

Sustainability Report and Non-financial Information Statement 2022

(Appendix to the Consolidated Directors' Report)



KPMG Asesores, S.L.
P.º de la Castellana, 259C
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Independent Assurance Report on the Consolidated Non-Financial Information Statement of Lorca Telecom Bidco, S.A.U. and subsidiaries for 2022

(Translation from the original in Spanish. In case of discrepancy, the Spanish language version prevails.)

To the Shareholders of Lorca Telecom Bidco, S.A.U.:

Pursuant to article 49 of the Spanish Code of Commerce, we have performed a limited assurance review of the accompanying Consolidated Non-Financial Information Statement (hereinafter NFIS) of Lorca Telecom Bidco, S.A.U. (hereinafter the Parent) and subsidiaries (hereinafter the Group) for the year ended 31 December 2022, which forms part of the accompanying consolidated Directors' Report of the Group for 2022.

The consolidated Directors' Report includes additional information to that required by prevailing mercantile legislation concerning non-financial information, which has not been the subject of our assurance work. In this respect, our work was limited exclusively to providing assurance on the information contained in the "Table of contents required by Law 11/2018 and selected GRI indicators" of the accompanying consolidated Directors' Report.

Directors' Responsibility

The Directors of the Parent are responsible for the content and authorisation for issue of the NFIS included in the Group's consolidated Directors' Report. The NFIS has been prepared in accordance with prevailing mercantile legislation and selected Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards) based on each subject area in the "Table of contents required by Law 11/2018 and selected GRI indicators" table of the aforementioned consolidated (NFIS/ Directors' Report).

This responsibility also encompasses the design, implementation and maintenance of internal control deemed necessary to ensure that the NFIS is free from material misstatement, whether due to fraud or error.

The Directors of the Parent are also responsible for defining, implementing, adapting and maintaining the management systems from which the information required to prepare the NFIS was obtained.



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Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including international independence standards) issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management 1 (ISQM1), which requires us to design, implement and maintain a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The engagement team was comprised of professionals specialised in reviews of non-financial information and, specifically, in information on economic, social and environmental performance.

Our Responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed.

We conducted our review engagement in accordance with the requirements of the Revised International Standard on Assurance Engagements 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" (ISAE 3000 Revised), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the guidelines for assurance engagements on the Non-Financial Information Statement issued by the Spanish Institute of Registered Auditors (ICJCE).

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement, and consequently, the level of assurance provided is also lower.

Our work consisted of making inquiries of management, as well as of the different units and areas of the Parent that participated in the preparation of the NFIS, reviewing the processes for compiling and validating the information presented in the NFIS and applying certain analytical procedures and sample review tests, which are described below:

- Meetings with the Parent's personnel to gain an understanding of the business model, policies and management approaches applied, the principal risks related to these matters and to obtain the information necessary for the external review.
- Analysis of the scope, relevance and completeness of the content of the NFIS for 2022 based on the materiality analysis performed by the Parent and described in the "Materiality analysis" section, considering the content required by prevailing mercantile legislation.
- Analysis of the processes for compiling and validating the data presented in the NFIS for 2022.
- Review of the information relative to the risks, policies and management approaches applied in relation to the material aspects presented in the NFIS for 2022.



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- Corroboration, through sample testing, of the information relative to the content of the NFIS for 2022 and whether it has been adequately compiled based on data provided by the information sources.
- Procurement of a representation letter from the Directors and management.

Conclusion

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the NFIS of Lorca Telecom Bidco, S.A.U. and subsidiaries for the year ended 31 December 2022 has not been prepared, in all material respects, in accordance with prevailing mercantile legislation and selected GRI Standards based on each subject area in the “Table of contents required by Law 11/2018 and selected GRI indicators” of the aforementioned consolidated Directors’ Report.

Use and Distribution

This report has been prepared in response to the requirement established in prevailing mercantile legislation in Spain, and thus may not be suitable for other purposes and jurisdictions.

KPMG Asesores, S.L.

(Signed on original in Spanish)

Marta Contreras Hernández

24th March 2023

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Markets in which the Company operates	4. Executive summary 5. About us	GRI 2-1 GRI 2-6
The goals and strategies of the organization	5. About us 7.1 Responsible management model 7.6 Sustainable Development Goals	GRI 2-1 GRI 2-22 GRI 2-23 GRI 2-24
Chief factors and trends that may affect the future evolution of the organization	3. Letter from the CEO 5. About us 6.2 Risk control and management systems	GRI 3-3 GRI 2-22 GRI 2-12 GRI 2-13 GRI 2-14 GRI 2-26
General		
Reporting framework	2. About this report	GRI 1
Materiality principle	7.4 Engaging with our stakeholders 7.5 Materiality analysis	GRI 2-29 GRI 3-1 GRI 3-2
Environmental information		
Management approach: description and results of the policies related to these issues, as well as the main risks related to these matters and linked to the Group's activities.	8.1 Environmental management	GRI 3-3
General information		
Impact of the Company's activities on the environment and on health and safety	8.1 Environmental management	GRI 3-3
Environmental assessment or certification procedures	8.1 Environmental management	GRI 3-3
Precautionary principle	8.7 Protecting biodiversity	GRI 2-23
Resources allocated to environmental risk prevention	8.1 Environmental management	GRI 3-3
Provisions and guarantees for environmental risks	8.1 Environmental management	GRI 3-3
Pollution		
Measures to prevent, reduce, or remedy emissions that seriously affect the environment	8.5 Pollution	GRI 3-3 GRI 305-7
Measures associated with light, noise, and other pollution	Not material. Due to the nature of the MASMOVIL Group's activities, there are no impacts in terms of light or noise pollution.	GRI 3-3

Contents	Response to indicator/Section	GRI content
Circular economy and waste prevention and management		
Measures to prevent, recycle, reuse, and other ways to recover and dispose of, waste	4. Executive summary 8.3 Circular economy and waste prevention and management	GRI 3-3 GRI 306-1 GRI 306-2
Action to combat food waste	Due to the nature of the MASMOVIL Group's activities, we do not consider food waste to be a material issue. Therefore, we do not implement corrective actions in this area.	GRI 3-1
Sustainable use of resources		
Water: consumption and supply	4. Executive summary 8.2 Responsible consumption of natural resources	GRI 3-3 GRI 303-5
Raw materials: consumption and reduction measures	Not material.	GRI 301-1 GRI 301-3
Energy: consumption, energy efficiency measures and use of renewable energy	4. Executive summary 8.2 Responsible consumption of natural resources	GRI 3-3 GRI 302-1 GRI 302-3
Climate change		
Greenhouse gas emissions	4. Executive summary 8.4 Fighting climate change	GRI 305-1 GRI 305-2 GRI 305-3
Measures to adapt to climate change	8.4 Fighting climate change	GRI 3-3
Emission reduction goals	8.4 Fighting climate change	GRI 3-3 GRI 305-5
Biodiversity		
Preservation measures	8.6 Protecting biodiversity	GRI 2-23 GRI 3-3
Impacts caused in protected areas		GRI 304-1 GRI 304-2 GRI 304-3
Corporate and employee-related information		
Management approach: description and results of the policies related to these issues, as well as the main risks related to these matters and linked to the Group's activities	9.2 Workforce and remuneration	GRI 3-3
Employment		
Total number and distribution of employees by gender, age, country, and employee category	4. Executive summary 9.2 Workforce and remuneration	GRI 2-7 GRI 405-1
Total number and distribution of employment contracts	4. Executive summary 9.2 Workforce and remuneration	GRI 2-7
Annual average of indefinite-term contracts, temporary contracts, and part-time contracts, by gender, age, and employee category	9.2 Workforce and remuneration	GRI 2-7 GRI 405-1
Number of dismissals by gender, age, and employee category	9.2 Workforce and remuneration	GRI 3-3 GRI 401-1

Contents	Response to indicator/Section	GRI content
Average remuneration broken down by gender, age group, employee category, or equivalent categorization	4. Executive summary 9.2 Workforce and remuneration	GRI 3-3 GRI 405-2 regarding remuneration of women as compared to that of men by employee category
Pay gap, the remuneration of equal or average company jobs	9.2 Workforce and remuneration	GRI 3-3 GRI 405-2 regarding remuneration of women as compared to that of men by employee category
Average remuneration of directors and management	9.2 Workforce and remuneration	GRI 3-3 GRI 2-19 GRI 2-21
Right-to-disconnect policies	9.2 Workforce and remuneration	GRI 3-3
Employees with disabilities	9.2 Workforce and remuneration	GRI 3-3 GRI 405-1
Organization of working time		
Organization of work	9.2 Workforce and remuneration	GRI 3-3
Number of hours of absenteeism	9.6 Occupational health and safety	GRI 3-3 GRI 403-9
Work-life balance measures	9.2 Workforce and remuneration	GRI 3-3
Occupational health and safety		
Occupational health and safety conditions	9.6 Occupational health and safety	GRI 3-3 GRI 403-1 GRI 403-2 GRI 403-3 GRI 403-6
Work-related accidents, particularly their frequency and severity, as well as work-related illnesses, broken down by gender	9.6 Occupational health and safety	GRI 403-9 GRI 403-10
Labor relations		
Organization of social dialog	9.3 Industrial relations	GRI 3-3
Percentage of employees covered by collective bargaining agreements by country	9.3 Industrial relations	GRI 2-30
List of collective bargaining agreements regarding Occupational Health and Safety	9.6 Occupational health and safety	GRI 3-3 GRI 403-4 GRI 404-1
Mechanisms and procedures implemented by the Company to promote worker engagement with regard to company management, in terms of information, consultation, and participation	9.3 Industrial relations	GRI 3-3
Training and professional development		
Policies implemented in the area of training	9.4 Attracting and developing talent 9.7 Training	GRI 404-2
Total number of training hours by employee category	4. Executive summary 9.7 Training	GRI 3-3 GRI 404-1 regarding total hours of training by employee category

Contents	Response to indicator/Section	GRI content
Universal accessibility		
Universal accessibility by people with disabilities	9.2 Workforce and remuneration 9.5 Managing diversity and equal opportunities	GRI 3-3
Equal opportunities		
Measures adopted to promote equality, equality plans and non-discrimination policy and diversity management	9.2 Workforce and remuneration 9.5 Managing diversity and equal opportunities	GRI 3-3
Respect for Human Rights		
Management approach: description and results of the policies related to these issues, as well as the main risks related to these matters and linked to the Group's activities	10. Respect for Human Rights	GRI 3-3
Application of due diligence procedures		
Due diligence procedures in the area of human rights and, where appropriate, mitigation, management and remediation	10. Respect for Human Rights	GRI 2-23 GRI 2-26
Complaints due to cases of human rights violations	10. Respect for Human Rights	GRI 3-3 GRI 406-1
Promotion of and compliance with ILO conventions related to freedom of association and collective bargaining	10. Respect for Human Rights	GRI 3-3
Elimination of discrimination at work, forced or compulsory labor, and child labor	9.5 Managing diversity and equal opportunities	GRI 3-3
Combating corruption and bribery		
Management approach: description and results of the policies related to these issues, as well as the main risks related to these matters and linked to the Group's activities	6.3.1 Criminal risk and anti-bribery management model	GRI 3-3
Measures adopted to prevent corruption and bribery	6.3.1 Criminal risk and anti-bribery management model	GRI 3-3 GRI 2-23 GRI 2-26 GRI 205-3
Measures to combat money laundering	6.3.1 Criminal risk and anti-bribery management model	GRI 3-3 GRI 2-23 GRI 2-26 GRI 205-3 GRI 205-6
Contributions to foundations and other non-profit entities	11.3 Social development	GRI 2-28 GRI 201-1

Contents	Response to indicator/Section	GRI content
Society		
Management approach: description and results of the policies related to these issues, as well as the main risks related to these matters and linked to the Group's activities	11. Society	GRI 3-3
Local communities		
The impact of the Company's activities: employment, local development, local communities, and impact on the local area	11. Society	GRI 3-3 GRI 203-2
Dialog with the local community	11. Society	GRI 2-29
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Supply chain		
Inclusion in the purchasing policy of social, gender equality and environmental issues	13.1 Supply chain management	GRI 3-3
Consideration of social and environmental responsibility in relationships with suppliers and subcontractors	13.1 Supply chain management	GRI 2-6 GRI 308-1 GRI 414-1
Supervision systems and audits and their results	13.1 Supply chain management	GRI 2-6
Consumers		
Measures for consumer health and safety	12. Customers	GRI 3-3
Systems for complaints, complaints received, and their resolution	12.6 Complaints	GRI 3-3
Taxation		
Profit before taxes obtained country by country	11.2.5 Economic value generated, distributed, and retained	GRI 3-3
Corporate income tax paid	11.2.5 Economic value generated, distributed and retained	GRI 3-3 GRI 201-1
Subsidies received	11.2.5 Economic value generated, distributed, and retained	GRI 201-4

2. About this report

GRI-1

This report contains the key results of the activities carried out in 2022 by the Group consisting of Lorca Telecom Bidco, SAU, and its subsidiaries (the **“Group”, the “Company” or the “MASMOVIL Group”**) in connection with sustainability, covering the period between January 1 and December 31.

The scope of this document covers the information regarding Lorca Telecom Bidco, SAU, and the subsidiaries listed in Appendix I of the Group’s consolidated financial statements.

It provides a description of the Group’s business model, our relationship with stakeholders, risk management, and an analysis of the positive contributions and impacts of our operations from an economic, social, and environmental perspective. In preparing this report, we have drawn on the reporting system for financial and non-financial information implemented within the Group, as well as the initiatives we carry out in the geographical areas in which we operate.

In this annual report, we present the action and indicators implemented as a contribution to the fulfillment of the Sustainable Development Goals (SDGs) of the United Nations (UN) and their targets, through which we also act on our corporate commitment to the Ten Principles of the UN Global Compact and Agenda 2030.

Preparation standards

In preparing this report, we have taken into account the reporting requirements laid down by Law 11/2018 (December 28) on non-financial and diversity information which amended the Commercial Code, the revised text of the Spanish Companies Act approved by Legislative Royal Decree 1/2010 (July 2), and Law 22/2015 (July 20) on account audits with

respect to non-financial information and diversity (the “Law”). We have also used the standards of the Global Reporting Initiative (the GRI Standards) as a benchmark. The Table of Contents Required by Law identifies the contents that satisfy such legal requirements.

In line with industry best practices, in 2022 we began to integrate aspects in order to adapt to other internationally recognized reporting standards and frameworks: those of the Task Force on Climate-related Financial Disclosures (TCFD) – referring to financial risks related with climate change – and of the Sustainability Accounting Standards Board (SASB) – which is a sector-specific standard making it possible to identify, manage, and communicate to investors financially relevant sustainability information. The Group’s goal is to transition towards comprehensive reporting that adheres to these benchmark standards and frameworks.

We have also provided information, on an ongoing basis, about our commitment and contribution to fulfilling the SDGs.

This report forms part of the Directors’ Report for the Group consisting of Lorca Telecom Bidco, SAU, and its subsidiaries. Therefore, it is subject to the same approval, filing, and publication standards as the Directors’ Report, in order to comply with the guidelines laid down by Law 11/2018.



3. Letter from the CEO

GRI 3-3 / GRI 2-12 / GRI 2-22

2022: Consolidating our commitment to sustainability and creating positive impact

It gives me great satisfaction and pleasure to present, once again, the Sustainability Report and Non-Financial Information Statement for the MASMOVIL Group. In addition to representing a year of growth for the Company both commercially (we grew by nearly 800,000 telecommunications services, despite a complex market backdrop) and financially, 2022 was also a very important year for us thanks to the **consolidation of our firm commitment to sustainability, to ESG (environmental, social, and corporate governance), and to achieving a positive impact** in all our activities.

At the MASMOVIL Group, in 2022 we continued to move ahead in our mission to keep Spain connected through the best networks available. We reduced, for another year, the digital divide by **connecting nearly 900,000 households to fiber**, particularly in rural settings. We were pioneers in offering our customers **5G connectivity covering over 74% of the Spanish population** in 1,660 municipalities around the country through the initial type of this technology.

Even though we are a young company, founded in 2006, we feel very proud to have reached major milestones that set us apart — we continue to be the **only European telecommunications operator to hold B Corp Certification** and we remain the largest Spanish company to have obtained this prestigious certificate. We were also the first European operator to reach **net zero CO₂ emissions** for Scopes 1 and 2 since 2020 and in 2022 as well, hence not only reducing but also completely offsetting our carbon emissions.

Throughout 2022, we persevered in consolidating our commitment to being the Spanish operator with the greatest positive impact, and in developing initiatives and specific activities to help us achieve this goal.

Notable examples include **offsetting the carbon dioxide** of the events we held, as well as **measuring, on an ongoing basis, the real emissions of our employees' cars** and taking action with regard to those with the highest pollution levels, commercializing sustainable **green energy** from 100% renewable sources, and linking the cost of our **financial loans to our ESG performance**.

“WE CONTINUE TO BE
THE ONLY EUROPEAN
TELECOMMUNICATIONS
OPERATOR TO HOLD
B CORP CERTIFICATION”

“THE OPERATOR ACHIEVING THE HIGHEST NPS SCORE FOR THE SECTOR IN SPAIN”

I would also like to highlight our **MASsolidaria social discount** initiative, a scheme that helps to close the digital divide among society's most vulnerable groups. It has become the most successful socially based rate in the Spanish market, which gives us a particular sense of pride.

From the internal perspective of caring for our organization, we provided our employees with a **carpooling platform**, enabling them to share their vehicles for commuting to and from the office. This meant they were able to cut emissions of polluting gases, as well as saving on fuel. We put in place an in-house volunteering program, alongside the **Montepríncipe Foundation**, through which we help to foster **digitalization among vulnerable groups**. In addition, through the reforestation campaign (“Anyone who has a friend has a tree”) accomplished by our brand Pepephone, we have to date contributed more than **10,000 trees** to replanting initiatives.

With a clear focus on talent, we supported **five chairs** at different universities (Universidad Carlos III, Universidad de Alcalá, Universidad de Oviedo, Universidad de Vigo and Universidad Politécnica de Madrid) to teach young people about IT, data and cybersecurity.

I would like to underline that all the initiatives mentioned here and many others would not have been possible without the efforts of the professionals who make up our organization, who identify fully with our purpose and actively contribute to achieving it, year after year. All the members of the MASMOVIL Group strive to live by our Values (Customer First, Positive Attitude, Simplicity, and Sustainability) in all our activities. We feel very proud of this Sustainability Report, which covers an exciting period during which we achieved the targets we had set for a year as challenging as 2022.

At the MASMOVIL Group, there is a firm commitment to and decided involvement in ESG-related issues, both on the part of the Company's governing and management bodies and on my own part, in my capacity as the Board member assigned with the responsibility for ESG matters by the Board of Directors. All working together, we are pushing forward new measures aligned with our sustainability policies to help us forge ahead in that direction.

A demonstration of the Group's commitment to sustainability and of our focus on action to boost sustainability is our ESG rating of 77 points (Rating '2') awarded by Sustainable Fitch at the beginning of March 2023. This constitutes the **highest public ESG rating currently awarded by Sustainable Fitch in the telecoms sector in Spain**, and strengthens the leadership of the MASMOVIL Group in the European telecommunications sector.

As for our business, **our priority continues to be our customers**. We are determined to uphold our position of having the most satisfied customers in the market, as reflected by the reports rating us as the operator achieving the highest NPS score for the sector in Spain.

Society can rely on our determination to keep on demonstrating our commitment to **developing the telecommunications market**, especially as regards connectivity and digitalization in Spain (which are so crucial for our country), and to maintaining a **sustainable and responsible business**.

Meinrad Spenger, CEO

4. Executive summary

4.1. Description of the MASMOVIL Group

GRI 2-6 / GRI 2-1

Who we are

The MASMOVIL Group is one of the operators in Spain to have experienced the most outstanding growth over last few years. We offer services such as fixed telephony, mobile lines, broadband Internet, and Agile TV to residential and business customers and to operators, through our leading national brands (Yoigo, Pepephone, MASMOVIL, Lebara, Lycamobile, Llamaya, Virgin telco, Cablemovil, Netllar and Populoos) and through our regional brands (Euskaltel, R, Telecable, Embou and Guuk). We have also recently begun offering a range of new services, such as energy, health, alarm systems and financial services.

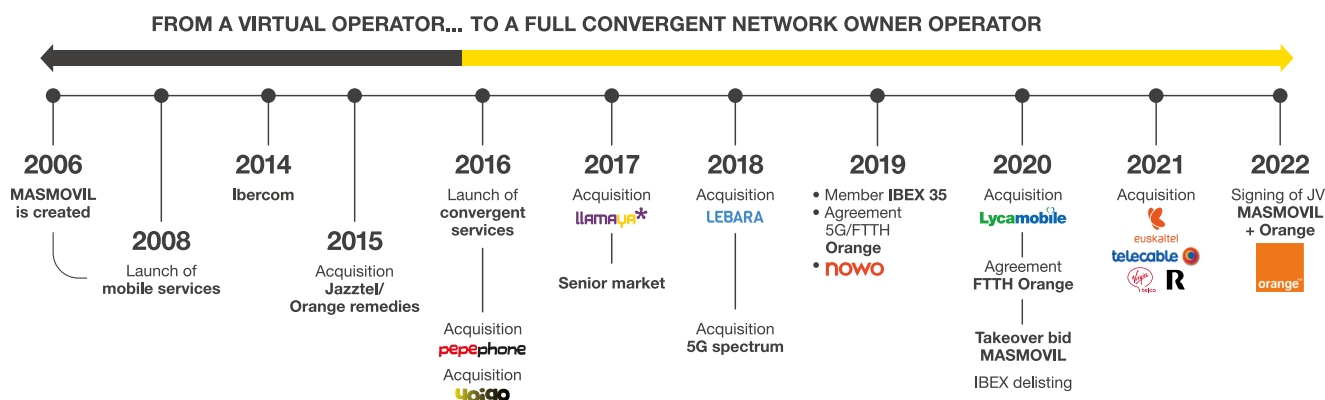
Our Group is not a traditional operator with heavy infrastructure, and yet we offer our customers access to extensive coverage through a fiber to the home (FTTH) network that reaches more than 28 million households. We also provide access to 3G and 4G mobile networks that cover 98.5% of the Spanish population, thanks to our hybrid strategy of combining our own and third-party infrastructure.

In addition to these networks, MASMOVIL has also launched 5G services which are already available in around 1,660 municipalities throughout Spain, equivalent to 74% of the population. At the end of 2022, the Group had 15.3 million mobile and broadband customers.

The MASMOVIL Group has been named the best broadband and fiber optic operator in Spain on a number of occasions via different awards.

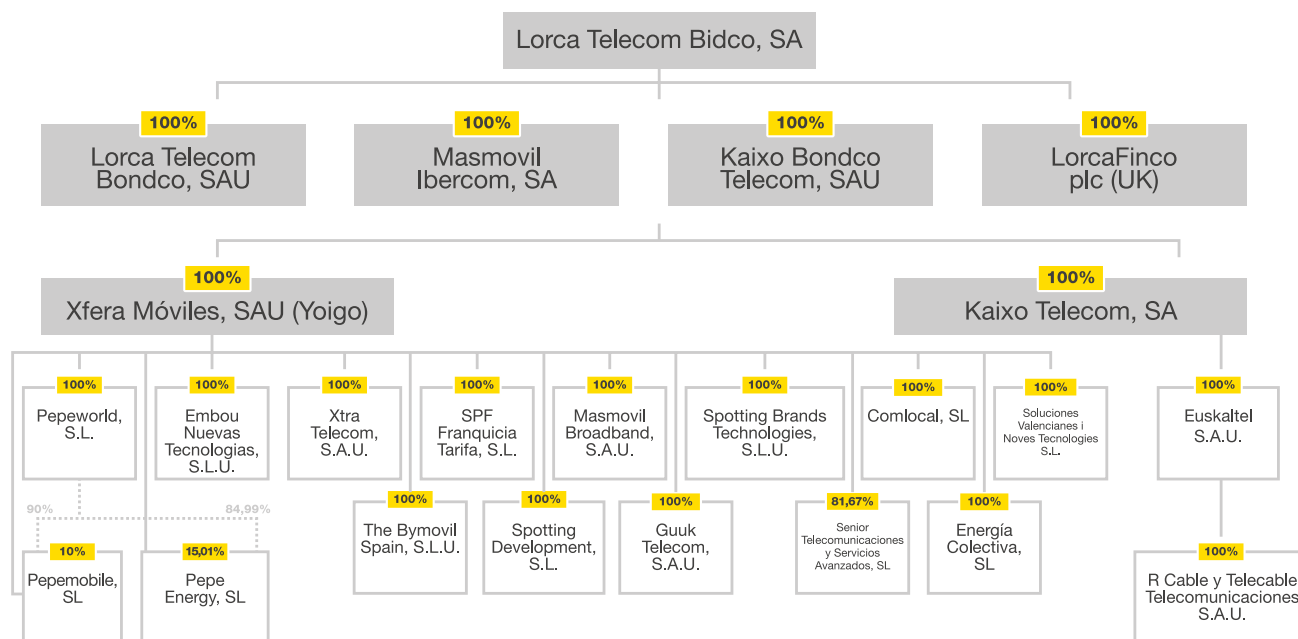
Our history at a glance

MASMOVIL has developed a growth policy that involves both organic and inorganic growth. This has enabled MASMOVIL to consolidate its position in Spain as the top telecoms operator in terms of customer satisfaction, the fourth in terms of size, and the foremost alternative to traditional operators. Below is a visual outline of the main milestones in our history:



Organization and structure

Lorca Telecom Bidco, SAU, is a Spanish corporation. It was incorporated on February 4, 2020, with its registered office in Alcobendas, Madrid (Spain) and with the corporate purpose, among others, of holding ownership interests in other companies (holding company). It is the parent company in Spain of the MASMOVIL Group, which resulted from the mergers (over the period 2014-2021) between various telecommunications operators with sustained growth in their respective markets and business areas (the “Group” or the “MASMOVIL Group”).



Key figures for the Group in 2022



ENVIRONMENT

- Net zero CO₂ emissions (Scopes 1 + 2)
- 100% of electricity from certified renewable sources
- 45% of the equipment installed for new customers was refurbished



SOCIETY

- Around 2.5 million building units deployed in municipalities with a population of under 20,000 inhabitants
- €27,992 thousand contributed through corporate income tax and €4,713 thousand in contributions to the community



TEAM

- 1,818 people employed at year-end 2022
- 100% of the workforce with indefinite-term contracts at year-end 2022
- 46,016 training hours
- 41% of women on the workforce versus 39% in 2021



CUSTOMERS

- 15.3 million customers (12.0 million for mobile services and 3.3 million for fixed broadband)
- Fixed fiber optic network with access to nearly 28 million households through our own or third-party infrastructure
- 98.5% coverage of the population through the 4G network
- 1,660 municipalities in 51 Spanish provinces in which we offer 5G services



CORPORATE GOVERNANCE

- Company-wide cybersecurity and compliance awareness programs for all Group employees
- Approval of unified corporate policies by the Board
- CEO designated by the Board as the director responsible for ESG
- 0 confirmed incidents of corruption

4.2. ESG Strategic Plan

Over the first half of 2022, we defined our strategic plan concerning Environmental, Social, and Governance (ESG) aspects ([view here](#)). This plan is committed to creating a positive long-term impact, generating value, and reducing risks, with a plan of action and specific short- and medium-term measures.

How we define and execute our ESG strategy

Our strategic plan revolves around our Mission, Vision and Values as a Group, which are the cornerstones upon which we have built our long-term ESG strategy. Below, we define the main pillars of our strategy, establishing key performance indicators (KPIs) and specific action to be taken in the short, medium, and long term.

ESG Strategy Framework

We define our long-term strategy based on our mission, vision and values, in alignment with the SDGs of the UN, and implement short-term concrete actions.

- 1** Mission, Vision, and Values: The levers around which we build our ESG long-term strategy
- 2** Key pillars: We have defined the five key pillars of our ESG strategy, in line with our contribution to the SDGs of the UN
- 3** ESG strategy backed by KPIs and materiality: We identify and address the most relevant areas and topics, either qualitative or quantitative, on which we need to focus
- 4** Concrete action: We define concrete short- to mid-term measures to be implemented and tracked, built around these key pillars
- 5** ESG-linked financing: Tied to the performance of our ESG rating

The pillars supporting our strategy

We have structured our strategy around five key pillars, which are in line with the SDGs and UN Global Compact. These are:

Key pillars aligned with our contribution to the SDGs of the UN

ESG Strategic Plan is structured around five key pillars with concrete actions put in place for each of them, aiming to strengthen sustainability and support our Business Plan.



Performance indicators (KPIs)

For each of these pillars, we defined a series of KPIs which enable us to measure and assess our ESG performance and determine what action we must take in the short and medium term.

KPI backed ESG strategy

We select relevant KPIs around our 5 key pillars to address ESG topics to work on.

1	Connectivity & Digital Breach reduction	Own network deployment in rural areas (below 8k and 20k population) providing high-quality broadband access
2	Environment & Sustainability	CO ₂ emissions and consumption of electricity, fuel, water, paper, etc. Waste and recycling activities
3	Leadership & community with Suppliers & Customers	Code of conduct signed by suppliers, formal risk assessment in place, customer engagement score (NPS), etc.
4	Employee engagement, Equality & Diversity	Voluntary and involuntary turnover, absenteeism rate, accidents and work days lost, performance review coverage, employee engagement score (eNPS), training hours, etc. Diversity plan and targets, percentage of female employees and directors, percentage of independent directors, gender pay gap, employees and nationality, etc.
5	Governance & Ethics, Cyber & Data Security	Number of attacks, GDPR infringements, annual training for employees, etc.



4.3. ESG ratings from Fitch and S&P

As part of our efforts in the area of sustainability in recent years, the MASMOVIL Group has obtained ESG ratings from two of the leading ratings agencies, Fitch and S&P, who provide ESG ratings independently of their financial ratings services.

4.3.1. ESG rating of 2 from Sustainable Fitch with a score of 77/100

In early March 2023, the MASMOVIL Group obtained an ESG rating of 2 (on a scale from 1 to 5, with 1 being the best outcome) from Sustainable Fitch and a score of 77 points out of 100. The MASMOVIL Group has therefore become the European telecommunications company with the highest score from Sustainable Fitch, strengthening our leadership in the area of sustainability.

4.3.2. Reiterated ESG rating from S&P

In addition, in 2022 S&P reiterated its rating of 67 points out of a total of 100. S&P has awarded an ESG rating to the MASMOVIL Group since mid-2020.



4.4. Main ESG milestones and achievements of the MASMOVIL Group

TYPE	MILESTONE/ACHIEVEMENT	COMMENTS
ESG	ESG rating from Sustainable Fitch	Rating of 2 (on a scale from 1 to 5, with 1 being the best outcome), with 77/100 points: currently the highest public rating in the telecoms sector in Spain
ESG	B Corp Certification	Certified in 2021. First European operator and the largest in Spain to achieve B Corp Certification
ESG	UN Global Compact	Joined in 2020
ESG	ESG rating from Standard & Poor's (S&P Global Ratings)	Score of 67/100 in 2022
ESG	Syndicated financing with the cost linked to the performance of our ESG rating	Since 2019, the first case in EMEA (Europe, Middle-East and Africa) of obtaining syndicated financing with part of the cost linked to the future performance of our ESG rating
Environmental	ISO 14001 certification (environmental management)	Certified since 2020
Environmental	ISO 50001 certification (energy efficiency)	First certification in 2022
Environmental	CDP (Carbon Disclosure Project) rating	B score in 2022
Environmental	Net zero CO ₂ emissions	Scopes 1 + 2 since 2020
Environmental	Measurement of Scope 3 emissions	Measured since 2021 with reductions in 2022 already
Environmental	100% of electricity from certified renewable sources	All the electricity we consume has Renewable Energy Guarantees of Origin (REGOs)
Environmental	Green fleet certificate (low emission vehicles)	Awarded by Opus RSE
Environmental	Strategic Plan for the Digitalization of Urban Traffic and the Reduction of Emissions (DiTRA)	Providing connectivity for the flow of data
Environmental	Main headquarters of the Group awarded the LEED Gold certificate	Located at this site since 2020
Social	The MASsolidaria social discount initiative	Social discount for vulnerable groups. Reducing the digital divide

TYPE	MILESTONE/ACHIEVEMENT	COMMENTS
Social	Deployment of the fiber-to-the-home (FTTH) network focusing on rural Spain and closing the digital divide	Deployment of an average of more than 425k building units of FTTH a year, in locations with populations of <20k inhabitants since 2018. Of these, 57% are in locations with populations of <8k inhabitants.
Social	Diversity and Equality Plans	Complete plans and with concrete actions
Social	The PLA (the Spanish acronym for “I Think, Therefore I Act”) platform	A platform from Yoigo which encourages people who are improving the society we live in through social projects. At the end of 2022, it had accumulated 200 million views
Social	100% of the workforce with indefinite-term contracts and 41% of the total were women at year-end 2022	Focus on retention and equality between employees
Social	Development of self-driving cars that connect to 5G technology	Participation in consortium
Social	2022 ranking of the best companies to work for in Spain, from Actualidad Económica	The only company from the telecoms sector in the ranking
Social	ESG Impact Awards given by Red Innicia	2022 Award for Social Impact, given for our help to vulnerable groups
Social	Best Operator of 2022 in the network speed category	Given by ADSLZone
Social	The Boost to Innovation Award, given to our CEO, Meinrad Spenger	The enerTIC Awards
Social	Leader in customer satisfaction indices or Net Promoter Score (NPS)	Our brands Yoigo, MásMóvil, and Pepephone obtained the highest NPS in their convergent segment in 3Q-22
Social	Support for inclusive sport	Alongside the También Foundation, the MASMOVIL Group launched the 11th edition of the Inclusive Camp. The aim of this camp is to develop skills and values that help enhance the comprehensive development of young people with and without disabilities, prioritizing those with a disability.
Governance	Our By-laws set out that the impact on our stakeholders will be taken into consideration in all decisions	By-laws amended as part of B Corp Certification
Governance	New policies integrated at Group level	Policies integrated with Euskaltel in 2022
Governance	Our CEO was appointed the director responsible for ESG	Since 2022

4.5. Key performance indicators (KPIs): trend

With regard to the tables provided below, it is important to bear in mind that in August 2021 the companies of the Euskaltel Group were included in the scope of the MASMOVIL Group, causing an increase in the figures that does not correspond to purely organic changes.

In addition, the figures for 2021 reflect the inclusion of Euskaltel as of January 1, to make it easier to compare them with those for 2022.

However, certain indicators for 2021 were in turn affected by the fact that the offices of the companies belonging to the Euskaltel Group were closed for a large part of 2021 as a COVID-19 protection measure, with staff gradually returning there only as of September 2021. This means that a comparison between 2022 and 2021 may reflect certain increases which should be adjusted taking into account the difference in usage level of the offices between the two years. This adjustment has not been performed in the tables given below.

Emissions GRI 3-3 / GRI 305-1 / GRI 305-2 / GRI 305-3 / GRI 305-5

GHG EMISSIONS	2022	2021	2020
Scope 1	1,858	1,777	658
Scope 2	-	-	7
Scope 3	234,151	377,863	NA
Total GHG emissions (tCO₂eq)	236,009	379,641	665

Note: 2021 proforma assuming Euskaltel from January 1. The 2020 data totally exclude Euskaltel

Waste and recycling GRI 3-3 / GRI 306-1 / GRI 306-2

RECYCLING AT PREMISES	2022	2021	2020
Paper / cardboard	12,413	12,105	6,939
Plastic	1,157	1,306	2,692
Electronic products	291	277	473
Batteries	28	144	41
Total recycling (kg)	13,889	13,832	10,145

Note: 2021 proforma assuming Euskaltel from January 1. The 2020 data totally exclude Euskaltel

NON-HAZARDOUS WASTE IN NETWORK OPERATIONS	2022	2021	2020
Non-hazardous Waste Electrical and Electronic Equipment (WEEE)	12,921	86,826	134,109
Plastic waste	455	2,780	5,680
Cellulosic waste	1,423	13,968	13,333
Metallic waste (kg)	25	151	255
Wood / cork	275	3,015	2,139
Other waste	4	73	161
Total non-hazardous network waste (kg)	15,103	106,813	155,677

DATA PROCESSING CENTER WASTE	2022	2021	2020
Waste Electrical and Electronic Equipment (WEEE)	6,506	13,327	40
Batteries (kg)	18,958	44,310	3,450
Filters and absorbents (kg)	39	140	395
Metallic waste (kg)	-	161	-
Total hazardous waste	25,503	57,938	3,885
Non-hazardous Waste Electrical and Electronic Equipment (WEEE)	102,270	73,060	2,788
PCI HFC gases (kg)	-	2,532	-
Metallic waste (kg)	-	3,564	103
Cellulosic waste (kg)	19	-	-
Plastic waste (kg)	33	-	-
Total non-hazardous waste (kg)	102,322	79,156	2,891

REFURBISHED EQUIPMENT	2022	2021	2020
Restored equipment	863,357	930,469	457,836
Total equipment sent to customers	1,905,492	1,898,314	1,239,333
% restored equipment	45%	49%	37%

Consumption GRI 305-5 / GRI 3-3 / GRI 302-1 / GRI 302-3

CONSUMPTION	2022	2021	2020
Total electricity (MWh)	89,336	84,317	18,121
Generator fuel (L)	20,384	23,081	7,686
Fleet fuel (L)	286,045	234,265	158,051
Total fuel (L)	306,429	257,346	165,737
Natural Gas (MWh)	121	59	-
Total refrigeration gas (kg)	612	584	111
Water (m3)	10,608	8,996	3,953
Paper (kg)	1,978	6,368	721

Note: 2021 proforma assuming Euskaltel from January 1. The 2020 data totally exclude Euskaltel

People GRI 2-7 / GRI 3-3

KPIS OF THE PEOPLE SECTION	2022	2021	2020
Total workforce at year end	1,818	1,874	1,061
% of women at year end	41.0%	39.0%	33.0%
% of indefinite-term contracts at year end	100.0%	99.5%	99.7%
Number of nationalities	33	35	34
Total weighted pay gap	15.5%	13.3%	7.6%
Average pay gap among executives	16.2%	25.6%	17.4%
Employees with disabilities (*)	7	5	3
Employees covered by collective bargaining agreements	100.0%	100.0%	100.0%
Absenteeism rate (number of days of absence per 100 working days)	1.09	1.27	1.05
Hours of training	46,016	38,553	19,251

Note: 2021 proforma assuming Euskaltel from January 1. The 2020 data totally exclude Euskaltel

(*) The companies of the Xfera Móviles Group, Euskaltel, R Cable y Telecable Telecomunicaciones, and Spotting Brand Technologies comply with the Spanish General Disability Act (Ley General de Discapacidad, LGD), either through direct hires or through obtaining the relevant LGD exemption certificate.

Network (building units deployed)

NETWORK KPIS ('000)	2022	2021	2020
Building Units in locations <20k inhabitants	2,485	2,055	1,517
Building Units in locations <8k inhabitants	1,275	1,037	704
4G mobile coverage	98.5%	98.5%	98.5%
5G mobile coverage	74.0%	54.0%	NM

Note: 2021 proforma assuming Euskaltel from January 1. The 2020 data totally exclude Euskaltel

4.6. Long-term goals

GOAL	2023	Medium/Long Term
Net Zero Emissions Scope 1, 2 & 3	Already achieved in 2020-2022 for Scope 1 + 2	2040 for Scope 3
Plan to reduce emissions in accordance with SBTi	-	Before the end of 2024
Electricity consumption at headquarters and DPCs (data centers)	-2%	-2% per year until 2028
Electricity relative consumption in towers (in kWh/GB)	-5%/-10%	-5%/-10% per year until 2028
Wi-Fi 6/7 installations in gross adds of B/B	>50%	100%
Reduction of involuntary turnover rate to the following levels	4.7%	4.5%
% of women in total workforce	-	Parity
Shortlist for hiring for executive positions	-	A woman on the shortlist
Total gender pay gap	-	Parity
Variable pay of the entire workforce (including CEO) with part linked to ESG ratings	Already included in 2023	

4.7. Strategy aligned with the SDGs: concrete actions

MAIN ACTION TO SUPPORT THE SDGs



- Employee wellbeing measures
- Preventing COVID-19
- Support for those aged over 65



- The CRETA program(digitalization to mitigate and adapt to climate change)
- 5G use cases
- Pilot project with Opus RSE to reduce urban traffic emissions
- DiTRA digitalization project on urban traffic
- Advanced 5G services for transportation
- Autonomous, connected vehicle project
- Smart Cities project



- University Chairs (UC3M, UPM, cybersecurity)
- Scholarships and programs with universities
- The TalenTU program
- Project on 5G in Catalonia (education)
- The More Than a Mobile campaign



- Sustainable Procurement Policy
- Monitoring of power consumption at the headquarters (BMS)
- Elimination of consumption of plastic bottles
- Electric/hybrid vehicles
- Paperless office
- Use of recycled paper
- Environmentally friendly SIM cards



- Equal Opportunities Policy
- Equality plans
- Diversity plan
- % women on the workforce
- UnaDeDos initiative



- Net zero emissions (Scopes 1 and 2)
- Calculation of Scope 3 emissions
- ISO 14001 and ISO 50001 certifications
- CDP rating
- Early detection of fires



- 100% green energy for our customers
- Marketing of solar panels for self-consumption
- Electric vehicle chargers at our headquarters
- Subsidizing and financing of e-bikes



- Alliances with business organizations and associations
- Alliances to contribute to the technological development of enterprises
- Alliance with Red Innicia: connectivity for disadvantaged groups
- Alliance with the A la Par Foundation: inclusion people with disabilities
- Alliance to prevent food waste
- Alliances to promote the circular economy/ recycling and fire prevention



- MASsolidaria discount tariff
- Enhancing of connectivity
- Reducing the digital divide
- MASVentures, our accelerator for innovative projects

5. About us

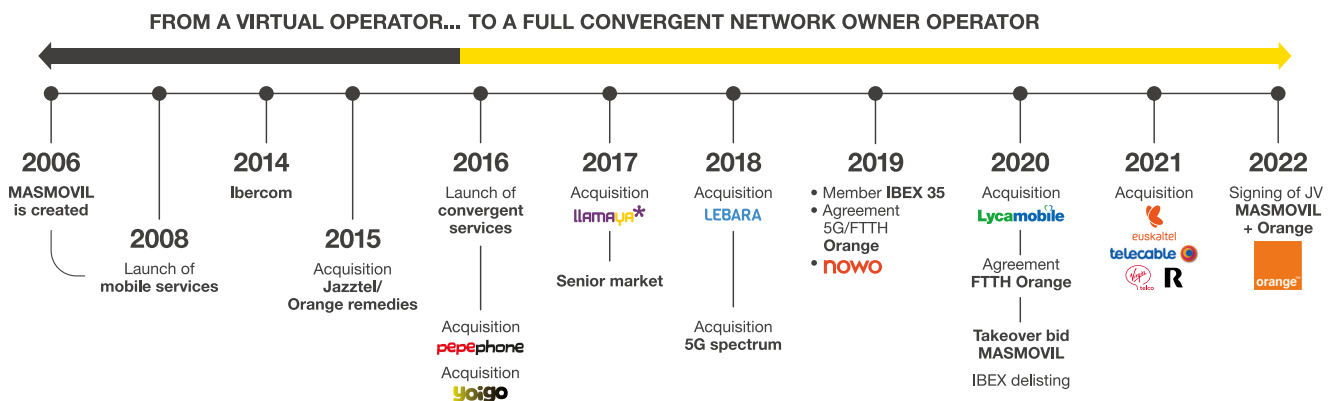
GRI 2-6 / GRI 2-1

5.1. A brief introduction

We are a consolidated and established Spanish telecommunications operator, with a value proposition that comprehensively meets the communication needs of people, institutions, and companies throughout Spain. We specialize in the provision of telecommunication services (fixed telephony, mobile lines, broadband internet, and television) to both residential (individual and household) and business end users. We also focus on providing interconnection and roaming services to other operators, as well as trading services for wholesale customers and other services relating to our corporate purpose.

