

RESPONSIBLE COMPANY REPORT AND NON-FINANCIAL INFORMATION STATEMENT FOR 2019

COMMUNICATING WITH PEOPLE COMMUNICATING WITH BUSINESSES

24 FEBRUARY 2020

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

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LETTER FROM THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER



A new road map for profitable, sustainable growth

2019 our focus was on responding to the need to shift trends and results so the Euskaltel Group can achieve profitable growth, as well as to boost business sustainability effectively in view of the new challenges faced by the global telecommunications industry. All this led us to give the company's strategy a new twist. The new road map will take us in that direction.

A road map designed by the Euskaltel Group's new management team based on simple and efficient organisation by experienced people; a strong product, a consistent offering and value

for our customers; the promotion of our regional brands and launch of a new brand to grow in the domestic market; a commercial strategy grounded in best practices; a unique technology and operations plant to support the commercial side and build efficiencies; and a new market for our products in which we can grow and improve profitability.

Using these arguments, our work began in June and in only six months our implementation decisions bore fruit. Revenue for the year totalled €685.5 million thanks to last quarter growth. Ebitda amounted to €344.5 million, 2.4% up on the previous year. Net profit for the year reached €62 million.

The improvement in Ebitda and the management of investments allowed solid cash generation and a steady decline in the company's net debt.

These results mean that our shareholder remuneration commitment can be honoured for the fourth year running. The Euskaltel Group's Board of Directors approved a gross dividend on account of 2019 profits of €0.14 per share. The final dividend will be decided by the 2020 Annual General Meeting.

The financial markets showed appreciation for the company's successful new strategy in 2019, our share price having risen by over 30% during the year, which is nearly three times the performance of the Ibex 35.

This took place in a telecommunications industry that achieved poor results in European stock markets in 2019. Within the industry, Euskaltel was the fifth-best operator in Europe.

We are convinced that this sound stock performance can be explained by the launch and implementation of our road map. Recommendations by industry analysts since then highlight the market support for our strategy.

Recognition for our plan culminated in our inclusion in the Ibex Medium Cap, the prelude to the Ibex 35. We are now among the 20 listed companies, save for the Ibex 35 stocks, with the largest capitalisation adjusted for free float while meeting required liquidity ratios.

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Business results

One of the road map goals is to strengthen our telecom market positioning as the operator providing the best quality convergent services at a highly competitive price by launching unified and consistent offerings in all three brands, which is a milestone for the Group. Thanks to our commercial efforts, 2019 was a very positive year in terms of customers, confirming the success of our decision to expand into non-traditional markets other than those in which our position is already strong. The company ended 2019 with 771,074 customers in the mass-market segment, 931 more than the previous year. Our product and service offering in Navarre, León, Cantabria, La Rioja and Catalonia under the global agreement with the RACC has provided us with the necessary experience to expand across the whole of Spain, so 2020 will be exciting from a strategic viewpoint.

Steps were already taken in 2019 to face this challenge with the fullest guarantees. We renewed our wholesale agreements at the national level so as to offer highly-competitive, advanced telecom services throughout the country

So the Euskaltel Group Group will guarantee its customers access to the best fibre and mobile telecommunications services, as well as having the capacity to respond to all new service needs that users may have in the future

The company ended 2019 with 771,074 customers in the mass-market segment, 931 more

We also achieved considerable growth in the B2B business thanks to our role as an expert facilitating, advising and accompanying companies during their digital transformation through solutions to assure a secure environment. In this segment, the company also ended the year well with 15,263 customers, 436 more than in 2018.

Challenges and opportunities

We talk about change, but the Euskaltel Group is essentially the same, because our lifeblood can be found in the value of our project, which lies in the loyalty shown by our customers, our true roots in the Basque Country, Galicia and Asturias. Our essence also includes the contribution we make to economic and social development in the regions where we operate through a broad range of business, technological, social, cultural and sports activities.

The Euskaltel Group is characterised by a territorial commitment as a telecom operator that achieves sustainability through its people and its engagement with Basque, Asturian and Galician society. Equality and diversity, quality job creation, environment and responsible consumption, innovation and sustainable infrastructures, quality education and partnerships, are some of our company's focus areas, coinciding with the 2030 Agenda at the local and global levels. So the Sustainable Development Goals have been identified while preparing the Euskaltel Group's Responsible Company Report and Non-Financial Information Statement.

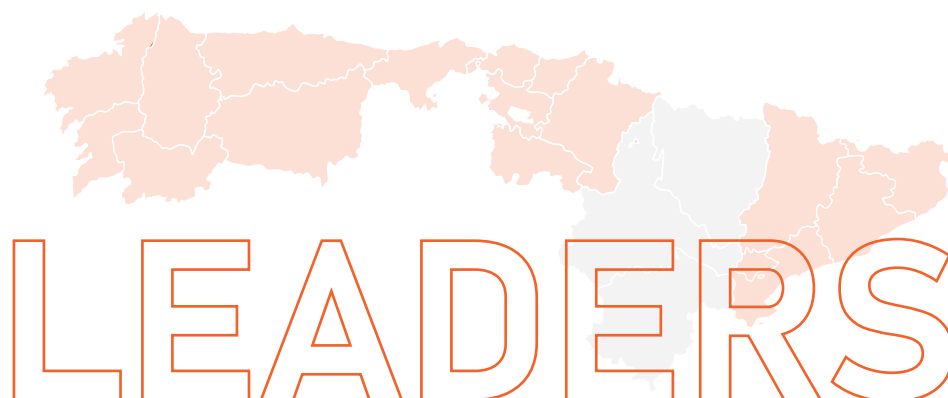
Our roots are a differential feature that tightens the bond between the Euskaltel Group and its stakeholders. In this letter we have mentioned shareholders, investors, our customers and society at large, but we must not forget the people who make this project a reality every day. We have managed to integrate three different companies into the Euskaltel Group, each with a different culture but with professionals that share the drive, enthusiasm and talent to undertake the challenges before us. Our people are our primary asset and the main ambassadors of this project's sustainability thanks to their daily commitment to excellence, equality and diversity.

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We have an exciting future ahead of us and there will be major opportunities in the coming years. The main challenge will be to successfully complete our expansion across the whole of Spain and compete on equal terms with the other telecom operators. Our primary assets are our employees and our customers. We will carry on offering a close, personal relationship to go hand-in-hand with our customers and to tackle these new and exciting challenges.

Xabier Iturbe
**Euskaltel Group's
Chairman**

José Miguel García
**Euskaltel Group's Chief
Executive Officer**



TELECOM LEADERS IN NORTHERN SPAIN

Key Indicators 2019



FINANCIAL HIGHLIGHTS

669M€

ECONOMIC VALUE
GENERATED

471M€

ECONOMIC VALUE
DISTRIBUTED

198M€

ECONOMIC VALUE
RETAINED

685,5M€

REVENUE

0,35€

EARNINGS PER SHARE

EXTRA-FINANCIAL



Employees

586

DIRECT
JOBS

18.857

TRAINING HOURS

3,4/4

EMPLOYEE SATISFACTION
WITH REGARD TO THE
TRAINING RECEIVED



Customers

771.074

PRIVATE CUSTOMERS

13.451

SMEs

75,6%

ELECTRONIC INVOICING

1.812

LARGE COMPANIES





Suppliers

375

LOCAL SUPPLIERS
(46.4% OF THE GROUP'S
TOTAL
PURCHASES)

278

DOMESTIC SUPPLIERS
(47% OF THE GROUP'S TOTAL
PURCHASES)

100%

SUPPLIERS
ASSESSED



Environment

REDUCTION IN
37,5%

SCOPE-1 EMISSIONS ON 2018

REDUCTION IN
3,63%

SCOPE-2 EMISSIONS ON 2018

REDUCTION IN
7,09%

SCOPE-3 EMISSIONS ON 2018



Society

MORE THAN
18

TECHNOLOGICAL AND
SOCIAL PROJECTS
AND ACTIVITIES

MORE THAN
60

RELATIONSHIPS WITH
ASSOCIATIONS AND
FOUNDATIONS

MORE THAN
100

SPONSORSHIPS
COMPLETED

122.565 thousand €

CONTRIBUTED TO PUBLIC ADMINISTRATIONS



Corporate Governance

100%

EMPLOYEES TRAINED IN
THE CODE OF ETHICS

97,96%

EMPLOYEES TRAINING IN THE
ANTI-CORRUPTION POLICY

0

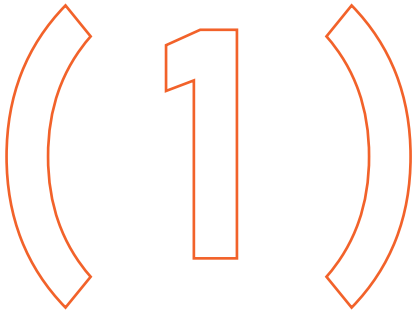
CASES OF CORRUPTION
CONFIRMED



(1)

Euskaltel Group, a Responsible Business





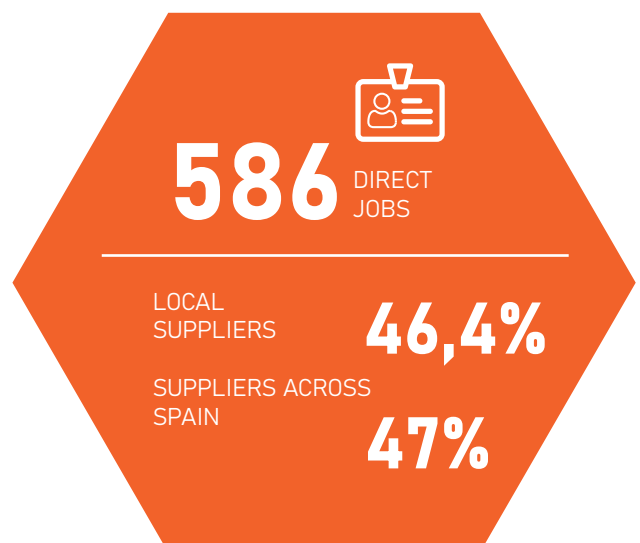
Euskaltel Group, a Responsible Business

1.1. Business model

EUSKALTEL GROUP, A COMPANY THAT BUILDS VALUE IN ITS TERRITORIES

The Euskaltel Group is the leading telecom group in northern Spain and is characterised by deep roots and a strong commitment to the regions of Euskadi, Galicia and Asturias, where business has traditionally been conducted by the operators Euskaltel, R Cable and Telecable, and more recently in Navarre, La Rioja, León, Cantabria and Catalonia thanks to our strategy of expanding into neighbouring territories while always maintaining a clear focus on value creation and community development wherever we operate.

In 2019, the Group's contribution consisted of 586 direct jobs and numerous indirect posts in the supply chain, 61 new suppliers having been contracted; 46.4% of the total volume of purchases are made from local suppliers and 47.0% from other Spanish companies.



Thanks to the investment made in our own fibre optic networks and our 4G licence, the Group plays a major leading role in technical and digital development and promotion throughout Spain, providing broadband, telephone and pay TV products and services, as well as other convergent offerings, to a broad variety of customers comprising 771,074 private customers, 13,451 SMEs and 1,812 large companies by the end of 2019.

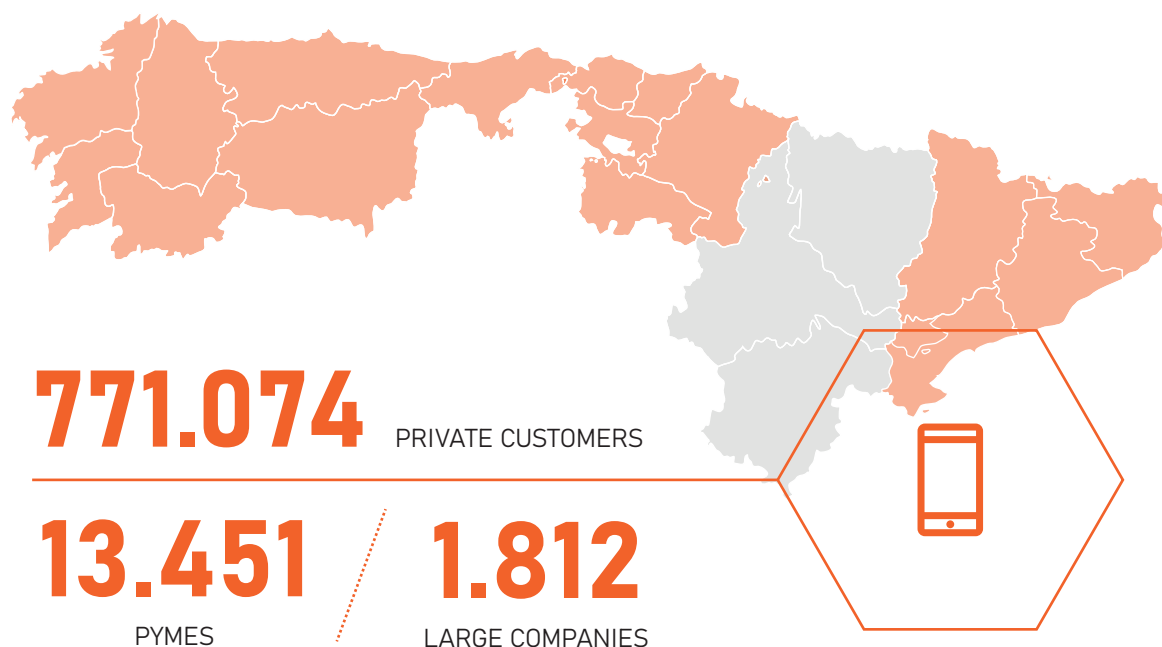
In line with our commitment to local development, in 2019 the Group's environmentally friendly management of impacts in association with environmental organisations and our social and technological development initiatives in local communities helped to achieve goals shared with local organisations and to reduce inequalities.

This allowed the Euskaltel Group to make further contributions to economic, social and environmental development in the territories where we do business, generating value for all stakeholders, including shareholders, while assuring an approach to growth grounded in responsibility and sustainability

**The Euskaltel
Group has made
further contributions
to economic, social
and environmental
development
in the territories
where we do
business**



Markets served



● EUSKALTEL GROUP'S GROWTH STRATEGY

While applying this business model, the Group has leveraged the capabilities of all the Group companies and the strategy of expansion into neighbouring regions, our market penetration having been consolidated in 2019 in our traditional regions while entering new markets so as to guarantee sustained growth without neglecting close customer relations.

So network coverage was consolidated in 2019 in the local areas of Euskadi, Galicia and Asturias that had not previously been able to access our products and services, while also establishing business in new areas through new points of sale for the Euskaltel brand in Navarre and La Rioja.

Thanks to the optic fibre agreement with Orange, we were able to consolidate the R brand's expansion into León and Cantabria. In December 2018, the Euskaltel Group and RACC created the RACctel+ brand to do business in Catalonia.

1.2. Responsible Management Model

The Euskaltel Group's responsible management model is based on identifying possible sustainability impacts and risks in our activities and on developing and applying a variety of commitments, policies, management procedures and mitigation measures in response to the matters identified

A materiality analysis was conducted to detect any impacts of our activities, which will be prioritised on a daily basis and integrated with business and sustainability objectives while developing our business strategy.



● MATERIALITY ANALYSIS

The Euskaltel Group's materiality analysis identified material impacts, risks or matters that were used to prepare our sustainability strategy for 2018 and 2019.

The following steps and procedures were followed:



> 1

REVIEW OF THE STAKEHOLDER MAP

Stakeholders affected by our activities or having a significant impact on the company's decisions were mapped before beginning the identification of sustainability risks and impacts. Priority stakeholders identified in this process are employees, customers, suppliers, the environment, local communities and shareholders.

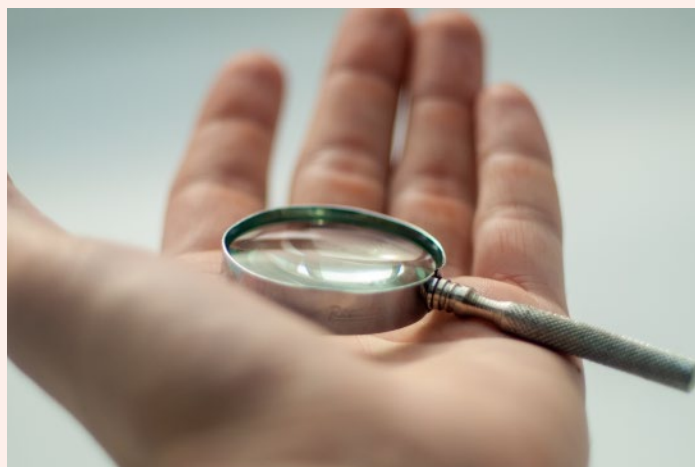
> 2

IDENTIFICATION OF MATERIAL ASPECTS

Once our priority stakeholders had been identified, internal and external information was analysed to detect the material matters or aspects that concern the stakeholders and influence the company's strategic decisions:

■ Internal analysis:

Internal information was studied to ascertain aspects that are relevant from the viewpoint of the company's stakeholder strategy, addressing matters such as the findings of stakeholder surveys, the Environmental Master Plan, the Code of Ethics and the Sustainability Communication Plan.



■ **External analysis:**

External information was studied to determine relevant opportunities and capabilities in the telecommunications industry, leading to the following specific actions:



Following the analyses referred to above, the following list of material stakeholder sustainability aspects was obtained for the Euskaltel Group:

Material Aspects



CORPORATE GOVERNANCE AND GOVERNING BODIES

- Balanced and diverse Board functioning and composition
- Corruption and fraud prevention
- Tax transparency
- Risk management
- Business ethics and compliance
- Stakeholder dialogue channels



HUMAN RESOURCES

- Work-life balance
- Work climate
- Diversity, equality and non-discrimination Training and diverse talent development Corporate volunteering
- Fair remuneration (wage gap)
- Responsible supply chain management
- Supplier satisfaction



SUPPLIERS

- Gestión responsable de la cadena de suministro
- Satisfacción de proveedores



CUSTOMERS

- Customer experience (service quality, customer satisfaction and claim management)
- Digital reliability (data protection)
- Cybersecurity
- Innovation in products and services (5G, IA, IoT, Blockchain)
- Digitalisation and digital transformation
- Responsible advertising



ENVIRONMENT

- Greenhouse gas emissions and climate change
- Circular economy
- Management policies and systems



INSTITUTIONAL RELATIONS

- Contribution to local development (employment, suppliers)
- Sustainable and inclusive products
- Human rights
- Sponsorship and foundations
- Digital health
- Responsible network deployment

> 3

PRIORITISATION OF MATERIAL ASPECTS

After identifying the sustainability impacts, assessment, prevention, mitigation and control measures were developed, giving rise to the following management policies and systems for each of the organisation's stakeholders under a single sustainability strategy and plan. Having identified material aspects relating to stakeholders, they were assessed and prioritised internally by our different departments, holding evaluation and comparison meetings. The material matters were then assessed and prioritised externally by consulting sustainability analysts and standards such as the SASB, the media, applicable internal documents and legislation, as well as the contribution to the SDGs or the United Nations Global Compact principles.

On the basis of these processes set out in a materiality matrix, 20 material matters were noted, representing priority risks and impacts to be managed in our sustainability strategy and plan



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SUSTAINABILITY STRATEGY

The Euskaltel Group's sustainability strategy seeks both to mitigate the impacts identified and to maximise potential development opportunities for all our stakeholders.

It is based on different management models comprising policies and procedures structured under the same Sustainability Master Plan so as to achieve economic, social and environmental objectives simultaneously and integrated with our business activity.

Integrated Management Model

Since the Euskaltel Group began to do business, our work strategy has been based on an Integrated Management System, systems having been successfully implemented under ISO, Quality, Environment, Information Security, Occupational Health standards and the National Security Scheme, as well as systems required by legislation such as Billing Quality and Service Quality.

Implementing and certifying the Management Systems also allows the Euskaltel Group to fulfil continuous improvement requirements and regulations, as a guarantee of management system effectiveness and upgrades for employees, customers and suppliers.

Environmental Management Model:

Within the overall Environmental Master Plan, the model is based on the Environmental Management System and on the EMAS and ISO 14001:2015 certification, as well as the Energy Management Policy and System under

ISO 50001:2011, implemented in each of the Group companies, forming the management model to prevent and mitigate environmental impacts.

Employee Occupational Health and Safety Management Model:

Within the overall Occupational Health and Safety Management Policy and System and OSHAS 18001:2007 certification rolled out in each company, the model is designed to prevent and mitigate risks to the health and safety of the people who work in the Group during their activities.

Quality, Privacy and Customer Data Protection Model:

Within the overall Quality Management Policy and System and ISO 9001:2015 certification, the Customer Privacy Policy, the Web and App User Privacy Policy and the Data Protection Risk Management Policy and System comply with the General Data Protection Regulation (GDPR) and are supplemented by the Information Security Management Policy and System and ISO 27001:2017 certification in all the Group companies, as well as by the Certificates of Compliance with the National Security Scheme, which form the management model assuring the quality of the Group's activities, products and services, as well as the privacy and protection of the data furnished by customers.

On an individual level, within the Integrated Management System, for products and services marketed under the Telecable brand, we have a Business Continuity Management Policy and System certified under ISO 22301:2015, an Information Technology Service Management Policy and System certified under ISO 20000-1:2011, and a Customer Contact Centre Service Management Policy and System certified under ISO 18295:2017.

Este Modelo de Gestión de la Calidad, Privacidad y Protección de Datos de los Clientes, dentro del Sistema de Gestión Integrado, se ve reforzado con otros modelos como el Modelo de Comunicación con Clientes y sus Sistemas de Reclamación establecidos en cada una de las compañías del Grupo, y que conforman el Modelo de Gestión de Clientes.

This Quality, Privacy and Customer Data Protection Model, within the Integrated Management System, is supported by other models such as the Customer Communication Model and related Claim Systems in place in each Group company, forming the Customer Management Model.

Employee Management Model

Within the overall People Management Model and in strict compliance with the companies' collective bargaining agreements, we have a Training Plan, an Equal Opportunities Policy and a Data Protection Risk Management Policy and System in place in all the companies, forming the responsible management model for the people who work for the Group, protecting and securing their personal data, supported by the Employee Health and Safety Management Model, which is part of the Integrated Management System

Supply Chain Management Model

Within the overall Supplier Evaluation and Approval Model developed in line with ISO 9001:2015 quality criteria,

14001:2015 environmental criteria and OSHAS 18001:2007 occupational criteria, the model is supplemented by the Supplier Charter, which

urges all our suppliers to comply with the Code of Ethics, thereby including the suppliers in our corporate responsibility commitments.

Corporate Governance Management Model

Within the Group's overall Good Corporate Governance Policy and Code of Ethics, which includes Conduct Instructions for all the Company's people and an Ethics Channel for related queries and complaints, the model is supplemented by the Criminal Compliance and Anti-Bribery Model and by various policies included in the Corporate Governance Model, such as the Anti-Corruption Management Policy and System and ISO 37001:2017 certification, the Tax Policy and the Conflict of Interest Policy. The model also includes the Director Selection Policy, the Director Remuneration Policy, the Auditor Contracting and Relations Policy and the Board of Directors Regulations.

Shareholder Management Model

Within the overall Shareholder and Investor Communication and Contact Policy, the model is supplemented by the General Shareholders' Meeting Regulations and the Internal Code of Conduct in Stock Markets, forming the shareholder relations model.

These models have been simultaneously developed and improved on the basis of the Group's Corporate Social Responsibility Policy so as to

consolidate a business project that is coherent, responsible and sustainable over time.

The framework of strategic objectives and actions is reflected in the latest Sustainability Master Plan, which has been drawn up taking into account new requirements for listed companies, such as the CNMV's Code of Good Governance, local regulations in Galicia, Euskadi and Asturias, and our adherence and commitment to external domestic and international sustainability benchmarks, such as the Global Compact principles, the Climate Declaration or the United Nations Women's Empowerment Principles, the Luxembourg Declaration on Workplace Health Promotion of the INSHT, the Spanish Platform for Climate

Change's #PorElClima Community initiative or the CEOE and Adecco Foundation's "CEOPorLa-Diversidad" Commitment, as well as the ISO standards and the European EMAS Regulation.

The Sustainability Master Plan sets out Corporate Social Responsibility objectives and strategic lines of action to be integrated into each management model and into the culture of all the Group companies, as well as aligning the mission, vision and strategic business objectives with the sustainability goals.

In 2019, work was carried out to continuously improve on these objectives, placing special emphasis on integrating business and sustainability strategies. The major milestones in 2019 were as follows:



PROMOTION OF AWARENESS AND REFLECTION PROCESSES WITH THE MANAGEMENT COMMITTEE,

so as to bolster a governance structure based on the assumption of responsibilities at the executive level in economic, environmental and social matters and increased alignment of business objectives with sustainability objectives at the corporate level.



PROMOTION OF CULTURAL TRANSFORMATION PROCESSES FOR EMPLOYEES AND THOSE RESPONSIBLE

for each of the organisation's departments, so as to support business and sustainability duties and responsibilities at the operating level.



INTEGRATION OF ALL SYSTEMS UNDER ISO STANDARDS IN AN INTEGRATED GLOBAL MANAGEMENT SYSTEM

so as to unify the audit model; creation of a specific Sharepoint space in order to systematise the monitoring of improvement actions resulting from the audits and facilitate communication with the areas involved.

The objectives and actions set out in the Sustainability Master Plan, as applied in each management model, allow us to respond to various Sustainable Development Goals (SDGs), which are in turn a benchmark when designing and implementing policies and actions to tackle challenges that are common to all economic agents.

The Euskaltel Group feels involved in this process and accepts responsibility for contributing to the goals that are directly related to our business.

So the Euskaltel Group's priority SDGs are as follows:



A background image showing two people shaking hands in an office environment. The image is overlaid with a semi-transparent orange gradient. The person on the left is wearing a dark checkered shirt, and the person on the right is wearing a light blue checkered shirt. A laptop and some papers are visible on a desk in the foreground.

