

INTEGRITY INFORMATION FOR SUPPLIERS

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Introduction

01

The importance of the fight against corruption

Corruption represents a serious threat to the rule of law and sustainable development around the world.

Corruption can be private (between private individuals) and public (with public officials or employees).

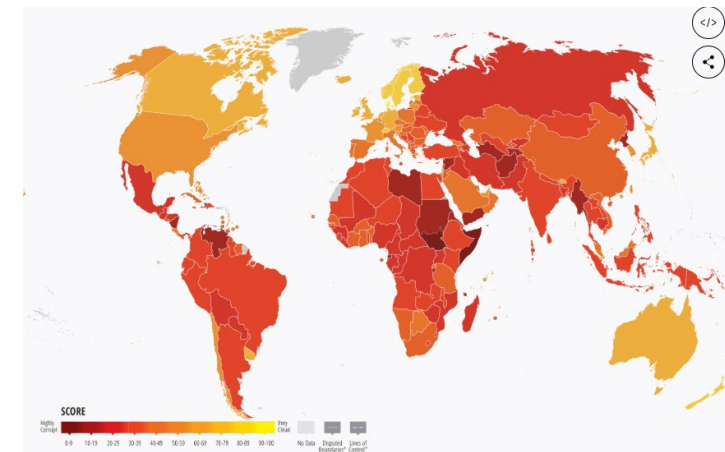
The consequences of corruption are numerous and are detrimental to all businesses, regardless of their size. Some of the most direct consequences are price distortion, increased cost of doing business and undermining investor and stakeholder confidence.

Public authorities and regulators have long been focused on the fight against corruption, which has resulted in an increase in regulation, with increasingly stringent laws that impact on the role of companies in the fight against corruption.

The international legal framework is constantly evolving and the rapid development of corporate governance rules around the world has led companies to consider anti-corruption measures as an essential component of their compliance models (Compliance Programmes) as the main mechanism to prevent misconduct and, where appropriate, to detect and remedy it.

Results of the Corruption Perceptions Index 2024, the world's leading indicator for measuring corruption in the public sector.

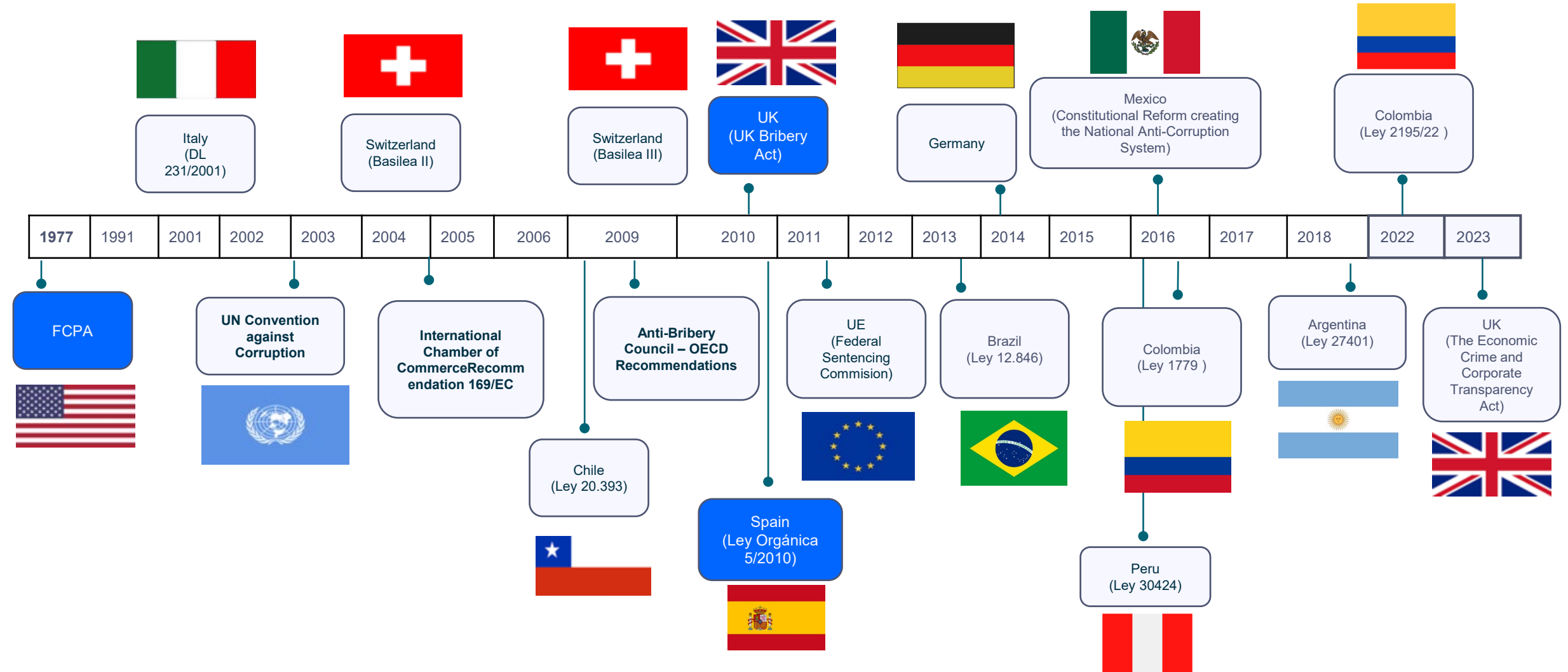
Source: Transparencia Internacional
(<https://www.transparency.org/en/cpi/2024>)