We provide our services through the following brands: Yoigo, MASMOVIL, Pepephone, Embou, Hits Mobile, Llamaya, Lebara, Lycamobile, Guuk, Netllar, Populoos, Euskaltel, R, Telecable, and Virgin telco.

5.2. Our history



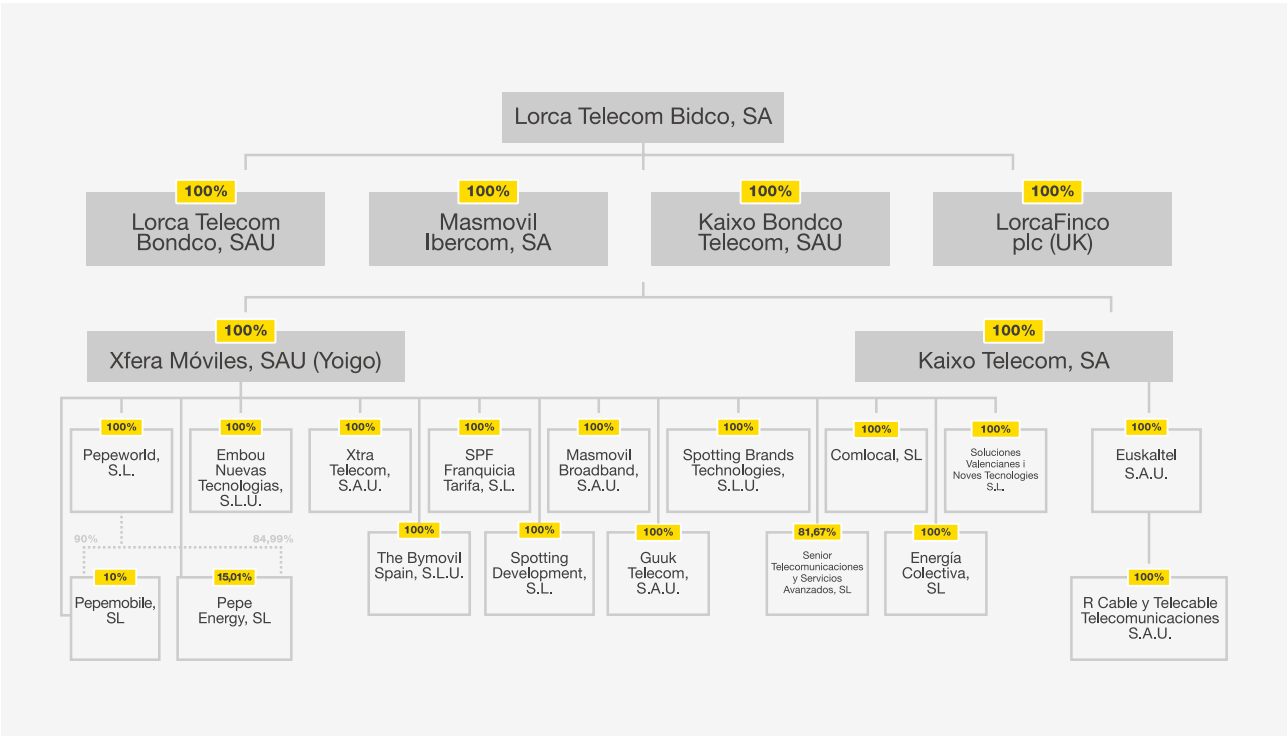
The Group has developed a growth policy involving both organic and inorganic growth. This has enabled us to consolidate our position in Spain as the top telecoms operator in terms of customer satisfaction, the fourth in terms of size, and the foremost alternative to traditional operators.

As of December 2022, MASMOVIL had 15.3 million customers, of which approximately 12 million were mobile customers and 3.3 million were customers of our broadband services. The Group has its own infrastructures and agreements with other operators that provide a fixed fiber network with access to more than 28 million homes and Asymmetric Digital Subscriber Lines (ADSL), as well as 3G, 4G, and 5G mobile services.

The MASMOVIL Group continues to work to anticipate the needs and demands of its customers. We are constantly improving our services and are one of the operators with the best coverage in Spain, reaching 98.5% of the population with our 4G network. Our 5G network already covers 74% of the Spanish population.

5.3. Organization and structure

Lorca Telecom Bidco, SAU, is a Spanish corporation. It was incorporated on February 4, 2020, with its registered office in Alcobendas, Madrid (Spain) and with the corporate purpose, among others, of holding ownership interests in other companies (holding company). It is the parent company in Spain of the MASMOVIL Group, the result of the mergers (over the period 2014-2021) between various telecommunications operators with sustained growth in their respective markets and business areas (the “Group” or the “MASMOVIL Group”).



The complete scope of the Group is set out in **Appendix I** of the notes to the Group’s consolidated financial statements for 2022.



5.4. What we do

GRI 2-1 / GRI 2-22

The Group's core business focuses on providing telecommunications services in two main areas: residential and business.

Residential

In terms of volume and growth, this represents the Group's main business area, through which we supply telephone services and fixed and mobile connectivity services to private end users (Business-to-Consumer — B2C). The Group markets its services through a number of different brands: Yoigo, MASMOVIL, Pepephone, Embou, Hits Mobile, Llamaya, Lebara, Lycamobile, Guuk, Euskaltel, R, Telecable, Embou, Virgin telco, Cablemovil, Netllar, and Populoos.

We can divide these customers into the following categories:

- Mobile customers: In this case they are also the end users (pre-paid and post-paid).
- Multi-line mobile customers: These are also the end users, but they have a contract for several lines under the same ID number (pre-paid and post-paid).
- Fixed line customers: These are home and business services, where the end users are not the contract holder.

The Group began marketing its convergent services under the MASMOVIL brand in 2016. We gradually extended them to other brands belonging to the Group, some very shortly afterwards, as in the case of Yoigo, and some later on, such as Pepephone, allowing us to consolidate our position as the alternative to the three traditional operators in the Spanish market.

We provide customers with the best connectivity technologies, 4G speeds in all mobile configurations, and access through fiber optics, with more than 28 million homes having access to this technology. We also offer 5G speeds, already covering 74% of the Spanish population.

Companies

The Business area is geared towards meeting the telecommunications needs of enterprises, regardless of their size or industry, with a range of secure and customized solutions, where the end users are the companies' employees and/or private users. We market these services through the Yoigo, MASMOVIL, Euskaltel, R, Telecable, and Virgin telco brands in the business segment (Small Office Home Office - SoHo) and provide communication, connectivity, mobile telephony, and data center services.

The package we offer companies includes the option of supplying, either directly or through intermediaries, telecommunications services aimed at residential-profile end users based in rural areas. In these cases, the Group operates its mobile service through third parties specializing in their segment, which also manage the billing and customer service for the end user.

In addition to its catalog of products and services, the Group provides this channel with access to an engineering team with expertise in preparing tailor-made offers for customers whose needs either do not match or exceed the market's more standard offerings. Along with this service, we also offer customers their own Digital Kit package, with the aim of making the latest innovations available to small and medium-sized enterprises (SMEs) and large accounts.

New services

In 2022 the Group reached agreements in order to increase our range of services. This included working with Otovo to provide EnergyGo, a solar panel energy service (enabling access to self-consumption of photovoltaic energy), which was added to pre-existing services such as family health insurance, our alarm system service, and our energy services, among others.

Other services

The Group also markets wholesale, or traffic resale, services to other telecommunications operators, as well as Mobile Virtual Network Operator (MVNO) services.

THE GROUP ACHIEVED
POSITIVE GROWTH IN
SPITE OF THE CLIMATE
IN THE SECTOR IN
WHICH IT OPERATES.

5.5. Economic backdrop

GRI 3-3 / GRI 2-22

The economic backdrop to the Group's operations was not favorable in 2022, with the invasion of Ukraine by Russia impacting on the Spanish and world economy. The consequences were reflected in the Spanish market in a context of inflation, where the average rate of inflation rose to 8.5%, and the slowing of GDP growth from 5.5% in 2021 to 4.6% in 2022.

Mobile broadband lines grew 2.6% year-on-year between October 2021 and October 2022, according to the CNMC (the Spanish National Markets and Competition Commission). Fixed broadband lines grew by a year-on-year rate of 2.4%, while the number of lines belonging to Mobile Virtual Network Operators (MVNOs) increased by more than 1.1 million lines.

There were three key factors which drove this growth in number of lines. Firstly, the upward trend in household fiber optic technology (fiber-to-the-home, or FTTH, and hybrid fiber-coaxial, or HFC, technology) continued, accounting for 90.4% of the total broadband lines. Secondly, the deployment of new generation broadband remained ongoing and, lastly, agreements between wholesalers (including the agreement between the Group and Orange) were consolidated.

The Spanish telecommunications market has reached a point of maturity where the opportunity to increase market share can almost only take place through net adds of customers in transfers between operators, i.e. through portability.

In 2022, the Group attained a net portability figure for mobile telephony of an increase of 50,000 lines. This signifies that the Group achieved positive growth in spite of the climate in the sector in which it operates.

5.6. Figures for the Group in 2022



ENVIRONMENT

- Net zero CO₂ emissions (Scopes 1 + 2)
- 100% of electricity from certified renewable sources
- 45% of the equipment installed for new customers was refurbished



SOCIETY

- Around 2.5 million building units deployed in municipalities with a population of under 20.000 inhabitants
- €27.992 thousand contributed through corporate income tax and €4,713 thousand in contributions to the community



TEAM

- 1.818 people employed at year-end 2022
- 100% of the workforce with indefinite-term contracts at year-end 2022
- 46.016 training hours
- 41% of women on the workforce versus 39% in 2021



CUSTOMERS

- 15.3 million customers (12.0 million for mobile services and 3.3 million for fixed broadband)
- Fixed fiber optic network with access to nearly 28 million households through our own or third-party infrastructure
- 98.5% coverage of the population through the 4G network
- 1.660 municipalities in 51 Spanish provinces in which we offer 5G services



CORPORATE GOVERNANCE

- Company-wide cybersecurity and compliance awareness programs for all Group employees
- Approval of unified corporate policies by the Board
- CEO designated by the Board as the director responsible for ESG
- 0 confirmed incidents of corruption

5.7. Main milestones in 2022

January

- The MASMOVIL Group launched the Digital Kit through its different brands for its business customers.
- Yoigo began offering theft, breakage, and accidental damage insurance to all its customers.

February

- MASMOVIL unveiled new tariffs for its convergent packages including faster speeds for the same price.

March

- Orange and MASMOVIL began exclusive talks to combine their businesses in Spain.
- Telecable, R, and Euskaltel updated their offers for homes with better tariffs and launched second mobile line products at €3.
- The MASMOVIL Group reduced its CO₂ emissions by 93% in just three years.

April

- Yoigo began offering insurance to help customers protect their bills and payments for just €1.99 a month, forever.

May

- MASMOVIL inaugurated its Alarma Conectada service, involving alarm systems that alert the police, at a lifelong rate of €25.90 a month.

June

- MASMOVIL NEGOCIOS improved its range for professionals, with more gigabytes for the same price forever.

July

- MASMOVIL, Alsa, Gmv, Indra, Masermic, Renault Group, and Sigma joined forces to develop self-driving, connected cars with 5G technology.
- DoctorGO, the health services from Yoigo, passed the threshold of 20.000 customers and celebrated this achievement by making available new nutrition and fitness programs through its app.
- Banco Sabadell and Abanca reached an agreement with the MASMOVIL Group to promote the Digital Kit among their customers.
- The MASMOVIL Group sold part of the Euskaltel access network to a consortium of investors.
- Orange and MASMOVIL signed a deal to combine their operations in Spain.

August

- The MASMOVIL Group reached a distribution agreement with DAZN for Spain's top football division (LaLiga Santander) and much more sport.

September

- Euskaltel, Grupo Teknei, Dominion, and the Basque Government created Atlantic Data Infrastructure (ADI), a top-tier data center designed to support the digital transformation of enterprises and institutions.
- The number of customers to whom the MASMOVIL Group provides offers financial services topped 1 million. It celebrated by launching debt consolidation loans.
- Indra and MASMOVIL joined forces to create an innovative ecosystem to boost the development of advanced 5G-based solutions and services for transportation.
- The MASMOVIL Group reached an agreement to sell its subsidiary in Portugal to Vodafone.

October

- Yoigo continued expanding its 5G services, reaching close to 1,660 locations (municipalities) in 51 Spanish provinces.
- Euskaltel, R, Yoigo, and Telecable began offering the new season of the Spanish second division league (LaLiga SmartBank) via their set-top box.

November

- Yoigo introduced EnergyGO Solar, an energy service based on solar panels to help its customers save on their electricity bills.

December

- By harnessing 5G technology, R took high speed solutions to corners of Galicia that fiber cannot reach.

5.8. Awards and recognition in 2022

We provide a summary of the leading awards and accolades received by the Group over the course of 2022 below.



In 2022, for a further year, the MASMOVIL Group was included in the ranking of the **best companies to work for in Spain, drawn up by Actualidad Económica**. We placed 19th in Spain and were the only company from the telecoms sector to feature in the ranking.

The MASMOVIL Group was awarded the accolade, along with Acciona, of **Best Corporate Legal Advisory Service** as part of the Aptísimi Awards from Esade Alumni.

At the first edition of the **ESG Impact Awards**, Red Innicia honored the MASMOVIL Group, in the **Social Impact** category, for its initiatives to help society's most vulnerable groups through connectivity.

ADSLZone gave the MASMOVIL Group the **2022 Best Operator** award in the network speed category.

Our CEO (Meinrad Spenger) received the **Boost to Innovation Award** from the Technical Committee for the enerTIC Platform, at the enerTIC Awards.

Meinrad Spenger was nominated for a **Top Insider** award. In October, Business Insider gave out its Top Insiders awards, with our CEO among the finalists for the CEO Insider award for the year.

The **ICT Basque Country Award** was received for cooperation between information and communications technology (ICT) companies and public administrations. The specific initiative in question was the temporary joint venture (or UTE) for the Euskadi 5G project, in which Euskaltel, R, and MASMOVIL, among other companies, participated.

R, one of the brands of the MASMOVIL Group, received an award from the Parliament of Galicia for the **best TV advert in the Galician language**.

R also received the **Galician Atlas of Committed Companies** award in recognition of its approach to good governance, the environment, and people.

In addition, the First Vice-President and the Councilor for Economy, Industry, and Innovation of the Galician Regional Government honored R with an award in recognition of R's **constant support for ICT in Galicia** and its outreach efforts concerning new technologies.

Euskaltel was named an **Honorary Member of the Osasuna Foundation**, which fosters the values of sport in society.

6. Leadership and responsibility towards good governance



Transparency, ethics, and responsible management are the values that guide our corporate governance bodies in the direction and control of the Group's operations and in relations with our shareholders.

Among our aims, we have set ourselves the goal of fostering a culture of integrity and responsibility in all geographical areas, in all our operations, and with all the people who form part of the Group, developing an ethical, transparent, and reliable business model.

We have strengthened our commitment to rigor and transparency in our reporting of non-financial information and accountability, thereby consolidating our position as a responsible company with regard to our stakeholders.

6.1. Corporate governance model

GRI 2-9 / GRI 2-12

We base the Group's Corporate Governance Model on the commitments we have undertaken regarding best practices in good governance, ethics, and corporate responsibility in all areas of the Company's business.

The Group's corporate governance system comprises a set of bodies, control mechanisms, and internal regulations. Among other objectives, the purpose of this system is to direct and regulate the organization of the Group, transparently and effectively, promoting the common interest and the interests of its stakeholders, as is reflected in its Corporate Governance Policy. In addition to that policy, the Group has a Code of Ethics and the following internal regulations: the regulations applying to its governing bodies, various corporate policies and protocols, and the Criminal Risk Management System, as well as a complete series of policies and procedures for each area to achieve better and orderly management of both the business and the different processes.

6.1.1. Corporate policies

GRI 2-23 / GRI 2-24

All the policies approved by the Board of Directors are published on the Group's intranet (which is accessible to all Group employees), as well as on the corporate website, and apply to the entire MASMOVIL Group.

The MASMOVIL Group has internal policies and processes to promote respect for labor rights and prevent discriminatory practices. These commitments are mainly embodied in the following policies-

- ⊕ [Code of Ethics](#)
- ⊕ [Human Rights Policy](#)
- ⊕ [Equal Opportunities Policy](#)
- ⊕ [Human Resources and Labor Relations Policy](#)
- ⊕ [Conflict of Interest Policy](#)

The majority of our other policies are listed below:

- ⊕ [General Corporate Governance Policy](#)
- ⊕ [ESG Policy](#)
- ⊕ [Risk Management and Control Policy](#)
- ⊕ [Tax Policy](#)
- ⊕ [Procurement Policy](#)
- ⊕ [Action Protocol concerning Public Authorities and Political Parties](#)
- ⊕ [Policy on Unacceptable Behavior](#)
- ⊕ [Information Security Policy](#)
- ⊕ [Personal Data Protection and Privacy Policy](#)
- ⊕ [Crime Prevention, Anti-Fraud, and Anti-Corruption Policy](#)
- ⊕ [Crime Prevention Manual](#)
- ⊕ [Money Laundering Prevention Policy](#)
- ⊕ [Policy on Acceptance and Giving of Gifts and Hospitality](#)
- ⊕ [Sustainability, Environment, and Energy Management Policy](#)
- ⊕ [Supplier Code of Conduct](#)
- ⊕ [Donations, Patronage, and Sponsorship Policy](#)
- ⊕ [Economic Sanctions Compliance Policy](#)

In the medium term, the MASMOVIL Group intends to draft a Labor Rights Policy to cover the following aspects (which are currently spread among different documents):

- Addictive substances: Covered by the Code of Ethics
- Child labor and forced labor: Covered by the Human Rights Policy
- Statement of conflicts of interest: Covered by the Conflict of Interest Policy
- Freedom of association and collective bargaining: Covered by the Human Rights Policy
- Integrity: Covered by the Code of Ethics
- Non-discrimination, equal opportunities, and diversity: Covered by the Human Rights Policy and by the Human Resources and Labor Relations Policy
- Health, safety, and wellbeing: Covered by the Human Resources and Labor Relations Policy
- Hiring: Covered by the Human Resources and Labor Relations Policy

Preparation, approval, entry into force, and implementation of policies

In accordance with our internal regulations, the Compliance Officer and the executives leading the different areas are responsible for proposing the approval or updating of the Group's policies, as well as their preparation. The Board of Directors has the non-delegable duty, ascribed to it by law, of determining the general policies and strategies of the Company, and it is therefore responsible for approving the policies.

Body entrusted with ensuring compliance with the policies

The Compliance Officer is tasked with the duty, among other duties, of adopting and/or coordinating the measures he deems appropriate to ensure proper compliance with the Criminal Risk Organization and Management Model of the MASMOVIL Group and hence of the policies in force. The Compliance Officer is assisted in this task by all the heads of the different areas.

Internal and external audits to assess proper application of corporate policies

Internal and external audits are performed (AENOR, the Spanish Association for Standardization and Certification) to confirm the efficiency and smooth running of the criminal risk management system and assess the implementation of the various policies, among other aspects.



Commitment by suppliers to the Code of Ethics and our policies

As we explain in corresponding chapter on suppliers, our suppliers undertake to adopt the principles and values set out in the Code of Ethics and assume responsibility for adherence to the Supplier Code of Conduct, which specifies the different standards suppliers must meet in relation to:

- Human rights
- Labor rights
- Health and safety
- Compliance as regards corruption and bribery
- Environmental aspects and sustainability

As stipulated in the Supplier Code of Conduct, in the event of any manifest breach of the requirements set out in the code the Group may immediately terminate all existing contracts with the Supplier.

6.1.2. Governing bodies: General Shareholders' Meeting and Board of Directors

A description of the Company's governing bodies and their main responsibilities is given below:

- **The General Shareholders' Meeting** represents all the Company's shareholders. It is the Company's highest decision-making body.
- **The Board of Directors** is the body in charge of managing and representing the Company.

Policy on selecting directors GRI 2-10

At the Board of Directors' meeting held on September 29, 2022, the Board approved the updating of the Director Selection Policy, which contains the main aspects and the Group's commitments regarding selecting and appointing directors. Its purpose is to:

- Establish the procedure and criteria that the Board of Directors will take into account in candidate selection processes related to appointing or reelecting members of the Board of Directors.
- Ensure that the proposals of candidates, as well as appointments and reelections of directors, are founded upon prior analysis of the needs of the Board of Directors; and encourage diversity of knowledge, experience, and gender on the Board, free of implicit biases that could entail any type of discrimination, with the aim of achieving a Board that is balanced in terms of its composition, all this in accordance with applicable regulations and best corporate governance practices.

Under that policy and in line with corporate governance principles, in processes to select the members of the Board of Directors the bodies with competence in this area must take the following principles into account at all times:

- The principle of transparency.
- The principle of diversity of knowledge, gender, and experience.
- The principle of non-discrimination and equal treatment.
- The principle of suitability of expertise and performance.
- The principle of appropriate size and composition.
- Compliance with current law and good corporate governance principles.

[The Board of Directors of Lorca Telecom Bidco](#), SAU, is made up of 13 Board members, as described below:

Name	Company	Year of birth
Eduardo Díez-Hochleitner Rodríguez (Presidente)	Independent	1955
Josep M ^a Echarri Torres (Vicepresidente)	Proprietary, for a group of shareholders	1976
Meinrad Spenger (CEO)	Executive of MASMOVIL	1975
Germán López Fernández	Executive of MASMOVIL	1974
Cristina Serna García-Conde	Proprietary, from KKR	1973
Jorge Lluch Pauner	Proprietary, from KKR	1987
Tomas Kubica	Proprietary, from KKR	1985
Jorge Quemada Sáenz-Badillos	Proprietary, from Cinven	1973
Miguel Juan Segura Martín	Proprietary, from Cinven	1983
Thomas Railhac	Proprietary, from Cinven	1980
Anthony Frank Elliott Ball	Proprietary, from Providence	1955
Robert Sudo	Proprietary, from Providence	1976
Stefano Bosio	Proprietary, from Providence	1989
Alberto Castañeda González	Secretary, non-Board member	1972

The composition of the Board of Directors includes:

- One independent director (the Chairman of the Board), representing over 7% of the total.
- Two executive directors (the CEO and the General Manager of the MASMOVIL Group), representing 15% of the total.
- One woman (Cristina Serna), representing almost 8% of the total.

Types of director:

- Independent directors: These are members of the Board of Directors who must perform their duties without being constrained by any type of relationship with the management team or with the Company's controlling shareholders. They are chosen based on their personal and professional circumstances. The basic mission of the independent directors is to defend the interests of all shareholders and in particular of the minority shareholders who do not have access to a position on the Board.

- Executive directors: These are members of the Board of Directors who, in addition to their duties as members of the Board, are involved in the day-to-day business of the Company, in a senior management role as an employee of either the Company or the Group.
- Proprietary directors: These are directors who are members of the Board of Directors due to their status as shareholders of the Company or because they possess more than 5% of the share capital. They can be direct members of the Board or they can be part of the Board through a representative.

Number of Board meetings: In 2022, the Board of Directors of Lorca Telecom Bidco met on 13 occasions. During these meetings, they dealt with different matters relating to the Group's strategy and goals, corporate operations, approval of corporate policies, approval of the budget and business plan, approval of the annual accounts and non-financial information statement (NFIS) for 2021, and review of the six-monthly update of the corporate risk map with the corresponding mitigation measures, among other aspects pertaining to the Board.

Board meetings attended by the auditor: In 2022, the auditor attended a meeting of the Board of Directors on one occasion, on March 31, 2022.

Selecting the external auditor: In 2022, it was not necessary to submit any proposals to select external auditors to the Board.

Corporate By-laws that contain our commitment to a positive impact

As part of our B Corp Certification process, the Company's By-laws were amended to record our commitment to creating a positive impact. The following text was approved by the Board of Directors and is part of our By-laws:

"IN THE PERFORMANCE OF ITS
CORPORATE PURPOSE THE
COMPANY SHALL ENSURE A
POSITIVE SOCIAL IMPACT FOR
THE COMPANY, THE PERSONS
RELATED TO IT AND THE
ENVIRONMENT"



6.1.3. Board committees

The following committees have also been established:

- **The Audit and Control Committee**, the chair of which is an independent director, is the advisory committee in charge of ensuring the efficiency of the Group's internal control, internal auditing, and risk management systems, as well as being in charge of the relationship with the external auditor. The meetings of the Audit and Control Committee are attended, whenever deemed appropriate by its chair, by the external auditor, the Internal Auditor, the Chief Financial Officer, and the Compliance Officer of the Group, as well as any member of the Group's staff whose work may be related to the duties performed by the committee

In 2022, the Audit and Control Committee met on three occasions.

The Audit and Control Committee is made up of the following Board members:

- o Eduardo Díez-Hochleitner Rodríguez (Chairman, independent director)
- o Jorge Lluch Pauner (KKR)
- o Stefano Bosio (Providence)
- o Miguel Segura Martín (Cinven)
- o Alberto Castañeda González (Secretary, non-Board member)

- **Appointments and Remuneration Committee**, the chair of which is an independent director, is the advisory committee in charge of the appointment and reelection of directors and proposals regarding their remuneration. It is also involved in the environmental, social, and governance (ESG) aspects related to the Group. This makes the committee responsible for issues such as the stakeholder relations strategy, review of the policy on corporate social responsibility (CSR), monitoring of related practices, and appraisal of performance.

In 2022, the Appointments and Remuneration Committee met on three occasions.

The Appointments and Remuneration Committee is made up of the following Board members:

- o Eduardo Díez-Hochleitner Rodríguez (Chairman, independent director)
- o Robert Sudo (Providence)
- o Jorge Lluch Pauner (KKR)
- o Alberto Castañeda González (Secretary, non-Board member)

6.2. Internal control and risk management system

GRI 2-12 / GRI 2-13 / GRI 2-14 / GRI 2-26

6.2.1. Lines of defense

As stipulated in the Regulations of the Board of Directors, one of the non-delegable duties of the Board is that of establishing the risk control and management policy, including tax risks, and supervising the internal information and control systems.

In this respect, the Board of Directors is not only supported by the Board's committees but also by the Three Lines of Defense model implemented by the Group. The model provides a simple and effective system to improve the internal communication process in managing and controlling risks by defining functions and obligations, making it possible to ensure the ongoing success of the risk management initiatives.

First line of defense

The first line of defense refers to the management controls laid down in the Group's policies and procedures, as well as the internal control systems implemented at the Group, where middle management performs the tasks of supervising compliance with these procedures by employees, reporting directly to senior management about the level of compliance with the controls established.

Second line of defense

The second line of defense executes the tasks of supervising the controls that have been established and compliance with the policies and procedures defined by the Group. At MASMOVIL, we place a great deal of importance on this line of defense, through the following specialized departments:

- The Management Control Department
- The Revenue and Cost Assurance Department
- The Fraud Department
- The Cybersecurity Department
- The Data Protection Office
- The Compliance Officer

The functions assigned to the second line of defense include the following:

- Supervision and control of the risks, providing support to the different roles with internal responsibility (first line of defense) in defining the risk control system.
- Ensuring regulatory compliance by the organization, both with regard to applicable laws and regulations and with regard to internal policies and procedures.
- Ensuring the accuracy and reliability of the information (both financial and non-financial) generated and reported by the organization.





Internal Audit Function (third line of defense)

The Internal Audit Department, under the supervision of the Audit and Control Committee, is responsible for overseeing the proper functioning of the internal information, risk management, and control systems. This review process provides independent and objective supervision of the first two lines of defense, by assessing the internal control system of the organization in its entirety to identify potential control weaknesses and recommendations for improvements.

The functions associated with the Internal Audit Department include assisting the Group's governing bodies and companies in the task of supervising:

- The effectiveness and efficiency of internal control and risk management systems.
- The efficiency and integrity of the processes to prepare, control, and present regulated information (financial and non-financial).
- Regulatory compliance and due adherence to the policies and procedures of the organization.

The annual Internal Audit activities plan is approved by the Audit and Control Committee. The activities and reporting performed by Internal Audit in the last three years included (among others):

- Recurring reports (annual):
 - o Coordination and supervision of the six-monthly updating of the corporate risk map (see the following section).
 - o Review of the Internal Control over Financial Reporting (ICFR) system.
 - o Review of the criminal risk prevention system.
 - o Audit of general controls for IT and cybersecurity.
- Other, non-recurring activities:
 - o Standardization of the internal control systems of acquired companies.
 - o Coordination, in collaboration with the Data Protection Officer, of the external audits of personal data protection of both the MASMOVIL Group and the companies of the Euskaltel Group (acquired in 2021).
 - o Review of the process involving commissions to the distribution channel.
 - o Review of the wholesale traffic process.
 - o Audit of credit notes issued in the Business segment (B2B).
 - o Audit of invoices with no associated purchase order.
 - o Review of the sponsorship registration and approval process.
 - o Audit of general controls for the operator network.

Direct reporting to the Board of Directors and Board committees

As part of the Three Lines of Defense model implemented at the Group, there are a number of roles with direct reporting lines to both the Board of Directors and the Board's committees. These include the Compliance Officer, the Data Protection Officer (DPO), and the Head of Internal Audit. The model enables direct and effective communication of the risks facing the Group, as well as of the corrective action plans and mitigation measures that are being implemented.

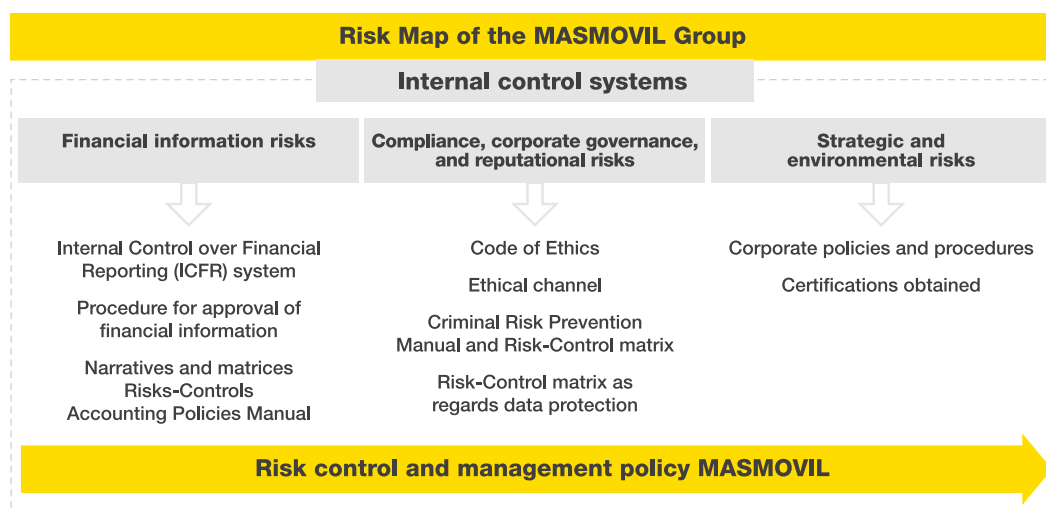
6.2.2. Risk management

The Company's Board of Directors is responsible for risks, as provided in the regulations of the Board of Directors'. To promote the oversight of this aspect, on September 29, 2022, the Board of Directors approved the updating of the Group's Risk Management and Control Policy, the policy which makes it possible to establish all the action aimed at controlling and mitigating the risks identified at each given moment. This action materializes through a Comprehensive Risk Control and Management System based on the COSO (Committee of Sponsoring Organizations of the Treadway Commission) model. The system improves the organization's ability to manage scenarios of uncertainty and can be summarized in a continual cycle involving five phases:

1. Identification of risks in line with the Group's strategies.
2. Assessment and quantification of risks.
3. Design and implementation of the risk management system.
4. Continued monitoring / updating of the risk map.
5. Reporting to the Audit Committee / Board of Directors.

In connection with the activities carried out by the Group, the inherent risks of the sector, the macroeconomic environment, the regulatory framework, and the operations need to be identified and monitored through the risk management systems established by the Company.

In general, significant risks are deemed to be those that have a medium-high impact and probability of occurrence, or any other internal or external contingency which, if it materialized, would impede or hinder the fulfillment of the Group's strategic goals. Therefore, we have designed the control systems described in this section.



The risk factors that the Group is generally subject to are:

- **Financial and credit risks:** The probability of occurrence of an event that has negative financial consequences for the Group. Specifically, MASMOVIL understands there are risks related to the market, interest rates, liquidity, taxation, indebtedness, solvency, and credit.
- **Regulatory risks:** The probability of occurrence of an event related to complying with the law and the regulations that may negatively affect the Group from both the economic and reputational perspective. Specifically, MASMOVIL understands these to be risks associated with contracts, legislation and the regulation of the telecommunications sector, litigation, the criminal risk prevention model, and personal data protection.
- **Strategic risks:** The probability of occurrence of an event that has negative consequences for the Group's strategy. Specifically, MASMOVIL understands that these are risks related to the business model, communication, and the brand, that may materialize in mergers and acquisitions, innovation and transformation, macroeconomic aspects, and resource planning and allocation.
- **Operating risks:** The probability of occurrence of an event related to the Group's operations that has negative consequences (economic, organizational, reputational, etc.). Specifically, MASMOVIL understands that they are external threats, and commercial, logistical, and organizational risks, and those related to suppliers.
- **Technological risks:** The probability of occurrence of an event related to the Group's information systems and infrastructures. Specifically, MASMOVIL understands that there are risks related to the integration of the information systems resulting from the recently occurring acquisitions of companies, and risks relating to cybersecurity and privacy or security breaches in the information systems and communications network which may result in a leak and/or loss of information, to availability of the system/network, and to the imposition of penalties.
- **Corporate governance risks:** MASMOVIL understands that these are risks arising out of failure to comply with the By-laws and the regulations of the Board and the Board's delegated bodies, the Code of Ethics, the Group's internal regulations, and in general good governance recommendations.
- **Reputational risks:** MASMOVIL understands these to be risks arising out of activities that may have negative repercussions on the Company's image.
- **Environmental risks:** These are risks, arising out of the Group's activities, that may have an impact on the environment.

Risk map

The Group's risk management and control model is based on continuous review and updating of the Company's risk map, which has been designed in line with the Group's strategies. Once the risks have been identified and quantified (according to their impact and probability of occurrence), the necessary action plans to mitigate those risks are drawn up, while also evaluating the residual risk and the risk tolerance levels.

Under the Risk Management and Control Policy, the Internal Audit Department is responsible for updating the risk map on a six-monthly basis. It is also tasked with drawing up the action plans required to mitigate such risks, assigning a risk owner to each risk. In this way, each risk has an owner, who is responsible for adopting the measures needed to control it.

Quantitative variables (e.g. economic impact, impact on evaluations), semi-quantitative variables (e.g. impact on the strategic goals), and qualitative variables (e.g. impact on the Company's internal operability, reputational impact) are used to weigh the risks.

Given that the risks cannot be entirely eliminated, the Board of Directors considers the necessary aspects to decide about the acceptable level of risk, based on the risk-benefit ratio. It creates a control structure which aims to maintain the risks within appropriate limits. In accordance with the most recent version of the Corporate Risk Map presented to the Board of Directors, the main non-financial risks to which the Group is exposed, as well as the main mitigation measures, are summarized in the following table :

RISK CATEGORY	SOURCE OF THE RISK	MITIGATION MEASURES
Strategic/ operating	<ul style="list-style-type: none"> Integration of legacy systems and alignment with the Group's strategic goals 	<ul style="list-style-type: none"> SAP HANA implemented in 2020, into which acquired companies (with the exception of the Euskaltel Group) have been gradually incorporated. The MasDATA project with the goal of standardizing the Group's reporting information and improve transparency through a multibrand data warehouse (including the Euskaltel Group). The MasSTACK project with the goal of standardizing the Group's legacy systems in multibrand platforms.
Cybersecurity	<ul style="list-style-type: none"> IT security Security breaches in systems and networks 	<ul style="list-style-type: none"> Significant improvement in the 360-degree external assessment of cybersecurity performed in 2022, with better results than comparable results in the industry and from previous years. New information security policies and procedures approved by the Cybersecurity Committee. Existence of a security master plan. Logical access/security controls for critical systems. A unified Cybersecurity Operations Center (CSOC) for all the companies of the Group. Continuous improvement of the detection and prevention mechanisms. ISO 27001 (scope extended to include telecommunications services) and the national security system (ENS) at Euskaltel Group level. Existence of a cybersecurity insurance policy.

RISK CATEGORY	RISK CATEGORY	MITIGATION MEASURES
Reputational	<ul style="list-style-type: none"> Reputational damage and penalties for non-compliance with privacy / data protection rules (at Group level) 	<ul style="list-style-type: none"> Implementation of the data governance system: Data Protection Office, Privacy Committee, and appointment of Data Champions. External data protection audits in both 2021 and 2022. Training courses and awareness raising about protecting personal data.
Strategic/ operating	<ul style="list-style-type: none"> Continuous improvement of the Business Continuity Plan (BCP) 	<ul style="list-style-type: none"> Renewal of ISO 22301 on business continuity for telecommunications services at EKT Group level in 2022. Adaptation to ISO 22301 of the documentation of the Group's BCP, taking into account the risk analysis and business impact analysis (RA & BIA) and including three new contingency plans: Cybersecurity, loss of level 1 centers, and loss of main headquarters (preaudit performed in Q4-22 and certification expected in Q2-23). Training and awareness sessions about the BCP given in Q4-22 to all the areas involved.
ESG / Reputational	<ul style="list-style-type: none"> ESG risks: Operational and reputational risks vis-à-vis our stakeholders. 	<ul style="list-style-type: none"> ESG rating from Sustainable Fitch with a score of 77/100 achieved in Q1-23, the best rating awarded by Sustainable Fitch in the telecoms sector in Spain. ESG rating from S&P of 67/100, ratified in 2022. CEO designated as the member of the Board of Directors responsible for supervising ESG-related issues. Renewal of ISO 14001 and obtaining of ISO 50001, in addition to obtaining B Corp Certification in 2021. Net zero carbon emissions for Scopes 1 and 2, achieved in 2020. Project to include Scope 3 emissions underway.
Regulatory	<ul style="list-style-type: none"> Potential tax contingencies and/or regulatory changes 	<ul style="list-style-type: none"> The Group has a system to monitor regulatory changes through the Legal and Compliance Department and Tax Department. The departments monitor and communicate legislative developments internally to ensure awareness of these changes with a view to make any modifications that are necessary to internal processes. Review of possible tax contingencies / regulatory changes with specialized advisors in order to anticipate and attempt to mitigate these risks.
Strategic/ operating	<ul style="list-style-type: none"> Talent attraction and retention 	<ul style="list-style-type: none"> Retention and recruitment plan for key employees at the Group. Career plan designed for the most talented employees at the Group. Action regarding remuneration and other employee benefits for all employees. Reinforcing the culture and values of MASMOVIL throughout the entire organization.

Although many of these risks could have a significant impact on the Group's operations, the probability of occurrence is considered medium/low. This is largely thanks to the control mechanisms we have implemented, as well as the mitigation measures put into effect, which have allowed the impact and probability of occurrence to be kept within the tolerance levels approved by the Board.