(2)

Good Corporate Governance



Good Corporate Governance

2.1. Corporate Governance Model



Good Corporate Governance seeks to maximise transparency, effectiveness, drive and control in all areas of the company.

This means taking on a set of values, principles and standards regulating the functioning and organisation of the administrative bodies, including their relations with shareholders, so as to assure the best possible business development.

The Group's Corporate Governance Model is also grounded in the commitment to best practices in good governance and in business ethics and responsibility in all our activities, in the awareness of the importance of these concepts for good business management and supported by a consistent Regulatory Compliance Model.

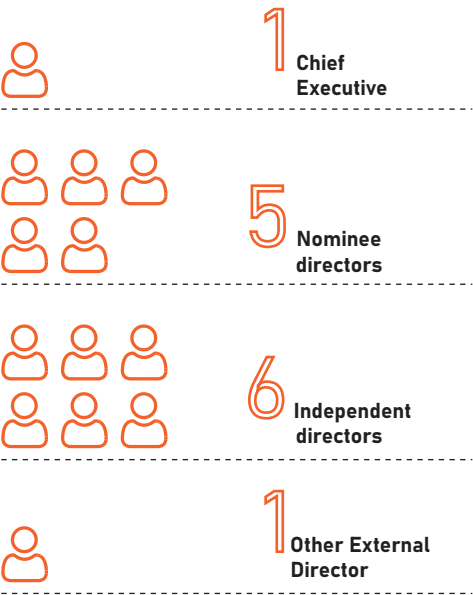


BOARD OF DIRECTORS

The Board of Directors has 13 members (3 women and 10 men) comprising 1 executive director (CEO), 5 nominee directors, 6 independent directors and 1 other external director (Non-Executive Chairman), as well as the secretary and vice-secretary.

D. Xabier Iturbe Otaegui Non-Executive Chairman
D. José Miguel García Fernández Chief Executive Officer
D. José Ángel Corres Abasolo Vice-Chairman, Independent Director
D. Eamonn O'Hare Nominee Director
D. Robert W. Samuelson Nominee Director
Dña. Alicia Vivanco González Nominee director, representing Kartera 1, S.L.
D. Luis Ramón Arrieta Durana Nominee Director
D. Javier Fernández Alonso Nominee director, representing Corporación Financiera Alba, S.A.
Dña. Belén Amatriain Corbi Independent Director
D. Iñaki Alzaga Etxeita Independent Director
Dña. Elisabetta Castiglioni Independent Director
D. Miguel Ángel Lujua Independent Director
D. Jonathan Glyn James Independent Director
D. José Ortiz Martínez Non-Voting Secretary
D. Gonzalo Silveiro Regulez Non-Voting Vice-Secretary

Board of Directors structure



- 1 is aged between 31 and 50
- 12 are aged over 50

Selection and Appointment of Directors

Proposals for the appointment and re-appointment of directors are submitted by the Board of Directors to the General Shareholders' Meeting, once reports have been submitted by the Appointments and Remuneration Committee, specifically assessing the candidate's honourableness, suitability, solvency, competence, experience, qualifications, training, availability and commitment, as stipulated in applicable legislation, the Company's Bylaws and the Board of Directors Regulations. Diversity of knowledge, experience, origin and gender on Euskaltel, S.A.'s Board of Directors are favoured, avoiding any kind of implicit bias that could reflect discrimination, particularly when selecting female directors.

The Board chairperson is chosen from among the directors based on a report from the Appointments and Remuneration Committee

Director Selection Policy

The Director Selection Policy assures, in a public, specific and verifiable way, that proposals for the appointment or re-appointment of directors are based on a prior analysis of the Board of Directors' needs while at the same time favouring diversity of knowledge, experience and gender on the Board, seeking to achieve a suitable balance that enriches decision-making and bring a plural view to the discussion of matters within the Board's remit, as well as meritocracy for the best qualified candidates.

The only impediments mentioned by the Director Selection Policy to becoming a Board member are those laid down in Article 9 of Euskaltel's Board of Directors' Regulations ("Incompatibilities"), which describes the circumstances in which a person cannot be appointed as a director or as the individual representing a legal person on the Board.

Finally, the Director Selection Policy includes the objective reflected in recommendation 14 of the current Code of Good Governance in Listed Companies that, by 2020, the number of female directors is at least 30% of the total.

So Euskaltel, S.A. is specifically committed to removing any kind of implicit bias that could entail discrimination and hinder the selection of female directors, who currently account for 23% of the Board members, ratifying the goal of achieving a balance of women and men in the administrative body.

Board of Directors' powers

The Board of Directors has the power to adopt resolutions on all kinds of matters not attributed by Law or the Company's Bylaws to the General Shareholders' Meeting, its main mission being to approve the Company's strategy and to oversee and control senior management as the administrators and principal representatives of Euskaltel, S.A. and its corporate interests.

So the Board has the authority to define, approve, oversee and monitor all the Group's general policies and strategies, such as the Strategic or Business Plan, annual management objectives and budgets, the Investment and Financing Policy, Dividend Policy, Treasury Share Policy, definition of the structure of the group of companies, Corporate Governance Policy, Corporate Social Responsibility Policy and Risk Control and Management Policy, including tax risks, as well as the regular monitoring of the Internal Information and Control Systems.

The Board of Directors entrusts ordinary management and administration to the Chief Executive Officer, as well as the dissemination, coordination and general implementation of the Company's policies and guidelines, in order to focus on the definition, supervision and monitoring of the general policies, strategies and guidelines to be followed by the Company and its Group.

The Board of Directors performs its duties in the Company's interests and in the common interests of all the shareholders of an independent public limited company pursuing its corporate objects in accordance with prevailing legislation, acting with unity of purpose and independent judgment.

The Board also takes into consideration the legitimate public or private interests merging in all business activities and particularly among our stakeholders. The goal is to maximise and sustain the Company's economic value and long-term performance, as an interest shared by all our stakeholders and as an aspect that must be observed at all times by the Board of Directors, its delegated bodies and internal committees, as well as by the members of the Board.

So their duties may be carried out properly, all the directors are informed annually of the status of the Sustainability Master Plan by the departments engaged in activities related to the Group's economic, social and environmental management.



Board Meetings

The Board of Directors meets as often as is appropriate to properly perform its duties, at least 6 times a year and at least once each calendar quarter.

Board Committees

The Board of Directors has created the Audit and Control Committee, the Appointments and Remuneration Committee and the Strategy Committee, whose remit is to attend, report and make proposals during Board meetings regarding the matters assigned to them from time to time by the Bylaws, the Board Regulations and their own internal rules as set out in the Audit and Control Committee Regulations, the Appointments and Remuneration Committee Regulations and the Strategy Committee Regulations.

These committees have no executive functions and act as information and consultation bodies, having the authority to report, advise and propose within their remit and governed by the provisions of the Bylaws and their own internal rules

Directors' Remuneration

Directors' remuneration is determined as laid down in the prevailing Directors' Remuneration Policy approved by the General Shareholders' Meeting and is overseen by the Appointments and Remuneration Committee. It is disclosed in the Annual Report on Directors' Remuneration published by the Group. The company R Cable y Telecable Telecomunicaciones, S.L.U. has a Sole Director (Euskaltel, S.A.), an office that is not remunerated.

Board of Directors performance evaluation

Euskaltel, S.A.'s Board evaluates performance annually. In 2019, most of the improvement proposals and recommendations identified in the previous year's evaluation process were implemented. The evaluation was carried out with the help of an external consultant in the following areas:

- **Strategy.**
- **Remit.**
- **Reporting to the Board.**
- **Committee meetings.**
- **Remuneration policies.**
- **Business continuity and tolerance level**

A new evaluation procedure was completed to measure the Board's performance in 2019, as a continuous improvement tool. The procedure has four distinct and parallel sub-processes:



Board self-assessment in which each director fills in a specific questionnaire.



Evaluation of the Chief Executive Officer.



Audit and Control Committee self-assessment in which the committee members fill in a questionnaire based on the Spanish National Security Market Commission's Technical Guide 3/2017 on Audit Committees of Public-Interest Entities.

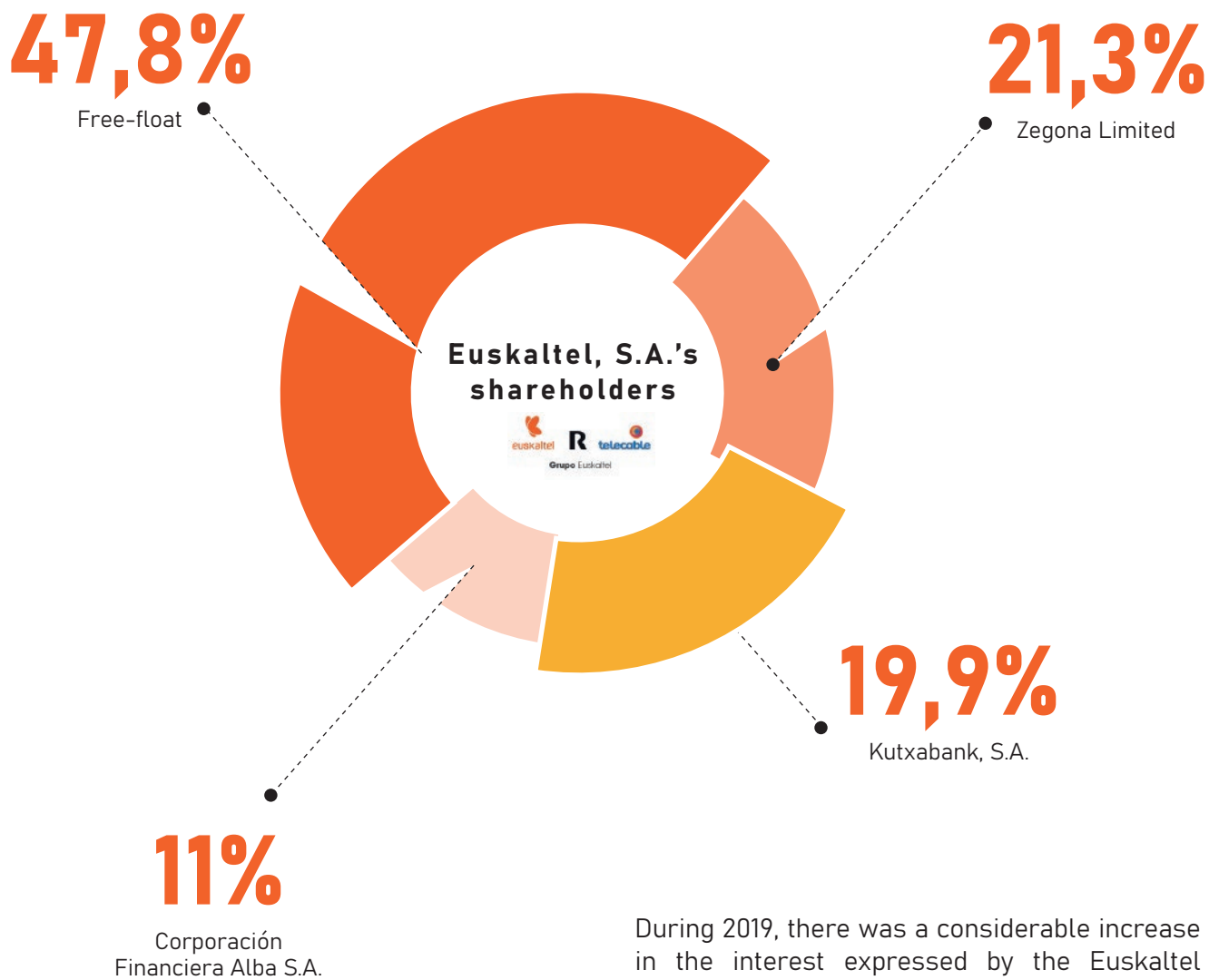


Appointments and Remuneration Committee self-assessment in which the committee members fill in a questionnaire based on the Spanish National Security Market Commission's Technical Guide 1/2019 on Appointments and Remuneration Committees of Public-Interest Entities.

The Board's effectiveness in the fulfilment of the duties assigned by Law and the Bylaws was assessed, as well as alignment with the Spanish National Security Market Commission's recommendations as guiding principles.

◆ SHAREHOLDER STRUCTURE

Euskaltel has the following shareholder structure at 31 December 2019:



During 2019, there was a considerable increase in the interest expressed by the Euskaltel Group's shareholders and investors in knowing about the Group's status as regards ESG matters, the number of queries received through the Investor Service Channel on the Group's ESG conduct having risen, which we interpret as a growing preference as regards investor satisfaction

2.2. Regulatory Compliance Model

The Euskaltel Group's Regulatory Compliance Model, unified and updated in 2017 to integrate the Group companies and create a single, coordinated compliance model, combines models for the management of criminal, bribery and corruption, and non-criminal risks.

These risks are overseen by the Audit and Control Committee as part of its duties to monitor the effectiveness of the internal risk control and management systems, and are managed by the Regulatory Compliance Officer.

This unified model lays down internal regulations underlying the Group's policies and procedures as regards both our ethical and compliance culture and the prevention of activities that could lead to criminal liability for the organisation. It includes training and communication plans, risk assessment, controls to mitigate risks, oversight of model implementation, a communication channel and a disciplinary system.

The regulations include the Code of Ethics, the Conduct Instructions, the Good Corporate Governance Policy, the Anti-Corruption Policy, the Conflict of Interest Policy and the Tax Policy, as well as the Ethics Channel to allow employees and suppliers, customers or any third party to clarify doubts and submit queries or information on breaches of internal and external regulations applicable to the Euskaltel Group. All these rules have been approved by Euskaltel S.A.'s Board of Directors.

The Regulatory Compliance Model combines models for the management of criminal, bribery and corruption, and non-criminal risks



CODE OF ETHICS

The Code of Ethics lays down the basic values and principles relating to the organisation's stakeholders in the form of Conduct Instructions that must be known and observed by the Euskaltel Group's members, in addition to the policies, manuals, protocols, legislation and other applicable external regulations. The Euskaltel Group has in place certain Due Diligence Model mechanisms for the dissemination of these principles through training and control processes and an Ethics Channel through which to clarify doubts, make queries and report breaches.

The Code of Ethics must be observed by the Board members, employees and suppliers, regulating the ethical behaviour expected of all the organisation's internal and external stakeholders: employees, customers, suppliers, public administrations, shareholders and society at large.

The Euskaltel Group's values enshrined in this code are proximity, honesty, innovation and agility.

The Basic Principles of the Euskaltel Group's Code of Ethics describing how the organisation's members must behave with stakeholders, of which they are duly informed, are as follows:

1

Compliance with Legislation, Internal Regulations and Contractual Relationships

All the Euskaltel Group's activities, wherever they are carried out, are based on the Regulatory Compliance Model, which stipulates strict compliance with prevailing legislation, observance of the internal regulations established voluntarily by the Group and contractual obligations with third parties, as well as administrative and judicial resolutions, rejecting any conduct that is dishonest, abusive and fraudulent or could conflict with the confidentiality, integrity and availability of systems, networks and data.

The Code of Ethics also prohibits collaboration by the Euskaltel Group's members (Board of Directors and employees) and suppliers with third parties in a way that infringes any law and actions that could harm the Group's reputation or stakeholder perceptions.

2

Responsibility and Professionalism grounded in Ethical Conduct

All the Euskaltel Group's activities are underlain by honest, upright behaviour and zero-tolerance to all forms of corruption and bribery, by respecting and observing the Group's Anti-Corruption Policy.

3

Compliance with applicable Financial Legislation

All the Euskaltel Group's activities fulfil accounting and tax obligations in all the territories and jurisdictions in which it operates. Tax-related decisions are taken based on an objective and reasonable interpretation. The Group's financial and economic information is prepared in a reliable way, in line with applicable legislation and applying the principles of existence, occurrence, completeness, valuation, presentation, disclosure, comparability and rights and obligations in accordance with prevailing regulations and the Tax Policy.

4

Euskaltel Group's Emphasis on Personal Interests

All the Group's activities fulfil the Conflict of Interest Policy, which addresses circumstances in which personal interests of the Group's members could interfere with their duties and functions, lead them to take action for reasons other than the strict fulfilment of their responsibilities or influence decision-making, so as to assure their full independence with respect to interests other than those of the Group.

5

Responsible Communication

All the Euskaltel Group's activities are carried out under a communication and advertising approach that is responsible, truthful and transparent, respects each region's linguistic rights and avoids advertising that is misleading, unfair or unlawful, and rejecting offensive or sexist language, in line with the Group's Customer Communication Model.

6

Confidentiality, Privacy and Data Protection

All the Euskaltel Group's activities guarantee the confidentiality and privacy of all information held, observing applicable legal, administrative and judicial obligations, guaranteeing the rights of access, rectification, consultation or objection where necessary, as well as any other rights that employees or customers may have under personal data protection legislation.

7

Commitment to Human and Labour Rights

Todas las actividades del Grupo Euskaltel, independientemente del lugar en el que ejerza su actividad, cumplen, protegen y respetan los Derechos Humanos y Laborales recogidos en la legislación nacional e internacional, basados en:

All the Euskaltel Group's activities, regardless of the location, fulfil, protect and respect the Human and Labour Rights set out in domestic and international laws, which are based on:

- The International Bill of Human Rights, which includes the Universal Declaration of Human Rights and the related core instruments: International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights, as well as the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work.
- The United Nations Global Compact.
- The 2030 Agenda for Sustainable Development and the United Nations 17 Sustainable Development Goals.
- The OECD's Guidelines for Multinational Enterprises.
- The International Labour Organisation's Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy.

In line with these Basic Principles and the Euskaltel Group's commitment to shareholder relations based on ethical criteria, transparency, honesty and proximity as regards their needs and concerns, the following specifications apply to each type of stakeholder depending on the way they are involved in the Group's activities and relationships.

Employees

The Euskaltel Group's relationship with people is founded on the support for and protection of human and labour rights, on equal opportunities, on the confidentiality and privacy of information, and on the avoidance of corrupt behaviour in all related activities:



Recruitment, Hiring and Evaluation

Euskaltel's recruitment processes are conducted under strict criteria of equity and equal treatment and based on candidates' professional competencies and potential, assessing performance, effort and talent with no focus on personal conditions or circumstances.

These commitments are reflected in the Equal Opportunities Policy.



B

**Safety, Health and Wellbeing**

Our people work in a safe, comfortable environment, protected by a Management System that prevents occupational risks and a safety culture based on training and continuous improvement, as well as on the encouragement of conduct that favours health, safety and wellbeing for employees inside and outside the organisation.

They also form part of our Occupational Health and Safety Management Policy and System and OSHAS 18001:2007 certification.

C

**Seeking a Work-Life Balance**

Las relaciones laborales con los empleados incluyen medidas de conciliación que permiten el correcto equilibrio entre la vida profesional y personal de los empleados.

Estos compromisos se materializan en las Medidas de Conciliación establecidas por cada una de las compañías del Grupo y en aplicación de los requisitos legales de sus convenios colectivos.

D

**Equal Opportunities and Treatment, Non-Discrimination and Anti-Harassment**

Labour relations are based on a policy of equality and diversity that includes the absence of any discrimination or moral or sexual harassment and on equal opportunities in treatment, training and professional development so as to assure fair, dignified, egalitarian growth unfettered by restrictions due to gender, race, religion, disability, sexual orientation or any other reason.

These commitments are reflected in the Equal Opportunities Policy and in the Training Plan.

E

Anti-Forced Labour and Child Labour



The Euskaltel Group's approach to labour relations rejects all labour performed involuntarily and under duress, and all activities that violate labour rights, including child labour, assuring reciprocal respect between the Group's employees and suppliers, and fomenting relationships based on the exchange of efforts and cooperation.

These aspects comply with Spanish legislation and the Group companies' collective bargaining agreements, as well as the Supplier Evaluation and Approval Model.

F

Respect for Private Life, Confidentiality and Personal Data Privacy



Our labour relations are strictly designed to protect privacy and confidentiality, particularly in relation to personal information. We only request and use data that are necessary to comply with applicable laws. This commitment is reflected in the Data Protection Risk Management Policy and System, the Information Security Management Policy and System, ISO 27001:2017 certification and the Certificates of Compliance with the National Security Scheme.

G

Independence and Anti-Corruption



Our labour relations are designed to assure independence and the rejection of corrupt behaviour. As regards third parties, the Euskaltel Group's employees must not request, receive or offer gifts, gratuities or courtesy items that could affect their objectivity or influence professional decision-making. This is laid down in the ISO 37001:2017-certified Anti-Corruption Management Policy and System implemented in 2019.

Customers

The Euskaltel Group's customer relations are founded on quality services, proximity to their needs and the confidentiality and privacy of their information in all related activities:



A

Quality Services

Customer relations are based on the quality of our processes and activities, and on management systems that promote quality, continuous improvement and innovation.

These commitments are reflected in the Quality Management Policy and System certified under ISO 9001:2015.

B

Safe products and Services

The safety of our products and services is an important part of our customer relations, so we assure high standards of quality and innovation.

These commitments are reflected in the Quality Management Policy and System certified under ISO 9001:2015.

C

Protection of Information and Confidentiality



Customer relations are founded on confidentiality, privacy and personal data protection, as provided by the General Data Protection Regulation.

These commitments are reflected in the Customer Privacy Policy, the Web and App User Privacy Policy and the Data Protection Risk Management Policy and System in place in all the Group companies.

The Information Security Management Policy and System certified under ISO 27001:2017 implemented in all the Group companies and the Certificates of Compliance with the National Security Scheme provide further support in this area.

D

Stable and Trusting Relationships



These relationships are built on our knowledge of customers and a swift, close service so as to ensure a lasting, transparent and trusting bond, thanks to a broad and affordable range of products and services aligned with their needs and tailored to their geographic area, responsible communication grounded in clarity, truthfulness and honesty, and an effective response to claims or complaints.

This is all set out in the Customer Management Model.



Suppliers

Supplier relations are based on fairness, stability and trust, as well as on the sustainability of our commercial relationships:



A

Fair Selection and Honest Contracting

We ensure that our commercial relationships with suppliers include fair selection followed by honesty and integrity during and after the contracting process.



B

Sustainable, Stable and Trusting Relationships

Supplier relationships are grounded in trust, sustainability, mutual benefit and ethical conduct so as to guarantee smooth transactions and a mutual interest in minimising any sustainability risk.

These commitments are reflected in the Supplier Evaluation and Approval Model, which is based specifically on ISO 9001:2015 quality standards, ISO 14001:2015 environmental standards and OSHAS 18001:2007 occupational health and safety standards, as well as supplier endorsement of the Euskaltel Group's Code of Ethics, Conduct Instructions and Anti-Corruption Policy



Shareholders

Shareholder relations are founded on good governance responsibilities and value building through the Corporate Governance Model, while assuring competitiveness, ethical conduct, transparency, fair competition in markets and regulatory compliance



A

Value Creation



Shareholder relations reflect honesty and transparency, as well as the responsibility to preserve, protect and increase the Group's value, as reflected in shareholder return policies.

B

Good Governance



The approach is ethical and transparent, including correct, complete and true information on the Group's activities and financial situation, supported by internal control and risk analysis and management systems covering internal and external resources, while always honouring commitments made to stakeholders.

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C

Fair competition

Fair competition in the markets in which the Euskaltel Group provides its services, so as to promote a free market and reject any unfair competition practices, whether under applicable laws or voluntary standards, is an important part of our shareholder relations.

D

Proper Conduct in Stock Markets

The Euskaltel Group has an Internal Code of Conduct in Stock Markets that must be observed by all the members of the Board and the Audit and Control Committee, as well as by the Group's employees whose work is directly or indirectly related to stock market activities and those that may come under the code due to their professional relationship with the Group.

Public Administrations

Our relations with public administrations, local through to international, including regulators, are based on regulatory compliance, transparency and cooperation underlain by trust, loyalty and good faith in all related activities:



Regulatory Compliance

These relationships must always reflect regulatory compliance. Information and documents requested by public bodies are furnished as quickly as possible, observing the required scope of our responsibilities



Responsibility, Ethics and Professionalism

Our activities with public administrations are conducted in a responsible, ethical and professional way, rejecting any corrupt behaviour and promoting transparency.



Cooperative and Trusting Relationships

We build relationships through cooperation and mutual trust, prioritising proximity and collaboration inspired by loyalty and good faith.



Society

Social relations are driven by the commitment to responsible, sustainable and cooperative social and environmental actions in the organisation's areas of influence:



A

Socially Responsible Actions

Relations with society are grounded in social responsibility criteria in each of the Euskaltel Group's territories, where we play an active role in activities in which our social contribution can be more effective thanks to our capabilities. The Group goes beyond compliance with legal obligations and is engaged in life quality enhancement, value and wealth creation, and socio-economic development in local communities by investing in telecommunications equipment, services and infrastructures.



B

Sustainable Development and Environmental Commitment

Environmental responsibility and protection, public health and safety, efficient use of resources, energy saving and waste reduction and treatment are all part of this approach so as to minimise our environmental impact on the areas where we do business and mitigate climate change through sustainable development.





C

Sponsorships and Collaborations

Our relationship with society entails collaboration wherever we provide services, making use of the organisation's own resources and capabilities, beyond the scope of our social and environmental responsibilities and in line with the Group's strategy, so as to meet socio-economic and cultural needs through partnerships and collaboration with social and cultural organisations and associations that maximise the contributions we make to society.



PREVENTION OF CORRUPTION AND BRIBERY

The Euskaltel Group has an ISO 37001:2017-certified Anti-Bribery Management Policy and System integrated into the Corporate Governance Model and directly linked to the Good Corporate Governance Policy and the Code of Ethics. The Anti-Bribery Management System lays down prevention and due diligence mechanisms to foster a culture of compliance in anti-corruption and anti-bribery matters, including aspects such as the Anti-Corruption Policy, the Criminal Risk Prevention and Anti-Bribery Guide, training and communication plans and the Ethics Channel. The policy and guide are publicly available to all stakeholders in the Group's brand websites.

