

Privacy Policy of the Telefónica Group

Corporate Regulations

Approved by: the Board of Directors of Telefónica S.A. in their meeting held on 30 January 2013. Latest version: 31.12.2015

Telefónica SA
December 2015, Madrid
2nd Edition

CONTENTS

1. INTRODUCTION	2
2. AIM	2
3. FIELD OF APPLICATION AND SCOPE.....	2
4. RELATED DOCUMENTS	3
5. INFORMATION PROCESSED BY TELEFÓNICA	3
5.1 Purpose of the collection of information:	3
5.2 How we collect information:	3
5.3 Types of information processed:.....	3
5.4 Where we process the information:	4
6. TRANSPARENCY AND CHOICE IN THE USE OF PERSONAL INFORMATION	4
7. RIGHT OF ACCESS, RECTIFICATION, OBJECTION AND CANCELLATION OF PERSONAL INFORMATION	4
8. SECURITY AND INTEGRITY OF PERSONAL DATA	5
8.1 We manage and store customer information in a responsible manner, and ensure it is kept secure.	5
8.2 We are committed to acting quickly and in a responsible manner, if the security of the information of our customers and stakeholders is in jeopardy.	5
9. CHILD PRIVACY	6
10. CHANGES AND UPDATES TO THE POLICY.....	6
11. RELEVANT STANDARDS AND CERTIFICATES	6
12. GLOSSARY	6

1. INTRODUCTION

At Telefónica, we respect people's rights and freedoms, among which is the fundamental right to the protection of data of a personal nature. Our *Business Principles*¹ take this fundamental right into account and establish a set of common behaviour guidelines for all of our businesses, in order to:

- Protect the confidentiality of information of a personal nature that has been entrusted to us, whether by customers, shareholders, employees or suppliers.
- Provide relevant information to the interested parties on how we use and store their personal details.
- Inform them regarding how to access and correct data that we process.
- Keep all personal data using the appropriate security measures. If at any time this security is compromised, we act quickly and responsibly.

Our commitment to privacy is one of our key priorities aimed at improving the digital trust of anyone who has a relationship with us. For this reason we are guided by principles that go beyond mere compliance with legal requirements, in order to preserve the privacy of those who have entrusted their personal data to us in the best possible way.

The Privacy Policy was conceived with the objective of strengthening the digital trust of our *stakeholders*, especially our employees, customers and suppliers. It establishes the manner in which the companies of the Group should behave in protecting the privacy of all those who have entrusted their information to us.

2. AIM

This Policy was adopted within the framework of the principle of "honesty and trust", referred to in the Business Principles of the Telefónica Group, in order to strengthen the digital trust of our stakeholders.

This Policy aims to establish and regulate the principles that govern the Telefónica Group with regard to the protection of the privacy of all those who have entrusted their information to us.

3. FIELD OF APPLICATION AND SCOPE

These regulations constitute corporate policy, and therefore apply to all the companies within the Telefónica Group.

Telefónica, S.A., in its position as the Group's parent company, is in charge of establishing the basis, instruments and mechanisms required to achieve proper and efficient coordination between this Company and the other companies which make up the Group, without prejudice to the autonomous decision-making capacity which each of those companies has, in accordance with the social interests of each one of them and the fiduciary obligations which the members of their boards have towards their shareholders.

¹ Link to the Business Principles

4. RELATED DOCUMENTS

- *Corporate Information Security Policy*, which establishes the commitment to ensuring compliance with the legislation in force and of the highest international standards regarding the protection and security of information and systems. This Policy applies to all our business processes in the countries where we operate.
- *Corporate Information Security Regulations and other directly related regulations*, which set out in detail the obligation to protect data of a personal nature, in addition to other types of data, systems, and services.

5. INFORMATION PROCESSED BY TELEFÓNICA

Telefónica collects and uses many types of information from a wide range of sources for different purposes. These include, but are not limited to, the following:

5.1 Purpose of the collection of information:

- To promote and provide the services agreed upon, while always safeguarding the privacy of those concerned
- To innovate and improve the services that we offer to interested parties by providing them with a more personalised experience, as well as offering them products and services that best suit their needs and consumption habits.
- To select and manage our employees and collaborators.
- To collect information from time to time for other purposes, which shall be communicated in a simple and transparent way, while always giving the customer the possibility of opposing the new uses, in accordance with applicable legislation.

5.2 How we collect information:

We identify and collect *personal information* from those concerned, for instance, when they sign up for or use our products, services and applications, when they access our websites, send queries or communicate incidents and when they participate in market research studies, as well as from sources accessible to the public.

We collect *browsing* information using cookies, where necessary, requesting consent and complying with the law applicable to each country. Interested parties can adjust their computer settings to prevent the reception of cookies. In this case, some of the services which we provide on our websites could suffer a decrease in functionality.

5.3 Types of information processed:

We process the information needed to be able to provide and improve our products and services, adjust the supply of products and services to our stakeholders needs, and identify potential services of interest to them.

In addition, in accordance with current law, we analyse information on the use of our products and services, browsing and search usage and all content generated by those concerned on our tools.

