

MASMOVIL GROUP ACHIEVES NET-ZERO EMISSIONS

- **MASMOVIL Group is the first European telco that has achieved net-zero carbon emissions for the Group already in 2020, and the European network telco with the lowest absolute level of residual emissions.**
- **MASMOVIL has achieved in the last three years an average reduction of its CO2 emissions by 70% CAGR, well ahead of the -4.2% CAGR 2015-2030 rate encouraged by the Science Based Targets¹ for the ICT sector, which has allowed MASMOVIL to reach already in 2020 the objective from Paris Agreement set at 2050.**
- **This is a clear proof of our commitment to the environment, social responsibility and good corporate governance and follows the update of the Company's Mission, Vision and Values, the pursuit of "B Corp" certification (first telco in Europe signing the "B Corp commitment") and the certification of the "ISO14001" environmental management system, amongst other initiatives.**

Madrid, May 26, 2021 - [MASMOVIL Group](#) announces that, as part of its ongoing efforts to generate positive impact and its strong commitment to environmental, social and governance issues, has achieved net-zero carbon emissions already in 2020, the first European telco to reach such achievement and the with the lowest absolute level of residual emissions.

MASMOVIL Group has gone one step further in its sustainability path and the respect for the environment in which it operates. **The net-zero carbon emissions already achieved in 2020 includes all our Scope 1 & 2 emissions as well as Scope 3 emissions on paper, water, and printers' toner.**

Our CO2 emissions was **quantified and audited by Fundación ECODES**, which certified that MASMOVIL Group has calculated and compensated the emissions of greenhouse gases (GHG) generated by its activity during 2020, according to CeroCO2 standards.

We have implemented a number of environmental measures allowing MASMOVIL to **decrease Scope 1 & 2 emissions of CO2 from 4,442 tons in 2018 and 4,697 tons in 2019 to just 416 tons in 2020¹**, mainly generated by the vehicles fleet.

¹. "GHG emissions trajectory for the ICT sector compatible with the UNFCCC Paris Agreement, developed by ITU-T Study Group 5 'Environment, Climate Change and Circular Economy' in cooperation with GeSI (Global Enabling Sustainability Initiative), GSMA (GSM Association) and the SBTi (Science Based Targets initiative)

² As calculated by CeroCO2 (Fundación Ecología y Desarrollo, ECODES and Acciónatura)

This implies a -70% 3-year CAGR and a much more ambitious performance than the -4.2% CAGR 2015-2030 encouraged by the Science Based Targets initiative (SBTi) for the ICT sector to limit global warming to 1.5 °C. **The Company has been able to compensate the residual 416 CO2 tons through a reforest project.**

The target of Zero Emissions in its operations has been achieved much earlier than 2050, the Paris Agreement target, **and is another proof of MASMOVIL commitment with environmental best practices.**



The CO2 emission reduction has positioned MASMOVIL as the European telco with the lowest ratio of emissions to revenues

Our carbon emissions for Scope 1 & 2, relative to our annual revenues, declined from 3 kg per '000 EUR in 2018 to 2.8 kg in 2019 and just 0.2 kg in 2020, the lowest among our key peers in the sector.

We have taken proactive measures to promote decarbonization which are aligned with the opportunities identified within the Recommendation ITU-T L.1470² (section 11.2) among which, we highlight the following:

