



ESG Report

Positive Impact

MasOrange 2024



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1. Letter from the CEO

Introduction by Meinrad Spenger, Chief Executive Officer

We are proud to present MasOrange's first ESG Impact Measurement Report, which marks a milestone in our history following the recent merger between Grupo MASMOVIL and Orange. This report symbolizes our evolution as an organization committed to sustainability, connectivity and service excellence, integrating the best of two great companies.

MasOrange thus advances in its purpose to not only be the best company in the world but also the best company for the world, thanks to the integration of ESG attributes into business decision-making. This consolidates our position as a benchmark in positive impact.

MasOrange generated a positive impact of more than €18.77 billion on Spanish society in 2024

This figure reflects the magnitude of our commitment, translating into tangible value for society and the environment. It demonstrates how sustainability is embedded in our company's DNA, with positive impact being one of our core values. Moreover, the results are integrated into management, enabling us to make the most appropriate decisions to align the business with our ESG strategy.

The report is structured around the six pillars of our ESG strategy: secure connectivity and customer experience, digital inclusion, energy and climate change, circular economy, governance and business ethics, and people and talent. These are grouped into three broad categories: social development and digital inclusion, committed to the planet, and ethical leadership and people.

Some of the most relevant initiatives highlighted in this report include, for example, the improvement of connectivity in rural areas, a task we consider essential to reducing the digital divide in Spain. Thanks to the enhanced capabilities following the merger, we have expanded our fiber and 5G coverage to areas that were previously difficult to reach, including those with complex geographies. While the challenge is significant, we are committed to offering the best possible service and continually improving the quality of life for our customers in every corner of the country.

From large cities to the most remote corners of rural areas, our mission is to make connectivity a lever for equality and development

In addition, MasOrange is a leader in the use of 100% renewable energy and has neutralized direct carbon emissions (Scopes 1 and 2) this year. This is part of our commitment to achieve Net Zero Carbon Emissions by 2040. The commitment is clear: fewer emissions, more innovation, and a business model aligned with the future of the planet.

One of our main priorities is the well-being and satisfaction of our people – both customers and employees. With a highly committed team, our goal is to remain the company with the most satisfied customers in the market. We are determined to continue working towards reaching new standards of excellence.

Beyond this, we embrace our social responsibility through donations and sponsorships to organizations across various fields, volunteer programs, and numerous alliances and collaborations aimed at promoting innovation, talent, and entrepreneurship, among other objectives. These initiatives support equal opportunities and foster effective social integration within our communities.

To conclude, this report reflects that, beyond connecting people, MasOrange has made a significant global impact on the economy, sustainability, and social welfare, demonstrating that technology must not only be innovative but also responsible and human. At MasOrange, we understand that the future of companies will depend on their ability to create economic, social, and environmental value simultaneously, because the future is digital, sustainable, and equitable. We aim to move forward together to build a positive legacy that inspires meaningful and lasting change.

Meinrad Spenger, Chief Executive Officer.



2. Executive summary

CONTEXT

In today's business environment, sustainability has evolved from being an add-on to becoming a strategic pillar. Companies across all sectors now face increasing regulatory pressure, consumer and investor expectations, and the need to manage risks and opportunities associated with the climate transition. These factors affect operational resilience and determine a company's ability to generate long-term sustainable value.

The telecommunications sector plays a key role in driving digital transformation and the transition to a more sustainable economy. In this context, MasOrange, as a leading operator in Spain, strengthens its commitment to sustainability with the presentation of its first **Positive Impact Measurement Report**. This initiative marks a significant step in integrating ESG criteria into its strategy and consolidates the impact assessments previously initiated by Grupo MASMOVIL and Orange.

ESG impact measurement is essential for assessing how a company's activities, products and services affect society, the economy and the environment. Since the 1990s, frameworks such as the Global Reporting Initiative (GRI) and the Triple Bottom Line (TBL) concept have driven the need to report and manage these impacts. The adoption of the UN Sustainable Development Goals (SDGs) in 2015 further accelerated this trend, encouraging companies to align their actions with global goals.

To ensure the consistency and comparability of its results, MasOrange has adopted reference methodologies, notably those of the **International Foundation for Valuing Impacts (IFVI)** and the **Impact Weighted Accounts Initiative (IWAI)**, developed by the prestigious Harvard University. This methodology allows us to accurately quantify impact and is complemented by international standards such as GRI, Integrated Reporting (IR) of the IIRC and the SASB (Sustainability Accounting Standards Board). It also reinforces MasOrange's commitment to transparency and credibility, ensuring that its sustainability strategy is aligned with material risk management and regulatory requirements.

Beyond information disclosure, sustainability must be embedded into corporate strategy to strengthen the company's resilience and competitiveness.

MasOrange not only measures its impact but also integrates these results into its strategic decision-making, aligning its investments, operational planning, and growth model with sustainability criteria

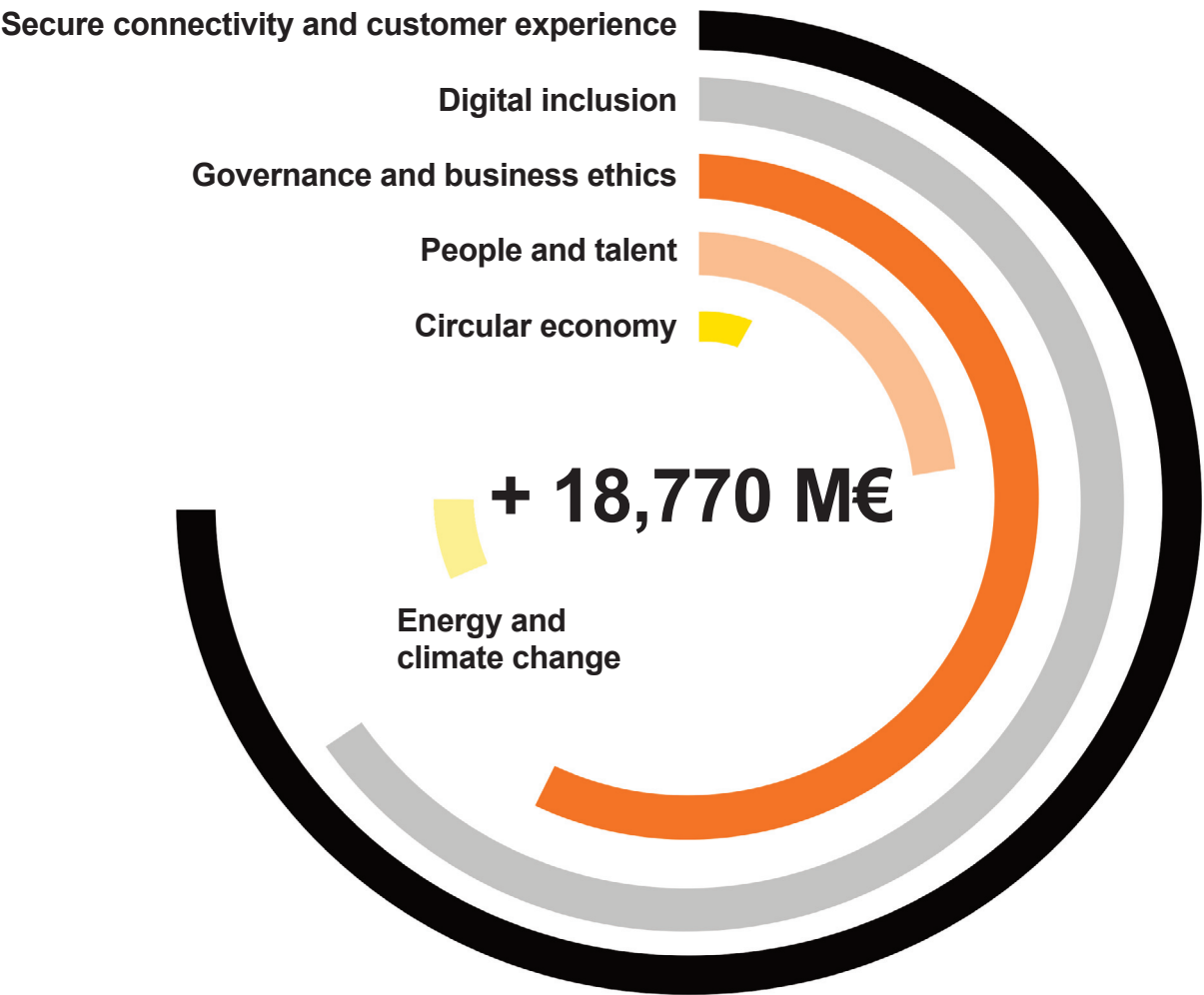
The **Double Materiality** analysis, conducted after the creation of MasOrange and based on an active listening process with all its stakeholders, was key to formulating its ESG strategy. This exercise made it possible to identify and assess the positive and negative impacts as well as the risks and opportunities that environmental, social and governance issues represent for the company. Thanks to this approach, MasOrange has been able to define strategic priorities aligned with its purpose, facilitate more effective management of negative externalities and maximize its positive impacts, thus reinforcing the company's long-term viability.

As a key player in digitalization and connectivity, MasOrange recognizes that its role extends beyond regulatory compliance and operational efficiency. In other words, its impact goes beyond its own business and contributes to social, economic, and environmental development. Measuring and communicating its positive impact is not only a responsible management practice, but also a commitment to systemic change. Through innovation and the integration of sustainability principles into its business model, MasOrange seeks not only to generate value for its shareholders, but also to accelerate the transition to a more equitable and sustainable economy.

