Purchasing Policy

The objective of this purchasing policy is to establish guidelines and procedures for the efficient and effective acquisition of goods and services necessary for the operation of the organization, ensuring transparency, quality, and the best value for money invested.

This purchasing policy applies to all purchasing activities for equipment and materials and the contracting of works and services by the businesses managed by Telefónica Factoring España S.A. within the limits provided in the regulations applicable to the regulated activities carried out by Telefónica Factoring España S.A.

In order to avoid reputational, operational, credit, market, regulatory, and other risks that may arise during the purchasing process, Telefónica Factoring España S.A. establishes the following principles:

1. In accordance with the Company's commitment to purchasing management, a culture of honesty and transparency will be promoted based on the principle of 'zero tolerance' towards the commission of illegal acts and fraud situations, and on the application of principles of ethics and responsible behavior.

2. Any irregular situation that a supplier or potential supplier of Telefónica Factoring España S.A. detects should be brought to the attention of the company.

3. In situations where there is or may be a possible irregularity or conflict of interest, as established in the TFE Ethical Code, the affected employee will inform their immediate superior and the Compliance Mailbox in writing and will refrain from intervening, influencing, or participating in the purchasing process, as well as from accessing confidential information affecting said conflict.

4. In order to integrate ethics into the purchasing process, all suppliers must be informed of the sustainability policies adopted by Telefónica Factoring España.

5. The Company sets environmental objectives, including the protection of the environment, the reduction of the environmental impact of hazardous materials, the reduction of CO2 emissions, and the continuous improvement of energy efficiency. Therefore, the value of purchasing products with low toxic and hazardous content that minimize environmental impact is recognized, and it requires its suppliers to adhere to this commitment.

The management of purchases with third parties in the Company will be addressed in the following phases:

1. Request for needs to Management.

2. Request for quotes.
3. Evaluation of quotes.
4. Formalization of contract or order.
5. Monitoring, receipt, control, and release of payments.

All personnel involved in the purchasing process must familiarize themselves with and comply with this policy.

This policy has been approved by the Board of Directors of Telefónica Factoring España S.A. on June 27, 2024.