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Pº de la Castellana, 259 C  
28046 Madrid

## **Independent Assurance Report on the Consolidated Non-Financial Information Statement of Lorca Telecom Bidco, S.A.U. and subsidiaries for 2021**

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

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

Pursuant to article 49 of the Spanish Code of Commerce, we have performed a limited assurance review of the accompanying Consolidated Non-Financial Information Statement (hereinafter NFIS) of Lorca Telecom Bidco, S.A.U. (hereinafter the Parent) and subsidiaries (hereinafter the Group) for the year ended 31 December 2021, which forms part of the accompanying consolidated Directors' Report of the Group for 2021.

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

### **Directors' Responsibility**

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

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

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

### **Our Independence and Quality Control**

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



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

Our firm applies International Standard on Quality Control 1 (ISQC1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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

## **Our Responsibility**

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Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed, which refers exclusively to 2021. We conducted our review engagement in accordance with the requirements of the Revised International Standard on Assurance Engagements 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" (ISAE 3000 Revised), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the guidelines for assurance engagements on the Non-Financial Information Statement issued by the Spanish Institute of Registered Auditors (ICJCE).

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

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

- Meetings with the Parent's personnel to gain an understanding of the business model, policies and management approaches applied, the principal risks related to these matters and to obtain the information necessary for the external review.
- Analysis of the scope, relevance and completeness of the content of the NFIS for 2021 based on the materiality analysis performed by the Parent and described in the "Our stakeholders" section, considering the content required by prevailing mercantile legislation.
- Analysis of the processes for compiling and validating the data presented in the NFIS for 2021.
- Review of the information relative to the risks, policies and management approaches applied in relation to the material aspects presented in the NFIS for 2021.
- Corroboration, through sample testing, of the information relative to the content of the NFIS for 2021 and whether it has been adequately compiled based on data provided by the information sources.
- Procurement of a representation letter from the Directors and management.



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

## **Conclusion**

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Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the NFIS of Lorca Telecom Bidco, S.A.U. and subsidiaries for the year ended 31 December 2021 has not been prepared, in all material respects, in accordance with prevailing mercantile legislation and selected GRI Standards based on each subject area in the “Table of contents by law” of the aforementioned consolidated Directors’ Report.

## **Use and Distribution**

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

KPMG Asesores, S.L.

*(Signed on original in Spanish)*

Marta Contreras Hernández

31 March 2022

SUSTAINABILITY  
REPORT  
**AND NON-FINANCIAL  
INFORMATION  
STATEMENT**

2021







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# Letter from the CEO

## We want to be the operator with the greatest positive impact on the society

2021 was, once again, a year of significant milestones in the history of the MASMOVIL Group, not only because of the integration of Euskaltel Group and the continuity of our growth with the addition of more than 1 million fiber optic and postpaid mobile lines, but also because of the achievement of several sustainability and ESG targets set by the Company.

At MASMOVIL Group we have responsibly taken on our role as a telecommunications operator, acting dutifully and faithfully to fulfill our purpose of having a positive impact on the planet and on people when engaging in all the activities we carry out, as described in the pages of this Sustainability Report and Non-Financial Information Statement.

We are very satisfied to have consolidated our commitment with B Corp, becoming the first European telecommunications operator, and the largest company in Spain, to have obtained this prestigious certificate. This is a great opportunity to form part of a community that does things differently, operating a sustainable business in the direction that is most beneficial for all of society and the development of a better world.

All these achievements would not have been possible without the assistance and efforts of the team of professionals that make up the organization.

Along the way we also attained important interim results that make us an ESG leader. We have been able to become the first European operator to achieve Net Zero Emissions of CO<sub>2</sub>. We have also launched the “MASsolidaria” social discount to reduce the digital divide affecting vulnerable groups. We have brought to market 100% green energy services involving responsible consumption and medical care for families at very affordable prices that are designed for those who cannot pay for traditional private insurance.

Furthermore, for another year we have renewed our adherence to the United Nations Global Compact, adding to our values the 10 universal principles covering human rights, labor, the environment and the fight against corruption. We share the objective of ethical management based on those Ten Principles to contribute to the achievement of the Sustainable Development Goals (SDG) through our actions.

We are a young company with revenues of close to 3,000 million euros, with more than 14 million customers, that has invested more than 2,000 million euros over the past 4 years in the deployment of its own fiber network and, above all, believes that business growth is perfectly compatible with the sustainable development of society and the planet on which we live. However, being pioneers as a large company in Spain is not the most important thing for us. What motivates us the most is having reached these milestones in accordance with our core values: ‘Customer first’, ‘Positive attitude’, ‘Simplicity’ and ‘Sustainability’. All of the above is of great satisfaction for me and the nearly 2,000 members of our team.

Our business will undoubtedly favor the development of Spain as a country, but at the local level it will also contribute to reducing the digital divide and will facilitate equal opportunities through quality connectivity.

We move very quickly, as fast as our fiber network, and all the challenges achieved during 2021 have placed us in a position of even greater responsibility with respect to everything we do for and on behalf of people, sustainable business and the planet.



**Meinrad Spenger**  
CEO



# Get to know us

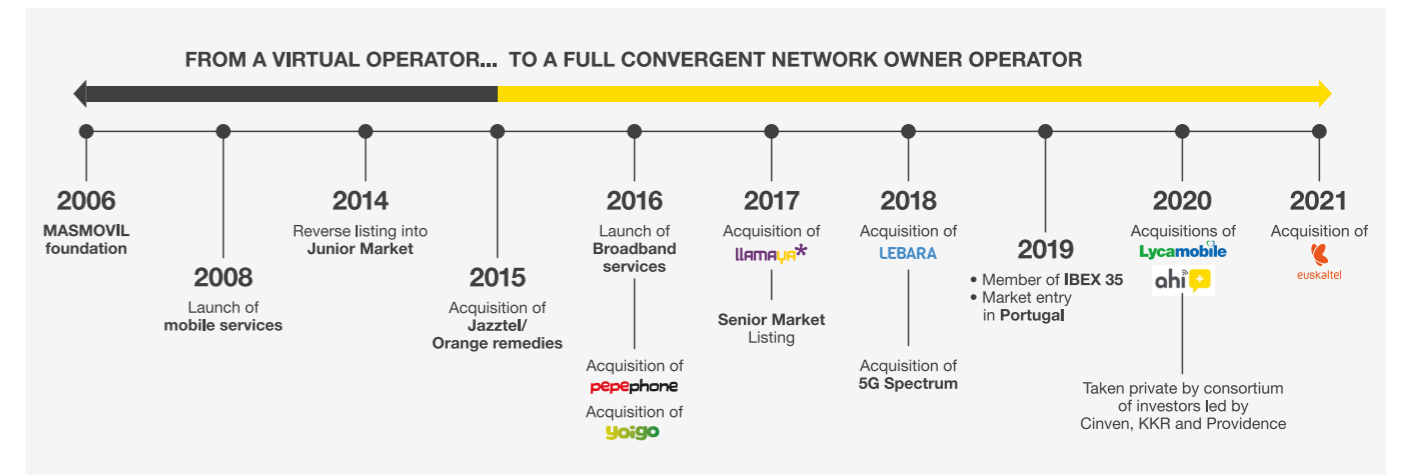
## 1.1 Who we are

We are a consolidated and established Spanish telecommunications operator, with a value proposition that responds comprehensively to the communication needs of people, institutions and companies throughout Spain, specializing in telecommunication services (fixed, mobile lines, broadband internet and television) and providing them to people, homes (residential) and businesses; interconnection and roaming services to other operators; “trading” services to wholesale customers, and other business services through its brands: MASMOVIL, Yoigo, Pepephone, Embou, Hits Mobile, Llamaya, Lebara, Lycamobile, Guuk, Ahi+, Euskaltel, R, Telecable, Virgin telco and RACctel+.

“ Leading operator in portability and customer acquisition, with the highest satisfaction rating for both multiple-service and mobile-only customers

”

## 1.2 Our history



The Group has developed a policy of both organic and inorganic growth. During 2021 the Group acquired Euskaltel Group, which makes it the leading operator in terms of growth in the Spanish market. Thus, in 2021 (as in 2020) it was the leading operator in portability and customer acquisition, with the highest satisfaction rating for both multiple-service and mobile-only customers<sup>1</sup>.

The Group has 14.4 million customers, of which 11.44 million have mobile services and 2.93 million have fixed broadband services (according to the data published by the CNMC (National Markets and Competition Commission) for December 2021).

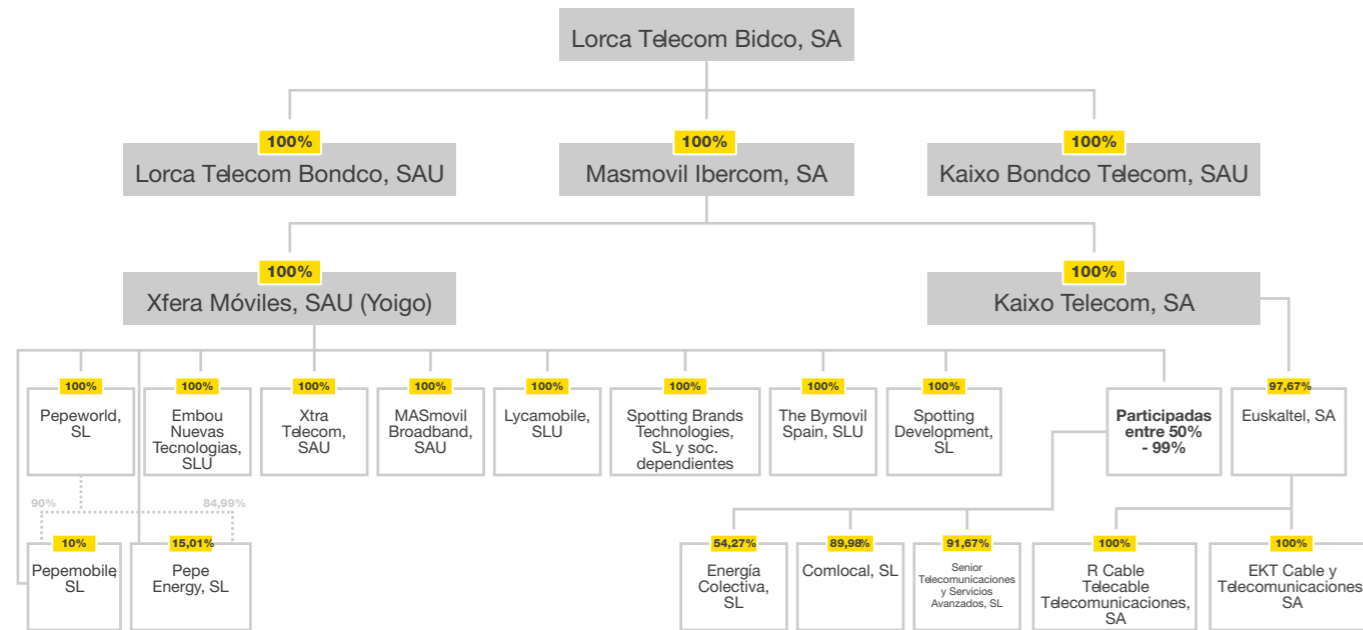
The Group is a hybrid operator since it has its own infrastructures and agreements with other operators that provide a fixed fiber network with access to more than 27 million homes and Asymmetric Digital Subscriber Lines (ADSL), as well as 3G and 4G mobile services. The Group continues to work to anticipate the needs and demands of its customers, constantly improving its services and it is one of the operators with the best coverage in Spain, reaching 98.5% of the population with its 4G network. In addition, its 5G network already reaches 54% of the Spanish population and it is the operator with the largest 5G spectrum per customer in Spain, reaching 80MHz.

<sup>1</sup>Data extracted from the Net Promoter Score (NPS) report prepared by the consulting firm GfK.





### 1.3 Organization and structure



Lorca Telecom Bidco, SAU is a public limited company incorporated on 4 February 2020 and maintains its registered office in Alcobendas, Madrid (Spain). Among others, its corporate purpose is to hold shares in companies (holding company). It is the parent company in Spain of MASMOVIL Group, which is the result of the mergers between 2014 and 2021 of various

telecommunications operators with sustained growth in their respective markets and business areas (hereinafter referred to as the “Group” or “MASMOVIL Group”).

The complete scope of the Group’s subsidiaries is set out in **Appendix I** of the notes to the Group’s consolidated financial statements for 2021.

### 1.4 What we do

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

**Residential** is the Group’s main business area in terms of volume and growth, through which telephone services, fixed and mobile connectivity, as well as television services, are supplied to private end users (Business-to-Consumer - B2C). The Group markets its services through various brands: Yoigo, MASMOVIL, Pepephone, Embou, Hits Mobile, Llamaya, Lebara, Lycamobile, Guuk, Ahi+, Euskaltel, R, Telecable, Virgin telco and RACCTel+.

The Group is the leading growth operator in the Spanish market according to data published by the CNMC. Its customers are divided into:

- *Mobile customers: which coincide with end users (pre-paid and post-paid).*
- *Multi-line mobile customers: also coinciding with end users, but with a contract for several lines under the same ID number (pre-paid and post-paid).*
- *Fixed line customers: home and business services, where end users are different from those stated in the contract.*



The Group began to market its convergent services under the MASMOVIL brand in 2016, which were gradually 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 itself as the large alternative to the three traditional operators in the Spanish market.

It also offers its customers the best connectivity technologies, 4G speed in all mobile configurations, ADSL with national coverage and fiber optic access, with more than 27 million homes to which this growing technology is available. It also offers 5G speed, which already covers 54% of the Spanish population.

The **Business area** is focused on satisfying the telecommunications needs of companies, regardless of their size or industry, offering customers customized and secure solutions and the end users are the company’s own employees or private users. The services are marketed through the Yoigo, MASMOVIL, Euskaltel, R, Telecable and Virgin telco brands in the business segment (Small Office Home Office - SoHo) and offer: communications, connectivity, mobile telephony and data center services.

Within the package offered to companies, it is also possible to provide telecommunications services, either directly or through intermediaries, aimed at end users with a residential profile in rural areas. In these cases,

the Group offers its mobile service through a third party specialized in the segment, which also manages billing and end-user customer service.

In addition to the standard offers, the Group provides a channel with an engineering team with extensive experience in preparing tailor-made offers for customers whose needs do not meet, or exceed, those of the more standard offers that are on the market. Along with this service, it also offers its customers their own Digital Kit package, with the aim of making the latest innovations available to small and medium-sized businesses.

In 2021 the Group reached several agreements to expand the services it offers and, together with DKV Salud, it has launched family medical insurance, and together with Sicor Seguridad, a private security company operated by the El Corte Inglés group, it has launched an alarm service.

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

## 1.5 Economic environment

The economic environment in which the Group operates has been favorable during 2021, since the recovery forecasts have been met after the negative impact of the Covid-19 pandemic. Spain's GDP has grown by 5% and a larger increase is expected in 2022, although there is an expectation of slower growth in subsequent years. This recovery has been reflected in the telecommunications sector, which has seen the consolidation of trends in recent years.

However, recent events in Ukraine since February 2022 will have a significant effect on the global economy, to a degree that will depend on the duration of the crisis and it will undoubtedly also affect Spain.

Mobile broadband lines grew at a year-on-year rate of 2.9% between November 2021 and November 2022, as published by the CNMC. For their part, fixed broadband lines have grown at a year-on-year rate of 2.4%. The number of lines belonging to Virtual Mobile Operators (VMO) has grown by more than 1,000,000 lines if the effect of the purchase of the Euskaltel Group is removed.

There are three key factors in the evolution of the number of lines: (i) fiber optic technology (Fiber to the Home - FTTH and Hybrid Fiber-Coaxial - HFC) in homes, which continues to grow, accounting for 90.4% of the total broadband lines; (ii) the deployment of new generation broadband

continues; and (iii) the agreements between wholesalers (among which is the one between the company Orange and the Group) have consolidated.

In line with the above, the telecommunications market in Spain has reached a point of maturity such that the opportunity to increase market share is almost only possible through the net gain of customers in transfers between operators, i.e. through portability and improvements in data rates. The Group's net portability figures in 2021 were 566,000 lines, which means that the Group recovers the year-on-year growth in net portability after the impact caused by Covid-19 in 2020. Portability arises largely through the results of customer satisfaction indexes for each operator, as well as their loyalty.

“ The number of lines belonging to Virtual Mobile Operators (VMO) has grown by more than 1,000,000 lines ”



## 1.6 Group figures in 2021



### ENVIRONMENT

- Zero net CO2 emissions.
- 100% of electricity from certified renewable sources
- 49% of refurbished equipment



### SOCIETY

- 4,610 thousand euros in social contributions
- 2 million building units deployed in municipalities with a population of less than 20,000
- 48,542 thousand euros of contributions through the payment of corporate income tax



### CUSTOMERS

- 14.4 million customers (11.44 million with mobiles and 2.93 million with fixed broadband)
- Access to more than 27 million households through our own or third-party infrastructure
- 98.5% 4G network coverage of the population
- 700 municipalities in 40 Spanish provinces in which 5G services are offered
- More than 250,000 customers to whom we offer financial services



### TEAM

- 1,874 employees
- 1,864 with an indefinite contract
- 25,515 hours of training
- 39% women



### CORPORATE GOVERNANCE

- Transversal Cybersecurity and Compliance awareness programs for all Group employees
- 0 confirmed cases of corruption





## 1.7 Main Milestones in 2021

### January

- MASMOVIL Group acquires Lucera and reinforces its commitment to offering its customers energy at the best price, promoting the use of renewable energy in Spain.
- Yoigo, the first operator to launch a customer digital identity protection service.

### February

- Yoigo launches personal loans for its customers with its new brand MoneyGO.

### March

- MASMOVIL Group becomes the Spanish operator with the greatest fiber coverage, covering more than 26 million homes with its FTTH offer.
- Design of the MASsolidaria proposal with the aim of satisfying the connectivity needs of vulnerable groups.
- El Corte Inglés and MASMOVIL launch a virtual mobile and fiber operator using the Sweno brand.
- Yoigo launches DoctorGO, a quality telemedicine service offering face-to-face care with no waits.

### July

- The main Spanish operators reinforce their commitment to the market and update their code of ethics for sales calls to increase customer protection levels.

### August

- Acquisition of Euskatel Group.

### September

- MASMOVIL Group is the first telecommunications operator in Europe to become a B Corp, which is recognition that verifies the Company's compliance with the highest standards of social and environmental impact, governance, public transparency and legal responsibility.
- MASMOVIL Group reaches more than 3 million fixed broadband customers in record time.

### October

- MASMOVIL Group acquires 4G and 5G spectrum to develop a mobile phone network in Portugal through the NOWO brand.

### November

- Yoigo launches, together with Sicom Seguridad El Corte Inglés, its new Premium Connected Alarm service with police notification.

### December

- Yoigo launches Medical Insurance for the whole Family, being the first company in the industry to do so.



## 1.8 Awards and recognitions received during 2021

The main awards and recognitions received by the Group throughout 2021 are summarized below:



BEST COMPANY IN THE TELECOMMUNICATIONS SECTOR TO WORK FOR IN THE **ACTUALIDAD ECONÓMICA** RANKING AND 20TH IN SPAIN.



MASMOVIL GROUP WAS RECOGNIZED BY **NPERF** FOR OFFERING THE **BEST PERFORMANCE IN GENERAL OVER FIXED NETWORKS** DURING THE FIRST QUARTER OF 2021.



THE **MÁSMÓVIL** BRAND OF THE MASMOVIL GROUP RECEIVED RECOGNITION FOR THE **BEST CUSTOMER SERVICE OPERATOR 2021** FROM THE ADSLZONE AWARDS.



ADVERTISING AWARDS:

- Within the **XXIII Edition of the Awards for Effective Commercial Communications**, we have won the following awards:

**Gold EFI for MASMOVIL**, providing special recognition of research.

**Silver EFI for Guuk**, in the category of best regional/local campaign.

**Bronze EFI for MASMOVIL** in the category of best product/service campaign.

- **IAB Award** for both **Yoigo** and **Pepephone**.



**COMPANIES WITH A HEART AWARD** TO YOIGO, DELIVERED BY MAMAS EN ACCIÓN TO THOSE COMPANIES THAT HAVE PROMOTED THEIR WORK SO THAT THEY CAN CONTINUE TO ACCOMPANY AND CARE FOR CHILDREN SO THAT THERE IS NO #NIUNNIÑOSOLO (NOT ONE LONELY CHILD). THIS INITIATIVE IS INCLUDED IN THE PLATFORM "I THINK, THEREFORE I ACT".



MÁSMÓVIL AND PEPEPHONE ENTER THE PRESTIGIOUS **BRAND FINANCE** RANKING OF THE MOST VALUABLE BRANDS IN SPAIN.







# Our commitment to sustainability

We are convinced that sustainability is key to business activity. The Group aims 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, which guide the Company's Board of Directors.

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

The Mission and Vision were defined as follows:



**MISSION:** Connect people with the latest available technology and ensure the best customer experience.



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

Values were also updated, including Sustainability, which is a declaration of intentions regarding the Group's commitment to having a positive impact.

The Values of the Group are the following]:



**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 and quality benefits for them.



**Positive attitude**

- We smile and work with enthusiasm and honesty.
- We dare to do things differently.
- We enjoy working, we learn from mistakes and celebrate successes together.



**Simplicity**

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



**Sustainability**

- We prioritize long-term value over short-term profits.
- We seek positive impacts on our customers, employees, partners, shareholders and society.
- We take care of our surroundings and the environment.

The Group understands that corporate governance is one of the most effective instruments for transmitting confidence to investors, as well as for favoring control over non-financial aspects, providing an environment of control and balance that is necessary to reinforce

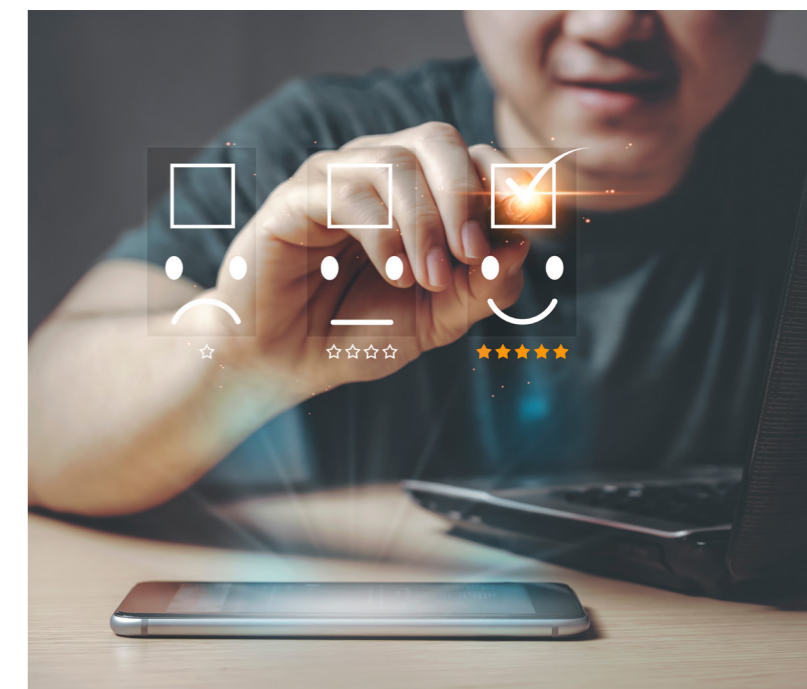
good commercial practices and promote credibility and stability, as well as to contribute to the promotion of growth and the creation of wealth.

## 2.1 Responsible management model

We plan our operations with the purpose of guiding the Group's different processes towards excellence, thus contributing to the achievement of our business' main goal: customer satisfaction. We know that in order to achieve this objective it is important to maintain smooth and harmonious relationships with all our stakeholders and to manage our business from the economic, social and environmental spheres, which are the elements forming part of our sustainability strategy.

Our responsible management model's foundation consists of the implementation of sustainable practices in all our activities, promoting their application throughout our value chain, from our employees and collaborators to our customers.

For this reason, we develop and deploy a responsible management model across the board, based on the identification of possible impacts and sustainability risks that could arise from our activities and on the development and application of various commitments, policies, management procedures and mitigation measures to act accordingly on the identified impacts.



In this regard, as established in the Group's Corporate Social Responsibility Policy, the acquired commitments are as follows:

- *Regulatory compliance.*
- *Support for the United Nations Global Compact, which the Group joined in 2020.*
- *Commitment to ethics*
- *Promotion of free market practices.*
- *Development of advanced corporate governance practices.*
- *Promotion of channels of communication and dialog.*

As part of its strong commitment to have a positive impact on people and the planet, in September 2021 MASMOVIL Group became a B Corp company. This recognition certifies the company's compliance with the highest social, environmental, governance, public transparency and legal responsibility standards.

The certification is issued by B Lab, a non-profit organization that is transforming the global economy to benefit all people and the planet, and it makes MASMOVIL Group the first B Corp large telecommunications company worldwide and in Europe, of among the more than 4,000 international companies that are part of this community.

To obtain this certification, MASMOVIL Group has had to pass a rigorous verification process by B Lab to verify that its social purpose of being the Spanish telecommunications company with the greatest positive impact on society is reflected in all its policies aimed at creating social value for all its stakeholders: employees, suppliers, customers, communities, the environment and shareholders.

