



Supplier Management



Procurement Instruction

Telefónica, S.A.

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CONTROL PANEL

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1	Procurement Processes and Operations Area	TGS and TCE Global Chief Procurement and Supply Chain Officer at Telefónica	Global Chief Procurement and Supply Chain Officer at Telefónica Vicente San Miguel	October 2017
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AMENDMENT SUMMARY SHEET

Epigraph	Main Changes compared to the previous version
1	<ul style="list-style-type: none"> It is included the reference to the new General Data Protection Regulation (GDPR).
2	<ul style="list-style-type: none"> “Company Supplier” and “Partner Supplier” are suppressed. The “Non Supplier” is renamed as “Exempt Supplier”. A clarification is introduced in the definition of start-up, in relation to the loss of the start-up condition, when it exceeds 600,000 euros “amount invoiced” instead of “awarded”, and it is extended to companies promoted by the Telefónica's Open Innovation Area that are participating in a pilot project or test with a unique character, and whose purpose is to specify the terms of a future contractual relationship. New concept “Supplier’s 360° Vision” is incorporated.
3	<ul style="list-style-type: none"> The determination of the Procurement Processes Unit for the registration of suppliers is simplified, becoming the one assigned to the company that purchases the product and/or service. The period of cancellation of the pre-registration of new suppliers is reduced to 7 days if the Procurement Processes Unit does not attend it (before 60 days). The need for the supplier to sign the anti-corruption certificate is suppressed and replaced by informing if it has an anti-corruption policy and acceptance of the certificate.
4	<ul style="list-style-type: none"> The beginning of the renewal period of the supplier's registration is reduced to thirty days before expiration (instead of sixty days).
5	<ul style="list-style-type: none"> In addition to the Financial Risk, the Supplier's Sustainability and Reputational and/or Compliance Risk is included.
7	<ul style="list-style-type: none"> The Block for Other Reasons is suppressed and the Preventive Block will be reused for these cases. It is established that a supplier can only be awarded when it is in “Active” or “In renewal” status.
	<ul style="list-style-type: none"> “Monitoring of Quality” section is suppressed.
Annex 1	<ul style="list-style-type: none"> The data to be filled by the suppliers for registration through the Supplier Website are reduced and it limits the possibility of including additional documentation to regulatory reasons of mandatory compliance.
Annex 2	<ul style="list-style-type: none"> In order for the supplier to be classified as an “Exempt Supplier” automatically: <ul style="list-style-type: none"> Product codes 2713 and 3482 are incorporated. Product codes 2225, 2252 and family 56 are removed.
Annex 4	<ul style="list-style-type: none"> The need to sign the contract for the use of the platform is replaced by its electronic acceptance. The term is reduced to 30 days for the supplier to accept the Electronic Commerce Agreement (before 120 days). After this time, the supplier's status will be “Rejected by Unsigned Contract”.

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1. OBJECT

Telefónica, S.A., as the parent company of the Group, is in charge of establishing the foundations, instruments and mechanisms required to adequately and efficiently coordinate this Company and all other companies that make up the Group; All of the above is to be applied without prejudice to and without impairing the autonomous decision-making capacity of each company involved, in accordance with their own interests and with the fiduciary duties owed by the members of its management bodies towards their shareholders.

To be able to participate in the procurement processes of the companies that make up the Telefónica Group it is necessary to have undergone a registration process. This rule affects all suppliers of Telefónica Group companies regarding all products and services within the scope of the Telefónica Procurement Model.

The objective of the present Instruction is the standardisation of the registration procedure by indicating the requirements that must be met by suppliers, the blocking causes and rejection and cancellation reasons of supplier's registration.

The application of the procedures included in this Instruction ensures compliance with requirements of the Regulation (EU) 2016/679 "General Data Protection Regulation", and with the Telefónica Corporate Instruction ICC-001 "Instruction on Work Risks in Contracting Works and Services".

The formalization process of the contract for the use of the Electronic Commerce Platform between the supplier and TCE, or the entity designated by TCE, is not considered within the scope of this instruction (see Annex 4).

