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SUSTAINABILITY REPORT AND NON-FINANCIAL INFORMATION STATEMENT 2023

(Appendix to the Consolidated Directors' Report)

MASMOVIL[®]



KPMG Auditores, S.L.
Paseo de la Castellana, 259C
28046 Madrid

Independent Assurance Report on the Consolidated Non-Financial Information Statement of Lorca Telecom Bidco, S.L.U. and subsidiaries for 2023

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

To the Sole Shareholder of Lorca Telecom Bidco, S.L.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.L.U. (hereinafter the Parent) and subsidiaries (hereinafter the Group) for the year ended 31 December 2023, which forms part of the consolidated Directors' Report of the Group for 2023.

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

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 the selected Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards) based on each subject area in the "Table of contents required by Law 11/2018 and selected GRI indicators" of the aforementioned NFIS.

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 Management

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



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Our firm applies the International Standard on Quality Management (ISQM) 1, which requires us to design, implement and operate a system of quality management 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

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed. We conducted our 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 Group 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 Group'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 2023 based on the materiality analysis performed by the Group and described in the "Materiality analysis" section, considering the content required by prevailing mercantile legislation.
- Analysis of the processes for compiling and validating the data presented in the NFIS for 2023.
- Review of the information relative to the risks, policies and management approaches applied in relation to the material aspects presented in the NFIS for 2023.
- Corroboration, through sample testing, of the information relative to the content of the NFIS for 2023 and whether it has been adequately compiled based on data provided by the information sources.
- Procurement of a representation letter from the Directors and management.

Conclusion

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the NFIS of Lorca Telecom Bidco, S.L.U. and subsidiaries for



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

the year ended 31 December 2023 has not been prepared, in all material respects, in accordance with prevailing mercantile legislation and the selected GRI Standards based on each subject area in the “Table of contents required by Law 11/2018 and selected GRI indicators” of the aforementioned NFIS.

Use and Distribution

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

KPMG Auditores, S.L.

(Signed on original in Spanish)

Marta Contreras Hernández

15th March 2024

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1. Table of contents required by Law 11/2018 and selected GRI indicators

Contents	Response to indicator/Section	GRI content
Business model		
Business model, organization, structure, and corporate environment	4. Executive summary 5. About us 6.1 Corporate Governance Model	GRI 2-6 GRI 2-9 GRI 2-10 GRI 2-11
Markets in which the Company operates	4. Executive summary 5. About us	GRI 2-1 GRI 2-6
The goals and strategies of the organization	5. About us 7.1 Responsible management model 7.6 Sustainable Development Goals	GRI 2-1 GRI 2-22 GRI 2-23 GRI 2-24
Chief factors and trends that may affect the future evolution of the organization	3. Letter from the CEO 5. About us 6.2 Risk control and management systems	GRI 3-3 GRI 2-22 GRI 2-12 GRI 2-13 GRI 2-14 GRI 2-26
General		
Reporting framework	2. About this report	GRI 1
Materiality principle	7.4 Engaging with our stakeholders 7.5 Materiality analysis	GRI 2-29 GRI 3-1 GRI 3-2
Environmental information		
Management approach: description and results of the policies related to these issues, as well as the main risks related to these matters and linked to the Group's activities	8.1 Environmental management	GRI 3-3
General information		
Impact of the Company's activities on the environment and on health and safety, environmental assessment or certification procedures	8.1 Environmental management	GRI 3-3
Environmental assessment or certification procedures	8.1 Environmental management	GRI 3-3
Precautionary principle	8.7 Protecting biodiversity	GRI 2-23
Resources allocated to environmental risk prevention	8.1 Environmental management	GRI 3-3
Provisions and guarantees for environmental risks	8.1 Environmental management	GRI 3-3
Pollution		
Measures to prevent, reduce, or remedy emissions that seriously affect the environment	8.5 Pollution	GRI 3-3 GRI 305-7
Measures associated with light, noise, and other pollution	Not material. Due to the nature of the MASMOVIL Group's activities, there are no impacts in terms of light or noise pollution	GRI 3-1

Contents	Response to indicator/Section	GRI content
Circular economy and waste prevention and management		
Measures to prevent, recycle, reuse, and other ways to recover and dispose of, waste	4. Executive summary 8.3 Circular economy and waste prevention and management	GRI 3-3 GRI 306-1 GRI 306-2
Action to combat food waste	Due to the nature of the MASMOVIL Group's activities, we do not consider food waste to be a material issue. Therefore, we do not implement corrective actions in this area.	GRI 3-1
Sustainable use of resources		
Water: consumption and supply	4. Executive summary / 8.2 Responsible consumption and sustainable use of resources	GRI 3-3 GRI 303-5
Raw materials: consumption and reduction measures	No material	GRI 301-1 GRI 301-3
Energy: consumption, energy efficiency measures and use of renewable energy	4. Executive summary / 8.2 Responsible consumption and sustainable use of resources	GRI 3-3 GRI 302-1 GRI 302-3
Climate change		
Greenhouse gas emissions	4. Executive summary 8.4 Fighting climate change	GRI 305-1 GRI 305-2 GRI 305-3
Measures to adapt to climate change	8.4 Fighting climate change	GRI 3-3
Emission reduction goals	8.4 Fighting climate change	GRI 3-3 GRI 305-5
Biodiversity		
Preservation measures	8.7 Protecting biodiversity	GRI 2-23 GRI 3-3
Impacts caused in protected areas		GRI 304-1 GRI 304-2 GRI 304-3
Corporate and employee-related information		
Management approach: description and results of the policies related to these issues, as well as the main risks related to these matters and linked to the Group's activities	9.2 Workforce and remuneration	GRI 3-3
Employment		
Total number and distribution of employees by gender, age, country, and employee category	4. Executive summary 9.2 Workforce and remuneration	GRI 2-7 GRI 405-1
Total number and distribution of employment contracts	4. Executive summary 9.2 Workforce and remuneration	GRI 2-7
Annual average of indefinite-term contracts, temporary contracts, and part-time contracts, by gender, age, and employee category	9.2 Workforce and remuneration	GRI 2-7 GRI 405-1
Number of dismissals by gender, age, and employee category	9.2 Workforce and remuneration	GRI 3-3 GRI 401-1

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

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

Contents	Response to indicator/Section	GRI content
Society		
Management approach: description and results of the policies related to these issues, as well as the main risks related to these matters and linked to the Group's activities	11. Society	GRI 3-3
Local communities		
The impact of the Company's activities: employment, local development, local communities, and impact on the local area	11. Society	GRI 3-3 GRI 203-2
Dialog with the local community	11. Society	GRI 2-29
Association or sponsorship activities	11.3 Social development 11.5.3 Alliances with associations	GRI 2-28 GRI 3-3
Supply chain		
Inclusion in the purchasing policy of social, gender equality, and environmental issues	13.1 Supply chain management	GRI 3-3
Consideration of social and environmental responsibility in relationships with suppliers and subcontractors	13.1 Supply chain management	GRI 2-6 GRI 308-1 GRI 414-1
Supervision systems and audits and their results	13.1 Supply chain management	GRI 2-6
Consumers		
Measures for consumer health and safety	12. Customers	GRI 3-3
Systems for complaints, complaints received, and their resolution	12.5 Complaints	GRI 3-3
Taxation		
Profit before taxes obtained country by country	11.2.7 Economic value generated, distributed, and retained in 2023	GRI 3-3
Corporate income tax paid	11.2.7 Economic value generated, distributed, and retained in 2023	GRI 3-3 GRI 201-1
Subsidies received	11.2.7 Economic value generated, distributed, and retained in 2023	GRI 201-4





2. About this report

GRI-1

This report contains the key results of the activities carried out in 2023 by the Group consisting of Lorca Telecom Bidco, S.L.U., and its subsidiaries (the “**Group**”, the “**Company**”, “**MASMOVIL**” or the “**MASMOVIL Group**”) in connection with sustainability, covering the period between January 1 and December 31.

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

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

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

Preparation standards

The report has been prepared taking into account the reporting requirements laid down by Law 11/2018 (December 28) on non-financial and diversity information which amended the Commercial Code, the revised text of the Spanish Companies Act approved by Legislative Royal Decree 1/2010 (July 2), and Law 22/2015 (July 20) on account audits with respect to non-financial information and diversity (the “**Law**”). It also adheres to the standards of the Global

Reporting Initiative (the GRI Standards), according to the 2021 edition. In accordance with sustainability reporting standards, the Table of Contents identifies the content that responds to the GRI system. The Table of Contents Required by Law identifies the contents that satisfy such legal requirements.

Furthermore, and consistent with leading practices in the sector, as from 2023 an analysis was begun to meet other globally recognized reporting standards and systems. These included those of the Task Force on Climate-related Financial Disclosures (TCFD), which address the financial risks associated with climate change, and the standards of the Sustainability Accounting Standards Board (SASB), which are sector-specific standards that help identify, manage, and communicate to investors relevant sustainability information. The aim of the Group is to migrate towards fully adopting and basing its reports on these benchmark standards and frameworks.

This document also provides information, continuing our previous reporting, on our commitment and contribution to fulfilling the SDGs.

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



3. Letter from the CEO

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



The MASMOVIL Group aspires to generate a positive impact, to build a MORE and BETTER connected society

2023 was, once again, a very satisfactory year for the MASMOVIL Group, in which we continued to grow in a difficult environment, **focusing on sustainability, innovation, technological progress in Spain, and satisfying our customers, always at the heart of our business and our core purpose.**

After having become the first and only telco in Europe to be awarded the **B Corp Certification** and having achieved net zero CO2 emissions for Scopes 1 and 2 since 2020, the Group also managed to reach significant ESG milestones in 2023.

Our commitment to sustainability was reflected in the five satisfactory ESG ratings we attained in record time during 2023, confirming our strong resolve to generate a positive impact through our activities and positioning us as an ESG leader in our sector. **Sustainable Fitch** gave us the highest score of any telecommunications company in Europe, recognizing the MASMOVIL Group as one of the companies making the most progress in ESG initiatives. **Morningstar Sustainalytics** awarded MASMOVIL the classification of Low Risk in its report, with the fifth best score for a telecommunications company worldwide. This position makes us the top-ranked convergent telco with proprietary fixed and mobile infrastructure in Europe.

In the case of **Clarity AI**, we obtained a rating of 80 points, making us the leader among telecommunications operators in Spain. The prestigious global environmental organization **CDP** (Carbon Disclosure Project) awarded MASMOVIL a score of B for climate change management, recognizing the climate-related coordinated measures we have adopted. Lastly, in 2023 **S&P Global** improved the Group's ESG rating compared to the previous year.

This recognition of our efforts to be the Spanish telecommunications company with the greatest positive impact is the result of **our strong commitment in that regard, throughout all the areas of our business. Among these efforts, we can highlight** the CRETA project to boost sustainable mobility and reduce traffic emissions and our **artificial intelligence** initiatives, where we are also contributing to a better world through the innovative work we are going to develop at the new R&D and innovation hub the Group has launched in Bizkaia. In addition, we must not forget the impetus given by MASMOVIL to the economy of **rural regions**, in which we deployed 64% of our total fiber network rollout, as well as promoting schemes such as "Long Live Our Villages!" ("¡Que vivan los pueblos!") to accelerate startups based in different towns and villages in Spain.

“ *The Group's commitment to continue innovating and transforming society* ”

As regards **connectivity and coverage**, at MASMOVIL we continued our considerable investment efforts, increasing the number of serviceable households reached by our **fiber optic network** to over **29 million**, while our 5G services are accessible to nearly 80% of the Spanish population. Furthermore, we are already offering our customers the new **XGSPON technology, which enables greater fiber-optic speeds, and FTTR (Fiber to the Room), to ensure unbroken connectivity within the home, in our endeavor** to continue improving the user experience for our customers and maintain their status as the market's most satisfied customers.

Another new element for MASMOVIL was to measure the ESG impact we generated, to be able to quantify our total annual contribution to society. For this purpose, we engaged a prestigious consultancy company which follows Harvard's proven international methodology. The results highlighted the €7 billion generated per year in terms of positive contribution by MASMOVIL, about which we feel extremely proud.

At MASMOVIL, at the end of 2023 we concluded a year filled with actions that demonstrate the Group's resolve to continue innovating and transforming society, without losing sight of the need to protect our planet or our commitment to sustainability.

In 2024, MASMOVIL will reach a new milestone in its corporate history, as the European Commission has already approved the 50-50 joint venture with Orange Spain to create the largest telecommunications group in Spain by number of customers. This will represent a significant effort in integrating the two companies, in terms of ESG as well, which we will detail in our next Sustainability Report.

Meinrad Spenger
CEO of the MASMOVIL Group



4. Executive summary

4.1. Description of the MASMOVIL Group

GRI 2-6 / GRI 2-1

Who we are

We are a consolidated and established Spanish telecommunications operator. Our value proposition comprehensively meets the communication needs of people, institutions, and companies throughout Spain.

We specialize in the provision of telecommunication services (fixed telephony, mobile lines, broadband internet, and television) to both residential (individual and household) and business end users. We also focus on providing interconnection and roaming services to other operators, as well as trading services for wholesale customers and other services relating to our corporate purpose.

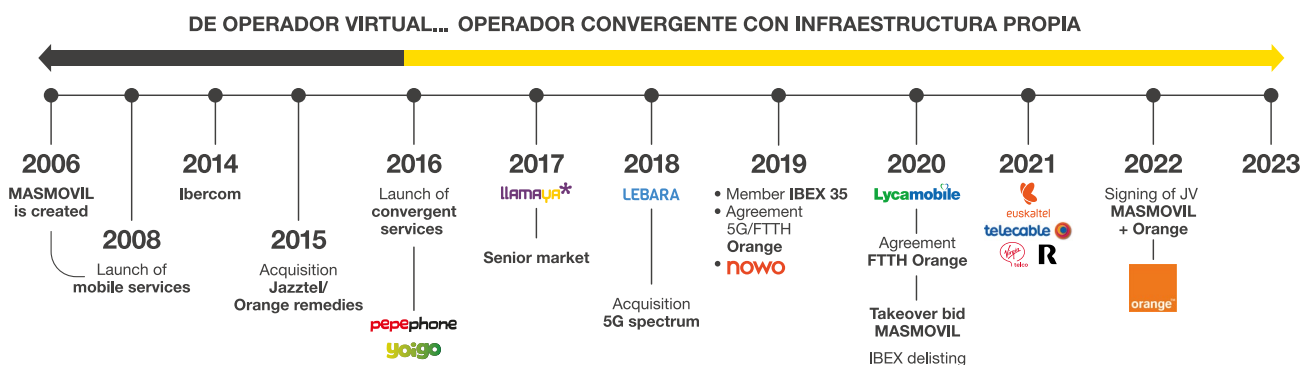
We provide our services through the following brands: Yoigo, MásMóvil, Pepephone, Embou, Hits Mobile, Llamaya, Lebara, Lycamobile, Guuk, Netllar, Populoos, Euskaltel, R, Telecable and Virgin telco.

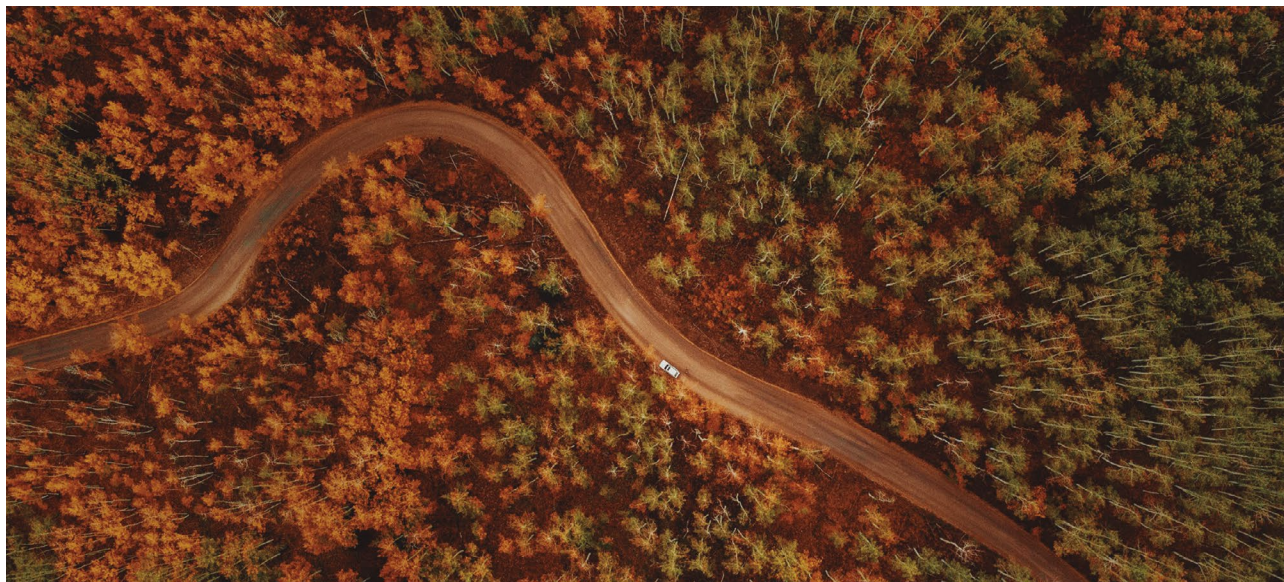
As of December 2023, MASMOVIL had 15.9 million customers, of which approximately 12.5 million were mobile customers and 3.4 million were customers of our broadband services. The Group has its own infrastructure and agreements with other operators that provide a fixed fiber network that reaches more than 29 million households and Asymmetric Digital Subscriber Lines (ADSL), as well as 3G, 4G, and 5G mobile services.

The MASMOVIL Group continues to work to anticipate the needs and demands of its customers. We are constantly improving our services and are one of the operators with the best coverage in Spain, reaching 98.5% of the population with our 4G network. Our 5G network already covers 77% of the Spanish population.

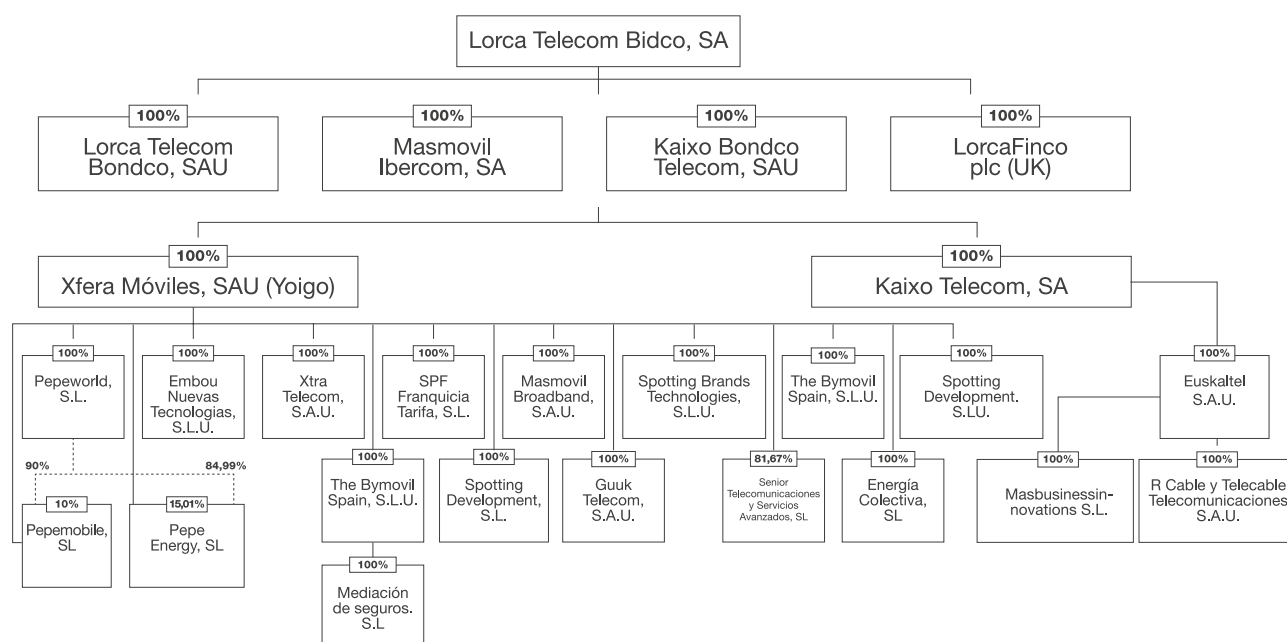
Our history at a glance

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





Lorca Telecom Bidco, S.L.U. is a Spanish private limited company (S.L.U., or *Sociedad Limitada Unipersonal*). It was incorporated on February 4, 2020, as a Spanish S.A. (*Sociedad Anónima*) that subsequently changed to S.L.U. (in 2023), with its registered office in Alcobendas, Madrid (Spain) and with the corporate purpose, among others, of holding ownership interests in other companies (holding company). It is the parent company in Spain of the MASMOVIL Group, the result of the mergers (over the period 2014-2021) between various telecommunications operators with sustained growth in their respective markets and business areas (the “**Group**”, “**MASMOVIL**”, or the “**MASMOVIL Group**”).



Key figures for the Group in 2023



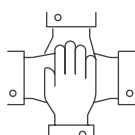
ENVIRONMENT

- Net zero CO₂ emissions (Scopes 1 + 2)
- 100% of electricity from certified renewable sources
- 35% of the equipment installed for new customers was refurbished



SOCIETY

- Around 2.7 million building units deployed in municipalities with a population of under 20,000 inhabitants
- €46,800 thousand contributed through corporate income tax and €3,310 thousand in contributions to the community



TEAM

- 1,851 people employed at the end of 2023
- 100% of the workforce with indefinite-term contracts at year-end 2023
- 49,664 training hours
- 40.9% of women on the workforce versus 40.5% in 2022



CUSTOMERS

- 15.9 million customers (12.5 million for mobile services and 3.4 million for fixed broadband)
- Fixed fiber optic network that reaches around 29 million households through our own or third-party infrastructure
- 98.5% coverage of the population through the 4G network
- 2,217 municipalities in 52 Spanish provinces in which we offer 5G services



CORPORATE GOVERNANCE

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

4.2. ESG Strategic Plan

Over the first half of 2022 we defined our strategic plan concerning Environmental, Social, and Governance (ESG) aspects, which was later updated and completed over 2023 ([view here](#)). This plan is committed to creating a positive long-term impact, generating value, and reducing risks, with a plan of action and specific short- and medium-term measures.

How we define and execute our ESG strategy

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

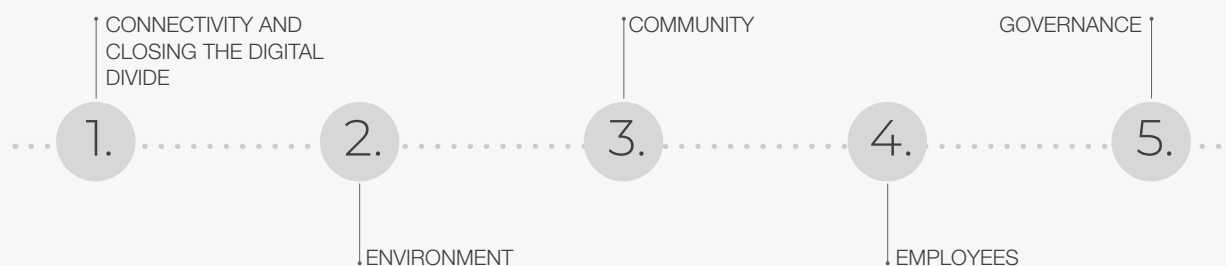
ESG Strategy Framework

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

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

The pillars supporting our strategy

We have structured our strategy around five key pillars, which are in line with the Sustainable Development Goals (SDGs) and the Global Compact of the United Nations (UN). These are:



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

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



Performance indicators (KPIs)

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

KPI backed ESG strategy

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

1	CONNECTIVITY & DIGITAL BREACH REDUCTION	Own network deployment in rural areas (below 8k and 20k population) providing high-quality broadband access
2	ENVIRONMENT & SUSTAINABILITY	CO ₂ emissions and consumption of electricity, fuel, water, paper, etc. Waste and recycling activities
3	LEADERSHIP & COMMUNITY WITH SUPPLIERS & CUSTOMERS	Code of conduct signed by suppliers, formal risk assessment in place, customer engagement score (NPS), etc.
4	EMPLOYEE ENGAGEMENT, EQUALITY & DIVERSITY	Voluntary and involuntary turnover, absenteeism rate, accidents and work days lost, performance review coverage, employee engagement score (eNPS), training hours, etc. Diversity plan and targets, percentage of female employees and directors, percentage of independent directors, gender pay gap, employees and nationality, etc.
5	GOVERNANCE & ETHICS, CYBER & DATA SECURITY	Number of attacks, GDPR infringements, annual training for employees, etc.

4.3. ESG ratings and certifications

- **ESG rating from Sustainable Fitch**

In early March 2023, the MASMOVIL Group obtained an ESG rating of 2 (on a scale from 1 to 5, with 1 being the best outcome) from Sustainable Fitch and a score of 77/100, the highest score awarded at the time to a European telecommunications company.

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

During October 2023, Standard & Poor's (S&P Global Ratings) issued its latest report on the ESG rating for Masmovil Ibercom, S.A., which achieved a final score of 68/100, showing an improvement of one point over the previous score.

- **CDP (Carbon Disclosure Project) rating**

In 2022, the MASMOVIL Group participated for the first time in the climate change-based rating process promoted by the CDP, and we were awarded a B rating thanks to our transparency with regard to actual performance in protecting the environment. In 2023 we renewed our commitment to the CDP, maintaining our B rating.

- **ESG rating awarded by Morningstar Sustainalytics: ESG Top Rated**

In August 2023, the MASMOVIL Group achieved a new and particularly important milestone regarding its commitment to sustainability and ESG criteria upon obtaining an ESG Risk Rating awarded by the prestigious firm Morningstar Sustainalytics with a classification of "Low Risk" and a score of 14.1.

This score positioned MASMOVIL as the top-ranked convergent telco with proprietary fixed and mobile infrastructure, placing it ahead of its main competitors, and enabled MASMOVIL to form part of the ESG Top Rated group of companies within the telecommunications industry.


- **ESG rating from Clarity AI**

In November 2023, the MASMOVIL Group was awarded a new ESG rating, from Clarity AI, with a score of 80 points, placing it in a leading position among telecommunications operators in Spain.

- **Other certifications and policies that demonstrate our ESG strategy**

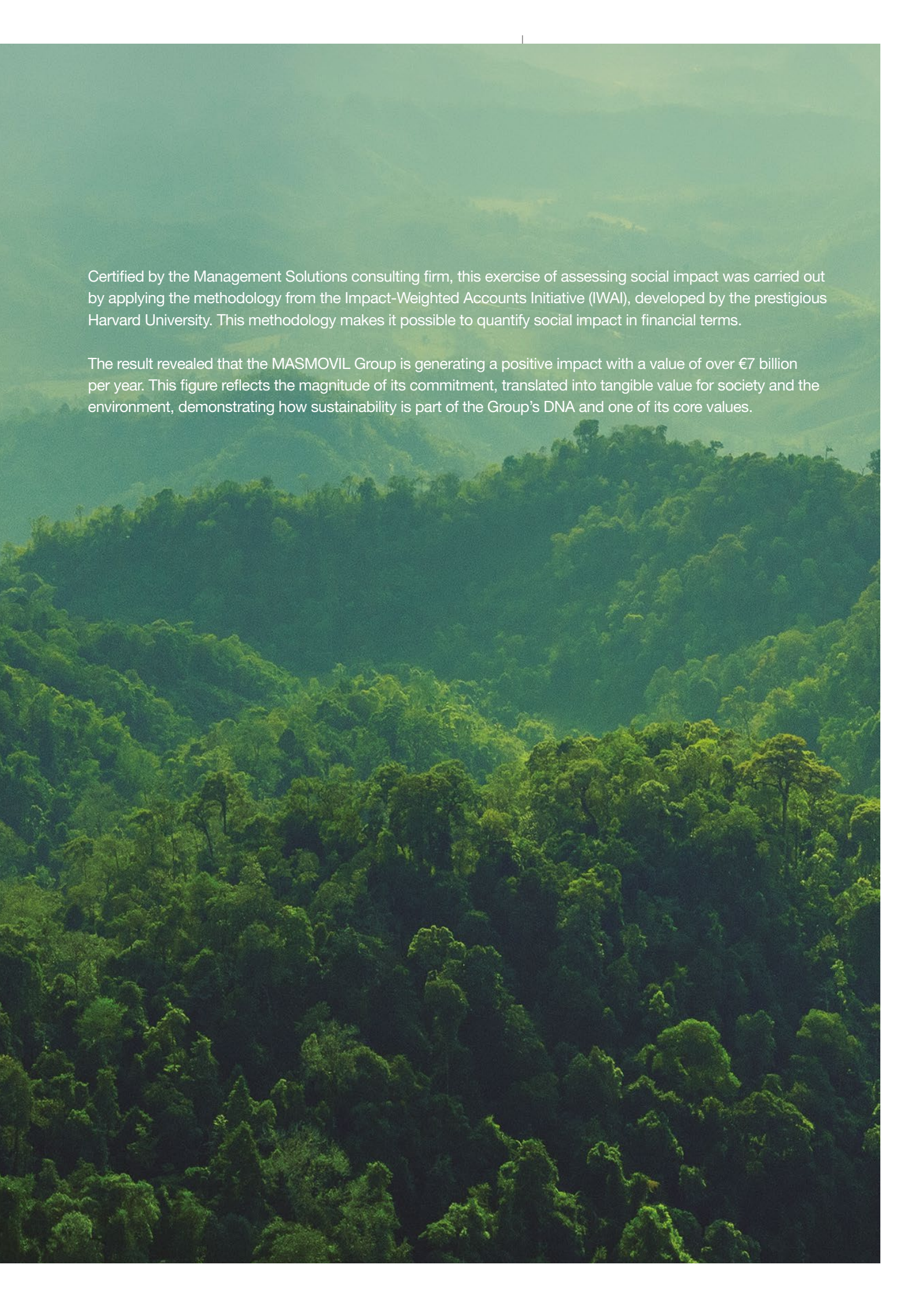
The MASMOVIL Group has also carried out a series of measures (listed in detail later in this report) which demonstrate that the Group is adapting its strategy to an ESG environment and highlight its degree of responsibility in controlling environmental, social, and corporate governance risks:

- Adherence to the UN Global Compact
- Updating of our Mission, Vision, and Values to include sustainability
- B Corp Certification
- ISO 14001 (Environmental Management) and ISO 50001 (Energy Management) certifications
- ISO 9001 (Quality Management) certification
- AENOR criminal compliance (UNE 19601) and anti-bribery (ISO 37001) certifications
- ISO 22301 (Business Continuity) certification (new in 2023)
- ISO 45001 (Occupational Health and Safety Management Systems) certification (new in 2023)
- Net zero CO2 emissions (for Scopes 1 + 2)
- Review of our corporate policies on sustainability and environmental issues
- Equality plans and diversity plan



4.4. Measuring social and environmental impact

In 2023, the MASMOVIL Group issued its first Report on Social and Environmental Impact, reflecting its full commitment to the development of a sustainable business model. This report shows how sustainability has been integrated as a fundamental principle of the business and the value deriving from it, based on a thorough assessment of the social impact being generated.



Certified by the Management Solutions consulting firm, this exercise of assessing social impact was carried out by applying the methodology from the Impact-Weighted Accounts Initiative (IWA), developed by the prestigious Harvard University. This methodology makes it possible to quantify social impact in financial terms.

The result revealed that the MASMOVIL Group is generating a positive impact with a value of over €7 billion per year. This figure reflects the magnitude of its commitment, translated into tangible value for society and the environment, demonstrating how sustainability is part of the Group's DNA and one of its core values.

4.5. Main ESG milestones and achievements of the MASMOVIL Group

Type	Milestone/achievement	Comments
ESG	First Report on Measuring Social and Environmental Impact	Certified by the Management Solutions consulting firm, this exercise of assessing social impact was carried out in 2023 by applying the methodology from the Impact-Weighted Accounts Initiative (IWAI), developed by Harvard University. The MASMOVIL Group is generating an impact with a value of over €7 billion per year
ESG	ESG rating from Morningstar Sustainalytics	2023 - rating of "Low Risk " and a score of 14.1, which places MASMOVIL among the ESG Top Rated group of companies in the telecommunications industry.
ESG	ESG rating from Sustainable Fitch	2023 - rating of 2 (on a scale from 1 to 5, with 1 being the best outcome), with 77/100 points: currently the highest public rating in the telecoms sector in Spain
ESG	Improved ESG rating from Standard & Poor's (S&P Global Ratings)	Score of 68/100 in 2023
ESG	ESG rating from Clarity AI	2023 - a score of 80 points, making us the leader among telecommunications operators in Spain
ESG	B Corp Certification	Certified in 2021. First European operator and the largest in Spain to achieve B Corp Certification
ESG	Variable remuneration of the entire company linked to ESG criteria	As of 2023, the variable bonus for all employees is also linked to ESG target fulfillment criteria
ESG	UN Global Compact	Joined in 2020
ESG	Syndicated financing with the cost linked to the performance of our ESG rating	Since 2019, the first case in EMEA (Europe, Middle-East and Africa) involving syndicated financing with part of the cost linked to the future performance of our ESG rating. Improvement in cost in 2023 derived from the Fitch rating

Type	Milestone/achievement	Comments
ESG	Other ISO certifications (non-environmental)	ISO 9001 (Quality Management) certification
		AENOR criminal compliance (UNE 19601) and anti-bribery (ISO 37001) certifications
		ISO 22301 (Business Continuity) certification (new in 2023)
		ISO 45001 (Occupational Health and Safety Management Systems) certification (new in 2023)
Environmental	CDP (Carbon Disclosure Project) rating	B score in 2022 and 2023
Environmental	ISO 14001 certification (environmental management)	Certified since 2020
Environmental	ISO 50001 certification (energy efficiency)	First certification in 2022
Environmental	Net zero CO ₂ emissions	Scopes 1 + 2 since 2020
Environmental	Measurement of Scope 3 emissions	Measured since 2021 with reductions already in 2022
Environmental	100% of electricity from certified renewable sources	All the electricity we consume has Renewable Energy Guarantees of Origin (REGOs)
Environmental	Green fleet certificate (low emission vehicles)	Awarded by Opus RSE
Environmental	Strategic Plan for the Digitalization of Urban Traffic and the Reduction of Emissions (DiTRA)	Providing connectivity for the flow of data
Environmental	Headquarters of the Group awarded the LEED Gold certificate	Located at this site since 2020
Social	The MASsolidaria social discount initiative	Social discount for vulnerable groups: Closing the digital divide

	Milestone/achievement	Comments
Type		
Social	Deployment of the fiber-to-the-home (FTTH) network focusing on rural Spain and closing the digital divide	Deployment of an average of approx. 400k building units of FTTH a year, in locations with populations of <20k inhabitants since 2018. Of these, 53% are in locations with populations of <8k inhabitants
Social	Diversity and Equality Plans	Complete plans with concrete actions
Social	The PLA (the Spanish acronym for "I Think, Therefore I Act") platform	<i>"Pienso Luego Actúo"</i> : A platform from Yoigo which encourages people who are improving the society we live in through social projects. At the end of 2023, it had accumulated 330 million views
Social	Red Innicia ESG award for PLA	The Red Innicia ESG award was won by Yoigo's PLA platform thanks to its commitment to the environment, governance and society
Social	An accelerator for startups with a positive impact: "Long Live Our Villages!" (<i>"¡Que vivan los pueblos!"</i>)	In 2023, the Yoigo brand aimed to take action to transform the situation in villages, in partnership with the UnLimited Spain foundation
Social	The Alcobendas Municipal Council award	Leader in Business and Sustainability award given by the Alcobendas Municipal Council
Social	100% of the workforce with indefinite-term contracts and 40.9% of the total were women at year-end 2023	Focus on retention and equality between employees
Social	Development of self-driving cars that connect to 5G technology	Participation in consortium
Social	2023 ranking of the best companies to work for in Spain, from Actualidad Económica	The Actualidad Económica award for the best telecoms company to work for
Social	ESG Impact Awards given by Red Innicia	2022 Award for Social Impact, given for our help to vulnerable groups
Social	Best Operator of 2022 in the network speed category	Awarded by ADSLZone

Type	Milestone/achievement	Comments
Social	The Boost to Innovation Award, given to our CEO, Meinrad Spenger	The enerTICAwards
Social	Leader in customer satisfaction indices	In 2023, the Group's leading brands continued to be at the top of the customer satisfaction indices, improving on the high levels of customer satisfaction recorded in previous years for its three main brands
Social	Support for inclusive sport	Alongside the Fundación También, the MASMOVIL Group launched the 12th edition of The Inclusive Camp. The camp focuses on building skills that help enhance the comprehensive development of young people with disabilities
Social	Collaboration and alliances with social institutions	In 2023, we continued to collaborate with Adalab, Cruz Roja, Fundación A LA PAR, Mamás en Acción, Red Innicia, Una Sonrisa Una Ilusión, Una de Dos, Unicef, AEPD and Cris contra el Cáncer
Governance	Our By-laws set out that the impact on our stakeholders will be taken into consideration in all decisions	By-laws amended as part of B Corp Certification
Governance	New policies integrated at Group level	Policies integrated with Euskaltel in 2022
Governance	Our CEO was appointed the director responsible for ESG	As of 2022

4.6. Key performance indicators (KPIs): trend

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

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

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

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

GHG emissions	2023	2022	2021
Scope 1	1,802	1,858	1,777
Scope 2	-	-	-
Scope 3	283,890	300,965	377,863
Total GHG emissions (tCO₂eq)	285,692	302,823	379,640

Note: 2021 proforma assuming Euskaltel from January 1

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

Recycling at premises	2023	2022	2021
Paper / cardboard	6,565	12,413	12,105
Plastic	572	1,157	1,306
Electronic products	732	291	277
Batteries	119	28	144
Total recycling (kg)	7,988	13,889	13,832

Note: 2021 proforma assuming Euskaltel from January 1

Non-hazardous waste in network operations	2023	2022	2021
Non-hazardous Waste Electrical and Electronic Equipment (WEEE)	2,780	12,921	86,826
Plastic waste	20	455	2,780
Cellulosic waste	120	1,423	13,968
Metallic waste (kg)	1,650	25	151
Wood / cork	150	275	3,015
Other waste	3	4	73
Total non-hazardous network waste (kg)	4,723	15,103	106,813
Data Processing Center waste	2023	2022	2021
Waste Electrical and Electronic Equipment (WEEE)	5,058	6,506	13,327
Batteries (kg)	13,342	18,958	44,310
Filters and absorbents (kg)	373	39	140
Metallic waste (kg)	-	-	161
Total hazardous waste	18,773	25,503	57,938
Non-hazardous Waste Electrical and Electronic Equipment (WEEE)	82,460	102,270	73,060
PCI HFC gases (kg)	64	-	2,532
Metallic waste (kg)	265	-	3,564
Cellulosic waste (kg)	-	19	-
Plastic waste (kg)	-	33	-
Total non-hazardous waste (kg)	82,799	102,322	79,156
Refurbished equipment	2023	2022	2021
Restored equipment (thousands of units)	642	687	812
Total equipment sent to customers (thousands of units)	1,827	1,915	2,233
% restored equipment	35%	36%	36%

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

Consumos	2023	2022	2021
Total electricity (MWh)	84,074	89,336	84,610
Generator fuel (l)	9,021	20,384	23,081
Fleet fuel (l)	410,565	286,045	234,265
Total fuel (l)	419,586	306,429	257,346
Natural gas (MWh)	132	121	59
Total refrigeration gas (kg)	451	612	584
Water (m3)	9,524	10,608	8,996
Paper (kg)	1,988	1,978	6,368

Note: 2021 proforma assuming Euskaltel from January 1

People GRI 2-7 / GRI 3-3 / GRI 405-1

KPIs for the People section	2023	2022	2021
Total workforce at year end	1,851	1,818	1,874
% women at year end	40.9%	40.5%	39.0%
% of indefinite-term contracts at year end	100.0%	100.0%	99.5%
Number of nationalities	33	33	35
Total weighted pay gap	16.0%	15.5%	13.3%
Average pay gap among executives	19.8%	16.2%	25.6%
Employees with disabilities (*)	7	7	5
Employees covered by collective bargaining agreements	100.0%	100.0%	100.0%
Absenteeism rate (number of days of absence per 100 days)	1.47	1.09	1.27
Hours of training	49,664	46,016	38,553

Note: 2021 proforma assuming Euskaltel from January 1

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

Network (building units deployed)

Network KPIs ('000)	2023	2022	2021
Building Units in locations <20k inhabitants	2,678	2,485	2,055
Building Units in locations <8k inhabitants	1,407	1,275	1,037
4G mobile coverage	98.5%	98.5%	98.5%
5G mobile coverage	77.0%	74.0%	54.0%

Note: 2021 proforma assuming Euskaltel from January 1



4.7. Long-term goals

GRI 2-23

We are very pleased to report that each and every one of the goals we had set at the beginning of 2023 were achieved, as is shown in the following table. This strengthens us in our commitment to the targets set for the medium and long term, which we maintain, unchanged, as proof of our confidence in our ability to achieve them. However, and as mentioned at the end of the Letter from the CEO, the creation of a 50-50 joint venture with Orange Spain, which has already been approved by the relevant European and national bodies, significantly changes our corporate profile. Therefore, the goals considered here for both the short and medium/long term must be analyzed in this new corporate context.

