Key Findings:

- Telefónica’s disclosure of its network shutdown policies was one of the more comprehensive among all telecommunications companies evaluated.
- The company had strong disclosure of its security policies, including measures it takes to safeguard users’ information.
- The company offered insufficient disclosure about what user information it collects, shares, and retains, and how it handles requests from governments and private parties for user information.

OVERALL SCORE

33%

Telecommunications Rank

3

Operating Company Evaluated

Telefónica

Spain

Services Evaluated

- Pre-Paid Mobile (Movistar)
- Post-Paid Mobile (Movistar)
- Fixed-Line Broadband (Movistar)

ANALYSIS

Telefónica ranked third out of the 10 telecommunications companies evaluated, behind AT&T and Vodafone, and 10th in the Index overall. Telefónica is new to the Index, making it the third European telecommunications company, along with Orange and Vodafone, evaluated by this Index. A member of the Telecommunications Industry Dialogue (TID), Telefónica made strong commitments to users’ freedom of expression and privacy, although it fell 15 percentage points behind AT&T and Vodafone in its overall score. However, the company edged out Orange by one percentage point due to the company’s comparatively stronger performance in the Freedom of Expression category. Nonetheless, the company had notably weaker disclosure of its commitments to freedom of expression and privacy at the governance level compared to its European peers. There appear to be few explicit legal factors in Spain, Telefónica’s home market, that would prevent the company from making and disclosing stronger policies for implementing its commitments to users’ freedom of expression and privacy or from disclosing much of the information relevant to this Index.

About Telefónica, S.A.

Telefónica, S.A., provides telecommunications services in Spain, Germany, the United Kingdom, and 14 countries in Latin America. It offers mobile and fixed line services, in addition to television, cloud computing, and other services. The company serves 274.8 million mobile phone, 38.9 million fixed telephony, over 21.7 million internet and data, and 8.3 million TV customers.¹

Market Cap: USD 48,116 million²
BME: TEF
Domicile: Spain
Website: www.telefonica.com

Telefónica ranked eighth out of all 22 in the Governance category. Among telecommunications companies, it fell behind Vodafone, Orange, and AT&T by a considerable margin.

Although Telefónica made a clear commitment to freedom of expression and privacy as human rights [G1], it was not clear whether there was senior-level oversight over these issues within the company [G2]. The company also lacked disclosure of any human rights due diligence processes [G4]. Notably, Telefónica received one of the higher scores for disclosing a grievance and remedy process through its online “responsible business channel,” where users can submit questions and complaints about the company’s policies and practices, including concerns regarding violations to freedom of expression and privacy.¹ But the company did not disclose how it responds to complaints or the number of complaints it receives.

Telefónica placed third among the telecommunications companies in the Freedom of Expression category, behind Vodafone and AT&T but ahead of the rest of its peers.

**Content and account restriction requests:** Compared to AT&T and Vodafone, Telefónica disclosed little about how it handles government and private requests to restrict content and accounts, but it was one of only four telecommunications companies to receive any credit on these indicators (F5-F7). Telefónica’s new transparency report, while a step in the right direction, did not provide adequate information about how it responds to these types of requests (F5), or about the number of government requests it receives or complies with (F6)—although it was the only company other than AT&T to score any credit on this indicator. Like all telecommunications companies, Telefónica provided no data about private requests it may have received to remove content or accounts (F7).

**Network management and shutdowns:** Telefónica’s lack of disclosure about its network management policies earned it one of the lowest scores of all telecommunications companies on this indicator (F9). However, it had the most comprehensive disclosure on network shutdowns, alongside Vodafone, although both companies still fell short of the standards required for full credit (F10).

**Identity policy:** Telefónica indicated it requires its pre-paid mobile users to provide identification (F11), in line with the legal requirements of Spain’s data retention law.⁵ As such Telefónica would be unable to change this policy without a change in the legal requirements.

Telefónica ranked third among telecommunications companies in the Privacy category, behind AT&T and Vodafone.

**Handling of user information:** Telefónica disclosed less than AT&T and Vodafone about how it handles user information, but scored on par with Orange and América Móvil on these indicators (P3-P8). While Telefónica disclosed some information on what user information it collects (P3), and for what purpose (P5), it provided no information about what user information it shares (P4). Like most telecommunications companies, apart from AT&T, the company did not reveal how long it retains user information (P6), or if and how users can obtain the information Telefónica holds on them (P8).

**Requests for user information:** Compared to AT&T and Vodafone, Telefónica provided little information about how it handles requests from governments and private parties for user information (P10-P11). Telefónica reported the number of requests to intercept communications and to obtain user metadata (P11), and the legal basis for them (P10). However, Telefónica lacked disclosure about its process for responding to requests, such as whether it commits to push back on overbroad requests.

**Security:** Telefónica had the second-highest score of all telecommunications companies on these indicators after AT&T [P13-P18]. It received the highest score in the Index for disclosure of its processes for responding to data breaches (P15)—and was among only two other companies, AT&T and Vodafone, to receive any credit on this indicator.

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⁵ “Ley 25/2007, de 18 de Octubre, de Conservación de Datos Relativos a Las Comunicaciones Electrónicas Y a Las Redes Públicas de Comunicaciones.”