2. DEFINITIONS

LOCAL PROCUREMENT PROCESS UNIT: It shall be responsible for carrying out the registration process and the maintenance of the Catalogue of Suppliers for its country/region.

TCE COMMERCIAL AREA: it is in charge of commercial management with the suppliers and coordinates the commercial management of those companies to which it has delegated in certain geographic areas.

ADQUIRA: Adquira is the company that manages the eMarketplace used by the Telefónica Group.

REGISTRATION: The process by which a potential supplier of Telefónica Group companies is registered in the Catalogue of Suppliers, prior to compliance with formal requirements indicated in this Instruction.

In addition to registration, the supplier must formalise the Electronic Commerce Agreement with TCE or the entity designated by TCE (with the exception of specific cases detailed in Annex 4).

Once registered, the supplier is enabled to be invited to negotiations in the product and/or service group within the geographical scope for which said supplier was registered (however, there shall be a control to ensure that the supplier cannot be invited to the

negotiations in the case that the electronic commerce contract has not been formalised or, as the case may be, if its commercial exception condition was not approved).

PRODUCT OR SERVICE GROUPS: This is the classification of the products and/or services within the scope of the Telefónica Procurement Model that are included in the "Product Code List".

GEOGRAPHICAL SCOPE: It will be identified by country, that is, no provincial, state, or any other kind of demarcation distinction shall be made.

SUPPLIER INTERNAL CODE: This code, which unequivocally identifies the registered supplier, is created by placing the two characters that identify the origin's country of the supplier (Country ISO Code) in front of the alphanumeric identification of the supplier in said country¹ (Fiscal document fiscal, CIF, NIF, RUT, CNPJ, etc.).

POTENTIAL SUPPLIER: A company that has contacted Telefónica and is not yet enabled in the Purchasing System (Ariba) to participate in RFX's.

SUPPLIER TYPES: The following supplier's types are defined:

Supplier: company susceptible to supplying products and/or providing services without limits to quantity, amount, or any other restriction.

Short Term Supplier: supplier necessary on an occasional basis, not on a recurring basis. These suppliers are exempted from signing the contract for the use of the Procurement Platform. This must be approved by the Commercial TCE team.

The validity of the registration shall only be 3 months in these suppliers. Once this period has ended, the File automatically move to "Blocked because of Short Term Supplier" status. If this supplier is required again, they must be modified to "Approved" status. The supplier will not be considered as a "Short Term Supplier" in this opportunity, meaning they must sign with Adquira. They will now be considered a standard supplier ("Supplier").

Suppliers invited to participate in small amount processes (less than 10,000 euros), shall also be considered to be Short-term Suppliers. In this instance, validation of the TCE Commercial Area will not be necessary, as the platform prevents awards of larger amounts to this supplier.

Start-up: These are those companies that are being driven by the Telefónica Open Innovation Area, either under a contractual relationship (investment or future investment agreement), or because they are participating in a pilot project or test with a unique character and whose purpose is to specify the terms of a future contractual relationship. In no case, the amount invoiced may exceed 600,000 euros to companies of the Telefónica Group with an impact in the current budget year.

¹ In the case of the United Kingdom where the existence of companies of the same Group share a Tax ID Number occurs, the suppliers' identifiers shall be made up of the country code plus the document which will register the extended VAT (VAT + 3 numbers that identify each company of the Group).

Regarding use of the platform, and with prior approval from the TCE Commercial Area, a contract must be formalised with special terms with TCE or the entity designated by TCE of the corresponding country.

Exempt Supplier: companies that exclusively supply the goods or services specified in Annex 2 (lease and/or sale of real estate, investment in media, etc.).

This type of supplier shall be considered commercial exceptions and it will be the corresponding Procurement Processes Unit the one that assigns such condition, limited to suppliers that only have assigned the products and/or services reflected in Annex 2.

Social Supplier: Telefónica defines social suppliers as the following entities:

- Non-profit Organizations and Foundations, recognised as such by current legislation, and whose mission includes the goal of encouraging inclusion in the job market of people at social exclusion risk.
- Those entities, legally recognised on a local level, as companies that promote labour integration of this collective of people and that are subject to specific legal treatment in the country (Special Employment Centres in Spain, for example).