Financial transparency

The MASMOVIL Group has not been involved in any infringements relating to lack of rigor and transparency of financial information.

Regulatory compliance

Although the MASMOVIL Group does not deem infringement of the law to be a material risk, it must be noted that the Group adopts the necessary measures to comply with the applicable legislation in the markets and geographical regions in which it operates.

In this respect, the Group's activities are rooted in a culture of compliance, the cornerstone of which is its Code of Ethics. The code makes it mandatory to act in accordance with the legislation in force at all times and with our principles and values.

The MASMOVIL Group has provided itself with several tools to enable compliance:

- The Group has a system to monitor regulatory changes, through the Legal Advisory and Compliance Department. The department monitors and communicates legislative developments internally to ensure awareness of these changes with a view to making any modifications that are necessary to internal processes.
- The Group has implemented a number of management systems conforming to ISO standards (ISO 9001 on quality, ISO 14001/ISO 50001 on environment, ISO 45001 on occupational health and safety, ISO 27001 on information security, ISO 22301 on business continuity, and ISO 37001/UNE 19601 on criminal compliance). These systems ensure monitoring of and continuous adaptation to the applicable legislation in each case, as this is one of the requirements of the standards. Our compliance is backed by internal and external audits performed on the organization in order to verify them. In some cases these systems are supported by notifications that inform them about legislative developments.
- In addition, the Criminal Compliance Management System (please see the following section) defines a series of controls and responsibilities to be executed in order to ensure compliance with applicable legislation. It also regularly monitors that these controls have been executed and were effective, thereby limiting the risks associated with non-compliance.

THE GROUP IS BASED, AT A CORPORATE LEVEL, ON THE PILLARS OF HONESTY, INTEGRITY, AND REGULATORY COMPLIANCE

6.3. Business ethics

GRI 102-30 / GRI 2-13 / GRI 2-14 / GRI 2-26

6.3.1. Criminal risk and anti-bribery management model

GRI 3-3 / GRI 2-23 / GRI 2-26 / GRI 205-3 / GRI 205-6

The Group is based, at a corporate level, on the pillars of honesty, integrity, and regulatory compliance. It therefore has a firm commitment to combating corruption and bribery, which resulted in the approval by the Board of Directors on May 22, 2017, of the original version of the MASMOVIL Group's Code of Ethics. The code was subsequently updated pursuant to the resolutions passed by the Board of Directors on February 27, 2020, and September 29, 2022. This is a key standard for the Company and its subsidiaries and contains the values and principles that must guide the conduct of all those who are part of the Group.

Campaigns on adherence to the Code of Ethics

The Human Resources Area has carried out campaigns on adherence to the Code of Ethics. All the Group's employees have formally ratified their commitment to the code, including new hires, who receive the code as part of their onboarding pack and must sign and return a copy for it to be kept on file by that department. The MASMOVIL Group also carries out a number of compulsory training courses, as well as communication and awareness-raising activities, in order to encourage familiarity and compliance with the performance standards contained in the Code of Ethics among the members of our workforce.

Ethical channel

All our employees have at their disposal a confidential and anonymous ethical channel, through which all the queries received have been evaluated and answered. The channel can be accessed both through the email address canaletico@masmovil.com and through the forms found on the corporate intranet and the Group's corporate website (www.grupomasmovil.com).

In 2022, a number of communications were received through the channel. In some cases, these led to the corresponding investigation being opened by the Compliance Officer, with the participation of the Ethics Committee. There were no complaints or reported cases of corruption or bribery at the Group.

Ethics Committee

The Ethics Committee is an internal and autonomous panel that operates pursuant to criteria of independence and is made up of:

- The Chief Human Resources Officer.
- The Chief Financial Officer.
- The Chief Legal and Compliance Officer.
- The Group's General Manager.
- One representative from other departments of the Group, who are called to attend on a rotating basis.

The duties assigned to the Ethics Committee include, but are not limited to, the following:

- Participating and deciding, together with the Compliance Officer, in the procedures to investigate the complaints received, and proposing the measures to be implemented.
- Supporting and advising the Compliance Officer in queries, investigations, or activities whenever so required by the Compliance Officer due to the nature of these.

Combating corruption and bribery

The policies and procedures implemented by the Group to fight corruption and bribery, as well as the Code of Ethics, are the Supplier Code of Conduct, the Crime Prevention, Anti-Fraud, and Anti-Corruption Policy, the Policy on Acceptance and Giving of Gifts and Hospitality, the Money Laundering Prevention Policy, the Action Protocol concerning Public Authorities and Political Parties, and the Criminal Risk Prevention Manual. The most recent versions of these policies and procedures were approved by the Board of Directors at its meeting on September 29, 2022.

The Supplier Code of Conduct includes a specific section on requirements to combat corruption and bribery. It establishes that the supplier makes a commitment to adopt several of the principles set out in the Group's Crime Prevention, Anti-Fraud, and Anti-Corruption Policy.

The Group also has various internal guidelines and rules that regulate a range of issues, such as the Conflict of Interest Policy and the Rules on the Treatment of Restricted Information.

The criminal risk prevention system

The Group has developed a crime prevention plan, where effective controls have been implemented and possible infringements have been defined, as well as a crime prevention manual. Directly related to the above, the Regulations of the Board of Directors stipulate that there shall be an internal regulatory compliance role performed by an internal unit or department of the Company under the supervision of the Board of Directors. Accordingly, the Compliance Officer regularly reports directly to the Board of Directors on the degree to which the internal task of regulatory compliance is successful. In order to comply with the Group's rules of governance, the Group's Compliance Officer promotes a culture of regulatory compliance, transparency, ethics, and internal control in all areas, assisted in this task by the commitment of senior management. The Compliance Officer also fosters effective supervision of the Group's non-financial risks, emphasizing the prevention of criminal risks.

On September 29, 2022, the Board of Directors approved an updated version of the Statute of the Compliance Officer and Operation of the Ethical Channel, which regulates the role of the Compliance Officer of the Group, the duties of this role, and the procedures to be followed when performing such duties. This thereby guarantees the necessary autonomy of the function of supervising both the operation of the Group's Criminal Risk Organization and Management Model and compliance with the model.

In accordance with the Regulations of the Board of Directors, the Compliance Officer must inform the Audit and Control Committee in the event that a notification of any irregularity of potential importance, especially any of a financial and accounting nature within the Group, has been received.

In addition, the Internal Audit Department issues an annual report containing a review of the Group's Criminal Risk Prevention System.

UNE 19601 and ISO 37001 certifications

In line with the provisions of article 31 bis section 5.6 of the Spanish Criminal Code, and as an example of the Board of Directors' commitment to fighting fraud and corruption and preventing crime, the Group is currently engaged in the process of obtaining the UNE 19601 (Compliance Management System) and ISO 37001 (Anti-bribery Management System) certifications for the companies MASMOVIL Ibercom, SAU, (the parent company of the Group) and Xfera Móviles, SAU, (the company with the largest number of Group employees, assets, and brands). If the need arises, these certifications will make it easier to demonstrate the efficiency of the criminal risks management model, substantiating the explicit commitment of the organization and its leaders to a culture of compliance. The Euskaltel Group has already obtained the two certifications-

7. Sustainability strategy

GRI 3-3 / GRI 2-22

Our results in 2022

- Primary responsibility for Environmental, Social, and Governance (ESG) issues allocated by the Board of Directors to the role of the CEO of MASMOVIL.
- Approval of the new ESG policy to responsibly manage the risks and opportunities linked to sustainability.
- Approval of the ESG Strategic Plan, which defines our commitment to creating a positive long-term impact, generating value, and reducing risks, with a plan of action and specific short- and medium-term measures.

Our targets for 2023

- Roll out the ESG Strategic Plan
- Define corporate targets related to our ESG rating

Appointment of the CEO as the director responsible for ESG

We are convinced that sustainability is an inherent part of business activities. The Group aims to create long-term value in a sustainable manner, ensuring care and protection of the environment, social development, and business ethics. All this is based on the principles of transparency and good corporate governance promoted by the Company's Board of Directors.

For this reason, the MASMOVIL Group deems it necessary for the Board of Directors to be in charge of sustainability. Therefore, at the meeting of the Board of Directors held on December 22, 2022, the Board decided unanimously to appoint Meinrad Spenger, CEO of the MASMOVIL Group, as the director responsible for supervising all ESG-related matters.

Mission, Vision, and Values

As a sign of our commitment to the environment, social responsibility, and good corporate governance, in 2020 the MASMOVIL Group reviewed and updated our Mission, Vision and Values to include aspects such as positive impact on society.

Our Mission and Vision were defined as follows:



Mission: To connect people using the most up-to-date technology available and ensure the best customer experience.



Vision: To be the telecommunications company with the highest levels of customer satisfaction in Europe and to create a positive impact on people, shareholders, and the planet.

Our Values were also updated to include sustainability, making a statement about the Group's commitment to generating a positive impact.



The Values of the Group:

Customer first



- We look after our customers and anticipate their problems.
- We quickly identify their needs so as to offer them the best solution.
- We innovate to create tangible, quality benefits for our customers.

Positive attitude



- So We smile and work enthusiastically and honestly.
- We dare to do things differently.
- We enjoy working, we learn from mistakes, and we celebrate our successes as a team.

Simplicity



- We are pragmatic and fast.
- We look for simple solutions.
- We avoid unnecessary red tape.

Sustainability



- We prioritize long-term value over short-term gains.
- We aim to generate a positive impact on our customers, employees, partners, shareholders, and society.
- We look after our surroundings and the environment.

The importance of corporate governance

The Group understands that corporate governance is one of the most effective instruments for inspiring confidence among investors and promoting control over non-financial aspects. This provides the control environment and balance necessary to reinforce good business practices and promote credibility and stability, as well as contributing to boosting growth and wealth creation.



7.1. Responsible management model

We assess risks and develop policies and procedures to address them

We plan our operations with the purpose of steering the Group's different processes towards excellence, thus contributing to fulfilling our business's core aim: customer satisfaction. We know that in order to achieve our goal it is crucial that we maintain smooth and harmonious relationships with all our stakeholders and manage our business taking into account economic, social, and environmental aspects. These are the aspects comprising our sustainability strategy.

Responsible management model

We have therefore developed a responsible management model which is deployed across the board. Our model is rooted in identifying the possible impacts and risks in terms of sustainability that could arise from our activities, and in developing and applying a range of commitments, policies, management procedures, and mitigation measures to respond to the impacts we identify.

At the center of our responsible management model is the implementation of sustainable practices in all our operations, promoting their application throughout our value chain, from our employees and associates to our customers.

Our new policy on ESG

In September 2022 a new policy came into effect. The ESG Policy complemented and replaced what was previously known as the corporate social responsibility policy. Within the sphere of ESG, environmental aspects are framed by and specified in our Sustainability, Environment, and Energy Management Policy (where we explain our policy on natural resources, among other matters).

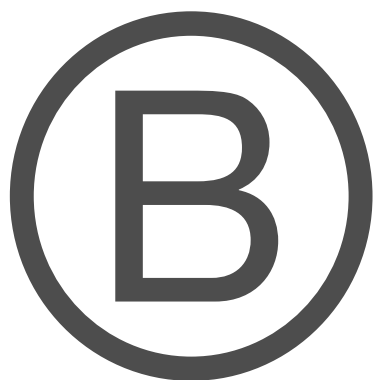
Among other objects, the ESG Policy has the purpose of managing in a responsible manner the risks and opportunities arising from the prevailing situation, the natural environment, and their evolution, maximizing the positive impacts our activities may have on the geographical areas where we operate and minimizing, as far as possible, the negative impacts.

This policy is of a Group-wide nature, affecting all levels of the organization and promoting trusted relationships and value creation for all our stakeholders by responding to them all in an inclusive and balanced manner.

As specified in the Group's ESG Policy, the commitments made in this regard are:

- Regulatory compliance.
- Support for the United Nations Global Compact (the UN Global Compact), which the Group joined in 2020.
- Commitment to ethics.
- The fostering of free-market practices.
- Implementation of advanced corporate governance practices
- Promoting channels for communication and dialog.
- Contributing to the sustainable creation of value for society, citizens, customers, suppliers, shareholders, and the communities in which the Company and the companies of its Group engage in their activities.
- Taking into account social returns in the Company's investing, such as job creation and wealth creation with a long-term vision that secures a brighter future, without compromising current results.
- Fostering education and culture.
- Protecting vulnerable groups.
- Establishing strong and permanent ties, taking into consideration the interests of our team, our shareholders and financial community, regulators, customers, suppliers, the media, society in general, and the environment (our stakeholders).

Certified



Corporation

First large telecommunications company to become B Corp certified

In line with our firm commitment to generating a positive impact on people and the planet, in September 2021 the MASMOVIL Group was awarded B Corp Certification. This certifies that the Company has met the highest standards as regards social and environmental impact, governance, public transparency, and legal responsibility.

A stringent certification process...

To obtain this certification, the MASMOVIL Group had to pass an exacting process of verification by B Lab to ascertain whether its corporate goal of being the Spanish telecommunications company with the greatest positive impact on society is reflected in all its policies and whether these policies are aimed at creating social value for all its stakeholders: employees, suppliers, customers, communities, the environment, and bondholders and shareholders.

B Corp Certification involves reviewing, evaluating and certifying the Company's social and environmental performance and how its business model has a positive impact on its employees, the communities they serve, and the environment.

... and a community determined to generate a positive impact

The certification – issued by B Lab, a non-profit organization that is transforming the global economy to benefit all people and the planet – made the MASMOVIL Group the first large B-Corp-certified telecommunications company in Europe, among the more than 6,000 international companies that participate in this community.

The corporations that are part of the B Corp community belong to a global movement that encourages businesses to improve the world, transform the economy, and contribute to redefining the meaning of business success, and is entirely based on the wellbeing of people, communities, and the planet.

MASMOVIL, the largest certified B Corporation in Spain

This certification makes MASMOVIL Spain's largest certified B Corporation. It also extends to all the brands of the MASMOVIL Group, including Yoigo, MASMOVIL, Pepephone, Embou, Llamaya, Lycamobile, Lebara, Hits Mobile, Euskaltel, R, Telecable, Virgin telco, Cablemovil, and Populoos.

The MASMOVIL Group endeavored to complete the B Corp Certification process in record time, going into our performance with regard to the environment, customers, suppliers, employees, and governance in detail, so as to implement future improvements and strategies to pass the high standards required by B Lab.

MASMOVIL leads the connectivity quality and customer satisfaction (NPS) indices

According to Umlaut, the MASMOVIL Group is leading the connectivity quality indices thanks to its fixed networks, with Pepephone being rated the fixed and mobile operator with the best customer experience in the report from the DEC Association (the Association for the Development of Customer Experience on net promoter score (NPS)).

The customer satisfaction section in the chapter on Customers (later in this report) goes into the results from these studies in more detail.

The MASMOVIL Group's operations and our relationship with consumers enable us to contribute, whether directly or indirectly, to improving:

- The health and safety of consumers
- Privacy and cybersecurity
- Digital inclusion

By-laws that set out that impact will be taken into consideration in all decisions

As a company belonging to the B Corp movement, the MASMOVIL Group has also made a formal commitment, by means of a change to its By-laws, to take into consideration the impact of its decisions on all its stakeholders. This commitment helps the Group protect its mission in its business operations and affords its investments greater value.

Syndicated financing with the cost linked to the performance of our ESG rating

In 2019, the MASMOVIL Group became the first in Europe, the Middle East, and Africa (EMEA) to obtain syndicated financing with part of the cost tied to the future evolution of its ESG rating.

After obtaining an ESG rating of 77/100 from Sustainable Fitch, the Group has managed to reduce the cost of that financing in line with the improvement in its ESG rating.

ESG rating awarded by Sustainable Fitch

At the beginning of March 2023, the MASMOVIL Group achieved a ESG rating of 2 from Sustainable Fitch (the Sustainable Fitch rating is on a scale from 1 to 5, with 1 being the best outcome), attaining a score of 77/100.

ESG rating from Standard & Poor's (S&P Global Ratings)

In July 2022, Standard & Poor's (S&P Global Ratings) issued its latest report on the ESG rating for Masmovil Ibercom, SA, which achieved a final score of 67/100.

THE MASMOVIL GROUP HAS ALSO MADE A FORMAL COMMITMENT, BY MEANS OF A CHANGE TO ITS BY-LAWS, TO TAKE INTO CONSIDERATION THE IMPACT OF ITS DECISIONS ON ALL ITS STAKEHOLDERS

CDP (Carbon Disclosure Project) rating

In 2022, at the MASMOVIL Group we participated for the first time in the climate change-based rating promoted by the Carbon Disclosure Project. We were awarded a B rating thanks to our transparency with regard to actual performance in protecting the environment.

Certifications and policies that demonstrate our ESG strategy

The MASMOVIL Group has also carried out a series of measures (mentioned in detail later in this report) which demonstrate that the Group is adapting its strategy to an ESG environment and highlight its responsibility in working on controlling environment, social, and corporate governance risks:

- Adherence to the UN Global Compact
- Updating of our Mission, Vision and Values
- B Corp Certification
- ISO 14001 (Environmental Management) and ISO 50001 (Energy Management) certifications
- Net zero CO2 emissions (for Scopes 1 + 2)
- Review of our corporate policies on sustainability and environmental issues
- Equality plans and diversity plan

7.2. ESG at MASMOVIL, at General Manager level given its importance

The MASMOVIL Group came to the decision that it needed to centralize and coordinate all activities related to ESG within the same reporting line at the Company. Therefore, in 2020 all responsibility for ESG-related initiatives was given to the team at the Investor Relations (IR) Department. This area, headed by one of the senior managers of the Company and reporting directly to the CEO, was renamed IR & ESG. Since then, the IR & ESG team has focused on generating value with respect to environmental, social, and good governance issues.

Pragmatic strategic plan to deliver social impact and result: First European telecoms company with net zero emissions of CO2 for Scopes 1 and 2 in 2020, 2021 and 2022

The Company created a strategic plan regarding impact for 2021. Among the plan's many other initiatives, it included certification of the ISO 14001 environmental management system and attaining B Corp Certification, as well as the Diversity Plan and the Equality Plan (both within the scope and under the responsibility of Human Resources), the Social Discount Tariff (MASsolidaria), and reducing the digital divide in rural Spain. Over the course of 2021, we accomplished all these targets. Another highly relevant detail is the fact that since

2020 the MASMOVIL Group has managed to maintain its achievement of reaching net zero emissions of CO2 for Scopes 1 and 2, and was the first European telecommunications operator to achieve this.

7.3. ESG Strategic Plan

Over the first half of 2022, we defined our ESG Strategic Plan (view here). This plan is committed to delivering a positive long-term impact, creating value, and reducing risks, with a plan of action and specific short- and medium-term measures.

Our strategic plan revolves around our Mission, Vision, and Values as a Group, which are the cornerstones upon which we have built our long-term ESG strategy.

We based our strategy on five key pillars, which are in line with the Sustainable Development Goals (SDGs) of the UN Global Compact:



For each of these five pillars, we defined a series of key performance indicators (KPIs) which enable us to measure and assess our ESG performance and determine what action we need to take in the short and medium term.

7.4. Engaging with our stakeholders







GRI 2-29

In view of our position in the Spanish telecommunications sector and guided by our priority of responding to their needs, we engage in ongoing dialog with our stakeholders, motivated by the importance of creating trusted and respectful relationships with them all.

Actively managing our relationship with stakeholders, through specific channels

At the MASMOVIL Group our relationship with our stakeholders includes taking into account the possible positive and/or negative impacts that our operations could have on them.

We provide specific channels for dialog with each stakeholder group, for smooth, two-way communication at all times. We strengthen, diversify, and build closer connections and innovate in our channels and other avenues for contact with all our stakeholders. Our intention is to consistently foster our relationships with them, as well as to forge ahead in achieving our strategic objectives and fulfilling our commitment to their digital transformation.

STAKEHOLDERS	WHY ARE THEY SO IMPORTANT FOR THE MASMOVIL GROUP?	COMMUNICATION CHANNELS
 CUSTOMERS	They are our core purpose. Communications by and for people and enterprises. We work to facilitate their access to technology through a close relationship based on trust.	Social media and website. Customer service available by phone, online, or in person. Customer surveys.
 OUR PEOPLE	The people that make up our workforce are the engine that drives our Company and allows us to fulfill our mission.	Direct contact, face-to-face and virtual meetings, work committees, corporate intranet, and internal collaborative channels (via which employees can post comments and share measures, initiatives, and activities aimed at promoting a sustainable economy along with the rest of the workforce).
 SUPPLIERS	Allies in the mission of facilitating communication and providing technology to our customers. They help us maintain a sustainable value chain. Stability, trust, and fairness prevail in our business relationships with our suppliers.	Regular meetings with business and purchasing managers. Email.
 SOCIETY	We contribute to building a more prosperous community by creating opportunities for access and connectivity that take into account user expectations and needs.	Social media and website. Participation in associations.
 SHAREHOLDERS/ INVESTORS	They support us in achieving the growth and economic stability we need to fulfill our commitments. Relationships based on good corporate governance and on transparency.	A range of information channels. Ratings. Request for information from investors. Meetings with investors.
 PUBLIC AGENCIES AND AUTHORITIES	Regulators and public administrations, from local authorities to international entities, are important allies for our operations.	Communication with public administrations through face-to-face meetings, attendance at forums, institutional sponsorships, and industry associations.

7.5. Materiality analysis

GRI 3-1 / GRI 3-2

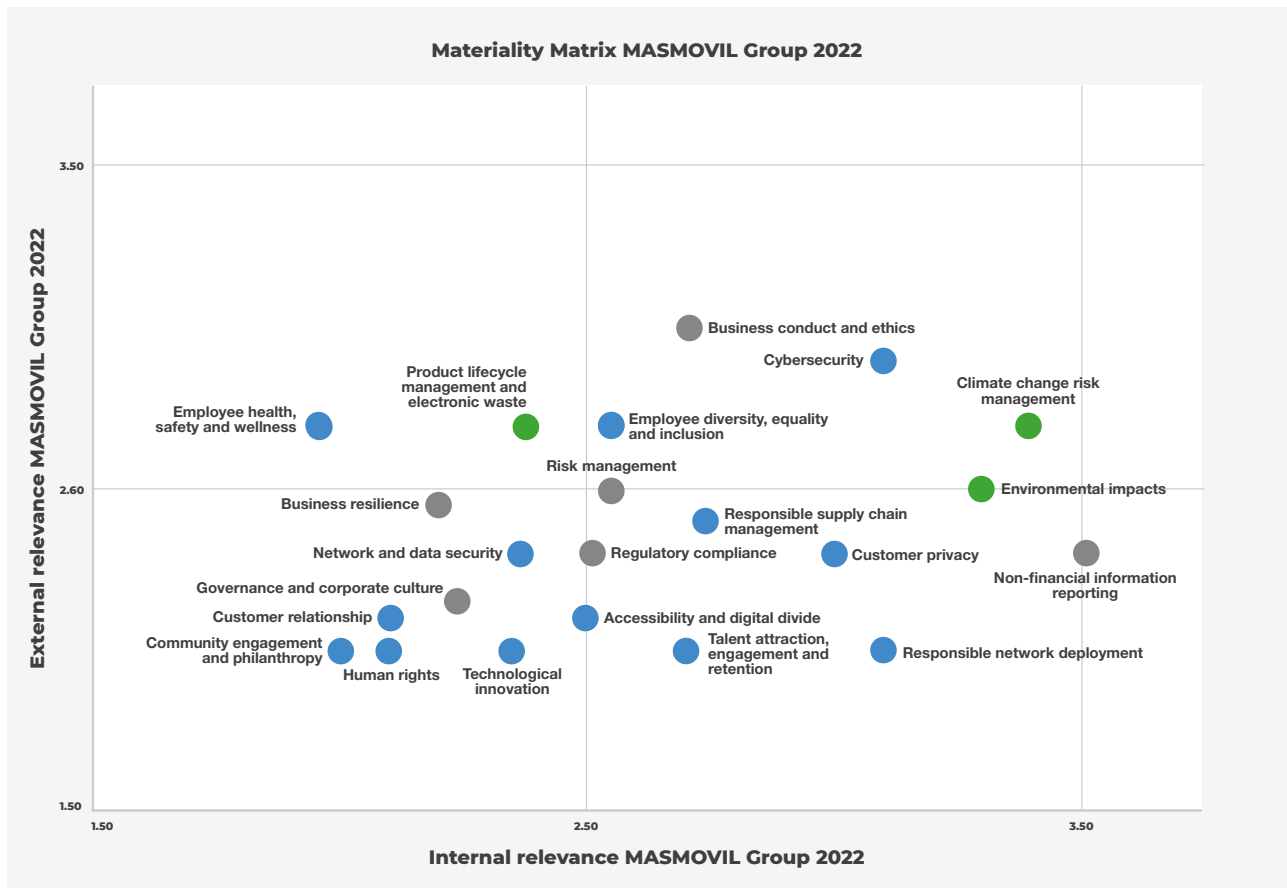
Identifying and monitoring the major issues for the Group and our stakeholders is an essential task. It aids us in our corporate governance decision making, designing strategic plans, and defining content in corporate reporting processes.

To this end, we have conducted an in-depth analysis of the material aspects, studying the characteristics of the Group and its business model, as well as the current context of the telecommunications sector. The aim was to identify the most significant issues for the different stakeholders of the Company with regard to the three cornerstones of the Group’s strategy: Environmental, Social, and Governance (ESG).

This exhaustive and rigorous process included evaluating international studies and reports, different reporting standards, and international sustainability analyst reports, as well as a sector benchmark, and information from studies of the telecommunications sector. We also performed an internal assessment process through interviews with employees at the Company.

A total of 22 relevant matters were identified and have been represented in a materiality matrix. We have prioritized them on the basis of the importance of each for the Group and our stakeholders.

In preparing and developing the content covered in this document, we have taken into account the aspects contained in the materiality matrix. The critically important aspects were mainly centered around the areas of cybersecurity, risks associated with climate change, environmental impact, and reporting of non-financial information.



CATEGORY	MATERIAL ASPECT
Environment	Risk associated with climate change and its management
	Managing the product lifecycle and e-waste
	Environmental impacts
Social	Talent attraction, engagement, and retention
	Employee diversity, equality, and inclusion
	Employee health, safety, and wellbeing
	Human rights
	Customer privacy
	Network and data security
	Accessibility and digital divide
	Cybersecurity
	Commitment to the community and philanthropy
	Technological innovation
	Relationship with customers (reliability of the service, customer experience, complaints, etc.)
	Responsible network deployment
	Responsible supply chain management
Governance	Business conduct and ethics
	Corporate governance and culture
	Business resilience
	Reporting non-financial information
	Regulatory compliance
	Risk management

7.6. Sustainable Development Goals

GRI 2-22

UN Global Compact

On September 20, 2015, the General Assembly of the UN approved the 2030 Agenda for Sustainable Development, a 15-year plan of action supporting people, the planet, and prosperity, with the additional intention of strengthening universal peace and access to justice. The Agenda proposed 17 goals and 169 integrated and inseparable targets that cover the economic, social, and environmental areas.

Integration of the SDGs into business activities

As the importance of sustainability has gained ground within all companies, the senior management teams at these companies have been trying to integrate the SDGs into their operations.

Renewal of our adherence to the UN Global Compact

As part of its commitment to sustainability and with the aim of growing responsibly, in 2020 the MASMOVIL Group formally adhered to the UN Global Compact. Our adherence to this project constitutes one more step in the MASMOVIL Group's commitment to delivering a positive social impact.

Increasing our commitment to the UN Global Compact

In 2022, we renewed our commitment to the Global Compact once again, in addition to publishing our Communication on Progress (COP) report, this time as an Advanced Member of the Global Compact.

Promoting the Ten Principles of the Global Compact

The Group endorses and promotes the Ten Principles of the UN Global Compact in the areas of human rights, labor rights, the environment, and the fight against corruption. We are committed to promoting the goals of the 2030 Agenda and the 17 SDGs, with an emphasis on those related to the Company's business activity.

Focusing on the SDGs relevant to our scope of operations

The Group particularly focuses its efforts on building resilient infrastructure and promoting sustainable industrialization and innovation (SDG 9). It also applies measures to guarantee inclusive, equitable, and quality education and to promote learning opportunities (SDG 4); to make cities more inclusive, safe, resilient, and sustainable (SDG 11); to revitalize the global partnership for sustainable development (SDG 17); to fight climate change (SDG 13); to provide affordable and clean energy (SDG 7); to promote responsible production and consumption (SDG 12); and to promote gender equality (SDG 5) and health and wellbeing (SDG 3).

Main action with regard to the SDGs

The measures we have carried out to achieve these goals include the following:



SDG 3
GOOD HEALTH AND
WELLBEING

Action and initiatives:

- Employee wellbeing – Corporate Wellness Plan: Internal initiatives to enhance both the health and wellbeing and the satisfaction of the Group's employees, working in tandem with other areas of the Company (Employee Experience, Communication, and ESG).
- Health week (October 2022): With activities including round tables, in-person and online workshops on emotional aspects, nutrition, and physical aspects, for our employees.
- Measures for work-life balance, the right to disconnect, and employee benefits: Such as our convenient mixed working model, healthy food, and our physiotherapy service at the headquarters.
- Health and wellbeing initiatives: Such as first-aid and fire prevention training, health and safety committees, and the Prevention Committee.
- CAE (Coordination of Business Activities): In addition to furnishing training about the risks in the sector, we are developing a support tool to manage them.
- COVID-19: In 2022, we adapted previously implemented measures in accordance with the general course of the pandemic among the population and according to the infection rate among the Company's employees. Over the course of the year, we continued to make available antigen tests and hygiene products (masks and alcohol-based hand sanitizers) to employees.
- Championing care for the over-65s: The seniors market is burgeoning. There are now almost 10 million people in Spain aged over 65 years old, and it is estimated that by 2050 there will be 13 million (a third of the population). This market is calling out for an increasing range of telecare solutions that offer them peace of mind, help, and entertainment.

At MASMOVIL, through our company Senior Telecom, we want to position ourselves as the leading partner for the major companies in the sector in the launch of innovative telecare propositions, so we can better serve the seniors segment. Senior Telecom, a company belonging to the MASMOVIL Group, was created to render assistance to companies who deliver services to seniors. Our target audience is not the end user but companies, making their task of providing services to seniors easier through use of our technology and products (which include smart and self-charging watches, our App, tablets for video-based appointments, and analysis of data collected and data from home-based sensors).

Indicators:

- 100% of our employees with access to the Corporate Wellness Plan
- 100% of our employees covered by the employee benefits of the MASMOVIL Group
- Five Health and Safety committees
- Occupational accident rate < 0.3%
- 60% of employees take up their medical



SDG 4
DEVELOP MEASURES
TO ENSURE
INCLUSIVE AND
EQUITABLE QUALITY
EDUCATION AND
PROMOTE LEARNING
OPPORTUNITIES

Action and initiatives:

- The UC3M Chair: In 2020, the MASMOVIL Group and the Carlos III University of Madrid (UC3M) created a Research Chair and provided scholarships for research into user experience and process optimization by innovations based on Artificial Intelligence. At the end of the program, the scholarship recipients became part of our workforce.
This alliance with the UC3M represents a hugely important and significant milestone for the Group, as it drives the Group's commitment to educating the young people in Spain about IT.
- The UPM Chair: In 2021 we also created a new Chair in conjunction with the Polytechnic University of Madrid (UPM) for the period 2021-2022. Over the course of the last few months of 2021, the participating students were selected. The program began in January 2022 and focused on customer strategy and analytics.
- The cybersecurity Chair: We renewed the R Chair in Cybersecurity (the first inter-university chair program in Galicia, involving the universities of Coruña and Vigo) for a further year and the Telecabre Chair with Oviedo University for another year. We also contributed to the master's degree in cybersecurity at the University of the Basque Country.
- Internship schemes and programs with universities: As part of our young talent program, we continued to open our doors to interns. We currently have eight trainees, as well as an additional four on more technical placements at our subsidiary, Embou. The students came from the Dual Vocational Training Program implemented with the Montessori School.

We also offer our TalenTU program to universities, employment forums, and educational institutions, in the case of the Euskaltel Group. It consists of a two-year career development opportunity over the course of which participants have the chance to grow their careers and salaries.

- The 5G project in Catalonia: This project develops use cases focusing, among other things, on developing teleeducation.
- The More Than a Mobile campaign: The initiative provides guidance to families about the key elements they should bear in mind before giving their children a cell phone

Indicators:

- 10 projects from universities awarded scholarships by MASMOVIL
- 10 students in university-based collaboration programs
- Eight collaborations with universities (chairs and master's programs)
- 46,016 hours of training given
- 25.31 hours of training per employee
- 11,890 hours of training on STEM content





SDG 5
GENDER EQUALITY

Action and initiatives:

- Equal Opportunities Policy, which acts as the backbone of a favorable environment for employees, by promoting inclusion and effective equality between men and women.
- Equality plans approved by Xfera Móviles, SAU, Euskaltel. SAU and R Cable y Telecable Telecomunicaciones, SAU, since 2020.
- Talent Diversity Plan, which was approved in 2021. Through this plan, the MASMOVIL Group intends to extend beyond the boundaries of its organization and become a benchmark in society, a key social stakeholder in promoting diversity, inclusion, and integration. The MASMOVIL Group is aware that it owes its success to the diversity of the people who work for and with the Group, and to all those customers who have trusted in the Group and acquired its services.

The MASMOVIL Group's Diversity Plan was designed taking into account that:

- Diversity is an integral part of its business strategy and aligned with all the Group's policies.
 - Diversity is driven by the Group's Board of Directors and senior management and involves our entire workforce.
 - Diversity incorporates social innovation as a central element of the policy and is a hallmark of our workforce.
 - Diversity has an impact on the Group's workforce, on customers, on partners, on society, and, especially, on people.
-
- Number of women in our workforce: 41% women in our workforce at year-end 2022, out of a total of 1.818 employees.
 - UnaDeDos: Meaning "one in two", this is an initiative from the Más Mujeres Creativas and Club de Creativos organizations that seeks to unite the commercial communications sector, brands and companies, associations, universities, and the media in promoting female creative talent in executive positions and in attaining a point by 2030 where, on average, one out of every two creative manager positions is filled by female talent.

Indicators:

- 41% women in our workforce
- 8% women on the Board of Directors
- 16% women in management-level positions





SDG 7
AFFORDABLE AND
CLEAN ENERGY

Action and initiatives:

- We offer our customers 100% green energy: In 2020, the MASMOVIL Group became the first large telecommunications operator to offer a 100% green electricity service through EnergyGO, with no extra fees for Yoigo customers. It featured the added plus of enabling customers to make cost savings, compared to services from traditional power operators.

This product (which joined the Group's earlier green-energy solution offered through Pepeenergy) allows customers to opt for a 100% green and environmentally friendly energy service. Simple to sign up for, through a transparent online process that customers can complete via an app, it also delivers detailed graphs about their consumption, personalized studies of household usage, comparisons, and tips on how to make savings in the short, medium, and long term.

In March 2021, the MASMOVIL brand also began to offer 100% green energy services under MASMOVIL Energía, while Pepephone included a special rate to boost consumption by electric cars.

- Commercial product for solar panel-based self-consumption: In 2022, Yoigo launched EnergyGO Solar, a self-consumption option based on solar panels, which helps customers to save on their electricity bills (under normal circumstances, by up to 30-40% of the total). Part of the savings in bills will also come from selling back to the grid the portion of energy produced by their panels which the customers do not consume themselves. This service forms part of the Group's focus on clean and sustainable energy and on making the planet a better place to live.
- Subsidized electric vehicle chargers at our headquarters: We installed Group-subsidized chargers for electric vehicles at our new headquarters to encourage their use by employees. According to the data provided by the service provider, this measure led to 7,302 less kilograms of CO2 emissions in 2021, while in 2022 it led to 13,995 less kilograms of CO2 being emitted.
- Subsidizing and financing electric bicycles: Over the course of 2022, we launched a campaign among our employees at the MASMOVIL Group to promote the use of e-bikes, making available an electric bicycle that we subsidized and also offering 0% financing on their purchase.

Indicators:

- 100% green energy consumed
- 100% green energy for our customers
- 13,995 kg of CO2 avoided through the use by employees of subsidized chargers for electric vehicles.
- ISO 50001 (energy management system) certification





SDG 9
BUILD RESILIENT
INFRASTRUCTURE,
PROMOTE INCLUSIVE
AND SUSTAINABLE
INDUSTRIALIZATION,
AND FOSTER
INNOVATION

Action and initiatives:

- The MASsolidaria Discount Tariff for disadvantaged groups: Working in tandem with the Innicia Association, in 2021 we launched our MASsolidaria project to make it easier for disadvantaged groups to access quality connectivity. This discount, which initially was solely for fiber connections, will be extended throughout 2023 to include mobile-only products.
- Providing connectivity: During lockdown in 2020, as well as throughout 2021 while still affected by the restrictions stemming from the health crisis, connectivity made a lot of things possible. It permitted many businesses to survive thanks to digitalization, allowed the most vulnerable people to access integration and opportunities, and (thanks to teleworking) revitalized rural areas.

This enhancement of the connectivity experience continued in 2022, in a year in which portability requests for fixed and mobile lines fell by around 15-20%. This is due, among other reasons, to the fact that both fiber and 5G are technologies that work, the customer experience is good, and consumers are therefore less prone to switching operator.

- Reducing the digital divide in rural Spain: As part of the Plan for Rural Spain (see section 4), the Group continued our drive to roll out fiber in rural areas in order to reduce the digital divide (an aim which has become one of the Group's main goals in this area).

In the corners of rural Spain that fiber cannot reach, we are offering quality connectivity through 5G FWA technology with 150 Mbps and a self-install kit. During 2022, we launched the project in Galicia, making connection an option for more than 250,000 households spread over 97 municipalities. During 2023 the project will be extended to the autonomous regions of Andalusia, Valencia, Catalonia, and the Basque Country and Navarre.

- MASVentures, our accelerator for innovative projects: The Group is in constant contact with innovation and digital developments. In 2019, we launched the MASVentures accelerator (alongside Inveready, a Spanish investment group) to promote innovative projects in the new technologies sector and nurture entrepreneurship in Spain.
 - In 2020, MASVentures approved an investment in a startup, Kenmei Technologies, a Spanish company focusing on Data Intelligence for automation of decision-making (based on Artificial Intelligence and Big Data), to automate network management and operation processes. The investment was made in the first quarter of 2021.
 - In 2021, following a shift in focus by the program towards projects associated with the Group's areas of interest and startups that are a fit with its challenges or needs, MASVentures carried out pilot programs with six startups. These were related to different areas of the Group, such as retention, marketing, business channels, customer experience, and process automation.
 - In 2022, MASVentures continued to follow the same strategy of focusing on priority areas of interest and conducted pilot programs with five startups, centering on advanced analytics, marketing, and new businesses.

Indicators:

- €52.067m in investments in R&D&i
- 1,660 municipalities with 5G coverage
- 66% of the mobile network modernized
- 60% reduction of consumption (kWh per Gb) since 2018
- Five companies participating in MASVentures projects



SDG 11
MAKE CITIES AND
HUMAN SETTLEMENTS
INCLUSIVE, SAFE,
RESILIENT, AND
SUSTAINABLE

Action and initiatives:

- Digitalization for mitigation and adaptation to climate change: We promote the development of digital products and initiatives that help create more resilient cities, such as our mobility control and traffic emission reduction program (known as CRETA), a project for the experimental development of 5G applications and services.
- 5G technology: We are part of the consortium for 5G pilot programs promoted by Red.es, contributing our connectivity solutions to develop beneficial practical uses for citizens in rural and urban areas in the Basque Country and Catalonia. Our projects are geared towards developing solutions for the education sector and optimizing mobility, control, and management of heavily frequented spaces, as well as management of public safety and emergencies.
- Pilot project with Opus RSE to reduce urban traffic emissions: Since 2021, the MASMOVIL Group has participated with the Opus RSE laboratory in a pilot project from the Alcobendas Municipal Council to measure polluting emissions from road traffic and provide citizens with data about the real emissions from their vehicles. The project falls within the framework of the LIFE GySTRA project, financed by the European Union, as part of its program to implement real solutions that reduce emissions from urban traffic in Europe.
- Digitalization of Urban Traffic and the Reduction of Emissions (DiTRA): During 2021 and 2022, the Group continued to work with other companies and organizations on the Strategic Plan for the Digitalization of Urban Traffic and the Reduction of Emissions (DiTRA) through the use of 5G technology. We also measured the emissions from the vehicles used by our employees at the Group's headquarters and we assumed the cost of repairs for those which were identified as large emitters.
- Advanced 5G solutions and services for transportation: MASMOVIL and Indra joined forces in 2022 to create an innovative ecosystem to boost the development of advanced 5G-based solutions and services for transportation. The ecosystem will allow us to work towards breakthroughs to strengthen the safety of connected and autonomous mobility, promote smart maintenance, and enhance traveler experience.

This union is intended to accelerate the development and deployment of a new generation of solutions, based on 5G, which will represent a qualitative leap ahead in achieving the Sustainable Development Goals, based on sustainable, connected, autonomous, accessible, and green mobility, for movement of both people and merchandise.

- Autonomous, connected vehicle project: MASMOVIL is one of the developers of the R3CAV (Robust, Reliable and Resilient Connected and Automated Vehicle for people transport) project. The initiative includes the development of a new, adaptable architecture (of both hardware and software) destined to create future connected and autonomous vehicles (CAVs) capable of operating with varying levels of autonomy.

