MASMOVIL

ESG Strategic Plan

April 2023

Purpose and Context

Committed with long-term positive impact, value creation and risks reduction with a concrete action plan

The **MASMOVIL Group** is strongly committed to remain as a long term positive impact and value creation reference in our industry. Our aim is to steadily improve our positioning in terms of sustainability with an ESG strategic framework that strengthens our capacity to detect and develop new solutions that address the challenges of society and environment.
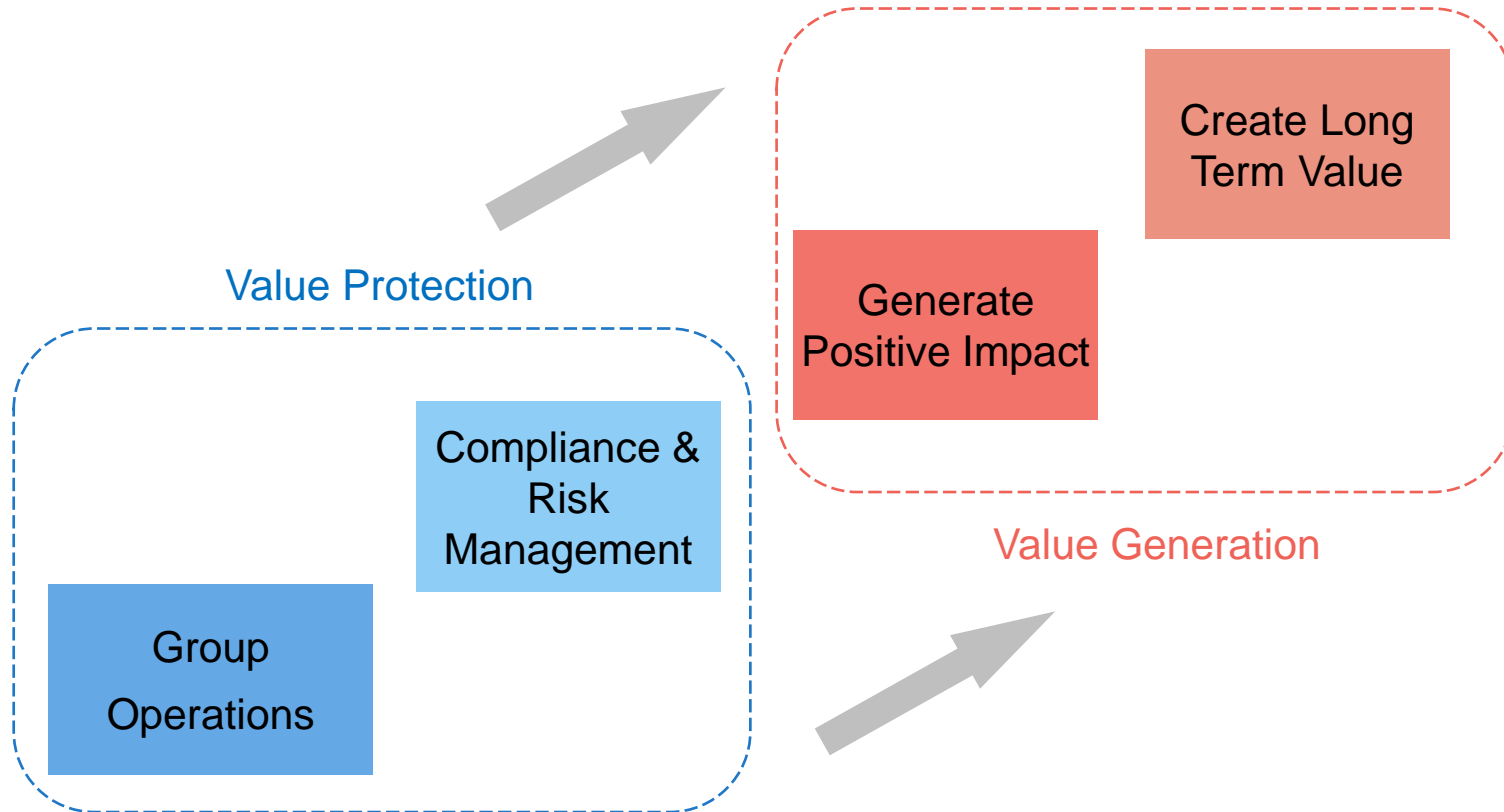