To register it in the Catalogue as such, the supplier must prove:

- Via a copy of the deed or certificate of incorporation, that its mission fulfils the required objective.
- Via a copy of the official document, that it is registered as a Special Employment Centre.

Regarding to the use of the platform, and with the previous approval of the TCE Commercial Team, they must formalize a contract in special conditions with TCE or the entity designated by TCE of the corresponding country.

SUPPLIER WEBSITE: It is a website² where access to:

- The registration and validation Request Form
- The File to fill out, modified, or consulted via a user name and password provided by the system when the File's status move to "Approved" status.

SUPPLIER FILE: All the data and documents provided by the supplier during the registration process make up the Supplier File. These documents and information are divided into Required, Basic, and Sensitive Data.

360° VISION: Relevant information of the supplier, the status and sub-status, end date of the File, date of contract signing, Financial, Reputational and/or Compliance and Sustainability risk, active users of the company, etc., which is offered to the buyer for consult.

² Access to the Supplier Website: <http://acm.tce.adquira.com/suppliers>

3. SUPPLIER REGISTRATION PROCEDURE

The registration and validation request of a potential supplier may begin through the supplier's own initiative, recommendation or suggestion of the user / management areas or at the request of the Procurement Area, which have an invitation letter to send to the supplier with clear instructions on how to proceed.

In general, the Procurement Process Unit assigned to the company that purchases the product and/or service will carry out the supplier's registration. In the case of global framework agreements suppliers, the Global Procurement Processes Unit will carry out the registration.

Pre-registration

The procedure begins with self-registration of the supplier on the Telefónica Supplier Website. In exceptional cases, the Global Procurement Process Unit may directly create the supplier in the system if it has all of the mandatory information, including the information of at least one company contact person.

The supplier must fill in the "Registration and Validation Request Form" following the instructions detailed on the Website for this purpose. It must indicate activities (products and/or services) in which supplier wants to be for ("Codes for Products supplied"), and in which geographical areas and to which companies wishes to offer its products and/or services ("Countries supplied").

Additionally, in this phase, the supplier must accept in order to continue with the registration process:

- General Conditions of Use of the Supplier Website.
- "General Conditions for the Supply of Goods" and/or the "General Conditions for providing services".
- Supplier's Website Privacy Policy.
- Telefónica Group Supply Chain Sustainability Policy.

This documentation must be accepted at each renewal of the File.

Approval

The Procurement Processes Unit³ may request any additional information it deems necessary regarding the company (economic information, products and/or services provided, client references, etc.) in order to complete a first evaluation of the supplier.

Likewise, it will send the available potential supplier information to the corresponding Global Category to study whether or not the registration process should continue. No request shall be rejected due to the existence of many suppliers already registered for supplying the same products and/or services offered by the potential supplier.

If a decision is made to not continue with supplier registration, it must indicate the reasons for not considering the request; these reasons must be included in the internal

³ In order to speed up the attention of the pre-registration requests of new suppliers, the system cancels the pre-registration if it is not attended in 7 days by the Procurement Processes Unit

comments of the supplier File. It will send the potential supplier a notification and will cancel the registration in the system.

It must validate that the fiscal identification of the supplier is correct, and to do so, it may request documentation from the supplier that accredits it. Similarly, it will check the existence of the company by consulting a database (selected globally or by the Operator, according to availability at all times).

At the same time, it will assign the product and/or services and geographical scope of this supplier. Once the registration is approved, the supplier must fill in the "Supplier File", as described later on.

Registration of a product family implies it will be in all the groups and subgroups. Likewise, registration of a product and/or service group implies automatic registration in each one of the subgroups that depend on it. Product codes can be enabled by the Procurement Processes Unit as well as by the purchasers.

If the supplier has a contact person in the Telefónica Group the purchaser must forward the supplier to the Supplier Website indicating that the supplier should include the contact person in the "Telefónica Group Contact Person" data to speed up the process. In that case, it will be requested to the purchaser to indicate the Type of Supplier and the product codes to be associated.