The project is structured around two major use cases. The first of these consists of developing an autonomous vehicle prototype in a controlled industrial environment (due to take place at the Renault factory in Palencia), while in the second (in Alcobendas) the function of the vehicle will be to work as an autonomous shuttle. This project is subsidized by CDTI (Spain's Centre for the Development of Industrial Technology) and supported by the Ministry of Science and Innovation.

- The Smart Cities project: Through our subsidiary InnovaSur, we support cities in achieving sustainable and smart digital transformation and their economic reactivation. Via a single platform, we enable comprehensive tracking and monitoring of the networks and their strategic indicators.

Among the solutions on offer we can find monitoring capacity in buildings and public areas; real-time data and indicators on the movement of people and vehicles; urban mobility and optimized traffic management; building management (smart buildings) involving monitoring temperature, noise level, air quality, and heavily frequented areas; proximity marketing; energy savings; irrigation control; municipal Wi-Fi service; and geopositioning of municipal vehicles.

Indicators:

- 2.5 million homes with access to fiber in towns with under 20,000 inhabitants
- 28 million homes with access to fiber
- 98.5% mobile coverage



SDG 12
RESPONSIBLE
CONSUMPTION AND
PRODUCTION

Action and initiatives:

- Sustainable Procurement Policy: The Procurement Policy of the MASMOVIL Group has contained a section on sustainable procurement since 2020. This policy was newly reviewed and approved by the Board in September 2022 as an integrated policy for the entire Group.
- Monitoring of power consumption at the headquarters (BMS): Since 2020 we have had a building management system (BMS) in place which tracks consumption at the headquarters in real time, making it possible to control, increase, and reduce the power supply when necessary.
- Elimination of plastic bottle consumption at our offices, replacing these with glass bottles (for each employee) that can be refilled at the water fountains sited throughout our various buildings. This scheme eliminated consumption of more than 100,000 plastic bottles per year.
- Electric/hybrid vehicles: More than 16% of the entire corporate fleet (including the commercial fleet) is made up of electric/hybrid vehicles with an eco or zero label.
- Paperless office: At our corporate headquarters, we continued the measures to achieve our goal of a paperless office (clean desk policy, process digitalization, absence of individual waste bins and drawer units, recording and monitoring of printout volumes for each employee, etc.).
- Use of recycled paper: In early 2022, despite the greater cost, we implemented use of recycled paper in the printers at the companies of the MASMOVIL Group.
- Environmentally friendly SIM cards and less paper and plastic in the packaging: The SIM cards for our Pepephone brand are environmentally friendly, plus their packaging contains 50% less plastic and uses paper from sustainable forests. In 2023 we began the gradual migration of our Yoigo brand to environmentally friendly SIM cards

Indicators:

- 45% of equipment for new customers are refurbished equipment
- 16% of the company's entire fleet is made up of electric/hybrid vehicles with an eco or zero label
- 100% use of recycled office paper



SDG 13
COMBATING CLIMATE
CHANGE

Action and initiatives:

- Net zero emissions Scopes 1 & 2: In 2020, the Group became the first European operator to achieve net zero emissions of CO₂ for Scopes 1 and 2. We renewed our commitment in 2021 and 2022 for the entire MASMOVIL Group.
- Project to analyze Scope 3 emissions: In late 2022, and with the aim of driving this forward over the course of 2023, we launched a project to measure and calculate our Scope 3 emissions. Once we have the data, we intend to consider the options for progressively reducing this type of emissions.
- ISO environmental and energy efficiency certifications: We hold ISO 14001 certification for environmental management at the Group's main companies (Xfera Móviles, Euskaltel, and R Cable y Telecable Telecomunicaciones), as well as ISO 50001 for energy management at Xfera Móviles (first certified in 2022), Euskaltel, and R Cable y Telecable Telecomunicaciones. These certificates attest that our environmental management and control of energy use are in line with recognized international standards.
- Participation in the CDP rating: In 2022, at the MASMOVIL Group we revealed our environmental performance through the Carbon Disclosure Project (CDP) for the first time, obtaining a B rating.
- Early detection of fires: At the end of 2022 and in conjunction with other technology partners, we unveiled a project targeting early detection of forest fires through Artificial Intelligence techniques, with the Group leading the project's communications section.

Indicators:

- Net zero CO₂ emissions (Scopes 1 + 2)
- Renewal environmental certifications ISO 14001 and ISO 50001
- 29 communication and workforce awareness raising activities about environmental issues



SDG 17
REVITALIZE THE
GLOBAL PARTNERSHIP
FOR SUSTAINABLE
DEVELOPMENT,
CREATE
COLLABORATION
AGREEMENTS WITH
FOUNDATIONS AND
PRIVATE ENTERPRISES,
TO FIND INNOVATIVE
SOLUTIONS TO SOCIAL
CHALLENGES

Action and initiatives:

- Alliances with business organizations and associations, technology clusters, and innovation agencies to contribute to technological development: These include the Association of Operators for Portability, Association of Operators for Mobile Portability, the Autocontrol association, the Spanish Association for Digitalization, ClusterTiC, and Gaia, among others.
- Alliances to contribute to technological progress and development, supporting companies through our resources and telecommunications expertise by organizing informative sessions with a vocation for innovation, which we offered to the business fabric through our experts in Big Data, Data Governance, Artificial Intelligence, and cybersecurity, among others.
- Alliances to make connectivity easier for disadvantaged groups: The Group began an alliance with the Red Innicia network (a network promoted by the Innicia Association) in order to gain first-hand knowledge of the needs of vulnerable groups, the challenges of associations and institutions of the tertiary sector in responding to these, and the need to provide quality connectivity.
As we mentioned in the section referring to SDG 9, working in partnership with the Innicia Association, we also inaugurated our MASsolidaria project to facilitate quality connectivity for more disadvantaged groups.
- Alliance with the A la Par Foundation to integrate people with intellectual disabilities into the different departments at the Company, to become part of a team with the goal of improving accessibility to digital tools and of enhancing communication with the Group's customers.
- Alliance to prevent food waste: Eures, the company chosen by the MASMOVIL Group to manage the restaurant and cafeteria at our headquarters, participates in the Stop Food Waste Program, which aims to reduce the amount of food thrown away by raising awareness and implementing measures to minimize food waste at our workplaces.
- Alliances to promote the circular economy and recycling: The MASMOVIL Group selected ANOVO to refurbish used routers for their re-use by new customers. Through this company, we ensure that 100% of the routers they refurbish for us are returned in 80-90% recycled-cardboard packaging, with the rest of the boxes' ingredients being Kraft paper from sustainable forests certified by the Forest Sustainable Council (FSC). Additionally, 45% of all the routers we furnish our customers with are refurbished items.
- Through our suppliers Thales and Idemia, our Pepephone-brand SIM cards have been manufactured in an eco-friendly manner since 2021. Furthermore, the packaging for the SIM cards contain 50% less plastic and the paper used is either recycled or FSC-certified.

Indicators:

- 42 associations providing access to the social discount
- €727.000 in contributions to associations
- 22 alliances to develop social projects

8. Commitment to the environment

Our results in 2022

- We approved the new Sustainability, Environment, and Energy Management Policy, which represents a framework of reference for reflecting the Sustainable Development Goals and for setting and reviewing our environmental and energy performance goals and targets.
- Energy Management System, implemented and certified by ISO 50001, with the definition and execution of the 2022 Energy Efficiency Plan.
- Net zero emissions for Scopes 1 and 2 and calculation of the Scope 3 emissions.

Our targets for 2023

- Define and execute the 2023 Energy Efficiency Plans.
- Define targets for reducing Scope 3 emissions.
- Commitment to setting targets using SBTi methodology.
- Maintain our commitment by holding carbon-neutral events in relations with B2B (business-to-business) customers.

8.1. Environmental management

8.1.1. Our policy on sustainability, environment, and energy management

GRI 3-3

Our new Sustainability, Environment, and Energy Management Policy was approved in September 2022. This policy sets out our core guiding principles concerning sustainability and the environment for all the companies of the MASMOVIL Group. It makes up a reference framework for reflecting the Sustainable Development Goals and for setting and reviewing our environmental and energy performance goals and targets and those that contribute to continual improvement of our energy performance.

It establishes the environmental issues and the best practices to be applied in business decisions and processes, as well as compliance with current legislation, that the Group's employees must take into account in their activities.

This policy is of a Group-wide nature, affecting all levels of the organization and promoting trusted relationships and value creation for all our stakeholders, responding to them all in an inclusive and balanced manner.

The Sustainability, Environment, and Energy Management Policy lays down the basic principles for minimizing waste and pollution, use of natural resources such as water, and use of land, and optimizing efficient use of these, as well as protecting biodiversity.

The basic principles of the Sustainability, Environment, and Energy Management Policy

- Inclusion of environmental considerations and best practices in business decisions and processes as an integrated telecommunications operator, as well as compliance with current environmental legislation and the adoption, whenever possible, of future applicable standards.
- Support for the acquisition of environmentally sustainable and energy efficient products and services.
- Support for design activities that take improving energy performance into consideration.
- The setting up of programs to set goals and targets aimed at continuously improving environmental performance and the interaction of our products, services, offices, technical centers, and communications infrastructure with the environmental aspects affected by the business, as well as regular review of these.
- The prevention of pollution, the reduction of environmental impacts, and the efficient use of resources in the deployment, adaptation, and maintenance of the communications network, offices, and technical centers, as well as in the supply of services.
- Environment training and awareness raising for employees, so as to ensure they perform their

work with the utmost respect for the environment, while also encouraging respect for the environment among key suppliers.

- Efficient use of natural resources:
 - Water and energy: Adoption of the measures needed to save energy and water.
 - Land usage: Implementation of the measures needed to save raw materials, including their reuse when possible.
 - Biodiversity: The examination of any significant environmental effect of the Group's various activities and the performance of an environmental impact assessment prior to the start of any activity or process.
 - Waste: Adoption of the measures needed to assess, minimize, and recycle waste, as far as possible, ensuring appropriate management when there are no other alternatives.
 - Pollution: Adoption of the measures needed to prevent and eliminate any contamination or accidental emission into the natural environment.



8.1.2. European Taxonomy

The Action Plan on sustainable financing of the European Union (EU), which was approved in March 2018, lays down the foundation for the strategy for the financial system to back the EU agenda on climate and sustainable development. This plan is one of the primary measures established by the European Commission to reach the Paris Agreement and the sustainable development targets of the European Union

The environmental goals upon which the EU's climate strategy are going to focus were reflected in the European Green Deal, approved in 2020. One of the aims of the European Green Deal is to make the EU climate neutral by 2050.

The European Taxonomy falls within the European Green Deal and establishes a common language and clear definition of what is sustainable, thereby providing companies, investors, and society with uniform information about the activities that contribute to achieving common environmental and social goals. At the moment, the Taxonomy has been developed using an environmental approach, specifically focusing on two of the six environmental objectives established in the Taxonomy: climate change mitigation and climate change adaptation.

TAXONOMY ENVIRONMENTAL GOALS



Mitigation of climate change



Adaptation to climate change



Sustainable use water and marine resources



Circular economy



Prevention of pollution



Health of ecosystems

Under the European Taxonomy, sustainable activities are classified in the following manner:

- Eligible: They are described in the corresponding Delegated Regulation.
- Aligned: Taxonomy-aligned activities are deemed to be those that comply with the technical screening criteria (they are linked to a substantial contribution to one of the environmental objectives and do no significant harm) specific to each activity, as well as meeting the minimum safeguards.

The ICT sector is one of the six sectors identified due to its substantial contribution to mitigating and adapting to climate change through recognition of its effect of facilitating the decarbonization of other industries. The telecommunications sector is therefore one of the sectors which has to transform itself in order to achieve a more sustainable, fairer system.

- The MASMOVIL Group will perform an analysis on the alignment of its activities with the European Taxonomy.
- The MASMOVIL Group is committed to the transformation towards a more sustainable economic and social model and, therefore, over 2023 we will perform an in-depth analysis regarding the alignment of our activities with the European Taxonomy.

The Company is committed to reporting, in accordance with current legislation, its analysis of activity eligibility, in which it assesses the eligible and non-eligible activities as a proportion of total turnover, capital expenditure, and operating expenditure. The alignment analysis will be performed on the activities considered to be eligible.

In this context, the Group will perform thorough monitoring of the regulatory requirements of the European Taxonomy with regard to the anticipated entry into force of the list of Taxonomy activities associated with the remaining four environmental objectives (the sustainable use of water and marine resources; the transition to a circular economy; pollution prevention; and the health of ecosystems), as well as the social objectives.

8.1.3. Environmental and energy management certifications: ISO 14001 and ISO 50001

Our commitment to excellence in environmental management is put into practice through our Environmental Management System (based on standards such as the International Organization for Standardization standards ISO 14001 and ISO 50001, and the EU Eco-Management and Audit Scheme, or EMAS), at all Group companies.

This management system acts as a powerful cross-cutting force working throughout the value chain, supporting the rollout of our sustainability strategy both horizontally, towards production processes and service provision, and vertically, towards the organizational structure.

ISO (International Organization for Standardization) 14001

We possess the ISO 14001 certification on environmental management for the main companies of the Group (Xfera Móviles, Euskaltel, R Cable y Telecable Telecomunicaciones). These certifications attest that our environmental management system is in line with recognized international standards.

The ISO 14001 certification accredits and certifies that the Company has an environmental management system that meets all the requirements of the standard and that, therefore, it knows and complies with all applicable legal requirements, as well as other requirements to which the organization subscribes (e.g. the UN Global Compact).

This certification consists of an exhaustive audit process whose objectives include the following:

- An assessment of compliance with the Management System.
- Its ability to ensure compliance with applicable legal, regulatory, and contractual requirements.
- An evaluation of the effectiveness of the management system, to ensure that the organization is capable of achieving the defined objectives.
- The identification of potential areas for improvement within the Management System.

Audit of ISO 14001: complete and adequate environmental management of the Group

The audit concluded that the Group's environmental management policy is complete and appropriate to the purpose and context of the organization and provides a framework for establishing objectives, including the commitment to satisfying legal and regulatory requirements, as well as a commitment to continuous improvement, highlighting strengths such as (among others):

- The readiness of all the organization's personnel during the performance of the course of the audit and the high degree of commitment on the part of the Management and the personnel associated with maintaining the management system.
- Leadership of the organization demonstrated by the governing bodies.
- The compliance culture instilled at the organization.
- The vocation for sustainability at the organization.
- The plans for maintenance of the facilities and their respective tracking.
- Group committed to respect for the environment and sustainability: Global Compact, Non-Financial Information Statement (NFIS), B Corp, net zero emissions, etc.
- High level of environmental awareness among employees and among other stakeholders through communications via a number of different channels (intranet, social media, emails).

ISO 14001 renewed for 2022

In line with the continuous improvement resulting from ISO 14001 certification, the Group acquired and formalized (and renewed for 2022), as part of the certification and audit process, certain commitments. These included making electric/hybrid vehicles available to employees as part of the corporate fleet, promoting efficient driving and emission control courses, intensifying communication with employees and managers about trends in environmental variables, monitoring and reducing electricity consumption both at the headquarters and in the company's antenna network, and reducing paper consumption.

EMAS Regulation

Additionally, for the Euskaltel Group, each year we submit to the government our Environmental Statements, validated by AENOR in accordance with the EU EMAS Regulation, maintaining our participation in the Eco-Management and Audit Scheme (EMAS).

ISO 50001 and Integrated Management System

In 2022 Xfera Móviles started the process for its first ISO 50001 certification, an international standard that serves as a guide for organizations in implementing an energy management system. It sets out the requirements that an energy management system must have to perform continual and systematic improvements on the energy performance of companies. Other companies of the Group such as R Cable y Telecable Telecomunicaciones have already been awarded ISO 50001 certification.

ISO 50001 is the most used standard for business energy management worldwide. Certification of an ISO 50001-compliant energy management system helps organizations implement an energy policy and adequately manage the energy-related aspects deriving from their activity, such as services, facilities, products, etc., which translates into real and quantifiable savings in energy costs at organizations. ISO 50001 provides the tools that are needed to identify which activities consume more energy. Once these activities have been identified, organizations activate a plan of measures to minimize the energy consumption of their facilities and systems in an integrated manner, while also maximizing their energy efficiency. This contributes to efficient and more sustainable use of energy.

Integrated environmental and energy management system

Given that the management systems deriving from ISO 14001 and ISO 50001 have many points in common and overlapping areas, at Xfera Móviles we decided to unify the two management systems in an Integrated Management System for environmental and energy management.

In addition to all the environmental requirements promoted by ISO 14001, by also incorporating in the management system the energy management and efficiency arising out of ISO 50001, we proceeded to undertake an exhaustive analysis of our energy consumption, we defined a baseline, and we identified use that we deemed significant. This process was performed both for our headquarters in Alcobendas and for the mobile nodes and our data processing centers (DPCs).

Stemming from our analysis of said consumption and significant uses, we set energy efficiency and savings targets, including monitoring and reducing fuel consumption and reducing and offsetting residual Scope 1 and Scope 2 emissions in order to maintain our net zero emission status.

Electricity saving targets were also established, which included the re-parameterization of our mobile network, the installation of motion sensors, optimization of air conditioning systems, and use of LED technology, as well as installation of additional cold aisles at our DPCs.

Environmental and energy awareness raising

Given its environmental commitment and concern, and in its desire to achieve a more sustainable work environment, the Group continues to send out environmental awareness messages, both externally (through our corporate social media profiles and website) and internally (through our intranet and internal communications).

We have extended this awareness raising to our customers, suppliers, and franchisees, to whom we regularly report the associated milestones we have accomplished and offer our assistance and collaboration to make it easier for them, if they so choose, to follow the path to creating a positive impact that is similar to our own. We provide this information in more detail elsewhere in this report, in the section on energy and raising awareness among our stakeholders.

With no specific environmental provisions required

Lastly, in the consolidated financial statements for 2022, the Group has not recorded specific environmental provisions, other than the provision for dismantling sites (which includes the estimated cost of dismantling, removing, or rehabilitating telecommunications infrastructure) which is recognized as a higher cost for the items of property, plant, and equipment with which they are related. In addition, since the Spanish Environmental Liability Act is not applicable to its business activities, the Group has not put in place the environmental guarantees deriving from such legislation.

Expenditure on environmental and energy management

The MASMOVIL Group has assigned an annual budget to consolidate our environmental and energy management. In 2022, we allocated a total of €46,636 to various services and improvements in this area (compared to €60.176 in 2021 and €30.922 in 2020). The amounts vary each year in accordance with the different certifications and associated consultancy studies which we decide to undertake each year.

8.2. Responsible consumption and sustainable use of resources

Efficiency in the use and consumption of electricity, water, and fuel plays an important role in our environmental commitment. We therefore use our environmental and energy management system to systematize the task of measuring and assessing the activities carried out and identifies opportunities for improvement.

The Group's commitment to the environment involves managing the impacts deriving from its activity. The aim is to improve the energy efficiency of its facilities so as to minimize its CO2 emissions.

With this in mind, in 2022, and as we have explained in more detail above, the MASMOVIL Group attained the ISO 50001 energy efficiency certification.

Over the new few pages, a slight increase between the years 2021 and 2022 can be observed in several of the different types of consumption. This would be mostly due to our policies designed to tackle the COVID-19 situation by moving away from office-based working.

Although at the MASMOVIL Group's offices in Alcobendas there has been a certain degree of flexibility towards office-based working, which gradually increased over 2022, the greatest impact occurred at the Euskaltel Group where employees went back to on-site working in September 2021. Therefore the offices in the north of Spain were practically empty (although not closed) for 8 months in 2021, as a measure to cope with COVID-19.

8.2.1. Total energy consumption

GRI 3-3 / GRI 302-1 / GRI 302-3

From the date of acquisition of the Euskaltel Group in FY2021:

CONSUMPTION	2022	2021
Total, electricity (MWh)	89,336	45,836
Generator fuel (L)	20,384	15,233
Fleet fuel (L)	286,045	214,017
Total, fuel (L)	306,429	229,250
Total, natural gas (MWh)	121	51
Total, refrigerant gas (kg)	612	307

Of the Group's companies in 2022 and 2021 (considering January 1, 2021, as the date of entry of the Euskaltel Group):

CONSUMPTION	2022	2021
Total, electricity (MWh)	89,336	84,317
Generator fuel (L)	20,384	23,081
Fleet fuel (L)	286,045	234,265
Total, fuel (L)	306,429	257,346
Total, natural gas (MWh)	121	59
Total, refrigerant gas (kg)	612	584

100% OF THE ELECTRICITY CONSUMED BY THE GROUP COMES FROM RENEWABLE ENERGY

All the electricity consumed by the Group in 2022, 2021, and 2020 came from certified renewable sources, except for 0.15% of our electricity consumption in 2020.

ISO 50001 certification on energy efficiency and reducing consumption

Taking action regarding the impact of electricity consumption is one of the most important aspects of our environmental strategy. To improve our efficiency as regards energy consumption and thus reduce our carbon footprint, at both the MASMOVIL Group (since 2022) and the Euskaltel Group we have an Energy Management System. Under this system, each year we define an Energy Efficiency Plan that is in line with the requirements of ISO 50001 (described earlier in this report), including measures to reduce electricity and fuel consumption.

Collaborative car sharing tool to reduce fuel consumption

As regards our fuel consumption – diesel for running generators and vehicles to transport workers on company business, and natural gas for heating in Asturias – we apply saving and streamlining measures to its use. Our object is to optimize travel-based consumption by using the least possible number of vehicles and promoting use of collaborative tools to make it easier for employees from different locations to communicate and collaborate with each other in this respect.

With the aim of optimizing diesel consumption (at both corporate and employee level), in 2022 we implemented an in-house car sharing app for which any employees who so wish can sign up with their vehicles, stating their time schedules and usual routes and their general preferences. Thus through this app, other employees can contact them so as to share their vehicle for the commute to the workplace, as well as to travel between our various sites. This app was very well received by employees and we hope to consolidate it over the course of 2023 as a key factor in reducing the fuel consumption and CO2 emissions stemming from our employees' travel needs.



8.2.2. Greater energy efficiency for our networks

In a telecommunications company, the energy consumed by its networks makes up most of the company's total consumption. Therefore, working to increase efficiency and generate savings is vitally important. In our case, the first step was to share networks with other operators in order to avoid unnecessary overlapping. Developing and migrating towards new generation networks, like fiber to the home (FTTH) and 5G, is another crucial part of our strategy. We are also constantly implementing whatever measures are possible to modernize our infrastructure and make it more efficient.

Sharing fixed networks and migration to FTTH

In 2016, the MASMOVIL Group launched its broadband services with a network mainly based on ADSL technology. From that moment onwards, our investment in our own fiber network (FTTH) and our signing of fiber network-sharing agreements based on acquiring usage rights began gradually shifting the balance towards an overwhelmingly FTTH network.

The Group's own footprint comprises just 5% of this total, while the footprint for the remaining 95% is based on various types of sharing agreement, in line with our strategy of developing networks as sustainably as possible.

Sharing mobile networks and progression to 5G

The mobile network of the MASMOVIL Group is made up of 6.012 proprietary radio nodes which serve 88.79% of the population. The Group has also entered into national roaming agreements (known as NRAs) that enable customers of the MASMOVIL Group to access mobile communications services through other operators' networks.

By using this mechanism, we can concentrate the presence of the radio node network in higher traffic areas; thus, we almost halve the number of sites needed to provide the service. The rest of the traffic related to our customers is sent through networks owned by other mobile operators. This allows the operators to increase their equipment's usage level and, hence, the efficiency of the network.

The MASMOVIL Group's mobile network is based on deployment of its telecommunications equipment at preexisting sites belonging to other operators and infrastructure managers. Over 90% of the sites where we install MASMOVIL equipment are occupied by two or more mobile operators.

This approach optimizes the use of locations by reducing the number of sites and, as a result, the visual and environmental impact of the business.

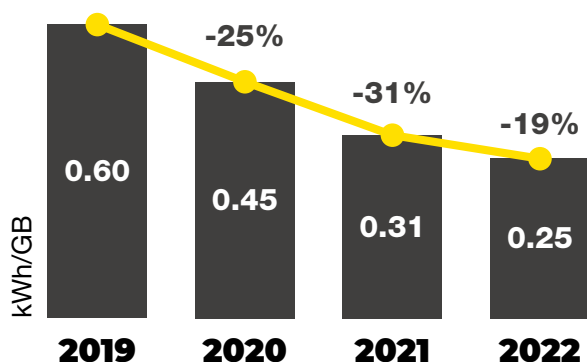
OVER 97% OF THE GROUP'S CUSTOMERS NOW RECEIVE A SERVICE BASED ON FTTH

This transformation is particularly significant because FTTH networks consume much less electricity than the old copper-based ADSL networks, achieving up to 90% savings in usage in the access network.

Thanks to the sharing agreements to optimize resources, as of September 2022 the MASMOVIL Group's fiber network exceeded 27.7 million building units (meaning it covered most of the country).

Progression in efficiency of the mobile network: a reduction of around 60% in consumption by gigabyte (GB) between 2019 and 2022.

The energy efficiency of the Group's mobile network is monitored through energy consumption by gigabyte supplied. The progress achieved in this parameter has been as follows:



We have improved the efficiency of the network thanks to our policy of modernizing equipment, of moving towards types of deployment that function without air conditioning and of implementing energy-saving features in the equipment itself.

Modernization of the mobile network

One of the Group's priorities has been to modernize our mobile network to respond to the increase in customers and traffic and to base it on improving the total efficiency of the network. This has meant that we have been investing in this approach since 2018. Thanks to this economic and human effort, we have modernized two-thirds of our network over four years, as well as adopting the other measures explained further on, and the Group has reduced energy consumption per gigabyte by 60% over that period. Modernization of the network provides the following efficiency benefits:

- Higher traffic management capacity, which contributes to an approximate reduction in electricity consumption of 30% compared to usage by the equipment in place up to 2018.
- Smaller and lighter equipment, which allows us to simplify the required installation infrastructure. This decreases our civil works resource requirements and power availability needs, as well as the visual impact of the sites.

- The equipment works at ambient temperatures of up to 50°C and does not need to use air conditioning systems. It therefore eliminates the need for those systems, resulting in less maintenance work and visits, less waste generated, and a reduction in the possible emission of refrigerant gases into the atmosphere.

Over 2019 and 2020, 30% of our infrastructure was modernized using this type of equipment and thereby fulfilling the dual purpose of increasing the network's traffic management capacity and decreasing absolute consumption. During this period, we modernized 1,400 existing sites and deployed a further 230 sites. In 2021, more than 800 sites were modernized. This meant that more than 45% of the radio network had high-efficiency equipment, approximately 2,400 modernized sites.

Since the new generation of equipment does not have mechanical cooling systems, not even fans, this reduces the volume of waste generated and also the possible emission of refrigerant gases into the atmosphere.

In 2022, we continued our modernization process to the point of covering two-thirds of our network.

Deployment of energy efficiency functionalities: Obtaining a 4.5% decrease in total consumption by the network without affecting quality for the customer: The Group is implementing a specific project that focuses on improving network efficiency through energy-saving features that manage the machine resources in use at any given time. The machines are of a modular design, which allows the equipment to be turned on and off based on the capacity and power needed for the traffic being carried, thus adapting the resources to demand.

Thanks to the new features, during periods of low demand the bands can be switched off, thus preventing consumption by equipment on standby. This does not affect the quality of service perceived by the customer and/or improves the overlapping of nodes.

Since August 2022, after a successful pilot the year before, the Group has re-parameterized its mobile telephone nodes following the approach described above. This is an iterative, continuous improvement process which, as described, enables equipment to be switched off and therefore reduces the amount of power wasted in some of its functionalities. The energy efficiency functionalities we have implemented are:

MIMO Sleep Mode

This reduces consumption by **10-15%** for systems with a low number of users.

Micro Tx Sleep Mode

This optimizes the Tx equipment to use energy only at times when there is a need.

Schedule Tx Mode

This compresses information, thereby reducing the equipment's Tx time.

Through implementing the project, we have obtained a 4.5% decrease in total consumption by the network without affecting quality for our customers. We plan to continue developing the project in our search for ways to increase the rate of energy savings, testing new parameterizations, new functionalities, and the selective migration of traffic between networks to enhance node efficiency.

Deployment of 5G

The MASMOVIL Group makes 5G access available to its customers through a shared network. 5G technology allows a sufficiently high network capacity to serve customers, enabling efficiency in terms of deployment, higher implementation speeds, non-duplication of equipment, and better energy and general efficiency of the network as opposed to having two independent networks. The MASMOVIL Group's 5G network is now available to over 74% of the population with coverage, with a total of 1.660 municipalities covered.

5G technology is more efficient than the preexisting networks (3G and 4G) as regards the kWh/GB ratio. This, together with joint use of the network, will mean a substantial improvement in efficiency for the total network. As the network traffic progressively migrates to 5G technology, much higher efficiency rates than those of the current network will be achievable.

Optimization of deployment types

The network has been reconfigured to full outdoor or mixed types. The equipment is located in the open, outside the buildings, and therefore cooling is not necessary. This avoids the use of air conditioning at the sites. The equipment also does not use fans for cooling since it operates using natural convection.

Energy efficiency at the Data Processing Centers (DPCs)

Between 2018 and 2019 we put in place an equipment renewal plan that involved replacing old air conditioning equipment with modern equipment that uses a free-cooling system. The plan also included replacing retrofitted rectifier equipment and batteries that were reaching or had reached the end of their useful life with new, more efficient equipment.

Between 2020 and 2021 several energy efficiency measures specified by the Group for our Data Processing Centers (DPCs) were completed, which included:

- Installation of cold server rack cabinets at the DPCs in Madrid.
- DPC-based installation of LED tubes in Madrid.
- Introduction of free-cooling systems in air-conditioning units at Madrid's DPC No. 2.
- Installation of free-cooling ducts in Madrid's uninterruptible power supply (UPS) room, to avoid mixing hot and cold air.
- Creation of eight cold aisles at eight locations, with estimated electricity savings of 14% at those sites.

- Additionally, in 2021, we installed cold aisle enclosures in the technical rooms at DPCs, putting in four cold aisle enclosures. This process completed the plan for enclosing aisles at all our Data Processing Centers.
- Previously, between 2018 and 2019, we had carried out an equipment renewal plan to replace old air conditioning equipment with modern equipment that uses a free-cooling system. The plan also entailed replacing retrofitted rectifier equipment and batteries that had reached the end of their useful life with new and more efficient equipment.

Our plan for 2022 and 2023 involves installing three new aisles at our DPCs, as well as LED screens and sensors to turn them on. Completing these measures will signal the virtual completion of our energy improvement plan for the DPCs.

We provide below the Power Usage Effectiveness (PUE) data referring to our DPCs in Xfera:

	DPC 1	DPC 2	DPC 3	DPC 4	DPC 5
2021	1.40	1.92	1.80	1.43	1.31
2022	1.49	1.84	1.83	1.43	1.31

In the case of the remaining DPCs, the Power Usage Effectiveness (PUE) information is as follows:

	DPC 1	DPC 2	DPC 3	DPC 4	DPC 5	DPC 6	DPC 7
2021	1.94	1.44	2.24	1.74	1.75	1.70	1.64
2022	2.26	1.47	2.64	1.72	1.77	1.7	1.72

Power Usage Effectiveness (or PUE) is a factor that reflects the energy efficiency of a data center and assesses its performance by calculating the ratio between the energy used overall (essentially, air conditioning, lighting, and IT power) and the energy delivered exclusively to computing equipment (IT

power, taken in isolation). The closer the PUE is to 1.0, the more efficient it is considered to be. All the measures we have implemented such as free cooling, cold aisles, enclosures, and other temperature adjustments contribute to the energy efficiency of the DPCs.

8.2.3. Great energy efficiency in customer equipment

We already supply approximately 50% of our gross adds with a Wi-Fi 6 router. Thanks to this measure, we achieve a capacity that is four times greater than the Wi-Fi 5 without increasing energy consumed.

The Wi-Fi 6's target wake time (TWT) mechanism enables the access point (router) and the various connected equipment items to optimize when data is sent and received. This substantially improves battery life and cuts electricity usage, which some equipment manufacturers such as CISCO have valued at up to 67% lower.

At the present time we have more than 3.3 million broadband customers and, assuming similar customer churn rates to those we are currently experiencing, this enables us to set the target of providing 100% of our customers with Wi-Fi 6/7 by 2028, and therefore reducing their electricity consumption.

8.2.4. More sustainability at our corporate headquarters: LEED Gold

In June 2020, the MASMOVIL Group inaugurated its new headquarters in Madrid. The new site houses a total of 719 employees (46.84% of the total number of employees at the Group with permanent physical workstations).

The building has been awarded LEED Gold status, which certifies it is a sustainable and environmentally friendly building. The energy efficiency baseline for our headquarters was therefore very high. Nonetheless, over the past two years and thanks to our building management system (BMS) and the new measures put in place (which we describe below), we have made significant savings and managed to improve the energy efficiency of our premises. The data are measured and analyzed in accordance with the ISO standards ISO 14001 and ISO 50001.

In 2022, we performed an assessment of our corporate buildings from the perspective of their energy efficiency, having obtained the corresponding energy labels for each.

Energy efficiency stemming from teleworking

As a result of the COVID-19 health crisis, we implemented a remote working, or teleworking, system. Under the system, on Mondays and Fridays employees can choose whether to work on-site at the office or remotely from their homes. This means we can switch off certain areas of the office on those days, leading to energy savings which we have estimated to be nearly 60,000 kWh per year.

To these savings from lower electricity consumption at headquarters, we can add the fuel saved by our employees through avoiding the commute to and from work.



Corporate headquarters built from materials that reduce energy consumption

The façade of our headquarters consists of a curtain wall (a type of glazed structure that covers the building) which acts as insulation against outdoor temperatures. This structure prompts a reduction in heating and cooling needs, which provides us with energy savings.

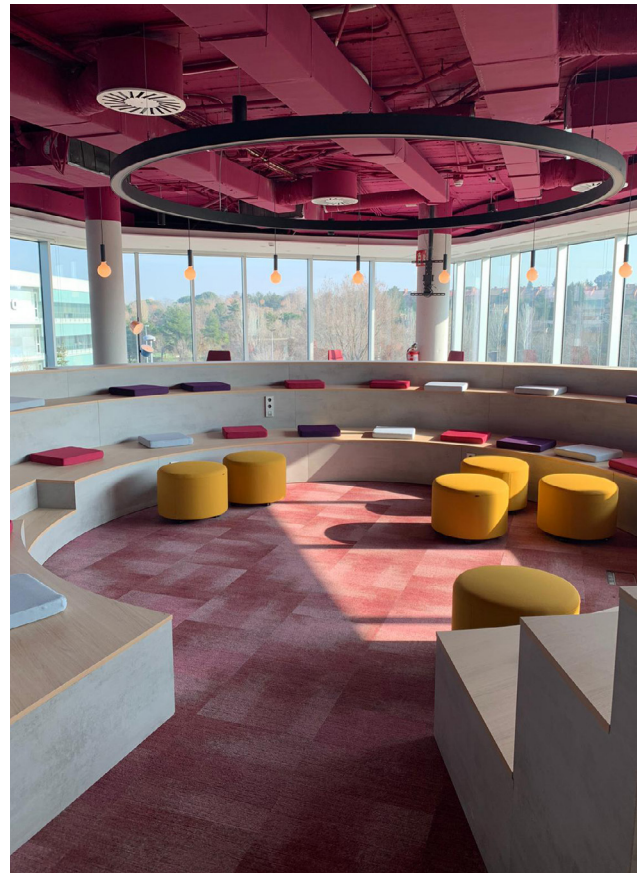
Consumption reduction measures for lighting

In addition to switching off the lighting on a zoned basis on teleworking days, we have also adopted other measures, which include:

- Switching off luminous devices (such as the advertising on the roof of our headquarters) at 10:00 pm.
- Switching off the building's perimeter lights when they are not needed.
- Installing motion detectors for lighting common areas and corridors.
- Making use of the automatic sleep mode function in the IT equipment of the Group's employees.
- Replacing bulbs with LED technology in the lighting for the outdoor car park and DPCs.
- Installing motion detectors in the garage and semi-basement areas which had not yet had them fitted.

For the end of 2022 and for 2023, we planned additional measures, such as:

- Installing clocks in the indoor parking area to program the lighting schedule for the roads/routes.
- Switching off the air conditioning and lighting system for floor 0 and floor 1 on Mondays and Fridays from 3:30 pm, thanks to the mixed on-site/teleworking system.
- We are also considering switching off the semi-basement floor (Business Center) on Mondays and Fridays, where currently the air conditioning is still on, and only switching on the lighting for rooms that have been booked.



Consumption reduction measures for air conditioning

We continue to perform thorough maintenance of the building's air conditioning equipment to ensure its energy efficiency. We also regulate the temperature in accordance with Royal Decree-Law 14/2022 on energy savings, which sets the highest temperature for heating at 19° C and the temperature for cooling indoor spaces at no less than 27° C.

We carry out careful tracking of our consumption levels at each point of supply in order to monitor the energy we consume at the headquarters and to detect any deviations so we can correct them as swiftly as possible. We perform this type of checking by comparing two pieces of information provided by our building management system with the data provided on the bill sent by the electricity company.

8.2.5. Raising awareness about energy efficiency among our stakeholders

Messages and measures to raise awareness among employees

At the MASMOVIL Group, we understand that making progress in energy efficiency and generating savings is everybody's business. The most difficult aspect is not that of adopting or suggesting consumption reduction measures; our hardest task is raising the awareness of each individual so that together we can become more efficient.

We have created numerous associated awareness-raising messages and measures, highlighting the following:

- The ESG Strategic Plan, with an explanation of the basic principles
- What it means to be a certified B Corporation and our role as employees
- How we achieved net zero emissions status (Scopes 1 and 2) and what this means
- Access our Sustainability Report
- Energy efficiency day: join us and join in
- European Mobility Week, the car-free day
- Posters with recommendations on how to save electricity and reduce consumption

New information on protecting the environment and ESG aspects included in our onboarding pack for new employees and on our e-learning platform

We have also included relevant information about ESG and caring for the environment in our onboarding pack for new hires, and through the Odilo online course platform we have created an ESG school where employees can access courses on:

- Environmental management and climate change
- **Certified B Corporations and companies with ISO 14001 certifications**
- **Sustainable consumption and driving habits**

Raising awareness among our suppliers and supply chain

Managing the supply chain is vital when creating a positive impact through our operations. In this respect, our suppliers have to make a commitment to adopt the principles and values set out in the Group's Code of Ethics and our Supplier Code of Conduct, where we define our environmental and sustainable procurement requirements.

We also ensure our suppliers are familiar with the principles of the Procurement Policy, the ESG Policy, and the Sustainability, Environment, and Energy Management Policy with regard to appropriate action in line with the parameters required by our company. Our work to raise awareness among our suppliers and franchisees involves communicating with them regularly. We explain the milestones we have achieved in ESG and care for the environment, and we also offer our help to aid and work with them on the journey to creating long-term sustainable value, whenever they consider our collaboration to be an appropriate step.

In 2022, our communication in this regard was sent to 1,050 suppliers, in addition to our franchise network.

Sustainable solutions for our customers: Access to 100% certified renewable energy and self-consumption product involving solar panels.

The MASMOVIL Group offers an electricity service which we market through our Yoigo EnergyGO, MasMóvil Energía, and Pepeenergy brands. In addition to 100% renewable energy, customers can access consumption tracking tools through an app we offer them free of charge.

Yoigo has launched a new commercial proposition focusing on self-consumption through its EnergyGO electrical energy service. This solution entails installing solar panels that help customers to obtain savings on their bills (between 30% and 40%). It also allows them to participate in the energy transition to cleaner, greener, and more sustainable sources of energy.

8.2.6. Other action promoted by MASMOVIL to involve its employees in reducing energy consumption:

- Subsidized electric bicycles: Price subsidies and 0% financing are offered for electric urban bicycles, or e-bikes, which can be used to commute to work, in addition to fitting out parking areas and facilitating battery charging.
- Car sharing: We have launched a car sharing app so employees can share their vehicles for the commute to work.
- Subsidized electric chargers: We have installed charging stations for electric vehicles in the car park at our headquarters, with the MASMOVIL Group subsidizing consumption to encourage use of hybrid/electric vehicles among employees. Thanks to this measure, we avoided nearly 7,300 kg of CO2 emissions in 2021 and 14,000 kg in 2022.
- Green and emission-neutral events: We categorize our in-house events (as well as the events organized by the Group for customers) as green, as we calculate and offset the emissions they generate.
- Decarbonized employee vehicle fleet: We have analyzed the emissions of our employees' vehicles and paid for the decarbonization of any classified as being large emitters. After measuring the emissions and decarbonizing, Opus RS Europe, SL, (a company specializing in remote measurement of motor vehicles in motion) certified the Group's fleet as low emission vehicles.
- Greater range of hybrid/electric cars: We have increased the choice of electric/hybrid vehicles available to employees under the leasing scheme.
- Measurement of and reduction in emissions of road traffic: We participated in measuring polluting emissions from traffic in the local municipality where our corporate headquarters is located (executed by Opus RSE), and we are part of the Strategic Plan for the Digitalization of Urban Traffic and the Reduction of Emissions (DiTRA).

8.2.7. Working on innovation to increase energy efficiency in our cities

MAS4City is our smart city platform which, through Innovasur, seeks greater energy efficiency in towns and cities as it enables remote management, energy-based control of urban lighting, and monitoring of electric vehicle recharging stations, among other features.

It also makes it possible to use smart water meters to measure water quality, manage automatic watering systems, and monitor noise levels and air quality.

It transforms the safety and mobility of the local municipal area through presence-based analytical tools, smart-parking solutions, smart pedestrian crosswalks, person and vehicle tally systems, and monitoring of traffic flow, parking controls, and road traffic emissions.