The **ESG Strategic Plan** creates a platform for implementing such strong commitment and reflects the determination of the MASMOVIL Group and its stakeholders to contribute to the creation of a more human, diverse and sustainable environment. The ESG Strategic Plan generates a global framework, defining a series of short to mid-term actions based on **5 pillars** that add value to our Group's Business Plan.
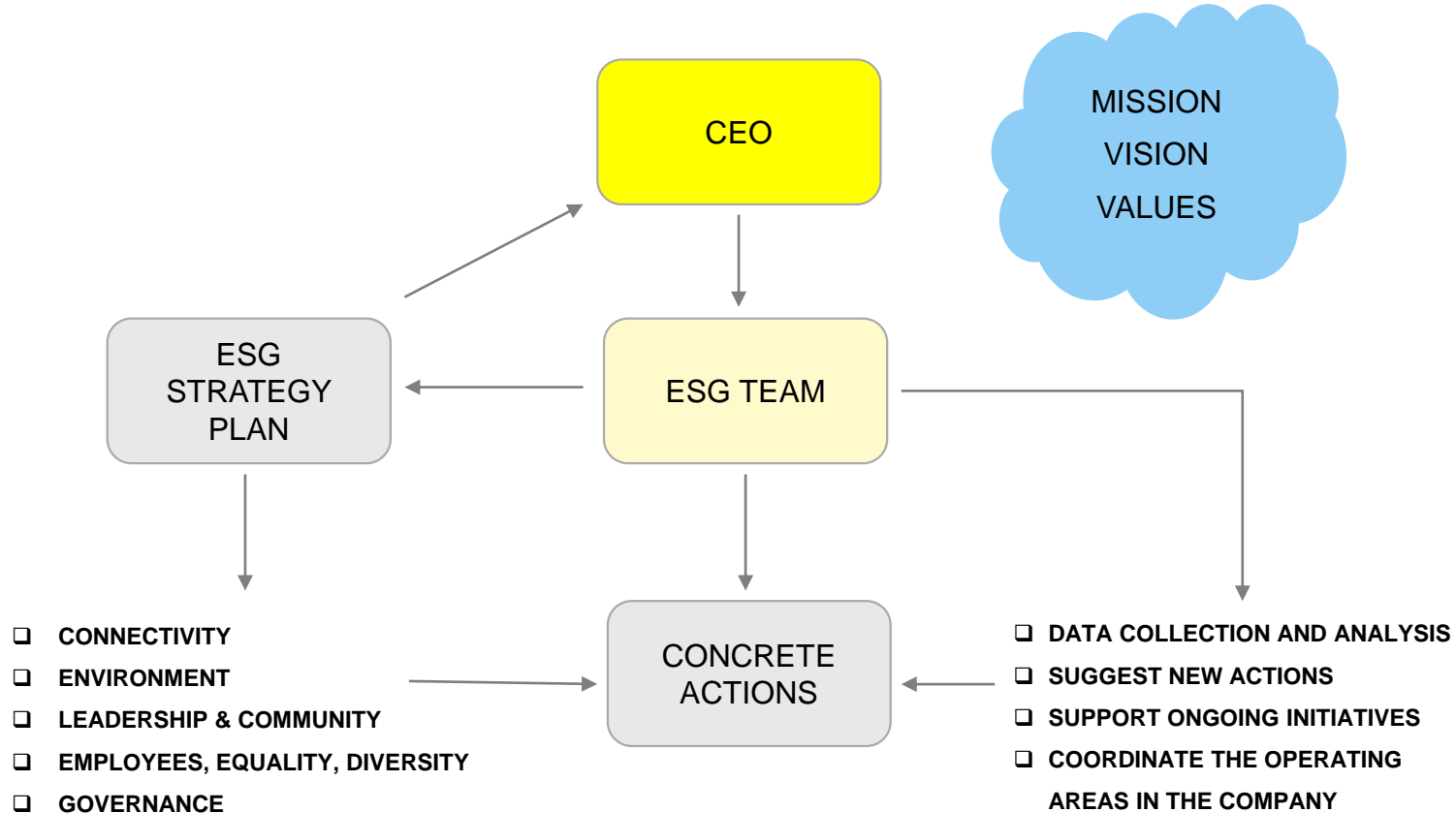
Furthermore, the Plan is conceived with the goal of aiding to minimise environmental, social and corporate governance risks, reducing all other inherent risks in the Company's business and bolstering our role as an **agent of change**.