Previously to its registration into the system, the supplier must be informed of the need of accepting the electronic commerce agreement (except for cases for those suppliers that have an approved commercial exemption).

In cases in which the supplier candidate is a **Business Group Company**, the registration shall be carried out depending on whether or not it has Subsidiary or Invested Companies in one or more countries where the Telefónica Group operates, having to registry each one of the companies that individually request it.

It must check the Business Group data to guarantee that the supplier is registered in the correct group. In the event that the Business Group does not exist, the Global procurement Process Unit will be requested to register in the system.

Following actions are initiated once the File is approved in the Catalogue of Suppliers:

- Sending a notification to the supplier indicating the status' change, as well as indicating the user name and password for accessing the platform to finish its File.
- Automatic launch of the agreement for access to the Electronic Commerce Platform for supplier approval and registration of the requested users and other data necessary for the development of the contractual conditions.

Complete File

The supplier must complete the File with the full information required including the acceptance of the **Anti-Corruption Certificate** and informing if it has an Anti-Corruption Policy, ethical code, code of conduct or similar policy. In the event that the supplier indicates that it does not have it, the Compliance Area must validate if the reasons indicated by the supplier are enough to continue with its registration. The Certificate must be accepted at each renewal of the File.

Once completed the File, the supplier will send it by selecting “Accept” and the status will automatically change to “Pending Validation”.

Validated

The Procurement Processes Unit will review the presented documentation and, as a minimum, it will verify that the Supplier’s File contains all the required information (Required Information, Anti-Corruption Certificate, and if applicable Sensitive Information).

If all the information is correct, it will proceed with the registration in the supplier’s Telefónica Group Catalogue, changing the status from "Pending Validation" to "Validated". In cases where the supplier does not send all the requested information, the File shall not be validated and the supplier shall be informed of the reasons for rejection (modifying the status of the File once again to "Approved" so the supplier may access and complete the data).

The supplier will be assigned the status of “Active Supplier” when their File has been validated and the Electronic Commerce Agreement⁴ has been accepted.

The system shall notify the registration of the supplier in the Telefónica Catalogue of Suppliers. At the same time, it must be informed for supplier’s registration in the ERP.

4. RENEWAL OF SUPPLIER REGISTRATION

The registration shall be valid for one year. Thirty days prior to the expiration, the system will change the Supplier File to "Renewal" status and will send an email requesting the supplier to update its information. Regardless of the date of expiration of the Supplier File, the Procurement Processes Area may request at any time that the supplier update any data or documentation in order to keep the File updated.

Similarly, if a previously registered supplier needs to modify the geographical scope or the product code, it must get in touch with the company with which it made the registration.

Suppliers can all update their Files with the “Approved” and “Renewal” statuses. In cases in which "Active" suppliers request a data modification (scope, product code, etc.) and requires providing additional information (Supplementary Information) to do so, access to their File will be enabled through the “Request for Additional Documentation without Status Change” option so that the supplier may provide the required data and update their File.

The Procurement Processes Area will monitor the suppliers in the "Renewal" status, in order to the supplier can update their File and provide the required documentation as soon as possible, and prior to the expiration date.

⁴ Except if, commercial exception applies, as described in Annex 4.

5. RISK MANAGEMENT

The Procurement Area will have access to external databases that have the suppliers' financial information, sustainability and reputational/ compliance, which may be consulted:

- By the Processes Area, when registering a supplier for the first time (except sustainability assessment) and at its annual renewal.
- By the buyer, when selecting the suppliers to invite to a procurement process and in the bid comparison.

The aim is to identify possible risks in suppliers that may be awarded in order to mitigate risks that could occur during the execution of the contract and that could adversely affect the provision of the service or supply of goods to Telefónica.

A scale of risk levels will be provided, easily understandable for buyers. This scale may be adapted according to the external information sources.

Financial Risk. The levels of financial risk are high, medium-high, medium, low, minimum and without risk. The allocation of the risk's level is based on the evaluation carried out by an external company specialized in this type of risk. In case of high risk, in the awarded phase, the approval of the Local Financial Area it will be necessary.