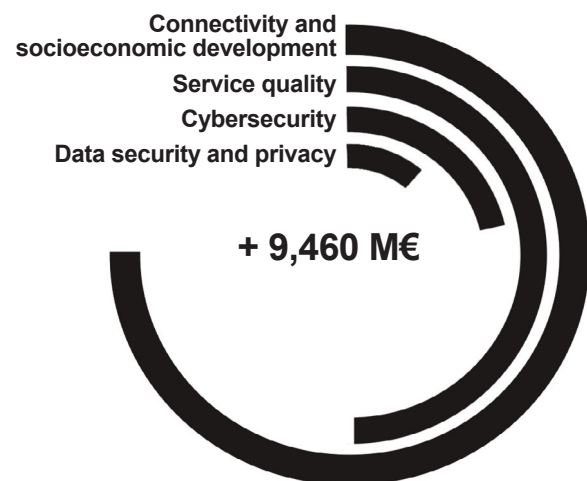
In this context, the company reaffirms its leadership in sustainability, aligning its business purpose with a vision of transformational impact. The ability to mitigate risks, drive innovation, and generate shared value has become a key differentiator for its long-term success.

RESULTS

According to the impact assessment model developed for each of MasOrange's ESG strategic pillars, the company generated a positive impact of over €18.77 billion on Spanish society in 2024. This analysis is structured around six impact areas, aligned with its sustainability strategy:



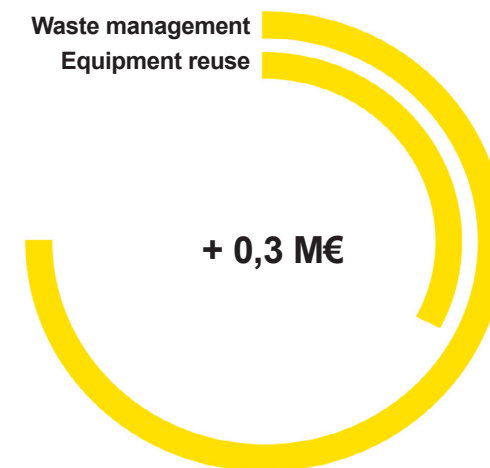
SECURE CONNECTIVITY AND CUSTOMER EXPERIENCE



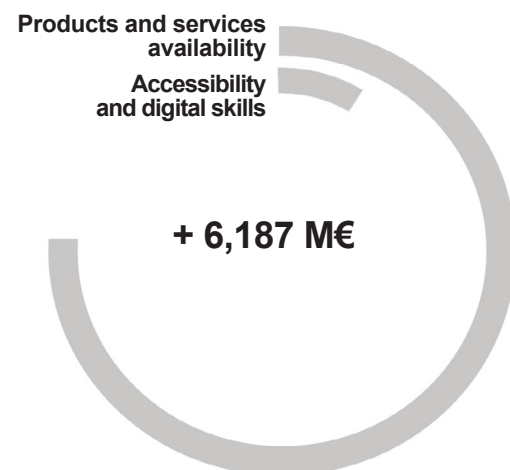
GOVERNANCE AND BUSINESS ETHICS



CIRCULAR ECONOMY



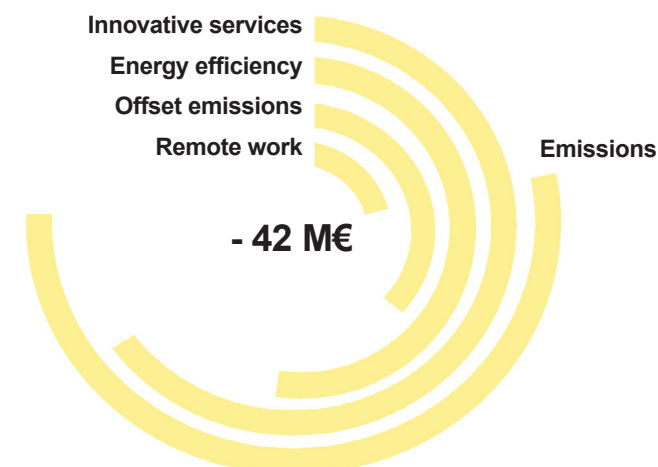
DIGITAL INCLUSION



PEOPLE AND TALENT



ENERGY AND CLIMATE CHANGE



3. About this Report

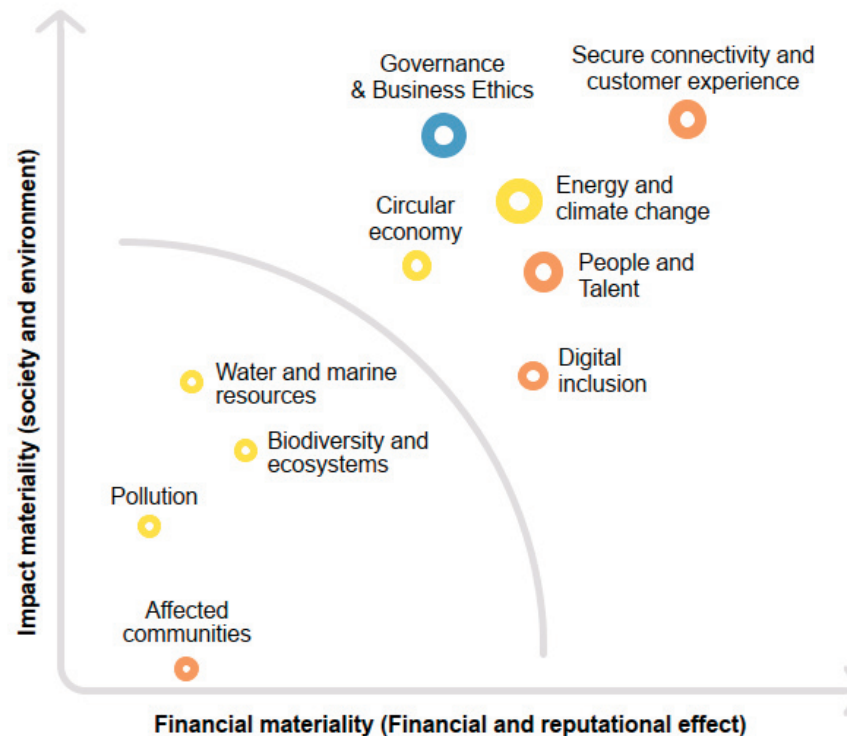
OBJECTIVE AND SCOPE

MasOrange is committed to creating a positive impact on society and the environment through solutions that foster sustainable development. To assess this impact, the company focuses on three key pillars:

- **ESG Integration:** Incorporating ESG criteria into strategy and operations, ensuring alignment with global commitments.
- **Support decision making:** Transforming ESG analysis into a strategic tool.
- **Transparency:** Communicating progress and strengthening stakeholder confidence.

This report presents the results of MasOrange's ESG impact assessment in Spain for 2024. The measurement is based on a comprehensive analysis of its activities and processes, identifying and quantifying 20 monetary impacts. The following elements have been considered in its preparation:

- **Value Chain.**
- **ESG Strategic Pillars.**
- **Sustainability Report.**
- **Double Materiality.**



METHODOLOGICAL APPROACH

MasOrange's ESG impact assessment process is built on the foundations of sustainability best practices to reflect the company's commitment to social, economic and environmental value creation. The exercise is carried out in three main phases: **Impact Catalog, Measurement, Reporting and Disclosure.**

1. Impact Catalog

In this first phase, a framework is developed to serve as a reference for mapping the impacts derived from business activity, based on the following key actions:

- **Value Chain analysis:** Identifies the potential impact of core operations and internal processes at each stage of the value chain.
- **Alignment with Double Materiality:** Impacts are prioritized and categorized, aligning them with the identified material aspects.
- **Impact narratives:** Detailed descriptions are developed that explain the positive or negative contributions of impacts across the social, economic, and environmental spheres.
- **Analytical dimensions:** Based on the axes that make up the framework structure, which are in turn defined by the impact elements considered.

2. Measurement

After identifying and detailing the impacts associated with MasOrange's most significant activities, the evaluation process begins in order to quantify them.

IFVI focuses on environmental and employee impact accounting and IWA proposes methodologies for measuring the connectivity impacts

Both IFVI and IWA provide a framework that allows companies to measure and value their contribution in monetary terms. They are also part of the Value Balancing Alliance (VBA), which aims to create a uniform methodology aligned with key international impact measurement frameworks and standards, such as the Global Reporting Initiative or Impact Management Project (IMP).

In this phase, the most appropriate methodological approach for measuring each impact is developed, and the internal data and external indicators (financial proxies from official sources) required to translate the impacts into monetary terms are defined. For impacts with available methodologies, the established formulas and indicators are applied. For those whose measurement is not contemplated in the frameworks and market standards, simplified direct quantification methodologies are developed.

Once the data is obtained, the measurement is conducted, and the results are validated to ensure they are robust and accurately reflect the reality of the areas represented.

3. Report and Disclosure

The results obtained are consolidated in this report, which serves as a tool for dissemination. In addition to the results, the report also qualitatively includes initiatives and actions that MasOrange undertakes in each of the measurement areas, highlighting its real contribution.

IMPACT ON KEY PILLARS

The report explores MasOrange's impact in the six fundamental areas of its key contribution to the environment, economy, and society:

Secure connectivity and customer experience

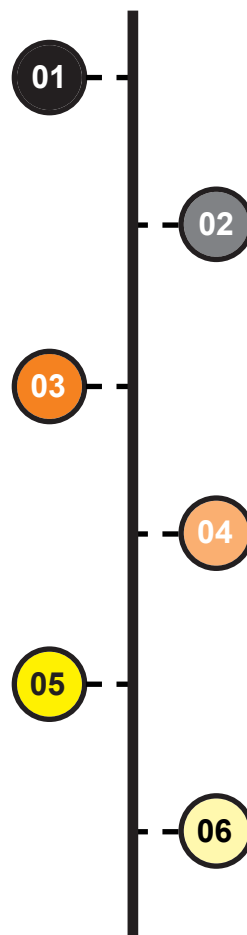
Examines the impact of providing connectivity, with a focus on service quality, cybersecurity and customer data privacy.

