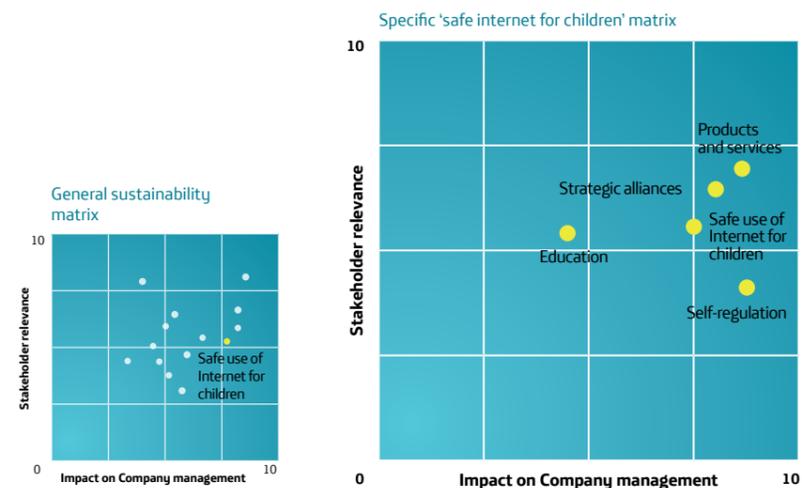




Materiality matrix



PEOPLE

ICTs for children_

Telefónica promotes an environment where minors can use new communication and information technologies while avoiding risks arising from misuse or lack of awareness

During 2013, the child protection strategy has been reflected in an internal Rule which has taken into account the commitments reached within the CEO Coalition and the ICT Coalition.

This Rule is mandatory across Telefónica's OBs and it will be implemented step by step and progressively until we achieve the homogenization in all the initiatives we carry out at Telefónica to promote the better use of our services by all the members of the family.

The said Regulations shall be of obligatory compliance in all countries, and the measures will

be applied in stages until we achieve uniformity in all the actions we carry out at Telefónica to promote safe use of our services by the younger members of the family.

Products and services

Part of the strategy of Telefónica to leverage the better use of its services is based on the design of specific products and services that promote the positive use of ICT by both children and teenagers, and tools that prevent them from being victims of abuse by malicious people and from getting access to inappropriate or

damaging content, whether by mobile, Internet or TV. Among other things, we offer antivirus programmes and content filters to guarantee safe navigation on the Internet. Similarly, adult content on the Company's TV services is offered subject to a parental PIN code.

Digital Family

In the previous year (2012), we developed, together with the Interactive Generation Forum, Digital Family (www.familiadigital.net), which is a resource centre for parents aimed at boosting digital education and helping to clarify their doubts about ICT.

Members of the CEO Coalition, in 2013.



Telefónica is part of the Monitoring Committee of the National Code of Conduct for safe use of mobile services by children

The interactive portal offers high quality content, news section updated periodically, and other information of interest. It has been developed in collaboration with prestigious organisations such as European Schoolnet, the University of Navarre, Insafe, EU Kids Online, Childnet International, *Protégeles* and *PantallasAmigas*, to name just some. The web is already available in Spain for the Movistar brand and will soon be made available in other countries in Latin America.

Hotlines

Collaboration with hotlines, as channels to report about content that might be considered illegal, is one of the priorities of the Rule. All our countries must insert an icon on their webs linked to the local hotline, or in the event that the country does not have one, the hotline of their choice member of Inhope.

The case of Spain should be mentioned, where, together with the other operators and *Protégeles*, an App for reporting and seeking for help has been developed for smartphones and tablets. Or the case of Colombia, where Telefónica has contributed to establishing the first hotline member of the Inhope in Latin America, called *Te Protejo*. This hotline also has an App that can be downloaded from the principal app stores.

Aula 365 (Argentina, Colombia and Peru)

Aula 365 is a free educational support service with multimedia content for the students. Through this portal, we at Telefónica have made advanced Web 2.0 tools available to help the children of our broadband customers to do their homework from home, to improve the school performance of students of all ages. The web is

supported by a virtual teacher who responds to doubts and queries.

