

Madrid, September 2021

To our stakeholders:

I am pleased to confirm that Grupo MASMOVIL reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

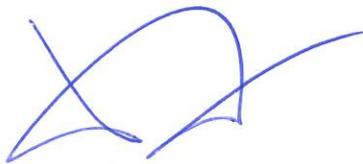
We remain strongly committed with the highest levels of compliance and support to these Ten Principles and, our aim, is to become a reference in our industry in this regard, helping with our leadership to support our colleagues and peers to follow the same path and, this way, leverage on each other's efforts.

In this first Communication on Progress (COP) since we joined the Global Compact in September 2020, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations, in line with our Mission and Vision as a group.

We report in detailed manner our policies, actions, achievements and targets in our Report on Non-Financial Information which we also attach as part of our Communication on Progress.

We also commit to sharing this information with our stakeholders using our primary channels of communication on top of uploading it to the UN GC website.

Sincerely yours,



Meinrad Spenger  
CEO  
MASMOVIL GROUP

**CONSOLIDATED STATEMENT OF NON-FINANCIAL INFORMATION FOR  
THE FINANCIAL YEAR 2020**

**(Appendix to the Consolidated Management Report for the financial year  
2020)**

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## About this report

This report sets out the non-financial information statement of Lorca JVco Limited (the “**Group**” or “**the Company**”), which has been prepared in line with the reporting requirements set out in the specific UK regulations<sup>1</sup>. In addition, the provisions of the *Global Reporting Initiative* Standards (GRI Standards) have also been considered as a reference for the preparation of this document.

The purpose of this document is to report on the Group’s business model, non-financial aspects, environmental and sustainability issues, social and personnel issues, respect for human rights, anti-corruption / anti-bribery, and societal reporting, which are relevant to its key stakeholders, in accordance with established regulatory requirements and applicable best practices.

In the preparation of this report and in order to identify the most relevant issues for the Company, throughout 2020 the Group, together with an external expert, carried out a review and update process of the material aspects consisting of a study of the particularities of the company and its business model, as well as the situation of the telecommunications sector, analysing different sector reports, future trends and reports of other companies with similar characteristics to the Group.

Furthermore, to prioritize the results obtained through the materiality analysis, the Group carried out an internal assessment process through a questionnaire and interviews with key personnel from the different areas involved.

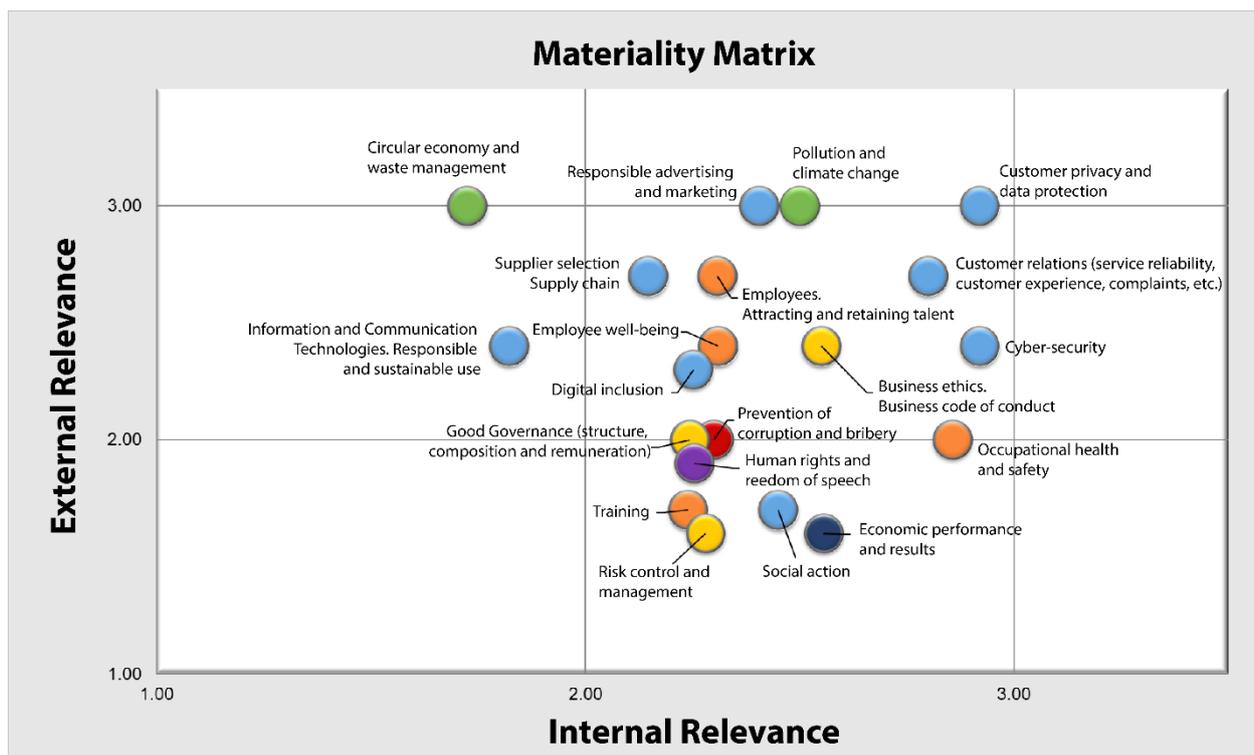
As the main result of this exercise of reviewing and updating material issues, a total of 20 relevant aspects have been identified, represented through a materiality matrix, and prioritized according to the importance of each of them for the company and its Stakeholders. This materiality matrix was presented and approved by the Board of Directors of MASMOVIL IBERCOM, S.A.U.<sup>2</sup> (former head of the Group). In this sense, the aspects included in the materiality matrix have been considered in the preparation and drafting of the contents considered in this document.

Critical issues are mainly grouped into the areas of privacy and data protection, customer relations and management, cybersecurity, personnel issues, pollution, and climate change.

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<sup>1</sup> Companies Act 2006; The Companies (Miscellaneous Reporting) Regulations 2018.

<sup>2</sup> On December 29, 2020, the Extraordinary General Shareholders' Meeting of MASMOVIL IBERCOM, S.A. approved a share capital decrease through the redemption affecting the shares held by shareholders of MASMOVIL IBERCOM other than Lorca Telecom Bidco S.A.U. MASMOVIL IBERCOM, S.A. adopted the form of a single-shareholder company by public deed dated 17 February 2021, changing its name to MASMOVIL IBERCOM, S.A.U.



Throughout this document, the Group lists each of the sections with the material and applicable aspects or matters in accordance with the requirements established for reporting non-financial information, identifying the main actions carried out and results obtained in environmental, social and/or good governance matters.

## 1. Business model

### 1.1. Business environment

Despite the crisis caused by COVID-19, which has led Spanish GDP to fall by -11% in 2020, the telecoms sector has not been as severely affected as other sectors as revenues have only decreased by -5% compared to 2019 according to CNMC (National Commission for Markets and Competition) data. Moreover, a relatively strong recovery is expected in 2021 and beyond, as the Bank of Spain has indicated on numerous occasions. This growth is also expected to be reflected in the sector.

Mobile broadband lines have grown at a year-on-year rate of 2.1% from January 2020 to January 2021 as published by the CNMC. Fixed broadband lines grew at a year-on-year rate of 3.4%. The number of lines belonging to Mobile Virtual Network Operators (MVNOs) has grown by more than 300,000 lines if the effect of the Lycamobile acquisition is removed.

There are three key factors in the evolution of the number of lines: (i) fibre optic technology (Fibre to the Home - FTTH and Hybrid Fibre-Coaxial - HFC) in homes, which continues to grow, accounting for 87.1% of total broadband lines; (ii) the continued deployment of new generation broadband; and (iii) the agreements between wholesalers (including Orange's agreement with the Group) are consolidating.

In addition, the CNMC approved, effective from 1 February 2018, a 40% cut in mobile termination rates from 1.09 euros to 0.70 cents per minute. This tariff was reduced to 0.67 euro cents in 2019 and has decreased to 0.64 euro cents from 1 January 2020. In the last 10 years, mobile voice tariff prices have been reduced by about 80%.

In relation to the above, the telecommunications market in Spain has reached such a point of maturity that the opportunity to increase market share is almost only possible through net customer gains in transfers between operators, i.e., in portability and data tariff upgrades. In this respect, the Group's net portability figures for the 2020 financial year were 470,000, a slight decrease compared to 2019, which can mainly be attributed to the decrease in line portabilities during the lockdown months. The portability figure is largely based on the results of customer satisfaction ratings for each operator, as well as customer loyalty.

## 1.2. Business model

MASMOVIL is an established and consolidated Spanish telecommunications operator, specializing in telecommunications services through the provision of: telecommunications services to end users (fixed telephony, mobile telephony, broadband internet and television), both residential and business; interconnection and *roaming* services to other operators; trading services to *wholesale* customers; and other services related to its corporate purpose through its brands: **Yoigo, MASMOVIL, Pepephone, Embou, Hits Mobile, Llamaya, Lebara, Lycamobile, Guuk and Ahí+**. The Group has 11.5 million customers, of which 9.6 million are mobile phone customers and 1.9 million are fixed broadband customers (according to data published by the CNMC for January 2021). The Group also has its own infrastructures and agreements with other operators that provide it with a fixed fibre network with access to more than 26 million homes and "Asymmetric Digital Subscriber Line" (ADSL), as well as 3G and 4G mobile. MASMOVIL continues to work to anticipate the needs and demands of its customers, constantly improving its services and being one of the operators with the best coverage in the country, reaching 98.5% of the population with its 4G network. Service trials of 5G technology have also been launched in 15 Spanish cities.

The Group is pursuing a policy of both organic growths, improving its infrastructures and agreements, and inorganic growth, through the acquisition of companies or customer portfolios that make it the leading operator in terms of growth in the Spanish market. Thus, in 2020 (as in 2019) it is the leading operator in portability and customer acquisition, both in fixed and mobile services, and with the highest customer satisfaction rate in both convergent and mobile-only services.<sup>3</sup>

Throughout these years, the Group has been able to always adapt to market circumstances and has maintained its firm commitment to reduce the digital divide in Spain, offering broadband internet via satellite to 100% of the Spanish population through the KA-SAT satellite, thanks to the agreement established with Eutelsat.

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<sup>3</sup> Data extracted from the Net Promoter Score report (NPS), prepared by the consultancy firm GFK

### 1.2.1. Areas of activity

The Group focuses its activities on two main areas, residential and corporate, which are detailed below:

**Residential** is the Group's main business area, in terms of volume and projection, through which telephony, fixed and mobile connectivity and television services are provided to end customers (Business-to-Consumer - B2C). The Group markets its services through various brands: MASMOVIL, Yoigo, Pepephone, Embou, Hits Mobile, Llamaya, Lebara, Lycamobile, Guuk and Ahí+.

The Group is the leading operator in the Spanish market in terms of growth in both mobile and fixed broadband customers, according to data published by the CNMC. These customers are divided into:

- Customers of a mobile line: coinciding with the end-user (pre-paid and post-paid).
- Multi-line mobile customers: also coinciding with the end-user, but with a multi-line contract for the same TAX ID (in pre-paid and post-paid modalities).
- Fixed line customers: home and business service, end-users are different from those named in the contract.

In 2016, the Group began marketing its convergent offer under the MASMOVIL brand that gradually was extended to other brands, such as Yoigo, which did so shortly thereafter, and to other Group brands such as Pepephone. This allowed it to consolidate its position as the major alternative to the three incumbent operators in the Spanish market.

It also offers its customers the best connectivity technologies, 4G speed on all mobile tariffs, ADSL with national coverage and a large and growing access via optical fibre, which now exceeds 26 million homes available with this technology.

The **Corporate** area is focused on the telecommunications needs of companies, regardless of their size or sector, where customers find tailor-made and secure solutions, where the end customers are the company's own employees or private users. The services are marketed through the Yoigo and MASMOVIL brands in the business segment (Small Office Home Office - SOHO) and offer communication, connectivity, mobile telephony and data centre.

Within the package offered to companies there is also the service of providing directly or through intermediaries targeted telecommunications services to end-users with a residential profile in rural areas. In these cases, MASMOVIL offers its mobile service through a third party specialized in its segment, which also manages billing and end-user service.

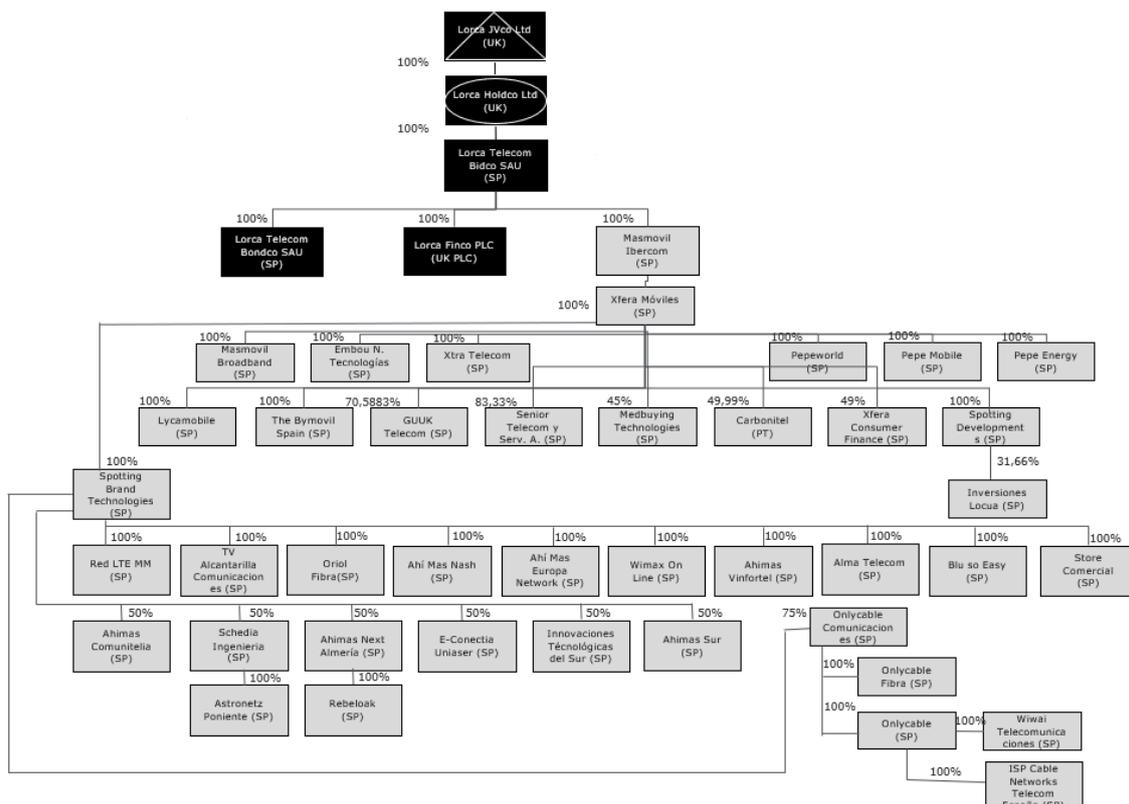
In addition to the catalogue offer, MASMOVIL Empresas offers the channel an engineering team with extensive experience in the preparation of customized offers for customers whose needs do not meet or exceed those of a more standard market offer.

MASMOVIL reached an agreement in 2020 with El Corte Inglés, a benchmark retailer in Spain, to develop new commercial initiatives that will benefit customers of both companies. In addition, Yoigo launched "EnergyGo", a new 100% green electricity service.

MASMOVIL also offers wholesale services (traffic resale) to other telecommunications operators, as well as Mobile Virtual Network Operator (MVNO) services.

## 1.2.2. Organization and structure

LORCA JVco Ltd (the “**Company**”) is a limited company incorporated in March 2020 with its registered office in London, England, for the purpose of holding shares. It is the parent company of the Group, which is the result of the integration during the years 2014 to 2020 of different telecommunications operators with sustained growth in their respective markets and business areas.



\* The Group also holds minority shareholdings in Ticnova Quality Team, S.L. (10%) and in Famarflor, S.L. (5.601%).

## 2. Management of non-financial aspects

The Group’s objective is to create value in the long term and in a sustainable manner, ensuring the care and protection of the environment, social development and business ethics based on the principles of transparency and good corporate governance, the leadership of which is promoted by the Board of Directors of the Company.

In 2020, as a sign of its commitment to the environment, social responsibility, and good corporate governance, the MASMOVIL Group reviewed and updated its Mission, Vision and Values, including aspects such as the positive impact on society. The Mission and Vision were defined as follows [sic]:

- **Mission:** Connecting people with the latest technology available and ensuring the best customer experience.

- **Vision:** *To be the telecommunications company with the highest customer satisfaction rate in Europe and a positive impact on people, our shareholders, and the planet.*

The Values were also updated, including Sustainability, which is a statement of intent on the Group's commitment to making a positive impact. The Group's Values are as follows [sic]:

- **Customer first**
  - *We look after them and ensure they are trouble-free.*
  - *We quickly identify any need to provide them with the best solution.*
  - *We innovate to create tangible, quality benefits for them.*
- **Positive attitude**
  - *We smile and work with enthusiasm and honesty.*
  - *We dare to do things differently.*
  - *We enjoy working, learn from mistakes and celebrate successes together.*
- **Simplicity**
  - *We are pragmatic and quick.*
  - *We look for simple solutions.*
  - *We avoid unnecessary bureaucracy.*
- **Sustainability**
  - *We prioritize long-term value over short-term profits.*
  - *We seek a positive impact on our customers, employees, partners, shareholders and society.*
  - *We care for our surroundings and the environment.*

The Group believes that corporate governance is one of the most effective tools to convey confidence to investors, as well as to foster control over the non-financial aspects of the Group, providing an environment of checks and balances necessary to reinforce good business practices and to nurture credibility and stability, and help drive growth and wealth generation.

In recent years, the financial community has become more demanding in relation to non-financial reporting, supported by recent legislation and initiatives to improve corporate governance practices, mainly driven by regulators.

In this regard, in recent years, the Group, through MASMOVIL IBERCOM, S.A.U. (former head of the Group), has promoted the creation of value through an updated corporate governance system supported by the best references in this area. Therefore, the different corporate policies include the Corporate Social Responsibility Policy and the Corporate Governance Policy, approved by the Board of Directors of MASMOVIL IBERCOM, S.A.U. on 30 June 2017 and 24 January 2018, respectively. In addition, and as proof of the Company's firm commitment to transparency and good governance, the Group's Human Resources and Labour Relations Policy was approved in 2019, and the Criminal Risk Prevention Handbook was updated in 2020.

The Rules of Procedure of the Board of Directors of the Company establish as non-delegable powers of this body the setting of the general policies and strategies of the Company.

In this respect, as established in the Corporate Social Responsibility Policy, the commitments undertaken by the Group are as follows:

- Regulatory compliance.
- Support for the *United Nations Global Compact*, which the Group joined in 2020.
- Ethical commitment.
- Promotion of free market practices.
- Development of advanced corporate governance practices.
- Promoting channels of communication and dialogue.

In accordance with the Group's corporate governance system, this policy is developed and implemented with internal rules, which are cited throughout this report.