Governance and business ethics

Includes the positive impact of MasOrange's fiscal contribution and regional development through the creation of direct and indirect jobs along the value chain.

Circular economy

Explores the sustainable management of generated waste and the reuse of reconditioned devices, promoting waste reduction, product recycling, and the principles of the circular economy.



Digital inclusion

Consists of actions aimed at reducing the digital divide and ensuring availability of high-quality networks, as well as contributions to promote digital education, entrepreneurship, culture and more.

People and talent

Analyzes policies on diversity, inclusion, and employee well-being, which contribute to employee growth through continuous learning and professional development programs.

Energy and climate change

Evaluates scope 1, 2, and 3 emissions, the actions taken to reduce and offset them, and the innovative services contributing to the decarbonization of other industries.

4. Social development and digital inclusion



4.1. Secure connectivity and customer experience

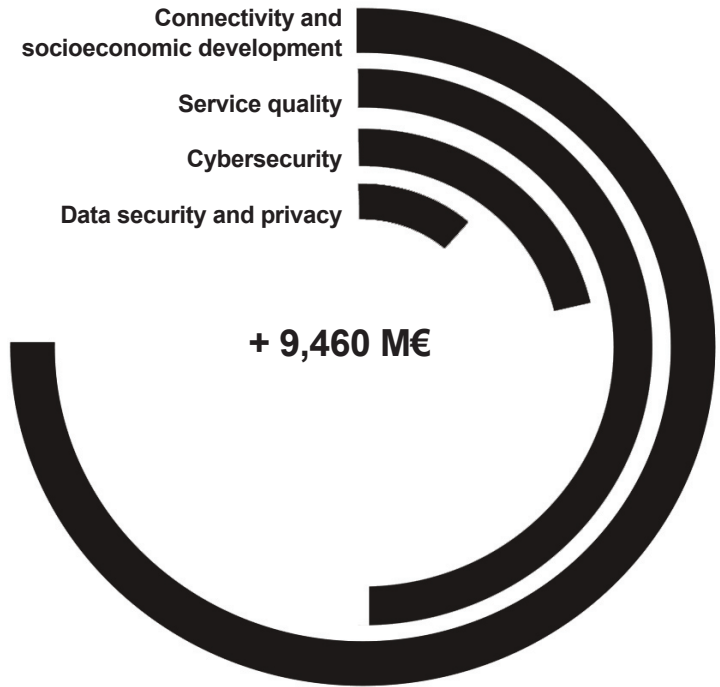
In an interconnected world, connectivity is not only the foundation of socio-economic development but also a driver of quality customer experience and a guarantee of the security of customers' personal data.

MasOrange tackles this challenge with a comprehensive approach that prioritizes the deployment of advanced networks, service customization, and compliance with the highest security standards. By expanding its **5G and fiber optic coverage**, the company has successfully brought high-quality connectivity to an increasing number of territories, fostering economic and social development in the areas where it operates.

Also worth highlighting is its commitment to **protecting customer data**, adopting proactive measures that not only comply with international regulations but also strengthen its position as a benchmark in cybersecurity.

This chapter explores how MasOrange combines technological innovation, service excellence, and robust privacy management to deliver a unique experience, maximizing its positive impact both economically and socially.

SECURE CONNECTIVITY AND CUSTOMER EXPERIENCE



Connectivity and socioeconomic development

Connectivity is an essential pillar for economic and social development, as it enables digital equity, access to essential services and the reduction of inequalities. According to the International Telecommunication Union (ITU), in 2023, approximately 33% of the world's population (i.e. around 2.6 billion people) still lacked access to the Internet. [1] This figure underscores the need to continue investing in infrastructure to expand Internet access, especially in rural or technologically underserved communities.

In addition, digitalization has a transformative impact on economies and societies. According to a 2021 ITU report, a 10% increase in fixed broadband penetration in high-income European countries can generate a 2.93% increase in GDP per capita. In the case of mobile broadband, this increase would be 1.89%. [2]

Connectivity is at the core of MasOrange's business and is also the area in which it generates the greatest impact. The company not only facilitates access to high-quality Internet, but also directly drives the socioeconomic development of the regions where it operates. Throughout 2024, MasOrange played a crucial role in expanding connectivity in Spain. Specifically:

- It connected 31M real estate units to FTTH.
- It provided its connectivity services through nearly 39 million fixed, mobile and M2M lines.
- It was the first operator in Spain to offer companies the new 5G Stand Alone standard and one of the first in Europe to launch it.

MasOrange intends to continue contributing to the country's technological leadership in terms of connectivity and digitization, made possible by its plans to deploy next-generation networks so that all Spaniards have access to the Internet wherever they live. To this end, it plans to continue expanding its 5G network with the goal of bringing fifth-generation infrastructure to nearly 100% of Spanish municipalities with more than 10,000 inhabitants (around 750 towns), where approximately 80% of the country's population is concentrated. [3]

MasOrange provides 4G coverage to 99% and 5G coverage to nearly 90% of the Spanish population

The methodology for calculating the positive impact from the connectivity provided by MasOrange is structured in two steps. First, the impact generated by the effectiveness of the service is evaluated, taking into account the economic value derived from the increase in fixed and mobile broadband penetration. This increase in penetration is directly linked to regional economic development by calculating its impact on GDP per capita as a function of MasOrange's market share.

Secondly, the negative impact of the economic losses associated with customer outages is analyzed. This calculation is made by multiplying the number of affected customers by the daily economic loss, adjusted for the average duration of these outages. In this way, the net positive impact of the connectivity service provided by MasOrange is obtained.

Service quality

Customer experience has become a fundamental differentiator for any company. Reports such as the one conducted by PwC show that 73% of consumers consider their experience to be a critical factor in their purchase decision, ranking it just behind price and product quality. On the other hand, a bad experience has been shown to have significant business consequences, as 32% of customers would stop interacting with a brand after a single negative experience, underscoring the importance of companies investing in improving the customer experience. [4]

At MasOrange, customer satisfaction is a fundamental pillar of its business model. In an interview with Capital magazine, Meinrad Spenger, CEO of MasOrange, stressed that "happy customers, talent and positive impact" are fundamental pillars of MasOrange's business and strategy. [5]

Knowing the level of customer satisfaction is fundamental for MasOrange Group. To this end, general cross-cutting studies that measure all service attributes are conducted for each of its brands; episodic that evaluate specific interactions, such as error management, retention processes, registration processes, and more; and transactional (after each call). These studies evaluate customer satisfaction both at a general level and in relation to specific elements and moments throughout their interactions with the company, all with the goal of identifying areas for improvement. They are carried out on a daily, monthly and quarterly basis, analyzing customer satisfaction for the different brands: Orange, Yoigo, Jazztel, MASMOVIL, Pepephone, CableMóvil, Virgin Telco, Euskaltel, R, Telecable, Embou, Lucera and Guuk.

According to studies conducted in 2024, all of the Group's brands continue to lead in customer satisfaction, maintaining — and even improving — the high levels achieved in previous years, both for businesses and individual customers

In the Corporate segment, the Group has a separate satisfaction measurement process using an automated survey in which customers rate the service they received and the resolution level of their inquiry at the end of the call.

Improvements in customer satisfaction have a direct impact on a company's revenue by promoting greater loyalty among existing consumers and making it easier to attract new ones. Satisfied customers tend to stay with the company longer, make more purchases, and recommend the company's products or services to others, reducing the costs associated with customer acquisition and retention. In addition, a better experience reduces the costs associated with handling complaints and other problems, optimizing the company's resources and increasing profitability.

This increase in revenue generates a positive impact measured in terms of contribution to national GDP. To quantify this, a relationship is established between the improvement in MasOrange's customer satisfaction and its impact on revenue, with this increase translating into a greater contribution to GDP.

Cybersecurity

In the telecommunications sector, where networks support an increasing amount of sensitive data and critical services, cybersecurity is more necessary than ever. According to Check Point's Cyber Security Report 2024, attacks on edge devices, such as routers and switches, grew by 41% during the first few months of 2023, putting the continuity of essential services at risk. [6]

Cybersecurity should not be considered an expense, but a strategic investment. According to IBM Security's "Cost of a Data Breach 2024" report, the global average cost of a data breach reached \$4.88 million in 2024. [7]

To meet these challenges effectively, MasOrange has an organizational structure, a specialist team and the necessary tools for security management, in accordance with the principles of its Information Security Policy and with the Cybersecurity Committee as the body responsible for making decisions with an impact on information security. Its three-lines-of-defense model focuses on the identification and mitigation of cyber risks.

In addition, MasOrange ensures the protection of its assets and services through policies, regulations, procedures and appropriate technologies. Security is integrated from design throughout the software lifecycle. The company also has an awareness program for employees, which includes social engineering simulations and training initiatives. All of this is managed through its information security management system, certified in accordance with internationally recognized frameworks such as ISO 27001 and the National Security Scheme (ENS).

The Group is aware of the cybersecurity importance in the digitalization process of companies, regardless of their size. For this reason, it offers one of the most comprehensive and competitive cybersecurity service catalogs in the market to ensure 360° cybersecurity for companies and make each step of their digital transformation as secure as possible. One of the key milestones of the year was the launch of a complete and competitive portfolio of advanced cybersecurity solutions for SMEs.