Goal	2023		2024	
	Expected	Achieved	Expected	Medium/Long Term
Net Zero Emissions, Scopes 1, 2 & 3	Achieved since 2020-2023 for Scopes 1 and 2	✔ Achieved since 2020-2023 for Scopes 1 and 2	Achieved since 2020-2023 for Scopes 1 and 2	2040 for Scope 3
Plan to reduce emissions in accordance with SBTi	Firm commitment to SBTi	✔ Carta firmada	Launch of SBTi project	Antes de fin 2025 Before the end of 2025
Electricity consumption at headquarters and DPCs (data centers)	-2%	✔ -5%	-2%	-2% per year until 2028
Electricity consumption in towers (in kWh/GB)	-5%/-10%	✔ -36%	-5%/-10%	-5%/-10% per year until 2028
Wi-Fi 6/7 installations in gross adds of B/B	>50%	✔ 86%	~90%	100%
Reduction of involuntary turnover rate to levels of	4,7%	✔ 3,2%	Under 4.5%	4.5%
% of women in total workforce	-	✔ 41%	-	Parity
Shortlists for hiring for executive positions	-	✔ Average of 15 women for executive positions	-	A woman on the shortlist
Total weighted gender pay gap	-	✔ 16,1%	-	Parity
Variable pay of the entire workforce (including CEO) with part linked to ESG ratings	Incluirlo en 2023	✔ Already included in 2023	-	-





4.8. Strategy aligned with the SDGs: Concrete actions

MAIN ACTION TO SUPPORT THE SDGs



- Employee wellbeing measures
- Promotion of sports and healthy eating
- Annual medical check-up and DoctorGo for employees
- Support for those aged over 65



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



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



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



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



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



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



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



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

5. About us

GRI 2-6 / GRI 2-1

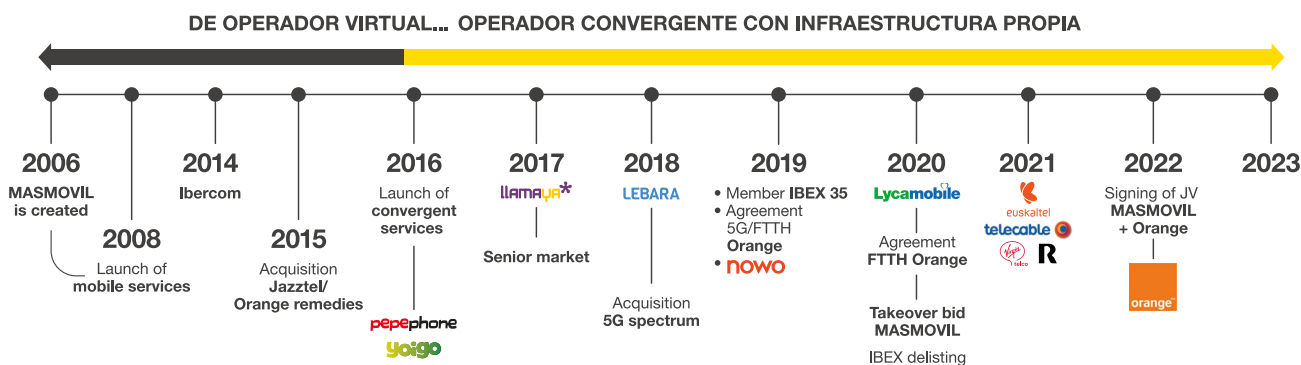
5.1. A brief introduction

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We specialize in the provision of telecommunication services (fixed telephony, mobile lines, broadband internet, and television) to both residential (individual and household) and business end users. We also focus on providing interconnection and roaming services to other operators, as well as trading services for wholesale customers and other services relating to the Group's corporate purpose.

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

5.2. Nuestra historia



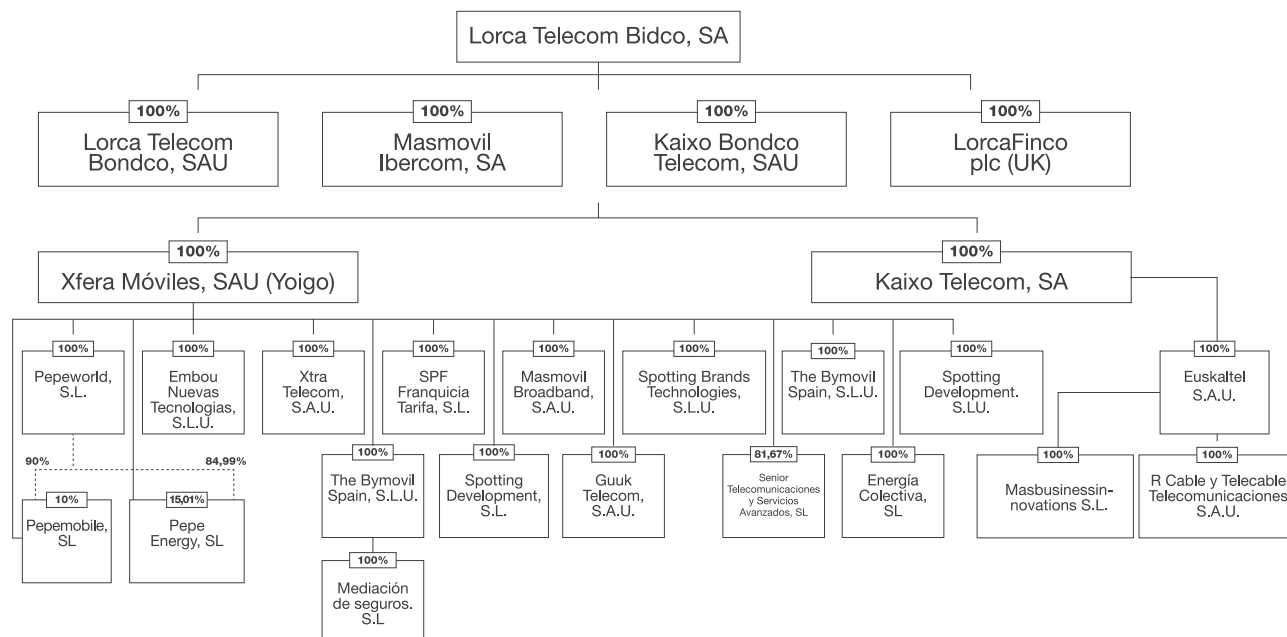
The Group has developed a growth policy involving both organic and inorganic growth. This has enabled us to consolidate our position in Spain as the top telecoms operator in terms of customer satisfaction, the fourth in terms of size, and the foremost alternative to traditional operators.

As of December 2023, MASMOVIL had 15.9 million customers, of which approximately 12.5 million were mobile customers and 3.4 million were customers of broadband services. The Group has its own infrastructure and agreements with other operators that provide a fixed fiber network that reaches more than 29 million homes and Asymmetric Digital Subscriber Lines (ADSL), as well as 3G, 4G, and 5G mobile services.

The MASMOVIL Group continues to work to anticipate the needs and demands of its customers. We are constantly improving our services and are one of the operators with the best coverage in Spain, reaching 98.5% of the population with our 4G network. Our 5G network already covers 77% of the Spanish population.

5.3. Organization and structure

Lorca Telecom Bidco, S.L.U. is a Spanish private limited company (S.L.U., or Sociedad Limitada Unipersonal). It was incorporated on February 4, 2020, as a Spanish S.A. (Sociedad Anónima) that subsequently changed to S.L.U. (in 2023), with its registered office in Alcobendas, Madrid (Spain) and with the corporate purpose, among others, of holding ownership interests in other companies (holding company). It is the parent company in Spain of the MASMOVIL Group, the result of the mergers (over the period 2014-2021) between various telecommunications operators with sustained growth in their respective markets and business areas (the “Group”, “MASMOVIL”, or the “MASMOVIL Group”).



The complete scope of the Group is set out in **Appendix I** of the notes to the Group’s consolidated financial statements for 2023.



5.4. What we do

GRI 2-1 / GRI 2-22

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

Residential

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

Their customers can be divided into the following categories:

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

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

We provide customers with the best connectivity technologies, 5G speeds in all mobile tariffs (available to 77% of the Spanish population), and access through fiber optics, a technology available to more than 29 million homes.

Companies

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

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

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

New services

In 2023, the Group reached agreements to extend the services it offers, which included home insurance (through MAPFRE), as well as gas supply services. These were added to pre-existing services such as family health insurance, our alarm system service (renewed in 2023), and our energy options, among others.

Other services

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



5.5. Economic backdrop

GRI 3-3 / GRI 2-22

In 2023, the Group was operating in an unfavorable economic environment, due to the significant impact on the global and Spanish economy of the invasion of Ukraine by Russia in 2022, the conflict in Gaza which began in 2023, and the continuation of these armed conflicts during 2023.

In the Spanish market, the effects translated into continuing inflation, accompanied by a considerable reduction in GDP growth. The average inflation rate was 3.5%, compared to 8.4% in 2022, and GDP growth slowed to 2.4%, from 5.8% in the previous year.

The number of mobile broadband lines grew 2.3% year-on-year between October 2022 and October 2023, according to the CNMC (the Spanish National Markets and Competition Commission). The number of fixed broadband lines grew by a year-on-year rate of 4.5%, while the number of lines belonging to Mobile Virtual Network Operators (MVNOs) increased by more than 1.3 million lines.

There were three key factors which drove this growth in number of lines. Firstly, the upward trend in the deployment of household fiber optic technology (fiber-to-the-home, or FTTH, and hybrid fiber-coaxial, or HFC, technology) continued, although to a lesser extent in the case of HFC, accounting for 93.8% of the total broadband lines. Secondly, the deployment of new generation broadband remained ongoing and, lastly, agreements between wholesalers (including the agreement between the Group and Orange) were consolidated.

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

In this respect, in 2023 the Group attained a net portability figure for mobile telephony of an increase of more than 5,000 lines. This signifies that the Group achieved positive growth in spite of the aforementioned climate in the sector.

5.6. Figures for the Group in 2023



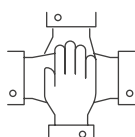
ENVIRONMENT

- Net zero CO₂ emissions (Scopes 1 + 2)
- 100% of electricity from certified renewable sources
- 35% of the equipment installed for new customers was refurbished



SOCIETY

- Around 2.7 million building units deployed in municipalities with a population of under 20,000 inhabitants
- €46,800 thousand contributed through corporate income tax and €3,310 thousand in contributions to the community



TEAM

- 1,851 people employed at the end of 2023
- 100% of the workforce with indefinite-term contracts at year-end 2023
- 49,664 training hours
- 40.9% of women on the workforce versus 40.5% in 2022



CUSTOMERS

- 15.9 million customers (12.5 million for mobile services and 3.4 million for fixed broadband)
- Fixed fiber optic network that reaches around 29 million households through our own or third-party infrastructure
- 98.5% coverage of the population through the 4G network
- 2,217 municipalities in 52 Spanish provinces in which we offer 5G services



CORPORATE GOVERNANCE

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

5.7. Main milestones in 2023

January

- CDP awarded us a B rating (Disclosure, Insight, Action).
- Yoigo improved the interest rates for its savings account.

July

- Yoigo enhanced its pre-paid plans with more gigabytes.
- Yoigo began to distribute sustainable SIM cards.

February

- MásMóvil incorporated its 5G services into all its tariffs.
- The 5G Cataluña project, led by MASMOVIL, received the GSMA Foundry Excellence Award.

August

- Yoigo added Netflix to its TV offering.
- Euskaltel and R increased the choice of entertainment they provide, by adding Amazon Video.

March

- MASMOVIL obtained the best ESG rating from Fitch for a European telecoms company.

September

- MASMOVIL was the leading convergent telecoms operator in the ESG Risk Rating from Morningstar Sustainalytics.
- Euskaltel launched its SCUDO service, a digital security solution to prevent attacks on SMEs.

April

- Euskaltel's coverage was available to 85% of the Basque population for 5G and 97% of households for fiber optics.

October

- Yoigo and MásMóvil started offering, for the first time, a natural gas tariff.
- The MASMOVIL Group introduced E-Commerce Total, to boost businesses.

May

- R invested €100 million in Galicia in fiber optics and 5G.
- MASMOVIL joined forces with Naturgy to bring energy self-consumption options to Spanish homes.
- R provided Abanca with cutting-edge technology through its fixed network.
- CRETA, an innovative project to boost sustainable mobility and reduce traffic emissions, was launched.
- Euskaltel inaugurated HEGAN, a 5G service that multiplies internet speeds by 10 for remote households without access to fiber.
- Telecable took 5G high speed solutions to corners of Asturias that fiber cannot reach.

November

- S&P improved the score of MASMOVIL's ESG rating.
- The MASMOVIL Group expanded its alliance with CASER and launched payment protection insurance.
- Yoigo renewed its alarm service, working with ADT.
- The MASMOVIL Group and Mapfre reached a strategic agreement to offer insurance to customers.
- The number of Spanish municipalities where Yoigo offers 5G services stood at 2,200.
- The MASMOVIL Group obtained a new ESG Rating, from Clarity AI, with the highest score for a Spanish telco.

June

- Our CTO received the "CTO of the Year" award.
- The MASMOVIL Group chose Bizkaia as the location for the new innovation hub.
- Yoigo and UnLimited Spain launched an acceleration program for startups that are revitalizing rural Spain.

December

- Yoigo began offering a new home insurance option, with Mapfre.

5.8. Awards and recognition in 2023

We provide a summary of the leading awards and accolades received by the Group over the course of 2023 below.

January 23: MASMOVIL strengthened its focus on sustainability and obtained a rating from the prestigious global environmental organization, CDP.

February 24: The 5G Cataluña project received the GSMA Foundry Excellence Award.

February 24: R was positioned among the Galician companies most committed to good governance and the environment at the third edition of the Atlas awards.

March 6: MASMOVIL obtained the best ESG rating from Fitch for a European telecoms company.

March 17: R won the “Best Campaign Execution” award at the Smile Festival.

April 14: The MASMOVIL Group received €2.7 million from the 5G UNICO Sectorial Plan to promote the CRETA project.



April 18: Finalists at the first edition of El Confidencial Jurídico’s Business Law Awards, in the “Best Corporate Legal Advisory Service” category.

June 7: The MASMOVIL Group’s CTO received the “CTO of the Year” award.

September 21: The Red Innicia ESG award was won by Yoigo’s PLA platform thanks to its commitment to the environment, governance and social awareness.



September 25: The Actualidad Económica award for the best telecoms company to work for.

September 28: MASMOVIL was ranked the leading convergent telecoms operator in the ESG Risk Rating ranking from Morningstar Sustainalytics.

October 19: Our “Long Live Our Villages!” (“¡Que vivan los pueblos!”) initiative was shortlisted for the “Social Purpose and Impact” award at the Inspirational Awards, as well as in the “Branded Content Strategy” category.



October 23: Award from Happyforce for commitment to people, in the “Sincere Listening” category.



November 6: S&P Global improved the ESG score for MASMOVIL due to its environmental performance.

November 17: Leader in Business and Sustainability award given by the Alcobendas Municipal Council.



November 21: ADSLZone Awards recognized Pepephone for best customer service and MASMOVIL for the convergence of its telecoms/energy services.



November 28: CIONET Vocento awarded “CIO of the Year” to Ravin Dhalani, CIO of the MASMOVIL Group.

November 29: The MASMOVIL Group obtained a new ESG rating, from Clarity AI, with the highest score for a telco in Spain.



6. Leadership and responsibility towards good governance

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

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

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



6.1. Corporate governance model

GRI 2-9 / GRI 2-12

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

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

6.1.1. Corporate policies

GRI 2-23 / GRI 2-24

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

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

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

The majority of our other policies are listed below:

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

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

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

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

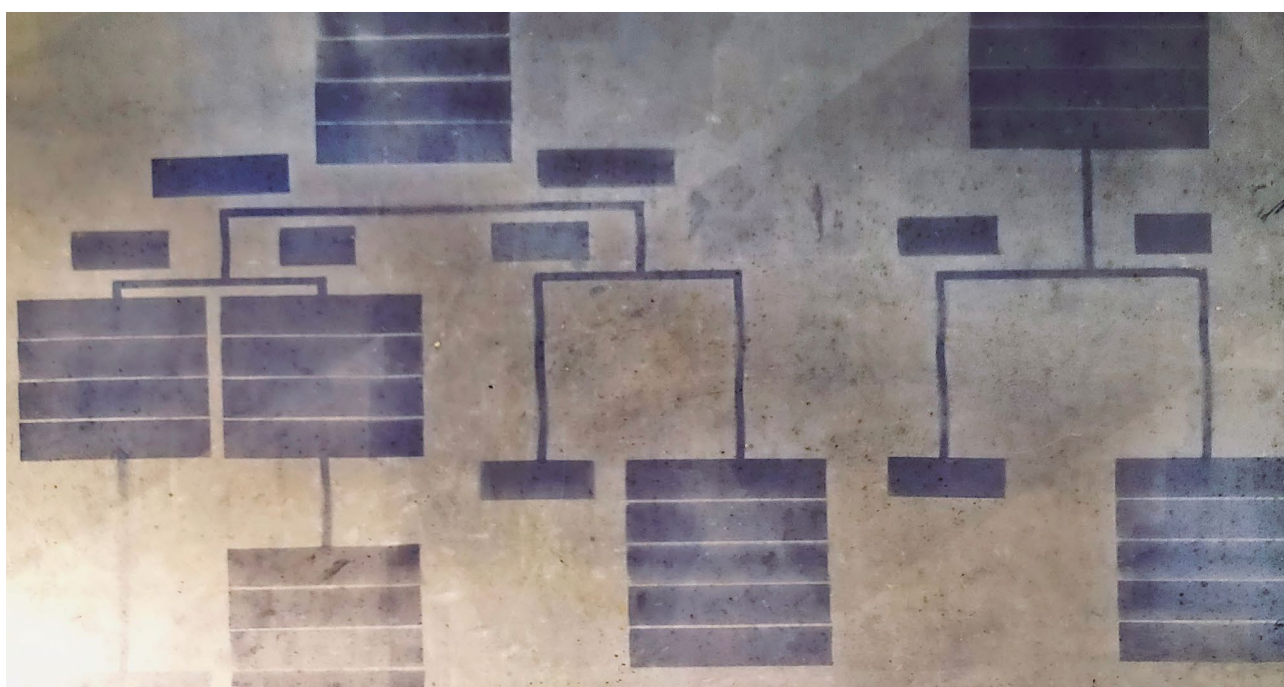
In accordance with our internal regulations, the Compliance Officer and the heads of the different areas are responsible for proposing the approval or updating of the Group's policies, as well as their preparation. The Board of Directors has the non-delegable duty, ascribed to it by law, of determining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

Body entrusted with ensuring compliance with the policies

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

Internal and external audits to assess proper application of corporate policies

Internal and external audits are performed to confirm the efficiency and smooth running of the criminal risk management system, and verify and assess the implementation of the various policies, among other aspects.



Commitment by suppliers to the Code of Ethics and our policies

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

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

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

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

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

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

Policy on selecting directors GRI 2-10

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

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

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

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

Composition of the Board of Directors**GRI 2-11**

[The Board of Directors of Lorca Telecom Bidco, S.L.U.](#), is made up of 10 Board members, as described below.

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

The composition of the Board of Directors includes:

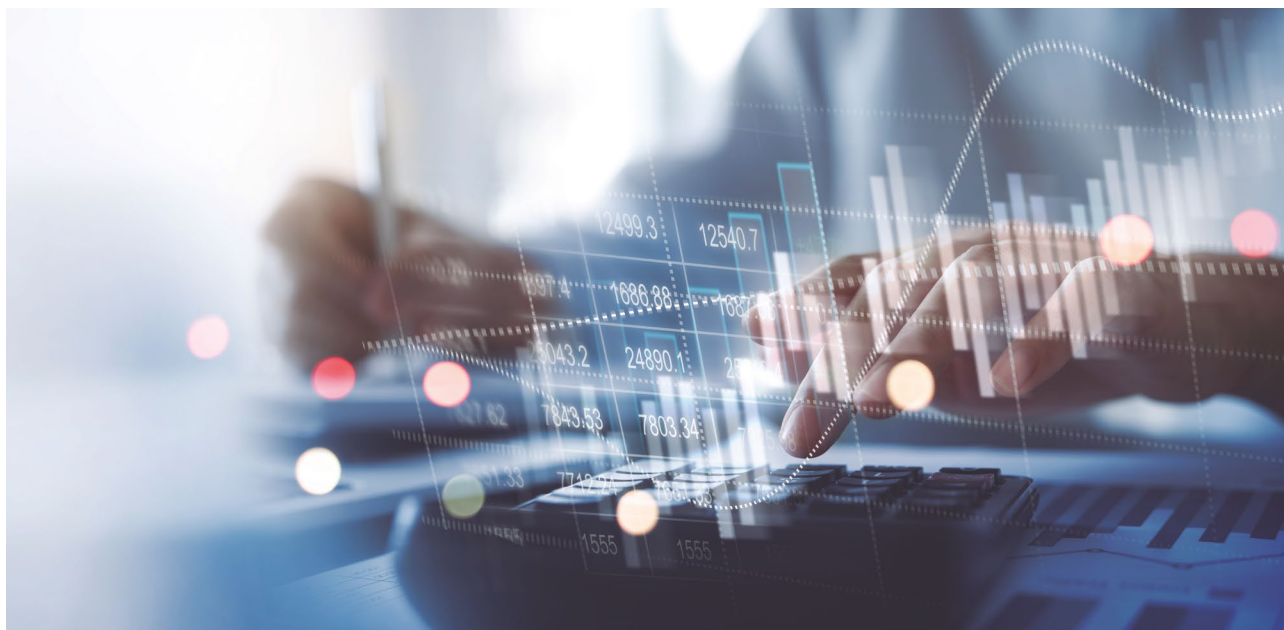
- **One independent director** (the Chairman of the Board), representing over 10% of the total.
- **Two executive directors** (the CEO and the General Manager of the MASMOVIL Group), representing 20% of the total.
- **One woman** (Cristina Serna), representing 10% of the total.

Types of director:

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

Executive directors: These are members of the Board of Directors who, in addition to their duties as members of the Board, are involved in the day-to-day business of the Company, in a senior management role or as an employee of either the Company or its Group.

Proprietary directors: These are directors who are members of the Board of Directors due to their status as shareholders of the Company or because they possess more than 5% of the share capital. They can be direct members of the Board or they can be part of the Board through a representative.



Number of Board meetings: In 2023, the Board of Directors of Lorca Telecom Bidco, S.L.U. met on 12 occasions. During these meetings, they dealt with different matters relating to the Group's strategy and goals, corporate operations, approval of corporate policies, approval of the budget and business plan, approval of the annual accounts and non-financial information statement (NFIS) for 2022, and review of the six-monthly update of the corporate risk map with the corresponding mitigation measures, among other aspects pertaining to the Board.

Board meetings attended by the auditor: In 2023, the auditor attended a meeting of the Board of Directors on one occasion, on March 24, 2023.

Selecting the external auditor: In 2023, it was not necessary to submit any proposals to select external auditors to the Board.

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

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

“ ”

In the performance of its corporate purpose the Company shall ensure a positive social impact for the Company, the persons related to it and the environment.

6.1.3. Board committees

The following committees have also been established:

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

In 2023, the Audit and Control Committee met on one occasion.

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

- **Eduardo Díez-Hochleitner Rodríguez** (Chairman, independent director)
- **Jorge Lluch Pauner** (KKR)
- **Stefano Bosio (Providence)**
- **Jorge Quemada Saénz-Badillos** (Cinven)
- **Alberto Castañeda González** (Secretary, non-Board member)

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

In 2023, the Appointments and Remuneration Committee met on two occasions.

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

- **Eduardo Díez-Hochleitner Rodríguez** (Chairman, independent director)
- **Jorge Lluch Pauner** (KKR)
- **Stefano Bosio (Providence)**
- **Jorge Quemada Saénz-Badillos** (Cinven)
- **Alberto Castañeda González** (Secretary, non-Board member)

6.2. Internal control and risk management system

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

6.2.1. Lines of defense

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

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

First line of defense

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



Second line of defense

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

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

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

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



Internal Audit Function (third line of defense)

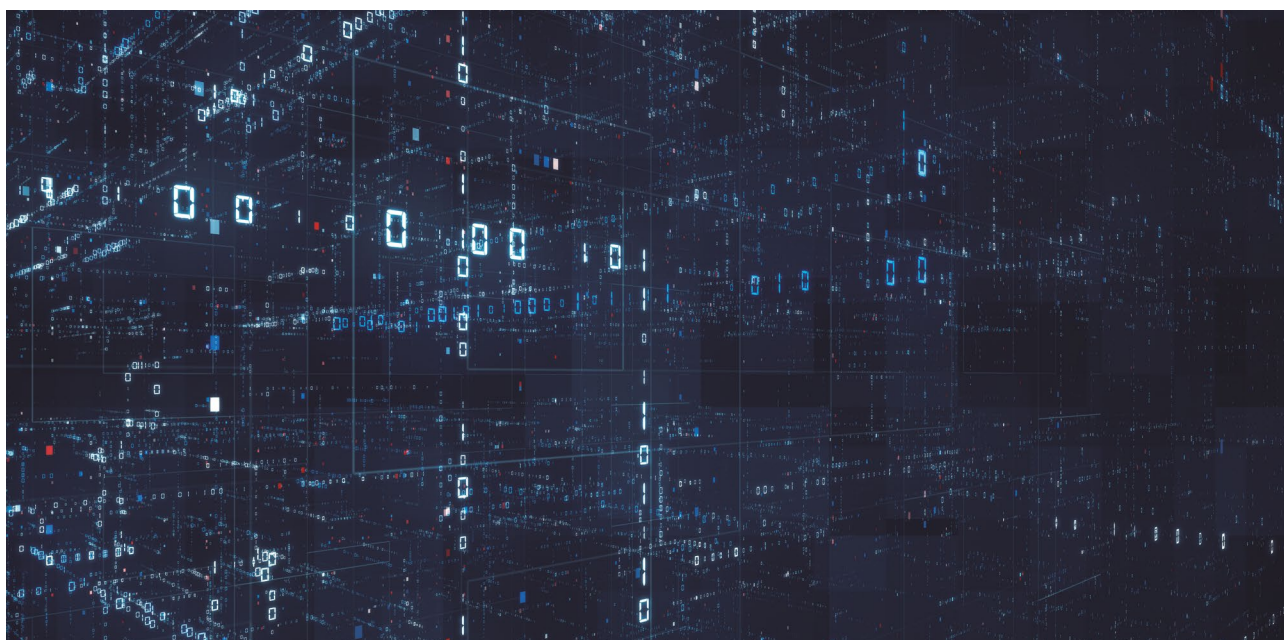
The Internal Audit Department, under the supervision of the Audit and Control Committee, is responsible for overseeing the proper functioning of the internal information, risk management, and control systems. This review process provides independent and objective supervision of the first two lines of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

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

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

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

- Recurring reports (annual):
 - Coordination and supervision of the six-monthly updating of the corporate risk map (see the following section).
 - Review of the Internal Control over Financial Reporting (ICFR) system.
 - Review of the criminal risk prevention system.
 - General audit of controls for IT, cybersecurity and operator network.
- Other non-recurring activities:
 - Standardization of the internal control systems of acquired companies.
 - Coordination, in collaboration with the Data Protection Officer, of the external personal data protection audits of the MASMOVIL Group and the internal audit of the entire Group performed in 2023.
 - Review of the process involving commissions to the distribution channel.
 - Review of the process involving commissions to the commercial team.
 - Review of the wholesale traffic process.
 - Review of the revenue assurance process.
 - Audit of credit notes issues in the Business segment (B2B).
 - Audit of invoices with no associated purchase order.
 - Review of the sponsorship registration and approval process.



Direct reporting to the Board of Directors and Board committees

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

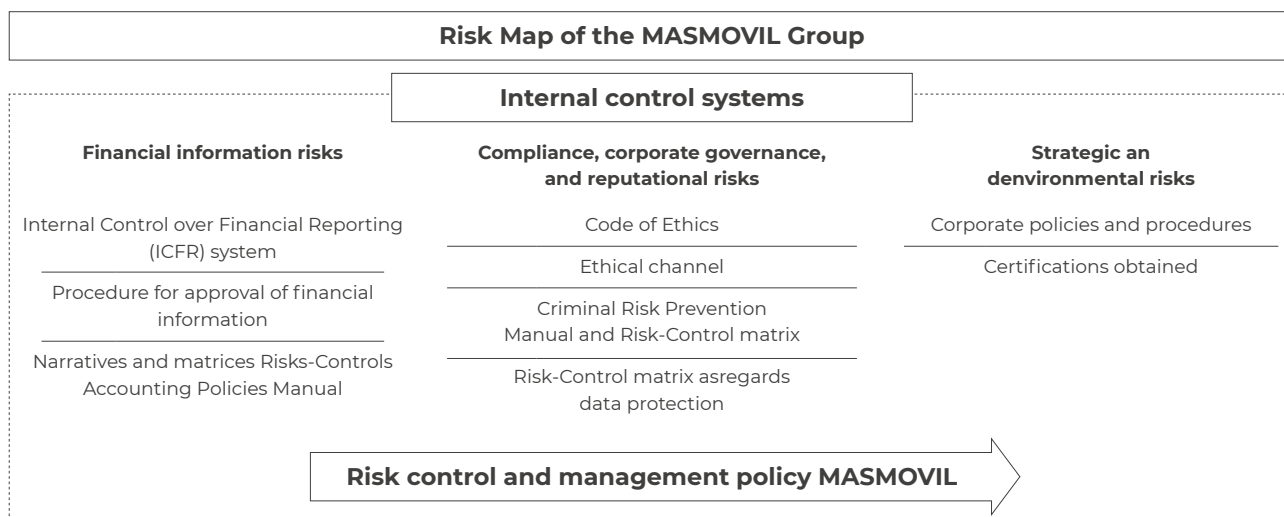
6.2.2. Risk management

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

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

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

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



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

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

Risk map

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

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

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

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

Risk category	Source of the risk	Mitigation measures
Cybersecurity	<ul style="list-style-type: none"> IT security Security breaches in systems and networks 	<ul style="list-style-type: none"> Significant improvement in the 360-degree external assessment of cybersecurity performed in 2023, with better results than comparable results in the industry and from previous years. New information security policies and procedures approved by the Cybersecurity Committee. Existence of a security master plan. Logical access/security controls for critical systems. A unified Cybersecurity Operations Center (CSOC) for all the companies of the Group. Continuous improvement of the detection and prevention mechanisms. ISO 27001 (scope extended to include telecommunications services) for the entire Group; the national security system (ENS) at Euskaltel Group level. Existence of a cybersecurity insurance policy.
Reputational	<ul style="list-style-type: none"> Reputational damage and penalties for non-compliance with privacy / data protection rules (at Group level) 	<ul style="list-style-type: none"> Implementation of the data governance system: Data Protection Office, Privacy Committee, and appointment of Data Champions. External data protection audits in both 2021 and 2022, and Internal Audit performed in 2023. Training courses and awareness raising about protecting personal data.

Risk category	Source of the risk	Mitigation measures
Strategic/ operating	<ul style="list-style-type: none"> Integration of legacy systems and alignment with the Group's strategic goals 	<ul style="list-style-type: none"> The MasSTACK project with the goal of standardizing the Group's legacy systems in multibrand platforms. In 2023, the migration of customers of the Yoigo brand took place. Integration of the pre-paid plan brands, Lyca and Lebara, into a single tool. The MasDATA project with the goal of standardizing the Group's reporting information and improving transparency through a multibrand data warehouse (including the Euskaltel Group). SAP HANA implemented in 2020, into which acquired companies (with the exception of the Euskaltel Group) have been gradually incorporated.
Strategic/ operating	<ul style="list-style-type: none"> Continuous improvement of the Business Continuity Plan (BCP) 	<ul style="list-style-type: none"> Extending of ISO 22301 (Business Continuity) for telecommunications services (internet and voice) for the entire Group in 2023. Intended broadening of ISO for Data Center (Housing) services. Training and awareness sessions about the BCP given in all the areas involved.
ESG / Reputational	<ul style="list-style-type: none"> ESG risks: Operational and reputational risks vis-à-vis our stakeholders 	<ul style="list-style-type: none"> ESG rating from Sustainable Fitch with a score of 77/100 achieved in Q1-23, the best rating awarded by Sustainable Fitch in the telecoms sector in Spain. ESG rating from S&P of 68/100 in 2023. Ratings from Morningstar Sustainalytics (Low Risk; 14.1 pts) and Clarity AI (80 pts), both obtained in 2023. CEO designated as the member of the Board of Directors responsible for supervising ESG-related issues. Renewal of ISO 14001 and ISO 50001, in addition to B Corp Certification (obtained in 2021). Net zero carbon emissions for Scopes 1 and 2, achieved in 2020. Project to include Scope 3 emissions underway.
Regulations	<ul style="list-style-type: none"> Potential tax contingencies and/or regulatory changes 	<ul style="list-style-type: none"> The Group has a system to monitor regulatory changes through the Legal and Compliance and Tax departments. The departments monitor and communicate legislative developments internally to ensure awareness of these changes with a view to making any necessary modifications to internal processes. Review of possible tax contingencies / regulatory changes with specialized advisers in order to anticipate and attempt to mitigate these risks.

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

Financial transparency

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

Regulatory compliance

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

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

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

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



6.3. Business ethics

6.3.1. Criminal risk and anti-bribery management model

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

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

Campaigns on adherence to the Code of Ethics

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

Ethical channel

All our employees, and third parties in general, have at their disposal a confidential and anonymous ethical channel, through which all the queries received have been evaluated and answered. The channel can be accessed through the email address canaletico@masmovil.com the external tool accessible from our corporate intranet, the Group's corporate website (www.grupomasmovil.com), and the web pages of the various brands managed by the Group.

In 2023, a number of different communications were received through the channel. In some cases, these led to the corresponding investigation being opened by the Compliance Officer, with the participation of the Ethics Committee. There were no conclusive complaints or cases reported of corruption or bribery at the Group.

Ethics Committee

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

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

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

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



Combating corruption and bribery

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

The Supplier Code of Conduct includes a specific section on requirements to combat corruption and bribery. It establishes that the supplier makes a commitment to adopt several of the principles set out in the Group's policy on crime prevention and anti-fraud and anti-corruption aspects.

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

The criminal risk prevention system

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

On July 27, 2023, the Board of Directors approved new versions of the Statute of the Compliance Officer and the Ethical Channel Management Procedure.

The Statute of the Compliance Officer regulates the role of the Group's Compliance Officer, the duties of this role, and the procedures to be followed when performing such duties. This thereby guarantees the necessary autonomy of the function of supervising both the operation of the Group's Criminal Risk Organization and Management Model and compliance with the model.

The Ethical Channel Management Procedure adapts its operation to the provisions of Spanish Law 2/2023 (February 13), regulating the protection of people who report infringements of regulations and the fight against corruption.

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

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

UNE 19601 and ISO 37001 certifications



In line with the provisions of article 31 bis section 5.6 of the Spanish Criminal Code, and as an example of the Board of Directors' commitment to fighting fraud and corruption and preventing crime, in 2023 the Group obtained and renewed the UNE 19601 (Compliance Management System) and ISO 37001 (Anti-bribery Management System) certifications for the companies Masmovil Ibercom, S.A.U., (the parent company of the Group), Xfera Móviles, S.A.U., (the company with the largest number of Group employees, assets, and brands), Euskaltel, S.A.U., and R Cable y Telecable Telecomunicaciones, S.A.U. If the need arises, these certifications will make it easier to demonstrate the efficiency of the criminal risks management model, substantiating the explicit commitment of the organization and its management to a culture of compliance.

7. Sustainability strategy

GRI 3-3 / GRI 2-22

Main features of our strategy

- The primary responsibility for ESG (Environmental, Social, and Governance) issues is assumed by the Board of Directors and the CEO of MASMOVIL, as the director responsible for ESG.
- Our ESG policy manages the risks and opportunities linked to sustainability in a responsible manner.
- Our ESG Strategic Plan is updated annually and defines the Group's long-term commitment to generating a positive impact, creating value, and reducing risks, with an action plan as well as specific measures to put it into practice.
- Our strategy is structured around our B Corp Certification, maintaining net zero emissions (Scopes 1 and 2), leadership in our sector in terms of ESG ratings, and focusing on reducing the digital divide and on social development, as well as setting short and medium-term goals in an environment of maximum transparency.
- The Group's corporate targets and, therefore, the variable remuneration of all our employees are linked to our performance in all that relates to the environment, society, and governance, measured on the basis of the progress of the ESG ratings obtained by the MASMOVIL Group.
- Lastly, in 2023, the MASMOVIL Group issued its first Social and Environmental Impact Measurement Report, reflecting its commitment to building a sustainable business model. The result highlighted that the MASMOVIL Group generates a positive impact of over €7 billion a year. This figure reflects the extent of our commitment, which translates into tangible value for society and the environment, demonstrating how sustainability is ingrained in the Group's DNA and is one of its core values.

The Group's CEO is the director responsible for ESG

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

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

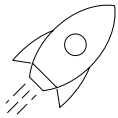
Furthermore, the ESG team working to ensure sustainability at the MASMOVIL Group was set up under the leadership of the General Manager and reports directly to the CEO of the Group. All this demonstrates once again that the Group is committed to sustainability and to generating a positive impact.