The policy binds all those related to the Euskaltel Group, from employees and Board directors to business partners

The policy binds all those related to the Euskaltel Group, from employees and Board directors to business partners, which are external parties with whom the Group has or plans to establish a commercial relationship, including customers, consumers, business partners, consortium members, external suppliers, contractors, consultants, subcontractors, sales representatives, advisors, agents, distributors, representatives, intermediaries and investors, who must oversee compliance and report any suspicions of a breach.

The policy has been approved by the Euskaltel Group's Board of Directors and is periodically monitored and revised by the Regulatory Compliance Officer. It is aligned with prestigious international benchmarks for responsible business and anti-corruption policies such as those of the OECD, the United Nations Convention against Corruption (UNCAC) and the Anti-Corruption Ethics and Compliance Programme for Business of the UNOCD (United Nations Office on Drugs and Crime), the US Foreign Corrupt Practices Act (FCPA), the UK Bribery Act and the Spanish Criminal Code.

In order to prepare the policy, the Euskaltel Group assessed bribery and corruption risks across all the aspects of its businesses and operations, identifying and managing the following vulnerable areas as part of the Anti-Corruption Management System:

FACILITATING OR GREASE PAYMENTS

The Euskaltel Group prohibits all facilitating or grease payments, defined as any small, unofficial or inappropriate payment made to a public official to obtain or accelerate a routine or necessary action to which the party making the payment is entitled, such as the issuance of permits, licences, administrative authorisations or inspections associated with the performance of a contract.

GIFTS, GRATUITIES AND COURTESY ITEMS

The Euskaltel Group prohibits all kinds of hospitality, solicitation or receipt by its Board directors and employees, from third parties, of gifts, gratuities or courtesy items that could affect their impartiality and objectivity or influence a professional commercial relationship, or of undue advantages or as a subterfuge for illegal transactions.

PATRONAGE AND SPONSORSHIP

The Euskaltel Group only arranges patronage and sponsorship where it is compatible with objective, reasonable and transparent selection criteria aligned with its corporate values and strategy, with the aim of developing and strengthening the Euskaltel Group's business and brand, and in line with applicable internal regulations and procedures.

ACCOUNTING RECORDS AND OFFICIAL INFORMATION

The Euskaltel Group prepares its economic and financial information in a reliable way, applying the principles of existence and occurrence, integrity, valuation, presentation, disclosure, comparability and rights and obligations, assuring suitable internal accounting controls and sufficiently detailed documents to support the transactions completed, in line with applicable legislation. The goal is to guarantee that transactions are reported and reflected accurately and appropriately in the accounting records and official information, without any false or misleading entries or assertions, or errors as regards the accounts, reporting periods or other related aspects.

CONFLICTS OF INTEREST

The Euskaltel Group has a Conflict of Interest Policy, which refers to any situation in which the personal interests of employees or directors could come into conflict with the Group's interests.

BUSINESS PARTNERS

The Euskaltel Group demands that all its commercial relationships with business partners be conducted in an honest, upright way, ensuring the fair award of contracts and the absence of incentives in payments associated with the supply or provision of services, analysing the legal and financial status of its business partners and requiring them to comply strictly with applicable anti-bribery legislation.

ANTI-TRUST PRACTICES

The Euskaltel Group prohibits anti-trust practices, defined as agreements or commercial practices between two or more companies to restrict competition or abuse a dominant position.

ANTI-MONEY LAUNDERING

The Euskaltel Group has an Internal Control over Financial Reporting (ICFR) System comprising financial controls, some of which are intended to mitigate the risk of money laundering, supplementing the Criminal Risk and Anti-Corruption Management Model in order to reduce the risk of crime in the Group's activities, including corruption, bribery and money laundering.

In the area of corporate governance, the new Anti-Corruption Policy under ISO 37001:2017 on Anti-Bribery Systems, the Criminal Risk Prevention and Anti-Bribery Guide and the Conflict of Interest Policy were approved in 2019. Management of the Regulatory Compliance Model was also digitalised, bringing together in a single IT tool the GDPR, ICFR and Anti-Corruption risk management models to create an international benchmark, allowing the coordinated management of risks and enhancing internal efficiency.

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(3)

People





People

The People Management Model of the Euskaltel Group is structured on the basis of the Group's labour policies and procedures and the work culture maintained in each of its companies, allowing it to improve day by day in its aims of offering quality employment and achieving the commitment and motivation of all the people who make up the organisation.

On the basis of this model, the Group makes its commitment to the stability and good working climate of its employees, promoting continuous dialogue between all members of the organisation as a method of managing labour relations and ensuring that they can best reconcile their professional, family and personal lives, in conditions of flexibility, health and safety and equal opportunities.

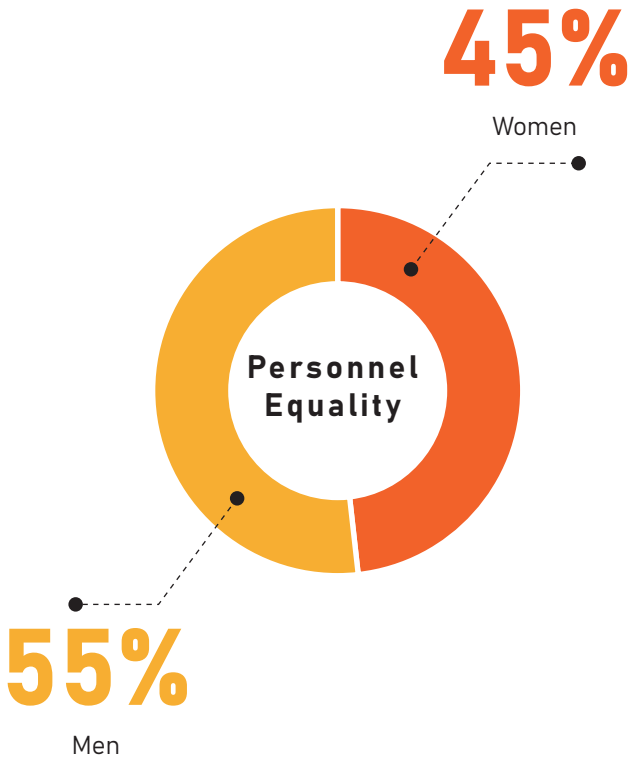
The Group is also committed not only to improving the current situation of the people who make up the organisation but also to their potential development, convinced that investment in people training will be the only way to ensure the fulfilment of future challenges and business goals and that they will make a difference to the Group and generate opportunities in the long term.

**The Euskaltel Group
is committed not
only to improving
the current situation
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make up the
organisation but
also to their
potential
development**

3.1. Employment Management



The employment model of the Euskaltel Group is characterised by a scheme of permanent and full-time contracts (99.48% of staff have a full-time permanent contract) and by a workforce that reflects equality in terms of gender (55% men and 45% women in 2019) and diversity in terms of age and professional specialities, maintaining a total of 586 direct jobs in the Basque Country, Galicia and Asturias in 2019, in addition to the numerous indirect jobs maintained through its extensive supply network.



	Age	Men	Women
Directors	<=30	0	0
	31-50	10	3
	>=51	12	1
Management	<=30	0	0
	31-50	22	14
	>=51	11	3
Other professionals	<=30	3	8
	31-50	203	210
	>=51	60	26
		321	265

586

99.48% of staff have a permanent full-time contract

3.2. Organisation of Working Hours

The Euskaltel Group is committed to an organisational model that allows people to enjoy an optimal working climate, based on trust, teamwork and flexibility, as well as the reconciliation of their family and personal life.



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◆ ORGANISATION OF WORKING HOURS



When organising working hours the various collective agreements concerning annual and weekly working hours, entry and exit times and vacation periods are applied, adapting them to the respective calendars, schedules and work culture in each company in order to offer the greatest possible flexibility to all people.

Royal Decree Law 8/2019 of 8 March is applied in all Group companies with regard to the registration of working hours and overtime. For its application, a digital platform is envisaged to record ordinary working days. During 2019, on a temporary basis, the Office 365 platform has been made available to employees for recording their working day, which is mandatory for all personnel.

Similarly, in the case of extended working hours, all companies remain within the framework and legislation in force, guaranteeing the maximum possible flexibility in terms of entry and exit times at offices and work centres

EQUALITY AND LIFE-WORK BALANCE MEASURES



Royal Decree Law 6/2019 of 1 March is applied in the Group's companies, with respect to the existence of measures to guarantee equal opportunities between men and women in employment and occupation.

In order to apply this law, all the possibilities it offers have been adapted to the companies' actual situation, notifying all personnel, collecting information about their needs and accepting 100% of employees who have requested them.

In addition, thanks to the existing arrangement of working hours prepared on the basis of the regulations applicable in each work centre, in order to achieve a flexible timetable, Group companies are provided with the necessary conditions to facilitate all employees' life-work balance.

Finally, the measures provided for in each of the collective agreements regarding time off and leave of absence, particularly with regard to maternity and paternity leave, are applied in all companies.

As a result of these measures, during 2019 10 men and 11 women took their respective paternity and maternity leaves, all of whom returned to work upon completion of the leave period.



3.3. Safety, Health and Wellbeing



As part of their Integrated Management System, the Euskaltel Group companies have implemented a Health and Safety at Work Policy and Management System certified under the OHSAS 18001:2007 standard.

This Management Model enables the highest possible level of safety, health and well-being (physical, mental and social) for people, who are the Group's most important resource, to control and minimise occupational risks and to ensure that in all activities both employees and other persons who may be affected by their actions are adequately protected.

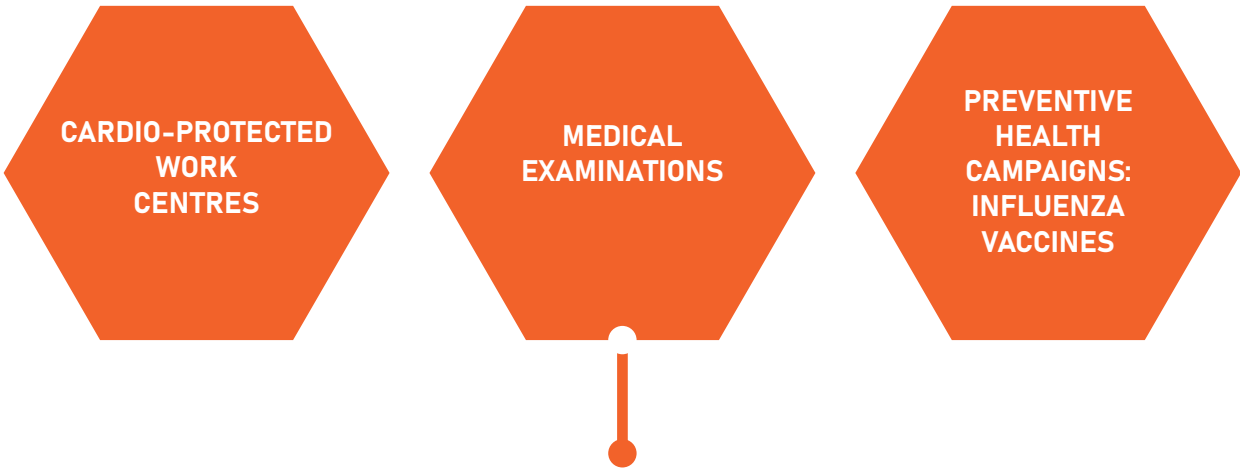
As a result of the Group's commitment to Health and Safety, all companies have adhered to the Luxembourg Declaration on Health at Work of the European Network for Workplace Health Promotion (ENWHP) since 2017.

During 2019, the necessary actions have been taken for the migration and subsequent certification under the ISO 45001:2018 standard

This Management Model allows the highest possible level of safety, health and well-being (physical, mental and social) for people, who are the Group's most important resource

HEALTHY COMPANY

In 2019, the Euskaltel Group companies initiated the KRT Saludable 4.0 project, based on various welfare actions that provide people with information about their health, contributing to the early detection of diseases and the promotion of healthy habits, among which the following initiatives stand out:



It is offered annually regardless of the recommended periodicity for occupational risk to which the professional is exposed.

Incorporation of medical tests (vision control, spirometry, audiometry and electrocardiogram) in general for all employees for whom, based on occupational risk, these tests are not recommended.

Incorporation of analytical parameters for general health and by gender (PSA and TSH)

Inclusion in the professional's medical report of general and specific health recommendations based on the findings

In 2019 these actions were particularly appreciated by staff, achieving a high participation level and obtaining the following results:

	% people attending examinations		number attending in 2019 and 2018		% persons who repeat the examination	
	Women	Men	Women	Men	Women	Men
Basque Country	70%	71,33%	93	89	83,04%	83,18%
Asturias	60,42%	91,25%	21	61	72,41%	83,56%
Galicia	62,50%	71,65%	26	71	65%	78,02%
Total	66,54%	75,91%	140	221	77,35%	81,55%
	71,86%		361		79,87%	

Finally, in 2017 all Euskaltel Group companies were able to apply for a bonus due to the recovery of social security contributions for professional contingencies from the Ministry of Labour, Migration and Social Security thanks to the low accident rate, which has materialised in 2019.

The Ibermutua Gallega Mutual Company for Occupational Accidents, with the presence of the Director of the Galician Institute for Occupational Safety and Health (ISSGA), awarded "Recognition Diplomas" to R Cable and Telecable (Asturias and Galicia) in view of their particular commitment to occupational risk prevention.

EMPLOYEE REPRESENTATION IN RELATION TO OCCUPATIONAL HEALTH AND SAFETY

Euskaltel Group management considers and recognises that the cooperation of all personnel and the support of their representatives in the prevention of occupational risks contributes decisively to the achievement of the objectives sought in the health and safety at work area.

The information, consultation and participation process for the documentation of the Occupational Health and Safety Management System has been completed in accordance with ISO 45001:2018 for subsequent certification in 2020.

Likewise, and to facilitate the participation of all people in matters of occupational health, safety and welfare, the Euskaltel Group has implemented communication and information channels, as well as collaborative communication tools.

As a result, 100% of the Group companies' employees are represented in matters of occupational health and safety through their respective Occupational Health and Safety Committees.

ACCIDENT RATE

As a result of the above measures, during 2019 the companies in the Euskaltel Group managed to maintain a low number of accidents and low frequency and severity rates. All the accidents that have occurred are classified as minor, and there has been no suspension from work due to occupational hazards during pregnancy, nor any cases of occupational diseases.

Accidents	2019	
	Accidents requiring absence	0
	Men	0
	Women	0
	Accidents not requiring absence	3
	Men	2
	Women	1

Accident Indicators

Group-wide accident indicators (excluded in itinere)			2019
FREQUENCY RATE			0
No.accidents with sick leave x 105/average			
By gender			
	Men		0
	Women		0
GENERAL FREQUENCY RATE			2,70
No.accidents (leave + no leave) x 106/ No.hours worked			
By gender			
	Men		2,10
	Women		3,14
SICK LEAVE FREQUENCY RATE			0
No.accidents with leave x 106/ No.hours worked			
By gender			
	Men		0
	Women		0
SEVERITY RATE			0
No.working days lost / No.accidents with leave			
By gender			
	Men		0
	Women		0
Seriousness rate			0
No.working days lost / No.accidents with leave			
By gender			
	Men		0
	Women		0

3.4. Labour Relations and Management of Social Dialogue



For the management of labour relations and dialogue with the employees of the Euskaltel Group, regular meetings are held with the workers' representatives and with the organisation's management areas and committees, through which the situation in the different areas affecting employees is discussed and analysed. In addition, there are direct communication channels through which communications with people are managed and which allow their concerns and needs to be heard.

In meetings with the workers' representatives and the management areas and committees, such as Financial Management, the Health and Safety Committee, the Training Committee or the Equality Committee, the company provides information on the provisions of Article 64 of the Workers' Statute, supporting legal compliance.

In addition, all personnel have access to the different companies' intranet and to Office 365 and they have company mobile phones to facilitate easy and effective communications.

It should also be noted that the intranet contains a link to the Ethics Channel, through which everyone has direct access to seek advice on the ethical and legal conduct and integrity of the organisation, as well as to report concerns related to unethical or unlawful behaviour or behaviour that affects the organisation's integrity, allowing all employees to access the channel directly and easily, and ensuring maximum discretion, professionalism and confidentiality at all times.

The intranet contains a link to the Ethics Channel, through which everyone has direct access to seek advice on the organisation's ethical and legal conduct and integrity

3.5. Training and Professional Development Management

EMPLOYEE TRAINING MANAGEMENT MODEL



The Euskaltel Group has managed the professional training of 100% of its employees based on its 2019 Training Plan, which is based on the annual diagnosis of their training needs in order to face the strategic changes and future challenges of the company, leading to training actions over the year to cover these needs.

An internal training platform is used to manage these training courses which also serves to register and monitor the courses, which are given by both internal and external trainers. During 2019, 18,857 hours of training were provided, distributed as follows: 8,246 hours technical training, 1,260 hours personal skills, 9,351 hours languages.



STAGES OF THE TRAINING PROCESS



1

TRAINING NEEDS
ASSESSMENT

2

TRAINING PLAN
IMPLEMENTATION

3

EVALUATION OF
TRAINING
SATISFACTION

4

END OF
TRAINING PLAN

5

EVALUATION OF TRAINING
EFFECTIVENESS AND
TRANSFER OF WHAT HAS
BEEN LEARNED

After the completion of the courses, individual evaluations of their satisfaction with the training are made by the personnel concerned and assessments of the effectiveness of the training received are made by managers in order to assess the improvements in their performance resulting from the courses.

Finally, on an annual basis, all personnel receive performance assessments based on targets and competencies from their managers, which, after validation by the director of the decision-making centre, enable a grading of professional profiles. During 2019, 100% of Group employees received performance assessments.



PHASES OF THE PERFORMANCE ASSESSMENT PROCESS



1
SETTING
TARGETS

2
MONITORING
TARGETS

3
PERFORMANCE
ASSESSMENT



ON-BOARDING PROCESS FOR NEW EMPLOYEES

New employees joining the Group receive an initial training or on-boarding process that includes a presentation of the company, receipt of corporate documentation on matters such as Health and Safety at Work, GDPR, Quality, Cybersecurity and the Code of Ethics, and training in all areas that help them get used to their new functions.

TALENTU TRAINING PROGRAMME

TalenTu is a programme devoted to the training of junior employees with the aim of promoting their integration into the company and derives from the Group's measures to promote youth employability. The programme, which lasts two years, consists of various phases and actions aimed at managing, developing and retaining talent, enabling people to adapt to the job and acquire skills and abilities on the basis of an individualised training plan.

WOMEN WITH TALENT PROGRAMME

In 2019 the first edition of the Women with Talent programme came to an end. This programme aims to highlight the role of women in the Euskaltel Group and provide them with the skills they need to facilitate their empowerment and put all their knowledge and skills into action, providing them with unhindered growth within the organisation and accelerating their professional development, creativity and management skills, as part of the Group's measures to promote gender equality.



3.6. Respect for Equal Opportunities



The Euskaltel Group recognises non-discrimination and the development of labour and social relations based on equal opportunities as a strategic objective, promoting the inclusion and professional development of groups such as women, people with intellectual disabilities and young people in their access to the labour market, and emphasising the importance of diversity in all its companies.



The Euskaltel Group recognises non-discrimination and the development of labour and social relations based on equal opportunities as a strategic objective

EQUAL OPPORTUNITIES POLICY

To achieve these objectives, the Euskaltel Group applies its Equal Opportunities Policy, which has the following basic principles of action:



COMMITMENT TO DIVERSITY, PROMOTING NON-DISCRIMINATION ON THE BASIS OF GENDER, AGE, DISABILITY, MARITAL STATUS, IDEOLOGY, NATIONALITY, RELIGION, SEXUAL ORIENTATION OR ANY OTHER PERSONAL, PHYSICAL OR SOCIAL CONDITION AMONG ALL ITS EMPLOYEES IN ALL THE COMPANY'S ACTIVITIES AND PROCESSES

- **Recruitment and selection processes:** through selection based on merit and the candidates' abilities.
- **Hiring processes:** starting from the non-existence of remuneration discrepancies due to sex, age, disability, marital status, ideology, nationality, religion, sexual orientation or any other personal, physical or social condition
- **Training processes:** ensuring training for all persons in the knowledge and skills required for the efficient performance of their duties, as well as supporting all personnel in relation to their different capacities to make sure they are occupied effectively.
- **Promotion, professional development and compensation processes:** based on the equal evaluation of the knowledge and skills necessary to carry out the work through performance evaluations, and to guarantee quality in employment, promoting the maintenance of stable jobs with occupational content that guarantee a continuous improvement in all employees' skills and competences.
- **Organisation's culture:** based on communications and actions that encourage equality among all persons in the performance of their functions, including the eradication of discriminatory language, and the distribution of information on this policy to all Group members.



COMMITMENT TO GENDER EQUALITY, PROMOTING EFFECTIVE EQUALITY BETWEEN MEN AND WOMEN IN ALL ACTIVITIES AND PROCESSES ACROSS THE ORGANISATION, WHOSE SPECIFIC LINES OF ACTION ARE BASED ON:

- **Strengthening selection and professional development processes:** by facilitating the presence of qualified women in all areas of the organisation, especially where they are under-represented, including the implementation of specific training and professional development programmes for women, and by removing obstacles that could halt or hinder their careers
- **Implementation of positive action measures:** correcting the existing inequalities in terms of the reconciliation of personal, working and family life in order to achieve the correct co-responsibility between men and women, as well as promoting access by women to positions of responsibility in which they have little or no representation, specifically in governing bodies and management categories.
- **Encouraging the engagement of suppliers that apply life-work reconciliation and gender equality measures:** extending the Group's commitment to gender equality to its supply chain.
- **Promoting the employability of women:** by raising awareness and promoting collaboration programmes with educational centres to encourage the presence of women in careers and training programmes related to the lines of business of the Euskaltel Group in which the presence of women is substantially lower than that of men.
- **Collaboration in combatting gender-based violence** through specific programmes including measures for the protection, support, information and accompaniment of victims of gender violence.



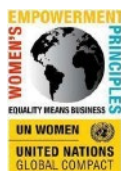
COMMITMENT TO THE SOCIAL AND EQUAL INTEGRATION OF PEOPLE WITH DISABILITIES, PROMOTING EFFECTIVE EQUALITY BETWEEN ALL PEOPLE AND ESPECIALLY THOSE WITH SPECIAL DIFFICULTIES AND NEEDS, SUCH AS PEOPLE WITH INTELLECTUAL DISABILITIES.



COMMITMENT TO THE EMPLOYMENT INTEGRATION OF YOUNG PEOPLE, PROMOTING THEIR EMPLOYABILITY AND EQUALITY IN THEIR DIFFICULTIES IN ENTERING THE LABOUR MARKET.

In line with these commitments, the Euskaltel Group has adhered to the CEOE and Adecco Foundation's "CEOPorLaDiversidad" Commitment and to the United Nations Global Compact Principles of Women's Empowerment since 2011, in addition to adopting measures and participating in numerous initiatives to promote equal opportunities..

**CEO x LA
DIVERSIDAD**



Programa Personas
Accesibles



José Miguel García - Euskaltel Group CEO
Signature #CEOPorLaDiversidad



◆ GENDER EQUALITY MEASURES

The measures adopted to comply with the Equal Opportunities Policy in the gender equality area are embodied in the Group's commitments to apply and establish Equality Plans and Committees in each of the companies through the implementation of various internal and external initiatives.

Based on the equality plans, diagnoses and improvement actions are carried out to achieve gender equality in all processes and activities across the organisation, from selection, promotion, salary policy, work time management, life-work balance, training, working conditions, health and safety, to prevention and action against sexual harassment and non-discriminatory use of language in communications.

In this respect, Euskaltel, S.A. has had an Equality Plan since 2018. In the case of R Cable y Telecable Telecomunicaciones, S.A.U., during 2019 the relevant diagnoses have been carried out to prepare Equality Plans, and the functions of its Equality Committees have been determined for implementation in the following periods.

Based on the equality plans, diagnoses and improvement actions are carried out to achieve gender equality in all the organisation's processes and activities

Complementarily, the Euskaltel Group supports the employability, empowerment and technological development of women through various internal and external initiatives.

From its internal programme Women with Talent, the Group aims to highlight the role of women in the telecommunications sector, providing women employees with the necessary skills to facilitate their empowerment and the implementation of all their skills and knowledge, providing them with unhampered growth and accelerating their professional development and their management skills, creativity and leadership, so that they can acquire a more relevant role in the organisation.

Externally, the Group has taken part in various initiatives related to promoting the employability of women in the technology field, the following being noteworthy in 2019



EMPREGALIA 2019

Employment forum between companies and job seekers, organised by the Women in Equality Association of Vigo, in which round tables, training courses and workshops on employment and entrepreneurship are carried out to support the inclusion of women in the new technologies sector



WOMEN IN PROGRESS

Collaboration in the Women in Progress project, with the participation of the Group's CISO in this edition, organised by El Correo and sponsored by the Euskaltel Foundation, to address the problems of the gender gap in the technology professions and to encourage the presence of women in science and technology.



GALS TECH

Talk on "Strategies for a safe design: Security by Design", with the involvement of the Group's Data Protection Officer and organised by GalsTech, with the aim of addressing cybersecurity among women and particularly how to come up with a methodology similar to Privacy By Design in cybersecurity from a positive viewpoint.

MEASURES TO PROMOTE THE EMPLOYABILITY OF YOUNG PEOPLE

Euskaltel Group participates with different Universities and Educational Institutions and attends Employment Forums and Events in Galicia, the Basque Country and Asturias with the aim of attracting and retaining young talent from the telecommunications sector. These profiles are then integrated into the TalenTU programme, which allows them to adapt to their work posts, continue training and grow professionally in the Euskaltel Group companies.