The calculation of this positive impact is based on MasOrange's contribution to GDP through the increase in turnover resulting from its investment in cybersecurity. To determine this, the Return on Security Investment (ROSI) metric is used.



Data security and privacy

Personal data protection has become an increasingly relevant challenge in the digital age and is especially crucial in the Telco sector due to the enormous amount of sensitive information it handles, including personal data, financial data and behavioral patterns. This data is subject to strict regulations such as the GDPR, non-compliance with which can lead to severe penalties. In addition, ensuring privacy protection reinforces customer trust, a critical factor in a highly competitive and loyalty-dependent industry.

The importance of security and privacy is highlighted by the increased sanctioning activity in the telecommunications sector by the Spanish Data Protection Agency (AEPD) in recent years. In 2024 alone, the AEPD imposed 242 fines totaling over 27 million euros, with the energy, telecommunications, and financial sectors being the worst offenders.

The most common frauds affecting telecommunications users include SIM swapping, phishing, identity theft, and subscription fraud. Campaigns carried out by companies such as MasOrange recommend that, to protect themselves, customers should avoid sharing personal or financial information through unverified channels, remain cautious of unexpected communications requesting sensitive data, and use security tools like unwanted call-blocking applications.

In terms of privacy and data protection, MasOrange implemented several key policies in 2024, including the Global Security Policy, the Privacy Policy and the Information Security Policy, all approved by senior management. A Data Protection Officer (DPO) was appointed to oversee GDPR compliance, support group companies and coordinate staff training. The Privacy Office and the Privacy Committee manage and oversee day-to-day data protection operations.

Furthermore, in 2024, the use of OneTrust as a data management tool was consolidated, the adherence to new Codes of Conduct was managed, and AI governance was integrated to ensure respect for individuals' rights.

In February 2024, MasOrange, together with Telefónica and Vodafone, implemented two new network services in Spain: 'Number Verification' and 'SIM Swap.' Developed under the GSMA Open Gateway initiative, these solutions are designed to verify user identities and detect recent changes to SIM cards, respectively. They strengthen protection against online fraud and safeguard the digital identities of mobile customers.

The effectiveness of the measures implemented result in a positive impact in terms of harm reduction, stemming from its regulatory compliance and proactive approach to the protection of personal data

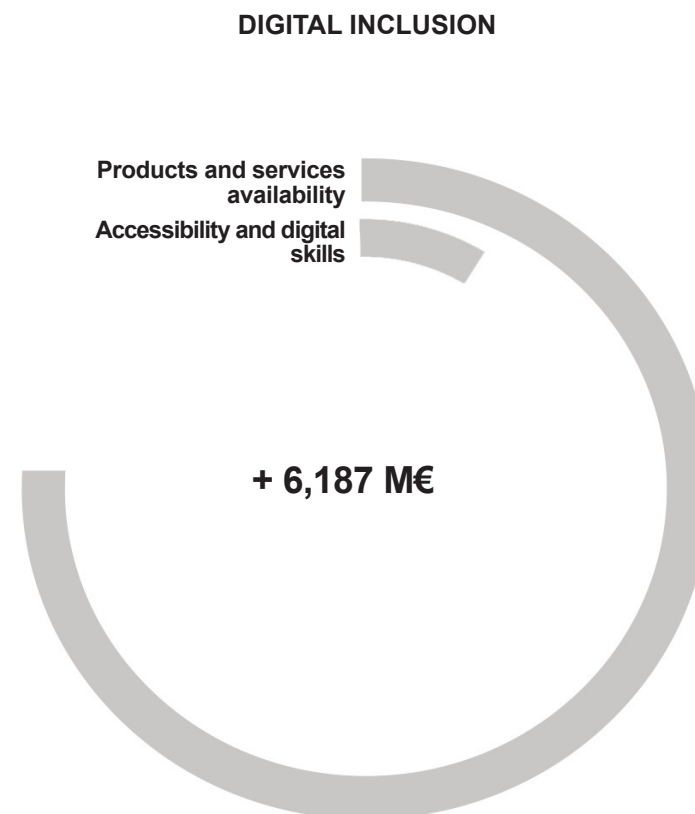
The final impact on personal data security and privacy is calculated by averaging the penalties imposed in the telecommunications sector in Spain during 2024 and subtracting the penalties imposed on MasOrange for non-compliance. This results in the total impact derived from the losses prevented by the company.

4.2. Digital inclusion

In the digital era, access to technology and availability of telecommunications services is essential to foster an egalitarian and sustainable society. However, there are still barriers that limit connectivity and opportunities for many people, especially in rural areas and among the most vulnerable groups.

The telecommunications sector plays a crucial role in breaking down these barriers, facilitating social inclusion and promoting economic development. Aware of this responsibility, MasOrange has led a series of strategic initiatives to ensure the accessibility and affordability of its services, with the aim of bridging the digital divide.

From discounted tariffs for those most in need to the deployment of fiber optics in rural areas and digital skills training programs, MasOrange shows that digital equality is not just a goal, but an achievable reality through social action. This chapter analyzes how these actions have a direct impact on people's lives, contributing to an inclusive digital transformation that benefits both the economy and the well-being of society as a whole.



Products and services availability

The telecommunications sector plays a key role in modern society by fostering communication, access to information, and economic development. For these benefits to reach the entire population, it is essential to ensure that services are both accessible and affordable, eliminating geographical or economic barriers as limitations to access.

MasOrange has the technology and resources necessary to promote the socioeconomic and technological development of all territories, with a particular focus on reinforcing its commitment to the growth of rural areas. Furthermore, the company aims to play a key role in making this connectivity accessible to all citizens, whether they live or work in urban or rural areas.

In 2024, deployment in areas with fewer than 5,000 inhabitants reached over 2,400 cities with 5G, 6,376 communities with 4G mobile access, and 1,439 communities with FTTH

It is also important to highlight MasOrange's leadership in the deployment of 700 MHz, a crucial band for reducing the territorial digital divide in Spain and contributing to the repopulation of the so-called "empty Spain".

In terms of digital inclusion, MasOrange promotes initiatives such as the Social Tariff, aimed at families receiving the Minimum Living Income or Minimum Insertion Income. This offers 500 Mbps symmetrical fiber, fixed and mobile lines with unlimited calls, and 3GB of data. It also supports Gigas Solidarios, providing free connectivity to vulnerable families and Ukrainian refugees through the Red Cross and Caritas.

The company also promotes access to devices for all groups through subsidies and installment-based purchases, the sale of refurbished equipment, and the offering of phones adapted for seniors and people with disabilities.

With these initiatives, MasOrange strengthens its commitment to ensuring that technology serves as a tool for social inclusion rather than a barrier for the most vulnerable.

Regarding its response to crisis situations, it is worth highlighting MasOrange's swift action during the emergency caused by the DANA (Mediterranean storm) in October 2024. The company was the first telecommunications provider to restore coverage after the floods, reaffirming its commitment to its customers and to society at large. To achieve this, more than 200 professionals were mobilized, and new fiber lines along with 11 portable mobile stations were deployed in record time, ensuring the rapid restoration of fixed and mobile connectivity in the affected areas.

The positive impact in terms of service accessibility and affordability is calculated based on two main analyses, with the total impact resulting from the sum of both:

- On one hand, the impact derived from service accessibility in rural areas is measured by multiplying the number of MasOrange customers located in these areas by the economic value associated with the connectivity provided in these regions.
- On the other hand, the impact related to service affordability for low-income customers is assessed by calculating the number of prepaid customers and their corresponding monthly savings compared to postpaid services.

Accessibility and digital skills

Connectivity and equitable access to technology have become fundamental pillars for ensuring social inclusion. Reducing the digital divide is a key priority and contribution of the telecommunications sector, as ensuring the use of digital tools is essential for equal opportunities. In this regard, MasOrange actively contributes through various initiatives:

- Through the '*Mayores conectados*' program, the company offers training workshops aimed at improving digital skills among people over 65. To continue and expand this work, in 2024 MasOrange was awarded the Generation D program promoted by Red.es.
- Through its strategic alliance with UNICEF, MasOrange contributes to protecting children's digital rights and promoting inclusive connectivity at the international level, helping to close the digital gap in vulnerable countries.
- With the launch of TúYo, the Orange brand supports families seeking a safe, simple, and responsible way for their children to access their first phone.
- Thanks to its collaboration with ATA, Cepyme, and CEOE, MasOrange supports self-employed professionals and small businesses in their growth and digitalization.
- It also continues to foster talent through scholarships and university chairs and promotes entrepreneurship through initiatives such as the startup accelerator with positive impact *¡Que Vivan Los Pueblos!*, the *MASVentures* project, and the *Rural Emprande 2024* awards.
- Finally, the company continues to develop innovation-driven projects such as the 5G laboratory at the Asturias Science and Technology Park, the iQuantum Center, and Europe's first multi-operator Open Gateway API lab.

As part of this impact, it is also important to highlight the work carried out by Fundación Orange and Fundación Euskaltel, which play a key role in building a more human, inclusive, and sustainable digital society.

To quantify this positive impact, MasOrange's contributions across the different areas are aggregated and multiplied by the social value created by each of them.



