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ESG Policy

MASORANGE Group

(This document has been translated from the current valid Spanish version for informational purposes only. If in doubt, please refer to the Spanish version)

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Reference to other documents

MASMORANGE Group Ethics Code

MASORAGNE Group Privacy Policy



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2. Purpose

The MASORANGE Group is the Business Group made up of those companies that form part of the business group whose controlling entity is MASORANGE, S.L. References in this Policy to the MASORANGE Group or the Company must be understood as applicable to each and every one of the business companies that comprise it.

The Board of Directors of MASORANGE, S.L. (the "Company") has the non-delegable power to determine the general policies and strategies of the Company.

In accordance with the above, the Board of Directors of the Company is competent to design, evaluate and permanently review the corporate policies that contain the guidelines that govern the actions of the Company.

Among the corporate policies is this ESG (Environment, Social and Governance) Policy that establishes the basic principles and the general framework for the actions of the Company and the companies in its Group for the management of Sustainability practices. In this sense, corporate social responsibility allows the social interest of the Company to be reconciled with the legitimate interests of the different Interest Groups, as this term is defined below, that may be affected (the "Social Responsibility"). Within the scope of ESG, the aspects related to the environment are framed and detailed within the "Environment and Energy Policy".

For the purposes of this document, the Group shall be understood to mean the Company and all its subsidiaries and affiliates that are in the situation of article 42 of the Commercial Code.

Through the General ESG Policy, Social Responsibility is integrated into the Group's business model and its strategy, developing a culture of Social Responsibility in the Company and in the companies of its Group, aimed at:

- a) Contribute to the creation of value in a sustainable manner for society, citizens, clients, suppliers, shareholders and communities in which the Company and the companies of its Group carry out their activities.
- b) Provide equitable compensation to all groups that contribute to the success of its business project.
- c) Consider the social return on the Company's investments, such as the generation of employment and wealth with a long-term vision, which seeks a better future, without compromising present results.
- d) Promote the protection of the planet and respect for the environment, contributing to the fight against climate change.



The Board of Directors of the Company assumes that one of the basic premises for the success of its business project is the sustainable development and well-being of people, which contribute to the achievement of the social interest.

Aware of this reality, the Company contributes by directing its business activity towards a strategy that implicitly includes Social Responsibility and the generation of Positive Impact, with measures aimed at:

- a) Establish strong and permanent links, taking into consideration the interests of its staff, shareholders and the financial community, regulatory bodies, customers, suppliers, the media, society in general and the environment (the "Stakeholders").
- b) Promote digital transformation through investment in digital, secure, inclusive and sustainable telecommunications, contributing to the objectives of the European Digital Agenda and realizing its purpose of (re)connecting people by putting technology at the service of the best experience.

In this regard, MASORANGE is committed to innovation and investment in technology, aware that both are a driver for transformation and can have a positive impact on society (e.g. IoT for smart cities, electricity and waste management, etc.).

Our ESG policy responsibly manages the positive and negative impacts, as well as short, medium and long-term risks and opportunities related to sustainability. The ESG management model is a key cross-cutting element to fulfil the Company's purpose and is based on five attributes:

1. **Activate the Purpose:** Putting purpose into action to achieve a positive impact on society and the planet.
2. **Being close:** maintaining a fluid dialogue with stakeholders to accelerate the identification of social, environmental and good governance needs.
3. **Business integration:** building a mutually beneficial relationship between sustainability and business.
4. **Scalable impact:** Prioritize and focus on scalable initiatives to maximize positive impact.
5. **Simplicity:** coordinating the efforts and responsibilities of the entire organization, facilitating synergies.

Governance:

- The ultimate responsibility for ESG matters is assumed by the Board of Directors and the CEO of MASORANGE as the director responsible for the matter.

The supervisory function shall be assumed by the Audit and Risk Committee, as a delegated body of the Board of Directors, in accordance with the provisions of Article 5.2 of the Audit and Risk Committee Terms of Reference.

- The guidelines will be defined in our ESG Strategic Plan, which will be reviewed and updated annually, and which defines the Group's long-term commitment to creating



positive impact, creating value and reducing risks, through an action plan and concrete measures to develop it.