All the policies approved by the Board of Directors of MASMOVIL IBERCOM, S.A.U. are published on the Group's intranet, which is accessible to all employees, with the following being of note as they deal with non-financial aspects:

- General corporate governance policy
- Corporate social responsibility area
- Equal opportunities policy
- Risk management and control policy
- Tax policy
- Purchasing policy
- Protocol for action with the public administration and political parties
- Unwanted behaviour policy
- Cybersecurity policy
- Personal data and privacy protection policy
- Crime prevention, anti-fraud, and anti-corruption policy
- Prevention of money laundering policy
- Gift and invitation acceptance and delivery policy
- Sustainability and environmental policy
- Human rights policy
- Code of Ethics
- Supplier Code of Ethics
- Procedure for conflict of interest and related-party transactions with the Group's directors, significant shareholders, and senior management
- Donation and sponsorship policy

## **2.1. Risk Management System**

The Board of Directors of the Company is responsible for risk management, as set out in its own Rules of Procedure.

To promote supervision in this area, on May 22, 2017, the Board of Directors of MASMOVIL IBERCOM, S.A.U. approved the Group's Risk Management and Control Policy, which determines all actions aimed at controlling and mitigating the risks identified at any given time. These actions are materialized through a Comprehensive Risk Control and Management system based on the "COSO" model (*Committee of Sponsoring*

Organizations of the Tradeway Commission”) that covers financial, regulatory, strategic, operational, corporate governance and reputational risks.

The Group’s risk control and management model is based on the 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 classified (according to their impact and probability of occurrence), the action plans necessary to mitigate these risks are formalized, also assessing the residual risk and risk tolerance levels.

### 2.1.1. Main risks

According to the latest 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 table below:

Risk type	Risk source	Mitigation measures
<b>Strategic / Operational</b>	<ul style="list-style-type: none"> <li>Integration of legacy systems and alignment with the Group’s strategic objectives</li> </ul>	<ul style="list-style-type: none"> <li>New SAP HANA implemented in 2020.</li> <li>“MasDATA” project to standardize the Group’s reporting information and improve transparency with a multi-brand data warehouse (90% implemented).</li> <li>“MasSTACK” project to standardize the Group’s legacy systems on multi-brand platforms (CRM, pricing, billing and commissions). Phase I completed. Phase II to reduce external dependencies planned for 2021.</li> </ul>
<b>Cybersecurity</b>	<ul style="list-style-type: none"> <li>IT security</li> <li>Security breaches in systems and networks</li> </ul>	<ul style="list-style-type: none"> <li>New Cybersecurity policies and procedures approved by the Cybersecurity Committee.</li> <li>Existence of an information security master plan.</li> <li>Security controls / logical access to critical systems: IAM (<i>Identity Access Management</i>) project. Phase I completed (entry into production in 2021). PAM (<i>Privileged Access Management</i>) project in the process of implementation.</li> <li>The Cybersecurity Operations Centre (CSOC) and the Network Operations Centre (NOC) are operational and have been effective in preventing potential attacks.</li> <li>Existence of a cybersecurity insurance policy.</li> </ul>
<b>Reputational</b>	<ul style="list-style-type: none"> <li>Reputational damage and sanctions for non-compliance with privacy/data protection rules (at group level)</li> </ul>	<ul style="list-style-type: none"> <li>Re-internalization of the function of the Data Protection Officer (DPO) in a specialized lawyer dedicated exclusively to this function (with external advice).</li> <li>New privacy policies and procedures approved by the Privacy Committee.</li> <li>External Data Protection audit planned for 2021.</li> </ul>
<b>Strategic / Operational</b>	<ul style="list-style-type: none"> <li>Continuous improvement of the Business Continuity Plan.</li> </ul>	<ul style="list-style-type: none"> <li>Business continuity plan activated and tested during COVID lockdown / lessons learned documented.</li> <li>Business continuity plan developed for eight different scenarios.</li> <li>Gap analysis to connect high-level business continuity planning with plans implemented by the different areas.</li> <li>Network redundancy plan foreseen for 2021-22.</li> </ul>

Although many of these risks could have a significant impact on the Group’s operations, the probability of occurrence is considered to be medium/low, largely thanks to the control mechanisms implemented, as well as the mitigation measures put in place, which has allowed the impact and probability of occurrence to be kept within the tolerance levels approved by the Board of Directors of MASMOVIL IBERCOM, S.A.U.

## 2.2. Stakeholder relations

The Group's Corporate Social Responsibility Policy approved by the Board of Directors of MASMOVIL IBERCOM, S.A.U. refers to existing relations with the different stakeholders.

The **relationship with shareholders and investors** is based on the principles of loyalty, transparency and the responsible exercise of the rights and fulfilment of the duties of shareholders and bondholders. This relationship should be based on informed participation of shareholders and bondholders, notably through the Company's General Shareholders' Meeting and Bondholders' Meetings. The Group maintains various channels of communication with shareholders and investors: corporate website, General Shareholders' Meeting, Bondholders' Meeting and a specific e-mail address, as well as a specific Investor Relations department.

The **relationship with the Group's employees** is framed within the framework of promoting well-being and a good working environment and fostering their performance within the Group, while encouraging training and equal opportunities. Employees have various internal communication channels, such as intranet, e-mail, *newsletters*, briefings on financial and non-financial targets and results, mobile applications, and an Ethics Committee to safeguard their rights and those of the Company, as well as an Ethics Channel to which they can address queries or report irregularities. This channel is completely confidential and has a management procedure linked to the Ethics Committee.

**Customer relations** are governed by the principles that involve compliance with responsible advertising, customer health and safety, and service quality monitoring, which will be discussed below.

The **relationship with suppliers** is fluid, involving them throughout the value chain of the various companies that make up the Group by means of their adherence to the principles set out in the Group's Supplier Code of Ethics. Suppliers have a personalized and confidential ethics mailbox to which they can address any queries or report irregularities.

In this regard, both directly through consultation and indirectly, based on the applicable specialized frameworks and best practices, the expectations of the Group's key stakeholders have been taken into account in reporting the Group's strategy and performance. These expectations and/or relevant aspects for stakeholders and the Company itself are set out in the Group's materiality matrix included in the section "About this report".

## 2.3. Governance and compliance

The Group has a set of bodies, control mechanisms and internal rules that make up its Corporate Governance System, the purpose of which is, among others, to direct and regulate the Group's organization in a transparent and efficient manner, promoting its common interest and that of its stakeholders, as reflected in its Corporate Governance Policy. This Policy is added to by the Code of Ethics and the following internal regulations: Internal Code of Conduct, the Regulations applicable to its governing bodies, various Corporate Policies and Protocols and the Compliance Model, as well as a series

of policies and procedures for each area, for a better and more orderly management of the business and the different processes.

The Company's governing bodies and their main responsibilities are described below:

- **The General Shareholders' / Bondholders' Meeting** represents all shareholders / bondholders and is the highest decision-making body of the Company.
- **The Board of Directors** is the body in charge of managing and representing the Company, without prejudice to the powers granted to the General Shareholders' / Bondholders' Meeting and is the highest supervisory and controlling body.

Likewise, at MASMOVIL IBERCOM, S.A.U. level (former head of the Group), the following committees have been set up (both of them with an independent Chairman):

- The **Audit and Control Committee** is the consultative committee responsible for the Group's internal control, internal audit, and risk management systems, as well as for the relationship with the external auditor. The meetings of the Audit and Compliance Committee are attended, whenever deemed appropriate by its Chairman, by the External Auditor, the Internal Auditor, the Chief Financial Officer, and the Group *Compliance Officer*, as well as by any member of the Group's staff whose activity may be related to the functions performed by the aforementioned Committee.
- The **Appointments and Remuneration Committee** is the consultative committee in charge of appointing or re-electing directors, proposing their remuneration and is involved in the ESG (Environmental, Social and Governance) aspects of the Group. The latter grants this Committee responsibility for issues such as stakeholder relations strategy, review of the corporate social responsibility policy, monitoring of related practices and performance evaluation.

#### **2.4. Awards and recognitions received during 2020**

- Fastest and best performing fibre optic network in the Spanish market in 2020, according to "nPerf" report.
- "Genius for Innovation in Audiovisual Media" Award granted by "CMVocento" to the Yoigo brand for the communication campaign for the promotion of "Netflix".
- Recognition as the best telecommunications company to work for in Spain and number 20 of all Spanish companies, according to the "Actualidad Económica" magazine ranking.

#### **2.5. MASMOVIL Group's contribution to the Sustainable Development Goals (SDGs)**

On 20 September 2015, the United Nations (UN) General Assembly adopted the "2030 Agenda for Sustainable Development", a 15-year action plan for people, the planet and prosperity, which also intends to strengthen universal peace and access to justice. The

Agenda sets out 17 Goals with 169 integrated and indivisible targets covering economic, social and environmental spheres.

As environmental issues have gained ground in all companies, senior management of large companies are endeavouring to integrate the *Sustainable Development Goals* (SDGs) into their business.

As part of its commitment to sustainability and with the aim of growing responsibly, the CEO of the MASMOVIL Group formalized its adherence to the United Nations Global Compact in October 2020. This commitment is a step further in the MASMOVIL Group's positive social impact strategy.

In this regard, after adhering to it, the Group will support and promote the Ten Principles of the Compact in the areas of Human Rights, Labour Rights, the Environment and the Fight against Corruption, and is 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.

In particular, the Group will focus its efforts on building resilient infrastructure and promoting sustainable industrialization and fostering innovation (SDG 9). It will also develop actions to ensure inclusive, equitable and quality education and promote learning opportunities (SDG4); to reduce inequality in Spain (SDG10); to make cities more inclusive, safe, resilient, and sustainable (SDG11) and to revitalize the Global Partnership for Sustainable Development (SDG17).

Among the actions carried out to achieve these goals, we highlight the following:

 <b>SUSTAINABLE DEVELOPMENT GOALS</b>	
<p><b><u>SDG 4</u></b></p> <p><b>Develop actions to ensure inclusive, equitable and quality education and promote learning opportunities</b></p>	<ul style="list-style-type: none"> <li>- MASMOVIL Group promotes innovation in artificial intelligence and young talent together with "UC3M" for the third consecutive year by awarding six research grants at "UC3M" (Carlos III University of Madrid).</li> <li>- Agreement with the "Fundación Universidad-Empresa" for the incorporation of students from different universities into the Group's companies (including the "Universidad Rey Juan Carlos" and the "Universidad Politécnica" of Madrid).</li> </ul>
<p><b><u>SDG 5</u></b></p> <p><b>Gender equality</b></p>	<ul style="list-style-type: none"> <li>- Existence of an Equal Opportunities Policy, which aims to be the backbone of a favourable environment for employees by promoting effective equality between men and women.</li> <li>- Approved Equality Plan of Xfera Móviles, S.A.U. (the Group company with the largest number of employees), approved in October 2020 (see section 4 of this report).</li> <li>- In 2020, the Group starts working on the Talent Diversity Plan which is finally approved in the first quarter of 2021.</li> <li>- 400 women in the workforce by the end of 2020, out of a total of 1,190 employees.</li> </ul>

<p style="text-align: center;"><b><u>SDG 9</u></b></p> <p style="text-align: center;"><b>Building resilient infrastructures and promoting sustainable industrialization and fostering innovation</b></p>	<ul style="list-style-type: none"> <li>- During the lockdown period, connectivity allowed many businesses to move forward thanks to digitalization, for the most vulnerable people to integrate and have a chance, and to bring rural environments back to life thanks to the increase in remote working.</li> <li>- As part of the Rural Spain Plan (see section 7.1 of this report), MASMOVIL has promoted the deployment of fibre in rural areas in order to reduce the digital divide, which has become one of the Group's main objectives in this area.</li> <li>- The Group is in constant contact with innovation and digital developments. In this regard, 2019 will see the launch (together with Inveready, a Spanish investment group) of the "MASventures" accelerator to promote innovative projects in the new technologies sector and foster entrepreneurship in Spain. This accelerator acts as the Group's innovation engine and promotes commercial relations and investment in start-ups focused on the new technologies sector.</li> <li>In 2020, the essence of the program is reaffirmed, but seeking to internationalize it and placing greater focus on the Group's areas of interest such as 5G and Data Intelligence (see section 7.1 of this report).</li> </ul>
<p style="text-align: center;"><b><u>SDG 11</u></b></p> <p style="text-align: center;"><b>Making cities more inclusive, safe, resilient and sustainable</b></p>	<ul style="list-style-type: none"> <li>- The Company has participated in 5G pilot projects in the Basque Country and Catalonia, projects aimed at developing solutions for the education sector, optimizing mobility, control and management of areas with large numbers of people as well as the management of public safety and emergencies.</li> </ul>
<p style="text-align: center;"><b><u>SDG 12</u></b></p> <p style="text-align: center;"><b>Responsible production and consumption</b></p>	<ul style="list-style-type: none"> <li>- In October 2020, the Board of Directors of MASMOVIL IBERCOM, S.A. approved the modification of the Purchasing Policy to introduce a Sustainable Purchasing section (for further details see section 7.2 of this report).</li> <li>- Implementation in 2020 of a real-time monitoring system for electricity consumption at the corporate headquarters.</li> <li>- Elimination of the consumption of plastic bottles in the offices, replacing them with glass bottles (for each employee) refillable in water fountains distributed throughout the various floors. This action has eliminated the consumption of more than 100,000 plastic bottles per year.</li> <li>- The percentage of zero or eco-labelled electric/hybrid vehicles out of the total company vehicle fleet (including the commercial fleet) is 25%.</li> <li>- Measures have been implemented at the corporate headquarters to achieve the objective of a paperless office (clean desk policy, digitalization of processes, absence of individual waste-paper baskets and drawers, recording and monitoring of printouts per employee, etc.).</li> </ul>
<p style="text-align: center;"><b><u>SDG 17</u></b></p> <p style="text-align: center;"><b>Revitalize the Global Partnership for Sustainable Development, create partnerships with foundations and private companies to find innovative solutions for social challenges</b></p>	<ul style="list-style-type: none"> <li>- The Group began its alliance with the "Innacia Network" in order to gain first-hand knowledge of the needs of vulnerable groups, the challenges faced by associations and third sector institutions in responding to these needs and the need to provide quality connectivity.</li> </ul>

### 3. Information on environmental and sustainability issues



Although the Group's activities have a low direct environmental impact, the Group is aware of the importance and relevance of environmental protection and has established various measures over the last few years to improve its environmental performance. On 2 October 2020, the Board of Directors of MASMOVIL IBERCOM, S.A.U. approved a new version of the Sustainability and Environment Policy that establishes the basic principles of action to mitigate its effect on climate change and reduce its environmental impact.

It sets out the environmental issues and best practices to be applied in business decisions and processes, as well as compliance with current legislation, which the Group's employees must consider in their actions.

The basic principles covered by the Policy are:

- The inclusion of environmental considerations and best practices in business decisions and processes as an integrated communications operator, as well as compliance with current environmental legislation, the adoption, where possible, of future implementing regulations.
- The performance, prior to the start of any activity or process, of a study to assess its impact on the environment.
- Examination of any significant environmental effects of the Group's various activities.
- The adoption of the necessary measures to prevent and eliminate any pollution or accidental emissions into the natural environment.
- The adoption of the necessary measures to minimize, recover and recycle waste, as far as possible, ensuring appropriate management where no other alternatives exist.
- The adoption of the necessary measures to save on raw materials, including, where possible, their reuse.
- The adoption of the necessary energy and water saving measures.
- Supporting the procurement of environmentally sustainable and energy efficient products and services.

- Supporting design activities that consider energy performance improvement.
- The establishment of programs where objectives and targets are set to continuously improve environmental performance and the interaction of our products, services, offices, technical centres and communications infrastructures with the environmental aspects affected by the activity, as well as their periodic review.
- The prevention of pollution, the reduction of environmental impacts and the efficient use of resources in the deployment, upgrading and maintenance of the communications network, offices and technical centres, as well as in the provision of services.
- The training and environmental awareness of employees, to ensure that their work is carried out with the utmost respect for the environment, also promoting environmental respect among key suppliers.

#### Mission, Vision and Values:

As mentioned above, during the 2020 financial year, as further proof of the Group's commitment to the environment, social responsibility and good corporate governance, the Mission, Vision and Values were reviewed and updated, including aspects such as the positive impact on society, as well as the inclusion of sustainability among the Group's values, which is a declaration of intent regarding the Group's commitment to generating a positive impact.

#### Creation of the ESG (Environmental, Social and Governance) Area:

In addition to the revision of the Mission, Vision and Values mentioned above, the MASMOVIL Group decided that it was necessary to centralize and coordinate all ESG-related activities within a single line of management in the company.

To this end, as of September 2020, full responsibility for ESG initiatives was given to the Investor Relations team, which, led by a Managing Director of the company and reporting directly to the CEO, was renamed "IR & ESG".

Since then, the "IR & ESG" team has focused on generating value in environmental, community and good governance issues, having created a strategic plan for the company's social impact in which, among other initiatives, the certification of the "ISO14001" environmental management system, the pursuit of "B Corp" certification and other initiatives such as the Diversity Plan and Equality Plan (both within the scope and responsibility of Human Resources), the Social Discount Rate and the reduction of the digital divide in rural Spain, among many others, stand out.

#### Obtaining "ISO14001" environmental certification:

The "ISO14001" certification certifies and evidences that the company or organization has an environmental management system that complies with all the requirements of the regulation and that it is therefore aware of and complies with all the legal requirements that apply to it, as well as other requirements to which the organization subscribes (e.g., "U.N. Global Compact").

The process of obtaining this environmental certification was initiated by the Group in the second half of 2020 and culminated with the certificate being granted in December.

This certification consists of a comprehensive audit process which objectives include the following:

- Compliance assessment of the Management System.
- Its ability to ensure compliance with applicable legal, regulatory, and contractual requirements.
- The assessment of the Management System's effectiveness, to ensure that the organization can achieve the defined objectives.
- The identification of potential areas for improvement of the Management System.

The audit was resolved with zero 'Non-conformities' detected and only six 'Observations' regarding which the company, as reported in the audit report, has already taken corrective action.

This audit concluded that the MASMOVIL Group's environmental management policy is complete and appropriate to the purpose and context of the organization and provides the framework for the establishment of objectives including the commitment to satisfy legal and regulatory requirements, as well as the commitment to continuous improvement.

The audit also highlighted the following as strengths within the organization:

- The willingness of all the organization's staff in the conduct of the audit.
- The leadership of the organization as expressed by the Governing Bodies.
- The high qualification of the staff involved in the audit.
- The *compliance* culture in place in the organization.
- The information and technology systems that support records and evidence.
- Assessment of legal requirements carried out by the organization.
- The organization's commitment to sustainability.

In line with the continuous improvement promoted by the ISO 14001 certificate, the Company acquired and formalized as part of its certification, several commitments among which the following are to be noted: making electric/hybrid cars available to employees within the company fleet, promoting courses on efficient driving and emissions' control, intensifying communication with employees and managers on the evolution of environmental variables, controlling and reducing electricity consumption both at headquarters and in the network of own antennas, increasing the recycling of alkaline batteries and electronic waste at headquarters and reducing paper consumption.

As part of the certificate, the management takes responsibility for the environmental management system, ensures that the environmental policy and objectives are in line with the strategic management of the organization. To this end, an Environmental Management Committee was set up at General Management level, which meets once every four months to assess and monitor the situation and degree of compliance with environmental requirements and the objectives assumed by the company.

### First telecommunications operator in Europe to sign the “B Corp Commitment”:

In November 2020, the MASMOVIL Group announced the signing of its commitment to achieve the “B Corp” certificate, an international recognition awarded to those companies that generate a positive impact on society and the planet through their activity. In doing so, the company became the first telecommunications operator in Europe to acquire and sign such a commitment.

