Use of Artificial Intelligence Policy

MASORANGE Group

(This document has been translated from the current valid Spanish version for information purposes only. If in doubt, please refer to the Spanish version)

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Version nº	Approval Date	Changes versus last version
1.0	17/12/2025	Initial version of the document.

References to Other Documents

Doc. Ref.	Document name
L&A.C.02	MASORANGE Group Ethics Code
POL-06	Risk Management Policy
POL-07	Privacy and Personal Data Management Policy
PSG-01	Global Security Policy
POL-10	Information Security Policy
POL-15	Procurement Policy

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1. Object

The MASORANGE Group is made up of a series of dependent and associated companies whose main activity is the provision of telecommunication services, as well as other services such as energy, assistance, insurance mediation, television, or alarms, among others, all aimed at both wholesale and retail customers.

As a business group, MasOrange aims to drive innovation and investment in sustainable future networks to provide value to its customers, remaining at the forefront of technology. The adoption and use of Artificial Intelligence (hereinafter "AI") systems represent an opportunity to improve processes, products, and services.

The use of AI can provide essential competitive advantages to companies and facilitate positive social and environmental outcomes in various fields, such as improving prediction, optimizing operations, efficient resource use, and personalizing digital solutions available to society and organizations.

To address the challenges posed by AI use, it is essential to have an internal regulatory and governance framework for its implementation, consistent with the Group's existing Policies and Procedures.

The purpose of this Policy is to set out general principles and guidelines for the responsible, ethical and transparent use, design, development, provision and/or distribution of AI systems, as well as products and services that directly or indirectly use AI to be considered within the Group when using, designing, developing, providing, and/or distributing AI systems, as well as products or services that directly or indirectly use AI, to comply with the applicable Regulatory Framework and mitigate risks for MasOrange Group and for the rights and freedoms of individuals potentially affected by AI use. This policy aims to set out the general principles to ensure ethical, responsible, and transparent use, in line with MasOrange Group's values and objectives and in compliance with applicable legislation.

This is in light of the entry into force of Regulation (EU) 2024/1689, adopted by the European Parliament and Council on 13 June 2024, establishing harmonized rules on artificial intelligence (hereinafter "EU AI Act"), which forms the main regulatory framework in this area, together with the laws and guidelines that develop it.

2. Scope

Due to its nature as a General Policy, it is directed, first and foremost, at all companies that make up the Group, as well as at non-integrated companies in which the Group has effective control, within legally established limits.

This Policy, and all internal regulations that develop it, are binding on all areas, departments, and work teams within said companies, both in their internal relations and with third parties, as well as on any activity, product, service, or information system involving the use, design, development, or distribution of systems, products, or services that include Artificial Intelligence. This applies both to those developed or acquired for internal Group use and to products or services made available to clients of any Group company that include AI-based functionalities.

It is necessary to emphasize that it obliges all professionals belonging to the Group or third-party companies collaborating with it, even if their current tasks do not involve direct use of AI,

given the transversal nature of certain obligations throughout the organization, such as risk management and regulatory compliance.

This Policy and the Policies, Procedures, Processes, and Standards that directly develop it, as well as those most closely linked to the Code of Ethics, Information Security, and Data Protection, without which an appropriate AI usage policy could not be developed, will be communicated to all Group professionals and made available to all interested parties.

3. Definitions

What is AI?

Currently, there is no universally accepted definition of AI; in fact, the debate on the boundaries of what is or is not AI remains open. However, various definitions of AI share the following common elements:

- **Machine-based:** AI is based on technology and various objectives it must achieve.

- **Autonomy:** AI systems can act with a certain degree of independence from human action and have some capacity to operate without human intervention.

- **Human involvement:** Human input is required to train the technology and to identify the objectives pursued.

- **Outputs:** AI systems perform various functions, such as carrying out a task, solving a problem, or producing content.

A key feature of AI systems is their capacity for inference—the process of obtaining outputs such as predictions, content, recommendations, or decisions that can influence physical and virtual environments, and the ability to deduce models or algorithms from input data.

The EU AI Act defines an "AI system" means a machine-based system that is designed to operate with varying levels of autonomy and that may exhibit adaptiveness after deployment, and that, for explicit or implicit objectives, infers, from the input it receives, how to generate outputs such as predictions, content, recommendations, or decisions that can influence physical or virtual environments.