- In this regard, the MASORANGE Group will determine, update and communicate transparently through the corresponding channels the most relevant metrics and objectives related to its ESG strategy and which will take as reference the basic pillars defined in the Strategic Plan of ESG.
- Additionally, ESG is assumed internally as a transversal responsibility that must involve the entire Group and its business areas under the direction of our CEO and the Board of Directors, and the supervision of the Audit and Risk Committee.

3. Scope

The present Policy is binding on all areas, departments and work teams of the Group, both in their internal relations and in their relations with third parties.

All users of the Group's IT resources and/or Information Systems shall have permanent access to this Policy during the time they are performing their duties.

4. Development

4.1 Goals specific of the ESG General Policy

The fulfilment of the Company's corporate interest, as defined in its Articles of Association, requires the adoption of corporate social responsibility policies that favour the sustainable operation of its corporate purpose and the creation of long-term value and positive impact for the Company and its Stakeholders.

The instruments put in place are intended to:

- a) To improve the competitiveness of the Company and its Group companies through the development of management practices based on innovation, equal opportunities, productivity, profitability and sustainability.
- b) Contribute to the enhancement of the Group's reputation and external recognition.
- c) To responsibly manage the risks and opportunities derived from the surroundings, the environment and its evolution, maximizing the positive impacts that its activity may have on the territories in which it operates and minimizing, as far as possible, the negative ones.
- d) Fostering a culture of ethical behavior and business transparency to generate credibility and trust among stakeholders, including society as a whole.



- e) Promote relationships based on trust and the creation of value for all its stakeholders, providing a balanced and inclusive response to all of them.

4.2 General principles for action

In order to achieve the specific objectives in the area of Corporate Social Responsibility, the Company adopts the following general principles of action:

- a) Compliance of the legality current: that entails adopt and implement, of complementary and voluntary manner, commitments, rules and guidelines, basing their relations with the competent public authorities on loyalty, trust, professionalism, collaboration, reciprocity and good faith.

Specifically, in ESG matters, the Group undertakes to comply with current applicable legislation and to publish its Sustainability Report with the frequency and breakdowns required by current legislation at all times.

- b) Support to the Covenant World of Nations United: through his divulgation and integration of its principles into society, particularly in the areas of human rights, labour practices, the environment and the fight against corruption.
- c) Respect for Human Rights: The Company is committed to respecting and promoting internationally recognised human rights in all its operations, ensuring that its activities and those of its supply chain do not contribute to the violation of these rights. This includes the protection of labour rights, equal opportunities, non-discrimination and the rejection of child labour, forced labour or any form of exploitation.
- d) Ethical commitment: The Company is committed to carrying out its activities in an ethical, transparent manner, in line with regulatory requirements, acting in accordance with the principles set out in its Code of Ethics, which regulates the responsible behaviour of all Group professionals in the performance of their activities.
- e) Promoting free market practices: rejecting any type of illegal or fraudulent practice in this area, implementing effective mechanisms for the prevention, monitoring and sanctioning of irregularities. In particular, the Company undertakes to pursue and report any corrupt practice that may be evident in the Company or the companies in its Group.
- f) Development of advanced corporate governance practices: in line with good corporate governance recommendations, generally recognized in international markets, based on business transparency and mutual trust with Stakeholders.
- g) Promoting communication and dialogue channels: fostering relations within the Society and of the companies of his Cluster with their shareholders, investors,



employees, customers, suppliers, communities and in general, with all its Interest Groups.

4.3 Specific policy principles

4.3.1 Sustainable value creation

The creation of sustainable value is the main foundation governing the policies, strategy and operations of the Company and the Group's companies. It entails, among others, the equitable remuneration of all groups that contribute to the success of the business project and the consideration of the social return on new investments, generating employment and wealth for society, with a long-term vision that seeks a better future without compromising present results, such as, for example, extending universal access to new telecommunications, with economically affordable and socially inclusive models.

