakeholders.

7. Internal audit

Observance and compliance of these regulations by the different areas of the Company will be subject to review and oversight by the Internal Audit area, which will be empowered to carry out sample supervisions of the controls established herein, whenever it considers it convenient.

8. Review and modifications

This corporate policy will be periodically reviewed taking into account the organisational, legal, or business changes that may occur at any time, for the purpose of maintaining its pertinence, sufficiency, and effectiveness and, failing that, with the periodicity established in the "Corporate Regulations for the Preparation and Organisation of the Telefónica Group's Regulatory Framework".