Purpose and Context

We make of ESG a strategic priority and aim to excel and lead in long-term value creation

Value Protection

Create Long Term Value

Generate Positive Impact

Compliance & Risk Management

Value Generation

Group Operations

ESG Strategy Planning

CEO

MISSION

VISION

VALUES

ESG
STRATEGY
PLAN

ESG TEAM

CONCRETE
ACTIONS

- ❑ **CONNECTIVITY**
- ❑ **ENVIRONMENT**
- ❑ **LEADERSHIP & COMMUNITY**
- ❑ **EMPLOYEES, EQUALITY, DIVERSITY**
- ❑ **GOVERNANCE**

- ❑ **DATA COLLECTION AND ANALYSIS**
- ❑ **SUGGEST NEW ACTIONS**
- ❑ **SUPPORT ONGOING INITIATIVES**
- ❑ **COORDINATE THE OPERATING**
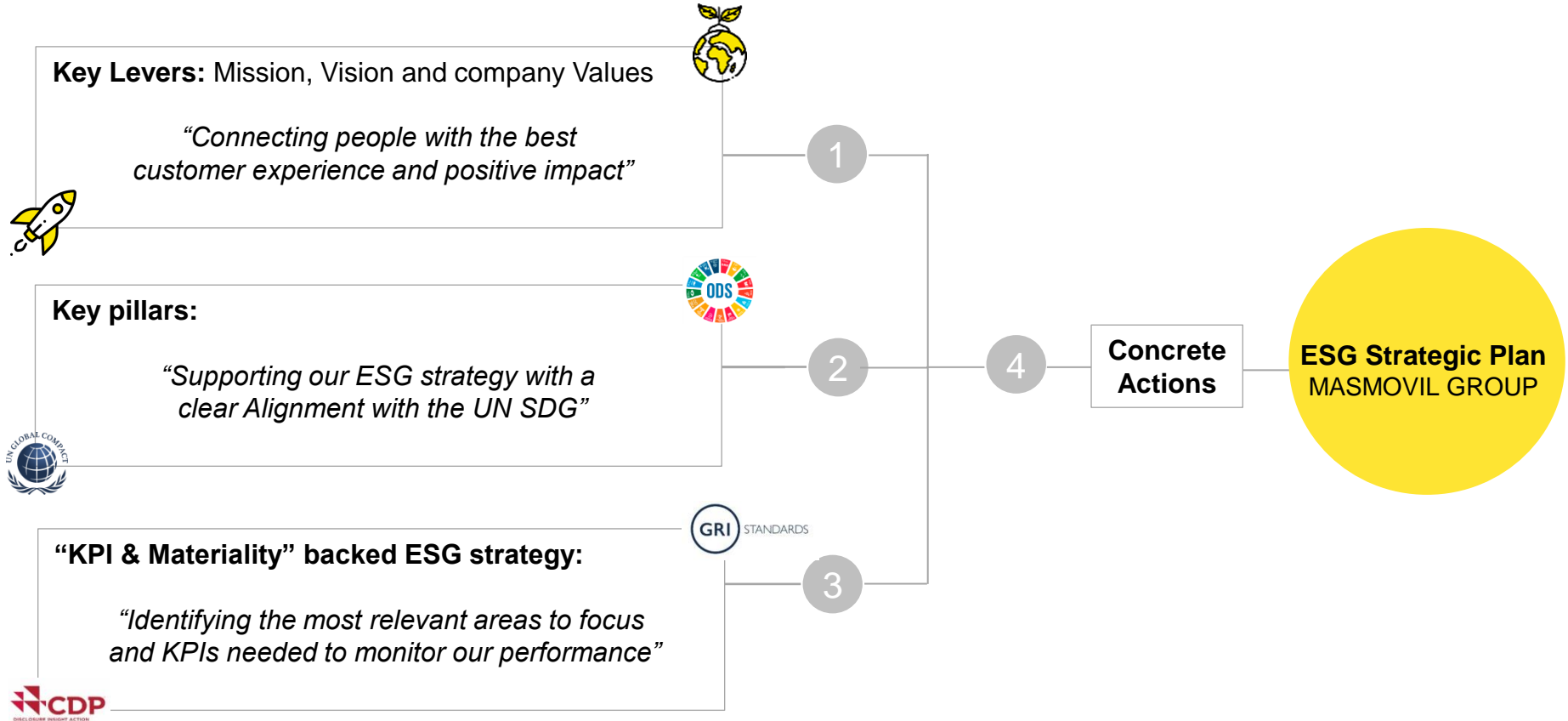 **AREAS IN THE COMPANY**