4.3.2 Transparency

Transparency is essential to transmit confidence and credibility, both to the markets and to investors, employees and other stakeholders. Therefore, the Company undertakes to:

- a) Disseminate relevant and reliable information on the Group's performance and activities.
- b) To promote transparency, assuming the commitment to prepare and publish annual financial and non-financial information on its activity, following, for the latter, the regulations in force, as well as accepted methodologies and submitting the information to independent external verification.

4.3.3 Shareholder and investor relations

The Company's shareholders and investors are the main stakeholder group with which the Group interacts. The principles of action that guide this relationship are:

- a) Loyalty, good faith and transparency in the exercise of rights and fulfilment of duties within the framework of the corporate interest as a priority over the individual interest of each shareholder.
- b) Responsible exercise of rights and performances of duties by shareholders and holders of rights or interests in shares subject to the principle of equal treatment
- c) Informed participation of shareholders in the General Shareholders' Meeting, by means of appropriate measures to facilitate the effective exercise by the latter of its functions and powers under the law and corporate governance rules.



4.3.4 Relationship with the employees

The Company considers its employees to be a strategic asset. It therefore provides a good working environment and encourages their development, training and equal opportunities. In this way, the Company seeks to promote and retain talent and to foster the personal and professional growth of all the people who belong to its human team, making them participants in its business success project and guaranteeing them a dignified and secure job.

The interrelationship of the various Group companies with their employees is governed by the following principles:

- a) Respect for human and labour rights recognized in national and international legislation. In particular, those whose violation degrades the workers' collective, rejecting child labour and forced or compulsory labour and respecting freedom of association and collective bargaining.
- b) Equal opportunities in attracting and retaining talent: under a favourable framework of labour relations based on non-discrimination and the consideration of diversity in all its variables, facilitating measures for the integration of disadvantaged groups and those with different abilities, and for the reconciliation of personal and working life.
- c) Equal opportunities, diversity and equity: The Company is committed to creating an inclusive work environment that ensures equal opportunities for all employees, regardless of gender, age, ethnicity, sexual orientation, religion, abilities or other personal characteristics, by implementing active policies to prevent discrimination, ensuring fairness in selection, promotion and compensation processes, and promoting pay equity.
- d) Talent development and qualification: fostering training and skills development, career advancement and adapting human resources to a diverse, technological and multicultural working environment.
- e) Occupational health and safety: ensuring, in all its spheres of influence, a safe working environment that promotes the health and well-being of employees through health programmes, work-life balance initiatives, and benefits that support holistic well-being, such as flexible working arrangements.

4.3.5 Relationship with the customers

Knowing the needs and expectations of customers in order to offer them the best solutions, defending the proper functioning of the market in free competition and continuously striving to care for and increase their satisfaction with sustainable products and services, is the main objective of the Company in this area. To this end, it assumes the following principles of action:



- a) Respect and comply with the rules that regulate communication and marketing activities and accept the voluntary codes that bring transparency and truthfulness to these actions.
- b) To ensure the protection of the health and safety of its customers in all the life cycles of the products it markets, by complying with the applicable regulations in each case and by training and informing consumers.
- c) Adopt the necessary instruments to ensure, in accordance with the provisions of the Code of Ethics, the confidentiality of customer data.
- d) Monitor the quality of the service provided to its customers through customer satisfaction surveys and customer service.
- e) Commitment to accessibility and affordability: Offer affordable and accessible products and services for all, including vulnerable groups, to reduce the digital divide and contribute to universal access to connectivity.
- f) Protection of privacy and data security: To guarantee the protection and confidentiality of customer data, complying with data protection regulations and applying security measures to prevent unauthorized access.

4.3.6 Relationship with suppliers

It is essential to ensure that all those involved in the value chain of the Group's companies respond and comply not only with current legislation and the corporate governance system, but also with generally accepted principles of ethics, sustainability and the environment, as well as corporate social responsibility. To this end, the Group adopts the following principles of action:

- a) In accordance with the provisions of the Code of Ethics, relations with suppliers will be based on trust, integrity and respect to ensure the best possible service to the Group's customers. In this regard, suppliers are expected to respect principles equivalent to those of the Code of Ethics.
- b) The Group sets environmental objectives for the protection of the environment and public health, the conservation of natural resources, the reduction of the environmental impact of hazardous materials and the reduction of CO2 emissions. In this regard:
 - In the supplier selection and approval processes, the Group will positively value the obtaining of environmental, governance and sustainability certifications by suppliers.
 - The Group recognizes the value of purchasing products with a low content of toxic and hazardous products that minimize the environmental impact and requires its suppliers to support this effort whenever possible.
 - The Group will promote the purchase of products with low consumption and energy efficiency labels.