5.4 Where we process the information:

At Telefónica, we process personal data in the countries in which we provide services. Furthermore, the information provided by our customers may be transferred internationally to companies within the Group for their analysis. This information may also be passed on to other companies based in other countries. In both cases, we respect legal regulations in force, contractual clauses and the security standards of the Group.

6. TRANSPARENCY AND CHOICE IN THE USE OF PERSONAL INFORMATION

- We are committed to informing stakeholders in a clear and simple way about the data we collect and how we use it.
- We inform those concerned, in a transparent manner, regarding the use of data for purposes other than those reported at the time of its collection, and where necessary, we obtain their informed consent in accordance with the legislation in force.
- We obtain consent from those concerned, as required in each case by the legislation in force, prior to analysing their personal data so as to send them sales information that is not related to the services they have signed up for.

7. RIGHT OF ACCESS, RECTIFICATION, OBJECTION AND CANCELLATION OF PERSONAL INFORMATION

We inform stakeholders regarding how they can access or correct their data. Moreover, we inform them about how they can request its cancellation or object to their data being analysed. The way in which the interested parties can exercise their rights of access, rectification, cancellation and objection, is indicated on the main website of each of our operating units and there is dedicated personnel in charge of attending these types of requests.

In particular:

- We enable interested parties to access the personal data we store about them. At Telefónica, we are committed to responding to requests to consult and modify information made by those concerned in the shortest possible time, and always within the response times

established by the applicable legislation. Moreover, we will grant requests to delete personal data, whenever support and systems traceability allows it, and provided that its storage and processing for the provision of the service or to comply with legal requirements is not necessary.

– We only retain information belonging to the parties concerned for the time required by law or if it is needed so as to achieve a legitimate business objective. At Telefónica, we are committed to granting all requests objecting to the processing of data, as long as it is not necessary for the provision of the service.

8. SECURITY AND INTEGRITY OF PERSONAL DATA

8.1 We manage and store customer information in a responsible manner, and ensure it is kept secure.

The [Corporate Information Security Policy](#)² sets out the levels of security our employees must uphold to ensure the protection and integrity of the data of our customers and interested parties. This policy is focused on the adoption of actions aimed at preserving the four basic components of security with regard to information:

- **Confidentiality:** We allow access to data and our systems only to persons who are duly authorised in accordance with the "need to use" principle.
- **Integrity:** We preserve the accuracy of the information and systems against any type of alteration, loss or destruction, either accidentally or fraudulently.
- **Availability:** We implement the necessary mechanisms to ensure that information and systems can be used in the manner and at the time required.
- **Auditability:** We ensure that any action or transaction can be understood unequivocally ensuring compliance with key controls established in the corresponding regulations.

8.2 We are committed to acting quickly and responsibly, if the security of the information of our customers and interested is in jeopardy.

We have designed a business continuity plan to minimise the impact on our customers resulting from any contingency which may affect the provision of services.

We will make use of the appropriate resources to investigate security breaches which jeopardise the privacy of our customers and stakeholders, ensuring that the necessary corrective measures are implemented. We will ensure a record of security incidents is kept at the disposal of the local supervisory authorities.

We will inform our customers of relevant cases in which the loss, improper use or disclosure of information may have been caused either by a violation in the security of company systems and networks or by an internal, technical decision or action. In these cases, we will inform our customers about the corrective actions undertaken and will give appropriate recommendations aimed at helping to protect their interests.

² [Link to the Corporate Information Security Policy](#)

As regards our relationship with the forces of law and order, we respect the local laws and regulatory frameworks.

9. CHILD PRIVACY

We are committed to promoting the appropriate use of our products and services by children.

We strive to provide an environment that favours responsible use of the internet and mobile phones. In addition, we provide expert guidance regarding the safety and privacy of children via our online channels.

We understand that the protection of privacy in this area is an issue that transcends Telefónica. That is why we participate actively in industry initiatives which promote respect for personal information and child privacy, and which provide education aimed at raising awareness in children of the implications that their own actions can have.

10. CHANGES AND UPDATES TO THE POLICY

The Privacy Policy of the Telefónica Group is reviewed and updated by the **Chief Privacy Officer** who (after approval by the Privacy Committee, the multidisciplinary support team which serves as a global point of reference with regard to privacy, and the Office of Business Principles and Responsible Commerce, the body responsible for ensuring compliance with the Group's Business Principles) sets in motion, where necessary, the process of formal approval by the boards of directors of the Group.

11. RELEVANT STANDARDS AND CERTIFICATES

At Telefónica, we are guided by, among others, the following standards of business continuity and security: ISO 27001; ISO 18028; ISO 22301; ISO 24762; ISO 20000; PCI DSS.

12. GLOSSARY

- **Personal data:** Any information regarding an identified or identifiable physical person.
- **Consent of the person concerned:** Any free, specific, and informed manifestation of will, by which the interested party accepts the processing of personal data which concern them, either by means of a declaration or a through a clear action.
- **Violation of personal data:** Any violation of security that causes accidental or unlawful destruction, loss, alteration, unauthorised communication or access to personal data which is transmitted, stored or processed in another way.
- **Child:** Under age physical person according to applicable legislation.
- **Business Principles:** Telefonica's Code of Ethics