

Social and Environmental Impact Measurement

2024



Index

- 1. Letter from the CEO4
- 2. Challenges and opportunities in measuring social impact6
- 3. About this Report7
- 4. Methodological approach8
- 5. Executive Summary10
- 6. Impact Assessment12
 - 6.1. Connectivity and bridging the digital gap13
 - 6.2. Environmental management and sustainability18
 - 6.3. Leadership and community30
 - 6.4. Employee engagement, culture, equality and diversity38
 - 6.5. Governance, ethics and transparency46
- 7. Conclusions50
- 8. Attachment52
 - 8.1. Exhibits53
 - 8.2. Bibliography63

1. Letter from the CEO

Introduction by Meinrad Spenger, Chief Executive Officer

I am pleased to present our first **Social and Environmental Impact Measurement Report** of the MASMOVIL Group. This report reflects our **commitment to building a sustainable business model**, as well as the impact of many specific and relevant ESG initiatives that we are undertaking with the aim of maintaining our position as the **telecommunications service provider in Spain with the greatest positive impact**.

This evaluation of MASMOVIL's social impact has been carried out using the **Impact Weighted Accounts Initiative (IWAI) methodology** developed by the prestigious **Harvard University**. This methodology measures the economic value of the different social and environmental impacts resulting from the Group's main activities.

The five impact categories that define MASMOVIL's strategic action: **Connectivity, Sustainability, Leadership, Commitment and Transparency**, are included and analyzed in the report.

The result of this report gives us every reason to be very satisfied with our work, as the MASMOVIL Group **generates a social impact of over 7 billion euros a year** through its activities. This figure reflects the **extent of our commitment**, which translates into tangible value for society and the environment. It shows that sustainability is ingrained in our company's DNA, representing **one of our core values**.

One of the initiatives I am most pleased with, which is highlighted in this report, is the **improvement of connectivity in Spain and the reduction of the digital gap** thanks to our deployment of optical fiber in cities and rural areas, where we have connected almost 3 million homes in towns of less than 20,000 people; and **5G mobile technology**, with which we now cover almost 80% of the Spanish population.

It is important to remember that MASMOVIL was **the first European telecommunications company**, and remains the only one in Spain, to join and be certified by the **BCorp** movement. We are also **leaders in ESG ratings**, including those issued by Sustainalytics, Sustainable Fitch or Clarity.

Furthermore, since 2020, we have achieved **Zero Net CO2 Emissions for Scopes 1 and 2**, becoming the first European telecom to reach this milestone with the use of 100% renewable energy to cover our electricity needs, and last year we **reduced our Scope 3 emissions by more than 30%**. We are actively **measuring the emissions of our fleet vehicles** and employees and implementing measures to reduce them.

Regarding our commitment to customers, MASMOVIL remains the **leading telecommunications service provider in Spain in terms of customer satisfaction**, with the highest NPS among all network providers. The Group will continue to strengthen its commitment to having the most satisfied customers in the market, ensuring the **quality of service** for each user.

But our impact work does not end there, we also **develop our social responsibility** through sports and cultural collaborations, donations, volunteer programs and alliances, many of them at the local level, which contribute directly and effectively to promoting equal opportunities and better social integration of people in our society.

Likewise, at MASMOVIL **we promote innovation and talent** through the support of academic chairs and scholarships. Our history as a start-up company has led us to develop entrepreneurship programs at both national and local levels through our ¡Qué vivan los pueblos! initiative, where we help revitalize villages by boosting their businesses and **creating a positive impact in rural Spain**.

In conclusion, this document serves not only as a testament to our **ongoing commitment to social responsibility**, but also as a valuable tool for **understanding and measuring the true impact of our actions** on society in all its dimensions. It reminds us that sustainability is not merely a trend, but a **set of actions that genuinely lead us** to a future where our positive impact leaves a **lasting mark** on the world we share.

To measure our true impact is to recognize the reason for our existence and to highlight the important role we play in building a sustainable society that takes care of the planet.



2. Challenges and opportunities in social impact measurement

WHAT IS SOCIAL IMPACT?

There are multiple sources that define social impact. They all agree that it is about generating changes in people's well-being.

To overcome the confusion caused by the lack of a standard definition, the Social Impact Chair of the Comillas Pontifical University, Mapfre Open Value Foundation, Repsol Foundation, Management Solutions and their Think Tank, composed of more than 50 organizations from the impact ecosystem, have proposed a definition that is supported by this wide range of experts in the field: "Social impact refers to the changes experienced by both people and the planet as a result of a specific activity, program or policy that affects human conditions in the long term. These changes can be measurable, positive or negative, intended or unintended, tangible or intangible."

REASONS AND BENEFITS OF MEASURING SOCIAL IMPACT

On the other hand, a number of questions arise as to the why and wherefore of measuring the social impact generated by a company's activity.

Three aspects of particular strategic and operational relevance to social impact measurement are identified below:

- **Contribution:** social impact refers to the social changes that take place as a consequence of the actions implemented by an organization following the results of impact measurement exercises.
- **Management:** organizations have begun to invest resources and dedication in measuring their social impact, with the aim of quantifying its value so that this information can be used as a key input for managing and redirecting their business models and strategy.
- **Business opportunities:** in business actions with sustainability criteria, such as reducing costs, capturing market value from new business and financing opportunities, winning public contracts, increasing market share and number of customers by innovating and anticipating changes in customer demand and concerns, etc.

- **Stakeholders:** policies or measures to promote the creation of social value creation must address the needs of all stakeholders who demand information on sustainability and the impact generated by strategies and production processes that are more socially and environmentally responsible.

¹Proposal for the measurement and management of social impact. In search of a common language. ICADEChair of Social Impact.

3. About this report

TARGET

This report summarizes the results of the social and environmental impact generated by the MASMOVIL Group in all its activities in the Spanish market.

These results have been calculated from the analysis of the company's internal performance data, complemented with external data from official sources, which allow us to measure the value of the impact generated by each line of activity in order to make the most appropriate management decisions.

Some of the key implications of producing this report are:

- Once ESG criteria have been integrated and linked to the company's strategy, governance, management and decision-making processes, both in its current situation and in its future plans, measuring the impact and knowing where it is generated will allow us to further enhance the positive impacts and mitigate the negative ones.
- Communicating and disclosing to stakeholders the company's impact on the material issues that most concern them.

SCOPE

This report contains the results of the measurement of the Social Impact generated by the MASMOVIL Group in Spain for 1H 2022 and 2H 2023, taking into account information from Lorca Telecom Bidco, S.A.U. and its subsidiaries.

4. Methodological approach

Based on best market practices for measuring and managing social impact, three-phase measurement approach was proposed: Screening, Assessment and Reporting.

This process began with a preliminary analysis of the Group's existing information: the Sustainability Report /Statement of Non-Financial Information, the ESG Strategic Plan and the company's Materiality Matrix.

SCREENING

The first phase of the process involved building an impact framework based on the main elements of the company's ESG strategy and corporate values, which became the reference map for the exercise.

To this end, the company's value and supply chain were analyzed based on the Sustainability Report/Statement of Non-Financial Information, identifying the main activities and processes carried out by the Group and defining the impacts resulting from these activities.

These impacts were then prioritized and mapped against the 22 material issues in the materiality matrix to verify the level of coverage.

Impact pathway narratives were then defined as detailed descriptions of how these activities positively or negatively affect the creation of social and environmental impacts.

Finally, the axes of analysis defining the framework structure were identified, considering elements such as type of impact (e.g. social, economic, environmental), impact type classification (e.g. direct/indirect, positive/negative), affected stakeholders (e.g. customers, suppliers, etc.) and value chain stages.

In addition, all impacts were classified into five major groups, corresponding to the five pillars on which the Group's ESG strategy is based.



ASSESSMENT

After determining and describing the social and environmental impacts to be assessed from the Group's most relevant activities, the process of quantifying each of these impacts was initiated.

First of all, the calculation model best suited to each type of impact was selected, also taking into account the availability of internal information.

AMONG THE DIFFERENT
METHODOLOGIES AVAILABLE, WE HAVE
CHOSEN ONE THAT IS RECOGNIZED BY
THE ECOSYSTEM AND THAT ALLOWS
THE IMPACT TO BE MONETIZED: IMPACT
WEIGHTED ACCOUNTS (IWA) FROM
HARVARD UNIVERSITY.

IWA uses the comparison of internal data with market data and the application of certain financial proxies from reputable sources as the basis for measuring impact in economic terms. (See Exhibit).

The first step is to define the indicators for each impact, verify and request the availability of internal data, and conduct research by consulting official external sources to identify comparative market metrics and necessary proxies².

The next step is to develop the methodology for quantifying the value of each of the social impacts defined, and to validate these approaches by holding meetings with the relevant departments.

²Financial metrics that are used as a representation or approximation of relevant data.

REPORTING

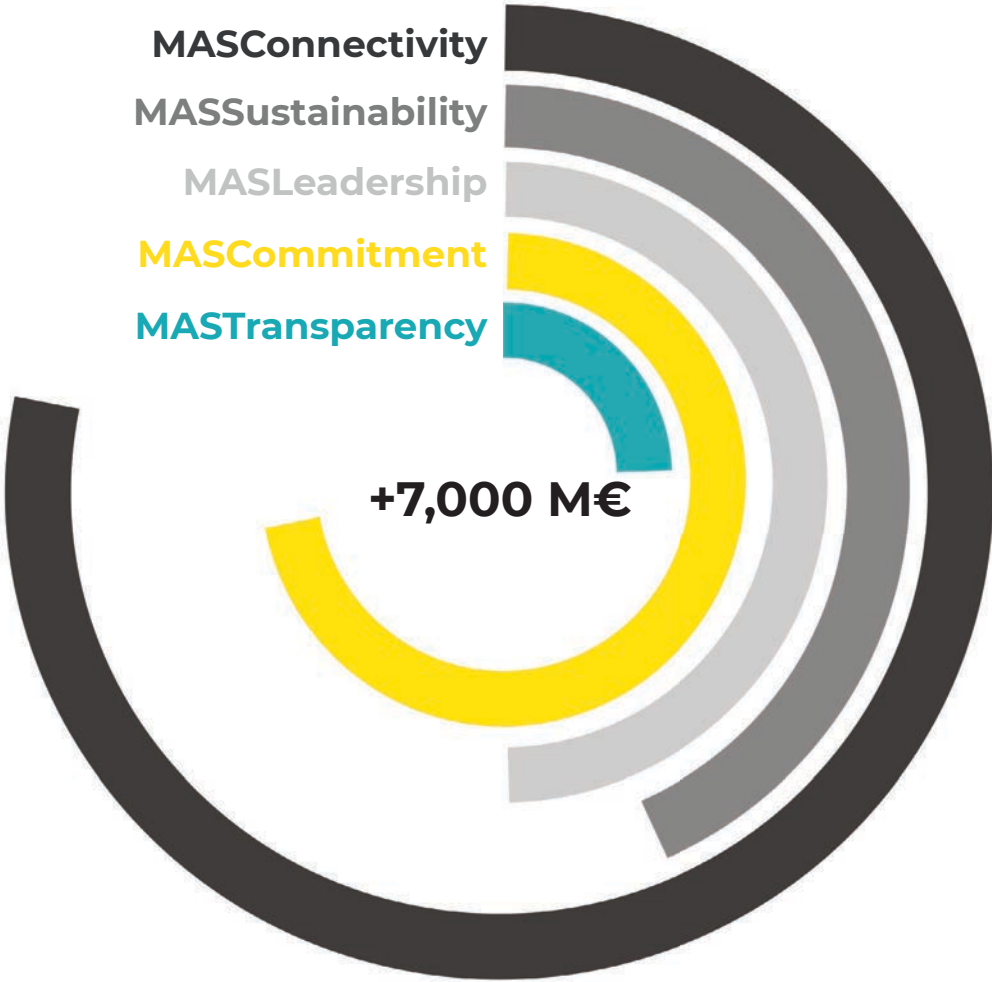
Finally, once the measurement exercise has been carried out by calculating the economic value of the different impacts, the last phase focuses on the accounting of the results.