During 2019, the platforms, actions and projects carried out have been:



**PARTICIPATION IN
FORUMS
AND UNIVERSITIES TO
RECRUIT TALENT**

**FOSTERING
STEM TALENT**

PARTICIPATION IN FORUMS AND UNIVERSITIES TO RECRUIT TALENT

UNIVERSITY OF VIGO TECHNOLOGY EMPLOYMENT FORUM

common project among the three engineering schools of the University of Vigo, whose objective is to facilitate and promote labour relations between companies and soon-to-be or new technical graduates. This is an education and work commitment in the Galicia area, as well as being part of the actions derived from the collaboration agreement with the University of Vigo.

OVIEDO UNIVERSITY XVIII EMPLOYMENT FORUM

Annual conference organised by the University of Oviedo aimed at students and graduates in the process of accessing the labour market and companies and institutions that are committed to young and qualified talent, with the aim of promoting knowledge and employment.

EMPLOYMENT CONFERENCE ENGINEERING FACULTY OF THE BASQUE COUNTRY

Annual employment and company presentation conference where students from the Bilbao School of Engineering have the opportunity to learn about job offers and the future prospects of some of the main Basque companies and multinationals present in the Basque Country, which take part with the aim of recruiting future engineering professionals

CHAIR AT THE UNIVERSITIES OF A CORUÑA AND VIGO

Collaboration agreement with the universities of A Coruña and Vigo for the creation of the Chair in Cybersecurity, which aims to promote continuous training, innovation and research in the area of cybersecurity, promoting cultural, scientific and technological development on computer security and its practical application in Galician society.

CÁTEDRA DE LA UNIVERSIDAD DE OVIEDO

Collaboration agreement with the University of Oviedo for the creation of The New Generation Video and Networking Chair, with which the Second Technical Conference on New Generation Telecommunications Networks and Services was organised, with the aim of promoting and encouraging the relationship between the University of Oviedo and the Group through an innovation campus, with activities linked to the implementation of R&D&I projects, training and knowledge exchange between companies and universities, and the hosting of students on scholarship.

FOSTERING STEM TALENT

STEM is a study plan based on the idea of educating students in four specific disciplines: science, technology, engineering and mathematics; under an applied interdisciplinary approach, and integrating these subjects in a coherent learning paradigm based on real world applications. Within this framework, we have taken part

CYBERSEC@GAL

Primer foro de ciberseguridad de Galicia, celebrado mediante una mesa redonda de empresas Tecnológicas Gallegas dentro del Plan Digitalent, bajo el objetivo de fomentar las vocaciones TIC entre los jóvenes.

XGN R ENCOUNTER AND TECHNIUM R ENCOUNTER

Evento de ámbito tecnológico dentro del Plan Digitalent donde, a lo largo de dos días, se celebra un encuentro entre aficionados de las tecnologías, concurriendo estudiantes, familias y empresarios en la celebración de talleres, conferencias y exposiciones de temática tecnológica, con el objetivo de apoyar el emprendimiento y la vocación por las TIC's.

OPEN SCIENCE

Participation in the Open Science and Technology Fair, aimed at high school students, supporting ICT careers through activities and talks.

FIRST LEGO LEAGUE

Participation in the global competition organised by FIRST LEGO Education and aimed at primary and secondary school students, with the aim of involving young people in practical STEAM experiences, building confidence and increasing their knowledge and developing learning habits within a framework of research, problem solving, coding and engineering

ROBOTICS WORKSHOPS ("CREA R")

This is an educational project launched in various locations in Galicia. It involves robotics workshops aimed at children between the ages of 7 and 12, designed to boost their creativity, awaken their entrepreneurial spirit and train them in skills such as teamwork or public speaking.

VISITS TO THE FACILITIES IN GALICIA BY EDUCATIONAL INSTITUTIONS

Visits by students from educational institutions to the Main Operations and Data Processing Centre in Galicia:

MEASURES FOR THE INTEGRATION OF PEOPLE WITH DISABILITIES

The Euskaltel Group complies with the provisions of Royal Legislative Decree 1/2013, of 29 November through the creation of direct employment and through the creation of jobs in Special Employment Centres that work with disabled people.

Specifically, in 2019 reception, mailroom, customer care and telephony services were contracted with Special Employment Centres at a cost of €366,321, as well as through the direct hiring of one employee through a temporary employment agency.

In addition, the Euskaltel building has been adapted for people with physical disabilities and the Family Plan and the Aflora Plan have been developed among employees to contribute to the integration of people with disabilities.

The Family Plan consists of financial assistance for employees with disability issues among their family members for participation in labour integration schemes and leisure activities.

The Aflora Plan is designed to deal with any disabilities emerging among Euskaltel employees, without any cases having arisen in 2019.

Euskaltel also participates in the "Accessible People" Programme of the Gorabi-de Association, aimed at entities and individuals in Bizkaia who, without having a direct relationship with the intellectual disability sector, have become involved in the social inclusion of this group.

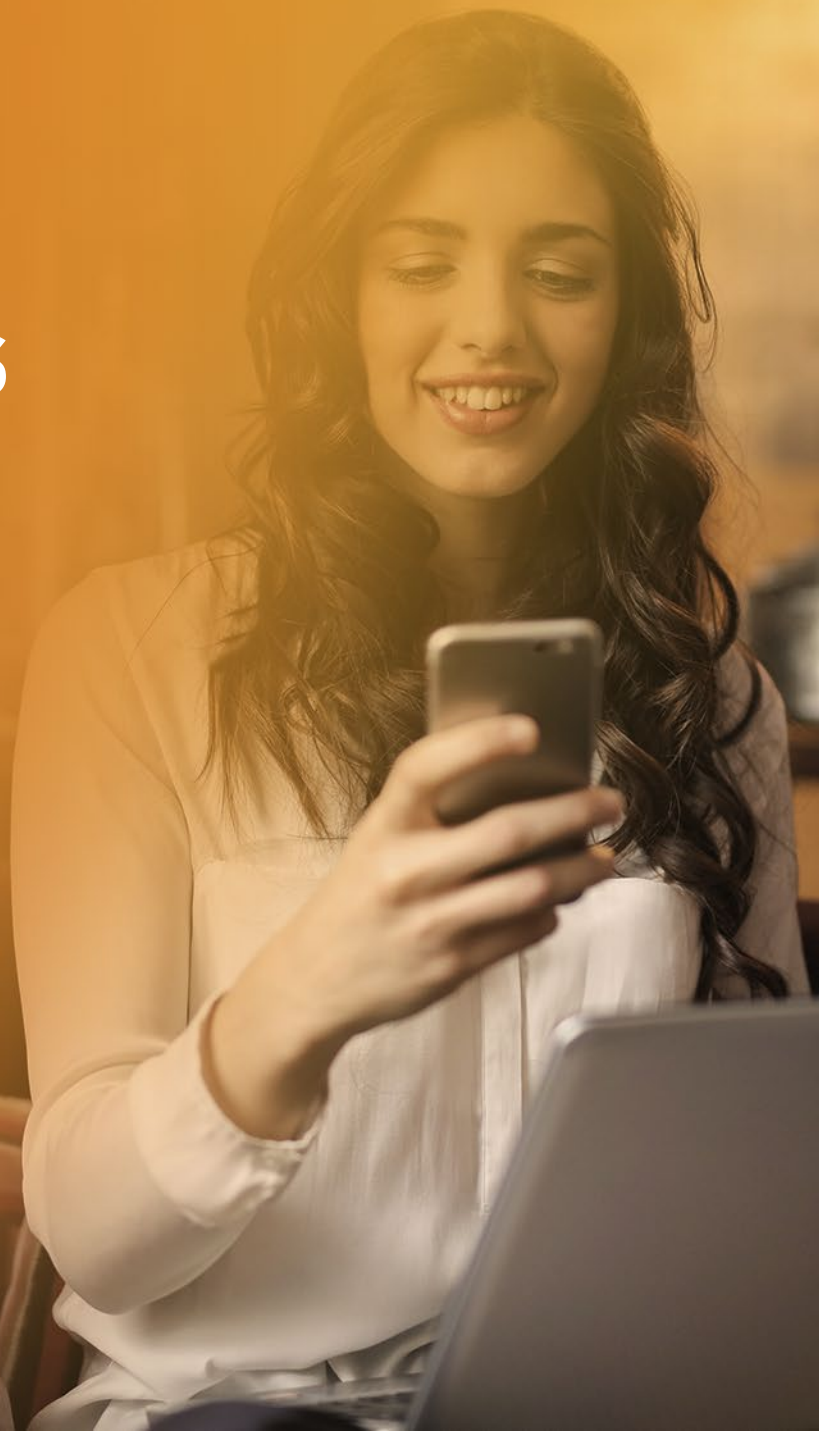
To this end, Euskaltel held interactive, training and awareness sessions at its facilities in Derio in work groups with people with intellectual disabilities, which proposed specific measures to facilitate understanding of the difficulties and needs of this group, helping to promote favourable attitudes and interactions and to improve their quality of life in equal opportunity conditions.

Consequently, in 2019 the Gorabi-de association awarded Euskaltel the Gorakide badge in recognition of the commitment and contribution made to people with intellectual disabilities and the values shared with the Gorabide association.



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Customers





Customers

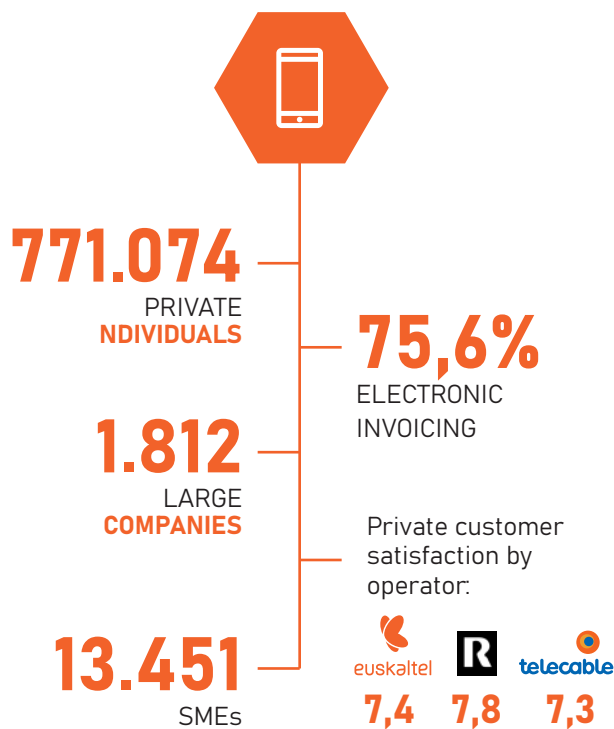
4.1. Customer Management Model



Since its early days the Euskaltel Group has been noteworthy for a relationship model with its customers based on closeness and the early detection and fulfilment of their needs, which has become its great competitive advantage.

Its commitment to providing the best service and products and its emphasis on professionalism and honesty enable it to be regarded by the private customers receiving its products and services as part of their family or circle of friends.

The Group has been providing support to SMEs and large companies for over 20 years, seeking to meet their demands and anticipate their needs through a professional team which is entirely devoted to providing them with



their technological challenges, establishing a high percentage of strong, lasting relationships with mutual trust, culminating in a lengthy track record of the satisfactory implementation of all kinds of projects.

4.2. Quality, Privacy and Customer Data Protection

To be able to offer its customers the highest quality in all its activities and processes, the Group has implemented a Quality Management Policy and System which is certified under the ISO 9001:2015 Standard in each of its companies and which belongs to the Group's Integrated Management System, enabling it to maintain high levels of quality and control in all its processes and services.

The Group also has a Customer Privacy Policy and a Web and App User Privacy Policy which includes a policy for marketing to non-customers, and a Data Protection Risk Management Policy and System implemented in each of its companies and belonging to the Group's Integrated Management System, enabling it to ensure maximum control over the information and personal data supplied by its customers, as well as to comply with the General Data Protection Regulation.



In order to prioritise transparency in its customer relations, the Group publishes these policies on the various corporate websites of its brands so that they are accessible to customers and all stakeholders.

In order to prioritise transparency in its customer relations, the Group publishes its policies on the various corporate websites of its brands so that they are accessible to customers and all stakeholders

In addition, a copy of the data protection policy is included in all contracts with customers so that they can know from the outset how and why their personal data is being processed, as well as informing them of their rights and allowing them to freely manage how they want future business relationships to be conducted. It should be noted that this policy has been revised with the approval of the Spanish Data Protection Agency.

On a complementary basis, to ensure optimum levels of information security, the Group has implemented an Information Security Policy and Management System certified under ISO 27001:2017 in each of its companies.

On an individual level, for products and services marketed under the Telecable brand, a Business Continuity Management Policy and System certified under ISO 22301:2015, an Information Technology Service Management Policy and System certified under ISO 20000-1:2011, and a Customer Contact Centre Service Management Policy and System certified under ISO 18295:2017 are maintained.

During 2019, it should be noted that all the Group's companies received a Certificate of Compliance with the National Security Scheme for physical and virtual data centre, backup and cybersecurity services, and that progress was made in cyber risk management through the implementation of new security and anti-fraud measures and SOC management.



4.3. Communication with Customers

In order to guarantee its commitment to transparent and honest relations with its customers in accordance with responsible communications and advertising principles, the Group notifies its customers of any changes in rates two months in advance and carries out checks through annual audits of the quality of its invoicing.





In addition, in order to continue providing close and speedy customer service, the Euskaltel Group has a consistent and agile customer service and complaints system that allows it to meet the different needs of individual customers and companies that rely on its services.

The communications channels available to customers for any type of query are via telephone, web, app, social networks (twitter, Facebook) or by visiting a physical store.

These channels allow companies to record the reason for the communications and the customer's data in order to start the analysis, resolution and response process as soon as possible, which are carried out regardless of whether they are substantiated or whether the customers' claims are valid.

Depending on the type of communication received, the Euskaltel Group has different procedures for processing them: customer complaints or complaints related to customer management, official bodies, terminal management, technical failure, damage, provisioning or billing and collection.

Communications and/or complaints channels

- Phone 
- Web 
- App 
- Physical store 
- Social networks 

In the specific cases of billing errors, the Euskaltel Group companies inform the customers concerned of the situation that has occurred and how it will be resolved in order to correct the errors made in future bills. The Euskaltel Group also maintains a compensation policy in the case of complaints which are resolved in the customer's favour, in which the compensation is reflected in a counter which can be easily viewed by the customer.

Trends in the number of complaints and resolution times are published quarterly on our brands' Service Quality sites as established in the Service Quality Order (IET/1090/2014), in accordance with the guidelines set by the Secretary of State for Telecommunications and Digital Infrastructures.



Euskaltel



R Cable



Telecable

4.4. Distinctive Offer of Products and Services

As part of its commitment to meet its customers' needs and to build loyalty among new customers, in 2019 the Euskaltel Group has sought to increase the value of its services and to offer new commercial products to private customers, as well as new value solutions to companies by offering convergent solutions that combine connectivity on any technology.

The Euskaltel Group seeks to increase the value of the services it provides and to offer new commercial solutions

A competitive offer for all kinds of households

During 2019 the Group continued to provide solutions to the multiple needs of customers in relation to telecommunications services, and is committed to accommodating the variety of products available in the market by incorporating new solutions and improving existing ones.

Its value proposition ranged from enhancements to solutions designed for families that need multiple mobile lines and convergence options without the need for a fixed line to offers for senior profiles that require mobility in both their fixed and mobile terminals to take both services wherever they need them.

Family. The most popular package for households with multiple mobile lines.

The Group improved the convergent offer with the highest value for its customers, updating it to current and future needs by adding options with increased capacity and a wider range of options to choose from in the "Family" package.

In addition, we are committed to adding value by including unlimited data consumption during weekends to all Family customer lines.

No landline, but more gigabytes

Since the fixed-line telephone is no longer relevant for a significant part of the Group's customers, such as young people, a new value proposition was launched for them: "remove your fixed-line telephone and get more gigabytes for your mobile".

"Try our services" offer

The Group opted for an innovative formula of letting its customers try out the products before buying them. "Try it, and if you're convinced, call us to keep it" is a transparent formula that lets customers try a product or service before having to buy it.

Member Get Member

The Group launched an initiative to thank customers who recommend them. The "plan amigo" was implemented in this connection in which customers were rewarded with a discount in their bills for each customer they recommended

Terminals and Gigabytes

In summer, as customers make more use of their data, the Group responded to its customers needs by launching the KIN-KON offer, based on obtaining a mobile phone for 0 euros and signing up for an additional 10 gigabytes for €6 per month.

Enterprise Solution. The Converged Communications Cloud Solution

In 2019, the Group has continued its commitment to offering convergent solutions that combine connectivity on any technology, such as the integration of fixed and mobile telephony in the cloud with advanced user functions and digital solutions for collaboration, teamwork and security, allowing companies to enjoy total autonomy for their online management.

The Enterprise Solution for SMEs has concentrated this commitment and development on its products, constituting a very important milestone in the process of simplifying and unifying the Group's portfolio for the business market and allowing access to better and more competitive communications in terms of supply, technology and functionality.

This product was launched in 2019 for the Euskaltel and R brands, with the aim of extending it later to the Telecable brand.

(5)

Suppliers





Suppliers

5.1. Supply Chain Management Model



The Euskaltel Group has based its Supply Chain Management Model on the prioritisation of nearby local and national procurements as a way of contributing to the development of the territories where it operates, as well as on its Supplier Evaluation and Approval Model, based on strict compliance with quality, environmental, labour and ethical criteria in its supplier approval process.

The Euskaltel Group has based its Supply Chain Management Model on prioritising nearby local and national procurements as a way of contributing to the development of the territories where it operates

5.2. Supply Chain



The Group's supply chain, whose largest procurement volume is based on the purchase of services, technology and network operations, is characterised by its highly local character.

Of the total of 705 suppliers that make up its supply chain, 375 are local suppliers or suppliers from the Basque Country, Galicia and Asturias, representing 46.4% of total purchases, and 278 are national suppliers, representing 47.0% of total purchases.

As a minority, and given the complexity of the sector in certain procurement matters, 6.6% of total purchases are made outside Spain (52 suppliers), of which 37 are suppliers from the European Union and 15 are suppliers from outside the European Union (11 in the United States, 1 in Switzerland, 1 in Colombia, 1 in China and 1 in Taiwan).

To ensure traceability and control of the entire supply chain, the Group has management tools that allow the various companies to monitor all their purchases and supplies.

In addition, certain procedures and the e-management application are available for the exchange of legal documentation, Group requirements and technical requirements in projects, facilitating the appropriate coordination of activities between the companies taking part in Group projects and the integration of preventive health and safety management in order to guarantee the well-being of all the people in its supply chain.



5.3. Supplier approval and evaluation

When initiating relations with its potential suppliers, the Euskaltel Group applies a selection process in which prior compliance with quality criteria under ISO 9001:2015, environmental criteria under ISO 14001:2015 and occupational health and safety criteria under OSHAS 18001:2007 are evaluated, in addition to financial and legal criteria.

As a complement to this process, all suppliers receive the Code of Ethics, its Conduct Instructions and the Anti-Corruption Policy, with the aim of informing them of all the ethical requirements they must comply with to form part of the Group's supply chain, as well as the existence of an Ethics Channel, in order for suppliers to assume the ethics and due diligence commitments within the objectives shared by both companies. This co-responsibility is embodied in the Supplier Charter, which is delivered during the contracting processes part of their commitment.

All contracting processes are governed by fair and honest selection principles in order for all suppliers to have the same equal opportunities



Likewise, the entire contracting process is governed by fair and honest selection principles with the aim of ensuring that all suppliers have equal opportunities when it comes to being selected to form part of the supply chain.

Every year, a compliance and performance assessment is made with respect to the quality, environmental and health and safety criteria applied in the approval process. Suppliers may lose their approved status as a result of the assessment outcome, with the consequent discontinuance of business relations.

Accordingly, any supplier that fails to meet these criteria must go through the approval process again in order to become part of the Euskaltel Group's supply chain.

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Environment



Environment

6.1. Environmental Management Model



The companies that make up the Euskaltel Group have been aware since its formation of their link with the environment, maintaining their commitment to the environment as one of the basic pillars for becoming a responsible and sustainable company. Therefore, the Environmental Management System of the Euskaltel Group, as part of its Integrated Management System and its strategic environmental commitment, is based on the latest Environmental Master Plan, which includes, under the same policy, common objectives and actions to mitigate the Group's environmental impact.

The Euskaltel Group continues to maintain its commitment to the environment as one of the basic pillars for becoming a responsible and sustainable company

This management is based on the Euskaltel Group's environmental commitments and initiatives, such as the Principles of the United Nations Global Compact, adhered to in 2003, the Global Compact Climate Declaration, made in 2007, or the #PorElClima Community, which it joined in 2017. Likewise, the Euskaltel Group's environment strategy is aligned with the Basque Environmental Strategy for Sustainable Development (2002 - 2020), as well as with SDG 12 "Responsible production and consumption" and SDG 13 "Climate action".

The Environmental Master Plan is implemented along four strategic lines:

1



Environmental Management Excellence (Green Organisation)

This strategy aims to deploy policies to reduce the environmental impact of the Group's activities by promoting good environmental practices, including the development of the Environmental Management System and measures related to the environmental dimension of the organisation, such as measuring and recording the carbon footprint and analysing the product's environmental footprint.



2



Communication of Environmental Performance (Green Communication)

The aim of this line is to promote communication and dialogue with all stakeholders based on a commitment to transparency, truthfulness and the preparation and notification of activities carried out both through this report and the various environmental statements.

3

**Sustainable Products
(Green Product)**

This strategic line seeks to improve the environmental dimension of the Euskaltel Group's products and to enhance the value of these actions for customers, carrying out technological surveillance activities on other companies, product life cycle analyses and activities aimed at promoting the circular economy.

The Euskaltel Group's commitment to environmental management excellence was the starting point for establishing an Environmental Management System in accordance with ISO 14001:2015 in all Group companies (certified by AENOR since 1999).

Following this policy of external endorsement of the internal commitments acquired and with the aim of staying in line with the Basque environmental strategy, Euskaltel decided to adhere voluntarily to the EMAS regulation since 2004. Since 2018, all Group companies have adhered to the EMAS regulation.

4

**Actions to Combat
Climate Change**

This line aims to align the environmental strategy with sustainable development objectives, working on the reduction of the carbon footprint, analysis and compliance with international initiatives or the ODS.

In addition, and given the organisation's concern to reduce its impact on climate change, the Group has an Energy Management Policy and System based on the ISO 50001:2011 standard, having certified the Energy Management System for DPCs in Asturias. As a tool for achieving its objectives in this area, an Energy Committee has been established, which plans and reviews the whole Group's energy efficiency objectives and plans on an annual basis, with quarterly monitoring.

The Euskaltel Group has therefore assumed the responsibility of carrying out environmental management that minimises the negative impacts on its surroundings, promoting good environmental practices.

To this end, it carries out an annual evaluation of the environmental aspects associated with its activities based on the criticality of the related environmental impact, taking into account both direct and indirect aspects and under normal, abnormal and emergency conditions. Key environmental aspects are those on which minimisation and control efforts have been focused, and which the Group has emphasised when defining environmental objectives.

Each company has its own significant issues, with energy consumption being a common aspect for all companies, as well as other significant environmental matters such as the generation of hazardous waste (lead batteries) and Greenhouse Gas emissions from electricity consumption.

In addition, within the framework of each company's Environmental Management System, the services they provide to their customers are analysed from a life cycle perspective, including the impact of their services on their utilisation by their customers.

During 2019, in view of the environmental impact of cloud services, the study focused on the Life Cycle Assessment (LCA) of Euskaltel's Virtual Data Centre (VDC), carried out on a "cradle to grave" basis. The main objective of carrying out the LCA is to identify the critical aspects within the operation and useful life of the VDC from an environmental viewpoint in order to propose areas for improvement, also serving as a powerful communication tool for both users to whom the VDC provides service and for the company itself, reflecting the organisation's commitment to the Environment



See Euskaltel's Environmental Statement

https://www.euskaltel.com/webektes-t/-GaleriaCorporativo/Documentos/nosotros/responsabilidad_social/2019/2019-declaracion-ambiental.pdf



See R's Environmental Statement

See R's Environmental Statement
<https://legal.mundo-r.com/legal/sites/-de-fault/files/imce/pdfs/Declaracion-mediambiental-18-es.pdf>

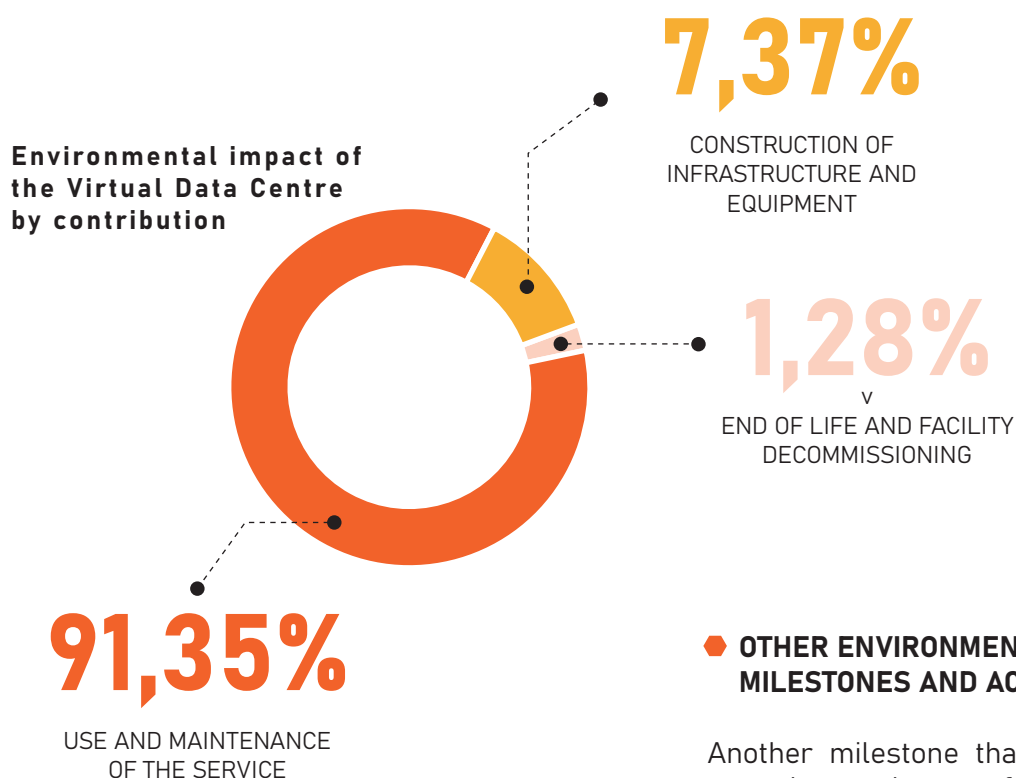


See Telecable's Environmental Statement

<https://telecable.es/bundles/app/docs/-Te-lecable-EMAS-2018.pdf>



As a result of the LCA performed, it can be seen that the main environmental impact is associated with the use and maintenance stage of the VDC service, with a much bigger impact than the infrastructure and equipment construction stages and the end of life and decommissioning stages.