“B Corp” certificate reviews, assesses, and certifies a company’s entire social and environmental performance, and how its business model impacts its employees, society and the environment.

The “B Corp” community is made up of more than 3,200 companies in 70 countries and 150 sectors with a single goal: that one day all companies will compete to be the best for the world and, as a result, that society will move towards shared and sustainable well-being.

In order to obtain this certification, the MASMOVIL Group reinforced its commitment to achieving the highest standards of social and environmental performance, transparency and accountability.

This process began with the completion of the “B Impact Assessment” (“BIA”) questionnaire, available openly on the “B Lab” online platform, which focuses on the current reality of the company and also helps to identify opportunities for improvement and establish concrete actions to make them happen. The initiation of this process therefore involved a thorough review of all Group procedures and activities both inside and outside the company, with particular attention paid to the impact generated by such activities.

Thanks to this in-depth analysis, improvement actions were detected and classified as follows:

- “Hygienic”: those that must be implemented in the company independently of applying for “B Corp” Certifi.
- “Evolutionary”: those that allow for the development of social initiatives and strategies that were already underway.
- “Expansionary”: involving the creation of new projects or services to support the achievement of the “B Corp” Certificate.

The first measures included: reinforcing the sustainability of the headquarters with the promotion and awareness of recycling, the use of energy from 100% renewable sources, the development of training content on the environment and diversity, the creation of a basic monitoring system for the social activity of suppliers to monitor and promote their positive social impact, among others.

Having successfully passed the first two phases of the certification process (“*scoping*” and “*pre-screening*”) in record time, since March 2021 the company has been immersed in the “*verification*” process, which is expected to culminate in the achievement of B Corp certification before the end of 2021.

### ESG (Environmental, Social and Governance) rating and associated funding:

With a rating of 67/100 awarded by “Standard & Poor’s - S&P Global Ratings”, and reflecting its high commitment to the environment, sustainability, and corporate governance, in 2019 the MASMOVIL Group became the first in EMEA (“Europe, the Middle-East and Africa”) to obtain syndicated financing with part of the cost linked to the future evolution of the ESG rating.

In July 2020, the rating agency published a rating upgrade, granting the same overall rating as in 2019. The results of the analysis of the three aspects analysed in the rating were as follows: 69/100 on environmental performance (same as 2019), 67/100 on social (64/100 in 2019) and 67/100 on governance (same as 2019).

Since the last rating update, the Group has carried out a series of actions mentioned in this report (adherence to the “United Nations Global Compact”, updating the mission, vision and values, obtaining “ISO14001” certification, signing the “B Corp” commitment, adapting various Corporate Policies and drawing up equality and diversity plans, among others), which shows that the Group is focusing its strategy on the ESG environment, demonstrating its responsibility to work on controlling environmental, social and corporate governance risks.

### New corporate headquarters (“Leed Gold” and “Applus+” certificates):

In June 2020, the MASMOVIL Group opened its new offices in Alcobendas (Madrid). It is a 14,500 square meter building located at Avenida Bruselas, 38, where total transparency, comfort and visibility of all work areas have been prioritized.

In this respect, the building has different types of collaborative workspaces and meeting rooms, free allocation stations, agora of multiple sizes, shared work desks in open spaces and quiet zones.

The new building also offers and promotes green activities in accordance with the criteria set out in the “UN Sustainable Development Goals” and the “Leed Gold” Certificate awarded to the building.

In addition to the “Leed Gold” certificate, in September 2020 the new headquarters obtained certification from “Applus+” for its COVID-19 Safe Preventive Protocol, after verifying that it is a controlled space aligned with the most demanding standards against the coronavirus, both nationally and internationally, as well as complying with all the recommendations of the Spanish Ministry of Health in buildings to fight against COVID-19.

This Applus+ certification is in response to the work carried out by the company to implement safety measures, both organizational and physical, to protect its staff and visitors from contagion. Examples include the following:

- Organizational measures: “Applus+” certificate evaluators have highlighted the company’s ability to react to the crisis with protective measures included in its Covid-19 Preventive Protocol. These measures include rules to be observed by employees before arrival at the workplace, on access to the building and at the workstation, as well as instructions on how to behave once in the office, cleaning

and disinfection procedures, protective materials to be always used and rules on how to respond to possible cases of COVID-19.

- Physical measures: “Aplusplus” stresses that the MASMOVIL Group has drawn up mandatory rules for all its employees, customers and suppliers who access its facilities (use of face coverings, hand washing, gloves, waste management and health and safety rules for meetings). It has also implemented the necessary signage, training, information and posters to communicate these measures and to ensure correct compliance by the people who are at the headquarters, as well as reinforcing its cleaning and disinfection service.

In view of the growing importance of ESG (“Environmental, Social and Governance”) aspects in the community in which it operates, the Group has taken a step further and has included in its day-to-day operations several measures that confirm its growing concern to develop its business in a sustainable location.

Some of the actions that have a positive and direct impact on the environment were already taken in the previous premises and are maintained in the new, where additional measures have been implemented. These include the following:

- At the previous headquarters, the consumption of plastic bottles in the offices was eliminated, replacing them with glass bottles (one for each of its employees) refillable in water fountains distributed throughout the different floors. This action has eliminated the consumption of more than 100,000 plastic bottles per year.
- In the new headquarters, this measure has been complemented and reinforced with the provision of a ceramic cup to all employees in order to reduce the use of cardboard coffee cups and also to facilitate the sustainable consumption of water.
- At the previous site, collection containers for plastic, batteries, and paper on all floors of the corporate headquarters were already in place. Recycling bins for electronic components were also placed at the reception of the building and in the distribution channel.
- At the new headquarters it has gone one step further, providing containers for packaging, paper, and organic waste on all floors, as well as bins specially designed for sanitary waste such as face coverings that open automatically to avoid physical contact.
- Also, at the new headquarters, the recycling of electronic devices and components has been further developed, creating a specific area for the recycling of this type of waste, separating them into normal batteries, mobile phone batteries and other electronic equipment. This equipment is removed by authorized waste treatment companies in accordance with its “EWL Code” (European Waste List).
- In the new headquarters, “Airlite” ecological paint has been used to paint the entire surface of the building, a paint that absorbs CO<sub>2</sub>, purifies the environment of bacteria and prevents dirt and dust from adhering, making your office a space with a very high air quality.

- Natural and hydrophytic vegetation is also being used, with a total absence of plastic plant decoration.
- Ashtrays have been included in the permitted limits for the subsequent recycling of cigarette butts to prevent them from ending up on the ground.
- Use of clean, green and sustainable electricity through the Pepeenergy Group company. The energy comes from green energy producers, certified by the “CNMC”, at the cost of the wholesale market plus €4/month<sup>4</sup>.
- Electric vehicle chargers have been installed in the car park of the new headquarters to encourage the use of electric vehicles by Group employees.
- Finally, to raise awareness among its own employees and visitors in terms of sustainability and the environment, the Group has set up a communication space for the “SDGs” (“Sustainable Development Goals” promoted by the United Nations) and plans to set up a space for the exhibition of sustainable art.

The creation of the Group’s Blog has also been launched, which includes a section dedicated to social commitment and the Group’s contribution to society. In 2019, the “five commitments of the MASMOVIL Group” section on environmental and social issues was added to the corporate website, as well as an Environmental Decalogue.

Finally, through the Webex platform, an internal channel called MASostenibles has been set up where employees can discuss and share measures, initiatives and activities aimed at promoting sustainable economy with the rest of the workforce.

“I Think, Therefore I Act”:

The Group’s major commitment to Positive Social Impact is “I Think, Therefore I Act” (“Pienso, luego actúo”), a Yoigo platform that includes social content, with the aim of giving voice and visibility to people who are committed to a positive transformation of the society in which we live. Anonymous people who decided to transform their desire to excel into extraordinary actions that, in one way or another, are improving the world.

“I Think, Therefore I Act” has been running for more than two years. By the end of 2020 it had received more than 77 million views, inspiring and raising awareness among society and has helped dozens of NGOs, social enterprises and initiatives that are changing the world through various actions related to the United Nations 2030 “Sustainable Development Goals”.

During the 2020 months of COVID lockdown, “I Think, Therefore I Act” transformed its website to become a search engine for social initiatives to help in the pandemic and took these solidarity initiatives to prime-time television to further boost aid.

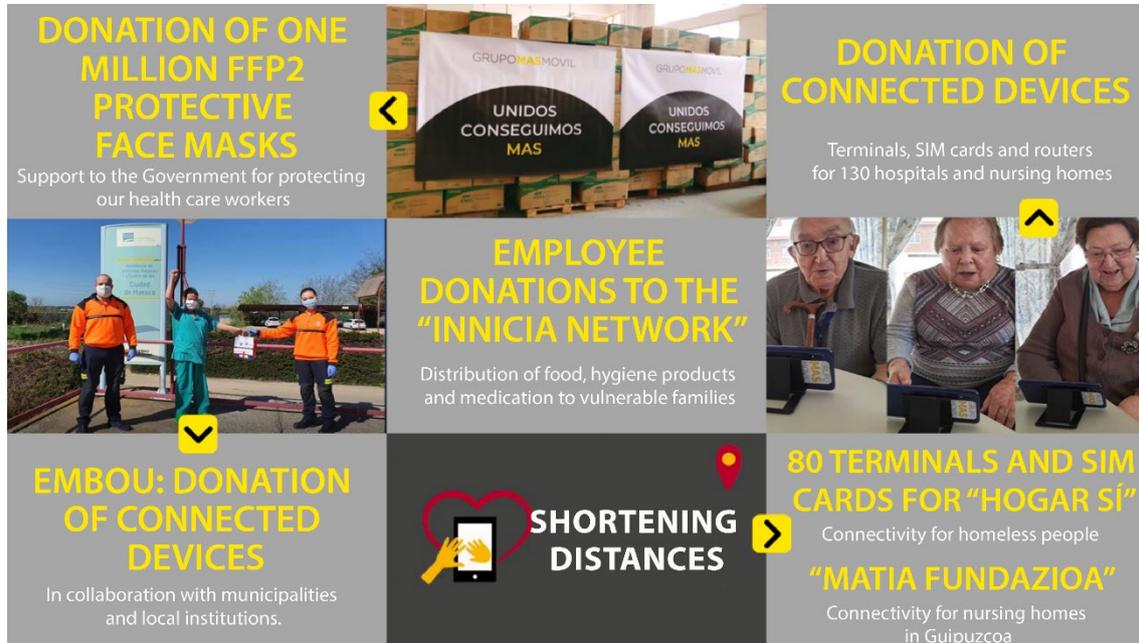
Yoigo also makes it easy for the public to interact with this social cause in a transparent, direct, and simple manner. During 2020, the real positive impact that the “Think Then I Act” campaigns have had on the success of these social initiatives could be seen. One success story, for example, is that of Pepe Olmedo, founder of the association “Música para despertar” (“Music for waking-up”), that uses music as a tool to work with

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<sup>4</sup> Tariff in force as of March 2020.

Alzheimer's patients. Thanks to the social platform "Pienso Luego Actúo" ("I think, therefore I act") it increased the number of members by 346%.

Measures and initiatives taken in response to the emergency situation arising from COVID-19:



The outbreak of the pandemic accelerated many of the actions that were already on the table and above all helped to understand the impact that a telecommunications operator has on the lives and basic needs of society. Connectivity became a commodity and the window to be connected to the world, to work, to studies, to information and to health services.

Access to quality internet became a priority for citizens and this led the Group to actively manage its networks to avoid any incidents and network saturation. The Group is proud to say that, as a result of the work and investments, the MASMOVIL Group's fibre network was able to support the substantial increase in traffic that exceeded pre-crisis levels in both voice and data by around 80%.

During this period, the Group's network was once again recognized by the independent "nPerf" study in April 2020 as the best performing network in the sector in Spain, both for fixed and mobile services, leading the market in fixed and mobile download speeds, web page speed and latency.

The Group not only ensured the proper functioning of its network during this emergency, but also reinforced its technical and support teams, increasing the number of people providing assistance to its customers in order to resolve as quickly as possible any technical problems that arose during the lockdown.

In a health emergency environment, the Group was aware from the outset that hospitals and nursing homes were critical points for providing connectivity for patients and elderly people enduring physical isolation. Our response to this need was to donate connected devices to more than 130 hospitals and nursing homes in Spain, as well as providing

free educational and entertainment content and increasing Gb and free calls for its customers through some of the Group's brands.

In this regard, during the period of shortage of protective equipment for our healthcare workers, the MASMOVIL Group donated 1 million FFP2-approved face coverings for use in Spanish hospitals, as well as 2,400 connected devices to hospitals and nursing homes that allowed patients and healthcare workers in lockdown and isolation to remain in contact with their loved ones.

A similar initiative was carried out with homeless people so that during the lockdown period they could receive accompaniment calls from health technicians who monitored their condition.

On the other hand, on an individual basis, the Group's employees, through their donations, helped more than 100 families to cover their basic needs for food, hygiene, and medication.

During the lockdown, employees, and their families with symptoms of infection were also tested and protective equipment, gloves, face coverings and hydro-alcoholic gel were distributed and sent to their homes. As a sample of the Group's commitment to health in the workplace, the company facilitated the delivery to employees' homes of the office equipment and furniture they needed, such as chairs, keyboards, and screens.

At an internal operational level, staff were kept working remotely from before the state of alarm was announced and, thanks to the digital collaboration tools with which employees were already familiar, business continuity was ensured without major incidents. Such remote working was also extended to almost 100% of call centre agents.

For staff whose work could not be carried out remotely, such as installers or shop employees, the company also created protocols and health and hygiene recommendations including disinfection measures, use of face coverings and personal protective equipment, social distancing and reduction of contact during maintenance and repair work.

The headquarters and sales outlets are currently "Applus+" and "Aspy" certified, guaranteeing that they are COVID-19 protected areas. Employees have access to preventive antigen testing on a regular basis (every week or two) and wear a connected device that not only alerts them when the safe distance with another employee is not met, but also records the contacts the person has had during the day so that, if necessary, the infection prevention protocol can be activated.

In addition, to avoid the use of public transport as much as possible, the company has made available to employees a private mini-bus service with several routes through the Spanish capital city.

The Group's subsidiary Embou also contributed to several actions in the Aragón area during the COVID-19 crisis:

- Collaboration with the Department of Education of the Government of Aragón: donation of 100 tablet devices with SIM card and data for students without resources in the province of Huesca.

- Collaboration with Zaragoza City Council: installation of internet connections in a hostel and a pavilion for people at risk of exclusion.
- Collaboration with the “Alcoraz Foundation” (S.D. Huesca): donation of 10 terminals with SIM cards for various hospitals and nursing homes in the province of Huesca.
- Collaboration with Teruel City Council: donation of 10 tablets with SIM cards for hospitals and nursing homes in the city of Teruel in collaboration with CaixaBank and Teruel City Council framed within the “Aislados pero no Solos” project.
- Collaboration with Sabiñánigo Town Council: donation of three terminals with SIM cards for local and district nursing homes.
- Collaboration with Alcañiz City Council: donation of 25 tablet devices with SIM card for local students without resources. In collaboration with Alcañiz City Council. Likewise, through the distributor “Puyo Área Tecnológica” (Teruel), 10 tablet devices with SIM cards have been donated to hospitals and nursing homes in Valderrobres, Calaceite, Alcañiz and underprivileged students in Herrera de los Navarros.
- Collaboration with the “AECC” (Spanish Cancer Association): on the occasion of the hospitalized child day (May 13th), five 4G routers with SIM cards were loaned to provide connectivity to certain areas of the oncology unit of the “Zaragoza Children’s Hospital” where Wi-Fi was not available, so that they could communicate with their families.

Measures taken to assist customers during lockdown:

- From the first moment of the health crisis, the MASMOVIL Group provided its customers with free voice and data services to ensure connectivity and make the lockdown situation resulting from the COVID-19 health emergency more bearable.
- The Yoigo and MASMOVIL brands made available to their customers a range of free services for children and adults in leisure, education, health, and technology services, available on new websites created specifically for accessing these gifts: “MásVentanas” for MASMOVIL brand customers and “Biengastadoresdetiempo” for Yoigo customers.
- **Yoigo** increased the data on its high consumption mobile-only tariffs to infinite for both individuals and businesses until 30 June 2020. It also gave for free 3 months of “Sky TV” and 3 months of “FlixOlé” to its entire customer base.
- **MASMOVIL** also offered 3 months of “Sky TV” and “FlixOlé” free of charge to all its customers.
- **Pepephone** increased, free of charge, 5 GB of data consumption for all its customers’ lines in March and April, as well as giving away 1 GB for each year that its customers have been customers of the brand.
- **Lebara** added 12 countries to its tariffs with international calls included to make it easier for customers to communicate with their loved ones.

- **Llamayá** added free calls between all its prepaid customers and, in general, the validity period of its customers' prepaid cards was extended so that prepaid users could stay connected, receive calls, SMS or make emergency calls for the duration of this situation.



**Signing of the operators' agreement with the Spanish Government:**

The Group adhered to the commitment that the government and telecommunications operators agreed to sign, extending measures that ensured the connectivity of people and businesses through network monitoring and agile response to incidents, especially with regard to networks supporting emergency services.

**Collaboration with the #StopCorona project:**

The MASMOVIL Group collaborated in the “#Stopcorona” startup project, a platform created to develop and disseminate new projects and generate synergies to help predict and mitigate the effects of the pandemic. This initiative of the Samaipata venture capital fund allows collective intelligence and experience in the digital and technological environment to be transmitted and put to work at the service of citizens, especially those in the health sector.



Ambassador of the “Madrid x Madrid” initiative to help vulnerable families:

The company also joined as an ambassador of the “Madrid x Madrid” initiative, a citizens’ movement that supported the most vulnerable families in Madrid during the period of strict lockdown. This initiative was born with the aim of alleviating the food needs of the most vulnerable people in Madrid and responding to the requests made to Madrid City Council, collaborating in the dissemination of this initiative with external communication in digital and print media, articles for blogs, actions with micro influencers and publication of posts and stories for social media, as well as launching numerous internal communication actions.

“MASsolidaria” proposal:

During the second half of 2020, the Group began working on the design and implementation of a social proposal, which main objective was to facilitate access to quality internet connectivity for the most disadvantaged segments of the population suffering from the digital divide.

This proposal is aimed at those economically vulnerable groups who are working to overcome their situation of vulnerability and who, to do so, need to be able to access the internet at affordable reduced prices, in a sustainable manner over time and, of course, without changes in tariffs if the beneficiary qualifies as such.

Throughout the process of selecting vulnerable groups, defining eligibility criteria for potential beneficiaries of the social proposal and subsequent monitoring and control of the same, the Group has benefitted from the collaboration of the “Innacia Network”.

The “Innacia Network” is an initiative promoted by the “Innacia Association” whose objective is to foster the collaboration of entities of diverse nature united by a common goal of pooling resources in the promotion of common innovative actions and projects that achieve a significant social impact. This initiative was launched in September 2019

and currently comprises 20 entities representing the entire spectrum of the associative world and, therefore, together they have the capacity to face numerous challenges.

The objective of helping economically vulnerable groups to overcome or reduce the digital divide, facilitating their access to work, health, culture and other services at competitive prices, was always a priority for the Group during the design process of this “MASsolidaria” proposal. Accordingly, the MASMOVIL Group decided to build this proposal with a zero margin and, in addition, to bear the costs of customer equipment and installation for the beneficiaries.

In addition to the above commitment by the MASMOVIL Group, a comparison was also made of existing tariffs in the market, especially for fibre (FTTH) and fixed voice, which is the most relevant service for providing quality internet at home.