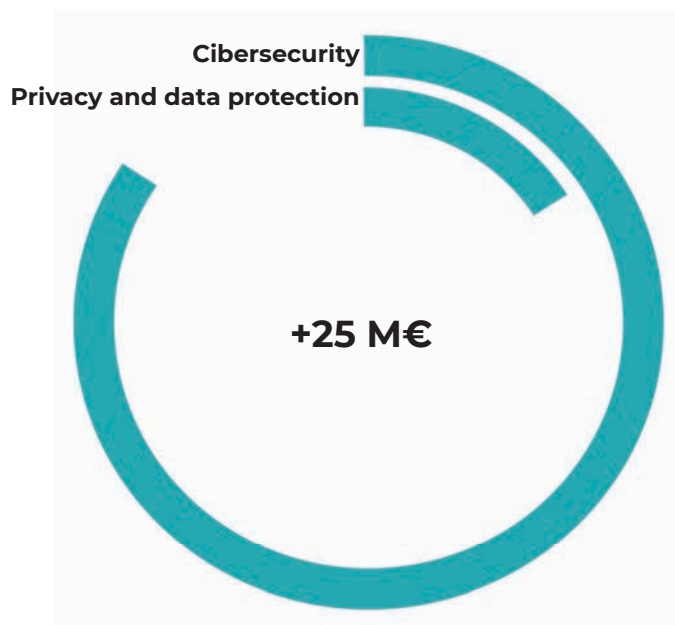
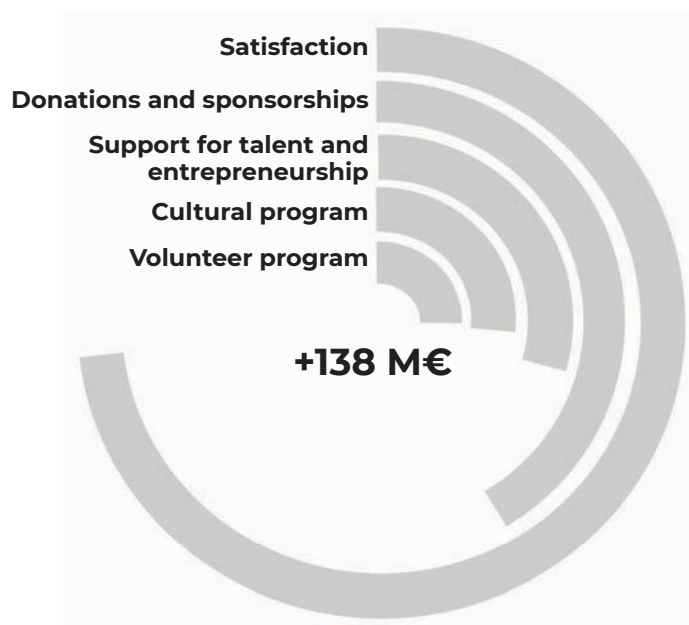
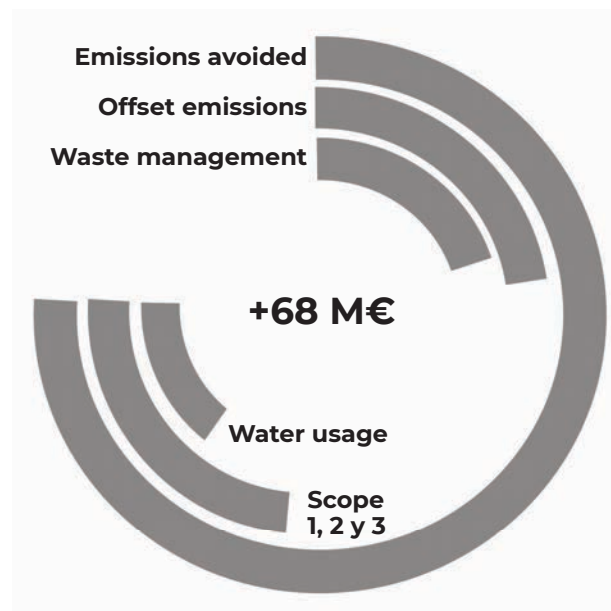
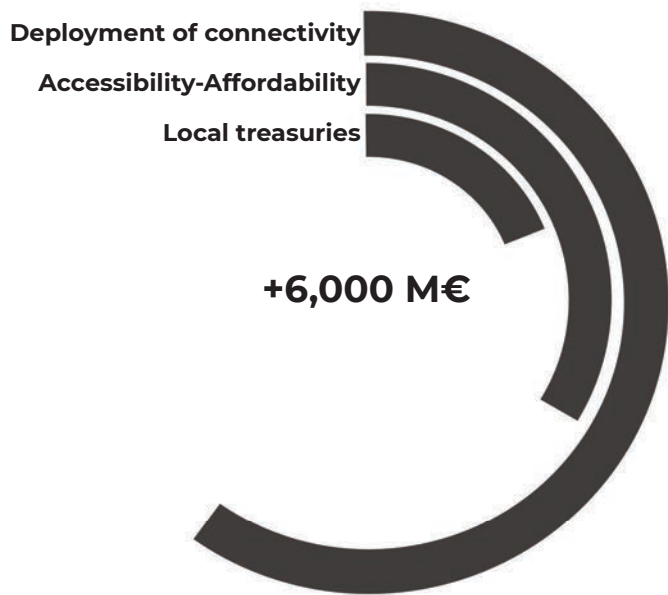
To this end, and according to the structure predefined in the impact framework, the monetized value of all impacts was aggregated for each of the MASMOVIL Group's strategic pillars.

The primary objective of these results is to support the MASMOVIL Group in its management decisions, strengthening those activities and processes that generate a greater positive impact and, conversely, those that have a negative impact, thus increasing the net value contributed to society.

5. Executive Summary

Following all the above considerations on the context and methodological development of the exercise, the social impact assessment model is analyzed in detail, structured into five categories of impact variables corresponding to the five pillars articulating the Group’s strategic ESG action:





6. Impact assessment

Connectivity and bridging the digital gap

CONNECTIVITY WITHIN EVERYONE'S REACH



PRODUCTIVE IMPACTS

DIGITAL INCLUSION

The development of the telecommunications industry has had a profound impact on society, playing an essential role in everyday life and bringing undeniable benefits to society in addition to meeting its basic needs.

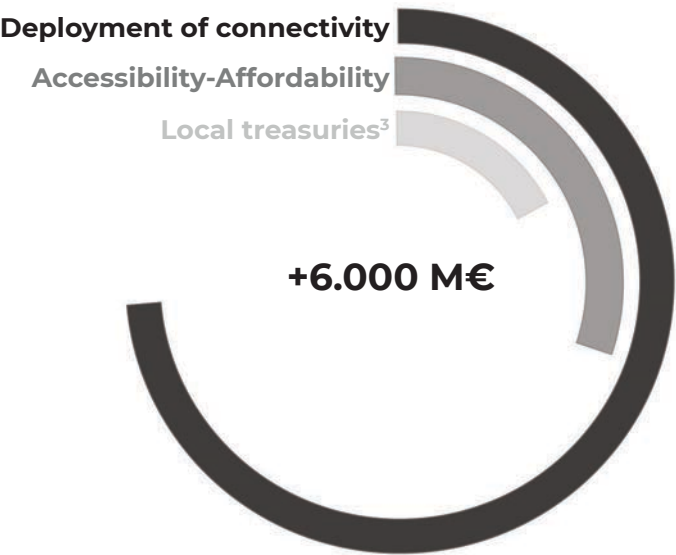
The telecommunications sector contributes significantly to driving digital transformation, improving productivity and economic growth, and supporting governments in the provision of certain public services.

The relevance of the telecommunications sector in the Spanish economy is undeniable. In the last ten years, its impact has been remarkable, contributing an average of 3.3% to the national Gross Domestic Product (GDP) and 4.3% to employment.

In this context, MASMOVIL's role is key in terms of providing connectivity and reducing the digital gap in rural Spain, two of its main objectives and the productive impact it generates in society:

- Contribution and impact on the community: **Deployment connectivity**
- Contribution to local development: **Accessibility-Affordability**

THE GROUP ASPIRES TO BE THE
SERVICE PROVIDER WITH THE
GREATEST POSITIVE IMPACT ON
PEOPLE AND SOCIETY, GROWING
RESPONSIBLY, GENERATING QUALITY
BUSINESS AND IMPROVING THE
ENVIRONMENT.



³Tax contributions to the corresponding public administrations.

Deployment of connectivity

Connectivity and efficient application of resources enables personal development for individuals and new, more efficient and competitive businesses for legal entities, to continue to enjoy the benefits of being connected with faster fiber and 5G.

Digitalization is having a significant impact on almost every aspect of society. It is changing the way we do business, work and live, benefiting all companies and sectors of the economy. Digitalization and new technologies such as the internet of things, big data, automation or robotization will shape the future of work leading to new business models and creating new opportunities. [1].

In the third quarter of 2022, the average daily internet usage time globally per person was six hours and 37 minutes. In Spain, five hours and 45 minutes. The time spent on the internet is increasing, and people are spending more time on social networks, with the global number of users having increased by 108% in the last ten years. [2].

In the current situation, MASMOVIL's ambition is to connect all corners of Spain with the fastest fiber and 5G in order to facilitate communication, remote work and the development of local businesses, as well as to increase society's welfare levels.

In addition, there have been some initiatives such as the launch of a Digital Kit to support the digitalization of small and medium-sized enterprises and the self-employed, or participating in the 5G Pilot Test Consortium promoted by Red.es to contribute connectivity that will help the development of practical applications benefiting citizens in rural and urban areas.

THE MASMOVIL GROUP'S 5G NETWORK
SERVES NEARLY 80% OF THE CONNECTED
POPULATION AND COVERS A TOTAL OF
2,200 MUNICIPALITIES (2023).

In this context, the following is an evaluation of the impact generated by MASMOVIL through the deployment of its network and the connectivity services offered as part of its business model.

Based on the impact measurement rationale established by IWAI, the positive impact generated by providing an effective navigational service is considered first, and the negative impact generated by the economic loss resulting from occasional service outages, second.

First, the impact generated from the effectiveness of the service is calculated based on the value created which is mainly due to MASMOVIL's contribution to increasing market penetration of both fixed and mobile broadband. This increase in penetration levels favors the region's economic development. The relationship between the increase in penetration and the increase in the per capita GDP of customers is used to evaluate the economic impact generated.