8.2.8. Water consumption

GRI 3-3 / GRI 303-5

From the date of acquisition of the Euskaltel Group in FY2021:

CONSUMPTION	2022	2021
Water (m3)	10,608	6,905

Of the Group's companies in 2022 and 2021 (considering January 1, 2021, as the date of entry of the Euskaltel Group):

CONSUMPTION	2022	2021
Water (m3)	10,608	8,996

The water supply is drawn from the various networks in the municipalities in which the different Group companies are located and is mainly intended for personal consumption by employees, as well as for other secondary uses such as irrigation of gardens, cleaning of the premises, and cooling of telecommunications network equipment.

Our water consumption is relatively low since our business activities consist of providing communications services, and it is basically used for sanitation. Furthermore, in our understanding, our business and offices are not located in high water-stress areas.

It is very important to highlight that the comparison between water consumption in 2022 and in 2021 is affected by the fact that for the first eight months of 2021 the offices of Euskaltel, Telecable, and R were closed as a measure to protect against COVID 19. If we had adjusted water consumption in 2022 to take this into account, the Group's water consumption in 2022 would have remained level with 2021, reflecting the importance that the Group attaches to saving water resources.

As part of its commitment to the environment, the Group has also stated its intention to work on and seek solutions and corrective measures that encourage a reduction in water consumption per employee (liters/employee). However, it must be pointed out that our move to the new corporate headquarters in Alcobendas took place in June 2020. Between then and now, due to the health crisis, we have increased

the amount of teleworking and therefore the physical presence of employees at our offices has been lower than would normally be the case.

As has been mentioned earlier in this Sustainability Report, the increase in teleworking options for employees, with the choice of whether or not to work on-site at the office on Mondays and Fridays, is resulting in a positive reduction in consumption and more efficient use of resources.

For all these reasons the Group has considered it to be more appropriate to use as a reference the data on water consumption per employee in 2022. In this way, as of 2023 and assuming there are no significant changes to the policy on teleworking, we will be able to evaluate the measures adopted at the new headquarters to optimize water consumption:

Said measures include:

- The installation of double flush mechanisms for toilets
- Automatic faucets with infrared sensors
- Programmers for irrigation
- Initiatives to raise awareness among employees, so that all the measures implemented enable us to reduce the water consumption level per employee.

With the aim of cutting consumption of plastics and generation of waste, we have extended our initiative of placing water fountains in offices, thereby preventing use of plastic water bottles.

Consumption of bottled water from AUARA:

Projects providing access to drinking water

In addition to following policies to reduce water consumption and switch from plastic bottles to refillable glass bottles for each employee, some years ago the MASMOVIL Group decided to replace its former bottled water suppliers with the AUARA brand, which meets all of our bottled water needs for meetings and events.

AUARA is a brand of products that are sold in order to finance projects that provide access to drinking water. It devotes 100% of its dividends to that social end.

AUARA does not make generic donations; instead it works on individual projects to provide access to water by those who most need it, along with partners and organizations with proven experience who know the corresponding population and their needs and who have the ability to report, measure impacts, and offer long-term monitoring in areas of the planet where water shortages are an important problem.

The social and environmental impact report prepared by AUARA states that based on consumption during 2021, the MASMOVIL Group enabled the organization to create direct and permanent water supplies to 64 people, through the contribution of 144,413 liters of drinking water to AUARA'S projects. It also recycled 181 kg of plastic (more than 8,041 plastic bottles), saving the environment more than 302 liters of oil, as well as representing savings of more than 4,261 hours fetching water.

During 2022, access was made possible for a further 25 people, contributing another 45,157 liters of water and saving 1,866 hours of time fetching water. The amount of bottles recycled rose to 11,359 bottles, which means 256 kg of plastic, thus saving 427 liters of oil.



8.2.9. Raw materials: consumption and reduction measures

GRI 301-1 / GRI 301-3

Since we are a service company, consumption of materials does not occur in relation to directly generating products but rather so that the Group's telecommunications network can provide the services required by customers.

At our corporate headquarters, paper was the most used format. However, we implemented measures to achieve the goal of a paperless office (clean desk policy, absence of individual waste bins and drawer units, recording and monitoring of printout volumes for each employee, process digitalization, etc.). Since the end of 2021, recycled paper has been used in the printers at the headquarters. In 2022 this measure was extended to the rest of our corporate buildings.

From the date of acquisition of the Euskaltel Group in FY2021:

CONSUMPTION	2022	2021
Paper (kg)	1,978	1,002

Of the Group's companies in 2022 and 2021 (considering January 1, 2021, as the date of entry of the Euskaltel Group):

CONSUMPTION	2022	2021
Paper (kg)	1,978	6,368

8.3. Circular economy and waste prevention and management

GRI 3-3 / GRI 306-1 / GRI 306-2

The Sustainability and Environment Policy also seeks permanent improvements to environmental aspects, thus helping to minimize the creation of waste and making it possible to contribute to the circular economy.

The Group is very committed to reducing waste and increasing recycling at its facilities, which is why it has been rolling out recycling awareness campaigns through regular internal communications. There are different containers at the Group's headquarters where employees can deposit plastic, paper, organic waste, and masks, located on each floor of the main headquarters, as well as containers for e-waste and batteries.

The MASMOVIL Group has also rolled out more than 800 recycling collection points for electrical and electronic equipment at different points of sale for the Group in Spain.

This commitment to the environment also extends to the Group's supply chain, since its suppliers must have an environmental management system that includes specific targets and measures, such as ISO 14001 certification or similar. By accepting the Supplier Code of Conduct, the Group's suppliers undertake to reduce the negative impact of their operations and strive to maintain and increase biodiversity.

Suppliers also undertake to establish, if applicable, a monitoring procedure for emissions, effluents, pollution, and waste, including electronic waste. All waste must be managed correctly or recycled in a way that allows proper traceability.

8.3.1. Proportion of refurbished equipment among the total equipment delivered to customers

As a sign of our commitment to the circular economy and waste management, the Group has a policy of reusing the equipment returned to us by customers (mainly routers, TV equipment, and Wi-Fi repeaters), once that equipment has been refurbished by a specialized supplier.

From the date of acquisition of the Euskaltel Group in FY2021:

ITEM	2022	2021
Refurbished units equipment (<i>Unit</i>)	863,357	777,767
Total, equipment sent to customers (<i>Unit</i>)	1,905,492	1,572,306
% refurbished equipment	45%	49%

Of the Group's companies in 2022 and 2021 (considering January 1, 2021, as the date of entry of the Euskaltel Group):

ITEM	2022	2021
Refurbished units equipment (<i>Unit</i>)	863,357	930,469
Total, equipment sent to customers (<i>Unit</i>)	1,905,492	1,898,314
% refurbished equipment	45%	49%

As part of its policy to foster the circular economy, if any customers cancel their contracts the Group retrieves the vast majority of the customer equipment, refurbishes it, and reuses it for new customers. However, because the Group is also replacing older technological equipment with more modern and energy efficient technologies (FTTH and Wi-Fi 6), the amount of old equipment that can be refurbished is decreasing and the amount of equipment using new technology is increasing. This resulted in a technical decrease in the percentage of refurbished equipment compared to 2021.

8.3.2. Waste generation in network operations (in kg)

This section includes the waste generated in network operations, which is managed and treated directly by the subcontractors that manage the network (Managed Services).

From the date of acquisition of the Euskaltel Group in FY2021:

TYPE OF WASTE	2022	2021
Non-hazardous Waste Electrical and Electronic Equipment (WEEE)	12,921	86,606
Plastic waste	455	2,780
Cellulosic waste	1,423	13,968
Metallic waste	25	151
Wood / cork	275	3,015
Other waste	4	73
Total non-hazardous network waste (kg)	15,103	106,593

Of the Group's companies in 2022 and 2021 (considering January 1, 2021, as the date of entry of the Euskaltel Group):

TYPE OF WASTE	2022	2021
Non-hazardous Waste Electrical and Electronic Equipment (WEEE)	12,921	86,826
Plastic waste	455	2,780
Cellulosic waste	1,423	13,968
Metallic waste	25	151
Wood / cork	275	3,015
Other waste	4	73
Total non-hazardous network waste (kg)	15,103	106,813

During 2020 and 2021, we renewed the network equipment, which led to an increase in waste over the period. This fell significantly in 2022, as the renewal plan had ended.

8.3.3. Waste generation at Data Processing Centers (DPCs)

From the date of acquisition of the Euskaltel Group in FY2021:

TYPE OF WASTE	2022	2021
Waste Electrical and Electronic Equipment (WEEE)	6,506	13,128
Batteries	18,958	18,478
Filters and absorbents	39	140
Metallic waste	-	161
Total hazardous waste (kg)	25,503	31,907
Non-hazardous Waste Electrical and Electronic Equipment (WEEE)	102,270	34,918
PCI HFC gases	-	2,532
Metallic waste	-	3,564
Cellulosic waste	19	-
Plastic waste	33	-
Total non-hazardous waste (kg)	102,322	41,014

Of the Group's companies in 2022 and 2021 (considering January 1, 2021, as the date of entry of the Euskaltel Group):

TYPE OF WASTE	2022	2021
Waste Electrical and Electronic Equipment (WEEE)	6,506	13,327
Batteries	18,958	44,310
Filters and absorbents	39	140
Metallic waste	-	161
Total hazardous waste (kg)	25,503	57,938
Non-hazardous Waste Electrical and Electronic Equipment (WEEE)	102,270	73,060
PCI HFC gases	-	2,532
Metallic waste	-	3,564
Cellulosic waste	19	-
Plastic waste	33	-
Total non-hazardous waste (kg)	102,322	79,156

Generation of Waste Electrical and Electronic Equipment (WEEE) depends on the renewal policies being applied at any given time, as well as the obsolescence of that equipment owing to technological changes. This means that variations may be recorded in the amount of waste generated. In addition, lead batteries are used to ensure the continuity of the electricity supply both in the network and at the DPCs and corporate buildings. They constitute waste that is generated at the end of the useful life of the batteries in accordance with the policy for replacing them, which means that in certain years more lead-battery waste is generated than in others.

8.3.4. Classification of waste by type of treatment

The following waste types are collected by an authorized manager who takes charge of classifying the waste, recovering it, and taking it to authorized treatment plants for each type of waste according to the following codes:

- Paper / cardboard: R12
- Plastic: R12
- Organic: (not collected as such, it is collected as rubbish or mixed waste)
- Toner: R12/R13
- Electronic waste R12
 - R1201 Classification and refurbishing of WEEE and batteries
 - R1202 Dismantling of and removal of hazardous substances from WEEE
 - R1203 Mechanical treatment of fractions of WEEE

In the case of rubbish, these consist of mixtures of waste (different plastics, some cardboard, some organic leftovers, etc.) which are taken to landfill with an R12.

A code for these waste management procedures beginning with the letter R indicates that they are oriented towards potentially recovering, regenerating, reusing, recycling, or any other use of the waste.

8.3.5. Recycling at main premises:

From the date of acquisition of the Euskaltel Group in FY2021:

TYPE OF WASTE	2022	2021
Paper / cardboard	12,413	8,310
Plastic	1,157	1,306
Electronic products	291	277
Batteries	28	96
Total, recycling (kg)	13,889	9,989

Of the Group's companies in 2022 and 2021 (considering January 1, 2021, as the date of entry of the Euskaltel Group):

TYPE OF WASTE	2022	2021
Paper / cardboard	12,413	12,105
Plastic	1,157	1,306
Electronic products	291	277
Batteries	28	144
Total, recycling (kg)	13,889	13,832

All the waste generated by the Group is removed and processed by authorized waste managers who certify that the waste is collected using the best technologies and in compliance with current regulations.

Agreement with Eurest to reduce food waste at our canteen

The MASMOVIL Group is not involved with this aspect in its activities and therefore references to direct action taken to combat food waste have not been deemed relevant.

However, Eurest, the company chosen by the MASMOVIL Group to manage the restaurant and cafeteria at our main headquarters, participates in the Stop Food Waste Program, which aims to reduce food waste by raising awareness and implementing measures to minimize the waste generated at our workplaces.

8.4. Fighting climate change

GRI 3-3 / GRI 305-1 / GRI 305-2 / GRI 305-3 / GRI 305-5

Climate change is one of the main challenges humanity is facing in the 21st century. In accordance with numerous institutions, not only is the warming of the climate unequivocal, but human influence on the climate system is clear. Climate change poses risks to both human and natural systems.

It is therefore necessary for companies to voluntarily take relevant action to reduce the impact on the climate of their activity, and even for them to take this factor into account when preparing their strategies.

Although the Group's activities have a limited environmental impact, it is essential to manage and reduce that impact. Therefore the Group has defined an environmental strategy based on three main lines of action:

- **Responsible use of natural resources and land:** We measure and define targets for improving our consumption. Priority is given at all times to use of recycled materials, encouraging their use among our stakeholders as well. We have a paperless office, which encourages lower paper use, and green printers that require users to identify themselves to reduce the impact of unnecessary copies being printed; we have also removed drawer units and waste paper bins.
- **Another of our priorities is responsible use of land.** As we have mentioned in other chapters of this Sustainability Report, our network deployment strategy is based on sharing networks with other operators. We thus prevent unnecessary overlapping and achieve more efficient use of natural resources, such as land.
- **In order to contextualize this aspect, we must highlight that the footprint of our fiber-to-the-home (FTTH) network already exceeds 28 million building units in Spain, which represents the vast majority of the building units in our country. However, our policy of reaching network sharing agreements through wholesale agreements, the purchase of use rights, and hybrid agreements, has resulted in just a little more than 5% of our total FTTH footprint being deployed directly by the MASMOVIL Group.**
- **Circularity and e-waste management:** Both the waste from our facilities and the waste generated in our network operations are managed through authorized waste management companies. Our commitment to the circular economy is complemented by our application of strict policies on reuse of customer equipment. We attained a level of 98% reuse of equipment from customer cancellations.
- **In this regard, the ratio of equipment installed sourced from refurbished equipment over the year rose from 37% in 2020 to 45% in 2022.**
- **Encouraging environmental certification and initiatives:** In addition to having a sustainability model and an environmental and energy management system, it is important for this to be validated by independent third parties. In this respect, we have certifications in accordance with ISO standards ISO 14001 (on Environmental Management) and ISO 50001 (on Energy Management), a rating from the Carbon Disclosure Project (CDP), our Global Compact Communication on Progress report, as well as Certified B Corporation status. This commitment also extends to the supply chain, and we require similar certifications or commitments from our suppliers.
- **The Group is aware of the importance and relevance of protecting the environment. Therefore, our environmental management measures and the fight against climate change constitute a core pillar in the transformation towards a responsible business model. Our objective is to align our business model with our environmental commitments and goals, so carbon neutrality and reducing emissions are a priority in order to responsibly manage the environmental impact that our business activities may cause.**

FIRST TELECOMMUNICATIONS OPERATOR IN EUROPE TO REACH ZERO NET CARBON (CO₂) EMISSIONS AS EARLY AS 2020, AND THE ONE WITH THE LOWEST ABSOLUTE RESIDUAL LEVEL OF EMISSIONS.

Energy and Environmental Management Committee

The Group's senior management assumes responsibility for the environmental management system, guarantees the sustainability, environment, and energy management policy, as well as its objectives, and ensures that they are aligned with the strategic direction of the organization. To this end, we have an Energy and Environmental Management Committee, whose members are general management level, which meets regularly to assess and monitor the situation and the degree of compliance with energy and environmental benchmarks, as well as the goals assumed by the Group.

Major lines of action with regard to the environment

To achieve those objectives, we have divided our environmental strategy into three main lines of action:

- Fighting against climate change and consuming resources efficiently.
- Circularity and management of electronic waste.
- Encouraging environmental certification and initiatives.

8.5. Emissions

The team at the MASMOVIL Group, while aware that its activity is not emission intensive with regard to greenhouse gases (GHG), decided in 2020 to begin calculating and offsetting its Scope 1 and 2 emissions.

8.5.1. Net zero emissions for Scopes 1 and 2 in 2020, 2021, and 2022

In May 2021, the MASMOVIL Group announced that as part of its ongoing efforts to generate a positive impact and of its firm commitment to environmental, social, and governance issues, it had achieved net zero carbon emissions (CO₂) in 2020, positioning itself as the first telecommunications operator in Europe to achieve such a feat and the one with the lowest absolute level of residual emissions. With this significant milestone, the Group has taken another step on the path towards sustainability and respect for the environment in which it carries out its business. Since 2020, our net zero CO₂ emissions have included all of our Scope 1 and 2, emissions, the emissions derived from the Company's direct business, as well as Scope 3 emissions for paper, water, and printer toner.

The CO₂ emissions result obtained by the MASMOVIL Group in 2022 (as was the case in 2021 and 2020) was audited and quantified by the Ecodes Foundation. This foundation provides the accreditation certifying that the Group has calculated and offset the greenhouse gas emissions generated by its activities during the year, in accordance with the standards of the CeroCO₂ initiative.

We therefore achieved the goal of net zero emissions much before 2050, the target set in the Paris Agreement, and at a much faster pace than that encouraged by the Science Based Targets initiative (SBTi). The Group considers our remaining emissions to be residual, and we thus achieved net zero emissions for Scopes 1 and 2 in 2020, 2021, and 2022.

The MASMOVIL Group has taken proactive measures to promote decarbonization that are aligned with the opportunities identified in the ITU-T Recommendation L.14702 (section 11.2), which include:

- Use of certified renewable energy: Approximately 100% of energy consumption is green, with the following mix:
 - Solar 41.6%
 - Wind 45.7%
 - Hydroelectric 12.3%
 - Biomass 0.4%

- Operating efficient networks and promoting shared use of the network: dynamic assignation of power, alternative energy supply, virtualization of the network.
- Efficiency in buildings and services: A building management system (BMS) to control electrical equipment, with measures to reduce energy and water consumption at our main headquarters, a building that holds a LEED Gold certificate.
- Application of circular economy principles: Reuse of network equipment and recycling system for waste produced by the Company's business activities.
- Promoting the use of electric or hybrid vehicles among employees and the sales force

¹Direct emissions generated by the burning of fuels.

²Direct emissions generated by the electricity purchased and consumed.

³Indirect emissions that are produced due to the emitter's activity, but which are owned or under the control of an outside agent.

⁴UIT-T Recommendation L.1420: Method for evaluating the effects of energy consumption and emission of greenhouse gases by information and communication technologies (ICT) within organizations. International Telecommunications Union (2012).



Summary of the Scope 1 and 2 emissions of the MASMOVIL Group

From the date of acquisition of the Euskaltel Group in FY2021

EMISSIONS (*)	2022	2021
Scope 1 emissions (tCO ₂ eq)	1,858	1,195
Scope 2 emissions (tCO ₂ eq) (**)	-	-

(*) The factors used are those of the Spanish Climate Change Office, Guidelines to Defra / DECC's GHG Conversion Factors for Company Reporting, Ecoivent 3.5 and 3.7.1, and Ademe.

(**) In 2022 and 2021, it had the certificate of certified renewable sources for its electricity consumption.

Of the Group's companies in 2022 and 2021 (considering January 1, 2021, as the date of entry of the Euskaltel Group):

EMISSIONS (*)	2022	2021
Scope 1 emissions (tCO ₂ eq)	1,858	1,777
Scope 2 emissions (tCO ₂ eq) (**)	-	-

(*) The factors used are those of the Spanish Climate Change Office, Guidelines to Defra / DECC's GHG Conversion Factors for Company Reporting, Ecoivent 3.5 and 3.7.1, and Ademe.

(**) In 2022 and 2021, it had the certificate of certified renewable sources for its electricity consumption.

In 2022, with the Euskaltel Group already fully incorporated into the MASMOVIL Group, the new group passed from emissions of 27,274 equivalent tons of CO₂ in 2018 to just 1,858 equivalent tons in 2022. This means a total reduction of 93% between 2018 and 2022 or an average annual reduction in the last four years of approximately 50%, plus a reduction rate that is far more ambitious than the -4.2% CAGR 2015-2030 promoted by the SBTi for the ICT sector with the goal of limiting global warming to 1.5 °C.

The Group was able to offset the residual tons of CO₂ corresponding to Scopes 1 and 2, which it did through a project to plant trees conducted through the Ecodes Foundation and the CeroCO₂ initiative (mentioned earlier in this report).

Therefore, we once again met our target of maintaining our level of net zero emissions of CO₂. This is another demonstration of the Group's commitment to the best environmental practices.

8.5.2. Analysis of Scope 3 emissions for 2022 and 2021

At the MASMOVIL Group, we wanted to take another stride forwards by increasing the number of emission sources under Scope 3 in the calculation of our carbon footprint (in addition to those mentioned earlier from paper, water, and toner).

Scope 3 emissions include indirect emissions that are not included in Scope 2, and which, being a consequence of the organization's activities, originate from sources of greenhouse gases (GHG) which belong to or are controlled by other organizations.

We undertook this exercise this year for the first time with regard to the emissions for 2021 and 2022, with the aim of continuing this in future years and being capable of designing a long-term plan to reduce such emissions.

To perform this calculation, we screened the different emissions categories to determine which Scope 3 categories were relevant to our Group.

Just as with Scopes 1 and 2 as mentioned earlier, the Scope 3 CO₂ emissions result for the MASMOVIL Group was audited and quantified by the Ecodes Foundation.

This study used as its reference framework the IPCC Guidelines for National Greenhouse Gas Inventories, prepared by the Intergovernmental Panel on Climate Change (IPCC), as well as The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard.

The emission sources covered are given in detail for each category below:

- Purchased goods and services: Extraction, production, and transportation of goods and services purchased or acquired by the company. Specifically:
 - Emails sent
 - Purchasing of insurance, banking services, advisory services, and audits
 - Purchase of warranty PCs
 - Advertising and marketing
 - Transport and logistics
 - Subcontracted workforce for network deployment and maintenance (FTTH)
 - Subcontracted telephone towers: supplier-specific method where the GHG data associated with extraction, production, and transportation of purchased goods and services is compiled. For this method, we request the telephone tower subcontractors to provide us with the fuel and electricity consumption data
- Capital goods: Extraction, production, and transportation of capital goods purchased or acquired by the company. Specifically:
 - Computers, printers, furniture
 - Telecommunications equipment and network infrastructure (including capitalization of expenses, radio equipment and antennae, cables, boxes, and other passive equipment, in addition to 5G sites and carriers)
- Fuel- and energy-related activities (not included in Scope 1 or Scope 2): Extraction, production, and transportation of fuels and energy purchased or acquired by the company which is not included in Scope 1 or Scope 2. Specifically:
 - Upstream emissions of purchased electricity
 - Transmission and distribution (T&D) losses
 - Upstream emissions of purchased fuels
- Business travel: Transportation of employees for business-related activities during the year in question (in vehicles owned or operated by third parties) Specifically:
 - Air travel, automobile travel, travel by ferry, and rail travel
 - Stays in hotels
- Use of sold products: Use of goods and services sold and direct use-phase emissions of products that directly consume energy (electricity). Specifically:
 - Mobile telephones, tablets, Smart TVs
 - Routers and set-top boxes for new customers, regardless of whether the devices were refurbished items given that in this category we account for the emissions due to use of the device, no matter what type (new or refurbished).

Summary of Scope 3 emissions of the MASMOVIL Group (market-based)

SCOPE 3 EMISSIONS	2022	2021
Purchased goods and services (tCO ₂ eq)	50,028.23	55,849.82
Capital goods (tCO ₂ eq)	6,498.55	6,525.27
Fuel- and energy-related activities (tCO ₂ eq)	188.54	225.52
Business travel (tCO ₂ eq)	689.33	251.37
Waste generated in operations (tCO ₂ eq)	3.44	-
Use of sold products (tCO ₂ eq)	176,742.90	309,826.29
Total emissions (tCO₂eq)	234,150.99	372,678.27

8.5.3. Decarbonization plan and commitment to alignment with the SBTi

• The Science Based Targets initiative

The Science Based Targets initiative (SBTi) is a global organization which allows companies to set ambitious emissions reduction targets in line with the most recent climate science. The greenhouse gas (GHG) reduction targets are considered to be science based if they are in line with the goals of the Paris Agreement, that is, they contribute to limiting global warming to 1.5 °C above pre-industrial levels.

The SBTi distinguishes between two different types of emissions reductions targets:

- Near-term targets: These are mitigation targets focusing on reducing emissions quickly, setting reduction targets to be achieved in 5-10 years in line with the 1.5 °C global warming scenario.
- Long-term targets: These are more ambitious targets than the previously mentioned ones, in which organizations undertake to bring their emissions down to a residual level close to zero by 2050.

• The MASMOVIL Group has joined the SBTi and assumed the commitment of achieving net zero carbon emissions by 2040

Aware of the role played by telecommunications in the fight against climate change and of our responsibility and commitment to the transition to a carbon-neutral economy, we undertook to design an Emissions Reduction Plan that enables us to achieve net zero carbon emissions by 2040.

We have reached the milestone of being the first European operator to achieve net zero emissions for Scope 1 and Scope 2, and want to keep up our progress to do the same for our Scope 3 emissions.

Against this backdrop, we have already signed the SBTi commitment letter, indicating we are committed to presenting a decarbonization plan in line with the Paris Agreement within the 24 months following submission of the letter.

In short, our joining the SBTi reinforces our long-term approach to managing sustainability, especially as regards our commitment to achieve a carbon-neutral global economy.

Quien tiene un amigo, tiene un árbol

Por cada amigo que traigas a Pepephone, plantaremos un árbol. Vuestra amistad no solo echará raíces, sino que ayudaréis a repoblar los bosques y reducir el CO2 del planeta.



8.5.4. Other action to combat climate change

Reforestation linked to our commercial activities: Pepephone plants a tree for every friend you bring along

At the end of November 2021, Pepephone launched a new project involving planting a tree for each customer who brings a friend who signs up for its service. The tree always belongs to a native species from the area concerned and will need specific weather conditions. It will be planted at the most favorable time of year for the specific species. Customers can get to have as many trees planted as the amount of friends they bring to Pepephone; we set no tree limit per customer, and we are confident we can contribute to restoring our forests.

We entrusted Bosquia, a reforestation and environmental aid service, with helping us in this project. This service will seek out the degraded areas of Spain that need reforestation, and they plant and take care of the trees.

By the end of 2022, we had already achieved the figure of 10,000 trees, planted all over Spain, as a result of this customer referral approach with an environmentally oriented purpose. Of these, 2,000 had already been assigned to the customers we obtained thanks to this initiative.

We have thus continued to pursue our objective of taking care not only of our customers, but also of the planet. This was our intention when we launched Pepeenergy, our 100% green energy service. We continued to develop this project after we introduced discounts to our fiber, mobile, and energy rates, and which we turned it up another notch when we made the decision to reduce the use of plastic in our SIM cards.

Reforestation deriving from green events

In 2022, our B2B technological conferences were designed to be carbon neutral events. To this end, we calculated their environmental impact and offset the total amount of the greenhouse gas (GHG) emissions which could not be avoided, paying the cost of native tree species planted in the same regions as where the events were held to offset the calculated emissions.

Reduction in the amount of plastic in SIM cards

In addition, since the end of December 2021 our Pepephone brand SIM (Subscriber Identity Module) cards have been manufactured ecologically using recycled material, their packaging contains 50% less plastic, and the paper used is recycled or certified by the Forest Stewardship Council (FSC) as coming from sustainable forests.

Our intention is to transfer this initiative to other brands of the Group in a progressive manner. In a demonstration of this aim, at the beginning of 2023 we began the gradual migration of our Yoigo brand to these environmentally friendly SIM cards.

Corporate headquarters with LEED Gold certification
In June 2020, the MASMOVIL Group inaugurated its new headquarters in Alcobendas (Madrid). It is a 14,500-square-meter building where comfort, visibility, and total transparency of all work areas have been given precedence.

The building has different types of collaborative work spaces and meeting rooms, freely assigned workstations, many different sizes of open areas, common work tables in open spaces, and quiet zones.

At the new headquarters, we also offer and foster activities in green areas according to the criteria set out in the UN Sustainable Development Goals and in the LEED Gold Certificate covering the building.

In addition to the LEED Gold⁵ certification, in September 2020 the new headquarters was awarded the certification from Applus+ for its Safe Preventive Protocol with regard to COVID-19, after verifying that it is a controlled space and in line with the highest national and international standards against the coronavirus.

Action taken at our corporate headquarters to fight climate change and create a positive impact on society and among our employees

Some of the actions with a positive direct impact on the environment and the health of our employees had already been implemented at the previous headquarters and have been continued at the main headquarters, where additional measures have also been taken. These include the following:

- At the previous headquarters, we had eliminated consumption of plastic bottles in the offices, replacing them with glass bottles (one for each employee) that could be refilled at the water fountains distributed around the various floors. This scheme eliminated consumption of more than 100.000 plastic bottles per year.
- At the new headquarters, this measure has been supplemented and reinforced with the delivery of a ceramic cup to all employees in order to reduce the use of cardboard coffee cups and also facilitate water consumption in a sustainable way.
- At the previous corporate headquarters, there were already plastic, battery, and paper collection containers on all floors. Recycling containers for electronic components were also placed in the building's reception area and in the distribution channel.
- At our new headquarters, we took it a step further, providing container, paper, and organic waste recipients on all floors, as well as bins specifically allocated to medical waste such as masks, which open automatically to avoid physical contact.
- The new headquarters also further promoted the recycling of electronic devices and components, creating a specific area for recycling this type of e-waste, separating them into normal batteries, mobile phone batteries, and other electronic equipment. This equipment is removed by companies authorized to treat this type of waste in accordance with its European Waste List code.
- At the new headquarters, Airlite ecological paint has been used to paint the entire surface of the building, a paint that absorbs CO₂, eliminates bacteria from the environment, and prevents the adherence of dirt and dust, which makes the office a space with very high air quality.
- We are also using natural and hydrophilic vegetation, and there is a total absence of plastic plants used for decoration.

⁵Leed = Leadership in Energy & Environmental Design, promovido por la US Green Building Council.

- The new headquarters also has a façade made of a curtain wall (a type of glazed structure that covers the building) which acts as insulation against outdoor temperatures, thus reducing both cooling and heating needs and achieving the resulting energy savings.
- Ashtrays have been placed in authorized areas to allow for the subsequent recycling of cigarette butts, and thus prevent them from ending up on the ground.
- Use of clean, green, and sustainable electrical energy through the Pepeenergy Group company. The energy comes from green energy producers, certified by the CNMC (the Spanish National Markets and Competition Commission).
- Use of a Building Management System (BMS) for the centralized control of electrical energy in the building that allows us to regulate light intensity and optimize electricity consumption.
- Regular measurement (up to twice a week) of the CO₂ levels in the building, applying corrective and ventilation measures should certain pre-established levels be exceeded.
- In order to maintain air quality, we have ultraviolet lamps in various locations in the building, and in the boardroom we also have air purifying equipment that eliminates bacteria.
- The building has numerous measures to control water consumption, including automatic faucets and aerators, as well as double-flush toilets.
- We installed Group-subsidized electric vehicle (EV) chargers at our new headquarters to encourage their use by employees. Thanks to this measure, in 2021 7.302 kg of CO₂ were not emitted, according to the data provided by the service provider, and in 2022, 13.005 kg.
- Furthermore, in order to avoid the use of public transport as much as possible due to the pandemic, during 2020 and most of 2021 the Company made a private mini-bus service available to employees with various routes that crossed the Spanish capital.
- In 2022, once the worst of the health crises had passed, we resumed the shuttle service which uses minibuses funded by the Company to enable employees to travel free of charge to the different stops on the available bus routes.
- At the end of 2021 we implemented the use of recycled paper in all the printers at the new headquarters.
- At our headquarters, in 2022 we reinstated the service providing our employees with free fruit, located in the cafeteria areas of each floor. The service had been discontinued as a consequence of the measures to tackle COVID-19.
- Also in 2022 we restarted office-based physiotherapy to enable employees to use this service without needing to leave the office.
- At the end of 2022, a space was reserved at our headquarters where employees can go to group gym classes upon payment of a token price.
- We also launched a new initiative during the year: every Thursday employees can acquire fresh products at a Vegetalier Mini Market. In addition to organic and seasonal fruit and vegetables, at this market shoppers can purchase 100% ecological long-fermented sourdough bread, as well as unrefrigerated gourmet products.

Finally, and to make our own employees and visitors aware of sustainability and the environment, the Group set up at our new headquarters a communication space for the Sustainable Development Goals (SDGs) promoted by the United Nations.

8.6. Pollution

GRI 3-3 / GRI 305-7

- **Light and noise:** Neither light nor noise pollution are considered material because they are not significant within the Group's business.

In compliance with the new legislation on energy efficiency, Royal Decree-Law 14/2022, the lights at our corporate buildings are switched off at 10.00 pm for the entire night.

- **Solid particles, NOx, and SOx:** The MASMOVIL Group does not produce significant emissions of solid particles, NOx, and SOx, and therefore these metrics are not reported.

Coverage for accidental pollution

The application of the precautionary principle from an environmental point of view is carried out through the maintenance and review of our environmental and energy management systems (ISO 14001, ISO 50001), which are externally certified, and the annual renewal of these certificates. Our civil liability policy also includes coverage for accidental pollution.

8.7. Protection of biodiversity

GRI 2-23 / GRI 3-3 / GRI 304-1 / GRI 304-2 / GRI 304-3

The Group, in our commitment to the precautionary principle, has implemented the necessary measures to preserve the environment in which it operates and carry out responsible network deployment. Due to the activity performed by the Company, the impact on biodiversity is limited as most of our facilities are in areas with low or very low quality habitat. Even so, the Group adopts preventive and precautionary measures such as those described below.

• Protecting and preserving native fauna

In 2018 the Group began to take action to remove stork nests from telephone towers in accordance with current legislation. Since 2019 umbrellas have been installed on the towers to prevent storks from nesting in the facilities and subsequently having to be removed.

We believe that with these measures we are contributing to the normal development and preservation of the native fauna, without interfering in their way of life or altering their natural processes.

• Ongoing project for early detection of fires, based on Artificial Intelligence and the connectivity of the MASMOVIL Group

In 2022 at the MASMOVIL Group we decided to work with VisionAnalytics on a system for the early detection of fires with the goal of preserving and protecting biodiversity.

The system is based on security cameras installed in strategic places that provide considerable visibility of the area to be monitored and a neural network for detecting fires implemented in the cameras, trained in early detection of smoke and fire in outdoor spaces and at great distances.

The algorithm would be running 24x7 and in the event of a fire the neural network will immediately detect both smoke and fire, sending an alarm to the control center, using a safe and reliable communication network (5G, point to point, etc.) initially facilitated by the MASMOVIL Group.

From the control center, the alarm will be reviewed, it will be viewed, and, in case of risk, suitable action will be taken.

Given that the project was launched only recently, we do not yet have specific data on fires that have been detected early or of the potential impact these would have had on biodiversity. We hope to be able to report this information in later years.

9. People

Our results in 2022:

- Approval of new measures relating to People (Human Resources and Labor Relations Policy, Equal Opportunities Policy, Human Rights Policy)
- New work-life balance and right-to-disconnect measures and enhanced employee benefits
- 100% of employees on indefinite-term contracts
- Implementation of the 2022 Cultural Strategy, which improved the perception of our corporate values by 15%

Our targets for 2023

- Expand the Occupational Health and Safety Management System in accordance with ISO 45001 to the entire MASMOVIL Group
- Develop the Diversity Plan
- Establish targets for gender parity in the management team for 2030

9.1. Managing our people

GRI 3-3

Commitment to ethics and human and labor rights

The Group has a firm commitment towards its team. That commitment encompasses both the Group's ethics and its compliance system in terms of human and labor rights (recognized in national and international legislation). It also acts in compliance with the principles of the United Nations Global Compact and the guidelines from the OECD (Organization for Economic Cooperation and Development).

In addition, it upholds the principles of non-discrimination and equal opportunities, which the Group has developed further through the implementation of specific policies.

Ethics are a core pillar of the Human Resources area, which has implemented the provisions of the Group's Code of Ethics relating to this aspect.

Human Resources and Labor Relations Policy

The Board of Directors, at its meeting held on September 29, 2022, approved a new version of the Group's Human Resources and Labor Relations Policy (initially approved on November 27, 2019), thus putting into effect section 9 of the Code of Ethics. Section 9 establishes that the MASMOVIL Group shall:

«Respect, at all times, the principle of equal opportunities, always acting with full objectivity and, in any case, based on the suitability of candidate profiles with regard to the needs to be met.

Objectively evaluate the employees in our team, taking into account their individual and collective professional performance, promoting them, to the extent possible, based on their results»

The purpose of the Human Resources Policy is to introduce a human resources management model at the Group that enables us to attract, promote, and retain talent, fostering the personal and professional growth of all members of our team, while aligning the interests of our professionals with the Group's strategic objectives.

Policy on equal opportunities

The Human Resources and Labor Relations Policy is complemented by the Equal Opportunities Policy which was initially approved by the Board of Directors at its meeting on December 20, 2017 and updated at the Board meeting on September 29, 2022. The Equal Opportunities Policy aims to act as the backbone of a favorable environment for employees, by promoting effective equality between men and women. It sets out the guiding principles in this sphere, which include quality of employment, equal opportunities and equality, and respect for diversity.

The policy is further supported by the content of the equality plans of the companies Xfera Móviles, SAU (the Group company with the largest number of employees), Lorca Telecom Bidco, SAU, and the companies of the Euskaltel Group, which aim to guarantee equal treatment and opportunities for women and men in access to employment, recruitment, hiring, promotion, training, and other working conditions. The policy fosters the presence of women at the organization and in executive positions, thereby continuing to integrate the gender perspective in the management of the Company. See section 9.5 of this report to learn more about equality and diversity plans.

Talent Diversity Plan

In 2020, work began on designing and introducing a Talent Diversity Plan that was ultimately approved by the Board of Directors at its meeting on February 26, 2021.

Through this plan, the MASMOVIL Group intends to overcome the limitations of its organization and become a benchmark in society, becoming a key social stakeholder in promoting diversity and integration. The MASMOVIL Group is aware that it owes its success to the diversity of the people who work for and with the Group, and to all those customers who have trusted in the Group and acquired its services.

Human Rights Policy

On September 29, 2022, the Group also approved a new version of its Human Rights Policy (initially approved on June 30, 2017), to implement and develop its policy on environmental, social, and corporate governance (ESG) issues (the ESG Policy). Also on September 29, 2022, through a resolution passed by the Board of Directors, the Group approved a new version of its Policy on Unacceptable Behavior (initially approved on July 25, 2018). This document is based on the principle of non-discrimination described in the Code of Ethics and lists the different actions that go against compliance with the regulations (both internal and external) and which hinder the smooth functioning of a healthy and ethical work environment.

This policy and the Statute of the Compliance Officer and Operation of the Ethical Channel together define the procedure for managing complaints received through the Group's internal ethics channel, with the support of the Compliance Officer, the Ethics Committee, and the CEO. That procedure also defines the process applicable to internal investigations and the timescale for applying measures.

Measures for promoting work-life balance and the right to disconnect

The Group strives to arrange its employees' working time by implementing a number of measures linked to making work-life balance possible. We offer our employees a broad range of employee benefits: flexible working hours, intensive working hours in summer and every Friday, physiotherapy service, healthy food, mixed working model (on-site and remote), telemedicine service, shuttle service, discounts on training and leisure, and sports activities, among others. The Group is thus seeking to facilitate a reasonable work-life balance, putting all available resources at the service of our workforce.

In addition, a Right-to-disconnect Protocol was signed in 2021 relating to our subsidiary R Cable y Telecable Telecomunicaciones, SAU.

9.2. Workforce and remuneration

GRI 2-7 / GRI 405-1

9.2.1. Total number of employees and distribution by gender, age, country, and employee category

At the end of 2022, the Group's workforce stood at 1,818 employees, with 1,081 men and 737 women.

9.2.1.1. Employees by gender and age (at year-end)

AGE	2022			2021		
	Women	Men	Total	Women	Men	Total
Under 30 years old	54	85	139	56	102	158
30 – 50 years old	515	674	1,189	529	754	1,283
Over 50 years	168	322	490	141	292	433
Total	737	1,081	1,818	726	1,148	1,874

As in 2021, most of the employees are in the age group of 30 to 50 years old, accounting for 65% of the total number of employees. The percentage of women on the total workforce increased, reaching 40.5% compared to 38.7% at the end of 2021.

9.2.1.2. Employees by gender and employee category (at year-end)

EMPLOYEE CATEGORY	2022			2021		
	Women	Men	Total	Women	Men	Total
Management	18	97	115	29	118	147
Technical staff	108	310	418	103	314	417
Administrative staff	120	96	216	112	90	202
Other staff	491	578	1,069	482	626	1,108
Total	737	1,081	1,818	726	1,148	1,874

The drop in the number of female managers, from 29 in 2021 to 18 in 2022, can mainly be explained by the situation arising out of the acquisition of the Euskaltel Group and its integration; this company was acquired in August 2021.

9.2.1.3. Employees by gender and country (at year-end)

As an example of the MASMOVIL Group's commitment to diversity and equal opportunities, at the end of 2022 the workforce included as many as 33 nationalities (34 including our CEO, who is Austrian), despite the fact that all the Group's business activities take place in Spain. The percentage of women from outside Spain increased from 20% in 2021 to 25% in 2022.

