



2019

SUSTAINABILITY
REPORT

EZENTIS

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LETTER FROM THE CHAIRMAN

DEAR FRIENDS,

In 2019, Ezentis managed to reach a very advantageous position on its path to sustainable growth and creating value for society. Our activity: the deployment, operation and maintenance of telecommunications and energy networks, is of great social transcendence, as we have been able to see over the months of the Covid-19 crisis in which these networks have, more than ever, represented an essential service.

During this health crisis, the connectivity infrastructures deployed in Spain, in which Ezentis has played a fundamental role, have helped to ensure that the disruption of the pandemic has not been compounded by interruptions of access to digital and energy services, enabling the continuity of the economic and social activity of companies and individuals, and alleviating the confinement in which people are living.

In the world to come, the activity of Ezentis will continue being essential, as the connectivity plans for Spain say that this country is to have Europe's most extensive fiber optic network, with 45 million accesses to the home and over 10 million subscribers, or twice as many users as other broadband technologies.

Our future growth must be accompanied by a responsible management model founded upon an ambitious sustainability plan whose purpose is to complete and develop the earlier Corporate Social Responsibility Plan. The new Sustainability Master Plan 2020-2022 integrates all areas of the company and traces a definitive path toward a more sustainable, responsible, and environmentally respectful Ezentis.

As can be seen in this report, there is a new, broader vision of Sustainability, guided by the Sustainable Development Goals which Ezentis, as a member of the Spanish Network of the United Nations Global Compact, undertakes to follow.

To develop this new direction, we have created a Sustainability Committee with members from the highest management levels, which will be responsible for positioning Sustainability as one of our priorities. Among other duties, this Committee will look after driving forward and tracking the Sustainability Master Plan 2020-2022.

Without question, one of the vital aspects for us is the safety of our workers. During 2019, we saw a substantial improvement in the overall Accident Frequency Index (-15% compared with 2018), but as part of our constant quest for excellence, we have developed the Occupational Health and Safety Master Plan 2020-2022, which sets out specific actions and objectives to continue improving safety management throughout the value chain.

This year has also been a good one in relation to good governance, an area in which Ezentis complies with all the recommendations of the CNMV. On this point, I would like to express my recognition of the company's Management and Board of Directors for their commitment to transparency, hard work and dedication with all Stakeholders, and their endeavors to place us at the highest standards of corporate governance.

Best regards,



Guillermo Fernández Vidal
Non-Executive Chairman of Ezentis Group

"The activity of
Ezentis will
continue being
essential"

LETTER FROM THE CEO



Fernando González Sánchez. Source: image courtesy of El Español

DEAR FRIENDS,

The year 2019 has been a very significant one in the life of Ezentis. We have closed the year in profit, with a backlog of almost 1,000 million euros, which gives us a view of almost two years of activity, of multiannual contracts with the main telecommunications and utilities.

The importance of our company's activity, in the deployment, operation and maintenance of telecommunications and power networks has been enhanced over these months in which telecoms and energy infrastructures have shown themselves more essential than ever as underpinning the productive and social fabric and minimizing the impact of the dramatic situation prompted by Covid-19.

Ezentis has not only continued to deploy and maintain networks during these difficult months, but it has also carried out activities of immense utility to society, reinforcing the connections in hospitals and deploying networks in medicalized hospitals.

The more than 12,000 workers who make up Ezentis are aware of the essential activity we carry out, based upon our principles and values: safety, corporate governance, protection of human rights, development of our workers and caring for the environment.

This vocation for service and social utility which guides our activity must always be accompanied by responsible management, just as reflected in the results for last year, with profits of some four million euros. This profit was driven mainly by the increase in the volume of operations, with contracts to the value of 600 million euros, a considerable improvement in margins and a halving of financial costs, down to 18.5 million euros.

The strategic positioning of Ezentis lets us harness the opportunities which are cropping up in the Telecommunications and Energy sectors, so we are maintaining our medium-term perspective of doubling revenues by 2023 up to 1,000 million euros, with an EBITDA margin of between 8 and 9 percent. Moreover, we will consummate our geographical diversification with a weight of 65-70% in Europe and focus on the Telco (60-65%) and Energy (35-40%) sectors. With regard to debt, our objective is to reduce it to below twice EBITDA with a financing cost of less than 4.5%.

The foregoing achievements have been accompanied by a decisive boost in relation to Sustainability because we are aware that only by moving forward with our commitment to the values and principles that guide us, we can build the Ezentis of the future. In the Sustainability Report I am proud to present to you, the main actions we have taken during 2019 are detailed and, once again, this has been compiled in accordance with the Essential option of the GRI Standards.

As an example, I would like to highlight two key milestones relating to the essential activity provided by Ezentis: firstly, the more than 400,000 hours of technical and Occupational Health and Safety training, which will indubitably help to sustain the downward trend in the accident rate (the Net Frequency Index was 15% lower than in 2018). Secondly, the reduction of 9% in the carbon footprint over 2018, a number which we expect to continue to reduce as a result of the ongoing plan to replace fleet vehicles by less polluting ones, on which we have been working for some time. I would also like to emphasize our solid work on the topic of good governance. Ezentis is one of only five listed companies complying with 100% of the CNMV Good Governance Code recommendations.

For this year, we are going to be even more ambitious. Following the recent approval of the Sustainability Master Plan, which carried on the work of the CSR Master Plan 2017-2020, we have set targets which contribute directly to the Sustainable Development Goals. The processes of technological change and digital transformation, in combination with the new models emerging in the economy and social relationships, will affect our companies decisively.

We at Ezentis wish not only to adapt to these changes, but to form part of the group of companies which will lead on the new challenges and opportunities. Thus, we will continue to work to be a company that is financially sound, with capacity to grow sustainably and profitably. We will continue working for the future.

Best regards.

Fernando González Sánchez
CEO of Ezentis

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PURPOSE, MISSION, VISION AND VALUES

PURPOSE

To foster universal access to telecommunications and power supply technologies which nurture the development of society and help to reduce energy poverty and the technology gap in a globalized world.

