

# **REGULATION OF THE SUSTAINABLE DEVELOPMENT COMMISSION OF LLEIDANETWORKS SERVEIS TELEMÀTICS S.A**

The purpose of this Regulation is to determine the principles of action of the Sustainable Development Commission (the "Commission") of Lleidanetworks Serveis Telemàtics S.A.

hereinafter referred to as "the Company" or "Lleida.net"), as well as its basic rules of organization and operation.

This Regulation and its subsequent modifications will be distributed by incorporating them into the Company's corporate website.

## **Article 1.- Scope and features**

The Commission is an internal body of the Board of Directors, with a permanent, informative, and advisory nature, with powers of providing information, advice, and proposals on various matters as set forth below.

Within its competence, the Commission is entrusted with advising the Board of Directors on approving and modifying the Sustainable Development Policy, ESG requirements, and social responsibility.

## **Article 2 - Functions of the Commission**

2.1. 2.1 Functions in sustainable development, ESG requirements, and social responsibility.

The Commission shall have the following main functions:

1. Develop the general policy for sustainable development and the environmental and social policies, as well as propose their modification and updating to the Board of Directors.
2. Supervise and evaluate the processes of engagement with different stakeholders.
3. Before its approval, inform the Board of Directors about the climate action plan to achieve greenhouse gas emissions neutrality by 2050, and monitor and review its degree of achievement and subsequent updates.
4. Determine the guidelines, criteria, and general principles to prepare the non-financial information statement.
5. Verify that the content of the non-financial information statement aligns with the Company's sustainable development strategy and includes a mention of the degree of achievement of the climate action plan approved by the Board of Directors, following a report from this Commission and, where appropriate, its updates
6. Before preparing the non-financial information statement by this body, the Board of Directors should consider the report prepared by the Audit Committee regarding its preparation and presentation, as well as clarity and integrity of the content.
7. Supervise the Company's actions in sustainable development, particularly ensuring that its environmental and social practices conform to the strategies and policies approved by the Board of Directors, and report thereon to the Board of Directors.

8. Monitor the contribution of Group subsidiary companies to the achievement of the United Nations Sustainable Development Goals (SDGs).
9. Be informed about the inclusion of Group subsidiary companies in internationally recognized sustainability indices.
10. Provide advice, within its competence, on topics such as employment, innovation, satisfaction, diversity and inclusion, integration, non-discrimination, equality, reconciliation, accessibility, and mobility
11. Promote a coordinated strategy for social action at the Group level and its sponsorship and patronage plans.
12. Assess the Group's situation regarding sustainable development, particularly in environmental, social, and governance (ESG) matters, as well as corporate social responsibility.
13. Advise the Board of Directors on compliance and the effects of public initiatives launched in the different territories and countries where Group subsidiary companies operate to promote sustainable development.
14. Provide information on the possible influence of European regulations and national, regional, and local legislation on sustainable development within the Group's scope
15. Analyse voluntary initiatives and recommendation documents in the field of sustainable development, ESG requirements, and corporate social responsibility emerging in the market.
16. Internally disseminate the latest trends in responsible communication and marketing.
17. Be informed and advise the Board of Directors on the latest trends in responsible innovation
18. Be informed of best business practices, using systematic measurement tools to assess the positioning of competitor companies in terms of sustainable development, ESG requirements, and corporate social responsibility. It should sound like a legal translation.
19. Analyse different measurement tools and observatories implemented at the national and international levels regarding sustainable development, ESG requirements, and corporate social responsibility, and provide recommendations to improve the Group's positioning.
20. Issue reports and carry out actions related to sustainable development, ESG requirements, and corporate social responsibility that correspond to the Commission's responsibilities according to the Governance and Sustainability System, or as requested by the Board of Directors or its Chairman.

For all the aforementioned purposes, the scope of sustainability, ESG requirements, and corporate social responsibility include the contribution of all Group subsidiary companies to sustainable development, decarbonization of the economy, electrification of the energy sector, environmental care, climate change mitigation, respect for human rights, social action, quality, and innovation.

## 2.2. Functions related to corporate reputation

In this regard, the Commission shall have the following main functions:

1. Monitor the performance of the Company in terms of corporate reputation and report it to the Board of Directors.

2. Review the corporate reputation-related contents of the annual reports of Group subsidiary companies prior to their approval by the Board of Directors.
3. Supervise the inclusion of improvement elements in managing intangible assets such as reputation, brand image, intellectual capital, internationalization, transparency, and ethics.
4. Review the execution plans of the Company's corporate reputation strategy and monitor their level of compliance
5. Issue reports and carry out actions related to corporate reputation that correspond to the Commission's responsibilities according to the Governance and Sustainability System or as requested by the Board of Directors or its Chairman.

The scope of corporate reputation includes issues related to image management, brand, external communication, institutional relations, and other aspects related to generating trust and transparency towards stakeholders, which the Board of Directors determines.