4. Development

4.1. Principles

The development of ethical, sustainable, and reliable AI must adhere to seven principles: human agency and oversight; technical robustness and safety; privacy and data governance; transparency; social well-being, diversity, non-discrimination, and fairness; energy efficiency and environmental impact; and accountability.

These policies contribute to the design of consistent, reliable, and human-centric AI. They are applied in a manner appropriate and proportionate to the risks and context of each use case.

4.1.1. Human Action and Oversight

AI systems in MasOrange Group will be developed and used as tools serving people, respecting human dignity and personal autonomy, and functioning in a way that allows for adequate human control and oversight. All AI systems must be designed or implemented with procedures or technical measures ensuring human oversight appropriate to the risks and context of the use. The MasOrange Group Code of Ethics and other internal Policies and Procedures will always be considered.

4.1.2. Technical Robustness and Safety

AI systems in MasOrange Group will be developed and used to be robust in the face of problems and resilient to attempts to alter their use or functioning for illicit purposes by third parties, minimizing unintended harm. Systems must have security testing plans and comply with the Group's Information Security Policy.

4.1.3. Privacy and Data Management

AI systems will be developed and used in accordance with privacy and data protection standards, processing data that meets strict quality and integrity requirements.

Specifically, MasOrange Group's data protection policies will be followed, particularly the principles of privacy by design and by default in the development and use of AI systems, as well as the required impact assessments when personal data is processed, either during training or when using AI systems affecting individuals.

4.1.4. Transparency

AI systems will be developed and used in a way that enables adequate traceability and explainability, including recording and documenting decisions and the entire process, from data collection to algorithm description. Explainability means the ability to reconstruct how and why an AI system behaves in a certain way.

It will also be ensured that people are aware they are communicating or interacting with an AI system and that those responsible for deployment are properly informed about the system's capabilities and limitations, as well as affected individuals about their rights.

4.1.5. Social well-being. diversity, non-discrimination, and fairness

AI systems will be developed and used in a way that ensures respect for human rights, including those of diverse stakeholders, and promotes equal access, gender equality, and cultural diversity, while avoiding discriminatory effects and biases. To this end, proactive monitoring systems will be implemented, where risk analysis so indicates, to eliminate biases and discriminatory effects in systems in use. Long-term effects on individuals, society, and democracy will also be assessed.

4.1.6. Energy efficiency and environmental impact

Environmental sustainability will be prioritized at all stages of the AI development lifecycle, implementing energy efficiency strategies—from algorithm optimization and selection of less compute-intensive models to the preferential use of cloud infrastructures with the lowest carbon footprint. In addition to actively mitigating resource consumption associated with AI training and deployment, we will promote the development of AI solutions aimed at improving energy

management and reducing GHG emissions, ensuring technology contributes positively to our carbon neutrality objectives.

4.1.7. Accountability

MasOrange Group will establish mechanisms to ensure responsibility and accountability for AI systems and their outcomes, both before and after implementation. Evaluations must be proportional to the risks posed, and commitments must be addressed rationally and methodologically. Where unjust adverse effects arise, accessible mechanisms must exist to ensure appropriate remediation.

4.2. Prohibited Practices

The development, use, or distribution of AI solutions that do not comply with the above principles, or that violate applicable legislation—including, but not limited to, EU AI Act, data protection laws, labor law, and intellectual property law—is not permitted. The use of any AI system and/or model by Group personnel that is not among those provided by the Group for professional duties is also prohibited.

Additionally, the following practices are not permitted:

- Use, development, or distribution of AI systems that may violate the fundamental rights of individuals;

- Use of subliminal techniques beyond a person's consciousness or purposefully manipulative or deceptive techniques intended to substantially alter the behavior of a person or group, or that exploit vulnerabilities of an individual or group, with the aim or effect of substantially altering their behavior;

- AI systems that evaluate or classify individuals or groups based on social behavior or known, inferred, or predicted personal characteristics or personality traits;

- AI systems that infer the emotions of individuals in workplaces and educational settings;

- AI systems that perform biometric categorization to individually classify people based on biometric data to deduce or infer race, political opinions, trade union membership, religious or philosophical beliefs, sex life, or sexual orientation;

  Remote "real-time" biometric identification systems in publicly accessible spaces for law enforcement purposes.

4.3. AI Governance

To ensure strict compliance by all MasOrange Group companies with their obligations under AI legislation, as well as responsible and lawful use, development, and distribution in accordance with Group-approved Policies and Procedures, the Group will establish a specific organization for AI Governance.