◆ OTHER ENVIRONMENTAL MILESTONES AND ACTIONS

Another milestone that reflects the environmental commitment of the Group's companies and their capacity to establish alliances for sustainable development was the public-private collaboration agreement for the management of the Basque Eco-design Centre, a commitment initiated by Euskaltel in 2012 together with IHOBE (Basque Government's Environmental Management corporation), and renewed for 2016-2020, which seeks to achieve the objective shared with the Basque Government of promoting the development of ideas and actions that contribute to improving business competitiveness in the Basque Autonomous Region while preventing the generation of environmental impacts through the development and application of eco-design, eco-innovation and circular economy methodologies.

Within the framework of this collaboration, during 2019 an analysis has been made of Euskaltel's positioning in relation to the most recent EU green public procurement criteria in terms of services supplied through Data Processing Centres (hereinafter DPCs) in order to analyse, by means of an environmental monitoring exercise, the current status of the Euskaltel Group DPCs and identify opportunities to improve their positioning.

In addition, thanks to the Group's commitment to environmentally sustainable events, during 2019 both General Shareholders' Meetings and the Euskal Encounter event were held under the "Erronka Garbia" certification for sustainable events. This certificate, awarded by IHOBE (Basque Government's Environmental Management corporation), recognises events that include measures to minimise environmental impacts in both their design and organisation, establishing the steps to follow for planning and holding the events, measuring their impact and systematising continuous improvement, emphasising 6 priority areas of action: mobility, energy, water, procurement, infrastructure and waste.



**ERRONKA
GARBIA**
EVENTO
AMBIENTALMENTE
SOSTENIBLE

During 2019 both General Shareholders' Meetings and the Euskal Encounter event were held under the "Erronka Garbia" certification for sustainable events

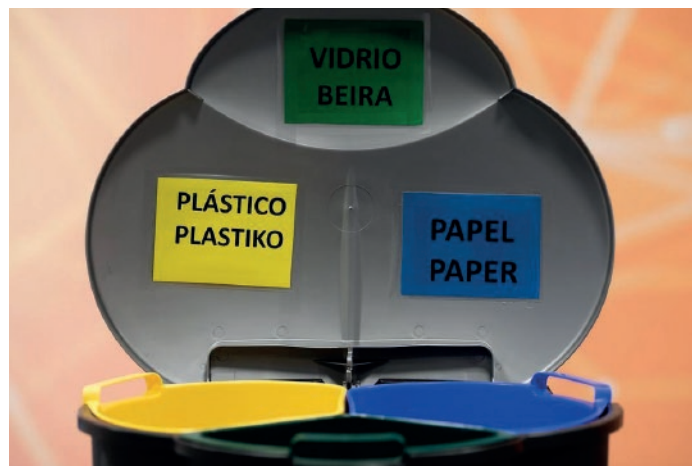
6.2. Materials, Waste and Water Management

The Euskaltel Group considers that efficiency in the use of resources is both an economic and an environmental issue. For this reason, it continues to promote the efficient use of resources (water consumption and energy consumption) through the Environmental and Energy Management Systems implemented in the Group, thanks to which it is possible to measure, assess and act to continue implementing measures to increase energy efficiency and optimise the consumption of resources and operational processes.

The Group has identified, among its most significant material consumption, the consumption of Electrical and Electronic Equipment (EEE), which includes decoders, cable modems, routers and cables, and the consumption of paper and cardboard.

It also identifies among its most significant waste the generation of WEEE (Waste Electrical and Electronic Equipment), cellulosic waste and lead acid batteries, as well as less significant materials such as plastics, fluorescents, batteries and organic waste.

In this respect, integrated with the Environmental Master Plan, the Euskaltel Group applies the ISO 14001:2015 standard for responsible management, applying circular economy measures to reduce consumption and generate less waste.



Responsible Management of Electrical and Electronic Equipment (EEE)

Electrical and Electronic Equipment (EEE) is identified as the most significant material and waste in Euskaltel Group companies. EEE are part of a fast-growing industrial sector, given that the innovation cycles for this equipment are increasingly brief and the replacement of these devices is accelerating, making EEE a growing source of waste, requiring measures to be taken to prevent the generation of such waste by encouraging the reuse of equipment. In line with current legislation (RD 110/2015), it is considered a priority to continue to progressing in the efficient use of resources, in their reuse and recycling and to contribute to the reduction of EEE to a minimum, bearing in mind that in this sector the recovery of valuable secondary materials is particularly relevant, since EEE are very complex products that generally include numerous parts and components.

Our commitment to responsible resource management and the circular economy is one of the keys to the Euskaltel Group's operational process in this area, emphasising reuse as opposed to recycling or disposal

Accordingly, this commitment to responsible resource management and the circular economy is one of the keys to the Group's operations in this area, emphasising reuse over recycling or disposal. For this purpose, customer equipment that exceeds the established requirements, such as decoders, cable modems or routers, are recovered and reconditioned, reducing the impact of consumption of these materials. In cases where reuse is not possible, equipment is recycled by delivering it to an authorised WEEE manager, achieving a significant reduction in the waste generated at the end of the process and the lowest possible environmental impact.

During 2019, the consumption of this equipment was 253.99 tonnes, an increase of 59.51% over the previous year, due to a change in the equipment installed with customers as a result of technological development.

Likewise, during 2019 more than 217,000 of these devices were reused, representing 56% of installed customer equipment.

As a result of the Group's commitment to the territories in which it operates, and also thanks to its awareness and responsibility for impacts beyond its own territory, we should mention the Framework Agreement for Collaboration between the Alboan Foundation and the Euskaltel Group for the "Mobiles for the Congo" initiative within the framework of the "Conflict-Free Technology" campaign, which aims to inform, raise awareness and collect used mobile phones from the public and generate economic resources through the sale and reuse of the terminals collected, which go to financing international cooperation projects in the Democratic Republic of the Congo through the Jesuit Refugee Service organisation.



Responsible Management of Paper Consumption and Cellulose Waste

Paper consumption results from the production of bills, communications with customers and office activities that cannot be replaced by the digital use of information. Less use of these materials and the use of electronic invoicing is encouraged. For the management of the waste generated, all the paper generated is destroyed as it might contain confidential data. The paper waste (cellulosic waste) is delivered to a specialised company that transports it to crushing plants and then delivers it to an authorised manager for recycling.

As a result of these measures to reduce the consumption and generation of cellulosic waste, in 2019 paper consumption was 144.19 tonnes, a reduction of 23.42% compared to the previous year, when consumption was 188.30 tonnes. Likewise, paper waste derived from the business in 2019 was 19.53 tonnes, a reduction of 20.43% with respect to the previous year in which paper waste was 24.54 tonnes.

Paper consumption results from the production of bills, communications with customers and office activities that cannot be replaced by the digital use of information

REDUCTION OF
✓ 23,42%
 IN PAPER
 CONSUMPTION
 COMPARED TO 2018



Responsible Management of Lead Acid Battery Consumption and Waste

Lead batteries are used to ensure continuity in the supply of electricity both in the network and in the corporate buildings of the Euskaltel Group companies. They give rise to hazardous waste generated at the end of the useful life of the batteries and in accordance with the current battery replacement policy, by which they are removed through corrective maintenance processes due to failure or loss of capacity that could jeopardise the availability of the service at the facility where they are located. When applying this policy, the distribution of this waste from one year to the next is often not consistent, with peaks arising in the amount of the waste generated as the battery stock ages.

As a result, in 2019, lead battery waste per product was 13.90 kg of batteries/1000 products (with a 9.8% increase over the previous year in which waste was 12.66 kg/1000 products).

During 2018, a project was undertaken in Asturias to replace batteries with more efficient ones, so that they would provide the same service while generating less waste at the end of their useful life, and this has continued throughout 2019.



Responsible Management of Plastic Consumption and Waste

The consumption of plastics is mainly due to the consumption of food and beverages by employees, which is managed by placing yellow containers in the corporate buildings of the Euskaltel Group companies, which are removed and managed for subsequent recycling by local companies.

In this area, during 2019 the plastic containers used in the pre-prepared food service for employees at the corporate building in Derio have been replaced by compostable and biodegradable containers, thereby limiting the generation of single-use plastic containers





Responsible Management of Lighting and Battery Waste

In the Euskaltel Group companies it is usual to generate fluorescent lamp waste from the lighting systems in buildings and network centres. In addition, waste is derived from the batteries used in the remote controls of decoders.

This waste is deposited in containers located in the companies' buildings where the employees can also deposit batteries generated in their homes, and then delivered to an authorised manager or a clean point.

As a result, in 2019, lighting and battery waste amounted to 1,214 kg, a 118.49% increase over the previous year when this waste amounted to 556 kg). This difference in quantities is due to the variability implied by the fact that battery collections are not carried out every year if a sufficient volume has not been produced.



Responsible water management

Water is supplied from the various municipal networks where the Euskaltel Group companies are located and is mainly used by the companies' employees, as well as for other secondary uses such as garden watering, building cleaning work and use in the cooling of telecommunications network equipment.

During 2019, water consumption was 7,900 m³, an increase of 5.92% over the previous year when 7,458 m³ was consumed. Actions have been taken to limit water consumption, such as placing aerators on taps to reduce consumption. In addition, meters are being checked by the supply companies to ensure the accurate measurement of consumption



6.3. Energy Management

For the Euskaltel Group, electricity consumption is one of the most significant environmental aspects and is the main source of energy consumption by far. Electricity is consumed by the telecommunications network (to provide services to customers), the DPC and the central services buildings (lighting, computers, air conditioning).

In this respect, integrated with the Environmental Master Plan, the Euskaltel Group has defined an Energy Management System based on the ISO 50001:2011 standard with the aim of continuously improving its energy performance, having certified the Energy Management System for the Asturias DPC. An Energy Committee has also been set up, responsible for the Group's energy efficiency plan and objectives and their quarterly monitoring. The application and certification of the ISO 14001:2015 and EMAS standards and their respective environmental statements in each Group company is aimed at continuously improving energy consumption management and reducing greenhouse gas emissions.



In addition, with the aim of reducing the climate impact of energy consumption, a green energy purchase agreement has been concluded to guarantee the supply of electricity based on renewable assets for Euskaltel. This agreement was the first PPA (Power Purchase Agreement) signed between an energy company and a telecommunications operator in Spain.

As an energy efficiency tool, the Euskaltel Group has a mobility model that seeks, in addition to reducing traffic accidents, to reduce energy consumption through the rationalisation of travel and the provision of remote communication and collaboration tools for its employees.

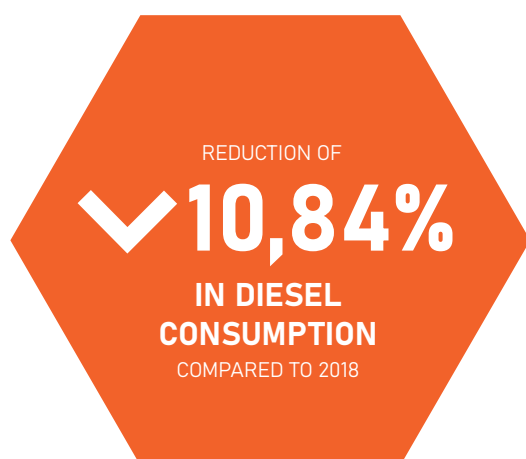


Responsible Electricity Consumption Management

The electricity consumed by Euskaltel Group companies is used to provide services to the telecommunications networks (to serve customers), the data centres or the central services buildings (i.e. lighting, computers and air conditioning).

During 2019, electricity consumption was 67,242.46 Mwh, an increase of 1.34% over the previous year, when electricity consumption stood at 66,356.56 Mwh, due to the increase in products supplied to customers, which grew by 2.6%.

However, in order to increase energy efficiency, in 2019 a project was undertaken to replace the heating and cooling installations in Derio's corporate building involving an investment of €173,457, resulting in a saving of 20% of the electricity consumption at this facility.



Responsible Fuel Management

Fuel (diesel) consumption has a mainly productive purpose and is used by the Euskaltel Group companies in the operation of generators and vehicles to transport employees on company assignments.

Generator sets come into operation when the main power supply fails in corporate buildings and network nodal centres or during maintenance operations and therefore their consumption, while not predictable, is low. In the specific case of Asturias, natural gas is used for heating the corporate building.

Savings and rationalisation criteria are applied in the use of vehicles for employee travel on company assignments, with measures such as the need to authorise travel for work purposes, optimising trips by using the lowest possible number of cars and using videoconferencing for meetings between employees in different locations.

During 2019 diesel consumption stood at 1,353.64 Mwh, an increase of 10.84% over the previous year when 1,518.27 Mwh was consumed. For its part, natural gas consumption in Asturias during 2019 stood 129.56 Mwh, an increase of 0.18% over the previous year when natural gas consumption totalled 129.33 Mwh.



Responsible Energy Efficiency Management

To minimise the impact of energy consumption and in accordance with the Environmental Master Plan, the Euskaltel Group has defined an Energy Management System based on the ISO 50001:2011 standard to continuously improve its energy performance, having certified the Energy Management System for the Asturias DPCs.

An energy efficiency plan is defined on an annual basis which describes the actions to be carried out during the year to improve the Group's performance in this area.

The Energy Committee is responsible for the energy efficiency plan and its monitoring, as well as for the Group's energy efficiency targets and their quarterly monitoring.

The energy efficiency plan involves actions aimed at reducing electricity consumption. Some of these actions have been carried out through the renewal of equipment, such as uninterrupted power supply systems, replacement of energy systems, migration and disconnection of television headends or replacement of air conditioning systems with more efficient equipment. The shutdown of obsolete or unused technologies to eliminate phantom electricity consumption has also been addressed.

The Euskaltel Group is carrying out technological replacements for new customers (from HFC to FTTH technology), which means lower energy consumption to provide service to customers due to the simplification of the network which also results in an improvement in service and a reduction in incidents, and implies fewer resources used in solving them.

An energy efficiency plan is defined on an annual basis which describes the actions to be carried out during the year to improve the Group's performance in this area

6.4. Air Pollution Management

The Euskaltel Group identifies energy and fuel consumption as its most significant environmental impact with respect to air pollution, together with emissions of cooling gases.

In this respect, in line with the Environmental Master Plan and its strategy against climate change, the Group is registered with the Register for carbon footprint, compensation and carbon dioxide absorption projects kept by the Ministry for Ecological Transition, carrying out calculations of the carbon footprint of its activities for determining its annual CO₂ emission reduction plans and calculations and reports on Greenhouse Gas emissions controlled by the organisation, including direct emissions from sources within the organisation (Scope 1), indirect emissions from externally generated electricity (Scope 2), and other indirect and externally generated emissions from the use of employee vehicles for business travel and air travel (Scope 3), with annual reduction plans for these emissions being verified by an independent third party.



Emissions of Coolant and Combustion Gases

Emissions of cooling gases produced in Group companies are due to leaks in the air conditioning system circuits and therefore preventive maintenance activities are carried out to limit the emergence of these leaks and the plan for the replacement of fluorinated gases (R-22 gas) in place since 2012 is applied under which, when emissions of this gas occur, the equipment is recharged with other authorised gases that are more energy efficient and do not damage the ozone layer, with the aim of progressively eliminating R-22 gas from the refrigeration systems.

In the case of combustion emissions, the different companies produce SO₂ and NO_x gas emissions derived from the consumption of fuel, both in generators and in the vehicles used on company assignments.

To minimise these emissions, the Group determines annual plans to reduce CO2 emissions, which mainly consist of measures to reduce energy and fuel consumption. These are set out in the section on responsible energy efficiency management, in addition to selecting equipment that meets the energy requirements under current legislation.



Greenhouse Gas (GHG) Emissions

The Group companies' activities are such that their direct GHG emissions (Scope 1) are minimal. Priority is given to reducing emissions from fuel used in generators and employee travel and those associated with the consumption of natural gas for heating at the Asturias office and, on a secondary basis, accidental emissions of refrigerant gases from the air conditioning systems in the event of malfunction.

The remaining emissions are indirect emissions (Scope 2) from the generation of the electricity consumed by Group companies and other indirect and external emissions (Scope 3) derived from the use of employee vehicles in business trips and from air travel emissions.

In order to minimise these emissions, the Euskaltel Group determines annual GHG emission reduction plans (associated with the energy efficiency plan), which mainly consist of measures to reduce energy and fuel consumption, as set out in the section on responsible energy efficiency management. The Euskaltel Group is also committed to reducing 25% of its greenhouse gas emissions by 2020.

As a result of these measures, in 2019 direct GHG emissions (Scope 1) stood at 794.58 tonnes, 37.5% less than in the previous year, indirect GHG emissions (Scope 2) stood at 20,777.94 tonnes, a 3.63% reduction per the previous year, and indirect GHG emissions (Scope 3) were 307.92 tonnes, 7.09% down on the previous year.

REDUCCIÓN DE

▼ **37,5%**
DIRECT GHG EMISSIONS
(SCOPE 1)

▼ **3,63%**
INDIRECT GHG EMISSIONS
(SCOPE 2)

▼ **7,09%**
INDIRECT GHG EMISSIONS
(SCOPE 3)



Other Noteworthy Climate Change Projects

Since 2012, as part of its membership of the Basque Ecodesign Center, Euskaltel has undertaken various projects aimed at calculating the impact of its activities on climate change:



- Internet Access Service Life Cycle Analysis
- OSOA Product Life Cycle Analysis
- Euskaltel Organisation Environmental Footprint
- Euskaltel WiFi Life Cycle Analysis
- Euskaltel Climate Change Adaptation Programme

Since 2012, as part of its membership of the Basque Ecodesign Center, Euskaltel has undertaken various projects aimed at calculating the impact of its activities on climate change



In 2019, in view of the environmental impact of cloud services, the following projects were undertaken

Life Cycle Analysis (LCA) of the Euskaltel Virtual Data Center, with the main objective of identifying the critical aspects within the functioning and useful life of the VDC to propose areas for improvement

An analysis of Euskaltel's positioning in relation to the most recent green public procurement criteria in terms of services supplied through Data Processing Centres (DPCs) in order to analyse, by means of an environmental monitoring exercise, the current status of the Euskaltel Group DPCs and identify opportunities to improve their positioning

Likewise, it should be noted that as a result of the Euskaltel Group's participation in the CDP Global Climate Change Survey, in which it has taken part since 2016, and due to the activities described in that survey, its rating was upgraded in 2019 to level B- in the area of environmental and climate impact management from the level C rating it had obtained to date.

Likewise, for all the companies that have completed the climate change questionnaire, CDP assigned a Supplier Engagement Rating (SER) in 2019 which is an indicator of companies' climate action with their suppliers. The Euskaltel Group obtained an A rating for the actions undertaken to reduce indirect emissions (Scope 3).



(7)

Society





Society

7.1. Growing with the Territory



The Euskaltel Group has grown as an organisation together with those communities in which it develops, providing wealth to all groups involved in its activities, with a focus on creating shared value and the goal of being more than a business.

The Euskaltel Group is also a key player in the social development of its local communities, contributing to numerous programmes and activities that seek to improve employment and technological opportunities in the territories where it operates.

The Euskaltel Group has grown as an organisation together with the communities in which it operates, contributing to the wealth of all the groups involved in its activities



Generation and distribution of economic

Pre-tax profits made in Spain in 2019

71.518
thousand euro

Public grants received in 2019

929
thousand euro

Corporate income tax paid

2019

Revenue	668.303	Thousand euro
Other operating income	404	Thousand euro
Financial income	610	Thousand euro
ECONOMIC VALUE GENERATED	669	MILLION EURO
Procurement	33.895	Thousand euro
Work carried out for other companies	128.939	Thousand euro
Wages and salaries	58.713	Thousand euro
Other operating expenses	120.724	Thousand euro
Financial expenses	49.888	Thousand euro
Dividends	55.329	Thousand euro
Corporate income tax and duties	23.452	Thousand euro
ECONOMIC VALUE DISTRIBUTED	471	MILLION EURO
ECONOMIC VALUE RETAINED	198	MILLION EURO
REVENUE	685,5	MILLION EURO
EARNINGS PER SHARE	0,35	EURO
PROFIT BEFORE TAXES	71.518	THOUSAND EURO
NET PROFIT	62.018	THOUSAND EURO

Corporate income tax paid	Other contributions to society		
	VAT and IGIC	PIT and SS	Levies and IAE
16.755.926€	58.375.535€	31.388.703€	16.044.861€
122.565.025€			

7.2. Programs for the Promotion of Local Employability

The Euskaltel Group is committed to developing measures to attract and develop young local talent in the telecommunications sector as a way of generating a positive impact on employment and development in the communities in which it operates.

To this end, it collaborates with various universities and educational institutions and attends different forums and employment events in Galicia, the Basque Country and Asturias with the aim of fostering the growth of profiles in the technological field, attracting the best young talent and integrating it into the workforce. In addition, to enable the optimum professional development of these profiles, the Group has designed the TalenTU programme, where they are given the opportunity to continue to grow professionally and improve their income when pursuing their careers.

The Euskaltel Group is also committed to measures that promote the employability and professional development of women, creating internally the Women with Talent programme through which it seeks to accelerate the professional development of women in the Group's workforce and consolidate their growth towards management positions, and participating externally in various initiatives that promote the employability of women in the technological field.

Both measures are described in the "Respect for Equal Opportunities" section.



7.3. Local Development Programmes. Euskaltel Foundation

In its commitment to the social and technological development of local communities, the Euskaltel Foundation has led a wide range of actions with the aim of strengthening the connection between people and companies and developing ICT-related initiatives.

Specifically, the strategic objectives of the Euskaltel Foundation since its creation have been:

Specifically, the objectives of the Euskaltel Foundation since its creation have been:



To meet these strategic objectives, activities and programmes have been established that are oriented towards the fulfilment of its social goals, fundamentally in areas such as the development of the information society, technological development, youth, promotion of real equality between women and men, education, business entrepreneurship, linguistic diversity and cultural diffusion.

Specifically, the following strategic lines are followed:

- Strategic lines**
- 1 Projects to Promote New Technologies
 - 2 Entrepreneurship and digital incubators
 - 3 Social technology
 - 4 Projection of a global image in the Basque Country

In this respect, the main programmes and activities involving the Euskaltel Foundation during 2019, differentiated by line of action and beneficiary groups, were the following:

1 Projects to Promote New Technologies



FIRST LEGO League

The First Lego League is a reference programme for STEAM Education in Euskadi, organised by InnoBasque, Mondragón Unibertsitatea and Euskaltel, based on an international robotics contest where more than 500 participants between 9 and 16 years old must think like engineers and scientists and solve a real problem, applying the values of discovery, teamwork and friendly professionalism.



Women in Progress

Women in Progress is a two-day event organised by El Correo and aimed at empowering women in the telecommunications sector, especially young girls at the age of deciding their professional future



Encounters Network

The Encounters are a meeting between professionals and enthusiasts of computers and new technologies, including companies and administrations, with activities aimed at exchanging knowledge and news about virtual reality and video games, talks, workshops, competitions, awards, learning 3D printing and acquisition of computer products, as well as being aimed at organising competitions, exhibitions of digital creative work and activities related to free software, bringing together experts in cybersecurity, systems and programming to overcome computer challenges. The network, provided by Euskaltel, has allowed almost 10,000 computers to surf at a speed of 80 Gbps. They are held both in the Basque Country and in Galicia. The Euskal Encounter, with more than 20,000 attendees and 27 years behind it, is the most international. The Gipuzkoa Encounter and the Araba Encounter are also held in the Basque Country. In Galicia the most important events are the XGN R Encounter followed by the Technium R Encounter.



Innova

Innova is a conference on innovation, digital business and creativity organised by the newspaper El Correo and aimed at business people, professionals, entrepreneurs or students interested in communication, innovation, marketing and digital business, where experts from various fields meet, from marketing and advertising to digital business, music, psychology or architecture, in their common commitment to innovation whatever the business sector or activity.



EuskalHack

EuskalHack Security Congress is an initiative of the first Ethical Hacking Association in the Basque Country, formed by professionals linked to research in computer security and computer forensics and aimed at both experts and non-specialists in the security industry for the promotion and dissemination of technical knowledge in this area.



WordCamp Irun

WordCamp is an event aimed at professionals in programming, design, web development and marketing, where talks were held on digital entrepreneurship, nomadism and WordPress.



GAMEGUNE

Gamegune is the most veteran eSports event or competition in Spain, which brings together video game fans and top-level professional gamer teams from various nationalities for top-level video game tournaments. In 2019, it took place at the Euskaltel headquarters in the Bizkaia Technology Park.