Secondly, the impact generated by the unmet demand for service is calculated. This is evaluated as the economic loss resulting from the supply outages experienced by the Group's customers at specific times during the year. The number of customers affected is multiplied by the daily economic loss adjusted to the average duration of these outages at MASMOVIL.

Affordability-Accessibility

Providing services at competitive prices to consumers is one of the main contributions of the telecommunications sector.

Internet access is key in today's society as it has great influence in multiple areas, both professionally and personally. A 10 percent increase in fixed broadband penetration in high-income European countries would produce a 2.94 percent increase in GDP per capita. In the case of mobile broadband, this figure would be 2.10%. [3].

In order to measure the impact in terms of affordability and accessibility of MASMOVIL services, we have analyzed the main activities that contribute to the connectivity of certain rural areas and the most disadvantaged groups.

- Participation in the PEBA Plan to reduce the digital gap in more than 450 municipalities where there were no coverage plans, providing services to 709,000 real estate units, which represents more than 15% of the total network deployed directly by the MASMOVIL Group.
- Promotion of alternative technologies where fiber does not reach. In 2022, the project was launched in Galicia, bringing the connection to more than 250,000 homes in 97 municipalities, and in 2023 it was extended to Andalusia, Valencia, Catalonia, the Basque Country and Navarre.

According to the IWAI measurement approach, the impact of accessibility is calculated based on the economic value of offering connectivity to rural areas, multiplying the increase in average annual revenues by the number of MASMOVIL customers in these regions.

On the other hand, the social impact of affordability is measured as the value of enabling low-income customers to access the Internet services offered by the Group. For this purpose, the annual cost savings from prepaid plans are calculated and multiplied by the number of customers in this segment.

THE NETWORK DEPLOYED BY THE GROUP IN TOWNS WITH LESS THAN 8,000 INHABITANTS REPRESENTS 34% OF THE TOTAL DEPLOYED NETWORK AND 64% OF THE NETWORK DEPLOYED IN TOWNS WITH LESS THAN 20,000 INHABITANTS (2023).

Some of the most noteworthy initiatives in this field are:

- The MASsolidaria initiative, offering a 50% discount indefinitely, and the Bono Social to bring quality connectivity to vulnerable groups.
- Partnership with Red Innicia to identify disadvantaged population groups.

ECONOMIC CONTRIBUTION IMPACTS

CREATION OF ECONOMIC VALUE

Direct contribution to the local treasury

MASMOVIL's commitment to the social development of the regions in which it operates is reflected in its fiscal contribution to the corresponding administrations. Since the beginning of its activity, MASMOVIL has been committed to favoring the development of the communities in which it operates, promoting their growth and contributing to their prosperity and well-being. It should be noted that the Group's contribution to the public budget through the payment of taxes has increased progressively in recent years.

This contribution is divided into two types of taxes. First, sector-specific taxes levied on the activity of any telecommunications company. On the other hand, general taxes levied on the activity of any economic agent, regardless of the sector in which it operates.

By paying taxes that contribute to the public budget, certain essential public services such as Education, Health and Infrastructure are indirectly financed. In 2022, 4.46% of the state budget was allocated to these sectors, representing an investment of more than 23 billion euros aimed at improving the well-being of society. [4].

The contribution through specific taxes, such as the General Tax on Operators and Radio Spectrum, reflects MASMOVIL's commitment to technological development and efficient connectivity, driving socioeconomic progress and digital inclusion.

In the last year, more than 13 billion euros have been allocated to Research, Development, Innovation and Digitalization by the Government, representing 2.5% of the General State Budget. [4]. This investment, to which MASMOVIL contributes through the payment of its taxes, will develop technological-industrial research. It will also promote the digital transformation of the country. [5].

The direct contribution to local treasuries is calculated by adding the taxes borne, which are levied on the company's activity and are considered to have a direct impact in terms of contribution in the Common Territory and the Foral Territory.

Environmental management and sustainability

CONNECTIVITY AND DIGITALIZATION AT THE SERVICE OF THE ENVIRONMENT



COMMITMENT TO THE ENVIRONMENT

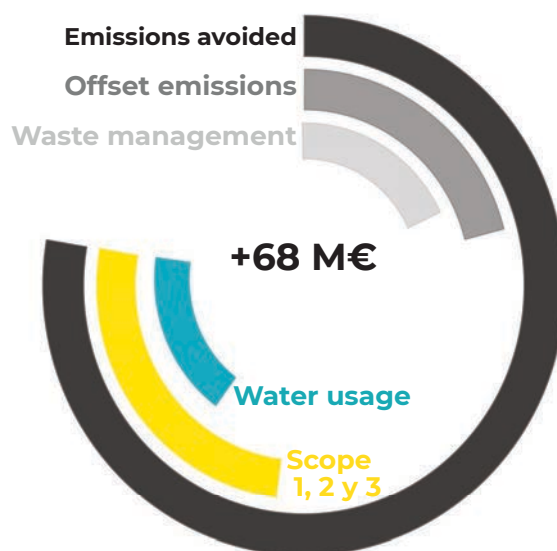
The MASMOVIL Group has demonstrated its commitment to the environment and sustainability in recent years, achieving major milestones that we highlight below:

- MASMOVIL is the first telecommunications company in Europe and the largest in Spain to obtain certification as a B Corp company, thus consolidating its role as a leader in corporate responsibility.
- 100% of its electricity consumption comes from renewable energy sources, highlighting its firm commitment to reducing its carbon footprint.
- As of 2020, it has achieved net zero carbon emissions for Scopes 1 and 2, becoming the first European telecommunications company to do so. It has an emissions level of only 1,715 tonnes of CO₂ equivalent, which it has achieved thanks to the implementation of multiple strategic measures.
- MASMOVIL has also established an Environmental and Energy Management Committee, which is responsible for ensuring the optimal management of our resources and reports directly to the CEO.

- It has an ISO 14001-certified environmental management system and an ISO 50001-certified energy efficiency management system. Both systems are overseen by its Environmental and Energy Management Committee.
- As a sign of its commitment to sustainability, the Madrid headquarters is built to eco-efficiency standards and has earned the prestigious LEED Gold certification.

These achievements exemplify their unwavering dedication to contribute meaningfully to a more sustainable and environmentally friendly future.

MASMOVIL is firmly committed to continuing to lead the way in the industry, promoting responsible and sustainable business practices that benefit our planet and future generations.



IMPACTS ON NATURAL RESOURCES

Grupo MASMOVIL promotes the generation of a positive impact by using natural resources, reducing its water usage and improving waste management, thus contributing to preserving the environment and achieving long-term sustainability.

Water usage

Water is one of the most important natural resources for the proper development of all living beings and ecosystems. This fact requires improving adaptation mechanisms and strengthening resilience through processes that promote wastewater reuse. Therefore, the use of alternative or non-conventional water sources has become a recurring alternative for managing water resources and contributing to water security.

GRUPO MASMOVIL DEMONSTRATES ITS COMMITMENT TO REDUCING ITS WATER USAGE, FAVORING THE CONSERVATION OF THIS VITAL RESOURCE.

In terms of water usage, the supply comes from the various municipal networks in which the various Group companies are located and is used primarily for personal consumption by employees, as well as other secondary uses such as garden irrigation, cleaning of buildings and cooling of telecommunications network equipment.

As part of its commitment to the environment, the Group has expressed its intention to work and seek solutions and corrective measures that promote the reduction of water consumption per employee. The measures adopted at the new headquarters to optimize water consumption include:

- The installation of dual flush mechanisms with two push-buttons in cisterns, which reduce consumption by 34% in consumption. [6].

- Automatic faucets with infrared sensor, which offer a 50% reduction in consumption compared to a traditional faucet.
- Irrigation controllers that save almost 70% of water compared to other irrigation systems.

For optimal water management, it is essential to assess the impact of the Group's water usage and recycling in the course of its operations. According to the IWAI rationale, the analysis of this impact should consider the sum of the following elements:

- Net water consumption, taking into account the AWARE factor for each region, times the cost of water production and delivery.
- Net water consumption times the cost of wastewater treatment.

The AWARE factor is a water usage midpoint indicator that represents the water remaining per area in a river basin after human and aquatic ecosystem needs have been met. The water consumption is weighted by a factor that reflects the relevance of the resource in each region, taking into account its necessity based on the specific characteristics of each geography.

Waste management

The relentless advance of technology is accelerating the obsolescence of electronic devices, resulting in the generation of tons of e-waste every day. The United Nations Environment Program (UNEP) estimates that around 50 million tons of electronic devices are generated and discarded worldwide each year. They contain a number of highly polluting materials, such as mercury, which are harmful to health and the environment.

However, it should be noted that this e-waste also contains a variety of valuable and technically recoverable materials and plastics. It is estimated that up to 55 billion euros of materials can be recovered from e-waste each year. If it were to end up in the right place, it could be an invaluable source of wealth. [7].

Each European household has an average of 26 electrical and electronic devices, and in Spain we generate 6 kilos of waste per inhabitant per year. In the first half of 2023 alone, 139,000 tons of these unused devices were recovered, which is 3% more than in the same period of 2022.

The MASMOVIL Group demonstrates its leadership in waste management by adopting proactive measures to assess, minimize and recycle this type of waste. It works with authorized managers to classify and transport waste to specific treatment plants, guaranteeing responsible handling.

MASMOVIL has implemented various waste management measures throughout 2023. These include the following:

- Periodic recycling awareness campaigns through internal communications.
- Placement of containers for plastic, paper, organic materials, masks, electronic materials and batteries at the headquarters.

- Installing water dispensers in offices to avoid the use of plastic water bottles and the generation of waste.
- Advicing suppliers to have certified environmental management systems in place, such as the ISO 14001 standard, through acceptance of the Supplier Code of Ethics.
- Creating more than 800 recycling points for electrical and electronic equipment in various Group stores in Spain.

The calculation of the impact of MASMOVIL's management of this type of waste in its usual business processes and practices is based on the IWAI methodology's rationale, which takes into consideration the difference between the following elements:

- The total cost of electronic and non-electronic waste generation.
- The total value of electronic and non-electronic waste recycling.

ENVIRONMENTAL IMPACTS

On a global scale, the fight against climate change has become one of the main social and economic concerns of today's society. Meteorological changes, the emergence of new diseases, the disappearance of glaciers, deforestation and the destruction of biodiversity are just some of the problems that we are facing and that justify serious and rigorous environmental policies.

The most polluting sectors on the planet are the energy sector, which generates around 60% of global CO₂ emissions, the fashion sector and the food sector, which consume 70% of the planet's water resources and cause almost 10% of global CO₂ emissions.

Companies have a great responsibility towards the environment, so they have to implement measures to reduce the impact of their professional activity.

The telecommunications industry contributed 2.6% of total global carbon dioxide (CO₂) emissions in 2020. However, this sector is key for its contribution to the decarbonization of other industries thanks to its digitalization through technologies such as broadband connectivity, Artificial Intelligence, sensors for the Internet of Things, The Cloud or Big Data, which generate large CO₂ savings.

It is therefore essential to measure the Group's impact in this area in order to quantify not only the emissions emitted, but also those offset and avoided.