5. Ethical leadership and people



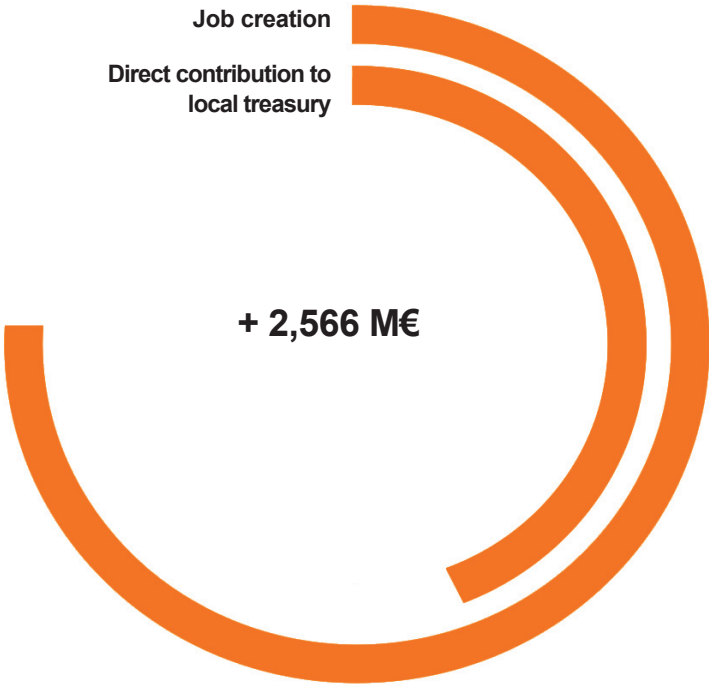
5.1. Governance and business ethics

In a business environment where social and regulatory expectations are increasingly demanding, governance and business ethics have become essential pillars for ensuring the sustainable success of organizations.

As a leading player in the telecommunications sector, MasOrange embraces an ethical leadership model that prioritizes investment, employment, and economic, social, and technological development to promote the well-being of all regions and strengthen the foundations of the national economy.

This chapter explores how MasOrange combines operational excellence with social responsibility, assessing its impact through job creation and its fiscal contribution.

GOVERNANCE AND BUSINESS ETHICS





More than 38,000 jobs created

Job creation is one of the fundamental pillars of economic and social development, as it improves people's quality of life, strengthens communities, and helps reduce inequalities. Each job not only provides financial stability and access to essential services such as education and healthcare, but also generates a multiplier effect that stimulates economic activity in related sectors.

In the telecommunications industry, this impact is particularly significant. According to the GSMA Association, in 2023 alone, the sector contributed 5.4% to global GDP and generated around 35 million jobs worldwide. [8]

In Spain, the sector also plays a crucial role in job creation and regional development. According to data from the National Commission on Markets and Competition (CNMC), direct employment in telecommunications exceeded 63,000 people in 2023, marking a 4.3% increase compared to the previous year. [9]

The people who make up the MasOrange team are the driving force behind the company, enabling it to fulfill its mission of providing excellent connectivity and services. Moreover, MasOrange amplifies its positive impact on regional development through the indirect jobs generated throughout its value chain, as well as the induced jobs created in the national economy as a result of the consumption driven by wages and salaries earned by both direct and indirect employees. In this sense, in 2024, MasOrange contributed to the country's social and economic development through nearly 8,000 direct jobs and more than 30,000 indirect and induced jobs.

To evaluate the positive impact on regional development, the direct, indirect, and induced employability generated by MasOrange in Spain is analyzed. This analysis compares the salary paid to employees with the economic value they would receive if the company did not exist, thus highlighting the positive differential in terms of purchasing power.

Direct contribution to local treasury

The MasOrange Group is fully committed to the social and economic development of the regions where it operates. This commitment is reflected in the company's tax contributions to local governments, establishing itself as a key player in strengthening public welfare and regional progress.

MasOrange has taken on a strategic role in promoting connectivity, innovation, and sustainability, which is reflected in a steady increase in its contribution to the public budget through the payment of various taxes.

This contribution is distributed across two main areas:

- Sector-specific taxes directly related to the telecommunications industry, such as the General Operator Fee, fees for the use of the radio spectrum, and public domain occupancy charges. These contributions help fund technological improvements and ensure the expansion of accessible digital services for all of society.
- General business taxes applicable to any commercial activity, such as Corporate Income Tax, Value Added Tax (VAT), Personal Income Tax (withholdings), and Property Tax (IBI). These taxes support the maintenance of essential services such as education, healthcare, and public infrastructure.

Both types of taxes are essential to the economy, as they enable the redistribution of resources to meet the social needs of the communities where MasOrange operates and to finance vital public services.

Thanks to its tax contributions, investments can be made in areas such as the Research, Development, Innovation, and Digitalization policy. In 2023, this policy allocated €17.767 billion (33.6% more than the previous year) toward the development of the “Digital Spain 2026” agenda. This initiative aligns the national roadmap with the European digital strategy, with objectives such as ensuring adequate digital connectivity for 100% of the population, continuing to lead the deployment of 5G technology in Europe, and strengthening the digital skills of both the workforce and society at large. [10]

The positive impact of MasOrange's tax contributions in 2024 has been quantified by adding up the taxes associated with the company's activities

This contribution is considered a direct impact in terms of economic value generated, both in the Common Territory and the Foral Territory.

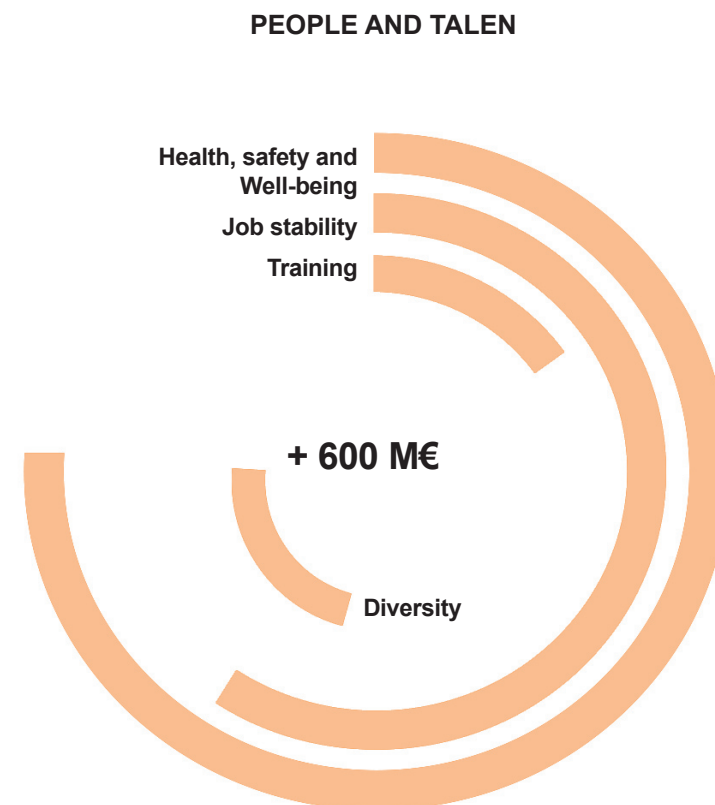
5.2. People and talent

Human talent is key to the success of any organization. At MasOrange, the company's commitment to employee well-being, diversity, and professional development drives both its corporate goals and its contribution to social and economic development.

The company fosters an inclusive and equitable culture through its Diversity Plan, which ensures equal opportunities and the integration of people from diverse backgrounds. In addition, MasOrange promotes job stability, work-life balance, and an environment where employees can grow both professionally and personally.

Health, safety, and emotional well-being are also top priorities, with initiatives in place to ensure safe and balanced workspaces. This commitment is further supported by ongoing investment in training and development, equipping employees to meet the challenges of a constantly evolving sector.

This chapter explores how MasOrange transforms its approach to talent into tangible impact, covering areas such as diversity, job stability, skills development, and employee well-being.



Job stability

According to the "World Employment and Social Outlook: Trends 2023" report by the International Labour Organization (ILO), the global economic slowdown has negatively impacted job quality, increasing informality and reducing job security—ultimately affecting worker satisfaction. [11]

MasOrange has made employee well-being one of the core pillars of its corporate strategy. Within this context, during the last quarter of the year, the company reached an agreement with employee representatives on the terms of an Organizational Adjustment Plan that would impact up to 650 employees. In November and December 2024, a total of 504 employees left the company, with the majority of the departures being voluntary (82%).

The Group shares values centered on creating sustainable and inclusive workplaces that prioritize the holistic development of its workforce

Below is a summary of the main initiatives implemented:

- Over 98% of MasOrange employees hold permanent contracts, reflecting the company's commitment to long-term, stable employment relationships.
- Equal opportunity: the company directly employs more than 6,500 people in Spain and nearly 1,800 in Colombia, with a balanced gender representation in key positions.
- Pay equity: all salaries meet or exceed both the minimum wage and a decent wage standard based on Spanish interprofessional benchmarks. Additionally, efforts are ongoing to reduce the gender pay gap and position the company as a benchmark for gender equity.

- Work-life balance measures: MasOrange has adopted advanced reconciliation measures, including digital disconnection policies and flexible working hours that promote balance between professional and personal life.
- Transparency: MasOrange publishes a detailed annual salary report by job category, ensuring transparency for both employees and shareholders.

These initiatives reflect MasOrange's strong commitment to comprehensive employee well-being, aligned with the United Nations Global Compact. At its most recent gathering (8th Peer Learning Meeting on Business and Human Rights, 2023), the UN emphasized that achieving a living wage is not only a fight against labor inequality but also a lever to improve employee retention and strengthen supply chain relationships. **Furthermore, ensuring a living wage is considered one of the five key areas to fulfill the 2030 Agenda.** [12]

Following the methodology defined by IFVI, the impact assessment consists of evaluating the positive effect of wages on employee well-being through two components: the remuneration impact (the direct benefit of receiving any income) and the living wage deficit impact (the harm caused when wages are insufficient to cover basic needs). These effects are monetized using a subjective well-being value (WELLBY), providing a tangible measure of the impact on workers' quality of life.