The companies that are part of the B Corp community belong to a global movement that encourages businesses to improve the world, transform the economy and to contribute to redefining the meaning of business success, based 100% on the well-being of people, communities and the planet. Accordingly, B Corp reviews, evaluates and certifies the company's social and environmental performance and how its business model has a positive impact on its employees, the communities they serve and the environment.

MASMOVIL Group leads the indexes measuring customer satisfaction (NPS), the quality of its network connectivity - the fastest in Spain - and effective business management, which has also been an important lever for achieving this certificate.

In addition to being a pioneer in its industry with the aim of creating positive impacts through its businesses, this certification makes MASMOVIL the largest B Corp company in Spain. The certification also extends to its brands Yoigo, MASMOVIL, Pepephone, Embou, Llamaya, Lycamobile and Lebara and the Group also has plans to undertake the process to expand it to cover the new brands acquired in 2021 (Euskaltel, R, Telecable and Virgin telco) in the medium term.



As a company belonging to the B Corp movement, MASMOVIL Group has also formally committed, through a change in its bylaws, to take into consideration the impact of its decisions on all its stakeholders. This commitment helps the Group to protect its mission in business operations and adds more value to the assessment of investments made by the Company.

“ MASMOVIL Group leads the indexes measuring customer satisfaction, the quality of its network connectivity (the fastest in Spain) ”

The Group has worked for just over a year to complete the B Corp certification process in record time. This period has served to allow it to execute an in-depth examination of its actions concerning the environment, customers, suppliers, employees and corporate governance and to thus implement improvements and future strategies to exceed the high standards required by B Lab.

MASMOVIL Group obtained a rating from Standard & Poor's - S&P Global Ratings that reflects its high-level commitment to the environment, sustainability and corporate governance and in 2019 it became the first in EMEA (Europe, Middle-East and Africa) to obtain syndicated financing with part of the cost tied to the future evolution of its ESG (Environmental, Social and Governance) rating.

Since the last update of the rating, the MASMOVIL Group was acquired through a public offering carried out in 2020 by a group of venture capital companies (Providence, Cinven, KKR) and later in 2021, it completed the acquisition of Euskaltel.

Additionally, MASMOVIL Group has carried out a series of actions mentioned in this report (adherence to the United Nations Global Compact, updating of the mission, vision and values, obtaining the B Corp and ISO14001 certificates, achieving Zero Net CO<sub>2</sub> Emissions, adapting several Corporate Policies and preparing equality and diversity plans, among others), which shows that the Group is focusing its strategy on the ESG environment, highlighting its responsibility to work on the control of environmental, social and corporate governance risks.





## 2.2 Strategic Plan for Social Impact and Sustainability and Environment Policy

In addition to the review of the Mission, Vision and Values mentioned above, MASMOVIL Group decided that it was necessary to centralize and coordinate all activities related to ESG within the same executive line at the company.

To this end, since September 2020 all responsibility for ESG-related initiatives was given to the Investor Relations Department team which, led by a company General Manager reporting directly to the CEO, was renamed IR & ESG.

Since then, the IR & ESG team has focused on generating value with respect to environmental, social and good governance issues. A strategic plan for the company's social impact was created for 2021, notably including certification of the ISO14001 environmental management system, attaining B Corp certification and other initiatives, such as the Diversity Plan and the Equality Plan (both within the scope and responsibility of Human Resources), the Social Discount Rate (MASsolidaria) and the reduction of the digital divide in rural Spain, among many others. All these objectives were successfully completed during 2021, in addition to the very relevant fact that MASMOVIL Group achieved Zero Net CO<sub>2</sub> Emissions by 2020, being the first European telecommunications operator to do so.

The ESG Strategic Plan for 2022 revolves around the following lines of action: connectivity and reduction of the digital divide, environmental management and sustainability, leadership and community with suppliers and customers, employee management, culture, equality and diversity, and governance, ethics and transparency.

Renewed support for the United Nations Global Compact and the Sustainable Development Goals (SDGs) will also continue to be a key lever for the strategic plan.

On 2 October 2020, the Board of Directors approved a new version of the Sustainability and Environment

Policy, which establishes the basic principles of action to mitigate its effect on climate change and reduce its environmental impact. On 2 October 2020, the Board of Directors approved a new version of the Sustainability and Environment Policy, which establishes the basic principles of action to mitigate its effect on climate change and thus reduce its environmental impact.

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

### THE BASIC PRINCIPLES SET OUT IN THE POLICY ARE

- 1.** The inclusion of environmental considerations and best practices in business decisions and processes as an integrated telecommunications operator, as well as compliance with current environmental legislation and the adoption, whenever possible, of future application standards.
- 2.** The performance of an environmental impact assessment prior to the start of any activity or process.
- 3.** The examination of any significant environmental effect of the Group's various activities.
- 4.** The adoption of the measures necessary to prevent and eliminate any contamination or accidental emission into the natural environment.
- 5.** The application of the measures necessary to monetize, minimize, and recycle waste, to the extent possible, ensuring proper management when there are no other alternatives.
- 6.** The implementation of appropriate measures to save raw materials, including their reuse when possible.
- 7.** The adoption of the measures necessary to save energy and water.
- 8.** Support for the acquisition of environmentally sustainable and energy efficient products and services.
- 9.** Support for design activities that take into consideration the improvement of energy performance.
- 10.** The establishment of programs in which objectives and goals are set to continuously improve environmental performance and the interaction of our products, services, offices, technical centers and communications infrastructure with the environmental areas affected by the business, as well as their regular review.
- 11.** The prevention of pollution, the reduction of environmental impacts and the efficient use of deployment resources, the adaptation and maintenance of the communications network, offices and technical centers, as well as in the supply of services.
- 12.** Training and environmental awareness of employees, so as to ensure the performance of their work with the utmost respect for the environment, while also encouraging respect for the environment among key suppliers.








## 2.3 Our stakeholders

Given our national position in the telecommunications sector and based on our priority of responding to the needs of our stakeholders, we strive to maintain a constant dialog with all of them, on the basis of the importance of generating trusting and respectful relationships.

At MASMOVIL Group we manage our stakeholders taking into account the possible positive and negative impacts that our business could have on each of them.

We have specific dialog channels for each group through which we maintain fluid, two-way communication at all times. We strengthen, bring closer, diversify and innovate in our channels and manners of maintaining contact with all stakeholders in order to be increasingly faithful in our relationships with them and make advances with respect to the fulfillment of our strategic objectives and commitment to digital transformation.

STAKEHOLDERS	WHY ARE THEY IMPORTANT FOR MASMOVIL GROUP?	COMMUNICATION CHANNELS
 CUSTOMERS	They are our reason for being. Communications by and for people and companies. We work to facilitate their access to technology through a close and trusting relationship.	Social networks and WEB. Customer service by phone, online or in person. Customer surveys.
 PEOPLE	The people that make up our work team are the engine that drives our company and allow us to fulfill our mission.	Direct contact, face-to-face and virtual meetings, work committees, corporate intranet, internal collaborative channels (employees can use the MASostenibles channel to comment on and share measures, initiatives and activities aimed at promoting a sustainable economy together with the rest of the workforce) and email.
 SUPPLIERS	Allies in the mission of facilitating communications and technology to our customers. They help us maintain a sustainable value chain. Stability, trust and fairness prevail in business relationships with our suppliers.	Regular meetings with business and purchasing managers. Email.
 SOCIETY	We contribute to the construction of a more prosperous community by creating access and connectivity opportunities that take into account user expectations and needs.	Social Networks and Web.
 SHAREHOLDERS/INVESTORS	They support us in the achievement of the growth and economic stability we need to meet our commitments. Relationship based on good corporate governance and transparency.	Set of information channels.
 GOVERNMENT	Local, national and international regulatory entities and Public Administrations are important allies for our operations.	We maintain contacts with the Public Administrations through face-to-face meetings, attendance at forums, institutional sponsorships and industry associations.



## Materiality

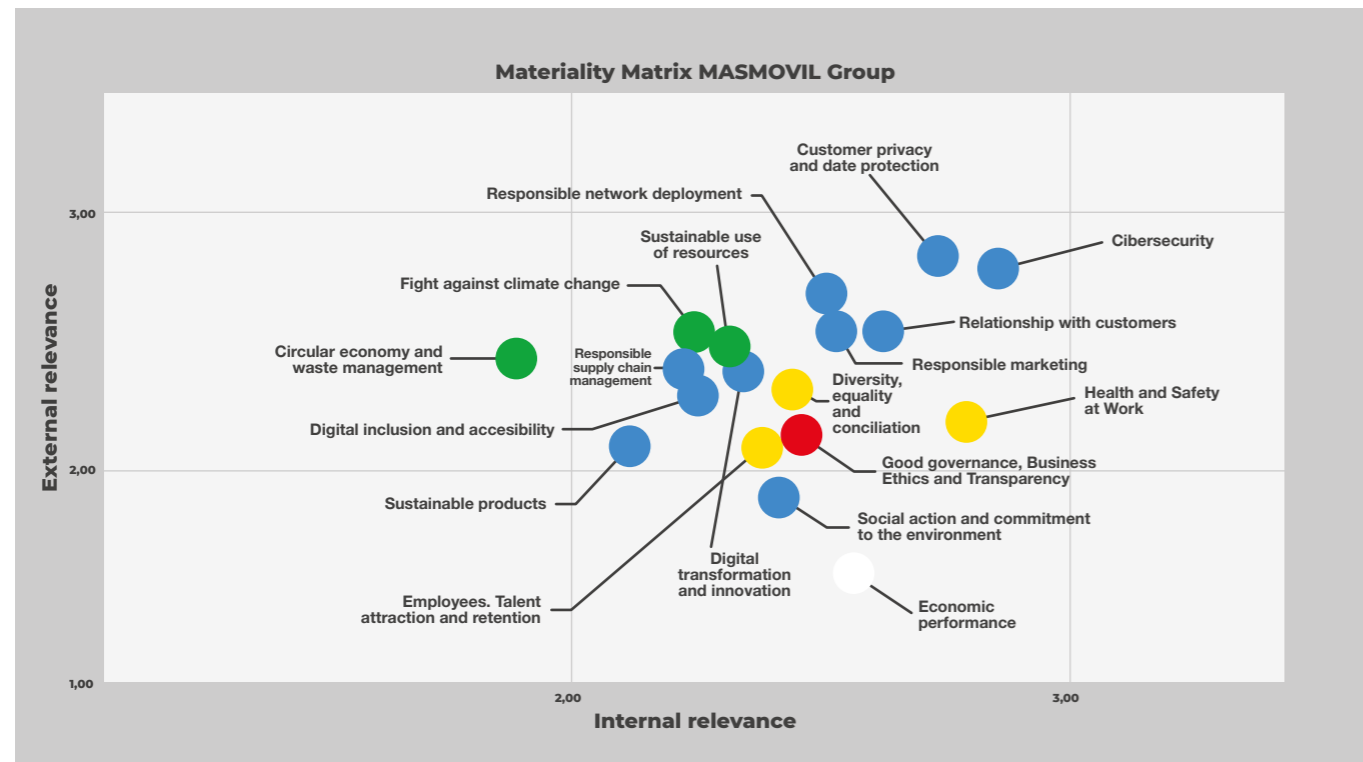
The identification and monitoring of the most important issues for both the Group and our stakeholders are fundamental tasks within our corporate governance decisions, the design of strategic plans and the definition of content in the corporate reporting processes.

Throughout 2021, a process to review and update material aspects was carried out, consisting of the analysis of the Group's particularities and those of its business model, including the merger with Euskaltel Group, as well as the situation of the telecommunications sector, through the examination of various industry reports, future trends and reports from other companies with characteristics similar to those of the Group.

The Group has carried out an internal assessment process in order to prioritize the results obtained from the materiality analysis.

A total of 18 relevant matters have been identified, represented in a materiality matrix and prioritized based on the importance of each for the Group and its stakeholders.

When preparing and presenting the content of this document, the matters included in the materiality matrix have been taken into account, grouping together the critically relevant issues in the areas of privacy and data protection, customer relationship management, responsibility concerning the deployment and marketing of networks and services, cybersecurity, personnel, and pollution and climate change.



## 2.4 Sustainable Development Goals



On 20 September 2015, the General Assembly of the United Nations (UN) approved the 2030

Agenda for Sustainable Development, a 15-year action plan supporting people, the planet and prosperity, with the intention to strengthen universal peace and access to justice. The Agenda proposes 17 objectives with 169 goals of an integrated and indivisible nature that cover the economic, social and environmental areas.

As environmental issues have gained ground at all companies, their top management is trying to integrate the Sustainable Development Goals (SDGs) into their businesses.

In its commitment to sustainability and with the aim of growing responsibly, the CEO of MASMOVIL Group formalized its adherence to the United Nations Global Compact in October 2020. This membership constitutes one more step in the positive social impact commitment of MASMOVIL Group.

In 2021, MASMOVIL Group renewed its commitment to the Global Compact and its objectives and published its progress report (COP – Communication on Progress) as an Active member of the Global Compact.

In this regard, the Group supports and promotes the Ten Principles of the Compact in the areas of Human Rights, Labor Rights, the Environment and the Fight against Corruption and is committed to promoting the objectives of the 2030 Agenda and the 17 SDGs, emphasizing those related to the company's business activity.

Specifically, the Group particularly focuses its efforts on the construction of resilient infrastructures, as well as the promotion of sustainable industrialization and innovation (SDG 9). It also carries out actions to guarantee inclusive, equitable and quality education and to promote learning opportunities (SDG 4); to make cities more inclusive, safe, resilient and sustainable (SDG 11); to revitalize the World Partnership for Sustainable Development (SDG 17); to fight climate change (SDG 13); to provide affordable and clean energy (SDG 7); to promote responsible production and consumption (SDG 12); to promote gender equality (SDG 5); and health and well-being (SDG 3).

“ The Group supports and promotes the Ten Principles of the Compact in the areas of Human Rights, Labor Rights, the Environment and the Fight against Corruption ”

Among the actions carried out to attain these objectives, we highlight the following:



**SDG 3**  
HEALTH AND WELL-BEING

Obtaining Safe Preventive Protocol certification against Covid-19 by Applus+, after verifying that the headquarters is a controlled space aligned with the most demanding standards against coronavirus, both nationally and internationally, in addition to complying with all the recommendations to fight against Covid-19 in buildings issued by the Spanish Ministry of Health. Obtaining AENOR certification for the anti-Covid-19 protocols at the headquarters of Euskaltel, R and Telecable, which certifies that the different safety measures adopted by Euskaltel Group since the beginning of the health crisis are not only in line with recommendations, but also with the requirements established periodically by institutions in terms of prevention and hygiene.

In addition to the legally required activities, the Joint Prevention Service has oriented its actions towards Employee Well-being. Proof of this are the joint efforts with other areas of the company (Employee Experience, Communication and Corporate Social Responsibility) to launch different initiatives to the benefit of its employees, which will be framed within the Corporate Wellness Plan, such as internal initiatives to improve the health, well-being and satisfaction of the Group's employees (see section 5.5.4 for further details).



**SDG 4**  
TAKE ACTIONS TO GUARANTEE INCLUSIVE, EQUITABLE AND QUALITY EDUCATION AND PROMOTE LEARNING OPPORTUNITIES

MASMOVIL Group promotes innovation in artificial intelligence and young talent together with UC3M for the third consecutive year, awarding 6 research scholarships at UC3M (Universidad Carlos III de Madrid) in 2020-21 and launching the fourth academic chair in the IT area in 2021-22.

Launch of a new academic chair at UPM in 2021-2022 concerning Customer Strategy & Analytics.

Academic chair in Cybersecurity with the Universities of Coruña and Vigo and Telecable academic chair at the University of Oviedo.

Collaboration with the Masters in Cybersecurity at the University of the Basque Country.

Internship programs to attract talent.

During 2021, the MASMOVIL Group launched its MASsolidaria proposal, which offers connectivity and access to fixed and mobile Internet to people from vulnerable groups who participate in a socio-educational and labor insertion program, with a 50% discount in collaboration with the Innicia Association and which aims to contribute to reducing the digital, educational and social gap that derives from the lack of access to quality internet service.



**SDG 5**  
GENDER EQUALITY

Existence of an Equal Opportunities Policy, which aims to be the backbone of a favorable environment for employees by promoting effective equality between men and women.

Approved Equality Plans at Xfera Móviles, SAU, Euskaltel. SAU and R Cable and Telecable Telecomunicaciones, SAU in 2020.

The Talent Diversity Plan approved during the first quarter of 2021.

726 female employees at the end of 2021, out of a total of 1,874.



**SDG 7**  
ENSURE AFFORDABLE AND CLEAN ENERGY

During the fourth quarter of 2020, MASMOVIL Group became the first large telecommunications operator to offer a 100% green electricity service through EnergyGO without extra fees for Yoigo customers.

This service is an addition to the Group's prior commitment to green energy through Pepeenergy and makes it possible to choose 100% green and environmentally friendly energy through a simple and transparent online contracting process using an app and it also offers detailed consumption graphs, personalized housing studies, comparisons and short, medium and long-term savings advice.

During 2021 this service was brought under the MASMOVIL brand and it began offering 100% green energy services in March through the MASMOVIL Energy service, and Pepephone included a special rate to boost consumption by electric cars (see section 5.3).

Electric vehicle chargers subsidized by the Group were installed in the Group's parking area at the new headquarters to encourage their use by employees. In FY2021, 7,302 kg of CO<sub>2</sub> were not emitted thanks to this measure based on the data provided by the service provider.



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

During the period of generalized confinement in 2020 as well as throughout 2021, when the restrictions derived from the health crisis were still in place, connectivity allowed many businesses to succeed thanks to digitalization, allowing the most vulnerable to be integrated and obtain opportunities, and rural environments were revived thanks to the increase in remote working arrangements.

As part of the Plan for Rural Spain (see section 4), the Group continues to promote the deployment of fiber in rural areas in order to reduce the digital divide, and this has become one of the Group's main objectives in this area.

The Group is in constant contact with innovation and digital advances. In 2019 the MASVentures accelerator was launched (together with Inveready, a Spanish investment group) to promote innovative projects in the new technologies sector and promote entrepreneurship in Spain.

In 2020 MASVentures approved the investment in a startup, Kenmei Technologies, a Spanish company focused on Data Intelligence for the automation of decision-making, based on AI and Big Data, to automate network management and operation processes. During the first quarter of 2021, an investment was made to acquire a 5.86% interest.

In 2021 MASVentures put more focus on the Group's areas of interest with projects that fit its current challenges or needs, carrying out pilot programs with 6 startups in different areas of the group such as retention, marketing, business channels, customer experience and process automation.



**SDG 11**  
MAKE CITIES MORE INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE

The Group has participated in the 5G pilot projects in the Basque Country and Catalonia, which are aimed at developing solutions for the education sector, optimizing mobility, control and management of areas with a large influx of people, as well as the management of public safety and emergencies.

In May 2021, MASMOVIL Group signed an agreement, together with the OPUS RSE laboratory, to participate in a pilot project operated by the Alcobendas City Council to measure polluting emissions from road traffic and inform citizens of the real emissions of their vehicles. The project is being carried out within the framework of the LIFE GySTRA project, financed by the European Union, as part of its program to implement real solutions that reduce emissions from urban traffic in Europe.

In addition, during 2021 the Group continued to work together with other companies and organizations on the Strategic Plan for the Digitalization of Urban Traffic and the Reduction of Emissions (DITRA) through the use of 5G technology.



Among the actions carried out to attain these objectives, we highlight the following:



**SDG 12**  
RESPONSIBLE  
PRODUCTION AND  
CONSUMPTION

In October 2020, the Board of Directors of MASMOVIL Ibercom, SA approved the modification of its Purchasing Policy to introduce a section on Sustainable Purchasing.

Implementation in 2020 of a real-time monitoring system for electricity consumption at the corporate headquarters.

Elimination of the consumption of plastic bottles at offices, replacing them with glass bottles (for each employee) that can be refilled at water fountains distributed around the different plants. This eliminates the consumption of more than 100,000 plastic bottles per year.

More than 10% of the company's entire fleet (including the commercial fleet) is made up of electric/hybrid vehicles.

The measures aimed at achieving the goal of a paperless office at the corporate headquarters have been maintained (clean desk policy, digitalization of processes, absence of individual waste bins and drawers, registration and monitoring of printing by each employee, etc.).

Starting at the end of 2021, and despite the higher cost, a decision was made to begin using recycled paper in the printers at our headquarters.



**SDG 13**  
FIGHT AGAINST  
CLIMATE CHANGE

In FY2020, the Group became the first European operator to achieve Net Zero Emissions of CO<sub>2</sub>.

ISO14001 certification for environmental management at the Group's main companies (Xfera Móviles, Euskaltel, R Cable and Telecable Telecomunicaciones), and ISO50001 for energy management for R Cable and Telecable Telecomunicaciones. These certificates prove the adequacy of our environmental management in relation to recognized international standards.



**SDG 17**  
REVITALIZE THE  
WORLD ALLIANCE  
FOR SUSTAINABLE  
DEVELOPMENT, CREATE  
COLLABORATION  
AGREEMENTS WITH  
FOUNDATIONS AND  
PRIVATE COMPANIES  
TO FIND INNOVATIVE  
SOLUTIONS TO SOCIAL  
CHALLENGES

The Group began its alliance with Red Innicia, which is promoted by the Innicia Association, in order gain first-hand knowledge of the needs of vulnerable groups, the challenges of associations and institutions of the tertiary sector to respond to those needs and the need to provide quality connectivity.

As we have commented under the section regarding SDG 4, in collaboration with the Innicia Association we launched our MASsolidaria proposal to facilitate quality connectivity for less favored groups.

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

Through ANOVO, the company chosen by the MASMOVIL Group to refurbish used routers to allow their subsequent reuse, we have achieved the goal of using 80-90% recycled cardboard boxes for 100% of those routers.

Together with our suppliers Thales and Idemia, starting at the end of 2021 our Pepephone brand SIM cards will be manufactured ecologically. The packaging for those cards will have 50% less plastic and the paper used will be recycled or certified FSC (sustainable forests).





# Environment

Despite the fact that the Group's activities have a low direct environmental impact, the Group is aware of the importance and relevance of protecting the environment. Therefore, environmental management measures and the fight against climate change constitute core pillars in the transformation to a responsible business model. Our objective is to align our business model with our environmental commitments and goals, so carbon neutrality and the reduction of emissions are a priority to mitigate the environmental impact that our business may cause.

In this sense, the Group's Management assumes responsibility for the environmental management system, guarantees the sustainability and environment policy, as well as its objectives, and ensures that they are aligned with the strategic direction of the organization. To this end, an Environmental Management Committee consisting of General Managers was formed, which meets once every four months to assess and monitor the situation and degree of compliance with environmental milestones and objectives assumed by the Group.

**TO ACHIEVE THOSE OBJECTIVES, OUR ENVIRONMENTAL STRATEGY IS DIVIDED INTO THREE MAIN LINES OF ACTION:**

- ✓ FIGHT AGAINST CLIMATE CHANGE AND EFFICIENT CONSUMPTION OF RESOURCES
- ✓ CIRCULARITY AND WASTE MANAGEMENT OF ELECTRONIC DEVICES
- ✓ PROMOTION OF ENVIRONMENTAL CERTIFICATIONS AND INITIATIVES

## 3.1 Excellence in environmental management

Our commitment to excellence in environmental management is translated into practice through our Environmental Management System (established based on the ISO14001 standard and the EMAS Regulation), present at all Group companies.

This management system acts as a transversal mechanism throughout the value chain, supporting the deployment of our sustainability strategy horizontally, towards the production and service provision processes, as well as vertically, towards the organizational structure.

We have ISO14001 certification for environmental management for the main Group companies (Xfera Móviles, Euskaltel, R Cable and Telecable Telecomunicaciones), and ISO50001 for energy management at R Cable and Telecable Telecomunicaciones. These certificates prove the adequacy of our environmental management in relation to recognized international standards.

The ISO14001 certification accredits that the company has an environmental management system that meets all the requirements of the standard and that, therefore, it knows and complies with all applicable legal requirements, as well as other requirements to which the organization subscribes (e.g. UN Global Compact).

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

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

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

- The disposition of all the organization's personnel when carrying out the audit and the high degree of commitment on the part of the Management and the personnel associated with the maintenance of the management system.
- Leadership of the organization demonstrated by the Governing Bodies.
- The compliance culture within the organization.
- A vocation for the sustainability of the organization.
- Facilities maintenance plans and their respective monitoring.
- Group committed to respecting the environment and sustainability: Global Compact, Non-Financial Information Statement (NFIS), B Corp, etc.
- High environmental awareness among employees through communications and the Group's intranet.







“ All the electricity consumed by the Group in 2021 and 2020 comes from renewable energies with a certificate of origin ”

In line with the continuous improvement resulting from ISO14001 certification, as part of that process and the renewal of the certificate, the Group acquired certain commitments, notably: making electric/hybrid vehicles available to employees as part of the corporate fleet, promoting efficient driving and emission control courses, intensifying communication with employees and managers about the evolution of environmental variables, controlling and reducing electricity consumption, both at the headquarters and in the company’s antenna network, increasing the recycling of alkaline batteries and reducing paper consumption.