MISSION

Our mission is to become the reference network service provider for telecommunications and energy companies in the markets in which we operate, creating value in a sustainable manner for our clients, workers, shareholders, and the communities where we interact.

VISION

Our vision is to grow profitably with innovative, efficient, and sustainable solutions, attaining the improvement of people’s quality of life and the full satisfaction of our clients.

VALUES

For achieving our objectives we are firmly committed to ethical principles, the safety of people and the quality of our services. The values that define us and establish the course of all our activity are the following:

Trust in the team

We deem human capital as a key factor for the growth of the Group, investing in its training, safety and well-being, as a means of achieving excellence.

Safety

Nothing is more important than the safety of our employees, clients, subcontractors, and the communities where we perform our work, conveying this action principle to the entire organization.

Transparency, ethical principles, and good governance

The daily work is governed by the utmost respect for our Code of Ethics and Conduct, based on maximum transparency in information and the best practices of corporate governance.

Closeness to and responsibility to the client

At Ezentis we closely support our client and earn their trust, based on professional competence, responsibility, and the experience of past success.

Social commitment and respect for the environment

We firmly believe in the social function of our activity. We enable people to enjoy better quality access to basic telecommunications services and energy supply. We create the necessary conditions so that economic and business activity can take place, while simultaneously maintaining maximum respect for the environment.

EZENTIS AT A GLANCE

MEXICO



COLOMBIA



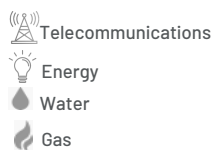
PERU



CHILE



BRAZIL

ARGENTINA ⁽¹⁾

>4,190,000

Work orders attended in the Telecommunications sector

>1,600,000

Work orders attended in the Energy sector

>76,000

Telecommunication Towers (Spain 26,000 and Brazil 35,000)

8

COUNTRIES

+12,000

EMPLOYEES

60

YEARS OF EXPERIENCE
AND 32 QUOTING

+6,000

VEHICLES

(1) Actividad discontinuada (NIIF5)

Wellcome

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The origin and headquarters of the company are found in Spain, a country that currently represents around 33% of revenues. The strong growth, both organic and inorganic (through the acquisition of local companies), has served to position Ezentis as a reference company in Spain and Latin America.

SPAIN



PORTUGAL



Telecommunications



Energy



Technology Services

+70%

Of work is carried out by own means, mitigating and controlling the risks and generating trust in the customer

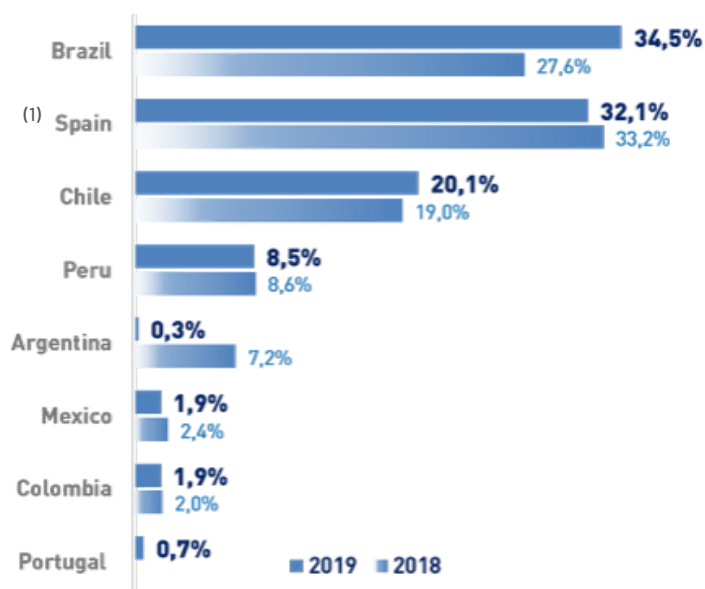
10,500

Km of Fiber Optic deployed (Spain and Brazil with > 1,600 and > 2,700 km respectively)

835,000

Building Units (Spain and Brazil with > 200,000 and > 240,000 respectively)

REVENUES GENERATION BY COUNTRY



(1) Actual data as of 12/31/19. Spain would represent 36.9% of the group's income considering those contributed by the branch of activity acquired in September 2019

79%

OF REVENUES COMES FROM
THE TELECOMMUNICATION
SECTOR

19%

OF THE REVENUES OF
THE ENERGY SECTOR

€455.2M

TOTAL REVENUES 2019

€58.1M

EBITDA ⁽¹⁾

(1) Amount with IFRS 16

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MILESTONES IN THE HISTORY OF EZENTIS

The more than 60 years of history Ezentis treasures are the best example of a project which is both long-term and sustainable. Our gaze has always been directed toward the future and the constant search for opportunities. You can see the main milestones of Ezentis throughout its recent history in the diagram:

Birth of a great business project

1959-1969

- Radiotrónica, now Ezentis, was founded in 1959 as a subsidiary of the construction company Agromán.
- First focus of activity: The company centers on electrical installation work, operating only in the Spanish market.

Initial Public Offering in Madrid and Bilbao

1988-2010

- Radiotrónica was floated on 5 October 1988.
- Start of international expansion.
- Diversification into the sectors of construction work, stringing catenaries and photovoltaic farms.
- New corporate name Ezentis, S.A.

Growth and sustainability plan

2015-Date

Ezentis puts its growth and sustainability plan into action, focusing its business on the operation and maintenance of telecoms and energy networks, thus embarking on the geographical expansion which has led to today's numbers.

MILESTONES 2019

During financial year 2019, the Group has continued with the strategy of focusing on key businesses and regions, and, among other main points, achieved entry into the cellphone network market in Portugal and increased presence in Spain, which passes to making up 31.9% of Group sales, compared to 28.5% in 2018. The consolidated operating sales for FY 2019 stood at 455.2 million euros, representing a rise of 3.4% (+14.8 million euros) over the year 2018.