This organization, together with the functions and obligations assigned to each subject or department, must be set out and developed through the necessary procedures and standards, which will be mandatory within the Group. At a minimum, the following roles and responsibilities will be included:

- **Board of Directors**: Determining the AI Usage Policy is the exclusive responsibility of the Group's Board of Directors.

- **Audit and Risk Committee**: In its advisory and informative role, assists the Board of Directors in overseeing compliance with MasOrange Group policies.

- **AI Committee**: Responsible for operational decision-making related to the AI Management System and monitoring compliance with legislation in this area by the Group.

- **Global Security Committee**: Responsible for decision-making regarding major security and AI risks for the Group and monitoring compliance with legislation in this area.

- **AI Demand**: Proactive advice and support in the use of AI in the Group's various business areas. Identification, assessment, and management of technical and management risks; coordination with business areas regarding risks generated by different use cases.

- **Cybersecurity**: Identification, assessment, and management of cybersecurity risks associated with the use, development, or distribution of AI solutions and the technical means supporting them.

- **Privacy and AI Office**: Identification, assessment, and management of risks of non-compliance with AI and/or Data Protection legislation, as well as risks to the rights and freedoms of individuals impacted by AI systems, including those arising from the processing of their personal data.

- **Data Governance**: Identification, assessment, and management of risks related to datasets used for training, refinement, testing, and/or use of AI systems, as well as all processes aimed at governing data use within the Group.

- **Legal Advisory**: Identification and assessment of potential legal and contractual risks associated with the use, development, or distribution of AI solutions within the scope of the Group's Legal Advisory responsibility, as well as development of mitigation strategies where possible.

- **Compliance**: Identification, assessment, and management of potential criminal, ethical, and compliance risks related to AI use.

- **ESG:** Identification, assessment, and management of risks related to the sustainability of AI systems and their alignment with the Group's core principles.

- **Procurement**: Identification, assessment, and management, informing the Privacy and AI Office of developments offered by suppliers that incorporate AI in their offerings.

4.4. Literacy, employees training and responsible ai culture

MasOrange Group has established a training pathway for all employees regarding the use of Artificial Intelligence. This includes AI literacy, a general training plan on the Group's internal AI usage standard and its ethical and responsible AI culture, as well as specific training tracks for professional profiles with a significant impact on the ethical use of AI.

4.5. Adherence to Codes of Conduct, International Standards, and Certifications

Codes of conduct, international standards, and certifications in AI can more rapidly assess the compliance level of AI systems. While they do not limit responsibility for compliance with applicable legislation, in accordance with the powers of the Supervisory Authorities, they are

considered when assessing possible sanctions.

If MasOrange becomes aware of a Code of Conduct related to its sector, it should consider adhering to it, as adherence to codes of conduct and obtaining certifications can be used as evidence of compliance with AI regulations and as proof that MasOrange Group companies, when providing services to another entity or public administration, offer sufficient guarantees.

5. Responsibilities

5.1. Continuous Improvement

MasOrange Group is firmly committed to continuous improvement, and specifically regarding AI use, this Policy will be reviewed at least annually and whenever there are substantial changes in the Group's AI context.

The AI Governance System developed under this policy will include a documented schedule for periodic reviews of all standards, procedures, rules, processes, and methodologies that develop it. These reviews will seek to update and improve these elements, and a resulting improvement plan must be approved by the AI Committee.

The system will also include both internal and external audits. Action plans resulting from these audits will be approved by the AI Committee and/or the Global Security Committee, depending on their impact, and will include identified improvement points.

5.2. Responsibilities Regarding This Policy

The Privacy and AI Office is responsible for keeping this policy up to date, as well as to ensure that it is made available to all professionals in the Group. With the support of Compliance, it is also responsible for verifying that all internal regulations developing this policy are properly updated and maintained by the responsible areas.

All Group professionals are responsible for ensuring they have access to, are aware of, and apply this Policy and all related documents that develop it as required in their professional activities. If any need for modification of these documents is identified due to legal, contextual, processing, or risk changes, it must be escalated to the Privacy and AI Office, which will review and, if necessary, propose updates.

5.3. Conflict Resolution

In the event of conflicts of interest or interpretation of this Policy, the Global Security Committee, as the highest body for AI risk management in the Group, will be responsible for resolution, supported by advice from the Privacy and AI Office.

6. RECORDS

CODE	TITLE	ARCHIVES BY	RETENTION PERIOD
	AI Systems Register (SIA)	Privacy and AI Office	During the system's validity and 3 years after its end