Based on the above, this proposal was finally launched in the first quarter of 2021 under the name “MASsolidaria” proposal and with a 50% discount on a high-speed internet connection tariff with a landline. The price was set at 15 euros per month which, in addition to the aforementioned 50% discount on the official rate for this service, is 30% cheaper than the cheapest rate on the market, at the time of its design, for a similar service.

#### EnergyGO:

In the fourth quarter of 2020, the MASMOVIL Group became the first major telecommunications operator to incorporate a 100% green electricity service through the “EnergyGO” service with no extra fees for this service for Yoigo customers and which also has the attractive aspect of providing savings of around 20% over traditional electricity operators. In addition, Yoigo offers recommendations to reduce energy consumption.

Yoigo started offering this service in line with its responsible and environmentally friendly way of doing things, with the aim of helping its customers to reduce their energy bills and their impact on the planet to the greatest possible extent.

This service, which in combination with the Group’s previous commitment to green energy through Pepeenergy, makes it possible to opt for a 100% green and environmentally friendly energy service, with a simple and transparent contracting process that can be carried out online through an App that also offers detailed consumption graphs, personalized home studies, comparisons and short, medium and long-term savings advice.

The offer consists of three tariffs: (i) same price all day, (ii) time discriminating and (iii) electric car tariff to promote the use of electric vehicles.

The focus of the advertising campaigns has been to educate people on the impact of electricity consumption, the responsible use of the planet’s resources and measures to reduce electricity consumption.

### **3.1. Environmental management**

Given its commitment and concern for ensuring respect for the environment, and in its desire to achieve a more sustainable working environment, the Group continues to

disseminate environmental awareness messages, both externally, through its networks and corporate website, and internally, using its intranet and internal communications.

As mentioned in the previous section, in December 2020 the Group obtained "ISO14001" certification for environmental management, which highlights the environmental measures that have been implemented in recent years.

Finally, in its Consolidated Financial Statements for 2020, the Group has not recognized any specific environmental provisions in addition to the provision for site decommissioning, which includes the estimated cost of decommissioning, removal, or rehabilitation of telecommunications infrastructure, which are recognized as an increase in the cost of the tangible fixed assets to which they relate. Likewise, as the Environmental Liability Law does not apply to its activity, the Group has not established environmental guarantees derived from this legislation.

### 3.2. Sustainable use of resources

The Group's commitment to the environment involves controlling the impacts of its activities. Therefore, the aim is to improve the energy efficiency of its facilities in order to minimize CO2 emissions.

#### Main consumption of the Group:

- Since LORCA JVco Ltd gained control:

<b>Consumptions</b>	<b>4Q-20</b>
<b>Total electricity (MWh)</b>	<b>2,984</b>
Diesel Fuel Generator (l)	1,958
Diesel fuel CPD (l)	-
<b>Total fuel (l)</b>	<b>1,958</b>
<b>Water (m3)</b>	<b>450</b>

- Of the Group companies in 2020 and 2019 (including data since Lorca JVco Ltd. gained control, as mentioned above):

<b>Consumptions</b>	<b>2020</b>	<b>2019</b>
<b>Total electricity (MWh)</b>	<b>18,121</b>	<b>19,012</b>
Diesel fuel Generator(l)	7,830	7,314
Diesel fuel CPD (l)	-	650
<b>Total fuel (l)</b>	<b>7,830</b>	<b>7,964</b>
<b>Water (m3)</b>	<b>2,276</b>	<b>3,895</b>

All the electricity consumption of the Group in 2020 is sourced from renewable energies with a certificate of origin (of which approximately 88% comes from wind and solar energy and 12% from hydroelectric energy), except for the energy consumed by the investee Embou Nuevas Tecnologías, S.L.U., which represents 0.15% of the total electricity consumption of the Group in 2020 (28 MWh consumed by Embou Nuevas Tecnologías in 2020 and 9 MWh since Lorca JVco Ltd got control) and has a certificate of renewable origin for 37% of its consumption.

As a service company, the consumption of materials is not for the direct generation of products, but for the Group's telecommunications network to provide the services required by its customers. At the corporate headquarters, paper is the most commonly used material. The Company has implemented measures to achieve the objective of a paperless office (clean desk policy, absence of individual waste-paper baskets and bins,

recording and monitoring of printouts per employee, digitisation of processes, etc.). Further details on the Group's waste management are included in the following section.

Both light and noise pollution are not considered material as they are insignificant for the Group's activity.

As part of its commitment to the environment, the Group declares its intention to work and seek solutions and corrective measures that promote the reduction of water consumption per employee (litres/employee). It is important to note however that the move to the new headquarters took effect in June 2020 and since then, due to the health crisis, there has been an increase in teleworking and therefore the physical presence of employees in the offices has been lower than would be the case in a business-as-usual scenario.

For these reasons, the Group has considered that it is more appropriate to take the water consumption data per employee for 2019 as a reference. In this way, once the situation is back to normal (expected from 2022), it will be possible to evaluate the measures implemented in the new headquarters, such as the installation of dual flush mechanisms with two flush buttons in cisterns, automatic taps with infrared sensors and irrigation timers, as well as employee awareness-raising initiatives. In such a way that all these measures implemented will reduce water consumption per employee by at least 5% in that period.

On the other hand, in recent years the Group has implemented several energy efficiency measures at the DPCs ("Data Processing Centres"), including the following:

- Installation of cold corridor enclosures in technical rooms in both DPCs.
- Cold bucket assembly of racks. In both DPCs.
- Installation of LED tubes in DPC MT8.
- Installation of the "*free-cooling*" system in air machines no. 2 of the DPC MT8.
- Conditioning of "*free-cooling*" ducts in the MT8 UPS room, to avoid mixing hot and cold air.
- "*Renove*" Plan 2018 and 2019 on sites with old air-conditioning equipment from 2001 replacing these for modern equipment fitted with "*free-cooling*" system.
- "*Plan Renove*" 2018 and 2019 of retrofit equipment and batteries at the end of their useful life for new, more efficient retrofit equipment.
- Eight cold aisles have been created at eight sites with an estimated saving of 14% in electricity consumption at these sites.

In addition, the following projects are being implemented in the Group's network to meet increased customer traffic demand, provide better service and have a much more energy efficient network.

#### Plant modernization:

Approval and deployment of a new family of mobile telephony equipment that offers improved traffic management and a reduction in electricity consumption of approximately 30% compared to the equipment installed until 2018.

During 2019 and 2020, 30% of the plant has been modernized with this type of equipment, achieving the dual purpose of increasing the network's traffic management capacity and reducing absolute consumption. During this period, 1,400 existing sites have been upgraded and 230 additional sites have been deployed.

#### Energy efficiency improvement:

A process of optimization of the network's energy efficiency improvement functionalities has been carried out. The newly installed equipment allows a more intensive use of energy saving functionalities to switch the equipment to a standby mode during periods of low demand and optimization of resources in nominal operation. All this without affecting the quality of service perceived by the customer or otherwise improved by reducing inter-node interference.

The energy efficiency functionalities implemented are:

- "MIMO Sleep Mode": it reduces consumption by 10-15% in low-user regimes.
- "Micro Tx Sleep Mode": it optimizes the energy use of Tx equipment only at times when there is a need.
- "Schedule Tx Mode": it compacts the information reducing the Tx time of the equipment.

#### Optimization of deployment typologies:

The network has been reconfigured towards full outdoor or mixed typologies. The equipment is located outside the buildings in the open air and does not need to be cooled. This form of installation avoids the use of air conditioning at the sites. They also do not use fans for cooling, operating by natural convection.

#### Energy efficiency improvement:

The energy efficiency of the Group's network is being monitored through energy consumption per GB delivered. The evolution of this parameter has been as follows:

- 2019: 0.60 kWh/GB
- 2020: 0.45 kWh/GB

### **3.3. Circular economy and prevention and management of waste**

The Sustainability and Environmental Policy also strives for continuous improvement in environmental aspects, helping to minimize waste generation and thus contributing to the Circular Economy.

The Group is highly committed to waste reduction and recycling at its facilities and has been developing recycling awareness campaigns through regular internal communications. In addition, at the Group's headquarters, there are different containers

for the collection of plastic, paper, organic material and face coverings on each floor of the headquarters, as well as containers for electronic material and batteries. MASMOVIL has also deployed more than 800 electronic recycling points in the Group's different points of sale in Spain.

Likewise, the commitment to the environment extends to the Group's supply chain, in that its suppliers must have an environmental management system that includes specific objectives and measures, such as "ISO14001" or similar certification. Through acceptance of the Supplier Code of Ethics, the Group's suppliers commit to reduce the negative impact of their operations and to strive to maintain and enhance biodiversity.

The supplier also undertakes to establish, where applicable, a monitoring procedure for emissions, effluents, pollution and waste, including electronic waste. All waste shall be properly managed or recycled in a way that allows for proper traceability.

Waste generation in network operations (in kg.):

- Since LORCA JVco Ltd got control:

Type of waste	4Q-20
Other electronic products: panels	78,223
Other electronic products: antennas	6,825
<b>Total electronic waste</b>	<b>85,048</b>
Plastic	3,844
Paper / Cardboard	9,022
Metal	173
Wood / cork	1,447
Other	109
<b>Total packaging</b>	<b>14,594</b>
<b>Total waste</b>	<b>99,642</b>

- Of the Group companies in 2020 and 2019 (including data since Lorca JVco Ltd. got control, as mentioned above):

Type of waste	2020	2019
Electronic network equipment	-	2,085
Other electronic products: panels	124,395	3,058
Other electronic products: antennas	9,714	724
Other	-	54
<b>Total electronic waste</b>	<b>134,109</b>	<b>5,921</b>
Plastic	5,680	4,566
Paper / Cardboard	13,333	11,989
Metal	255	84
Wood / cork	2,139	1,071
Other	161	657
<b>Total packaging</b>	<b>21,568</b>	<b>18,367</b>
<b>Total waste</b>	<b>155,677</b>	<b>24,288</b>

The main reason for the increase in the generation of waste in network operations is due to the fact that the message of the importance of recycling has been reinforced and this has been passed on to the collaborating companies that manage the network ("managed services"), which during 2020 have implemented a tool for monitoring the waste generated in operations.

Generation of waste in DPCs (Data Processing Centres):

- Since LORCA JVco Ltd got control:

Type of waste	4Q-20
Batteries - LER 160601 (kg)	2,820
Fluorescent lamps and lights - LER 200121 (units)	9
Filters and absorbers - LER 150202 (units)	12
Oil - LER 130205 (l)	347

- Of the Group companies in 2020 and 2019 (including data since Lorca JVco Ltd. got control, as mentioned above):

Type of waste	2020	2019
Batteries - LER 160601 (kg)	3,450	5,945
Electronic equipment - LER 160214 (kg)	2,696	2,160
Electronic equipment - LER 160213 (kg)	-	2,759
Electrical equipment - LER 200136 (kg)	92	-
Electrical equipment - LER 200136 (pc)	13	-
Fluorescent lamps and lights - LER 200121 (un.)	27	90
Equipment containing chlorofluorocarbons, HCFC, HFC - LER 160211 (kg)	-	608
Filters and absorbers - LER 150202 (units)	55	133
Oilcloth - LER 150202 (l)	-	10
Filter mat - LER 150202 (m <sup>2</sup> )	4	10
Oil - LER 130205 (l)	382	75
Air-conditioning split - LER 170409 (kg)	103	-
Copper - LER 170401 (kg)	-	80
Radiators - LER 170407 (kg)	-	120
Ferrous scrap - LER 170405 (kg)	-	460
Air-conditioning belts (units)	6	-

Recycling at headquarters:

- Since LORCA JVco Ltd got control:

Type of waste	4Q-20
Paper / Cardboard	353
Plastic	-
Electronic products	-
<b>Total recycling (kg)</b>	<b>353</b>

During the fourth quarter of 2020, there was no collection of plastic and electronic devices containers from the head office, therefore there is no data for this period.

- Of the Group companies in 2020 and 2019 (including data since Lorca JVco Ltd. got control, as mentioned above):

Type of waste	2020	2019
Paper / Cardboard	6,038	2,535
Plastic	2,692	1,029
Electronic products	473	94
<b>Total recycling (kg)</b>	<b>9,203</b>	<b>3,658</b>

All waste consumed and generated by the Group is removed and processed by appropriate waste managers who certify that waste collection is carried out using the best technologies and in compliance with current regulations.

Food waste:

References to actions to combat food waste have not been considered relevant because MASMOVIL has no relationship with this aspect in the performance of its activity.

**3.4. Climate change**

MASMOVIL, in the course of its business, does not generate a significant negative impact in terms of greenhouse gas emissions, and therefore this is not considered a material aspect for the Group.

However, in line with its commitment to control and reduce the impact of its emissions, the Group has calculated its Scope 1 and Scope 2 emissions.

Climate change and atmospheric emissions:

- Since LORCA JVco Ltd got control:

<b>Emissions</b>	<b>4Q-20</b>
Scope 1 emissions (tCO <sub>2</sub> )	5.30
Scope 2 emissions (tCO <sub>2</sub> )	2

- Of the Group companies in 2020 and 2019 (including data since Lorca JVco Ltd. got control, as mentioned above):

<b>Emissions (*)</b>	<b>2020</b>	<b>2019</b>
Scope 1 emissions (tCO <sub>2</sub> )	21.20	21.40
Scope 2 Emissions (tCO <sub>2</sub> ) (**)	5	4,676

(\*) The factors used are those of MITECO (Ministry for Ecological Transition and Demographic Challenge) in its most updated version. The consumption of diesel B is multiplied by its factor and the consumption of electricity which has no guarantee of origin is multiplied by its factor.

(\*\*) In 2020, a guarantee of origin certificate is available for electricity consumption, except for 0.15% of electricity consumption.

As part of the ISO14001 certification process, the Group has set a target of a 5% annual reduction in electricity consumption (KWh/GB) in the antenna network, as well as establishing measures to reduce electricity consumption KWh at the corporate headquarters, for example:

- Monitoring monthly electricity consumption through the BMS system.
- Identification of efficiency measures.
- Reduction of the contracted power.

Biodiversity protection: since 2018, the Group has been removing stork nests on telephone towers in accordance with current legislation. Also, since the 2019 financial year, umbrellas have been installed on the towers to prevent storks from nesting in the installations and subsequently having to be removed.

**4. Information on social and personnel-related issues**

The Group has a firm commitment to its employees, which encompasses the Group's ethical commitment and compliance system in terms of human and labour rights,

recognized in national and international legislation, as well as expressing its compliance with the principles defined in the “United Nations Global Compact” and the guidelines of the OECD (“Organization for Economic Co-operation and Development”).

It also develops the principles of non-discrimination and equal opportunities which are complemented by specific policies.

Ethics is a fundamental pillar of the Human Resources area, which has developed the implementation of the provisions set forth in the Group’s Code of Ethics.

In this regard, the Board of Directors of MASMOVIL IBERCOM, S.A.U., at its meeting held on 27 November 2019, approved the Group’s Human Resources and Labour Relations Policy, as a development of Article 12 of the Code of Ethics, which establishes that:

*“The Company shall maintain an appropriate selection program, considering the personal and professional academic merits of the candidates and the needs of the Group.*

*The Group shall evaluate its employees objectively based on their individual and collective performance and promote them, as far as possible, according to their results.*

*The Company will inform its employees about the outline of its strategic objectives and the progress of the Group.”*

The objective of the Human Resources Policy is to implement a human resources management model in the Group that allows it to attract, promote and retain talent and foster the personal and professional growth of all the people who belong to its human resources team, as well as to align the interests of the professionals with the strategic objectives of the Group.

This Policy is complemented by the provisions of the Equal Opportunities Policy approved by the Board of Directors of MASMOVIL IBERCOM, S.A.U. at its meeting held on 20 December 2017, which aims to be the backbone of a favourable environment for employees by promoting effective equality among men and women. This policy develops the basic principles of action among which the quality of employment, equality of opportunity and equity and respect for diversity are of note.

In this regard, in 2020, work began on the design and implementation of a Talent Diversity Plan, which culminated in its approval by the Board of Directors of MASMOVIL IBERCOM, S.A.U. at its meeting held on 26 February 2021. To our knowledge, it would be one of the few comprehensive diversity plans that have been officially validated and approved by the Board of Directors of a company in Spain, which reinforces the commitment of the entire organization to creating a diverse work environment.

With this Plan, the MASMOVIL Group aims to go beyond the limits of its organization and become a point of reference in society, becoming a social agent for the promotion of diversity and integration. The MASMOVIL Group is aware that it owes its success to the diversity of people who work in and with it, and to all those customers who have placed their trust in the Group by contracting its services.

For this reason, diversity and social innovation have been incorporated as cross-cutting aspects throughout the Group, which is a key element in placing people at the centre

and backbone of the organization. The MASMOVIL Group's Diversity Plan has been designed taking into account that diversity:

- Is integrated into the Group's business strategy and aligned with all Corporate Policies.
- Will be driven by the Group's Board of Directors and senior management and will involve the entire workforce.
- Will incorporate social innovation as a central element of this policy.
- Will be the hallmark of its workforce.
- Will go beyond the boundaries of the organization to take on the role of a Social Agent in society.
- It has been defined since the triple "I": **Investment** in diversity with the incorporation of social **Innovation** will guarantee **Impact** on society.
- It will have an impact on the Group's workforce, customers, *partners* society and especially people.

The Diversity Plan sets out the general and operational objectives that will govern the MASMOVIL Group's diversity policy over the next four years (June 2021-June 2025). In order to meet these objectives, each year the MASMOVIL Group will draw up a specific Action Plan in which it will define the specific actions to be carried out. It shall also prepare an annual report reflecting the actions carried out and the results and impacts of these actions.

The overall objectives defined in the Plan, and to which all actions under the Plan should contribute, are summarized as follows:

- Gender equality: to guarantee real and effective equality of opportunities among women and men within the company, and thus avoid any type of discrimination in access to employment, professional classification, promotion and training, remuneration and the organization of working time in order to favour a better work-life balance.
- Age: to take advantage of the generational richness in the Group, providing tools aimed at promoting multi-generational teams and reverse mentoring, in such a way as to combine the value of experience with that of up-to-date knowledge, the two-way transfer of knowledge between generations and the use of new systems, tools and work methodologies.
- Disability: compliance with the General Law on Disability in force at any given time, with 2% of direct hiring and/or alternative measures aimed at the integration of people with limited capacity through special employment centres, and/or donations to foundations or entities whose priority is the social and labour inclusion of people with disabilities.
- "MASdiversidad": active policies of zero tolerance for differences based on gender, race, religion, culture, or sexual orientation.

This Policy is complemented with the provisions of the Equality Plan of Xfera Móviles, S.A.U. (the Group company with the largest number of employees), approved at its meeting of 10 October 2020, which aims to guarantee equal treatment and opportunities among women and men in access, selection, hiring, promotion, training and other working conditions, promoting the presence of women in the organization and in positions of responsibility, continuing to integrate the gender perspective in the management of the company.

The Group also approved, on 27 February 2018, a Human Rights Policy as a development and complement to its Corporate Social Responsibility Policy. Likewise, the Group approved, by resolution of the Board of Directors of MASMOVIL IBERCOM, S.A.U. of 25 July 2018, a Policy on Unacceptable Behaviour and Prevention and Action against Moral, Psychological and Physical Harassment which, based on the principle of non-discrimination described in its Code of Ethics, lists the various actions contrary to regulatory compliance, both internal and external, that hinder the proper functioning of a healthy and ethical working environment.