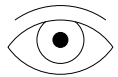
Mission, Vision, and Values

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

Our Mission and Vision were defined as follows:



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



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

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

The Values of the Group:



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



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



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



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

The importance of corporate governance

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

7.1. Responsible management model

We assess risks and develop policies and procedures to address them

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

Responsible management model

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

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

ESG Policy

Since September 2022, the MASMOVIL Group has had a new ESG Policy in place, which complemented and replaced a previous policy (the corporate social responsibility policy). Within the sphere of ESG, environmental aspects are framed by and specified in our Sustainability, Environment, and Energy Management Policy (where we explain our policy on natural resources and other matters).

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

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

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

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



B Corp revisa, evalúa y certifica el desempeño social y ambiental de la Sociedad y cómo su modelo empresarial impacta de forma positiva a sus empleados, en las comunidades que sirven y en el medioambiente.

First large telecommunications company to become B Corp certified

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

A stringent certification process...

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

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

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

The certification – issued by B Lab, a non-profit organization that is transforming the global economy to benefit all people and the planet – made the MASMOVIL Group the first large B-Corp-certified telecommunications company in Europe, among the nearly 8,000 international companies that participate in this community, in more than 90 countries and 160 industries.

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

MASMOVIL, the largest certified B Corporation in Spain

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

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

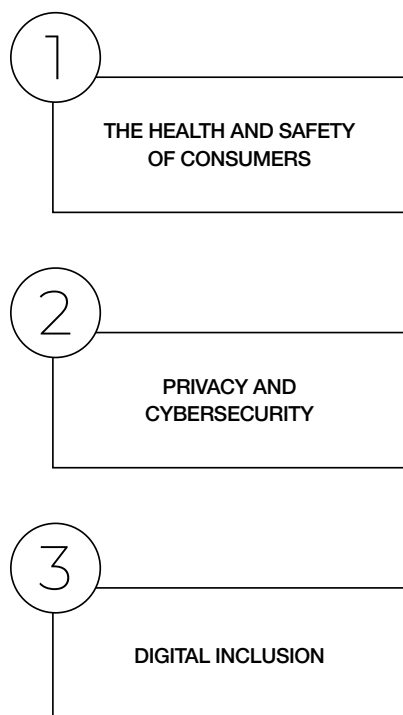
MASMOVIL leads customer satisfaction indices

Knowing the satisfaction levels reported by our customers is crucial for the Group. With this in mind, we conduct studies on each of our brands to assess customer satisfaction, both overall and specifically with each element, with the aim of detecting any areas where we can improve. These studies are carried out on a quarterly basis and involve analyzing the customers of the Yoigo, MásMóvil, Pepephone, Virgintelco, Euskaltel, R, Telecable, and Guuk brands.

In the studies conducted in 2023, all the Group's historic brands held on to their leadership position in their segment for customer satisfaction, maintaining the very high levels of satisfaction reported in previous years and even improving on them with respect to the three main brands and in both segments.

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

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



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

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

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

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

ESG rating from Sustainable Fitch

At the beginning of March 2023, the MASMOVIL Group obtained an ESG rating of 2 (on a scale from 1 to 5, with 1 being the best outcome) from Sustainable Fitch and a score of 77/100, the highest score awarded to a European telecommunications company.

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

During October 2023, Standard & Poor's (S&P Global Ratings) issued its latest report on the ESG rating for Masmovil Ibercom. S.A., which achieved a final score of 68/100, showing an improvement of one point over the previous score.

CDP (Carbon Disclosure Project) rating

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

In 2023 we renewed our commitment to the CDP, maintaining our B rating.



ESG rating from Morningstar Sustainalytics: ESG Top Rated

In September 2023, the MASMOVIL Group achieved a new and particularly important milestone regarding its commitment to sustainability and ESG criteria upon obtaining an ESG Risk Rating awarded by the prestigious firm Morningstar Sustainalytics with a classification of “Low Risk” and a score of 14.1.

This score positioned MASMOVIL as the top-ranked convergent telco with proprietary fixed and mobile infrastructure, placing it ahead of its main competitors, and enabled MASMOVIL to form part of the ESG Top Rated group of companies within the telecommunications industry.

The ESG Risk Rating from Morningstar Sustainalytics measures the exposure of a company to specific material ESG risks for the industry and how it is managing them. It provides a quantitative measurement of unmanaged ESG risk and distinguishes between five risk levels: negligible, low, medium, high, and severe.

ESG rating from Clarity AI

In November 2023, the MASMOVIL Group was awarded a new ESG rating, from Clarity AI, with a score of 80 points, placing it in a leading position among telecommunications operators in Spain.

Clarity AI is a digital firm whose mission is to bring societal impact to markets in order to achieve a more sustainable world, providing broader coverage and deep, transparent and granular data based on its own technological sustainability platform.

Make a Difference

Measuring social and environmental impact: Impact of over €7 billion a year

In 2023, the MASMOVIL Group issued its first [Social and Environmental Impact Measurement Report](#), reflecting its commitment to building a sustainable business model. This report shows how sustainability has been integrated as a fundamental principle of its business, as well as the value deriving from it, based on a thorough assessment of the social impact generated.

Certified by the Management Solutions consulting firm, this exercise of assessing social impact applied the Impact-Weighted Accounts Initiative (IWAI) methodology developed by Harvard University. This methodology makes it possible to quantify social impact in monetary terms.

The result revealed that the MASMOVIL Group generates a social impact of over €7 billion a year. This figure reflects the extent of our commitment, which translates into tangible value for society and the environment, demonstrating how sustainability is ingrained in the Group's DNA and is one of its core values.

The document serves not only as a testament the Group's ongoing commitment to social responsibility

but also as a valuable tool for understanding the true impact of its activities on society. It also serves as a reminder that sustainability is not merely a trend but a set of actions that lead us towards a future where our positive impact leaves a lasting mark on the world we share.

Certifications and policies that demonstrate our ESG strategy

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

- Adherence to the UN Global Compact.
- Updating of our Mission, Vision, and Values to include sustainability.
- B Corp Certification.
- ISO 14001 (Environmental Management) and ISO 50001 (Energy Management) certifications.
- ISO 9001 (Quality Management) certification.
- AENOR criminal compliance (UNE 19601) and anti-bribery (ISO 37001) certifications.
- ISO 22301 (Business Continuity) certification (new in 2023).
- ISO 45001 (Occupational Health and Safety Management Systems) certification (new in 2023).
- Net zero CO₂ emissions for Scopes 1 and 2.
- Review of our corporate policies on sustainability and environmental issues.
- Equality plans and diversity plan.

“”

First European telecoms company with net zero emissions of CO₂ for Scopes 1 and 2 since 2020 and renewed annually up to 2023

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

The MASMOVIL Group came to the decision that it needed to centralize and coordinate all activities related to ESG within the same reporting line at the Company.

Therefore, in 2020 all responsibility for ESG-related initiatives was given to the team at the Investor Relations (IR) Department. This area, headed by one of the senior managers of the Company and reporting directly to the CEO, was renamed IR & ESG. Since then, the IR & ESG team has focused on generating value with respect to environmental, social, and good governance issues.

Pragmatic strategic plan to deliver social impact and result

The Company created a strategic plan regarding impact for 2021. Among the plan's many other initiatives, it included ISO 14001 certification of the environmental management system and attaining B Corp Certification, as well as the Diversity Plan and the Equality Plan (both within the scope and under the responsibility of Human Resources), the Social Discount Tariff (MASsolidaria),

and reducing the digital divide in rural Spain. Over the course of 2021, we accomplished all these targets. Another highly relevant detail is the fact that since 2020 the MASMOVIL Group has managed to maintain its achievement of reaching net zero emissions of CO₂ for Scopes 1 and 2, and was the first European telecommunications operator to achieve this.

7.3. ESG Strategic Plan

Over the first half of 2022, we defined our ESG Strategic Plan (see here), updating it in 2023. The plan is committed to delivering a positive long-term impact, creating value, and reducing risks, with a plan of action and specific short- and medium-term measures.

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

We have structured our strategy around five key pillars, which are in line with the Sustainable Development Goals (SDGs) and the Global Compact of the United Nations (UN):



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

7.4. Engaging with our stakeholders

GRI 2-29

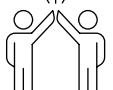
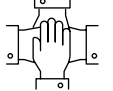




In view of our position in the Spanish telecommunications sector and guided by our priority of responding to their needs, we engage in ongoing dialog with our stakeholders, motivated by the importance of generating relationships of trust and respect with them all.

Actively managing our relationship with stakeholders, through specific channels

At the MASMOVIL Group our relationship with our stakeholders includes taking into account the possible

positive and/or negative impacts that our operations could have on them.

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

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

7.5. Materiality analysis

GRI 3-1 / GRI 3-2

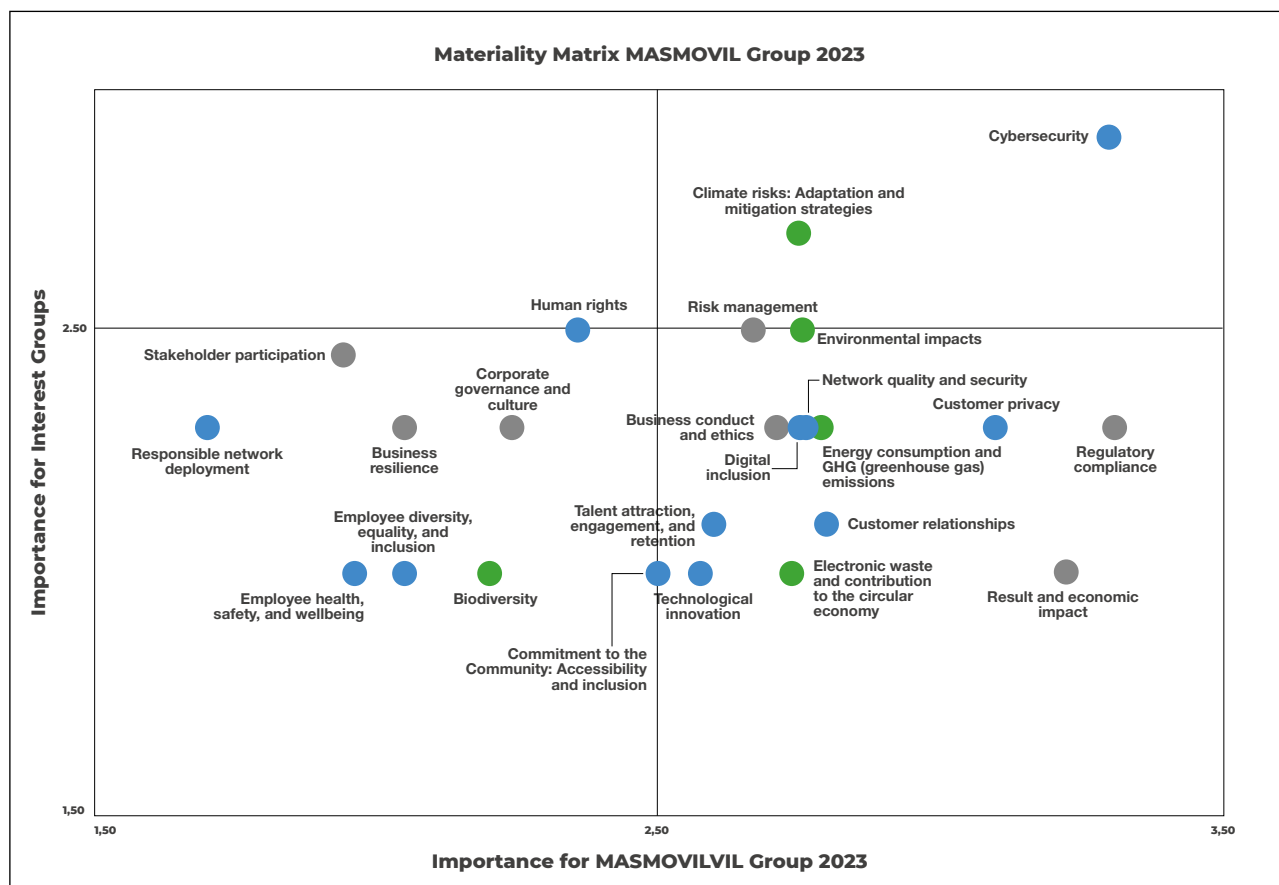
Identifying and monitoring the major issues for the Group and our stakeholders is essential, to aid us in our corporate governance decision making, designing strategic plans, and defining the key topics in our corporate reporting.

To this end, we have examined the material aspects in depth, including a detailed analysis of how the Group and its business model operate, as well as understanding the current situation of the telecommunications sector. The aim is to identify the most significant issues for the different stakeholders of the Company, focusing on the three cornerstones of the Group's strategy: Environmental, Social, and Governance (ESG).

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

A total of 24 relevant aspects were identified and have been represented in a materiality matrix. We have arranged them in order of the importance of each for the Group and our stakeholders.

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



Category	Material aspect
Environment	<ul style="list-style-type: none"> • Energy consumption and GHG (greenhouse gas) emissions • Climate risks: Adaptation and mitigation strategies • Electronic waste and contribution to the circular economy • Environmental impacts • Biodiversity
Social	<ul style="list-style-type: none"> • Talent attraction, engagement, and retention • Employee diversity, equality, and inclusion • Employee health, safety, and wellbeing • Human rights • Customer privacy • Network quality and security • Commitment to the Community: Accessibility and inclusion • Technological innovation • Customer relationships • Responsible network deployment • Digital inclusion • Cybersecurity
Governance	<ul style="list-style-type: none"> • Result and economic impact • Business conduct and ethics • Corporate governance and culture • Stakeholder participation • Regulatory compliance • Risk management • Business resilience

7.6. Sustainable Development Goals

GRI 2-22

UN Global Compact

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

Integration of the SDGs in business activities

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

Renewal of our adherence to the UN Global Compact

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

Increasing our commitment to the UN Global Compact

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

In 2023, we renewed our commitment to the Global Compact again and filed our COP report on the new online platform, updated for the purpose by the Global Compact.

Promoting the Ten Principles of the Global Compact

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

Focusing on the SDGs relevant to our scope of operations

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

Participation in ODS-Lab, promoted by the Spanish Ministry of Social Affairs and 2030 Agenda, with Red Innicia

ODS-Lab is a collaborative social innovation laboratory, with the involvement of third sector organizations, public administrations, companies, universities, and civil society who collaborate to develop innovative projects that contribute to fulfill the challenges, at a country level, of the 2030 Agenda.

Based on research performed by Innicia, ODS-Lab members will generate six innovative initiatives in order to lead and implement them with the support of the entities participating in ODS-Lab.

Each year the scheme will center on a different SDG; in 2024, the focus will be on SDG 5. It will be a space for generating knowledge, co-creation, and open code. Its working methodologies and initiatives, once tested, will be transferred to entities across Spain.

Over the course of 2024, two innovative programs will be put to the test as part of Red Innicia, from where these tested projects will be escalated to other social entities (<https://innicia.org/ods-lab/>).



Main action with regard to the SDGst

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



SDG 3
GOOD HEALTH AND
WELLBEING

Action and initiatives:

- **Employee wellbeing - Corporate Wellness Plan:** Internal initiatives to enhance both the health and wellbeing and the satisfaction of the Group's employees, working in tandem with other areas of the organization (Employee Experience, Communication, and ESG).
 - DoctorGO: Free telemedicine service for employees.
 - Gympass: Access to a network of gyms at reduced prices, as well as an online gym platform.
 - Wellbeing at Odilo: Wellbeing school on the Odilo training platform, with access to a broad spectrum of courses.
- **MASBienestar: MASMOVIL with health and safety** makes talks from reputable experts in the field available to its employees, as well as other educational material. The topics covered include:
 - The importance of sleep.
 - Healthy eating and emotional impact.
 - Managing emotions.
 - Looking after your back.
 - Health and sport.
- **Health week (October 2023):** With activities including round tables, in-person and online workshops on emotional aspects, adapting to change, eye strain, nutrition, and other physical aspects, for our employees.
- **Measures for work-life balance, the right to disconnect, and employee benefits:** Such as our mixed working model, healthy food, and our physiotherapy service at the headquarters.
- **Other health and wellbeing initiatives:** Including first-aid and fire prevention training, the wellbeing committee, health and safety committees, and the Prevention Committee.
- **Market for healthy products:** At our headquarters every Thursday.
- **CAE (Coordination of Business Activities):** In addition to providing training about the risks in the sector, in order to comply with Spanish Royal Decree 171/2004 we have a procedure and a platform, through which we carry out exchanges of documentation between the MASMOVIL Group and its suppliers, contractors, or customers who access its facilities.
- **Risk information:** All the jobs at the MASMOVIL Group have the corresponding "Occupational Risk Prevention Profile". This profile includes and assesses the occupational risks associated with the tasks performed. Most jobs are related to management tasks, and therefore the most common of the assessed risks correspond to office-based tasks; however, for some technical roles there are other risks: falls, cuts, electrical risks, etc.
- **Championing care for the over-65s:** The seniors market is burgeoning. There are now almost 10 million people in Spain aged over 65 years old, and it is estimated that by 2050 there will be 13 million (a third of the population). The market is calling out for an increasing range of telecare solutions that offer them peace of mind, help, and entertainment.

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

Indicators:

- 100% of our employees with access to the Corporate Wellness Plan
- 100% of our employees covered by the employee benefits of the MASMOVIL Group
- Five Health and Safety Committees
- Rate of occupational accidents resulting in medical leave < 0.2%
- Approx. 60% of employees take up their medical



THE GLOBAL GOALS



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

Action and initiatives:

- **Functional diversity:** Recognizing the richness in diversity and the importance of providing opportunities for everyone is one of the pillars for the Group. To this end, it works alongside organizations focusing on people with functional diversity, such as the También Foundation, for The Inclusive Camp. The camp focuses on building skills that help enhance the comprehensive development of young people with disabilities. We also collaborate with the A LA PAR Foundation, which provided us with talents who helped us improve the usability of our websites and apps.
 - **Talent in any age group:** To give an opportunity to talent from any age group, we boost young talent through our University Chair programs and incorporate scholarship holders into our Group. Our Senior team offers solutions tailored to the older population so that they can access health and entertainment services, facilitating the provision of services to seniors through our technology and products, such as smart and self-charging watches, our app, tablets for video-based appointments, and analysis of data collected and data from home-based sensors.
 - **“Crea R” free technology workshops for children:** Educational project aimed at children aged between seven and 12 years old, to foster learning and entrepreneurship among young people, which has already welcome more than 3,300 participants.
 - **-The UC3M Chair for IT:** For the sixth year in a row, the MASMOVIL Group and the Carlos III University of Madrid (UC3M) have strengthened their relationship and put in place a Research Chair with scholarships to investigate user experience and process optimization by innovations based on Artificial Intelligence (AI). At the end of the program, over 80% of the scholarship recipients become part of our workforce.
 - **The UPM Chair for Data:** In 2023 we also created a new Chair in conjunction with the Polytechnic University of Madrid (UPM) for the period January-June 2024, which will focus on the Client Strategy & Analytics area.
 - **The Alcalá de Henares University Chair for IT:** The collaboration between the MASMOVIL Group and the Alcalá de Henares University has been active since 2022, for the MANEDS (MASMOVIL for Advanced Network Engineering and Digital Services) Chair program. This year's program began in November 2023 and will continue until June 2024. This collaboration centers on initiatives involving AI techniques.
 - **The Telecable Chair with Oviedo University:** The Telecable Chair program with Oviedo University will have five students between January and June 2024, working on areas such as improvements to and efficiency of the deployment of infrastructure in cloud environments and use of generative AI techniques to build centralized repositories in GitHub.
 - **The R Chair with the universities of Coruña and Vigo:** For a further year, we renewed the R Chair in Cybersecurity (the first inter-university chair program in Galicia) involving the universities of Coruña and Vigo. For the R Chair, three students have been collaborating since September 2023 on projects pertaining to the area of cybersecurity, which are scheduled to be completed by June 2024.
 - **The Chair (master's program for cybersecurity) with UC3M:** For the second year running, we convened the UC3M Chair program for cybersecurity, involving four students between November 2023 and June 2024. The projects being developed include improving security between customers and servers and creating a user identification infrastructure prototype.
 - **The Chair program for IT with the University of Deusto:** With the aim of continuing to expand talent throughout Spain, we convened the first program for the Technological Class of the Chair with the University of Deusto. The start date was scheduled for January 2024. The program includes scholarships for five students who, until June 2024, will develop the technological challenges set by the IT-Systems area.
- In addition to the Chair programs, and consistent with our measures to support young talent, we also participate in a number of internship initiatives and other collaborative schemes.

Indicadores:

- Seven projects with university students awarded scholarships by MASMOVIL
- 51 students on university-based scholarship programs
- 49,664 hours of training given
- 26.82 hours of training per employee



SDG 5
GENDER EQUALITY

Action and initiatives:

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

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

- Diversity is an integral part of the Group's business strategy and aligned with all its policies.
 - Diversity is driven by the Group's Board of Directors and senior management and involves our entire workforce.
 - Diversity incorporates social innovation as a central element and is a hallmark of our workforce.
 - Diversity has an impact on the Group's workforce, on customers, on partners, on society, and, especially, on people.
- **Women Leaders Program at the MASMOVIL Group:** The program rests on four pillars: promoting their development and personal brand; giving them more and better visibility within the organization; improving their self-knowledge in order to enhance their leadership; and generating a more diverse and aware management environment. It combines work-based, training, self-knowledge, and personalized coaching sessions.
 - **The Progress Project:** The aim is to further the promotion of more women into positions of greater responsibility in companies, while raising companies' awareness of the need to identify, develop, and recognize female talent, and to build the necessary skills and abilities to assume new challenges in their organizations.
 - **The Promote Project:** The project centers on the advancement of women to senior management positions, with both enterprises and society reaping the benefits of greater diversity in decision making. It works to build successful leadership skills of women in management, as well as the ability to meet challenges head-on, with their added-value contributions.
 - **We promote and spread equal opportunities in the ICT sector:** At the MASMOVIL Group, we join in to celebrate International Girls in ICT Day, with the goal of encouraging girls and young women to consider the possibility of gearing their education and careers towards technological professions, with awareness-raising activities, career guidance workshops and displays, among other proposals.
 - **Number of women in our workforce:** 41% women in our workforce at year-end 2023, out of a total of 1,851 employees.
 - **UnaDeDos:** Meaning "one in two", this is an initiative from the Más Mujeres Creativas and Club de Creativos organizations. It seeks to unite the commercial communications sector, brands and companies, associations, universities, and the media in promoting female creative talent in executive positions and in attaining a point by 2030 where, on average, female talent fills one out of every two creative manager positions.

Indicators:

- 41% women in our workforce
- 10% women on the Board of Directors
- 18% women in management-level positions



SDG 7
AFFORDABLE AND
CLEAN ENERGY

Action and initiatives:

- **We offer our customers 100% green energy:** In 2020, the MASMOVIL Group became the first large telecommunications operator to offer a 100% green electricity service through EnergyGO, with no extra fees for Yoigo customers.
- This product (which joined the Group's earlier green-energy solution offered through Pepeenergy) allows customers to opt for a 100% green and environmentally friendly energy service. Simple to sign up for, through a transparent online process that customers can complete via an app, it also delivers detailed graphs about their consumption, personalized studies of household usage, comparisons, and tips on how to make savings in the short, medium, and long term.

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

- **Supply of natural gas:** MASMOVIL has taken a new step forward on the path to help customers save money on their household bills and reporting the highest satisfaction levels in the market. As from October 2023, MásMóvil customers have been able to add natural gas supply services to those they can acquire under this brand, which already comprised telephony, TV, electricity and alarm options. They include the features which are also a highlight of the electricity service: Help to control usage, environmental sustainability, and exclusive discounts on telephone bills for MásMóvil customers

Earlier, in October 2023, Yoigo launched its carbon-neutral gas offering, where customer emissions from their gas consumption will be offset by the brand through the reforestation of a wood that had suffered burning, located near the Torimbia beach in Llanes (Asturias).

- **Commercial product for solar panel-based self-consumption:** In 2022, Yoigo launched EnergyGO Solar, a self-consumption option based on solar panels, which helps customers to save on their electricity bills (under normal circumstances, by up to 30-40% of the total). Part of the savings in bills will also come from selling back to the grid the portion of energy produced by their panels which the customers do not consume themselves. This service forms part of the Group's focus on clean and sustainable energy and on making the planet a better place to live.
- **-Subsidized electric vehicle chargers at our headquarters:** We installed Group-subsidized chargers for electric vehicles at our new headquarters to encourage their use by employees. According to the data provided by the service provider, this measure led to less CO2 being emitted (7,302 kg of CO2 avoided in 2021 and 13,995 kg avoided in 2022). In 2023, the figure for CO2 emissions avoided rose to 44,340 kg.
- **Subsidizing and financing electric bicycles:** Over the course of 2022, the MASMOVIL Group launched a campaign to promote the use of e-bikes, making available subsidized electric bicycles for our employees and also offering 0% financing on their purchase.

Indicators:

- 100% green energy consumed
- 100% green energy for our customers
- 44,340 kg of CO2 avoided through use by our employees of subsidized electric vehicles
- ISO 50001 (energy management system certification)



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

Action and initiatives:

- **The MASsolidaria Discount Tariff for disadvantaged groups:** Working in tandem with the Innicia Association, in 2021 we launched our MASsolidaria project to make it easier for disadvantaged groups to access quality connectivity. This discount, which initially was solely for fiber connections, was extended throughout 2023 to include mobile-only products.
- **Social tariff at Euskaltel:** Since January 2023, Euskaltel has been offering low-income families access to the internet at an indefinitely reduced price. Guaranteeing a quality internet connection at reduced prices through its Internet Compromiso service, it has transformed the Rate Subsidy activated by the Basque Government (valid for 12 months) into an offer with an indefinite term.
- **Unlocking the value of connectivity:** Lockdown in 2020 and subsequent restrictions stemming from the ongoing health crisis in 2021 emphasized the importance of connectivity. Connectivity permitted many businesses to survive thanks to digitalization, enabled integration among the most vulnerable people, and revitalized rural areas due to the increase in teleworking. This enhancement of the connectivity experience continued in 2022 and 2023, during which portability requests for fixed and mobile lines fell by around 15-20%, due (among other reasons) to the fact that both fiber and 5G are technologies that work, the customer experience is good, and consumers are now less prone to switching operator.
- **Reducing the digital divide in rural Spain:** As part of the Plan for Rural Spain (see section 11.2), the Group continued its drive to roll out fiber in rural areas in order to reduce the digital divide (an aim which has become one of the Group's main goals in this area).

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

- **"Long Live Our Villages!" ("¡Que vivan los pueblos!"):** Yoigo and UnLimited Spain joined forces in June 2023 to launch "¡Que vivan los pueblos!", an enterprise acceleration program for startups committed to transforming and revitalizing rural Spain through connectivity. With entrepreneurial initiatives with innovative solutions that create a social impact in rural areas, the 10 startups chosen will have access to personalized support.
- **Telecable took high speed solutions to rural Asturias:** With 5G solutions reaching parts of Asturias without access to fiber. The new service, known as Combi Yes, enables customers to enjoy internet in far afield areas with speeds of up to 150 Mbps and Wi-Fi 6, and to use multiple devices at the same time with the maximum quality, providing high speeds for nearly 17,000 households where fiber access is not possible due to the local Asturian terrain.
- **Euskaltel also inaugurated high speed solutions for remote households:** It launched "HEGAN", a 5G service that multiplies internet speeds by 10 for households without access to fiber in the Basque Country and Navarre. HEGAN will enable around 40,000 homes, located in areas beyond the reach of fiber, to access high-speed internet, through a solution consisting of a self-install, high performance router that achieves speeds of up to 600 Mbps through the latest 5G and Wi-Fi 6 technology.
- **R&D and innovation hub:** New innovation hub measuring 2,600 m², integrated into Euskaltel's facilities in Derio, from where the MASMOVIL Group will accelerate its innovation activities to develop and launch state-of-the-art products and services using new technologies that contribute to keeping the Group's customers the most satisfied in the market.
- **MASVentures, our accelerator for innovative projects:** The Group is in constant contact with innovation and digital developments. In 2019, we launched the MASVentures accelerator (alongside Inveready, a Spanish investment group) to promote innovative projects in the new technologies sector and nurture entrepreneurship in Spain.

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

In 2021, following a shift in focus by the program towards projects associated with the Group's areas of interest and startups that are a fit with its challenges or needs, MASVentures carried out pilot programs with six startups. These were related to different areas of the Group, such as retention, marketing, business channels, customer experience, and process automation

In 2022, MASVentures continued to follow the same strategy of focusing on priority areas of interest and conducted pilot programs with five startups, centering on advanced analytics, marketing, and new businesses.

In 2023, MASVentures focused on furthering its relationships with the startups in which it had invested. It entailed new lines of development and the proposed new framework agreement that reinforces the Group's commitment to one of the startups.

Indicator:

- >2,200 municipalities with 5G coverage and 77% coverage of the population, in 151 locations and 52 Spanish provinces.
- 74% reduction of consumption (kWh per Gb) since 2019.



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

Action and initiatives:

- **Digitalization for mitigation and adaptation to climate change:** In 2023, MASMOVIL, ABERTIS, OPUS RSE, CELLNEX, INDRA, VINCES and ALPHA SYLTEC INGENIERIA launched CRETA, an innovative project to encourage sustainable mobility and reduce traffic emissions. The consortium has the goal of creating a new global system for smart monitoring and management of traffic through various technologies to drive sustainable and efficient mobility. Thanks to this project, public administrations will have tools to hand with which to measure air quality and protect the environment, with a positive impact on the wellbeing of the general public. From 2023 and until the end of 2025, work will be done on the developments and pilot projects proposed by the project in Irún, Madrid and Barcelona.

The project has been subsidized by the Spanish Government through the 5G UNICO Sectorial program, financed by the European Union's recovery instrument (NextGenerationEU), linked to Spain's Recovery and Resilience Plans.

- **5G technology:** We have been part of the consortium for 5G pilot programs promoted by Red.es since 2020, contributing our connectivity solutions to develop beneficial practical uses for the inhabitants of rural and urban areas of the Basque Country and Catalonia. It also includes projects geared towards developing solutions for the education sector and optimizing mobility, control, and management of heavily frequented spaces, as well as management of public safety and emergencies. Since its launch, the consortium has carried out seven use cases which have demonstrated the use of this new technology, involving the 5G Autonomous Bus, holographic formats, emergency service, virtual shopping, and the audiovisual world.
- **Pilot project with Opus RSE to reduce urban traffic emissions:** the MASMOVIL Group has been participating with the Opus RSE laboratory in a pilot project from the Alcobendas Municipal Council to measure polluting emissions from road traffic and provide the public with data about the real emissions from their vehicles. The project falls within the framework of the LIFE GySTRA project, financed by the European Union, as part of its program to implement real solutions that reduce emissions from urban traffic in Europe.
- **Monitoring the emissions of employee vehicles:** The MASMOVIL Group has measured the emissions from the vehicles used by employees at the Group's headquarters and assumed the decarbonization costs of those which were identified as large emitters.
- **Advanced 5G solutions and services for transport:** MASMOVIL and Indra joined forces in late 2022 to create an innovative ecosystem with the goal of boosting the development of advanced 5G-based solutions and services for transportation. The ecosystem is enabling us to work towards breakthroughs to strengthen the safety of connected and autonomous mobility, promote smart maintenance, and enhance traveler experience.
- **Autonomous, connected vehicle project:** MASMOVIL is one of the developers of the R3CAV (Robust, Reliable and Resilient Connected and Automated Vehicle for people transport) project. The initiative includes the development of a new, adaptable architecture (of both hardware and software) destined to create future connected and autonomous vehicles (CAVs) capable of operating with varying levels of autonomy.

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

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

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

- **Telemedicine and telecare project:** In the last quarter of 2023, the MAS4Care project began, led by MASMOVIL and working with partnership with Odin Solutions, to develop a remote medical management platform through which patients can access 24-hour telecare service and, if necessary, be monitored in real time to gain a better diagnosis of the situation or respond quickly, safely, and efficiently in an emergency. The project involves the development of connectivity infrastructure and services based on 5G, as well as edge computing to manage and process the telemedicine and telecare services.

MAS4Care has a clear impact on reducing the digital divide and a technological impact with the use of 5G technology. At a social level, it will make it possible to improve the adoption and use of 5G technology to support seniors or those with limited technical knowledge through accessible, simple and intuitive interfaces. It will also improve access to medical services and specialists in rural areas, optimizing access to those services and to healthcare in the event of an emergency.

At a technological level, the project will stimulate innovation and operation of 5G networks and the services that can use their developments, including rural areas with limited access to resources and services. It will maximize the market penetration of 5G technology for the provision of better solutions to cybersecurity and digital market services.

The project has been subsidized by the Spanish Government through the 5G UNICO Sectorial program, financed by the European Union's recovery instrument (NextGenerationEU), linked to Spain's Recovery and Resilience Plans.

- **Smart Cities project using AI:** Complementing the Smart Cities project started in 2022 by Innovasur (a investee of the MASMOVIL Group), the 5G CITYBRAIN project emerged in 2023, combining 5G technology and AI to improve the management of urban solutions. The project being led by Innovasur, and includes the participation of XFERA MOVILES and OPUS RSE.

The main aim is to create cross-cutting reactive technology (IoT-MEC-Cloud), integrated and managed with 5G capabilities, capable of analyzing the city's sensor network, detecting patterns, and acting appropriately. It will therefore be possible to guarantee the efficient distribution of computing capacity, proposing low latency and high availability to develop advanced smart city management services and placing particular emphasis on predicting high pollution and high traffic areas, and identifying vehicles and tourist flows.

The scheme will design an autonomous AI-based system that will make it possible to learn, predict, decide, and react in a smart way, especially in terms of high pollution, high levels of congestion, and tourist flows. To develop these smart services, it will perform dynamic orchestration of distributed IoT, MEC, and Cloud Computing resources integrated with 5G+ technology.

The project has been subsidized by the Spanish Government through the 5G UNICO Sectorial program, financed by the European Union's recovery instrument (NextGenerationEU), linked to Spain's Recovery and Resilience Plans.

- **Cross-border 5G project:** At the end of 2023, in collaboration with OPUS RSE, we began the TRANSBORDER5G project. It was devised to design and implement a pioneering 5G SA roaming solution capable of creating 5G land corridors and facilitate efficient management of road transport taking into account real emissions from vehicular traffic. The project centers on the border crossing point at Irún and involves considerable public-private collaboration with the Provincial Council of Gipuzkoa and the French authorities. The solution will allow for progress to be made in the effective introduction of a pay-per-use system on highways, which includes paying for pollution, with more coordinated, efficient, and sustainable cross-border management.

The project is based on merging advanced traffic monitoring technology (remote sensing devices and artificial vision cameras) with advanced telecommunications technology (5G, Edge Computing, IoT, and V2X) to create a complete solution for integral and advanced management of the border crossing point, with a view to create hyper-connected 5G land corridors that improve the mobility between countries.

Implementing this solution will make it possible to move towards a more sustainable and fairer model, by applying the European Union's "Polluter Pays Principle" and encouraging users to choose low emissions vehicles, while charging the externalities of that pollution to those most responsible for it.

In addition, a large part of the commercial transportation trucks and vehicles currently circulating on the roads have been manipulated and produce far more emissions than intended, and the only way to discover this tampering is through systems like those put forward in this project.

The project has been subsidized by the Spanish Government through the 5G UNICO Sectorial program, financed by the European Union's recovery instrument (NextGenerationEU), linked to Spain's Recovery and Resilience Plans.

- **Fire detection project:** In 2023, MASMOVIL began a pioneering project focusing on early detection of fires in order to conserve our natural heritage. MASMOVIL is keen to promote the use of this technology and is piloting the system in Peguerinos (Ávila) and Graus (Huesca).

Security cameras have been installed at strategic points in villages based in the Guadarrama mountain range. The neural network for detecting fires implemented in the cameras will run 24x7. In the event of a fire, the neural network will immediately detect both smoke and fire, sending an alarm and images to the relevant control center through the MASMOVIL Group's safe and reliable communication network. From the control center, the alarm will be reviewed and viewed, and in case of risk suitable action will be taken.

Indicators:

- Approx. 2.7 million homes with access to fiber in towns with under 20,000 inhabitants
- > 29 million homes with access to fiber
- 98.5% mobile coverage



SDG 12
RESPONSIBLE
CONSUMPTION AND
PRODUCTION

Action and initiatives:

- **Sustainable Procurement Policy:** The Procurement Policy of the MASMOVIL Group has contained a section on sustainable procurement since 2020. This policy was newly reviewed and approved by the Board in September 2022 as an integrated policy for the entire Group.
- **Monitoring of power consumption at the headquarters (BMS):** Since 2020 we have had a building management system (BMS) in place which tracks consumption at the headquarters in real time, making it possible to control, increase, and reduce the power supply when necessary.
- **Elimination of plastic bottle consumption at our offices,** replacing these with glass bottles (for each employee) that can be refilled at the water fountains sited throughout our various buildings. This scheme eliminated consumption of more than 100,000 plastic bottles per year.
- **Electric/hybrid vehicles:** More than 22% of the entire corporate fleet (including the commercial fleet) is made up of electric/hybrid vehicles with an eco or zero label.
- **Paperless office:** At our corporate headquarters, we continued the measures to achieve our goal of a paperless office (clean desk policy, process digitalization, absence of individual waste bins and drawer units, recording and monitoring of printout volumes for each employee, etc.).
- **Use of recycled paper:** In early 2022, despite the greater cost, we implemented use of recycled paper in the printers at the companies of the MASMOVIL Group.
- **Reduction in consumption of plastic:** In 2023, we replaced the plastic cups used at water fountains with recycled paper cups. In addition, since September 2022 the canteen at the headquarters allows its users to bring their own containers for take-away food, thereby reducing plastic waste. The canteen has also introduced wooden cutlery for take-away options and done away with single-serving oil packets for its salads, replacing them with large, shared bottles.
- **Environmentally friendly SIM cards and less paper and plastic in packaging:** Since 2022, the SIM cards for our Pepephone brand are environmentally friendly, and the packaging has 50% less plastic and uses paper from sustainable forests.

In mid 2023, in its focus on incorporating more environmentally friendly practices, Yoigo began an alliance with IDEMIA, a leader in identity technologies, in order to offer its customers sustainable SIM cards.

Through this collaboration, Yoigo has become part of an initiative that entails using SIM cards made with entirely recycled materials and that also covers packaging, which will also feature the same characteristics to protect our environment. By using sustainable cards, it could mean savings of up to 38.8 g of CO₂ per SIM card, thus it will manage to reduce emissions by 18%.

- **The MASMOVIL Group and ANOVO reduce the amount of plastic:** Continuing the trend set by these two companies in reducing plastic in their processes, and confirming their commitment to sustainability, as from February 2024 there will be certain changes made to the packaging of customer equipment, by switching from the bubble-based padded envelopes and similar packaging for deliveries used up to that point to cardboard boxes.

This change represents savings in CO₂ emissions of more than 75%, and savings in terms of plastic consumption of 97%.