Additionally, for the Euskaltel Group acquired in 2021, we present our annual Environmental Statements to the government, as validated by AENOR in accordance with the EMAS Regulations and maintain our participation in the Eco-Management and Audit Scheme (EMAS).

The application of the precautionary principle from an environmental point of view is carried out through the maintenance and review of our environmental management systems (ISO14001, ISO50001), which are externally certified, and the annual renewal of these certificates. Our civil liability policy also provides coverage for accidental contamination.

We incurred significant expenses aimed at consolidating our environmental management. During 2021 we allocated a total of 60,176 euros to various services and improvements in this area (30,922 euros in 2020).

Given its commitment and concern with respect for the environment, and in its quest to achieve a more sustainable work environment, the Group continues to issue environmental awareness messages, both externally through its networks and corporate website, and internally through the use of its intranet and internal communications.

Lastly, in the consolidated financial statements for 2021, the Group did not record specific environmental provisions, other than the provision for dismantling sites, which includes the estimated cost of dismantling, removing or rehabilitating telecommunications infrastructure, which is recognized as a higher cost for the items of property, plant and equipment with which they are related. Also, since the Environmental Liability Law is not applicable to its business, the Group has not established the environmental guarantees derived from this legislation.

### 3.2 Responsible consumption of natural resources

Efficiency in the use and consumption of natural resources, such as electricity, water and fuel plays an important role in our environmental commitment, for which we use our environmental and energy management system that systematizes the measurement and assessment of activities carried out and identifies opportunities for improvement.

The Group’s commitment to the environment involves controlling the impacts deriving from its activity. The aim is to improve the energy efficiency of its facilities, in order to minimize its CO<sub>2</sub> emissions.

The increase in consumption during 2021 described throughout this section is mainly due to the merger with Euskaltel Group.

#### ENERGY CONSUMPTION

From the date Lorca Telecom Bidco SAU took control in 2020 and considering the date on which control of Euskaltel Group was acquired in 2021:

CONSUMPTION	2021	Q4-20
<b>Total electricity (MWh)</b>	<b>45.836</b>	<b>2.984</b>
Generator Set Fuel (L)	15.233	1.958
Fleet fuel (L)	214.017	46.505
<b>Total, fuel (L)</b>	<b>229.250</b>	<b>48.463</b>
<b>Total, natural gas (MWh)</b>	<b>51</b>	<b>2</b>
<b>Total, refrigeration gas (kg)</b>	<b>307</b>	<b>36</b>

Group companies in 2021 and 2020 (considering January 1 of the year of acquisition as the date of entry into the Group):

CONSUMPTION	2021	2020
<b>Total electricity (MWh)</b>	<b>84.317</b>	<b>18.121</b>
Generator Set Fuel (L)	23.081	7.686
Fleet fuel (L)	234.265	158.051
<b>Total, fuel (L)</b>	<b>257.346</b>	<b>165.737</b>
<b>Total, natural gas (MWh)</b>	<b>59</b>	<b>-</b>
<b>Total, refrigeration gas (kg)</b>	<b>584</b>	<b>111</b>

All the electricity consumed by the Group in 2021 and 2020 comes from renewable energies with a certificate of origin, except for 0.15% of electricity consumption in 2020.

Taking action regarding the impact of electricity consumption is one of the most important aspects of our environmental strategy. To improve our energy consumption efficiency and thus reduce our carbon footprint, at Euskaltel Group we have an Energy Management System that defines an annual Energy Efficiency Plan that is in line with the requirements of ISO50001, including measures to reduce electricity and fuel consumption.

With regard to fuel consumption (diesel) for the operation of generator sets, the use of vehicles to transport workers on company missions and natural gas for heating in Asturias, we apply saving and rationalization measures to their use in order to optimize trips using the least possible number of vehicles and promoting the use of collaborative tools to facilitate communication and cooperation between employees from different locations.

In 2020 and 2021 several energy efficiency measures defined by the Group for its two DPCs (Data Processing Centers) in Madrid have been completed, among which the following stand out:

- 1.**

Installation of cold server rack cabinets at both DPCs.
- 2.**

Installation of LED tubes at DPC MT8.
- 3.**

Installation of *free-cooling systems* for the No. 2 air conditions at DPC MT8.
- 4.**

Installation of *free-cooling ducts* in the MT8 UPS room, to avoid the mixing of hot and cold air.
- 5.**

Eight cold aisles were created in eight locations with an estimated electricity savings of 14% at those locations.
- 6.**

In addition to all of the above, in 2021, the installation of cold aisle enclosures was carried out in the technical rooms at both Data Centers, with 4 cold aisle enclosures. This installation completed the plan for enclosing aisles at all our Data Centers.
- 7.**

In 2018 and 2019 a Renewal Plan was implemented to replace old air conditioning equipment with modern equipment that uses a *free-cooling system*. This project also included rectifier equipment (*retrofit*) and batteries that had reached the end of their useful life, by new and more efficient rectifier equipment.



The following projects are being implemented in the Group's network to cover the increased demand for customer traffic, offer a better service and have a much more energy-efficient network:



#### PLANT MODERNIZATION

Official technical certification and deployment of a new family of mobile telephony equipment that offers greater traffic capacity and contributes to a reduction of electricity use by approximately 30% compared to the equipment installed up until 2018.

During 2019 and 2020, 30% of the plant was modernized with this type of equipment, achieving the dual purpose of increasing network traffic management capacity and reducing consumption in absolute terms. During this period, 1,400 existing sites were modernized and an additional 230 were deployed.

The policy of modernizing the mobile radio plant that began in 2019 has continued, seeking to optimize operating costs and minimize environmental impact. This new generation of equipment reduces consumption by 30% and works at ambient temperatures of up to 50°C, therefore not requiring the use of air conditioning systems. In FY2021, more than 800 sites have been modernized, comprising more than 45% of the radio network with high-efficiency equipment and approximately 2,400 sites were modernized.

Since the new generation of equipment does not have mechanical cooling systems, not even fans, the volume of waste generated is reduced, as is the possible emission of refrigerant gases into the atmosphere.



#### ENERGY EFFICIENCY IMPROVEMENT

The process of continuous improvement in the use of the functionalities to improve the energy efficiency of the network is ongoing. These energy saving functionalities manage the machine resources used at all times to adapt them to demand requirements. They have a modular design, which allows the equipment to be turned on and off based on the capacity and power needed for the traffic being carried. In addition, during periods of low demand it allows the bands to be switched off, thereby preventing consumption by equipment on standby, and this does not affect the quality of service perceived by the customer and/or improves the overlapping of nodes.

The implemented energy efficiency functionalities are:

- *MIMO Sleep Mode: reduces consumption by 10-15% by systems with a low number of users.*
- *Micro Tx Sleep Mode: optimizes the Tx equipment to use energy only at times when there is a need.*
- *Schedule Tx Mode: compresses information, thereby reducing the equipment's Tx time.*

The modernization of the network at up to 40% of locations has increased the number of points where these energy-saving functionalities can be used.

Furthermore, measures have been defined to optimize contracted electric power supplies, so that obsolete technologies are turned off and changes have been made to air conditioning systems by installing certain free-cooling systems.

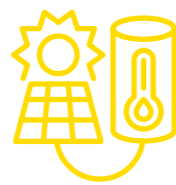




### ENERGY EFFICIENCY

The energy efficiency of the Group's network is monitored as a function of energy consumption per GB supplied. The development of this parameter has been as follows:

<b>2019</b>	0.60 kWh/GB
<b>2020</b>	0.45 kWh/GB, -25%
<b>2021</b>	0.31 kWh/GB, -31%



### OPTIMIZATION OF DEPLOYMENT TYPES

The network has been reconfigured to full outdoor or mixed types. The equipment is located outside the buildings in the open and cooling is not necessary.

This avoids the use of air conditioning at the sites. They also do not use fans for cooling since they operate using natural convection.

During 2021 nearly 300 network locations were transformed.

### WATER CONSUMPTION

From the date Lorca Telecom Bidco SAU took control in 2020 and considering the date on which control of Euskaltel Group was acquired in 2021:

CONSUMPTION	2021	Q4-20
Water (m <sup>3</sup> )	6.905	754

Group companies in 2021 and 2020 (considering January 1 of the year of acquisition as the date of entry into the Group):

CONSUMPTION	2021	2020
Water (m <sup>3</sup> )	8.996	3.953

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

As part of its commitment to the environment, the Group has also stated its intention to work and seek solutions and corrective measures that promote the reduction of water consumption per employee (liters/employee). It is important to point out, however, that the move to the new corporate headquarters in Alcobendas took place in June 2020 and that between then and now there has been an increase in remote working due to the health crisis and, therefore, the physical presence of employees at the offices has been lower than what would normally be the case.

For all these reasons the Group has considered that it is more appropriate to use the data regarding water consumption per employee in 2019 as a reference. Once things return to normal (planned in 2022), it will be possible to evaluate the measures adopted at the new headquarters, such as the installation of double flush mechanisms with two push-buttons on toilets, automatic taps with infrared sensors and programmers for irrigation, as well as initiatives to raise awareness among employees. All of these implemented measures will allow us to reduce water consumption per employee in line with the objectives set within the framework of our ISO14001 certification.



**CONSUMPTION OF AUARA BOTTLED WATER: PROJECTS FOR ACCESS TO DRINKING WATER**

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

AUARA is a brand of products that are sold in order to finance projects intended to provide access to drinking water. It uses 100% of its profits for social purposes. AUARA does not make general donations and instead works on individual projects with partners and organizations with proven experience that know the population and its needs and that have the capacity to report, measure impacts and offer long-term monitoring in areas of the planet where water shortages are an important problem.



The social and environmental impact report prepared by AUARA reports that MASMOVIL Group's consumption during 2021 enabled the organization to create direct and permanent water supplies to 64 people, through the contribution of 144,413 liters of drinking

water to AUARA projects. It has also recycled 181 kg of plastic bottles (more than 8,041 plastic bottles), saving the environment more than 302 liters of oil, as well as more than 4,261 hours saved in fetching water.



**CONSUMPTION OF MATERIALS**

Since MASMOVIL is a service company, it does not consume materials when creating products, but does consume them so that the Group's telecommunications network can provide the services required by customers. Paper is the most used material at the corporate headquarters. The Company has implemented measures to achieve the goal of a paperless office (clean desk policy, absence of individual bins and drawers, monitoring of printing by employees, digitalization of processes, etc.). Since the end of FY 2021 recycled paper has been used in the printers at the headquarters. The following section provides further detail on the Group's waste management.

From the date Lorca Telecom Bidco SAU took control in 2020 and considering the date on which control of Euskaltel Group was acquired in 2021:

CONSUMPTION	2021	Q4-20
Paper (kg)	1.002	180

Group companies in 2021 and 2020 (considering January 1 of the year of acquisition as the date of entry into the Group):

CONSUMPTION	2021	2020
Paper (kg)	6.368	721

**LIGHT AND NOISE POLLUTION**

Neither light nor noise pollution are considered material because they are not significant within the Group's business.



**PROTECTION OF BIODIVERSITY**

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



### 3.3 Circular economy and waste prevention and management

The Sustainability and Environment Policy also seeks permanent improvements to environmental matters, thus helping to minimize the creation of waste and allowing a contribution to be made to the Circular Economy.

The Group is very committed to reducing waste and increasing recycling at its facilities, which is why it has been implementing recycling awareness campaigns through regular internal communications. In addition, there are different collection containers at the Group's headquarters for plastic, paper, organic waste and masks on each floor of the headquarters, as well as containers for electronic material and batteries.

MASMOVIL Group has also deployed more than 800 recycling collection bins for electrical and electronic equipment at the Group's points of sale in Spain.

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



#### REFURBISHING OF EQUIPMENT COMPARED TO TOTAL EQUIPMENT DELIVERED TO CUSTOMERS

From the date Lorca Telecom Bidco SAU took control in 2020 and considering the date on which control of Euskaltel Group was acquired in 2021:

ITEM	2021	Q4-20
Refurbished equipment (units)	777.767	127.156
Total equipment shipped to customers (units)	1.572.306	325.845
<b>% refurbished</b>	<b>49%</b>	<b>39%</b>

Group companies in 2021 and 2020 (considering January 1 of the year of acquisition as the date of entry into the Group):

ITEM	2021	2020
Refurbished equipment (units)	930.469	457.836
Total equipment shipped to customers (units)	1.898.314	1.239.333
<b>% refurbished</b>	<b>49%</b>	<b>37%</b>

The commitment to the environment also extends to the Group's supply chain, since its suppliers must have an environmental management system that includes specific objectives and measures, such as ISO14001 certification or similar. By accepting the Supplier Code of Ethics, the Group's suppliers undertake to reduce the negative impact of their operations and strive to maintain and increase biodiversity.

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

#### WASTE GENERATION IN NETWORK OPERATIONS (IN KG)

This section includes the waste generated by network operations, which is managed and treated directly by sub-contractors (*Managed Services*).

From the date Lorca Telecom Bidco SAU took control in 2020 and considering the date on which control of Euskaltel Group was acquired in 2021:

TYPE OF WASTE	2021	4T-20
Other electronic products: panels	65.961	78.223
Other electronic products: antennas	10.045	6.825
Other	10.600	-
<b>Total electronic waste (kg)</b>	<b>86.606</b>	<b>85.048</b>
Plastic	2.780	3.844
Paper / cardboard	13.968	9.022
Metal	151	173
Wood / cork	3.015	1.447
Other	73	109
<b>Total packaging (kg)</b>	<b>19.987</b>	<b>14.595</b>
<b>Total waste (kg)</b>	<b>106.593</b>	<b>99.643</b>



Group companies in 2021 and 2020 (considering January 1 of the year of acquisition as the date of entry into the Group):

TYPE OF WASTE	2021	2020
Other electronic products: panels	65.961	124.395
Other electronic products: antennas	10.045	9.714
Other	10.820	-
<b>Total electronic waste (kg)</b>	<b>86.826</b>	<b>134.109</b>
Plastic	2.780	5.680
Paper / cardboard	13.968	13.333
Metal	151	255
Wood / cork	3.015	2.139
Other	73	161
<b>Total packaging (kg)</b>	<b>19.987</b>	<b>21.568</b>
<b>Total waste (kg)</b>	<b>106.813</b>	<b>155.677</b>

#### WASTE GENERATION AT DPCS (DATA PROCESSING CENTERS)

From the date Lorca Telecom Bidco SAU took control in 2020 and considering the date on which control of Euskaltel Group was acquired in 2021:

TYPE OF WASTE	2021	Q4-20
Electronic waste Warehouse - LER 200136 (kg)	34.208	-
DPC electronic waste		
Electronic equipment - LER 160213 (kg)	12.517	-
Electronic equipment - LER 160214 (kg)	385	-
Electrical equipment - LER 200136 (kg)	710	-
Equipment containing chlorofluorocarbons, HCFCs, HFCs - LER 160211 (kg)	83	-
<b>Total electronic waste</b>	<b>47.903</b>	<b>-</b>
<b>Fluorescent lamps and lights - LER 200121 (unit)</b>	<b>220</b>	<b>9</b>
<b>Filters and absorbents - LER 150202 (unit)</b>	<b>-</b>	<b>12</b>
<b>Filters and absorbents - LER 150202 (kg)</b>	<b>134</b>	<b>-</b>
<b>Diesel filter - LER 150110 (kg)</b>	<b>6</b>	<b>-</b>
<b>Oil - LER 130205 (L)</b>	<b>-</b>	<b>347</b>
<b>Batteries - LER 160601/160602 (kg)</b>	<b>17.991</b>	<b>2.820</b>
<b>Batteries 200133 (kg)</b>	<b>487</b>	<b>-</b>
<b>PCI HFC gases - LER 160504 (kg)</b>	<b>2.532</b>	<b>-</b>
Ferrous scrap - LER 170405 (kg)	3.564	-
Split air conditioning - LER 170409 (kg)	161	-
<b>Total metals (kg)</b>	<b>3.725</b>	<b>-</b>

Group companies in 2021 and 2020 (considering January 1 of the year of acquisition as the date of entry into the Group):

TYPE OF WASTE	2021	2020
Warehouse Electronic Waste - LER 200136 (kg)	72.350	-
DPC electronic waste		
Electronic equipment - LER 160213 (kg)	12.517	-
Electronic equipment - LER 160214 (kg)	385	2.696
Electrical equipment - LER 200136 (kg)	710	92
Electrical equipment - LER 200136 (units)	-	13
Equipment containing chlorofluorocarbons, HCFCs, HFCs - LER 160211 (kg)	83	-
<b>Total electronic waste</b>	<b>86.045</b>	<b>2.801</b>
<b>Fluorescent lamps and lights - LER 200121 (unit)</b>	<b>557</b>	<b>27</b>
<b>Filters and absorbents - LER 150202 (unit)</b>	<b>-</b>	<b>55</b>
<b>Filters and absorbents - LER 150202 (kg)</b>	<b>134</b>	<b>-</b>
<b>Diesel filter - LER 150110 (kg)</b>	<b>6</b>	<b>-</b>
<b>Filter mat - LER 150202 (m2)</b>	<b>-</b>	<b>4</b>
<b>Oil - LER 130205 (L)</b>	<b>-</b>	<b>382</b>
<b>Batteries - LER 160601/160602 (kg)</b>	<b>43.075</b>	<b>3.450</b>
<b>Batteries 200133 (kg)</b>	<b>1.235</b>	<b>-</b>
<b>PCI HFC gases - LER 160504 (kg)</b>	<b>2.532</b>	<b>-</b>
Ferrous scrap - LER 170405 (kg)	3.564	-
Split air conditioning - LER 170409 (kg)	161	103
<b>Total metals</b>	<b>3.725</b>	<b>103</b>
<b>Air conditioning belts (unit)</b>	<b>-</b>	<b>6</b>

#### RECYCLING AT THE MAIN LOCATIONS

From the date Lorca Telecom Bidco SAU took control in 2020 and considering the date on which control of Euskaltel Group was acquired in 2021:

TYPE OF WASTE	2021	Q4-20
Paper / cardboard	8.310	954
Plastic	1.306	-
Electronic products	277	-
Batteries	96	-
<b>Total recycling (kg)</b>	<b>9.989</b>	<b>954</b>

Group companies in 2021 and 2020 (considering January 1 of the year of acquisition as the date of entry into the Group):

TYPE OF WASTE	2021	2020
Paper / cardboard	12.105	6.939
Plastic	1.306	2.692
Electronic products	277	473
Batteries	144	41
<b>Total recycling (kg)</b>	<b>13.832</b>	<b>10.145</b>

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

**FOOD WASTE**

MASMOVIL Group is not involved with this matter when performing its business and therefore the references to direct actions to combat food waste have not been considered to be relevant.

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



**3.4 Fight against climate change**

In May 2021, MASMOVIL Group announced that as part of its ongoing efforts to have a positive impact, and demonstrate its strong commitment to environmental, social and governance issues, it had achieved net zero carbon emissions (CO<sub>2</sub>) in 2020, positioning itself as the first telecommunications operator in Europe to achieve such an achievement and the one with the lowest absolute residual level of emissions.

The CO<sub>2</sub> emissions result obtained by MASMOVIL Group in 2021, as was the case in 2020, has been audited and quantified by the Ecodes Foundation, which grants the recognition that certifies that the Group has calculated and offset the greenhouse gas emissions (GHG) generated by its activities during the year, according to the standards of the ZeroCO<sub>2</sub> initiative.

With this important milestone, the Group has taken another step on its path towards sustainability and respect for the environment in which it carries out its business. As of FY2020, net zero CO<sub>2</sub> emissions include all of its Scope 1 and 2 emissions, emissions derived from the Company's direct business, as well as Scope 3 emissions of paper, water, and toner from printers.

This goal of zero net emissions has therefore been achieved well before the year 2050, the goal set in the Paris Agreement, and is further proof of the Group's commitment to the best environmental practices.

<sup>2</sup>Direct emissions generated by the burning of fuels

<sup>3</sup>Direct emissions generated by the electricity purchased and consumed.

<sup>4</sup>Indirect emissions that arise due to the emitter's activity, but which are owned or under the control of another agent.





**PEPEPHONE PLANTS A TREE FOR EACH FRIEND YOU BRING AND REDUCES THE AMOUNT OF PLASTIC IN ITS SIM CARDS**

At the end of November 2021, Pepephone launched its new effort to plant a tree for each customer who brings a friend that signs up its service. The tree will always belong to a native species of the area concerned and will need specific weather conditions. It will be planted when the species and the time of year are favorable. As many trees will be planted as the number of friends customers bring to Pepephone. There is no tree limit per customer and we hope to repopulate forests.

We entrusted Bosquia, a reforestation and environmental aid service, to help us with this project. They will seek degraded areas of Spain that need to be reforested, and they will plant and take care of the trees.

We thus continue with our objective of taking care not only of our customers, but also of the planet. This was our intention when we launched Pepeenergy, our 100% green energy, that we continued to develop after we introduced discounts in our fiber, mobile and energy rates, and which we reinforced when we made the decision to reduce the use of plastic in our SIM cards.

In addition, as from the end of December our Pepephone brand SIM (Subscriber Identity Module) cards will be made ecologically using recycled material, their packaging will have 50% less plastic and the paper used will be recycled or certified FSC (Forest Stewardship Council) for sustainable forests.



**GROUP EMISSIONS**

From the date Lorca Telecom Bidco SAU took control in 2020 and considering the date on which control of Euskaltel Group was acquired in 2021:

EMISSIONS (*)	2021	Q4-20
Scope 1 Emissions (tCO <sub>2</sub> eq)	1.194,98	205,34
Scope 2 emissions (tCO <sub>2</sub> eq) (**)	-	2

Group companies in 2021 and 2020 (considering January 1 of the year of acquisition as the date of entry into the Group):

EMISSIONS (*)	2021	2020
Scope 1 Emissions (tCO <sub>2</sub> eq)	1.777,26	658,1
Scope 2 emissions (tCO <sub>2</sub> eq) (**)	-	7

(\*) The factors used are those of the MITECO (Ministry for the Ecological Transition and the Demographic Challenge) in its most updated version (17 April 2021). Fuel consumption is multiplied by its factor and the consumption of electricity that does not have a guarantee of origin (only applicable for 2020) by its factor.

(\*\*) In 2021 and 2020, a guarantee of origin certificate is available for electricity consumption, except for 0.15% of electricity consumption in 2020.

In 2021, and once the Euskaltel Group had joined MASMOVIL Group, the new group dropped from of 27,274 tons of CO<sub>2</sub> in 2018 to just 1,777.26 tons in 2021. This is a total reduction of 93% between 2018-2021, or an average annual reduction in the last three years of c.60%, and a much more ambitious reduction rate than the -4.2% CAGR 2015-2030 encouraged by the Science Based Target Initiative (SBTi) for the ICT sector with the aim of limiting global warming to 1.5 °C.

We once again met our objective of maintaining Zero Net CO<sub>2</sub> Emissions. The achievement of this objective offers further proof of the company's commitment to the best environmental practices.

The Group has been able to offset these residual tons of CO<sub>2</sub> through a tree planting project. A zero emissions certificate has been issued for the second consecutive year by Ceroco, which forms part of the Ecodes Foundation, whose purpose is to achieve the Sustainable Development Goals and the Paris Agreement, and through which MASMOVIL Group has offset the equivalent tons of CO<sub>2</sub> emissions through the planting of trees in sustainable projects.

MASMOVIL Group has taken proactive measures to promote decarbonization that are aligned with the opportunities identified in Recommendation ITU-T L.14702 (section 11.2)<sup>5</sup>, among which the following stand out:



USE OF RENEWABLE ENERGY WITH A CERTIFICATE OF ORIGIN: C.100% OF ENERGY CONSUMPTION IS GREEN WITH >80% POSITIVE IMPACT ENERGY (WIND AND SOLAR).



OPERATE EFFICIENT NETWORKS AND PROMOTE NETWORK SHARING: DYNAMIC POWER ALLOCATION, ALTERNATIVE POWER SUPPLY, NETWORK VIRTUALIZATION.



EFFICIENCY IN BUILDINGS AND SERVICES: BMS (BUILDING MANAGEMENT SYSTEM) TO CONTROL ELECTRICAL EQUIPMENT WITH MEASURES TO REDUCE ENERGY AND WATER CONSUMPTION AT OUR HEADQUARTERS, A BUILDING THAT HAS THE LEED GOLD CERTIFICATE.



APPLICATION OF THE PRINCIPLES OF THE CIRCULAR ECONOMY: REUSE OF NETWORK EQUIPMENT AND RECYCLING SYSTEM FOR WASTE PRODUCED BY THE COMPANY'S BUSINESS.



PROMOTE THE USE OF ELECTRIC OR HYBRID VEHICLES AMONG EMPLOYEES AND THE SALES FORCE.

<sup>5</sup>Recommendation UIT-T L.1420, Method for evaluating the effects of energy consumption and the emission of greenhouse gases by information technologies and communications within the organizations. International Telecommunications Union (2012).

As a result, MASMOVIL Group has reduced its carbon emissions at a much faster rate than that encouraged by the SBTi, and considers its remaining emissions as residual, thus achieving Net Zero Emissions in 2020 and 2021.