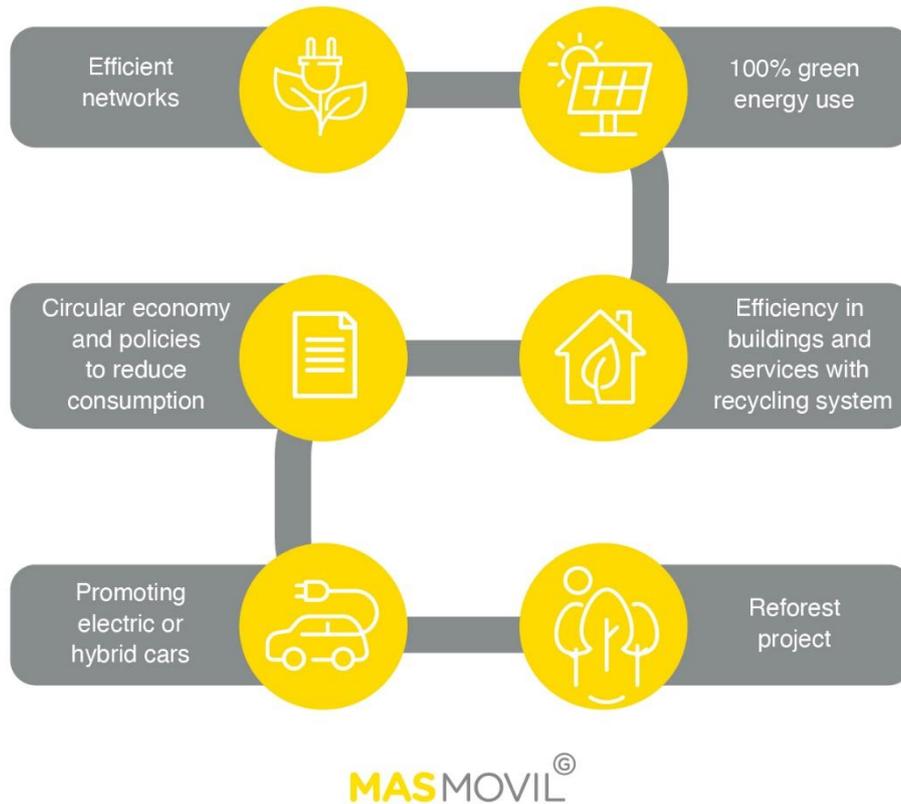
- **Purchasing renewable energy with certificate of origin:** c.100% of our energy consumption is green with >80% positive impact energy (wind & solar)
- **Operating efficiency networks and promoting network sharing:** dynamic power allocation, alternative energy supply, network virtualization
- **Efficiency in building and services:** BMS to control electrical equipment with energy and water consumption measures in our Leed Gold central building
- **Application of the circular economy principles:** reuse of network equipment, optimizing the life cycle of products and recycling
- **Promoting the use of electric or hybrid cars** by employees and sales force and the auditing in real time of its fleet emissions.

As a result, MASMOVIL Group has reduced its carbon emissions much faster than the path encouraged by the SBTi, and **we consider the remaining emissions as residual.**

*"We are very happy with becoming **the first European telco in reaching zero net carbon emissions.** We are showing that it is possible to develop business projects that*

generate a positive impact in clients, employees, shareholders and the planet” said Meinrad Spenger, MASMOVIL’s CEO.

How did MASMOVIL achieve it?



Sustainability, a key value for MASMOVIL Group

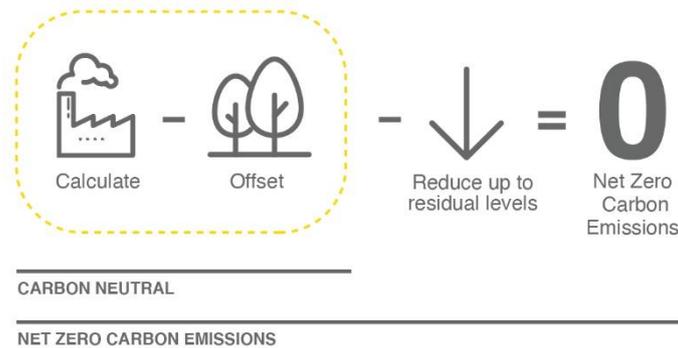
MASMOVIL Group has **Sustainability** as one of its key values. We have reinforced our commitment to the environment, social responsibility and good corporate governance to continue being the **Spanish operator with the highest positive impact in its activity** with connectivity and digitalization for achieving the Sustainable Development Goals.