NATIONALITY	2022			2021		
	Women	Men	Total	Women	Men	Total
German	1	-	1	1	-	1
Argentinian	1	6	7	-	5	5
Bangladeshi	-	1	1	-	3	3
Belorussian	1	-	1	1	-	1
British	2	2	4	4	6	10
Brazilian	-	1	1	-	-	-
Bulgarian	2	1	3	2	2	4
Ceylonese	-	2	2	-	2	2
Czech	-	-	-	-	1	1
Chilean	-	1	1	-	2	2
Colombian	2	-	2	2	1	3
Korean	-	-	-	-	1	1
Cuban	-	1	1	-	-	-
Dominican	-	2	2	-	4	4
Slovakian	1	-	1	1	-	1
Spanish	713	1,010	1,723	705	1,066	1,771
Filipino	-	-	-	-	6	6
French	-	4	4	-	-	-
Ghanaian	-	1	1	-	1	1
Indian	-	-	-	-	2	2
Dutch	-	1	1	-	1	1
Honduran	-	8	8	-	9	9
Irish	-	1	1	-	1	1
Israeli	1	-	1	1	-	1
Italian	-	7	7	-	6	6
Moroccan	-	5	5	-	7	7
Mexican	1	1	2	1	1	2
Nicaraguan	-	2	2	-	1	1
Nigerian	-	-	-	-	1	1
Panamanian	-	1	1	-	-	-
Pakistani	-	7	7	-	7	7
Peruvian	2	-	2	1	-	1
Portuguese	1	3	4	-	3	3
Romanian	5	8	13	4	6	10
Russian	1	0	1	1	-	1
Senegalese	-	1	1	-	1	1
Swiss	-	1	1	-	1	1
Ukrainian	-	-	-	1	-	1
Venezuelan	3	3	6	1	1	2
Overall Total	737	1,081	1,818	726	1,148	1,874

9.2.2. Total number and distribution of employment contracts by gender, age, and employee category

9.2.2.1. Employees with an indefinite-term contract, by gender (at year-end)

INDEFINITE-TERM CONTRACT	2022			2021		
	Women	Men	Total	Women	Men	Total
Full-time	722	1,078	1,800	695	1,142	1,837
Part-time	15	3	18	22	5	27
Total	737	1,081	1,818	717	1,147	1,864

Indefinite-term contracts represent a high proportion of full-time employment, both in 2021 and in 2022, accounting for 99% of the contracts.

9.2.2.2. Employees with a temporary contract, by gender (at year-end)

TEMPORARY CONTRACT	2022			2021		
	Women	Men	Total	Women	Men	Total
Full-time	-	-	-	8	1	9
Part-time	-	-	-	1	-	1
Total	-	-	-	9	1	10

In terms of temporary contracts, at year-end there were no workers with temporary contracts, in the case of neither women nor men.

9.2.2.3. Employees with an indefinite-term contract, by age group (at year-end)

INDEFINITE-TERM CONTRACT	2022				2021			
	< 30 years old	30 - 50 years old	> 50 years old	Total	< 30 years old	30 - 50 years old	> 50 years old	Total
Full-time	138	1,176	486	1,800	150	1,259	428	1,837
Part-time	1	13	4	18	2	20	5	27
Total	139	1,189	490	1,818	152	1,279	433	1,864

If we analyze the indefinite-term contracts according to age group, the majority of the contracts, both full-time and part-time, were in the 30-50 year old range.

9.2.2.4. Employees with a temporary contract, by age group (at year-end)

TEMPORARY CONTRACT	2022				2021			
	< 30 years old	30 - 50 years old	> 50 years old	Total	< 30 years old	30 - 50 years old	> 50 years old	Total
Full-time	-	-	-	-	5	4	-	9
Part-time	-	-	-	-	1	-	-	1
Total	-	-	-	-	6	4	-	10

As stated above, at year-end not a single employee in the workforce held a temporary contract.

9.2.2.5. Employees with an indefinite-term contract, by employee category (at year-end)

INDEFINITE -TERM CONTRACT	2022					2021				
	Management	Technical staff	Administrative staff	Other staff	Total	Management	Technical staff	Administrative staff	Other staff	Total
Full-time	115	417	216	1,052	1,800	146	416	202	1,073	1,837
Part-time	-	1	-	17	18	1	-	-	26	27
Total	115	418	216	1,069	1,818	147	416	202	1,099	1,864

In terms of employee category, most indefinite-term contracts were full-time. Part-time contracts were largely present in the “Other Staff” group, although they represented a lower absolute weight (17 contracts in 2022 compared to 26 in 2021) and relative weight (1.6% in 2022, compared to 2.4% in 2021) compared to the previous year.

9.2.2.6. Employees with a temporary contract, by employee category (at year-end)

TEMPORARY CONTRACT	2022					2021				
	Management	Technical staff	Administrative staff	Other staff	Total	Management	Technical staff	Administrative staff	Other staff	Total
Full-time	-	-	-	-	-	-	1	-	8	9
Part-time	-	-	-	-	-	-	-	-	1	1
Total	-	-	-	-	-	-	1	-	9	10

As stated above, at year-end not a single employee in any employee category held a temporary contract.

9.2.3. Annual average of indefinite-term contracts, temporary contracts, and part-time contracts, by gender, age, and employee category

9.2.3.1. From the date of acquisition of the Euskaltel Group in FY2021:

9.2.3.1.1. Employees with an indefinite-term contract by gender (year's average)

INDEFINITE -TERM CONTRACT	2022			2021		
	Women	Men	Total	Women	Men	Total
Full-time	725	1,128	1,853	501	904	1,405
Part-time	19	2	21	20	2	22
Total	744	1,130	1,874	521	906	1,427

9.2.3.1.2. Employees with a temporary contract by gender (year's average)

TEMPORARY CONTRACT	2022			2021		
	Women	Men	Total	Women	Men	Total
Full-time	2	3	5	6	3	9
Part-time	0	0	0	1	-	1
Total	2	3	5	7	3	10

9.2.3.1.3. Employees with an indefinite-term contract by age group (year's average)

INDEFINITE-TERM CONTRACT	2022				2021			
	< 30 years old	30 - 50 years old	> 50 years old	Total	< 30 years old	30 - 50 years old	> 50 years old	Total
Full-time	131	1,211	511	1,853	123	1,010	272	1,405
Part-time	1	16	4	21	1	15	6	22
Total	132	1,227	515	1,874	124	1,025	278	1,427

9.2.3.1.4. Employees with a temporary contract by age group (year's average)

TEMPORARY CONTRACT	2022				2021			
	< 30 years old	30 - 50 years old	> 50 años	Total	< 30 years old	30 - 50 years old	> 50 años	Total
Full-time	1	2	2	5	5	3	1	9
Part-time	-	-	-	-	1	-	-	1
Total	1	2	2	5	6	3	1	10

9.2.3.1.5. Employees with an indefinite-term contract by employee category (year's average)

INDEFINITE-TERM CONTRACT	2022					2021				
	Management	Technical staff	Administrative staff	Other staff	Total	Management	Technical staff	Administrative staff	Other staff	Total
Full-time	115	418	219	1,100	1,852	111	329	150	815	1,405
Part-time	-	-	-	22	22	-	-	-	22	22
Total	115	418	219	1,122	1,874	111	329	150	837	1,427

9.2.3.1.6. Employees with a temporary contract by employee category (year's average)

INDEFINITE-TERM CONTRACT	2022					2021				
	Management	Technical staff	Administrative staff	Other staff	Total	Management	Technical staff	Administrative staff	Other staff	Total
Full-time	3	-	-	2	5	-	1	-	8	9
Part-time	-	-	-	-	-	-	-	-	1	1
Total	3	-	-	2	5	-	1	-	9	10

9.2.3.2. Of the Group's companies in 2022 and 2021 (considering January 1, 2021, as the date of entry of the Euskaltel Group):

9.2.3.2.1. Employees with an indefinite-term contract by gender (year's average)

INDEFINITE -TERM CONTRACT	2022			2021		
	Women	Men	Total	Women	Men	Total
Full-time	725	1,128	1,853	654	1,087	1,741
Part-time	19	2	21	20	2	22
Total	744	1,130	1,874	674	1,089	1,763

In 2022, the average percentage of women holding an indefinite-term contract increased from 38% in 2021 to 40% in 2022.

9.2.3.2.2. Employees with a temporary contract by gender (year's average)

TEMPORARY CONTRACT	2022			2021		
	Women	Men	Total	Women	Men	Total
Full-time	2	3	5	6	3	9
Part-time	0	0	0	2	-	2
Total	2	3	5	8	3	11

In 2022, the average number of temporary contracts dropped from 11 to 5, mainly affecting women.

9.2.3.2.3. Employees with an indefinite-term contract by age group (year's average)

INDEFINITE -TERM CONTRACT	2022				2021			
	< 30 years old	30 - 50 years old	> 50 years old	Total	< 30 years old	30 - 50 years old	> 50 years olds	Total
Full-time	131	1,211	511	1,853	129	1,237	375	1,741
Part-time	1	16	4	21	1	15	6	22
Total	132	1,227	515	1,874	130	1,252	381	1,763

In 2022, the average number of part-time indefinite-term contracts decreased, especially in the over-50s age group.

9.2.3.2.4. Employees with a temporary contract by age group (year's average)

TEMPORARY CONTRACT	2022				2021			
	< 30 years old	30 - 50 years old	> 50 years old	Total	< 30 years old	30 - 50 years old	> 50 years old	Total
Full-time	1	2	2	5	5	3	1	9
Part-time	-	-	-	-	1	1	-	2
Total	1	2	2	5	6	4	1	11

The number of temporary contracts decreased in all age groups, except for the over-50s group.

9.2.3.2.5. Employees with an indefinite-term contract by employee category (year's average)

INDEFINITE -TERM CONTRACT	2022					2021				
	Management	Technical staff	Administrative staff	Other staff	Total	Management	Technical staff	Administrative staff	Other staff	Total
Full-time	115	418	219	1,100	1,852	142	414	200	985	1,741
Part-time		-	-	22	22	-	-	-	22	22
Total	115	418	219	1,122	1,874	142	414	200	1,007	1,763

In terms of employee category, part-time contracts were mostly in the “Other Staff” category; the average figure for 2022 was the same as in 2021.

9.2.3.2.6. Employees with a temporary contract by employee category (year's average)

INDEFINITE -TERM CONTRACT	2022					2021				
	Management	Technical staff	Administrative staff	Other staff	Total	Management	Technical staff	Administrative staff	Other staff	Total
Full-time	3	-	-	2	5	-	-	-	9	9
Part-time	-	-	-	-	-	-	-	1	1	2
Total	3	-	-	2	5	-	-	1	10	11

9.2.4. Number of dismissals by gender, age, and employee category

GRI 401-1

9.2.4.1. From the date of acquisition of the Euskaltel Group in FY2021:

9.2.4.1.1. Number of dismissals by gender and age group

AGE	2022			2021		
	Women	Men	Total	Women	Men	Total
Under 30 years old	3	4	7	-	4	4
30 – 50 years old	19	40	59	10	43	53
Over 50 years old	8	23	31	11	18	29
Total	30	67	97	21	65	86

9.2.4.1.2. Number of dismissals by gender and employee category

EMPLOYEE CATEGORY	2022			2021		
	Women	Men	Total	Women	Men	Total
Management	2	4	6	-	3	3
Technical staff	-	15	15	3	12	15
Administrative staff	4	3	7	3	1	4
Other staff	24	45	69	15	49	64
Total	30	67	97	21	65	86

9.2.4.2. Of the Group's companies in 2022 and 2021 (considering January 1, 2021 as the date of entry of the Euskaltel Group):

9.2.4.2.1. Number of dismissals by gender and age group

AGE	2022			2021		
	Women	Men	Total	Women	Men	Total
Under 30 years old	3	4	7	-	4	4
30 – 50 years old	19	40	59	11	44	55
Over 50 years old	8	23	31	11	23	34
Total	30	67	97	22	71	93

In terms of number of dismissals, the absolute figure remained around the same levels as in 2021, also maintaining the annual percentage this represents with respect to the average number of employees.

9.2.4.2.2. Number of dismissals by gender and employee category

EMPLOYEE CATEGORY	2022			2021		
	Women	Men	Total	Women	Men	Total
Management	2	4	6	-	3	3
Technical staff	-	14	14	3	13	16
Administrative staff	3	2	5	4	2	6
Other staff	24	45	69	15	53	68
Total	29	65	94	22	71	93

Staff turnover at the Group increased compared to the previous year. This was owing to the fact that during 2022 we continued to recruit profiles specializing in digitalization and use of new technologies and work methodologies such as Big Data and Artificial Intelligence, and in introducing a culture based on the Agile approach.

9.2.4.2.3. Involuntary turnover

In 2022, involuntary turnover affected 4.89% of the total workforce at year-end. In 2021, this percentage was 3.3%.

9.2.5. Average remuneration in euros, broken down by gender, age, and employee category

GRI 405-2

In line with the principles in our Equal Opportunities Policy and the Diversity Plan, the Group believes that equal pay is a fundamental right of our employees. Accordingly, the Group endeavors to ensure that remuneration is equitable for both sexes. Furthermore, remuneration involves other aspects, such as length of service and the assumption of greater responsibilities over the course of a career.

9.2.5.1. Average remuneration by gender and age group

AGE	2022 (THOUSANDS OF EUROS)			2021 (THOUSANDS OF EUROS)		
	Women	Men	Average	Women	Men	Average
Under 30 years old	31.0	35.7	33.9	31.7	32.2	32.0
30 – 50 years old	43.7	58.2	51.9	43.0	55.2	50.2
Over 50 years old	52.8	74.5	67.2	50.3	72.0	64.9
Total	44.4	60.4	54.0	43.4	57.0	51.7

The calculation includes fixed and variable remuneration

From the perspective of the age group involved, average remuneration increased between 2021 and 2022 by an average of €2,300 per year, the percentage increase being greater in the under-30s group.

9.2.5.2. Average remuneration by gender and employee category

EMPLOYEE CATEGORY	2022 (THOUSANDS OF EUROS)			2021 (THOUSANDS OF EUROS)		
	Women	Men	Average	Women	Men	Average
Management	127.3	151.8	148.0	103.8	139.6	132.5
Technical staff	51.2	57.4	55.8	49.9	54.0	53.0
Administrative staff	47.5	58.9	52.6	47.9	54.7	50.9
Other staff	39.2	46.9	43.4	37.3	43.3	40.7
Total	44.4	60.4	54.0	43.4	57.0	51.7

The calculation includes fixed and variable remuneration

In terms of employee category, the increase in average remuneration mostly related to female managers, with an average increase of 23.5%.

9.2.6. Pay gap, the remuneration of equal or average company jobs

GRI 405-2

As further evidence of the Group's commitment to transparency, in 2022, as in the previous year, the pay gap was calculated using the weighted average by employee category and by age, resulting in a total pay gap of 15.5% (13.3% in 2021). In addition, for the 2022 report each employee category was broken down by age group.

EMPLOYEE CATEGORY	2022	2021
Management	16.2%	25.6%
30 – 50 years old	23.8%	23.4%
Over 50 years old	0.2%	29.0%
Technical staff	10.8%	7.7%
Under 30 years old	15.5%	-25.9%
30 – 50 years old	13.3%	11.7%
Over 50 years old	7.6%	4.8%
Administrative staff	19.4%	12.4%
Under 30 years old	-2.2%	11.7%
30 – 50 years old	17.7%	12.0%
Over 50 years old	24.0%	16.2%
Other staff	16.5%	13.9%
Under 30 years old	0.2%	-14.6%
30 – 50 years old	13.6%	12.9%
Over 50 years old	22.2%	22.2%
Total weighted gap	15.5%	13.3%

The calculation performed is the difference between men's average remuneration and women's average remuneration, divided by men's average remuneration

It should be noted that in 2022 for the Group's total number of employees in the under-30s age group, the gender pay gap decreased in all employee categories, reflecting the Group's active policy of promoting job equality in the younger population. Likewise, the pay gap in the "Management" employee category decreased significantly, from 25.6% in 2021 to 16.2% in 2022. This employee category included 115 members of the Group's total workforce of 1,818 employees.

The MASMOVIL Group is committed to setting medium or long-term targets during 2023 to reduce the Group's average pay gap, as well as to conducting an in-depth analysis for those categories where the gap is more pronounced.

9.2.7. Director Remuneration Policy

GRI 2-19

In accordance with the Director Remuneration Policy approved by the Board of Directors, the Board recognizes transparency in all its actions, including the remuneration of its members, to be one of the key elements of its corporate governance strategy.

The Director Remuneration Policy aims to ensure that the remuneration of the directors is commensurate with their dedication and the responsibility they assume, and in line with standard market levels in comparable Spanish companies, taking into consideration the long-term interest of all shareholders.

In particular, with regard to executive directors, the main criterion is to offer remuneration systems that make it possible to attract, retain, and motivate the most outstanding professionals so that the Company can fulfill its strategic goals within an increasingly competitive and internationalized business framework. Accordingly, with regard to executive directors, the Director Remuneration Policy has the following goals:

- Ensure that remuneration, in terms of structure and overall amount, complies with best practices and is competitive with regard to comparable organizations.
- Establish remuneration based on objective criteria in relation to individual performance and the achievement of the Company's business objectives.
- Include a significant annual variable component linked to performance and the achievement of specific, predetermined, quantifiable goals aligned with the Company's interests and strategic objectives.
- Promote and encourage the achievement of the Company's strategic objectives by incorporating long-term incentives, reinforcing the continuity of the directors and management team in the Group's competitive development, fostering motivation and loyalty, as well as retaining the best professional talent.
- Set suitable maximum limits on any short-term or long-term variable remuneration.

The Board of Directors, at the proposal of the Appointments and Remuneration Committee, is the body in charge of setting, within the overall statutory and legal limit, the remuneration of directors. This is with the exception of remuneration consisting of shares in the Company, stock options on such shares, or remuneration linked to the value of the Company's shares, which must be approved by the General Shareholders' Meeting.



9.2.7.1. Average remuneration of directors, including allowances, compensation, and any other remuneration, broken down by gender

The members of the Board of Directors of Lorca Telecom Bidco, SAU, with the exception of the Chairman of the Board, the CEO, and the General Manager, receive no remuneration, nor do they receive allowances due to their status of members of the Board of Directors of the Company. During 2021 and 2022 there were no severance payments to members of the Board of Directors, and there are no provisions for outstanding severance payments at the date of this report.

Name	Company	Year of birth
Eduardo Díez-Hochleitner Rodríguez (Presidente)	Independent	1955
Josep M ^a Echarri Torres (Vicepresidente)	Proprietary, for a group of shareholders	1976
Meinrad Spenger (CEO)	Executive of MASMOVIL	1975
Germán López Fernández	Executive of MASMOVIL	1974
Cristina Serna García-Conde	Proprietary, from KKR	1973
Jorge Lluch Pauner	Proprietary, from KKR	1987
Tomas Kubica	Proprietary, from KKR	1985
Jorge Quemada Sáenz-Badillos	Proprietary, from Cinven	1973
Miguel Juan Segura Martín	Proprietary, from Cinven	1983
Thomas Railhac	Proprietary, from Cinven	1980
Anthony Frank Elliott Ball	Proprietary, from Providence	1955
Robert Sudo	Proprietary, from Providence	1976
Stefano Bosio	Proprietary, from Providence	1989
Alberto Castañeda González	Secretary, non-Board member	1972

9.2.7.2. Remuneration of the Chairman of the Board

ITEM	2022 (THOUSANDS OF EUROS)	2021 (THOUSANDS OF EUROS)
Remuneration of the Chairman of the Board of Directors	212	186

9.2.7.3. Remuneration of the CEO and General Manager

The CEO and the General Manager are members of the Board of Directors of Lorca Telecom Bidco, SAU, and receive no remuneration for their director status. However, as Group executives they receive remuneration, which is as follows:

ITEM		2022 (THOUSANDS OF EUROS)	2021 (THOUSANDS OF EUROS)
CEO	Fixed remuneration	400	400
	Ordinary variable remuneration	200	249
	Long-term variable remuneration (triennial 2018-2021)	685	-
	Remuneration in kind	18	17
General Manager	Total	1,303	666
	Fixed remuneration	300	300
	Variable remuneration	150	149
	Remuneration in kind	23	23
Total		473	472
Overall total		1,776	1,138

9.2.7.4. Ratio of the average total remuneration with respect to the CEO

GRI 2-21

ITEM	2022 (THOUSANDS OF EUROS)	2021 (THOUSANDS OF EUROS)
Remuneration of the CEO (*)	618	666
Average remuneration of the workforce	54	52
Ratio	11	13

(*) Without taking into consideration long-term variable remuneration (triennial 2018-2021)

9.2.8. Employees with disabilities

GRI 405-1

EMPLOYEES WITH DISABILITIES	2022	2021
	7	5

The MASMOVIL Group is aware of the importance of integrating people with disabilities through direct recruitment. Proof of this is the awareness campaign carried out in the first quarter of 2022 (our “Different but equal” campaign).

Currently, the companies of the Xfera Móviles Group, Euskaltel, R Cable y Telecable Telecomunicaciones, and Spotting Brand Technologies comply with the Spanish General Disability Act (Ley General de Discapacidad, or LGD), by means of either direct hires or alternative measures, approved in advance by the public authorities, through the LGD exemption certificate. Our alternative measures consist of hiring the services of Special Employment Centers (enterprises created with a labor-inclusion approach for people with disabilities): essentially, hiring the services of Samsic Social, SL, to clean the headquarters.

The new corporate headquarters complies with current regulations on accessibility for people with reduced mobility.



9.3. Industrial relations

9.3.1. Percentage of employees covered by collective bargaining agreements

GRI 2-30

COLLECTIVE BARGAINING AGREEMENT	2022	2021
	100%	100%

9.3.2. Social dialog

Social partners play a leading role within the team of professionals as spokespersons for collective needs. The Group maintains a fluid social dialog that is consistent with the growth we have experienced in recent years.

In 2022, after months of negotiation, an agreement was reached with the legal representatives of the Euskaltel workers whereby the Fourth Collective Agreement was signed, which is valid until December 31, 2024. We also came to an agreement with the Euskaltel workers' legal representatives on teleworking.

Also in 2022, and within the framework of the ongoing social dialog we engaged in with the legal representatives of the Xfera Móviles and Lorca Telecom workers, a pay review agreement was reached for 2022, which was extended to most of the other companies, thus affecting the majority of the Group's employees. In this same context, at the end of 2022 a pay review agreement was also reached for the following two

financial years (2023 and 2024) with the legal representatives of the workers of Xfera Móviles and Lorca Telecom, which has been extended to the majority of the workers of the Business Group, thus providing stability as regards pay in a social climate of uncertainty.

Also resulting from the current climate and our social dialog approach, at the end of 2022 we came to an agreement with the legal representatives of the employees of R Cable y Telecable Telecomunicaciones, under which the current collective agreement was extended until December 31, 2024. A pay review agreement for 2023 and 2024 was also reached, enabling greater social harmony and regulatory stability in our labor relations.

9.4. Attracting and developing talent

GRI 404-2

Through its various policies and processes, the Group is committed to implementing a suitable program to both attract and recruit talent, taking into account the academic, personal, and professional merits of the candidates and the needs of the Group.

Below is a summary of the different initiatives we have carried out with the aim of retaining the best talent at the Group (people who are committed to the Company and to their professional development, who are motivated and aligned with the Group's transformational vision):

- **Agile culture:** We continued to support agile mindset methodologies throughout the organization, from establishing strategic targets to the day-to-day management of our teams.
- **Support from Agile Coaches:** The support process involving discovery, immersion, support, and monitoring was reinforced, incorporating teams from the corporate areas, with the aim of extending the process to the entire organization. Agile Coaches help teams to revise their way of working, optimize their day-to-day routines, etc.
- **Teams with a focus on end-to-end processes:** We continued to support interdisciplinary teams with people from systems, networks, operations, and business, focusing on introducing new products and continuously improving processes related to the customer journey.
- After the merger with the Euskaltel Group, we worked on the **100-day integration program**, in which a joint structure and operating model is defined. During those 100 days, the CEO himself raised the visibility and transparency of the progress of the integrated organization, and the Euskaltel Group was integrated into the central process teams.
- The Group's **Leadership Model** was defined. We need a **Servant Leader**, an empathetic, transparent, communicative leader who gives good vibes and is at the service of the team. Spaces were developed to jointly define the key elements and behaviors of Servant Leadership, which were then shared with the entire organization. We provided workshops for all intermediate managers to work on each of these key elements and behaviors.
- **Attracting and recruiting talent:** We recruit internally, ensuring diversity, transparency, and a friendly approach with regard to the candidates throughout the process. In addition, we have an **onboarding process** through which new hires are given a buddy to guide them during the first six months. They attend a welcome breakfast with the CEO and a session with the HR team; they are included in the MASclientes circuit, where they get to experience first-hand what a store, call center, customer set-up process, etc., is like. We introduce them to the rest of the organization through fun Q&As and a snapshot. They even have an online itinerary planned for them, involving all the information about the Company, and so on.
- **All job vacancies are posted internally.** We interview all interested employees and ensure they get feedback, and prioritize internal mobility over external candidates. In addition, in cases where there is a gap between a candidate's skills and those required for the position, we provide upskilling and reskilling training for our employees so they have the opportunity to gain the necessary proficiency. In the last year and since the merger with the Euskaltel Group, we have launched a section called **I'm on the move**, for professionals who are keen to make a move but who cannot find suitable vacancies. The Talent team advises and guides them about the next steps of their career.
- **Recruiting young talent:** We recruit students and new grads on a recurring basis. Our Chairs programs with universities (innovation and technology-related research projects) have 100% post-internship recruitment. Last year, we incorporated four new programs into this initiative, including collaborations with universities from Northern Spain, and we are in the process of incorporating two more.

- **Talent Review (MASvalor):** We are continuously measuring the contribution of our employees:

1. WHAT: OKR-based management. We follow the OKR model, removing the individual dimension and focusing our efforts on team performance (tribes and squads). They provide alignment and visibility with regard to the strategy. The results are linked to variable remuneration.

2. HOW: 360-degree appraisal. The entire employee ecosystem is involved in assessing the existence of key habits, as well as our digital knowledge and performance of our role. Last year, a detailed report was created as a result of the 360-degree appraisal for employees' self-knowledge. The report includes comparisons between the results from appraisers versus those from self-assessments, strengths, and areas for improvement.

3. Identifying potential. This focuses on type of professional career and supporting attributes. We distinguish between career specialization, versatility, and balance. Through this exercise, we ensure that subsequent development activities are geared towards bringing out the full potential of each employee.

4. Talent map: Based on the information from the evaluation process, we hold bottom-up talent committee sessions. The evaluations are shared and the final talent snapshot is defined.

- **MAScarrera:** This is the supporting framework for the development model. It is a transparent framework and identifies the career paths for each professional profile. After the talent review process and once the talent map has been determined, our employees receive their personal reports with the conclusions drawn about their career opportunities under MAScarrera.
- **Horizontal, vertical, and diagonal mobility in MAScarrera:** We take into account performance, potential, and organizational evidence based on contribution and the complexity of the position.

- **Development activities:** These depend on the critical nature of the position, any gaps identified through the talent review process, and each person's individual position on their talent map and in MAScarrera. All development activities begin with a self-awareness exercise intended to gain an in-depth understanding of the strengths and areas for improvement for our employees. Participants receive personalized feedback and are put in control of their own development plan.



9.4.1. Survey on working climate and corporate culture

Employee journey

In 2022 the employee journey was revised and implemented in the companies acquired from the Euskaltel Group, which led to improvements in many aspects of the Company, in addition to those specifically requested via Happyforce.

The information provided by the employee journey has allowed us to gauge how our employees feel and what is considered important at all times in order to improve their experience. It further allows area managers to get real-time aggregate results in order to put in place improvement measures.

Happyforce

The Happyforce tool has been introduced at all the companies that make up the MASMOVIL Group. It enables all those from the various headquarters of the Group to participate, and enables two-way and transparent communication. In 2022 we launched the “ideas” module through Happyforce, with the aim of promoting innovation and continuous improvement so that each employee can contribute new ideas on different topics, either prompted by the Company through specific initiatives such as our Simplicity project or spontaneously. We also take advantage of the tool to assess and ascertain which four employees best represent the Company values: Customer First, Positive Attitude, Simplicity, and Sustainability.

With Happyforce, we take our pulse each day to measure the score on the Happiness Index, which permits us to be aware of employee satisfaction and motivation levels.

The score obtained in 2022 was positive, since on a scale of 0 to 100 the Group achieved an annual average of 67, based on an average of 94% participation

Happiness Index:

Del 01 de Ene. 2022 a 19 Dic. 2022



The eNPS (Employee Net Promoter Score) is also measured on a quarterly basis; this indicator measures the level of employee satisfaction in the Company, and therefore the likelihood of the employee recommending it to family, friends, or acquaintances.

On a scale of between -100 and 100, we obtained a score of 34 points, which is a good result. This information helps us to continue reinforcing the measures carried out so far and to continue improving thanks to the feedback from employees.

In summary, our employees are both committed and motivated, although there is also a desire to keep on improving in order to keep on growing.

Culture survey

Happyforce allowed us to implement a number of different surveys. These included ad hoc pulse surveys to test the success of specific initiatives and larger surveys such as the MASMOVIL Group Culture Survey conducted in December 2022, the results of which will allow us to define the 2023 Cultural Strategy.

The results obtained in the culture survey are as follows:

RESULTS OF THE SURVEY CULTURE 2022	
57%	60%
2022 - %part.	2021 - %part.
% Areas	
Consumer	54%
Technology	61%
Corporate	59%
% Workplaces	
Galicia	74%
Asturias	66%
Bilbao	56%
Madrid	56%
Other	39%

CULTURE AND VALUES		
How we live by our Values on a day-to-day basis	↑ 2022 7.6	2021 6.6
Positive attitude	↑ 2022 8.0	2021 7.2
Customer first	↑ 2022 7.8	2021 7.2
Sustainability	↑ 2022 7.6	2021 6.1
Simplicity	↑ 2022 7.2	2021 6.0

2022 Cultural Strategy

The Group is aware that corporate culture makes a difference, since it is part of the DNA and the set of behaviors of all the people who belong to the Group, in line with our Vision, Mission, and Values.

Therefore, the Cultural Strategy began with a video of our CEO (as Cultural Sponsor for 2022) addressing the whole Group at the launch of the plan, which is led by the area of Culture.



1. Simplicity

Reviewing procedures, processes, reports, and business meetings

- Transformation Team:
 - Ninety-two Simplicity Sessions between Head and Agile Coach to raise awareness about this value and jointly review processes, procedures, meetings.
- Reduction in the number of management meetings.
- Analysis by reporting areas, tools used, identification of the areas where this automation is being implemented, and elimination of reports.

Dissemination of this value

- Dispatching of an email from our CEO about Simplicity.
- Productive Meetings Campaign.
- Production of four videos on how to work in an efficient way that were sent to all employees.
- Articles in MASLetter about Steve Jobs and Simplicity.
- MASIdeas contest in Happyforce.

Collaboration between areas

- MASEquipo: To explain what each area and corporate department does.

Measuring the value of Simplicity

- In April 2022, a pulse survey was conducted to measure whether the actions implemented had helped to strengthen the value.

2. Embracing our culture

Culture Ambassadors

- Appointment of 12 Ambassadors from different areas and territories.
- In February and March 2022, sessions were held with all the people in the Group. A compendium was created of behaviors associated with our values in order to draft, in a joint effort, a Guide to Behavior and thus all be able to share a common language.
- The employees' opinions were also obtained about which barriers they encountered when putting the values into practice and which actions ought to be implemented by the Company.
- The CEO held a breakfast meeting with the Culture Ambassadors so they could give him feedback from the sessions.

Campaign: Four quarters, four values

- The aim pursued was to further internalize our values through awareness-raising actions.
- In each quarter of 2022, one of the values was discussed in depth: first Simplicity, then Sustainability, then Positive Attitude, and Customer First.
- A photo contest was held for each value and quarter.
- The Group's social media profiles highlighted messages involving employees and the relevant corporate value: for instance, a photo of the three employees who won the Simplicity photo contest posing with our CEO.

3. Northern focus group initiative

In February 2022, information was gathered from our focus groups about the integration process for the Euskaltel Group:

- Focus groups in Galicia and meeting with the Regional Manager.
- Five focus groups in Asturias and meeting with the Regional Manager.
- Nine focus groups in Bilbao and meeting with the Regional Manager.

The information was analyzed and a report was prepared and shared with the CEO.

4. Feedback culture

In April 2022, we launched a campaign to promote a culture of ongoing feedback from all directions. The campaign was designed using a gamification approach to enable employees to learn in a fun, experience-based way how to give feedback. We backed up this initiative with environmental marketing to help participants assimilate behaviors, concepts, and habits.

5. Leadership

A training strategy was designed in 2022 targeting all managers, with the Seven Keys for Leadership at MASMOVIL. These keys are the cornerstones of leadership that will get us to the leadership model we are aiming for: the Servant Leader. The Seven Keys of Leadership at MASMOVIL are:



6. Spaces for engagement

The Group promotes spaces to build connections in the workplace with the aim of building trust and an open, friendly atmosphere, wherever its employees are located:

- Breakfasts involving the CEO and employees.
- Areas' Day in all departments and areas, scheduled every quarter.
- Area meetings.
- Offsite events by area.

7. Sustainability

Measures included:

- Explaining to employees what becoming a B Corp means.
- BGood Day event at the end of May, with several speakers talking about Culture.
- MASVoluntariado: The Group gave its employees the opportunity to dedicate eight of their working hours to volunteer with the Montemadrid Foundation in San Cristóbal, one of the most impoverished neighborhoods in Madrid. The goal was to help bridge the digital divide.

Thanks to this Strategic Plan, the scores for December 2022 improved in all aspects, particularly those related to the value of Simplicity and Sustainability. By making the intangible tangible under our motto of Listening, Acting, and Communicating, we achieve a stronger, unique culture that makes us stand out.



9.5. Managing diversity and equal opportunities

As part of our strategic objectives, we have included developing employment relations based on equal opportunities, non-discrimination, and respect for diversity.

We formalized this commitment in our [Equal Opportunities Policy](#), approved by the Group's Board of Directors. Its purpose is to lay down the basic guiding principles to generate a favorable working environment that promotes work-life balance among our professionals and, in particular, effective equality between women and men.

As a result of this commitment, in 2020 the equality plans of Euskaltel and R Cable y Telecable Telecomunicaciones were signed after negotiations with our workers within the framework of the Equality Committee. These documents constitute the guidelines to be followed to ensure that all procedures, tools, and actions related to the Company's various management processes are not directly or indirectly discriminatory. These equality plans are in addition to those mentioned earlier for Xfera Móviles, SAU, and Lorca Telecom Bidco, SAU. Negotiations are currently underway with various Workers' Committees.

At the MASMOVIL Group, there is the role of Chief Diversity Officer. This position is held by an employee who oversees the implementation of the measures put in place, communicates with the various stakeholders, seeks solutions, and makes new proposals based on the needs detected. This employee reports directly to the Group's CEO, who in turn is the director in charge of supervising all ESG-related issues within the Group's Board of Directors. Ultimately, the Board of Directors is the governing body that oversees diversity in the Group

THE CHIEF DIVERSITY OFFICER,
THE CEO, AND THE BOARD OF
DIRECTORS OVERSEE DIVERSITY
IN THE GROUP

9.5.1. Comprehensive Talent Diversity Plan

In line with the Group's Strategic Plan and commitment to a sustainability model focused on people, the environment, and good corporate governance, the MASMOVIL Group's Comprehensive Talent Diversity Plan systematically reflects the commitment by the Group's senior management to diversity, both inside and outside the organization.

The MASMOVIL Group intends to use this plan to become an internal and external benchmark in the fight against the discrimination people may suffer due to their gender, functional diversity, age, religion, culture, ethnicity, identity, place of origin, etc. It is based on the conviction that non-discrimination and co-responsibility in family and social obligations make it possible to acknowledge and optimize the potential and possibilities of all the people on whom, in one way or another, the MASMOVIL Group has an impact, thereby improving their quality of life and increasing their satisfaction with the Company.

The plan seeks to guarantee equal opportunities and non-discrimination for all Company employees. It aims to encourage the creation of a diverse workforce based on identifying talent and removing barriers, as well as fostering diversity beyond the limits of the organization, in line with its role as a social stakeholder and in collaboration with its suppliers and other public and private entities.

The MASMOVIL Group's Diversity Plan was designed taking into account that:

- Diversity is an integral part of its business strategy and aligned with all the Group's policies.
- Diversity is driven by the Group's Board of Directors and senior management and involves our entire workforce.
- Diversity incorporates social innovation as a central element of the policy and is a hallmark of our workforce.
- Diversity has an impact on the Group's workforce, on customers, on partners, on society, and, especially, on people.

The main guiding principles of MASMOVIL Group's diversity strategy can be summarized in the following points:

- Diversity is a cross-cutting and fundamental element of the MASMOVIL Group's strategy.
- Diversity is considered a positive value at the Group that should be fostered since it contributes to the Group's success and positioning.
- Social innovation is included in diversity management as a key element to achieve true social impact within the Group and throughout society.
- Talent is identified and recognized in people regardless of their diversity.
- Diversity throughout the Group's professional profiles will be guaranteed as a fundamental aspect to boost creativity, innovation, and the effectiveness of the organization.
- All of the workforce of the Group can participate in designing, managing, and evaluating diversity through the communication channels established for this purpose.
- The continuous improvement of diversity management will be carried out through successive evaluations and the monitoring of indicators.



9.5.2. Activities carried out in 2022

The following activities were carried out in 2022:

- **Corporate Volunteering:** An online volunteering initiative, working with the Montemadrid Foundation, to bridge the digital divide in one of the most disadvantaged neighborhoods in Madrid. Approval was given to the option of dedicating eight working hours to this project.
- **Health Week:** In October we organized our Health Week, offering a variety of activities such as round tables, on-site and online workshops on nutrition, physical aspects, and yoga workshops that in Madrid were given by a representative from the A la Par Foundation.
- Diversity and Equal Opportunities training was given to the Management Committee, Equality Committee, and heads of the organization.
- Participation in the **Progress and Promote Programs**, an initiative from the Spanish Confederation of Business Organizations (CEOE) and the ESADE educational institution, to train high-potential women in those skills needed to successfully lead projects and teams. We currently have two women taking part in this program.
- **Women Leaders Program:** A program focusing on encouraging female leaders at the organization. It rests on four pillars: (i) promoting their development and personal brand; (ii) giving them more and better visibility within the organization; (iii) improving their self-knowledge in order to enhance their leadership; and (iv) generating a more diverse and aware management environment. The program is structured around different phases that include diagnosis and self-knowledge, training, work sessions to challenge beliefs and build an “AS IS - TO BE” strategy, customized coaching sessions for participants, work sessions to challenge beliefs with the Management Committee, and, finally, a sponsorship program involving the Management Committee.
- During 2022, the Marketing area hosted two interns from the A la Par Foundation.

IN 2018 AS WELL AS THE
IMPLEMENTATION OF OUR
OCCUPATIONAL RISK
PREVENTION MANAGEMENT
SYSTEM IN THE SAME YEAR,
UPDATED IN MARCH 2022 OWING
TO THE INTEGRATION OF THE
COMPANIES OF THE EUSKALTEL
GROUP.

9.6. Occupational Health and Safety

**GRI 3-3 / GRI 403-9 / GRI 403-1 / GRI 403-2 /
GRI 403-3 / GRI 403-4 / GRI 403-6 / GRI 403-10 /
GRI 404-1**

The health and safety of all the Group's employees are present in all of its daily actions and decisions. This is what prompted the creation of the Joint Prevention Service in 2018 as well as the implementation of our Occupational Risk Prevention Management System in the same year (updated in March 2022 owing to the integration of the companies of the Euskaltel Group).

As laid down in that management system, the Group has set up a Joint Prevention Service, which is part of the Human Resources area, as a form of prevention at an organizational level. An external entity has audited the preventive system and granted the corresponding certification, valid until January 2024. Euskaltel Group companies have also been certified according to the International Standard ISO 45001 (Occupational Health and Safety Management Systems).

In 2022, practical training on first aid, use of defibrillators, and firefighting was provided for members of the emergency teams at our various main headquarters.

In addition, the Group has five Health and Safety Committees at our various main headquarters (Asturias, Galicia, the Basque Country, and two in Madrid). These committees are made up of both Company and employee representatives, and they monitor, coordinate, and discuss all aspects relating to employee health and safety.

Additionally, as the main lever for the integration of safety and health into the Company's actions and decisions, in 2018 we appointed Operational Prevention Managers in each area. The role of these managers is to ensure the implementation of preventive criteria in all the Company's activities. There is also a Prevention Committee that meets several times a year, in addition to the Health and Safety Committees mentioned in the preceding paragraph.

The new procedure governing Business Activities Coordination (BAC) was published in 2022. As a result, we have scheduled training for 2023 for all Project Managers on the risks of the sector and the guidelines for prevention management for the areas that manage contractors. These Project Managers will also be provided with a support tool (currently being developed), integrated in JIRA, to manage Business Activity Coordination.

9.6.1. Number of hours of absenteeism, number of work-related accidents, specifying frequency and severity

9.6.1.1. From the date of acquisition of the Euskaltel Group in FY2021:

	2022	2021
Hours of absenteeism	97.172	51.107
Absenteeism rate (*)	1,09	0,93

(*) Expresses the number of days lost, using the workforce as of December 31, 2022 (calendar days from the start date of leave to the end date of leave, both inclusive) per 100 working days.

