

NOTA DE PRENSA PRESS RELEASE

It is one of the first companies in the world to establish AI principles and ethical guidelines for its application

TELEFÓNICA IS COMMITTED TO USING ARTIFICIAL INTELLIGENCE WITH INTEGRITY AND TRANSPARENCY

- These principles place people at the centre and guarantee respect for human rights in any environment and process in which AI is used.
- They place special emphasis on equality, transparency, clarity, privacy, and security in all the markets in which the company operates.
- They apply to the entire company and extend throughout the entire value chain, through partners and providers.
- The AI principles have been approved by the Executive Committee of Telefónica S.A.

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Madrid, 30 October 2018.- Telefónica is one of the first companies in the world to have ethical Artificial Intelligence (AI) guidelines to guarantee a positive impact on society. With the Principles of Artificial Intelligence that have been released today (<u>https://www.telefonica.com/en/web/responsible-business/our-commitments/ai-principles</u>), the operator is committed to designing, developing, and using AI with integrity and transparency.

Approved by the Executive Committee, the principles underscore gender equality and impartiality, transparency, clarity, privacy, and security. Said principles are rules that apply in all the markets in which the multinational operates, and extend throughout the entire value chain, through partners and providers.

On numerous occasions the Chairman & CEO of Telefónica, José María Álvarez-Pallete, has stated Telefónica's commitment to the development of products and services designed to make the world a better place to live in, and to mitigate the negative impacts that technology may have on society or the environment. He has also stressed that the advances must contribute towards making society more inclusive and offering better opportunities for everyone. In this sense, Al can help meet these objectives.

Humanizing Artificial Intelligence

From now on, Telefónica will assess the projects which include Artificial Intelligence in accordance with the following ethical principles with the goal of humanizing the use of technology for the benefit of everyone:

Fair: Al technology applications must give fair results, without discriminatory impacts related to race, ethnic origin, religion, gender, sexual orientation, disability, or any other personal condition.

Transparent and explainable: the goal is for users to know that they are interacting with an AI system, which of their data is used, and for what. Telefónica will make sure to understand the logic that is behind the decisions of the system.

People centred: Al must be at the service of society and must generate tangible benefits for people, whose human rights cannot be violated. In addition, the company has committed to helping meet the UN's Sustainable Development Goals (SDGs) with Al.

Telefónica, S.A.

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Privacy and security by design: the Company's Privacy and Security Policies are especially relevant in these Principles for conserving the data both personal and anonymous, and aggregated.

Working with partners and third parties: Telefónica is committed to verifying the logic and data used by the providers.

In addition, the multinational intends to double its efforts to prevent inadequate trends and uses of Artificial Intelligence. "We're concerned about the possible use of artificial intelligence for the creation or dissemination of fake news, addiction to technology, and the possible reinforcement of social bias in the algorithms in general", says Álvarez-Pallete.

"These phenomena undermine the trust of our customers, our most valuable asset, and hinder the development of a fairer society. Consequently, we will do everything in our power to collaborate with other entities in order to eradicate them", he adds.

These principles place people at the centre and guarantee respect for human rights in any environment and process in which Artificial Intelligence is used. It is one step further, a reflection of Telefónica's Responsible Business Principles, the ethical guidelines in which the multinational bases all of its actions, as well as its commitment to working so that digitalization benefits everyone as indicated in the Manifesto For a New Digital Deal presented last June.

Click here to access Telefónica's Principles of Artificial Intelligence