One of the main objectives of the MASMOVIL Group has been to carry out an efficient and responsible management of resources, becoming a benchmark in the industry. The Group is committed to energy

efficiency, and the reduction of CO₂ emissions to combat climate change. Its environmental strategy has three main lines of action:

- Fight against climate change and efficient use of resources.
- Circularity and e-waste management.
- Promoting environmental and energy certifications and initiatives.

Scope 1² and 2 emissions³

The Group has gone from 27,274 tons CO₂ equivalent emissions in 2018 to only 2,011 tons equivalent in 2023. This includes 0 Scope 2 emissions thanks to 100% green energy consumption. This represents a total reduction of 93% between 2018 and 2023, or an average annual reduction of 50% over the last five years. This is a much more ambitious reduction rate than the -4.2% CAGR 2015-2030 promoted by the Science Based Targets Initiative (SBTi) for the ICT sector with the overall goal of limiting global warming to 1.5°C.

To calculate negative economic impact of the emissions of the MASMOVIL Group, we have applied the IWAI methodology, which consists of multiplying the total tonnes of CO₂ equivalent emitted by the social cost of CO₂. The value of this social cost of CO₂ is based on the reference established by the Environmental Protection Agency.

²Direct emissions from sources owned or controlled by the company.

³Indirect emissions.

Scope 3 emissions⁴

In line with MASMOVIL's commitment to the environment, the Group also includes Scope 3 emissions in its net zero CO₂ emissions targets. These are more difficult to manage for most companies and are therefore considered more relevant.

Scope 3 emissions cover indirect activities related to the organizations' supply chain activities, and include aspects such as:

- Procurement of goods and services
- Capital assets
- Fuel and energy activities (outside Scope 1 and 2)
- Business travel
- Use of products sold

For many companies, the majority of their greenhouse gas (GHG) emissions and cost reduction opportunities lie outside their own operations. Measuring these indirect emissions allows them to:

- Assess where the critical emission points are in the supply chain.
- Identify the resource and energy risks in your supply chain.
- Identify which suppliers are responsible and which are lagging in environmental performance.
- Identify energy efficiency and cost reduction opportunities in their supply chain.
- Engage suppliers and help them implement environmental improvement initiatives.
- Improve the energy efficiency of their products,
- Positively engage with employees to reduce emissions from business travel and commuting [8].

AS FOR SCOPES 1 AND 2 ABOVE, THE
RESULT OF THE SCOPE 3 CO₂
EMISSIONS OF THE MASMOVIL GROUP
HAS BEEN AUDITED AND QUANTIFIED BY
THE ECODES FOUNDATION.

In this context, to reduce the impact of its activities on the environment, the MASMOVIL Group's adherence to the Science Based Targets Initiative (SBTi) demonstrates its commitment to achieving Net Zero Carbon Emissions (Net Zero) by 2040. As a leader in the telecommunications sector, the Group recognizes its responsibility in the fight against climate change and is dedicated to designing an Emissions Reduction Plan that specifically addresses Scope 3, with the aim of moving towards a carbon neutral global economy.

To assess the environmental impact of these emissions, we applied the same methodology used for Scope 1 and 2 emissions, based on the IWAI guidelines, which implies multiplying the total tonnes of CO₂ equivalent of Scope 3 emissions generated by the social cost of one ton of CO₂ according to the values established by the EPA.

⁴Indirect emissions that are the result of the company's activity but are owned or controlled by an agent outside the company.

Offset emissions

In 2023, MASMOVIL has reaffirmed its unwavering commitment to the environment by fully offsetting the CO₂ emissions generated by its operations. In total, it has managed to offset a total of 2011.10 tons of CO₂, corresponding to scopes 1 and 2.

The Group has demonstrated its leadership by offsetting these residual emissions through an innovative reforestation project.

This initiative has been carried out in collaboration with the Ecodes Foundation and the leading Zero-CO₂ initiative, and has not only contributed to neutralizing carbon emissions, but has also left a positive footprint by promoting biodiversity and improving air quality in the areas selected for planting. In addition, it has been proven that the addition of one billion hectares of forest could reduce carbon dioxide in the atmosphere by 25%, reinforcing the importance and effectiveness of MASMOVIL's initiative in the fight against climate change. [9].

To calculate the environmental impact of the Group's emissions offset under the IWAI methodology, the tons of CO₂ offset through the tree planting project are multiplied by the social cost of one ton of CO₂.

THE MASMOVIL GROUP IS THE FIRST
TELECOMMUNICATIONS SERVICE
PROVIDER IN EUROPE TO ACHIEVE
ZERO NET CARBON (CO₂) EMISSIONS
SINCE 2020, AND THE ONE WITH THE
LOWEST ABSOLUTE RESIDUAL LEVEL
OF EMISSIONS (2022).

Use of renewable energies

All of the electrical energy consumed by the MASMOVIL Group comes from renewable energies, with a combination of green sources that includes:

- 41.6% solar energy
- 45.7% wind energy
- 12.3% hydropower
- 0.4% biomass energy

This initiative ensures a completely sustainable energy supply, reaffirming MASMOVIL's commitment to reducing its carbon footprint.

The burning of fossil fuels, such as coal, oil and gas, are some of the main drivers of global climate change, generating more than 75% of total greenhouse gas emissions and nearly 90% of carbon dioxide emissions. [10]. In addition, according to the World Health Organization (WHO), nearly 99% of the world's population breathes air that does not meet quality standards due to harmful levels of particulate matter and nitrogen dioxide mainly derived from the burning of these fossil fuels. [11]. In 2018, pollution caused by these fuels generated an economic cost of USD 2.9 trillion. To reduce these effects, it is essential to implement strategies that minimize dependence on these fossil fuels by trying to find alternatives through the use of clean energy sources, as MASMOVIL is doing.

Calculating the impact derived from the emissions avoided by using renewable energy sources by MASMOVIL involves multiplying the following elements:

- The energy consumed by the group that comes from renewable sources.
- The corresponding conversion factor.
- The social cost of one ton of CO₂.

In order to convert the consumption of clean energy during the year into tons of CO₂ whose emission into the atmosphere has been avoided, a conversion factor must be applied to translate the energy generated into tonnes of CO₂ equivalent. In this way, applying the IWAI methodology, this value of emissions can be multiplied by the social cost of one ton of CO₂ according to the EPA.

100% OF THE GROUP'S ELECTRICITY
CONSUMPTION COMES FROM
RENEWABLE ENERGY (2023).

Commutes

In response to the Covid-19 health crisis, a flexible work policy was implemented at MASMOVIL, whereby employees have the flexibility to choose between working in the office or working remotely on Mondays and Fridays. This approach not only promotes labor efficiency, but also underscores MASMOVIL's commitment to the environment by helping to reduce the number of daily commutes, thereby contributing to a reduction in the number of emissions.

Just one day of remote working avoids about 3% of daily emissions linked to transport, which equates to more than 400 tons of CO₂- equivalent in Madrid, or more than 600 in Barcelona. This reduction could exceed 5% if employees worked remotely for two days a week, which would be comparable to planting 32 million trees. [12].

Remote working has brought significant benefits both to employees and companies, as well as to the environment. If one third of workers worked from home an average of 2.8 days per week, up to 3.9 million tons of CO₂ could be avoided each year. This represents a saving of 599 kg of CO₂ per employee.

In this way, the Group has achieved a positive impact on the environment from these avoided emissions. To calculate this impact, the fuel saved through the flexible work policy is determined by multiplying the total kilometers for commutes avoided by the average CO₂ emissions per kilometer. Following IWAI's methodology, this result is multiplied by the social cost of one ton of CO₂.

STUDIES HAVE SHOWN THAT THE
POSITIVE EFFECTS OF WORKING
REMOTELY ON EMISSIONS CAN
CONTRIBUTE TO THE ACHIEVEMENT OF
CLIMATE GOALS. [12].

Innovative services (Products)

Telecommunications is a key sector contributing to the digitalization of industries and, consequently, to their decarbonization.

A study by GSMA and Nokia shows that four industries (manufacturing, energy, transportation and building) account for 80% of global CO2 emissions. The adoption of digital technologies could generate CO2 savings for each industry. On a global scale, the savings generated by technology adoption will amount to 40% (equivalent to 11 gigatons of CO2) in 2030, when the global commitment to reduce polluting emissions to 50% is met.

In line with its ongoing commitment to sustainability, MASMOVIL is carrying out various projects with an impact on the reduction of its carbon footprint, among which the following stand out:

- CRETA Program. For mobility management and reduction of traffic emissions with 5G technology.
- MAS4Care. Focused on the development of infrastructure and connectivity services over 5G and Edge computing for the management and processing of online healthcare services.
- 5G CityBrain. Based on the intelligent orchestration of 5G services for 21st century cities.
- TransBorder5G. Development of a cross-border control with 5G interoperability.
- Early fire detection.

In addition to these projects under development, the results of which will be seen by the end of 2025, MASMOVIL already offers a number of innovative services to both customers and employees that not only improve the quality of life of its users, but also translate into a very significant positive contribution to the environment:

- MASMOVIL offers 100% green energy through its main brands, promoting environmentally friendly consumption and enabling significant savings for its customers.
- Yoigo launched EnergyGO Solar, a self-consumption system based on solar panels that allows customers to save up to 30-40% on their electricity bills and facilitates the transition to cleaner and more sustainable energy sources, reducing the carbon footprint.
- DoctorGo, MASMOVIL's online healthcare service, offers medical care without waiting and quality face-to-face care, promoting more efficient health care and reducing emissions derived from traveling to medical appointments.

The calculation of the impact resulting from the provision of these services is based on the sales turnover for each of these services that promote the fight against climate change by providing levers for the decarbonization of other industries. This is done by multiplying the Group's revenue from the sale of these services by the emissions reduction impact of each service. If we add up the impacts of the three products, we obtain the following positive impact generated from the total emissions avoided as a result of the opportunity offered by the development of new digital and telecommunications products, the implementation of which makes it possible to combat climate change

Equipment reuse

The circular economy is a production and consumption model that involves optimizing resources and minimizing waste. In this way, it promotes the extension of the life cycle of products. It contrasts with the traditional linear model, based on "use-consume-dispose". With the current "linear" system and the expected increase in the world's population, Spain would need more than two and a half times the country's surface area to maintain the current level of consumption.

It is therefore necessary to adopt a model of economic growth based on the circular economy, ensuring environmental protection, security of raw material supply, job creation (around 700,000 jobs would be created in the EU alone by 2030) and monetary savings for consumers by offering more durable and innovative products. [13].

Europe and Spain are committed to the circular economy. The European Commission presented the Action Plan for the Circular Economy in March 2020. Particular attention is paid to resource-intensive sectors such as electronics and ICT, plastics, textiles and construction. The Government of Spain has drawn up the Spanish Circular Economy Strategy to promote this new model of production and consumption with the aim of achieving a sustainable, decarbonized, resource-efficient and competitive economy. [14].

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

The Group works with ANOVO for the refurbishment of used routers and their subsequent reuse by a new customer, thus promoting the circular economy and recycling.