As well as the games, the Euskaltel headquarters hosted the new edition of the Game-guneTV programme which current issues in the world of eSports and which was also broadcast through Twitch, hosting various partners, youtubers, programmers, players and other guests to discuss issues of interest to the eSports community and share experiences and opinions about the evolution of the various Gamegune tournaments. In addition to the live tournament, Gamegune also has an online tournament where the League of Legends Storm Circuit is played.



Buber Sariak

Buber Sariak is a competition aimed at web sites set up in the Basque Country with the aim of exhibiting and rewarding the best Basque technological projects, awarding prizes to projects in the Basque language, free software, social and honorary, gastronomy and tourism, citizen participation, the agricultural sector, the machine tool sector, innovation, business internationalisation and trade. It is promoted by Asociación Internet & Euskadi, an association that aims to defend the general interests of citizens in relation to the information society.



NativosR

NativosR is a programme focused on the development of workshops and informative talks in town councils in Galicia for the generation that grew up before the digital era. It is an initiative aimed at parents, grandparents, tutors and teachers to understand digital equipment and the use of RRSS, digital devices and the Internet. The aim of these informative talks is to demystify the belief that this generation is competent in the use of technology because they were born into it and to inform about new terminologies and how the digital shift affects us.



2 Entrepreneurship and Digital Incubators



Bind 4.0.

BIND 4.0 is an acceleration program aimed at new companies with technological products or services with application in the fields of advanced manufacturing, intelligent energy, health technology and food technology. It is a public-private initiative that promotes the development of promising new companies in the 4.0 industry through training, mentoring and connections with the main industrial players in the Basque Country.



F2P

The F2P Vitoria-Gasteiz Campus is an initiative promoted by the Basque Government, the Provincial Council of Alava and the City Council of Vitoria-Gasteiz under the coordination of BIC Araba, aimed at startups from all over the world in the field of video game creation.



Global Innovation Day

As part of the Science, Technology and Innovation Week in the Basque Country, the Global Innovation Day is an open, dynamic and participative event based on networking, knowledge exchange, project presentation and experimentation, going deeper into the possibilities opened up by artificial intelligence and learning about projects on disruptive innovation.

3 Social Technology



HETEL (Association of Vocational Training Centres in the Basque Country)

HETEL is an association devoted to vocational training and support for the dissemination of scientific careers among young people. The Euskaltel Foundation is a strategic ally that has made it possible to collaborate in projects such as:

SHARE:

Inter-centre project where vocational training students from HETEL centres, at the Euskaltel headquarters (Derio), had to take up the challenge of working in groups for a month and a half to develop the installation of several application servers in each educational centre, simulating a company with various locations and developing a corporate network of a fictitious company located in different areas, for which they had the support and experience of Euskaltel.

e-MOTIVE:

e-MOTIVE is an international cooperation project between vocational training centres to carry out distance group work and facilitate virtual mobility.



Kaixo mundua

KaixoMundua.eus is a web creation and digital training contest aimed at young people between 12 and 18 years of age in educational centres, created at the initiative of the PuntuEUS Foundation to promote the digital skills of young people. In 2019, the pilot project included a day in which young people learned, had fun and networked by sharing their projects.



Elhuyar Zientzia Azoka

The Euskaltel Foundation again collaborated in the Science Fair for young people, which is organised annually by the Elhuyar Foundation. Workshops and stands prepared by young people between 13 and 16 years of age from different schools and institutes are displayed for the general public.



Scratch eguna

Scratch Eguna is a project carried out in schools where students, working in groups, develop a project in which Scratch is the common link.



EiTB Maratoia

The Euskaltel Foundation has been collaborating for over a decade with the EiTB Solidarity Marathon for the cause of research against major diseases, making a generous monetary contribution. This is one of the most popular initiatives and one that has the greatest response in the social responsibility actions area promoted by people within the organisation. In 2019, the marathon raised money for Childhood Cancer.



4 Projection of a Global Image in the Basque Country

The Euskaltel Foundation also works as a trustee in the following foundations and cultural centres in the Basque Country with the aim of spreading its message:

**Fundación
Artium**

**Fundación
Guggenheim**

**Fundación
PUNTU.eus**

**Kursaal
Eszena**

For its part, the Euskaltel Group has sponsored various sporting and cultural activities with the aim of contributing to social and cultural causes and to the empowerment of women in sport.



Promoting Gender Equality and Inclusive Policies

Inclusive sport sponsorship

El Grupo Euskaltel fomenta las políticas inclusivas a través del deporte como Celta Integra y Rugby Universitario Bilbao.

Sponsorship of Women's Sports Clubs

The Euskaltel Group sponsors female teams such as Athletic Club Bilbao, Real Sociedad, Club Atlético Osasuna, Telecable Hockey Club, Ibaizabal Saski Baloia Taldea, Roll it Girl, Rabba Girl, Fundación Bizkaialde (allowing women athletes to access the highest competitive levels).



Solidarity Initiatives

Aspace

The ASPACE BIZKAIA Foundation is a non-profit association which works to meet the needs of people with cerebral palsy, so that they can achieve the highest level of professional development and autonomy and also by raising social awareness about the problem to achieve a more inclusive society.

Every year a Christmas market is held to raise funds for different associations, and in 2019 a cheque for the amount raised was handed over to the ASPACE BIZKAIA Foundation.

Fundación CESPA

The Euskaltel Group collaborated through sponsorship with the CESPA Foundation, whose mission is to provide comprehensive attention to people at risk of social exclusion. From the beginning it has focused on people with addiction problems, developing the educational and therapeutic programme "Proyecto Hombre" in Asturias.

Radio Conta

The Euskaltel Group collaborates with this charity whose profits go to research into childhood cancer.

Fundación José Cardín

The Euskaltel Group collaborates through sponsorships with the José Cardín Foundation which organises a charity Christmas concert, the profits from which were donated in 2019 to the Spanish Cancer Association.



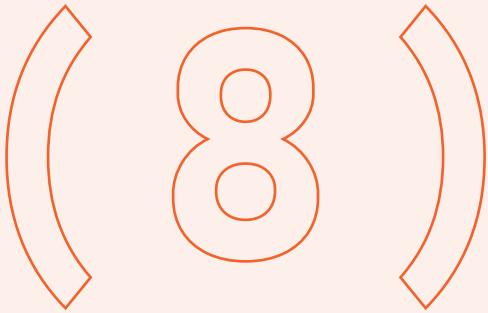
Social Sponsorship

The Euskaltel Group collaborates with various entities and institutions to transmit messages of proximity, familiarity and contribution to the economic development of the territories in which it operates. In the sports area the Group has maintained its commitment to Asturian, Basque and Galician sports clubs such as Basquet Coruña, club Baloncesto Ourense, Deportivo de la Coruña, Athletic Club, Eibar SD, Real Sociedad, Deportivo Alavés, Club Atlético Osasuna, Bilbao Basket, Sporting de Gijón, among others.

Commitment to local culture entails collaboration in researching and publicising territorial cultures such as the Museo do Pobo Gallego and the Fundación Ópera Oviedo, as well as strengthening the Group's features and roots in each territory through the sponsorship of bilingual primary school events for the support to the Basque language.

(8)

APPENDICES



Appendices

8.1. Criteria for drawing up the report

This Report has been drawn up on the basis of the financial and non-financial reporting system implemented in the Euskaltel Group and the initiatives developed in the regions in which it operates.

Scope and profile of the Report

The Euskaltel Group has drawn up this Responsible Company Report in accordance with the Global Reporting Initiative (GRI) guidelines, following the principles and content defined in the most recent edition of the GRI Standards applying the comprehensive option.

This is the international benchmark for the preparation of sustainability reports since all the most relevant issues for shareholders, customers, employees, suppliers, and society are covered, including comprehensive information on ESG (Environmental, Social and Governance) matters.

In order to comply with the GRI guidelines, the Euskaltel Group carried out a materiality analysis to focus its reporting on those social, environmental and economic issues that are most relevant for its business and that influence the decisions of the Group's stakeholders. This Responsible Company Report pays special attention to the issues identified as relevant in the materiality analysis carried out.

In addition, as signatories to the United Nations Global Compact, this Report provides a response to the progress made in complying with the Principles established by that initiative, as well as the Sustainable Development Objectives that represent the Group's activities and towards which it can contribute through its responsible management.

The information provided in this Report follows the basic line set out in the previous Responsible Company Report, in order to evaluate the Euskaltel Group's performance over time and to enable the comparison of the information disclosed for each period. All the data reported cover the Euskaltel Group companies since 1 January 2019.

The content of this Report covers the information posted on the Euskaltel Group website, the EMAS Environmental Statement, the Annual Corporate Governance Report and the Consolidated Annual Accounts for 2019. It forms part of and is subject to the same approval, filing and disclosure requirements as the Management Report, in compliance with Law 11/2018 of 28 December on Non-Financial Information and Diversity. The new requirements of said law and the Corporate Governance Recommendations of the CNMV have been taken into account in the Report. EKT Cable y Telecomunicaciones, S.L. is a Group company which in 2019 had no business activity of any kind or personnel, and therefore no data have been reported in this report with respect to this company.

AENOR

Declaración de Verificación de Información No Financiera

declaración de Verificación de AENOR para

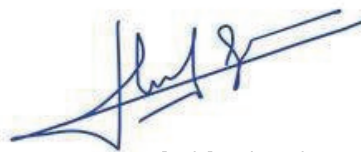
EUSKALTEL, S.A.

relativa al estado consolidado de información no financiera **MEMORIA DE EMPRESA
RESPONSABLE Y ESTADO DE INFORMACIÓN NO FINANCIERA 2019 GRUPO EUSKALTEL**

conforme a la ley 11/2018

correspondiente al ejercicio anual finalizado el 31 de diciembre 2019

En Madrid a 25 de febrero de 2020



Rafael García Meiro
Director General

1999/0485/VNOF-2020

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EUSKALTEL, S.A. (en adelante la organización) con domicilio social en: PARQUE TECNOLÓGICO - EDIFICIO 809. 48160 DERIO (BIZKAIA) y en su nombre, Dña. MARIA SOLEDAD GONZÁLEZ MORÁN, en cargo de Directora de Organización y Sistemas de Gestión (Calidad, Medio Ambiente y Bienestar y Salud), ha encargado a AENOR llevar a cabo una verificación bajo un nivel de aseguramiento limitado de su Estado de Información No Financiera (en adelante EINF) conforme a la Ley 11/2018 por la que se modifica el Código de Comercio, el texto refundido de la Ley de Sociedades de Capital aprobado por el Real Decreto Legislativo 1/2010, de 2 de julio, y la Ley 22/2015, de 20 de julio, de Auditoría de Cuentas, en materia de información no financiera y diversidad (en adelante, la Ley 11/2018).

Como resultado de la verificación efectuada AENOR emite la presente Declaración, de la cual forma parte el EINF verificado. La Declaración únicamente es válida para el propósito encargado y refleja sólo la situación en el momento en que se emite.

El objetivo de la verificación es facilitar a las partes interesadas un juicio profesional e independiente acerca de la información y datos contenidos en el EINF de la organización, elaborado de conformidad con la Ley 11/2018.

Responsabilidad de la organización. La organización tuvo la responsabilidad de reportar su estado de información no financiera conforme a la Ley 11/2018. La formulación y aprobación del EINF así como el contenido del mismo, es responsabilidad de su Órgano de Administración. Esta responsabilidad incluye asimismo el diseño, la implantación y el mantenimiento del control interno que se considere necesario para permitir que el EINF esté libre de incorrección material, debida a fraude o error, así como los sistemas de gestión de los que se obtiene la información necesaria para la preparación del EINF. La organización de acuerdo al compromiso formalmente adquirido, ha informado a AENOR que no se han producido, desde la fecha de cierre del ejercicio reportado en el informe no financiero hasta la fecha de la verificación, ningún acontecimiento que pudiera suponer la necesidad de realizar correcciones al informe.

Programa de verificación conforme a ISO/IEC 17029:2019. AENOR, de conformidad a la citada Ley, ha realizado la presente verificación como prestador independiente de servicios de verificación. La verificación se ha desarrollado bajo los principios de “enfoque basado en evidencias, presentación justa, imparcialidad, competencia técnica, confidencialidad, y responsabilidad” exigidos en la norma internacional ISO/IEC 17029:2019 “Evaluación de la conformidad – Principios generales y requisitos para los organismos de validación y verificación”.

Igualmente, en el Programa de verificación, AENOR ha considerado los requisitos internacionales de acreditación, verificación o certificación correspondientes a las materias de información contempladas en la Ley:

- Reglamento Europeo EMAS (Verificación Medioambiental)

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- SA 8000 (principios y derechos laborales internacionales conformes a la ILO (Organización Internacional del Trabajo), La Declaración Universal de los Derechos Humanos y la Convención sobre los Derechos del Niño. SAAS Procedure 200)
- Sistema de Gestión Medioambiental (ISO 14001).
- Sistema de Gestión de Responsabilidad Social, esquemas IQNet SR 10 y SA8000.
- Sistema de Gestión de la Calidad (ISO 9001).
- Sistema de Gestión de la Energía (ISO 50001).
- Sistema de Gestión de Seguridad y Salud en el Trabajo (ISO 45001).

Adicionalmente, los criterios e información que se han tenido en cuenta como referencia para realizar el Programa de verificación han sido:

- 1) La ley 11/2018 de 28 de diciembre, por la que se modifica el Código de Comercio, el texto refundido de la Ley de Sociedades de Capital aprobado por el Real Decreto Legislativo 1/2010, de 2 de julio, y la Ley 22/2015, de 20 de julio, de Auditoría de Cuentas, en materia de información no financiera y diversidad.
- 2) La Directiva 2014/95/UE del Parlamento Europeo y del Consejo de 22 de octubre de 2014 por la que se modifica la Directiva 2013/34/UE en lo que respecta a la divulgación de información no financiera e información sobre diversidad por parte de determinadas grandes empresas y determinados grupos.
- 3) La Comunicación de la Comisión Europea 2017/C 215/01, Directrices sobre la presentación de informes no financieros (metodología para la presentación de información no financiera).
- 4) La norma internacional ISO/IEC 17029:2019 Evaluación de la conformidad – Principios generales y requisitos para los organismos de validación y verificación.
- 5) Los criterios establecidos por la iniciativa mundial de presentación de informes de sostenibilidad en los estándares GRI cuando la organización haya optado por este marco internacional reconocido para la divulgación de la información relacionada con su desempeño en materia de responsabilidad social corporativa.

AENOR se exime expresamente de cualquier responsabilidad por decisiones, de inversión o de otro tipo, basadas en la presente Declaración.

Durante el proceso de verificación realizado, bajo un nivel de aseguramiento limitado, AENOR realizó entrevistas con el personal encargado de recopilar y preparar el EINF y revisó evidencias relativas a:

- Actividades, productos y servicios prestados por la organización.

AENOR

- Consistencia y trazabilidad de la información aportada, incluyendo el proceso seguido de recopilación de la misma, muestreando información sobre la reportada.
- Cumplimentación y contenido del estado de información no financiero con el fin de asegurar la integridad, exactitud y veracidad en su contenido.
- Carta de manifestaciones del Órgano de Administración.


Las conclusiones por tanto se fundamentan en los resultados de ese proceso de carácter muestral, y no eximen a la Organización de su responsabilidad sobre el cumplimiento de la legislación que le sea de aplicación.






El personal involucrado en el proceso de verificación, la revisión de conclusiones y la decisión en la emisión de la presente Declaración, dispone de los conocimientos, habilidades, experiencia, formación, infraestructuras de apoyo y la capacidad necesarios para llevar a cabo eficazmente dichas actividades.

CONCLUSIÓN

Basado en lo anterior, en nuestra opinión, no hay evidencia que haga suponer que el estado de información no financiera incluida en la MEMORIA DE EMPRESA RESPONSABLE Y ESTADO DE INFORMACIÓN NO FINANCIERA 2019 GRUPO EUSKALTEL y para el ejercicio anual finalizado el 31 de diciembre de 2019, no proporcione información fiel del desempeño de EUSKALTEL, S.A. y sociedades referenciadas en el estado de información no financiera consolidado, en materia de responsabilidad social conforme a la Ley 11/2018. En concreto, en lo relativo a cuestiones ambientales, sociales y relativas al personal, incluida la gestión de la igualdad, la no discriminación y la accesibilidad universal, los derechos humanos, lucha contra la corrupción y el soborno y la diversidad.

8.2. GRI content index





Standards	Description	Response to the indicator / Section	Scope	SDG	Global Compact
GRI 101 Bases					
101	Principles	8. Appendices	Group	-	-
GRI 102 General disclosures					
Organisation's profile					
102-1	Organisation name	Euskaltel, S. A R Cable and Telecable Telecomunicaciones S.A.U.	Group	-	-
102-2	Activities, brands, products and services	1. Euskaltel Group, a Responsible Business 4. Customers	Group	-	-
102-3	Location of headquarters	Back cover	Group	-	-
102-4	Location of activities	Euskaltel Group, a Responsible Business	Group	-	-
102-5	Ownership and legal form	2. Corporate governance	Group	-	-
102-6	Markets served	1. Euskaltel Group, a Responsible Business	Group	-	-
102-7	Size of the organisation	1. Euskaltel Group, a Responsible Business 7. Society	Group	-	-
102-8	Information on employees and other workers	8. Appendices	Group		Principle 6
102-9	Supply chain	5. Suppliers	Group	-	-
102-10	Significant changes in the organisation and its supply chain	During 2019 there were no significant changes in the organisation. With regard to the supply chain, 61 new suppliers have been engaged.	Group	-	-

Standards	Description	Response to the indicator / Section	Scope	SDG	Global Compact
102-11	Precautionary principle or approach	Annual Corporate Governance Report 2019 of Euskaltel, S.A. https://www.euskaltel.com/CanalOnline/inversores/gobierno-corporativo#20151026085847506	Group	-	-
102-12	External initiatives	1. Euskaltel Group, a Responsible Business 3. People 6. Environment 7. Society	Group		-
102-13	Membership of associations	8. Appendices	Group		-
Strategy					
102-14	Declaration by the highest governance body	Letter from the Chairman and the CEO	Group	-	-
102-15	Key impacts, risks and key opportunities	1. Euskaltel Group, a Responsible Business	Group	-	-
Ethics and Integrity					
102-16	Values, principles, standards and norms of behaviour	2. Corporate Governance	Group		Principle 6
102-17	Mechanisms for consultation and resolution of uncertainty over ethics	2. Corporate Governance	Group		Principle 6
Governance					
102-18	Governance structure	2. Corporate Governance	Group	-	-
102-19	Decision making	2. Corporate governance	Group	-	-
102-20	Level of executive responsibility related to economic, environmental and social topics	2. Corporate governance	Group	-	-
102-21	Consulting stakeholders on economic, environmental, and social topics	1. Euskaltel Group, a Responsible Business The Board of Directors delegates the task of consulting stakeholders on economic, environmental and social issues to the head of Corporate Social Responsibility of the Euskaltel Group.	Group		Principle 6

Standards	Description	Response to the indicator / Section	Scope	SDG	Global Compact
102-22	Composition of the highest governance body and its committees	2. . Corporate governance Annual Corporate Governance Report 2019 of Euskaltel, S.A. https://www.euskaltel.com/CanalOnline/inversores/gobierno-corporativo#20151026085847506	Group	 	-
102-23	Chairmanship of the highest governance body	2. . Corporate governance	Group		-
102-24	Appointment and selection of the highest governance body	2. Corporate governance	Group	 	-
102-25	Conflicts of interest	Annual Corporate Governance Report 2019 of Euskaltel, S.A. https://www.euskaltel.com/CanalOnline/inversores/gobierno-corporativo#20151026085847506	Group		-
102-26	Highest governance body's role in establishing the mission, values and strategy	2. Corporate Governance	Group	-	-
102-27	Collective knowledge of the highest governance body	2. Corporate Governance	Group		-
102-28	Assessment of the performance of the highest governance body	2. Corporate governance	Group	-	-
102-29	Identification and management of economic, environmental and business impacts	1. Euskaltel Group, a Responsible Business	Group		-
102-30	Effectiveness of risk management processes	Euskaltel S.A. Annual Corporate Governance Report 2019 https://www.euskaltel.com/CanalOnline/inversores/gobierno-corporativo#20151026085847506	Group	-	-
102-31	Review of economic, environmental, and social topics	2. 2. Corporate governance	Group	-	-
102-32	Participation of highest governance body in sustainable reporting	The Board of Directors is the body responsible for reviewing and approving this Responsible Company Report 2019, after verification by a third party	Group	-	-
102-33	Notification of critical concerns	The CEO and the directors of each decision-making centre are entrusted with informing the Board of Directors of all information regarding the company's performance.	Group	-	-
102-34	Nature and total number of critical concerns notified to the highest governance body	In general, in 2019, the Board has dealt with issues related to the business in the areas where the Euskaltel Group operates, monthly management reports, preparation of the annual accounts, proposal for the application of results, proposal for the payment of dividends, periodic public reporting, budgets and definition of objectives, approval of annual reports, convening the Ordinary General Meeting and the Extraordinary General Meeting of	Group	-	-

Standards	Description	Response to the indicator / Section	Scope	SDG	Global Compact
		Shareholders, drafting of the proposed resolutions and the corresponding directors' reports to the General Meeting, appointment of new directors by co-optation, appointment of the Chief Executive Officer, appointment of the Secretary to the Board of Directors approval of the new internal organisational structure, corporate policies, information on the main legislative developments, updating of the scope of consolidation and of the investees, significant shareholders of Euskaltel and information on corporate governance, among others.			
102-35	Remuneration policy	Report on remuneration of the Directors of Euskaltel, S.A 2019 https://www.euskaltel.com/CanalOnline/inversores/go-bie-no-corporativo#20151026085847507	Group	-	-
102-36	Process for determining remuneration	Report on the remuneration of Euskaltel, S.A Directors 2019 https://www.euskaltel.com/CanalOnline/inversores/-gobierno-corporativo#20151026085847507 In 2019, external and independent consultants have participated in the process for determining the directors' remuneration	Group	-	-
102-37	Stakeholder involvement in remuneration	Report on the remuneration of Euskaltel, S.A Directors https://www.euskaltel.com/CanalOnline/inversores/-go-bierno-corporativo#20151026085847507	Group		-
102-38	Annual remuneration ratio	Relation between remunerations in the "Other professionals" group is 50.77% Only employees covered by a Collective Agreement are included)	Group	-	-
102-39	Percentage increase in annual total compensation	Taking the "Other Professionals" group as a reference, the increase in fixed remuneration in 2019 was 3%.	Group	-	-
Stakeholder Engagement					
102-40	List of stakeholders	1. Euskaltel Group, a Responsible Business	Group	-	-
102-41	Collective bargaining	87.03% of the Group's employees are covered by collective bargaining agreements. Managers and Directors are excluded	Group		Principle 1 and 3
102-42	Identifying and selecting stakeholders	1. Euskaltel Group, a Responsible Business	Group	-	-
102-43	Involvement approach for stakeholders	Communication channels with stakeholders are based on various communication tools, such as: social networks, media relations and collaboration with universities and other institutions, in the case of relations with the community; websites, mobile applications, customer surveys and customer service, in the case of	Group	-	-





Standards	Description	Response to the indicator / Section	Scope	SDG	Global Compact
		relations with customers; the intranet and internal channels in the case of relations with employees, the investor relations office and the general shareholders' meeting, in the case of relations with shareholders, and the Ethics Channel for all stakeholders. For the materiality analysis carried out for the 2018-2019 financial year, customers and shareholders participated directly in the preparation of the report through surveys.			
102-44	Main issues and concerns raised	1. Euskaltel Group, a Responsible Business	Group	-	-
Reporting practice					
102-45	Entities included in consolidated financial statements	Euskaltel, S. A R Cable and Telecable Telecomunicaciones S.A.U EKT Cable and Telecomunicaciones, S.L.U.	Group	-	-
102-46	Defining report content and boundaries for topics	8. Appendices	Group	-	-
102-47	List of material topics	1. Euskaltel Group, a Responsible Business	Group	-	-
102-48	Restatements of information	8. Appendices	Group	-	-
102-49	Changes in reporting	During 2019 there were no changes in reporting with respect to the 2018 annual report	Group	-	-
102-50	Period of preparation of the report	FY 2019	Group	-	-
102-51	Date of latest report	FY 2018	Group	-	-
102-52	Reporting cycle	Annual	Group	-	-
102-53	Contact point for matters related to the report	Back cover	Group	-	-
102-54	Claims of reporting in accordance with the GRI standards	AENOR Verification Report	Group	-	-

Standards	Description	Response to the indicator / Section	Scope	SDG	Global Compact
102-55	Index of GRI contents	8. Appendices	Group	-	-
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102-56	External review	AENOR Verification Report The Euskaltel Group requests the services of AENOR, an accredited external company, for the verification of the Responsible Company Report under GRI standards, and for the verification of the Non-Financial Information	Group	-	-
GRI 103 Management					
103-1	Explanation of the material topic and its boundaries		Group	-	-
<hr/>					
103-2	Management approach and components	Management approach indicated in each of the sections of this table.	Group		Principle 6
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103-3	Assessment of the management approach		Group	-	-
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GRI 201 Economic performance					
Topic included in the materiality analysis of the Euskaltel Group Management approach and evaluation described in Chapters 7. Society, 6. Environment and 3. People					
201-1	Direct economic value generated and distributed	7. Society	Group		-
<hr/>					
201-2	Financial implications and other risks and opportunities due to climate change	Due to the nature of our activity, there are no risks or financial implications arising from the consequences of climate change.	Group		-
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201-3	Obligations arising from social benefit plans and their retirement plans	100% of the Group's employees have a number of social benefit plans related to the products or services provided.	Group		-
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201-4	Financial assistance received from the public authorities	During 2019, the amount received through subsidies and grants from public administrations amounted to a total of € 929,422.89	Group	-	-

Standards	Description	Response to the indicator / Section	Scope	SDG	Global Compact
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GRI 202 Market presence