It sets out the procedure for handling complaints received through the internal ethics channel, with the support of the *Compliance Officer*, the Ethics Committee and the Chief Executive Officer. This procedure also defines the internal investigation and the implementation of measures within a maximum of 15 working days.

The Group has also developed various measures to facilitate work-life balance and offers its employees various social benefits such as flexible working hours, intensive working hours in summer and all Fridays, physiotherapy service, healthy meals, mixed work model (onsite and remote) associated with COVID-19, tele-health services, shuttle bus service, discounts on training and leisure, sports activities, among others.

Total number and distribution of employees by gender, age, country and professional category:

At year-end 2020, the Group's workforce consisted of 1,190 employees, of whom 790 are men and 400 are women. Of these 1,190 employees, 129 joined in the last few days of 2020 due to the Group's acquisition of "Spotting Brands Technologies, S.L." and its group of companies, hence the information on personnel issues does not include data on these 129 newly hired employees (47 women and 82 men).

Age	2020			2019		
	Women	Men	Total	Women	Men	Total
<i>Below 30 years</i>	32	71	103	23	51	74
<i>From 30 to 50 years</i>	277	526	803	255	422	677
<i>Over 50 years</i>	44	111	155	34	90	124
<b>Total</b>	<b>353</b>	<b>708</b>	<b>1,061</b>	<b>312</b>	<b>563</b>	<b>875</b>

Professional classification	2020			2019		
	Women	Men	Total	Women	Men	Total
<i>Managers</i>	14	69	83	12	59	71
<i>Technical personnel</i>	58	214	272	42	171	213
<i>Admin. personnel</i>	44	53	97	36	39	75
<i>Other personnel</i>	237	372	609	222	294	516
<b>Total</b>	<b>353</b>	<b>708</b>	<b>1,061</b>	<b>312</b>	<b>563</b>	<b>875</b>

Nationality	2020			2019		
	Women	Men	Total	Women	Men	Total
<i>German</i>	1		1	1		1
<i>Argentinean</i>		6	6		2	2
<i>Bangladeshi</i>		5	5		2	2
<i>Bolivian</i>		1	1			0
<i>Brazilian</i>		1	1		1	1
<i>Bulgarian</i>	2	2	4	2	1	3
<i>Sri Lankan</i>		4	4		3	3
<i>Czech</i>		1	1			0
<i>Chilean</i>		2	2			0
<i>Colombian</i>	1	3	4	2	1	3
<i>Dominican</i>		3	3		3	3
<i>Slovak</i>	1		1	1		1
<i>Spanish</i>	340	618	958	298	530	828
<i>American</i>	0	0	0	1		1
<i>Filipino</i>		1	1	0		0
<i>French</i>		3	3		1	1
<i>Ghanaian</i>		3	3			0
<i>Hindu</i>		16	16		1	1
<i>Dutch</i>		1	1		1	1
<i>Honduran</i>		1	1		1	1
<i>Italian</i>		4	4		4	4
<i>Lithuanian</i>	1		1	1		1
<i>Moroccan</i>		8	8		2	2
<i>Mexican</i>		1	1			0
<i>Nicaraguan</i>		1	1		1	1
<i>Nigerian</i>		1	1			0
<i>Norwegian</i>	1		1			0
<i>Pakistani</i>		10	10		3	3
<i>Peruvian</i>	1	1	2	1		1
<i>Portuguese</i>		3	3		2	2
<i>Romanian</i>	4	3	7	4	2	6
<i>Russian</i>	1		1	1		1
<i>Senegalese</i>		2	2			0
<i>Swiss</i>		1	1		1	1
<i>Venezuelan</i>		2	2		1	1
<b>Total</b>	<b>353</b>	<b>708</b>	<b>1,061</b>	<b>312</b>	<b>563</b>	<b>875</b>

Total number and distribution of types of employment contracts by gender, age and occupational category:

<i>Permanent contract</i>	2020			2019		
	Women	Men	Total	Women	Men	Total
<i>Full-time</i>	339	705	1044	290	548	838
<i>Part-time</i>	14	0	14	16	3	19
<b>Total</b>	<b>353</b>	<b>705</b>	<b>1058</b>	<b>306</b>	<b>551</b>	<b>857</b>

<i>Temporary contract</i>	2020			2019		
	Women	Men	Total	Women	Men	Total
<i>Full-time</i>	0	3	3	5	10	15
<i>Part-time</i>	0	0	0	1	2	3
<b>Total</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>6</b>	<b>12</b>	<b>18</b>

<i>Permanent contract</i>	2020			2019		
	< 30 years old	From 30 to 50 years	> 50 years old	< 30 years old	From 30 to 50 years	> 50 years old
<i>Full-time</i>	101	792	151	62	660	116
<i>Part-time</i>	0	11	3	4	10	5
<b>Total</b>	<b>101</b>	<b>803</b>	<b>154</b>	<b>66</b>	<b>670</b>	<b>121</b>

<i>Temporary contract</i>	2020			2019		
	< 30 years old	From 30 to 50 years	> 50 years old	< 30 years old	From 30 to 50 years	> 50 years old
<i>Full-time</i>	2	0	1	6	6	3
<i>Part-time</i>	0	0	0	2	1	0
<b>Total</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>8</b>	<b>7</b>	<b>3</b>

<i>Permanent contract</i>	2020				2019			
	Managers	Technical personnel	Admin. personnel	Other personnel	Managers	Technical personnel	Admin. personnel	Other personnel
<i>Full-time</i>	83	270	97	594	71	207	73	487
<i>Part-time</i>	0	2	0	12	0	2	1	16
<b>Total</b>	<b>83</b>	<b>272</b>	<b>97</b>	<b>606</b>	<b>71</b>	<b>209</b>	<b>74</b>	<b>503</b>

<i>Temporary contract</i>	2020				2019			
	Managers	Technical personnel	Admin. personnel	Other personnel	Managers	Technical personnel	Admin. personnel	Other personnel
<i>Full-time</i>	0	0	0	3	0	3	1	11
<i>Part-time</i>	0	0	0	0	0	1	0	2
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>4</b>	<b>1</b>	<b>13</b>

Average annual number of permanent, temporary and part-time contracts by gender, age and occupational classification:

- Since LORCA JVco Ltd got control:

<i>Permanent contract</i>	4Q-20		
	Women	Men	Total
<i>Full-time</i>	338	710	1,048
<i>Part-time</i>	15	0	15
<b>Total</b>	<b>353</b>	<b>710</b>	<b>1,063</b>

<i>Temporary contract</i>	4Q-20		
	Women	Men	Total
<i>Full-time</i>	0	4	4
<i>Part-time</i>	0	0	0
<b>Total</b>	<b>0</b>	<b>4</b>	<b>4</b>

<i>Permanent contract</i>	4Q-20		
	< 30 years old	From 30 to 50 years	> 50 years old
<i>Full-time</i>	101	793	154
<i>Part-time</i>	0	12	3
<b>Total</b>	<b>101</b>	<b>805</b>	<b>157</b>

<i>Temporary contract</i>	4Q-20		
	< 30 years old	From 30 to 50 years	> 50 years old
<i>Full-time</i>	3	0	1
<i>Part-time</i>	0	0	0
<b>Total</b>	<b>3</b>	<b>0</b>	<b>1</b>

<i>Permanent contract</i>	4Q-20			
	Managers	Technical personnel	Admin. personnel	Other personnel
<i>Full-time</i>	84	270	95	599
<i>Part-time</i>	0	2	0	13
<b>Total</b>	<b>84</b>	<b>272</b>	<b>95</b>	<b>612</b>

<i>Temporary contract</i>	4Q-20			
	Managers	Technical personnel	Admin. personnel	Other personnel
<i>Full-time</i>	0	1	0	3
<i>Part-time</i>	0	0	0	0
<b>Total</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>3</b>

- Of the Group companies in 2020 and 2019 (including data since Lorca JVco Ltd. got control, as mentioned above):

<i>Permanent contract</i>	2020			2019		
	Women	Men	Total	Women	Men	Total
<i>Full-time</i>	325	670	996	289	513	802
<i>Part-time</i>	16	1	17	16	0	16
<b>Total</b>	<b>341</b>	<b>671</b>	<b>1,012</b>	<b>305</b>	<b>513</b>	<b>818</b>

<i>Temporary contract</i>	2020			2019		
	Women	Men	Total	Women	Men	Total
<i>Full-time</i>	1	6	7	2	5	7
<i>Part-time</i>	0	1	1	0	0	0
<b>Total</b>	<b>1</b>	<b>7</b>	<b>8</b>	<b>2</b>	<b>5</b>	<b>7</b>

<i>Permanent contract</i>	2020			2019		
	< 30 years old	From 30 to 50 years	> 50 years old	< 30 years old	From 30 to 50 years	> 50 years old
<i>Full-time</i>	83	760	153	36	626	140
<i>Part-time</i>	0	12	4	1	11	4
<b>Total</b>	<b>83</b>	<b>772</b>	<b>157</b>	<b>37</b>	<b>637</b>	<b>144</b>

Temporary contract	2020			2019		
	< 30 years old	From 30 to 50 years	> 50 years old	< 30 years old	From 30 to 50 years	> 50 years old
Full-time	5	1	1	5	1	1
Part-time	1	0	0	0	0	0
<b>Total</b>	<b>6</b>	<b>1</b>	<b>1</b>	<b>5</b>	<b>1</b>	<b>1</b>

Permanent contract	2020				2019			
	Managers	Technical personnel	Admin. personnel	Other personnel	Managers	Technical personnel	Admin. personnel	Other personnel
Full-time	86	253	91	566	73	182	74	473
Part-time	0	2	0	14	0	1	0	15
<b>Total</b>	<b>86</b>	<b>255</b>	<b>91</b>	<b>580</b>	<b>73</b>	<b>183</b>	<b>74</b>	<b>488</b>

Temporary contract	2020				2019			
	Managers	Technical personnel	Admin. personnel	Other personnel	Managers	Technical personnel	Admin. personnel	Other personnel
Full-time	0	2	5	0	0	0	0	7
Part-time	0	1	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>3</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7</b>

Number of redundancies according to gender, age and professional classification:

- Since LORCA JVco Ltd got control:

Age	4Q-20		
	Women	Men	Total
Below 30 years	0	2	2
From 30 to 50 years	6	13	19
Over 50 years	1	5	6
<b>Total</b>	<b>7</b>	<b>20</b>	<b>27</b>

Professional category	4Q-20		
	Women	Men	Total
Managers	0	0	0
Technical personnel	0	2	2
Admin. personnel	0	0	0
Other personnel	7	18	25
<b>Total</b>	<b>7</b>	<b>20</b>	<b>27</b>

- Of the Group companies in 2020 and 2019 (including data since Lorca JVco Ltd. got control, as mentioned above):

Age	2020			2019		
	Women	Men	Total	Women	Men	Total
Below 30 years	1	6	7	0	3	3
From 30 to 50 years	21	28	49	20	30	50
Over 50 years	4	13	17	3	8	11
<b>Total</b>	<b>26</b>	<b>47</b>	<b>73</b>	<b>23</b>	<b>41</b>	<b>64</b>

Professional category	2020			2019		
	Women	Men	Total	Women	Men	Total
<b>Managers</b>	1	3	4	1	6	7
<b>Technical personnel</b>	2	8	10	2	9	11
<b>Admin. personnel</b>	3	1	4	8	3	11
<b>Other personnel</b>	20	35	55	12	23	35
<b>Total</b>	<b>26</b>	<b>47</b>	<b>73</b>	<b>23</b>	<b>41</b>	<b>64</b>

The Group experienced an increase in staff turnover compared to the previous year, due to the fact that during 2020 MASMOVIL continued to recruit profiles specializing in digitisation and the use of new technologies and work methodologies such as Big Data or Artificial Intelligence and the implementation of the Agile culture. This is the reason why, despite turnover, the Group's total number of employees increased by 21.25% during the year.

In fact, despite the particularly complex economic environment resulting from the healthcare crisis that arose in March 2020, the Group did not resort to collective labour restructuring processes, including collective redundancies (ERE), contract suspension or reduction (ERTE), or collective modification of working conditions.

Average salaries in euros and their evolution broken down by gender, age, and professional classification:

Following the principles developed in the Equal Opportunities Policy and the Diversity Plan, the Group understands that equal pay is a fundamental right of its employees. For this reason, the Group strives to ensure that remuneration is equitable for both genders. In addition, other aspects such as seniority and the assumption of greater responsibilities throughout the career are also rewarded.

Age	2020 (euros)			2019 (euros)		
	Women	Men	Total	Women	Men	Total
<b>Below 30 years</b>	33,625.91	32,622.14	€32,933.99	27,239.67	28,182.16	27,889.23
<b>From 30 to 50 years</b>	44,652.00	54,781.98	€51,287.58	42,495.61	55,524.16	50,616.80
<b>Over 50 years</b>	54,914.27	75,279.15	€69,498.15	52,424.08	87,845.23	78,132.98
<b>Total</b>	<b>44,931.62</b>	<b>€55,773.27</b>	<b>€52,166.20</b>	<b>42,452.92</b>	<b>58,214.13</b>	<b>52,594.14</b>

\*The calculation of remuneration includes fixed and variable remuneration

Professional category	2020 (euros)			2019 (euros)		
	Women	Men	Total	Women	Men	Total
<b>Managers</b>	115,782.01	140,212.14	136,091.39	112,850.00	148,854.93	142,769.59
<b>Technical personnel</b>	51,071.31	53,560.65	53,029.83	54,413.64	49,939.66	50,821.85
<b>Admin. personnel</b>	48,294.09	56,743.70	52,910.89	43,507.61	54,964.17	49,465.02
<b>Other personnel</b>	38,619.57	41,245.82	40,223.78	36,213.81	45,268.14	41,376.67
<b>Total</b>	<b>44,931.62</b>	<b>55,773.27</b>	<b>52,166.20</b>	<b>42,452.92</b>	<b>58,214.13</b>	<b>52,594.14</b>

\*The calculation of remuneration includes fixed and variable remuneration

The wage gap, the remuneration for equal jobs or average of the company:

Professional category	2020	2019
<b>Managers</b>	17.4%	24.19%
<b>Technical personnel</b>	4.6%	-8.96%
<b>Admin. personnel</b>	14.9%	20.84%
<b>Other personnel</b>	6.4%	20.00%
<b>Total</b>	<b>7.57%</b>	<b>13.36%</b>

\* The calculation is the difference between men's pay minus women's pay, divided by men's pay.

As further evidence of the Group's commitment to transparency and the reduction of the gender pay gap, in 2020 as in last year, the latter has been calculated using the weighted

average by professional category, resulting in a total pay gap of 7.57% (13.36% in 2019). This is a wage gap below the sectoral context. In addition, it can be seen that the Group has significantly reduced the gap in the categories of Management, Administrative and Other Personnel<sup>5</sup>.

The average remuneration of Directors, including allowances, indemnities and any other payments broken down by gender:

The members of the Board of Directors of Lorca JVco Ltd. do not receive any remuneration or allowances as Directors of the company. Furthermore, no severance payments were made to members of the Board of Directors during the financial year 2020, nor are there any provisions for severance payments outstanding at the date of publication of this report.

<b>Member</b>
<i>Ignacio Cobo Bachiller</i>
<i>Jorge Quemada Sáenz-Badillos</i>
<i>Thomas Railhac</i>
<i>Jean-Pierre Saad</i>
<i>Robert Sudo</i>
<i>Stefano Bosio</i>
<i>Josep Maria Echarri Torres</i>
<i>Meinrad Spenger</i>

The Chief Executive Officer of MASMOVIL IBERCOM, S.A.U. (former head of the Group), who is a member of the Board of Directors of Lorca JVco Ltd. and an executive of the Group, has a different remuneration from the rest of the Directors, according to the respective resolution of the General Shareholders' Meeting of MASMOVIL IBERCOM, S.A.U.:

- Since LORCA JVco Ltd. got control:

<b>Concept</b>	<b>4Q -20 (euros)</b>
<b>Fixed remuneration</b>	87,500
<b>Variable remuneration</b>	0
<b>Remuneration in kind</b>	4,321
<b>Long-term incentive scheme</b>	0
<b>Total</b>	<b>91,821</b>

- Of the Group companies in 2020 and 2019 (including data since Lorca JVco Ltd. got control, as mentioned above):

<b>Concept</b>	<b>2020 (euros)</b>	<b>2019 (euros)</b>
<b>Fixed remuneration</b>	350,000	350,000
<b>Variable remuneration</b>	553,403	1,322,000
<b>Remuneration in kind</b>	17,381	16,454
<b>Long-term incentive scheme (*)</b>	47,373,441	0
<b>Total</b>	<b>48,294,225</b>	<b>1,688,454</b>

(\*) Share Appreciation Rights Plan approved by the Extraordinary General Meeting of March 1, 2017.

<sup>5</sup> The Technicians category has seen an increase in the difference due to the incorporation in 2020 of personnel from "Deep Technology & Engineering Services" (BQ) as a result of the purchase of the assets related to the IT and computer engineering services business.

#### Employees with disabilities:

<i>Employees with disabilities</i>	2020	2019
	3	3

The Group is sensitive to the integration of people with disabilities through direct recruitment. At present, the companies of Grupo Xtra Telecom, S.A.U. and The Bymovil Spain, S.L.U. have a certificate of exceptionality of compliance with the “Persons with Disabilities Act” (LGD in Spanish). Likewise, despite taking actions aimed at the direct hiring of people with limited capacity, Xfera Móviles, S.A.U.’s application for exceptionality is being processed.

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

#### Percentage of employees covered by a collective bargaining agreement:

<i>Collective agreement</i>	2020	2019
	100%	100%

### **4.1. People development**

The Group, through its various policies and internal regulations, is committed to applying an appropriate talent attraction and selection program, considering the personal and professional academic merits of the candidates and the needs of the Group.

Each and every need of the Group is published internally, with priority given to internal mobility. All in-house professionals are interviewed by the area concerned and Human Resources, receiving *feedback* so that, if they are not selected for the position, the company will provide them with the necessary tools for their professional development. Any employee can opt for internal promotion or mobility within the different areas of the Group.

The Group also has a recruitment and retention procedure for those who join with a trainee contract, so that they can be recruited in the event of a job vacancy.

In addition, within the framework of talent development, numerous initiatives have been carried out with the aim of having the best talent within the Group (committed to the company and its professional development, motivated, and aligned with the Group’s transformational vision):

- “*Agile DNA*”: in the last year, a highly ambitious process of transformation has been carried out in the way people work, from the point of view of strategy, structure, people, processes and technology, with the aim of becoming a 100% “*Agile*” organization.

Currently, more than 50% of the workforce carries out all its activity within this model, and it is gradually being adopted by the rest, with this growth being one of the corporate objectives. Since its implementation, the Group has achieved:

- To create an “*Agile Chapter*” that centralizes support to the tribes (teams) through the “*Agile Coaches*”, who also lead the digital and cultural transformation under the HR umbrella.