This increase is due both to organic growth in its principal markets of Spain, Brazil and Chile, arising from the award and entry into effect of new contracts (total value in the year of 608.8 million euros, compared with 577.7 million euros in 2018), and inorganic growth, as the results for this period include those for the whole year of the company Excellence Field Factory (henceforth EFF), and the telecoms network operation and maintenance branch of activity acquired from Liteyca in September 2019.

Moreover, at the start of 2020, the merger of the two Brazilian companies Ezentis Energía and Ezentis Telecom (Seicom) was successfully concluded, under the new name of Ezentis Brasil. This structural modification has twin objectives: in relation to the business, to improve positioning in the market, and in relation to operations, to simplify and capture the efficiencies deriving from synergies.

2015

Acquisition of 45% of Ezentis Engenharia (Brazil)

2017

Acquisition of 100% of CYS Group (Mexico, Spain and Peru)

Acquisition of GTS-THAUMAT XXI (Spain)

2016

Acquisition up to 100% of Ezentis Chile and Tecnet (Chile)

The growth of Ezentis has been always accompanied by solid business figures: in 2019, revenues were 3.4% higher than in 2018 and at the end of 2019 the company's portfolio stood at 934.4 million euros. The common premise that defines the activity of Ezentis in all the regions where it operates rests upon an unquestionable reality: the future is digital and intensive in terms of energy and telecommunications. Telecoms and energy networks are essential for the socioeconomic development of communities and are playing a key role in the transformation of many sectors of major significance for society.

This transformation is allowing us to evolve toward a more inclusive world in which any person has access to energy and telecoms within reach, with all the advantages and benefits this brings. Moreover, Ezentis, accompanying its clients, is forming a part of this transformative process whose main purpose is the reduction of the technology gap and energy poverty.

2019

Acquisition of Ezentis Redes Portugal (Portugal)

Acquisition of telecoms network operation and maintenance branch of activity from Liteyca (Spain)

2018

Acquisition of Excellence Field Factory (EFF)(Spain)

BUSINESS MODEL

79%

TELECOMMUNICATIONS



Services for both landline and mobile telecoms systems covering the entire lifecycle of the service from deployment operation and maintenance of internal plant to user support.

- External landline network
- Deployment of fiber
- Customer service
- Corporate network operations
- Operational Support Systems (OSS)

More specifically, the deployment activity is divided into:

- **Fiber optic:**

Undertaking the construction work for both stringing and laying fiber. This also includes replacing the old copper technology, shutdown of exchanges and replacement by fiber.

- **Equipment:**

Rolling out fourth-generation (4G) equipment, with 5G technology coming shortly.

19%

ENERGY



Services for transport and distribution networks, commercialization, and deployment:

- Aerial and underground distribution and transport lines
- Transformer and distribution substations and centers
- Control systems
- Digital transformation of the grid
- Smart Grids

2%

OTHERS

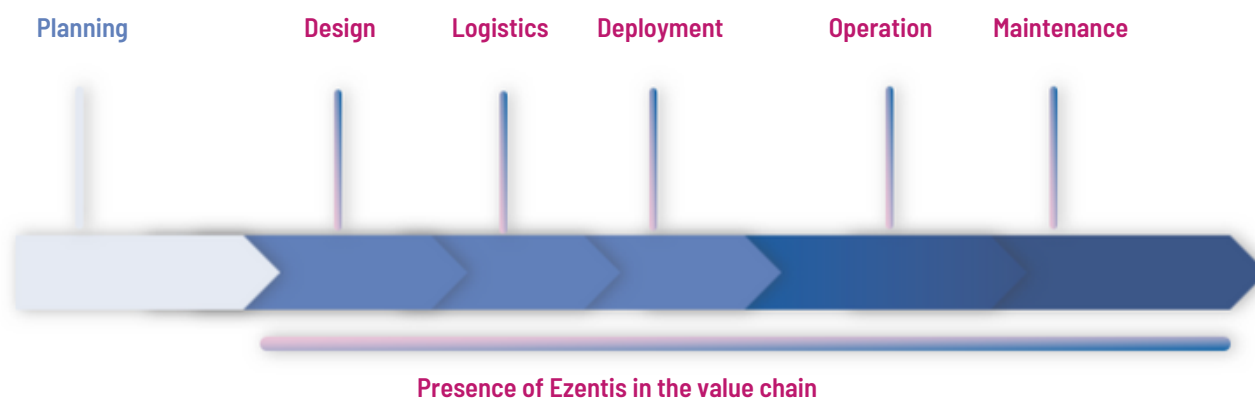


As a complementary activity, the company also takes on construction/deployment and engineering (C&E) projects.

- Water distribution networks
- Gas distribution networks
- Development of support systems for infrastructure management

Other businesses, such as the development of IT solutions for network management, the operation and maintenance of water networks and operating networks for the mining sector, round off the Ezentis project portfolio.