International Overview

02

An avalanche of anti-corruption legislation



Key Regulations

FCPA (Foreign Corrupt Practices Act)

03

Foreign Corrupt Practices Act



Enactment of the FCPA

In 1977 as a result of a series of political scandals involving corrupt practices around the world, the US enacted the FCPA to prevent international corruption ("corporate bribery").



WHAT DOES THE FCPA REGULATE?

The FCPA is intended to punish those unlawful behaviours involving an act of corruption and bribery against public foreign officials.

WHO REGULATE THE FCPA?

The **U.S. Department of Justice (DOJ)** and the **U.S. Securities Exchange Commission (SEC)** share responsibility for enforcing the FCPA.

The DOJ has responsibility for **criminal enforcement**, which can result in monetary penalties, probation or (for individuals) prison sentences.

The SEC has responsibility for **civil enforcement**, which can result in monetary penalties and injunctions.

WHAT PROVISIONS DOES THE FCPA COVER?

The FCPA regulates the international problem of corporate corruption through two provisions:

- 1 Anti-bribery provisions:** prohibit giving, offering, promising or authorizing the payment of anything of value to foreign public officials, or securing an improper advantage in order to obtain or retain business. In this context, "foreign public officials" mean "public officials" of countries other than the United States.
- 2 Financial and accounting transparency provisions (Accounting Provisions):** these require the preparation and maintenance of accounting books and records, as well as the implementation of internal control mechanisms to prevent and/or detect improper payments.

Foreign Corrupt Practices Act

Scope of application

1

ISSUERS

- A. Any company, U.S. or foreign, that owns registered securities (shares) in the U.S., directly or Indirectly (through ADRs).
- B. Any US or foreign company with reporting obligations to the SEC (Securities and Exchange Commission).

2

DOMESTIC CONCERNS

- A. U.S. citizens and residents.
- B. Companies domiciled in the United States, governed by U.S. law or having their principal place of business in the United States.

3

TERRITORIAL JURISDICTION

Any person or company, U.S. or non-U.S., who commits an act of corruption while in the territory of the United States, or with a US nexus.

Liability for acts performed by third parties:

Third parties linked to the organization

- Directors, officers, employees, partners, agents and, in general, any third parties, whether US nationals or non-US nationals, acting on behalf of a US Person entity, fall within the scope of the FCPA.
- In such cases, in the event that a corrupt practice offence materializes, the US Person entity may be directly affected, even if it is not involved in such conduct, but does benefit from the conduct.
- Some of the most common examples arise from distributors, contractors, suppliers, etc.

Mergers & Acquisitions

Transfer of responsibility



FCPA violations committed by the acquired company, and the consequences thereof, may extend to the acquiring company.

Foreign Corrupt Practices Act

Concept of Bribery

The FCPA prohibits to offer, promise, payment, authorisation of the giving of anything of value to a public official in order to obtain or retain business or secure any improper advantage. There is no materiality threshold, and it is not necessary that the improper conduct is fulfilled.

WHAT DOES THE TERM ANYTHING OF VALUE INCLUDES?