- To create the figure of the BPO (*"Business Process Owner"*): independent teams with *end-to-end* vision.
  - A flatter organizational structure without the traditional hierarchies in day-to-day operations.
  - Adapting more quickly to changes in the environment.
  - Frequent increases in value: continuous improvement, in the product and in the methodology itself.
  - Reduction of voluntary turnover, and therefore of loss of talent(*know-how*).
- *Talent review* framework (*"MASvalor"*): a continuous measure and reflection on the individual and collective contribution of employees is carried out:
    - "Objective Key Results" (OKRs) management framework: in the last year the Management by Objectives model has evolved. Collective objectives gain weight and are differentiators, with a focus on building bridges between the strategic Key Results, the KRs of the tribes and the initiatives that are put in place to achieve them.
    - QBR (*"Quarterly Business Review"*): the monitoring and framework of the OKRs is carried out through this quarterly space, where inter- and intra-tribal initiatives are shared, dependencies are identified, the main monitoring KPIs are aligned, and continuous improvement is worked on.
    - Competency and values-based assessment (360°): it is especially important for the Group to recognize that the objectives set are met, but also that the workforce is committed to the Group's values, develops its skills and deepens/acquires new knowledge. The directly responsible manager, peers, direct team and colleagues from other tribes/areas are involved.
    - Identification of the potential of collaborators. To this end, a series of "agilities" are considered that determine the readiness and speed of growth (change management, emotional intelligence or learning capacity). For key target groups, specialized partners are used.
    - Talent map: with the information from the talent review process, we hold bottom-up talent committees to share the assessments and reach a consensus on a starting picture that will mark the different development actions.
  - Professional growth framework (*"MAScarrera"*): it was created with three objectives: 1. provide the team with independence that enables development, 2. standardize progression criteria for the different profiles within the organization (19 profiles whose mission is represented within the Group's value chain and its impact on the end customer), and 3. establish a common framework for growth based on: knowledge, independence, complexity of the function and key skills.

*"MAScarrera"* is the cross-cutting framework underpinning the Group's development model.

- Differentiated talent management processes to accelerate the growth of key groups, such as the “MAStalento” program, which is made up of two axes:
  1. Identification of key people and critical positions: construction of the success profile for each of them, assessment/feedback, degree of person/position suitability and individualized retention plans.
  2. Individualized reinforcement and follow-up for high potentials and experts in the talent pool: potential successors to critical positions.

The Group builds individualized development plans for key people; within this group, are included the occupants of critical positions and also professionals who, over a continuous period of time and within our annual transversal performance management process (“MASvalor”), are positioned as high potentials.

These initiatives are complemented by various short-, medium- and long-term remuneration instruments.

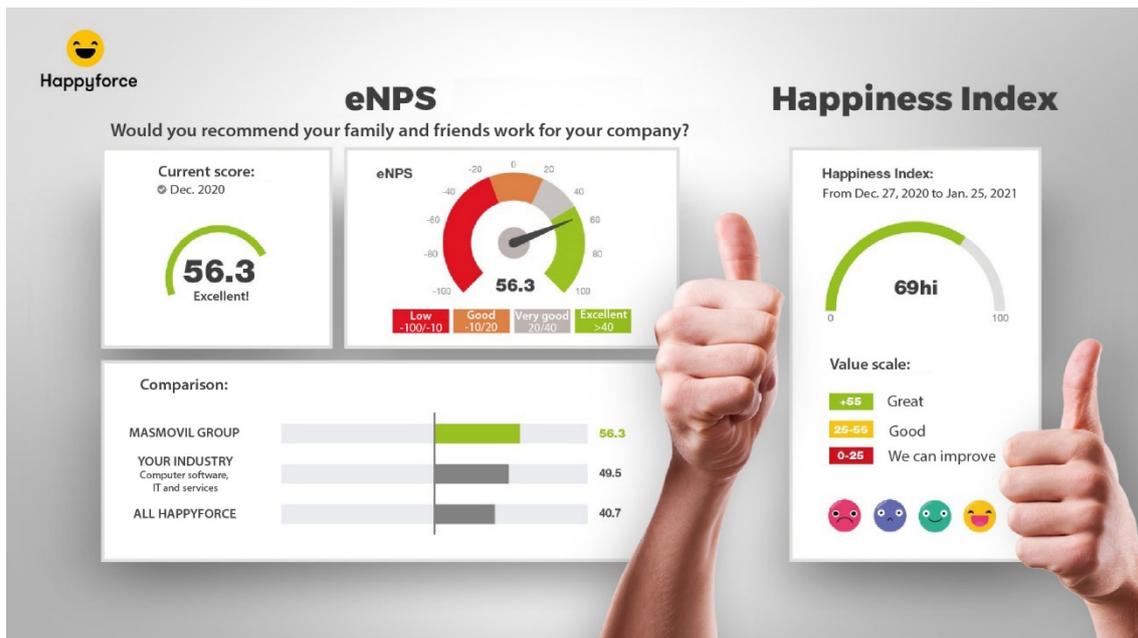
#### **4.2. Work environment survey**

In line with the Group’s commitment to implement initiatives that ensure employee satisfaction and with the aim of improving the working climate in the organization, in 2020 the Group designed the Employee *Journey*. This *Journey* has helped to improve many aspects of the company beyond one-off requests.

In this regard, the Happyforce tool, the mobile App that replaces the climate survey, has been implemented in 2020. It is a totally anonymous, agile and dynamic tool that allows to know what the employee’s experience is like from the first contact with the Group, her/his first day at work and the rest of the moments that refer to those situations that are especially important for employees in their interaction with the company. This information has allowed us to take the pulse of employee sentiment and what is important to them at any given moment in order to improve the employee experience. In addition, it allows the heads of the areas to know the aggregated results in real time in order to implement improvement actions.

With Happyforce we take the daily pulse to measure the Happiness Index which is the number that allows to understand the level of employee satisfaction and motivation. On a quarterly basis the eNPS is also measured, an indicator that measures the level of employee satisfaction within the company, and therefore the likelihood of recommending it as a good place to work to family, friends, or acquaintances.

In 2020, the Group achieved an incredibly positive score of 56.3 on a scale of -100 to 100. Above +40, the results are excellent.



Looking at the comparison, the Group is 24 points ahead of the industry and 17.4 points ahead of all companies with Happyforce. This data helps us to further strengthen the actions carried out so far and to continue to improve with the feedback we receive from our employees.

In addition, Happyforce has an anonymous wall where employees can make requests or suggestions for improvement, and the Human Resources department escalates these to the different areas of the company to respond to and resolve all the suggestions received.

Finally, a Happyforce tool rating survey has been launched with a score of 8.3 out of 10. In general, employees are satisfied with the tool, they find it easy to use, it helps them to stay informed and they feel the company hears them.

At the end of 2020, there were 950 active employees, representing 90% of the workforce and more than 40 improvement actions carried out.

### 4.3. Safety, Health and Well-being

The health and safety of all the Group's entire workforce is present in all the Group's daily actions and decisions, which is why the company has had an Occupational Risk Prevention Management System in place since 2018. As indicated in the aforementioned Management System, the Group has set up a Joint Prevention Service, which is integrated within the Human Resources area, as a form of preventive organization. This preventive organization has passed the mandatory Regulatory Audit during the 2019 financial year, with a satisfactory result and the corresponding certification in January 2020.

Hours of absenteeism, number of accidents at work, indicating their frequency and severity:

- Since LORCA JVco Ltd. got control:

	4Q-20
<b>Hours of absenteeism</b>	9108
<b>Absenteeism rate (*)</b>	1.17

(\*) Expresses the number of working days lost using the average number of working days (calendar days from sick leave to return to position, inclusive) per 100 working days

<b>Accidents</b>	4Q-20
<b>Women</b>	1
<b>Men</b>	0
<b>Frequency ratio</b>	4Q-20
<b>Women</b>	6.40
<b>Men</b>	0
<b>Severity ratio</b>	4Q-20
<b>Women</b>	0.11
<b>Men</b>	0
<b>Professional illnesses</b>	4Q-20
<b>Women</b>	0
<b>Men</b>	0

- Of the Group companies in 2020 and 2019 (including data since Lorca JVco Ltd. got control, as mentioned above):

	2020	2019
<b>Hours of absenteeism</b>	29,568	25,487
<b>Absenteeism rate (*)</b>	1.05	1.07

(\*) Expresses the number of working days lost using the average number of working days (calendar days from sick leave to return to position, inclusive) per 100 working days

<b>Accidents</b>	2020	2019
<b>Women</b>	1	0
<b>Men</b>	0	1
<b>Frequency ratio</b>	2020	2019
<b>Women</b>	1.73	0
<b>Men</b>	0	1.02
<b>Severity ratio</b>	2020	2019
<b>Women</b>	0.029	0
<b>Men</b>	0	0.007
<b>Professional diseases</b>	2020	2019
<b>Women</b>	0	0
<b>Men</b>	0	0

Health care and promotion:

In addition to the legally required activities, the Joint Prevention Service has guided its actions towards Employee Wellness; proof of this are the joint efforts with other areas of the company (Employee Experience, Communication and Corporate Social Responsibility) for the implementation of different initiatives for the benefit of its

employees, which will be framed within the *Corporate Wellness Plan*, which are internal initiatives for the improvement of both the health and well-being and satisfaction of the Group's employees:

- Telemedicine service and telematic and anonymous psychological assistance.
- *Indoor* physiotherapy service twice a week (temporarily suspended due to the COVID-19 pandemic).
- Distribution of fresh fruit at headquarters (temporarily suspended due to the COVID-19 pandemic).
- Signing of agreements with gyms located close to the Group's headquarters.
- Promotion of corporate and group sports tournaments and activities.

#### COVID-19 pandemic action plan:

In February 2020, the Group set up a Business Continuity Committee involving top management and key areas to ensure business continuity and guarantee the health and safety of employees. The Health and Safety at Work Area was part of this Committee from the outset.

In summary and as a result of the global pandemic caused by COVID-19, the following actions have been carried out to guarantee the health and safety of employees:

- Remote work of all staff, prior to the start of the State of Alarm and provision of ergonomic chairs and screens.
- COVID-19 testing from March 2020, both in the workplace and by home delivery if necessary. Currently, COVID testing is performed at head office every 2 weeks (it has been done on a weekly basis during the peak of the third wave when cumulative cases spiked in the country). Tests are also carried out for commercial staff and other sites.
- Adaptation of the work centres (distancing workstations, signs, installation of body temperature measuring devices at the entrance, provision of hygiene and protection products, reinforcement of the cleaning service, adaptation of the air conditioning system, limitation of capacity in meeting rooms, restrictions on mass-attendance activities and events, provision of a medical service and examination room, with medical staff, etc.) obtaining certification of safe space against COVID-19 at head office, by means of an independent audit carried out by "Applus+".
- Return to onsite activity with a combination of remote and onsite work.
- Recurrent and constant provision of hygiene and protection material to employees (mainly face coverings and hydro-alcoholic products), both at head office and sent to commercial staff.
- Implementation of the "COWin-19" solution for case tracking in the event of transmission (based on individual Bluetooth devices and an *App manager* for management and operation).

- Discretionary transport service to and from the workplace, to avoid the use of public transport.
- Development and publication of protocols for action in various cases: Plan for the return to onsite activity, Operational protocol for action, Health emergency protocol for COVID-19 cases, etc.
- Development and implementation of a specific COVID prevention course, mandatory for all MASMOVIL staff.
- Preparation of Preventive Information Sheets on COVID.
- Implementation of a medical service with on-site medical staff at headquarters, providing a service to all company staff (both at headquarters and commercial staff) for the extraction of COVID detection tests with individualized advice, monitoring and tracking of cases, etc.
- Continuous monitoring of cases of contagion, close contacts, and preventive isolations with reporting to the Management Committee and employees.

#### 4.4. Internal employee training

In line with the Human Resources and Labour Relations Policy approved by the Board of Directors of MASMOVIL IBERCOM, S.A.U., the Group's strategy in the area of human resources focuses on creating an ideal working environment for its employees where they feel part of the Group, with opportunities for progress and promotion. To this end, they have training plans in place to cover current and future gaps in their work and, in turn, have a positive impact on their own and the Group's development.

Training plans are designed by defining and analysing the needs identified by each of the Group's areas, as well as by analysing the Group's global strategy. In line with the latter, employees develop new skills and general competencies such as agility and leadership, customer orientation, etc., and some more specific competencies in areas such as risk prevention, languages, product, and technical knowledge.

The Group maintains various training formats: classroom, virtual, online with its own LMS ("Learning Management System"), etc.

#### Hours of training by gender and professional category:

- Since LORCA JVco Ltd. got control:

<i>Training hours</i>	<b>4Q-20</b>
<i>Managers</i>	124
<i>Technical personnel</i>	2,190
<i>Admin. personnel</i>	131
<i>Other personnel</i>	1,150
<b>Total</b>	<b>3,595</b>

<i>Average hours of training by gender</i>	<b>4Q-20</b>
<i>Women</i>	3.04
<i>Men</i>	3.26

- Of the Group companies in 2020 and 2019 (including data since Lorca JVco Ltd. got control, as mentioned above):

<i>Training hours</i>	<b>2020</b>	<b>2019</b>
<i>Managers</i>	1,482	1,770
<i>Technical personnel</i>	8,743	5,874
<i>Admin. personnel</i>	817	2,810
<i>Other personnel</i>	8,209	9,922
<b>Total</b>	<b>19,251</b>	<b>20,376</b>

<i>Average hours of training by gender</i>	<b>2020</b>	<b>2019</b>
<i>Women</i>	15.59	24.64
<i>Men</i>	15.74	22.54

Due to the health crisis, none of the planned face-to-face training courses have taken place during the last nine months of 2020. As a result, fewer training hours were delivered in 2020 than in the previous year. A total of 19,251 hours of training provided in 2020 compared to 20,377 hours during the previous year (-5.52%).

In June, in view of the health situation, a monographic course on COVID-19 and prevention measures was shared with the entire organization. In October, a new *Compliance* course was held for the entire organization. Both programs were included in the welcome plan for new employees, so that new recruits are aware of these contents.

In 2020, a compulsory course on risk prevention was also included in the welcome plan for new employees, after being taught to the entire organization in 2019, also on a compulsory basis.

As a complement to the training efforts, a video was released in September 2020 in which the CEO shared the Group's Vision, Mission and Values with the entire workforce.

During 2020, the strategy of involving the areas in the survey of training needs for the different groups has continued. The process began in November with the launch of a statement by the CEO to the entire organization indicating the objective of the process and the communication channels for channelling their needs. In addition, meetings were held with the areas to analyse the needs identified.

## **5. Information on respect for human rights**

As the MASMOVIL Group's activities are limited to Spain, issues relating to respect for human rights are not a material issue for the Group. In the European Union both the abolition of forced or child labour and respect for freedom of association are strongly monitored and guaranteed. These issues are therefore limited to the proper management of employees and ensuring compliance with their fundamental rights.

Although the Group's activities have a low human rights impact, it is aware of the importance of employee protection and social impact. Therefore, the Corporate Social Responsibility Policy, approved by the Board of Directors of MASMOVIL IBERCOM, S.A.U. on 30 June 2017, expressly mentions the protection of the fundamental rights of employees and is under constant review by the Group's *Compliance Officer*.

However, the Group wishes to go further on human rights issues and on 27 February 2018, it approved a specific policy for the formalization of its commitment to human rights and labour rights at both national and international levels. It refers to 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 remains committed to proper management of its employees and to ensuring compliance with their fundamental rights, eliminating any kind of discrimination in the workplace through the various internal procedures and the Group’s Code of Ethics, and with its suppliers through mandatory compliance with the Suppliers’ Code of Ethics. At all times, respect for human rights as recognized in national legislation and compliance with international standards is required.

The Group also rejects child labour and forced labour and is committed to respecting freedom of association and collective bargaining, as well as to implementing due diligence procedures for the identification of risks in this area and to verifying these procedures.

The MASMOVIL Group is not aware of any inappropriate behaviour or complaints that violate human rights, nor of any cases or complaints related to any type of discrimination.

## **6. Information relating to the fight against corruption and bribery**

The Group’s corporate values are honesty, integrity, and compliance. It therefore maintains a firm commitment to the fight against corruption and bribery, which resulted in the approval by the Board of Directors of MASMOVIL IBERCOM, S.A.U. on 27 February 2020, of a new version of the Group’s Code of Ethics, originally approved on 22 May 2017, a fundamental rule of the Company and its subsidiaries, which sets out the values and principles that should guide the behaviour of all those who are part of the Group.

Through the Human Resources Area, campaigns have been carried out for adherence to the Code of Ethics, which has been signed by all Group employees, including new recruits, who receive it as part of the welcome pack, and must return a signed copy, which is kept by the Human Resources Area.

All employees have at their disposal a confidential ethical channel through which all enquiries received have been assessed and answered.

Throughout 2020, there have been no allegations or reports of corruption or bribery in the Group.

The policies and procedures implemented by the Group to fight corruption and bribery, in addition to the aforementioned Code of Ethics, are the Suppliers’ Code of Ethics, the Crime, Fraud and Corruption Prevention Policy, the Policy on Acceptance and Delivery of Gifts and Invitations, the Money Laundering Prevention Policy, the Protocol for Action with Public Administrations and Political Parties and the Criminal Risk Prevention Manual, all approved by the MASMOVIL IBERCOM, S.A.U. Board of Directors.

The Suppliers’ Code of Ethics includes a specific section on anti-corruption and anti-bribery requirements in which it is stated that the supplier undertakes to endorse several of the premises stipulated in the Group’s Crime, Fraud and Corruption Prevention Policy.

The Group also has several internal rules governing various matters, such as the Procedure for conflicts of interest and related-party transactions with directors, significant shareholders and senior management of the Group and the Protocol for handling news and rumours.

The Group has developed a criminal prevention plan where effective controls have been implemented and potential offences have been detailed, and a crime prevention manual has been drawn up. In direct relation to the above, and in accordance with the Regulations of the Board of Directors of MASMOVIL IBERCOM, S.A.U., “*under the supervision of the Board of Directors there shall be an internal regulatory compliance function performed by an internal unit or department of the Company*” and, in this regard, the *Compliance Officer* reports directly to the Board of Directors, on a regular basis, on the degree of compliance with the internal regulatory compliance function. In this regard, and in compliance with the provisions of the Group’s governance rules, the Group’s *Compliance Officer* fosters a culture of compliance, transparency, ethics, and internal control in all areas, with the commitment of senior management, and promotes the effective supervision of the Group’s non-financial risks, with an emphasis on the prevention of criminal risks.

In this regard, on 27 February 2020, the Board of Directors of MASMOVIL IBERCOM, S.A.U. approved the *Statute of the Compliance Officer and operation of the Ethics Channel*, which regulates the configuration of the Group’s *Compliance Officer*, his/her functions and the procedures to be followed for the exercise thereof, guaranteeing the necessary autonomy of the function of supervising the operation of and compliance with the Group’s Criminal Risk Organization and Management Model.

In this regard, and in accordance with the provisions of the Regulations of the Board of Directors of MASMOVIL IBERCOM, S.A.U., the *Compliance Officer* must inform the Audit and Control Committee in the case of any irregularity of potential transcendence, especially financial and accounting irregularities within the Group.

In line with the provisions of Article 31 bis section 5.6 of the Criminal Code and as a sign of the commitment of the Board of Directors to the fight against fraud and corruption and the prevention of crimes, in the financial year 2019 this body approved the performance of a verification of the organization and control model for criminal risks by an external expert independent from the Group that ended in February 2020 with the issue of a report concluding that the same complies with the general requirements established in the legal system, being an effective model from the point of view of criminal legislation.

Contributions to associations:

The main contributions to associations are related to sectoral or business associations, such as “Asociación de Operadores para la Portabilidad”, “Asociación de Operadores para la Portabilidad Móvil”, “Autocontrol Asociación”, “Asociación Española para la Digitalización”, among other minor contributions.