VALUE CHAIN



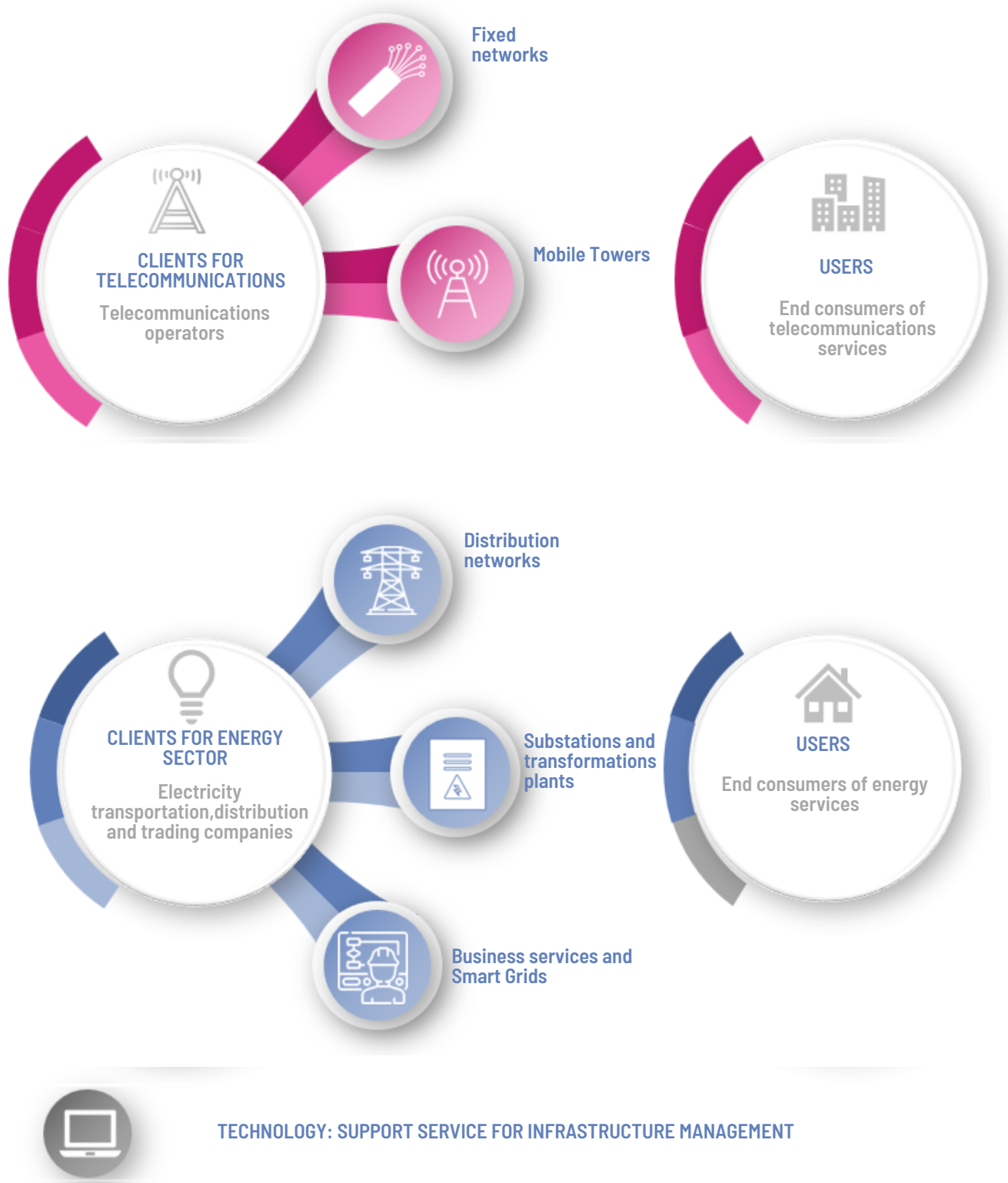
Design, logistics and deployment

- Focus on clients of its core business implies greater outsourcing of the design, logistics and deployment phases.
- Logistics as added value for Deployment and O&M

Operation and Maintenance
(O&M)

- Market: infrastructure stock
- O&M linked to operational expenditure (OPEX)
- Medium-term contracts: 3-5 years
- Stable margins with incentives for quality and adjusted for inflation

BUSINESS MODEL DIAGRAM








A BUSINESS MODEL FOSTERING SUSTAINABLE DEVELOPMENT

Infrastructures are still the means that facilitate people's access to basic services. For this reason, Ezentis plays two key roles in the communities where it operates: on the one hand, it maintains the networks which supply basic services to people and organizations, while on the other hand, as an activity which is professional-intensive, it makes a significant contribution to creating jobs in the areas where it operates existing networks and develops new infrastructures by participating directly in their deployment.

With regard to the number of employees, following the continued growth over recent years, during 2019 this trend remained stable because the reduction in business in some places (such as Argentina) was offset by the rise in other regions like Spain and Brazil.

We are proud to affirm that, in general terms, the creation of employment and opportunities is a constant in Grupo Ezentis, the direct consequence of the company's good work and everyone who comprises it. In light of the healthy development of the contracting, the recent expansion to new territories and the company's backlog of orders, everything indicates that this trend will continue in the coming years.




Taking into account Ezentis' aforementioned global presence, along with the main challenges in terms of sustainable development in each of the member countries of the United Nations included in the SDG Index and Dashboard document (updated to 2019), it can be seen in the table below that most of the countries where Ezentis operates present opportunities for improving the quality of telecommunications infrastructures and the job generation:

| | 7 AFFORDABLE AND CLEAN ENERGY | 8 DECENT WORK AND ECONOMIC GROWTH | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE |
|-----------|---|---|---|---|---|
| |  |  |  |  |  |
| COUNTRIES | ACCESS TO ELECTRICITY % | UNEMPLOYMENT RATE % | INFRASTRUCTURE QUALITY 1-5 | MOBILE BROADBAND SUBSCRIPTIONS % | INTERNET USE % |
| ARGENTINA | 100.0 | 8.2 | 2.8 | 80.0 | 75.8 |
| BRAZIL | 100.0 | 12.0 | 2.9 | 90.2 | 67.5 |
| CHILE | 100.0 | 7.0 | 3.2 | 88.2 | 82.3 |
| COLOMBIA | 99.0 | 9.0 | 2.7 | 48.8 | 62.3 |
| SPAIN | 100.0 | 13.6 | 3.8 | 94.1 | 84.6 |
| MEXICO | 100.0 | 3.6 | 2.8 | 62.8 | 63.9 |
| PERU | 94.9 | 3.6 | 2.3 | 64.2 | 48.7 |
| PORTUGAL | 100.0 | 6.5 | 3.2 | 68.9 | 73.8 |

Sources: SDG Dashboard. United Nations 2019 and Datosmacro (Recoletos Group Studies: Expansion) for unemployment data for Chile, Spain and Mexico 2019.