The term “**anything of value**” includes (but is not limited to):

- Cash and cash equivalents (gift cards and discounts)
- Loans
- Gifts and invitations
- Goods and services
- Employment positions for family members
- Training
- Shares
- Political contributions
- Trips, accommodation and meals
- Entertainment
- Reimbursement of expenses
- Favours
- Business or employment opportunities
- Charitable contributions, other not-for-profit organisations and company sponsorship

WHAT DOES THE TERM “PUBLIC OFFICIAL MEANS?

Means “*any officer or employee of a national, federal, state, provincial, regional or local government department, body, agency, or other government entity (including companies controlled or owned by the government) or any a public international organization*”. The term also includes political parties, party officials and candidates for public office.

OTHER CONSIDERATIONS

Willful blindness is equivalent to direct knowledge. Employees cannot “*turn a blind eye*” to the fact that an agent, consultant, or third party is clearly paying bribes to benefit the company.

Foreign Corrupt Practices Act

Concept of Bribery

REQUIREMENTS FOR ACCOUNTING RECORDS AND JOURNALS

Requires all issuers make and keep “books, records, and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the issuer”.

- There is no materiality for this requirement.
- Corrupt systems based on a multitude of payments of small amounts due to the ease of covering them up are often discovered.

REQUIREMENTS FOR INTERNAL CONTROL

Requires all issuers devise and maintain a system of internal accounting controls sufficient to provide reasonable assurance on the reliability of the financial information.

This materializes as policies, procedures and controls that allow:

- Transactions to be reflected accurately and appropriately.
- Assurance that transactions are performed with due authorization.
- Timely detection of uses or unauthorized sales of assets.

Foreign Corrupt Practices Act

Sanctions

Anti- bribery Provisions

INDIVIDUAL

- Civil penalties.
- Criminal fines of up to US\$ 250,000 and/or up to 5 years imprisonment.
- Under the Alternative Fines Act the fine can be up to twice the gross financial gain or loss resulting from the amount of the bribe.
- Possible impact on employees own assets.

IMPORTANT - Fines imposed on individuals who commit corruption offences cannot be paid by the employer (employer company), the employee is liable with his or her own assets.

LEGAL ENTITY

- Civil penalties of up to US\$10,000.
- Criminal fines of up to US\$2M.
- Under the Alternative Fines Act the fine can be up to twice the gross financial gain or loss resulting from the amount of bribe given.
- Disgorgement of illicit profits, suspension of public contracts, and reputational damage.
- Possible appointment of external monitors and obligation to report compliance.

Accounting provisions

INDIVIDUAL

- Civil penalties of up to US\$100,000.
- Criminal fines of up to US\$5M, or twice the loss or gain derived from the offence, and/or up to 20 years' imprisonment.
- Possible impact on employees own assets.

LEGAL ENTITY

- Civil penalties of up to US\$500,000.
- Criminal fine of up to US\$25M or twice the gain or loss derived from the offence.
- Return of illicit gains.

Key Regulations

Spanish Criminal Code

04

Spanish Criminal Code

The regime of criminal liability in the legal person: Article 31 bis of the Criminal Code

When can the company be criminally liable?

1. When it has committed one of the offences liable to give rise to the criminal liability of legal persons, in accordance with the catalogue provided for in the Criminal Code.
2. The offence must be committed by:
 - Administrators, legal representatives, persons with organizational and control capacity, fraudulently circumventing the organizational and control models.
 - Employees or collaborators. By serious breach of the duties of supervision, monitoring and control of the aforementioned.
3. The offence must have been committed in the name or on behalf of the company.
4. The offence must have been committed for the direct or indirect benefit of the company.

When can the company be exempted from criminal liability?

1

If the offence was committed by directors, representatives or persons with organizational and controlling capacity:



1. Whether organizational and management models have been adopted and effectively implemented prior to the commission of the offence.
2. Whether the supervision of the functioning and compliance with the prevention model in place has been entrusted to a company body with autonomous powers of initiative and control.
3. The perpetrators must have committed the offence by fraudulently circumventing the organizational and prevention models.
4. The supervisory body must have diligently exercised its supervisory, monitoring and control functions.

2

If the offence was committed by employees or collaborators:



1. Whether, prior to the commission of the offence, an organizational and management model has been adopted and effectively implemented that is adequate to prevent offences or to significantly reduce the risk of offences being committed. This translates into the implementation of a criminal risk management and organization model or a criminal compliance programme.

Spanish Criminal Code

Criminal Code: corruption in the public and private sphere

In Spain, the Penal Code criminalises conduct relating to acts of corruption in both the public and private sectors.