### 2.3. Functions related to corporate governance of the Company and compliance

In this regard, the Commission shall have the following main functions:

1. Periodically review the Governance and Sustainability System, with special emphasis on corporate governance policies and regulatory compliance, and propose modifications and updates to contribute to its development and continuous improvement for approval by the Board of Directors or submission to the General Shareholders' Meeting.
2. Monitor the Company's corporate governance strategy.
3. Monitor compliance with legal requirements and the Governance and Sustainability System rules, tracking how the Company communicates and interacts with small and medium shareholders.
4. Before its approval, provide information on the annual corporate governance report of the Company, collecting reports from the Audit Committee and the Nomination and Remuneration Committee regarding the areas within their competence.
5. Provide a prior opinion on the annual report on the effectiveness of the compliance system prepared by the Compliance Unit and submit it to the Board of Directors.
6. Examine the Company's compliance with generally recognized corporate governance recommendations and, if applicable, compliance by other Group subsidiary companies.
7. Provide input on proposals to modify the Code of Ethics.
8. Receive information from the Compliance Unit regarding initiatives to modify the Code of Ethics and any relevant issues related to the application and compliance of the Code of Ethics.
9. Review, through the Compliance Unit, the Company's internal policies and procedures to prevent inappropriate conduct and identify potential policies or procedures that are more effective in promoting the highest ethical standards.
10. Review and validate the annual operating budget of the Compliance Unit for submission to the Board of Directors through its Chairman for final approval, as well as its annual activity plan, ensuring that the Compliance Unit has the necessary material and human resources to perform its functions.
11. Approve the objectives of the Compliance Director.

12. Annually provide an opinion on the compliance with the annual plan of activities of the Compliance Unit and the performance of its director. In this regard, if the director holds a position in senior management, the Commission shall seek the opinion of the Chairman of the Board of Directors. The opinion shall be constructive and include an assessment of the degree of compliance with the annual plan of activities of the Compliance Unit and the objectives of the Compliance Director, as approved by the Commission. The conclusions of the Commission's opinion shall be communicated by its secretary, through the secretary of the Board of Directors, to the Compliance Unit. If the Compliance Director holds a position in senior management, the conclusions shall also be communicated to the Nomination and Remuneration Committee to be appropriately considered when determining their remuneration.
13. Inform about proposals to modify the Board of Directors Regulations.
14. Ensure that the information published by the Company on its corporate website regarding sustainable development, the Governance and Sustainability System, and other areas of its competence is sufficient, adequate, and follows applicable corporate governance recommendations.

### **Article 3.- Composition**

The members of the Commission shall be appointed and removed by the Board of Directors.

The Commission shall consist of a minimum of three and a maximum of five members, with at least one of them being a member of the Board of Directors

The Board of Directors shall ensure that the members of the Commission have the appropriate knowledge, skills, and experience for the functions they are called upon to perform.

The members of the Commission shall be appointed for a maximum period of four years and may be re-elected one or more times for equal durations.

Membership in the Commission is personal and non-delegable.

### **Article 4 - President and Secretary of the Commission.**

The Commission shall elect its president. Additionally, the Commission shall appoint a secretary, who does not need to be a member of the Board of Directors.

The functions and powers of the president are as follows:

- a) Convene regular and extraordinary Commission meetings and coordinate the day's agenda.
- b) Preside, open, and adjourn the sessions.
- c) Chair the discussions and submit matters for consideration following the established agenda.
- d) Transmit to the Board the conclusions and recommendations reached within a reasonable timeframe.

The functions and powers of the secretary are as follows:

a) Safeguard the documentation of the Commission, recording the proceedings of its sessions in the minutes book, certifying the adopted resolutions, and ensuring the formal and material legality of the Commission's actions.

b) Channel and coordinate, following the instructions of the president of the Commission, the relations between the Commission and the other organs or departments of the Lleida.net Group or third parties.

In the event of the president's absence or incapacity, the oldest member of the Commission shall act as the president.

#### **Article 5 - Meetings and Agenda**

The Commission shall meet at least once a year and shall not exceed a maximum of seven annual meetings, as determined by its president. Likewise, the Commission shall meet upon the request of at least two members. The president shall convene the Commission whenever requested by the Board of Directors and, in any case, shall ensure that the meetings are held with sufficient advance notice before the meetings of the Board of Directors.

The invitation and agenda shall be sent by email or any other means that provides proof of receipt, with a minimum of 3 days' notice.

The Commission shall be validly constituted when at least half its members are present. Attendance may be conducted via video conference or any other means of communication that ensures the participant's identity, continuous communication, and the ability to follow and participate in the discussion.

#### **Article 6.- Agreements**

An absolute majority of the members present at the meeting will adopt agreements. The deliberations and agreements of the Commission shall be recorded in a minutes, which shall be signed by the secretary with the approval of the President or by those acting on their behalf. The Commission shall approve the minutes at the end of the meeting or the beginning of the next one.

#### **Article 7 - Compliance and Publicity.**

The members of the Commission, as well as the other members of the Board of Directors insofar as it concerns them, must know and comply with these Regulations. For this purpose, the secretary of the Board of Directors shall incorporate it into the board's webpage and publish it in the company's corporate website. Additionally, the Commission shall have an obligation to ensure compliance with these Regulations and to take appropriate measures to ensure its necessary dissemination throughout the rest of the organization.