The calculation of the impact under the IWAI methodology requires multiplying the following elements:

- Tons of CO2 avoided by equipment reuse
- Social cost of one ton of CO2



Leadership and community

*THE GROUP'S CORPORATE PILLARS ARE HONESTY, INTEGRITY
AND REGULATORY COMPLIANCE*



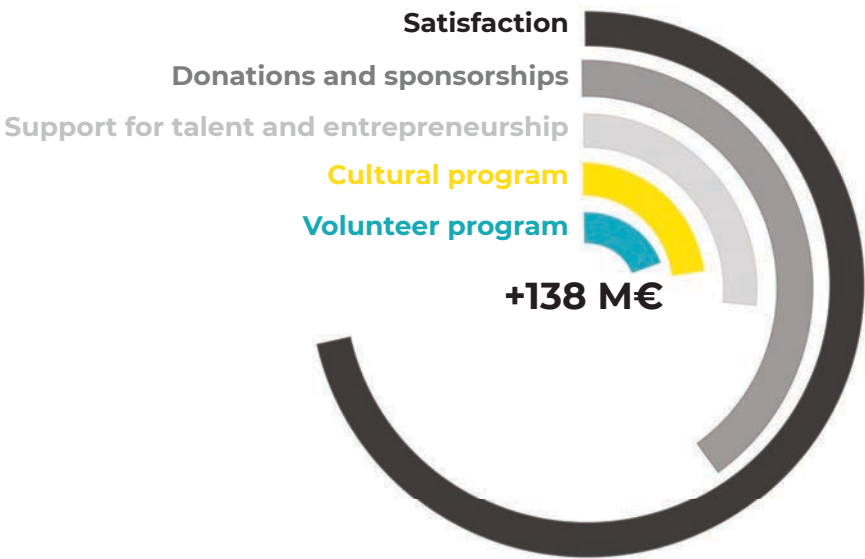
SOCIAL DEVELOPMENT

At MASMOVIL, since the beginning of its activity, the Group's companies have maintained a solid commitment: to contribute to the development of the communities in which they operate and foster their growth, generating prosperity and well-being for all those involved in their activity.

The partnerships, sponsorships, and alliances they maintain are fundamental to achieving this mission, enabling them to strengthen ties and engage deeply with local communities. They strive to strengthen the link between people and the company, fostering personal relationships and supporting the development of the environment in which they operate.

Their initiatives focus on valuing technological development, promoting equal opportunities and social integration through educational, cultural, solidarity and sporting events. These actions reflect their leadership and commitment to the community, demonstrating their dedication to creating a positive and sustainable impact on their environment.

This way, it is possible to improve solutions that provide certain benefits to consumers, while minimizing the negative impacts derived from commercial activities.



CUSTOMER IMPACTS

Satisfaction

Customer satisfaction is a key element in the impact that the Group generates in society through the quality of the services it provides. MASMOVIL continues to give priority to customer satisfaction and conducts quarterly studies to evaluate the results of its brands: Yoigo, MASMOVIL and Pepephone in this area, with the following NPS results (see table).

It should be noted that greater customer satisfaction has an impact on improving turnover levels directly, through increased sales, and indirectly, by reducing the costs of attracting new customers, or by improving the company's reputation, among others: [15].

- Customer-centric companies are 60% more profitable than those that are not.
- Brands with a superior customer experience earn 5.7 times more revenue than competitors that lack it.
- 84% of companies that work to improve their customer experience report an increase in revenue.

This increase in turnover ultimately has a positive and indirect impact on the region's economic activity, measured in terms of increased contribution to the country's GDP.

Therefore, this impact is calculated through the relationship that exists between the improvement in customer satisfaction levels, the increase in turnover levels, and ultimately, the increase in MASMOVIL's contribution to GDP.

MASMOVIL REMAINS THE LEADING SERVICE PROVIDER IN CUSTOMER SATISFACTION, WITH THE HIGHEST NPS IN THE SECTOR IN SPAIN (2023).

| | | 2022 | 2023 |
|-------------------------------|-----------|------|------|
| CONVERGENCE (FIJO + MOVIL) | Yoigo | 30 | 33 |
| | MASMOVIL | 22 | 24 |
| | Pepephone | 62 | 64 |
| MOBILE ONLY | YOIGO | 42 | 45 |
| | MASMOVIL | 40 | 54 |
| | Pepephone | 72 | 70 |

SOCIAL ACTION IMPACTS

The MASMOVIL Group is committed to local communities through partnerships, sponsorships and alliances, seeking to strengthen the link between the company and the people. The actions they carry out are focused on technological advancement, equal opportunities, and social inclusion through the organization of events and activities that promote development in the regions where they operate.

Donations and sponsorships

In the area of social responsibility, MASMOVIL actively participates in various initiatives and makes donations to foundations and non-profit associations, such as the Red Cross of Alava, the UNICEF Foundation, the Save the Children Foundation and Doctors Without Borders Spain, among others. The role of these organizations is essential for the development of certain areas such as education, health and the integration of excluded groups, contributing significantly to the strengthening of social cohesion. [16].

In addition, MASMOVIL has demonstrated an outstanding commitment through other significant investments in sponsorship, supporting for example the Euskaltel-Euskadi cycling team and various sports federations and clubs, including the Euskatel Foundation. The institutions supported by MASMOVIL not only encourage the development of local sports, but also promote educational values, social integration and equal opportunities, such as the WATS Team initiative, which seeks to eliminate violence in sports, support for women's sports and the social inclusion of people with disabilities through institutions such as the Osasuna Foundation and Hernani Rugby.

Through its financial support to the Euskaltel Foundation, MASMOVIL has also contributed to the mission of this non-profit organization. The Euskaltel Foundation strengthens relationships between people and companies, promoting the use of Information and Communication Technologies (ICT). In terms of digital education, it has led technology meetings on key topics such as artificial intelligence, big data, cybersecurity or

the Internet of Things. With a social return of 5.3 euros for every euro invested by MASMOVIL in education, the actions of the Group and the Euskatel Foundation have had a positive social impact on the technological and scientific development of local communities. [17].

MASMOVIL also contributes to the development of innovation activities, supporting initiatives of the Euskatel Foundation and the Basque Artificial Intelligence Center (BAIC). According to an analysis by Oxford University Press, investment in innovation produces a social return of 30%. [18]. Among the actions supported is the Atlantic Data Infrastructure (ADI), a world-class data center to support the digital transformation of companies and institutions. The implementation of this new technological infrastructure will open the door to the development of an ecosystem of digital companies, thus generating a significant economic and social impact in the region.

To determine the social value generated by the Group through these donations and sponsorships, the total cost of the following projects is multiplied by the social return on investment for each area:

- Direct investment in social action
- Sports sponsorships
- Digital education
- Business support
- Innovation

Cultural programs

Sustained investment in culture has a long-term impact by creating a better educated and more inclusive society, resulting in a significant improvement in the level of societal well-being.

The MASMOVIL Group shows its support for culture through collaborations with leading institutions such as the Guggenheim Museum, Kursaal and the Museo do Pobo Galego. It also organizes important cultural events such as concerts and music and film festivals, including the Gijón Film Festival and FICBUEU, where it sponsors the Sección R Galicia award at the short film festival.

Culture plays a key role in the individual development of people through the improvement of education levels, which has an indirect long-term impact on the economy of these regions. Its influence is reflected in a number of indirect social impacts such as:

- Improving the quality of education: A study of 25,000 U.S. schools shows a remarkable correlation between arts education and academic achievement, especially among students from lower socioeconomic backgrounds. [19].
- Increased employability and professional development: The participation of students from the Escuela Superior de Música Reina Sofía in national and international orchestras integrates them into the labor market with salaries above regional averages. [20].
- Improved well-being of the population: The arts have a positive impact on improving mental health levels, reducing cortisol levels and preventing mental illness. [19].

- Building a more inclusive and sustainable society: Music and the arts promote the development of personal and social skills, fostering empathy and contributing to the creation of a more inclusive and cohesive society. [20].
- Dissemination of national cultural heritage: Through concerts, cultural heritage is promoted in different cities and rural regions. [20].
- Improved personal happiness of citizens, positively impacting job satisfaction: Participation in cultural events and music improves personal happiness, positively impacting job satisfaction. [20].

To calculate the economic impact generated by MASMOVIL's investment in culture, the total contribution in donations and sponsorships earmarked for culture is multiplied by the social return on the financial investment in culture.

Volunteer programs

The MASMOVIL group has demonstrated an exceptional commitment to social responsibility and active support for the community through various solidarity initiatives as part of its corporate volunteer program. These include a project to reduce the digital gap, reforestation projects, and food drives.

During 2022, MASMOVIL carried out a solidarity project in collaboration with Fundación Montemadrid, focused on reducing the digital gap in the impoverished neighborhood of San Cristóbal, Madrid. Through the MASVolunteers program, the company allowed its employees to dedicate 8 hours of their working day to actively participate in this initiative. The main objective was to improve the quality of life of disadvantaged groups, addressing not only the digital gap, but also strengthening various aspects of the lives of the beneficiaries, promoting inclusion and accessibility in different areas. [21].

In addition, as part of the reforestation project, "Quien tiene un amigo tiene un árbol", a group of volunteers planted more than 150 trees in one day. This activity was part of the service provider's initiative to plant 10,000 trees throughout Spain by the end of 2022.

Furthermore, the Group has once again promoted its annual food collection project through its internal communication channels. This initiative involves the collection of non-perishable food items and hygiene and cleaning products. Just 5 tons of donations are enough to feed 110 families for one month. This solidarity collection is an integral part of the Group's Christmas campaign, with the items collected going to the Spanish Food Bank (BEA).

These volunteer programs supported by MASMOVIL are complemented by other initiatives in which Group employees participate as volunteers:

- A Smile, A Dream: Corporate Three Wise Men volunteer program for the delivery of gifts to the most vulnerable children in the population.
- Red Cross: Promotes the acquisition of digital skills through a digital employment mentoring program, with a particular focus on active job search.
- A La Par Foundation: Committed to the rights of people with intellectual disabilities and their inclusion in society.
- Mamas en Acción: Offers companionship to hospitalized minors who are alone, also aiming to provide them with a new family.

The social impact of volunteer programs is evaluated by looking at the following areas of impact:

- Economic: Calculated as the hours of volunteer service times the economic value per hour, using the minimum wage.
- Private: Measured through improved volunteer welfare and increased productivity.
 - Improved well-being is determined on the basis of the Wellbeing Valuation Approach, which states that the value of a person's increased well-being due to volunteering is €2,740.70 per year. [22].
 - Volunteer actions produce an increase in productivity of 12% per employee. [23].
- Social: The social value created for each euro invested by the company in corporate volunteering programs is a ratio of 4.44. [23]. Therefore, to calculate the social value, MASMOVIL's investment in volunteering is multiplied by this multiplier.

- Montepíncipe Foundation: The primary objective of this initiative is to address the technological gap in San Cristobal de Los Ángeles in Madrid, one of the most underprivileged neighborhoods in Spain.

INNOVATION AND ENTREPRENEURSHIP

Support for talent and entrepreneurship

MASMOVIL has implemented entrepreneurship and talent support programs that allow it to position itself at the forefront of the latest initiatives and trends in human resources, thus benefiting numerous groups.