ACCIDENTS	2022	2021
Women	1	1
Men	4	3
FREQUENCY RATIO	2022	2021
Women	0,78	0,10
Men	2,07	0,18
SEVERITY RATIO	2022	2021
Women	0,14	0,06
Men	0,09	0,06
OCCUPATIONAL DISEASES	2022	2021
Women	-	-
Men	-	-

9.6.1.2. Of the Group's companies in 2022 and 2021 (considering January 1, 2021 as the date of entry of the Euskaltel Group):

	2022	2021
Hours of absenteeism	97,172	69,508
Absenteeism rate (*)	1.09	1.27

(*) Expresses the number of days lost, using the average workforce (calendar days from start date of leave to the end date of leave, both inclusive) every 100 working days.

ACCIDENTS	2022	2021
Women	1	1
Men	4	3
FREQUENCY RATIO	2022	2021
Women	0.78	0.08
Men	2.07	0.15
SEVERITY RATIO	2022	2021
Women	0.14	0.05
Men	0.09	0.05
OCCUPATIONAL DISEASES	2022	2021
Women	-	-
Men	.	-

9.6.2. Work-related accidents resulting in death or permanent disability

In the companies of the Group during the years 2021 and 2022 there were no work-related accidents resulting in death or permanent disability among the Group's own staff. In 2022, a worker from one of our subcontractors suffered a fatal accident.

9.6.3. Health care and promotion

In addition to legally required activities, the Joint Prevention Service has directed its actions towards employee wellbeing. Proof of this is found in the joint efforts with other areas of the Company (Employee Experience and Internal Communication, Culture, Communication, and Corporate Social Responsibility) for the implementation of different initiatives for the benefit of the employees. These are framed within the Corporate Wellness Plan, and are internal initiatives to improve both the health and wellbeing and the satisfaction levels of the Group's employees:

- DoctorGo (telemedicine service).
- Workplace medicals. They were carried out at the Medical Service facilities at the headquarters, making it very convenient and flexible for employees, which meant there was a significant increase in take-up of this option compared to previous editions.
- Twice-weekly in-house physiotherapy service (resumed in 2021, after it was temporarily suspended due to the COVID-19 pandemic).
- Distribution of fresh fruit to the various locations (resumed in 2021, after the service was temporarily suspended due to the COVID-19 pandemic).
- In 2022, we launched the MASgym initiative (gym service at the Alcobendas office, with trainer-led classes)
- Agreements have been signed with gyms located close to the Group's central headquarters.
- Promotion of corporate and team-based tournaments and sports activities.
- Holding of the Workplace Health and Safety Week, in October 2022, with many events and informative talks held at the main headquarters of the Group.

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9.6.4. Strategic plan to address the COVID-19 pandemic

From the outbreak of the pandemic, the MASMOVIL Group maintained a level of safety and protection to prevent the spread of infection that allowed its employees to work on site (with a mixed remote/on-site working system). During 2022, these measures were adapted in accordance with the general course of the pandemic among the population, and according to the infection rate among the Company's employees.

The measures taken in 2022 to cope with the pandemic by COVID-19 are summarized below:

- Screening to test for COVID-19, providing each employee with an antigen test each week to be used the first day of on-site work. Since September 2022, the Company has stopped providing these tests on a weekly basis but has continued to make them available to those who need them, even sending them to the homes of affected employees to ensure a safe return to work.
- The measures at our work centers (safety distances, signage, measuring temperature, disposal of hygiene and protection products, reinforcement of the cleaning service, capacity limitation, restricting activities and events involving multiple people, etc.) were gradually withdrawn. All the aforementioned measures were withdrawn in September 2022.
- Recurring and constant supply of hygienic and protection material delivered both to employees at headquarters and to sales staff. Since September 2022, the supply to sales staff was discontinued, although the material is still made available, and any requests are dealt with on an individual basis.
- The discretionary shuttle service to the workplace, which was consolidated as an employee benefit.
- Constant supply of information for employees about the evolution of the pandemic and the guidelines to be followed, based on updates from the health authorities.
- The continuous monitoring of cases of the virus, close contacts, and preventive isolation, reporting to the Executive Committee. This reporting was discontinued in October 2022.
- At the current time, we continue to answer any employee queries, when necessary sending them guidelines on how to proceed (preventive isolation, testing, etc.) and sending tests to their homes, etc.

9.7. Training

GRI 3-3 / GRI 404-1

The MASMOVIL Group fosters and enables an ecosystem among our employees of self-management and autonomy as regards acquiring and sharing knowledge, and taking steps in their personal and professional development. To meet this challenge, our training plans and initiatives are designed around an exercise to detect needs, which involves gaining an understanding on a first-hand basis of the teams' concerns with regard to training. Detecting training needs is aligned with the strategic objectives of the Group and of each of the areas. Once all the information has been assembled and prioritized, we design an annual training plan which is shared with the entire Company and becomes our training guide for the year.

In this area, we sought to achieve the following training and development objectives:

- Acquire and develop the personal and professional knowledge and skills necessary to carry out our work successfully and contribute to achieving the new challenges and projects in 2022.
- Promote a culture of shared knowledge among all the professionals at the Group.
- In particular:
 - We continued to focus on commercial excellence: exclusive channel supervisors, point of sale managers, trade marketing collectives from all channels, and SoHo channel managers.
 - We provided relevant training for specialist profiles in order to acquire and develop the technical knowledge we need to keep us at the technological forefront (machine learning, data analytics, software development).

We have an e-learning ecosystem that we gradually built by integrating different content platforms that help us foster self-learning. It also furnishes us with a more flexible training model. The training formats available range from face-to-face to online training, as well as streaming or virtual training opportunities.



9.7.1. Platforms to promote training

- **ODILO:** A generalist platform that has hundreds of resources and content items in different formats and on a wide range of subjects.
- **BUSUU:** It allows us to study up to 12 different languages, from level A2 right up to level C1.
- **PLURALSIGHT:** A niche platform with content aimed at technology and IT.
- **CXL:** A platform that gathers content focused on digital marketing.



During 2022, the MASMOVIL Group focused on several lines of training:

- Training on 5G networks
- Training on Multimedia Network Architecture
- Training on Google Cloud Fundamentals: Core Infrastructure
- Training covering ITIL Foundation V5
- The software-defined networking and network functions virtualization (NFV – SDN) expert program
- Fortinet
- Training on diversity and equal opportunities
- Fire protection training

We also carried out several development initiatives for different groups:

- A mentoring program for emerging leaders, geared towards people identified in one of the four Key Talent collectives.
- Second Edition of MLIP: Internal MBA developed ad hoc with a business school, aimed at those holding critical positions at the MASMOVIL Group, under the name of **MASMOVIL Leadership & Innovation Program (MLIP)**. The purpose of the program is to complement the strengths of the participants and cover any gaps identified in terms of strategic vision and development.
- Leadership Program: Seven Keys.
- Culture Ambassadors.
- Program: **Women Leaders**. Program focusing on the specific skills that a leader should develop, looking particularly at women's leadership, with the aim of preparing and supporting them as they develop their ability to lead the organization.

The image shows the 'CULTURA ES TODO' logo on the left, which consists of a stylized molecular or network structure above the text 'CULTURA' and 'ES TODO'. The background is a photograph of two women in a modern office setting, both giving a thumbs-up. A large yellow balloon with the 'CULTURA ES TODO' logo is visible behind them. The entire image is framed by a yellow border with a blue and yellow geometric pattern.

9.7.2. Hours of training by gender and employee category

A total of 46,016 hours of training were given during 2022.

9.7.2.1. From the date of acquisition of the Euskaltel Group in FY2021

HOURS OF TRAINING	2022	2021
Management	3,105	1,767
Technical staff	18,107	8,302
Administrative staff	4,583	7,683
Other staff	20,221	7,763
Total	46,016	25,515

AVERAGE HOURS OF TRAINING BY GENDER	2022	2021
Women	24.26	14.83
Men	26.03	12.84

9.7.2.2. Of the Group's companies in 2022 and 2021 (considering January 1, 2021 as the date on which the Euskaltel Group was incorporated)

HOURS OF TRAINING	2022	2021
Management	3,105	2,498
Technical staff	18,107	12,041
Administrative staff	4,583	9,351
Other staff	20,221	14,663
Total	46,016	38,553

AVERAGE HOURS OF TRAINING BY GENDER	2022	2021
Women	24.26	23.13
Men	26.03	18.96

10. Respect for human rights

GRI 3-3 / GRI 2-23 / GRI 2-26 / GRI 406-1

Given that the MASMOVIL Group's business activities are confined to Spain, issues related to respect for human rights do not constitute a material issue for the Group. Both the abolition of forced or child labor and respect for freedom of association are strictly monitored and guaranteed in the European Union. Accordingly, these issues are limited to the appropriate management of employees and to guaranteeing compliance with their fundamental rights.

10.1. Human Rights Policy

On September 29, 2022, the Group approved a new version of its Human Rights Policy, (initially approved on June 30, 2017), to implement and develop its policy on environmental, social, and corporate governance (ESG) issues (the ESG Policy). Also on September 29, 2022, through a resolution passed by the Board of Directors, the Group approved a new version of its Policy on Unacceptable Behavior (initially approved on July 25, 2018). This document is based on the principle of non-discrimination described in the Code of Ethics and lists the different actions that go against compliance with the regulations (both internal and external) and which hinder the smooth functioning of a healthy and ethical work environment.

The Human Rights Policy covers aspects such as protection of whistleblowers, forced labor, child labor, and freedom of association, among others.

10.1.1. Protection of whistleblowers (whistleblowing)

This policy and the Statute of the Compliance Officer and Operation of the Ethical Channel together define the procedure for managing complaints received through the Group's internal ethics channel, with the support of the Compliance Officer, the Ethics Committee, and the CEO. That procedure also defines the process applicable to internal investigations and the timescale for applying measures.

10.1.2. Protection of workers' rights

Although the Group's business activities have a low impact in relation to human rights, it is aware of the importance of protecting its employees and the social impact. For this reason, the ESG Policy, approved by the Board of Directors on September 29, 2022, expressly mentions protection of the fundamental rights of workers, and is subject to constant review by the Group's Compliance Officer.



10.1.3. Commitment to human rights and labor rights

However, the Group wanted to go further as regards the issues related to respect for human rights and on February 27, 2018, it approved a specific policy to formalize its commitment to human and labor rights, both nationally and internationally. The policy mentions the United Nations Global Compact (which the Group joined in 2020), the guiding principles on business and human rights, and the social policy of the ILO (International Labour Organization).

The Group upholds its commitment to appropriate management in connection with its employees and guarantees compliance with their fundamental rights, eliminating any type of discrimination in the workplace through its various internal procedures and the Group's Code of Ethics, and with its suppliers through mandatory compliance with the Supplier Code of Conduct. Respect for the human rights recognized in national legislation and compliance with international standards is required at all times.



10.1.4. Social dialog and freedom of association

Social partners play a leading role within the team of professionals as spokespersons for collective needs. The Group maintains a fluid social dialog that is consistent with the growth we have experienced in recent years.

In 2022, after months of negotiation, an agreement was reached with the legal representatives of the Euskaltel workers whereby the Fourth Collective Agreement was signed, which is valid until December 31, 2024. We also came to an agreement with the Euskaltel workers' legal representatives on teleworking.

Also in 2022, and within the framework of the ongoing social dialog we engaged in with the legal representatives of the Xfera Móviles and Lorca Telecom workers, a pay review agreement was reached for 2022, which was extended to most of the other companies, thus affecting the majority of the Group's employees.

In this same context, at the end of 2022 a pay review agreement was also reached for the following two financial years (2023 and 2024) with the legal representatives of the workers of Xfera Móviles and Lorca Telecom, which has been extended to the majority of the workers of the Business Group, thus providing stability as regards pay in a social climate of uncertainty. Also resulting from the current climate and our social dialog approach, at the end of 2022 we came to an agreement with the legal representatives of the employees of R Cable y Telecable Telecomunicaciones, under which the current collective agreement was extended until 31 December 2024, 2024. A pay review agreement for 2023 and 2024 was also reached, enabling greater social harmony and regulatory stability in our labor relations.

10.1.5. Rejection of child labor and forced labor

The Group explicitly rejects child labor and forced labor, undertaking to respect freedom of association and collective bargaining, as well as to implement due diligence procedures for identifying risks in this area and to verify those procedures.

The MASMOVIL Group is not aware of any inappropriate behavior that violates human rights, or complaints in this regard, or cases or complaints related to any type of discrimination.

11. Society



Our results in 2022:

- Improvements to the MASsolidaria discount rate by adding mobile-only rates.
- Reducing the digital divide: 2.5 million homes with fiber in locations with less than 20,000 inhabitants.
- Deployment of 5G where fiber was not available, and participating in pilot testing for innovative uses for the inhabitants of rural and urban environments
- Pienso, Luego Actúo (I Think, Therefore I Act): 200 million views, inspiring society and raising awareness, while encouraging the general public to participate in these initiatives and projects.
- Launch of the Digital Kit program to support the digitalization of small and medium-sized enterprises (SMEs) and the self-employed.

The Group aspires to be the operator with the greatest positive impact on people and society, growing responsibly, delivering quality business, and improving the environment.

GRI 3-3 / GRI 203-2 / GRI 2-29

11.1. Contribution and impact on the community

Connectivity and the efficient application of resources allow for rural development and new, more efficient and more competitive businesses so that they, under equal conditions, can continue to grow and enjoy the advantages of being connected through the fastest fiber and 5G.

Our ambition is to bring the best fiber to every corner of Spain, to foster communication, teleworking, the development of local businesses, the continuation of Spanish craft expertise, and the quality of life in rural areas. For a further year, the MASMOVIL Group, under the banner of #GrupoMASMOVILPorLosPueblos, pursued its goal of keeping #SpainConnected. Over the course of 2022, our social media profiles cast the spotlight on more than 96 locations in rural Spain where we brought the fastest fiber in Spain close to their homes.

Our intention was to contribute to supporting tourism and trade in these small towns by showcasing their stores, restaurants, events, cuisine, cultural sites, etc.

Euskaltel, Grupo Teknei, Dominion, and the Basque Government created Atlantic Data Infrastructure (ADI), a top-tier data center designed to support the digital transformation of enterprises and institutions. The founding of this new state-of-the-art data processing technological infrastructure will encourage the proliferation of an ecosystem of digital companies, thereby achieving an economic and social impact on the area.

11.2. Contribution to local development

11.2.1. MASsolidaria's proposition:

To bring connectivity closer to society's more disadvantaged groups.

In the second half of 2020, the MASMOVIL Group began working on the design and execution of a project to support communities. Its main aim was to make access to quality internet connectivity easier for those pockets of the population who are most disadvantaged and suffer the consequences of the digital, social, and educational divide caused by lack of access to quality internet services. This project was ultimately launched in March 2021 under the name MASsolidaria.

Partnership with Red Innicia

With the aim of identifying the people in most need of the service among those who were also actively participating in some kind of labor insertion, vocational training, or remedial teaching or academic support program, the MASMOVIL Group allied itself with Red Innicia (the network linked to the Innicia Association). This network contributes all the necessary expertise, given its extensive experience in social work initiatives involving these groups, to identify and help disadvantaged people.

The MASsolidaria project at the Group

The MASsolidaria scheme enables internet access through high-speed fiber and mobile connectivity at a very competitive price, with a 50% discount applied to the usual price for an indefinite period, to help the beneficiaries in their reinsertion into society and the job market. The benefits also include the chance to add a mobile telephone line with 1GB of data and unlimited calls to Spanish landlines and mobiles for just €3 more per month. The MASMOVIL Group decided to create this scheme on a zero margin basis and, furthermore, to assume both the costs of customer equipment and the setup costs for beneficiaries.

In the final months of 2022, we launched a project to add mobile-only tariffs to the MASsolidaria scheme, to bring connectivity to those families in need of the service who required not a landline connection but a quality mobile line at an affordable price. Over the course of 2023 we hope to continue to give shape to this new line of action to support communities so we can increase the number of beneficiaries.

MASSOLIDARIA IS PART OF THE
COMPANY'S ESG STRATEGY
WHICH FOCUSES ON CORPORATE
SOCIAL RESPONSIBILITY,
SUSTAINABILITY, AND POSITIVE
SOCIAL IMPACT, ALONGSIDE
THE MASMOVIL GROUP'S
COMMITMENT TO KEEP SPAIN
CONNECTED ("MANTENER ESPAÑA
CONECTADA")

In addition to our MASsolidaria scheme, the MASMOVIL Group is bringing quality connectivity to other vulnerable groups through a social tariff known as the Rate Subsidy (the Bono Social). As we explain below, for the moment we have started with the Community of Aragón and the Basque Country.

- The Department of Citizenship and Social Rights of the Government of Aragón approved the call for the awarding of grants in order to execute a program involving digital vouchers for vulnerable groups, within the framework of the Recovery, Transformation, and Resilience Plan financed by the European Union (Next Generation EU).
- Our subsidiary Embou, the operator with the largest broadband network in Aragón, was authorized by the Government of Aragón to be part of aforementioned initiative, whereby it can request the Aragon-based operator to apply a discount rate of €20/month for 12 months (€240 for the year).
- In addition, Euskaltel offers low-income families access to the Internet at a reduced price indefinitely. The Basque operator guarantees quality internet connection at reduced prices through its Internet Compromiso service. Internet Compromiso is a Euskaltel initiative under which the 12-month validity of the Rate Subsidy activated by the Basque Government is extended indefinitely.

11.2.2. Bridging the digital divide: Network deployment in rural areas

The MASMOVIL Group is aware of the increasing importance of connectivity to achieve equitable development of the planet. Having access to quality internet promotes and allows economic development, culture, and access to information and, hence, to equal opportunities and social improvements regardless of which corner of the world you happen to be in.

Aligned with our mission to connect people

The MASMOVIL Group's mission is to connect people with the latest technology available and ensure the best customer experience, while our vision is to be the telecommunications company whose customers report the highest levels of satisfaction in Europe, and to deliver a positive impact on people, shareholders and the planet, prioritizing long-term value over short-term gains.

The network deployed by the MASMOVIL Group in locations with under 20,000 inhabitants represents 64% of the total deployed network.

Taking care of towns with smaller populations

The reduction of the digital divide in Spanish towns with a population of less than 20,000, especially in what is known as rural Spain (locations with less than 8,000 inhabitants), is one of the Group's priorities through our investment in quality fiber. In fact, the deployment of our own fiber network in rural locations accounts for the majority of the Group's fiber deployment.

In 2019 the Group deployed networks that made it possible to reach 473,000 new homes in locations with less than 20,000 inhabitants, as part of an investment plan that allowed us to boost this figure by another 309,000 homes in 2020, plus a further 538,000 homes in 2021 (including 282,000 through the Euskaltel Group).

The deployment of our networks in 2022 allowed us to reach a further 430,000 households in locations with less than 20,000 inhabitants.

Deployment of fiber that covers 2.5 million homes based in towns with under 20,000 inhabitants.

By the end of 2022 the Group had reached the figure of around 2.5 million building units covered by our fiber rollout in locations with under 20,000 inhabitants. This

represented 64% of the 3.9 million building units reached by the Group at year-end 2022, 20% more than in 2021. As part of the rollout of this coverage, a part was later sold to an infrastructure fund, which enables the fund to reach wholesale deals with other telecommunications operators and therefore increase the supply and alternatives available for consumers in these rural areas.

The Group's fiber network deployment in towns with under 8,000 inhabitants represents 33% of our total network deployment and 52% of the network deployed by the MASMOVIL Group in towns with under 20,000 inhabitants.

Relevance of our investment efforts in towns with less than 8,000 inhabitants

The aforementioned investment efforts in rural Spain are even more relevant when we are referring to towns with populations of less than 8,000 people for which, in the majority of cases, there were no national telecommunications operators offering fiber services until the MASMOVIL Group deployed its network.

The total number of building units covered by our fiber network in rural locations and towns with under 8,000 inhabitants topped 704,000 building units at the end of 2020. After we deployed the network to reach another 333,000 units in 2021, we passed the threshold of 1 million units with access to fiber (35% of the network deployed by the Group, and 50% of the network in towns with a population of less than 20,000).

In 2022, the network was extended to cover a further 237,000 building units in towns with less than 8,000 inhabitants, reaching the total figure of nearly 1.3 million by the end of the year.

This illustrates our clear focus on connecting rural Spain, as opposed to big cities, where the majority of operators are present.

Reducing the digital divide, especially in towns without quality internet coverage scheduled in the next three years (PEBA or New Generation Broadband Extension Program).

We participated in the PEBA Plan

As part of our fiber rollout in rural Spain, the MASMOVIL Group also participated in the PEBA Plan to extend new generation broadband, implemented by the Spanish Government's Ministry of Economy and Finance. Under this scheme, aid was provided for the development of ultra-fast networks in Spain, a strategy that is in line with the Spanish Government's decision to bring the developments in infrastructure and services relating to the Digital Society to all citizens, as well as achieving the objectives of its Digital Agenda to attain universal broadband coverage with speeds greater than 100 megabits per second.

As part of the PEBA Plan, the Government provides a list of municipalities that suffer from the digital divide and which, in addition, do not have plans to obtain network coverage for quality internet access within three years.

As part of this scheme, the MASMOVIL Group deployed its fiber network in PEBA classified locations, covering more than 450 municipalities enabling us to offer the service.

In these towns, the coverage provided by the Group's network directly linked to the PEBA plans represents more than 600,000 building units which potentially could be connected. At present we have no active subsidies stemming from the PEBA plans (the subsidies ended in 2021).

However, our footprint in this area affected by the digital divide has extended beyond the boundaries of the PEBA grant to 709,000 building units, which demonstrates our commitment to our presence and continuity in these small towns.

These 709,000 building units represent more than 15% of the network deployed directly by the MASMOVIL Group which, in the Group's opinion, demonstrates our strong support for the rural environment and reducing the digital divide in Spain.

Where we cannot deploy our fiber, we get there through 5G Fixed Wireless Access

We promote alternative technologies when fiber is not an option

In the areas of rural Spain that fiber cannot reach, we are offering quality connectivity through 5G FWA technology with 150 Mbps and a self-install kit (no cables, no installation service necessary, no waiting).

This is our internet connectivity solution for rural areas: up to 10 times faster than ADSL and with up to three times lower latency. As for customer equipment, we provide our cutting-edge Wi-Fi 6 routers.

In approximately 90% of cases, the service is activated within 48 hours of it being requested.

During 2022, we launched the project in Galicia, making a connection possible for more than 250,000 households spread over 97 municipalities.

During 2023, the project will be extended to the autonomous regions of Andalusia, Valencia, Catalonia, and the Basque Country and Navarre.





11.2.3. Promoting 5G connectivity

We are part of the consortium of 5G pilot programs promoted by Red.es, contributing our connectivity solutions to develop beneficial practical uses for citizens in rural and urban areas.

The 5G Catalonia project was one of the winners of the second call for bids launched by Red.es (an entity belonging to the Ministry of Economic Affairs and Digital Transformation) within the framework of the National 5G Plan. The initiative is co-financed by the European Regional Development Fund (ERDF).

The project consists of seven use cases aimed at developing solutions in the field of urban mobility, remote education, the industrial sector, online shopping, audiovisual transmission, security and emergency management in the urban environment, and the construction of a neutral multi-operator network aimed at offering connectivity in areas with a high seasonal occupancy rate, such as the beach areas of the Barcelona coastline.

5G Euskadi is a joint initiative comprising 13 companies and public and private organizations, developed with the aim of deploying and activating a 5G network in the three technology parks in the Basque Country (Gipuzkoa, Bizkaia, Araba), with 65% of the budget being allocated to this. Nine use cases will also be developed, thereby completing the investment.

Specifically, these use cases focus on development of products and services at the pre-commercial stage, in the areas of mobility, energy, industry, cybersecurity, and network services.

The Basque Country project was also approved by Red.es and co-financed through the European Regional Development Fund, implemented through the Pluri-regional Operational Program of Spain (POPE).

MASMOVIL's 5G service reaches 1,660 towns

The Group continued to expand its 5G services, reaching 1,660 towns in 51 Spanish provinces. The MASMOVIL Group already makes 5G services available to 74% of the Spanish population, through its Yoigo, MASMOVIL and Pepephone brands.

Launch of 5G services by Euskaltel and Telecable

Euskaltel has already deployed 5G in the three provincial capitals and a further 37 municipalities in the Basque Country, reaching 73% of the Basque population.

Telecable launched 5G services for its mobile customers. From that point on, Telecable's mobile customers will have access to 5G technology, regardless of the tariff on their contract and provided their device is compatible with 5G.

MASMOVIL and Indra joined forces to create an innovative ecosystem that promotes advanced 5G solutions for transportation

The two companies entered into a partnership agreement to roll out a new testing space where they can develop and validate innovative solutions, based on the new 5G communications standard, which favor smarter, connected, and sustainable mobility. The ecosystem will be created at Indra's facilities and will allow us to work on development to strengthen the safety of connected and autonomous mobility, promote smart maintenance, and enhance the traveler's experience.

The MASMOVIL Group at the head of a mobility control and traffic emission reduction consortium

The mobility control and traffic emission reduction program known as CRETA, led by the MASMOVIL Group, was selected by the Ministry of Economic Affairs and Digital Transformation, through the State Secretariat for Telecommunications and Digital Infrastructures, to receive the first grants from the 5G UNICO Sectorial Plan (under the call for applications launched in 2022). The plan is part of a strategy under both the Digital Spain Agenda 2026 and the Recovery, Transformation, and Resilience Plan to promote the rollout of 5G technology. It has been allocated €124.5 million, and centers on carrying out experimental development projects involving 5G applications and services that impact the digital transformation of key economic sectors for Spain.

The CRETA program (with a budget of €6 million, €2.7 million of which is contributed by the Ministry of Economic Affairs and Digital Transformation) will demonstrate the capabilities of 5G technology, remote measurement of polluting traffic emissions, advanced analytics, and artificial intelligence in boosting optimal traffic management in three strategic areas:

- Urban mobility and low emission zones (LEZs). A pilot study will be carried out in Madrid, in conjunction with the Alcobendas Municipal Council, Madrid Calle 30, and the General Directorate of Traffic, to measure and manage real traffic emissions. The objective is to evaluate the effectiveness of the low emission zones implemented and be able to regularly monitor the polluting emissions of all urban traffic.
- Interurban mobility and access to cities. The pilot study in Barcelona involves the participation of Barcelona City Council, the Barcelona Metropolitan Area, and the Generalitat de Catalunya. It includes measuring the real levels of traffic emissions and identifying the most polluting and cleanest types of vehicles, with the aim of applying more selective restrictions or access permits.
- Cross-border control and payment for pollution. This is a pilot study in Gipuzkoa (Irún), with the collaboration of the Provincial Council of Gipuzkoa and the Basque Government, to measure the real emissions levels of heavy traffic, so as to make it possible to implement payment for use based on the "polluter pays" principle.

For this program, the MASMOVIL Group heads up a consortium made up on the Opus RSE, Indra, Abertis (through AAE and AMS), Cellnex (through Tradia Telecom), Syltec, and Vincés Consulting.



11.2.4. Creation of economic value

Ever since our business activities began, all Group companies have shared a commitment to foster the development of the communities in which we operate and to boost their growth, providing wealth and wellbeing to all our stakeholders.

11.2.5. Economic value generated, distributed, and retained in 2022

GRI 3-3 / GRI 201-1 / GRI 201-4

INDICATOR	2022	2021	UNIT
Economic value generated	3,140	2,554	Millions of euros
Total revenues	2,894,216	2,465,019	Thousands of euros
Other operating income	243,708	83,679	Thousands of euros
Financial income	2,054	5,736	Thousands of euros
Economic value distributed	2,280	1,840	Millions of euros
Consumption of goods	184,082	181,819	Thousands of euros
Work carried out by other companies and other supplies	1,001,735	776,507	Thousands of euros
Salaries and wages	131,366	109,174	Thousands of euros
Other operating expenses	596,212	558,126	Thousands of euros
Financial expenses	372,984	255,769	Thousands of euros
Corporate income tax and other taxes	(6,216)	(41,543)	Thousands of euros
Economic value retained	860	715	Millions of euros
Profit before taxes	423,193	129,776	Thousands of euros
Net profit from ongoing operations	448,913	191,443	Thousands of euros
Result from discontinued operations	9,655	-	Thousands of euros
Profit (loss) for the period	458,568	191,443	Thousands of euros
Public subsidies received	108	93	Thousands of euros

Maintaining solvent and stable growth results also entails progressively increasing our contribution to the public budget through payment of taxes.

INDICATOR	2022	2021	UNIDAD
Corporate income tax paid	27,992	48,542	Thousands of euros

11.3. Social development

GRI 3-3 / GRI 2-28 / GRI 201-1

Our collaborations, sponsorships, and alliances represent an essential lever in developing our strategy, in seeking greater rapprochement and engagement with the local communities in which we operate. Our objective therefore lies in enhancing the link between people and the Company, fostering the creation of a more personal relationship through which we encourage the development of the environment in which we operate.

The initiatives with which we collaborate seek to highlight the importance of technological development and promoting equal opportunities and social integration, which they do through training, cultural, solidarity, and sports events and activities.

The Group contributed €4,713 thousand to partnership and collaboration initiatives with local entities through sponsorships and patronage during 2022.

	2022	2021
Donations to and sponsorship of foundations and non-profit associations	2,448	2,383
Other sponsorships	2,265	2,227
Total (thousands of euros)	4,713	4,610

**ESTO TIENE TU LIKE SEGURO.****#EmprenderSíEsCosaDeNiños**

La fundación que apuesta por el emprendimiento en las aulas.

**#NadieSinSuRaciónDiaria**

El proyecto que digitaliza y facilita la donación de alimentos.

11.3.1. Pienso, Luego Actúo (I think, Therefore I Act)

The MASMOVIL Group's major commitment to positive social impact is through [Pienso, Luego Actúo \(I think, Therefore I Act\)](#), a platform from Yoigo which gives added impetus to people who are improving the society we live in through social projects. These are ordinary people who have transformed their desire to excel into extraordinary actions that, in one way or another, are helping others and the world.

The platform has been in operation for more than four years now. By the end of 2022 we had attained around 200 million views, inspiring society and raising awareness while encouraging the general public to participate in these initiatives and projects. It is helping NGOs and social enterprises to grow and continue their work through a number of different activities related to the United Nations Sustainable Development Goals of the 2030 Agenda.

At the outbreak of the COVID-19 pandemic, the Pienso, Luego Actúo platform transformed its website into a search engine to allow people to search the initiatives that had emerged to provide help. This search engine, resulting from the response to the global situation, today covers more than 600 community-based initiatives to which users can make their own small contributions.

When the conflict in Ukraine started in 2022, the platform again gathered and screened the initiatives being developed to make it easier for aid to reach the country, focusing on the conflict and creating a specific filter for Ukraine. Taking it one step further, in October,

Pienso, Luego Actúo launched its new website, a much simpler and more intuitive version, in order to encourage these initiatives to an even greater extent and make it easier for people to take action.

Examples that reflect the success of Pienso, Luego Actúo include Eugenio García-Calderón's Light Humanity project, which managed to raise €10,000 for 1,050 families who had no access to electricity. Another example is Antonio García Vicente, the 14-year-old creator of the Joinus4theplanet platform, who is fighting to preserve the environment; he managed to triple the number of his website's users and double his followers on Instagram after being featured on Pienso, Luego Actúo.

As well as its search engine, the Pienso, Luego Actúo social platform creates content for its social media profiles to highlight these initiatives, including prize draws to promote the social products involved in the initiatives and specific activities seeking to spur them on as far as possible. One clear example was the launch by the Pienso, Luego Actúo platform of the first digital art exhibition on female alopecia in June, with the aim of making known, and raising the visibility of, a form of beauty that breaks away from both pre-established standards and the current stigma around female hair loss. The art works were digital creations by six Spanish artists and were auctioned off after the digital exhibition had ended. All the proceeds went entirely to the A Pelo Association. This event obtained an audience of almost 10 million people; more importantly still, whereas before they would meet in a small private room, at their last meeting they numbered more than 70 women.

11.3.2. Other social development activities

UnaDeDos

According to the Second Study of the Spanish Advertising Population, carried out by the Club de Creativos and APG Spain, although women represent 51.5% of the base of the creative pyramid, only 22% reach management-level positions, a figure that has barely changed since 2011. UnaDeDos – meaning “one in two” – is an initiative from the Más Mujeres Creativas and the Club de Creativos organizations that seeks to unite the commercial communications sector, brands and companies, associations, universities, and the media in promoting female creative talent in executive positions and achieve an average of one out of every two creative managers being female talent by 2030.

As we are aware of the social and cultural impact the advertising industry has on society, the MASMOVIL Group has committed to supporting this initiative through our Yoigo brand.

Our goal is to work on change from inside the sector, taking into account the responsibility brands have, by promoting a diverse range of profiles among the creative staff in order to both enrich and give a broader perspective to the stories we tell, as well as to our depiction of society. This is in addition to promoting our belief in equal opportunities and eliminating the pay gap.

WE ARE COMMITTED TO
ENCOURAGING MORE OF OUR
BRANDS' CAMPAIGNS TO BE
LED BY FEMALE CREATIVE
DIRECTORS, SO THAT THEY
PROGRESSIVELY REACH THE
RATIO OF ONE IN TWO

Among other things, we are committed to fostering a situation whereby more campaigns for our brands are led by female creative directors, and thus

progressively attaining the target ratio of one in two. We are also committed to encouraging leadership by female creative managers of the teams assembled by the agencies participating in our calls for bids, with the hope that by 2030 one out of every two agencies will have women in this role, and to acting as promoters and spokespeople for the initiative both externally and internally.

We enabled connectivity for Surgeons in Action in The Gambia

Surgeons in Action is a Spanish foundation set up in 2011 with the aim of organizing surgical campaigns and health education projects in the world's most disadvantaged countries. Since its launch, it has carried out more than 30 campaigns in Africa, Asia, and Latin America. The members of the association are volunteers specializing in general surgery, pediatric surgery, anesthesia, and many other specialties.

In November 2022, a pediatric surgery campaign was carried out in The Gambia by the NGO ASEDA (a solidarity association promoting education and sport in Africa). This association sponsors more than 800 children at schools near the capital city. The goal is to make surgical interventions available to children from the most disadvantaged classes at no cost to their families.

The MASMOVIL Group provided voice connectivity to the surgeons during their stay in The Gambia so they could stay in touch with their families during their time as volunteers.



Yoigo joined the More Than a Mobile campaign centering on teenagers and technology

The Spanish Data Protection Agency (AEPD) and UNICEF Spain recently launched their More Than a Mobile campaign, aimed at providing guidance to families about the key elements they should bear in mind before giving their children a cell phone.

The campaign was supported by collaborations from Yoigo, among other brands, which circulated it through its various channels to allow all families to have access to basic tips on how to prepare their children for access to these technologies. The campaign includes a list for parents consisting of Ten Instructions That Don't Come With Your Mobile, which includes guidelines and recommendations. The aim is to promote dialog and education, by transmitting values and providing sufficient information to guarantee responsible use of mobile phones and children's rights in the digital environment.



Hiring employees with intellectual disabilities from the A la Par Foundation

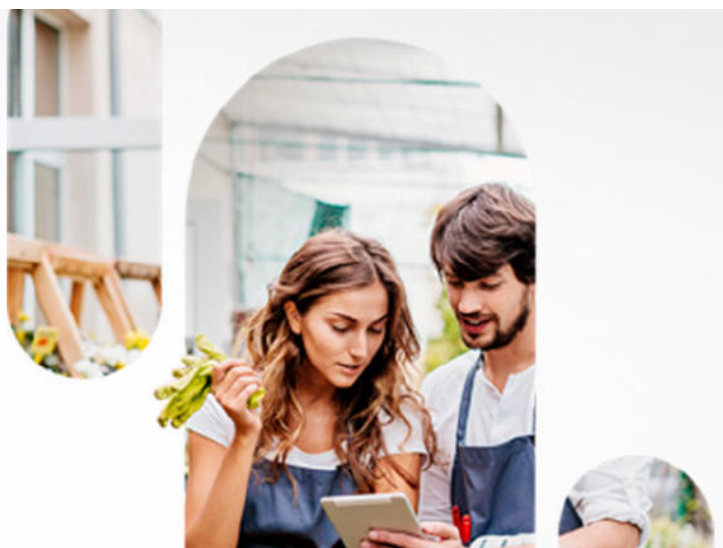
The A la Par Foundation prepares people with intellectual disabilities for their integration into the world of work. Alongside the foundation, we welcomed two students to collaborate with us in the mission of evaluating and validating our websites and communication campaigns, with the aim of adapting our web spaces, contents, and communication resources to provide a good level of cognitive accessibility.

After the project had ended, we found that their contribution had not only been enriching for the two participants but was also beneficial to our day-to-day operations. Thanks to their experience and vision, we were able to identify areas for improvement where we could achieve better accessibility in our customer communication channels to make them more available to everyone.

The MASMOVIL Group promoted digitalization for SMEs: the Digital Kit

In 2022, the Government of Spain, through the Ministry of Economic Affairs and Digital Transformation, launched the Digital Kit initiative. This project aims to support the digital transformation of small and medium-sized enterprises and the self-employed. It involves a government-funded financial aid program to implement digital solutions in businesses to make them evolve through technology.

The main brands of the MASMOVIL Group are participating in the dissemination of the Digital Kit initiative, thereby supporting the management and optimization of European aid to boost digitalization among SMEs.



Partnership agreement between Embou and Caja Rural to develop the rural world

Nuestra filial aragonesa estará presente en más de 200 sucursales de la entidad bancaria, donde se podrán contratar sus servicios en condiciones ventajosas. Adicionalmente, Embou y Caja Rural de Aragón tienen firmado un convenio de colaboración para aunar esfuerzos y trabajar por crear oportunidades y fomentar el desarrollo del mundo rural.



11.4. Contributing to social development

11.4.1. Creating social impact: Volunteering and solidarity

In 2022, the MASMOVIL Group launched a program under which we offered our employees the option of devoting eight hours of their working time to volunteering. They could use these hours to work on volunteering projects managed by the Company, such as those carried out alongside the Montepíncipe Foundation.



Reducing the digital divide among disadvantaged groups: The Montemadrid Foundation

The main goal of this initiative is to bridge the technological divide in San Cristóbal de Los Ángeles in Madrid, one of the most disadvantaged neighborhoods in Spain according to the INE (Spanish National Institute of Statistics). Fourteen employees from the MASMOVIL Group joined the project to help increase the level of digitalization among the beneficiaries, assisting them in improving their digital skills and clearing up any queries they had about using digital applications and tools. This included everything from how to send an email, or share and comment on a Facebook post, to how to download the health center app or city buses app.

Thanks to the support of our volunteers, we have contributed to closing the digital divide for disadvantaged groups.

**fundación
montemadrid**

Reforestation projects

Thanks to Pepephone's reforestation project (Anyone Who Has A Friend Has A Tree), a group of volunteers planted more than 150 trees in a single day. This planting exercise represented just one more contribution to the operator's initiative, given that, as mentioned earlier in this report, by the end of 2022, a total of 10,000 trees had been planted across Spain. Of these, 2,000 had already been assigned to the customers we obtained thanks to this initiative.

Raising the visibility of amyotrophic lateral sclerosis (ALS)

We promoted the fundraising campaign, under the title of "CAPTAIN versus ELA'NGLIRU", for the Asturias region's ALS association (ELA Asturias) among the senior management team of the MASMOVIL Group, which resulted in the necessary financial aid being contributed for the ALS-awareness race event held in January 2022. In this case, our approach was that of "make a contribution and MASMOVIL will double it"; this meant the Company doubled the amount contributed in a personal capacity by the Group's senior executives.

The Corporate Three Kings

Hand in hand with the "Una sonrisa, una ilusión" Association (meaning "A smile, a dream"), the employees of the MASMOVIL Group played, once again, the role of the Three Kings by bringing gifts for vulnerable and socially excluded children. In 2022, 120 of our employees who were directly involved in this initiative answered 60 letters, thanks to which these children received a gift for Christmas.

Collecting food and other products for the food bank

For another year, through our internal communication channels the Group encouraged employees to donate non-perishable foods and hygiene and cleaning products, which were then contributed, as part of the Group's traditional Christmas campaign, to the initiative from the Spanish Food Bank (BEA).

Encouraging internal volunteering: A heartfelt meeting

The Mamás en Acción and Adalab associations held a workshop for employees of the MASMOVIL Group, who were able to attend the motivational talks by the representatives of the associations both in person and via streaming.

The Mamás en Acción association accompanies hospitalized children who have no other company during their admission or medical tests, while the Adalab association prepares women for STEM (Science, Technology, Engineering, and Math) careers through mentoring programs.

As a result of this event, several of our employees joined the Mamás en Acción team and the necessary formalities were begun to create courses with specialist mentors from the Group.



mamás en acción

¿Sabías que en los hospitales de España hay niños y niñas que, además de estar enfermos, están SOLOS?

Si eres capaz de

- dar cariño
- contar un cuento
- jugar al parchís
- dar un biberón
- acariciar
- mecer
- acompañar...

...entonces, ¡eres bienvenid@!

¡TE ESPERAMOS!

Para contarte qué hacemos e invitarte a participar

Supporting inclusive sport: The También Foundation Camp

Alongside the También Foundation, the MASMOVIL Group launched the 11th edition of the Inclusive Camp, which took place in Orense. The specific aim of this camp is to develop skills and values that help enhance the comprehensive development of young people with and without disabilities, giving priority to people with disabilities.

Internal communication channels with a social component

There are several communication channels available to the MASMOVIL Group's employees. Designed to be easy to access and use, they include the MASsolidario channel, Happyforce, and the option of contacting the ESG department directly through a specific email account made available solely for this purpose.

Through these channels, our employees are able to suggest projects to the Group focusing on solidarity; as a result, groups sharing common social interests have been organically created, while the social concerns of our employees have been made known and promoted from within the organization.