- The Group seeks to reduce the environmental impact of paper consumption, promoting the purchase of recycled paper.
 - The Group recognizes the value of purchasing sustainable products and requires its suppliers to support its efforts whenever possible.
- c) The group identifies as social objectives improving the digital skills of the communities with which it works and promoting diverse and inclusive employability as well as respect for human rights throughout the value chain and subcontracting.

In this regard, the selection and approval processes for suppliers must take into account the incorporation of people with disabilities in accordance with the General Law on Disability, as well as the development of social action and corporate volunteering policies.

Additionally, the group undertakes to monitor compliance in its value chain with regard to respect for Human and labour rights recognized in national and international legislation. In particular, those whose violation degrades the group of workers, rejecting child labour and forced or compulsory labour and respecting freedom of association and collective bargaining.

4.3.7 Relationship with communities

The Group carries out its activity in contact with local and global communities. This continuous interaction with society and its communities favours a better understanding of the needs of the groups that the communities serve. Therefore, the Group undertakes to:

- a) Adopt the necessary instruments to develop social action projects aimed at improving the digital skills of citizens, reducing the digital divide and improving people's quality of life through the use of technology within the framework of Corporate Social Responsibility, including the social activity of the group's companies and Foundations.
- b) Develop a continuous and respectful dialogue with local and global communities that defend the interests of socially relevant groups, incorporating their demands and concerns, as far as possible, in its social action and corporate reputation.
- c) Communicate our social purpose and positive impact to local and global communities, making our objectives known and involving them.
- d) Conduct the necessary research to identify at all times the main risks and opportunities that civil society faces in digital aspects in order to incorporate, to the extent possible, these analyses as inputs to business models.
- e) Implement a corporate volunteering program that helps the most needed communities to cover basic needs in the digital environment and help reduce the digital divide.
- f) Implement a corporate volunteering program that helps the communities most in need to cover basic needs in the digital environment and help reduce the digital divide.



4.3.8 Relationship with institutions

The Group carries out its activity in continuous contact with institutions, public administrations and the public sector in the broadest sense. It is essential to ensure that contact with institutions and public bodies takes place in a context of absolute transparency, respect for institutions and good governance that ensures strict compliance with current legislation. Therefore, the Group undertakes to:

- a) Adopt the necessary instruments to develop institutional relations activity in accordance with the ethical and transparency principles derived from the group's code of ethics and anti-corruption measures
- b) Develop a continuous and respectful dialogue with institutions, public administrations and the public sector in the broadest sense, channeling their demands and concerns, as far as possible, towards all areas of the Group.
- c) Transfer our purpose and business model to institutions, public administrations and the public sector in the broadest sense, generating the trust of a business Group that is respectful and committed to the social, economic and environmental sphere of the place where it operates.

4.3.9 Relationship with regulatory bodies

The Group carries out its activity in continuous contact with national and European regulatory bodies. It is essential to ensure that contact with regulatory bodies takes place in a context of absolute transparency, respect for institutions and good governance that ensures strict compliance with current legislation. Therefore, the Group undertakes to:

- a) Adopt the necessary instruments to develop the activity of relations with regulatory bodies in accordance with the ethical and transparency principles derived from the ethical code and the anti-corruption measures of the group
- b) Develop a continuous and respectful dialogue with regulatory bodies, channeling their demands and concerns, as far as possible, towards all areas of the Group.
- c) Transfer our purpose and business model to regulatory bodies, generating the trust of a business Group that is respectful and committed to the social, economic and environmental sphere of the place where it operates.

5. Policy Monitoring

The Board of Directors shall periodically assess the effectiveness of this General ESG Policy and shall take appropriate measures to address any shortcomings and make any amendments it deems necessary.