Responsible Communications Regulation
Telefónica Group

Corporate Rule
Approved by the Executive Committee of Telefónica S.A in October 2018

Telefónica, S.A.
### CHANGE MANAGEMENT

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1. Introduction

Communication has always been very important in the lives of people and companies but, with the advent of the internet, applications, social media, self-generated content, etc., communication has increased exponentially. Telefónica is a technology company dedicated to communication; we make it possible for people to communicate in a streamlined and agile way and we also create content.

The need for people to communicate and to view and create content has also grown: people want to be able to communicate continuously using mobile applications, connect to be entertained and to know what is happening in the world in real time. This greater reliance on communication has improved our lives and made them much easier, but it has also led to social concerns, in relation to the ethical principles applied by all when facilitating communication, when creating communication channels and when generating content.

Telefónica is aware of the dilemmas posed by continuous connectivity and assumes its responsibility in this area by means of its Business Principles, which guide our employees and partners with regard to how we should conduct our business. In terms of responsible communication, our Business Principles are the following:

“We promote freedom of expression, pluralism, diversity and are committed to inclusion, education and truthful information. As a company dedicated not only to facilitating communication, but also to generating cultural, sporting, advertising and entertainment and other content that could have an impact and influence over society, we assume the responsibility of promoting responsible, ethical and quality communication”.
2. Purpose and scope of this regulation

The purpose of this regulation is to establish guidelines of action for our company and our employees regarding our communication channels and the creation of contents. These general guidelines establish an ethical framework for the Telefónica Group which may be developed in more detail by each of the business operations which forms part of the group.

This regulation constitutes a Corporate Policy, and, as such, is to be applied in all Telefónica Group companies.

Telefónica, S.A., as the parent company of the Group, is in charge of establishing the foundations, instruments and mechanisms required to adequately and efficiently coordinate this Company and all the other companies that make up the Group; all of the above is to be applied without prejudice to and without impairing the autonomous decision-making capacity of each of the said companies, in accordance with their own corporate interests and with the fiduciary duties owed by the members of their management bodies to their shareholders.

3. Communications Principles

3.1 General principles

As a general rule, Telefónica promotes communications based on the following principles:

- **Legality**: when we communicate contents, whether our own or third party contents, we promote and respect compliance with the national and international laws applicable to us, and in particular with the human rights internationally recognised by the Universal Declaration of Human Rights as well as Intellectual Property laws. Furthermore, we avoid communications and contents which encourage illegal behaviour, violence, discrimination, or exclusion based on gender, religion, race, economic status, education or political or sexual orientation.

- **Integrity and transparency**: we are honest and respectful in our communications and contents, always striving to avoid the use of omissions, ambiguities or any other form which could lead to error or deceit.

- **Neutrality**: we avoid positioning ourselves politically as a company and promote the right to freedom of expression within the regulatory frameworks which we are subject to.

- **Protection of minors**: we have a particular commitment to children and young people. Our communications do not undermine the individual rights of children (honor, privacy and self-image). We ensure that they do not have a negative impact on the rights of the child and that they help to protect them from contents
and communications that may cause them physical, moral or psychological harm. We collaborate with child protection initiatives, such as the elimination of child pornography contents, when the legislation in the country allows us to do so, and with initiatives that promote the responsible use of technology by children.

3.2 Communications with customers via advertising

In our communications with customers we try to ensure that the information is complete, sufficient and detailed, avoiding technical language and small print, and providing all the necessary information for the understanding of the conditions of our products.

We respect and promote the values contained in our Business Principles and in our Diversity Policy. With regard to this, our advertising messages and sponsorships:

- Do not take advantage of the good faith of the consumer;
- Do not compromise people’s dignity;
- Do not include messages or images promoting alcohol consumption, smoking, drug-taking, eating disorders or terrorism;
- Never incite hatred, violence or discrimination, based on race, nationality, religion, gender or sexual orientation; we promote the use of a neutral and non-sexist language;
- Do not incite to the commission of illegal behaviour or behaviour that harms the environment;
- Do not take advantage of children’s naivety.

