

## MASMOVIL (Lorca Telecom Bidco SA) receives a leading score for a convergent telco with proprietary infrastructure fix and mobile in the ESG Risk Rating from Morningstar Sustainalytics

- As of August 2023, MASMOVIL has received an **ESG Risk Rating of 14.1**, which indicates there is a low risk in regard to its Material ESG Issues.
- **Morningstar Sustainalytics** assessed that the **MASMOVIL Group's risk** of experiencing significant financial impacts due to ESG factors is **low**.
- This new rating, which places **MASMOVIL Group in a leading position in terms of sustainability**, comes after the one from **Sustainable Fitch**, which assigned the **Group the highest score for a telco in Europe**, as well as the rating from the prestigious global organization the **Carbon Disclosure Project (CDP)**, which awarded **MASMOVIL a B rating**.
- The MASMOVIL Group considers **Sustainability** to be one of its **core values** and its ESG strategic plan comprises a number of specific projects that create positive impact.

**Madrid, September 13, 2023.** The MASMOVIL Group has attained as of August 2023 a new particularly important milestone related to its commitment to **sustainability** and **ESG** criteria through obtaining an **ESG Risk Rating** assessed by the prestigious firm **Morningstar Sustainalytics**, rated as **low risk**, with a score of **14.1**.

This score places MASMOVIL in a **leading position as regards ESG issues** among the convergent telecoms operators with proprietary infrastructure, fix and mobile, ahead of its main competitors.

**Morningstar Sustainalytics**, with **over 30 years'** experience of delivering high-quality, analytical environmental, social and governance (ESG) research, ratings and data to institutional investors and companies, is one of the most prestigious institutions as regards ESG issues and covers **more than 20,000 companies in the world, in 172 countries**.

Morningstar Sustainalytics' ESG Risk Ratings measure a **company's exposure to industry-specific material ESG risks** and how well a company is managing those risks. Sustainalytics' ESG Risk Ratings provide a quantitative measure of unmanaged ESG risk and distinguish between five levels of risk: negligible, low, medium, high, and severe.

\*Lorca Telecom is in the 3<sup>rd</sup> percentile of Sustainalytics Global Telecommunication Services and Subindustry (24/08/23)

The reasons that prompted Morningstar Sustainalytics to recognise the MASMOVIL Group as one of the companies with the most progress in ESG initiatives include its **ESG risk management including environmental, social and governance issues**.

In terms of cybersecurity management, Morningstar Sustainalytics highlighted that the MASMOVIL Group recently received **ISO 27001 certification**, which is industry best practice. Furthermore, its **data privacy management** includes **governance structures, regular privacy risk assessments and regular employee training on data privacy issues**.

As regards **respect for the environment**, the company integrates physical climate change risks into regular risk assessments and its **IR & Chief Sustainability Officer, Chief Executive Officer, and Board Chair oversee climate-related issues**.

Finally, **more than 90% of the MASMOVIL Group's sites have received ISO 9001 quality management system certification** and in terms of human capital management, its talent development initiatives including a number of training programs. In order to calculate this rating, **Morningstar Sustainalytics** analyses the main risk factors such as: Data Privacy and Security, Human Capital, Product Governance, Carbon emissions, Corporate Governance, Human Rights, Resource Use and Business Ethics. In these last six factors, the **company was awarded a risk rating of "negligible"**, while in the **first two, its risk was calculated as "low"**.

This new rating comes in addition to one from **Sustainable Fitch, where the MASMOVIL Group obtained the highest score for a telco in Europe, as well as the one from CDP**, which awarded a B rating in climate change management recognizing MASMOVIL Group's adoption of coordinated measures on climate issues.

In the words of Javier Marín, Chief IR & ESG Officer at MASMOVIL Group, *"The commitment to sustainability and ESG is key. It is a source of pride and great satisfaction for us that international organizations of such prestige as Morningstar acknowledge our efforts in this respect"*.

### **Sustainability: a crucial value for the MASMOVIL Group**

The MASMOVIL Group includes sustainability and delivering a positive impact in all its operations among its core values.

In its ESG plan, the Group's goal is to generate value through specific environmental, social, and good governance initiatives. To this end, it has designed an impact strategy which has enabled it to meet targets such as:

- **Being a B Corp-certified corporation** (the first telecoms company in Europe and the largest corporation in Spain to be certified as B Corp).
- **Achieving net zero carbon emissions** (Scope 1 and 2) since 2020. It holds **ISO 14001 environmental management certification** (obtained in late 2020 and renewed in 2021 and 2022), as well as its first ISO 50001 certification for

energy efficiency (accomplished in 2022). The Sustainable Fitch rating is on a scale from 1 to 5, with 1 being the best outcome.

- Implementing other projects such as the **Diversity Plan**, the **Equality Plan**, and the **Social Discount Tariff** which makes connectivity available to vulnerable groups, thereby reducing the social divide.
- **Reducing the digital divide in rural Spain** through the rollout of fiber optics and 5G networks.
- Obtaining **real-time data on the emissions of employees' vehicles**, taking action to address the most polluting vehicles and achieving certified green-fleet status.
- Contributing to **emissions measurement schemes alongside various public authorities and other companies, through the CRETA project.**
- Making **responsible use of natural resources**. For example, the Group only uses 100% green energy, the same energy it offers its customers.
- "Pienso Luego Actúo" from Yoigo, a platform which provides a voice for people who have changed the world through their social projects and helps others to collaborate with them.
- **Supporting fields of study through Chairs at leading Spanish universities** to foster talent.

#### **About the MASMOVIL Group**

*The MASMOVIL Group is one of the operators in Spain to have experienced the most outstanding growth over the last few years. It provides fixed telephony, mobile lines, broadband Internet, and TV services, as well as new services such as energy, health, alarm system, and financial services, to residential and business customers and to operators.*

*It is not a traditional operator with heavy infrastructure, and yet it offers its customers access to extensive fiber-to-the-home (FTTH) coverage that reaches more than 28 million homes and 3G, 4G, and 5G mobile networks that cover 98.5% of the Spanish population, thanks to its hybrid strategy of combining its own and third-party infrastructure.*

*The 5G services launched by MASMOVIL are available in more than 1,700 municipalities around Spain. At the end of the first six months of 2023, the MASMOVIL Group had nearly 15.7 million mobile and broadband customers.*

*The MASMOVIL Group has been named the best broadband and fiber optic operator in Spain on a number of occasions via different awards. It is also the operator with the fastest fiber network in Spain, according to [a study by nPerf as well as the operator offering the best landline services](#).*

*MASMOVIL achieved **net zero carbon emissions for Scopes 1 and 2 in 2020 and in 2021** (including the Euskaltel Group in the calculation), becoming the first telecoms operator in Europe to reach this milestone and the telecoms operator with the lowest absolute residual emissions level. It is also the first telecommunications company in Europe to be a **Certified B Corporation** and it is firmly committed to achieving a positive environmental and social impact.*

*MASMOVIL has been owned by Cinven, KKR, and Providence Equity Partners since November 2020.*

#### **About Morningstar Sustainalytics**

*Morningstar Sustainalytics is a leading ESG research, ratings and data firm that supports investors around the world with the development and implementation of responsible investment strategies. Sustainalytics works with hundreds of the world's leading asset managers and pension funds who incorporate ESG and corporate governance information and assessments into their investment processes. The firm also works with hundreds of companies and their financial intermediaries to help them consider sustainability in policies, practices, and capital projects. For more information, visit [www.sustainalytics.com](http://www.sustainalytics.com)*

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**Certified**

This company meets the  
highest standards of social  
and environmental impact

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