Through its MASVentures initiative, launched in partnership with Inveready in 2019, the Group has created an accelerator to promote innovative projects in the field of new technologies by fostering entrepreneurship in Spain.

The Group has moved from an open recruitment model (public call and competition in 2019 with 5 pilots of finalist startups), to a selection model oriented and focused on direct support to specific initiatives proposed by the Group's areas, allowing the promotion of projects with confirmed acceleration potential. Along the way, more than 500 startups have been analyzed, and there has been collaboration with a multitude of institutions and organizations such as South Summit, Alhambra Ventures, Alcobendas City Council, 5YFN at MWC and many others.

Based on the criteria of novelty, strategic fit, maturity and investability, this initiative has resulted in the investment in two startups offering support in the consolidation of the business and the development of the value proposition.

On the other hand, it is also worth mentioning the program ¡QUE VIVAN LOS PUEBLOS! which is being launched with the aim of revitalizing villages by accelerating startups that have a positive impact on rural Spain and contribute to tourism and commerce in these small communities #GrupoMASMOVILPorLosPueblos will be a transformative program that, through an agreement with the Unlimited Foundation, will accompany and support start-ups that seek to generate impact at the rural level, developing skills and managing and measuring that impact.

The results will be reflected both in rural Spain, as well as in Yoigo's own brand and at Group level.

After a competitive tender that led to more than 300 applications, 10 winning startups from the tourism, consumer, culture, health, agriculture and livestock sectors were selected.

Additionally, MASMOVIL supports talent and knowledge through university chairs and scholarships. Some examples are:

- Research Chair with Universidad Carlos III de Madrid (UC3M) and Chair focused on Client Strategy & Analytics with Universidad Politécnica de Madrid (UPM).
- R Chair in Cybersecurity (the first inter-university chair in Galicia, with the universities of Coruña and Vigo) and the Telecable Chair with the University of Oviedo.
- Collaboration in the Master's degree in cybersecurity of the University of the Basque Country and the Carlos III University of Madrid.
- Support for young talent through the TalenTU program with universities, employment forums and educational institutions.

The social impact generated as result of the Group's activities in this area is quantified as follows: On the one hand, the impact of supporting entrepreneurship is measured as the value of indirect job creation resulting from the investment in the two start-ups. On the other hand, the impact of supporting talent and knowledge creation is measured using the social return on the total investment in academic chairs and universities.



Employee engagement, culture, equality and diversity

AT MASMOVIL, CULTURE IS EVERYTHING



CORPORATE CULTURE

The Group recognizes the fundamental importance of its corporate culture, which is not only part of its identity, but also guides the behavior of all members of the organization, in coherence with the established Vision, Mission and Values. This commitment extends to fostering employee engagement, promoting a strong organizational culture and advancing equality and diversity. As a reflection of this importance, a Culture Plan has been in place since last fiscal year, which addresses the following key aspects:

- 1. Simplicity:** Reviewing procedures, processes, reporting and work meetings.
- 2. Expansion of culture:** Through the appointment of culture ambassadors, and the "4 quarters, 4 values" campaign to further internalize the company's values.
- 3. Northern focus group:** Collection of information from the focus groups related to the integration process of the Euskaltel Group.
- 4. Feedback culture:** Campaign to promote a culture of continuous, omni-directional feedback.
- 5. Leadership:** Design of a Training Plan with the 7 Keys of Leadership at MASMOVIL for all managers.

6. Meeting initiatives: Meeting spaces with the goal of creating trust and closeness regardless of the area in which the employees are located.

7. Sustainability: The positive impact is particularly evident in the areas of Simplicity and Sustainability, strengthening the unique culture of MASMOVIL through its philosophy of listening, acting and communicating.

The annual Culture 2023 survey, in which 75.5% of employees participated, showed an average score of 8.6, a 12% increase over the previous year. In addition, the digital tool Happyforce, implemented in all MASMOVIL Group companies, facilitates participation and two-way communication among employees. This tool provides a daily Happiness Index, an indicator that reflects the level of employee satisfaction and motivation. In November 2023, the Group obtained a score of 82/100. In addition, a quarterly Employee Net Promoter Score (eNPS) was calculated to measure employee satisfaction and the likelihood of employees recommending the company as a good place to work, with a score of 8.4/10.



EMPLOYMENT IMPACTS

The MASMOVIL Group's Human Resources Policy aims to implement a management model that attracts, develops and retains talent, promotes the personal and professional development of its team, and aligns the interests of its professionals with the strategic objectives of the Group, including:

- Developing the Diversity Plan
- Defining gender parity targets in the management team for 2030.

Equality and diversity in the workforce

The Group's strategic objectives include the development of labor relations based on equal opportunities, non-discrimination and respect for diversity. The Equal Opportunity Policy seeks to promote equality between men and women in order to create a favorable employment environment. In addition, through the Talent Diversity Plan, the MASMOVIL Group aspires to be a social reference by promoting diversity and integration beyond organizational boundaries.

The Group demonstrates its commitment to the integration of people with disabilities through campaigns such as "Different but Equal". Contributing to the development of people with disabilities promotes their personal and professional development and adds significant value to the company. [24].

For this reason, companies such as Xfera Móviles, Euskaltel, R Cable, Telecable Telecomunicaciones and Spotting Brand Technologies are currently complying with the General Law on Disability, either through direct hiring or by adopting alternative measures approved by the public administration, such as contracting services with Special Employment Centers, in particular for the cleaning of headquarters through Samsic Social, S.L.

With the Comprehensive Talent Diversity Plan, Grupo MASMOVIL aims to stand out in the fight against discrimination based on gender, functional diversity, age, religion, culture, ethnicity, identity, and place of origin, among others. The goal of non-discrimination is to maximize the potential of all those affected by Grupo MASMOVIL, improving their well-being and increasing their satisfaction. Organizations that manage diversity and inclusion in their teams achieve 20% more creative ideas and innovation, a 17% increase in performance, and 29% feel more included. [25].

The main principles of the MASMOVIL Group's diversity strategy can be summarized as follows:

- Diversity is considered a cross-cutting and fundamental element of the MASMOVIL Group's global strategy.
- Diversity management integrates social innovation as a crucial element to achieve social impact both within the Group and in society as a whole.
- Ensuring diversity in all of the Group's professional profiles is established as a fundamental element to boost creativity, innovation and organizational efficiency.

The positive impact from employment equality and diversity at MASMOVIL has been determined by comparing the number of company employees from minority groups with the industry's average number of employees from the same minority groups.

Wage quality

MASMOVIL is committed to the implementation of decent salary policies that allow access to an optimal quality of life for its employees. Several initiatives were carried out in 2023, among which the following stand out:

- Extension of the Occupational Health and Safety Management System in accordance with ISO 45001 to the entire MASMOVIL Group.
- Development of the Diversity Plan.
- New work-life balance and digital disconnection measures and increased employee benefits.
- Definition of gender parity objectives in the management team for 2030.

These initiatives not only reflect the Group's commitment to the overall well-being of its employees, but also align with the United Nations Global Compact's SDG Ambition initiative, which calls for all employees, regardless of employment status, to be paid a living wage. [26].

The Group has 1,861 employees, of which 1,109 are men and 752 are women.

- As proof of the MASMOVIL Group's commitment to diversity and equal opportunities, the workforce is made up of 34 nationalities, despite the fact that all of the Group's activities are carried out in Spain.
- 100% of our employees have a permanent contract.
- Most of the permanent positions are full-time.

THE BOARD OF DIRECTORS RECOGNIZES
TRANSPARENCY IN ALL ITS ACTIONS,
INCLUDING THE COMPENSATION OF ITS
MEMBERS, AS ONE OF THE KEY
ELEMENTS OF ITS CORPORATE
GOVERNANCE STRATEGY.

Based on all these initiatives, and in order to measure the impact of wage quality, data on average salaries by professional category (executives, middle management and other professionals) and age group (under 30, between 30 and 50, and over 50) have been analyzed.

Following the IWAI's rationale, the average salary per professional category is calculated and compared with the minimum wage in Spain in 2023 and the living wage in order to highlight the company's efforts to increase salaries.

In the case of MASMOVIL, all salaries paid are both above the minimum wage and above the living wage.

Regional development

Having a job brings many important benefits, including providing a source of income, improving social inclusion, fulfilling personal aspirations, boosting self-esteem and developing skills and competencies. In Spain, around 62% of the working age population (aged 15-64) is in paid employment. [27].

It is therefore important to highlight the employment generated by the MASMOVIL Group in Spain. Currently, the Group's workforce is made up of 1,861 employees. It is also important to highlight the employment generated indirectly throughout the company's value chain, which amounts to 10,634 employees.

The people who make up the Group's work team are the driving force behind the company and enable it to fulfill its mission. This explains why it has been the fastest growing telecommunications service provider in Spain in recent years, because satisfied employees means satisfied customers.

According to the Actualidad Económica ranking "Best companies to work at in Spain", MASMOVIL is the telecommunications company with the best score in Spain and 20th in the country.

The Group, through its various policies and processes, is committed to applying an appropriate talent attraction and selection program, taking into account the academic, personal and professional merits of the candidates and the Group's needs.

In order to measure the impact in terms of regional development, we used the employment generated directly and indirectly by the Group in Spain. We looked at the difference in purchasing power that would exist for each employee by comparing the salary paid by the company with the economic value the employee would receive in a situation of unemployment if the company did not exist.

MASMOVIL GROUP IS ONE OF THE
FASTEST GROWING
TELECOMMUNICATIONS SERVICE
PROVIDER IN SPAIN AND THE BEST
COMPANY IN THE SECTOR TO WORK
FOR (2023).

Worker health and safety

Occupational safety is the set of rules, methods and procedures that aim to eliminate or reduce the risk of occupational accidents. [28].

Work-related illnesses and injuries cost the European Union an estimated 476,000 million euros per year, or about 3.3% of GDP. This has prompted Spain to give the green light to the Occupational Health and Safety Strategy 2023-2027. For the first time, mental health is a priority in this strategy.

It is essential to implement measures aimed at promoting health in the company. In this sense, according to the INSST, the value of investing in Health Promotion at Work is not only beneficial for employees, but also for the company and society, since it improves workers' health, increases productivity, improves the working environment, increases motivation, reduces accidents and illnesses, increases the level of talent retention and reduces staff turnover, generates a positive ROI and VOI value, and reduces social security and insurance costs, thus contributing to improving the quality of life of citizens.

As Maria Neira, Director of the WHO's Department of Public Health and Environment, says: "The wealth of companies depends on the health of their workers".

The health and safety of the Group's employees is present in all of MASMOVIL's actions and decisions. For this reason, in 2018 the Joint Prevention Service was set up and the Occupational Risk Prevention Management System was created and later updated in March 2022 due to the integration of the Euskaltel Group companies.

THE MASMOVIL GROUP HAS ONCE AGAIN
SURPASSED ITSELF IN THE FIELD OF
OCCUPATIONAL HEALTH AND SAFETY.

Last July, after more than a month of auditing, the Group obtained the ISO 45001 Certification on Occupational Health and Safety Management Systems. This certification means that the health and safety management model meets the requirements of the most demanding international standards. In addition to the actions required by law, the Joint Prevention Service has focused its activities on Employee Welfare. This is evidenced by the joint efforts with other areas of the company to implement the Corporate Wellness Plan, internal initiatives to improve the health, well-being and satisfaction of the Group's employees.