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

- Control of monthly electrical consumption through the BMS system.
- Identification of efficiency measures.
- Reduction of contracted power.

“MASMOVIL Group has reduced its carbon Emissions to reach Zero Net Emissions in 2020”



CORPORATE HEADQUARTERS WITH LEED GOLD AND APPLUS+ CERTIFICATIONS



In June 2020, MASMOVIL Group inaugurated its headquarters in Alcobendas (Madrid). It is a 14,500-square-meter building located at Avenida Brussels, 38, where comfort, visibility and total transparency in all work areas have prevailed.

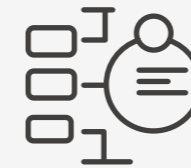
The building has different types of collaborative work spaces and meeting rooms, freely assigned workstations, multi-sized open spaces, common work tables in open spaces and quiet zones.



At the new headquarters, activities in green areas are also offered and promoted according to the criteria set out in the UN Sustainable Development Goals and in the Leed Gold Certificate covering the building.

In addition to the Leed Gold<sup>6</sup> certification, in September 2020 the new headquarters obtained certification from Applus+ for its Safe Preventive Protocol against Covid-19, after verifying that it is a controlled space and in line with the highest national and international standards against the coronavirus, in addition to complying with all the anti-Covid-19 recommendations for buildings issued by the Spanish Ministry of Health.

This certification by Applus+ is the result of the work carried out by the company to implement organizational and physical security measures to protect its employees and visitors against Covid-19. As an example we can mention the following:



**Organizational measures:** the Applus+ certification inspectors highlighted the company's ability to react to the crisis with the protection measures included in our Covid-19 Preventive Protocol. These measures include rules to be taken into account by employees before arriving at the workplace, when entering the building and while at the office, as well as instructions on the behaviors to follow once in the office, the cleaning and disinfection of the workplace, protection materials to be used at all times and rules on how to act in the event of possible cases of Covid-19.



**Physical measures:** Applus+ highlights that MASMOVIL Group has drawn up mandatory standards for all its employees, customers and suppliers who access its facilities (use of a face mask, hand washing, gloves, waste management and safety and health standards when holding meetings). In addition, it has implemented the signage, training, information and posters necessary to communicate these measures and ensure proper compliance by the people who are at the headquarters, while also reinforcing its cleaning and disinfection service.

<sup>6</sup>Leed = Leadership in Energy & Environmental Design, promovido por la US Green Building Council.



Given the growing importance of ESG (Environmental, Social and Governance) aspects in the community in which it operates, the Group goes further and has included some measures in its day-to-day activities that confirm its growing concern for carrying out its business at a sustainable headquarters.

Some of the actions with a positive and direct impact on the environment had already been implemented at the previous headquarters and have been maintained at the new headquarters, where additional measures have been taken. Among them we highlight the following:

- 1.** In the previous headquarters, the consumption of plastic bottles in the offices was eliminated, replacing them with glass bottles (one for each employee) that could be refilled at the water fountains distributed around the various floors. This eliminates the consumption of more than 100,000 plastic bottles per year.
- 2.** At the new headquarters, this measure has been supplemented and reinforced with the delivery of a ceramic cup to all employees in order to reduce the use of cardboard coffee cups and also facilitate the consumption of water in a sustainable way.
- 3.** At the previous headquarters, there were already plastic, battery and paper collection containers of all floors. Recycling containers for electronic components were also placed at the entrance to the building and in the distribution channel.
- 4.** The new headquarters has gone a step further, providing packaging, paper and organic waste containers on all floors, as well as bins specifically designed for medical waste such as masks, which open automatically to avoid physical contact.
- 5.** The new headquarters also further promoted the recycling of electronic devices and components, creating a specific area for the recycling of this type of waste, separating them by normal batteries, mobile batteries and other electronic equipment. This equipment is removed by companies authorized to treat this waste in accordance with its LER Code (European Waste List).

- 6.** At 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>, eliminates bacteria from the environment and prevents the adherence of dirt and dust, which makes the office a space with very high air quality.
- 7.** Natural and hydrophytic vegetation is also being used, with a total absence of plastic plant decoration.
- 8.** Ashtrays have been placed in authorized areas to allow for the subsequent recycling of cigarette butts, and thus prevent them from ending up on the ground.
- 9.** Use of clean, green and sustainable electrical energy through the Pepe Energy Group company. The energy comes from green energy producers, certified by the CNMC.
- 10.** Use of a BMS (Building Management System) for the centralized control of electrical energy in the building that allows the regulation of light intensity and the optimization of electricity consumption.
- 11.** Regular measurement (up to twice a week) of the CO<sub>2</sub> levels in the building, applying corrective and ventilation measures should certain pre-established levels be exceeded.
- 12.** In order to maintain air quality, we have ultraviolet lamps in various locations in the building and, in the boardroom, we also have air purifying equipment that eliminates bacteria.
- 13.** The building has numerous measures to control water consumption, including automatic faucets and aerators, as well as double push-button toilets.
- 14.** Electric vehicle chargers subsidized by the Group were installed in the Group's parking area at the new headquarters to encourage their use by employees. Thanks to this measure, in 2021 7,302 kg of CO<sub>2</sub> were not emitted, according to the data provided by the service provider.
- 15.** Furthermore, in order to avoid the use of public transport as much as possible, during 2020 and most of 2021 the company made a private mini-bus service available to employees with various routes that cross the Spanish capital.
- 16.** Since the end of 2021 recycled paper has been used in all the printers at the new headquarters.

Finally, and to make its own employees and visitors aware of sustainability and the environment, the Group has set up a notification space for the SDG (Sustainable Development Goals) promoted by the United Nations.





# People and Society

The Group aspires to be the operator with the greatest positive impact on people and society, growing responsibly, providing quality business and improving the environment.

## 4.1 Local and business development

Connectivity and the efficient application of resources allow rural development and new, more efficient and competitive businesses so that they have equal opportunities to continue to grow and enjoy the advantages of being connected with the fastest fiber and 5G.

Our ambition is for all corners of Spain to be connected with the best fiber to promote teleworking, the development of local businesses, the continuation of our artisan crafts and the quality of life in rural areas.





#### 4.1.1 MASsolidaria proposal

During the second half of 2020, MASMOVIL Group began working on the design and execution of a social proposal, whose main objective is to facilitate access to quality internet connectivity for those segments of the population that are most disadvantaged and suffer from a digital, social and educational divide caused by a lack of access to quality internet services. This proposal was finally launched in March 2021 under the name MASsolidaria.

With the aim of identifying these people in most need of the service, who also actively participate in some kind of labor insertion, training for employment, or support and school reinforcement program, MASMOVIL Group has allied itself with the Innicia Network (which is part of the Innicia Association). This network has all the necessary knowledge given its extensive experience in social work with these groups to identify and help less favored people.



“ Social proposal aimed at a disadvantaged population that suffers from the digital, social and educational gap derived from the lack of access to a quality Internet ”

The MASsolidaria proposal allows high-speed fiber Internet access and mobile connectivity at a very competitive price, with an indefinite 50% discount to the normal price, in order to help in the process of social and labor reintegration of beneficiaries. In addition to these advantages is the possibility of adding a mobile telephone line with 1GB of data and unlimited calls to national landlines and mobiles for just 3 euros more per month. MASMOVIL Group decided to create this proposal on a zero margin basis and, furthermore, assume the costs deriving from the customer's equipment and installation for the beneficiaries.

MASsolidaria forms part of the Company's strategic ESG plan focused on corporate social responsibility, sustainability and positive social impact, together with MASMOVIL Group's commitment to "Keep Spain Connected." This program, which is key for the company, has promoted the deployment of fiber in rural areas with populations of less than 20,000 inhabitants in 2019 and 2020, and in nearly 500,000 homes per year.







#### 4.1.2 Network deployment in rural areas

MASMOVIL Group is aware of the increasing importance of connectivity to achieve an equitable development of the planet. Having access to quality internet promotes and allows economic development, culture, access to information and, therefore, equal opportunities and social improvements regardless of where you are in the world.

MASMOVIL Group's 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 have a positive impact on people, shareholders and the planet, prioritizing long-term value over short-term benefits.

In this context, the reduction of the digital divide in Spanish towns with a population of less than 20,000, especially in the so-called Rural Spain, with towns with less than 8,000 inhabitants is one of the Group's priorities through investment in quality fiber. In fact, the deployment of its own fiber network in rural areas accounts for most of the fiber deployment by the Group.

In this regard, in 2019 the Group deployed networks that made it possible to reach 474,000 new homes in towns of less than 20,000, as part of an investment plan that allowed this figure to be increased by another 309,000 homes in 2020 and a further 538,000 homes in 2021 (including 282,000 from Euskaltel Group).

At the end of 2021, the Group had reached around 2 million building units connected by fiber in towns of less than 20,000, which represents 69% of the 2.96 million building units connected in total by the group at the end of 2021, 35% more than in 2020.

Of these 2.96 million building units, in 2021 approximately 29% were sold to an infrastructure fund, within the project called Uclés, which will allow the fund to reach wholesale agreements with other telecommunications operators and, therefore, increase supply and alternatives for the consumer in these rural areas.

The aforementioned investment effort in rural Spain is even more relevant when we talk about towns with populations of less than 8,000 where, until MASMOVIL Group deployed its network, they usually did not have access to any other national telecommunications operator that offered fiber services.



The total number of building units in rural areas and municipalities with less than 8,000 inhabitants, exceeded 704,000 at the end of 2020. After the deployment to another 333,000 units in 2021, there were more than 1 million units with fiber (35% of the network deployed by the Group and 50% of the network in towns with a population of less than 20,000). This illustrates the clear focus on connecting Rural Spain as opposed to the big cities where most of the operators are present.

As part of this deployment of fiber in Rural Spain, MASMOVIL Group also participates in the PEBA Plan (New Generation Broadband Extension Program) implemented by the Ministry of Economy and Finance of the Government of Spain. Under this project, assistance is provided for the development of ultra-fast networks in Spain, a strategy that is in line with the Government's decision to bring Digital Society infrastructure and service advancements to all citizens, as well as achieving the objectives of the Digital Agenda to attain universal broadband coverage at speeds of more than 100 megabits per second.

#### 4.1.3 5G

We are part of the consortium of 5G pilot programs promoted by Red.es, providing our connectivity to develop beneficial practical uses for citizens in rural and urban areas.

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

Within this plan, MASMOVIL Group has deployed a fiber network - in areas classified as PEBA - already covering more than 450 commercially enabled municipalities in order to offer the service. The Group's network coverage exceeds 600,000 potentially connectable building units in these municipalities.

These 600,000 building units represent more than 25% of the network deployed directly by the MASMOVIL Group which, in the Group's opinion, demonstrates the strong commitment to the rural environment and the reduction of the digital divide in Spain.

As a result of the deployment of the network in these most disadvantaged areas and populations, there are currently around 120,000 families that have obtained access to quality internet, thus reducing the digital divide and improving their quality of life.



## YOIGO 5G SERVICES

Yoigo continues to expand its 5G services and reaches 686 cities and municipalities in 40 Spanish provinces with coverage of 54% of the population. Thanks to the 5G network, Yoigo offers its customers mobile telecommunications services with the latest technology available to ensure the best experience for its customers who already have 5G services in towns in the provinces of Álava, Alicante, Almería, Asturias, Ávila, Badajoz, Balearic Islands, Barcelona, Bizkaia, Cáceres, Cádiz, Cantabria, Castellón Ceuta, Córdoba, A Coruña, Gipuzkoa, Granada, Huelva, Huesca, Jaén, León, Lugo, Madrid, Málaga, Melilla, Murcia, Navarra, Ourense, Palencia, Las Palmas, Pontevedra, La Rioja, Salamanca, Santa Cruz de Tenerife, Seville, Valencia, Valladolid, Zamora and Zaragoza.



## PARTICIPATION IN PROJECTS FOR THE IMPLEMENTATION OF 5G TECHNOLOGY IN CATALONIA AND EUSKADI

At MASMOVIL Group, we are strongly committed to this technology through the deployment of our own 5G network and by encouraging the development of applications that will allow us to exploit all of its capabilities and improve the well-being of our customers and society in general.



## PILOT 5G IN CATALONIA

MASMOVIL Group provides its 5G connectivity for the development of innovative solutions in real scenarios with social and economic impact through use cases with which it intends to promote education, mobility, immersive shopping, television broadcasts, security and emergencies, logistics and tourism.

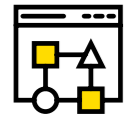
These are the scenarios that are part of the 5G Catalonia pilot:

- 1.** Holographic support in remote education. This use case is aimed at creating a holographic platform for distance learning environments. Two-way communications will be established that will allow interaction between people in different locations, eliminating physical distances.
- 2.** Augmented reality for online and immersive shopping at the Boquería Market. This project aims to enrich the online shopping experience through the use of augmented reality between personal shoppers and buyers.
- 3.** Use of the 5G network in the audiovisual sector. The objective of this use case is to show the advantages that 5G technology brings to audiovisual productions, allowing combinations of produced content and citizen contributions in real time.
- 4.** Management of citizen security and emergencies through 5G. In this case, an urban test environment is being developed within jurisdiction of the Barcelona City Police and Fire Departments, which seek to respond to the 3 basic pillars of security: prevention, rapid intervention and reaching conclusions, by analyzing situations that have already taken place.
- 5.** Management of network capacity in environments with different flows of people (beach tourism). This pilot is aimed at showing how the host-neutral model combined with Open RAN allows optimal 5G network deployment, facilitating connectivity in areas with a lack of service thanks to its potential (both technically and cost-efficiently).
- 6.** Autonomous 5G Bus. Autonomous 5G bus. This project, which will take place at the Barcelona Fairgrounds, aims to provide mobility solutions for people using autonomously driven vehicles within large closed spaces in a sustainable way.
- 7.** Industry 4.0. This project, with which the company SEAT collaborates, is committed to a flexible system for locating assets in the plant, providing greater safety and operational efficiency to the internal logistics associated with production.



### 5G PILOT PROGRAMS IN EUSKADI

These pilot programs aim to transform and develop the industry of the Basque Country towards:



**AUTOMATION**



**DIGITAL TRANSFORMATION**



**CYBERSECURITY**



**EFFICIENT PRODUCTION PROCESSES**



**EUROPEAN REGIONAL DEVELOPMENT FUND**

MASMOVIL Group is part of the consortium of companies and institutions that are committed to the project, consisting of the coordination and execution of the use cases that will allow the digital transformation of companies in the Basque Country. The sectors affected by the 5G pilot projects in the Basque Country are:

- *Industry: Monitoring and control of production processes*
- *Energy: Augmented visualization and remote operator assistance*
- *Cybersecurity: Threat modeling and key indicators for 5G networks*
- *Mobility: Entertainment, video surveillance and 5G broadband for passengers*
- *5G Network Services: FWA, OMV, OMR + National Roaming and 5G electricity sector.*

During 2020 and 2021 the Group has been working, together with other companies and organizations, on the Strategic Plan for the Digitalization of Urban Traffic and the Reduction of its Emissions (DiTRA) through the use of 5G technology.



### 4.1.4 Creation of economic value

Since the start of our business, all Group companies have shared the commitment to promote the development of the communities in which we operate and promote their growth by providing wealth and well-being to all the agents involved with our business.

#### ECONOMIC VALUE GENERATED, DISTRIBUTED AND RETAINED IN 2021

INDICATOR	2021	2020	UNIT
<b>Economic value generated</b>	<b>2.554</b>	<b>543</b>	<b>Million euro</b>
Revenue	2.465.019	520.353	Thousand euro
Other operating income	83.679	19.836	Thousand euro
Financial income	5.736	2.624	Thousand euro
<b>Economic value distributed</b>	<b>1.840</b>	<b>457</b>	<b>Million euro</b>
Purchases	181.819	46.453	Thousand euro
Subcontracted work	776.507	157.414	Thousand euro
Wages and salaries	109.174	21.573	Thousand euro
Other operating expenses	558.126	188.866	Thousand euro
Financial expense	255.769	69.280	Thousand euro
Corporate income and other taxes	(41.543)	(26.274)	Thousand euro
<b>Economic value retained</b>	<b>715</b>	<b>86</b>	<b>Million euro</b>
<b>Profit before taxes</b>	<b>129.776</b>	<b>(90.862)</b>	<b>Thousand euro</b>
<b>Net profit</b>	<b>191.443</b>	<b>(62.294)</b>	<b>Thousand euro</b>
<b>Subsidies received</b>	<b>93</b>	<b>2.771</b>	<b>Thousand euro</b>

Maintaining solvent and stable growth results also entails progressively increasing our contribution to the public budget through the payment of taxes.

INDICATOR	2021	2020	UNIT
Corporate income tax paid	48.542	-	Thousand euro





## 4.2 Social development

The collaboration arrangements, sponsorships and alliances that we maintain represent an essential lever for the development of our strategy, seeking closeness and commitment with the local communities in which we operate. Our objective therefore lies in the reevaluation of the link between people and the company, promoting the creation of a more personal relationship to support the development of the environment in which we carry out our activities.

The initiatives with which we collaborate seek to highlight the importance of technological development, the promotion of equal opportunities and social integration, through events and training, cultural, solidarity and sports activities.

In this regard, the Group has contributed 4,610 thousand euros to associations and collaborative actions with local entities, through sponsorships and patronage during 2021 (including the Euskaltel Group's contributions for the entire 2021 financial year).

DATA IN EUROS	2021	2020
Donations and sponsorships to foundations and non-profit associations	2.383.041	5.830
Other sponsorships	2.226.597	22.957
Contributions to health institutions	-	1.067.874
<b>Total</b>	<b>4.609.638</b>	<b>1.096.661</b>

### 4.2.1 I think, Therefore I Act

MASMOVIL Group's great commitment to Positive Social Impact is I Think, Therefore I Act ("Pienso, luego actúo"), Yoigo's 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. They are people who have transformed their desire to excel into extraordinary actions that, in one way or another, are helping others and the world.

I Think Therefore I Act encourages us all to act. One of the data points that reflects the success is Diana Sierra's project, Be Girl, which increased the number of members by 346% and increased donations by 700% after being included in the Yoigo platform.

I Think, Therefore I Act has been in operation for more than three years. At the end of 2021 we have already exceeded 100 million views, inspiring and raising awareness in society and encouraging the population to collaborate with these initiatives and projects. I Think, Therefore I Act is helping and supporting NGOs and social enterprises to grow and continue their work through different actions related to the United Nations 2030 Sustainable Development Goals.

At the start of the pandemic, I Think, Therefore I Act transformed its website into a search engine for initiatives that had arisen to help in the Covid situation, and took these solidarity initiatives to prime-time television to further promote the help. The search engine that emerged with the pandemic today collects more than 380 initiatives of a social nature with which the user can collaborate with their grain of sand.





#### 4.2.2. Volunteering and solidarity activities

MASMOVIL Group's employees have various communications channels that are easy to access and use, including the MASolidario channel, Happyforce and the possibility of contacting @ESG directly.

Through these channels, employees propose solidarity projects to the Group and, as a result, groups with common social interests have been organically created and the social concerns of the employees have been broadcast and promoted from within the organization.

As a result of these channels, for example, the campaign to collect food and non-perishable hygiene and health products has been managed at all locations, to make donations to local food banks.

The campaign to deliver gifts from the Three Wise Men to children in vulnerable situations has been organized, sponsored by the initiative A Wish, An Illusion, an organization that on this occasion has assigned the donations to the La Elipa juvenile center. Nearly 200 employees have collaborated with this internal solidarity



initiative by buying and sending the gifts that the children at the center requested from the Three Wise Men.

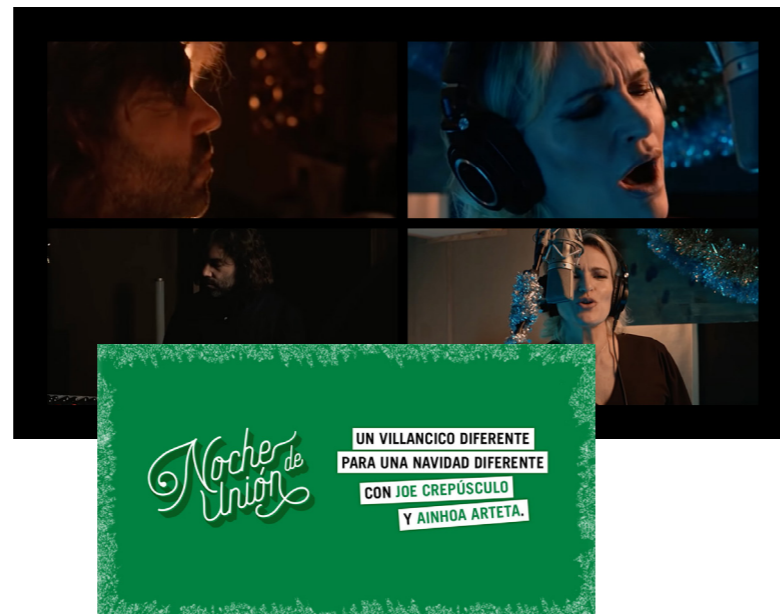
The participants in the MASembajadores program, a channel through which employees share news, donated 1,400 euros to two non-profit associations - Bocatas and the Spanish Association Against Cancer - which was matched by the Company's incentive, in the form of gifts, for participating in this initiative. Both associations were chosen by the ambassadors themselves through a collection of proposals and a vote that allowed them to choose the initiatives that benefited from this donation.

#### CHRISTMAS CAROL "NIGHT OF UNION"

This initiative arose with the aim of raising funds for Aldeas Infantiles SOS through the royalties obtained by listening to the Christmas carol on these platforms and also through direct donations through the Aldeas Infantiles website.

Produced by Joe Crepúsculo and performed by Ainhoa Arteta, it is a version of the well-known Christmas carol Silent Night. The Christmas carol was uploaded to the main streaming music platforms and a video clip was made and shared on social networks and YouTube. An important public relations campaign was carried out to publicize this action, consisting of a digital campaign with pieces placed in various media and social networks. The greatest impact was achieved with the public relations campaign where, through the preparation and distribution of a press release, the following was attained: 124 media coverage events, 472,980 euros in Ad Value, 1,418,940 euros in total PR Value and 204,420,986 unique users (media potential audience). The digital campaign, which lasted 15 days, achieved the following: 6 prints, 3.5 million views at 100% (4% more than the target) and a 58% VTR.

The traffic was directed to the official Yoigo blog, through social networks, where there were links to the video on YouTube, to Spotify and a direct link to the Aldeas Infantiles SOS website to be able to collaborate. Finally, we asked our collaborating influencers to participate by helping to impact their community, which totaled 1.6 million followers. Thus, we requested a donation of a story to take their followers to Spotify and spread the Christmas carol more widely.



#### 4.2.3 Cultural sponsorships and events of informational interest

Our support for culture translates into contributions to important cultural institutions, such as the Guggenheim Museum, Kursaal, Artium or the Museo do Pobo Galego, and in the organization of concerts, music and film festivals, such as the Film Festival of Gijón, FICBUEU (sponsoring the R Galicia Section award at the short film festival) or the Fundación Ópera de Oviedo.

We pay special attention to those initiatives that, in addition to promoting art and culture, contain social concerns. This is the case of Zinegoak, the LGTBQ+-themed International Film and Performing Arts Festival held in Bilbao, which seeks to make sexual diversity visible and normalized through culture.

We collaborate in events, initiatives and activities related to research, dissemination and enhancement of innovative and technological knowledge, such as the Week of ICT Trends of the Future or the Galicia ICT, the Pont Up Store, the Open Science Cambre and the initiative Crea R.

As part of the commitment to the areas in which we carry out our activities, we support actions to promote their cultural and linguistic identity. Thus, we collaborate with the Federation of Ikastolas in the organization of the Euskera Festivals to promote the use of the Basque language, and we sponsor the youth series Go!azen on the Basque channel ETB-1. We have also given a decisive boost to the Durangoko Azoka Basque Book and Record Fair, which in 2020 became a virtual store as a result of the pandemic. In Galicia and Asturias we have committed ourselves to the cultural event par excellence: the Xacobeo 2021-2022.





#### 4.2.4 Sports sponsorships

Another element of the development of our commitment to society is deployed through numerous actions in the form of sponsorships aimed at supporting local sports. We highlight our sponsorship of the Euskaltel-Euskadi cycling team, a traditional collaboration with the Euskadi Foundation that we recovered in 2020 despite the difficult conditions caused by the pandemic, which caused the postponement or suspension of many races scheduled on the calendar. We also support prominent sports clubs such as Club Básquet Coruña, Real Sociedad, Athletic Club de Bilbao, Sporting de Gijón, Club de Bilbao Basquet, Club Atletico de Osasuna, Baint Comunicación, Real Zaragoza, Basket Zaragoza, Honigvögel Zaragoza, CD Teruel, CV Teruel, and CB Huesca. Through the Bizkaia Bizkaialde Foundation we support access to the highest competitive level for those Basque sports clubs that need help to survive.