Indicators:

- 35% of the equipment for new customers is refurbished equipment
- >22% of the company's entire fleet is made up of electric/hybrid vehicles with an eco or zero label
- 100% use of recycled office paper



SDG 13
COMBATING CLIMATE
CHANGE

Action and initiatives:

- **Net zero emissions Scopes 1 & 2:** In 2020, the Group became the first European operator to achieve net zero emissions of CO₂ for Scopes 1 and 2. We renewed our commitment in 2021, 2022, and 2023 for the entire MASMOVIL Group.
- **Analysis of Scope 3 emissions:** In 2022, and retroactively for 2021, we launched a project to measure and calculate our Scope 3 emissions, with the aim of using the data learned to consider options for progressively reducing those emissions. As is described in more detail later in this report, these emissions decreased by 20% in 2022, as a result of the reduction in commercial activity and by a further 6% in 2023.
- **SBTi commitment letter:** In this respect, at the MASMOVIL Group we signed the SBTi commitment letter with the aim of analyzing and reducing our Scope 3 emissions in accordance with science.
- **ISO environmental and energy efficiency certifications:** We hold ISO 14001 certification for environmental management at the Group's main companies (Xfera Móviles, Euskaltel, and R Cable y Telecable Telecomunicaciones), as well as ISO 50001 for energy management for Xfera Móviles, Euskaltel, and R Cable y Telecable Telecomunicaciones. These certificates attest that our environmental management and control of energy use are in line with recognized international standards.
- **Participation in the CDP rating:** In 2022, at the MASMOVIL Group we revealed our environmental performance through the Carbon Disclosure Project (CDP) for the first time, obtaining a B rating. In 2023, we continued along the same lines and maintained our B rating.
- **Early detection of fires:** At the end of 2022 and in conjunction with other technology partners, we unveiled a project targeting early detection of forest fires through AI techniques, with the Group leading the project's communications section.
- **Circular economy, recycling, and other consumption and activities:** The measures and action we have taken include:
 - At our headquarters in Alcobendas, we have installed battery and WEEE recycling containers to enable our employees to deposit these components for recycling.
 - We also have containers on each floor to deposit plastics, paper, and organic materials.
 - In 2023, we launched a book-crossing plan, whereby employees can exchange books with each other and thus reduce paper consumption.
 - On Thursdays, we hold a small market at our offices, for organic, healthy, and locally produced food.
 - We have put charging stations in place for electric vehicles in our car park, with the cost subsidized by the Company.
 - Our canteen has introduced measures to reduce the use of cups, cutlery, and containers made of plastic.
 - We provide a shuttle service to take employees into Madrid city centre.
 - The continuous improvement process also focuses on reducing electricity consumption.

Indicators:

- Net zero CO₂ emissions (Scopes 1 + 2)
- Reduction of Scope 3 emissions: 20% in 2022 and 6% in 2023
- Renewal of environmental certifications ISO 14001, ISO 50001, and CDP



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

Action and initiatives:

- **Alliances with business organizations and associations, technology clusters, and innovation agencies to contribute to technological development:** These include the Association of Operators for Portability, Association of Operators for Mobile Portability, Autocontrol, the Spanish Association for Digitalization, ClusterTIC, and Gaia, among others.
- **Alliances to contribute to technological progress and development:** Supporting companies through our resources and telecommunications expertise by organizing informative sessions with a vocation for innovation, which we offered to the business fabric through experts in Big Data, Data Governance, Artificial Intelligence, and cybersecurity, among others.
- **The CRETA emissions reduction project:** This includes agreements with private companies on digital traffic monitoring and reducing emissions under the CRETA project (mentioned earlier in this Report).
- **Alliances to make connectivity easier for disadvantaged groups:** The Group began an alliance with the Red Innicia network (a network promoted by the Innicia Association) in order to gain first-hand knowledge of the needs of vulnerable groups, the challenges of associations and institutions of the third sector in responding to these, and the need to provide quality connectivity. As we mentioned in the section referring to SDG 9, working in partnership with the Innicia Association, we also launched our MASsolidaria project to facilitate quality connectivity for more disadvantaged groups.
- **Alliance with the A LA PAR Foundation to integrate people with intellectual disabilities into the different departments at the Company,** to become part of a team with the goal of improving accessibility to digital tools and of enhancing communication with the Group's customers.
- **"Crea R" free technology workshops for children:** Educational project aimed at children aged between seven and 12 years old, to foster learning and entrepreneurship among young people. Since its launch, these free workshops have welcomed over 3,300 participants.
- **MASVoluntarios program to promote volunteering:** The MASMOVIL Group launched a program under which we offered our employees the option of devoting eight hours of their working time to volunteering. They can use these hours to work on volunteering projects managed by the Company, such as those carried out alongside the Montepíncipe Foundation, Mamás en Acción, and Adalab.
- **The UnLimited Spain Foundation, for entrepreneurship in rural Spain:** 2023 was the year in which the "Long Live Our Villages!" ("¡Que vivan los pueblos!") was launched, an innovative program to support entrepreneurship having a social impact, promoted by Yoigo and the UnLimited Spain Foundation. Participation in the first edition involved over 300 projects; in the final stages of the program, 10 winning startups were chosen to benefit from support in accelerating their growth and fostering their sustainability.
- **Yoigo joined the "More Than a Mobile" campaign:** The Spanish Data Protection Agency (AEPD) and UNICEF Spain have launched a campaign entitled "More Than a Mobile", aimed at providing guidance to families about the key elements they should bear in mind before giving their children a cell phone.
- **Alliance to prevent food waste:** Eurest, the company chosen by the MASMOVIL Group to manage the restaurant and cafeteria at our headquarters, participates in the Stop Food Waste Program, which aims to reduce the amount of food thrown away by raising awareness and implementing measures to minimize food waste at our workplaces.

Alliances to promote the circular economy and recycling:

- The MASMOVIL Group selected ANOVO to refurbish used routers for their re-use by new customers. Through this company, we have ensured that 100% of the routers they refurbish for us are sent out in 80-90% recycled-cardboard packaging, with the rest of the boxes' ingredients being Kraft paper from sustainable forests certified by the Forest Sustainable Council (FSC). Additionally, 35% of the routers and customer equipment we provide are refurbished items.

- Through our suppliers Thales and Idemia, our Pepephone-brand SIM cards have been manufactured in an eco-friendly manner since 2021 (and since 2023, those of Yoigo too). Furthermore, the packaging for the SIM cards contain 50% less plastic and the paper used will be either recycled or FSC-certified.
- **The MASMOVIL Group and ANOVO reduce the amount of plastic:** Continuing the trend set by these two companies in reducing plastic in their processes, and confirming their commitment to sustainability, as from February 2024 there will be certain changes made to the packaging of customer equipment, by switching from the bubble-based padded envelopes and similar packaging for deliveries used up to that point to cardboard boxes.

This change represents savings in CO2 emissions of more than 75% and savings in terms of plastic consumption of 97%.

Indicators:

- 50 organizations in Red Inicia providing access to the social discount
- €685,000 in contributions to associations



8. Commitment to the environment

The main features that define our commitment to the environment

- Our new Sustainability, Environment, and Energy Management Policy, which represents a framework of reference for reflecting the Sustainable Development Goals (SDGs) and for setting and reviewing our environmental and energy performance goals and targets.
- The ISO 14001-certified Environmental Management System which ensures compliance with the highest environmental standards, as well as compliance with the applicable regulations.
- The Energy Management System implemented, certified by ISO 50001, with the definition and execution of the Energy Efficiency Plan.
- Net zero emissions for Scopes 1 and 2 and calculation of the Scope 3 emissions with the commitment of setting emissions reduction targets in line with the scientific knowledge available and according to the methodology provided by SBTi.
- Commitment to holding carbon-neutral events in our B2B customer relationships and at large meetings and internal events of the Group.

8.1. Environmental management

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

GRI 3-3

Our new Sustainability, Environment, and Energy Management Policy was approved in September 2022.

This policy sets out our core guiding principles concerning sustainability and the environment for all the companies of the MASMOVIL Group. It makes up a reference framework for reflecting the SDGs and for setting and reviewing our environmental and energy performance goals and targets and those that contribute to continual improvement of our energy performance.

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

This policy is of a Group-wide nature, affecting all levels of the organization and promoting trusted relationships and value creation for all our stakeholders, responding to them all in an inclusive and balanced manner. The Sustainability, Environment, and Energy Management Policy lays down the basic principles for minimization and optimization of efficient use of natural resources such as water, land use, biodiversity, waste and pollution.

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

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



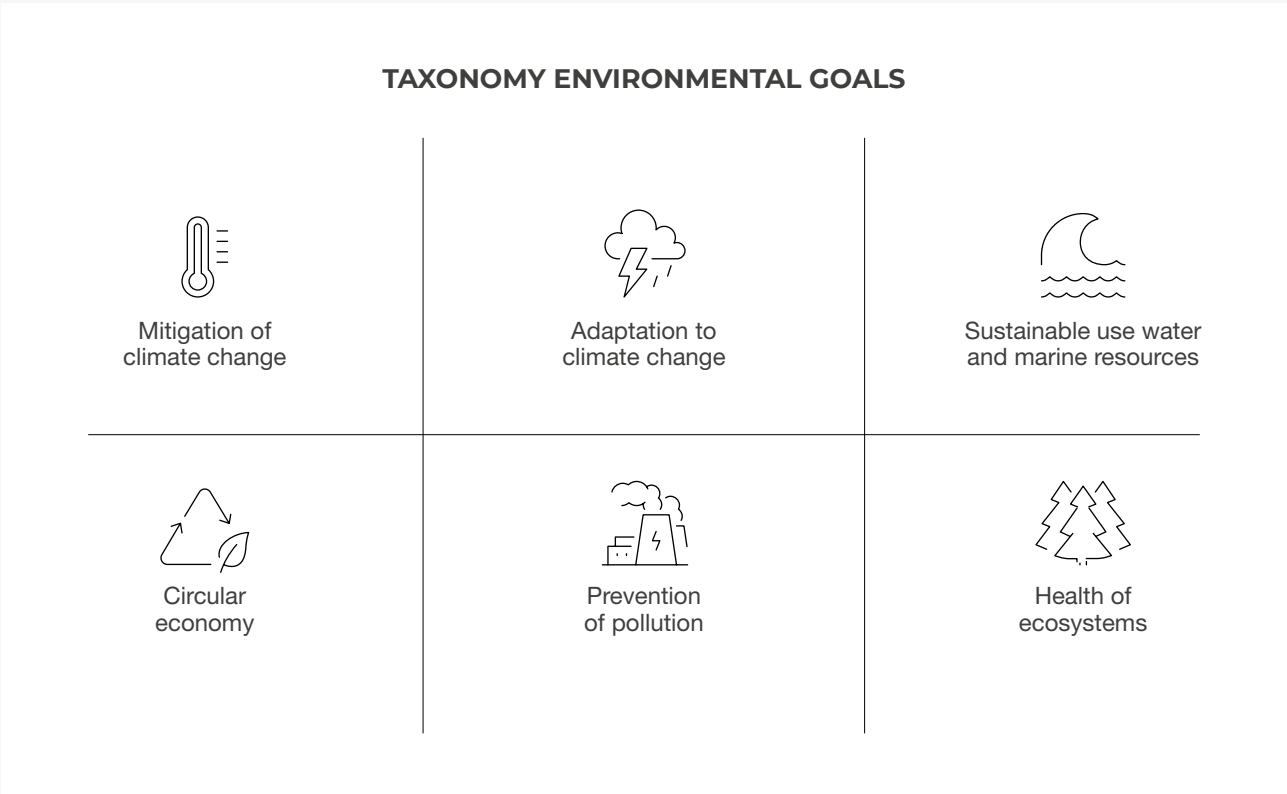
- Efficient use of natural resources:
 - **Water and energy:** Adoption of the measures needed to save energy and water.
 - **Land usage:** Implementation of the measures needed to save raw materials, including their reuse when possible.
 - **Biodiversity:** The examination of any significant environmental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

8.1.2. European Taxonomy

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

The European Taxonomy falls within the European Green Deal and establishes a common language and clear definition of what is sustainable, thereby providing companies, investors, and society with uniform information about the activities that contribute to achieving common environmental and social goals. At the moment, the Taxonomy has been developed using an environmental approach.

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



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

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

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



The MASMOVIL Group will perform an analysis on the alignment of its activities with the European Taxonomy

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

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

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

8.1.3. CSRD (Corporate Sustainability Reporting Directive)

As with the aforementioned European Taxonomy, the CSRD is part of the legislative elements in the European Green Deal through which the EU aims to facilitate capital flows towards sustainable activities.

One of the main ambitions of the CSRD is to bridge the divide between financial and sustainability information, especially on issues such as remuneration, results, risks, targets and materiality, where the reporting of financial information has much higher maturity levels.

The CSRD replaces an earlier directive (the NFRD, or Non-Financial Disclosure Regulation) and sets out a new standardized sustainability reporting framework for companies that are European and with significant levels of activities in Europe.

The key **implications and requirements** for implementing the CSRD would be:

- **Double materiality:**

- Impact-based materiality (“inside-out” approach): The impact of the enterprise’s activities on its environment (positive and negative impacts).
- Financial-related materiality (“outside-in” approach): The impact of external factors on the results of the company (risks and opportunities).

- **Assurance and standards:**

- Limited assurance is required.
- Obligation of applying the European Sustainability Reporting Standards (ESRS) to ensure that the information is comparable and provides all the relevant information.

- **Content requirements:**

- Comprehensive information to understand the impact on sustainability issues and how it affects the development, performance, and position of the organization as regards ESG (Environmental, Social, and Governance) matters.
- Information on the entire value chain of a company, identifying and reporting the ESG risks to the value chain, providing ESG information for the entire chain.

- **Preparation and publication:**

- In a dedicated section of the management report, identified as sustainability reporting, prepared in electronic format (the European Single Electronic Format, or ESEF) and uploaded to the future European Single Access Point (ESAP).

In short, the CSRD is going to require additional information to that currently furnished to be provided, in an integrated manner according to the criteria of the European Sustainability Reporting Standards (ESRS) and using digital labeling. Undertakings will be required to identify and compile information relating to sustainability, set targets and establish KPIs (revising the current indicators), draft policies, and manage ESG risks. In order to ensure the reliability of the report filing and enable a robust assurance process, companies must develop internal control systems for their non-financial information.

As regards the calendar for application of the European CSRD, large public-interest companies (with over 500 employees) that were already subject to the non-financial reporting directive (NFRD) (Directive 2014/95/EU), will be obliged to apply the CSRD from January 1, 2024, and include it in their Sustainability Report or their Non-Financial Information Statement (NFIS) in 2025. Other, smaller enterprises, or those who are not presently subject to the NFRD, will progressively incorporate the obligations of the CSRD between the 2025 and 2028 financial years for their publication in the following year.

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

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

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

ISO 14001

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

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

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

- An assessment of compliance of 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.

MASMOVIL[®]





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

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

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

ISO 14001 renewed for 2023

In line with the continuous improvement promoted by ISO 14001 certification, the Group acquired and formalized in 2022, as part of the certification process,

and renewed for 2023 as part of the audit process, certain commitments. These included making electric/hybrid vehicles available to employees as part of the corporate fleet, promoting efficient driving and emission control courses, intensifying communication with employees and managers about the trends in environmental variables, monitoring and reducing electricity consumption both at the headquarters and in the company's antenna network, and reducing paper consumption.

EMAS Regulation

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

ISO 50001 and Integrated Management System

In 2022 Xfera Móviles started the process for its first ISO 50001 certification (which it renewed in 2023), an international standard that serves as a guide for organizations in implementing an energy management system. It sets out the requirements that an energy management system must fulfil to perform continual and systematic improvements on the energy performance of companies. Other companies of the Group such as R Cable y Telecable Telecomunicaciones had already been awarded ISO 50001 certification.

ISO 50001 is the most used standard for business energy management worldwide. Certification of an ISO 50001-compliant energy management system helps organizations implement an energy policy and adequately manage the energy-related aspects deriving from their activity, such as services, facilities, products, etc., which translates into real and quantifiable savings in energy costs at organizations.

ISO 50001 provides the tools that are needed to identify which activities consume more energy. Once these activities have been identified, organizations activate a plan of measures to minimize the energy consumption of their facilities and systems in an integrated manner, while also maximizing their energy efficiency. This contributes to efficient and more sustainable use of energy.

Integrated environmental and energy management system

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

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

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

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

Environmental and energy awareness raising

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

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

With no specific environmental provisions required Lastly, in the consolidated financial statements for 2023, the Group has not recorded specific environmental provisions, other than the provision for dismantling sites (which includes the estimated cost of dismantling, removing, or rehabilitating telecommunications infrastructure) which is recognized as a higher cost for the items of property, plant, and equipment with which they are related. In addition, since the Spanish Environmental Liability Act is not applicable to its business activities, the Group has not put in place the environmental guarantees deriving from such legislation.

Expenditure on environmental and energy management

The MASMOVIL Group has assigned an annual budget to consolidate our environmental and energy management. In 2023, we allocated a total of €34,776 to various services and improvements in this area (compared to €46,636 in 2022, €60,176 in 2021 and €30,922 in 2020). The amounts vary each accordance with the different certifications and associated consultancy studies which we decide to undertake each year.

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*100% of the electricity
consumed by the Group
comes from renewable energy.*



8.2. Responsible consumption and sustainable use of resources

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

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

With this in mind, and as we have explained in more detail above, in 2022 the MASMOVIL Group attained the ISO 50001 energy efficiency certification and renewed it in 2023.

8.2.1. Total energy consumption

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

Consumption	2023	2023
Total, electricity (MWh)	84,074	89,336
Generator fuel (L)	9,021	20,384
Fleet fuel (L)	410,565	286,045
Total, fuel (L)	419,586	306,429
Total, natural gas (MWh)	132	121
Total, refrigerant gas (kg)	451	612

All the electricity consumed by the Group since 2020 has come from certified renewable sources (except for 0.15% of our electricity consumption in 2020).

ISO 50001 certification on energy efficiency and reducing consumption

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

Collaborative tools to reduce fuel consumption

As regards our fuel consumption – diesel for running generators and vehicles to transport workers on company business – we apply saving and streamlining measures to its use. One of our aims is to optimize travel between our sites by using the lowest possible number of vehicles and promoting use of collaborative tools to foster communication and collaboration between employees from different locations in this respect.

At our headquarters in Madrid, we also provide a shuttle service for those employees who need this service, which runs between our Alcobendas office and a number of stops in the heart of Madrid to avoid use of private transportation and foster a reduction in consumption and polluting gas emissions.

8.2.2. Greater energy efficiency for our networks

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

Sharing fixed networks and migration to FTTH

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

Over 97% of the Group's customers currently receive a service based on FTTH.

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

Thanks to the sharing agreements to optimize resources, as of December 2023 the MASMOVIL Group's fiber network exceeded 29 million building units (meaning it covered most of the country).

The Group's own footprint comprises just 12% of this total, while the footprint for the remaining 88% is based on various types of sharing agreement, some of these providing the MASMOVIL Group with owner economics, despite it not being the owner of the fiber. This is in line with our strategy of developing networks as sustainably as possible and avoiding duplication.

Sharing mobile networks and progression to 5G

The mobile network of the MASMOVIL Group is made up of 5,727 proprietary radio nodes which serve 88.50% of the population. The Group has also entered into national roaming agreements (known as NRAs) that enable customers of the MASMOVIL Group to access mobile communications services through other operators' networks.

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

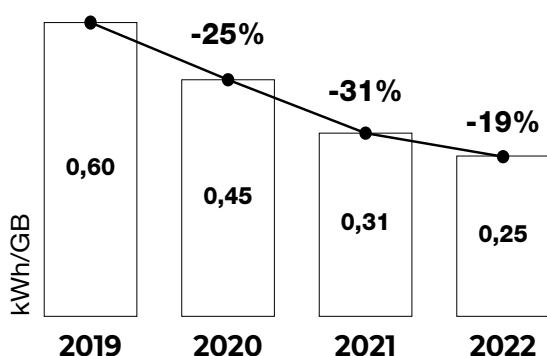
The MASMOVIL Group's mobile network is based on deployment of its telecommunications equipment at preexisting sites belonging to other providers and infrastructure managers. Over 90% of the sites where we install MASMOVIL equipment are occupied by two or more mobile operators.

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



Progression in efficiency of the mobile network: A reduction of around 74% in consumption by gigabyte (GB) between 2019 and 2023

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



2023: 0.158 kWh/GB, -36% We have improved the efficiency of the network (with a reduction in consumption per GB of around 74% between 2019 and 2023) thanks to our policy of modernizing equipment, of moving towards types of deployment that function without air conditioning, and of implementing energy-saving features in the equipment itself.

Modernization of the mobile network

One of the Group's priorities has been to modernize our mobile network to respond to the increase in customers and traffic and to base it on improving the total efficiency of the network. This has meant that we have been investing in this approach since 2018.

Thanks to this economic and human effort (which has enabled us to modernize more than two-thirds of our network over five years, as well as adopting the other measures explained further on), the Group has reduced energy consumption per gigabyte by 74% over that period. Modernization of the network provides the following efficiency benefits:

- Higher traffic management capacity and an approximate reduction in electricity consumption of 30% compared to usage by the equipment in place up to 2018.
- Smaller and lighter equipment, which allows us to simplify the required installation infrastructure. This decreases our civil works resource requirements and power availability needs, as well as the visual impact of the sites.
- The equipment works at ambient temperatures of up to 50°C and does not need to use air conditioning systems. It therefore eliminates the need for them, resulting in less maintenance work and visits, less waste generated, and a reduction in the possible emission of refrigerant gases into the atmosphere.

Over 2019 and 2020, 30% of our infrastructure was modernized using this type of equipment and thereby fulfilling the dual purpose of increasing the network's traffic management capacity and decreasing absolute consumption. During this period, we modernized 1,400 existing sites and deployed a further 230 sites.

In 2021, more than 800 sites were modernized. This meant that more than 45% of the radio network had high-efficiency equipment, approximately 2,400 modernized sites.

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

In 2023, we continued our modernization process to the point of covering two-thirds of our network.

Deployment of energy efficiency functionalities: Reduction of 4.5% in total consumption by the network without affecting quality for the customer

The Group is implementing a specific project that focuses on improving network efficiency through energy-saving features that manage the machine resources in use at any given time. The machines are of a modular design, which allows the equipment to be activated based on the capacity and power needed for the traffic being carried, thus adapting the resources to demand.

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

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

In early 2023 a new configuration was deployed to preserve the impact of daylight saving measures on savings. In addition, we developed a tool to monitor energy savings and efficiency in the mobile network.

The energy efficiency functionalities we have implemented are:

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

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

Deployment of 5G

The MASMOVIL Group makes 5G access available to its customers through a shared network. 5G technology allows a sufficiently high capacity network to serve customers, enabling efficiency in terms of deployment, higher implementation speeds, non-duplication of equipment, and better energy and general efficiency of the network as opposed to having two independent networks.

The MASMOVIL Group's 5G network is currently available to over 77% of the population with coverage, with a total of 2,217 municipalities covered.

5G technology is more efficient than the preexisting networks (3G and 4G) as regards the kWh/GB ratio.

This, together with joint use of the network, will mean a substantial improvement for the total network. As the network traffic progressively migrates to 5G technology, much higher efficiency rates than those of the current network will be achievable.

Optimization of deployment types

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

Energy efficiency at the Data Processing Centers (DPCs)

We provide details below of the main action taken in recent years at our MASMOVIL Group DPC 1, 2, and 3 to increase their energy efficiency:

• Action taken in 2018 and 2019 (DC and AC Energy Plan):

- Equipment renewal plan to replace old air conditioning equipment with modern equipment that includes a free-cooling system.
- Equipment renewal plan replacing retrofitted rectifier equipment with new, more efficient equipment.
- Replacement of battery strings for the rectifier equipment at the end of their useful life.

• Action in 2020 (cold aisles plan)

- Creation of three cold aisle enclosures in the DPCs in Madrid.
- Installation of free-cooling duct for air-conditioning unit no. 2 at the DPC in Madrid.
- Installation of free-cooling ducts in the uninterruptible power supply (UPS) room in Madrid, to avoid mixing hot and cold air.

• Action in 2021 (cold aisles plan)

- Creation of eight cold aisle enclosures at two locations, with estimated electricity savings of 14% at those sites.

• Action in 2022 (cold aisles plan)

- Creation of a further four cold aisle enclosures in technical rooms, thereby completing the aisle enclosure plan for all our DPCs for all the equipment there is to date.

• Action in 2023 (LED lighting plan)

- Replacement of the previous lighting at the DPCs with LED equipment.

• Action in 2023

- Since the end of 2023, a tropicalization system has been introduced by means of sprinklers that mean the chillers do not have to work at full capacity.

As a result of these actions, there has been an improvement in the Power Usage Effectiveness (or PUE) of the DPC, especially in DPCs 1 and 2, over the last three years. That improvement took place despite the increase in new equipment (both telecommunications and IT equipment) and it has made it possible to contain the Group's electricity costs.

	DPC 1	DPC 2	DPC 3	DPC 4	DPC 5
2021	1.40	1.92	1.80	1.43	1.31
2022	1.49	1.84	1.83	1.43	1.31
2023	1.38	1.67	1.81	1.46	2.10

In the case of the remaining DPCs, the PUE data is as follows:

	DPC 1	DPC 2	DPC 3	DPC 4	DPC 5	DPC 6	DPC 7
2021	1.94	1.44	2.24	1.74	1.75	1.70	1.64
2022	2.26	1.47	2.43	1.72	1.77	1.70	1.72
2023	1.86	1.43	2.54	1.70	1.76	1.73	1.57

Power Usage Effectiveness (or PUE) is a factor that reflects the energy efficiency of a data center and assesses its performance by calculating the ratio between the energy used overall (essentially, air conditioning, lighting IT power) and the energy delivered exclusively to computing equipment (IT power, taken in isolation). The closer the PUE is to 1.0, the more efficient it is considered to be. All the measures we have implemented such as free cooling, cold ais-

les, enclosures, and other temperature adjustments contribute to increasing the energy efficiency of our DPCs.

• Action scheduled for 2024 (chillers plan)

- Launch of an equipment renewal plan for the next three years for seven chillers located at DPC 1 and DPC 2: They will be replaced with more efficient models at the end of their useful lives.

8.2.3. Great energy efficiency in customer equipment

Approximately 86% of our gross adds in 2023 were supplied with a Wi-Fi 6 router (compared to 50% in 2022). Thanks to these devices, we achieved a capacity four times greater than that of Wi-Fi 5 without increasing energy consumed. The plan for 2024 is for most adds to have Wi-Fi 6.

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

At the present time we have more than 3.4 million broadband customers. Assuming similar customer churn rates to those we are currently experiencing, this enables us to set the target of providing 100% of our customers with Wi-Fi 6/7, and therefore reducing their electricity consumption, which should be met by 2027.

8.2.4. More sustainability at our corporate headquarters: LEED Gold

In June 2020, the MASMOVIL Group inaugurated its new headquarters in Madrid. At the end of 2023, this site was housing a total of 747 employees out of a total of 1,156 available places, with occupancy levels therefore close to 65% of the total.

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



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

Energy efficiency stemming from teleworking

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

In addition to these savings from lower electricity consumption at headquarters, there is the fuel saved by our employees through avoiding the commute to and from work.

Corporate headquarters built from materials that reduce energy consumption

The façade of our headquarters consists of a curtain wall (a type of glazed structure that covers the building) which acts as insulation against outdoor temperatures. The design means the building's heating and cooling needs are fewer, thus achieving energy savings.

Consumption reduction measures for lighting

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

- Switching off luminous devices (such as the advertising on the roof of our headquarters) at 10:00 pm.
- Switching off the building's perimeter lights when they are not needed.
- Installing motion detectors for lighting common areas and corridors.
- Making use of the automatic sleep mode function in the IT equipment of the Group's employees.
- Replacing the bulbs for the lighting in the outdoor car park and DPCs with LED technology.
- Installing motion detectors in the garage and the semi-basement areas where they had not yet been fitted.
- Installing clocks in the indoor parking area to program the lighting schedule for the roads/routes.
- Reducing light intensity in the indoor carpark.
- Switching off the air conditioning and lighting system for floor 0 and floor 1 on Mondays and Fridays from 3:30 pm, thanks to the mixed on-site/teleworking system.
- We are also considering switching off the semi-basement floor (Business Center) on Mondays and Fridays, where currently the air conditioning is still on, and only switching on the lighting for rooms that have been booked.
- Cool aisles have been installed in the DPCs located at our headquarters, as mentioned earlier, as well as in those located at other sites.
- Furthermore, at three of our DPCs in Madrid, since the end of 2023, a tropicalization system has been introduced by means of sprinklers that mean the chillers do not have to work at full capacity.
- New meters were introduced as part of the BMS for more accurate monitoring of our electricity use.
- Motion detectors have been installed on the basement floor so that the lighting is not left on for

the entire working day, and instead turns on and off depending on whether anybody is present.

- We are also assessing how to optimize and adapt the building's lighting schedule to take into account the timetables of the cleaning and/or security firms we work with.



Consumption reduction measures for air conditioning

We continue to perform thorough maintenance of the building's air conditioning equipment to ensure its energy efficiency. Furthermore, although the temperature control measures established by Royal Decree-Law 14/2022 on energy savings, which set the highest temperature for heating at 19° C and the temperature for cooling indoor spaces at no less than 27° C, expired on November 1, 2023, the MASMOVIL Group is currently continuing to enforce them.

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

8.2.5. Raising awareness about energy efficiency among our stakeholders

Messages and measures to raise awareness among employees

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

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

- The ESG Strategic Plan, with an explanation of the basic principles
- What it means to be a certified B Corporation and our role as employees
- How we achieved net zero emissions status (Scopes 1 and 2) and what this means
- Access to our Sustainability Report
- Energy efficiency day: Join us and join in
- European Mobility Week, the car-free day
- Posters with recommendations on how to save electricity and reduce consumption
- The circulation of the document (which can also be accessed from our corporate website) that provides a summary of all the measures put in place in line with our energy efficiency plan at both the headquarters, DPCs, and networks and in terms of customer equipment.

Information on protecting the environment and ESG aspects included in our onboarding pack employees and on our e-learning platform

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

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

Raising awareness among our suppliers and supply chain

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

We also ensure our suppliers are familiar with the principles of the Procurement Policy, the ESG Policy, and the Sustainability, Environment, and Energy Management regard to appropriate action that is in line with the parameters required by our Group.

Our work to raise awareness among our suppliers and franchisees involves communicating with them regularly. We explain the milestones we have achieved in ESG and care for the environment, and we also offer our help to aid and work with them on the journey to creating long-term sustainable value, whenever they consider our collaboration to be an appropriate step.

In 2023, our communication in this regard was sent to over 1,000 suppliers, in addition to our franchise network.



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

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

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

In 2023, our sustainable offerings for customers were joined by a new natural gas product, at a stable and competitive flat rate which enables customers not to concern themselves with the fluctuations in the market. It also integrates the features which are also a highlight of the electricity service: Help to control usage, environmental sustainability, and exclusive discounts on telephone bills for Yoigo and MásMóvil customers.

This offering is carbon neutral, as customer CO₂ emissions from their gas consumption will be offset by the brand through a reforestation project in the natural landscape located near the Torimbia beach in Llanes (Asturias), where a wood was burnt in 2011.

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

- **Subsidized electric bicycles:** Price subsidies and 0% financing offered for electric urban bicycles, or e-bikes, which can be used to commute to work, in addition to fitting out parking areas and facilitating battery charging.
- **Subsidized electric chargers:** We have installed charging stations for electric vehicles in the car park at our headquarters, with the MASMOVIL Group subsidizing consumption to encourage use of hybrid/electric vehicles among employees. Thanks to this measure, close to 7,300 kg of CO₂ were not emitted in 2021, 14,000 kg in 2022, and 44,340 kg in 2023.
- **Green and emission-neutral events:** We categorize our in-house events (as well as the events organized by the Group for customers) as green, as we calculate and offset the emissions they generate.
- **Decarbonized employee vehicle fleet:** We have analyzed the emissions of our employees' vehicles and assumed the decarbonization costs of those of any that are classified as being large emitters. After measuring the emissions and the decarbonizing, Opus RS Europe, S.L., (a company specializing in remote measurement of motor vehicles in motion) certified the Group's fleet as being comprised of low emission vehicles.
- **Greater range of hybrid/electric cars:** We have increased the choice of electric/hybrid vehicles available to employees under the leasing scheme.
- **Measurement and reduction in emissions of road traffic:** We participate in measuring polluting emissions from traffic in the local municipality where our corporate headquarters is located (executed by Opus RSE), and we are part of the Strategic Plan for the Digitalization of Urban Traffic and the Reduction of Emissions through the CRETA project.
- **Fostering use of public transport:** On World Sustainable Transport Day, we organized a competition among our employees in which they sent a photo showing their alternative transport for the day, in order to raise awareness about using sustainable means of transportation.



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

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

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

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

8.2.8. Water consumption

GRI 3-3 / GRI 303-5

Consumption	2023	2022
Water (m ³)	9,524	10,608

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

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

As part of its commitment to the environment, the Group has also stated its intention to work on and seek solutions and corrective measures that encourage the reduction of water consumption per employee (liters/employee).

As has been mentioned earlier in this Sustainability Report, the increase in teleworking options for employees, with the choice of whether to work on-site at the office on Mondays and Fridays, is also resulting in a positive reduction in water consumption and more efficient use of resources.



The measures adopted at the headquarters to optimize water consumption include:

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

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



Consumption of bottled water from AUARA: Projects providing access to drinking water

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

AUARA is a brand of products that are sold in order to finance projects providing access to drinking water. It devotes 100% of its dividends to that social end. AUARA does not make generic donations; instead it works on individual projects to provide access to water for those who most need it, along with partners and organizations with proven experience who know the relevant population and its needs and can report, measure impacts, and offer long-term monitoring in areas of the planet where water shortages are an important problem.

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

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

In 2023, once again access was enabled, this time for another 25 people, contributing another 128,176 liters of water and saving 6,081 hours of time which would have been spent fetching water. The number of bottles recycled amounted to 14,245 units, equivalent to 321 kg of plastic and thereby saving 536 liters of oil.

8.2.9. Raw materials: Consumption and reduction measures

GRI 301-1 / GRI 301-3

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

At our corporate headquarters, paper was the most used format. However, we implemented measures to achieve the goal of a paperless office (clean desk policy, absence of individual waste bins and drawer

units, recording and monitoring of printout volumes for each employee, process digitalization, etc.), and since the end of 2021, recycled paper has been used in the printers at the headquarters. In 2022 this measure was extended to the rest of our corporate buildings.

At our various corporate workplaces, our paper provision system for the printers and general office activities consists of purchasing and storing the paper, and not procuring any more until it is necessary. This way of proceeding occasionally entails fluctuations in annual consumption, as in some years paper needs to be procured, while in others, consumption is limited to the paper we already have in stock, which was the case in 2023.

Consumption	2023	2022
Paper (kg)	1,988	1,978

8.3. Circular economy and waste prevention and management

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

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

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

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

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

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

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

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

Item	2023	2022
Restored equipment (Unit)	641,740	686,892
Total, equipment sent to customers (Unit)	1,827,316	1,915,197
% restored equipment	35%	36%

As part of its policy to foster the circular economy, if any customers cancel their contracts, the Group retrieves the vast majority of the customer equipment, refurbishes it, and reuses it for new customers. However, because the Group is also replacing older technological equipment with more modern and energy efficient technologies (FTTH and Wi-Fi 6), the amount of old equipment that can be refurbished is decreasing and the amount of equipment using new technology is increasing. This resulted in a technical decrease in the percentage of refurbished equipment compared to 2022.

8.3.2. Waste generation in network operations (in kg)

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

Type of waste	2023	2022
Non-hazardous Waste Electrical and Electronic Equipment (WEEE)	2,780	12,921
Plastic waste	20	455
Cellulosic waste	120	1423
Metallic waste	1,650	25
Wood / cork	150	275
Other waste	3	4
Total non-hazardous network waste (kg)	4,723	15103



8.3.3. Waste generation at Data Processing Centers (DPCs)

Type of waste	2023	2022
Waste Electrical and Electronic Equipment (WEEE)	5,058	6,506
Batteries	13,342	18,958
Oils, filters, and absorbents	373	39
Total hazardous waste (kg)	18,773	25,503
Non-hazardous Waste Electrical and Electronic Equipment (WEEE)	82,460	102,270
PCI HFC gases	64	-
Metallic waste	265	-
Cellulosic waste	9	19
Plastic waste	-	33
Total non-hazardous waste (kg)	82,798	102,322

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

8.3.4. Classification of waste by type of treatment

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

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

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

For all these waste management procedures, a code is used beginning with the letter R which indicates that they are oriented towards potential recovery, regeneration, reuse, recycling, or any other use.

8.3.5. Recycling at main premises:

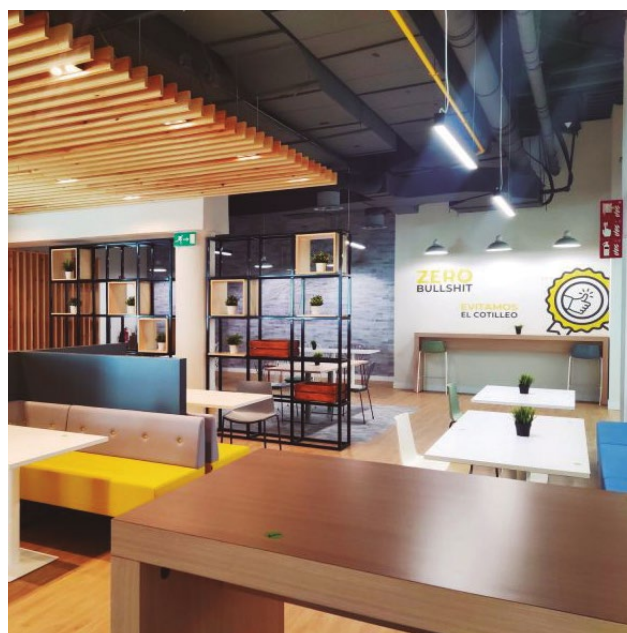
Type of waste	2023	2022
Paper / cardboard	6,565	12,413
Plastic	572	1,157
Electronic products	732	291
Batteries	119	28
Total recycling (kg)	7,988	13,889

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

Agreement with Eurest to reduce food waste at our canteen

The MASMOVIL Group is not directly involved in this aspect as part of its operations; therefore references to direct action taken to combat food waste have not been deemed relevant.

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



8.4. Fighting climate change

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

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

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

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

- **Responsible use of natural resources and land:** We measure and define targets for improving our consumption. Priority is given at all times to use of recycled materials, encouraging their use among our stakeholders as well. We have a paperless office, which encourages lower paper use, and green printers that require users to identify themselves so as to reduce the impact of unnecessary copies being printed; we have also removed drawer units and waste paper bins.

Another of our priorities is responsible use of land. As we have mentioned in other chapters of this Sustainability Report, our network deployment strategy is based on sharing networks with other operators. We thus prevent unnecessary overlapping and achieve more efficient use of natural resources, such as land.

To contextualize this aspect, it should be highlighted that the footprint of our fiber-to-the-home (FTTH) network already exceeds 29 million building units in Spain, which represents the vast majority of the building units in the country. However, our policy of reaching network sharing agreements through wholesale agreements, the purchase of use rights, and hybrid agreements, has resulted in just a little more than 12% of

our total FTTH footprint being deployed directly by the MASMOVIL Group, with the remaining 88% being based on various different types of agreements to share or rent networks.

- **Circularity and e-waste management:** Both the waste from our facilities and that generated in our network operations are managed through authorized waste management companies. Our commitment to the circular economy is complemented by our application of strict policies on reuse of customer equipment. We attained a level of over 98% reuse of equipment from customer cancellations.