Diversity, gender equality and inclusion

Diversity and equality are fundamental to building a fairer and more sustainable society. According to McKinsey's "Delivering through Diversity" report, diverse organizations are 21% more likely to outperform their competitors, highlighting diversity as a key driver of innovation and business growth. [13]

At MasOrange, diversity and equality are cornerstones in creating an inclusive, equitable, and discrimination-free workplace. The company is firmly committed to fostering a work environment that guarantees equal opportunities for all employees, regardless of gender, age, ethnic origin, sexual orientation, religion, abilities, or other personal characteristics. This commitment is implemented through its Equal Opportunity Policy and Diversity Plan, with specific goals to:

- Prevent discrimination.
- Ensure fairness in recruitment processes.
- Promote equitable advancement and compensation.
- Foster pay equity.

Women make up 48% of MasOrange's workforce in 2024, 8 percentage points higher than the average in the ICT sector

In addition, the Group recognizes that pay equity is a fundamental right of its employees. As such, MasOrange has committed to setting medium- and long-term targets for reducing the gender pay gap during 2025 and to conducting a more in-depth analysis of job categories where disparities are most pronounced.

MasOrange complies with the General Disability Law (LGD) either through direct employment or through alternative measures approved by the public administration under the permit of exceptionality.

In 2024, MasOrange was recognized as a Top Diversity Company at the DEI Summit, a leading conference on Diversity, Equity, and Inclusion. The company has also signed the Diversity Charter, an initiative promoted by the European Commission, and collaborates with leading organizations in this field, such as Fundación Diversidad, REDI, and INTRAMA. This high-level commitment is further reinforced by the participation of the company's CEO in the CEO Alliance for Diversity.

MasOrange also offers employees training on diversity, disability awareness, and respectful conduct, as well as talks and targeted communications to raise awareness across the organization. Special campaigns are also conducted on key International Diversity Days.

To calculate the impact of its diversity and inclusion policies, MasOrange analyzed the representation of minority groups within the company compared to industry benchmarks. The resulting gap was multiplied by the average salary of these groups to quantify the economic value derived from promoting diversity and equality. Additionally, the company measured the impact of the existing gender pay gap, which stands at 15%. While this is 4.6 percentage points lower than the national average in Spain (19.6% in 2023), MasOrange views this gap as a challenge to overcome. [14]

Health, safety and Well-being

Health and safety at work are essential to employee well-being and productivity, and are a top priority in corporate strategies. The Spanish Occupational Health and Safety Strategy 2023–2027 highlights the importance of anticipating risks stemming from the digital, environmental, and demographic transitions, and of promoting safe and healthy work environments that positively contribute to workers' health. [15]

Deficiencies in occupational health and safety can lead to significant financial losses for companies, both from the direct costs of workplace accidents and the resulting impact on operational continuity. According to a study by Ludus Global, the expected return on investment in occupational health and safety is €2.20 for every €1 invested, equating to a 120% return. [16]

MasOrange upholds its commitment to employee health and safety as one of the core pillars of its ESG strategy. The company not only aims to ensure a safe workplace but also to promote the physical, mental, and emotional well-being of all employees

To achieve this, MasOrange implements a range of key actions across multiple focus areas through its Occupational Health, Safety and Well-being Policy:

- **Safety:** An Occupational Health and Safety Management System certified under the ISO 45001 international standard, employees receive training in workplace safety and sustainability, reinforcing prevention efforts and ensuring compliance with ISO 45001 and ISO 45003 certifications. In 2024, the company established a Shared Prevention Service, integrated within the Human Resources department.

- **Physical wellness:** Private insurance coverage is provided for more than 50% of the workforce, ensuring access to top-tier medical services and reducing waiting times for treatments and consultations. In 2024, MasOrange launched the Healthy Company Plan, BIENESTAR +O, a holistic well-being program built on six pillars: physical, emotional, social, financial, women's well-being, and remote work. Recent short-term initiatives include:
 - On-site medical and physiotherapy services.
 - Fresh fruit in the office and a dedicated cafeteria offering healthy options.
 - Sports and fitness initiatives, including the creation of a corporate gym and a GymPass program.
- **Emotional well-being:** Initiatives to support emotional health include:
 - Discounts on education and leisure activities.
 - Flexible schedules and digital disconnection policies.
 - Social benefits, short-term variable compensation, and a long-term incentive plan.
 - 100% of employees covered by collective agreements, and 79.06% represented by worker representatives.
 - Training programs and volunteer opportunities.

The calculation of this impact considers, on one hand, the economic cost to GDP of incidents involving MasOrange employees. On the other hand, it also accounts for the positive value generated by the promotion of health, through the various initiatives aimed at improving physical and emotional well-being, resulting in a total positive impact in this area.

More than 140,000 hours of training, a clear commitment to talent

The focus on employee training is an essential pillar for MasOrange, as it not only ensures the professional and personal growth of its workforce, but also drives the progress of the company and its surrounding environment.

The continuous training and development of employees are also key to talent retention within any organization, since, in addition to providing employees with new skills and knowledge, they also strengthen their sense of belonging and commitment to the company. Moreover, training programs generate a significant impact on the work environment, creating a more positive atmosphere where employees feel valued and motivated. This favorable work climate encourages employees to give their best, promoting a work culture based on collaboration, personal growth, and collective excellence.

Companies such as Google, Microsoft, and Amazon have achieved remarkable success thanks to their strategic focus on training and continuous employee development. By investing significantly in skill and competency development, they have been able to retain highly qualified professionals, improve productivity, and foster innovation within their teams. [17]

In terms of Training and Development, the following objectives have been pursued:

- Acquire and develop the personal and professional knowledge and skills necessary to successfully perform the various roles within the company and contribute to achieving the new challenges and projects of 2024.
- Promote a culture of knowledge sharing among all professionals in the Group. Some of the flagship programs include: Liderazgo +O, MLIP (MasOrange Innovation & Leadership Program), Women Leaders Program, and internal Mentoring.

Additionally, other important programs in the Training Plan include: Data School, Commercial School, AI Training, Occupational Health and Safety Training, and Language Training for all. MasOrange also has the Campus +O platform to promote learning.

Other noteworthy initiatives include: Management by Objectives, 360° Evaluation, Potential Identification, Talent Mapping, MAScarrera, Contribution Model and MOVERS (a community to share best practices).

MasOrange's ambition is to ensure that all employees possess the capabilities (technical knowledge, language skills, and soft skills) needed to perform their current roles, while also preparing for future challenges in an increasingly demanding context.

Regarding leadership, one of MasOrange's first actions was to create a unified model that acts as a lever for cultural integration and helps lay the foundation for a consistent and unique approach to people management.

In 2024, an average of more than 20 training hours per employee were delivered, totaling 140,000 hours dedicated to improving the skills of the workforce

Investment in training not only enhances MasOrange's internal capabilities but also generates tangible returns for society, which are monetized by applying the social return on investment to the total training expenditure.

6. Committed to the planet

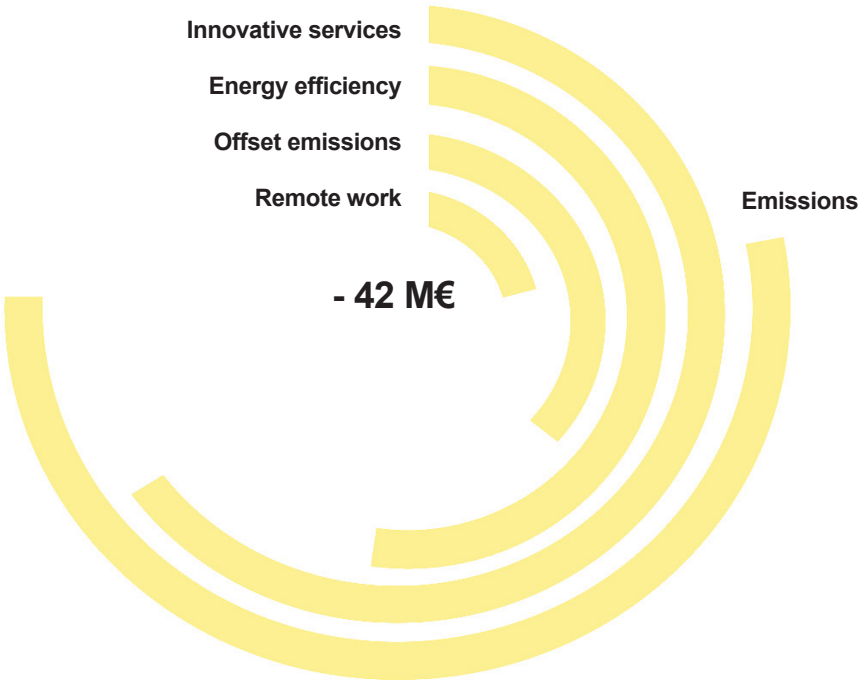


6.1. Energy and climate change

In a telecommunications company like MasOrange, network energy consumption accounts for the majority of total usage, making efficiency improvement a strategic priority. The company's commitment to sustainability is reflected in its responsible energy management approach, aimed at minimizing its carbon footprint and promoting the use of renewable energy sources as part of its decarbonization plan.

Thanks to its environmental and energy management system, certified under international standards such as ISO 50001, MasOrange continuously identifies opportunities to reduce consumption and optimize processes. From implementing more efficient networks—such as those based on 5G technology—to the exclusive use of energy backed by renewable origin guarantees, the company strengthens its commitment to environmental sustainability. These initiatives, along with the ongoing improvement of its network, reflect a comprehensive approach to addressing energy and climate challenges, aligning with the Sustainable Development Goals (SDGs) and its target of achieving Net Zero Carbon Emissions by 2040.