The total impact generated by the Group in terms of employee health and safety, is calculated as the difference between health promotion and the cost derived from incidents.

Training

Benefits are increasingly valued by employees because they have a direct impact on their quality of life, and this can have a positive influence on a company's overall growth.

Training is the ultimate exponent of this win-win situation. To train workers is to empower them, to allow them to grow professionally and personally and to care about their future. In addition, the company will be able to enjoy and use the new knowledge acquired by the employee. Having qualified and updated employees is a guarantee of success for companies to be able to face any circumstance or challenge that may arise in such a changing and volatile environment as the current one. [29].

The Community of Madrid is the region with the highest percentage of highly qualified workers in the whole of Spain. Specifically, 46.5% are people between the ages of 25 and 64 who work as managers, professionals, technicians and associate professionals. The data from the Labor Force Survey conducted by Eurostat highlight the good state of the Madrid economy, which ranks 36th among the 234 regions that make up the European Union in terms of competitiveness, but leaves the country as a whole (33.9%) below the EU average (44.2%).

The Bank of Spain believes that there is "ample room for improvement" to boost innovation and productivity in the Spanish economy, and one of the key measures is to improve the level of human capital through training, which could create more than 2 million jobs. According to the report, the educational level of entrepreneurs, self-employed and salaried workers in Spain has improved significantly in recent years, but is still below the European Union average.

The MASMOVIL Group promotes and facilitates an ecosystem of self-management and autonomy to acquire and share knowledge and foster personal and professional development. Training plans and initiatives are designed based on a needs assessment that is aligned with the strategic objectives of the Group and each of its business areas.

The following objectives have been defined for Training and Development:

- Acquire and develop the knowledge and personal and professional skills necessary to successfully perform the functions and contribute to the achievement of the challenges and projects of 2023.
- Promote a culture of knowledge sharing among the Group's professionals.
- In particular:
 - Continue to focus on commercial excellence.
 - Train specialist profiles to acquire and develop the technical knowledge required to remain at the forefront of technology (machine learning, data analytics, software development, etc.).

The Group has an e-learning ecosystem through the implementation of various content platforms that encourage self-learning and provide a more flexible training model. Training formats include classroom, online and streaming or virtual training.

The impact generated by the MASMOVIL Group in terms of internal training is calculated as the total investment in training by the social rate of return on investment.



Governance, ethics and transparency

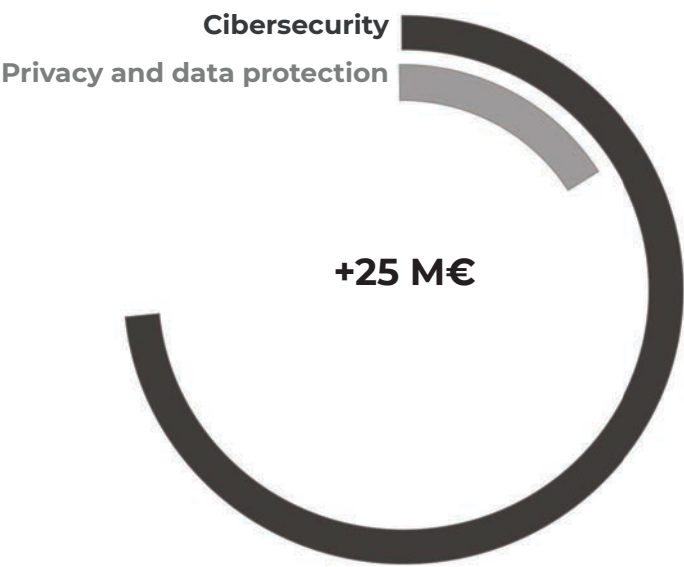
PROTECTION AGAINST DIGITAL THREATS



**PRIVACY, DATA PROTECTION AND
CYBERSECURITY IMPACTS**

Digital transformation is driving innovation and connectivity. However, it is also exponentially increasing the opportunities for increasingly sophisticated and recurring attacks on network users. As a result, organizations are finding it essential to invest in cybersecurity in order to effectively respond to potential security incidents and build trust with their customers.

THE INCREASING VOLUME AND
COMPLEXITY OF CYBERSECURITY
ATTACKS WORLDWIDE MEANS THAT
MEASURES NEED TO BE IMPLEMENTED
AND MANAGED ON AN ONGOING BASIS.



Privacy and personal data protection

Network security is becoming increasingly difficult to maintain. Personal data is at risk of being stolen and used for unlawful purposes, especially if the necessary security measures are not taken.

At MASMOVIL Group, we are very mindful of the privacy principles established Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data [30].

GRUPO MASMOVIL IS COMMITTED TO
MINIMIZING ANY INCIDENTS RELATED TO
PRIVATE CUSTOMER DATA, ETHICAL
CONTENT AND ADVERTISING.

SIM Swapping is a new and very common scam, as the number of reports of this type of fraud has increased in recent years. It consists of fraudulently duplicating the SIM card of a person's cell phone. First, the cybercriminal impersonates the victim's identity to obtain the duplicate. Then, once the victim is left without telephone service, the cybercriminal accesses the victim's personal information and takes control of their digital banking using the verification SMS sent to the phone number. [31].

However, you can reduce the likelihood of suffering a "SIM swapping" attack and help protect your information if it does occur thanks to a series of good security practices. The Group proposes several recommendations to avoid this scam in Spain.

Other examples of the most reported scams in Spain are identity theft, phishing attacks and document fraud.

In 2021, Data Protection sanctioned the main telecommunications companies for not protecting user data and today, despite implementing security measures, several of them continue to receive fines from the AEPD for this type of fraud. MASMOVIL, has been the only one that has not received any more sanctions for this matter since then. It should also be noted that the fine received in 2021 of 200 thousand euros was of a much lower amount than that of most of its competitors.

In order to measure this impact, we consider that the best indicator is the sanctions imposed by the AEPD for GDPR violations, since the objective is to avoid potential damages resulting from attacks that generate associated losses.

The calculation is based on the difference between MASMOVIL and the sector average, i.e. the total penalties imposed in the telecom sector in Spain minus the total penalties incurred by the Group. The result is the positive impact derived from the damages avoided by MASMOVIL through penalties compared to the rest of the sector.

Cybersecurity

The increase in the volume and complexity of cybersecurity threats and risks worldwide means that measures must be constantly implemented and managed as part of a cycle of continuous improvement.

For this reason, the MASMOVIL Group has an information management system, certified to international standards such as ISO 27001, to ensure that assets and risks are identified and assessed, and that the most effective controls and procedures are adopted, in line with the business strategy.

Grupo MASMOVIL has strengthened its cybersecurity organization by implementing a governance model with a cybersecurity committee that performs continuous and detailed monitoring. Likewise, cybersecurity policies, regulations and procedures have been integrated and reviewed, and the cybersecurity master plan has been updated, determining the main strategic lines and initiatives to be carried out in the 2022-2024 period.

In addition, the group has deployed and integrated new cybersecurity technological solutions in its infrastructures and information systems, improving the security of internal processes and with third parties, as well as in the telecommunications network that provides services to their customers. It has the appropriate tools and services to prevent, detect and respond to possible security incidents. Finally, special attention has been paid to the security of the supply chain by reviewing and evaluating the security measures of key suppliers.

MasMovil's blog aims to promote the safest possible Internet connection. For this reason, a section on Cybersecurity has been created where you can consult

tips, advice and news about digital security to make the most of your Internet connection at home, at work or from your cell phone at all times. These are the Cybersecurity articles that are most read by users:

- Tricks to find out who is calling you, even if they're not in your phonebook.
- This is how you can tell if a photograph is a fake or is intended to deceive you.
- If you think your Instagram account has been hacked, find out who, where, and when.
- How to set a password for an external hard drive.
- How to call with a hidden or private number.

Carla Redondo, secretary general of the National Cybersecurity Institute warned that cybercrime has already reached a value close to 1.5% of world GDP and that "it is essential that companies are aware that cybersecurity is not an expense, but an investment".

To calculate this impact, the direct contribution of the MASMOVIL Group to GDP through its return on investment in cybersecurity is taken into account. The total investment made by the MASMOVIL Group in different initiatives to promote both Internet security and the responsible use of technology is multiplied by the average Return on Security Investment (ROSI) to obtain the total return on the Group's investment in cybersecurity

7. Conclusions



By measuring its social and environmental impact, the MASMOVIL Group demonstrates its commitment to making its contribution to society through the Group's various activities transparent to its stakeholders. The results obtained are evidence of MASMOVIL's objective to align its business with its ESG strategy.

This impact measurement will enable the Group to review the actions taken in each of its strategic areas to maximize their positive impact and to determine where the focus should be in the coming years. It will also serve as a decision-making tool to manage the company sustainably.

The provision of connectivity and the accessibility and affordability of services are the key impact areas for MASMOVIL, as they measure the contribution of the Group's core business. They account for more than 80% of the total impact, a result that underscores the company's commitment to providing efficient connectivity and contributing to the progress of the most disadvantaged sectors.

Employee engagement, culture, equality and diversity are the next most important impact areas for MASMOVIL. The results here reflect MASMOVIL's ongoing commitment to creating a corporate culture that promotes the well-being and equality of its employees.

Also noteworthy is MASMOVIL's role in the area of Leadership and Community through the Group's positive impact on its customers and its financial contribution to the promotion of innovation and entrepreneurship, as well as its donations, sponsorships and corporate volunteer programs.

In the area of Environmental Management and Sustainability, we should highlight the Group's contribution to the decarbonization of other sectors through digitalization and innovative services that enable customers to reduce their emissions.

These results highlight the crucial role that MASMOVIL plays in building a more inclusive and equitable society and in driving sustainable development that respects the planet.

It is important to note that the measurement of social and environmental impacts faces recognized challenges due to a lack of common standards. Although robust and widely accepted methodologies exist, including Harvard's IWAI methodology, which we have used to measure the vast majority of impacts, some measurement approaches are still unable to capture the full complexity of some social and environmental impacts. The main inherent limitations are:

- Monetizing certain impacts can be complicated because not all impacts are fully amenable to economic valuation.
- Relying on external indicators introduces limitations and difficulties in obtaining accurate results, as the availability and quality of these data may vary.
- Each organization may have a specific context, so peer comparisons can be complex.

The next steps should therefore focus on broadening the range of impacts to be assessed and further strengthening the consistency and robustness of the impacts already identified and their measurement approaches.