11.4.2. Cultural sponsorships and informative events of interest

Contributions to cultural institutions

Our support for culture translates into our contributions to important cultural institutions, such as the Guggenheim Museum, Kursaal, Artium, and the Museo do Pobo Galego. We also express our support through collaborating in organizing concerts, and music and film festivals, such as the Gijón Film Festival, FICBUEU (sponsoring the Sección R Galicia award for the short films festival), and the Oviedo Opera Foundation.

Initiatives promoting social concerns

We pay particular attention to initiatives that, in addition to promoting art and culture, relate to social issues. This is the case of Zinegoak, the LGTBIQ+ themed International Film and Performing Arts Festival held in Bilbao, which seeks to make sexual diversity visible and normalized through culture.

For another year, after almost two decades of working together, Euskaltel and the Bilbao Gaylesbitrans Film and Performing Arts Festival, Zinegoak, came together to raise awareness about the importance of coexistence

and respect for sexual, identity, and gender diversity. This is the challenge for Zinegoak (the latest edition of which returned to the original on-site format), the purpose of which is to claim the right to a name without labels. It aims to achieve all this through culture and art, with a program of screenings of inspirational stories of grit and about overcoming the odds and, above all, stories of hope, that help us understand the situations of many other people and learn from them.

Activities related to innovation and dissemination of technology

We collaborated in events, initiatives, and activities associated with research into and the dissemination and enhancement of innovative and technological knowledge, such as Galicia TIC, the OTD Challenge, and Citech. We contributed to those open to the general public, such as Pont Up Store and Open Science Cambre, Sementes Ribeira Sacra, and the First Lego League. In addition, we helped to promote knowledge about new technologies among children (by organizing the Crea R innovation workshops) and the elderly (through Enredando Tour, an initiative we undertook alongside the Spanish Red Cross).

We also contributed to the transfer of technological knowledge through events targeting our business customers. These included the ICT Trends Week and technological conferences, for which, within the framework of the Company's environmental responsibility strategy, we were awarded the Emission Offsetting Certificate, thanks to our commitment to offsetting all the greenhouse gas emissions associated with the conferences that could not be avoided.

R renewed its sponsorship with the Círculo de Empresarios (a non-profit business organization) to continue improving the competitiveness of companies in the digital era



This collaboration is the prolongation of an alliance that has been forged over a number of years with the goal of tackling projects and actions that have always focused on strengthening the business fabric of Galicia. It therefore reaffirms the commitment made by the business organization and R to Galicia, and their mutual trust, providing continuity for the avenues of collaboration which have endured over the course of the years, with initiatives that ultimately seek the social and economic development of the community.

Promoting cultural and linguistic identity

As part of our commitment to the geographical regions where we operate, we also support actions to promote their cultural and linguistic identity. In line with this approach, we collaborated with the Korrika, a race in favor of the Basque language, which is run through the Basque Country and Navarre. We also participated, in conjunction with the Federation of Ikastolas, in the organization of Euskera Festivals to promote the use of the Basque language, and we sponsored the youth series Golazen on ETB-1, the Basque-language TV channel. We helped the Basque Book and Record Fair (Durangoko Azoka) to regain momentum, with the 2022 edition returning to the usual in-person format. In Galicia and Asturias, we were active participants in various initiatives for the Xacobeo 2021-2022 (celebrating a Holy Year for Santiago de Compostela), in the fields of culture and sports.



11.4.3. Sports sponsorships

Another facet in our commitment to society is expressed through sponsorships aimed at promoting sport at a local level. These include our sponsorship of the Euskaltel-Euskadi cycling team, which competed in 2022 in the

most important races on the Spanish race calendar and also won two victories outside Spain.

We also support various sports federations, such as the Aragonese Athletics Federation and the Aragonese Padel Federation, as well as prominent sports clubs such as the Club Básquet Coruña, Club Baloncesto Orense, Real Sociedad, Athletic Club de Bilbao, Deportivo Alavés, Sporting de Gijón, Club Baloncesto Oviedo, Club Bilbao Basket, Baskonia, Gipuzkoa Basket, Real Zaragoza, Casademont Zaragoza Basket, SD Huesca, Sala Zaragoza, Honigvögel Zaragoza, CD Teruel, CV Teruel, CB Huesca, and UD Barbastro clubs. In addition, through Baint Comunicación, we backed several Basque Pelota championships, a sport with deep roots in the Basque Country.

Supporting women's sport

We recognize the indisputable role that sports play in promoting educational values, integration, and social development. True to our corporate values and in line with the conviction that equal opportunities should be extended to all areas of our lives, we allocated a large part of our sports sponsorships to fostering women's sports. The Athletic Club de Bilbao Femenino, Real Sociedad Femenino, SD Eibar Femenino, Sporting de Gijón, Telecable Hockey Club, Casademont Zaragoza, CD Teruel, CV Teruel, and Gernika Lointek are the clubs we work with to raise the visibility of equality in the world of sports.

The close relationship between Euskaltel and the Athletic Club's women's football squad, which has lasted for more than nine years (since their first sponsorship agreement in 2013), is particularly noteworthy. This collaboration between two leading entities in the Basque Country highlights our values of equal opportunities, non-discrimination, and respect for diversity.



Promoting the social integration of people with disabilities

We also promoted the social integration of people with disabilities by supporting football clubs such as the Osasuna Foundation, Celta Integra, and Deportivo Genuino, in addition to our contribution to the Spanish Confederation of People with Disabilities in the field of sports.

We renewed our commitment as Honorary Members of the Osasuna Foundation, a foundation which was created with the aim of promoting the inclusion in society of the most vulnerable groups. Through these initiatives, we want to add our small contribution to achieve two goals which are so very important for the progress of society: the inclusion and integration of all people.

R was once again the official sponsor for Celta Integra, a team playing in the LaLiga Genuine football league. Organized by the LaLiga Foundation, it is a competition for teams comprising people with intellectual disabilities. Through this sponsorship, the Celta de Vigo Foundation and R have united their common interest in contributing to the constant improvement, growth, and social adaptation of the team and the people who are part of it.



Images with the A LA PAR Foundation Team

11.4.4. The Euskaltel Foundation

The Euskaltel Foundation is a private non-profit entity that was set up with the mission of contributing to creating and fostering a better relationship between people and enterprises by promoting both the use and generation of Information and Communication Technologies (ICT) and the development of local communities.

Through the Euskaltel Foundation, we connect with society and put our commitment to promoting technology and science among young people into practice.

ACCESS TO THE GLOBAL COMMUNICATIONS AND INFORMATION SOCIETY

Euskal Encounter

The foremost activity of the Euskaltel Foundation in 2022 was its organization of the Euskal Encounter 30. The aim of this event was to bring ICT amateurs and professionals into contact with each other, drawing enterprises and entrepreneurs together, giving visibility to new entertainment formats, and opening up new business opportunities.



XGN R Encounter

This event, with the same goal as the Euskal Encounter, brought together the amateurs and professionals in the ICT sector in Galicia.

PROMOTING RESEARCH, STUDY, AND TECHNOLOGICAL DEVELOPMENT ACTIVITIES

HETEL

As a strategic ally of HETEL (the Association of Vocational Training Schools in the Basque Country), the Euskaltel Foundation is committed to supporting

vocational training and the motivating young people to consider scientific careers through teamwork, problem solving, and collaborations between educational centers. In 2022, a project was carried out whereby 38 telecommunications students were tasked with developing the corporate network for a fictitious company, with the aim of allowing students to familiarize themselves with different ICT tools.

Kaixo Mundua.eus – technological schools

The Euskaltel Foundation participates in the KaixoMundua.eus initiative from the PuntuEUS Foundation, promoting website creation and digital training for young people aged between 12 and 18. The 2021/2022 edition involved 34 different schools and a total of 1,115 students.



CONTRIBUTING TO THE PROGRESS AND EXPANSION OF CULTURAL TRAINING IN THE TELECOMMUNICATIONS AND AUDIOVISUAL FIELDS

Gamegune

The Euskaltel Foundation organized electronic sports events such as Gamegune, with the aim of promoting the world of casual gaming in the Basque Country with players from all over Europe.





11.5. Supporting talent and entrepreneurship

Thanks to our entrepreneurship and talent support programs, we can keep up to date on the latest news and Spanish innovation, to place it at the service of our customers.

11.5.1. MASVentures

The Group is in constant contact with innovation and digital developments. In 2019, we launched the MASVentures accelerator (alongside Inveready, a Spanish investment group) to promote innovative projects in the new technologies sector and foster entrepreneurship in Spain.

In 2020, MASVentures approved an investment in a startup, Kenmei Technologies, a Spanish company focusing on Data Intelligence for automation of decision-making (based on Artificial Intelligence and Big Data), to automate network management and operation processes. The investment was made in the first quarter of 2021.

In 2021, following a shift in focus by the program towards projects associated with the Group's areas of interest involving startups that are a fit with its challenges or needs, MASVentures conducted pilot programs with six startups. These were related to different areas of the Group, such as retention, marketing, business channels, customer experience, and process automation.

In 2022, MASVentures continued to follow the same strategy of focusing on priority areas of interest and conducted pilot programs with five startups, centering on advanced analytics, marketing, and new businesses.

11.5.2. University chairs and scholarships

Universidad Carlos III de Madrid



In 2020, as part of a project which continued until mid-2021, the MASMOVIL Group and the Carlos III University of Madrid (UC3M) rolled out the third edition of its Research Chair. Through this educational initiative, the Group sponsored six projects involving students from the university with the aim of improving user experience and optimizing processes through innovation in Artificial Intelligence, in addition to investing in the talent of young engineers. The lines of research promoted were:

- Programs for optimizing processes and improving user experience. Three scholarships focusing on the improvement, development, and optimization of processes for smart call-center management or for improved efficiency in data processing in order to increase the satisfaction levels reported by the Group's customers.
- Innovation programs. Three scholarships for the development of Artificial Intelligence applications and tools to achieve an improvement in consumption estimates, the customer profile, or optimization of sales.

The duration of the scholarship covered the period from November 2020 to June 2021 and at the end of this time the six students joined our workforce.

This alliance with UC3M represents, once again, a milestone of major importance and relevance for the Group, as it reinforces the work carried out thus far in the past two editions and provides a stimulus for the Group's commitment to the education of young people in Spain. In September 2021, the fourth edition of this educational program was launched for the 2021-2022 period, this time centering on IT.

Polytechnic University of Madrid (UPM)



In 2021 we also created a new Chair in conjunction with the Polytechnic University of Madrid (UPM) for the period 2021-2022. The participating students were selected over the course of the last few months of 2021. The program itself began in January 2022 and focused on customer strategy and analytics.

Chairs and Master's Degree in Cybersecurity

Resulting from our acquisition of the Euskaltel Group, we renewed the R Chair in Cybersecurity (the first inter-university chair in Galicia, involving the universities of Coruña and Vigo) and the Telecable Chair at Oviedo University for another year. We also participated in the Master's degrees in cybersecurity at the University of the Basque Country and at the Carlos III University of Madrid.

Supporting young talent

As part of our young talent program, we continued to open our doors to interns. We currently have eight trainees, as well as an additional four on more technical placements at our subsidiary, Embou. The students came from the dual vocational training program at the Montessori School.

We also offer our TalenTU program to universities, employment forums, and educational institutions, in the case of the Euskaltel Group. It consists of a two-year career development opportunity over the course of which participants have the chance to grow their careers and salaries.

11.5.3. Alliances with associations

GRI 3-3 / GRI 13-3

We are part of various organizations and associations with which we establish alliances in the economic, social, and environmental fields that share our objective of advancing along the path of digital transformation.

One of the core pillars of our management approach is to contribute to technological development and, therefore, support companies through our telecommunications resources and expertise. In order to meet the technological needs of companies, offer them the best advice, and accompany them in their digital transformation process, we have established alliances with the leading manufacturers. We also organized informative sessions with a vocation for innovation, which we offered to the business fabric through our experts in Big Data, data governance, Artificial Intelligence, and cybersecurity, among others.

This has been the case throughout our entire history, actively working and collaborating with different business organizations and associations, technology clusters, and innovation agencies. We have maintained these alliances and strengthened them, even under the circumstances that arose as a result of the pandemic.

Our main contributions to associations are related to industry or business associations, such as the Association of Operators for Portability, Association of Operators for Mobile Portability, the Autocontrol association, the Spanish Association for Digitalization, ClusterTiC, and Gaia, among others.

During 2022 no contributions or payments were made to political parties or associations inside or outside the European Union, in accordance with the provisions of the MASMOVIL Group's Donations and Sponsorship Policy.

From the date of acquisition of the Euskaltel Group in FY2021:

CONTRIBUTIONS TO ASSOCIATIONS (IN THOUSANDS OF EUROS)	2022	2021
	727	568

Of the Group's companies, considering January 1, 2021, as the date of entry of the Euskaltel Group:

CONTRIBUTIONS TO ASSOCIATIONS (IN THOUSANDS OF EUROS)	2022	2021
	727	650

12. Customers

Our results in 2022:

- Management of personal data: Personal data governance management tools and consent collection platforms implemented.
- New governance model for cybersecurity, aligned with international benchmark frameworks and standards, such as ISO 27001 and the National Institute of Standards and Technology (NIST).
- Development of new services for our customers, such as 100% green energy, DoctorGO, MoneyGO, payment protection insurance, connected alarm systems, solar panels for self-consumption, and services for the senior population.
- Rollout and optimization of customer-service channels other than voice channels.

Our targets for 2023

- Continue to develop new services for our customers.
- Extend the ISO 27001-certified Information Security Management System to all the companies of the MASMOVIL Group.

GRI 3-3

In 2022, the satisfaction levels of our customers continued to be a strategic priority for the Group. We believe that giving our customers a customer experience that beats that provided by the other operators in the market constitutes a sustainable competitive advantage, which is the basis for our continued growth in the market.

The year was marked by our integration of the brands which joined us through the acquisition of the Euskaltel Group into processes, systems, and customer practices, and by our renewed efforts to improve the Group's pre-existing brands.

We have searched for best practices and have extended these to all the other brands in order of their impact. Examples include:

- Making available different mobile network providers under the Euskaltel, RCable and TCable brands, thus improving coverage and service experience.
- Integrating the Interactive Voice Response (IVR) system from our brands in the north of the country and the collection service into the Group's simplified IVR system, thereby generating less repetition and time spent navigating automatic systems for our customers.
- Deploying our operator call-script tools to improve our first contact resolution rate (FCR) for customer issues.
- Consolidating our activity by having fewer service providers so as to offer a more reliable experience for all the customers of our Group.

We also succeeded in maintaining our levels of customer experience, care and quality throughout the inevitable processes to migrate the network and systems, which resulted from the integration of the two groups in search of synergies. Particularly as regards those of our brands with prepaid services, we switched the network configuration and systems of over 2 million customers without causing a significant impact on disconnection or satisfaction levels, as well as fixed network migrations for the brands of the Euskaltel Group.

Looking ahead, in 2023 we are continuing the process of improving our customers' experience, on two fronts: improving the experience of customers who report the lowest satisfaction levels (reducing support tickets or the number of customers who rate their experience among the lowest levels) and removing the reasons prompting contact (detecting and eliminating the root causes of issues).

We also plan to introduce a system for measuring our customers' subjective view of our processes. This will guide us through and complement this cycle of continuous improvement.

It must also be highlighted that the MASMOVIL Group has put in place an ISO 9001-certified quality management system.

12.1. Privacy and protection of personal data

Information security and the protection of personal data (i.e. the privacy of our customers) is one of the most important aspects for the Group.

The principles of privacy by design and by default contained in Regulation (EU) 2016/679 of the European Parliament and of the Council, of April 27, 2016, regarding the protection of natural persons with regard to the processing of personal data and the free circulation of these data (the General Data Protection Regulation, or GDPR) are very present in the normal course of our business and when we develop new services.

At the MASMOVIL Group, we are committed to minimizing the number of incidents related to our customers' private data, ethical content, and advertising.

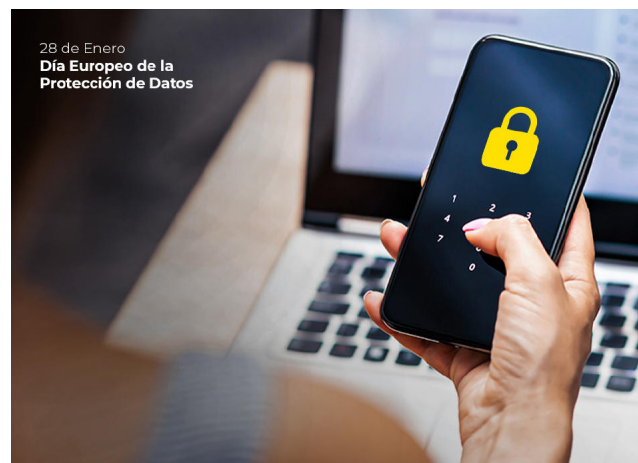
Data protection office

For this purpose, the MASMOVIL Group has had a data protection officer (DPO) for all Group companies since the GDPR entered into force in May 2018. It has been demonstrated that this role, although outsourced for a time, offers greater benefits as an internal position inside the organization as it provides a comprehensive view of all the Group's processes, as well as the following advantages:

- Provision of information and advice on the design of the initiatives proposed within the MASMOVIL Group in an organic way.
- Supervision on an on-site basis of compliance with the provisions of the GDPR.
- Greater control over organizational functions, such as creating a record of processing activities, reviewing processing operations, and assessing impact.
- Ease of carrying out investigative tasks.
- Accessibility vis-à-vis the entire organization to carry out consultation tasks.

The appointment of the current data protection officer was reported to the Spanish Data Protection Agency on September 23, 2020 for the companies of the MASMOVIL Group. In order to ensure the harmonization of our policies, procedures, and criteria, the same data protection officer was appointed on October 4, 2021, for the companies of the Euskaltel Group and on December 16, 2021, for the company Energía Colectiva, SL. In accordance with Article 39 of GDPR, the data protection officer has been assigned the functions provided in the GDPR itself and in the applicable regulations, in addition to any others she may be entrusted on an internal basis. These functions have been approved by the Group's internal governing bodies and reported to the Company's Board of Directors.

As a result of the acquisition of the Euskaltel Group and the expansion of our services, we established the DPO Office, to provide the position with an organizational structure that is capable of absorbing the increase in the Group's needs in terms of data protection.





Privacy Committee

During 2022, we continued to hold regular meetings of the privacy committees. A number of issues were addressed within the framework of these, such as improving the data governance applicable to the entire Group so as to have a greater impact as regards privacy at the Group and identifying areas for improvement with regard to privacy in various processes.

Tool for personal data governance

Also during 2022, we introduced OneTrust as a governance management tool for personal data, and we continued our implementation of MASconsents as a consent collection platform for more brands of the Group, such as Virgin and Euskaltel.

We are currently working on perfecting the implementation of OneTrust and improving our customer identification processes.

12.2. Cybersecurity

The increase in the volume and complexity of cybersecurity attacks at a global level requires the constant application and management of measures, as part of a cycle of continuous improvement. For this reason, the information management system of the MASMOVIL Group is aligned with international reference frameworks and standards, such as ISO 27001 and NIST. This ensures that we identify and evaluate the assets and risks and adopt the controls and procedures that are the most efficient and consistent with our business strategy.

During 2022, the MASMOVIL Group strengthened its organization in terms of cybersecurity by implementing a new governance model. The new model consisted of

the cybersecurity committee (in which top corporate executives, such as the CEO, General Manager, CTO, CLO, and HR & Transformation Director, participate) as the committee in charge of the approval and management of cyber risks, targets, and main initiatives, and of the cybersecurity operational committee, which carries out continued and comprehensive monitoring. In addition, we integrated and reviewed cybersecurity policies, regulations, and procedures, and the cybersecurity master plan was updated, identifying the main strategic lines and initiatives to be carried out in the period 2022-2024.

The Group also deployed and integrated new technological cybersecurity solutions in our infrastructures and information systems, improving the security of internal and third-party processes, as well as in the telecommunications network that provides services to our customers. We therefore have the appropriate tools and services to prevent, detect, and respond to possible security incidents. Finally, we paid particular attention to the security of our supply chain, reviewing and evaluating the security measures of our main suppliers.

All this has led to an improvement in the cybersecurity maturity index, which we can quantify as 35% compared to the previous year. This index allows us to gain a holistic perspective, since it evaluates 20 different aspects including organization, strategy, metrics, operations, monitoring, and cyber intelligence.

12.3. New services

We added to the new services that the Group inaugurated during 2021: 100% green energy for Yoigo, MASMOVIL, and Pepephone customers; DoctorGO, the telemedicine assistance service with quality, face-to-face, wait-free health care; and MoneyGO, the Yoigo service for personal loans. In 2022, we launched new services and products with the aim of satisfying the needs of our customers and offering useful, stand-out, quality services. These were:

Mobile phone insurance to guarantee peace of mind

A new mobile phone insurance product which enhanced the existing offer by making it more competitive and meeting the demand for medium and low-range mobile devices. From just €1.99 per month, customers can comfortably afford insurance that covers theft or robbery, possible fraudulent calls made from the stolen mobiles, and even the replacement of their stolen mobiles.

In addition, Yoigo offers all new customers one month for free without permanency requirements, with the option of unsubscribing without restrictions. With this insurance, the Company aims to ensure that Yoigo customers keep on reporting the highest satisfaction levels in the market and can enjoy their services and devices with the greatest peace of mind.

Insurance to help customers protect their Yoigo bills and payments

Yoigo launched a payment protection insurance plan that helps customers to cover their bills or essential payments for as little as €1.99 per month. Customers can enjoy in comfort an insurance plan that would make available up to €840 per year to pay their bills in the event of losing their jobs, being hospitalized, or suffering a temporary disability, etc.

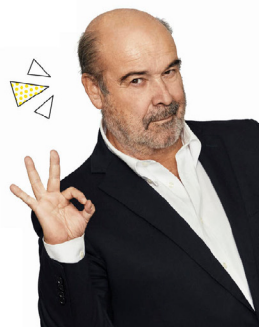
Yoigo has simplified the process for receiving the corresponding compensation as much as possible by requesting the documentation to prove their situation only once (when the usual practice is to request it every month), with recipients receiving in return €420 in advance to cover their bills or expenses.



The MASMOVIL connected alarm service

We launched our alarm service, offering fixed life-long rates, clear terms, and the best customer experience in partnership with the prestigious private security company belonging to El Corte Inglés, SICOR SEGURIDAD. This partner carries out the entire security operation, maintaining a 24/7 connection with its alarm system control center (one of the most modern security centers in Europe).

The alarm service, in addition to alerting the police to intrusions and attempts to inhibit or sabotage the system, includes a free app that gives customers the option of viewing IP cameras, the auto-arming system which is triggered when they leave their home, and the Te Acompaño feature. This alarm service offers savings of more than 35% for the brand's customers compared to equivalent systems.



Self-consumption solar panels

Yoigo, through its EnergyGO electric energy service, launched a new home-consumption energy product. The product involves installing solar panels for its customers that, on the one hand, help them save on their bills (between 30% and 40%) at a time of rising energy costs for households and industries and, on the other, allows them to participate in the energy transition to cleaner, greener, and more sustainable energy sources and make the most of all the advantages.

For the launch of this service, Yoigo partnered with Otovo, a company which not only is one of the installers with the most experience in these systems in Spain and Europe (and with very high satisfaction levels according to market standards) but also has the technology and management model to allow it to lower the cost for the customer by up to 20% compared to other large installers.



Services for senior citizens

Today there are almost 10 million people in Spain over the age of 65, and it is estimated that by 2050 there will be 13 million (a third of the population). This population segment is calling out for remote healthcare solutions that give them peace of mind, assistance, and entertainment, while prioritizing their autonomy and enabling them to continue living in their own homes, or in very similar environments, until very advanced stages of dependency.

Through our Senior Telecom company, the MASMOVIL Group renders assistance to companies and institutions that deliver services to elderly people through our technology. We offer these companies:

1. Support from a leading telecommunications operator in selecting and implementing the connectivity technology most suited to their needs.
2. Comprehensive solutions that fit their requirements, which often include devices (smartwatches, tablets, home-based sensors, mobile terminals, Smart TVs, fitness trackers, etc.), and also support them in all the logistics, installation, and after-sales processes.
3. The option of integrating services from their own catalog or those of their specified third parties and rendering them accessible through adapted interfaces to improve usability.
4. Customized solutions in terms of services, hardware, and software, allowing them to both generate segmented offers and manage multiple user profiles.

Our healthcare management product is entirely digital. It provides an integral and mobile ecosystem that supports senior users in their everyday routines both in and outside their homes, ensuring a non-intrusive service for the user. To achieve this, our devices use mobile technology and are completely independent, guaranteeing full coverage as they go about their lives and including geopositioning solutions, all centrally managed by us through a remote system.

Our specialized services and devices include:

RAutonomous smart watches, plus an app with user mode and caregiver mode (subject to authorization); tablets with access to health services via video consultation or telephone consultation; synchronized contact lists; and home-based sensors, which collect information about the user's activity level at home and deliver it to an Artificial Intelligence (AI) platform.

In addition, we offer procedures and solutions designed specifically for the older population based on their specific needs. These include:

- Services provided by the leading companies in the remote healthcare sector.
- User interfaces tailored to our senior customers, which ensure our products are user friendly, with an easy user experience.
- Solutions that work inside and outside the home. When the solutions require devices to be used, these have to be compact, reliable, and affordable.
- A complementary solution for companies providing professional supervision services involving care and assistance for our loved ones.
-



12.4. Customer satisfaction

Knowing the satisfaction levels reported by our customers is crucial for the Group. With this in mind, we conduct studies on each of our brands to assess customer satisfaction, both overall and specifically with regard to each element, with the aim of detecting any areas where we can improve. These studies are carried out on a quarterly basis and involve analyzing the customers of the different Yoigo, MASMOVIL, and Pepephone brands.

In the studies conducted in 2022, all the Group's historic brands held on to their leadership position in their segment for customer satisfaction, maintaining the very high levels of satisfaction reported in previous years and even improving on them with respect to the three main brands and in both segments.

Trends in customer satisfaction

Details of our performance as regards satisfaction with the Group's historic brands in 2022 and 2021 are as follows (according to data published by the consulting firm GFK in its Telecommunications Customer Satisfaction Study):

		2022	2021
CONVERGENCE	Yoigo	8.2	8.1
	MASMOVIL	8.3	8.1
	Pepephone	9.1	9.0
	Virgin telco	8.2	-
MOBILE ONLY	Yoigo	8.5	8.3
	MASMOVIL	8.8	8.5
	Pepephone	9.3	9.1

On a scale from 0 to 10 (0 = very dissatisfied, 10 = very satisfied)

The Group continues to head the field in customer satisfaction, obtaining good results on an ongoing basis and maintaining its lead over our competitors.

In 2022, we began to monitor the performance of our regional brands from the Euskaltel Group, with the results detailed below. We have no comparable data for prior years. The results obtained by these brands are slightly lower than those obtained by our national brands, except in the case of Guuk.

In the business segment, the Group uses a different process for measuring satisfaction consisting of an automatic survey at the end of the call. Customers rate the service received and the degree to which their query has been resolved.

	2022
Euskaltel	7.5
R	8.0
Telecable	7.9
Guuk	8.5

On a scale from 0 to 10
(0 = very dissatisfied, 10 = very satisfied)



12.5. Customer service

All the Group's brands offer their customers the choice of operator assistance, plus various digital channels including a self-service approach where customers can find answers to their queries and perform tasks. These encompass the website channel, app, chat, and IVR, which were developed for the main brands of the Group and utilize AI and open-ended questions, employing natural language, to gain a better understanding of the customer's intentions and needs. For all our brands, this customer care service is provided free of charge, without access or administrative charges.

In view of the growing importance of digital channels and an increasingly digital society, the Group's brands are working on introducing new technologies that cultivate the omnichannel approach, so that customers have a similar and equally rewarding experience whichever channel they choose. Given how important the Group's services are to our customers' everyday lives, we offer extended customer service hours for all brands (24/7 for the Group's main brands), including the brands which joined us following our acquisition of the Euskatel Group.

In 2022 we worked on deploying and optimizing the use of non-voice-based customer service channels, such as WhatsApp, with a participation level in all the iterations of close to 20% of the total and efficiency levels that were 15 to 20% higher than the productivity level of our voice channels. The texting channel and the effective digitalization of customer service will certainly be a priority in 2023.

The Group has specific platforms to obtain a better understanding of the reasons behind cancellations and customer dissatisfaction, through which we attempt to resolve the causes of cancellations and do everything possible to retain those customers.

Customers in the business segment also have a free customer service telephone hotline and email service. In the specific case of cable operators, we also make a self-management website available to them.

12.6. Complaints

GRI 3-3

The Group has a system of customer satisfaction surveys carried out by third parties on a quarterly basis, and our customers can evaluate the service in all our channels.

All the Group's customers can access the complaints system through the various channels we provide: via the website or chat, in person at the Group's stores, or through an operator for the telephone channel. In addition, customers can always submit their incident or disagreement with any of the contracted services through any official body such as consumer affairs offices, arbitration boards, and the State Secretariat for Digital Progress, etc.

The customer service complaints department for each brand is the recipient of all reported incidents and/or disagreements. It is responsible for recording each of the complaints received in the Group's internal system. The system allows the Group to monitor the entry, resolution time frame, and proposed solution for each of the complaints recorded.

On a quarterly basis, the Group is audited as regards the typical volume and compliance with its service levels in resolving complaints. During 2022, the number of complaints received dropped by more than an aggregate 39% despite the increase in the number of customers in our customer base.

Number of claims and complaints received

From the date of acquisition of the Euskaltel Group in FY2021:

COMPLAINTS RESIDENTIAL AREA (*)	2022	2021
Number of complaints opened	163,858	208,086
% of total post-pay and broadband customers	1.30%	1.77%
Number of complaints resolved	127,727	146,111
% of total post-pay and broadband customers	1.02%	1.24%

(*) Yoigo, MASMOVI, Pepephone, and the Euskaltel Group

COMPLAINTS COMPANIES AND CABLE OPERATORS AREA	2022	2021
Number of complaints opened	7,178	6,716
Number of complaints closed	7,142	6,536

Of the Group's companies, considering January 1, 2021, as the date of entry of the Euskaltel Group:

COMPLAINTS RESIDENTIAL AREA (*)	2022	2021
Number of complaints opened	163,858	268,513
% of total post-pay and broadband customers	1.30%	2.28%
Number of complaints closed	127,727	208,157
% of total post-pay and broadband customers	1.02%	1.77%

(*) Yoigo, MASMOVI, Pepephone, and the Euskaltel Group

COMPLAINTS COMPANIES AND CABLE OPERATORS AREA	2022	2021
Number of complaints opened	7,178	9,302
Number of complaints closed	7,142	8,995

For a more detailed breakdown of the number, type, and level of compliance with regard to complaints made by our customers, every quarter the Group publishes a report audited by the Secretary of State:

⊕ Yoigo

<https://storage.googleapis.com/yoigo-statics/files/conditions/Calidad de Servicio Yoigo.pdf>

⊕ MASMOVIL

<https://www.masmovil.es/static/pdf/calidad-servicio-mm.pdf>

⊕ Pepephone

<https://www.pepephone.com/calidad-del-servicio>

⊕ Euskaltel

https://www.euskaltel.com/CanalOnline/microsites/calidad_servicio/index.jsp?idioma=esp

⊕ R

<https://mundo-r.com/quienes-somos/calidad-de-servicio>

⊕ Telecable

<https://web.telecable.es/calidad-servicio>

12.7. Responsible advertising and consumption

In line with our values and following the principles contained in our policies, the Group ensures the transparency of its products and services. The same principle of transparency is applied to our responsible advertising through a control procedure consisting of the copy advice service provided by Autocontrol.



Promoting responsible use of technology

Similarly, all the Group's brands encourage responsible use of technology in the various channels for communication with our existing and potential customers.

The Group uses social media daily to illustrate and educate customers and followers about responsible use of apps and the benefits derived from their use for customers. We also help to spread the campaigns developed by the Spanish Data Protection Agency (AEPD), such as the More Than a Mobile project launched by the AEPD and UNICEF. This initiative has been disseminated by the main channels belonging to Yoigo and the MASMOVIL Group, such as their social media profiles, blogs, stores, websites, and internal communications, and external communications aimed at customers.



Tips on the digital world and use of technology

In the case of the Yoigo brand, we offer tips through a blog, a channel which offers advice on the digital world in the different sections such as Guides and Tutorials, Technology, Entertainment, and Internet, so that customers and potential customers are made aware of the advantages and risks. Yoigo has created the Observatory for a Safer Internet, in order to supply information and training on proper and safe use of technology. In addition, Yoigo's monthly newsletter (Aloha) informs customers about the latest developments concerning the brand, important news such as our attaining Certified B Corporation status, special initiatives such as the More Than a Mobile campaign, and interesting tips (e.g. ways to avoid wasting food and how to improve energy consumption), as well as highlighting one of the social initiatives from Pienso, Luego Actúo in every issue.

Useful tips and advice on energy efficiency, self-consumption, and sustainability

The EnergyGO blog shares several tips and tricks about energy efficiency, self-consumption, sustainability, and so on, to help everyone from customers to non-customers to be more efficient in their use of energy and how to do this more sustainably.

Useful tips and advice on health and wellbeing

Every month an email from DoctorGO (Yoigo's health segment) is sent to customers with information about the online health app that brings together a range of related services: a 24-hour telehealth service, nutrition and fitness, a telepharmacy service, and electronic prescriptions. The email also contains a section highlighting health tips and advice that redirects to the DoctorGO blog, where more extensive information is provided.

Digital inclusion

Yoigo is eager to ensure digital inclusion so that no one is left behind, and has launched its Social Tariff aimed at people in vulnerable situations, which gives them a 50% discount on convergent rates so that they can stay connected until their situation improves. This special rate was publicized through a spot on connected TV, while TV and digital channels also featured the constant work being carried out to expand our networks and connect rural and so-called "empty" Spain.

Agreement on the Code of Ethics for good telemarketing practices

The MASMOVIL Group, together with the other five major operators in the telecoms sector, agreed to introduce a new code of ethics to avoid malpractice in telemarketing, applicable from January 2022.

Among the measures included in the code are strengthening oversight of third-party distributors and other telemarketing call platforms to prevent deceptive, fraudulent, or unfair competition practices.

Control will also be increased through the agreement between the operators: to prevent consumer data or customer replies from being obtained in any way that may be understood as an agreement of a forced nature to a change in operator ; to increase restrictions on sales calls outside the allowed hours; and to reinforce compliance with the obligation not to call users who expressly opted out of receiving marketing transmissions (those on the Robinson List).

12.8. Clear rates

The Group's priority is to ensure its bills are predictable for our customers and, to this end, we follow the principles of clarity, transparency, and communication with customers.

The Yoigo brand



All convergent and contract rates at Yoigo provide unlimited minutes and automatically slow down (or throttle) data speeds when customers have used up their data allotment. Before reaching that point of their limit, we send our customers a number of alerts about their consumption level. The rates allow roaming control: i.e. when a customer leaves the agreed service area, traffic is automatically blocked until they specifically consent after having received information about the rates charged when abroad. Customers can also access all the necessary information on the website and in the app. In the last three years, a considerable portion of our contract customer base has had unlimited gigabytes on their mobile phone, which only contributes to predictability and transparency, since customers do not have to monitor their data consumption level.

The MASMOVIL brand



MASMOVIL also offers unlimited minutes and automatic speed reductions in all its convergent rates. The brand focuses primarily on ensuring customers are billed the same amount every month, so it minimizes promotions. As with Yoigo, customers can look up all the aspects related to the services provided on the dedicated website and app.

The Pepephone brand



In the case of Pepephone, long-standing customers are given improvements to their packages, such as more gigabytes or free SMSs, without any impact on the price and without them even needing to ask. In fact, since 2019 Pepephone has been a pioneer in the market in reducing the amount to be paid by

convergent service customers based on how many years they have been with the brand, as a reward for their loyalty. Similarly, it has been a pioneer in proactively resolving potential incidents affecting its customers. For example, if an incident occurs that involves the fiber service, Pepephone automatically credits gigabytes on the customer's mobile so that they can continue their digital life (teleworking or remote learning) worry-free.

The Euskaltel Group brands



The Euskaltel, R, and Telecable brands offer all convergent and contract rates with unlimited minutes. When customers use up all their data, they can either obtain additional allotments of data called Más Megs or choose to reduce their access speed. Before that happens, they receive alerts when they reach 50% and 80% consumption of their data allotment.

Customers are informed by SMS of the roaming rates when they leave their agreed service region, although this information is also available on the website and app. In 2021, an automatic process for increasing the data allotment for mobiles was introduced for customers who suffer occasional incidents involving their broadband, in order to guarantee the continuity of service.

Companies and cable operators segment

In the case of business customers, both companies and cable operators have sales representatives assigned to them to deal with any type of query regarding their rates.

13. Suppliers

Our results in 2022:

- Approval of the Group's new Procurement Policy, in order to reinforce its commitment to protecting the environment and public health, conserving natural resources, reducing the environmental impact of hazardous materials, and reducing CO₂ emissions.
- 100% of our suppliers evaluated before orders were placed.

Our targets for 2023

- Define supplier tracking programs with regard to ESG aspects
- Define and measure purchases from local suppliers.



13.1. Supply chain management

GRI 3-3 / GRI 2-6 / GRI 308-1 / GRI 414-1

Supply chain management is essential for the proper operation of the Company and the various companies that make up the Group

We strive to maintain a sustainable purchasing process that is based on the following:

- All MASMOVIL Group suppliers must sign the Supplier Code of Conduct and the Anti-corruption Clause.
- We will only work with suppliers that enforce good practices (the Purchasing Department is in charge of carrying out the necessary due diligence to ensure such practices).

As a necessary step in the supplier approval process, both in the approval process and in the subsequent awarding of contracts, we will view their obtaining of the ISO 14001 environmental compliance certification or similar, as well as any other social and/or corporate governance certification that they may possess, in a positive light.

All suppliers will need to agree to include in all contracts signed with the MASMOVIL Group the requirements established in the Supplier Code of Conduct and the environmental requirements established as good practice.

13.1.1. Supplier Code of Conduct

Suppliers undertake to endorse the principles and values contained in the [Code of Ethics](#) and are responsible for adherence to the [Supplier Code of Conduct](#), which sets out the various criteria that suppliers must meet in relation to:

- **Human rights:** Reject any kind of forced labor or use of child labor, promote non-discrimination and equal opportunities, respect freedom of expression at all times, etc.;
- **Labor rights:** All workers hired by a supplier or subcontractor must have a contract in accordance with the applicable labor legislation at all times, and the supplier must not engage in any illegal practices and must always comply with the law;
- **Health and safety:** The supplier will ensure the protection of its workers by providing them with information and training on health and safety matters, including emergency situations and first aid, providing workers with adequate protective equipment, etc.;
- **Compliance with provisions on corruption and bribery:** By observing the provisions of the Group's Crime Prevention, Anti-Fraud, and Corruption Policy;
- **Environmental and sustainability aspects:** The supplier undertakes to have an environmental management system that includes targets and measurement parameters (such as the one established

by the ISO14001 standard or equivalent standard); it will also assume responsibility for reducing the negative impact on the environment of its operations and for striving to maintain and increase biodiversity and limit water consumption, especially in areas with scarce resources, etc.

As stipulated in the [Supplier Code of Conduct](#), in the event of any manifest breach of the requirements set out in the code the Group may immediately terminate all the contracts it has entered into with the Supplier.



13.1.2. Procurement Policy

At a meeting held on September 29, 2020, the Board of Directors approved the updating of the Group's Procurement Policy in order to reinforce our commitment to protecting the environment and public health, conserving natural resources, reducing the environmental impact of hazardous materials, and reducing CO₂ emissions.

The Procurement Policy aims to establish a global framework for the control and management of the risks resulting from the purchase of equipment and materials, as well as the contracting of works and services throughout the Group.

As stipulated in the policy, the Purchasing Department is responsible for maintaining an active relationship with suppliers and ensuring control over the associated risks. The department requesting a service or product is responsible for monitoring compliance with contractual conditions and service level agreements, where appropriate.

13.1.3. Supplier approval process

All suppliers that work with the Group must be approved, in accordance with the [Procurement Policy](#). This process is managed through an external tool, through which the following documentation is requested: adherence to the Supplier Code of Conduct, financial statements for the last two years, certificate of being up to date with social security and tax payments, list of employees, and environmental certificates, among others.

In addition to the requested documentation, as part of the approval process the Purchasing Department performs a qualitative evaluation that in some specific cases includes visits to the supplier's facilities, especially in the case of suppliers with a large number of employees and/or when they may have an impact on the environment.

Additionally, the approval process includes questions that allow us to monitor the supplier's degree of commitment to the environment, such as:

- *Do you accept the environmental policy established by the MASMOVIL Group?*
- *Do you have an environmental certificate according to ISO 14001?*
- *Does your company carry out a procedure to monitor emissions, effluents, pollution, and waste?*
- *Does your company manage correctly all the waste it generates in a way that allows its proper traceability?*
- *Does your company have a Corporate Social Responsibility (CSR) management system certified by a third party?*

In 2022 a total of 301 suppliers were evaluated, of which 152 were approved (compared to 481 in 2021) thanks to them duly meeting all the standards established by the Group and described in its policies and plans, including those relating to social and environmental matters.

Due to the acquisition of companies and businesses in recent years, a supplier optimization process was undertaken, reducing the number of active suppliers with a turnover exceeding €200,000 to 278 at the end of 2022.



MASMOVIL[®]