We recognize the indisputable role that sports play in promoting educational values, integration and social development. Faithful to our corporate values and the conviction that equal opportunities must extend to all areas of our lives, we direct a large part of our sports sponsorships to promote women's sports: Real Sociedad Women, SD Eibar Women, Sporting de Gijón, Telecable Hockey Club, Sala Zaragoza, Casademont Zaragoza and Athletic Club de Bilbao Feminino, are the clubs with which we work to make equality visible in the world of sports. A meeting entitled Women and Professional Sports has been held, which combines the importance of valuing collaboration in this field with clubs, and, at the same time, developing one of the main lines of work in the field of corporate social responsibility and leads us to invite the main protagonists of women's sport (in this case, women's football) to share with them their main concerns and aspirations, as well as their vision of women's sport in terms of Equality and professionalism.

We also promote the social insertion of people with disabilities by supporting football clubs such as the Osasuna Foundation, Celta Integra, Deportivo Genuine or the collaboration with the Spanish Confederation of People with Physical and Organic Disabilities, which integrate people with disabilities into sports. We are also sponsors of the inclusive Rugby Hernani team. We want to contribute with a small grain of sand to achieve two such important goals for the progress of our society: the inclusion and integration of all people.



To promote the integration of people with different abilities or with reduced mobility, 4,000 euros have been donated to the Fundación Also for the creation of an inclusive camp with adapted sports, whose organization and personnel involved belong to that foundation.

The Foundation is also a non-profit organization that has been working since 2001 for the social inclusion of people with disabilities and the promotion of educational values in adapted sports, leisure and recreational activities. This ensures that children and their families can enjoy their free time under equal conditions.

#### 4.2.5 Euskaltel Foundation

The Euskaltel Foundation is a private non-profit entity that was born with the mission of contributing to the creation and promotion of a better relationship between people and companies by promoting the use and creation of Information and Communication Technologies (ICT) and the development of local communities.

Through the Euskaltel Foundation we connect with society and materialize our commitment to promoting technology and science among young people.



The main area of Euskaltel Foundation's activity in 2021 was the Encounters network, which has had to be adapted due to Covid-19. The different topics that we address in the technological meetings framed within Encounters notably include Artificial Intelligence (AI), Big Data, cybersecurity, Internet Of Things (IOT), innovation, startups, the environment, industry 4.0, diversity, robotics, drones, ethical hacking and actions that respond to the training needs detected in Spain.

These events have made it possible to generate new content that has been used both in the Basque Country (Euskal Encounter 29, Araba Encounter 08 and Gipuzkoa Encounter 15) and in Galicia (XGN R Encounter 21) for the creation of new initiatives and projects such as GameguneTV and the Gamegune Online, as well as for the organization of different conferences and workshops aimed at different segments of society.

#### PROMOTION OF RESEARCH, STUDY AND TECHNOLOGICAL DEVELOPMENT ACTIVITIES

##### BIND 4.0.

This is a meeting point between innovative startups and large companies to promote the digital transformation of industry and accelerate the consolidation of innovative initiatives through real projects with benchmark customers.

##### VIDEO GAMES – ENTREPRENEURSHIP

Support for the creation of new vocations for young people interested in the video game industry, through participation in the organization of the Vitoria-Gasteiz Campus F2P, together with the Basque Government, the Álava Provincial Council and the Vitoria-Gasteiz City Council, for training in video game development.

#### ACCESS TO THE GLOBAL COMMUNICATIONS AND INFORMATION SOCIETY

##### FIRST LEGO LEAGUE

This is the first international robotics tournament organized in the Basque Country by Innobasque – Basque Innovation Agency – with the collaboration of the Euskaltel Foundation. Through this tournament, we want to offer a different perspective of the scientific and technological world, motivating young people to find fun in creativity and innovation.

##### UNI Encounter

Conferences related to new technologies organized by the Uni Eibar Secondary School - Ermua (Gipuzkoa). In February, the XVII Uni Encounter took place, encompassing different activities of an informative and technical nature, such as talks offered by relevant people in the world of computing and practical workshops and online game competitions.



### CONTRIBUTION TO THE PROGRESS AND EXPANSION OF CULTURAL TRAINING IN THE TELECOMMUNICATIONS AND AUDIOVISUAL FIELDS.

#### HETEL

As a strategic ally of HETEL (Association of Vocational Training Schools in the Basque Country), the Euskaltel Foundation is committed to vocational training and the dissemination of scientific vocations among young people through teamwork, problem solving and collaboration between different educational centers.



#### Kaixo Mundua.eus – TECHNOLOGICAL SCHOOLS

The Euskaltel Foundation participates in the KaixoMundua.eus initiative of the PuntuEUS Foundation, to promote the creation of websites and digital training for young people between 12 and 18 years of age.



#### Sarean.eus – DIGITAL MAGAZINE

Digital magazine promoted by the PuntuEUS Foundation, with which we collaborate, and which serves as a meeting point for the digital environment. With the aim of informing, entertaining, promoting technological culture in Basque and creating their own points of reference, important experts and collaborators work on a wide range of issues related to the digital environment.



## 4.3 Talent and entrepreneurship

Thanks to our entrepreneurship and talent support programs, we can be in contact with the latest news and with the ingenuity of Spain to put it at the service of our customers.

### 4.3.1 MASventures

The Group is in constant contact with innovation and digital advances. In 2019 the MASVentures accelerator – together with Inveready, a Spanish investment group – to thus drive innovative projects in the new technologies sector and promote entrepreneurship in Spain. This accelerator acts as the Group's innovation engine and enhances the commercial relationship and investment in startups focused on the new technologies sector.

In 2020 an investment was approved in the startup Kenmei Technologies, a Spanish company founded in Valencia by software and telecommunications experts focused on Data Intelligence for the automation of decision-making. Through its ADELE platform, based on AI and Big Data, they allow operators to automate network management and operation processes, thus offering a better quality of service. During the first quarter of 2021, the investment in this startup resulted in a 5.86% equity interest.

In 2021, the essence of the program is being reaffirmed, placing more focus on the Group's areas of interest, and proactively seeking projects that fit its current challenges or needs. In this edition, pilot programs or concept tests have been carried out with 6 startups in different areas of the group such as retention, marketing, channels, customer experience and process automation.



### 4.3.2 University chairs and scholarships

In 2020 and until mid-2021, MASMOVIL Group and the Carlos III University of Madrid (UC3M) launched the third edition of its Research Chair. Through this educational initiative, the Group sponsored 6 projects by students from that university with the aim of improving the user experience and optimizing processes through innovation in artificial intelligence, in addition to betting on the talent of young engineers. The lines of research promoted were:

- *Programs for the optimization of processes and improvement of the user experience: three scholarships for the improvement, development and optimization of processes to be able to intelligently manage the call-center or process data more efficiently in order to increase the satisfaction of the Group's customers.*
- *Innovation programs: three scholarships for the development of Artificial Intelligence applications and tools to achieve an improvement in consumption estimates, the customer profile or in the optimization of sales.*

The duration of the scholarship covered the period from November 2020 to June 2021 and at the end, the 6 scholarship students became part of our staff.

This alliance with UC3M represents, once again, 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 promotes the Group's commitment to training young Spaniards. In September 2021, the fourth edition of this chair was launched for the 2021-2022 period, this time focused on IT issues.

In 2021 we also launched a new chair with the Polytechnic University of Madrid (UPM) for the period 2021-2022. During the final months of 2021, the selection of students began in January 2022 and focused on the area of Customer Strategy & Analytics.

As a result of our merger with Euskaltel, we have renewed the R chair in Cybersecurity (the first inter-university chair in Galicia, with the Universities of Coruña and Vigo) and the Telecable chair with the University of Oviedo for another year. We also collaborate in the cybersecurity masters degree at the University of the Basque Country. Within our young talent program, we continue to engage interns, and we currently have 8, plus 4 with a more technical profile at our subsidiary Embou. These students originated from the Dual Professional Training Program implemented with the Montessori School.





We offer our program TalenTU to Universities, Employment Forums and Educational Institutions, in the case of the Euskaltel Group, consisting of a two-year professional development course during which they are offered the possibility of professional growth and a salary. However, due to Covid-19 and the merger into the MASMOVIL Group, there has been no onboarding into the program in 2021.

#### 4.3.3 Alliances with associations

We are part of various organizations and associations with which we establish alliances in the economic, social and environmental fields that share our objective of advancing along the path of digital transformation.

One of the basic pillars of our management approach is to contribute to technological development and, therefore, supporting companies with our resources and experience with telecommunications group. This has been the

case throughout our entire life, we have been actively working and collaborating with different organizations and business associations. These alliances have been maintained and strengthened, even in the circumstances that have arisen as a result of the pandemic.

The main contributions to associations are related to industry or business associations, such as the Association of Operators for Portability, Association of Operators for Mobile Portability, Autocontrol Association, Spanish Association for Digitalization, among others.

During 2021 no contributions or payments were made to political parties or associations inside or outside the European Union, in accordance with the provisions of MASMOVIL Group's Donations and Sponsorship Policy.

From the date Lorca Telecom Bidco SAU took control in 2020 and considering the date on which control of Euskaltel Group was acquired in 2021:

CONTRIBUTIONS TO ASSOCIATIONS (EURO)	2021	Q4-2020
	568.438	85.624

Group companies in 2021 and 2020 (considering January 1 of the year of acquisition as the date of entry into the Group):

CONTRIBUTIONS TO ASSOCIATIONS (EURO)	2021	2020
	650.260	561.631



# Good Governance

Transparency, ethics and responsible management are the values that guide our Corporate Governance when executing the Group's control and management functions and in its relations with shareholders.

Our objectives include the promotion of a culture of integrity and responsibility in all geographical areas, in all operations and with all the people who form part of the Group, developing an ethical, transparent and reliable business model.

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

## 5.1 Corporate Governance Model

We base the Group's Corporate Governance Model on the commitments that have been assumed with respect to best practices in terms of good governance, ethics and corporate responsibility in all areas of the Company's business.

The Group has a set of bodies, control mechanisms and internal regulations that make up its Corporate Governance System, the objective of which is, among other things, to direct and regulate the organization of the Group in a transparent and effective manner, promoting common interests and those of its stakeholders, as reflected in its Corporate Governance Policy. The Code of Ethics is complementary to this policy, as are the following internal regulations: those applicable to its governing bodies, various corporate policies and protocols and the compliance model, in addition to a whole series of policies and procedures for each area, in order to obtain better and orderly management of the business and of its different processes.



All of the policies approved by the Board of Directors are published on the Group's intranet accessible to all employees, highlighting the following for dealing with non-financial matters:

- General corporate governance policy
- Corporate social responsibility policy
- Policy on equal opportunities
- Risk management and control policy
- Tax policy
- Purchasing policy
- Protocol for taking actions with public administrations and political parties
- Policy on inappropriate conduct
- Cybersecurity policy
- Personal data protection and privacy policy
- Policy for crime prevention and against fraud and corruption
- Policy on the prevention of money laundering
- Policy on the acceptance and delivery of gifts and invitations
- Policy on sustainability and the environment
- Human rights policy
- Code of ethics
- Supplier code of ethics
- Procedure for conflicts of interest and related-party transactions involving directors, significant shareholders and senior management at the Group
- Donation and sponsorship policy
- Economic sanctions compliance policy
- Rules for the treatment of restricted information





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

<p><b>THE GENERAL MEETING OF SHAREHOLDERS / BONDHOLDERS</b></p> <p>represents all the Shareholders / Bondholders and is the Company’s highest decision-making body.</p>	<p><b>THE BOARD OF DIRECTORS</b></p> <p>is the body in charge of managing and representing the Company, notwithstanding the powers granted to the General Meeting of Shareholders / Bondholders, and it is the highest body of supervision and control.</p>
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The following board committees have also been established:

<p><b>AUDIT AND CONTROL COMMITTEE</b></p> <p>whose chair is independent, is the advisory Committee in charge of ensuring the Group’s internal control, internal audits and the risk management systems, as well as the body in charge of the relationship with the external auditor. The meetings of the Audit and Control Committee are attended, whenever deemed appropriate, by its chair, by the External Auditor, the Internal Auditor, the Finance Director and the Group’s Compliance Officer, as well as any member of the Group’s staff whose activity may be related to the functions performed by the Committee.</p>
<p><b>APPOINTMENTS AND REMUNERATION COMMITTEE</b></p> <p>whose chair is independent, is the advisory Committee in charge of the appointment or re-election of directors, proposals regarding their remuneration and is involved in matters related to the Group’s ESG (Environmental, Social and Governance). The latter makes this Commission responsible for issues such as the stakeholder relations strategy, the review of the corporate social responsibility policy, the monitoring of related practices and an evaluation of performance.</p>

## 5.2 Risk control and management system

The Company’s Board of Directors is responsible for risks, as established in its own Regulations.

To promote the supervision of this matter, on 26 February 2021, the Board of Directors approved the update of the Group’s Risk Management and Control Policy, which allows all the actions aimed at controlling and mitigating the risks identified at each moment to be determined. These actions take place through a Comprehensive Risk Control and Management system based on the COSO model (*Committee of Sponsoring Organizations of the Tradedway Commission*) that covers financial, regulatory, strategic, operational, corporate governance and reputation 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 quantified (based on their impact and probability of occurrence), the necessary action plans are formally implemented to mitigate those risks, while also evaluating the residual risk and risk tolerance levels.

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 following table:

TYPE OF RISK	SOURCE OF THE RISK	MITIGATION MEASURES
Strategic / Operational	<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.</li> <li>MasSTACK Project to standardize the group’s legacy systems on multi-brand platforms.</li> </ul>
Cybersecurity	<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 procedure approved by the Cybersecurity Committee.</li> <li>Existence of an information security master plan.</li> <li>Security controls / logical access to critical systems.</li> <li>Cybersecurity Operations Center (CSOC) and the Network Operations Center (NOC) operational and effective in preventing possible attacks.</li> <li>ISO27001 and ENS (middle level) at the Euskaltel Group level.</li> <li>Existence of a cybersecurity insurance policy.</li> </ul>
Reputation	<ul style="list-style-type: none"> <li>Reputation damage and penalties for non-compliance with privacy / data protection regulations (at the group level)</li> </ul>	<ul style="list-style-type: none"> <li>Creation of the DPO office in 2021.</li> <li>New Privacy Policies and Procedures approved by the Privacy Committee.</li> <li>External data protection audits.</li> </ul>
Strategic / Operational	<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>ISO22301 for telecommunications services at the Euskaltel Group level.</li> <li>Network redundancy plan projected 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 medium/low, largely thanks to the control mechanisms that have been implemented, as well as the mitigation measures put into place, which has allowed the impact and the probability of occurrence to be kept within the tolerance levels approved by the Board.





### 5.3 Customers

Customer satisfaction is a priority objective for the Group, with a view to becoming the leader in this field in the telecommunications sector in Europe. In fact, one of its four corporate values is Customer Focus and with this objective in mind, in 2021 we have continued with a quality program aimed at identifying and reducing the different types of problems or incidents that our customers may suffer, with the goal of guaranteeing the best experience.

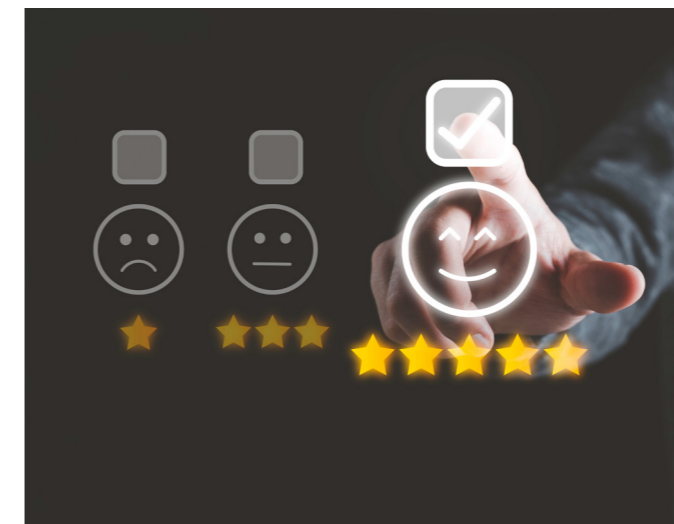
Improvements to the quality of the service, understood broadly and in all areas, have relied on a multidisciplinary senior team, made up of people from different teams, in order to achieve a very significant reduction in incidents, which has attained a 44% improvement (mobile and fixed network quality, product quality, processes, service, claims management, etc.).

The *customer experience cockpit* has been in operation for the first full year in 2021. This transversal unit has strengthened the analytical understanding of churn vectors (customer disconnection) in the short and medium term linked to the experience aspects identified during 2020 and it has collaborated with operational areas to obtain details and to contribute to the execution improvement initiatives. These include

significant actions such as the simplification of customer interaction through the interactive Voice Response (IVR) at the customer service center, the improvement of the network transmission routes to reduce the latency of the fixed broadband line, the boosting of the network redundancy plan to reduce the impact of mass events, and the allocation and control of service resources at service centers to improve the queue metrics for our customers.

Looking ahead to 2022, the program has evolved to include a vision of improvement priorities for the Group's brands after the acquisition of the Euskaltel group, to extend improvement actions affecting processes and segments that were not the focus in 2021. The quality aspects to be followed and improved have been refreshed and reoriented, always keeping our focus on capturing and solving non-optimal customer experiences.

In this regard, it should also be noted that Euskaltel Group has a Quality Management System certified according to the ISO9001 standard.





Information security and the protection of personal data, i.e. the privacy of our customers, is one of the most important matters for the Group.

The principles of privacy by design and by default contained in Regulation (EU) 2016/679 of the European Parliament and of the Council, of April 27, 2016, regarding the protection of natural persons with regard to the processing of personal data and the free circulation of these data (RGPD) are very present in normal operations and in the development of new services.

To do this, MASMOVIL Group has had a data protection officer (DPO) for all Group companies since the entry into force of the RGPD in May 2018. To do this, MASMOVIL Group has had a data protection officer (DPO) for all Group companies since the entry into force of the RGPD in May 2018. This position, although outsourced for a time, has confirmed that it offers greater benefits as an internal position within the organization by providing a full view of all the Group's processes, as well as the following advantages:

- 1.** Inform and advise on the design of the initiatives proposed within Masmovil Group in an organic way.
- 2.** Supervise on-site compliance with the provisions of the GDPR.
- 3.** Greater control over organizational functions, such as creating a record of processing activities, review of processing operations, and impact assessments.
- 4.** Ease of carrying out investigation functions.
- 5.** Access to the entire organization to carry out the consultation function



The appointment of the current data protection officer for MASMOVIL Group companies was reported to the Spanish Data Protection Agency on 23 September 2020 and, in order to have uniform policies, procedures and standards, the same data protection officer was appointed for Euskatel Group companies on 4 October 2021 and for Energía Colectiva, SL on 16 December 2021. In accordance with article 39 of the GDPR, the DPO is assigned the functions that are provided for in the GDPR itself and in applicable regulations, as well as those others that are entrusted to that position internally. These functions have been approved by the Group's internal governing bodies and reported to the Company's Board of Directors.

As a result of the acquisition of Euskaltel and the expansion of services, the DPO office has been configured to provide the position with an organizational structure that is capable of assuming the increase in the Group's needs in terms of data protection.

During 2021 the regular privacy committee meetings continued and several issues have been addressed as a consequence of the important penalties imposed in recent months by the Spanish Data Protection Agency on all operators, such as SIM swapping or telemarketing practices.

Also during 2021, the improvement in attention paid to the rights of interested parties has been achieved and the MASconsents tool is fully implemented. Consent provided through this tool by the majority of the customers of the MASMOVIL Group are managed in accordance with the guidelines of the Spanish Data Protection Agency and the European Data Protection Committee.

Work is currently being performed to redefine data governance, with the aim of achieving a greater depth of privacy within the Group at all levels, together with the merger of policies and processes after the acquisition of the Euskaltel Group.





### MASCHILDREN ON SOCIAL NETWORKS

MASMOVIL Group supports the campaign Por todo lo que hay detrás implemented by the Spanish Agency for Data Protection through communications on our social networks and at stores. This campaign promotes the use of the Agency's priority channel to report the dissemination on the Internet of sexual or violent content published without permission and request its withdrawal, in particular, in cases of harassment of minors or sexual violence.

As this awareness campaign shows, we join the important cause of denouncing the existence of photographs, videos or audios of sexual or violent content that circulate on the Internet without the consent of the people involved.



### PRESENTATIONS AT THE YOIGO OBSERVATORY

Together with the Data Protection Officer (DPO) at MASMOVIL Group and relevant speakers who are knowledgeable about the reality of the risks to children arising from the use of the Internet, content was prepared for talks open to the general public on the subject of child protection on social media.

Different people linked to child protection and well-being, experts in social networks and the Internet shared their experience and helped to understand the benefits and risks that children face in the digital world. In addition, they provided us with practical advice with the aim of raising awareness and helping the public with the care and respect of minors in online media.



### NEW SERVICES

#### 100% GREEN ENERGY FOR YOIGO, MASMOVIL AND PEPEPHONE CUSTOMERS

During the fourth quarter of 2020, MASMOVIL Group became the first large telecommunications operator to offer a 100% green electricity service through EnergyGO without extra fees for Yoigo customers.



Throughout 2021, and given the focus on the electricity costs and the energy impact on the planet, this service has experienced great growth supported by advertising campaigns focused on offering information about the impact of electricity consumption, responsible use of the planet's resources and measures to reduce electricity consumption. The number of energy customers was already nearly 200,000 at the end of 2021.

The offer consists of three rates: (i) the same price all day, (ii) hourly discrimination and (iii) electric car rate to promote the use of electric vehicles.

This service, which joins the Group's prior commitment to green energy through Pepeenergy, makes it possible to opt for a 100% green and environmentally friendly energy service, through a simple and transparent online contracting

process using an app, which also offers detailed consumption graphs, personalized housing studies, comparisons and short, medium and long-term savings advice.

During 2021 this service was brought under the MASMOVIL brand and it began offering 100% green energy services in March through the MASMOVIL Energy service, and Pepephone included a special rate to boost consumption by electric cars.

In 2021 EnergyGo launched the initiative El Rincón de EnergyGO, a program of interviews and advice where, in each episode, an energy expert points out in a practical and real way the keys to being more efficient in terms of electricity consumption and knowledge about how to be more responsible with the planet.

In addition, it completed the offer by adding the EnergyGO Without Schedules rate, a new 100% green electricity rate that allows savings without having to keep an eye on the clock, thus contributing to the reduction of CO2 emissions in a more comfortable way for the customer.





**DOCTORGO: TELEMEDICINE WITH QUALITY FACE-TO-FACE CARE AND NO WAITING**

In March Yoigo launched DoctorGO, a service created in partnership with Quirónsalud as the health provider, and Meeting Doctors as the technology partner, which allows customers to access immediate and quality medical care using mobile phones for only 6 euros per month for the whole family.



In December a new medical Insurance policy for the whole Family was added to this service for only 19.90 euros per month. The medical service is provided by DKV Salud to

offer access to the best private medicine for the whole family and it allows up to 8 members of the same family to be included in the same policy.

This insurance is designed for families who have always wanted to enjoy the benefits of private health care, such as quality care and no waiting lists, at a reasonable price. Implementing a telemedicine service makes it possible to provide rural Spain and the more depopulated areas with quality medical services thanks to connectivity.

**MONEYGO, YOIGO'S PERSONAL LOAN SERVICE**

As part of its goal to continue offering its customers multiple services that give rise to savings, Yoigo launched MoneyGO in February, the brand that brings together Yoigo's financial services and that helps Yoigo users continue to be the most satisfied in the market.



With this launch, Yoigo reinforces its diversification strategy and includes this new offer through its financial credit institution, Xfera Consumer Finance.

The new offer is made up of terminal financing, personal loans, credit cards and, soon, checking accounts and debit cards.



**5.3.1 Satisfaction**

Knowing the degree of customer satisfaction is essential for the Group. To do this, studies are carried out for each brand that assess customer satisfaction at a general level and at the specific level of each service, 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 studies carried out in 2021 all the Group's historic brands continue to be leaders in customer satisfaction within their segment, maintaining the very high levels of satisfaction of previous years and even improving them with respect to the three main brands, and in both segments.

Details of the evolution of satisfaction with the Group's historic brands in 2021 and 2020 are as follows (according to data published by the consulting firm GFK in its report Telecommunications Customer Satisfaction Study):

		2021	2020
<b>CONVERGENCE</b>	Yoigo	8.1	8.0
	MASMOVIL	8.1	8.0
	Pepephone	9.0	9.0
<b>MOBILE ONLY</b>	Yoigo	8.3	8.3
	MASMOVIL	8.5	8.3
	Pepephone	9.1	9.2

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

The Group continues to be a customer satisfaction leader, maintaining its good results and margin compared with the competition.

The general satisfaction level with the Euskaltel Group brands remains around 7-7.3. The Virgin telco brand launched in 2020 has obtained a satisfaction rating of 8.

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







### 5.3.2 Customer service

All the Group's brands offer agent assisted customer service as well as different digital channels where customers can answer their questions and perform various self-service functions: web channel, app, chat and IVR, developed for the group's main brands with artificial intelligence and open questions, using natural language, for a better understanding of the customer's intentions and needs. This customer service is free, with no access or management cost for any brand.

With the growing importance of digital channels, and an increasingly digital society, the Group's brands are working to implement new technologies that promote multi-channels, so that customers can access a similar and equally rewarding experience regardless of the channel chosen by them. Given the importance of the services offered by the Group in the daily activity of its customers, a very extensive service schedule is offered, including 24/7 access for the Group's main brands, including Euskaltel Group brands.