8. Exhibits



MEASUREMENT METHODOLOGY

CONNECTIVITY AND BRIDGING THE DIGITAL GAP

Deployment of connectivity

| | |
|----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Internal indicators | <ul style="list-style-type: none">• Number of fixed and mobile customers (2H22 - 1H23)• Number of customers affected by fixed and mobile power outages (2H22 - 1H23) |
| External proxies | <ul style="list-style-type: none">• Increase in GDP produced by an increase in penetration 2020 ITU• GDP per capita Spain 2022 The World Bank• Economic Impact of Internet Connectivity Disruptions 2017 Deloitte |

Accessibility-Affordability

| | |
|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Internal indicators | <ul style="list-style-type: none">• Number of customers in rural areas (population <20,000 inhabitants) (1H23)• Number of prepaid customers (1H23)• Prepaid ARPU (1H23)• Postpaid ARPU (1H23) |
| External proxies | <ul style="list-style-type: none">• Economic value of providing connectivity to rural areas 2021: Telefónica |

Local Treasury Contribution

| | |
|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| Internal indicators | <ul style="list-style-type: none">• Total taxes paid in Common Territory (FY22)• Total taxes paid in Territorio Foral (FY22) |
| External proxies | N/A |

ENVIRONMENTAL MANAGEMENT AND SUSTAINABILITY

Water use

| | |
|----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Internal indicators | <ul style="list-style-type: none">• Net water use in liters (2H22 - 1H23) |
| External proxies | <ul style="list-style-type: none">• AWARE Factor 2023 - Wulca• Cost of production and delivery of water 2021 IB-NET• Cost of wastewater treatment 2021 IB-NET |

Waste management

| | |
|----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Internal indicators | <ul style="list-style-type: none">• Tons of e-waste generated (2H22 - 1H23)• Tons of waste generated by MASMOVIL (hazardous and non-hazardous) (2H22 - 1H23)• Tons of electronic waste recycled (2H22 - 1H23)• Tons of waste recycled by MASMOVIL (hazardous and non-hazardous) (2H22 - 1H23) |
| External proxies | <ul style="list-style-type: none">• Cost of generating 1 ton of e-waste University of Canterbury• Social cost of one ton of CO2 US EPA• Value of recycling 1 ton of e-waste United Nations• Value of recycling 1 ton of waste Cycled |

Scope 1 and 2 emissions

| | |
|----------------------------|---------------------------------------------------------------------------------------------------------------------|
| Internal indicators | <ul style="list-style-type: none">• Scope 1 and 2 emissions in tonnes of CO2 equivalent (2H22 - 1H23) |
| Proxies externos | <ul style="list-style-type: none">• Social cost of one ton of CO2 US EPA |

Scope 3 emissions

| | |
|----------------------------|---------------------------------------------------------------------------------------------------------------|
| Internal indicators | <ul style="list-style-type: none">• Scope 3 emissions in tonnes of CO2 equivalent (2H22 - 1H23) |
| External proxies | <ul style="list-style-type: none">• Social cost of one ton of CO2 US EPA |

Emissions offset

| | |
|----------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| Internal indicators | <ul style="list-style-type: none">• Tonnes of CO2 equivalent offset through tree-planting project (2H22 - 1H23) |
| External proxies | <ul style="list-style-type: none">• Social cost of one ton of CO2 US EPA |

Use of renewable energies

| | |
|----------------------------|----------------------------------------------------------------------------------------------------------------------------|
| Internal indicators | <ul style="list-style-type: none">• Energy consumed by the Group from renewable sources in MWh (2H22 - 1H23) |
|----------------------------|----------------------------------------------------------------------------------------------------------------------------|

| | |
|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| External proxies | <ul style="list-style-type: none">• Conversion factor kWh to tCO₂eq : Government of Spain• Social cost of one ton of CO₂ US EPA |
|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Commutes

| | |
|----------------------------|------------------------------------------------------------------------------------------------------------------|
| Internal indicators | <ul style="list-style-type: none">• Total km avoided as a result of working remotely (2H22 - 1H23) |
|----------------------------|------------------------------------------------------------------------------------------------------------------|

| | |
|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| External proxies | <ul style="list-style-type: none">• Average CO₂ emissions per km European Environmental Agency• Social cost of one ton of CO₂ US EPA |
|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Innovative services (Products)

| | |
|----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Internal indicators | <ul style="list-style-type: none">• Revenues generated through the sale of renewable energies (2H22 - 1H23)• Revenue generated through the sale of healthcare services (2H22 - 1H23)• Revenue generated through the partnership with Naturgy for lead generation for the installation of self-consumption solar panels (2H22 - 1H23) |
|----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

| | |
|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| External proxies | <ul style="list-style-type: none">• Percentage of the renewable energy business that fights climate change United Nations• Percentage of telemedicine service combating climate change NHS |
|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Equipment reuse

| | |
|----------------------------|---------------------------------------------------------------------------------------------------------------------|
| Internal indicators | <ul style="list-style-type: none">• Equipment refurbished and reused with new customers (2H22 - 1H23) |
|----------------------------|---------------------------------------------------------------------------------------------------------------------|

| | |
|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| External proxies | <ul style="list-style-type: none">• Tons CO₂ avoided by equipment reuse University of Oxford• Social cost of one ton of CO₂ US EPA |
|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

LEADERSHIP AND COMMUNITY

Customer satisfaction

| | |
|----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Internal indicators | <ul style="list-style-type: none">• Group turnover (1H23)• Increase in NPS of Yoigo, MASMOVIL and Pepephone 2Q22 to 2Q23 (2H22 - 1H23) |
| External proxies | <ul style="list-style-type: none">• Revenue growth explained by customer satisfaction LSE Research |

Donations and sponsorships

| | |
|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Internal indicators | <ul style="list-style-type: none">• Donations to foundations and non-profit associations (FY22)• MASMOVIL initiatives to promote digital education (FY22)• Contributions to business associations (FY22)• Investment in innovation-related activities (FY22)• Contributions to sports sponsorships (FY22) |
| External proxies | <ul style="list-style-type: none">• Social return on investment in sports : Government of Spain• Social return on financial investment in training Coca-Cola• Social return on investment in entrepreneurship Entrepreneurship• Social return on R&D investment Oxford Journals |

Cultural programs

| | |
|----------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| Internal indicators | <ul style="list-style-type: none">• Total contribution to culture (FY22) |
| External proxies | <ul style="list-style-type: none">• Economic return on financial investment in culture University of Bozen-Bolzano |

Volunteer program

Internal indicators

- Corporate volunteer hours performed by employees (2H22 - 1H23)
- Total Group turnover (1H23)
- Total number of employees of the Group (1H23)

External proxies

- Minimum Wage 2023 | Expansión.com
- Life satisfaction factor | HACT
- Average annual working day | Boletín Oficial del Estado (Official State Gazette)
- Increased productivity | MVP Methodology
- Multiplier social projects: MVP Methodology

Support for talent and entrepreneurship

Internal indicators

- Average number of workers per startup (1H23)
- Total cost/investment of chairs with universities (FY22)

External proxies

- Minimum Interprofessional Wage in Spain in 2023 | Expansion
- Social Return on Investment in Education | Institute of Political and Social Sciences

EMPLOYEE ENGAGEMENT, CULTURE, EQUALITY AND DIVERSITY

Equality and diversity

| | |
|----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Internal indicators | <ul style="list-style-type: none">• Total number of employees (1H23)• Number of employees belonging to minority groups (1H23) |
| External proxies | <ul style="list-style-type: none">• Estimated proportion of women in the ICT sector in Spain ontsi• Average salary Expansión.com• 2% reserve quota for people with disabilities: Community of Madrid |

Wage quality

| | |
|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Internal indicators | <ul style="list-style-type: none">• Average employee salaries by professional category and age range (1H23)• Number of employees by professional category (1H23) |
| External proxies | <ul style="list-style-type: none">• Annualized living wage MIT.edu• Annualized minimum wage Expansión.com |

Regional Development

| | |
|----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Internal indicators | <ul style="list-style-type: none">• Total number of MASMOVIL employees (1H23)• Number of workers that are part of the company's value/supply chain, and that can be considered as indirect jobs generated (1H23).• Average salary of MASMOVIL employees (1H23) |
| External proxies | <ul style="list-style-type: none">• Total employed persons INE• Total unemployed persons INE• Maximum annual unemployment benefits SEPE |

Worker health and safety

| | |
|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Internal indicators | <ul style="list-style-type: none">• Annual rate of labor incidents in MASMOVIL (1H23)• Total number of MASMOVIL employees (1H23)• Percentage of employees covered by the Health and Safety Management System (1H23)• Economic value of total contributions (1H23)• Number of employees participating in the various activities aimed at promoting physical wellbeing (1H23) |
| External proxies | <ul style="list-style-type: none">• Annual GDP Spain 2022 World Bank• Economic impact of occupational accidents (% of GDP) INSST• Annual Labor Incident Rate Ministry of Labor and Social Economy• Economic value of a health insurance plan Terranea• Life satisfaction factor HACT |

Training

| | |
|----------------------------|------------------------------------------------------------------------------------------------------------------|
| Internal indicators | <ul style="list-style-type: none">• Total investment/cost of internal training (2H22 - 1H23) |
| External proxies | <ul style="list-style-type: none">• Return on investment in in-house training: Columbia University |

GOVERNANCE, ETHICS AND TRANSPARENCY

Privacy and personal data protection

| | |
|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------|
| Internal indicators | <ul style="list-style-type: none">N/A |
| External proxies | <ul style="list-style-type: none">Total damages generated I GDPRMASMOVIL's contribution to the damages generated I AEPD |

Cybersecurity

| | |
|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Internal indicators | <ul style="list-style-type: none">Direct investment in cybersecurity (2H22 - 1H23)Indirect investment in cybersecurity (2H22 - 1H23)Investment in internal resources (2H22 - 1H23) |
| External proxies | <ul style="list-style-type: none">Average ROSI I ESI ThoughtLab |

BIBLIOGRAPHY

- [1] Advantages of Digital Society | eesc.europa.eu
- [2] Digital 2023: Global Overview Report
- [3] How Broadband, Digitization, and ICT Regulation Impact the Global Economy | itu.int
- [4] General State Budgets | hacienda.gob.es
- [5] Research Development Innovation and Digitization.docx | hacienda.gob.es
- [6] Study of Potential Water Savings in Indoor Residential Uses | Canal Isabel II
- [7] Electronic Waste and Its Danger to the Environment | National Geographic Spain
- [8] Summary: What Are Scope 3 Emissions? | The Carbon Trust
- [9] Restoring Forests as a Means to Many Ends | Science
- [10] Renewable Energies: Energies for a Safer Future | United Nations
- [11] Ambient (Outdoor) Air Pollution | WHO
- [12] A Year of Remote Working | Greenpeace
- [13] Circular Economy: Definition, Importance, and Benefits | European Parliament
- [14] What Is the Circular Economy? | Government of Spain
- [15] How To Prove The ROI Of Customer Experience | Forbes
- [16] Notebooks of the Spanish Association of Foundations | Fundaciones.org
- [17] Youth Tour Dossier | Coca-Cola
- [18] Measuring the Social Return to R&D | Oxford Journals
- [19] The Value of Culture | Reina Sofía School of Music
- [20] Impact Report | Reina Sofía School of Music
- [21] Call for NGOs Youth and Proximity | Montemadrid Foundation
- [22] Measuring the Social Impact of Community Investment | HACT
- [23] Measurement in Practice | Voluntare
- [24] Diversity Advances | MIT Technology Review
- [25] Diversity and Inclusion | Deloitte
- [26] Living Wage | United Nations
- [27] Better Life Index | OECD
- [28] Workplace Safety | INSST
- [29] Training as a Social Benefit. Advantages of Encouraging It | Adecco Foundation
- [30] Official State Gazette (BOE)
- [31] What is SIM Swapping | BBVA

MASMOVIL[®]