Public corruption

Under Spanish criminal law, public corruption includes the offences of bribery, influence trafficking and corruption in international business transactions.

Regulation:

- **Bribery: Articles 419 to 427** of the Criminal Code.
- **Trading in influence:** Articles 428-431 of the Criminal Code.
- **Corruption in international business transactions:** Articles 286 ter to 288 of the Criminal Code.



Special offence

The active subject of the offence is the public official himself, who, for his own benefit or that of a third party, carries out the corrupt conduct.

Special offence

The active subject of the offence is the private individual who carries out a typical conduct, vis-à-vis a public official.



Special impact for the legal person.

Private corruption

The offence of private corruption is confined to the offence of corruption in business.

Regulation:

Business corruption: Articles 286 bis to 288 of the Criminal Code.



It only affects private individuals in relationships that are of a private and commercial nature.

Definition of public official

The definition of public official under Spanish criminal law is understood from a broad point of view.

Thus, *"any person who, by immediate provision of law or by election or appointment by competent authority, participates in the exercise of public functions, shall be considered a public official"*.

Article 24 of the Criminal Code.

Spanish Criminal Code

Criminal Code: corruption in the public and private sphere

Public corruption: main forms of crime

Bribery(art. 424 c.p.)

Offering or giving to a public official or authority a gift or any kind of consideration, with the purpose that the public official or authority will



- Performs an act contrary to his or her inherent duties.
- Performs or delays an act that should be performed.
- Simply in consideration of his office or function.

Influence trafficking (art. 429 c.p.)

Influencing a public official or authority by taking advantage of any situation arising from a personal relationship, in order to:



- Obtain a resolution that can generate an economic benefit for himself or for a third party.

Corruption in international business transactions (art. 286 ter)

Offering, promising or giving any undue advantage or benefit to an international civil servant, in order that he or she will:



- Act or refrain from acting in connection with the exercise of public functions, in order to obtain or retain a contract, business or any other competitive advantage.

Private Corruption: Business Corruption

Business corruption (art. 286 bis c.p.)

Receiving, soliciting, accepting, promising or offering an unjustified benefit or competitive advantage of any nature whatsoever, in order to unduly favour another in:



- The purchase or sale of goods.
- The contracting of services.
- Commercial relations.

Spanish Criminal Code

Criminal Code: corruption in the public and private sphere

Other related offences

Embezzlement (Art. 432 CP)



Infringing administrative powers by causing damage to public assets.

Price-fixing in public tenders and auctions (Art. 262 CP)



Soliciting gifts or promises to (i) not take part in a public tender or auction; (ii) attempting to lure bidders away from bidding by means of threats or gifts; or (iii) colluding with each other to alter the auction price.

Money laundering (Art. 301 CP)



Acquiring, possessing, using, converting or transferring property knowing that it is derived from criminal activity, or any other act intended to cover up its unlawful origin.

Illegal financing of political parties (304 bis y 304 ter CP)



Giving donations or contributions to a political party, federation, coalition or grouping of voters in contravention of the provisions of Ley Orgánica 8/2007, de 4 de Diciembre, sobre financiación de los partidos políticos.

Key Regulations

German Criminal Code

05

German Criminal Code

Corruption in the public and private sphere

German criminal law distinguishes between corruption in the business sector and corruption in the public sector.

Public corruption

According to the German Criminal Code, bribery, granting advantages to public officials and bribery of national and international elected representatives are punishable offences.

Regulation: corruption against public/elected officials

- **Bribery of public officials:** Art. 334 of the Criminal Code.
- **Granting benefits to public officials:** Art. 333 of the Criminal Code.
- **Bribery of elected officials:** Art. 108e sec. 2 of the Criminal Code
- **Unacceptable representation of interests:** Art. 108f sec. 2 of the Criminal code

Regulation: corruption by the public officials

- **Bribery:** Art. 331 of the Criminal Code.
- **Taking bribes:** Art. 332 of the Criminal Code.

Corruption in business

The offence of private corruption is confined to the offence of corruption in business.

Regulation:

- **Business corruption:** Art. 299 of the Criminal Code.



This applies exclusively to corruption in commercial practice.

Definition of public official

The definition of public official is defined in Art. 11 of the Criminal Code. 'Public official' means any person who, under German law,

- a) is a civil servant or judge,
- b) carries out other public official functions or
- c) has otherwise been appointed to serve with an authority or other agency or has been commissioned to perform public administrative services, regardless of the organizational form chosen to perform such duties.