In this regard, the ratio of equipment installed sourced from refurbished equipment over the year changed from 36% in 2022 to 35% in 2023. This demonstrates the downward trend resulting from the migration towards more efficient FTTH and Wi-Fi 6 technology and equipment that require new articles for customers, not recycled items.

- **Encouraging environmental certification and initiatives:** In addition to having a sustainability model and an environmental and energy management system, it is important for this to be validated by independent third parties. In this respect, the Group has achieved the ISO standard certifications ISO 14001 (Environmental Management) and ISO 50001 (Energy Management), a Carbon Disclosure Project (CDP) rating, our Global Compact Communication on Progress report, and Certified B Corporation status. This commitment also extends to the supply chain, and we require similar certifications or commitments from our suppliers. In addition, as stated earlier in this Report, we also worked to support the attainment of ESG ratings from entities such as S&P, Fitch, Sustainalytics and Clarity AI, where the environmental aspect is logically one of vital importance in obtaining leading scores in the sector.

The Group is aware of the importance and relevance of protecting the environment. Therefore, our environmental management measures and the fight against climate change constitute a core pillar in the transformation towards a responsible business model. Our objective is to align our business model with our environmental commitments and goals, so carbon neutrality and reducing emissions are a priority in order to responsibly manage the environmental impact that our business activities may cause.

Energy and Environmental Management Committee

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

Major lines of action with regard to the environment

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

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

8.5. Emissions

The team at the MASMOVIL Group, while aware that its activity is not emission intensive with regard to greenhouse gases (GHG), decided in 2020 to begin calculating and offsetting its Scope 1 and 2 emissions. Later, from 2022 and retroactively for 2021, it also began calculating Scope 3 emissions.



8.5.1. Net zero emissions for Scopes 1 and 2 in 2020, 2021, 2022, and 2023

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

Since 2020, our net zero CO₂ emissions have included all of our Scope 1 and 2 emissions, the emissions derived from the Company's direct business. We began calculating Scope 3 extensively from 2021/22.

The results for CO₂ emissions of the MASMOVIL Group for 2023, as for 2020, 2021, and 2022, were certified and quantified by the Ecodes Foundation. This foundation provides the accreditation certifying that the Group has calculated and offset the greenhouse gas emissions generated by its activities during the year, in accordance with the standards of the CeroCO₂ initiative.

We therefore achieved the goal of net zero emissions far earlier than 2050, the target set in the Paris Agreement, and at a much faster pace than that promoted by the Science Based Targets initiative (SBTi). The Group considers its remaining emissions to be residual, and we thus achieved net zero emissions for Scopes 1 and 2 in 2020, 2021, 2022, and 2023.

The MASMOVIL Group has taken proactive measures to promote decarbonization that are aligned with the opportunities identified in the ITU-T Recommendation L.1470 section 11.2 which include:

- Use of certified renewable energy: Approximately 100% of energy consumption is green, with the following mix:
 - Solar energy: 73.0%
 - Wind energy: 23.5%
 - Hydropower: 2.8%
 - Biomass energy: 0.7%
- Operating efficient networks and promoting shared use of the network: Dynamic assignation of power, alternative energy supply, virtualization of the network.
- Efficiency in buildings and services: A building management system (BMS) to control electrical equipment, with measures to reduce energy and water consumption at our main headquarters, a building that holds a LEED Gold certificate.
- Application of circular economy principles: Reuse of network equipment and recycling system for waste produced by the Company's business activities.
- Promoting the use of electric or hybrid vehicles among employees and the sales force.

1 Direct emissions generated by the enterprise's operations.

2 Indirect emissions generated by the electricity purchased and consumed.

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

4 UIT-T Recommendation L. 1420: Methodology for energy consumption and greenhouse gas emissions impact assessment of information and communication technologies in organizations. International Telecommunications Union (2012).



Summary of Scope 1 and 2 emissions of the MASMOVIL Group

Emissions (*)	2023	2022
Scope 1 emissions (tCO ₂ eq)	1,802	1,858
Scope 2 emissions (tCO ₂ eq) (**)	-	-

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

(**) It has certified renewable source status for its electricity consumption.

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

In 2023, we reduced our Scope 1 and 2 emissions a further 3%.

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

Therefore, we once again met our target of maintaining our level of net zero emissions of CO₂ for Scopes 1 and 2. This is another demonstration of the Group's commitment to the best environmental practices.

8.5.2. Analysis of Scope 3 emissions

At the MASMOVIL Group, we wanted to take another stride forwards by increasing the number of emission sources under Scope 3 in the calculation of our carbon footprint (in addition to those mentioned earlier from paper, water, and toner, which we calculated until 2020).

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

In 2022, we did this exercise for the first time regarding the emissions for 2021 and 2022, and in 2023 we continued this commitment with the aim of being able to design a long-term plan to reduce those emissions.

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

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

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

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

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



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

Scope 3 emissions	2023	2022
Purchased goods and services (tCO ₂ eq)	46,420.69	50,028.23
Capital goods (tCO ₂ eq)	78.34	6,498.54
Fuel- and energy-related activities (tCO ₂ eq)	258.51	188.54
Business travel (tCO ₂ eq)	1,259.94	689.33
Waste generated in operations (tCO ₂ eq)	7.56	3.44
Use of sold products (tCO ₂ eq)	235,865.16	243,556.92
Total emissions (tCO₂eq)	283,890.20	300,965.00

8.5.3. Decarbonization Plan and Commitment to Alignment with the SBTi

• The Science Based Targets initiative

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

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

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

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

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

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

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

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



8.5.4. Other action to fight climate change

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

In 2021, Pepephone inaugurated a campaign (“Anyone who has a friend has a tree”) involving planting a tree each time one of its customers’ friends signs up to Pepephone. In addition, the tree always belongs to a native species from the area. The trees are planted at a favorable time of year for the specific species to respect the biodiversity of the area and look after it the best way possible. Through this campaign, Pepephone is doing its part to sow the seeds to restock the forests in Spain.

For this initiative, it reached out to Bosquia, a reforestation and environmental aid service. The company specializes in CO₂ emissions offsetting through reforestation projects based in Spain. It oversees the entire life cycle of the project, from preparing the land and the tree planting process, to maintaining and looking after the new wood.

Bosquia seeks out degraded areas of Spain that need reforestation, and they plant and take care of the trees resulting from our alliance.

Thus far, Pepephone has had 9,281 trees planted and there are already 725 new requests, of which 202 were carried out in January 2024.

Reforestation linked to offsetting emissions of our natural gas customers

Due to the success of its socio-environmental impact, the reforestation scheme has been extended to other energy services and brands of the Group, such as EnergyGO, MASMOVIL Energía and Pepeenergy. These are offsetting the carbon footprint generated by use of their gas services through action like restocking the forests in areas which have been ravaged by fire (the case of the area near to the Torimbia beach in Llanes, Asturias).

For this process, firstly, the CO₂ emissions resulting from gas consumption are taken into account; then the equivalent amount of trees needed to absorb that amount of CO₂ and generate more oxygen is calculated; finally, the trees are planted as plug seedlings and not as seeds, to ensure that they root properly.

In total, there will 4,376 trees on an area measuring 4.5 hectares. The project is designed to absorb 2,500 tons of CO₂, equivalent to the carbon footprint of the customers of the EnergyGO, MASMOVIL Energía and Pepeenergy brands from their consumption of natural gas.

Reforestation deriving from green events

We have also designed our B2B technological conferences to be carbon neutral events. To this end, we calculated their environmental impact and offset the total amount of the GHG emissions which could not be avoided by paying to plant native tree species in the regions where the events were held.

Reduction in the amount of plastic in SIM cards

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

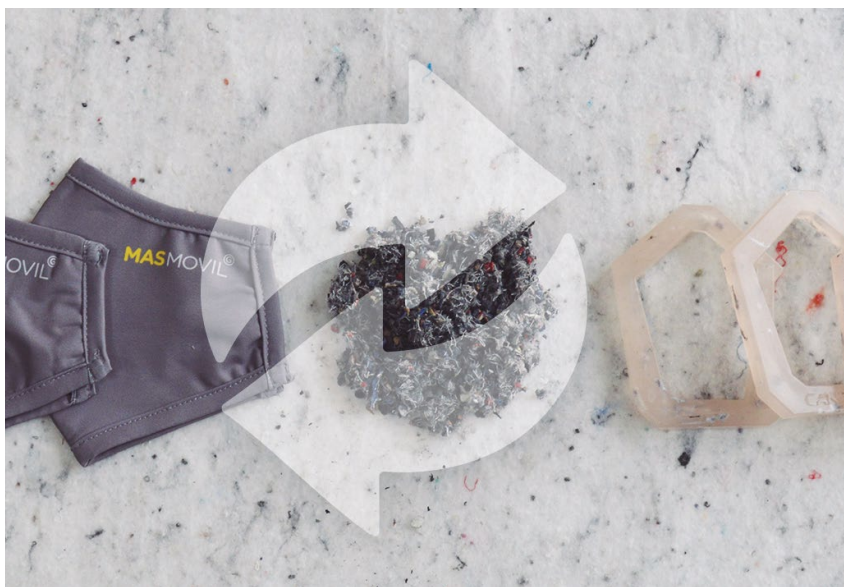
Remaining true to our commitment, at the beginning of 2023 we also began to gradually migrate towards these eco-friendly SIM cards at our Yoigo brand, including the packaging (which will have the same environmentally friendly features as those mentioned above). Using these sustainable cards could mean savings of up to 38.8 g of CO₂ per SIM card, thus managing to reduce emissions by 18%.

100% compostable mobile cases

In 2023, the MASMOVIL Group gave its more than 1,800 employees compostable mobile phone cases from Phonecases3D so we can protect our phones while protecting the planet.

Canussa and the MASMOVIL Group convert plastic waste into corporate gifts

In 2023, the MASMOVIL Group also transformed excess medical face masks into different corporate gifts created from the waste elastic mask straps. This initiative was undertaken alongside Canussa, the Spanish handbag firm, which is also a member of the B Corp movement.



The MASMOVIL Group and ANOVO reduce the amount of plastic in their packaging:

Continuing the trend set by these two companies in reducing plastic in their processes, and confirming their commitment to sustainability, as from February 2024 there will be certain changes made to the packaging of customer equipment, by switching from the bubble-based padded envelopes and similar packaging for deliveries used up to that point to cardboard boxes.

This change represents savings in CO₂ emissions of more than 75% and savings in terms of plastic consumption of 97%.



Artificial Intelligence (AI) and 5G technology in fighting wildfires

The risk of fire is growing higher and has a considerable economic and environmental impact. Emerging technologies such as AI and 5G may be vital when it comes to preventing, fighting, and minimizing the damage caused by wildfires which particularly hit the northern regions.

As part of this initiative, we are promoting technology that uses the capabilities of AI and 5G technology to detect fires.

The technology (currently at the testing stage) entails placing video cameras and sensors, running 24 hours a day, to detect fires.

These rotating cameras work using natural vision and are sited on telecoms towers on higher ground. This is for two reasons: these areas tend to have a heightened risk of wildfire and they permit a field of vision with a radius of several kilometers.

The system contains an AI program which combs through images of fire and smoke autonomously, without the need for human intervention. In the event of a fire, the neural network of sensors will immediately detect both smoke and fire and, based on AI-based behavior patterns, will classify their danger level and define whether it is the start of a wildfire.

The MASMOVIL Group presents its energy efficiency report

In 2023, the MASMOVIL Group presented its first energy efficiency report in which it gave details of its performance and practices for efficiency energy use. It highlights the efficiency of its networks due to migration and sharing (among other measures); the measures implemented at our headquarters; the awareness campaigns for its stakeholders; and the technological and innovative solutions for sustainability in cities and the services they offer our customers.

Corporate headquarters with LEED Gold certification

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

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

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

In addition to LEED Gold certification, in September 2020 the new headquarters was awarded the 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.

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

The main action we have taken in this respect includes the following examples.

- The consumption of plastic bottles in the offices was eliminated, replacing them with glass bottles (one for each employee) that can be refilled at the water fountains distributed around the various floors. This scheme eliminated the consumption of more than 100,000 plastic bottles per year.
- This measure has been supplemented and reinforced by a ceramic cup being delivered to all employees with the aim of reducing the use of cardboard coffee cups and also facilitating sustainable water consumption.
- There are plastic, battery, and paper collection containers on all floors of our corporate headquarters. Recycling containers for electronic components were also placed in the building reception area and in the distribution channel.
- We also provide packaging, paper, and organic waste containers on all floors, as well as bins

specifically allocated to medical waste such as masks, which open automatically to avoid physical contact.

- The new headquarters has also further promoted the recycling of electronic devices and components by creating a specific area for recycling this type of waste, separated into normal batteries, mobile phone batteries, and other electronic equipment. The equipment is removed by companies authorized to treat this type of waste in accordance with its European Waste List code.
- At the headquarters, Airlite ecological paint has been used to paint the entire surface of the building. The paint absorbs CO₂, eliminates bacteria from the environment, and prevents the adherence of dirt and dust, which makes the office a very high air quality space.
- We also use natural and hydrophilic vegetation (with a complete absence of any plastic plant-based decoration).
- Our new building has a façade consisting of a curtain wall (a type of glazed structure that covers the building) which acts as insulation against outdoor temperatures, thus reducing both cooling and heating needs and achieving energy savings.
- Ashtrays have been placed in authorized areas to allow any cigarette butts to be recycled, and thus prevent them from ending up on the ground.
- Use of clean, green, and sustainable electrical energy. The energy comes from green energy producers, certified by the CNMC (the Spanish National Markets and Competition Commission).
- Using a Building Management System (BMS) for centralized control of the electrical energy in the building allows us to regulate light intensity and optimize electricity consumption.

- We have also installed occupancy sensors for meeting rooms, the garage area, and basement floors. The voltage for the lighting in the garage was lowered to reduce consumption, and the lighting and air conditioning is turned off on certain floors on teleworking days.
- Regular measurement (up to twice a week) of the CO₂ levels in the building, applying corrective and ventilation measures should certain pre-established levels be exceeded.
- In order to maintain air quality, we have ultraviolet lamps in various locations in the building, and in the boardroom we also have air purifying equipment that eliminates bacteria.
- The building has numerous measures to control water consumption, including automatic faucets and aerators, as well as double-flush toilets.
- We installed Group-subsidized electric vehicle (EV) chargers at our new headquarters to encourage their use by employees. Thanks to this measure and according to the data from the service provider, it meant 7,302 kg of CO₂ were not emitted in 2021, 13,995 kg in 2022, and 44,340 kg in 2023.
- Furthermore, in order to avoid the use of public transport as much as possible during the pandemic, during 2020 and most of 2021, the Group made a private mini-bus service available to the employees at its Madrid headquarters, with various routes across the Spanish capital.
- In 2022, once the worst of the health crisis was over, we resumed the shuttle service in Madrid which (using minibuses funded by the Group) enables employees to travel free of charge to the different stops on the available routes.
- At the end of 2021 we implemented the use of recycled paper in all the printers at the new headquarters.
- At our headquarters, in 2022 we reinstated the service providing our employees with free fruit, located in the cafeteria areas of each floor. The service had been discontinued as a consequence of the measures to tackle COVID-19.
- Also in 2022 we restarted office-based physiotherapy to enable employees to use this service without needing to leave the workplace.
- At the end of 2022, a space was reserved at our headquarters where employees can go to group gym classes upon payment of a token fee.
- In 2022, we also launched a new initiative: every Thursday employees can acquire fresh products at a Vegetalier Mini Market. In addition to organic and seasonal fruit and vegetables, at this market shoppers can purchase 100% ecological long-fermented sourdough bread, as well as unrefrigerated gourmet products.
- At the end of 2022, we measured the emissions of the vehicles that commute to our headquarters and increased the range of electric/hybrid vehicles available to employees under the leasing scheme. We were able to perform this study through OPUS RS EUROPE, S.L., a company specializing in remote measurement of motor vehicles in motion. After the measurement exercise, it certified that MASMOVIL vehicles and those of its employees, as measured during 2022 in real traffic conditions, have lower emissions levels than the rest of the vehicles in the motor vehicle fleet in Alcobendas (Madrid).
- In 2023 we launched a campaign we called "Book Crossing", which consisted of bringing into the office books that had made an impression on us, with a note for the next reader, and taking another book from the shelf, if we so wished. Our books deserve to have 20 lives. Through this initiative we breathed new life into our books, raised awareness about the circular economy, and fostered connection between employees.

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

⁹LEED = Leadership in Energy and Environmental Design, promoted by the US Green Building Council.

8.6. Pollution

GRI 3-3 / GRI 305-7

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

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

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

Coverage for accidental pollution

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

8.7. Protecting biodiversity

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

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

- **Protecting and preserving native fauna**

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

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

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

In 2022, at the MASMOVIL Group we decided to work with Vision Analytics on a system to detect wildfires early on with the goal of preserving and protecting biodiversity. In 2023, MASMOVIL began a pioneering project focusing on early detection of wildfires in order to conserve our natural heritage. MASMOVIL is keen to promote the use of this technology and is piloting the system in Peguerinos (Ávila) and Graus (Huesca).

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

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

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



9. People

Main features of our strategy

- Fostering global talent inside the Group, focusing particularly on female talent and technological talent through a number of development programs
- Continuing to foster leadership and internal entrepreneurship through the MLIP (MASMOVIL Leadership & Innovation Program) Master's program.
- Boosting and promoting a feedback culture throughout the organization.
- Encouraging volunteering and wellbeing at the Group.
- Negotiating and signing new equality plans for Xfera Móviles and Lorca Telecom Bidco.

9.1. Managing our people

GRI 3-3

Commitment to ethics and human and labor rights

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

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

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

Human Resources and Labor Relations Policy

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

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

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

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

The MASMOVIL Group also has a policy on occupational health and safety, which provides the reference framework for establishing an Occupational Health and Safety Management System that complies with ISO 45001.

Policy on equal opportunities

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

The policy is further supported by the content of the equality plans in force in 2023 for the companies Xfera Móviles, S.A.U. (the Group company with the largest number of employees) and Lorca Telecom Bidco, S.L.U., and the new equality plans for the companies of the Euskaltel Group, which aim to guarantee equal treatment and opportunities for women and men in access to employment, recruitment, hiring, promotion, training, and other working conditions, fostering the presence of women at the organization and in executive positions, thereby continuing to integrate the gender perspective in the management of the Company. See section 9.5 of this report to learn more about the equality and diversity plans.

Talent Diversity Plan

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

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

Human Rights Policy

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

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

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

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

9.2. Workforce and remuneration

GRI 2-7 / GRI 405-1

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

At the end of 2023, the Group's workforce stood at 1,851 employees, with 1,094 men and 757 women.

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

Age	2023			2022		
	Women	Men	Total	Women	Men	Total
Under 30 years old	47	87	134	54	85	139
30-50 years old	539	697	1,236	515	674	1,189
Over 50 years old	171	310	481	168	322	490
Total	757	1,094	1,851	737	1,081	1,818

As in 2022, most of the employees are in the 30- to 50-year-old age group, accounting for 66.79% of the total number of employees. The percentage of women on the total workforce increased in 2023, reaching 40.9% (compared to 40.5% at the end of 2022).

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

Employee category	2023			2022		
	Women	Men	Total	Women	Men	Total
Management	22	97	119	18	97	115
Technical staff	113	317	430	108	310	418
Administrative staff	118	99	217	120	96	216
Other staff	504	581	1,085	491	578	1,069
Total	757	1,094	1,851	737	1,081	1,818

The category in which the number of women most grew in 2023 (compared to 2022) was in the management category, with an increase of 22.2%

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

As an example of the MASMOVIL Group's commitment to diversity and equal opportunities, at the end of 2023 the workforce included as many as 33 nationalities (34 including our CEO, who is Austrian), despite the fact that all the Group's business activities take place in Spain. The percentage of women from outside Spain increased compared to 2022, from 25% in 2021 to 26% in Spain.

Nationality	2023			2022		
	Women	Men	Total	Women	Men	Total
German	1	-	1	1	-	1
Argentinian	1	6	7	1	6	7
Bangladeshi	-	1	1	-	1	1
Belorussian	-	-	-	1	-	1
Brazilian	-	1	1	-	1	1
British	2	-	2	2	2	4
Bulgarian	2	1	3	2	1	3
Ceylonese	-	2	2	-	2	2
Chilean	-	1	1	-	1	1
Chinese	1	-	1	-	-	-
Colombian	2	1	3	2	-	2
Cuban	-	3	3	-	1	1
Dominican	-	1	1	-	2	2
Slovakian	1	-	1	1	-	1
Spanish	732	1,023	1,755	713	1,010	1,723
French	-	4	4	-	4	4
Ghanaian	-	1	1	-	1	1
Indian	-	7	7	-	8	8
Honduran	-	1	1	-	1	1
Irish	-	-	-	-	1	1
Israeli	1	-	1	1	-	1
Italian	-	9	9	-	7	7
Moroccan	-	5	5	-	5	5
Mexican	1	1	2	1	1	2
Nicaraguan	-	2	2	-	2	2
Panamanian	-	1	1	-	1	1
Pakistani	-	7	7	-	7	7
Peruvian	2	-	2	2	-	2
Portuguese	-	2	2	1	3	4
Romanian	7	10	17	5	8	13
Russian	1	-	1	1	0	1
Senegalese	-	1	1	-	1	1
Swiss	-	1	1	-	1	1
Uruguayan	1	-	1	-	-	-
Venezuelan	2	2	4	3	3	6
Overall Total	757	1,094	1,851	737	1,081	1,818

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

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

Indefinite-term contract	2023			2022		
	Women	Men	Total	Women	Men	Total
Full-time	744	1,092	1,836	722	1,078	1,800
Part-time	13	2	15	15	3	18
Total	757	1,094	1,851	737	1,081	1,818

In line with the trend in recent years, indefinite-term contracts continue to represent a high proportion of full-time employment, both in 2023 and in 2022, accounting for 99% of the contracts.

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

Temporary contract	2023			2022		
	Women	Men	Total	Women	Men	Total
Full-time	-	-	-	-	-	-
Part-time	-	-	-	-	-	-
Total	-	-	-	-	-	-

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

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

Indefinite-term contract	2023				2022			
	< 30 years old	30-50 years old	>50 years old	Total	< 30 years old	30-50 years old	>50 years old	Total
Full-time	132	1,226	478	1,836	138	1,176	486	1,800
Part-time	2	10	3	15	1	13	4	18
Total	134	1,236	481	1,851	139	1,189	490	1,818

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

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

Temporary contract	2023				2022			
	< 30 years old	30-50 years old	>50 years old	Total	< 30 years old	30-50 years old	>50 years old	Total
Full-time	-	-	-	-	-	-	-	-
Part-time	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

As stated above, at year-end not a single employee in the workforce held a temporary contract, in both 2022 and 2023.

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

Indefinite-term contract	2023					2022				
	Management	Technical staff	Administrative staff	Other staff	Total	Management	Technical staff	Administrative staff	Other staff	Total
Full-time	119	429	217	1,071	1,836	115	417	216	1,052	1,800
Part-time	-	1	-	14	15	-	1	-	17	18
Total	119	430	217	1,085	1,851	115	418	216	1,069	1,818

In terms of employee category, most indefinite-term contracts were full-time. Part-time contracts were largely present in the “Other Staff” group, although they represented a lower absolute weight (14 contracts in 2023 compared to 17 in 2022).

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

Temporary contract	2023					2022				
	Management	Technical staff	Administrative staff	Other staff	Total	Management	Technical staff	Administrative staff	Other staff	Total
Full-time	-	-	-	-	-	-	-	-	-	-
Part-time	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-

As stated above, in the last two years, at the end of the year not a single employee in any employee category held a temporary contract.

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

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

Indefinite-term contract	2023			2022		
	Women	Men	Total	Women	Men	Total
Full-time	734	1,095	1,829	725	1,128	1,853
Part-time	17	3	20	19	2	21
Total	751	1,098	1,849	744	1,130	1,874

In 2023, the average percentage of women with an indefinite-term contract increased.

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

Temporary contract	2023			2022		
	Women	Men	Total	Women	Men	Total
Full-time	-	-	-	2	3	5
Part-time	-	-	-	0	0	0
Total	-	-	-	2	3	5

There were no temporary contracts in 2023.

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

Indefinite-term contract	2023				2022			
	< 30 years old	30-50 years old	>50 years old	Total	< 30 years old	30-50 years old	>50 years old	Total
Full-time	136	1,246	447	1,829	131	1,211	511	1,853
Part-time	3	13	4	20	1	16	4	21
Total	139	1,259	451	1,849	132	1,227	515	1,874

In 2023, the average number of part-time indefinite-term contracts decreased, especially in the 30- to 50-year-old age group.

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

Temporary contract	2023				2022			
	< 30 years old	30-50 years old	>50 years old	Total	< 30 years old	30-50 years old	>50 years old	Total
Full-time	-	-	-	-	1	2	2	5
Part-time	-	-	-	-	-	-	-	-
Total	-	-	-	-	1	2	2	5

The number of temporary contracts decreased in 2022, to the point that there were none in 2023.

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

Indefinite-term contract	2023					2022				
	Management	Technical staff	Administrative staff	Other staff	Total	Management	Technical staff	Administrative staff	Other staff	Total
Full-time	115	422	218	1074	1829	115	418	219	1100	1852
Part-time	-	1	-	19	20	-	-	-	22	22
Total	115	423	218	1,093	1,849	115	418	219	1,122	1,874

In terms of employee category, part-time contracts were mostly in the "Other Staff" category.

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

Temporary contract	2023					2022				
	Management	Technical staff	Administrative staff	Other staff	Total	Management	Technical staff	Administrative staff	Other staff	Total
Full-time	-	-	-	-	-	3	-	-	2	5
Part-time	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	3	-	-	2	5

9.2.4. Number of dismissals by gender, age, and employee category GRI 401-1

9.2.4.1. Number of dismissals by gender and age group

Age	2023			2022		
	Women	Men	Total	Women	Men	Total
Under 30 years old	1	4	5	3	4	7
30-50 years old	8	17	25	19	40	59
Over 50 years old	2	13	15	8	23	31
Total	11	34	45	30	67	97

In terms of number of dismissals, the absolute figure decreased significantly compared to 2022.

9.2.4.2. Number of dismissals by gender and employee category

Employee category	2023			2022		
	Women	Men	Total	Women	Men	Total
Management	-	1	1	2	4	6
Technical staff	-	7	7	-	15	15
Administrative staff	-	-	-	4	3	7
Other staff	11	26	37	24	45	69
Total	11	34	45	30	67	97

9.2.4.3. Involuntary turnover

In 2023, involuntary turnover affected 3.2% of the total workforce at year-end, having improved compared to the rate for 2022 (which was 4.9%).

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

GRI 405-2

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

9.2.5.1. Average remuneration by gender and age group

Age	2023 (thousands of euros)			2022 (thousands of euros)		
	Women	Men	Average	Women	Men	Average
Under 30 years old	30.6	34.9	33.4	31.0	35.7	33.9
30-50 years old	44.6	58.9	52.6	43.7	58.2	51.9
Over 50 years old	55.0	76.7	69.0	52.8	74.5	67.2
Total	46.1	62.0	55.5	44.4	60.4	54.0

The calculation includes fixed and variable remuneration

From the perspective of the age group involved, average remuneration increased between 2022 and 2023 by an average of €1,500 per year, the percentage increase being greater in the over-50s group.

9.2.5.2. Average remuneration by gender and employee category

Employee category	2023 (thousands of euros)			2022 (thousands of euros)		
	Women	Men	Average	Women	Men	Average
Management	123.4	153.9	148.3	127.3	139.6	132.5
Technical staff	52.3	57.8	56.3	51.2	54.0	53.0
Administrative staff	49.3	60.2	54.2	47.5	54.7	50.9
Other staff	40.5	49.3	45.2	39.2	43.3	40.7
Total	46.1	62.0	55.5	44.4	57.0	51.7

The calculation includes fixed and variable remuneration

The increase in average remuneration can be seen in almost all the Group's employee categories.

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

GRI 405-2

As further evidence of the Group's commitment to transparency, in 2023, as in the previous year, the pay gap was calculated using the weighted average by employee category and by age, resulting in a total pay gap of 16.1% (15.5% in 2022). In addition, as occurred in the previous year, for 2023 each employee category was broken down by age group.

Employee category	2023	2022
Management	19.8%	16.2%
30-50 years old	31.3%	23.8%
Over 50 years old	7.3%	0.2%
Technical staff	9.6%	10.8%
Under 30 years old	19.9%	15.5%
30-50 years old	11.2%	13.3%
Over 50 years old	12.9%	7.6%
Administrative staff	18.1%	19.4%
Under 30 years old	6.0%	-2.2%
30-50 years old	16.6%	17.7%
Over 50 years old	22.9%	24.0%
Other staff	17.8%	16.5%
Under 30 years old	3.0%	0.2%
30-50 years old	15.6%	13.6%
Over 50 years old	21.0%	22.2%
Total weighted gap	16.0%	15.5%

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

It should be noted that in 2023, the gender pay gap decreased in the technical and administrative staff categories, which represent 23% and 12% of the workforce respectively, reflecting the Group's active policy of fostering equality in its operations.

The MASMOVIL Group is committed to setting medium or long-term targets during 2024 to reduce the Group's average pay gap, as well as to conducting an in-depth analysis for those categories where the gap is more pronounced.

9.2.7. Director Remuneration Policy

GRI 2-19

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

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

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

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



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

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

The members of the Board of Directors of Lorca Telecom Bidco, S.L.U., with the exception of the Chairman of the Board, the CEO, and the General Manager, receive no remuneration nor do they receive allowances as members of the Board of Directors of the Company. During 2022 and 2023 there were no severance payments to members of the Board of Directors, and there are no provisions for outstanding severance payments at the date of the publication of this report.

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

9.2.7.2. Remuneration of the Chairman of the Board

Item	2023 (thousands of euros)	2022 (thousands of euros)
Remuneration of the Chairman of the Board of Directors	230	212

9.2.7.3. Remuneration of the CEO and General Manager

The CEO and the General Manager are members of the Board of Directors of Lorca Telecom Bidco, S.L.U., and receive no remuneration for such positions. However, as Group executives, they receive remuneration, which is as follows:

	Item	2023 (thousands of euros)	2022 (thousands of euros)
CEO	Fixed remuneration	400	400
	Ordinary variable remuneration	200	200
	Long-term variable remuneration (triennial 2018-2021)	-	685
	Remuneration in kind	18	18
	Total	618	1,303
General Manager	Fixed remuneration	300	300
	Variable remuneration	150	150
	Remuneration in kind	24	23
	Total	474	473
	Overall total	1,092	1,776

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

GRI 2-21

Item	2023 (thousands of euros)	2022 (thousands of euros)
Remuneration of the CEO	618	618
Average remuneration of the workforce	56	56
Ratio	11	11

(*) Without taking into consideration long-term variable remuneration paid in 2022 (triennial 2018-2021)

9.2.8. Employees with disabilities

GRI 405-1

Employees with disabilities	2023	2022
	7	7

The MASMOVIL Group is aware of the importance of integrating people with disabilities through direct recruitment.

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

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

9.3. Industrial relations

9.3.1. Percentage of employees covered by collective bargaining agreements

GRI 2-30

Collective bargaining agreement	2023	2022
	100%	100%

9.3.2. Social dialog

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

In this respect, in 2023, after months of negotiation, an agreement was reached with the legal representatives of workers of Euskaltel and R Cable y Telecable Telecomunicaciones, by virtue of which equality plans have been entered into for Euskaltel and R Cable y Telecable Telecomunicaciones for a period of three and four years, respectively.

Since 2023 and within the framework of our ongoing social dialog, we have been engaging in negotiations with the legal representatives of the Xfera and Lorca workers regarding a new equality plan for the two companies, with these negotiations currently at an advanced stage.



9.4. Attracting and developing talent

GRI 404-2

Through its various policies and processes, the Group is committed to implementing a suitable program to both attract and recruit talent, taking into account the academic, personal, and professional merits of the candidates and the needs of the Group. We are committed to society. People are key to our success and we believe firmly in the richness offered by cultural, functional, age-related and gender diversity. We therefore appreciate our professionals for their caliber and desire to contribute, promoting equal opportunities for all.

Below is a summary of related policies, with the aim of retaining the best talent that is committed to the Company and to personal professional development, that is motivated and aligned with the Group's transformational vision:

MASMOVIL has the best team in the sector. This is only achievable with sound talent management policies and processes, which foster engagement and increase performance to the level of full potential.

1. Attracting and recruiting talent: We have an internal team devoted to recruitment, ensuring diversity, transparency, and a friendly approach towards candidates throughout the process. This year, we have focused on increasing technological capabilities, internalizing critical knowledge by welcoming a significant number of software and data engineers to our team. Our onboarding process for new hires includes a buddy to guide them during the first six months. They also attend a welcome breakfast with the CEO and a session with the HR team; they are included in the MASclientes circuit, where they get to experience first-hand what a store, call center, customer set-up process, etc., is like. They even have an online itinerary planned for them, with all the information about the Group.

- **All job vacancies are posted internally.** We interview all interested employees and ensure they get feedback, and prioritize internal mobility over external candidates. In addition, in cases where there is a gap between a candidate's skills and those

required for the position, we provide support in gaining the necessary proficiency. One additional and unique aspect of our approach is our career advice channel ("I'm on the move") for professionals who are keen to make a move but who cannot find suitable vacancies.

- **Recruiting young talent.** We routinely recruit students and new grads. Our Chairs programs with universities (innovation and technology-related research projects) have 100% post-internship recruitment. In 2023 we continued to add new collaborative initiatives, through newly created university-based Master's programs focusing on data and AI. We also collaborate with the A LA PAR Foundation, identifying projects in which students with intellectual disabilities can participate.

2. Talent review (MASvalor): We are continuously measuring the contribution of our employees.

- **WHAT:** OKR-based management. We remove the individual dimension and focusing our efforts on team performance (tribes and squads). The OKRs (objectives and key results) are established for the vertical instead of a specific department (or silo). The vertical brings together multi-functional teams in each phase of the customer journey. With this framework, we ensure an entirely customer-oriented approach that is in line with the strategy. In addition, as a new element for 2023 we unlinked the OKRs from variable remuneration to ensure the highest level of ambition.
- **HOW:** 360-degree appraisal. The employee's environment is involved in assessing the regularity with which key habits can be observed, based on the Group's values. A 360-degree report is created which includes comparisons between the results from appraisers and self-assessments, strengths, and areas for improvement, and serves as a source of self-knowledge for the employee. A new

feature for 2023 was the introduction of the IAP (Individual Action Plan), to incorporate individual development activities and follow them up over the course of the year, following an appraisal and feed-forward session. Our feed-forward and “continue-start-stop” model enables a constructive and evolving perspective of performance.

- **Identifying potential.** This focuses on type of professional career and supporting attributes. We distinguish between career specialization, versatility, and balance. Through this exercise, we ensure that subsequent development activities are geared towards bringing out the full potential of each employee.
- **Talent map.** Based on the information from the evaluation process, we hold talent committee sessions following the bottom-up management approach. The evaluations

are shared and the final talent snapshot is defined.

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



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

- **Transformation and methodologies.** We continue to broaden the scope, extending the agile method to our corporate teams, who adopt agile principles so as to act as an example for the rest of the organization.

- **Human Resources dashboard.** This comprehensive dashboard compiles the information from all parts of the Human Resources area, making it possible to view KPIs and information in real time, focusing on transparency.



- **Strengthening cross-functional organization** geared towards the customer journey. This makes it possible to gain a closer view of the impact on our customers and how our work contributes to the Group's goals, increasing motivation.
- **Agents of change.** A voluntary community to expand best practices, we hold regular sessions where employees put forward ideas and good practices they use on an everyday basis, in order to extend them to other areas. The aim of this initiative is threefold: To provide opportunities to employees with educational or communicative interests, to boost productivity, and to increase alignment and climate between different areas.

9.4.1. Monitoring of the workplace climate

Happyforce

The Happyforce tool has been introduced at all the companies that make up the MASMOVIL Group. It enables all those from the various sites of the Group to participate, and enables two-way and transparent communication. We also take advantage of the tool to assess and ascertain which four employees best represent the Company values: Customer First, Positive Attitude, Simplicity, and Sustainability.

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

The score obtained in 2023 was positive, since on a scale of 0 to 100 the Group achieved an annual average of 79 on the Happiness Index, based on an average of 84% participation, an increase of 12 points compared to 2022.

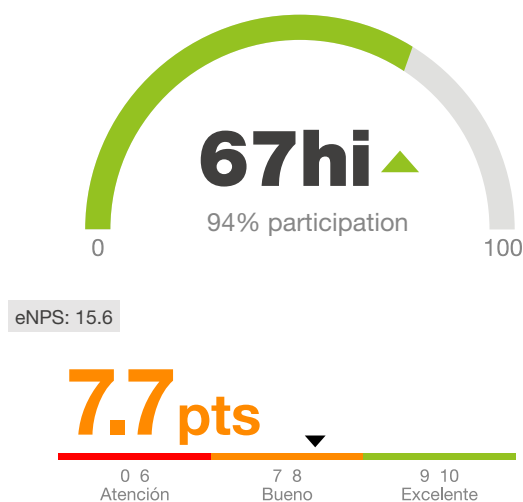
Happiness Index:

From Jan. 1, 2023 to Dec. 19, 2023



Happiness Index:

From January 1, 2022 to December 31, 2022



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

On a scale of up to 10, the Group's eNPS in 2023 was 8.3, increasing by 0.6 compared to 2022.

Using this tool, we regularly measure the degree of wellbeing reported by employees and that for feedback, as both issues are critical aspects for our culture and people management strategy.

We also have an "Employee Listening Office", where each employee can convey their concerns and suggestions in a confidential and direct format. We have received an average of 15 queries a month.

Culture survey

Happyforce allowed us to implement a number of different surveys. These included *ad hoc* questions to test the success of specific initiatives and larger surveys such as the MASMOVIL Group Culture Survey conducted in December 2022, the results of which allowed us to define the 2023 culture strategy. The results obtained in the culture survey are as follows:

RESULTS OF THE SURVEY CULTURE 2023

57% 2022 - %part. **60%** 2021 - %part.

% Areas

Consumer	54%
Tecnology	61%
Corporate	59%

% Workplaces

Galicia	74%
Asturias	66%
Bilbao	56%
Madrid	56%
Other	39%

CULTURE AND VALUES

How we live by our Values on a day-to-day basis ↑ 2022 2021
7.6 **6.6**

Positive attitude ↑ 2022 2021
8.0 **7.2**

Customer first ↑ 2022 2021
7.8 **7.2**

Sustainability ↑ 2022 2021
7.6 **6.1**

Simplicity ↑ 2022 2021
7.2 **6.0**

2023 Culture Strategy

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

We set out a MASMOVIL Group Culture Strategy and other *ad hoc* plans by department, as we analyze the data for each area and introduce measures that help to improve the data for the following year. This enables us to reach all our people more efficiently and have a greater impact on them.

We provide details of the measures implemented during 2023 below:

The Culture Strategy is divided into two blocks: HOW we work and WHAT we are like. These go hand-in-hand when we are talking about our Culture.

As regards the action plan for Transformation (focus on HOW we work), in 2023 the following elements were promoted:



Continuous improvement is a practice that helps the Company to constantly improve its processes and therefore achieve greater efficiency and enhanced performance.