Likewise, Procurement Area will be the responsible of informing the Management Area when identified a relevant worsening of the financial situation of suppliers with ongoing awards.

Sustainability Risk. In this evaluation, environmental, social, ethical and supply chain criteria are reviewed in relation to Sustainability. The evaluations carried out will be valid for one year.

The level of sustainability risk is assigned to the supplier based on the evaluation carried out by an external company that has a model and a system to evaluate the supplier who must accept to be evaluated before. Sustainability risk levels are high, medium-high, medium, medium-low and low.

When a supplier with high sustainability risk is identified, it will be locked in the system until the evaluation improves or the supplier expressly commits to the elaboration of an improvement plan that will be evaluated by the Sustainability Area.

Reputational and/or Compliance Risk. In this category are included behaviours of the supplier that may affect your business and its reputation, and consequently may have an impact on the relationship with Telefónica. In this sense, it is considered that the supplier can generate a bad reputation and distrust if it is involved in terrorist crimes, organized crime, corruption, money laundering, tax evasion and other financial crimes.

In order to verify the Reputational and/or Compliance risk of registered suppliers through an external system that allows identifying the risk of the suppliers, and may be assigned, where appropriate, the corresponding risk.

In addition, in the process of registration and renewal of the supplier, the completion and acceptance of the anti-corruption certificate is requested.

6. REASONS FOR SUPPLIER FILE REJECTION

The following are detailed reasons for rejection in which the supplier File may be classified:

- **Rejected because of Duplication:** the system will not allow the pre-registration process to continue if the company is already registered, and will inform the supplier that there is a pre-existing registration with that information. However, It may occur that the supplier alters the information of the control data (Business Name and Document) to avoid the validation mechanisms. In this case, Rejected because of Duplication must be indicated.
- **Rejected because of No Interest:** When the Telefónica Group is not interested in the pre-registration made by the supplier.
- **Rejected because of Unsigned Contract:** if, after a 30 days of the pre- registration's approval (that is, when the Electronic Commerce Agreement is sent), Adquira/TCE has not been able to go forward in the contract acceptance, the File will move to "Rejected because of Unsigned Contract" status. If it wants the contract sent again it must be moved the supplier to "Approved" status so that the platform can automatically send the corresponding contract.
- **Rejected because of Other Motives:** when the nature of the rejection cannot be included in the aforementioned descriptions, the "Rejected because of Other Motives" status shall be used. Selecting this option will also request the reasons for the rejection.

7. SUPPLIER BLOCKING

The registration shall be blocked when the supplier:

- Has problems to achieve with their undertaken commitments and does not duly inform to the Procurement Area.
- Does not comply with the conditions or terms of the presented offer.
- Commits irregularities in the supply of the product and/or provision of the service, according to what is defined in "Telefónica's Procurement Model Manual".
- In the instance provided in the "Regulation on Supply Chain Sustainability".

In a first phase, the blockade will be temporary, being able to reach the final cancellation if these circumstances remain or are repeated systematically.

In addition to the reasons already indicated, a supplier may also be temporarily blocked:

- **Blocked because of Expired File:** it is locked automatically when the supplier is in "Renewal" status for more than a month, since one year has elapsed since their registration or renewal without updating its File. Said period will be interrupted at the moment in which the supplier carries out any action on his file, and the period of one month established for the renewal will be computed from that moment.
- **Blocked because of End of Contract Validity:** it is locked automatically when the contractual relationship with Adquira/TCE has ended, previous notification of any of the parties according to those established in each contract.
- **Blocking of Short Term Supplier:** it is locked automatically when the 90 day since the supplier was approved as a **Short Term Supplier**, has ended.

- **Preventive Blocking:** it is locked when Telefónica has temporarily decided not to invite or award the supplier in any procurement process. This block may be requested by any Area of Telefonica Group that justifies the blockade or by the Local CPO or Global Category Director to the Procurement Processes Unit.

The preventive blocking is also used if the supplier's Finance, Sustainability or Reputational/ Compliance risk yields a certain level that, together with the consensus of the Finance, Sustainability or Compliance Corporate teams respectively, determines to apply this block. The Global Purchasing Area may also use it when there are justified risks that could affect in the Telefónica Group.