German Criminal Code

Criminal Code: corruption of the public or elected officials

Public corruption: main forms of crime

Bribery / granting benefits:

Art. 333, 334 (the same applies for international public officials - see Art. 335a) of the Criminal Code

Offering, promising or giving to a public official or authority or a third party a benefit, with the purpose that the public official or authority will



➤ perform an official act or promises to do so (in the past or future) and thereby violates his official duties.

Unacceptable representation of interests:

Art. 108f sec. 2 of the Criminal code

Offering, granting or promising undue advantage to an elected official or a third party



➤ in return for performing or refraining an act during his mandate to protect the interests of the party offering the advantage or a third party.

Bribery and corruption of elected officials:

Art. 108e sec. 2 of the Criminal Code

Offering, granting or promising an undue advantage for himself or for a third party



➤ in return for that member performing or refraining from performing an act in the exercise of their mandate.

Special offense:

The subject of the offence is the public official himself, who, for his own benefit or that of a third party, carries out the corrupt conduct.

- Art. 331 of the Criminal Code (Accepting benefits)
- Art. 332 of the Criminal Code (Taking bribes)
- Art. 108e sec. 1 of the Criminal Code (Taking of bribes of elected officials)
- Art. 108f sec. 1 of the Criminal Code (Unacceptable presentation of interests)

German Criminal Code

Criminal Code: corruption in private sphere (business corruption)



Business Corruption

Business corruption (Art. 299 sec. 1 of the Criminal Code)

Demanding, allowing themselves to be promised or accepting a benefit for themselves or a third party in commercial practice
(Art. 299 sec.1 No.1 and 2 of the Criminal Code)



- in return for giving an unfair preference to another in the competitive purchase of goods or services in Germany or abroad (Art. 299 sec.1 No. 1).
- in return for (without the consent of the company), performing or refraining from performing an action in connection with the purchase of goods or services, thereby violating his obligations towards the company (Art. 299 sec. 1 No. 2).

Business corruption (Art. 299 sec. 2 of the Criminal Code)

Offering, promising or granting an employee or agent of a company an advantage for themselves or a third party in the course of business
(Art. 299 sec. 2 No.1 and 2 of the Criminal Code)



- in return for giving an unfair preference to another in the competitive purchase of goods or services in Germany or abroad (Art. 299 sec. 2 No. 1).
- in return for (without the consent of the company), performing or refraining from performing an action in connection with the purchase of goods or services, thereby violating his obligations towards the company (Art. 299 sec. 2 No. 2).

German Criminal Code

Criminal Code: corruption in the public and private sphere

Other related offences

Embezzlement (Art. 266 of the Criminal Code)



Abusing the authority granted to them by law, official order or legal transaction to dispose of another person's property or to oblige another person, or violating the duty imposed on them by law, official order, legal transaction or a relationship of trust to protect another person's property interests, thereby causing damage to the person whose property interests they are responsible for protecting.

Collusive tendering (Art. 298 of the Criminal Code)



Submitting a tender for goods or services in response to a call for tenders that is based on an unlawful agreement aimed at inducing the organizer to accept a particular tender.

Money laundering (Art. 261 of the Criminal Code and Art. 1 et seq. Money Laundering Act)



Hiding or disguising objects (like money or property) that come from a criminal act. Exchanging, transferring or moving them to make it hard for the authorities to find or confiscate them is also forbidden. The same applies for getting, keeping, or using these objects for yourself or someone else, if you know they are derived from criminal activity. Art. 1 et seq. Money Laundering Act aims to protect the financial systems and companies from being misused for illegal activities by requiring certain businesses and professions to identify their customers, monitor transactions and report suspicious activities.

Key Regulations

UK Bribery Act

06

UK Bribery Act

UK BRIBERY ACT

The UK Bribery Act (2010) is one of the most impactful pieces of extra-territorial legislation in the fight against corruption, along with the FCPA.

The UK Serious Fraud Office has published a guide, produced by the UK Ministry of Justice, on the characteristics that compliance programmes must have in order to work efficiently and to operate as an exemption from liability under the Bribery Act.