To this end, we have carried out certain specific measures that have helped to foster this.

- Awareness-raising training on continuous improvement.
- Backing from the community of agents of change.
- Courses on applying agile methodologies for continuous improvement.

The use of collaborate tools that have helped us to simplify the number of tools, making it possible for several people to be working online at the same time, thereby optimizing day-to-day operations, and, of course, enabling information to be shared safely.

- In order to facilitate their use at the Group, we have created a playbook containing all useful documentation for internal and external users.
- We also have integrated a useful bot into our Teams chat, which can be used to answer queries.
- In addition to this, we have published a series of typical use cases of collaboration between teams.

The organization model that is oriented towards the customer journey enables us to organize different teams from all areas around a phase of the customer journey with our Group, placing customers first as one of our key values, thinking about them and how we offer them our services.

To help everyone understand this model and help them to organize themselves in this way, we have worked on:

- Raising awareness of the roles we have and the part they have to play within the Group.
- Events and training where the model is explained.
- A map of the processes and teams to have an up-to-date perspective of the status of each.
- And adaptation to the QBR.

Inside **HOW we work**, we highlight the following steps we have taken and our successes:

- Training for more than 200 team leaders, focusing on agile management that adapts to MASMOVIL's needs.
- Support for the areas of Human Resources and Finance in migrating documentation to Sharepoint. At the current time, the entire Group is already working with online documents, preventing security issues.
- Gathering of all the tasks linked to the closing process and the automating of a calendar for the entire Finance area, making it possible to have complete visibility of the status of the closing process in each cycle.
- A pilot program via Microsoft Copilot involving 300 Group employees, helping to improve operational efficiency and optimizing employee times.

Age of copilots



For **WHAT** we are like, we highlight that we have observed 48% participation by our workforce in training, in-person and online workshops, and MAScienties visits, as well as over 1,600 views in all the actions where we used a digital format.

It must also be underlined that the action associated with providing support in moments of change has been well received: Training of leaders, online emotions workshops, an audiovisual library, and sharing the experiences of our leaders in view of the changes in an audiovisual format. The emotions workshops (which concentrated on how to deal with the changes) were attended by over 500 people.

It must be highlighted that the action concerning emotional and physical wellbeing had a good reception.

In 2023 all areas fostered spaces for engagement and practice sessions to shore up support for the teams, fostering leadership practices, and this was reflected in the leadership items in all areas.

In generation, the action we promoted was appreciated in the various areas.



In November 2023, we performed our culture survey, with participation increasing by 12% compared to 2022, reaching 75.5%, and the average score for the MASMOVIL Group rose from 7.7 to 8.6.

We would like to highlight the following conclusions:

- The people of the MASMOVIL Group are proud of the organization's culture and want to look after and maintain it.
- Good scores for culture initiatives.
- The activities associated with support at moments of change.
- Although the scores are high, we need to continue reinforcing our values of "Customer First" and "Simplicity".
- An increase was observed in the scores relating to whether we live by our four values: Customer First, Positive Attitude, Simplicity, and Sustainability.
- All the areas of the Group improved with regard to the question on feedback.
- The scores for Leadership were higher than those in 2022.
- We need to have an ongoing focus on Sustainability issues associated with diversity and physical and emotional wellbeing.
- We received more than 400 comments from people at the Company which we have analyzed in order to make improvements.
- The professionals at MASMOVIL appreciate the spaces for engagement and would like them to happen more frequently and in other forums.



9.5. Managing diversity and equal opportunities

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

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

As a result of this commitment, in 2023 the equality plans of Euskaltel and R Cable y Telecable Telecomunicaciones were signed after negotiations with the legal representatives of our workers within the framework of the Equality Committee. These documents constitute the guidelines to be followed to ensure that all procedures, tools, and actions related to the various management processes are not directly or indirectly discriminatory. These equality plans are in addition to those mentioned earlier for Xfera Móviles, S.A.U., and Lorca Telecom Bidco, S.L.U. Negotiations are currently underway with various Workers' Committees, although the current plans remain in force.



The Chief Diversity Officer, the CEO, and the Board of Directors oversee diversity in the Group

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



9.5.1. Comprehensive Diversity plan

In line with the MASMOVIL Group's Strategic Plan and commitment to a sustainability model focused on people, the environment, and good corporate governance, the Group's Comprehensive Diversity Plan systematically reflects the commitment by those responsible for the Group to diversity, both inside and outside the organization.

The MASMOVIL Group intends to use this plan to become an internal and external benchmark in the fight against the discrimination people may suffer due to their gender, functional diversity, age, religion, culture, ethnicity, identity, place of origin, etc. It is based on the conviction that non-discrimination and co-responsibility in family and social obligations make it possible to acknowledge and optimize the potential and possibilities of all the people on whom, in one way or another, the MASMOVIL Group has an impact, thereby improving their quality of life and increasing their satisfaction with the Group.

The plan seeks to guarantee equal opportunities and non-discrimination for all Company employees. It aims to encourage the creation of a diverse workforce based on identifying talent and removing barriers, as well as fostering diversity beyond the limits of the organization, in line with its role as a social stakeholder and in collaboration with its suppliers and other public and private entities.

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

- Diversity is an integral part of the Group's business strategy and aligned with all its policies.
- Diversity is driven by the Group's Board of Directors and senior management and involves our entire workforce.

- Diversity incorporates social innovation as a central element of the policy and is a hallmark of our workforce.
- Diversity has an impact on the Group's workforce, on customers, on partners, on society and, especially, on people.

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

- Diversity is a cross-cutting and fundamental element of the MASMOVIL Group's strategy.
- Diversity is considered a positive value at the Group that should be fostered since it contributes to the Group's success and positioning.
- Social innovation is included in diversity management as a key element to achieve true social impact within the Group and throughout society.
- Talent is identified and recognized in people, regardless of their diversity.
- Diversity throughout the Group's professional profiles will be guaranteed as a fundamental aspect to boost creativity, innovation, and the effectiveness of the organization.
- All of the workforce of the Group can participate in designing, managing, and evaluating diversity through the communication channels established for this purpose.
- The continuous improvement of diversity management will be carried out through successive evaluations and the monitoring of indicators.



The Diversity Plan sets out the general and operational goals that will govern the MASMOVIL Group's diversity policy for the next few years until June 2025 (having begun in June 2021). In order to meet these objectives, each year the MASMOVIL Group will draw up a specific annual strategy that will establish the particular measures to be carried out.

In 2023, the MASMOVIL Group adhered to the Diversity Charter in Spain, an initiative promoted by the European Commission. Our adherence helps us in the construction of our plan to ensure equal opportunities between employees and the fostering of these principles in our community.

The different activities we are carrying out associated with our plan are:

- **TALENT:** We have implemented specific measures to promote diversity in aspects such as gender, disability, age, and interculturality, ensuring equal opportunities for men and women. We have EQUALITY Plans as a tool that ensures a fair and equitable workplace environment for all employees, regardless of their gender.



- **SOCIAL COMMITMENT:** We are a social stakeholder, with the goal of generating a real impact both inside the Group and in society.
- **WELLBEING:** We undertake many different activities targeting the physical and emotional wellbeing of all our employees, incorporating new resources every year to provide day-to-day support and care, at a personal and professional level.
- **ETHICAL CHANNEL:** We have a Ethics Committee, a code, and an anonymous Ethical Channel for employees so that anyone on the team can report, on an anonymous basis, any ethical concerns they may have.

All this information, and the actions associated with this block, is posted on the internet.

9.5.2. Activities carried out in 2023

The following activities were carried out in 2023:

- **Corporate Volunteering:** The MASMOVIL Group is committed to society and promotes corporate volunteering at a number of different foundations and associations.
 - **The Montemadrid Foundation.** 14 volunteers collaborated with this foundation, providing online support with the goal of reducing the digital divide in the San Cristóbal de los Ángeles neighborhood in Madrid.
 - **ADALAB.** A social enterprise designed to tackle the technological gender gap through training and integration into the job market. At the current time, four people from our organization are mentors for this association.
 - **RED CROSS.** 12 people of the MASMOVIL Group collaborated with the Red Cross in a digital mentoring program for employment (11 in an online format and one in person in Madrid), promoting the acquisition of digital skills mainly geared towards active job hunting.
 - **The A LA PAR FOUNDATION.** Members of different departments collaborated with this foundation which works towards the rights of people with intellectual disabilities and their participation in society. We organized masterclasses in sales, marketing and human resources held at our offices in Madrid and at the foundation's headquarters. The students of A LA PAR Foundation also had internships as web page appraisers for several of the MASMOVIL Group's websites.
 - **MAMÁS EN ACCIÓN.** At the current time, there are eight people from the MASMOVIL Group working with this community, which supports children in hospitals who are on their own, and also tries to find them a new family.

- **RED INNICIA.** Five people from our organization have signed up to help the Red Innicia with the goal of working with different associations in their network, mainly focusing on assisting vulnerable groups.

fundación
montemadrid

ADALAB

 **Cruz Roja**

FUNDACIÓN
ALA PAR
Juntos transformamos la sociedad

mamás en acción

Innicia
ASOCIACIÓN

- Action aimed at promoting the emotional and physical wellbeing of the people belonging to the Group (for more detailed information, see section 9.6.3).
- **The Women Leaders Program:** The program rests on four pillars: Promoting their development and personal brand; increasing their visibility within the organization; improving their self-knowledge to enhance their leadership; and generating a more diverse and aware management environment. The program combines working sessions to challenge beliefs, the building of an annual action plan with the Management Committee, and customized coaching sessions. It generates a community of women leaders which meets on a three-monthly basis and acts as a lever for many initiatives in the area of talent, strategy, innovation, and technology.
- **The Progress and Promote programs:** Designed by the Spanish Confederation of Business Organizations (CEOE) in collaboration with the ESADE educational institution, each year two women who are leaders in our organization participate.



9.6. Occupational health and safety

GRI 3-3 / GRI 403-9 / GRI 403-1 / GRI 403-2 / GRI 403-3
GRI 403-4 / GRI 403-6 / GRI 403-10 / GRI 404-1

The health and safety of all the Group's employees are present in all of its daily actions and decisions. This is what prompted the creation of the Joint Prevention Service in 2018 as well as the Occupational Risk Prevention Management System in the same year (updated in March 2022 owing to the integration of the companies of the Euskaltel Group, and in May-June 2023, adapting the management system to the requirements of ISO 45001 on Occupational Health and Safety Management Systems).

As laid down in that management system, the Group has set up a Joint Prevention Service, which is part of the Human Resources area, as a form of prevention at an organizational level. This preventive system was audited by an external entity between June and July 2023, obtaining the corresponding certification: Regulatory Audit and ISO 45001, valid until July 2026. In 2023, we continued to provide the practical training on fighting fires to the members of the emergency teams at our main sites and smaller sites as well.

Furthermore, with the implementation of the Business Activity Coordination Procedure at the end of 2022, the need was detected to provide training for all the Group's project managers who, due to their duties, have to participate in negotiations or manage contractors. The training was carried out in five sessions between January and March 2023, which 150 employees from the Technology and Residential areas were invited to attend. Each in-person teaching session lasted for 10 hours and provided content on the risks in the sector and the guidelines on managing prevention in the areas that handle contractors. In addition, and as a complement to the CAE (Coordination of Business Activities) procedure, two tools were developed to make preventive management easier through Jira. An information session was also given to the Management Committee, which resulted in a field trip by the Group's entire top-level management team.

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

Additionally, as the main lever for the integration of safety and health into the Company's actions and decisions, in 2018 we appointed Operational Prevention Managers in each area. The role of these managers is ensure the implementation of preventive criteria in all the activities of the Group's companies. There is a Prevention Committee that meets several times a year, in addition to the Health and Safety Committees mentioned in the preceding paragraph.

9.6.1. Number of hours of absenteeism, number of work-related accidents, specifying frequency and severity

	2023	2022
Hours of absenteeism	76,958	97,172
Absenteeism rate (*)	1.47	1.09
<i>(*) Expresses the number of days lost, using the average workforce (calendar days from start date of leave to the end date of leave, both inclusive) every 100 working days</i>		
Accidents	2023	2022
Women	4	1
Men	-	4
Frequency ratio	2023	2022
Women	3.08	0.78
Men	0.00	2.07
Severity ratio	2023	2022
Women	0.13	0.14
Men	0.01 (*)	0.09
Occupational diseases	2023	2022
Women	-	-
Men	-	-

(*) The figure includes days of leave caused by an accident which took place in 2022, where leave continued until January 15, 2023.

9.6.2. Work-related accidents resulting in death or permanent disability

In the companies of the Group during the years 2022 and 2023 there were no work-related accidents resulting in death or permanent disability among the Group's own staff. In 2022 and 2023, unfortunately there were two fatal accidents (one in each year) which affected workers of our subcontractors. Our thoughts go out to their families.



9.6.3. Health care and promotion

In addition to legally required activities, the Joint Prevention Service has geared its actions towards employee wellbeing. Proof of this is found in the joint efforts with other areas of the Company (Employee Experience and Internal Communication, Culture, Communication, and Corporate Social Responsibility) for the implementation of different initiatives for the benefit of the employees. These are framed within the Corporate Wellness Plan, and are internal initiatives to improve both the health and wellbeing and the satisfaction levels of the Group's employees.

In 2023, we formally set up the Wellbeing Committee with the aim of planning and organizing the various measures. The Wellbeing Committee meets regularly to plan the schedule of activities:

PSYCHOSOCIAL WELLBEING:

- The DoctorGO app (free telemedicine service for all employees).
- Measuring of the wellbeing status of employees/"Wellbeing" score through Happyforce each month.
- Assessment of psychosocial risks.
- Protocol for prevention and approach in situations of harassment in the workplace.
- Offsite: Recreational activities and team building.
- Programs for recognition, participation, and development: MASreconocimiento for values, MASvalor.
- Payflow: salary advances for employees.

PHYSICAL HEALTH:

- Promotion of corporate championships (padel championship, football league).
- Gympass: Agreements with gyms, a gym at the office in Alcobendas, and online classes done at home- MASgym.
- Physiotherapy at the corporate headquarters.
- Adapted and ergonomic furniture.
- Optimal environmental conditions (light, temperature, ventilation).
- Food:
 - Luncheon vouchers.
 - Canteen at the corporate headquarters/ healthy menus.
 - Seasonal fruit on a daily basis at all our headquarters.
 - Market for "zero-mile" produce each week at the corporate headquarters.

AWARENESS RAISING:

- Training through Odilo, an online platform offering podcasts, videos, and courses on physical and emotional wellbeing.
- Online workshops on physical wellbeing: Eye strain, sleep, our backs, etc.
- Workshops on emotional wellbeing: Managing our emotions, adapting to change, mindfulness, etc.

995 employees attended the talks and workshops on physical and emotional wellbeing in 2023.

9.7. Training

GRI 3-3 / GRI 404-1

The MASMOVIL Group fosters and enables an ecosystem among our employees of self-management and autonomy as regards acquiring and sharing knowledge, and taking steps in their personal and professional development. To meet this challenge, our training plans and initiatives are designed around an exercise to detect needs, which involves gaining a first-hand understanding of the teams' concerns with regard to training. Detecting training needs is aligned with the strategic objectives of the Group and of each of the areas. Once all the information has been assembled and prioritized, we design an annual training plan which is shared with the entire Group and becomes our training guide for the year.

In this area, we sought to achieve the following training and development objectives:

- Acquire and develop the personal and professional knowledge and skills necessary to carry out our work successfully and contribute to achieving the new challenges and projects in 2023.
- Promote a culture of shared knowledge among all the professionals at the Group.

We center on a real, practical, ongoing development environment, which is obtained from combining experience in the role, relationships with others, and impacts promoted by the Group. For this last block, we have several star programs, some of which are aimed at key groups and others for the entire organization:

- **Leadership (Servant Leader)** through service, sharing power and helping people to develop their maximum potential. In this respect, we have launched a program with impacts for the different management levels: for Managers, focusing on developing the seven keys for a MASMOVIL leader; for Heads, tools to tackle new challenges and manage teams against a backdrop of uncertainty; and for the Management Commitment, powerful feedback and managing change strategically



- **MLIP (MASMOVIL Leadership and Innovation Program)** has achieved its third edition. We aim to increase business knowledge and strengthen people management, our values, and innovation culture. Designed and taught exclusively for MASMOVIL, with a practical approach through which students, in groups, work on real business challenges which, when they have been completed, they present to a jury. The initiatives are implemented at the organization, using this ecosystem as an incubator for internal entrepreneurship.



- **The Women Leaders Program:** The program rests on four pillars: Promoting their development and personal brand; increasing their visibility within the organization; improving their self-knowledge to enhance their leadership; and generating a more diverse and aware management environment. The program combines working sessions to challenge beliefs, the building of an annual action plan with the Management Committee, and customized coaching sessions. It generates a community of women leaders which meets on a three-monthly basis and acts as a lever for many initiatives in the area of talent, strategy, innovation, and technology.
- **The Progress and Promote programs:** Designed by the Spanish Confederation of Business Organizations (CEOE) in collaboration with the ESADE educational institution, each year two women who are leaders in our organization participate.
- **Inhouse mentoring (MASmentorIN):** An accelerator of knowledge and leadership skills/behavior, which enables learning, establishing quality relationships and providing answers to critical needs of mentees, preparing them for future success. Participants include members of the Management Committee.



- **Rural mentoring through “Long Live Our Villages!” (“¡Que vivan los pueblos!”):** Geared towards developing innovation, Group employees mentor emerging startups and help them to achieve their maximum potential with regard to evolving aspects or projects. The startups always have one rural Spain component and one technological component.



We also publish a self-development guide with examples and practical situations to enable them to autonomously trigger the development of the key skills for the career model (MASCarrera) and to be in charge of their own careers.

Every year we set in motion a Training Plan, after listening to demands during the exercise of assessing our needs. The plan contains specific and cross-cutting training programs for the entire organization, language teaching (as a new feature, in 2023 we broadened access to English classes for the entire workforce), and e-learning platforms for unlimited learning content and experiences.

The most important training programs are:

- **MASagile Project Management:** Agile methodologies for project management, understanding the key principles of agility to achieve enhanced project control and fostering iterative work, tools, and communication between participants.



- **Data School:** Providing different types of data users with the necessary knowledge to execute and create reports, interpret the data, and build scorecards to guide decision making.



- **Commercial school:** Developing skills in the areas of personal efficiency, commercial skills, and sales pitch, to contribute to achieving the goals of the different channels.
- **AI training:** A learning path for the entire workforce, with the aim of looking in more depth at the basic principles of AI (theory) and practical workshops focusing on applying AI to generate a competitive edge (increasing productivity, practical use of tools,

optimizing processes, and creating business cases).



- **Behavioral Design:** Basic principles of behavior through processing information and making decisions, heuristics, and the effect of context.

Frameworks of behavior: Key frameworks in shopping decisions.

- **Cybersecurity, Data Protection, Health & Safety, ESG, Diversity/Equality and Compliance:** With the goal of identifying the main points of the regulations, possible threats, and the responsibilities of users in implementation.
- **Tools:** Confluence, JIRA and Sharepoint, which are the collaborative tools we use at the organization.

Additionally, specific platforms with technical content for experts in the area of software, data, cybersecurity and digital marketing.



9.7.1. Platforms to promote training

We have an e-learning ecosystem that we gradually built by integrating different content platforms that help us foster self-learning. It also furnishes us with a more flexible training model. The training formats available range from face-to-face to online training, as well as streaming or virtual training opportunities.

- **ODILO:** A generalist platform that has hundreds of resources and content items in different formats and on a wide range of subjects.
- **Gofluent:** It allows us to study up to 12 different languages, from A2 level right up to C1 level.
- **PLURALSIGHT:** A niche platform with content aimed at technology and IT.
- **CXL:** A platform that gathers content focused on digital marketing.



9.7.2. Hours of training by gender and employee category

A total of 49,664 hours of training were given during 2023.

Hours of training	2023	2022
Management	4,368	3,105
Technical staff	11,715	18,107
Administrative staff	6,217	4,583
Other staff	27,364	20,221
Total	49,664	46,016

Average hours of training by gender	2023	2022
Women	26.76	24.26
Men	26.85	26.03

10. Respect for Human Rights

GRI 3-3 / GRI 2-23 / GRI 2-26 / GRI 406-1

Given that the MASMOVIL Group's business activities are confined to Spain, issues related to respect for human rights do not constitute a material issue for the Group. Both the abolition of forced or child labor and respect for freedom of association are strictly monitored and guaranteed in the European Union. Accordingly, these issues are limited to the appropriate management of employees and to guaranteeing compliance with their fundamental rights.

10.1. Human Rights Policy

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

The Human Rights Policy covers aspects such as protection of whistleblowers, forced labor, child labor, and freedom of association, among others.

10.1.1. Protection of whistleblowers (whistleblowing)

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

10.1.2. Protection of workers' rights

Although the Group's business activities have a low impact in relation to human rights, it is aware of the importance of protecting its employees and the social impact. For this reason, the ESG Policy, approved by the Board of Directors on September 29, 2022, expressly mentions protection of the fundamental rights of workers, and is subject to constant review by the Group's Compliance Officer.





10.1.3. Commitment to human rights and labor rights

However, the Group wanted to go further as regards the issues related to respect for human rights and on June 30, 2017, it approved a specific policy to formalize its commitment to human and labor rights, both nationally and internationally (subsequently modified pursuant to a resolution of the Board of Directors on September 29, 2022). The policy mentions the United Nations Global Compact (which the Group joined in 2020), the Guiding Principles on Business and Human Rights, and the labor policy of the ILO (International Labour Organization).

The Group upholds its commitment to appropriate management in connection with its employees and to guaranteeing compliance with their fundamental rights, eliminating any type of discrimination in the workplace through its various internal procedures and the Group's Code of Ethics, and with its suppliers through mandatory compliance with the Supplier Code of Conduct. Respect for the human rights recognized in national legislation and compliance with international standards is required at all times.



10.1.4. Social dialog and freedom of association

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

In 2023, after months of negotiation, an agreement was reached with the legal representatives of the workers, uniting under one criterion the definition and evolution of the annual variable remuneration policy.

Within this context of social dialog, in order to avoid the effects of the prevailing economic situation, in December 2022 a pay review agreement was reached with the different representatives of the workers of the MASMOVIL Group for the years 2023 and 2024, thereby providing the Group's workforce with certainty regarding their remuneration against the inflationary backdrop experienced during those years.

As regards the collective bargaining agreement for Euskaltel and R Cable y Telecable Telecomunicaciones, those agreements were not valid for 2023. As a result of the social dialog process, the Fourth Collective Agreement for Euskaltel S.A.U. was signed, which will remain in force until December 31, 2024. Finally, as part of the pay review negotiation which took place with the trade union representatives of the Group, an extension to the current agreement for R Cable y Telecable Telecomunicaciones was signed to extend the term until December 31, 2024. These agreements make it possible to ensure social and regulatory stability in our labor relations.

The prolongation of the term of the current collective bargaining agreements regarding teleworking for Xfera and Lorca was also agreed, and this was extended to a large part of the other companies whose agreements were scheduled to expire on April 30, 2023, agreeing to extend their term until December 31, 2024.

10.1.5. Rejection of child labor and forced labor

The Group explicitly rejects child labor and forced labor, undertaking to respect the freedom of association and collective bargaining, as well as to implement due diligence procedures for identifying risks in this area and to verify those procedures.

The MASMOVIL Group is not aware of any inappropriate behavior that violates human rights, or complaints in this regard, or cases or complaints related to any type of discrimination.

11. Society

Pillars upon which we base our action for impact on society:

The Group aspires to be the operator with the greatest positive impact on people and society, growing responsibly, delivering quality business, and improving the environment. Some of the pillars we base ourselves on are:

- Reducing the digital divide: 2.7 million homes with access to fiber in towns with under 20,000 inhabitants.
- Deployment of 5G where fiber was not available, and participating in pilot testing for innovative uses for the inhabitants of rural and urban environments.
- The PLA ("Pienso, Luego Actúo"/"I Think, Therefore I Act") platform: 330 million views, inspiring, raising awareness, and encouraging society to participate in these initiatives and projects.
- Action based on solidarity and alliances of different kinds making it possible to join forces.
- The Digital Kit program to support the digitalization of small and medium-sized enterprises (SMEs) and the self-employed.
- The MASsolidaria discount tariff and the Social Tariff rate subsidy to promote connectivity among disadvantaged groups.

Our ambition is to bring the best fiber to every corner of Spain, to foster communication, teleworking, the development of local businesses, the continuation of Spanish craft expertise, and the quality of life in rural areas.

For a further year, the MASMOVIL Group, under the banner of #GrupoMASMOVILPorLosPueblos, pursued its goal of keeping #SpainConnected. Over the course of 2023, our social media profiles cast the spotlight on more than 100 locations in rural Spain where we have rolled out the fastest fiber in Spain.

Our intention was to contribute to supporting tourism and trade in these small towns by showcasing their stores, restaurants, events, cuisine, cultural sites, etc.



GRI 3-3 / GRI 203-2 / GRI 2-29

11.1. Contribution and impact on the community

Support for local development

Connectivity and efficient use of resources allow for rural development and new, more efficient and more competitive businesses so that they, under equal conditions, can continue to grow and enjoy the advantages of being connected through the fastest fiber and 5G.



The MASMOVIL Group funds drinking water wells in India

In 2019, we received the good news that the construction of two wells in India (in Pettavaithalai and Kollangulam) in collaboration with Fundación Esperanza y Alegría, and through the mediation of AUARA, had been completed.

Over the course of these years, the wells have supplied safe drinking water for the community, helping to improve their productivity as having a well saves them time in reaching the water and also reduces illnesses related to drinking it, many of which are deadly.

This initiative has helped 2,800 people in communities where 90% of the inhabitants rely on agriculture for their livelihood.

First edition of B Business Together from B Corp

The MASMOVIL Group hosted the first edition of B Business Together, a space in which over 50 B Corp companies explored business opportunities and initiated impactful collaborations to benefit the environment and people.

The MASMOVIL Group with the ODS Lab observatory
In 2023, the MASMOVIL Group agreed to be a Core Group for the ODS Lab observatory, promoted by the Spanish Ministry of Social Affairs and 2030 Agenda.

Euskaltel participates in the Data Center, the largest cloud data warehouse in Euskadi

ADI Data Center Euskadi is an ambitious entrepreneurial technology project in which Euskaltel is a participant. It is based in the Science and Technology Park in Ezkerraldea- Meatzaldea, in Abanto.

The main aim of ADI Data Center Euskadi is to support the digital transformation of enterprises and institutions in the Atlantic area. This new technological infrastructure will enable them to have significant capacity for storing information in the cloud, and it will do so in line with the criteria of excellence, reliability, sustainability, scalability, utmost security, and proximity of infrastructure. This project, born in September 2022 with an initial investment of over €25 million, is being promoted by the Teknei Group, Dominion, and Euskaltel.



Euskaltel as the promoter of network services for e-prescriptions

This is a service involving more than 800 pharmacies in the Basque Country which, thanks to Euskaltel's communication network, are connected with the regional Department of Health. Thanks to the renewal of the agreement with the three Professional Pharmacists Associations in the Basque Country concerning the e-prescription system and its automation, connectivity has improved considerably, ensuring that the Basque population can continue to receive their medication in a timely manner.

11.2. Contribution to local development

11.2.1. MASsolidaria's proposition: To bring connectivity closer to society's more disadvantaged groups

In the second half of 2020, the MASMOVIL Group began working on the design and execution of a project to support communities. Its main aim was to make access to quality internet connectivity easier for those pockets of the population who are most disadvantaged and suffer the consequences of the digital, social, and educational divide caused by a lack of access to quality internet services. This project was ultimately launched in March 2021 under the name MASsolidaria, and continues to operate today in collaboration with Red Innicia.

Partnership with Red Innicia

With the aim of identifying the people in most need of the service, among those who were also actively participating in some kind of labor insertion, vocational training, or remedial teaching or academic support program, the MASMOVIL Group allied itself with Red Innicia (the network linked to the Innicia Association). This network contributes all the necessary expertise, given its extensive experience in social work initiatives involving these groups, to identify and help disadvantaged people.

The MASsolidaria project at the Group

The MASsolidaria scheme enables internet access through high-speed fiber and mobile connectivity at a very competitive price, with a 50% discount on the normal price under our convergent tariff for an indefinite period (reviewable according to their situation), to help the beneficiaries in their reinsertion into society and the job market. The MASMOVIL Group decided to create this scheme on a zero margin basis and, furthermore, to assume both the costs of customer equipment and the setup costs for beneficiaries.

We launched a project to add mobile-only tariffs MASsolidaria scheme, to bring connectivity to those families in need of the service who required not a landline connection but a quality mobile line at an affordable price, offering a discount of 8% on any mobile tariff for the MásMóvil brand.



11.2.2. The MASMOVIL Group promotes digitalization for SMEs: The Digital Kit

In 2022, the Government of Spain, through the Ministry for Digital Transformation and Civil Service, launched the [Digital Kit](#) initiative. This project aims to support the digitalization of small and medium-sized enterprises and the self-employed. It involves a government-funded financial aid program to implement digital solutions in businesses to make them evolve through technology.

In 2023, the main brands of the MASMOVIL Group continued to participate in the dissemination of the Digital Kit scheme, thereby supporting the management and optimization of European aid to boost digitalization among SMEs. Our work with the program's Digitalizing Agents remained ongoing, with us offering our digitalization solutions for all the services covered in the Digital Kit.

11.2.3. Collaboration with the digital voucher program

In 2023, we also contributed to the digital voucher (Bono Digital) program for vulnerable groups in the autonomous regions of Galicia, Asturias, Basque Country, Navarre, Aragón, Valencia and Andalusia.

The digital voucher is a subsidy for vulnerable groups provided under the Recovery, Transformation, and Resilience Plan funded by the European Union (NextGenerationEU), which gives a monthly discount of €20 on the fixed-line charge in the bill issued by the operator, to cover a part or all of the subscription to new broadband connection services.

11.2.4. Reducing the digital divide: Deployment of network in rural areas

The MASMOVIL Group is aware of the increasing importance of connectivity to achieve equitable development of the planet. Having access to quality internet promotes and allows economic development, culture, and access to information and, hence, to equal opportunities and social improvements regardless of which corner of the world you happen to be in.

Aligned with our mission to connect people

The MASMOVIL Group's mission is to connect people with the latest technology available and ensure the best customer experience, while our vision is to be the telecommunications company whose customers report the highest levels of satisfaction in Europe, and to deliver a positive impact on people, shareholders, and the planet, prioritizing long-term value over short-term profits.

The network deployed by the MASMOVIL Group in locations with under 20,000 inhabitants represents 64% of the total deployed network

Taking care of towns with smaller populations

The reduction of the digital divide in Spanish towns with a population of less than 20,000, especially in what is known as rural Spain (locations with less than 8,000 inhabitants), is one of the Group's priorities through our investment in quality fiber. In fact, the deployment of our own fiber network in rural locations accounts for the majority of the Group's fiber deployment.

In 2019 the Group deployed networks that made it possible to reach 473,000 new homes in locations with less than 20,000 inhabitants, as part of an investment plan that allowed us to boost this figure by another 309,000 homes in 2020, plus a further 538,000 homes in 2021 (including 282,000 through the Euskaltel Group).

The rollout of our networks in 2022 allowed us to add another 405,000 households in locations with less than 20,000 inhabitants and in 2023 a further 218,000 homes were added.

Close to 2.7 million homes with access to fiber in towns with under 20,000 inhabitants

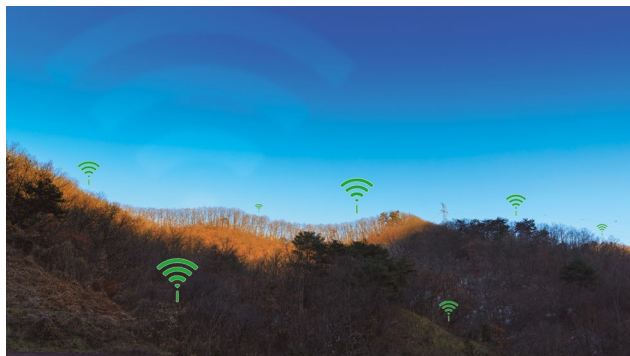
By the end of 2022, the Group had reached the figure of around 2.5 million building units covered by our fiber rollout in locations with under 20,000 inhabitants. This represented 64% of the 3.9 million building units reached by the Group at year-end 2022.

In 2023, the Group had reached the figure of around 2.7 million building units covered by our fiber rollout in locations with under 20,000 inhabitants. This meant that the percentage achieved in the previous year, of 64%, remained stable in view of the almost 4.2 million building units reached by the Group (9% more than in 2022).

As part of the rollout of this coverage, some of the elements were later sold to an infrastructure fund, which enables the fund to reach wholesale deals with other telecommunications operators and therefore increase the supply and alternatives available for consumers in these rural areas.



The Group's fiber network deployment in towns with under 8,000 inhabitants represents 34% (+1 p.p.) of our total network and 53% (+1 p.p.) of the network deployed by the MASMOVIL Group in towns with under 20,000 inhabitants



Significant investment efforts in towns with less than 8,000 inhabitants

The aforementioned investment efforts in rural Spain are even more relevant when we are referring to towns with populations of less than 8,000 people for which, in the majority of cases, there were no national telecommunications operators offering fiber services until the MASMOVIL Group deployed its network.

The total number of building units covered by our fiber network in rural locations and towns with under 8,000 inhabitants topped 704,000 building units at the end of 2020. After we deployed the network to another 333,000 units in 2021, we passed the threshold of 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).

In 2022, the network was extended to cover a further 237,000 building units in towns with less than 8,000 inhabitants, reaching the total figure of nearly 1.3 million by the end of the year.

In 2023, this figure increased by a further 133,000, reaching a total figure of more than 1.4 million building units in towns with less than 8,000 inhabitants by the end of the year.

This illustrates our clear focus on connecting rural Spain (as it is big cities where the majority of operators are present).

Reducing the digital divide, especially in towns without quality internet coverage scheduled in the next three years (PEBA or New Generation Broadband Extension Program)

We participated in the PEBA Plan

As part of our fiber rollout in rural Spain, the MASMOVIL Group also participated in the PEBA Plan to extend new generation broadband, implemented by the Spanish Government's Ministry of Economy and Finance. Through the scheme, assistance was provided for the development of ultra-fast networks in Spain, a strategy that is in line with the Government's decision to bring the developments in infrastructure and services relating to the Digital Society to all citizens, as well as achieving the objectives of its Digital Agenda to attain universal broadband coverage of speeds greater than 100 megabits per second.

Under the PEBA Plan, the Government provides a list of municipalities that suffer from the digital divide and which, in addition, do not have plans to obtain network coverage for quality internet access within three years.

Within the plan, the MASMOVIL Group deployed a fiber network in PEBA-classified locations, covering more than 450 municipalities, enabling us to offer the service.

The Group's network coverage directly linked to the PEBA plans in these towns exceeds 600,000 building units which could potentially be connected. At present we have no active subsidies stemming from the PEBA plans (the subsidies ended in 2021).

However, our footprint in this area affected by the digital divide has extended beyond the boundaries of the PEBA grant, to 779,000 building units (70,000 more than the previous year), which demonstrates our commitment to our presence and continuity in these small towns.

These 779,000 building units represent more than 15% of the network deployed directly by the MASMOVIL Group which, in the Group's opinion, demonstrates our strong support for the rural environment and for reducing the digital divide in Spain.

*Where we cannot deploy
our fiber, we get there
through 5G Fixed Wireless
Access*



We promote alternative technologies when fiber is not an option

In the areas of rural Spain that fiber cannot reach, we are offering quality connectivity through 5G FWA technology with 150 Mbps and a self-install kit (no cables, no installation service necessary, no waiting).

This is our internet connectivity solution for rural areas: up to 10 times faster than ADSL and with up to three times lower latency. As for customer equipment, we provide our cutting-edge Wi-Fi 6 routers.

In approximately 90% of cases, the service is activated within 48 hours of it being requested.

We launched the project in Galicia in 2022, enabling a connection for more than 300,000 households spread over 148 municipalities.

During 2023 the project was extended to the autonomous regions of Andalusia, Valencia, Catalonia, and the Basque Country and Navarre.

Through Embou (our brand in Aragón), the MASMOVIL Group is promoting rural connectivity for the educational sector: 108 educational establishments as beneficiaries, plus improvements to broadband in 50 locations

Promoting essential links in the country through connectivity in rural areas continues to be a key objective for the MASMOVIL Group. Through Embou (our brand in Aragón), we have undertaken an important project in the region consisting of taking broadband (1 Gbps) to rural schools, many of which had until that point been relying on less advanced technologies.

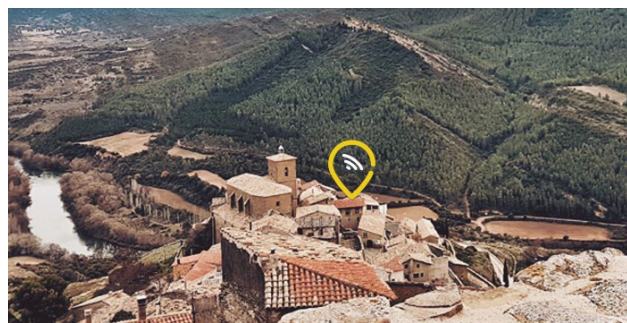
The project, awarded to Embou by the Government of Aragón with a budget of €3.7 million, was launched in February 2023. To date, it has been possible to bring this technological improvement to 108 educational establishments and the service will continue to be provided for the next five years.

The managing director of AST (Aragonesa de Servicios Telemáticos), Ángel Sanz, highlighted the “indirect effect” of this project. By covering these points in rural schools, high-speed internet is also brought to the community in which the school is located, which makes it possible offer the service to the local inhabitants.

In total, broadband services have been improved in 50 towns and villages in Aragón where the schools are located. Fiber optic services have been rolled out in seven locations (Torrelacárcel, Visiedo, Camañas, Galve, Botorrita, La Codoñera, and La Ginebrosa), and a further 43 locations have benefitted from an improved fiber optic service as there was scope for greater speed.

This change will be noticed progressively during the first quarter of 2024.

In view of the success of this project, the public organization AST wishes to extend the project to a maximum of 11 additional educational establishments with a budget of around €300,000.



11.2.5. Promoting 5G connectivity

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

5G Cataluña project

The 5G Cataluña project, launched in 2020 and led by Cellnex and the MASMOVIL Group, was one of the winners of the second call for bids launched by Red.es (an entity belonging to the Ministry of Economic Affairs and Digital Transformation) within the framework of the National 5G Plan. The initiative is co-financed by the European Regional Development Fund (ERDF).

The two companies are leading a consortium including Lenovo, Nae, Nearby Computing, Parlem Telecom, Atos, and Aumenta Solutions; they have the goal of deploying solutions based on 5G technology throughout the Barcelona area to achieve the digital transformation of the city and its metropolitan area to benefit the inhabitants, the public administrations, and the private sector.

The project consists of seven use cases aimed at developing solutions in the field of urban mobility, remote education, the industrial sector, online shopping, audiovisual transmission, security and emergency management in the urban environment, and the construction of a neutral multi-operator network aimed at offering connectivity in areas with a high seasonal occupancy rate, such as the beach areas of the Barcelona coastline.

The 5G Cataluña project was awarded the 2023 GSMA Foundry Excellence Award, as part of the Mobile World Congress.