The Group has specific platforms to obtain a better understanding of the reasons for cancellations and customer dissatisfaction, through which it attempts to resolve the causes for cancellations and to retain these customers to the extent possible.

Customers in the business segment also have free telephone and email service. Cable operators also have a self-management website.

### 5.3.3 Complaints

The group maintains a quarterly customer satisfaction survey system operated by third parties and customers can evaluate the service offered in all channels.

All of the Group's customers can also access the complaint system through the various channels: web, chat, in person at the Group's stores or through an agent over the telephone. In addition, customers can always submit their problem or disagreement with any of the contracted services through any official body such as Consumer Offices, Arbitration Boards, Secretary of State for Digital Progress, etc.

The customer service complaint department for each brand is the recipient of all reported problems and/or disagreements. This department is responsible for recording each of the complaints received in the Group's internal system. This system allows the Group to maintain control over the entry, resolution time and the proposed solution for each of the reported complaints.

The Group is audited on a quarterly basis in terms of typical volume and compliance with its service levels when resolving complaints. The number of claims received per month in 2021 has fallen by more than 20% overall, despite the increase in the number of customers.

#### NUMBER OF CLAIMS AND COMPLAINTS RECEIVED

From the date Lorca Telecom Bidco SAU took control in 2020 and considering the date on which control of Euskaltel Group was acquired in 2021:

RESIDENTIAL AREA COMPLAINTS	2021(**)	Q4-20 (*)
Number of open complaints	208.086	61.396
% of total postpaid and broadband customers	1.77%	0.73%
Number of resolved complaints	146.111	39.993
% of total postpaid and broadband customers	1.24%	0.56%

(\*) Yoigo, MASMOVIL and Pepephone

(\*\*) Yoigo, MASMOVI, Pepephone and Euskaltel Group

BUSINESS AND CABLE OPERATOR COMPLAINTS	2021	Q4-20
Number of open complaints	6.716	1.515
Number of closed complaints	6.536	1.571

Group companies in 2021 and 2020 (considering January 1 of the year of acquisition as the date of entry into the Group):

RESIDENTIAL AREA COMPLAINTS	2021(**)	2020 (*)
Number of open complaints	268.513	215.251
% of total postpaid and broadband customers	2.28%	2.6%
Number of resolved complaints	208.157	139.068
% of total postpaid and broadband customers	1.77%	1.7%

(\*) Yoigo, MASMOVIL y Pepephone / (\*\*) Yoigo, MASMOVI, Pepephone y Grupo Euskaltel

The main reason for the increase in open items in the residential area is due to the entry of complaints from the Euskaltel Group for 2021. The main reason for the increase in open items in the residential area is due to the entry of complaints from the Euskaltel Group for 2021.

BUSINESS AND CABLE OPERATOR COMPLAINTS	2021	2020
Number of open complaints	9.302	7.052
Number of closed complaints	8.995	6.753



For a more detailed breakdown of the number, type and level of compliance with the complaints made by our customers, every quarter the group publishes a report audited by the Secretary of State:

**yoigo**

DOWNLOAD [HERE](#)

**MÁSMÓV!L**

DOWNLOAD [HERE](#)

**pepephone**

DOWNLOAD [HERE](#)



**euskaltel**

DOWNLOAD [HERE](#)

**R**

DOWNLOAD [HERE](#)

**telecable**

DOWNLOAD [HERE](#)

### 5.3.4 Advertising and responsible consumption

In line with its values and following the principles contained in its policies, the Group ensures the transparency of its products and services. This same principle of transparency is applied to use responsible advertising through a control procedure consisting of the *copyadvice* service provided by Autocontrol. During 2021 the Group did not receive any lawsuits through Autocontrol. Similarly, all the Group's brands promote the responsible use of technologies in the various communications channels with their customers and potential customers.



The Group uses its social networks daily to illustrate and educate customers and followers about the responsible use of applications (apps) and the benefits derived from their use for customers, also helping to spread the campaigns developed by AEPD.

In the case of the Yoigo brand, this is done through a Blog, the channel where it offers advice on the digital world in the different sections of Guides and Tutorials, Technology, Entertainment, Internet, so that customers and potential customers can become knowledgeable of the advantages and risks. To do so, Yoigo created the Observatory for a safer internet in order to inform and provide training regarding the safe and proper use of technology.

Additionally, EnergyGO (Yoigo's energy company) offers information and tips for efficient energy consumption through the webseries El Rincón de EnergyGO and the EnergyGO app itself, as well as through the content of its social networks and blog.

MASMOVIL Energía also promotes awareness of energy consumption and disseminates practical and educational content through the Mas Consejos Bulletin, a monthly email that helps users to optimize their consumption and lower the cost of their electricity bill through adapted advice. seasonality and the situation of the energy sector.





**AGREEMENT OF THE DEONTOLOGICAL CODE FOR GOOD TELEMARKETING PRACTICES**

MASMOVIL group, together with the other five relevant operators in the telecommunications sector, have reached an agreement regarding a new code of ethics to avoid bad practices in telephone sales, applicable starting in January 2022.

Among the measures included in that code, among others, is the reinforcement of controls over the actions of distributors and other platforms when making calls that are deceptive, fraudulent or unfair in order to ensure fair competition.

Control will also be increased through the agreement between operators, so that consumer data is not obtained or responses given that could be understood to be the forced acceptance of a change in operator, restrictions on sales calls during off hours and compliance with the obligation not to call users who have expressed their desire to be part of the Robinson List will be reinforced.

**Fibra, móvil y luz 100% verde a un precio justo**

<p>39GB acumulables Llamadas ilimitadas</p> <p>Luz 100% verde a precio justo ¿Cuánto pagarías?</p> <p>Consumo de luz + <b>16'90</b> €/mes Sin permanencia Precio sin sorpresas IVA incluido</p>	<p>Fibra 300Mb</p> <p>10GB acumulables Llamadas ilimitadas</p> <p>Luz 100% verde a precio justo ¿Cuánto pagarías?</p> <p>Consumo de luz + <b>35'90</b> €/mes Sin permanencia Precio sin sorpresas IVA incluido</p>	<p>Fibra 600Mb</p> <p>39GB acumulables Llamadas ilimitadas</p> <p>Luz 100% verde a precio justo ¿Cuánto pagarías?</p> <p>Consumo de luz + <b>45'90</b> €/mes Sin permanencia Precio sin sorpresas IVA incluido</p>
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**MÁSMÓVIL**

FIBRA **100 Mb**

FIJO **Llamadas ilimitadas a fijos**

**5.3.5 Rate clarity**

The Group's priority is to ensure predictable bills for customers and, to this end, it follows the principles of clarity, transparency and communication with customers.

All convergent and contract rates at Yoigo have unlimited minutes and the throttling of data speeds is automatic when customers consume their data allotment. Before reaching that limit, customers receive various consumption notices. The rates allow roaming control, i.e. when a customer leaves the agreed service area, traffic is automatically blocked until they give specific consent after receiving information regarding the rates abroad. Customers can also access all available information on the website and in

been a pioneer in the proactive resolution of potential incidents affecting its customers. For example, if there is an incident involving the fiber service, Pepephone automatically credits gigabytes on the customer's mobile so that they can continue with their digital life – teleworking or remote learning – without any worries.

In the Euskaltel, R and Telecable brands, all convergent and contract rates have unlimited minutes and when customers consume their data allotment they can obtain additional allotments called Más Megas or they can choose to reduce their access speed. Before that happens, they receive notices when they reach 50% and 80% consumption of the data allotment. Customers are

informed by SMS of the roaming rates when leaves the agreed service area, which is also available on the website and in the app. In 2021, an automatic process for increasing the data allotment for mobiles was introduced for customers who suffer occasional incidents involving broadband, in order to guarantee the continuity of the service.

In the case of business customers, both companies and cable operators have sales representatives to resolve any type of doubts regarding their rates.



the app. During 2020 and 2021 a very relevant portion of the contract customer base has had unlimited gigabytes on their mobile phone, which only contributes to predictability and transparency, since customers do not have to be aware of their consumption of data.

MASMOVIL also offers unlimited minutes and automatic speed reduction, in all its convergent rates. The main focus of the brand is for the customer to have the same bill every month, so promotions are minimized. As is the case with Yoigo, customers can consult matters relating to services on the website and in the app.

In the case of Pepephone, old customers receive rate improvements such as the increase in gigabytes or free SMS without that having an impact on the price and without any need to make a request. In fact, since 2019 it has been a pioneer in the market by reducing the amount to be paid by convergent service customers based on the years they have been with the brand, as a reward for their loyalty. Similarly, it has





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

At a meeting held on 2 October 2020, the Board of Directors approved an amendment 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 CO<sub>2</sub> emissions.

The Purchasing Policy aims to establish a global framework for the control and management of the risks resulting from the purchase of equipment and materials, as well as the contracting for works and services throughout the Group.

As stipulated in that Policy, the Purchasing Department is responsible for maintaining an active relationship with suppliers and ensuring control over the associated risks. The department requesting a service or product is responsible for monitoring compliance with contractual conditions and service level agreements, where appropriate.

All suppliers that work with the Group must be approved in accordance with the aforementioned policy. This process is managed through an external tool through which the following documentation is requested: adherence to the Supplier Code of Ethics, financial statements for the last two years, certificate of being up to date with social security and tax payments, employee list and environmental certificates, among others.

In addition to the requested documentation, as part of the approval process the Purchasing Department performs a qualitative evaluation that in some specific cases includes visits to the supplier's facilities, especially in the case of suppliers with a large number of employees and/or when they may have an impact on the environment.

In 2021 a total of 580 suppliers were evaluated, of which 481 were approved (compared to 563 in 2020) for meeting all the standards established by the Group as described in its policies and plans, including those relating to social and environmental matters.

Due to the acquisitions of companies and businesses in 2021, the Group has commenced a process of unifying approval standards to bring existing policies into line with each other. This process is expected to be completed over the course of 2022.

## 5.4 Supply chain management

Supply chain management is important to the proper functioning of the Company and the various companies that make up the Group. Suppliers undertake to follow the principles and values set out in the Code of Ethics and

they are responsible for adhering to the Code of Ethics for Suppliers, which defines the various standards that suppliers must meet in relation to:

**HUMAN RIGHTS:** reject any kind of forced labor, use of child labor, promote non-discrimination and equal opportunities, respect freedom of expression at all times, etc.

**LABOR RIGHTS:** all employees hired by a supplier or subcontractor must have a contract in accordance with applicable labor legislation at all times and the supplier must not engage in any illegal practices and always comply with the law.

**HEALTH AND SAFETY:** the supplier will ensure the protection of its workers by providing them with information and training in health and safety matters, including emergency situations and first aid, providing workers with adequate protective equipment, etc.

**COMPLIANCE WITH REGARD TO CORRUPTION AND BRIBERY:** by observing the provisions of the Group's Crime Prevention, Anti-Fraud and Corruption Policy.

**ENVIRONMENTAL AND SUSTAINABILITY ASPECTS:** the supplier undertakes to have an environmental management system that includes objectives and measurement parameters (such as the one provided for in the ISO14001 standard or equivalent), and will also assume responsibility for reducing the negative impact on the environment caused by its operations and to strive to maintain and increase biodiversity and limit water consumption, especially in areas with scarce resources, etc.



## 5.5 Our Team

The Group is firmly committed to its team, and that commitment encompasses the Group's ethics and compliance system in terms of human and labor rights, which are recognized in national and international legislation, in addition to expressing its actions through compliance with the principles defined in the United Nations Global Compact and the OECD guidelines (Organization for Economic Cooperation and Development).

It also follows the principles of non-discrimination and equal opportunity that are supplemented by specific policies.

Ethics are a fundamental pillar of the Human Resources area, which has implemented the relevant provisions in the Group's Code of Ethics.

At a meeting held on 27 November 2019, the Board of Directors, approved the Group's Human Resources and Labor Relations Policy, as stated in Article 12 of the Code of Ethics, which establishes that



“ The Group is committed to applying an adequate hiring program through its various policies and internal regulations, taking into consideration the personal and professional academic merits of candidates and the needs of the Group.

The Group will evaluate its employees objectively, based on their individual and collective professional performance and will promote them, to the extent possible, based on the results obtained.

The Company will inform its employees about the main lines of its strategic objectives and about the Group's progress ”



The objective of the Human Resources Policy is to implement a human resources management model at the Group that makes it possible to attract, promote and retain talent and encourage the personal and professional growth of all the members of its human team, as well as to align the interests of professionals with the Group's strategic objectives.

This Policy is supplemented by the provisions of the Equal Opportunities Policy approved by the Board of Directors

at its meeting on 20 December 2017, which aims to be the backbone of a favorable environment for employees by promoting effective equality between men and women. This policy develops the basic action principles, among which the quality of employment, equal opportunity and equity and respect for diversity stand out.

In 2020 work began on the design and implementation of a Talent Diversity Plan that culminated in its approval by the Board of Directors at a meeting held on 26 February 2021



MASMOVIL Group intends to use this plan to overcome the limitations of its organization and become a benchmark in society, transforming itself into a social agent for the promotion of diversity and integration. MASMOVIL Group is aware that it owes its success to the diversity of people who work for and with it, and to all those customers who have trusted the Group by contracting its services.

This Policy is supplemented by the provisions of the Equality Plan at Xfera Móviles, SAU (the Group company with the largest number of employees) and the Equality Plan at Lorca Telecom Bidco, SAU, which aim to guarantee equal treatment and opportunities between women and men in terms of access, selection, hiring, promotion, training and other working conditions. These plans promote the presence of women in the organization and in positions of responsibility, continuing to integrate gender perspective into the management of the business. It is also aligned with the existing Equality Plans at the Euskaltel Group companies. See section 5.5.3 of this report for further details regarding equality and diversity plans.

The Group also approved a Human Rights Policy on 27 February 2018 to develop and supplement its Corporate Social Responsibility Policy. The Group's Board of Directors approved a Policy on Non-Tolerated Behavior and Prevention and Action against Moral, Psychological and Physical Harassment on 25 July 2018. This new policy is based on the principle of non-discrimination described in its Code of Ethics and lists the various internal and external actions that are contrary to regulatory compliance that raise obstacles for the proper functioning of a healthy and ethical work environment.

It defines the action procedures for the management of complaints received through the internal ethics channel, with the support of the Compliance Officer, the Ethics Committee and the CEO. This procedure also defines internal investigation actions and the application of measures within a maximum of 15 business days.

The Group has also developed various measures linked to facilitating work-life balance and offers its employees various social benefits that revolve around flexible working hours, an intensive working day during summer and every Friday, physiotherapy services, healthy food, mixed work model (office/remote) associated with Covid-19, telemedicine service, shuttle service, discounts on training, leisure and sports activities, among others. In addition, a Digital Disconnection Protocol was signed in 2021 for the subsidiary R Cable and Telecable Telecomunicaciones, SAU



**TOTAL NUMBER AND DISTRIBUTION OF EMPLOYEES BY GENDER, AGE COUNTRY AND PROFESSIONAL CATEGORY**

At the end of FY2021, the Group's workforce was made up of 1,874 employees, of which 1,148 are men and 726 are women. Of these 1,874 employees, 563 joined in August 2021 as part of the acquisition of the Euskaltel Group.

AGE	2021			2020		
	Women	Men	Total	Women	Men	Total
Less than 30 years	56	102	158	32	71	103
Between 30 and 50 years	529	754	1.283	277	526	803
More than 50 years	141	292	433	44	111	155
<b>Total</b>	<b>726</b>	<b>1.148</b>	<b>1.874</b>	<b>353</b>	<b>708</b>	<b>1.061</b>

PROFESSIONAL CATEGORY	2021			2020		
	Women	Men	Total	Women	Men	Total
Executives	29	118	147	14	69	83
Technicians	103	314	417	58	214	272
Administrative staff	112	90	202	44	53	97
Other employees	482	626	1.108	237	372	609
<b>Total</b>	<b>726</b>	<b>1.148</b>	<b>1.874</b>	<b>353</b>	<b>708</b>	<b>1.061</b>

NATIONALITY	2021			2020		
	Women	Men	Total	Women	Men	Total
Germany	1	-	1	1	-	1
Argentina	-	5	5	-	6	6
Bangladesh	-	3	3	-	5	5
Belarus	1	-	1	-	-	-
Britain	4	6	10	-	-	-
Bolivia	-	-	-	-	1	1
Brazil	-	-	-	-	1	1
Bulgaria	2	2	4	2	2	4
Sri Lanka	-	2	2	-	4	4
Czech Republic	-	1	1	-	1	1
Chile	-	2	2	-	2	2
Colombia	2	1	3	1	3	4
Korea	-	1	1	-	-	-
Dominican Republic	-	4	4	-	3	3
Slovakia	1	-	1	1	-	1
Spain	705	1.066	1.771	340	618	958
USA	-	-	-	-	-	-
Philippines	-	6	6	-	1	1
France	-	-	-	-	3	3
Ghana	-	1	1	-	3	3
India	-	9	9	-	16	16



NATIONALITY	2021			2020		
	Women	Men	Total	Women	Men	Total
Holandesa	-	2	2	-	1	1
Hondureña	-	1	1	-	1	1
Irlandesa	-	1	1	-	-	-
Israelí	1	-	1	-	-	-
Italiana	-	6	6	-	4	4
Lituana	-	-	-	1	-	1
Marroquí	-	7	7	-	8	8
Mexicana	1	1	2	-	1	1
Nicaragüense	-	1	1	-	1	1
Nigeriana	-	1	1	-	1	1
Norway	-	-	-	1	-	1
Pakistan	-	7	7	-	10	10
Peru	1	-	1	1	1	2
Portugal	-	3	3	-	3	3
Romania	4	6	10	4	3	7
Russia	1	-	1	1	-	1
Senegal	-	1	1	-	2	2
Switzerland	-	1	1	-	1	1
Ukraine	1	-	1	-	-	-
Venezuela	1	1	2	-	2	2
<b>General Total</b>	<b>726</b>	<b>1.148</b>	<b>1.874</b>	<b>353</b>	<b>708</b>	<b>1.061</b>

### TOTAL NUMBER AND DISTRIBUTION OF LABOR CONTRACTS BY GENDER, AGE AND PROFESSIONAL CATEGORY

INDEFINITE CONTRACT	2021			2020		
	Women	Men	Total	Women	Men	Total
Full-time	695	1.142	1.837	339	705	1.044
Part-time	22	5	27	14	0	14
<b>Total</b>	<b>717</b>	<b>1.147</b>	<b>1.864</b>	<b>353</b>	<b>705</b>	<b>1.058</b>

TEMPORARY CONTRACT	2021			2020		
	Women	Men	Total	Women	Men	Total
Full-time	8	1	9	-	3	3
Part-time	1	-	1	-	-	-
<b>Total</b>	<b>9</b>	<b>1</b>	<b>10</b>	<b>-</b>	<b>3</b>	<b>3</b>

INDEFINITE CONTRACT	2021			2020		
	< 30 years	Between 30 and 50 years	> 50 years	< 30 years	Between 30 and 50 years	> 50 years
Full-time	150	1.259	428	101	792	151
Part-time	2	20	5	-	11	3
<b>Total</b>	<b>152</b>	<b>1.279</b>	<b>433</b>	<b>101</b>	<b>803</b>	<b>154</b>

TEMPORARY CONTRACT	2021			2020		
	< 30 years	Between 30 and 50 years	> 50 years	< 30 years	Between 30 and 50 years	> 50 years
Full-time completo	5	4	-	2	-	1
Part-time parcial	1	-	-	-	-	-
<b>Total</b>	<b>6</b>	<b>4</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>1</b>

INDEFINITE CONTRACT	2021				2020			
	Executives	Technic.	Admin. staff	Other employees	Executives	Technic.	Admin. staff	Other employees
Full-time	146	416	202	1.073	83	270	97	594
Part-time	1	-	-	26	-	2	-	12
<b>Total</b>	<b>147</b>	<b>416</b>	<b>202</b>	<b>1.099</b>	<b>83</b>	<b>272</b>	<b>97</b>	<b>606</b>

TEMPORARY CONTRACT	2021				2020			
	Executives	Technic.	Admin. staff	Other employees	Executives	Technic.	Admin. staff	Other employees
Full-time	-	1	-	8	-	-	-	3
Part-time	-	-	-	1	-	-	-	-
<b>Total</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>

### ANNUAL AVERAGE OF INDEFINITE CONTRACTS, TEMPORARY CONTRACTS AND PART-TIME CONTRACTS, BY GENDER, AGE AND PROFESSIONAL CATEGORY

From the date Lorca Telecom Bidco SAU took control in 2020 and considering the date on which control of Euskaltel Group was acquired in 2021:

INDEFINITE CONTRACT	2021			Q4-20		
	Women	Men	Total	Women	Men	Total
Full-time	501	904	1.405	338	710	1.048
Part-time	20	2	22	15	-	15
<b>Total</b>	<b>521</b>	<b>906</b>	<b>1.427</b>	<b>353</b>	<b>710</b>	<b>1.063</b>

TEMPORARY CONTRACT	2021			Q4-20		
	Women	Men	Total	Women	Men	Total
Full-time	6	3	9	-	4	4
Part-time	1	-	1	-	-	-
<b>Total</b>	<b>7</b>	<b>3</b>	<b>10</b>	<b>-</b>	<b>4</b>	<b>4</b>



INDEFINITE CONTRACT	2021			Q4-20		
	< 30 years	Between 30 and 50 years	> 50 years	< 30 years	Between 30 and 50 years	> 50 years
Full-time	123	1,010	272	101	793	154
Part-time	1	15	6	-	12	3
<b>Total</b>	<b>124</b>	<b>1,025</b>	<b>278</b>	<b>101</b>	<b>805</b>	<b>157</b>

TEMPORARY CONTRACT	2021			Q4-20		
	< 30 years	Between 30 and 50 years	> 50 years	< 30 years	Between 30 and 50 years	> 50 years
Full-time	5	3	1	3	-	1
Part-time	1	-	-	-	-	-
<b>Total</b>	<b>6</b>	<b>3</b>	<b>1</b>	<b>3</b>	<b>-</b>	<b>1</b>

INDEFINITE CONTRACT	2021				Q4-20			
	Executives	Technic.	Admin. staff	Other employees	Executives	Technic.	Admin. staff	Other employees
Full-time	111	329	150	815	84	270	95	599
Part-time	-	-	-	22	-	2	-	13
<b>Total</b>	<b>111</b>	<b>329</b>	<b>150</b>	<b>837</b>	<b>84</b>	<b>272</b>	<b>95</b>	<b>612</b>

TEMPORARY CONTRACT	2021				Q4-20			
	Executives	Technic.	Admin. staff	Other employees	Executives	Technic.	Admin. staff	Other employees
Full-time	-	1	-	8	-	-	-	3
Part-time	-	-	-	1	-	-	-	-
<b>Total</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>

Group companies in 2021 and 2020 (considering January 1 of the year of acquisition as the date of entry into the Group):

INDEFINITE CONTRACT	2021			2020		
	Women	Men	Total	Women	Men	Total
Full-time	654	1,087	1,741	325	671	996
Part-time	20	2	22	16	-	16
<b>Total</b>	<b>674</b>	<b>1,089</b>	<b>1,763</b>	<b>341</b>	<b>671</b>	<b>1,012</b>

TEMPORARY CONTRACT	2021			2020		
	Women	Men	Total	Women	Men	Total
Full-time	6	3	9	1	6	7
Part-time	2	-	2	-	1	1
<b>Total</b>	<b>8</b>	<b>3</b>	<b>11</b>	<b>1</b>	<b>7</b>	<b>8</b>

INDEFINITE CONTRACT	2021			2020		
	< 30 years	Between 30 and 50 years	> 50 years	< 30 years	Between 30 and 50 years	> 50 years
Full-time	129	1,237	375	83	760	153
Part-time	1	15	6	-	12	4
<b>Total</b>	<b>130</b>	<b>1,252</b>	<b>381</b>	<b>83</b>	<b>772</b>	<b>157</b>

TEMPORARY CONTRACT	2021			2020		
	< 30 years	Between 30 and 50 years	> 50 years	< 30 years	Between 30 and 50 years	> 50 years
Full-time	5	3	1	5	1	1
Part-time	1	1	-	1	-	-
<b>Total</b>	<b>6</b>	<b>4</b>	<b>1</b>	<b>6</b>	<b>1</b>	<b>1</b>

INDEFINITE CONTRACT	2021				2020			
	Executives	Technic.	Admin. staff	Other employees	Executives	Technic.	Admin. staff	Other employees
Full-time	142	414	200	985	86	253	91	566
Part-time	-	-	-	22	-	2	-	14
<b>Total</b>	<b>142</b>	<b>414</b>	<b>200</b>	<b>1,007</b>	<b>86</b>	<b>255</b>	<b>91</b>	<b>580</b>

TEMPORARY CONTRACT	2021				2020			
	Executives	Technic.	Admin. staff	Other employees	Executives	Technic.	Admin. staff	Other employees
Full-time	-	-	-	9	-	2	5	-
Part-time	-	-	1	1	-	1	-	-
<b>Total</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>10</b>	<b>-</b>	<b>3</b>	<b>5</b>	<b>-</b>



**NUMBER OF DISMISSALS BY GENDER, AGE AND PROFESSIONAL CATEGORY**

From the date Lorca Telecom Bidco SAU took control in 2020 and considering the date on which control of Euskaltel Group was acquired in 2021:

AGE	2021			Q4-20		
	Women	Men	Total	Women	Men	Total
Less than 30 years	-	4	4	-	2	2
Between 30 and 50 years	10	43	53	6	13	19
More than 50 years	11	18	29	1	5	6
<b>Total</b>	<b>21</b>	<b>65</b>	<b>86</b>	<b>7</b>	<b>20</b>	<b>27</b>

PROFESSIONAL CATEGORY	2021			Q4-20		
	Mujeres	Men	Total	Women	Men	Total
Executives	-	3	3	-	-	-
Technicians	3	12	15	-	2	2
Administrative staff	3	1	4	-	-	-
Other employees	15	49	64	7	18	25
<b>Total</b>	<b>21</b>	<b>65</b>	<b>86</b>	<b>7</b>	<b>20</b>	<b>27</b>

Group companies in 2021 and 2020 (considering January 1 of the year of acquisition as the date of entry into the Group):

AGE	2021			2020		
	Women	Men	Total	Women	Men	Total
Less than 30 years	-	4	4	1	6	7
Between 30 and 50 years	11	44	55	21	28	49
More than 50 years	11	23	34	4	13	17
<b>Total</b>	<b>22</b>	<b>71</b>	<b>93</b>	<b>26</b>	<b>47</b>	<b>73</b>

CLASIFICACIÓN PROFESIONAL	2021			2020		
	Women	Men	Total	Women	Men	Total
Executives	-	3	3	1	3	4
Technicians	3	13	16	2	8	10
Administrative staff	4	2	6	3	1	4
Other employees	15	53	68	20	35	55
<b>Total</b>	<b>22</b>	<b>71</b>	<b>93</b>	<b>26</b>	<b>47</b>	<b>73</b>

The Group experienced an increase in employee turnover compared to the previous year, due to the fact that during 2021 it continued recruiting profiles specializing in digitalization and the use of new technologies and work methodologies such as Big Data or Artificial Intelligence, as well as the implementation of an agile culture. Despite the rotation, the total number of Group employees increased by 77% during 2021 due to new hires and growth through acquisitions of other companies.