UK Bribery Act

Definition	"when a person offers, gives or promises to give a financial or other advantage to an individual in exchange for improperly performing a relevant function or activity".
Scope	UK citizen, resident, company or subsidiary anywhere in the world
Offences	<ul style="list-style-type: none"> ➤ Bribing another person (Section 1) ➤ Being bribed (Section 2) ➤ Bribing a foreign public official (Section 6) ➤ Failing to prevent bribery by associated persons (Section 7)
Sanctions on individuals	<ul style="list-style-type: none"> ➤ Up to 10 years imprisonment ➤ Unlimited fine
Sanctions on companies	<ul style="list-style-type: none"> ➤ Unlimited fine ➤ Loss of related income ➤ Prohibition of public sector tendering
Responsible Authorities	<ul style="list-style-type: none"> ➤ Ministry of Justice for guidance. ➤ Serious Fraud Office for application.

Key Regulations

Brazilian Anti-Corruption Legislation

07



Brazilian Anti-Corruption Legislation

Brazil has a set of laws and decrees aimed at combating corruption and holding individuals or companies responsible for acts against the public administration: the 1940 Penal Code, which punishes individuals and establishes that corruption is a crime, whether active or passive; and specific laws, such as the Administrative Improbity Law (Law 8.429/92), the Bidding Law (Law 14.133/21) and the Antitrust Law (Law 12.529/2011). By joining international conventions, Brazil became part of the international anti-corruption agenda, resulting in decrees in the country: Decree No. 3.678/2000 (OECD Convention), Decree No. 4.410/2002 (Inter-American Convention against Corruption) and Decree No. 5.687/2006 (United Nations Convention against Corruption). In response to pressure from the media and civil society, and following recommendations from the OECD, Brazil implemented Law 12.846/2013, known as the Brazilian Anti-Corruption Law or the Clean Company Act. This law was complemented by Decree Law No. 11.129/2022, which expanded the actions of companies in preventing corruption.

Law 12.846/2013 Brazilian Anti-Corruption Law

This legislation imposes sanctions on companies engaged in corrupt practices against both national and international public administrations, as well as those involved in illicit conduct during public procurement processes. The law penalizes acts such as:

- Promising, offering, or giving, directly or indirectly, an undue advantage to a public official or an associated third party;
- Financing, funding, sponsoring or subsidizing the commission of illegal acts;
- Using an individual or legal entity as an intermediary to conceal or disguise their true interests or the identity of the beneficiaries of the acts committed;
- Obstructing investigations or oversights of public agencies, entities, or officials, or intervening in their activities;
- Committing harmful acts in public procurement processes and contracts with the government.

- Integrity Program Guide: Guidelines for Private Companies (current 2024 and previous 2015) - CGU
- Integrity Program Guide: Sustainable Practices for Private Companies - CGU

Decree 11.129/2022 (Regulates Law 12.846/2013)

Establishes the framework for the objective administrative and civil liability of legal entities for the commission of acts detrimental to national or foreign public administration

Particularly regarding the objectives of the Compliance Program, the Decree refers to: Irregularity prevention; detection of illicit activities within the organization; and remediation to restore integrity.

It encompasses the fundamental pillars of an effective compliance program, evidenced by: senior management commitment; designation of a responsible executive; risk assessment; a robust code of ethics; well-defined internal policies; continuous training; an accessible whistleblower channel; strict non-retaliation policies for whistleblowers; the application of disciplinary measures; and rigorous system

Most Brazilian states have laws and decrees that regulate Federal Law 12,846/2013 and require the implementation of an integrity program for companies that enter into contracts or agreements with the public administration.

Brazilian Anti-Corruption Legislation

LAW 12.846/2013

BRAZILIAN ANTI-CORRUPTION LAW

Law 12.846/2013 holds legal entities liable for acts that harm public administration, both domestic and foreign. It establishes administrative and civil sanctions for companies that engage in corruption.

Strict Liability (Article 2 of the Anti-Corruption Law):

Implies that a company is objectively accountable for any harmful act to public administration, whether domestic or foreign, irrespective of fault or proof.

Furthermore, the company is also liable for harmful acts committed by third parties acting in its interest or benefit, even if the company is not directly involved in the act.

Sanctions

- A fine of 0.1% to 20% of gross revenue, which will never be less than the benefit the company obtained through corruption;
- Compensation for damages caused;
- Loss of assets, rights, or values representing the undue advantage received;
- Prohibition on receiving incentives, subsidies, grants, donations, or loans from public agencies or entities;
- Restriction on participation in public procurement or contracts, and the company may even be subject to suspension or partial closure of its activities.

Individual liability:

The liability of a legal entity does not exclude the liability of its directors and administrators.