ESG Strategy Framework

We define our long-term strategy based on our mission, vision and values, with a UN SDG approach and short-term concrete actions in place

1   **Mission, Vision and Values:** levers around which we build our ESG long-term strategy

2   **Key pillars:** aligned with our contribution to the UN SDGs, we define the 5 key pillars of our ESG strategy

3   **"KPI & Materiality" backed ESG strategy:** identifying and addressing the most relevant areas and topics, either qualitative or quantitative, where we need to focus

4   **Concrete actions:** we define concrete short to mid-term actions to be implemented and tracked, built around these key pillars

5   **ESG linked financing:** tied to our ESG rating evolution

ESG Strategy Flowchart

Key Levers: Mission, Vision and company Values

"Connecting people with the best customer experience and positive impact"

Key pillars:

"Supporting our ESG strategy with a clear Alignment with the UN SDG"

"KPI & Materiality" backed ESG strategy:

"Identifying the most relevant areas to focus and KPIs needed to monitor our performance"

1

2

4

3

Concrete Actions

ESG Strategic Plan
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Mission and Vision

High quality connectivity with the best client experience and a long-term value creation focus

Mission

Connecting people with the latest available technology and ensuring best client experience

Vision

Being the telecom company with the highest client satisfaction in Europe and positive impact in people, our shareholder and the planet

Values

Our culture and way of doing things is our key differentiating factor

Client first always

• We care for them and avoid them any problem.

• We quickly identify any need to provide them with the best solution.

• We innovate to generate tangible quality and value for our clients.

Positivism

• We smile and work with enthusiasm and honesty.

• We dare trying new ways of doing things.

• We enjoy working, learn from our mistakes, and celebrate our achievements together

Simplicity

• We are pragmatic and fast.

• We look for simple and efficient solutions.

• We avoid unnecessary bureaucracy.

Sustainability

• We prioritize long term value creation above short-term benefit.

• We look for positive impact for our clients, employees, partners, shareholders and society.