5G Euskadi project

5G Euskadi is a joint initiative, beginning in 2020, comprising 13 companies and public and private organizations, developed with the aim of deploying and activating a 5G network in the three technology parks in the Basque Country (Gipuzkoa, Bizkaia, Araba), with 65% of the budget being allocated to this. Nine use cases will also be developed, thereby completing the investment.

Specifically, these use cases focus on the development of products and services at the pre-commercial stage, in the areas of mobility, energy, industry, cybersecurity, and network services.

The Basque Country project was also approved by Red.es and co-financed through the European Regional Development Fund, implemented through the Pluri-regional Operational Program of Spain (POPE).

In 2022, the 5G Euskadi project, in which Euskaltel, R and MásMóvil have participated, won an award for cooperation between information and communications technology (ICT) companies and public administrations, awarded by the jury of Socinfo Digital (*Revista Sociedad de la Información Digital*) at the SOCINFO Digital “ICT Basque Country” Awards.



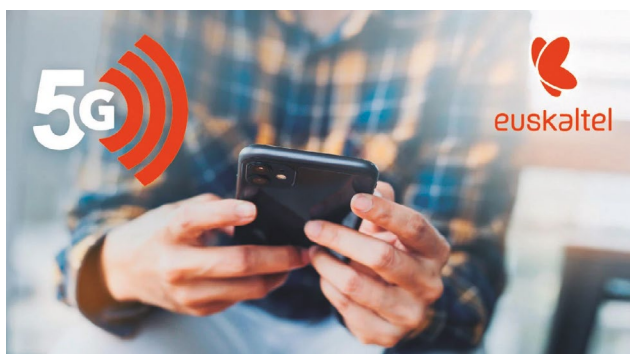
MASMOVIL's 5G service reaches 2,217 towns

The Group has continued to expand its 5G services, reaching 2,217 towns in 52 Spanish provinces. The MASMOVIL Group already makes 5G services available to 77% of the Spanish population, through its Yoigo, MásMóvil, and Pepephone brands.

Launch of 5G services by Euskaltel and Telecable

Euskaltel has already deployed 5G in the three provincial capitals and many more municipalities in the Basque Country, reaching 85% of the Basque population.

Telecable launched 5G services for its mobile customers. From that point on, Telecable's mobile customers will have access to 5G technology, regardless of the tariff on their contract and provided their device is compatible with 5G.



MASMOVIL and Indra joined forces to create an innovative ecosystem that promotes advanced 5G solutions for transportation

The two companies entered into a partnership agreement to roll out a new testing space where they can develop and validate innovative solutions, based on the new 5G communications standard, which favor smarter, connected, and sustainable mobility. The ecosystem will be created at Indra's facilities and will allow us to work on developments to strengthen the safety of connected and autonomous mobility, promote smart maintenance, and enhance the traveler's experience.



The MASMOVIL Group at the head of a mobility control and traffic emission reduction consortium

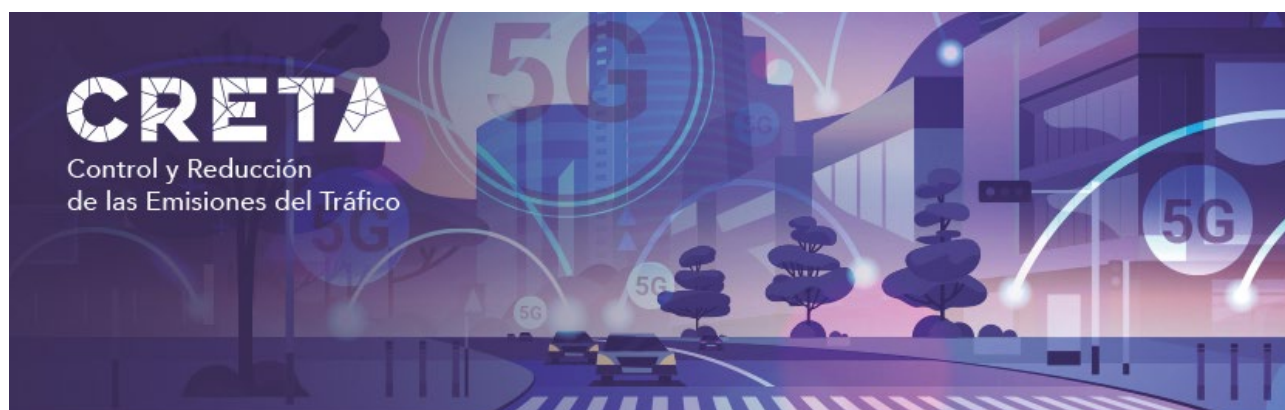
In 2023, MASMOVIL, Abertis, Opus RSE, Cellnex, Indra, Vinses, and Alpha Syltec Ingeniería launched CRETA, an innovative project to encourage sustainable mobility and reduce traffic emissions. The consortium has the goal of creating a new global system for smart monitoring and management of traffic through various technologies to drive sustainable and efficient mobility. Thanks to this project, public administrations will have tools to hand with which to measure air quality and protect the environment, with a positive impact on the wellbeing of the general public. From 2023 and until the end of 2025, work will be done on the developments and pilot projects proposed by the project in Irún, Madrid and Barcelona.

The project has been subsidized by the Spanish Government through the 5G UNICO Sectorial program, financed by the European Union's recovery instrument (NextGenerationEU), linked to Spain's Recovery and Resilience Plans.

The mobility control and traffic emission reduction program known as CRETA, led by the MASMOVIL Group, was selected by the Ministry of Economic Affairs and Digital Transformation, through the State Secretariat for Telecommunications and Digital Infrastructures, to receive the first grants from the 5G UNICO Sectorial Plan (under the call for applications launched in 2022). The plan is part of a strategy under both the Digital Spain Agenda 2026 and the Recovery, Transformation, and Resilience Plan to promote the rollout of 5G technology. It centers on carrying out experimental development projects involving 5G applications and services that impact the digital transformation of key economic sectors for Spain.

The CRETA program will demonstrate the capabilities of 5G technology, remote measurement of polluting traffic emissions, advanced analytics, and artificial intelligence (AI) in boosting optimal traffic management in three strategic areas:

- **Urban mobility and low emission zones (LEZs).** A pilot study will be carried out in Madrid, in conjunction with the Alcobendas Municipal Council, Madrid Calle 30, and the General Directorate of Traffic, to measure and manage real traffic emissions. The objective is to evaluate the effectiveness of the low emission zones implemented and be able to regularly monitor the polluting emissions of all urban traffic.
- **Interurban mobility and access to cities.** The pilot study in Barcelona involves the participation of Barcelona City Council, the Barcelona Metropolitan Area, and the Government of Catalonia. It includes measuring the real levels of traffic emissions and identifying the most polluting and cleanest types of vehicles, with the aim of applying more selective restrictions or access permits.
- **Cross-border control and paying for pollution.** This is a pilot study in Gipuzkoa (Irún), with the collaboration of the Provincial Council of Gipuzkoa and the Basque Government, to measure the real emissions levels of heavy traffic, so as to make it possible to implement payment for use based on the "Polluter Pays Principle".



Autonomous, connected vehicle project R3CAV

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

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



The Smart Cities project

Through our investee Innovasur, we support cities in achieving sustainable and smart digital transformation and their economic reactivation. Via a single platform, we enable comprehensive tracking and monitoring of the networks and their strategic indicators.

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



MAS4Care telemedicine and telecare project

In the last quarter of 2023, the MAS4Care project began, led by MASMOVIL and working with partnership with Odin Solutions, to develop a remote medical management platform through which patients can access 24-hour telecare services and, if necessary, be monitored in real time to gain a better diagnosis of the situation or respond quickly, safely, and efficiently in an emergency. The project involves the development of connectivity infrastructure and services based on 5G, as well as edge computing to manage and process the telemedicine and telecare services.

MAS4Care has a clear impact on reducing the digital divide and a technological impact with the use of 5G technology. At a social level it will make it possible to improve adoption and use of 5G technology in supporting older people or those with limited technical knowledge through accessible, simple, and intuitive interfaces. It will also improve access to medical services and specialists in rural areas, optimizing access to those services and to healthcare in the event of an emergency.

At a technological level, the project will stimulate innovation and operation of 5G networks and the services that can use their developments, including rural areas with limited access to resources and services. It will maximize the market penetration of 5G technology to provide better solutions to cybersecurity and digital market services.

The project has been subsidized by the Spanish Government through the 5G UNICO Sectorial program, financed by the European Union's recovery instrument (NextGenerationEU), linked to Spain's Recovery and Resilience Plans.

The Smart Cities project with AI

Complementing the Smart Cities project started in 2022 by Innovasur (an investee of the MASMOVIL Group), the 5G CITYBRAIN project emerged in 2023, combining 5G technology and AI to improve the management of urban solutions. The project being led by Innovasur, and includes the participation of XFERA MOVILES and OPUS RSE.



The main aim is to create cross-cutting reactive technology (IoT-MEC-Cloud), integrated and managed with 5G capabilities, capable of analyzing the city's sensor network, detecting patterns, and acting appropriately. It will therefore be possible to guarantee the efficient distribution of computing capacity, proposing low latency and high availability to develop advanced smart city management services and placing particular emphasis on predicting high pollution and high traffic areas, and identifying vehicles and tourist flows.

The scheme will design an autonomous AI-based system that will make it possible to learn, predict, decide, and react in a smart way, especially in terms of high pollution, high levels of congestion, and tourist flows. To develop these smart services, it will perform dynamic orchestration of distributed IoT, MEC and Cloud Computing resources integrated with 5G+ technology.

The project has been subsidized by the Spanish Government through the 5G UNICO Sectorial program, financed by the European Union's recovery instrument (NextGenerationEU), linked to Spain's Recovery and Resilience Plans.

Cross-border 5G project

At the end of 2023, in collaboration with OPUS RSE, we began the TRANSBORDER5G project. It was devised to design and implement a pioneering 5G SA roaming solution capable of creating 5G land corridors and facilitate efficient management of road transport taking into account real emissions from vehicular traffic. The project centers on the border crossing point at Irún and involves considerable public-private collaboration with the Provincial Council of Gipuzkoa and the French authorities. The solution will allow for progress to be made in the effective introduction of a pay-per-use system on highways, which includes paying for pollution, with more coordinated, efficient, and sustainable cross-border management.

The project is based on merging advanced traffic monitoring technology (remote sensing devices and artificial vision cameras) with advanced telecommunications technology (5G, Edge Computing, IoT, and V2X) to create a complete solution for integral and advanced management of the border crossing point, with a view to create hyper-connected 5G land corridors that improve the mobility between countries.

Implementing this solution will make it possible to move towards a more sustainable and fairer model, by applying the European Union's "Polluter Pays Principle" and encouraging users to choose low emissions vehicles, while charging the externalities of that pollution to those most responsible for it.

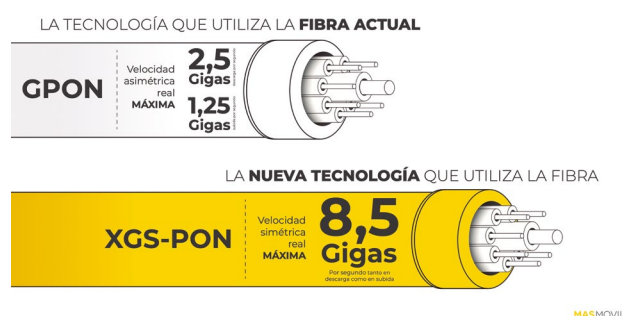
The project has been subsidized by the Spanish Government through the 5G UNICO Sectorial program, financed by the European Union's recovery instrument (NextGenerationEU), linked to Spain's Recovery and Resilience Plans.

11.2.6. Promoting connectivity through XGS-PON and FTTR

The MASMOVIL Group uses XGS-PON technology, which offers symmetric downstream and upstream speeds of up to 10 Gbps. This means that users can download and upload data at the same speed, with no speed limitations on the part of the operator.

This technology is one step further in GPON, which until recently was considered the ideal technology for fiber to the home (FTTH), due to its downstream and upstream bandwidth, high efficiency, low latency, and high interoperability.

MASMOVIL is also integrating fiber-to-the-room (FTTR) technology into its infrastructure, which for the first time takes the fiber optic connection to every corner of the home, ensuring the highest speeds and quality internet for households.



11.2.7. Creating economic value

Ever since our business activities begin, all Group companies have shared a commitment to foster the development of the communities in which we operate, and to boost their growth, providing wealth and wellbeing to all our stakeholders.

11.2.8. Economic value generated, distributed, and retained in 2023

GRI 3-3 / GRI 201-1 / GRI 201-4

Indicator	2023	2022	Unit
Economic value generated	3,137	3,146	Millions of euros
Total revenues	2,979,064	2,894,216	Thousands of euros
Other operating income	149,766	249,436	Thousands of euros
Financial income	8,065	2,054	Thousands of euros
Economic value distributed	2,367	2,280	Millions of euros
Consumption of goods	252,679	184,082	Thousands of euros
Work carried out by other companies and other supplies	987,978	1,001,735	Thousands of euros
Salaries and wages	136,489	131,366	Thousands of euros
Other operating expenses	552,712	596,212	Thousands of euros
Financial expenses	493,628	372,984	Thousands of euros
Corporate income tax and other taxes	(56,342)	(6,216)	Thousands of euros
Economic value retained	770	866	Millions of euros
Profit before taxes	(259,581)	423,193	Thousands of euros
Net profit from ongoing operations	(199,876)	448,913	Thousands of euros
Result from discontinued operations	-	9,655	Thousands of euros
Profit (loss) for the period	(199,876)	458,568	Thousands of euros
Public subsidies received	733	108	Thousands of euros

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

Indicator	2023	2022	Unit
Corporate income tax paid	46,800	27,992	Thousands of euros

11.3. Social development

GRI 3-3 / GRI 2-28 / GRI 201-1

Our collaborations, sponsorships, and alliances represent an essential lever in developing our strategy, in seeking greater rapprochement and engagement with the local communities in which we operate. Our objective therefore lies in enhancing the link between people and the Company, fostering the creation of a more personal relationship through which we encourage the development of the environment in which we operate.

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

The Group contributed €4,713 thousand to partnership and collaboration initiatives with local entities through sponsorships and patronage during 2022, and €3,310 thousand in 2023.

	2023	2022
Donations to and sponsorship of foundations and non-profit associations	1,174	2,448
Other sponsorships	2,136	2,265
Total (thousands of euros)	3,310	4,713

11.3.1. “Pienso, Luego Actúo” (“I Think, Therefore I Act”)

The MASMOVIL Group’s major commitment to positive social impact is through “Pienso, Luego Actúo” (“I Think, Therefore I Act”), a social platform from Yoigo which, for the last five years, has been supporting people who are improving the society we live in through social projects. The platform is helping NGOs and social enterprises to grow and continue their work through a number of different activities related to the United Nations Sustainable Development Goals. Since it first began and up until 2023, we had achieved almost 330 million views.

When the conflict in Ukraine started in 2022, the platform gathered and screened the initiatives being developed to help aid to reach the country as quickly as possible, focusing on that conflict. In the same year, “Pienso, Luego Actúo” launched its new website, a much simpler and more intuitive version, in order to encourage these initiatives to an even greater extent and make it easier for people to take action.

In 2023, we set ourselves the great challenge of reaching more people who are ready to help with the different initiatives. With this in mind, we chose entertainment to make people more familiar with these social endeavors, using the popular modern format of the podcast.

“Pienso, Luego Actúo” is also the name of the podcast from Yoigo about change and for change, and is a space that raises the visibility of issues that concern society, so that we can reflect on them and take action. The essence of the podcast lies in the social initiatives that bring us their projects and encourage us to collaborate with them so they can continue to generate a positive impact on society. Initiatives such as Autofabricantes and Luto En Colores are just some of those we have found out about in the last two seasons.

The initiatives are promoted by celebrities such as Octavi Pujades and Llum Barrera and by the two presenters for the podcast, Mónica Carrillo and Andrea Compton, who address the different topics and offer their point of view and their experience. In the different episodes, they cover topics such as self-esteem, disability, or eco-anxiety, as well as taboo subjects such as death. Most importantly, with the changes in format mentioned earlier, there has been an increase in collaboration with these projects;

interest in them has increased by up to 90%, and their sales and donations have risen by up to 70%.

In addition to the podcast, “Pienso, Luego Actúo” from Yoigo is much more. It is also a search engine for social initiatives that makes it easier for the public to take action and today contains more than 600 community-based initiatives to which users can make their own contribution, however small.



11.3.2. “¡Que vivan los pueblos!” (“Long Live Our Villages!”)

The MASMOVIL Group is committed to rural Spain and for many years has been carry out a plan to extend connectivity within its villages. The end pursued is none other than ending the digital divide and for nobody to be left unconnected. The data is overwhelming: 1,800 villages with just one inhabitant.

Connectivity is a key piece to halt rural depopulation, and is essential to maintain services and make it possible for there to be working activities that attract people to live in the villages.

For all these reasons, in 2023, we decided to go one step further: the “¡Que Vivan Los Pueblos!” program was created, carried out by the Yoigo brand as the MASMOVIL Group’s facilitator in this social initiative. We aim, through this program, to transform the situation in our villages, to do our bit to bring them back to life to the way they used to be years before. It consists of an acceleration program for startups who are having a positive impact on rural Spain.

To this end, an alliance was forged with the UnLimited Spain Foundation, which specializes in accelerating startups with a positive impact (with an almost 90% rate of survival among the beneficiary firms, which include Auara and Adopta un Olivo, among many others).

The call for submissions was a great success, with over 300 expressions of interest and 102 formal applications. In the end, 10 startups were selected for acceleration by juries made up of our employees, UnLimited professionals, and experts in the area of social entrepreneurship and impact.

Encompassing sectors that go from agriculture, agriculture, and tourism to art and fashion, the startups will be deep in the acceleration process until April this year, and are being mentored by MASMOVIL Group employees and through the UnLimited Spain network.

They start off the process with a personalized analysis in which the needs of each undertaking are defined, to thereby plan their respective pathways. They will also receive training on how to measure impact so that they can have the impetus they need to consolidate their progress.

A public event has been scheduled for May 2024 to celebrate the end of the program, which will explain how these startups have evolved and the impact they have generated.

11.3.3. Other social development activities

“Another Opportunity” with Cris Contra el Cáncer

The MASMOVIL Group collaborated with the work done by the Cris Contra el Cáncer Foundation through the creation of one of their commercials, using its headquarters as the set to film the spot and drawing on around 20 volunteers (producers, camera operators, scriptwriters and performers). The campaign used the slogan of “Otra oportunidad”

(“Another opportunity”) which serves to illustrate the new campaign of the Cris Contra el Cáncer Foundation.

The foundation was created 12 years ago with the aim of achieving treatments to cure cancer, and supporting, promoting, and financing research into the disease, thanks to the donations deriving from civil society.

Embou promotes the “Móvil Solidario” initiative

Embou is promoting the “Móvil Solidario” initiative from the Stop Sanfilippo Foundation and the NGO Action Against Hunger and will provide containers at 28 points of sale where the public can donate their old cell phones to contribute to the cause.

Delivering SIMs and handsets to Somontano Social

The mission of Somontano Social, S.L. is to contribute, at a provincial and district level, to the social and labor inclusion of people with disabilities, helping to make the principle of equal opportunities and non-discrimination an effective measure. Embou has made a contribution to Somontano Social through sending it SIM cards and mobile handsets.

Bottle tops for a new life

The Seur Foundation launched this project 10 years ago, in a campaign to help children through funding medical and orthopedic treatment that is not covered by the Spanish social security system. Embou, the operator of the MASMOVIL Group based in Aragón, has allied itself with the cause and has placed containers at its stores to collect donations of bottle tops.



Delivery of pallets containing healthcare equipment to Benin (Africa)

Mensajeros de la Paz, Padre Ángel and Padre Valentín made it possible to organize the delivery of healthcare materials from the MASMOVIL Group (including masks, gloves and alcohol-based sanitizers) to Benin, one of the countries with the lowest development index rating. The delivery served to help with the basic medical care of its inhabitants.

Embou has participated in collecting donated toys to fight hunger in Africa

Embou organized four of its stores to enable donations of toys and deliver them to the second-hand toy market where around 100 volunteers clean and repair them. All the proceeds from the toy market will go towards fighting the serious food crisis that 31 million people in the Horn of Africa are currently experiencing.



Teruel Conect@: Reducing the digital divide in Teruel

Caja Rural de Teruel and Embou are promoting the Teruel Conect@ educational scheme to provide those in rural areas in the Teruel region with the necessary knowledge and capabilities to enable older users to function effectively in this new digital reality.

The two Aragón-based undertakings have set themselves the goal of reducing the digital divide among those groups of the population who need help in using their cell phones or computers to perform certain tasks.

UnaDeDos: Fostering equality and parity among creative directors

According to the Second Study of the Spanish Advertising Population, carried out by the Club de Creativos and the APG, although women represent 51.5% of the base of the creative pyramid, only 22% reach management-level positions, a figure that has barely changed since 2011.

UnaDeDos – meaning “one in two” – is an initiative from Más Mujeres Creativas and the Club de Creativos that seeks to unite the commercial communications sector, brands and companies, associations, universities, and the media in promoting female creative talent in executive positions and in attaining a point by 2030 where, on average, female talent fills one out of every two creative manager positions.

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

Our goal is to work on change from inside the sector, taking into account the responsibility brands have, by promoting a diverse range of profiles in order to both enrich and give a broader perspective to the stories we tell, as well as to our depiction of society. This is in addition to promoting our belief in equal opportunities and eliminating the pay gap.

Among other things, we are committed to fostering a situation whereby more campaigns for our brands are led by female creative directors, and thus progressively attaining the target ratio of one in two. We are also committed to encouraging leadership by female creative managers of the teams assembled by the agencies participating in our calls for bids, with the hope that by 2030 one out of every two agencies will have women in this role, and to acting as promoters and spokespeople for the initiative both externally and internally in our Group.





Yoigo joined the More Than a Mobile campaign centering on teenagers and technology

In 2022, the Spanish Data Protection Agency (AEPD) and UNICEF Spain launched their More Than a Mobile campaign, aimed at providing guidance to families about the key elements they should bear in mind before giving their children a cell phone.

The campaign was supported by collaborations from Yoigo, among other brands, which continues to circulate it through its various channels to allow all families to have basic tips at their disposal on how they can prepare their children for access to these technologies. The campaign includes a list for parents consisting of “Ten Instructions That Don’t Come With Your Mobile”, which contains guidelines and recommendations. The aim is to promote dialog and education, by transmitting values and providing sufficient information to guarantee both responsible use of mobile phones and children’s rights in the digital environment.

Hiring employees with intellectual disabilities from the A LA PAR Foundation

The A LA PAR Foundation prepares people with intellectual disabilities for their integration into the world of work. Together with the foundation, we welcomed two students to collaborate with us in the mission of evaluating and validating our websites and communication campaigns, with the aim of adapting our web spaces, contents, and communication resources to provide a good level of cognitive accessibility.

After the project had ended, we found that their contribution had not only been enriching for the two participants but was also beneficial to our day-to-day operations. Thanks to their experience and vision, we were able to identify areas for improvement where we could achieve better accessibility in our customer communication channels to make them more available to everyone.

The MASMOVIL Group promotes digitalization for SMEs: The Digital Kit

As has been mentioned earlier in this report, the main brands of the MASMOVIL Group also participated in 2023 in the dissemination of the Digital Kit scheme, thereby supporting the management and optimization of European aid to boost digitalization among SMEs.



11.4. Contributing to social development

11.4.1. Creating social impact: Volunteering and solidarity

The MASMOVIL Group has a program under which we offer our employees the option of devoting a number of hours of their working time to volunteering. They can use these hours to work on volunteering projects managed by the Company. In 2023, we collaborated with the following entities with social aims:

- **ADALAB:** A social enterprise designed to tackle the technological gender gap through training and integration into the job market.
- **RED CROSS:** The MASMOVIL Group collaborated with the Red Cross in a digital mentoring program for employment, in online format (and also in person in Madrid), promoting the acquisition of digital skills mainly geared towards active job hunting.



- **The A LA PAR Foundation:** Members of different departments collaborated with this foundation which works towards the rights of people with intellectual disabilities and their participation in society. We organized masterclasses in sales, marketing, and human resources held at our offices in Madrid and at the A LA PAR Foundation's headquarters. In addition to temporary help with digitalization work, several A LA PAR students undertook internships as website assessors for the different brands of the MASMOVIL Group.

- **MAMÁS EN ACCIÓN:** A group of the MASMOVIL Group's employees works with this community, which supports children in hospitals who are on their own and also tries to find them a new family.

mamás en acción

¿Sabías que en los hospitales de España hay niños y niñas que, además de estar enfermos, están SOLOS?

Si eres capaz de

- dar cariño
- contar un cuento
- jugar al parchís
- dar un biberón
- acariciar
- mecer
- acompañar...



...entonces, ¡eres bienvenid@!

¡TE ESPERAMOS!

- **RED INNICIA:** We collaborate with the Red Innicia with the goal of working with different associations in their network, mainly focusing on assisting vulnerable groups.
- **THREE KINGS CAMPAIGN:** Hand in hand with the “Una Sonrisa, Una Ilusión” Association (meaning “A smile, a dream”), employees of the MASMOVIL Group played, once again, the role of the Three Kings for vulnerable and socially excluded children in centers in Madrid and Valencia.
- **CHARITY MARKET:** With the ALAPAR Foundation, we held a Christmas market at the Group's headquarters selling products made by people with disabilities.

At the MASMOVIL Group, we share information about volunteering initiatives through different channels to raise awareness about them and increase their visibility. We also connect to share the experience gained through the various volunteering opportunities at the Group.

Internal communication channels with a social component

There are several communication channels available to the MASMOVIL Group's employees. Designed to be easy to access and use, they include the MASsolidario channel, Happyforce, and the option of contacting the ESG department directly through a specific email account made available solely for this purpose.

Through these channels, our employees are able to suggest projects to the Group focusing on solidarity; as a result, groups sharing common social interests have been organically created, while the social concerns of our employees have been made known and promoted from within the organization.

11.4.2. Cultural sponsorships and informative events of interest

Activities related to innovation and dissemination of technology

With the goal of promoting the transfer of technological knowledge and reflecting on the main trends in digital transformation among the leading players in development, we have participated in, sponsored, and supported leading technological events in Galicia, Asturias, and the Basque Country.

- **The Second ICT Week, organized by Euskaltel, R and Telecable**

Euskaltel, R, and Telecable continued supporting companies in the north of Spain in their digitalization processes to optimize their competitiveness in any world scenario. At this event, they broke down the leading ICT trends in this new environment and presented solutions to the challenges of corporate digitalization processes.

- **Nasec cybersecurity forum**

At the second edition of the Digital Security Forum, organized by **ATANA** (ICT cluster based in Navarre). The goal of this event is to raise awareness among SMEs and micro-enterprises of the importance of having cybersecurity tools in place, as well as recognizing the work performed by the technicians who tackle the cybersecurity issues at their companies.

- **First international silver economy forum in the Basque Country**

Euskaltel participated in the Adinberri Silver Forum (ASF). The event was designed to be a benchmark for a positive approach to ageing through social, social-healthcare, technological, and business innovation.

- **Pont-Up Store: Entrepreneurship forum**

R once again sponsored the Pont-Up Store and brought to the Galician entrepreneurship forum its technological workshops for children, with learning sessions about technology.

- **"Crea R" at Open Science**

"Crea R" is an initiative from R to foster learning and entrepreneurship through emotional and social skills among children aged from seven to 12 years. On this occasion, at the OPEN SCIENCE CAMBRE it offered an educational program designed to be enjoyed and experienced as a family and to increase familiarity with new technologies. Children became aware of basic concepts through play, using modeling clay, and learnt how to design an automated system at the robotics workshops.

- **Contributions to cultural institutions**

Our support for culture translates into our contribution to important cultural institutions, such as the Guggenheim Museum, Kursaal, and the Museo do Pobo Galego. We also express our support through collaborating in organizing concerts, and music and film festivals, such as the Gijón Film Festival, FICBUEU (sponsoring the Sección R Galicia award for the short films festival), the Oviedo Opera Foundation and the OTEA Asturias Tourism and Hospitality Association.

- **Promoting cultural and linguistic identity**

As part of our commitment to the geographical regions where we operate, we also support actions to promote their cultural and linguistic identity. In line with this approach, we collaborated with the Korrika, a race in favor of the Basque language, which is run through the Basque Country and Navarre. We also participated, in conjunction with the Federation of Ikastolas, in the organization of the Euskera Festivals to promote the use of the Basque language, and we also gave a significant boost to Durangoko Azoka, the Basque Book and Record Fair.

11.4.3. Sports sponsorships

Another facet in our commitment to society is expressed through sponsorships aimed at promoting sport at a local level. These include our sponsorship of the Euskaltel-Euskadi cycling team, which competed in the most important races on the Spanish race calendar and won two victories outside Spain.

We backed the Oviedo Basketball team and the Covadonga Group, a sporting organization that has ratified the agreement with Telecable for over 15 years so as to work together to foster initiatives that encourage the development of the community in terms of sport. Additionally, in Aragón and through Embou we work with other prominent sports clubs such as the Real Zaragoza, Casademont Zaragoza Basket, S.D. Huesca, Honigvögel Zaragoza, C.D. Teruel, C.V. Teruel, C.B. Huesca, and U.D. Barbastro.

Supporting women's sports

We recognize the indisputable role that sports play in promoting educational values, integration, and social development. True to our corporate values and in line with the conviction that equal opportunities should be extended to all areas of our lives, we allocated a large part of our sports sponsorships to supporting the women's teams of the Sporting de Gijón and Telecable Hockey.



Until the end of the 2022/2023 league season, we also supported the Athletic Club de Bilbao Femenino, la Real Sociedad Femenino, S.D. Eibar Femenina, Telecable Hockey, Club Casademont Zaragoza, C.D. Teruel, and C.V. Teruel.

Promoting the social integration in sport of people with disabilities

Alongside the También Foundation, the MASMOVIL Group launched the 12th edition of The Inclusive Camp, which took place in Orense. The specific aim

of this camp is to build skills and values that help enhance the comprehensive development of young people with and without disabilities, giving priority to people with disabilities.

We also promoted the social integration of people with disabilities by supporting football clubs such as the Osasuna Foundation and Celta Integra, as well as through our contribution to the Spanish Confederation of People with Disabilities in the field of sports.

We renewed our commitment as Honorary Members of the Osasuna Foundation, a foundation which was created with the aim of promoting the inclusion in society of the most vulnerable groups. Through these initiatives, we want to do our bit to help achieve two goals which are so very important for the progress of society: the inclusion and integration of all people.

R was once again the official sponsor for Celta Integra, a team playing in the LaLiga Genuine football league. Organized by the LaLiga Foundation, it is a competition for teams comprising people with intellectual disabilities. Through this sponsorship, the Celta de Vigo Foundation and R have united their common interest in contributing to the constant improvement, growth, and social adaptation of the team and the people who are part of it.



11.4.4. The Euskaltel Foundation

The purpose of the Euskaltel Foundation

The basic aim of the foundation is to promote research, study, and technological development, to develop the broadest opportunities for access by all citizens to the global society of information and communication, and to contribute to the progress and expansion of the cultural education of society in general, preferably in the telecommunication and audiovisual fields.

The main initiatives developed during 2023 are summarized below:

HETEL

Through this project, we support the promoting of scientific vocations among young people at the advanced vocational training level for Telecommunications and IT Systems.

This is an initiative from HETEL (the vocational education training center association) and Euskaltel Fundazioa, which have joined forces to set a challenge for students studying Telecommunications and IT Systems at three of HETEL's member schools. In addition, the eighth edition of the HETEL Awards, which were held under the slogan of "Talent in Vocational Training", honored people and organizations that support vocational training and raise awareness of the need to attract and retain talent in order to meet the demand from businesses and provide them with increasingly qualified technical personnel.

EYPE (European Youth Parliament España)

In 2023, San Sebastian had the opportunity to welcome the event organized by the EYP España association. On this occasion, the young participants were able to meet extraordinary people from other European countries to discuss and propose solutions to the issues currently being faced.

OMNISCON

Through the startup that organizes by OMNISCON, Euskaltel Fundazioa held a gala where awards were given to Spanish-speaking content creators in a number of categories: the "Oscars" for Twitch, YouTube, and other networks.

This is a festival within the BEC to put digital content creators on contact with their followers. It seeks to

raise the visibility of content creators and open up new business opportunities.

The aim of the awards is to recognize the merits of the leading influencers from the video games sector and the community surrounding it, while involving all the internet users who are on the other side of the screen. Euskal Encounter 31

The Euskaltel Fundazioa is in charge of organizing the Euskal Encounter, with the backing of the Basque Government through SPRI, the Provincial Council of Bizkaia, and BBK. Its goal is to bring ICT amateurs and professionals into contact with each other, drawing enterprises and entrepreneurs together, giving visibility to new entertainment formats, and opening up new business opportunities.

XGN R Encounter

This event raises the profile of new forms of entertainment and offers business opportunities for amateurs and professionals in the ICT sector, enabling entrepreneurs and companies to build future working relationships.

The event enjoyed a high-quality connection supplied by R and, in its 23rd edition, came out stronger, thanks to the positive results observed, and aspiring to continue its growth.

Support was provided once again by the Social Policy and Youth Department of the Government of Galicia and with R as the official sponsor and collaborating company.



EuskalHack

EuskalHack Security Congress is an initiative for the leading ethical hacking association in the Basque Country, a non-profit organization established in Donostia and made up of different professionals linked to forensic IT and information security research. The aim to bring together amateurs and professionals from the cybersecurity sector.



Innobasque - Global Innovation Day

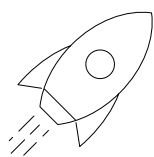
This day was the date of the release of the Innobasque de Innovación report, which contained the most innovative projects in the Basque Country. The event gathered together the different players in the Basque innovation ecosystem: corporations, SMEs, business R&D units, universities, educational and vocational training establishments, local agencies, and technological and research centers, as well as different types of public entities.

Gamegune 2023

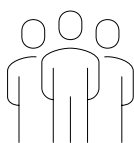
The longest-running e-sports championship in the country involved three tournaments: the Valorant women's tournament, CSGO PRO, and Haszten, for people with disabilities.

The event was organized by the Euskaltel Fundazioa, and was run with the assistance of Euskaltel, the Economic, Sustainability, and Environment Department of the Basque Government, through SPRI, and the Provincial Council of Álava.

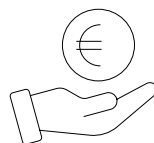
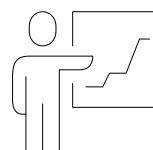




ACCELERATION



REAL PILOT

POSSIBILITY
INVESTMENT

DEMODAY

11.5. Supporting talent and entrepreneurship

Thanks to our entrepreneurship and talent support programs, we can keep up to date on the latest news and Spanish innovations, to place them at the service of our customers.

11.5.1. MASVentures

Through MASVentures, our accelerator for innovative projects, the MASMOVIL Group is in constant contact with innovation and digital developments. In 2019, we launched the MASVentures accelerator (alongside Inveready, a Spanish investment group) to promote innovative projects in the new technologies sector and foster entrepreneurship in Spain.

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

In 2021, following a shift in focus by the program towards projects associated with the Group's areas of interest and startups that are a fit with its challenges or needs, MASVentures carried out pilot programs with six startups. These were related to different areas of the Group, such as retention, marketing, business channels, customer experience, and process automation.

In 2022, MASVentures continued to follow the same strategy of focusing on priority areas of interest and conducted pilot programs with five startups, centering on advanced analytics, marketing, and new businesses.

In 2023, MASVentures focused on furthering its relationships with the startups in which it had invested. It entailed new lines of development and the proposed new framework agreement which reinforces the Group's commitment to one of the startups.



11.5.2. University chairs and scholarships

At the MASMOVIL Group we understand the importance of innovative areas such as digitalization, new technologies, AI, and data, whose importance in our daily lives keeps on growing. We want to underscore our commitment to emerging talent, by supporting and fostering our scholarship and chair program policy and by opening up access to the collaborative programs based in different strategic areas of the Group.

Chairs programs are educational programs for excellence in accordance with various universities across Spain, which enable us to offer opportunities to the best students to develop their skills and abilities in today's most cutting-edge technologies.

1. The Chair for IT with the Carlos III University of Madrid (UC3M)

For the sixth year in a row, the MASMOVIL Group and the Carlos III University of Madrid (UC3M) have enhanced their alliance. Following the success of previous editions, we continued strengthening the commitment of the Group to young talent, offering us a real professional environment to work with the latest technology and where they can contribute their excellence to innovative technological challenges.

Effective from September 2023 to June 2024, six students have been given scholarships to work on projects that are strategic for the IT area and affect the optimization of the processes and technologies used on a daily basis at the Group, based on Big Data and AI. With an approach of continuing to offer users the best service, we have developed projects that enable smart management of the call center. These have worked on processing data more efficiently to increase customer satisfaction, using Machine Learning to achieve a better appreciation of their consumption, and identifying the customer profile to personalize our tariff plans in accordance with their needs.

In the 2022/2023 edition, over 80% of the students were taken on by the Company at the end of this Chair program.



2. The Chair for IT with Alcalá de Henares University

The collaboration between the MASMOVIL Group and the Alcalá de Henares University (UAH), for the MANEDS (MASMOVIL for Advanced Network Engineering and Digital Services) Chair program, has been active since 2022. Following the success of the first edition in the 2022/2023 academic year, with a 100% hiring rate among the students, the 2023/2024 was so well received by the student population that we expanded our original three-place scheme to five scholarships, thanks to the support also given by the UAH.

This edition will run from November 2023 to June 2024. The clear goal of this collaboration is based on executing various initiatives related to the application of AI techniques to find innovative solutions for telecommunications, such as developing and training a conversational customer-service bot, generating biometric signatures, and applying AI to analyze the access footprint for FTTH.

As a result of this initial edition of the program, at a special event Alcalá de Henares University bestowed an award on the MASMOVIL Group recognizing its collaboration and support in this meeting space for fostering innovation and knowledge transfer in high-potential students. The event was held in the university's Central Hall and was attended by the Rector of Alcalá de Henares University, among other representatives.



3. The Chair for Data with the Polytechnic University of Madrid (UPM)

Continuing on from the previous year, we launched the Chair program with the Polytechnic University of Madrid (UPM), which will run from January to June 2024 and focuses on the Client Strategy & Analytics area.

This collaboration is linked to strategic use of data for efficient decision making; some of the projects proposed to the students make it possible to process the transcriptions of sales calls and analyze customer sentiment in the calls, as well as analyzing their impact on customer churn.



4. The Telecable Chair with Oviedo University

In line with our desire to shore up the talent in our regional brands, the Telecable Chair program with Oviedo University welcomes five students who have been through a selection process. Between January and June 2024, they will be working on technological challenges and topics in areas such as improvements to and efficiency of infrastructure deployment in Cloud environments and use of generative AI techniques to build centralized repositories in GitHub.



5. The R Chair with Coruña University and Vigo University

For a further year, we renewed the R Chair in Cybersecurity (the first inter-university chair program in Galicia) involving the universities of Coruña and Vigo.

For the R Chair, three students have been contributing since September 2023 to projects pertaining to the area of cybersecurity, which are scheduled to be completed by June 2024.



6. The Chair for IT with the University of Deusto

With the aim of continuing to expand talent throughout Spain, we convened the first program for the Technological Class of the Chair with the University of Deusto.