Complete K-12 education solution from Telefónica Learning Services

Based on the training and education experience acquired during the last 10 years, this offers a complete end-to-end solution for K-12 education. The package is composed mainly of TLS in-house developments like the virtual learning environment WeClass. This is an environment that incorporates different activities for the different profiles of an educational centre (teachers, students and parents). WeClass allows users to: create *Mi clase digital (My digital class)*, design syllabuses according to student level, create repositories of content, maintain direct online contact between families, students and the educational centre, encourage cooperative work, and, in short, adopt the use of ICT in the classroom.

Education

Among the educational activities that have taken place there are workshops for parents (held in schools) on the better use of social networks by teenagers, leaflets in the shops, collaboration on national initiatives, etc.; everything that helps to take maximum advantage of ICT, while avoiding misuse.

In 2013, Interactive Generations trained over 7,000 children, parents and teachers in responsible use of ICT, thanks to sessions given by the organisation's own volunteers, numbering more than 55 in Spain, and by talks both by experts from the University of Navarre, and diverse collaborators of the Forum.

Self-regulation

Telefónica participates in numerous initiatives of the sector so as to multiply the efforts to achieve a common goal: to offer the best possible environment for children on the Internet.

Alliance of mobile operators

Telefónica is a founder member, since 2008, of the Mobile Alliance Against Child Sexual Abuse Content, and will proceed to block this kind of content proactively, following the guidelines and lists provided by the Internet Watch Foundation.

National Code of Conduct

Since 2007, Telefónica has been part of the Committee of the National Code of Conduct for safer use of mobile services by children, along with the other principal operators in Spain.

As an outcome of this collaboration, an icon was introduced on operators' web pages, which is easily identifiable by users and which allows them to alert *Protégeles*, which is the official node of Inhope in Spain, should customers come across Internet content that could be deemed potentially illegal. In 2012, a downloadable application for smartphones and tablets was developed, using the same icon designed for the webs, and which also allows users to alert *Protégeles* when using these mobile devices to access the Internet. In 2014 the updated and more completed version of the app will be presented.

Coalition of CEOs for a better Internet for children (CEO Coalition)

During 2013, all the companies that make up the CEO Coalition have been busy implementing the measures to which they had committed themselves at the start of 2013, the final results of which were submitted to the European Commission in January 2014.

This cross-industry collaboration has facilitated the joint search for solutions that require intervention at various points in the chain of value: to deepen relationships between the industry and those organisations that defend the needs of children in the digital world; to bolster projects and good practices already under way, and innovate in products and services to build a safer environment for Internet use from all available platforms (PC, tablet, smartphone, etc.), and for the different kinds of Internet access (fixed, mobile, wif, etc.), as well as to develop closer relationships with Law Enforcement Agencies and similar bodies.

ICT Companies' Coalition

In January 2012, 30 companies from the Information and Communications Technologies sector announced the launch of the ICT Coalition for safer use of the Internet by children and teenagers. At the end of 2013, each of the companies submitted a report with the commitments that it had undertaken for each line of action of the ICT Principles, and which will be audited in 2014 by an external professional who, following analysis and verification of the information supplied by each company, will issue a report on its veracity. These documents will be available at www.ictcoalition.eu

The ICT Principles are supported by companies from throughout the ICT sector: from network operators to device manufacturers, together with content providers, search engines, etc. The Principles deal with key issues and hot topics such as content, parental control, handling of abuse and misuse, child sexual abuse images and control of privacy, in addition to education and awareness-raising for children and teenagers.

Strategic alliances

Telefónica is aware that to foster the better use of the new information and communication technologies, we need to build strategic alliances with civil society; for instance, we should mention our collaboration in the different countries with Inhope and Insafe's nodes such as *Protégeles*, Childnet and FSM, and other non-governmental organisations with similar aims to Telefónica such as *PantallasAmigas*, *Red Papaz*, and ASI. Also worthy of mention is our participation in initiatives promoted by the industry itself, the European Commission and the International Telecommunication Union, among others.

Without these alliances, it would not be possible to carry out all the activities we are engaged in, whether training or raising awareness, and nor would the ICT sector be in the position to offer effective global measures to ensure that its services are used to their best advantage while avoiding unnecessary misuse.

This is why this pillar is so important, and it is transversal to strategy, because this is what allows all the initiatives undertaken to achieve the expected level of success.

To encourage correct use of the new communication technologies, it is indispensable to have the backing of the whole sector and civil society