The supplier will only be unlocked if it is validated by consensus of all the areas involved (Finance, Sustainability or Compliance respectively, with Procurement), from the request of Local CPO to the Global Category Director. If necessary, it will be escalated to the Global CPO.

Additionally, and when the block derives from an internal control situation, the Internal Audit area must be kept informed both in the block and when the supplier is unlocked.

The TCE Commercial Area may proceed to cancel the supplier's contract for the use of the platform.

- **Blocking because of Debt with TGS and/or Adquira/TCE:** it is locked by the Debt / Commercial team when the supplier has an unpaid debt with Telefónica Global Services (TGS) and/or Adquira / TCE. In this status, the supplier cannot participate in new procurement processes, nor can be awardee.

There is the possibility of limiting access to the platform or its functionalities in the instance that the supplier presents a debt with any company of the Telefónica Group.

The supplier will be only unlocked if it is validated by consensus of all the areas involved from the request of Local CPO to the Global Category Director and CEO TGS. If necessary, it will be escalated to the Global CPO.

The supplier may only be awarded when it is in an Active or Renewal status and has accepted the agreement for the use of the platform or a commercial exception has been approved.

8. CANCELLATION OF SUPPLIER REGISTRATION

When one of the reasons detailed below occurs, a supplier will have to be definitively disabled for future procurement processes, proceeding with the cancelation of the supplier's registration ("Cancelled" status on the application):

- Providing false information.
- Any infraction to the Telefónica Group Intellectual or Industrial Property Rights, or these kinds of rights that have been transferred to any company belonging to the Telefónica Group by third parties.
- Non-compliance with the obligations of confidentiality, or with the obligations having to do with personal information ("General Data Protection Regulation").
- Due to the untimely correction of any non-compliance that motivated a temporary block.
- Because of the reiteration of the non-compliances that motivated the temporary block within the period of validity of the registration.

- Because of a serious non-compliance of any of the terms of the offer on which the allocation was carried out, or because of a serious non-compliance of any of the general or specific conditions contractually established. The managing area may request the cancellation based on the aforementioned reasons only if this conveniently justified.

Previously, the supplier shall be given the opportunity to justify the situation in question. Notwithstanding the aforementioned, this will not occur in those cases in which the supplier had been in blocked status and the supplier did not resolve the reasons that originated the block.

Additionally, File's cancellation may also occur when:

- The registered supplier requests the cancellation, whether this cancellation shall be limited to the activity or product, and the geographical scope requested.
- The supplier should disappear, or should be absorbed, its definitive cancellation shall be carried out once the notification has been received by either the supplier or by one of the Management Areas to which it provides services.

The definitive cancellation of the supplier's registration implies the impossibility of participating in any new procurement process within the geographical scope and activity cancelled.

Furthermore, the Telefónica Group reserves the right to totally or partially annul requests or terminate existing contracts, as well as to execute any and all legal actions to which it is entitled to if it considers it to be necessary.

9. INTERNAL AUDIT

The Internal Audit Unit may carry out the verifications and analyses deemed appropriate to verify the correct application of the aspects contained in this Policy.

10. ENTRY INTO FORCE

The present Policy shall enter into force from the date of notification of its publication, replacing the previously existing version.

ANNEX 1: INFORMATION FOR SUPPLIER REGISTRATION

Data required

These is the minimum essential data necessary for processing a Registration and Validation Request. The data includes the following:

- Complete identification of the supplier
 - Identification code that corresponds to the country to which the supplier belongs, and according to type of person, either legal or natural
 - Company's Name
 - Legal Concept
 - Complete address of the head office
 - Telephone and main email address
 - Product codes supplied
 - Countries supplied
 - Financial Head: Name, Position, email and telephone number.
 - Number of employees and business volume.
- Complete identification and contact information of at least one counterpart
 - Name and surnames
 - Telephone, email address

Basic Data ((Profile data tab)

These are data and documents requested in the register of any supplier and that are recommended to maintain an adequate business relationship:

- Proof that accredits and confirms the fiscal identification code (VAT, CIF, NIF, RUT, CNPJ, etc.) with which the registration has proceeded. It will be only requested when its identification cannot be possible to verify by other means.
- Furthermore, the Procurement Process Unit of the country may request specific documentation from the suppliers who want to supply within their geographical scope.

