



## GUIDING PRINCIPLES FOR PRIVACY AND FREEDOM OF EXPRESSION AT TELEFÓNICA

### Guiding principle

1 To create and/or maintain relevant policies, under the supervision of the Board of Directors or equivalent, highlighting a commitment to preventing, assessing and mitigating, to the extent possible, the risks to freedom of expression and privacy associated with the design, sale and operation of technology and telecommunications services.

2 To conduct regular impact assessments on human rights and use due diligence processes tailored to the Company for identifying, mitigating and managing risks to the freedom of expression and privacy (both in relation to technologies, products and services, as well as to specific countries), in accordance with the Guiding Principles for the application of the UN's "Protect, respect and remedy" framework.

3 To create and/or maintain operational processes and procedures for assessing and managing any governmental requests which might have an impact on freedom of expression and privacy.

4 As far as possible, to adopt strategies to anticipate, respond to and minimise any potential impact on freedom of expression and privacy in the event that an illegal governmental request or demand is received, or when governments are deemed to be misusing the products or technology for illegitimate purposes.

### Progress of Telefónica

Our Business Principles, revised in 2010, recognise the right to privacy as the foundation for a trust-based relationship with our stakeholders.

Moreover, the Group has a Privacy Policy, approved by the Board in March 2013, which is binding in all the countries in which we operate. During 2015 the Policy was updated to align it with the new challenges facing the sector.

We also have a Data Protection Instruction which establishes specific mandatory measures for the companies of the Telefónica Group, developing the principles of the Privacy Policy and thereby guaranteeing proper processing of personal data, without detriment to the provisions of the current legislation of each country. It was implemented during 2015 in all the countries in which we operate, with the Privacy Committee carrying out the monitoring thereof.

The Group has a Chief Privacy Officer, who is responsible for the implementation and monitoring of the Policy. Furthermore, a Chief Data Officer has been introduced to be the person responsible for the Group's data, protecting it, storing it and designing the database of the future.

With regard to security management, the Group has the Corporate Information Security Policy, which is based on international standards and updated in accordance with growing international demand in matters of security. In addition to receiving policy-specific training, all our employees have access to the Policy via the Group Intranet.

Respect and commitment to Human Rights is one of the foundations of our Business Principles. Therefore, in 2012, in accordance with the framework provided by the Guiding Principles on Business and Human Rights, we conducted an assessment, with the support of [Business for Social Responsibility](#), of all our operations to assess the global impact of our activity. During 2015 the following due diligence processes were performed:

- ▶ Periodical reviews of the most significant risks in matters of privacy and security which affect our business at a global level.
- ▶ Preparation and presentation by the Privacy Committee of the Guide to procedure in the event of certain requirements by the authorities.
- ▶ Monitoring of the implementation of the Data Protection Instruction by the local Chief Protection Officers.

Telefónica has formal processes in place to attend to requirements received from local/governmental authorities. These are the responsibility of the departments of the General Secretary and Security in each of the Group companies.

In 2015 the Privacy Committee presented the Guide to procedure in the event of certain governmental requirements, applicable to all companies comprising the Telefónica Group.

In addition to the formal processes stipulated in the above principle, the Chief Privacy Officer, at a global level, and the Data Protection Officers ensure greater uniformity of the procedures and processes which affect the privacy of our customers.

Furthermore, the Chief Data Officer has been introduced to be the person responsible for the Group's data, protecting it, storing it and designing the database of the future.



## Guiding principle

5 To seek to always guarantee the security and freedom of the Company's employees who may be exposed to risk situations.

6 To sensitise and train the employees affected by the relevant policies and processes.

7 To share knowledge and impressions, whenever relevant and appropriate, with all the interested parties involved in order to better understand the legal framework and the effectiveness of these principles in practice and to provide support for their application and development.

8 To annually, and whenever circumstances so require, provide external information on the progress made in the application of the principles and, where appropriate, on the main events which occur in this respect.

9 To assist in the development of policies and regulations which promote freedom of expression and privacy, either individually or in collaboration with other entities, seeking to mitigate the potential negative impacts arising from policies and regulations.

10 To examine the options for the implementation of the appropriate complaint mechanisms, as set out in Principle 31 of the UN's Guiding Principles on Business and Human Rights.

## Progress of Telefónica

Health, safety and occupational well-being are the three pillars of Telefónica, not only ensuring the protection of its employees, but also having a direct influence on their satisfaction in their work for the Company.

In terms of physical security, the global security directorate establishes a set of guidelines to be followed, appropriate to the risks identified in each country, and which also covers the displacement process. Further information can be found in the "Occupational Health and Safety" section.

The Telefónica Group has designed a specific plan to train and sensitise its employees in the policies and processes which affect them.

This continuous training programme is conducted both in person and online. During 2015 more than 49,300 employees were trained in Data Protection and Information Security.

We consider it essential to maintain an ongoing dialogue with our stakeholders in order to identify and mitigate risks and to develop new business opportunities. We believe that both transparency and knowledge sharing with this group is essential to promoting these Guiding Principles. In this sense we should highlight:

- ▶ As members of the [Telecom Industry Dialogue](#) we participate in the Learning Forum with Stakeholders.
- ▶ Drawing up of a global map of stakeholders on issues of Privacy and Freedom of Expression.
- ▶ Preparation of a stakeholder panel to serve as a platform for formal and structured dialogue with our main stakeholders. The results of the Stakeholder Engagement will serve to enrich the study of materiality and focus Company planning, both globally and locally, on its social, environmental and ethical initiatives, including Privacy.

For further information, refer to the section titled "Relationships with our interest groups".

This Report summarises the progress made by the Telefónica Group in matters of privacy and freedom of expression.

For further information, you can also refer to the Digital Trust chapter of this Report.

At Telefónica we are convinced that the best way of achieving global progress with respect to freedom of expression and privacy is through dialogue between governments, industry, civil society (including human rights experts), investors, supranational organisations and other affected interested parties. We participate in public consultations relating to privacy and freedom of expression conducted by various different national and international organisations.

We contribute to dialogue on national and international policies in different forums and events relating to Privacy and Freedom of Expression, both at a Company level (2015 Annual Data Summit and 2015 Global Dialogue on Data Protection) and by means of the Telecommunications Industry Dialogue Group, whose initiatives can be found on its [website](#).

During 2015 we worked internally to establish a proper complaints mechanism to cover different aspects of Human Rights, including Privacy and Freedom of Expression.