According to article 7, the existence of internal mechanisms and procedures for integrity, auditing and encouraging the reporting of irregularities and the effective application of codes of ethics and conduct within the legal entity will be considered when applying the sanction.

Brazilian Anti-Corruption Legislation

BRAZILIAN STATE LEGISLATION

State legislation requires companies entering into contracts with the Public Administration to implement a robust and effective Integrity Program.



ACRE

Decree 9.217/2021 - AC

ALAGOAS

Decree 48.326/16 - AL

AMAZÔNIA

Law 4730/2018 - AM

CEARÁ

Decree 33.951/2021 - CE

DISTRITO FEDERAL

Decree 37.296/16 - DF

Law 6112/2018 - DF

Law 6308/2019 - DF

Decree 40388/2020 - DF

Law 6176/2018 - DF

ESPÍRITO SANTO

Decree 3.971 - ES

Decree 3.956-R - ES

Law 10.793/17 - ES

GOIÁS

Law 18.672/14 - GO

Law 20489/2019 - GO

MARANHÃO

Decree 31.251/15 - MA

Law 11.463/2021 - MA

MINAS GERAIS

Decree 46.782/15 - MG

MATO GROSSO DO SUL

Decree 14.890/17 - MS

Law 6.134/23 - MS

MATO GROSSO

Decree 522/16 - MT

Law 10.744/2018 - MT

Law 11.123/2020 - MT

Decree 504/23 - MT

PARÁ

Decree 2.289/2018 - PA

PIAUI

Decree 22.677/24

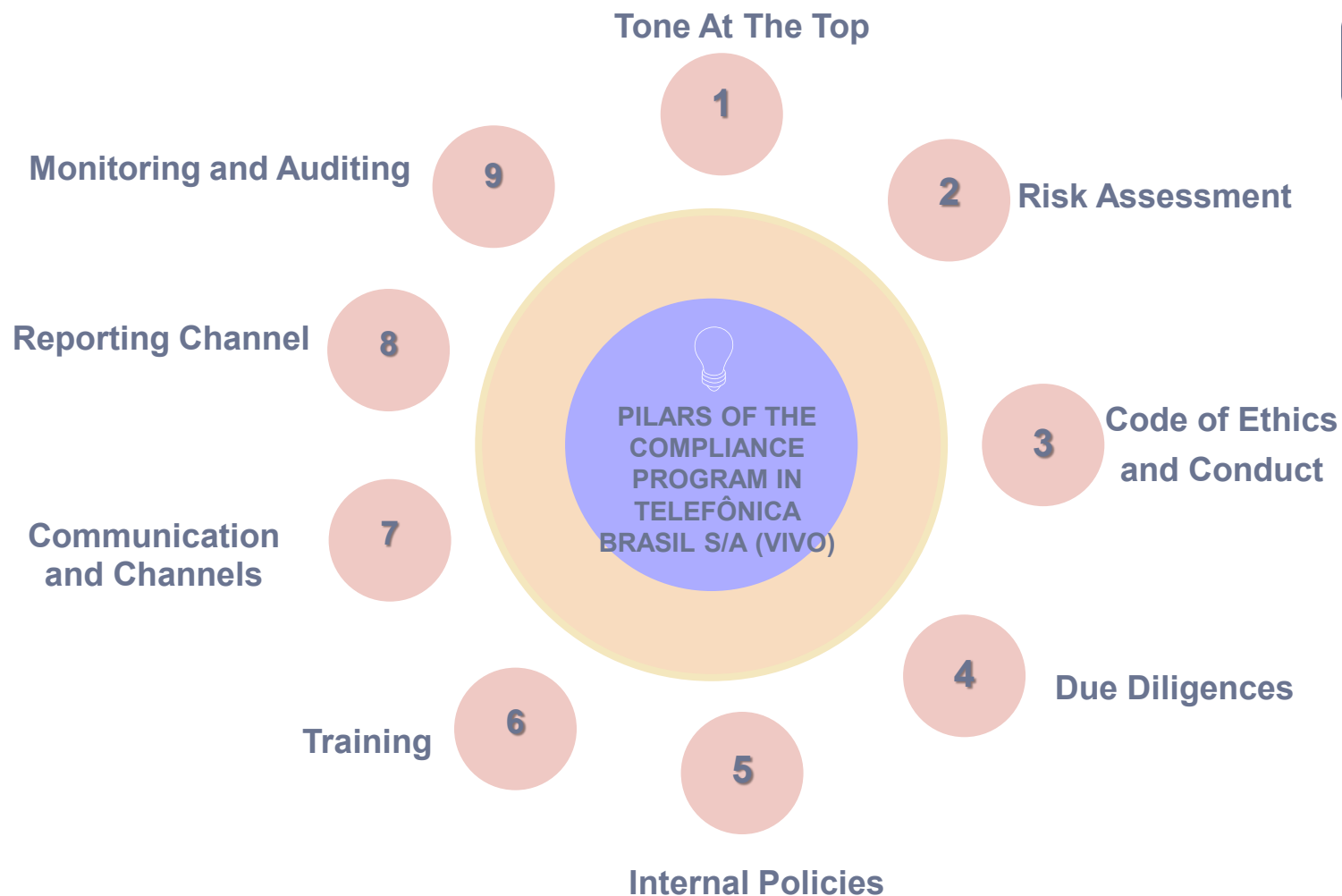
PARAÍBA

Decree 38.308/18 - PB

PERNAMBUCO

Law 16.309/18 - PE

Brazilian Anti-Corruption Legislation



DECREE 11.129/2022 - REGULATES LAW 12.846/2013

According to Article 56 of this decree, the integrity program must aim to:

I - prevent, detect, and remedy misappropriation, fraud, irregularities, and illegal acts committed against the public administration, whether national or foreign; and

II - foster and maintain a culture of integrity within the organizational environment.

It must be structured, implemented, and updated according to the characteristics and current risks of each legal entity's activities. The entity, in turn, must ensure the constant improvement and adaptation of the program to ensure its effectiveness.

Furthermore, Article 57 of the Decree sets out the parameters by which the integrity program may be evaluated, such as senior management commitment, code of ethics and policies, training, communications, risk management, internal controls, reporting channels, due diligence, monitoring and continuous improvement, etc.

Brazilian Anti-Corruption Legislation

LAW 14.133/21 (BIDDING LAW) AND DECREE 12.304/24

Decree 12.304/24, which regulated Law 14.133/21, now provides for situations in which an integrity program is required from companies engaging in contracts with state, district, and municipal public administration agencies and entities.

The regulation also establishes the evaluation parameters for these compliance programs.