EVOLUTION OF THE MAIN FIGURES

During 2019, the main financial figures of Ezentis have continued to improve, in line with the company's performance in recent times. Combined with the continued growth in revenues (3.4% higher than the previous year, up to 455 million euros), there are a net profit of 4 million euros which, taken with a backlog of 934.4 million euros (2.05 times revenue) places the company in an excellent position to grapple with the looming challenges.

| | | 2018 | 2019 |
|--------------------------------|---|---|--------|
| ECONOMIC DIMENSION |  | Sales (€M) | 440.4 |
| | | Backlog (€M) | 791.0 |
| | | Net profit (€M) | -14.7 |
| SOCIAL DIMENSION |  | Average number of professionals | 11,993 |
| | | Permanent/indefinite contracts (%) | 77 |
| | | Voluntary rotation (%) | 13 |
| ENVIRONMENTAL DIMENSION |  | CO ₂ emissions (TnCO ₂ e) | 37,987 |

EZENTIS: 2019 IN NUMBERS

MAIN FINANCIAL AGGREGATES

REVENUES

€ 455.2M

3.4% Growth vs 2018

EBITDA⁽¹⁾

€ 58.1 M

12.8% o/revenues

OPERATING CASH

€ 41.6 M

Generation of operating cash
+73% vs 2018

NET RESULT

€ 4.0 M

Increase in business volume
Improvement in margins
Reduction of financial costs

CONTRACTS

€ 608.8 M

1.3x o/revenues

BACKLOG

€ 934.4 M

Multiannual contracts
2.1x o/revenues

NET DEBT

€ 120.3 M

+ € 30 M financing for
acquisition branch of activity
+ € 12 M rise in NFD

FINANCIAL EXPENSES

€ -16.3 M

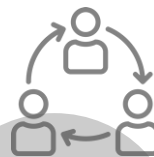
Significant saving on net financial
expenses

(1) Amount with IFRS 16

PEOPLE



12,455
Employees



14%
Voluntary
turnover



+400,000
Training in
safety and
technical skills



9,809
Permanent
contracts



76%
Young workforce,
under 45



98%
Return after
maternity/paternity
leave

ENVIRONMENT

34,453
TCO₂e



FLEET RENOVATION

CNG vehicles with
ECO label

LOCAL COMMUNITY

98%
Local suppliers

€180.3M

Total purchases
from suppliers

COMPLIANCE

Ezentis signed the United Nations
Global Compact in 2019.

Ezentis is one of the 5 listed
companies complying with 100%
of the CNMV Good Governance
Code recommendations.

STRONG FINANCIAL PERFORMANCE 2014 -2019

The main financial indicators of Ezentis demonstrate clear business growth in recent years. The following are our key strategies for sustainable success:

STRATEGIC POSITIONING

Increased market share: geographical, sectoral and clients

GROWTH OF THE BUSINESSES

Sustained increase in revenue with a cumulative annual growth rate of 12%

IMPROVEMENT IN MARGINS

Capacity to increase margins based on density, synergies and digital transformation

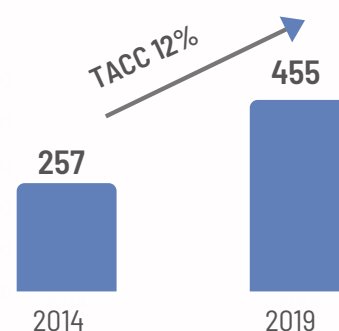
PERSONAL TRAINING / DEVELOPMENT

Over 400,000 hours of employee training in Safety and Technical Skills

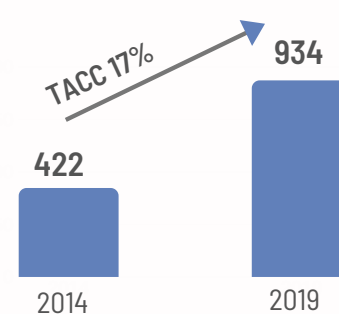
ALLOCATION OF CAPITAL TO CREATE VALUE

Corporate acquisitions fitting with our strategic objectives

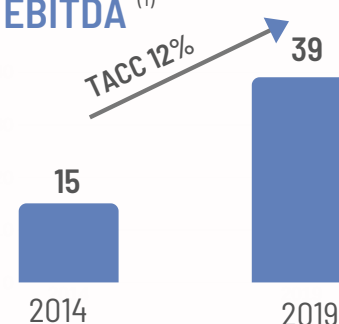
REVENUES



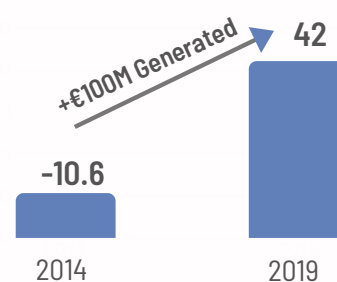
BACKLOG



EBITDA ⁽¹⁾



OPERATING CASH ⁽²⁾



(1) Without considering the effect of IFRS 16

(2) Cash Flow from Operations: EBITDA corrected for changes in working capital

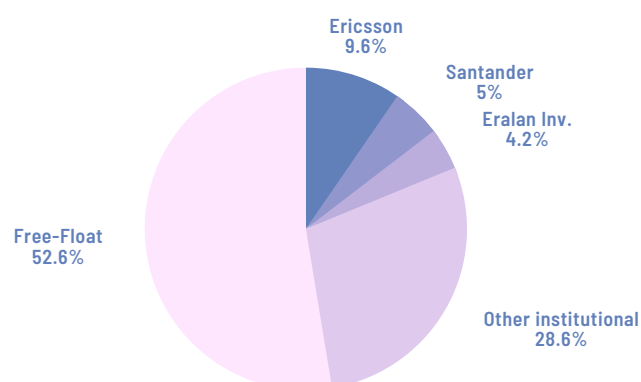
STOCK INFORMATION

Financial analysts forecast good prospects for the coming years. Their opinions are fundamentally based on the following key points:

- Business resilience as the service is essential
- Positive evolution in income and generating cash flow
- Stability in margins
- Solid backlog of orders
- Reduction of indebtedness and financial expenses

| | 2018 | 2019 |
|--|-----------|-----------|
| Number of shares (thousands of shares) | 331,172.0 | 331,172.0 |
| Price as of 12/31 (in €/share) | 0.476 | 0.402 |
| Maximum of the year (in €/share) | 0.845 | 0.602 |
| Minimum of the year (in €/share) | 0.475 | 0.405 |
| Capitalization at 12/31 (thousands of €) | 157,472.0 | 133,131.0 |
| Average volume of trading (thousands of shares) | 1,496.3 | 530.0 |