No contributions or payments were made to political parties or associations within or outside the European Union during the financial year 2020.

- Since LORCA JVco Ltd. got control:

<i>Contributions to associations (in euros)</i>	<b>4Q-20</b>
	85,624

- Of the Group companies in 2020 and 2019 (including data since Lorca JVco Ltd. got control, as mentioned above):

<i>Contributions to associations (in euros)</i>	2020	2019
	561,631	460,001

## 7. Information relating to the company

### 7.1. Company's impact on employment and local development

#### "MASventures":

The Group is in constant contact with innovation and digital developments. In this regard, 2019 saw the launch (together with Inveready, a Spanish investment group) of the "MASventures" accelerator to promote innovative projects in the new technologies sector and foster entrepreneurship in Spain. This accelerator acts as the Group's innovation engine and promotes commercial relations and investment in *start-ups* focused on the new technologies sector.

In 2020, the essence of the program is reaffirmed, but seeking to internationalize it and placing greater focus on the Group's areas of interest such as 5G. A pilot program is currently underway with one of the finalists' *startups* at the "South Summit" in "Connectivity and Data", "Aircision", a Dutch start-up with a technology developed at CERN ("European Council for Nuclear Research") that enables laser connection between points in the mobile network (backhaul) and that could solve the traditional problems inherent to this technology.

Also, in 2020, the investment in a *start-up*, "Kenmei Technologies", a Spanish company founded in Valencia by software and telecommunications experts focused on *Data Intelligence* for the automation of decision making, was approved. Through its ADELE platform, based on AI and Big Data, they enable operators to automate network management and operation processes, thus offering a better quality of service. In the first quarter of 2021, the investment in this start-up materialized with a 5.86% stake.

#### Research chairs and university scholarships:

MASMOVIL Group and the "Carlos III University of Madrid" (UC3M) have launched the third edition of their Research Chair. Through this educational initiative, the telecommunications company will provide grants for six projects by students at the centre with the aim of improving the user experience and optimizing processes through innovation in artificial intelligence, as well as supporting the talent of young engineers.

In this edition, MASMOVIL will promote and finance several lines of research, including the following:

- Process optimization and user experience improvement programs: three grants will be dedicated to the improvement, development and optimization of processes to enable intelligent call-centre management or more efficient data processing in order to increase the satisfaction of the Group's customers.

- Innovation programs: three grants will be promoted for the development of Artificial Intelligence applications and tools to improve consumption estimates, customer profiling or sales optimization.

The students at this university centre will have at their disposal all the materials and resources necessary for the proper development of the research, as well as regular conferences and meetings in order to carry out a detailed monitoring of the evolution of each of the initiatives.

The duration of the scholarship covers the period from November 2020 to June 2021 and will be carried out on a mutually beneficial basis with the assistance of qualified staff from both the university and external advisors.

This alliance with UC3M is, for yet another year, a milestone of great importance and relevance for the Group, as it reinforces the work carried out so far in the past two editions and boosts the firm's commitment to the training of young Spaniards.

The Group also has an agreement with the "Universidad-Empresa Foundation" for the incorporation of students from different universities into the Group's companies (including the "Universidad Rey Juan Carlos" and the "Universidad Politécnica de Madrid").

#### Network roll-out in rural areas:

MASMOVIL is aware of the increasing importance of connectivity to achieve a uniform development of the planet. Quality internet promotes and enables economic development, culture, access to information, and therefore social equality and improvement regardless of the corner of the world you are in.

MASMOVIL Mission is to connect people with the latest technology available and ensure the best customer experience; while the Vision is to be the telecommunications company with the highest customer satisfaction in Europe and a positive impact on people, shareholders and the planet, prioritizing long-term value over short-term profits.

In this context, bridging the digital divide in Spanish towns with less than 20,000 inhabitants and especially in the so-called "rural Spain", with towns of less than 10,000 inhabitants, is one of the Group's priorities through investment in high-quality fibre. In fact, the deployment of its own fibre network in rural areas accounts for the majority of our fibre deployment in the Group.

In this regard, in 2019 the Group deployed networks that enabled it to reach 474,000 new homes in towns with less than 20,000 inhabitants, as part of an investment plan that has enabled it to increase this figure by a further 309,000 homes in 2020.

Thus, by the end of 2020, the Group had more than 2 million fibre dwelling units, deployed and owned by the company, of which 73% were deployed in towns with less than 20,000 inhabitants. This own fibre network coverage in towns with less than 20,000 inhabitants is almost 5 times higher by the end of 2020 than in 2017.

The commitment to reducing the digital divide and the development of rural Spain has also led to invest heavily in bringing connectivity to municipalities where, until the MASMOVIL Group deployed its network, there was no other national telecommunications operator offering fibre services.

The total number of dwelling units in this type of municipalities, with no previous fibre offer by another national operator, exceeded 258,000 units by the end of 2020 (12.5% of the Group's own network deployed). Of these dwelling units, 72% are located in rural areas and in municipalities with a population of less than 8,000 inhabitants.

This illustrates the clear focus on connecting "rural Spain" as opposed to the big cities where most operators are present. These figures make the Group, after the incumbent operator and market leader, the second operator in Spain with the greatest presence in rural areas, with approximately 50% more dwelling units deployed in towns with less than 8,000 inhabitants than the next operator.

As part of this fibre roll-out in rural Spain, the MASMOVIL Group also participates in the "PEBA Plan" ("New Generation Broadband Extension Program") of the Spanish Ministry of Economy and Finance. Under this project, grants are being called for the development of ultra-fast networks in Spain, a strategy aligned with the Government's decision to bring the progress of the infrastructures and services of the Digital Society to all citizens, as well as to achieve the objectives of the "Digital Agenda" to achieve universal broadband coverage at speeds of more than 100 megabits per second.

As part of the "PEBA Plan", the Government provides the list of municipalities that suffer from the digital divide and that, in addition, do not have plans for quality internet access network coverage within a 3-year period.

As part of this plan, the MASMOVIL Group has deployed a fibre network - in areas qualified as "PEBA" - covering 422 municipalities that are already commercially enabled to offer the service. In addition to these, fibre has also been deployed in a further 30-40 municipalities which, once all the necessary formalities have been completed, will also become commercially available, bringing the total number of these municipalities to over 450.

In these municipalities, the Group's network coverage exceeds 576,000 potentially connectible dwelling units, which will soon reach 600,000 dwelling units when the 30-40 municipalities mentioned above are ready to offer the service.

These 600,000 dwelling units represent c.30% of the MASMOVIL Group's own directly deployed network, which, in the Group's opinion, once again proves the strong commitment to the rural environment and the reduction of the digital divide in Spain.

As a result of the network deployment in these most disadvantaged areas and populations, there are now close to 119,000 families who have gained access to quality internet, reducing the digital divide and improving their quality of life.

Of these 119,000 households, more than 60,000 are direct customers of the MASMOVIL Group, representing 3% of the Group's total FTTH fibre customers. The remainder are customers of other telecommunications operators who benefit from wholesale agreements to use the network.

This means, therefore, that the MASMOVIL Group also favours the diversity of commercial offers in these "PEBA" areas and allows the inhabitants of these towns to access a wide range of services and prices from other operators whose commercial products are supported by the quality of the MASMOVIL Group's network.

#### Local development (5G pilot projects):

The Group is participating in two projects and their respective use cases, organized by Red.es for the development and implementation of 5G technology in the communities of Catalonia and the Basque Country. The participation consists of the temporary assignment of 5G spectrum in the 3.5MHz band necessary for the realization of these use cases, as well as the radio-electric certifications associated with the implementation of the sites for the execution of the pilot.

These projects will provide the industrial fabric and society in general with the best 5G connectivity, which provides greater precision, capacity and speed.

Furthermore, the Group's alliance with public entities, operators and private organizations confirms the effectiveness and the good results achieved thanks to the collaboration between the various agents to generate a positive impact on society, companies and administrations.

The project implemented in Catalonia consists of seven use cases based on this technology aimed at developing holographic solutions for the education sector: autonomous and connected transport vehicles for industrial environments, immersive remote shopping experiences in urban markets, as well as the optimization of mobility, control and management of areas with a large influx of people, among others. It will also facilitate the development of next-generation networks for public safety and emergency management in Barcelona, as well as the application of 5G in remote television broadcasting via mobile devices.

A "Temporary Joint Venture" ("UTE") was set up to carry out the project in the Basque Country, comprising more than 20 organizations with a common purpose: to make the Basque Country a pioneer in 5G technology. The use cases focus on mobility, energy, industry and cybersecurity: providing internet access to users on buses and video surveillance services, remote assistance in hard-to-reach electrical infrastructures and monitoring industrial production processes. To ensure the cybersecurity of the 5G pilot projects, relevant activities are carried out in parallel in all processes involved.

In addition, during 2020 the Group has started working, together with other companies and organizations, on the Strategic Plan for the "Digitisation of Urban Traffic and the Reduction of its Emissions" (DiTRA) through the use of 5G technology.

#### Contributions made to foundations, non-profit organizations and health care institutions:

On October 2, 2020, the Board of Directors of MASMOVIL IBERCOM, S.A.U., as part of the Company's ongoing efforts to reduce as far as possible the possibility of corrupt practices, approved the MASMOVIL Group's Donations and Sponsorship Policy.

During 2020, the Group increased its support for sports organizations by formalizing sponsorships with various basketball, indoor soccer, volleyball, soccer, handball and hockey organizations.

In addition to the donations made to respond to emergencies arising during the months of strict lockdown, such as the donation of 1 million protective face coverings for a total amount of 760,000 euros and 2,400 connected devices for a total amount of 307,874 euros (see section 3 of this report), in 2020 the Group donated 4,000 euros to the camp

promoted by the “También Foundation”, a summer camp that welcomes children with severe disabilities to enjoy sports adapted to their needs, workshops and excursions on an equal basis. In the 2020 edition, about twenty children, mostly with disabilities, lived together with children without disabilities, a great technical team and volunteers who made inclusion and equality possible.

Likewise, for this same association, three mobile devices worth 830 euros were given to the winners of the 9th popular race for inclusion in sport.

The Group also made a donation of 1,000 euros to the “Fundación for Biomedical Research del Hospital Universitario La Paz”.

- Since LORCA JVco Ltd. took control: no contributions have been made to foundations, non-profit organizations and health institutions since said change of control.
- Of the Group companies in 2020 and 2019 (including data since Lorca JVco Ltd. got control, as mentioned above):

	2020	2019
<b>Contributions made to foundations and non-profit organizations</b>	5,830	19,000
<b>Contributions to health institutions</b>	1,067,874	0
<b>Total</b>	<b>1,073,704</b>	<b>19,000</b>

#### Internal volunteering:

- Employee donations to the “Innacia Network”: during lockdown, the Group’s employees, individually, through their donations, helped more than 100 families to cover their basic needs for food, hygiene and medication.
- Creation of the “MASolidarios” internal solidarity channel: the purpose of this channel is for employees to have a space where they can directly share any social initiative in which they are involved, or for which they have an affinity, and which they wish to promote among their colleagues and company managers. The “MASolidarios” digital channel is hosted on the Webex internal communication tool, which allows immediate accessibility to all Group employees.

This channel was advertised through internal communication actions and during 2020, more than 25 social initiatives proposed by the employees themselves were recorded and three months after its creation, 1,019 people were already registered in this channel.

The proposed themes of the channel are biodiversity and environment, diverse skills, vulnerable groups, local business development, rural environment, animal protection and care.

In addition, a mailbox has been set up for contact with the ESG (Environmental, Social & Governance) team where suggestions for improvement, ideas, projects and questions from employees are received.

- Christmas food collection campaign at the MASMOVIL Group headquarters: during Christmas 2020, a space was set up in the canteen area for employees who wished to bring non-perishable foods and basic hygiene products, which

were subsequently donated to the BEA (“Banco Español de Alimentos” – “Spanish Food Bank”).

In the 2020 Christmas campaign, the Group’s employees also had the option of donating their Christmas basket for social purposes, which raised more than 7,000 euros for the “Juan XXIII Roncalli Foundation”, which promotes the social and occupational integration of people with disabilities.

## 7.2. Suppliers

Supply chain management is important for the proper functioning of the Company and the various companies that make up the Group. In this respect, these suppliers undertake to endorse the principles and values set out in the Code of Ethics and are responsible for adhering to the Suppliers’ Code of Ethics, which sets out the various criteria that suppliers must comply with in relation to:

- Human rights: reject any kind of forced labour, use of child labour, promote non-discrimination and equal opportunities, respect freedom of expression at all times, etc.
- Labour rights: All workers employed by a supplier or subcontractor shall have a contract in accordance with applicable labour laws at all times and the supplier shall not engage in any practices that violate the law and compliance with the law.
- Health and safety: the supplier shall ensure the protection of its workers by providing them with health and safety information and training including emergency situations and first aid, providing workers with adequate protective equipment, etc.
- Corruption and bribery compliance: through adherence to the Group’s Crime Prevention, Anti-Fraud and Corruption Policy; and
- Environmental and sustainability aspects: the supplier commits to have an environmental management system with targets and metrics (such as “ISO14001” or equivalent), to take responsibility for reducing the negative environmental impact of its operations, and to strive to maintain and increase biodiversity and limit water consumption, especially in resource-poor areas, etc.

As stipulated in the Suppliers’ Code of Ethics, any clear breach of the requirements established in the Code entitles the Group to immediately terminate all contracts it has signed with the Supplier.

The Board of Directors of MASMOVIL IBERCOM, S.A., at its meeting held on 2 October 2020, approved the modification to the Group’s Purchasing Policy, in order to reinforce its commitment to the protection of the environment and public health, the conservation of natural resources, the reduction of the environmental impact of hazardous materials and the reduction of CO2 emissions.

The Procurement Policy aims to establish a global framework for the control and management of risks arising from the procurement 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 of the risks associated with them, with the Area requesting a service or product being responsible for monitoring compliance with contractual conditions and service level agreements, where applicable.

In accordance with the aforementioned policy, all suppliers working with MASMOVIL must be homologated. This process is managed through an external tool whereby the following documentation is requested: adherence to the Suppliers' Code of Ethics, financial statements for the last two years, certificate of being up to date with Social Security and tax payments, breakdown of staff, environmental certificates, among others.

As part of the homologation process, in addition to the documentation requested, the Purchasing Department carries out a qualitative assessment that in some specific cases includes visits to suppliers' facilities, especially in the case of personnel-intensive suppliers and/or suppliers with a potential environmental impact.

In 2020, a total of 563 suppliers have been homologated (compared to 367 in 2019), for meeting all criteria set by the Group and described in its policies and plans, including social and environmental criteria.

On the occasion of the acquisitions of companies and businesses carried out during 2020, the Group has carried out a supplier analysis process to check for matches with existing suppliers and to evaluate the remaining suppliers.

The risks related to the supply chain that had been identified in the Corporate Risks Map for 2019 (high dependence on certain suppliers in key operations) have been mitigated with several actions carried out throughout 2019 and 2020. These risks continue to be monitored as part of the ongoing process of updating the Corporate Risks Map and, among the actions put in place to mitigate these risks, the following are worth to mention:

- Review of the purchasing Policy and Procedures.
- Renegotiation of contracts with key suppliers.
- Adding early termination clauses in some contracts.
- Negotiation with backup providers in case there is any need for change.
- In 2019, the Executive Committee approved a Contingency Plan for suppliers potentially subject to international blockades or sanctions. This plan has been updated in 2020.
- Analysis of alternative logistics models carried out by the Purchasing Department.

### **7.3. Customers**

The Group continues to make customer satisfaction a priority goal. The stated objective is to make the Group the leader in customer satisfaction in the telecommunications sector in Europe. The Group has thus raised its ambition compared to previous years and seeks to achieve differentiation through the non-replicable factor of quality of service.

In line with this desire to continue to maintain the highest customer satisfaction in the market, the Group set a company target for 2019 and 2020 to improve the customer experience in its mobile and convergent services. During 2020, efforts were focused on reducing the number of *issue calls* from customers, whether due to Group or non-Group

causes. From January to December, the target of reducing this problem-related customer contact rate by 30% was achieved.

In addition, during the second half of the year the focus was shifted and moved beyond customer contact to proactively finding problems. Focusing efforts on exploring the performance of the Group's different brands in some 15 service dimensions. These range from mobile and fixed network performance (e.g., average download speed or number of outages on the fixed line) to the reliability of customer processes (e.g., sudden and unwanted billing variations). The aim is to attack the root causes, regardless of whether the customer contacts customer services or not.

To ensure the implementation of all the improvement measures associated with this new approach, a specific group has been set up comprising senior staff from all the company's departments and has been provided with specific resources for analysis and implementation control. This new unit is located under the CEO's Deputy under the name "Customer Experience Cockpit".

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.

In this regard, the principles of privacy by design and by default set out in Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016, on the protection of individuals with regard to the processing of personal data and on the free movement of such data ("GDPR") are taken into account both in normal operations and in the development of new services.

To this end, the Masmovil Group appointed a Data Protection Officer ("DPO") for all Group companies with the entry into effect of the GDPR in April 2018. Although this figure was outsourced in the 2019 financial year, during the 2020 financial year, the decision has been made to reinternalize it, highlighting the 360° vision in all Group processes that an internal DPO has, in addition to the following advantages:

- Informing and advising on the design of the initiatives proposed within the Group in an organic manner.
- On-site monitoring of compliance with the provisions of the GDPR.
- Increased control over organizational functions, such as the creation of a register of processing activities, review of processing operations and impact assessments.
- Facility to carry out research functions.
- Accessibility to the entire organization to carry out the consultative function.

The appointment of the new DPO was carried out by means of a communication to the Spanish Data Protection Agency on 23 September 2020. In accordance with article 39 of the GDPR, the DPO is assigned the functions provided for in the GDPR and in the applicable regulations, as well as any others that may be internally entrusted to this post. These functions have been approved by the internal bodies of the Group and reported to the Board of Directors of MASMOVIL IBERCOM, S.A.U.

During 2020, quarterly privacy committees have been established, in the framework of which updates to various policies have been approved, providing a forum for two-way communication between all departments and the DPO.

The information provided to customers is also being improved by clarifying and simplifying the privacy policies aimed at customers and users of the Group’s services. Work is also underway to improve the handling of rights and the management of the consents provided by our customers in accordance with the guidelines of the “Spanish Data Protection Agency” (“AEPD”) and the “European Data Protection Committee”.

### 7.3.1. Satisfaction

Knowing the degree of customer satisfaction is fundamental for the Group. To this end, studies are carried out for each of its brands to assess customer satisfaction at a general level and at a particular level with different elements, with the aim of detecting areas for improvement. These studies are carried out on a quarterly basis, analyzing the customers of the different brands: Yoigo, MASMOVIL and Pepephone.

In the surveys conducted in 2020, all the Group’s brands continued to be leaders in customer satisfaction within their segment, maintaining the very high levels of satisfaction recorded in previous years and even improving them, in the three main brands, and in both segments.

Details of the evolution of satisfaction for the Group’s brands between 2020 and 2019 are as follows (according to data published by “GFK” consultancy firm in its “Telco Market Satisfaction 2020” report):

		2020	2019
<b>CONVERGENCE</b>	<i>Yoigo</i>	8.00	8.00
	<i>MASMOVIL</i>	8.00	7.80
	<i>Pepephone</i>	9.00	9.00
<b>MOBILE ONLY</b>	<i>Yoigo</i>	8.30	8.20
	<i>MASMOVIL</i>	8.30	8.20
	<i>Pepephone</i>	9.20	9.00

Scale of 0 to 10 (0 = Very dissatisfied, 10 = Very satisfied)

In other words, the Group continues to be the market leader in customer satisfaction, maintaining its good results and the margin over the competition.