We try to avoid the broadcasting of Telefónica advertising campaigns during programmes or on channels which are not aligned with our values and with our Business Principles.

These guidelines are reflected in our contracts with the advertising and media agencies we work with.

3.3 Communication with other interest groups

We provide truthful, complete, timely and clear information in the reports that we submit to the relevant Securities Market Regulators, as well as in other public communications of the company.

Messages transmitted on behalf of Telefónica and all of its trademarks must reflect the official company’s position, at all times avoiding the personal opinions of employees or of external representatives speaking on behalf of Telefónica. Those broadcasting the messages must be authorised to do so.

We do not disclose what is classified as restricted or secret information, as established in the Global Security Regulation on the Classification and Processing of Information.
3.4 Communication via Social Networks

We promote the use of social networks to communicate with customers and society in general, as these are an essential tool to engage in active listening and a relationship of trust with the consumers.

In accordance with the standards included in our global Social Network Rules, communication via social networks on behalf of Telefónica and all of its trademarks must:

- Comply with the principle of responsible use of Telefónica assets: in no event will messages which are offensive or defamatory to employees, customers or others, be transmitted.
- Avoid content which intimidates, harasses, insults or threatens any person or entity.
- Avoid mixing the messages broadcast on behalf of Telefónica and all of its trademarks, with personal opinions or stances.

3.5 Contents generation

3.5.1 When we generate or put audiovisual services at the customer’s disposal we are guided by the same general principles of legality, integrity and transparency, neutrality and protection of children.

We do not include messages or images promoting alcohol consumption, smoking, drug consumption, eating disorders or terrorism in our contents.

We promote the values set out in our Principles of Responsible Business, such as diversity, integration of people with all types of disability and the protection of the environment.

3.5.2 Contents classification: with the aim of protecting children and young people from inappropriate content, Telefónica classifies the contents it generates in a visible and easily understandable way, and always in compliance with the classification criteria applicable in each country. When we broadcast third-party contents via our own channels, we ensure that all these contents are classified.
3.6 When broadcasting advertising by third parties

We ensure that the third party advertising that we broadcast:

- does not contain messages which incite discrimination, hatred, violence or illegal behaviour;
- is appropriate to the age rating of the content to which it is related;
- and respects codes of conduct and self-regulation concerning the advertising of specific goods or services.

4. Management of a Reputational

When a situation arises as a result of which the reputation or image of the company or any of its trademarks may be negatively affected the procedure laid out in the global Crisis Management System, will be followed. The Communication Director (or the person in charge of communication) of the company in question will notify the Chairman of the Crisis Committee with a view to initiating the process described in the aforementioned Global Regulation.

If the decision is taken to convene the Crisis Committee, this committee will be of a multidisciplinary nature and will in any case include the heads of institutional relations, marketing and sustainability, as well as the heads of the departments where the risk situation originated. The Crisis Committee will:

- Analyse the risk situation and the potential effects of the same
- Design and implement a communications strategy which aims to mitigate the negative effect on the company's reputation, assigning each department involved with a specific role.
- Report to the Executive Committee, as many times as deemed necessary by this committee.
- Carry out a subsequent analysis, with the aim of avoiding this risk and improving management of communication regarding this type of crisis in the future.
5. Responsible Business Channel

Telefónica offers a channel available to all its stakeholders which allows for the reporting of enquiries, requests and any other aspect related to our Business Principles and all related policies and regulations, and more specifically, to this Policy. All communications via this channel are dealt with in accordance with the principles of respect, confidentiality, substantiation, and completeness. Any alleged irregularity or act contrary to the law or internal regulations will be processed in accordance with the provisions of Telefónica’s Policy on Whistleblowing Channel Management.

6. Implementation

This policy must be implemented in every operation via instructions issued to the departments carrying out communication, marketing, sponsorship, or customer care activities, as well as to the procurement and content management departments, with regard to the inclusion of the commitments of this policy in our contracts and agreements with suppliers and partners.

Each department that is affected by the content of this regulation will ensure it is duly implemented.

This Regulation will enter into force on the day after the date of its approval.