SHAREHOLDER STAKES



Composition of the property as of December 31, 2019

SMALL CAP VS EZENTIS PRICE EVOLUTION



MANAGEMENT MODEL

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GOVERNING BODIES

Grupo Ezentis, S.A., is the parent company of the Ezentis Group and its subsidiaries located in Spain and Latin America, so its activity consists of corporate services and portfolio activity only. The common guidelines and business strategies applicable to all the Group's subsidiaries are defined by the corporate areas and the Board of Directors of Grupo Ezentis, S.A., and there is, in turn, a certain margin for adaptation to local needs.

This multinational presence means that the organizational structure of the company is territorially divided. Each country is led by a Director General/General Manager and their subsidiaries are managed by their own Boards of Directors, Managers or Shareholders' Meetings as determined in each jurisdiction.

As this is a corporate report, below we give information about the Governing Bodies of Grupo Ezentis, S.A.: Shareholders' Meeting, Board of Directors of Grupo Ezentis S.A and its Committees.

SHAREHOLDERS' ANNUAL GENERAL MEETING (AGM)

100%

of the
points on the agenda were
approved at the 2019 AGM



The proposed resolutions at the
2019 AGM were approved by an
average of 96.46 of
the present stock capital

BOARD OF DIRECTORS

50%
INDEPENDENT

40%
WOMEN

12
MEETINGS IN 2019

98.33%
Attendance in person of the total
votes during the year

2
EXECUTIVES

5
INDEPENDENT

2
NOMINEE

1
OTHER EXTERNAL

COMMITTEES

EXECUTIVE COMMITTEE

20%
EXECUTIVES

20%
NOMINEE

40%
INDEPENDENT

20%
OTHER EXTERNAL

AUDIT AND COMPLIANCE COMMITTEE

33,33%
NOMINEE

66,67%
INDEPENDENT

APPOINTMENTS AND SALARY COMMITTEE

100%
INDEPENDENT

COMPOSITION OF THE BOARD OF DIRECTORS

| DIRECTOR'S NAME | DATE OF LAST APPOINTMENT | DIRECTOR CATEGORY | POSITION ON BOARD | COMMITTEES | DIRECT SHAREHOLDING (%) | REPRESENTED SHAREHOLDER |
|---|--------------------------|-------------------|--|------------|-------------------------|-------------------------|
| Mr. Guillermo Fernandez Vidal | 06/29/2017 | Other external | Non-Executive Chairman | e | 0.183% | |
| Mr. Fernando González Sánchez | 06/29/2018 | Executive | CEO | e | 0.131% | |
| Mr. Enrique Sánchez de León García | 06/29/2016 | Independent | Senior Vice-Chairman and Lead Director | e n | 0.062% | |
| Mr. Pedro María Azcárate Palacios | 06/29/2016 | Independent | Director | e a | 0.009% | |
| Ms. Ana María Sánchez Tejada | 04/09/2018 | Nominee | Director | | 0.009% | IDEA Agency |
| Ms. Laura González-Molero | 06/29/2016 | Independent | Director | n | 0.009% | |
| Ms. Emma Fernández Alonso | 06/29/2016 | Independent | Director | a | 0.009% | |
| Ms. Carmen Gómez Barreda Tous de Monsalve | 02/27/2017 | Independent | Director | n | 0.009% | |
| Mr. Alfonso Alonso Durán | 04/09/2018 | Nominee | Director | e a | 0.009% | Ericsson Spain |
| Mr. Carlos Mariñas Lage | 06/29/2018 | Executive | Director | e | 0.272% | |



Chairman of the Committee



Member



Executive Committee



Audit and Compliance Committee



Appointment and Salary Committee



FUNCTIONS OF THE COMMITTEES IN 2019

EXECUTIVE COMMITTEE

- This Committee holds all the competences corresponding to the Board of Directors, except for those cannot be delegated by law or the bylaws.

AUDIT AND COMPLIANCE COMMITTEE

- Quarterly and half-yearly review of the financial information released to the securities markets before it is communicated.
- Approval of the proposed formulation of the annual accounts for FY 2018.
- Tracking of internal financial information control systems (SCIIF).
- Review of accounting policies.
- Report on the independence of the external auditor.
- Review and approval of engagement of audit services, of the plans, reports and opinions of the external auditor.
- Review and tracking of the Internal Audit plan.
- Tracking of the Ethics Committee and the whistleblower channel.
- Annual evaluation of the functioning of the internal audit service.
- Tracking of the crime prevention models-criminal liability of the legal person.
- Tracking of the risk map and its updates.
- Appointment to the position of Compliance Officer.
- Tracking of the Company's treasury stock.
- Tracking of the tax/transfer pricing risks plan
- Tracking of the corporate tax policy.
- Supervision and referral for approval by the Board of the Annual Corporate Governance Report for FY 2018.
- Review of non-financial information.
- Report on related-party transactions.
- Evaluation of the quality and efficiency of the Committee itself.
- Tracking of the IT Systems/Security plan.
- Review of the Occupational health and safety plan.

APPOINTMENT AND SALARY COMMITTEE

- Approval of the Integrated Remuneration Policy for FY 2019.
- Report to the Board on the approval of the procedure for the exercise of powers of attorney.
- Report to the Board on the non-financial information for FY 2018 included in the management report in the annual accounts.
- Monitoring of the Communication Plan.
- Approval of the Continuous Training Plan for FY 2019.
- Report to the Board on the Corporate Social Responsibility Report 2018.
- Tracking of Corporate Governance and the CSR master plan.
- Approval of the revised policy for the selection of candidate directors.
- Report to the Board on the organizational changes and appointments in Group subsidiaries.
- Report to the Board on the updates to the functions of the Directors General / General Managers of the subsidiaries.
- Report on the evaluation of the Board of Directors and the Appointment and Salary Committee to the Board, approving the report on their operation for FY 2018.
- Report to the Board on the organizational model.
- Report to the Board on the proposed agreement of objectives for FY 2019.
- Report to the Board on setting the ILP targets for FY 2019.
- Approval of the proposal for special incentives.
- Approval of the proposed assignment of amounts in ILP for FY 2019.
- Favorable report to the Board on the Annual Directors' Remuneration Report 2018
- Favorable report to the Board on the Annual Corporate Governance Report 2018.