Topic included in the materiality analysis of the Euskaltel Group
Management approach and evaluation described in Chapter 2. Corporate governance and 3. People























202-1	Ratios of standard entry level wage by gender compared to local minimum wage	The ratio between the entry level wage and the local minimum wage in the Group in 2019 was 1.66 for women and 1.33 for men.	Group	  	-
202-2	Percentage of directors from the local community	The Group's management team is made up of the CEO, the Decision-Making Centre Directors and the Function Directors. 96.30% of the management team are from Spain, including the CEO and the Chairman (27 persons). Only one person in the management team comes from a country other than Spain.	Group		Principle 6

GRI 203 Indirect economic impacts

Topic included in the Group materiality analysis
Management approach and assessment referred to in Chapter 7. Society

203-1	Investment in infrastructures and support services	The Euskaltel Group bases its vocation and approach as a comprehensive telecommunications operator with guaranteed future development on the deployment of its own high-capacity network and capillarity. Consequently, the investment made in 2019 in infrastructure and support services amounted to € 100,406,841.	Group	            	-
203-2	Significant economic indirect impacts	During 2019, there have been no significant indirect economic impacts	Group	            	-








Standards	Description	Response to the indicator / Section	Scope	SDG	Global Compact
GRI 204 Procurement practices					
Topic included in the materiality analysis of the Euskaltel Group Management approach and evaluation described in Chapter 5. Suppliers					
204-1	Proportion of expenditure On local suppliers	<p>46.4% of the total volume of purchases is made from local suppliers (Basque Country, Galicia and Asturias)</p> <p>47.0% of the total volume of purchases is made from suppliers located in the rest of Spain</p>	Group		-
GRI 205 Anticorruption					
Topic included in the materiality analysis of the Euskaltel Group Management approach and evaluation described in Chapter 2. Corporate governance					
205-1	Operations evaluated in relation to corruption-related risks	2. Corporate Governance	Group		Principle 10
205-2	Communication and training on policies and anti-corruption procedures	<p>During 2019, as part of a communication and training plan on regulatory compliance, training was provided on the Anti-Corruption Policy and the Code of Ethics, among other matters. In this respect, 97.96% of employees have completed anti-corruption training and expressly accepted the Group's Anti-Corruption Policy, reaching a total of 577 people. Likewise, 100% of the employees have completed training in the Code of Ethics and expressly accepted the commitments contained therein, reaching a total of 586 people. With regard to the Board of Directors, in December 2019 the Audit and Control Committee was notified of a report by the Regulatory Compliance Officer on the review of the Anti-Bribery System implemented, which was made available to it. In February 2020, this report will again be delivered to the Audit and Control Committee for submission to the Board of Directors, and in March 2020 a specific training course on corruption and bribery is planned for the Board of Directors.</p>	Group		Principle 10
205-3	Confirmed incidents of corruption and action taken	During 2019, no incidents occurred that involved a breach of regulations or of the good governance practices established by the Group.	Group		Principle 10
GRI 206 Anti-competitive behaviour					
Topic included in the materiality analysis of the Euskaltel Group Management approach and evaluation described in Chapter 6. Environment					
206-1	Legal actions due to matters of unfair competition, anti-competitive or monopolistic practices	During 2019 there have been no legal actions for unfair competition, anti-competitive or monopolistic practices	Group		-

Standards	Description	Response to the indicator / Section	Scope	SDG	Global Compact
GRI 301 Materials					
301-1	Materials used by weight or volume	Paper consumption in 2019: 144.19 Tonnes (23.42% reduction compared to 2018) Consumption of Electronic and Electrical Equipment in 2019: 253.99 tonnes (59.51% increase compared to 2018)	Group	 	-
301-2	Recycled input materials used	Percentage of Materials Recycled in 2019 55.99% (12.05% decrease compared to 2018)	Group	 	Principle 7 y 8
301-3	Reclaimed products and their packaging	Percentage of products sold and their packaging materials that are reclaimed at the end of their useful life in 2019: 1.73% (0.03% increase compared to 2018)	Group	 	Principle 7,8 y 9
GRI 302 Energy					
Topic included in the materiality analysis of the Euskaltel Group Management approach and evaluation described in Chapter 6. Environment					
302-1 302-2	Energy consumption inside and outside the organisation	Total energy consumption in 2019: 68,725.66 MWh. (1.06% increase against 2018) Break-down by energy source: - Electricity consumption in 2019: 67,242.46 Mwh (1.34% increase against 2018) -Natural gas consumption in 2019: 129.56 Mwh (0.18% increase against 2018) -Diesel consumption in 2019: 1,353.64 Mwh (10.84% decrease against 2018)	Group	   	Principle 7 y 8
302-3	Energy intensity	Total Energy Intensity in 2019: 22,77 Mwh (1,51% reduction against 2018)	Group	   	Principle 8
302-4	Reduction in energy consumption	Reduction in energy consumption in 2019: 721.5 Mwh (1.06% increase against 2018)	Group	   	Principle 7,8 y 9
303-5	Reduction in energy requirements of products and services	Reduction in energy required by products and services in 2019: 0.35 (1.51% reduction against 2018)	Group	   	Principle 7,8 y 9

Standards	Description	Response to the indicator / Section	Scope	SDG	Global Compact
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GRI 303 Water










Topic included in the materiality analysis of the Euskaltel Group
Management approach and evaluation described in Chapter 6. Environment

		<p>The water consumed derives from the Consorcio de Aguas del Gran Bilbao water supply system, while water used by R comes from the Empresa Municipal de Aguas de la Coruña S.A., Aqualia and Viaqua networks, depending on the location of the work centres.</p>			
303-1	Water consumption by source	<p>Water consumed by Telecabal comes from the Empresa Municipal de Aguas de Gijón S.A. in the case of buildings at the Parque Tecnológico de Gijón, while for the Oviedo DPC the water comes from the network managed by FCC Aqualia, Concesionaria del Servicio de Agua y Saneamiento de Oviedo.</p> <p>Total water consumption in 2019: 7,900 m3 (5.92% increase against 2018)</p>	Group	 	Principle 7 y 8
303-2	Water sources significantly impacted by water extraction	The Euskaltel Group does not have any water sources affected by its water extraction	Group	 	Principle 7 y 8
303-3	Recycled and reused water	The Euskaltel Group does not recycle or reuse water	Group	  	Principle 8 y 9

GRI 304 Biodiversity






Topic included in the materiality analysis of the Euskaltel Group
Management approach and evaluation described in Chapter 6. Environment












304-1	Operational sites owned, leased, managed in, or adjacent to protected areas and unprotected areas of high biodiversity value		Group	  	Principle 8
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Standards	Description	Response to the indicator / Section	Scope	SDG	Global Compact
304-2	Significant impacts of activities, products and services on biodiversity	The Euskaltel Group does not own any land in areas of high biodiversity value. During 2019, no impacts were recorded in respect of biodiversity in protected, heritage or biosphere reserve areas. Consequently, no impacts occurred in areas serving as habitats to species at risk of extinction.	Group	  	Principle 8
304-3	Habitats protected or restored		Group	  	Principle 8
304-4	IUCN Red List species included in the national conservation lists whose habitats are in areas affected by the activity		Group	  	Principle 8

GRI 305 Emissions













Topic included in the materiality analysis of the Euskaltel Group
Management approach and evaluation described in Chapter 6. Environment






305-1	Direct GHG emissions (Scope 1)	<p>The emission sources considered in scope 1 are: consumption of fuel by generator sets and fleet vehicles in work assignments, plus those resulting from fluorinated gas leaks. This also includes natural gas at the Gijón offices.</p> <p>Direct GHG emissions (Scope 1) in 2019: 794.58 tonnes, reduction of 37.5% over the previous year.</p>	Group	    	Principle 7,8 y 9
305-2	Indirect GHG emissions (Scope 2)	<p>The emission source considered in scope 2 is electricity consumption.</p> <p>Indirect GHG emissions (Scope 2) in 2019: 20,777.94 tn (3.63% reduction against 2018)</p>	Group	    	Principle 7,8 y 9
305-3	Other indirect GHG emissions (Scope 3)	<p>The emission sources considered in Scope 3 are: fuel consumption from the use of non-Group owned means of transport used in business assignments (cars owned by employees, planes, trains, taxis).</p> <p>Indirect GHG emissions (Scope 3) in 2019: 307.92 tn (7.09% reduction against 2018)</p>	Group	    	Principle 8
305-4	GHG emission intensity	GHG emission intensity in 2019: 7.15	Group	   	Principle 8 y 9

Standards	Description	Response to the indicator / Section	Scope	SDG	Global Compact
305-5	Reduction of GHG emissions	Reduction of GHG emissions compared to 2018: 5.54%	Group	  	Principle 8 and 9
305-6	Emissions of ozone-depleting substances	<p>The Euskaltel Group does not produce, import or export gases that deplete the ozone layer.</p> <p>Since 2012, Euskaltel has implemented a plan to replace R-22 gases, whereby whenever a leak of this type of gas occurs, the equipment is either retired or recharged with other refrigerant gases that do not affect the ozone layer (R-434.A or R-424.A).</p>	Group	  	Principle 8 y 9
305-7	NOx, SOx and other atmospheric emissions	Atmospheric emissions during 2019: 1.2606 (60.87% increase per previous year)	Group	    	Principle 8 y 9

GRI 306 Effluents and waste


Topic included in the materiality analysis of the Euskaltel Group
Management approach and evaluation described in Chapter 6. Environment

306-1	Total water discharge by quality and destination	The Euskaltel Group has no industrial wastewater discharges and sanitary water discharges are made to the municipal sewage network in the locations of the Euskaltel Group.	Group	   	Principle 7 y 8
306-2	Waste by type and treatment method	<p>Non-hazardous waste generation (paper) in 2019: 19.53 tonnes (20.43% reduction compared to 2018)</p> <p>Generation of hazardous waste (WEEE, lead-acid batteries, fluorescents) in 2019: 279.53 tonnes (46.83% increase compared to 2018)</p>	Group	  	Principle 7 y 8
306-3	Significant spills	During 2019 no accidental spills were recorded	Group	    	Principle 8



Standards	Description	Response to the indicator / Section	Scope	SDG	Global Compact
306-4	Transport of hazardous waste	All hazardous waste, including used lead batteries, is collected by authorised waste management companies, primarily in the Basque Country, Galicia and Asturias and, in certain cases, in other regions of Spain.	Group	 	Principle 8
306-5	Water bodies affected by waste and effluents	During 2019 there have not been spills that have affected water sources or ecosystems.	Group	  	Principle 8

GRI 307 Environmental compliance

Topic included in the materiality analysis of the Euskaltel Group Management approach and evaluation described in Chapter 6. Environment

307-1	Non-compliance with environmental laws and regulations	In 2019, there has been no non-compliance with environmental laws and regulations	Group		Principle 7 y 8
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GRI 308 Supplier Environmental Assessment

308-1	New suppliers that were screened using environmental criteria	<p>All suppliers of the Euskaltel Group must pass an approval and assessment process that includes environmental criteria.</p> <p>During 2019, 61 new suppliers were engaged following the same approval and environmental assessment procedure.</p>	Group		Principle 9
308-2	Negative environmental impacts on the supply chain and measures taken	<p>All suppliers of the Euskaltel Group must pass an approval and assessment process that includes, in particular, an environmental impact analysis.</p> <p>During 2019, the same annual environmental assessment procedure has been followed and corrective actions have been carried out for all suppliers.</p>	Group		Principle 9

GRI 401 Employment


Topic included in the materiality analysis of the Euskaltel Group Management approach and evaluation described in Chapter 3. People

401-1	New employee hires and turnover ratio	8. Appendices	Group	 	Principle 6
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Standards	Description	Response to the indicator / Section	Scope	SDG	Global Compact
401-2	Benefits offered to full-time employees that are not provided to temporary or part time employees	The Euskaltel Group offers the same working conditions to all employees irrespective of their type of contract or working schedule	Group		Principle 6
401-3	Parental leave	3. People	Group	 	Principle 6

GRI 402 Labour-management relations

Topic included in the Group materiality analysis
Management approach and assessment referred to in Chapter 3. People

402-1	Minimum notice period in relation to operational changes	In general, organisational changes are notified to the employees affected and to the area concerned before being made official in the organisational charts that are posted on the companies' intranet, with no minimum notice period.	Group		Principle 3
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GRI 403 Occupational health and safety

Topic included in the materiality analysis of the Euskaltel Group
Management approach and evaluation described in Chapter 3. People

403-1	Worker representation in joint health and safety committees	100% of the Group companies' employees are represented in matters of occupational health and safety through their respective Occupational Health and Safety Committees.	Group	 	-
403-2	Types of accident and rates of accidents, occupational illnesses, lost days, and absenteeism, and number of related deaths	3. People	Group	 	-
403-3	Workers with a high risk or incidence of work-related illnesses	No professional activities or job positions within the Group companies have been identified as having a high incidence or high risk of work-related illness.	Group	 	-
403-4	Health and safety topics covered in formal agreements with workers' representatives	During 2019, a process of information, consultation and participation has been carried out with respect to the documents prepared for the Occupational Health and Safety Management System for its migration to the ISO 45001:2018 standard, as well as the renewal/change of the External Welfare Services for the Technical and Occupational Medicine disciplines. The occupational health and safety issues in the collective agreements governing the three Group companies remain in force.	Group	 	-

GRI 404 Training and education

Topic included in the materiality analysis of the Euskaltel Group
Management approach and evaluation described in Chapter 3. People

404-1	Average training hours per year by employee	8. Appendices	Group	  	Principle 6
404-2	Programmes for upgrading employee skills and transition assistance	3. People	Group	 	-
404-3	Percentage of employees that receive professional performance and development assessments	3. People	Group	 	Principle 6




GRI 405 Diversity and equal opportunity

Topic included in the materiality analysis of the Euskaltel Group
Management approach and evaluation described in Chapter 3. People

405-1	Diversity in governing bodies and staff	2. Corporate Governance 3. People	Group	  	Principle 6
405-2	Ratio of basic salary of women in relation to men	8. Appendices	Group	  	Principle 6



GRI 406 No Discriminación

Topic included in the materiality analysis of the Euskaltel Group
Management approach and evaluation described in Chapter 3. People

406-1	Incidents of discrimination and corrective actions taken	In 2019 there were no discrimination-related incidents	Group	  	Principle 6
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GRI 407 Freedom of association and negotia-



Topic included in the materiality analysis of the Euskaltel Group
Management approach and evaluation described in Chapter 2. Corporate Governance.

407-1	Operations or suppliers in which freedom of association and collective bargaining may be at risk	<p>The Euskaltel Group complies with current legislation on freedom of association and collective bargaining with its employees. In addition, the Code of Ethics and the Ethics Channel cover all potential risks of human rights violations, specifically the right to freedom of association and collective bargaining.</p> <p>Furthermore, as the Group's activity and its procurements are mainly local, national or within the European Union, there is no significant risk of non-compliance with the right to freedom of association and collective bargaining in its supply chain.</p>	Group	 	Principle 3
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Standards	Description	Response to the indicator / Section	Scope	SDG	Global Compact
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GRI 408 Child labour

Non-material topic for the Euskaltel Group

408-1	Operations and suppliers identified that involve a potential risk of incidents of child exploitation	<p>The Euskaltel Group complies with current legislation, which prohibits the admission of minors to work. In addition, the Code of Ethics and the Ethics Channel cover all potential risks for the violation of Human Rights, specifically the prohibition of child labour.</p> <p>Furthermore, as the Group's activity and its procurements are mainly local, national or within the European Union, there is no significant risk of child labour in its supply chain.</p>	Group	 	Principle 5
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GRI 409 Forced labour





Non-material topic for the Euskaltel Group

409-1	Operations and suppliers at significant risk for incidents of forced labour	<p>The Euskaltel Group complies with current legislation, which prohibits forced labour, freely offering work and giving employees the freedom to leave whenever they wish.</p> <p>In addition, the Code of Ethics and the Ethics Channel cover all potential risks of human rights violations, specifically the prohibition of forced labour.</p> <p>Furthermore, as the Group's activity and its procurements are mainly local, national or within the European Union, there is no significant risk of forced labour in its supply chain.</p>	Group	 	Principle 4
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GRI 410 Collective security practices



Tema incluido en el análisis de materialidad del Grupo Euskaltel
Enfoque de gestión y evaluación contemplados en el capítulo 5. Proveedores

410-1	Security personnel trained in Human Rights policies or procedures	<p>The security personnel that work with the Euskaltel Group belong to organisations that have received the Group's Code of Ethics when their services are contracted, which includes human rights clauses.</p> <p>Therefore, these personnel are committed to complying with the content of the Code of Ethics. The contracted companies are also informed of the existence of the Ethics Channel for any complaints or queries concerning human rights violations</p>	Group		Principle 1 y 2
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Standards	Description	Response to the indicator / Section	Scope	SDG	Global Compact
GRI 411 Rights of indigenous peoples					
Non-material topic for the Euskaltel Group					
411-1	Incidents of violations involving rights of indigenous people	Within the Euskaltel Group's areas of activity there are no indigenous communities.	Group	 	Principle 1
GRI 412 412 Human Rights assessment					
Topic included in the materiality analysis of the Euskaltel Group Management approach and evaluation described in Chapter 2. Corporate Governance.					
412-1	Operations that have been subject to human rights impact assessments	<p>The Code of Ethics and the Ethics Channel cover all potential risks of human rights violations. For that reason, it has not been considered necessary to carry out an analysis of this matter among the employees.</p> <p>Likewise, as most suppliers are governed by Spanish legislation, it has not been considered necessary to carry out human rights assessments in the supply chain.</p>	Group	 	Principle 1
412-2	Training for employees in Human Rights policies and procedures	<p>The Code of Ethics includes clauses on human rights.</p> <p>Employees receive training on the Code of Ethics and the existence of the Ethics Channel to ensure that these rights are not violated.</p> <p>In 2019, all employees have completed training in the Code of Ethics and expressly accepted the commitments contained therein, reaching a total of 586 people</p>	Group	-	Principle 1 y 2
412-3	Significant investment agreements and contracts that include Human Rights clauses or have undergone human rights screening.	The Euskaltel Group does not have any significant investment agreements that include clauses incorporating human rights concerns, or that have undergone human rights screening	Group	-	Principle 1 y 2



GRI 413 Local communities

Topic included in the materiality analysis of the Euskaltel Group
Management approach and evaluation described in Chapter 7. Society

413-1	Operations with local community involvement, impact evaluations, and development programmes	7. Society	Group		Principle 1
413-2	Operations with significant current and potential negative impacts on local communities	The Euskaltel Group has no operations centres that have had or may have negative effects on local communities.	Group		Principle 1


GRI 414 Supplier Social Assessment





Topic included in the materiality analysis of the Euskaltel Group
Management approach and evaluation described in Chapter 5. Suppliers



414-1	New suppliers that have been assessed according to social criteria	All Euskaltel Group suppliers must pass an approval and assessment process that particularly includes social criteria based on safety and health in the workplace and the acceptance of the Code of Ethics, which includes clauses on working conditions and human rights. as well as the Anti-Corruption Policy. During 2019, 61 new suppliers were engaged following the same approval and assessment procedure based on social criteria.	Group		Principle 2
414-2	Negative environmental impacts on the supply chain and measures taken	All Euskaltel Group suppliers must pass an approval and assessment process that particularly includes a social impact analysis based on safety and health in the workplace and the acceptance of the Code of Ethics, which includes clauses concerning working conditions and human rights, as well as the Anti-corruption Policy. During 2019, the same annual social assessment procedure has been followed and corrective actions have been carried out for all suppliers.	Group		Principle 2

GRI 415 Public Policy

Non-material topic for the Euskaltel Group

415-1	Political contributions	The Euskaltel Group does make any kind of contributions, in cash or in kind, to political parties or their candidates	Group		Principle 10
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Standards	Description	Response to the indicator / Section	Scope	Scope	Global Compact
GRI 416 Customer health and safety					
Topic included in the materiality analysis of the Euskaltel Group Management approach and evaluation described in Chapter 7. Society					
416-1	Impact evaluation on health and safety of products and services	The Euskaltel Group is responsible for placing on the market equipment manufactured by third parties, ensuring that the equipment it acquires and markets are legally compliant particularly with regard to electromagnetic fields.	Group		-
416-2	Cases of non-compliance related to health and safety impacts of products and services	During 2019, there have been no incidences of non-compliance related to the health and safety impacts of products and services.	Group		-
GRI 417 Marketing and Labelling					
Topic included in the Group materiality analysis Management approach and assessment referred to in Chapter 4. Customers					
417-1	Requirements on information and labelling of products and services	All products supplied by the Euskaltel Group are certified and meet the requirements set by different national and international bodies. The Group complies with the legal requirements on the processing of personal data of the products and services acquired by its customers as provided in the GDPR. It also complies with legal requirements regarding packaging labelling, in accordance with Law 11/1997 on packaging and packaging waste	Group		-
417-2	Cases of non-compliance related to information and labelling of products and services	During 2019, there have been no incidences of non-compliance related to information on and labelling of products and services.	Group		-
417-3	Cases of non-compliance related to communications and marketing	During 2019 there have been no cases of non-compliance related to marketing communications.	Group		-

Standards	Description	Response to the indicator / Section	Scope	SDG	Global Compact
GRI 418 Customer privacy					
Topic included in the Group materiality analysis Management approach and assessment referred to in Chapter 4. Customers					
418-1	Substantial complaints related to breaches of customer privacy and loss of customer data	During 2019, 42 customer complaints were received directly from the DPD and 7 complaints through the AEPD. No definitive penalties have been imposed and there is only one disciplinary procedure in progress	Group		-
GRI 419 Socio-economic compliance					
Topic included in the Group materiality analysis Management approach and assessment referred to in Chapter 7. Society					
419-1	Non-compliance with laws and regulations in the social and economic area	In 2019 a complaint was received from consumer organisations with a penalty amounting to €150	Group		-

8.3. Contents - Law 11/2018

Content	Section
BUSINESS MODEL	
Business model organisation, structure and business environment	1. Euskaltel Group, a Responsible Business 2 Corporate governance 4. Customers 5. Suppliers
Markets in which the company operates	1. Euskaltel Group, a Responsible Business
Organisation's objectives and strategies	1. Euskaltel Group, a Responsible Business
Main factors and trends affecting the organisation's future development	One of the main factors and trends affecting the evolution of the Euskaltel Group is the significant increase in the interest of its shareholders in ASG criteria. This is a growing trend identified not only internally but also externally from external studies that presage that ESG investment criteria will be increasingly relevant to fund managers when making investment decisions.
SUSTAINABILITY MODEL	
Sustainability policies	1. Euskaltel Group, a Responsible Business
Riesgos de sostenibilidad	1. Euskaltel Group, a Responsible Business
ENVIRONMENTAL INFORMATION	
GENERAL INFORMATION	
Effects of the company's activities. on the environment and on health and safety, evaluation procedures or environmental certification	6. Environment
Precautionary principle	The precautionary principle is applied from an environmental viewpoint through the maintenance and revision of its environmental management systems (EMAS, ISO 14001:2015, ISO 50001:2011) and their continuous renewal.
Resources devoted to preventing environmental risk	8. Appendices
Provisions and guarantees for environmental risks	The Euskaltel Group has third-party liability insurance that covers risks and liabilities for accidental environmental pollution. This insurance has an annual cost of € 121,316.89.

Content

Section

POLLUTION

Measures associated with carbon emissions

6.Environment

Measures associated with light, noise and other pollution

Due to the nature of the Euskaltel Group's activity, there are no impacts in terms of light or noise pollution.

WASTE AND CIRCULAR ECONOMY

Initiatives aimed at favouring the circular economy

6. Environment

Measures associated with light, noise and other pollution

6. Environment

Actions to combat food waste

Due to the nature of the Euskaltel Group's activities food waste is not considered material and no actions are carried out in this area.

CONSUMPTION

Water: consumption and supply.

6. Environment

Raw materials: consumption and reduction measures

6. Environment

Energy: consumption, energy efficiency measures

6.Environment

Content

Section

CLIMATE CHANGE

Greenhouse
Gas
emissions

6. Environment

Climate
change
adaptation
measures

Beyond the measures adopted to reduce its impact on climate change, due to the nature of its activity the Euskaltel Group does not expect climate change to have significant financial consequences for its business.

Emission
Reduction
targets

The Euskaltel Group is also committed to reducing 25% of its GHG emissions

BIODIVERSITY

Conservation
measures

The Euskaltel Group does not own any land in areas of high biodiversity value. During 2019, no impacts were recorded in respect of biodiversity in protected, heritage or biosphere reserve areas. Consequently, no impacts occurred in areas serving as habitats to species at risk of extinction.

Impacts
on
protected
areas

SOCIAL AND PERSONNEL-RELATED INFORMATION**EMPLOYMENT**

Total number and
distribution of
employees by gender,
age, country
and professional
classification

8. Appendices

Total number and
distribution of
types of
employment
contract

8. Appendices

Annual average of
permanent contracts,
temporary contracts
and part-time contracts
by gender, age and
professional

8. Appendices

Number of
lay-offs by
gender, age
and professional
category,

8. Appendices

Content

Section

Average remuneration and trends therein by gender, age and professional classification or equal value

8. Appendices

Wage gap, remuneration for the same posts or the company's average remuneration

8. Appendices

Average remuneration for directors and executives

8. Appendices
Report on the remuneration of Euskaltel, S.A Directors
<https://www.euskaltel.com/CanalOnline/inversores/gobierno-corporativo#20151026085847507>

Right to disconnect policies for employees

Disconnection policies will be included in the current negotiation of the collective agreements applicable to the Group companies.