Our focus has been to generate value in environmental, community and good governance issues, having created a **strategic plan** for the company’s **ESG impact** which includes projects such as:

- The pursuit of **“B Corp” certification** (first telco in Europe signing the “B Corp commitment”).
- **The certification of the “ISO14001” environmental management system, obtained already in 2020.**
- The **reduction** in the **digital gap in Spain**, where it has **deployed more than 1 million building units in small towns.**

- The “**Pienso luego Actúo**” Project, Spanish first “Branded Doing” platform, through which the Group voices examples of socially impacting projects.
- The **commercialization of 100% green energy**, with analytic tools to optimize electric consumption for its clients.
- **Digitalization projects in collaboration with local authorities** for applying 5G in developing more sustainable cities and reducing the vehicles emissions through real time emissions monitoring.

What it means to be “Net Zero Carbon Emissions”?



MASMOVIL[®]

A short teach-in on carbon emissions

a) What does ‘net-zero carbon’ mean?

There is a growing jargon around these topics which is making complex to understand what some commitments and achievements on decarbonization really mean. In particular ‘carbon neutral’ and ‘net-zero carbon’ are sometimes used interchangeably although in reality, they imply different approaches to combatting climate change.

- **Carbon neutral** means balancing carbon emissions by ‘offsetting’, or removing from the atmosphere, an equivalent amount of carbon to that produced. This can be achieved by buying ‘carbon credits’ to offset the effects of those emissions but, does not necessarily require a commitment to reduce overall carbon emissions.
- **Net-zero carbon** means reducing carbon emissions as much as possible, and at least with a consistent path to that calculated by the SBTi in order to limit global warming to 1.5 °C. The target is that emissions should come down to a residual level where there are technical or economic constraints that make unfeasible to be reduced further. At net-zero, companies with residual emissions are expected to counterbalance those emissions with an equivalent amount of carbon removals.

In summary, reaching **net-zero carbon emissions** for a company involves reducing its carbon emissions and, achieving a state in which its value chain results in **no net accumulation of carbon dioxide in the atmosphere**.

We understand by 'Carbon offsets' (*Verified Emissions Reduction, or "VER"*) the reduction of a specific amount of carbon emissions through a counterbalancing action to destroy, remove or prevent carbon from entering the atmosphere. This can be made with 'carbon credits' which include sequestration (capturing and storing atmospheric carbon dioxide) or afforestation projects.

b) Scope 1 & 2 and Scope 3 emissions

It is worth differentiating the types of emissions and our commitments and achievements for each of them as above mentioned.

- **Scope 1 emissions:** These are direct emissions from fuel combustion (boilers, furnaces, company salespeople vehicles) derived from the company's owned or controlled operations. A telecoms specific example would be an off-grid generator to power a base station.
- **Scope 2 emissions:** These are indirect emissions through electricity purchases used by the company at owned or controlled buildings.

Scope 1 & 2 are usually grouped together as they are deemed to be the emissions under the company's direct control.

- **Scope 3 emissions:** Other indirect emissions as a result of business activities but, not owned or controlled. These include categories such as water, paper, toner, etc.

About MASMOVIL

The MASMOVIL Group is the operator that has been leading growth in Spain in recent years, offering fixed telephony, mobile and broadband internet services for residential customers, companies and operators, through its main brands: Yoigo, Pepephone, MASMOVIL, Lebara, Lycamobile, and Llamaya.

The Group has fixed fiber/ADSL and 3G, 4G and 5G mobile network infrastructures. It currently has more than 26 million homes marketable with fiber optic and 18 million with ADSL, and its 4G mobile network covers 98.5% of the Spanish population. At the present, MASMOVIL provides 5G services to more than 300 cities in Spain. The Group had 11.3 million customers at the end of September last year.

Grupo MASMOVIL has been awarded the [ADSLZone 2019 award for best broadband operator](#) and "[Best Fiber Operator](#)" by [Grupo Informático](#). Moreover, it was the operator with the fastest fiber network in Spain in 2020 according to a [study by the company nPerf](#).

Follow us:

MASMOVIL Group Web: <http://grupomasmovil.com/es/>

Twitter: <https://twitter.com/grupomasmovil>

For more information

Fernando Castro

fernando.castro@masmovil.com

Teléfono: (+34) 656.160.378