

CSR in the Euskaltel Group

The member organisations of the **Euskaltel Group** have, right from the start, considered its link and identification with the immediate environment, its social commitment and excellence and responsible management as cornerstones of its approach to become an esteemed, socially responsible and sustainable company in its respective spheres of action.

This commitment has always been embraced and continuously developed with different plans and measures, which have allowed different key milestones in different organisations to be achieved, even if different rates and degrees of progress.

This underpins one of the great **challenges** of this Master Plan beyond complying with the acquired CSR commitments and maintaining their future continuity, or introducing other new ones arising from the new framework of international agreements signed during 2015 as regards the environment and sustainable development, or which emerged nationally as the result of our stock market flotation in 2015, all of which have had extensive impacts. We are referring to "aligning the CSR culture, policy and vision in both organisations and among their employees" so that the link and generation of value are unified and strengthened for our Stakeholders and a single Group Corporate Culture is established.

Mission, Vision and Approach of the Euskaltel CSR Policy



MISSION

 To provide an integral response to the communication needs of people and help companies to attain greater productivity by providing them with information management and communication tools, thus contributing to the social and economic development of our Autonomous Community.

VISION

 Leading company in the BAC in the contribution of ICT global solutions adapted to market requirements and to serving its customers, where it is a benchmark in assistance, commitment and mentoring. It is also aware of growth and development, both of new businesses and on other geographical markets.

CSR POLICY

 Aimed at value creation for all the stakeholders with which the company interacts, while maintaining the commitments and values embraced in our mission and objectives with people, agents, local environment and society overall

CSR general benchmark framework: Main benchmarks and standards

The **Euskaltel Group** is striving to consolidate its CSR policy to continue to be a new form of management, respectful of ethical values, individuals, society and the general environment in which **the group** is integrated, that, without forgetting our mission and goals, leads to a sustainable and socially responsible project.

Therefore, we continue to advance and use widely recognised different standards as a benchmarks, all of which promote transparency, good governance and excellence and business ethics. The new Company that has been listed since 1 July 2015 has a new level of stringency and commitment that have to be addressed as a Group. Some of the guiding models are:

WORLD ARENA

- UN Global Compact, (10 core principles)
- GRI (CSR Report)
- Agenda 2030: 17 Sustainable
 Development Goals (SDG), that are universally applicable (signed in 2015)
- Stock markets with good governance standards (SEC...)
- · ISO standards
- · Paris Climate Agreement

EUROPEAN ARENA

- European Directives on Corporate Governance and CSR, CSR Green Paper...
- Management excellence models:
 EFQM
- EMAS (EU Eco-Management and Audit Scheme)

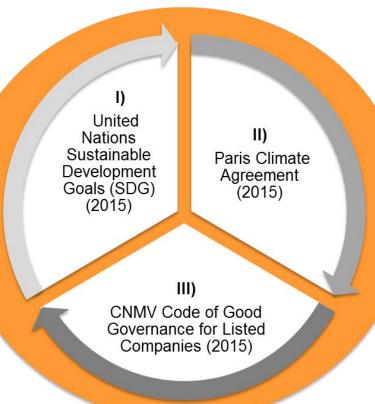
SPANISH STATE, BASQUE COUNTRY AND GALICIA

- CSR Regulations/Standards: CSR White Paper, CERSE (Spanish CSR Council), Sustainable Economic Act, SGE 21, IQNET SR10, Ekoscan, EFR 1000, OHSAS 18001...
- CNMV (Stock Market National Commission): Code of good governance for listed companies (2015)
- Initiatives of the Galician and Basque Authorities



CSR general benchmark framework: Three major CSR transformer levers for the Euskaltel Group

Universal application framework and signed by all countries, by means of which the countries will intensify their endeavours over the coming 15 years (Agenda 2030) to end poverty in all its forms, cut inequality and combat climate change.



Agreement signed in Paris by the international community (195 countries) to drive the fight against climate change that establishes policies to cut carbon dioxide emissions from 2020 onwards. The Agreement will not be binding for its Member States until 55 countries that produce over 55% of the global greenhouse gases have ratified the Agreement



Sustainable Development, a future global framework of foreseeable goals and impact...

... And an acquired commitment by all member countries of the UN (and of its Governments) that will require concerted efforts and ad hoc regulations to construct a resilient, sustainable and inclusive future for people and the planet, as stated in the text approved by the United Nations.



1 End Poverty	2 Zero Hunger	3 Good Health and Well-Being	4 Quality Education	5 Gender Equality	6 Clean Water and Sanitation
7 Affordable and Clean Energy	8 Decent Work and Economic Growth	9 Industry, Innovation and Infrastructure	10 Reduced Inequalities	11 Sustainable Cities and Communities	12 Responsible Consumption and Production
13 Climate Action	14 Life Below Water	15 Life on Land	16 Peace, Justice and Strong Institutions	17 Partnerships for the goals	

CNMV (Stock Market National Commission): Code of Good Governance for Listed Companies

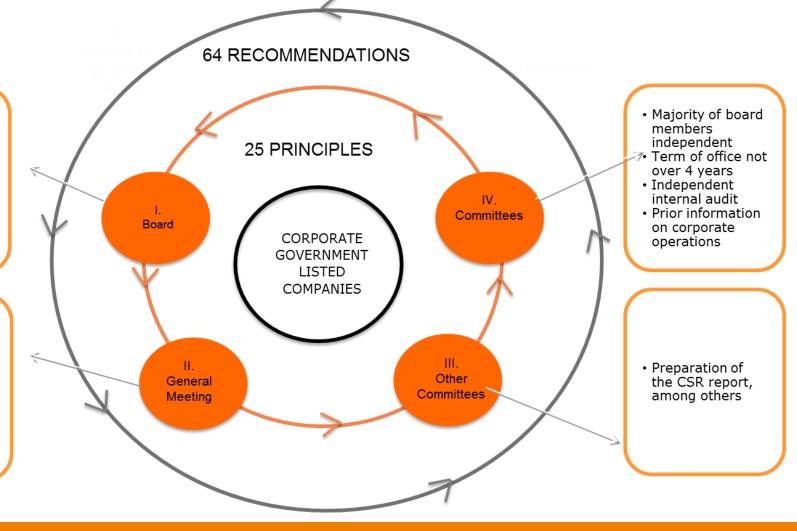
Some spheres of the extensive Code of Good Governance are particularly relevant from the Group

perspective:



- Non-executive secretary
- 30% presence of women

- Streaming the General Meeting online
- Prior publication of business on the agenda for shareholders
- Transparency in the bonus policy



Departments and CSR strategic areas

Relation with the Board and shareholders and Corporate Government People Suppliers Customers (Business and Residential) Environment Responsible taxation Responsible Communication Contribution to society

HR

Financial-Economic: Purchases and General Services

Operations (Residential and Business)

Organization and Quality

Financial-Economic: Tax Administration

Communication

Institutional Relations

2016-2018 CSR strategic spheres of

action

2016-2018 Group Corporate Lines of Action (Plan Development Model)

2016-2018 spheres of action LINES OF ACTION Relation with the Board and 2016-2018 CSR "Defining the specific STRATEGIC SPHERES shareholders and Corporate action framework to OF ACTION implement each chose Government strategic area" People **Suppliers** DEPLOYMENT BY DEPARTMENTS Customers (Business and Residential) **Environment** Responsible taxation **ASSOCIATED INDICATORS GOALS** Responsible Communication "Identifying basic goal "Establishing the main Contribution to society KPIs and lines of activity goals and targets for each for monitoring and line of action" subsequent control, and establishing contingency plans where applicable"