Contracts above R\$ 200 million

Article 25 (Law 14.133/21) - For contracts above R\$200 million, the Administration must require the contractor to implement an integrity program.

- The program must be implemented and operational within 6 months of the contract signing.

Tiebreaker

Art. 60 (Law 14.133/21) - In the event of a tie between proposals, preference will be given to the company that demonstrates the development of a integrity program.

Rehabilitation

Art. 163 (Law 14.133/21) - The implementation or improvement of an integrity program as a condition for the rehabilitation of the sanctioned bidder or contractor

Program evaluation

To prove that the Company has an integrity program, the public body may request: (i) information and documentation (after signing the contract, for large-scale contracts); (ii) signature of a declaration, at the time of submission of the proposal (for tie-breaking purposes); or (iii) documents and information at the time of submission of the rehabilitation request.

Possibility of Waiver or flexibility

For SMEs or low-risk contracts, the decree allows for flexibility in the requirements, subject to justification by the competent authority.

Telefónica

08

Telefónica

Business Principles at Telefónica

The Business Principles, our code of ethics and conduct, govern everything we do and say and reflect the kind of company we want to be. In order to generate a relationship of trust all our stakeholders. These Principles serve as a compass for us to behave and make decisions based on **integrity**, **commitment** and **transparency**.



INTEGRITY

means working in accordance with ethical standards that are non-negotiable.



TRANSPARENCY

requires ensuring that we provide clear, truthful and accessible information about our strategy and activities to our customers, employees, suppliers, shareholders and to society in general and that this information is readily available for consultation at all times.



COMMITMENT

means delivering what has been promised and always acting responsibly.

These principles reflect unique, non-negotiable standards. For Telefónica, integrity implies a commitment to zero tolerance of corruption and bribery.

As proof of this commitment, Telefónica also has a **Global Compliance Model** aimed at preventing, detecting and responding to potential breaches.



Whistleblowing Channel

Guarantees the confidentiality of the facts reported as well as the anonymity of the complainant, if he/she so wishes.

Investigation and, if necessary, punishment of the facts.

**“Integrity is doing the
right thing even when no
one is watching”**

C.S. Lewis



Telefónica