In the corporate segment, the Group has a different process for measuring satisfaction through an automatic survey in which customers rate the service received and the level of resolution at the end of the call.

### 7.3.2. Customer services

All the Group’s brands offer their customers agent-assisted customer service as well as different digital channels where customers can resolve their queries and perform different self-service functions; Web channel, APP, Chat and the IVR, developed for the Yoigo and MASMOVIL brands with artificial intelligence and open questions, using natural language, for a better understanding of the customer’s intention and needs. This customer service is free of charge, with no access or administration fees for all brands.

With the growing importance of digital channels, and an increasingly digital society, the Group's brands are working to implement new technologies that promote omni-channel delivery, so that customers find a similar and equally rewarding experience, whichever channel they choose. Given the importance of the services offered by the Group in the daily activity of its customers, it offers ample opening hours for all brands, even 24 hours a day 7 days a week for the Yoigo and MASMOVIL brands.

In order to better understand the reasons for customer churn rate and dissatisfaction, the Group has specific platforms to address possible reasons for churn and to retain these customers to the greatest possible extent.

In the case of the Corporate segment, customers also have access to free telephone and e-mail support. In the specific case of cable operators, they also have a self-management website.

### **7.3.3. Claims**

The Group is strongly committed to its customers and customer focus is one of its corporate values, therefore it provides its customers with various mechanisms to resolve any dissatisfaction with the service provided. For this reason, the Group maintains a system of satisfaction surveys conducted by third parties on a quarterly basis, and customers can evaluate the service offered through all channels.

All the Group's customers can file a complaint through the different channels: from the website, via chat, in person at the Group's shops or through an agent on the telephone channel.

All Group brands handle these complaints following the same process. In addition, customers can always report any incident or disagreement with any of the contracted services through any official body such as consumer offices, arbitration boards, the State Secretariat for Digital Advancement, etc.

The customer service complaints department of each brand is the recipient of all incidents and/or non-conformities and is responsible for registering each complaint received in the Group's internal system. Thanks to this system, the Group has control over the input, resolution and resolution times for each of the complaints registered.

The Group deals with complaints through various channels, including e-mail, as the most frequent, registered post, the electronic headquarters of each of the official bodies mentioned, and by telephone. However, as a service quality improvement, the Group is implementing online communication within each of the customers' private areas.

Number of claims and complaints received:

- Since LORCA JVco Ltd. got control:

<b>Complaints Residential Area (*)</b>		<b>4Q-20</b>
<b>Number of open complaints</b>	<i>Mobile lines</i>	47,901
	<i>Landlines</i>	13,495
<b>Total open claims</b>		<b>61,396</b>
<b>% of total customers (postpaid &amp; broadband)</b>		<b>0.73%</b>
<b>Number of complaints satisfactorily resolved</b>	<i>Mobile lines</i>	32,126
	<i>Landlines</i>	7,866
<b>Total claims settled</b>		<b>39,993</b>
<b>% of total customers (postpaid &amp; broadband)</b>		<b>0.56%</b>

(\*) Yoigo, MASMOVIL and Pepephone

<b>Complaints Business and Cable Operators Area</b>		<b>4Q-20</b>
<b>Number of open complaints</b>		1,515
<b>Number of complaints closed at the end of the quarter</b>		1,571

- Of the Group companies in 2020 and 2019 (including data since Lorca JVco Ltd. took control, as mentioned above):

<b>Complaints Residential Area (*)</b>		<b>2020</b>	<b>2019</b>
<b>Number of open complaints</b>	<i>Mobile lines</i>	167,856	150,684
	<i>Landlines</i>	47,395	61,061
<b>Total open claims</b>		<b>215,251</b>	<b>211,745</b>
<b>% of total customers (postpaid &amp; broadband)</b>		<b>2.6%</b>	<b>3.0%</b>
<b>Number of complaints satisfactorily resolved</b>	<i>Mobile lines</i>	110,696	110,597
	<i>Landlines</i>	28,372	39,725
<b>Total claims settled</b>		<b>139,068</b>	<b>150,322</b>
<b>% of total customers (postpaid &amp; broadband)</b>		<b>1.7%</b>	<b>2.1%</b>

(\*) Yoigo, MASMOVIL and Pepephone

The main reason for the increase in open complaints in the residential area is due to the increase in the customer base which, across all the Group's brands, has grown at a higher rate than the number of complaints received.

<b>Complaints Business and Cable Operators Area</b>		<b>2020</b>	<b>2019</b>
<b>Number of open complaints</b>		7,052	8,740
<b>Number of complaints closed at year-end</b>		6,753	8,481

#### 7.3.4. Advertising and responsible consumption

In line with its values and in accordance with the principles set out in its policies, the Group ensures the transparency of its products and services. The same principle of transparency is applied in the implementation of responsible advertising articulated through a control procedure by means of the "copyadvice" carried out by "Autocontrol".

During 2020 the Group did not receive any complaints from "Autocontrol".

Similarly, all the Group's brands promote the responsible use of technology in the various channels of communication with their customers and non-customers.

The Group uses its social networks on a daily basis to illustrate and educate customers and followers on the use of responsible applications ("Apps") and the advantages these generate for customers, also helping to disseminate the campaigns generated by the AEPD.

In the case of the Yoigo brand, its blog is the channel through which it offers advice on the digital world in the different sections of "guides and tutorials", "technology", "entertainment", "internet", so that customers and non-customers know their advantages and risks. Having created the "Observatory for a Safer Internet" at Yoigo with the aim of informing and training in the appropriate use of technology in a safe way.

### **7.3.5. Clear tariffs**

The Group's priority is to ensure predictable billing for its customers by following the principles of clarity, transparency and customer communication.

At Yoigo, all convergent and contract-based tariffs have unlimited minutes, and the speed reduction is automatic when the customers use up their data allowance; until then, they receive various consumption warnings. In addition, the tariffs have roaming control, i.e., when a customer leaves the agreement area, traffic is automatically blocked until explicit permission is given after the customer has been informed of the costs of the tariffs applied abroad. Customers also have access to all the information for consultation on the website and via the App. Moreover, during 2020 a very significant part of the contract-based customers has switched to unlimited Gb on their mobile phones, which only helps contribute to greater predictability and transparency, as customers do not have to keep track of their Gb consumption.

MASMOVIL also offers unlimited minutes and automatic speed reduction for all its convergent tariffs. The main focus of the brand is for the customer to have the same cost on their bill every month, so promotions are minimized. As with Yoigo, customers can consult the aspects related to the services provided on the website and App.

In the case of Pepephone, existing customers receive tariff upgrades such as increased Gb or free SMS without any impact on the price and without the need for them to request it. In fact, since 2019 it has been a pioneer in the market by reducing the amount payable by convergent customers depending on the number of years they have been with the brand, as a reward for their loyalty. It has also been a pioneer in the proactive resolution of potential customer incidents. For example, if there is an incident with the fibre service, Pepephone automatically loads Gb to the customer's mobile phone so that they can continue their digital life - teleworking or e-learning - without being concerned.

In the case of business customers, both companies and cable operators have sales representatives assigned to them to resolve any doubts relating to their tariffs.

#### 7.4. Tax information

In 2020, the Group complied with its tax obligations as a commercial company (see consolidated financial statements for further details).

	4Q-20
<i>Profits obtained (thousands of Euros)</i>	-66,182
<i>Taxes on profits paid (thousands of euros)</i>	-
<i>Public subsidies received (thousands of euros)</i>	2,771

## Table of contents required by law

General Areas		Related GRI standards <sup>6</sup>	Critical materiality	Reference to the chapter where reported	Reason for omission
Business model	Brief description of the Group's business model (business environment and organization)	102-2 Activities, brands, products and services	S	1.2 Business Model	
	Geographical presence	102-4 Location of operations		1.2.1 Areas of activity	
Objectives and strategies of the organization	102-6 Markets served	1.2.2 Organization and structure			
General	Mention in the report of the national, European or international <i>reporting</i> framework used for the selection of non-financial key performance indicators included in each of the sections.			About this report	
Management approach	A description of the policies applied by the Group with regard to these issues, which will include the due diligence procedures applied for the identification, assessment, prevention and mitigation of significant risks and impacts and for the verification and control, including the measures.	103 Management approach	S	2. Management of non-financial aspects	
	The results of these policies, necessarily including pertinent key non-financial indicators that enable to monitor and assess the progress and which favour comparability between companies and sectors, in accordance with the national, European and international frameworks of reference used.			3. Information on environmental and sustainability issues	
	The main risks related to those issues linked to the Group's activities, including, where relevant and proportionate, its trade relations, products or services that may have negative effects in these fields, and how the Group manages those risks, explaining the procedures used to detect and evaluate them in accordance with the national, European and international frameworks of reference used for each area. Information should be included on the impacts detected, providing a breakdown thereof, in particular on the major risks in the short, medium and long terms.	102-15 Key impacts, risks, and opportunities		4. Information on social and personnel-related issues	
			5. Information on respect for human rights		
			6. Information to the fight against corruption and bribery		
			7. Information relating to the company		
			2.1.1 Main risks		

		Fully or partially related GRI standards	Critical materiality	Reference to the chapter where reported	Reason for omission
Environmental issues	Environmental management	Current and predictable effects of the Company's activities on the environment and, where appropriate, on health and safety.	N	3.1. Environmental management	The MASMOVIL Group's activity has a non-relevant environmental impact. Nevertheless, the management of these aspects and their indicators are reported.
		Environmental assessment or certification procedures		3.1. Environmental management	
		Resources dedicated to the prevention of environmental risks		3.1. Environmental management	
		Application of the precautionary principle		3.1. Environmental management	
		308-2 Negative environmental impacts in the supply chain and actions taken.			
		103 Environmental management approach			
		103 Environmental management approach			
		102-11 Precautionary principle or approach			

	Amount of provisions and guarantees for environmental risks	103 Environmental management approach		3.1. Environmental management		
Contamination	Measures to prevent, reduce or repair carbon emissions which seriously affect the environment (also including light and noise pollution).	103 Environmental management approach 305- 5 The reduction of GHG emissions		3.4. Climate Change		
Circular economy and prevention and management of waste	Measures for prevention, recycling, reuse, other forms of recovery and disposal of waste.	306- 2 Waste by type and method of disposal		3.3 Circular economy and prevention and management of waste		
	Actions to combat food waste	Non-material		n/a		
Sustainable use of resources	Water consumption and water supply in accordance with the local limitations	303- 5 Water consumption		3.2. Sustainable use of resources		
	Reception of raw materials	Non-material		n/a		
	Measures taken to improve the efficiency of their use	103 Environmental management approach		3.4. Climate Change		
	Direct and indirect energy consumption		302-1 Energy consumption within the organization		3.4. Climate Change	
			302-2 Energy consumption outside the organization 302-3 Energy intensity			
	Measures taken to improve energy efficiency	103 Environmental management approach		3.4. Climate Change		
Use of renewable energy	103 Environmental management approach		3.4. Climate Change			
Climate change	Important elements of the greenhouse gas emissions generated as a result of Company's activities, including the use of goods and services.	305-1 Direct (Scope 1) GHG emissions 305-2 Indirect GHG emissions when generating energy (scope 2)		3.4. Climate Change		
	Measures taken to adapt to the consequences of climate change;	103 Environmental management approach		3.4. Climate Change		
	Reduction targets established voluntarily in the medium and long term for reducing greenhouse gas emissions and the measures implemented for this purpose.	103 Environmental management approach 305- 5 The reduction of GHG emissions		3.4. Climate Change		
Biodiversity protection	Measures taken to preserve or restore biodiversity	103 Environmental management approach		3.4. Climate Change		
	Impacts caused by activities or operations in protected areas	103 Environmental management approach		3.4. Climate Change		

		Fully or partially related GRI standards	Critical materiality	Reference to the chapter where reported	Reason for omission	
Social and personnel-related issues	Employment	Total number and distribution of employees by gender, age, country and occupational category	102-8 Information on employees and other workers 405-1 Diversity of governance bodies and employees	S	4. Social and personnel-related issues	
		Total number and distribution of types of employment contracts	102-8 Information on employees and other workers	S	4. Social and personnel-related issues	
		Average annual number of permanent contracts, temporary contracts and part-time contracts by gender, age and occupational classification,	102-8 Information on employees and other workers 405-1 Diversity of governance bodies and employees	S	4. Social and personnel-related issues	
		Number of redundancies according to gender, age and professional classification	401-1 New employee hires and employee turnover	S	4. Social and personnel-related issues	
		Wage gap	405-2 Ratio of basic salary and remuneration of women to men	S	4. Social and personnel-related issues	
		Remuneration for equal or average jobs in the company	405-2 Ratio of basic salary and remuneration of women to men	S	4. Social and personnel-related issues	
		Average remuneration of board members and directors, including variable remuneration, per diem, indemnities, payment into long-term savings forecast systems and any other perception, broken down by gender.	103 Employment management approach	S	4. Social and personnel-related issues	
		Implementation of work disengagement policies	103 Employment management approach	N	4.1 Talent development	
	Employees with disabilities	405-1 Diversity of governance bodies and employees	N	4. Social and personnel-related issues		
	Organization of work	Organization of working time	103 Employment management approach	N	4. Social and personnel-related issues	The MASMOVIL Group's activity does not pose significant health risks for its employees
		Number of hours of absenteeism	103 Employment management approach	N	4.3 Safety, Health and Well-being	
		Measures destined to facilitate the enjoyment of family reconciliation and encourage joint responsibility of the same by both parents	103 Employment management approach	N	4. Social and personnel-related issues	
	Health and Safety	Health and Safety at work conditions	103 Occupational health and safety management approach	N	4.3 Safety, Health and Well-being	The MASMOVIL Group's activity does not pose significant health risks for its employees.
		Number of accidents at work, in particular their frequency and severity by gender	403-9 Injuries due to occupational accident	N	4.3 Safety, Health and Well-being	
		Occupational diseases by gender	403-10 Occupational ailments and illnesses	N	4.3 Safety, Health and Well-being	
	Social relations	Organization of social dialogue, including procedures for informing and consulting staff and negotiating with them	103 Management approach Worker-company relations	N	There is no record of the creation of a formal worker-management committee.	
		Percentage of employees covered by collective bargaining by country	102-41 Collective bargaining agreements	N	All Group employees are covered by different collective bargaining	

		The balance of the collective bargaining agreements, particularly in the field of health and safety at work	403-8 Workers covered by an occupational safety and health management system	N	agreements depending on the region: Agreement for offices and firms in the Madrid, Barcelona, Gipuzkoa and Consultancy Agreement	
Training		Policies implemented in the field of training	103 Management approach Training and education	S	4.2 Internal employee training	
		Total number of training hours broken down by professional categories.	404-1 Average annual number of hours of training per employee	S	4.2 Internal employee training	
Equality		Measures taken to promote equal treatment and opportunities for women and men	103 Management Approach Diversity and equal opportunities	S	4. Social and personnel-related issues	
		Equality plans (Chapter III of Organic Law 3/2007, of March 22, for the effective equality of women and men), measures taken to promote employment, protocols against sexual and gender-based harassment.	103 Management Approach Diversity and equal opportunities	S	4. Social and personnel-related issues	
		Integration and universal accessibility of persons with disabilities	103 Management Approach Diversity and equal opportunities	N	4. Social and personnel-related issues	
		Anti-discrimination and, where appropriate, diversity management policy	103 Management Approach Diversity and equal opportunities	S	4. Social and personnel-related issues	

		Fully or partially related GRI standards	Critical materiality	Reference to the chapter where reported	Reason for omission
Information on respect for human rights	Implementation of human rights due diligence procedures  Prevention of risks of violation of human rights and, where appropriate, measures to mitigate, manage and repair possible abuses	102-16 Values, principles, standards and codes of conduct  102-17 Advisory mechanisms and ethical concerns	N	5. Information on respect for human rights	
	Complaints of human rights violations	406-1 Incidents of discrimination and corrective actions taken	N	5. Information on respect for human rights	
	Promotion and compliance with the provisions of the fundamental conventions of the International Labour Organization with regard to freedom of association and the right to collective bargaining.	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk.  408-1 Operations and suppliers with significant risk of being involved in child labour.  409-1 Operations and suppliers with significant risk of being involved in forced or compulsory labour	N	5. Information on respect for human rights	
	Elimination of discrimination in employment and occupation	406-1 Incidents of discrimination and corrective actions taken	N	5. Information on respect for human rights	
	Elimination of forced or compulsory labour	409-1 Operations and suppliers with significant risk of being involved in forced or compulsory labour	N	5. Information on respect for human rights	
	Promote the effective abolition of child labour	408-1 Operations and suppliers with significant risk of being involved in child labour	N	5. Information on respect for human rights	

		Fully or partially related GRI standards	Critical materiality	Reference to the chapter where reported	Reason for omission	
Information relating to the fight against corruption and bribery	Measures taken to prevent corruption and bribery	102-16 Values, principles, standards and codes of conduct  102-17 Advisory mechanisms and ethical concerns  205-1 Operations assessed for corruption-related risks	S	6. Information relating to the Fight against corruption and bribery		
	Measures to combat money laundering	205-2 Communication and training about anti-corruption policies and procedures	S	6. Information relating to the Fight against corruption and bribery		
	Contributions made to foundations and non-profit organizations	413-1 Operations with local community engagement, impact assessments, and development programs	N	6. Information relating to the Fight against corruption and bribery		
		Fully or partially related GRI standards	Critical materiality	Reference to the chapter where reported	Reason for omission	
Information relating to the company		Impact of the company's activity on employment and local development	413-1 Operations with local community engagement, impact assessments, and development programs	N	2.2. Stakeholder relations	
	The company's commitments to sustainable development	Impact of the company's activity on local populations and the territory	103 Management Approach Local communities	N	2.5. MASMOVIL Group's contribution to the Sustainable Development Goals (SDGs)	
		Relations with the actors of local communities and the dialog modalities used with these	102-43 Approach to stakeholder engagement  413-1 Operations with local community engagement, impact assessments, and development programs	S	2.2. Stakeholder relations	

		Partnership or sponsorship actions	102-12 External initiatives 102-13 Membership of associations	N	2.5. MASMOVIL Group's contribution to the Sustainable Development Goals (SDGs)	
Subcontracting and suppliers		The inclusion in the purchasing policy of social issues, gender equality and environmental issues	308-1 New suppliers who have passed the selection process in accordance with environmental criteria. 414-1 New suppliers who have passed the selection process in accordance with social criteria	S	7.2. Suppliers	
		Consideration in relations with suppliers and subcontractors regarding their social and environmental responsibility	103 Suppliers management approach	S	7.2. Suppliers	
		Monitoring and audit systems and results of the same	103 Suppliers management approach	N	7.2. Suppliers	
Consumers		Consumer health and safety measures	416-1 Assessment of the health and safety impacts of product or service categories	S	7.3. Customers	
		Complaint's systems, Complaints received and resolution of complaints	103 Management approach Customer privacy 416-2 Cases of non-compliance concerning health and safety impacts of product and service categories	S	7.3..3 Claims	
Tax information		Profits obtained country by country	103 Management approach Economic performance	S	7.4. Tax information	
		Income taxes paid	103 Management approach Economic performance	S	7.4. Tax information	
		Public subsidies received	201-4 Financial assistance received from the government	S	7.4. Tax information	