ENERGY AND CLIMATE CHANGE



Innovative services

The development of innovative services in the telecommunications sector has a significant impact in the fight against climate change. According to a report by CEPAL, the implementation of sustainable digital technologies such as 5G networks, the Internet of Things (IoT), and Big Data could reduce global CO₂ emissions by 15% by 2030. [18]

In this context, MasOrange, through its portfolio of innovative products and services, is leading key initiatives that contribute to the decarbonization of other industries, such as:

- **Promoting renewable energy and self-consumption:**
 - MasOrange offers 100% certified renewable electricity through brands such as Orange Energía, Yoigo EnergyGO, and Pepeenergy.
 - In collaboration with Naturgy, MasOrange promotes the installation of solar panels for homes and businesses, using AI to maximize energy savings of up to 70%.
 - It offers electricity and gas services under 8 of its brands, serving over 250,000 customers, with the goal of becoming the leading independent energy retailer in the sector.
- **Telemedicine service:**
 - MAS4Care, MasOrange's telemedicine service, enables digital healthcare access—especially in rural areas—reducing the need for physical travel.

- **Smart Cities for a sustainable urban environment:**

- Projects such as 5G CITYBRAIN and MAS4City optimize public resources including lighting, EV charging stations, smart irrigation, and air quality monitoring in various cities across Spain.
- The CRETA program aims to cut emissions and promote sustainable mobility through an intelligent traffic monitoring and management system.
- The 5G Cross Border Project (TRANSBORDER5G), launched in late 2023, is developing 5G land corridors to optimize road transport and reduce emissions at the Irún border crossing.
- The R3CAV project is building an adaptive architecture for autonomous and connected vehicles, improving routes and reducing energy consumption.

- **Agricultural optimization using IoT and 5G technology:**

- MasOrange supports the digitalization of farming operations with 5G IoT sensors and satellite mapping, reducing water usage by 20–30%.

- **Inspection of electrical infrastructures with drones:**

- MasOrange uses 5G technology to inspect electrical substations, reducing response time by 30% and minimizing occupational risks.

The positive impact resulting from MasOrange's contribution to the decarbonization of other industries is calculated by taking the revenue generated by each service and multiplying it by the percentage of that service directly combating climate change, based on data from studies by the United Nations [19] and ThinkGlobalHealth. [20]



Emissions in the value chain

Scope 3 emissions across the value chain include indirect emissions not covered under scopes 1 and 2, which—while resulting from the organization's activities—originate from GHG sources owned or controlled by third parties. MasOrange reports the indirect greenhouse gas emissions generated throughout its supply chain that fall outside its direct control. Scope 3 emissions account for 99% of the company's total emissions.

In this context, the need for sustainable and collaborative strategies becomes clear, enabling MasOrange to lead the way in reducing emissions across its entire value chain. MasOrange is currently developing a Decarbonization Plan focused on scope 3 emissions.

By joining the Science Based Targets initiative (SBTi), MasOrange aligns with its commitment to Net Zero Carbon Emissions by 2040, setting targets that include:

- Expanding cooperation with stakeholders and regulators to achieve joint sustainability goals.
- Aligning its objectives with Science Based Targets (SBTi) standards and the GHG Protocol recommendations.

MasOrange implements innovative strategies to reduce its carbon footprint throughout the value chain and move toward a more sustainable economy, reinforcing its leadership in the transition to climate neutrality.

As for scope 1 and 2 emissions, MasOrange has adopted the IFVI methodology to assess the negative impact derived from scope 3 GHG emissions generated across its value chain.

Energy efficiency

Energy efficiency is a fundamental concept in the responsible management of our planet's available resources. It refers to optimizing energy use to achieve maximum output with the least possible consumption. In other words, it involves performing activities and operating devices and systems in a smarter way, aiming to reduce energy waste and minimize the associated environmental impact. [21]

MasOrange has strengthened its commitment to energy sustainability by adopting strategies focused on reducing emissions. Some examples include:

- 100% consumption of electricity from renewable sources. MasOrange relies on long-term contracts such as the Power Purchase Agreement (PPA) renewed with Iberdrola until 2031, ensuring the exclusive supply of green energy.
- Operating efficient networks and promoting network sharing: dynamic energy allocation, use of alternative energy sources, network virtualization.
- Efficiency in buildings and services: Building Management System (BMS) to control electrical equipment and implement energy consumption reduction measures.
- One of the synergies enabled by the creation of MasOrange is the consolidation of mobile networks. Between 2024 and mid-2025, the company is working on shutting down over 4,600 mobile network nodes, resulting in energy savings of 87 GWh/year.
- Energy optimization measures in data centers (CPDs), applying efficient construction models and installing climate control systems capable of regulating temperature and humidity efficiently.
- Energy efficiency in customer equipment.
- MasOrange operates under an Energy Management System, within which it defines an annual Energy Efficiency Plan aligned with ISO 50001 requirements, outlining the measures established to reduce electricity and fuel consumption.

We deploy next-generation networks that are increasingly energy efficient

To quantify the positive impact derived from the emissions saved through the use of renewable energy sources and node shutdowns, the total energy consumption from renewable sources and the energy savings from deactivated nodes are converted from MWh to tCO₂ eq. Following the IFVI methodology, the total emissions saved is multiplied by the social cost of one ton of CO₂.

Scope 1 and 2 emissions

Scope 1 and 2 GHG (Greenhouse Gas) emissions refer to the direct emissions generated by the organization and the indirect emissions associated with its electricity consumption, respectively.

In 2024, MasOrange emitted a total of 6,124.9 tCO₂ eq¹. It is important to highlight that scope 2 emissions are zero, since MasOrange uses 100% energy from renewable sources.

MasOrange is strengthening its environmental policy by establishing initiatives aligned with the Sustainable Development Goals (SDGs), including the following:

- Progressively reduce scope 1 emissions by optimizing its processes through sustainable practices.
- Set Science Based Targets (SBTi) to ensure that its emissions reduction goals are aligned with the global objective of limiting global warming to 1.5°C.
- Collaborate with other companies in the sector to develop innovative solutions that reduce the environmental impact of telecommunications.
- Audit and reduce the actual emissions from its vehicle fleet.

To quantify the negative economic impact generated by its emissions, MasOrange has adopted the methodology proposed by the International Foundation for Impact Valuation (IFVI). This approach establishes and annually updates, through advanced calculation models, the social cost of one ton of CO₂, which is then multiplied by the total tCO₂ eq of Scope 1 GHG emissions generated by MasOrange to obtain the result.

¹ The factors used for the calculation of S1 + S2 emissions are those provided by the Spanish Office for Climate Change. Note: the data are estimates, pending the publication of the 2024 emission factors by the Ministry for the Ecological Transition. Additionally, energy consumption data are partially estimated as of the closing of this report. These emissions are subject to carbon footprint verification, scheduled for June 2025, in accordance with ISO 14064:2019, to be conducted by AENOR.



Offset emissions

Carbon offsetting is fundamental in the fight against climate change, as it allows companies to balance unavoidable scope 1 and 2 GHG emissions by financing projects that reduce or remove an equivalent amount of CO₂ from the atmosphere. According to the World Economic Forum, carbon offsetting has become one of the clearest ways to reduce emissions. Specifically, the preservation of tropical forests and tree replanting are key ways companies can engage in carbon offsetting. [22]

Studies such as that of the Aquae Foundation have determined that planting two trees can offset the CO₂ emissions of a car for an entire year or for every 5,000 kilometers driven. This is equivalent to the amount of CO₂ generated by four to five office computers running five days a week, nine hours a day, for a full year. [23]

In 2024, MasOrange successfully offset all scope 1 CO₂ emissions generated by its operations

Through carbon absorption projects:

- In 2024, it continued to contribute to the conservation and restoration of a high-risk deforestation area in Sena Madureira (Acre, Brazil) through the REDD+ Yuxibu project, in partnership with Grupo Sylvestris and Canopée Gestão Ambiental e Florestal.

- Since 2020, Orange Spain (now MasOrange) has led the reforestation project of the Orange Forest in Monte La Umbría, Teruel, an area classified by the European Union as sparsely populated. Between 2020 and 2023, MasOrange and Grupo Sylvestris reforested 57 hectares, planting over 43,600 trees and preventing the emission of 13,322 tons of CO₂ into the atmosphere over the next 50 years.
- Pepephone runs the campaign "Quien tiene un amigo tiene un árbol" ("A friend brings a tree"), planting a tree each time a customer referral joins Pepephone. The initiative is carried out in collaboration with Bosquia, a company specializing in CO₂ offsetting through reforestation projects in Spain. To date, Pepephone has planted 11,475 trees and received over 700 tree requests.
- Through reforestation linked to the offsetting of natural gas customer emissions, MasOrange launched three projects with over 10,000 trees planted, recovering a total area of more than 12 hectares. These projects are expected to absorb 10,996 tons of CO₂, equivalent to the carbon footprint of customers from EnergyGo, MASMOVIL Energía, Pepeenergy, Euskaltel Luz y Gas, Orange Energía, and R Luz y Gas, based on their natural gas consumption in 2023 and 2024.

The positive impact generated by the combination of MasOrange's offsetting initiatives is monetized by multiplying the total tCO₂ eq offset by the social cost of one ton of CO₂, as established by the IFVI methodology.