• We take care of our environment

Key Pillars aligned with our contribution to the UN SDGs

ESG Strategy Plan structured around 5 key pillars with concrete actions put in place for each of them, aiming to strengthen sustainability and supporting our Business Plan

1. **Connectivity & Digital Breach reduction**
2. **Environmental management & sustainability**
3. **Leadership and community with suppliers and customers**
4. **Employee engagement, culture, equality & diversity**
5. Governance, Ethics and Transparency

Key Pillars: Lines of Action

1   **Connectivity and Digital Breach reduction (SDGs 4, 9, 11)**

Promote connectivity in rural and underserved areas

Facilitate access to high-quality broadband to less favoured population

Efficient infrastructure development

Sustainable networks based on agreements with other operators

Key Pillars: Lines of Action

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2 **Environment Management and Sustainability (SDGs 7,12,13)**

GHG emissions : Net Zero (Scope 1&2); measuring Scope 3; SBTi commitment

Environmental Management System (ISO 14001)

Circular economy and waste management

Green and efficient energy consumption (ISO 50001)

Mobility initiatives (e-bikes, car-sharing app)

Key Pillars: Lines of Action

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3 **Leadership and Community with Suppliers and Customers (SDG 17)**

Suppliers accountable for Code of Conduct

Supply chain risk assessment and mapping

Supporting and promoting positive impact from suppliers and customers

Customer engagement score analysis (NPS)

Key Pillars: Lines of Action

4 **Employee Engagement, Culture, Equality & Diversity (SDGs 3, 5)**

Inclusion, diversity and closing gender gap

Health & Safety programs

Talent attraction and retention (engagement score)

Training, evaluation and feedback

Key Pillars: Lines of Action

5 **Governance, Ethics and Transparency**

Code of Conduct

Corruption and fraude prevention

Cybersecurity and data protection

Unified corporate policies

KPI backed ESG strategy

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

1 **Connectivity & Digital Breach reduction**

Own network deployment in rural areas (below 8k and 20k population) providing high-quality broadband access

2 **Environment & Sustainability**

CO2 emmissions, consumption of electricity, fuel, water, paper, and others. Waste and recycling activities

3 **Leadership & community with Suppliers & Customers**

Code of conduct signed by suppliers, formal risk assesment in place, customer engagement score (NPS) and others

4 **Employee engagement, Equality & Diversity**

Leavers and voluntary leavers, absentee rate, injuries and workday loss, performance review coverage, engagement score, training hours, and others

Diversity plan and targets, share of female employees and directors, share of independent directors, gender pay gap, empoyees nationality and others

5 **Governance & Ethics, Cyber & Data Security**

Number of attacks, GDPR breaches, annual training for employees and others

Materiality Analysis

In our Sustainability Report 2022 (Statement of Non-Financial Report) we include our Materiality Matrix, identifying areas of critical relevance for stakeholders, mainly around climate, cybersecurity and ethics