EZENTIS GROUP MANAGEMENT COMMITTEES

The following management committees of global scope are part of Ezentis Group:

MANAGEMENT COMMITTEE

Comprised of a total of eight members, five of them from the Corporation, together with three national General Directors (Brazil, Spain and Chile).

BUSINESS COMMITTEE

Comprised of a total of eight members, two of them from Senior Management and six additional members holding the most senior positions in the country.

All the non-financial issues in the process of being prepared are disclosed to all the members for their knowledge and contributions both in the Management and Business Committees.

HEALTH & SAFETY COMMITTEE

Comprised of a total of four members, two of them from Senior Management, together with the HSQE Corporate Director and the General Director of Chile.

IT SYSTEMS COMMITTEE

Comprised of four members, two from Senior Management, along with the IT Systems Director and the General Director of Brazil.

The Health&Safety and IT System Committees, recently created in the Ezentis Group, have the greatest expertise in the Ezentis Group on the issues which they correspond and represent the reinforcement of two key areas in which the company has a firm commitment in improvement.

From 2020, with the launch of the Sustainability Plan, a new management committee is added to those already mentioned

SUSTAINABILITY COMMITTEE

Formed by four members: the CEO, the Regional Directors (Europe and Latam) and the Investor Relations and Sustainability Director.

STRATEGIC VISION OF EZENTIS

TRENDS AND KEYS FOR THE TELECOMS MARKET



Communication and digitalization infrastructures are critical to meet future rises in the use of teleworking, e-commerce, education, leisure, and remote services.

TRENDS

- Modernization of existing telecoms networks and deployment of new infrastructures to extend them to rural areas. Deployment of 4G and 5G mobile networks.
- Digitalization of processes in companies and public authorities as a competitive lever: remote working, e-commerce, health and training.
- Security in transactions and data privacy
- Reduction of the digital gap

MARKET KEYS

- Deployment and O&M for fiber optic. <15% FTTH penetration rate in Europe.
- Deployment and O&G of 4G and 5G (1 per 60 antennas, respectively).
- Removal of obsolete infrastructures
- Digital services

TRENDS AND KEYS FOR ENERGY MARKET



Energy transition to contain climate change, reduce energy poverty and as a competitive lever for industrial activities and services

TRENDS

- Need for decarbonization to stop the planet's temperature rising
- Increase in the weight of electricity in the total energy demand in Europe to reach the energy and climate targets set by the EU
- PNIEC (National Integrated Energy and Climate Plan) in Spain
- Reduction of energy costs for industrial processes to enable companies to improve their competitiveness

MARKET KEYS

- Target: electricity to make up 32% of the energy demand in the EU by 2050
- PNIEC: increase of 42% in the consumption of renewable energy and reduction of emissions by 23%
- 10-year investment by the Spanish government in electricity grids, renewable generation and energy savings and efficiency

STRATEGIC POSITIONING

The strategic positioning of Ezentis lets it leverage the opportunities which are arising in the Telecoms and Energy sectors.

PERSPECTIVES

SECTORAL DIVERSIFICATION

Medium-term objective: 60-65% telecoms sector and 40-35% energy sector

GEOGRAPHICAL DIVERSIFICATION

Medium-term objective to increase the weight of Europe to a total of 65-70% of the total revenue of the Group