The start date was scheduled for January 2024. The program includes scholarships for five students who, until June 2024, will develop the technological challenges set by the IT-Systems area.



7. The Chair (master's program for cybersecurity) with the Carlos III University of Madrid (UC3M)

Replicating the success of the collaboration with the Carlos III University of Madrid (UC3M), and for the second year in a row, we continued to offer the UC3M Chair program for cybersecurity.

Involving four students between November 2023 and June 2024, the projects being developed include improving security between customers and servers and creating a user identification infrastructure prototype.



In addition to the Chair programs, and consistent with our measures to support young talent, we also participate in a number of internship initiatives and other collaborative schemes.

- In conjunction with the FUE (Fundación Universidad Empresa), we have drawn up agreements for student internships in the different areas of the Group.

We welcome students who are gaining work experience as part of their curriculum and on an extracurricular basis, with interesting projects that enable them to have contact with a professionalized environment. In 2023, around 20 students on these schemes interned at a number of our departments, such as Finance, Technology, Business, and Legal, with each internship lasting approximately between six and 12 months. Supported by a professional tutor, under the scheme the students gradually grow in autonomy in fulfilling the tasks performed by the department, which enables them to put what they have learnt at university in practice.

Through the FUE, we also worked with students involved in the DUAL internship model, both at our regional brand in Zaragoza (EMBOU) and as part of our commercial area for the northern region. Under this model, gifted students selected by the universities collaborate with us over a period of three years, combining their ongoing university education with the experience they can gain in a business environment. Three students have benefited from this collaboration model.

- In addition, in late 2023, we began a collaboration with Zrive, a company which specializes in careers advice for people who are just starting out in the world of work. Over the course of five weeks, five students were working on a challenge to generate a predictive data model. This type of collaboration makes it possible to identify at an early stage any high-potential profiles in strategic areas for growth at the MASMOVIL Group.

11.5.3. Alliances with associations

GRI 3-3

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

One of the core pillars of our management approach is to contribute to technological development and, therefore, support companies with our resources and our experience in telecommunications. In order to meet the technological needs of companies, offer them the best advice, and accompany them in their digital transformation process, we have established alliances with the leading manufacturers. We also organized informative sessions with a vocation for innovation, which we offered to the business fabric through our experts in Big Data, Data Governance, AI, and Cybersecurity, among others.

This has been the case throughout our entire history, actively working and collaborating with different business organizations and associations, technology clusters, and innovation agencies. We have maintained these alliances and strengthened them, even under the circumstances that arose as a result of the pandemic.

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

During 2023 no contributions or payments were made to political parties or associations inside or outside the European Union, in accordance with the provisions of the MASMOVIL Group's Donations and Sponsorship Policy.

	2023	2022
Contributions to associations (in thousands of euros)	685	727

12. Customers

Main pillars of our strategy:

One of our values is Customer First; in this respect, our customers' satisfaction is a strategic priority for the Group:

- Reducing the number of customer complaints
- Ongoing monitoring of customer satisfaction data
- ISO 9001-certified Quality Management System
- Implementing new technologies to enhance service quality
- Enhancing the commercial offering of the services provided and introducing new services

GRI 3-3

In 2023, the satisfaction levels of our customers continued to be a strategic priority for the Group. As discussed in previous years, a positive customer experience that stands out over that of other operators is a sustainable competitive advantage.

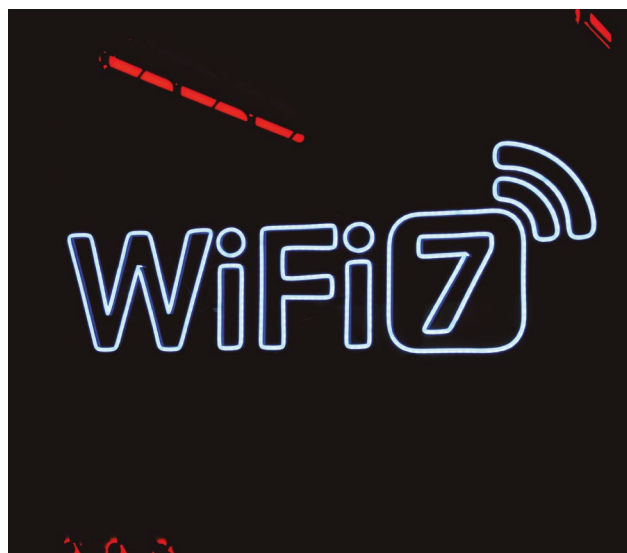
In 2022 we began integration in processes, network, and systems, seeking out the best customer practices throughout the brands of the Group. For 2023, we set ourselves the goal of consolidating everything achieved so far and aimed to match the KPIs in all brands.

Looking ahead in 2023, we continued the process of improving our customers' experience, on two fronts: improving the experience of customers who report the lowest satisfaction levels (reducing the number of tickets/complaints or customers who rate their experience among the lowest levels) and removing the reasons prompting customers to need assistance (detecting and eliminating the root causes of issues).

During the year, several improvements were made in the user experience of the Group's main products and services. These ongoing improvements translate into greater satisfaction among our customers, who then perceive the service as being agile, efficient and of better quality.

For instance, our customers enjoy one of the best 5G networks in the market, with speeds up to 2 Gbps. With our 5G network, customers can access high quality content, online games, virtual reality (VR) and other innovative applications. Our goal is to offer the best experience for our customers, who are the heart of our strategy, and that's why we keep on investing in the enhancement of our networks and systems.

We also constantly improved our offer to households in terms of both speed and devices. Virtually all of our fixed lines work at high speeds (300-600 Mbps), and over 10% of them already enjoy 1 Gbps. In this context, our routers are also making progress and transforming the home-based experience: 35% of our customers enjoy Wi-Fi 6 devices. In parallel with the deployment of this new technology in our portfolio, we are already working on what promises to be a revolution in household connectivity: Wi-Fi 7.





Another aspect worth highlighting is the improvement achieved on TV service in 2023. The success of the various initiatives to enhance customer experience has positioned Agile TV amongst the market leaders. We offer an evolved version of the TV application that provides 80% greater fluidity and 15% more robustness, i.e. top image and sound quality, as well as a much wider and more attractive content offer which is positively valued by our customers.

All this evolution towards enhancing our customers' experience has also been confirmed in SETID (Secretary of State for Telecommunications and Digital Infrastructures) annual reports, where the brands of the MASMOVIL Group show the best claim and complaint rates in both convergent and mobile-only services.

Therefore, we are aware of our customers' positive appreciation of the improvements made thanks to the ongoing leading position of our brands in the industry's NPS.

We have developed and consolidated comprehensive monitoring of customer satisfaction through simple, non-intrusive surveys at crucial moments of their interaction with us. We constantly analyze customers' calls in our digital tool, where the results are processed and used to design and implement initiatives that secure an increase in satisfaction and referral.

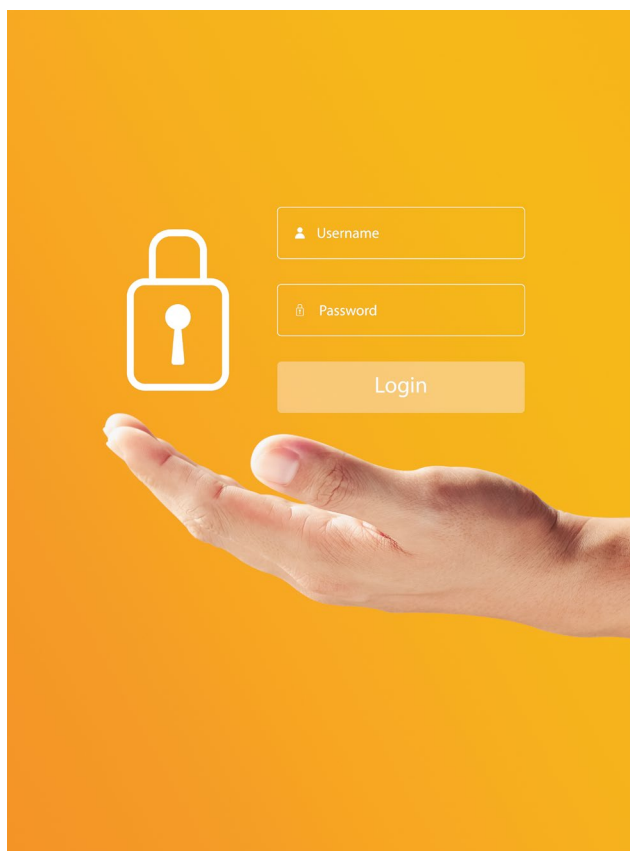
It must also be highlighted that the MASMOVIL Group has put in place an ISO 9001-certified quality management system.

12.1. Privacy and protection of personal data

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

The principles of privacy by design and by default contained in Regulation (EU) 2016/679 of the European Parliament and of the Council, of April 27, 2016, regarding the protection of natural persons with regard to the processing of personal data and the free circulation of these data (the General Data Protection Regulation, or GDPR) are very present in the normal course of our business and when we develop new services.

At the MASMOVIL Group, we are committed to minimizing the number of incidents related to our customers' private data, ethical content, and advertising.



Data protection office

The MASMOVIL Group has had a data protection officer (DPO) for all Group companies since the GDPR entered into force in May 2018. It has been demonstrated that this role, although outsourced for a time, offers greater benefits as an internal position inside the organization as it provides a comprehensive view of all the Group's processes, as well as the following advantages:

- Provision of information and advice on the design of the initiatives proposed within the MASMOVIL Group in an organic way.
- Supervision on an on-site basis of compliance with the provisions of the GDPR.
- Greater control over organizational functions, such as creating a record of processing activities, reviewing processing operations, and assessing impact.
- Ease of carrying out investigative tasks.
- Accessibility vis-à-vis the entire organization to carry out consultation tasks.

The appointment of the current data protection officer was reported to the Spanish Data Protection Agency on September 23, 2020 for the companies of the MASMOVIL Group. In order to ensure the harmonization of our policies, procedures, and criteria, the same data protection officer was appointed on October 4, 2021, for the companies of the Euskaltel Group and on December 16, 2021, for the company Energía Colectiva, S.L. In accordance with Article 39 of the GDPR, the data protection officer has been assigned the functions provided in the GDPR itself and in the applicable regulations, in addition to any others she may be entrusted on an internal basis. These functions have been approved by the Group's internal governing bodies and reported to the Company's Board of Directors, to which the officer reports regularly.

As a result of the acquisition of the Euskaltel Group and the expansion of our services, we established the DPO Office, to provide the position with an organizational structure that is capable of absorbing the increase in the Group's needs in terms of data protection.

Privacy Committee

The Privacy Committee is the body responsible of making decisions that impact data protection, as well as monitoring that the MASMOVIL Group complies with the legislation in this area.

During 2023, we continued to hold regular meetings of the privacy committees. A number of issues were addressed within the framework of these, such as improving the processes for blocking and erasing personal data, the entry into force of Article 66 of the General Telecommunications Act (Ley General de Telecomunicaciones), and identifying areas for improvement as regards privacy in various processes.

Tool for personal data governance.

Also in 2023 we consolidated our introduction of the OneTrust tool to manage personal data governance, after the Data Protection Office had successfully implemented a tailored privacy management system leveraging this tool.

Artificial intelligence

In 2023, the use of Artificial Intelligence (AI) systems experienced a major boom in all areas. This technology has a great impact on personal data protection when the data are used to train those systems or when these are applied to people.

The Data Protection Office is integrated within the AI governance framework, created in 2023, in the MASMOVIL Group, guaranteeing respect for rights and freedoms of natural persons in the development, use, and commercialization of these tools, from their design and by default.



12.2. New services

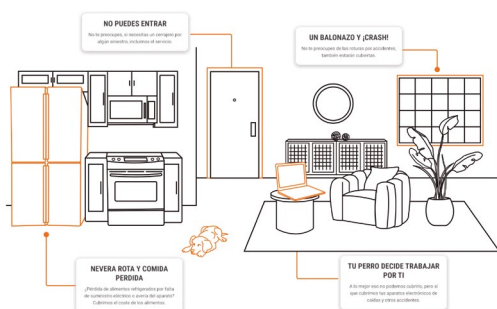
In 2021 we launched a 100% green energy service for Yoigo, MásMóvil, and Pepephone customers. We also introduced DoctorGO, a telemedicine assistance service with quality, face-to-face, wait-free health care, and MoneyGO, the Yoigo service for personal loans.

New services and products were introduced in 2022 with the aim of satisfying the needs of our customers and offering useful, stand-out, quality services, such as mobile phone insurance to guarantee peace of mind, insurance to help customers protect their Yoigo bills and payments, the MásMóvil connected alarm service, and self-consumption solar panels.

2023 was also a year in which the Group launched and focused on new added valued services that help customers in everyday life, and improved the conditions of the existing supply.

Un seguro móvil para garantizar su tranquilidad

Un nuevo seguro móvil que mejora su oferta actual haciéndolo más competitivo y respondiendo a la demanda para dispositivos móviles de gama media y baja. Desde tan solo 1,99€ al mes, los clientes podrán disfrutar con total comodidad de un seguro que cubre el robo o atraco, las posibles llamadas fraudulentas realizadas desde el móvil robado, e incluso la sustitución del móvil sustraído.



Además, Yoigo ofrece un mes gratuito sin permanencia para todas las altas con la posibilidad de darse de baja sin restricciones. Con este seguro, la Sociedad tiene como objetivo hacer que los clientes de Yoigo sigan siendo los más satisfechos del mercado y los que disfruten de sus servicios y terminales con la mayor tranquilidad posible.

Seguro para ayudar a sus clientes a proteger sus facturas y pagos de Yoigo

Yoigo lanza un seguro de protección de pagos que ayuda a sus clientes a poder hacer frente a sus facturas o recibos esenciales por tan solo 1,99€ al mes. Los clientes podrán disfrutar con total comodidad de un seguro que pone a su disposición hasta 840€ al año para pagar sus facturas en caso de perder su empleo, ser hospitalizados, sufrir una incapacidad temporal, etc.

Yoigo simplifica al máximo el proceso para recibir la indemnización correspondiente solicitando solamente una vez la documentación para acreditar su situación (cuando la práctica habitual es pedirlo mes a mes) recibiendo a cambio 420€ por adelantado para que puedan pagar sus facturas, recibos o gastos.



Yoigo started offering home insurance

Yoigo offers its customers home insurance that combines the best coverage, simplicity, and the market's most attractive terms and conditions. The new product is based on MAPFRE's top-selling home insurance, adapted to the specific needs of Yoigo customers, and with a life-long special discount in their phone bill. Some of the most remarkable features of this insurance are payment flexibility and excellent renewal conditions for customers with no damage claims, aligned with the Yoigo phone service experience. Furthermore, this insurance is backed by MAPFRE, and therefore the guarantees and exceptional responsiveness of the industry's leading brand in Spain.



Yoigo renewed its alarm service, working with ADT

Yoigo's new alarms feature the best user experience, including a digital control panel, video feed with customized event identification, and continuous monitoring of the building's status. The alarm will be at a special definitive price for Yoigo customers. They will also have an additional 20% discount in their fiber and mobile bill for 12 months. The new system relies on technology from ADT, a global security leader with a solid operation in Spain.



Yoigo started offering, for the first time, a natural gas tariff

Yoigo customers can start adding gas to their energy tariff with exclusive conditions: For each electricity and gas supply contract, they will get a life-long monthly discount on their phone bill. This tariff stands out for its very competitive fixed rate, which provides enhanced stability and predictability, and calendar month billing that makes it easier for the customer to understand the bills and spares them unpleasant surprises. This offer is carbon-neutral, given that the brand will offset the customers' gas usage emissions by reforesting burnt-out woods beside Torimbia beach in Llanes (Asturias, Spain).



MásMóvil completed its energy portfolio with a gas tariff featuring a stable price and phone bill discount

MásMóvil brand has launched a gas tariff that completes its household energy services portfolio, thus helping its customers to see further savings on their bills. For each electricity and gas supply contract, MásMóvil customers will get a life-long monthly discount in their phone bill that will accumulate accordingly if they add their second home. As it did with electricity, MásMóvil has simplified the billing process to resemble its phone billing, with a bill each calendar month, and has established a fixed rate to help control spending.



Pepephone started offering a fixed price gas tariff

In addition to its MultiSIM offering, in 2023 Pepephone also offered its customers electricity tariffs for the home and household gas tariffs at a fixed rate.

AI applied to the energy service for self-consumption with solar panels

Naturgy and MASMOVIL have teamed up to bring self-consumption to thousands of households and enterprises with the backing of AI. The telecom operator will offer Naturgy Solar, an energy solution designed by Naturgy, in all its channels with the aim of helping its customers to generate their own electricity and make savings on their bills. Customers will be able to benefit from up to 70% savings in their electricity bills, besides very competitive installation costs, advantageous financing, and 1-year free maintenance. This agreement includes the use of AI technology based on Microsoft Azure Open AI Service's GPT language models, aiming to enhance customer experience and provide them with advice on the solar energy system.

E-Commerce Total

The MASMOVIL Group, aware of the constantly evolution of market and businesses towards a digital space, has focused on adding new products and services to meet its corporate costumers' demands and to help them keep on growing in this digital environment.

To that end, it announced the launch of "E-Commerce Total", a self-managed service that makes it possible to create a customized e-commerce space without any restrictions in terms of sections or products, with reservation management and an integrated payment gateway, which is offered by two of the Group's brands: MásMóvil and Yoigo Negocios y Empresas.

Yoigo improved the terms of its savings account for its customers

The service includes a checking account, a free debit card, and an interest-bearing savings account, it is commission-free and it requires no minimum time commitment. Customers can use their accounts 100% digitally through the MoneyGO app.

In the last year, the number of Xfera Consumer Finance customers who were able to finance their spending with favorable conditions by using MoneyGO handset

financing, personal loans, and credit cards grew by 60%, demonstrating an excellent response to its products and services in the Spanish market.

The MASMOVIL Group expanded its alliance with Caser Seguros and launched payment protection insurance

The MASMOVIL Group and Caser Seguros have expanded their long-lasting strategic agreement, strengthening their focus on offering customers new insurance integrated into their telecom services.

Through its business alliance with Caser, the MASMOVIL Group was already offering its users device protection insurance, which has been a huge commercial success over the past few years.

Through expanding this collaboration, the MASMOVIL Group will now offer its customers "payment protection insurance", featuring exclusive benefits for its customers, such as a very competitive price, complete coverage and convenient settlement procedures.



Scudo, a new integral cybersecurity service for SMEs

Scudo is an integral cybersecurity service including the best critical-element protection tools, with the approval of the CCN (National Cryptologic Center), and its security operations center (SOC) is ENS-certified (certified according to Spain's National Security Regulation). Thanks to Scudo, companies are able to minimize risk with a very complete integral digital security solution, which includes advanced features and the permanent support of a team of experts.

E-SIM and Multi-SIM

The Group's main brands have gradually incorporated the availability of these services into their portfolios.

The E-SIM, also known as virtual SIM, represents the evolution of the physical card. It is integrated in the device and you only have to activate it with a very simple QR code procedure. Among other benefits, E-SIM cards allow for an easier portability process, without the need to change card, and enable customers to use more than one phone number in the same device. They also mean considerably fewer CO2 emissions from producing and managing them, as well as less use of natural resources.

The Multi-SIM card is a service that allows users to have several SIM cards assigned to the same phone number. In addition, it is possible to have an internet contract associated with any of these cards.

Services for senior citizens

Today there are almost 10 million people in Spain over the age of 65, and it is estimated that by 2050 there will be 13 million (a third of the population). This population segment is calling out for remote healthcare solutions that give them peace of mind, assistance, and entertainment, while prioritizing their autonomy and enabling them to continue living in their own homes, or in very similar environments, until very advanced stages of dependency.



Through our Senior Telecom company, the MASMOVIL Group renders assistance to companies and institutions that deliver services to elderly people through our technology. We offer these companies:

- a. Support from a leading telecommunications operator in selecting and implementing the connectivity technology most suited to their needs.
- b. Comprehensive solutions that fit their requirements, which often include devices (smartwatches, tablets, home-based sensors, mobile terminals, Smart TVs, fitness trackers, etc.), and also support them in all the logistics, installation, and after-sales processes.
- c. The option of integrating services from their own catalogue or those of their specified third parties and rendering them accessible through adapted interfaces to improve usability.
- d. Customized solutions in terms of services, hardware, and software, allowing them to both generate segmented offers and manage multiple user profiles.

Our healthcare management product is entirely digital. It provides an integral and mobile ecosystem that supports senior users in their everyday routines both in and outside their homes, ensuring a non-intrusive service for the user. To achieve this, our devices use mobile technology and are completely independent, guaranteeing full coverage as they go about their lives and including geopositioning solutions, all centrally managed by us through a remote system.

In 2023 we consolidated our commercial and operational activity in this area. Our customer portfolio includes the most outstanding companies in the social and healthcare sector, and we provide services in both public and private telecare environments, with almost 3,000 active users at the end of the year and an exponential business plan for 2024, in both Spain and Europe.

Through Euskaltel, in November 2023 we took part in the first Adinberri Silver Forum, hosted by the Provincial Council of Gipuzkoa in Donostia/San Sebastián. Focusing entirely on the wellbeing of seniors, featuring a wide range of services, ideas, and solutions conceived for this sector of the population, we had the opportunity to showcase our solutions in the living lab created for this purpose.

Also in November 2023, we were present at the 10th National Alzheimer Congress held in Gijón (Asturias), since we were invited by the event organizers to present our specific solutions to make it easier for this patient group to live social and active lives.

Furthermore, we submitted and were rewarded a Next GenerationEU-funded project (MAS4Care) to create an integrated cross-cutting solution ("IoT-FarEdge-Edge-Cloud") that supports 5G technologies. This makes it possible to deploy virtual distributed computing functionalities and real-time management of sensors and medical equipment, processing and monitoring their metrics as closely to patients as possible and enabling the digital medical platform to perform teleconsultation tasks and react quickly in the event of a health emergency, while also ensuring high availability of medical services.

Our specialized services and devices include:

Smart and self-charging watches, plus an app with user mode and caregiver mode (subject to authorization); tablets with access to health services via video consultation or telephone consultation; synchronized contact lists; and home-based sensors, which collect information about the user's activity at home and deliver it to an AI platform.

In addition, we offer procedures and solutions designed specifically for the older population based on their specific needs, such as:

- Services provided by the leading companies in the remote healthcare sector.
- User interfaces tailored to our senior customers, which ensure our products are user friendly and offer an easy user experience.
- Solutions that work inside and outside the home. When the solutions require devices to be used, these have to be compact, reliable, and affordable.

These complement the support and assistance given by loved ones through professional supervision supplied by companies.



12.3. Customer satisfaction

Knowing the satisfaction levels reported by our customers is crucial for the Group. With this in mind, we conduct studies on each of our brands to assess customer satisfaction, both overall and specifically with regard to each element, with the aim of detecting any areas where we can improve. These studies are carried out on a quarterly basis and involve analyzing the customers of the Yoigo, MásMóvil, Pepephone, Virgin telco, Euskaltel, R, Telecable, and Guuk brands.

In the studies conducted in 2023, all the Group's historic brands held on to their leadership position in

their segment for customer satisfaction, maintaining the very high levels of satisfaction reported in previous years and even improving on them with respect to the three main brands and in both segments.

Trends in customer satisfaction

Details of our performance as regards satisfaction with the Group's historic brands in 2023 and 2022 are as follows (according to data published by the consulting firm GFK in its Telecommunications Customer Satisfaction Study):

		2023	2022
CONVERGENCE	Yoigo	8.3	8.2
	MásMóvil	8.3	8.3
	Pepephone	9.1	9.1
	Virgin Telco	8.3	8.2
MOBILE ONLY	Yoigo	8.7	8.5
	MásMóvil	8.8	8.8
	Pepephone	9.3	9.3

On a scale from 0 to 10 (0 = very dissatisfied, 10 = very satisfied)

The Group continues to head the field in customer satisfaction, obtaining good results on an ongoing basis and maintaining its lead over our competitors.

	2023	2022
Euskaltel	7.7	7.5
R	7.8	8.0
Telecable	8.1	7.9
Guuk	8.4	8.5

On a scale from 0 to 10 (0 = very dissatisfied, 10 = very satisfied)

In 2022, we began to monitor the performance of our regional brands from the Euskaltel Group, with the results detailed below. The results obtained by these brands are slightly lower than those obtained by our national brands, except in the case of Guuk and Telecable. The latter's improvement in 2023 allows it to rank close to the national brands.

In the business segment, the Group uses a different process for measuring satisfaction consisting of an automatic survey at the end of the call. Customers rate the service received and the degree to which their query has been resolved.

12.4. Customer service

All the Group's brands offer their customers the choice of operator assistance, plus various digital channels including a self-service approach where customers can find answers to their queries and perform tasks. These encompass the website channel, app, chat, and IVR, which were developed for the main brands of the Group and utilize AI and open-ended questions, employing natural language, to gain a better understanding of the customer's intentions and needs. For all our brands, this customer care service is provided free of charge, without access or administrative fees.

In view of the growing importance of digital channels and an increasingly digital society, the Group's brands are working on introducing new technologies that cultivate the omnichannel approach, so that customers have a similar and equally rewarding experience whichever channel they choose. Given how important the Group's services are to our customers' everyday lives, we offer extended customer service hours for all brands (24/7 for the Group's main brands).

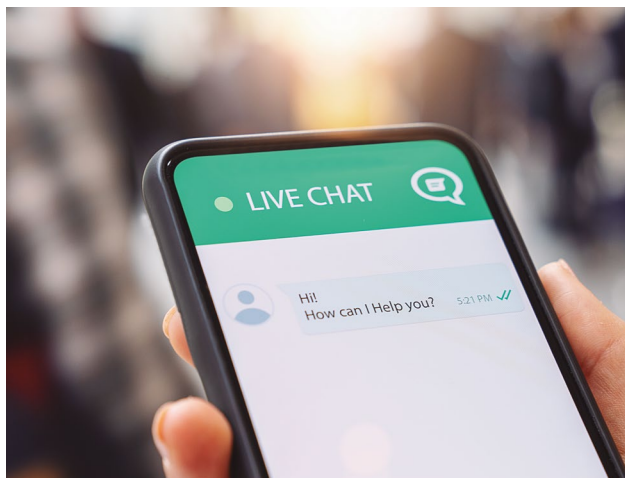
In 2023 we continued the deployment of written channels (WhatsApp) with strict customer-experience (CX) requirements regarding the contact experience and satisfaction levels. In this respect, we have organized our operations, improving procedure efficiency.

In the second semester we worked very successfully on developing sales skills and commercial management after a service interaction.

In the process of supporting the company with the CRM tech stack migration for the Yoigo brand, we have worked on mitigation scenarios and, ultimately, on efficiencies resulting from a multibrand stack. With an eye on 2024, we have prepared several generative AI-based projects for customer service automation and operator skill enhancement.

The Group has specific platforms to obtain a better understanding of the reasons behind cancellations and customer dissatisfaction, through which we attempt to resolve the causes of cancellations and do everything possible to retain those customers.

Customers in the business segment also have a free customer service telephone hotline and email service. In the specific case of cable operators, we also make a self-management website available to them.



12.5. Complaints

GRI 3-3

The Group has a customer satisfaction survey system which is operated by third parties on a quarterly basis, and our customers can evaluate the service in all our channels.

All the Group's customers can access the complaints system through the various channels we provide: via the website or chat, in person at the Group's stores, or through an operator for the telephone channel. In addition, customers can always submit their incident or disagreement with any of the contracted services through any official body such as consumer affairs offices, arbitration boards, the State Secretariat for Digital Progress, etc.

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

On a quarterly basis, the Group is audited as regards the typical volume and compliance with its service levels in resolving complaints. During 2023, the number of complaints received dropped by more than an aggregate 43% despite the increase in the number of customers in our customer base.

In 2023 we merged several incident management systems into one single format, which has enabled us to trace different customer interactions in one single file. This has resulted in improved continuity in the dialog with our customers and a better experience with us. The numbers reported include the files managed in the Yoigo brand (the only one impacted by this change), and not individual interactions as in previous years.

Number of claims and complaints received

Complaints Residential Area (*)	2023	2023
Number of open complaints	91,953	163,858
% of total post-pay and broadband customers	0.70%	1.30%
Number of complaints resolved	75,176	127,727
% of total post-pay and broadband customers	0.57%	1.02%

(*) Yoigo, MásMóvil, Pepephone, and the Euskaltel Group

Complaints Companies and Cable Operators Area	2023	2023
Number of open complaints	6,653	7,178
Number of closed complaints	6,542	7,142

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

- 🌐 Yoigo
<https://storage.googleapis.com/yoigo-statics/files/conditions/Calidad de Servicio Yoigo.pdf>
- 🌐 MASMOVIL
<https://www.masmovil.es/static/pdf/calidad-servicio-mm.pdf>
- 🌐 Pepephone
<https://www.pepephone.com/calidad-del-servicio>
- 🌐 Euskaltel
https://www.euskaltel.com/CanalOnline/microsites/calidad_servicio/index.jsp?idioma=esp
- 🌐 R
<https://mundo-r.com/quienes-somos/calidad-de-servicio>
- 🌐 Telecable
<https://web.telecable.es/calidad-servicio>

12.6. Responsible advertising and consumption

In line with our values and following the principles contained in our policies, the Group ensures the transparency of its products and services. The same principle of transparency is applied to our responsible advertising through a control procedure consisting of the copy advice service provided by Autocontrol.

On that note, in 2023 Autocontrol issued us with the Corporate Social Responsibility Annual Certificate.

Promoting responsible use of technology

Similarly, all the Group's brands encourage responsible use of technology in the various channels for communication with our existing and potential customers.

The Group uses social media daily to illustrate and educate customers and followers about responsible use of apps and the benefits derived from their use for customers. We also help to spread the campaigns developed by the Spanish Data Protection Agency (AEPD), such as the "More Than a Mobile" project launched by the AEPD and UNICEF. This initiative has been disseminated by the main channels belonging to Yoigo and the MASMOVIL Group, such as social media profiles, blogs, stores, websites, and internal communications, and external communications aimed at customers.



Tips on the digital world and use of technology

At the different brands of the MASMOVIL Group, through blogs and social media, we offer tips on the digital world in many different formats, so that current and potential consumers can learn about the benefits and risks, with the aim of informing and instructing them on how to make good and safe use of technology. In addition, Yoigo's monthly newsletter (Aloha) informs customers about the latest developments concerning the brand, important news such as our Certified B Corporation status, special initiatives such as the "More Than a Mobile" campaign, and interesting tips (e.g. ways to avoid wasting food and how to improve energy consumption), as well as highlighting one of the social initiatives from "Pienso, Luego Actúo" in every issue.

Useful tips and advice on energy efficiency, self-consumption, and sustainability

The EnergyGO blog and social media presence shares several tips and tricks about energy efficiency, self-consumption, sustainability, and so on, to help everyone (customers and non-customers) to be more efficient in their use of energy and do it more sustainably.

Useful tips and advice on health and wellbeing

Every month an email from DoctorGO (Yoigo's health segment) is sent to customers with information about the online health app that brings together a range of related services: a 24-hour telehealth service, nutrition and fitness, a telepharmacy service, and electronic prescriptions. The email also contains a section highlighting health tips and advice that redirects to the DoctorGO blog where more extensive information is provided.

Digital inclusion

Yoigo is eager to ensure digital inclusion so that no one is left behind, and has launched its Social Tariff aimed at people in vulnerable situations, which gives them a 50% discount on convergent rates so that they can stay connected until their situation improves. Moreover, throughout 2023, and alongside UnLimited Spain Foundation, we launched an acceleration program for startups with social impact, more specifically, for those with an immediate impact in rural Spain and for which connectivity is a business key factor. In this way, we are helping repopulate rural Spain.

For their part, Euskaltel, R, and Telecable have in place an "Internet Compromiso" tariff. This social tariff is aimed at low-income families, offering them fiber access to the Internet, and a top performance Wi-Fi router. Customers with this tariff benefit from a perpetual monthly €20 discount.

On top of this, the Euskaltel, R, and Telecable brands provide 5G Internet service in rural areas where fiber is not available, with the aim of offering a high speed quality connection.

Agreement on the Code of Ethics for good telemarketing practices

The MASMOVIL Group, together with the other five major operators in the telecoms sector, agreed to introduce a new code of ethics to avoid malpractice in telemarketing, applicable from January 2022.

Among the measures included in the code are strengthening oversight of third-party providers and other telemarketing call platforms to prevent deceptive, fraudulent, or unfair competition practices. Control will also be increased through the agreement between the operators to prevent consumer data or customer replies from being obtained in any way that may be understood as an agreement of a forced nature to a change in operator; to increase restrictions on sales calls outside the allowed hours; and to reinforce compliance with the obligation not to call users who expressly opted out of receiving marketing transmissions (those on the Robinson List).

12.7. Clear rates

The Group's priority is to ensure its bills are predictable for our customers and, to this end, we follow the principles of clarity, transparency, and communication with customers.

The Yoigo brand



All convergent and contract rates at Yoigo provide unlimited minutes and automatically slow down (or throttle) data speeds automatically when customers have used up their data allotment. Before reaching that point of their limit, we send our customers a number of alerts about their consumption level. The rates allow roaming control, i.e. when a customer leaves the agreed service area, traffic is automatically blocked until they specifically consent after having received information about the rates charged when abroad. Customers can also access all the necessary information on the website and in the app. In the last three years, a considerable portion of our contract customer base has had unlimited gigabytes on their mobile phone, which contributes to predictability and transparency, since customers do not have to monitor their data consumption level.

The MásMóvil brand



MásMóvil also offers unlimited minutes and automatic speed reductions in all its convergent rates. The brand focuses primarily on ensuring customers are billed the same amount every month, so it minimizes promotions. As with Yoigo, customers can look up all the aspects related to the services provided on the dedicated website and app.

The Pepephone brand



In the case of Pepephone, long-standing customers are given improvements to their packages, such as more gigabytes or free SMSs, without any impact on the price and without them even needing to ask. In fact, since 2019 Pepephone has been a pioneer in the market in reducing the amount to be paid by

convergent service customers based on how many years they have been with the brand, as a reward for their loyalty. Similarly, it has been a pioneer in proactively resolving potential incidents affecting its customers. For example, if an incident occurs that involves the fiber service, Pepephone automatically credits gigabytes on the customer's mobile so that they can continue their digital life (teleworking or remote learning) worry-free.

The Euskaltel, R, and Telecable brands



The Euskaltel, R, and Telecable brands offer all convergent and contract rates with unlimited minutes. When customers use up all their data, they can either obtain additional allotments of data called Más Megas or choose to reduce their access speed. Before that happens, they receive alerts when they reach 50% and 80% consumption of their data allotment. Customers are informed by SMS of the roaming rates when they leave their agreed service region, although this information is also available on the website and app. In 2021, an automatic process for increasing the data allotment for mobiles was introduced for customers who suffer occasional incidents involving their broadband, in order to guarantee the continuity of service.

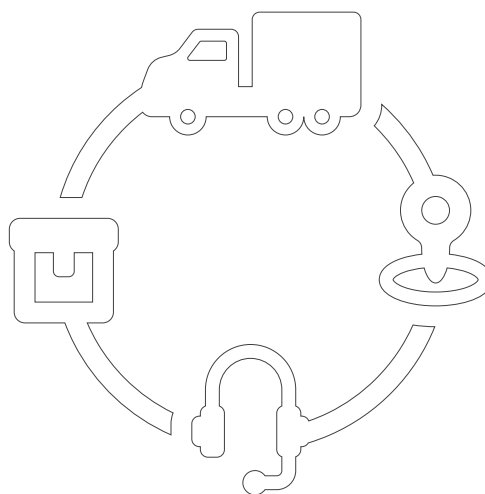
Companies and cable operators segment

In the case of business customers, both companies and cable operators have sales representatives assigned to them to deal with any type of query regarding their rates.

Policy on telephone-based fraud

The MASMOVIL Group is fully committed to eradicating telephone fraud. To this end, the national and local brands of the Group created various communications (emails, SMSs, push notifications, etc.), in order to inform customers in a friendly, simple, and instructional manner about the different types of fraud they can face and how to avoid being scammed.

13. Suppliers



13.1. Supply chain management

GRI 3-3 / GRI 2-6 / GRI 308-1 / GRI 414-1

Supply chain management is essential for the proper operation of the Company and the various companies that make up the Group.

We strive to maintain a sustainable purchasing process that is based on the following:

- All MASMOVIL Group suppliers must sign the Supplier Code of Conduct and the Anti-corruption Clause.
- We will only work with suppliers that enforce good practices (the Purchasing Department is in charge of carrying out the necessary due diligence to ensure such practices).
- As a necessary step in the supplier approval process, both in the approval process and in the subsequent awarding of contracts, we will view their obtaining of the ISO 14001 environmental compliance certification or similar, as well as any other social and/or corporate governance certification that they may possess, in a positive light.

All suppliers will need to agree to include in all contracts signed with the MASMOVIL Group the requirements established in the Supplier Code of Conduct and the environmental requirements established as good practice.

13.1.1. Supplier Code of Conduct

Suppliers undertake to endorse the principles and values contained in the [Code of Ethics](#) and are responsible for adherence to the [Supplier Code of Conduct](#), which sets out the various criteria that suppliers must meet in relation to:

- **Human rights:** Reject any kind of forced labor or use of child labor, promote non-discrimination and equal opportunities, respect freedom of expression at all times, etc.;
- **Labor rights:** All workers hired by a supplier or subcontractor must have a contract in accordance with the applicable labor legislation at all times, and the supplier must not engage in any illegal practices and must always comply with the law;
- **Health and safety:** The supplier will ensure the protection of its workers by providing them with information and training on health and safety matters, including emergency situations and first aid, providing workers with adequate protective equipment, etc.;
- **Compliance with provisions on corruption and bribery:** By observing the provisions of the Group's Crime Prevention, Anti-Fraud, and Corruption Policy;

- **Environmental and sustainability aspects:** The supplier undertakes to have an environmental management system that includes targets and measurement parameters (such as the one established by the ISO14001 standard or equivalent standard); it will also assume responsibility for reducing the negative impact on the environment of its operations and for striving to maintain and increase biodiversity and limit water consumption, especially in areas with scarce resources, etc.

As stipulated in the [Supplier Code of Conduct](#), in the event of any manifest breach of the requirements set out in the code the Group may immediately terminate all the contracts it has entered into with the Supplier.



13.1.2. Procurement Policy

At a meeting held on September 29, 2020, the Board of Directors approved the updating of the Group's [Procurement Policy](#) in order to reinforce our commitment to protecting the environment and public health, conserving natural resources, reducing the environmental impact of hazardous materials, and reducing CO₂ emissions.

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

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

13.1.3. Supplier approval process

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

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

Additionally, the approval process includes questions that allow us to monitor the supplier's degree of commitment to the environment, such as:

- *Do you accept the environmental policy established by the MASMOVIL Group?*
- *Do you have an environmental certificate according to ISO 14001?*
- *Does your company carry out a procedure to monitor emissions, effluents, pollution, and waste?*
- *Does your company manage all the waste it generates correctly in a way that allows its proper traceability?*
- *Does your company have a Corporate Social Responsibility (CSR) management system certified by a third party?*

In 2023 a total of 487 suppliers were evaluated, of which 185 were approved (compared to 152 in 2022) thanks to them duly meeting all the standards established by the Group and described in its policies and plans, including those relating to social and environmental matters.

MASMOVIL[®]