Acceptance of Terms and Conditions

- "General Conditions of Use of the Supplier Website".
- "General Conditions for the Supply of Goods" and/or the "General Conditions for providing services".
- Supplier's Website Privacy Policy.
- Telefónica Group Supply Chain Sustainability Policy
- Anti-corruption certificate informing about their Anti-Corruption Policy.

Sensitive Data

Data whose modification would suppose an alteration in the selection and traceability conditions of the supplier. This fact needs the authorization of the corresponding Procurement Area for it to be carried out. The data includes the following:

- Country
- Document type
- Fiscal document
- Supplier Type
- Business Name

Any additional request, as described in this standard, for data or documentation to the supplier for registration must be duly justified for mandatory regulatory reasons.

ANNEX 2: LIST OF PRODUCT CODES “EXEMPT SUPPLIER”

It is considered in this exception the suppliers of:

Services and Works Global Category

- Group 223 “ Scrap and Vehicles Sale”
- 2250 “Local Leased Lines, Local Access to Telecommunication Networks”
- Family 23 “Land and Properties”
- 2713 “Fuels Supply”

B2B/B2C Global Category

- 3482 “Vehicles/Mobile units”

Marketing and Publicity Global Category

- 5171 “ Media Investment”

In every case, the family includes the subgroups (unless the group is not indicated later). Similarly, the group (with the same conditioner) includes its subgroups of associated products.

ANNEX 3: LIST OF COUNTRIES AND PROCUREMENT PROCESS AREAS RESPONSIBLE FOR SUPPLIER MANAGEMENT

COUNTRY	PROCUREMENT PROCESS UNIT
Spain ⁵	Spain
Spain (TCE perimeter companies) and Coordination all countries	Global Area
Argentina	Argentina
Uruguay	
Brazil	Brazil
Chile	Chile
Colombia	Colombia
México	México
USA	
Puerto Rico	
Ecuador	Peru
Peru	
UK	UK
Germany	Germany
Venezuela	Venezuela

⁵ Except suppliers of procurement companies whose purchasing team belongs to TCE.

ANNEX 4: ELECTRONIC COMMERCE AGREEMENT

"Exempt Supplier" and "Short Term Supplier" are the only supplier types exempt from formalizing a contract with TCE or the entity designated by TCE for the use of the electronic commerce platform.

In the case of "Exempt Supplier", the File will move to "Pending Validation" status because these suppliers do not generally enter to complete their File, as the Procurement Processes Unit will continue with the registration.

Once the File reaches "Approved" status for the remaining types of suppliers, the supplier must accept the agreement with TCE, or the entity designated by TCE, to be able to participate in negotiation events.

In the case of suppliers for whom a commercial exception is required (except for the "Exempt Supplier" and the "Low Amount Short Term Supplier" that do not require approval by the Commercial team) the Process Unit will update the status to "Exception commercial" instead of "Approved". Therefore, the file reaches the Commercial Team and proceeds to the approval as appropriate, sending the subsidized contract, or the standard if the requested exception is rejected.

In certain cases as Start-up, Social Supplier, Foundations and Universities, the Procurement Processes Unit, may request commercial exceptions to the Commercial Area duly justified in the System. If the exception proceed, a contract under special conditions will be generated. If the commercial exception not proceed, it will inform to the Procurement Processes Unit of the need to accept the Electronic Commerce Agreement and will move the File to "Approved" status.

Likewise, the companies that belong to the Telefónica Group shall be exempt from paying for use of the electronic commerce platform and it is needed to accept a subsidized contract.

The assignment of the entity with which the supplier must sign the electronic commerce contract shall be automatically done by the system.

The supplier will have 30 days for the acceptance of the Agreement, if during this time, it was not accepted, the supplier's status would be "rejected by unsigned contract".