Employees with disabilities

8. Appendices

ORGANISATION OF WORKING HOURS

Organisation of work

3. People

Number of hours of absenteeism

8. Appendices

Work-life conciliation measures

3. People

OCCUPATIONAL HEALTH AND SAFETY

Occupational health and safety conditions

3. People

Occupational accidents, in particular frequency and severity

3. People

Occupational illnesses, analysed by gender

3. People

Content	Section
INDUSTRIAL RELATIONS	
Arrangements for social dialogue	3. People
Percentage of employees covered by a Collective Agreement by country	87.03% of the Group's employees are covered by collective bargaining agreements. Managers and Directors are excluded
Main content of the collective agreements in relation to occupational health	Euskaltel Group fully applies the occupational health and safety requirements of its collective agreements based on its Occupational Health, Safety and Welfare Policy and the application of the Occupational Health and Safety Policy and Management System certified under the OHSAS 18001:2007 standard in each of its companies.
PROFESSIONAL TRAINING AND DEVELOPMENT	
Policies implemented in the training area	3. People
Total hours of training by professional category	8. Appendices
EQUAL OPPORTUNITIES	
Measures implemented to promote equality, equality plans and non-discrimination policy, and diversity management	3. People
HUMAN RIGHTS	
Due diligence procedures on human rights and, if applicable, mitigation, management and remedies	<p>The Due Diligence Model applied by the Group in the Human Rights area is based on its Code of Ethics, which contains clauses on Human Rights that must be complied with by all Group members, on the training courses on the Code of Ethics that all employees receive, and on the Ethics Channel, where any employee can make enquiries and report any violations of Human Rights and which is publicly accessible for all stakeholders on the Group companies' corporate websites.</p> <p>In addition, the Euskaltel Group provides the Code of Ethics to its Suppliers for it to be part of the Group's supply chain, and they have the Ethics Channel at their disposal for potential violations of their Human Rights.</p>

Content

Section

Complaints about cases of human rights violations

During 2019 there have been no complaints of human rights violations.

Promotion and fulfilment of ILO conventions related to the freedom of association and collective bargaining

The Code of Ethics of the Euskaltel Group contains clauses on Human Rights, particularly on freedom of association and collective bargaining. All Group employees receive training on the Code of Ethics and have access to the Ethics Channel.

In addition, the Euskaltel Group provides the Code of Ethics to its Suppliers for it to be part of the Group's supply chain, and they have the Ethics Channel at their disposal for potential violations of their Human Rights, including those related to freedom of association and collective bargaining.

Elimination of discrimination in the workplace, forced or mandatory labour and child labour

The Code of Ethics of the Euskaltel Group contains clauses on Human Rights, particularly on the prohibition of discrimination, forced labour and child labour. All Group employees receive training on the Code of Ethics and have access to the Ethics Channel.

In addition, the Euskaltel Group provides the Code of Ethics to its Suppliers for it to be part of the Group's supply chain, and they have the Ethics Channel at their disposal for potential violations of their Human Rights, including those related to discrimination, forced labour and child labour.

FIGHT AGAINST CORRUPTION AND BRIBERY

Measures taken to prevent corruption and bribery

2. Corporate governance

Measures to combat money laundering

2. Corporate governance

Aportaciones a fundaciones y otras entidades sin ánimo de lucro

In its Anti-Corruption Policy, the Euskaltel Group has included instructions on gifts, presents or gratuities, by virtue of which it expressly prohibits patronage of political parties and/or their related foundations and campaigns, and undertakes to strictly comply with the applicable legislation regarding the non-financing of political parties.

Likewise, the Euskaltel Group has no relations with and makes no contributions to lobbies.

The contributions to non-profit associations made by the Euskaltel Group and the Euskaltel Foundation are disclosed in Chapter 8. Appendix (Pages 111-112)

Content

Section

SOCIETY

LOCAL COMMUNITIES

Impact of the company's activities: employment, local development, local populations and region

7. Society

Dialogue with the local community

In associations with representatives of the Euskaltel Group, we attend regular presential meetings with the governing bodies of these associations in order to participate directly in the decision-making process for initiatives or projects. In associations where there are no representatives of the Euskaltel Group, we attend regular meetings called by their representatives and participate in initiatives through collaboration.

Actions by association or sponsorship.

8. Appendices

SUPPLY CHAIN

Inclusion of social, gender equality and environmental matters in the procurement policy

5. Suppliers

Consideration in relations with suppliers and subcontractors of their social and environmental responsibility

5. Suppliers

Supervision systems and audits and their results

5. Suppliers

CONSUMERS

Consumer health and safety measures

4. Customers

Complaints system, complaints received and their resolution

4. Customers

Content

Section

TAX	
Profits obtained country by country before taxes	7. Society
Corporate income tax paid	7. Society
Public grants and subsidies received	7. Society

8.4. GRI Indicators Appendix

LABOUR INDICATORS

NEW HIRES

Age	Total
<= 30 years	4
Women	3
Men	1
<hr/>	
31 a 50 years	15
Mujer	4
Men	11
<hr/>	
>= 51 years	3
Women	1
Men	2
<hr/>	
	22

*Not including CEO and Chairman

STAFF TURNOVER



EXTERNAL TURNOVER INDEX FOR 2019 BY GENDER AND AGE

	Age	2018	2019
Men	<=30	2	8
	31-50	14	65
	>=51	10	29
Women	<=30	2	3
	31-50	9	23
	>=51	1	6

AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE

	Age	Women	Men
Directors	<=30	0	0
	31-50	60	25
	>=51	25	48
Manager	<=30	0	0
	31-50	16	43
	>=51	15	41
Other employees	<=30	40	44
	31-50	35	35
	>=51	34	32

ENVIRONMENTAL INDICATORS

MATERIAL AND WATER CONSUMPTION

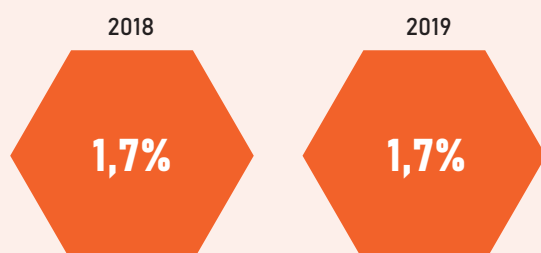
	2018	2019	Unit
Paper	188,30	144,19	Tn
Cable	76,32	43,27	Tn
Equipment	159,24	253,99	Tn
Water	7.458	7.900	m ³

WASTE GENERATION

		2018	2019	Unit
Non-hazardous waste	Paper	24,54	19,53	Tn
		24,54	19,53	Tn
Hazardous waste	WEEE*	152,71	237,07	Tn
	Acid lead batteries	37,23	41,93	Tn
	Fluorescents	0,43	0,52	Tn
		190,37	279,53	Tn

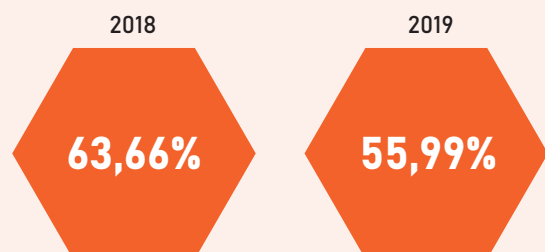
*As a result of a legislative change, WEEE has been treated as hazardous waste instead of non-hazardous waste.

RECYCLED INPUT MATERIALS USED



*Refers to % of recycled paper used over total paper consumed

RECLAIMED PRODUCTS



OVERALL ENERGY CONSUMPTION

	2018	2019	Unit
Electricity Diesel	66.356,56	67.242,46	MWh
(internal)** Diesel	670,03	843,56	MWh
(external)**/**	848,24	510,08	MWh
Natural gas	129,33	129,56	MWh
Energy intensity*	23,12	22,77	kwh/producto
Total ENERGY	68.004,16	68.725,66	MWh
Total DIESEL	1.518,27	1.353,64	MWh

*Energy intensity is calculated by dividing total energy consumption by the number of products placed in the market.

**Diesel consumption in MWh is calculated using the conversion published in the GRI 3.1 Guide (1 tonne diesel = 43.33 G-Joules)

*** In the case of Telecable, a conversion factor of 0.084l/km has been applied for diesel.

**** Electricity consumption has increased by 885.9 MWh due to the rise in products supplied to customers, and energy intensity has decreased by 0.35kwh/product, entailing a 2% reduction.

GHG EMISSIONS

	2018	2019	measure unit
Direct emissions (Scope 1)	1.271,22	794,58	Tn CO ₂ eq
Indirect emissions (Scope 2)	21.560,80	20.777,94	Tn CO ₂ eq
Other indirect emissions (Scope 3)	331,40	307,92	Tn CO ₂ eq

*The data on indirect emissions Scope 2 in 2018 has been recalculated using the MITECO 2018 electricity mix ** Cable consumption is assumed by contracted companies

	2018	2019	measure unit	
Direct GHG emissions (Scope 1)	CO ₂	192,49	235,44	Tn CO ₂ eq
	CH ₄	0,02	0,02	Tn CO ₂ eq
	N ₂ O	0,15	0,19	Tn CO ₂ eq
	HFC	1.078,56	558,93	Tn CO ₂ eq
	PFC	0	0	Tn CO ₂ eq
	SF ₆	0	0	Tn CO ₂ eq
		1.271,22	794,58	Tn CO ₂ eq
Indirect GHG emissions (Scope 2)	CO ₂	21.560,80	20.777,94	Tn CO ₂ eq
Intensity of GHG emissions	CO ₂	7,76	7,15	Kg CO ₂ e./prod
Other indirect emissions (Scope 3)	CO ₂	331,40	307,92	Tn CO ₂ eq
Total emissions (Scope 1+2+3)		23.163,42	21.880,43	Tn CO ₂ eq

* GHG emissions calculated using an in-house tool

** To calculate HCFC, HFC and SF₆ emissions in equivalent tonnes of CO₂ the Potential Atmospheric Heating data under European Regulation (EC) No 517/2014 have been used

OTHER SIGNIFICANT AIR EMISSIONS

	2018	2019	measure unit
SO ₂	0,0009	0,0014	Tn
NO _x	0,7215	1,1802	Tn
Solid particles	0,0612	0,079	Tn
TOTAL	0,7836	1,2606	Tn

* In 2019, to calculate SO₂, NO_x and PM emissions, data included in the European Environment Agency Guide "EMEP / EEA air pollutant emission inventory guidebook 2019" have been used

ENVIRONMENTAL INVESTMENT (€)

	2018	2019
Waste management (managers and means)	42.696	35.555
Inversión (sustitución instalaciones de frío y calor)	-	173.457
Consulting and auditing	5.471	17.578
TOTAL	48.167	226.590

8.5. . GRI Indicators Appendix

EMPLOYMENT

TOTAL NUMBER AND DISTRIBUTION OF EMPLOYEES BY GENDER, AGE, COUNTRY AND OCCUPATIONAL CLASSIFICATION, INCLUDING NUMBER OF EMPLOYEES WITH DISABILITIES (31/12/2019)

	Age	Men	Women
Directors	<=30	0	0
	31-50	10	3
	>=51	12	1
Managers	<=30	0	0
	31-50	22	14
	>=51	11	3
Other employees	<=30	3	8
	31-50	203	210
	>=51	60	26
		321	265
		586	
Employees with disabilities		1	0

► 1

TOTAL NUMBER AND DISTRIBUTION OF TYPES OF EMPLOYMENT CONTRACT (31/12/2019)

	Contract o	▶	Permanent		Temporary	
			Working day	▶	F.T.	P.T.
GENDER	H	▶	320		0	1
	M	▶	263		0	1
AGE	<=30	▶	10		0	0
	31-50	▶	462		0	0
	>=51	▶	111		0	2
PROFESSIONAL CATEGORY	Directors	▶	26		0	0
	Managers	▶	50		0	0
	Other	▶	507		1	2
TOTAL		▶	583		0	2

ANNUAL AVERAGE OF PERMANENT CONTRACTS, TEMPORARY CONTRACTS AND PART-TIME CONTRACTS BY GENDER, AGE AND PROFESSIONAL CLASSIFICATION (2019)

Contract average by age

		Age			
STANDARD PERMANENT FULL TIME	<=30	12,5	>	642,67	Total 649,42
	31-50	502,17			
	>=51	127,75			
TEMPORARY FULL TIME	<=30	4,67	>	4,83	
	31-50	0,17			
TEMPORARY PART TIME	>=51	1,92	>	1,92	

Contract average by gender

		Gender			
STANDARD PERMANENT FULL TIME	Women	277,08	>	642,67	Total 649,42
	Men	365,58			
TEMPORARY FULL TIME	Women	1,25	>	4,83	
	Men	3,58			
TEMPORARY PART TIME	Women	0,92	>	1,92	
	Men	1			

Contract average by professional category

	Professional category				
STANDARD PERMANENT FULL TIME	Directors	33,08	>	642,67	Total 649,42
	Manager	57,67			
	Other	551,92			
TEMPORARY FULL TIME	Other employees	4,83	>	4,83	
TEMPORARY PART TIME	Other employees	1,92	>	1,92	

NUMBER OF DISMISSALS BY GENDER, AGE AND PROFESSIONAL CLASSIFICATION (31/12/2019)

	Age	Men	Women
DIRECTORS	<=30	0	0
	31-50	3	2
	>=51	9	1
MANAGERS	<=30	0	0
	31-50	2	4
	>=51	5	0
OTHER EMPLOYEES	<=30	0	0
	31-50	17	11
	>=51	9	5
Subtotal		45	23
TOTAL		68	

AVERAGE REMUNERATION AND WAGE GAP

Premisas del análisis de retribuciones:

- 1.The actual total remuneration of full-time employees (FTE) has been taken into account, such that the remuneration of employees with reduced working hours has been annualised.
- 2.For employees on maternity and paternity leave in both 2018 and 2019, both fixed remuneration and actual total annualised remuneration (2018) (as if they had been working throughout the year) have been taken into account.
- 3.In order to facilitate a better comparison, the additions made in 2018 and 2019 have not been taken into account for the analysis of salary equality in total remuneration, since the data on actual annualised variable remuneration in 2019 was not available at the time of these calculations.
- 4.Trainees, employees with more than 220 days' sick leave and employees working part-time (25% timetable) were not included in the analysis.
- 5.Directors' remuneration includes actual variable compensation paid. The Euskaltel Group does not pay per diems to its executives.

AVERAGE REMUNERATION AND WAGE GAP BY GENDER AND AGE (31/12/2019)

AGE	M / W	Annualised actual total		
		Average		
		Men	Women	Gap
<30 years	3/6	26.567	29.295	-10%
31-50 years	228/223	50.930	44.709	12%
>50 years	81/28	74.579	52.177	30%

The companies that make up the Euskaltel Group were formed more than 20 years ago with personnel mainly comprising men. This means that in the group of employees over 50 years of age, men predominate over women.

AVERAGE REMUNERATION AND WAGE GAP BY GENDER AND AGE (31/12/2018)

AGE	M / W	Annualised actual total remuneration		
		Average		
		Men	Women	Gap
<30 years	14/9	26.640	29.022	-9%
31-50 years	284/246	50.047	44.356	11%
>50 years	88/27	81.169	48.088	41%

* The above table reflects the total annualised average actual remuneration for 2018. The data published in the 2018 annual report have been updated by applying the same calculation method as in the 2019 report to facilitate comparability.

AVERAGE REMUNERATION AND WAGE GAP BY GENDER AND PROFESSIONAL CATEGORY (31/12/2019)

GROUP	M / W	Annualised actual total remuneration		
		Average		
		Men	Women	Gap
Directors	21/4	142.669	129.744	9%
Management	12/6	85.307	85.373	0%
Middle management	99/52	58.550	54.812	6%
Technical staff	163/143	44.724	41.605	7%
Support staff	17/52	36.855	34.151	7%

To calculate the wage gap, remunerations have been compared between equivalent professional segments.

The wage gap is understood as the percentage that women earn less than men. The remuneration policy applied by the Euskaltel Group is not gender biased. Fixed compensation reflects experience and responsibility in the organisation, while variable compensation rewards the achievement of objectives.

AVERAGE REMUNERATION AND WAGE GAP BY GENDER AND PROFESSIONAL CATEGORY (31/12/2018)

GROUP	M / W	Annualised actual total remuneration		
		Average		
		Men	Women	Gap
Directors	20/2	166.501	158.276	5%
Management	15/10	84.314	85.048	-1%
Middle management	98/45	64.389	53.999	16%
Technical staff	232/140	43.061	41.303	4%
Support staff	21/85	39.722	36.373	8%

* The above table reflects the total annualised average actual remuneration for 2018. The data published in the 2018 annual report have been updated by applying the same calculation method as in the 2019 report to facilitate comparability.

ORGANISATION OF WORKING HOURS

NUMBER OF HOURS OF ABSENTEEISM (31/12/2019)

Bizkaia	8.271,5
Gipuzkoa	46,6
Araba	0
A Coruña	4.400,4
Santiago	857,7
Asturias	3.582
Hours absenteeism due to temporary disability	17.158,2

PROFESSIONAL TRAINING AND DEVELOPMENT

TOTAL HOURS OF TRAINING BY PROFESSIONAL CATEGORY

	Age	Women	Men
DIRECTORS	<= 30	0	0
	31 a 50	239	329
	>=51	49	864
MANAGERS	<= 30	0	0
	31 a 50	258	853
	>=51	46	450
OTHER EMPLOYEES	<= 30	397	311
	31 a 50	5.946	6.903
	>=51	574	1.640
TOTAL		7.508	11.349

FIGHT AGAINST CORRUPTION

CONTRIBUTIONS TO FOUNDATIONS AND NON-PROFIT ORGANISATIONS BY THE EUSKALTEL GROUP

	CONTRIBUTION (€)
FUNDACION ATHLETIC CLUB	210.000
FUNDACION BILBAO BASKET	40.000
IPURUA KIROL FUNDAZIOA	50.000
ASOCIACION EMPRESARIOS DE GIPUZKOA	23.939
EUSKALIT-FUNDACION VASCA PARA LA	1.215
FUNDACION DEUSTO	100.000
IKASTOLEN ELKARTEA	28.842
FUNDACION RAMON RUBIAL	8.000
HIRUKIDE	6.000
SOCIEDAD FILARMÓNICA DE BILBAO	4.000
FUNDACION BIZKAIA BIZKAIALDE	7.000
FUNDACION LABORAL SAN PRUDENCIO	10.000
NAFARROAKO BERTSOZALE ELKARTEA	3.500
ASOC.PERIODISTAS DE BIZKAIA	4.500
ASOCIACION CULTURAL DALE AL PLAY	4.000
FUNDACION CONSEJO MUNDIAL	4.000
FUNDACIÓN FICOB	4.239
EUSKARABENTURA ELKARTEA	5.000
FUNDACION ESPAÑOLA DE CALIDAD ASIST	3.000
AED	8.000
ASOC INGENIEROS DE TELECOMUNICACION	6.000
ASPEGI ASOCIACION PROFESIONALES EMP	3.000
ELHUYAR FUNDAZIOA	178.757
ASOCIACION ZINEGOAK ELKARTEA	12.000
FUNDACION 5+11	54.000
FUNDACIÓN EUSKALTEL	1.680.717
FUNDACIÓN EUSKALTEL (Euskal Encounter)	343.193
	2.802.900

CONTRIBUTIONS TO FOUNDATIONS AND NON-PROFIT ORGANISATIONS BY THE EUSKALTEL GROUP

CONTRIBUTION (€)	
ASOCIACIÓN GALLEGA DE EMPRENDEDORES	2.100
PUNTUEUS FUNDAZIOA	26.620
AGENCIA VASCA DE LA INNOVACIÓN	17.520
FUNDACIÓN ARTIUM	60.000
ELHUYAR FUNDAZIOA	9.416,95
FUNDACION SABINO ARANA	8.000
FUNDACION GUGGENHEIM	96.310
EUSKALHACK	3.000
FUNDACION CIDADE DA CULTURA	6.750
FUNDACION SEMANA VERDE	27.000
ASOCIACION TECHNIUM	7.000
HETEL	7.000
	270.718,95

SOCIETY

ENTITIES WITH WHICH THE EUSKALTEL GROUP HAS RELATIONS

- ADEGI (Gipuzkoa employers' association)
- AOP (Association of operators for portability)
- ASCOM
- ASOCIACIÓN A PASAXE
- ASOCIACIÓN DE EMPRESARIOS DEL POLIGONO DE A GRELA
- ASOCIACIÓN DE EMPRESARIOS MOS
- ASOCIACIÓN GORABIDE
- ASOCIACION GRAN ÁREA COMERCIAL OBELISCO
- ASOCIACIÓN MUJERES EN IGUALDAD DE VIGO
- ASPEGI
- AULA DE MÚSICA DE LA FUNDACIÓN PADRE OSSÓ (University academic centre associated with the University of Oviedo)
- AULA DE TECNOLOGÍA DEL COLEGIO INMACULADA DE GIJÓN
- BILBAO METROPOLI30
- BAINET
- BEEdC (Basque Ecodesign Center)
- BILBAO BASKET
- BILBAO CENTRO (Traders' Association)
- BILBAO DENDAK (Traders' Association)
- CABLEUROPE
- CÁMARA COMERCIO DE BILBAO
- CÁMARA DE COMERCIO GIJÓN
- CÁMARA COMERCIO GIPUZKOA
- CEBEK (Bizkaia Owners' Association)
- CÍRCULO DE EMPRESARIOS VASCOS
- CÍRCULO EMPRESARIOS DE GALICIA
- CÍRCULO FINANCIERO DE GALICIA
- CLUB ASTURIANO DE CALIDAD
- CLUB FINANCIERO ATLÁNTICO
- CLUB FINANCIERO VIGO
- CLUB TENIS DE AVILÉS
- CLUB DE TENIS DE GIJÓN
- CLUSTER AUDIOVISUAL GALEGO
- CLUSTER TIC DE GALICIA (Association of ICT companies in Galicia)
- CLUSTERTIC (Association of ICT companies in Asturias)
- CONFEBASK
- CONFEDERACION DE EMPRESARIOS DE A CORUÑA
- CONFEDERACIÓN DE EMPRESARIOS DE PONTEVEDRA
- COLEGIO INGENIEROS TELECOMUNICACIONES
- CONFEDERACIÓN DE EMPRESARIOS DE OURENSE
- CYC
- DALE AL PLAY
- DIGITALES (Spanish Association for Digitization)
- DIVERTIA
- DONOSTI SHOPS (Traders' Association)
- EIKEN (Basque audiovisual cluster)
- EL COMERCIO
- ESCUELA PÚBLICA VASCA
- ETIS
- EUSKALIT (Basque Foundation for Quality)
- FEMETAL (Federation of Metal Entrepreneurs of Asturias)
- FESTIVAL INTERNACIONAL DE CINE DE GIJÓN
- FICBUEU
- FUNDACIÓN CITIC (IT research centre)

- FUNDACIÓN GRADIANT (Telecommunications Technology Centre in Galicia)
- FUNDACIÓN TECNALIA
- FUNDACIÓN VALDES SALAS
- FUNDACIÓN ASPACE BIZKAIA
- FUNDACIÓN BIZKAIALDE
- FUNDACIÓN CESPÀ
- FUNDACIÓN CONSEJO MUNDIAL
- FUNDACIÓN FERNANDO ALONSO
- FUNDACIÓN FICOBÀ
- FUNDACIÓN JOSÉ CARDÍN
- FUNDACIÓN JÓVENES EMPRESARIOS
- FUNDACIÓN OPERA DE OVIEDO
- FUNDACIÓN RAMON RUBIAL
- FUNDACIÓN SAN PRUDENCIO
- FVEM (Federation of Metal Companies in Vizcaya)
- GAIA (Association of Knowledge Industries and Applied Technology)
- GALICIATIC
- GASTEIZ ON (Traders' Association)
- GIPUZKOA BASKET
- IBAIZABAL SASKIBALOI TALDEA
- ICA (Institute of Administrative Directors)
- IHOBE (Public corporation for Environmental Management)
- IKASTOLEN ELKARTEA
- INKOLAN (Grouping of public service operators)
- INNOBASQUE (Basque Agency for Innovation)
- ISMS FORUM (Association for the Promotion of Information Security)
- IZAITE (Business Forum for Sustainability)
- KONTSUMOBIDE
- MERCADO DE LA COSECHA
- MUSEO DO POBO GALEGO
- NOITE ENXEÑERÍA INFORMÁTICA (COEITG)
- NOITE GALEGA DAS COMUNICACIÓNS (COETG)
- OBRADOIRO CAB
- OPEN SCIENCE
- ORKESTRA (Basque Competition Institute)
- OTEA (Association of Hotel and Tourism Industry of Asturias)
- OVIEDO BALONCESTO
- PACTO MUNDIAL (Spanish Network of the United Nations Global Compact)
- SEA (Owners' Association of Álava)
- UNIRISCO
- R.C. CELTA
- R.C. DEPORTIVO
- REAL CLUB DE CULTURA COVADONGA
- REAL SOCIEDAD
- SPORTING DE GIJÓN
- TELECABLE HOCKEY CLUB
- UNIVERSIDAD DE OVIEDO

ASSOCIATIONS, FOUNDATIONS AND INSTITUTIONS WITH WHICH THE EUSKATEL FOUNDATION HAS RELATIONS

- ASOCIACIÓN EUSKALAMIGA
- ASOCIACIÓN EUSKALHACK
- ASOCIACIÓN HETEL
- ASOCIACIÓN INTERNET&EUSKADI
- ASOCIACIÓN TECHNIUM
- AYUNTAMIENTO DE TOLOSA
- AYUNTAMIENTO DE VITORIA-GASTEIZ
- DIPUTACIÓN FORAL DE ARABA
- DIPUTACIÓN FORAL DE GIPUZKOA
- FUNDACIÓN ARTIUM
- FUNDACIÓN ELHUYAR
- FUNDACIÓN GUGGENHEIM
- FUNDACION PUNTU.EUS
- FUNDACIÓN SABINO ARANA
- FUNDACIÓN SEMANA VERDE
- FUNKO
- GOBIERNO VASCO
- INNOBASQUE
- XUNTA DE GALICIA

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