Remote work

Telecommunications companies play a key role in reducing carbon emissions by enabling digitalization and offering technological solutions that transform how we live and work. One of the most impactful contributions is the promotion of remote work, which significantly reduces daily commuting and, therefore, emissions from transportation.

By providing advanced digital infrastructure such as fiber optic and 5G networks, MasOrange enables millions of people to work remotely. This has a direct impact on reducing the carbon footprint, through:

- Fewer daily commutes, which lower CO₂ emissions and reduce urban congestion.
- Work decentralization, which allows people to work from rural areas, easing pressure on cities and decreasing urban pollution.
- Optimized energy consumption in office spaces.

According to consulting firm Global Workplace Analytics, if 50% of the global workforce worked from home at least two days per week, it could reduce approximately 54 million tons of CO₂ emissions annually worldwide.

The integration of this practice into its workplaces has allowed MasOrange to directly contribute to global climate goals, generating benefits that go beyond emissions savings. These include improved quality of life for employees through reduced commute times, natural resource conservation by lowering dependency on fossil fuels, and climate change mitigation by reducing GHG emissions in key sectors like transportation.

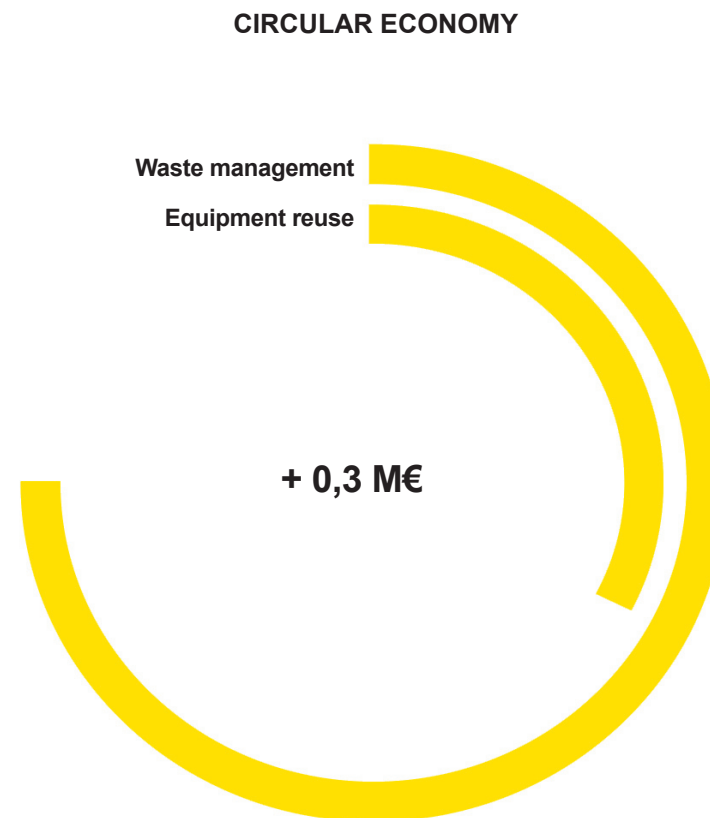
Following the IFVI methodology, the tCO₂ eq avoided in 2024 are multiplied by the social cost of one ton of CO₂ to calculate the positive environmental impact resulting from the avoided emissions.

6.2. Circular economy

In a world where resources are increasingly limited, the circular economy has become a fundamental pillar for promoting sustainability and reducing environmental impact. This model not only aims to minimize waste, but also encourages the reuse of materials and equipment, generating a positive impact on both the environment and the economy.

MasOrange reinforces its commitment to this approach through initiatives such as the responsible recycling of electronic waste, the implementation of recycling points in its stores, and the reuse of customers' technological devices.

With practices designed to maximize resource efficiency, the company actively contributes to the reduction of CO₂ emissions and to the achievement of goals set by national and European sustainability strategies. At the same time, it promotes the reuse of fixed and mobile devices, prioritizing recycled materials in their designs to minimize the extraction of new raw materials.



Electronic waste management (e-waste)

Proper management of electronic waste is essential due to the increasing volume of technological waste and its environmental impact. In 2022, approximately 62 million tons of electronic waste were generated globally, of which only 22.3% was properly recycled, according to a study published by the International Telecommunication Union (ITU). [24]

A UNITAR report highlights that if countries were to increase e-waste collection and recycling rates to 60% by 2030, the benefits would exceed the costs by more than \$38 billion. [25] This means that the costs associated with collecting, processing, and recycling electronic waste are significantly lower than the benefits derived from recovering valuable materials and reducing environmental impacts.

MasOrange is deeply committed to waste reduction and recycling within its facilities, and to this end, regularly conducts awareness campaigns targeting both employees and customers. Among the initiatives implemented are:

- Collection bins for plastic, paper, and organic matter at all headquarters, as well as bins for electronic waste and batteries.
- All Orange brand stores are equipped with a mobile phone recycling bin.
- MasOrange has incorporated eco-design standards and guidelines into its product design, using sustainable and recycled materials to reduce environmental impact and promote resource efficiency.
- The SIM cards of Peephone, Orange, and Yoigo brands are eco-manufactured using recycled materials. Packaging uses 50% less plastic, and the paper is recycled or FSC-certified, supporting sustainable forest management.

100% of the waste generated by the Group is collected and processed by authorized waste managers, who certify that all waste is collected using best-in-class technologies and in full compliance with current regulations

This commitment extends to the MasOrange supply chain. Suppliers are required to have an environmental management system that includes specific targets and measures, such as ISO 14001 certification. Through the acceptance of the Supplier Code of Conduct, suppliers commit to minimizing the negative impact of their operations and to making efforts to preserve and enhance biodiversity.

MasOrange evaluates the total impact of its waste management by considering two main categories: electronic waste and all other types of waste. The latter includes both hazardous waste (batteries, fluorescent tubes, etc.) and non-hazardous waste (paper, cardboard, plastics, etc.). The calculation includes two components:

- The total cost of generating electronic and other waste, calculated by multiplying the tons generated by the cost of generating one ton of each waste type.
- The value generated from recycling electronic and other waste, calculated by multiplying the social value of recycling one ton of each waste type by the tons recycled.

The difference between these two components provides a net result that reflects the positive impact of the social and environmental benefits of proper waste management.

Equipment reuse

The circular economy is a model of production and consumption that promotes the reuse of products and waste to maximize resource efficiency. This approach contrasts with the traditional linear model of “produce, use, and discard,” by extending the life cycle of goods and reducing the need to extract new raw materials. [26]

In Spain and the European Union, the circular economy is a strategic priority. The Spanish Circular Economy Strategy, known as “España Circular 2030”, aims to reduce national material consumption by 30% relative to GDP and cut waste generation by 15% by 2030. [27]

At the European level, the EU Circular Economy Action Plan, launched in 2020, outlines concrete measures for sectors such as electronics, plastics, and textiles, projecting a 0.5% increase in GDP and the creation of hundreds of thousands of sustainable jobs across Europe. [28]

As a demonstration of its commitment to the circular economy, MasOrange has implemented a policy for the reuse of customer-returned equipment (mainly routers, TV set-top boxes, and Wi-Fi repeaters), which are refurbished by a specialized provider before being reissued.

MasOrange recovers 58.83% of customer equipment upon service cancellation, refurbishing and reusing it for new users

In 2024, MasOrange launched campaigns to collect mobile devices from both customers and employees. Additionally, a noteworthy project led by MasOrange promotes the reuse of decommissioned materials, repurposing them for new network deployments or maintenance tasks. This gives the equipment a second life through resale to third parties under the OSCAR initiative.

The positive impact generated by equipment reuse is calculated by multiplying the tons of CO₂ avoided through reuse by the social cost of one ton of CO₂, as defined by the IFVI methodology.

7. Conclusions

This report provides a clear overview of MasOrange's key areas of action in sustainability, reinforcing its commitment to transparency, responsible management, and the continuous improvement of its impact.

As evidenced by the results, the most significant impacts are found in the "Social Development and Digital Inclusion" pillar, stemming directly from the company's core business: the expansion of connectivity, and the accessibility and affordability of its products and services. MasOrange drives economic development by contributing to the increased penetration of FTTH, 4G, and 5G, and by offering connectivity in rural areas and to low-income segments. Within this area, the report highlights its positive impact from investments in innovation, talent, and entrepreneurship, contributions to social programs that promote digital education, and other donations and sponsorships in the fields of sports, culture, and business. Furthermore, the contributions of Fundación Orange and Fundación Euskaltel play a key role in building a more human, inclusive, and sustainable digital society.

Second in importance is the value created under the "Ethical Leadership and People" pillar, driven by MasOrange's economic contributions through taxes and the generation of employment in the regions where it operates. In addition, this axis includes the positive impacts on employee well-being, as well as the negative impact associated with the existing gender pay gap.

Lastly, the "Committed to the Planet" pillar encompasses the company's environmental impacts, showing an overall net negative impact, primarily due to the social cost of Scope 3 emissions. However, this area represents the greatest opportunity for the company, where actions to reduce its environmental footprint and contribute to the decarbonization of other industries—through the development of innovative services that drive digitalization—can lead the way toward a sustainable growth model.

MasOrange will continue to refine its impact measurement approach, in line with market best practices and methodologies. It will also continue updating its indicators to obtain increasingly robust and comparable results, enabling better impact management.

The goal is to build an increasingly solid starting point for integrating impact into business strategy and decision-making

This will allow MasOrange to fine-tune its goal setting and action plans, maximizing positive impacts and minimizing negative ones, while fostering the progress of the regions in which it operates. With this forward-looking vision, the company reaffirms its commitment to sustainability, consolidates its industry leadership, and strengthens its role as a benchmark player in the telecommunications sector.

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