In fact, despite the particular complexity of the economic environment resulting from the health crisis that started in March 2020, and which continues to this day, and the inorganic growth experienced by the Group, it has not resorted to collective labor restructuring processes, among them, collective dismissals (ERE), suspension or reduction of contracts (ERTE), or the collective modification of working conditions.

**AVERAGE REMUNERATION BROKEN DOWN BY GENDER, AGE AND PROFESSIONAL CATEGORY**

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

AGE	2021 (EURO)			2020 (EURO)		
	Women	Men	Average	Women	Men	Average
Less than 30 years	31.689,35	32.206,28	32.024,95	33.625,91	32.622,14	32.933,99
Between 30 and 50 years	42.980,37	55.236,38	50.157,49	44.652,00	54.781,98	51.287,58
More than 50 years	50.271,30	72.006,64	64.928,85	54.914,27	75.279,15	69.498,15
<b>Total</b>	<b>43.354,36</b>	<b>57.014,41</b>	<b>51.722,42</b>	<b>44.931,62</b>	<b>55.773,27</b>	<b>52.166,20</b>

\*The calculation includes fixed and variable remuneration

PROFESSIONAL CATEGORY	2021 (EURO)			2020 (EURO)		
	Women	Men	Average	Women	Men	Average
Executives	103.790,65	139.589,77	132.527,36	115.782,01	140.212,14	136.091,39
Technicians	49.877,88	54.047,59	53.017,66	51.071,31	53.560,65	53.029,83
Administrative staff	47.913,54	54.715,87	50.944,28	48.294,09	56.743,70	52.910,89
Other employees	37.264,73	43.267,70	40.656,30	38.619,57	41.245,82	40.223,78
<b>Total</b>	<b>43.354,36</b>	<b>57.014,41</b>	<b>51.722,42</b>	<b>44.931,62</b>	<b>55.773,27</b>	<b>52.166,20</b>

\*The calculation includes fixed and variable remuneration

**SALARY GAP, THE REMUNERATION FOR EQUIVALENT JOBS OR THE AVERAGE AT THE COMPANY**

PROFESSIONAL CATEGORY	2021	2020
Executives	25.6%	17.4%
Technicians	7.7%	4.6%
Administrative staff	12.4%	14.9%
Other employees	13.9%	6.4%
<b>Total</b>	<b>13.27%</b>	<b>7.57%</b>

\*The calculation made is the difference between the remuneration of men minus the remuneration of women, divided by the remuneration of men.

As further evidence of the Group's commitment to transparency, in 2021, as in the previous year, the salary gap has been calculated using the weighted average by professional category, resulting in a total salary difference of 13.27% (7.57% in 2020). The salary difference has increased this last year as a result of the acquisitions carried out by the group in 2021. Excluding acquisitions, the salary difference would be 8.65%.

**THE AVERAGE REMUNERATION FOR DIRECTORS, INCLUDING PER ALLOWANCES, INDEMNITIES AND ANY OTHER COMPENSATION, BROKEN DOWN BY GENDER**

The members of the Board of Directors of Lorca Telecom Bidco, SAU, with the exception of the Chairman of the Board, the CEO and the Managing Director, do not receive any remuneration or allowances as Directors of the company. During 2021 no severance payments were paid to members of the Board of Directors, nor are there any provisions for outstanding severance payments at the date this report is published.

**BOARD OF DIRECTORS**



Eduardo Díez-Hochleitner Rodríguez



Cristina Serna García-Conde



Jorge Lluch Pauner



Jorge Quemada Sáenz-Badillos



Thomas Railhac



Anthony Frank Elliott Ball



Robert Sudo



Stefano Bosio



Josep Maria Echarri Torres



Meinrad Spenger



José Germán López Fernández



Miguel Juan Segura Martín



Tomas Kubica

**Remuneration of the Chairman of the Board**

From the date Lorca Telecom Bidco SAU took control in 2020 and considering the date on which control of Euskaltel Group was acquired in 2021:

ITEM	2021 (EURO)	Q4-20 (EURO)
Remuneration of the Chairman of the Board of Directors	186.000	46.500

Group companies in 2021 and 2020 (considering January 1 of the year of acquisition as the date of entry into the Group):

ITEM	2021 (EURO)	2020 (EURO)
Remuneration of the Chairman of the Board of Directors	186.000	186.000

The CEO and the General Manager are members of the Board of Directors of Lorca Telecom Bidco, S.A.U. and do not receive remuneration for holding these positions. However, as Group executives, they receive remuneration as such which, in aggregate, is as follows:

From the date Lorca Telecom Bidco SAU took control in 2020 and considering the date on which control of Euskaltel Group was acquired in 2021:

ITEM	2021 (EURO)	Q4-20 (EURO)
Fixed remuneration	700.000	87.500
Variable remuneration	397.750	-
Benefits-in-kind	40.494	4.321
Non-current securities portfolio	-	-
<b>Total</b>	<b>1.138.244</b>	<b>91.821</b>

Group companies in 2021 and 2020 (considering January 1 of the year of acquisition as the date of entry into the Group):

ITEM	2021 (EURO)	2020 (EURO)
Fixed remuneration	700.000	350.000
Variable remuneration	397.750	553.403
Benefits-in-kind	40.494	17.381
Non-current securities portfolio	-	47.373.441
<b>Total</b>	<b>1.138.244</b>	<b>48.294.225</b>

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



**EMPLOYEES WITH DISABILITIES**

EMPLOYEES WITH DISABILITIES	2021	2020
	5	3

The Group is sensitive to the integration of people with disabilities through direct hiring. The companies making up the Xtra Telecom, SAU, Bymovil Spain, SLU, Euskaltel, SAU and R Cable and Telecable Telecomunicaciones, SAU Group currently have a certificate of exceptional compliance with the General Disability Act (LGD). Despite taking actions aimed at directly hiring people with limited capacity, in Fy2021 a certificate of exceptional compliance was obtained for Xfera Móviles, SAU.

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

**PERCENTAGE OF EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS**

COLLECTIVE BARGAINING AGREEMENT	2021	2020
	100%	100%

**SOCIAL DIALOG**

Social agents have a leading role within the team of professionals as spokespersons for collective needs. The Group maintains a fluid social dialog that is in line with the growth it has experienced in recent years. In 2021 voting processes were carried out at both Xfera Moviles and Lorca Telecom, as well as at Euskaltel and R Cable and Telecable Telecomunicaciones, regarding the creation and renewal, respectively, of the Workers' Committees that facilitate this dialog.

As a result of active negotiations held in 2021, a Digital Disconnection Protocol has been signed for the company R Cable and Telecable Telecomunicaciones, SAU.

The 3rd Euskaltel SA Collective Bargaining Agreement continues to apply to the Euskaltel workforce, although the negotiations that started in 2020 continue with the aim of reaching a new agreement.



**5.5.1 Talent development**

Through its various policies and internal regulations, the Group is committed to applying an adequate hiring program taking into consideration the personal and professional academic merits of candidates and the needs of the Group.

Below is a summary of the various initiatives that have been carried out with the aim of retaining the best talent within the Group (committed to the company and professional development, motivated, and aligned with the Group's transformational vision):

**1. Agility:** we continue to support the use of agility methodologies throughout the organization, from the establishment of strategic objectives to the day-to-day management of teams.

- **Partnering with Agility Coaches:** we have implemented a partnering process called DIAS (Discovery, Immersion, Accompanying, Monitoring). The Agility Coaches help teams review their way of working, optimize their day-to-day, change the way they interact with each other and with third parties, adopt best practices and integrate into the Group's Agility rating.
- **Work visibility:** we are committed to tools that make work visible, such as JIRA, making it easier to coordinate with other teams and order work, spending less time on reporting.
- **Teams focused on end-to-end processes:** we have created transversal teams with people from systems, networks, operations and business, focused on introducing new products and continuously improving processes related to the customer experience. We thus focus on the customer experience throughout its life cycle.

**2. Talent attraction and selection:** all vacancies are published internally. All interested employees are interviewed, given feedback and internal movement is prioritized versus external candidates. In addition, in cases where there is a gap, support is given for consolidation in the position.

- **Recruitment of young talent:** we hire students and recent graduates on a recurring basis, under a training plan and with support. The format with a 100% post-internship hiring rate is the University Chair: research projects linked to innovation and technology. The Group currently has 4 active chairs (Carlos III, UPM, University of Coruña and Vigo, University of Oviedo). In addition, we are in the process of opening new chairs and collaborating with different masters degrees, such as in cybersecurity at the University of the Basque Country.
- **Internal selection area:** selection activities are carried out internally, ensuring diversity, transparency in the process and proximity to the candidates.



**3. Talent Review (MASvalor):** we continuously measure the contribution of our collaborators

- **WHAT: management by OKRs.** Over the past year, we have evolved the OKRs model, eliminating the individual dimension and focusing efforts on team performance (tribes and squads). They provide alignment and visibility with the strategy. These results are linked to variable remuneration.
- **HOW: 360 evaluation.** Over the past year, we have evolved competencies/values to a model based on habits, where the entire professional ecosystem assesses the frequency with which key habits for the group are appreciated. Digital knowledge/functions are valued.
- **Identification of potential:** Type of professional career and supporting attributes. We distinguish between career specialization, versatility and balance. Through this exercise, we ensure that subsequent development actions are aimed at obtaining the maximum potential from each collaborator.
- **Talent map:** with the information obtained from the evaluation process (what, how and where), we hold *bottom-up talent committees*. The evaluations are shared and the final talent photo is agreed.
- **FEEDBACK:** last year we emphasized building a robust feedback model, which includes formal (after the talent review process) and informal/multidirectional feedback channels between managers and employees, and even group feedback events. For the latter we count on the outreach and support of the internal team of *agility coaches*.



**4. MAScarrera:** is the framework through which the development model is supported. It is transparent and it identifies the career paths for each professional profile. After the talent review process, and once the talent map has been agreed upon, the conclusions regarding MAScarrera are presented. As a novelty, this year we have introduced discussions of movements in the talent committees.

- **Horizontal, vertical or diagonal movement in MAScarrera:** taking into account performance, potential and organizational evidence based on the contribution and complexity of the position.
- **Development actions:** based on the criticality of the position, the gaps identified in the talent review process and positioning within the talent map and in MAScarrera. All development action begins with a self-awareness exercise intended to delve into strengths and areas of improvement for professionals. Professionals receive personalized feedback and are made the owners of their development plan.
- **Salary review and other remuneration elements in the short, medium and long term.**

**5.5.2 Work/cultural climate survey**

In 2021, the Employee Journey has been consolidated, which has led to the improvement of many aspects at the company beyond the specific requests collected by Happyforce. This information has allowed us to take the pulse of employee feelings and determine what is given importance at all times in order to improve their experience. In addition, it allows those responsible for the areas to know the aggregate results in real-time in order to initiate improvement actions.

We have implemented the Happyforce tool at all the companies that make up the MASMOVIL Group, thus increasing its use and the participation of all the people in the various group headquarters. We have gone one step further by using the tool to assess and recognize the 4 employees who best represent the company's values: customer focus, positive attitude, simplicity and sustainability. Customer focus, positive attitude, simplicity and sustainability.

With Happyforce, we take the daily pulse of employees to create the Happiness Index which is a number that allows us to understand the level of employee satisfaction and motivation.

The score obtained in 2021 has been positive, since on a scale of 0 to 100, the Group has achieved an annual average of 66, based on 97% participation on average.



**Happiness Index:**

Del 01 de Ene. 2021 a 20 Dic. 2021



Looking at the comparison, we are well on the way to improvement as we are among the top 50% of companies in the Happy Index.

The eNPS (Employee Net Promoter Score) is also measured quarterly and it is an indicator that measures the level of employee satisfaction within the company, and therefore, the probability of recommending it as a good place to work to family, friends or acquaintances.

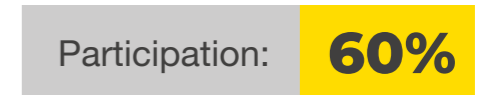
On a scale between -100 and 100, the value obtained was 32.2 points, which is a good result. This information helps us to continue reinforcing the actions carried out so far and to continue improving with the feedback that employees give us.

In summary, our employees are committed and motivated, although there is also a desire to continue with the improvements to expand growth.

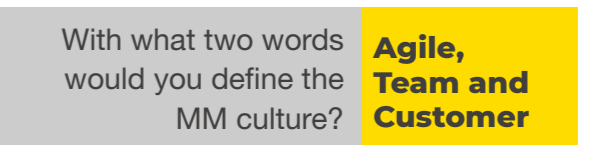
At the end of 2021 we have 1,668 active employees, which represents 96% of the workforce and more than 30 improvement actions were carried out.

On 23 November 2021, a Culture Survey was carried out with all MASMOVIL Group employees.

The results obtained in this area were as follows:



The answers to the following questions were:





**SORT THE 4 VALUES BY PRIORITY:**

LOOKING TOWARDS CUSTOMERS



827 voted that it is the 1st priority

POSITIVE ATTITUDE



327 voted that it is the 2nd priority

SIMPLICITY



214 voted that it is the 3rd priority

SUSTAINABILITY



137 voted that it is the 4th priority

**TO WHAT DEGREE DO YOU PERCEIVE EACH OF THE BEHAVIORS BEING EXPERIENCED?**

LOOKING TOWARDS CUSTOMERS



POSITIVE ATTITUDE



SUSTAINABILITY



SIMPLICITY



LOOKING TOWARDS CUSTOMERS



Innovamos para crearles beneficios tangibles y de calidad...  
Identificamos rápidamente cualquier necesidad...  
Les cuidamos y les evitamos problemas

POSITIVE ATTITUDE



Disfrutamos trabajando, aprendiendo de los...  
Nos atrevemos a hacer las cosas de forma diferente...  
Sonreimos y trabajamos con entusiasmo y honores...

SUSTAINABILITY



Somos pragmáticos y rápidos  
Buscamos soluciones sencillas  
Evitamos burocracias innecesarias

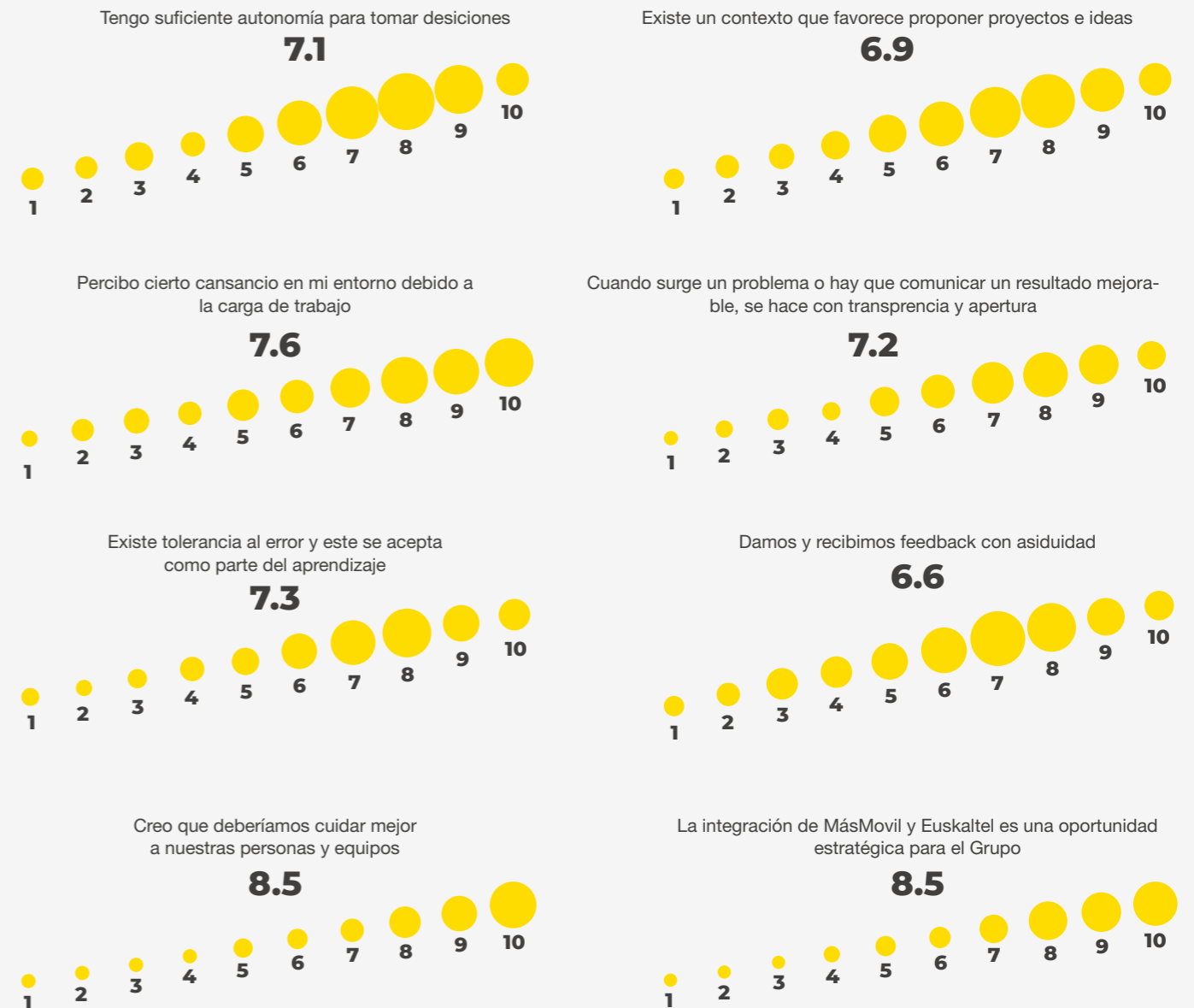
SIMPLICITY



Priorizamos el valor a largo plazo por el...  
Cuidamos de nuestro entorno y...  
Buscamos un impacto positivo en...

**CULTURAL INTEGRATION PROJECT - SURVEY RESULTS**

**7.4**



**WHAT LEADERSHIP COMPETENCIES DO YOU THINK ARE PARTICULARLY RELEVANT AT THIS TIME?**

Gestión de conflictos Gestión emocional y resiliencia  
Gestionar equipos en la distancia  
Cuidado de los equipos: conocer y reconocer  
Autoconocimiento  
Comunicación, escucha y empatía  
Delegación y confianza Dar y recibir feedback  
Visión estratégica  
Capacidad de transformar(se)  
Saber integrar la diversidad

### 5.5.3 Management of diversity and equal opportunities

We frame the development of labor relations based on equal opportunities, non-discrimination and respect for diversity within our strategic objectives.

We formalize this commitment through our Equal Opportunities Policy, approved by the Group's Board of Directors in order to establish the basic action principles to generate a favorable work environment that facilitates the reconciliation of the personal and working lives of our professionals and, in particular, effective equality between women and men.

As a result of this commitment, in 2020 the equality plans of Euskaltel and R Cable and Telecable Telecomunicaciones were signed after negotiations with employees within the framework of the Equality Committee. These documents constitute our action guidelines to ensure the absence of direct or indirect discrimination in procedures, tools and actions related to the company's various management processes.

These equality plans have been added to those already mentioned above with respect to Xfera Móviles, SAU and Lorca Telecom Bidco, SAU



### COMPREHENSIVE TALENT DIVERSITY PLAN

MASMOVIL Group's Comprehensive Talent Diversity Plan, as it relates to the Strategic Plan and the Group's commitment to a sustainability model focused on people, the environment and good corporate governance, consists of systematically reflecting on the commitment of the parties at the Group that are responsible for Diversity, both inside and outside their organization.

MASMOVIL Group intends to use this plan to become an internal and external benchmark in the fight against discrimination that people may suffer due to their gender, functional diversity, age, religion, culture, ethnicity, identity, place of origin, etc., with the conviction that non-discrimination and co-responsibility in family and social obligations allow for the valuation and optimization of the potential and possibilities of all the people who, in one way or another, are impacted by MASMOVIL Group, thereby improving their quality of life and increasing their satisfaction with the Company.

This Plan seeks to guarantee equal opportunities and non-discrimination for all company employees, encourage the creation of a diverse workforce based on the identification of talent and the elimination of existing barriers, as well as the promotion of diversity beyond the limits of the organization, in line with its role as a social agent and in collaboration with its suppliers and other public and private entities.

MASMOVIL Group's Diversity Plan has been designed taking into account that diversity:

- Is an integral part of its business strategy and aligned with all the Group's policies.
- It is driven by the Group's Board of Directors and senior management and will involve the entire workforce.
- It incorporates social innovation as a central element of the policy and it is a hallmark of its employees.
- It has an impact on the Group's workforce, on customers, on partners, on society and, especially, on people.

The main guiding principles of MASMOVIL Group's diversity strategy can be summarized in the following points:

- Diversity is a transversal and fundamental element of MASMOVIL Group's strategy.
- Diversity is considered a positive value within the Group that should be promoted since it contributes to its success and its positioning.
- Social innovation is included in diversity management as a key element to achieve a true social impact within the Group and throughout society.
- Recognition and identification of talent in people regardless of their diversity and any derivative conditions.
- Diversity in all the Group's professional profiles will be guaranteed as a fundamental aspect to promote creativity, innovation and the effectiveness of the organization.
- The entire Group's workforce can participate in the design, management and evaluation of diversity through the communications channels established for this purpose.
- The continuous improvement of diversity management will be carried out through successive evaluations and the control of indicators.







The Diversity Plan establishes the general and operational objectives that will govern the diversity policy of MASMOVIL Group over the coming 4 years (June 2021- June 2025). To meet these objectives, MASMOVIL Group will carry out a specific annual action plan that will define the particular actions to be carried out.

**ONE OF TWO**

According to the II Study of the Spanish Advertising Population, carried out by the Club de Creativos and the APG (Account Planning Group), women represent 51.5% of the base of the creative pyramid, but only 22% reach management positions, a figure that has barely moved since 2011. One of Two is an initiative of More Creative Women and the Creative Club that seeks to unite the commercial communications sector, brands and companies, associations, universities and the media, to promote female creative talent in executive positions and achieve an average of one out of every two creative directors in 2030.

Since we are aware of the social and cultural impact that the advertising industry has on society, MASMOVIL Group is committed to this initiative through the Yoigo brand.

Our goal is to work on developing from within the sector, with the responsibility that brands have, promoting the diversity of profiles to enrich and provide a broader perspective to the stories we tell and the representation of society that we reflect. In addition to promoting equal opportunities, in which we believe, and eliminating the existing salary gap.



Among other things, we are committed to encouraging more campaigns for our brands to be led by female creative directors, so that they progressively reach the ratio of one of two. We also aspire to encourage tenders involving presence of female creative directors responsible for the teams assigned by the participating agencies, with the hope that by 2030 one out of every two agencies will have women in these positions. This will also involve acting as promoters and communicators of the initiative, both externally and internally.

