

## POLICY ON NON-FINANCIAL INFORMATION STATEMENT

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|---------------------------|--------------------|
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*Policy approved by the Board of Director of Lorca Telecom, S.A. at its meeting of September 29<sup>th</sup>, 2022.*

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## **I. INTRODUCTION**

The Code of Ethics of the MASMOVIL Group (hereinafter "the Group" or "the Company") establishes the principles and guidelines of business conduct under which the Company should be conducted, in order to guarantee that the actions of all its members comply with both current legislation and the strictest ethical principles.

The Board of Directors of LORCA TELECOM BIDCO, S.A. ("MASMOVIL" or the "Company") has the power, which cannot be delegated, to determine the general policies and strategies of the Company.

In accordance with the above, the Board is responsible for designing the non-financial information reporting policy that will apply to the Company and its Group companies.

## **II. PURPOSE**

The purpose of this Policy is to set out the basic principles of action for the reporting of non-financial information and diversity in accordance with the law, in order to provide a balanced, reasonable, reliable and adequate picture of performance on non-financial information and diversity, and should therefore cover both positive and negative or less favourable contributions, if any.

In this sense, MASMOVIL is an organization obliged to present a consolidated Non-Financial Information Statement (hereinafter, "NFIS"), as it complies with the requirements established in Law 11/2018, of December 28, amending the Commercial Code, the revised text of the Law on Corporations approved by Royal Legislative Decree 1/2010 of 2 July and Law 22/2015 of 20 July on the Auditing of Accounts, with regards to non-financial information and diversity.

MASMOVIL's NFIS will be included in the Group's consolidated Management Report.

## **III. SCOPE OF APPLICATION**

This Policy applies to:

- a) MASMOVIL and all the companies comprising its Group.
- b) The members of the administrative bodies of MASMOVIL.

- c) The employees and managers of any of the companies that make up the Group.

It is the responsibility of each and every one of the employees to strictly comply with what is established herein, and it is the responsibility of the managers to explain and make this regulation known among their collaborators.

#### **IV. BASIC PRINCIPLES OF REPORTING NON-FINANCIAL INFORMATION**

The disclosure of non-financial or CSR-related information helps to measure, monitor and manage the performance of companies and their impact on society.

The NFIS should include information necessary to understand the evolution, results as well as the situation of the Group and the impact of its activity with regards to environmental, social and personnel issues, information on the respect of human rights, information on the fight against corruption and bribery and information on society.

MASMOVIL's NFIS must include specific, relevant and material information on the Group, taking into consideration the EC guidelines of July 2017. Likewise, the MASMOVIL NFIS complies with the principles of comparability, materiality, relevance and reliability.

- **Comparability**, the information must be reported according to standards of non-financial key management indicators that allow comparability both in time and between organisations.
- **Reliability**, the information must be susceptible to revision, favouring the integrity and quality of the information required for the reporting of non-financial information.
- **Relevance**, the information must be of the necessary importance and significance for the organization's stakeholders.
- **Materiality**, the information should be unique and useful, serving as a basis for the organization to define its business strategy considering those key factors for the business.

#### **V. FRAMEWORK OF ACTION**

##### **a) Materiality analysis**

Materiality is the principle that determines which relevant issues are important enough to make it essential to report on the corresponding indicators.

MASMOVIL's materiality analysis should serve as the core of its NFIS, defining a materiality matrix through a combination of internal and external factors for the assessment of material aspects.

This materiality analysis must be determined around two aspects:

- I. The impact of non-financial issues on the entity and,
- II. The impact of society on the environment in these aspects.

MASMOVIL should consider this double aspect essential to identify the non-financial information that is relevant for the organisation's stakeholders, ensuring that no material aspect is omitted for the Group.

The Group should explain in its NFIS how its materiality matrix has been developed, defining the criteria for identifying the main stakeholders, how they are positioned in the value chain and what their information needs are, as well as what the time horizon for the report is.

#### **b) Reference frameworks**

The organisation must report its EINF on the basis of both national and international reference frameworks as well as European Union frameworks. These include, among others, the Eco-Management and Audit Scheme (EMAS), the United Nations Global Compact, and the United Nations' Sustainable Development Goals (SDG), the Paris Agreement on Climate Change, the ISO 26000 standard from International Organization for Standardization, the IS 8000 standard from the International Social Responsibility, the Organization for Economic Cooperation and Development (OECD) Guidelines or the Global Reporting Initiative (GRI), among others, and the frameworks used for their development should be indicated in the NFIS.

## **VI. ROLES AND RESPONSIBILITIES**

The information included in the NFIS must be sufficient for the market and investors to understand the scope and importance of the corresponding facts and risks, so it must be clear what the perimeter or scope of the information reported is in general terms and for each KPI in particular, providing information that allows external agents to assess the impact of the information excluded from the scope.

The Group's control environment stems from the governing bodies and top management, which influence the rest of the organization through their own

actions and behaviour, with the establishment of tools and controls aimed at covering the Group's significant risks.

An adequate model for drawing up the NFIS requires a clear definition and communication of roles and responsibilities, ensuring the appropriate segregation of functions, for which MASMOVIL has defined the following:

1. **Board of Directors**, ultimately responsible for ensuring that all information reported in the NFIS is adequate and effective, as well as for the approval of the NFIS, once it has been favourably reported by the Audit and Control Committee.
2. **Senior management**, responsible for planning the supervision tasks in the NFIS, as well as supervising the tasks and work carried out by the areas involved in reporting non-financial information.
3. **Internal Audit (in coordination with the Investor Relations Department and ESG)**, whose responsibility will be to prepare and coordinate the annual work plan establishing the activities for updating and reviewing the NFIS, to hold regular meetings both internally (with the areas involved) and externally (with the NFIS verifier) to supervise the different phases of the work of preparing the NFIS and to send the different drafts of the NFIS to the external verifier for discussion of the information reported. It will also follow up on the proposed recommendations and action plans and communicate the results of the NFIS to the Audit and Control Committee and the Governing Board.
4. **Areas/departments involved**, whose responsibility will be the collection and delivery of the information requested with the periodicity established in the work plan, as well as holding a series of regular meetings both internally (with the entire team responsible for preparing the NFIS, work coordinator, etc.) and externally (with the NFIS verifier). The areas involved will be proactive in identifying new risks that may affect the Group's non-financial information and will send the evidence requested by the external verifier.

## VII. MONITORING, REVIEW AND APPROVAL

The Internal Audit Department, in coordination with the Investor Relations Department and ESG, will monitor the NFIS, supervising the tasks and work carried out by the areas involved in the reporting of non-financial information, and

discussing with the external auditors the recommendations and/or weaknesses detected in relation to the different areas required by Law 11/2018.

The NFIS must be signed by the Administrators, once it has been favourably reported by the Audit and Control Committee, who will be responsible for its veracity. If any of them do not sign it, the reason must be explained. The company's directors must prepare the NFIS within three months after the end of the financial year.

Likewise, the NFIS must be submitted for approval by the General Shareholders' Meeting as a separate point on the agenda.

The information reported in the NFIS must be compulsorily verified by an independent verification service provider in order for the information to be free of relevant errors.

#### VIII. VERSIONS HISTORY

|                        |             |                |
|------------------------|-------------|----------------|
| <b>Current versión</b> | 2.0         |                |
| <b>Changes History</b> | <b>Date</b> | <b>Version</b> |
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