Materiality Matrix MASMOVIL Group 2022
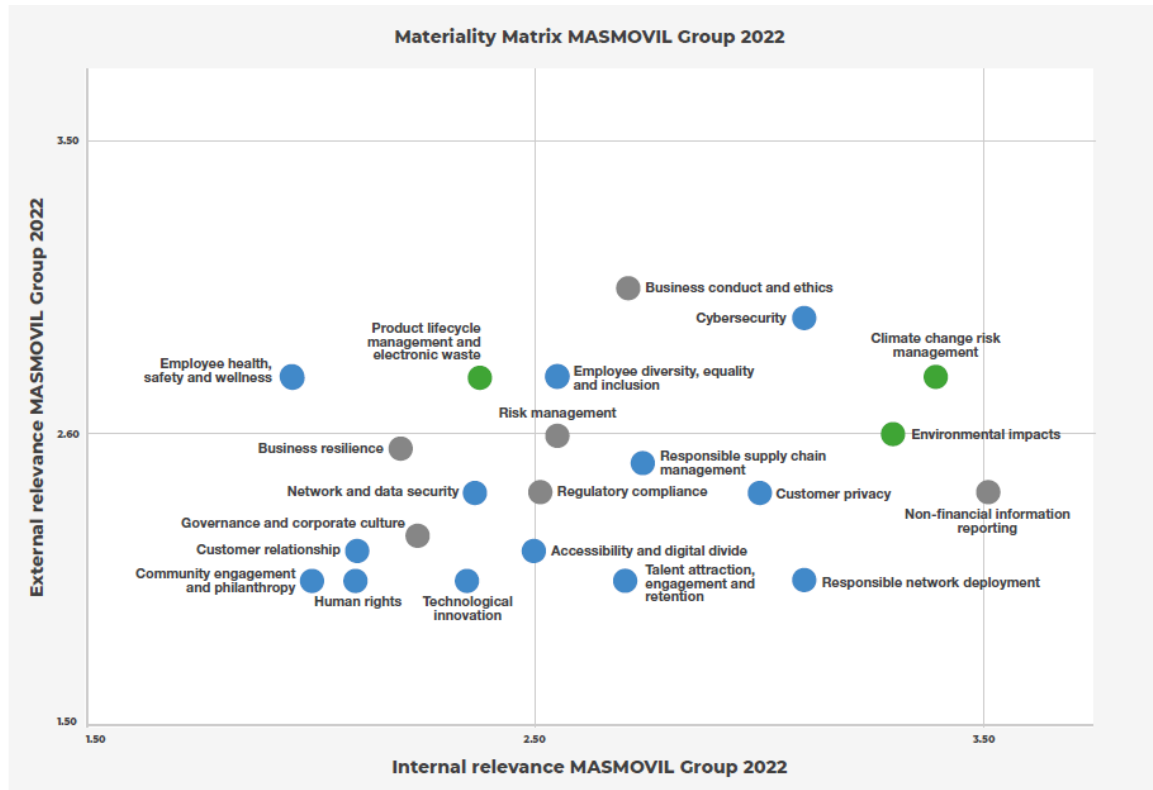
Concrete Actions

ESG Dashboard:

- ✓ Build and maintain an ESG control panel with all relevant KPIs
- ✓ Coordinate and collect data quarterly
- ✓ Analyze information and share with the units

Circular economy:

- ✓ Further introduce e-SIM cards in our brands
- ✓ Further reduce paper and plastic from packaging
- ✓ Use of recycled paper and from sustainable forests

New Certifications:

- ✓ ESG rating with Sustainalytics and Clarity
- ✓ ISO 45001 (H&S) to be extended to all group
- ✓ ISO 27001 (Information Security) to be extended to all group
- ✓ ISO 22301 (Business continuity) to be extended to all group
- ✓ Move towards unified ISO management system documents

Electricity:

- ✓ Electricity saving measures in our headquarters
- ✓ Reduce electricity consumption per GB in our mobile sites
- ✓ Focus on energy efficient Wifi 6/7 routers

Environment:

- ✓ Renew our Net Zero commitment for Scopes 1&2
- ✓ Measure Scope 3 emissions
- ✓ Commitment with SBTi, aiming to set and validate emissions reduction targets
- ✓ Green B2B events
- ✓ Reforestation initiatives

Mobility:

- ✓ Promote internal use of electric/hybrid cars and e-bike
- ✓ Recurrently measure employees' cars emissions
- ✓ Promote Car sharing initiatives for employees

Social:

- ✓ Boost take up of our our MASsolidaria tariff
- ✓ Reduce non-desired turnover ration
- ✓ Develop further our Diversity plan and improve parity ratios
- ✓ Corporate web page with renewed ESG focus

Recurrent actions:

- ✓ ESG ratings (Fitch, S&P, MSCI, CDP and others)
- ✓ Sustainability Report (Non-Financial Information report)
- ✓ ISO: 14001, 37001, 50001, 9001 y UNE 19601
- ✓ Sponsors and investors ESG questionnaires
- ✓ Internal audits, EMAS
- ✓ UN Global Compact filing