**5.5.4 Well-being and health of our team**

The health and safety of all the employees that make up the Group forms part of all our daily actions and decisions that concern the Group and, therefore, since 2018 the Group has had an Occupational Risk Prevention Management System. As indicated in that Management System, the Group has set up a Joint Prevention Service as an organizational feature, which is integrated into the Human Resources area. This preventive organization has been audited by an external entity, obtaining the corresponding certification that is valid until January 2024.

The ISO45001 Certification has been obtained by the companies Euskaltel and R Cable and Telecable Telecomunicaciones with respect to the Safety and Health Management System.

In addition, the Group has 5 Health and Safety Committees at the main headquarters (Asturias, Galicia, the Basque Country and two in Madrid). These committees are made up of both company and employee representatives, and they monitor, coordinate and discuss all aspects relating to employee health and safety.

**ABSENTEEISM HOURS, NUMBER OF OCCUPATIONAL ACCIDENTS, INDICATING THEIR FREQUENCY AND SEVERITY**

From the date Lorca Telecom Bidco SAU took control in 2020 and considering the date on which control of Euskaltel Group was acquired in 2021:

	2021	Q4-20
Absenteeism hours	51.107	9.108
Absenteeism rate (*)	0.93	1.17

(\*) Expresses the number of days lost using the average workforce (calendar days from leave to return, both inclusive) every 100 working days.

ACCIDENTS	2021	Q4-20
Women	1	1
Men	3	-
FREQUENCY RATIO	2021	Q4-20
Women	0.10	6.40
Men	0.18	-
SEVERITY RATIO	2021	Q4-20
Women	0.06	0.11
Men	0.06	-
OCCUPATIONAL ILLNESS	2021	Q4-20
Women	-	-
Men	-	-

Group companies in 2021 and 2020 (considering January 1 of the year of acquisition as the date of entry into the Group):

	2021	2020
<b>Absenteeism hours</b>	69.508	29.568
<b>Absenteeism rate (*)</b>	1.27	1.05

(\*) Expresses the number of days lost using the average workforce (calendar days from leave to return, both inclusive) every 100 working days.

<b>ACCIDENTS</b>	2021	2020
Women	1	1
Men	3	-
<b>FREQUENCY RATIO</b>	2021	2020
Women	0.08	1.73
Men	0.15	-
<b>SEVERITY RATIO</b>	2021	2020
Women	0.05	0.029
Men	0.05	-
<b>OCCUPATIONAL ILLNESS</b>	2021	2020
Women	-	-
Men	-	-



## HEALTH CARE AND PROMOTION

In addition to the legally required activities, the Joint Prevention Service has directed its actions towards employee well-being. Evidence of this are the joint efforts with other areas of the company (Employee Experience, Communications and Corporate Social Responsibility) to launch various initiatives for the benefit of employees, which will be framed within the Corporate Wellness Plan and are internal initiatives to improve both health and well-being and Group employee satisfaction:



Telemedicine service.



Performance of Occupational Medical Examinations. They have been carried out in the Medical Service facilities at the headquarters, providing great comfort and flexibility to the employee, which has led to a significant increase in acceptance compared to prior campaigns.



Exceptionally, in 2021 employees were able to be vaccinated against the flu, due to the possible combined effects of a double infection with the Sars-COV-2 virus. The campaign was widely accepted (35% of the workforce).



In-house physiotherapy service twice a week (reactivated in 2021, after the temporary suspension due to the Covid-19 pandemic).



Distribution of fresh fruit to the various locations (reactivated in 2021, after the temporary suspension due to the Covid-19 pandemic).



Agreements have been signed with gyms that are located close to the Group's headquarters.



Promotion of tournaments and sports activities of a corporate and collective nature.



## Medidas de seguridad y salud LAVADO DE MANOS CON AGUA



Mójate las manos con agua. Utiliza la cantidad suficiente de jabón. Frótate bien de las n...



Frótate el dorso de los dedos. Lava los pulgares con un movimiento de rotación. Igualmente de los c...

#EsteVirusloPrevenimosUnidos y jabón o gel hidroalcohólico.



Sécate las manos con papel desechable y cierra el grifo con él antes de tirarlo. Mantén la puerta abierta, siempre que sea posible para asegurar la renovación de aire.

#EsteVirusloPrevenimosUnidos GRUPO MASMOVIL Servicio de Prevención

## Medidas de seguridad y salud SALA DE REUNIONES



Evita aglomeraciones. Entra y sal de forma escalonada. Mantén la distancia mínima si no usas mascarilla. Evita tocarte la cara especialmente los ojos, la nariz y la boca.



Lávate las manos al entrar y salir de las instalaciones, con agua y jabón o gel hidroalcohólico. Deja la puerta abierta una vez terminada la reunión para asegurar la renovación de aire.

#EsteVirusloPrevenimosUnidos GRUPO MASMOVIL Servicio de Prevención

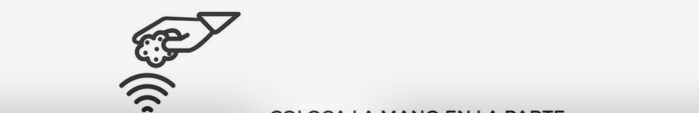
## Medidas de seguridad y salud USO DEL ASCENSOR



Evita aglomeraciones. Entra y sal de forma escalonada. Evita tocarte la cara especialmente los ojos, la nariz y la boca. Sécate las manos con papel desechable y cierra el grifo con él antes de tirarlo.

#EsteVirusloPrevenimosUnidos GRUPO MASMOVIL Servicio de Prevención

## Medidas de seguridad y salud PAPELERAS AUTOMÁTICAS



COLOCA LA MANO EN LA PARTE SUPERIOR SIN TOCAR LA PAPERERA. ABRA LA TAPA Y TOMA LOS GUANTES Y EL PAPEL.



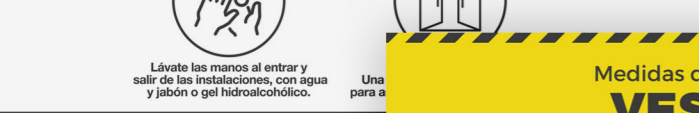
Es obligatorio el uso de mascarilla dentro del ascensor.



Es obligatorio el uso de mascarilla dentro del ascensor.



Es obligatorio el uso de mascarilla dentro del ascensor.



Es obligatorio el uso de mascarilla dentro del ascensor.



Es obligatorio el uso de mascarilla dentro del ascensor.



Es obligatorio el uso de mascarilla dentro del ascensor.

## Medidas de seguridad y salud LAVADO DE MANOS CON GEL



Utiliza la cantidad suficiente de jabón. Frótate bien las palmas. No te olvides del dorso de ambas manos. Presta atención al espacio entre los dedos.



Lava los pulgares con un movimiento de rotación. Igualmente la punta de los dedos.

#EsteVirusloPrevenimosUnidos GRUPO MASMOVIL Servicio de Prevención

## Medidas de seguridad y salud PUESTO DE TRABAJO



Uso obligatorio de mascarilla. Evita tocarte la cara especialmente los ojos, la nariz y la boca. Evita tocar o compartir tus equipos o material de oficina.



Lávate las manos al entrar y salir de las instalaciones, con agua y jabón o gel hidroalcohólico. Practicar buenos hábitos de higiene respiratoria.

GRUPO MASMOVIL Servicio de Prevención

Se recomienda su uso para todo el personal expuesto a personas infectadas o posiblemente infectadas (personal sanitario, socio-sanitario).

Una mascarilla NO proporciona por sí sola suficiente protección, por lo que se deben tomar otras precauciones (higiene de manos y otras medidas de prevención).

Se recomienda su uso para todo el personal expuesto a personas infectadas o posiblemente infectadas (personal sanitario, socio-sanitario).

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Se recomienda su uso para todo el personal expuesto a personas infectadas o posiblemente infectadas (personal sanitario, socio-sanitario).

## Medidas de seguridad y salud ASCARILLAS



Mascarillas quirúrgicas

Evitan la transmisión de agentes infecciosos a terceros, pero no son efectivas para prevenir contagios.

Se recomienda su uso si tienes síntomas de COVID-19 y en situaciones de alta concentración de personas.

Se recomienda su uso para todo el personal expuesto a personas infectadas o posiblemente infectadas (personal sanitario, socio-sanitario).

Se recomienda su uso para todo el personal expuesto a personas infectadas o posiblemente infectadas (personal sanitario, socio-sanitario).

Se recomienda su uso para todo el personal expuesto a personas infectadas o posiblemente infectadas (personal sanitario, socio-sanitario).

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Se recomienda su uso para todo el personal expuesto a personas infectadas o posiblemente infectadas (personal sanitario, socio-sanitario).

## ACTION PLAN AGAINST THE COVID-19 PANDEMIC

Since the beginning of the pandemic, MASMOVIL Group has maintained a level of security and protection against contagion that has allowed its employees to work face-to-face (within the mixed remote/face-to-face working system). In summary, the actions that have been maintained in 2021 given the Covid-19 pandemic have been:

The performance of Covid-19 detection tests, with weekly campaigns or every 2 weeks (depending on the incidence level in the population).

Private transport service to travel to/from the workplace, to avoid the use of public transport.

Continuous information provided to employees on the evolution of the pandemic, and the guidelines to follow, based on updates from the health authorities.

Maintenance of measures at work centers (social distancing, signage, temperature measurement, supply of hygienic and protection products, reinforcement of cleaning service, occupancy limitations, limitations on activities and group events, etc.).

Continuous monitoring of cases of contagion, close contacts, and preventive quarantines, with reports provided to the Executive Committee.



Recurring and constant supply of hygienic and protection material to employees both at headquarters and delivery to sales staff.

### 5.5.5 Training

In line with the provisions of the Human Resources and Labor Relations Policy approved by the Board of Directors, the Group's strategy in the Training and Development area focuses on promoting and facilitating a self-managed and autonomous ecosystem when it comes to acquiring and sharing knowledge and when taking steps relating to personal and professional development.

To meet this challenge, training plans and initiatives continue to be designed based on an analysis and identification of needs by the Group's areas, in line with its overall strategy.

The training formats cover both face-to-face training from September 2021, as well as online, streaming or virtual training. Furthermore, during 2021 we continued to have our LMS (Learning Management System) and new platforms for languages and technical knowledge.

The following training and development objectives have been sought:

- Reinforce and promote internal training, carrying out between one and two training sessions per month from January to June and one per month from September to November.
- Provide a tool for technical knowledge, technical communities and testing of technical certifications to the roles within MAScarrera, to which it applies (mostly in the systems area): **Pluralsight**.
- Design and implement training actions for small groups and even individual contributors, responding to the needs of the business and people.
- We continue to focus on the commercial excellence of our channel professionals: Exclusive Channel Supervisors, Managers of non-Exclusive Channel points of sale, Trade Marketing groups in all channels and, finally, managers of the Soho channel.

Based on the MAScarrera career development architecture and the identification of Key Talent groups carried out by the Talent and Organization Department, we launched the first two transversal development initiatives: a mentoring program in which all the people identified in one of the four Key Talent groups of both Euskaltel Group and MASMOVIL Group are involved and participate; and two development centers for the groups identified as future leaders of the company, one for Euskaltel Group and the other for MASMOVIL Group.

We also launched the MASMOVIL Leadership & Innovation Program (MLIP) developed on an ad hoc basis with a business school for the 60 occupants of critical positions within MASMOVIL Group. The first edition was held in 2021 and the second will take place in 2022. The objective of this program is to supplement the strengths of this group and cover gaps in terms of strategic vision and people development detected within this group in 2019-2020.

During 2021 the focus was placed on several lines of training at Euskaltel Group:

- In the skills area, we have developed new content on the online training platform, FIT Learning.
- We have continued to accompany our sales team with actions such as customer engagement and loyalty, social selling through LinkedIn and large account negotiations and persuasive writing.
- To develop the Customer Centric approach, some actions have been implemented such as CEX, Neuromarketing and the development of our Contact Center solution Odigo.
- Technical training occupies an important chapter in the training plan to enhance our technological capacity. In this section we have focused training on visualization and public cloud solutions, Routing & Switching protocols and specific technologies such as WMMWare, Microsoft Azure or Fortinet with solutions such as SD-WAN.
- Other training has also been carried out in the IT area (architecture and Big Data tools), training on digital tools within the Office 365 ecosystem, on Digital Marketing, language training and on Project Management and agility methodologies.

A total of 25,515 hours of training were given in 2021, supplemented by two transversal awareness programs for the entire company: Cybersecurity and Compliance.





## TRAINING HOURS BY GENDER AND PROFESSIONAL CATEGORY

From the date Lorca Telecom Bidco SAU took control in 2020 and considering the date on which control of Euskaltel Group was acquired in 2021:

TRAINING HOURS	2021	Q4-20
Executives	1.767	124
Technicians	8.302	2.190
Administrative staff	7.683	131
Other employees	7.763	1.150
<b>Total</b>	<b>25.515</b>	<b>3.595</b>

AVERAGE HOURS OF TRAINING BY GENDER	2021	Q4-20
Women	14.83	3.04
Men	12.84	3.26

Group companies in 2021 and 2020 (considering January 1 of the year of acquisition as the date of entry into the Group):

TRAINING HOURS	2021	2020
Executives	2.498	1.482
Technicians	12.041	8.743
Administrative staff	9.351	817
Other employees	14.663	8.209
<b>Total</b>	<b>38.553</b>	<b>19.251</b>

AVERAGE HOURS OF TRAINING BY GENDER	2021	2020
Women	23.13	15.59
Men	18.96	15.74



## 5.6 Business ethics

### 5.6.1 Criminal and anti-bribery risk management model

The Group's corporate values are honesty, integrity and regulatory compliance. For this reason, it maintains a firm commitment to the fight against corruption and bribery, which resulted in the approval by the Board of Directors on 27 February 2020 of a new version of the Group's Code of Ethics, originally approved on 22 May 2017, which is a fundamental standard of the Company and its subsidiaries. It contains the values and principles that must guide the behavior of all those who make up the Group.

Campaigns have been carried out through the Human Resources Area to adhere to the Code of Ethics, which has been signed by all Group employees, including new hires who receive it as part of the onboarding package, and must return a signed copy that it is kept on file.

All employees have a confidential ethical channel at their disposal, through which all questions received have been evaluated and answered.

Throughout 2021 there have been no complaints or reported cases of corruption or bribery at the Group.

The policies and procedures implemented by the Group to fight against corruption and bribery, in addition to the Code of Ethics already mentioned, are the code of ethics for suppliers, the policy for the prevention of crimes, against fraud and corruption, the policy on the acceptance and delivery of gifts and invitations, the money laundering prevention policy, the action protocol with public administrations and political parties and the criminal risk prevention manual, all of which have been approved by the Board of Directors.

The Supplier Code of Ethics includes a specific section on requirements to combat against corruption and bribery that establishes that the supplier undertakes to follow several of the premises set out in the Crime Prevention Policy, against fraud and corruption at the Group.





The Group also has various internal rules that regulate various matters such as the Procedure for conflicts of interest and related-party transactions with directors, significant shareholders and senior management at the Group and rules for the treatment of restricted information.

The Group has developed a crime prevention plan where effective controls have been implemented and possible infractions have been defined, as well as a crime prevention manual. In direct relation to the above, and in accordance with the Regulations of the Board of Directors, “*under the supervision of the Board of Directors there will be an internal regulatory compliance function exercised by an internal unit or department of the Company*” and in this connection, The *Compliance Officer* reports directly to the Board of Directors on a regular basis regarding the degree of compliance by the internal regulatory compliance function. In relation to this, and in compliance with the provisions of the Group’s governance regulations, the Group’s *Compliance Officer* promotes a culture of regulatory compliance, transparency, ethics and internal control in all areas, counting on the commitment of the senior management, and promotes the effective supervision of the Group’s non-financial risks, emphasizing the prevention of criminal risks.

On 27 February 2020, the Board of Directors approved the *Compliance Officer Statute and operation of the Ethics Channel*, which regulates the position of the Group’s *Compliance Officer*, the officer’s functions and the procedures that must be followed when exercising them, thereby guaranteeing the necessary autonomy of the function of supervising the operation and compliance with the Group’s Criminal Risk Organization and Management Model.





In accordance with the provisions of the Regulations of the Board of Directors, the *Compliance Officer* must inform the Audit and Control Committee in cases where notification is received regarding any irregularity of potential importance, especially of a financial and accounting nature 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 Board of Directors' commitment to the fight against fraud and corruption and crime prevention, in 2019 the Board approved the verification of the Group's organization and control of criminal risks model by an independent external expert that ended in February 2020 with the issue of a report that concluded that the model complies with the general requirements established by law and is effective from the point of view of criminal law.

Furthermore, in compliance with the review, monitoring and verification obligations established in MASMOVIL Group's Criminal Risk Prevention Manual, which establishes the regular review and updating of the criminal risks identified and the associated prevention controls, in November 2021, a review and update of the Group's Criminal Risk Analysis was carried out, taking into consideration the changes that have occurred both in its corporate structure and in the business activities that are being carried out.

Euskaltel Group, acquired in 2021, has implemented a Criminal Risk Management System and an Anti-bribery Management System, certified by AENOR under the UNE19601 and ISO37001 standards, respectively, and this certification is expected to be extended to the entire MASMOVIL Group over the coming months.

On an annual basis Internal Audit issues a report containing a review of the Group's Criminal Risk Prevention System.



**5.6.2 Respect for Human Rights**

Given that the activities of MASMOVIL Group are limited to Spain, issues related to respect for human rights do not constitute a material issue for the Group. In the European Union, both the abolition of forced or child labor, as well as respect for freedom of association, are strongly monitored and guaranteed. These issues are therefore limited to the proper management of employees and the guarantee of compliance with their fundamental rights.

However, the Group wished to go further in matters related to respect for human rights and on 27 February 2018 it approved a specific policy for the formalization of its commitment to human and labor rights at the national and international level. It mentions the United Nations Global Compact (which the Group joined in 2020), which contains the guiding principles on business and human rights and the social policy of the ILO (International Labor Organization).

Although the Group's activities have a low impact in relation to human rights, it is aware of the importance of protecting its employees and the social impact. For this reason, the Corporate Social Responsibility Policy, approved by the Board of Directors on 30 June 2017, expressly mentions the protection of the fundamental rights of workers and it is constantly reviewed by the Group's *Compliance Officer*.



The Group maintains its commitment to carry out appropriate management with respect to its employees and guarantees compliance with their fundamental rights, eliminating any type of discrimination at work through the different internal procedures and the Group's Code of Ethics and through mandatory compliance with the Code of Ethics for Suppliers. Respect for human rights recognized in national legislation and compliance with international standards is required at all times.

The Group expresses its rejection of child labor and forced labor, committing itself to respect the freedom of association and collective bargaining, as well as to implement due diligence procedures to identify risks in this area and to verify those procedures.

MASMOVIL Group is not aware of any inappropriate behavior or complaints that violate human rights, or cases or complaints related to any type of discrimination.



### ABOUT THIS REPORT

This report includes the main results of the activities carried out by Grupo Lorca Telecom Bidco, S.A.U. and subsidiaries (“Group”, “The Company” or “MASMOVIL Group”) in terms of sustainability during 2021, covering the period between 1 January and 31 December.

Its scope covers information regarding Lorca Telecom Bidco, SAU and the subsidiaries listed in Annex I.

This report reflects the Group's business model, our relationship with stakeholders, risk management and the analysis of the positive impacts and contributions of our operation, with respect to economic, social and environmental matters. When preparing this report we relied on the financial and non-financial information reporting system implemented within the Group, as well as on the initiatives that we carry out in the geographical areas in which we engage in our businesses.

This annual reporting exercise results in the presentation of the actions and indicators implemented as contributions to the fulfillment of the Sustainable Development Goals (SDG) and their objectives, to which we also respond through our corporate commitment to the Ten (10) Principles of the UN Global Compact and the Agenda 2030 (United Nations).

### PREPARATION STANDARDS

In order to comply with Law 11/2018 (28 December), which amends the Commercial Code, the revised text of the Spanish Companies Act approved by Legislative Royal Decree 1/2010 (2 July), and Law 22/2015 (20 July) on Account Audits with respect to non-financial information and diversity (“Law”), the Company has decided to adapt the information in accordance with GRI standards. The provisions of the Global Reporting Initiative Standards (GRI Standards) have been taken into account as a reference for the preparation of this document.

This report forms part of the Directors Report for Grupo Lorca Telecom Bidco, SAU, and subsidiaries and it is therefore subject to the same approval, filing and publication standards as the Directors Report, in order to comply with the guidelines established by Law 11/2018.





## TABLE OF CONTENTS REQUIRED BY LAW

Contents	Response to indicator/Section	GRI content
<b>Business Model</b>		
Business model, organization, structure and business environment	1. Get to know us	GRI 102-2 GRI 102-7
Markets in which the Company operates	1. Get to know us	GRI 102-3 GRI 102-4 GRI 102-6
Organizational objectives and strategies	1. Get to know us	GRI 103 - 2
Main factors and trends affecting the future development of the organization	1. Get to know us	GRI 102-15
<b>General</b>		
Reporting framework	About this report	GRI 102-54
Materiality principle	2.3 Our stakeholders	GRI 102-46 GRI 102-47
<b>Sustainability model</b>		
Sustainability policies	2. Our commitment to sustainability	
Sustainability risks	5.2 Risk control and management systems	GRI 102-30
<b>Environmental information</b>		
Management approach: description and results of the policies related to these issues, as well as the main risks related to these matters linked to the group's activities	3. Environment	GRI 102-15 GRI 103-2
<b>General information</b>		
Effect of the company's activities on the environment and on health and safety, environmental assessment or certification procedures	3. Environment	GRI 102-15
Precautionary principle	3.1 Excellence in environmental management	GRI 102-11
Resources dedicated to environmental risk prevention	3.1 Excellence in environmental management	GRI 103-2
Provisions and guarantees for environmental risks	3.1 Excellence in environmental management	GRI 103-2
<b>Pollution</b>		
Measures to prevent, reduce or repair emissions that seriously affect the environment	3.4 Fight against climate change	GRI 103-2 GRI 305-7
Measures associated with light, noise and other pollution	Not material. Due to the nature of MASMOVIL Group's activity, there are no impacts in terms of light or noise pollution.	GRI 103-2

Contents	Response to indicator/Section	GRI content
<b>Circular economy and waste prevention and management</b>		
Measures to prevent, recycle, reuse and other ways to recover and eliminate waste	3.3 Circular economy and waste prevention and management	GRI 301-3 GRI 306-2
Actions to fight food waste	Due to the nature of MASMOVIL Group's activity, we do not consider food waste to be a material issue, so we do not implement corrective actions in this area.	GRI 103-2
<b>Consumption</b>		
Water: consumption and supply	3.2 Responsible consumption of natural resources	GRI 303-1
Raw materials: consumption and reduction measures	3.2 Responsible consumption of natural resources	GRI 301-1 GRI 301-3
Energy: consumption, energy efficiency measures	3.2 Responsible consumption of natural resources	GRI 302-1 GRI 302-3
<b>Climate Change</b>		
Greenhouse gas emissions	3.4 Fight against climate change	GRI 305-1 GRI 305-2 GRI 305-3
Climate change adaptation measures	3.4 Fight against climate change	GRI 103-2
Emission reduction goals	3.4 Fight against climate change	GRI 305-5
<b>Biodiversity</b>		
Preservation measures	3.2 Responsible consumption of natural resources	GRI 304-1 GRI 304-2 GRI 304-3
Impacts caused in protected areas		
<b>Social and employee information</b>		
Management approach: description and results of the policies related to these issues, as well as the main risks related to these matters linked to the group's activities	5.5 Our Team	GRI 102-15 GRI 103-2
<b>Employment</b>		
Total number and distribution of employees by gender, age country and professional category	5.5 Our Team	GRI 102-8 GRI 405-1
Total number and distribution of labor contract types	5.5 Our Team	GRI 102-8
Annual average of indefinite contracts, temporary contracts and part-time contracts, by gender, age and professional category	5.5 Our Team	GRI 102-8 GRI 405-1
Number of dismissals by gender, age and professional category	5.5 Our Team	GRI 401-1



## TABLE OF CONTENTS REQUIRED BY LAW

Contents	Response to indicator/Section	GRI content	Contents	Response to indicator/Section	GRI content
Average remuneration broken down by gender, age, professional category, or equivalent categorization	5.5 Our Team	GRI 103-2 GRI 405-2 regarding the remuneration for women compared to men by professional category	<b>Universal accessibility</b> Universal accessibility by disabled persons	5.5 Our Team 5.5.3 Management of diversity and equal opportunities	GRI 103-2
Salary gap, the remuneration of equal or average jobs at the company	5.5 Our Team	GRI 103-2 GRI 405-2 regarding the remuneration for women compared to men by professional category	<b>Equal opportunities</b> Measures adopted to promote equality, equality plans and non-discrimination policy and diversity management	5.5 Our Team 5.5.3 Management of diversity and equal opportunities	GRI 103-2
Average remuneration of directors and executives	5.5 Our Team	GRI 103-2	<b>Respect for Human Rights</b> Management approach: description and results of the policies related to these issues, as well as the main risks related to these matters linked to the group's activities	5.6.2 Respect for Human Rights	GRI 102-15 GRI 103-2
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Employees with disabilities	5.5 Our Team	GRI 405-1	Complaints for cases of human rights violations	5.6.2 Respect for Human Rights	GRI 103-2
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