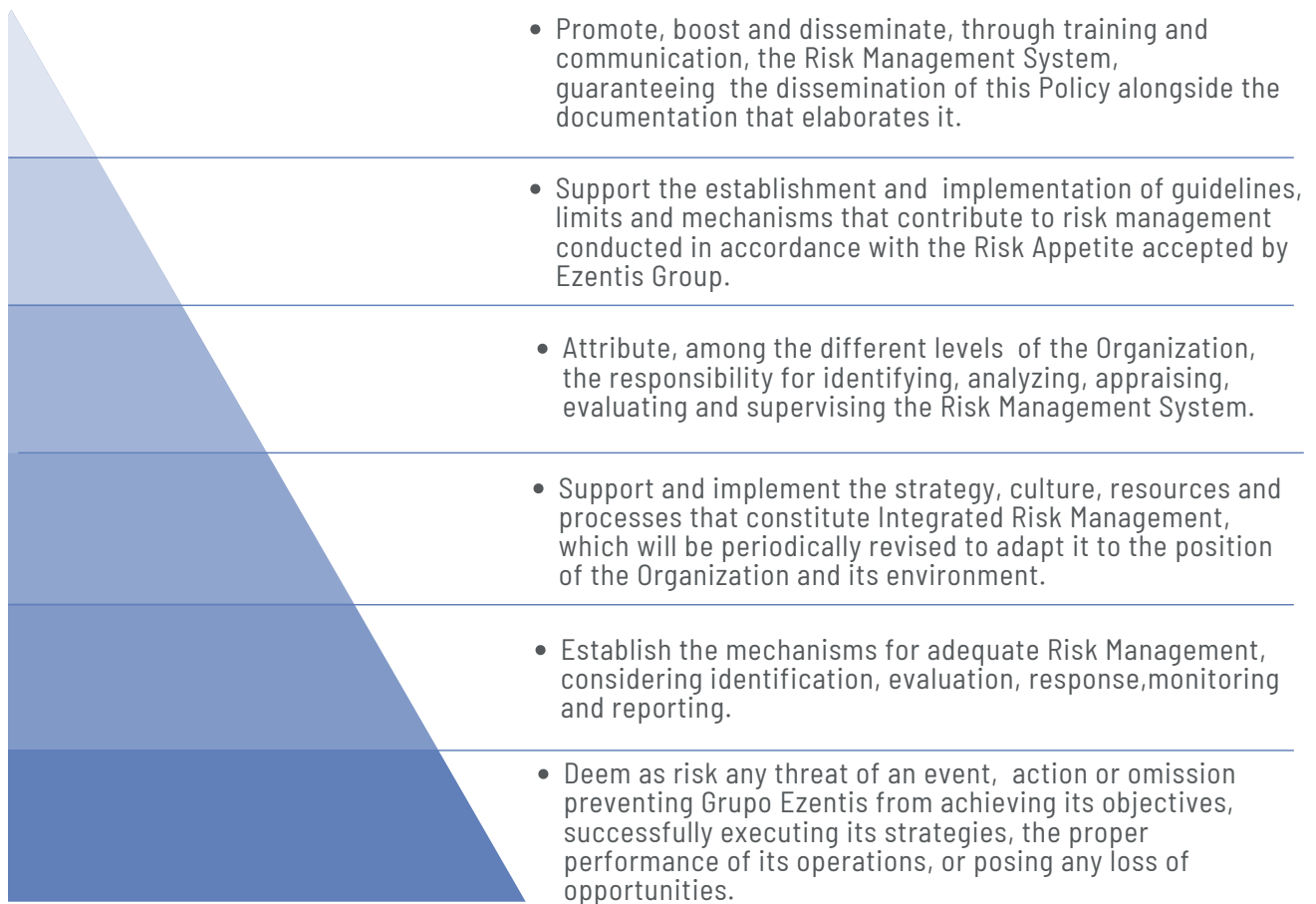
SUSTAINABILITY

Transversal objective integrated into operations, into the processes and management of each area, in the decision-taking and relationships with all stakeholder groups. The new Sustainability Master Plan 2020-2022 is the roadmap to continue advancing toward a sustainable business model.

RISK MANAGEMENT

As was described earlier in the chapter on exposure to risk in the Management Report of Grupo Ezentis for FY 2019, the Group has an Integrated Risk Management System aligned to standards of reference (COSO, ISO 31000) and by means of which it identifies, assesses, prioritizes and handles the significant risks of the Group, and ultimate responsibility for which lies with the Board of Directors of the Group.

THE IMPLEMENTATION OF OUR RISK MANAGEMENT SYSTEM IS BASED ON THE FOLLOWING PRINCIPLES:



The risks identified at Ezentis Group are classified into the following categories:

| | |
|--------------------------|--|
| STRATEGIC RISKS | Risks that impact the objectives established at the highest level and relate to accomplishing the mission and vision of the Company. If they materialize, these risks compromise the achievement of strategic objectives. |
| COMPLIANCE RISKS | Risks that impact the objectives established at the highest level and relate to accomplishing the mission and vision of the Company. If they materialize, these risks compromise the achievement of strategic objectives. |
| FINANCIAL RISKS | Risks associated with financial markets, the generation and management of liquid assets. These include those related to liquidity, the management of working capital, access to financial markets, the exchange rate and interest rate, etc. |
| OPERATIONAL RISKS | Risks directly related to the effectiveness and efficiency of operations, including those that impact through objectives related to performance and profitability (system failures, anomalies in processes, etc.). |

The Risk Management System is periodically updated, it works in an integrated and continuous manner, and is the result of consolidating the steps taken by each of the business units, country, or company at the corporate level, which comprise or have comprised part of the company throughout the financial year of 2019.

In the successive updates to the System, additional risks related to the activities carried out, the geographical setting where we operate, and the social and environmental trends of the moment have been incorporated. In fact, at the start of 2020, the updates to the risk catalog included, among the non-financial risks, the risk of climate change and its possible adverse consequences, given that if these materialize, they could entail a significant impact on the operations of Ezentis.

The main risks to which the Group was exposed throughout 2019 in each of the above categories, as well as the different mitigating measures, are described in chapter 6 of the Management Report 2019,⁽¹⁾ along with section E of the Annual Corporate Governance Report 2019.⁽²⁾

It was also verified that the non-financial matters that have turned out to be material (see the section Significant non-financial issues) are aligned with the Risk Map of the Company.

(1) <https://www.ezentis.com/media/2020/04/ccaacc-y-subsidiarias-grupo-ezentis-2019.pdf>

(2) <https://www.ezentis.com/media/2019/11/informe-anual-de-gobierno-corporativo-ezentis-2019.pdf>

COVID 19: TACKLING A SANITARY CRISIS

EZENTIS AS ESSENTIAL SERVICE

In December 2019, a new virus of unknown origin was detected for the first time in Wuhan (China) which provoked effects similar to those of normal influenza, but with a much higher rate of contagion. Due to the social movements which are part of globalization, the virus spread rapidly through a host of countries and the World Health Organization declared it to be a pandemic in March 2020. This made countries react and they began to take exceptional measures to protect national security and public health in their territories.

A large number of nations, including all those where Ezentis is active, opted to impose limitations on freedom of movement for people, obliging them to remain within their homes.

For companies, this exceptional situation posed an important challenge to their economic sustainability; on the one hand, they had to deal with the difficulties of adapting a model of in-person working to one of remote working, requiring other tools and resources, while on the other hand, for those cases where teleworking was not possible, businesses had to accept a temporary halt to their activities except for those considered critical and strategic.

In order to guarantee the proper functioning of the minimal services and cover the basic needs of people, countries defined a series of "essential" activities or services which had to continue to operate as normal. Two of the sectors included among these are energy and telecommunications.

The classification of the activity of Ezentis as essential services meant an unprecedented challenge for the Company, given its important position in the value chain of the main telecoms operators and utilities it normally works with.

Faced with a significant rise in consumption by end users, especially in telecoms (internet use in the home), Ezentis redoubled its efforts with the commitment to continue giving the best possible service, not just to meet customer expectations but also to fulfill its responsibility to society by collaborating directly in ensuring that other essential activities could take place.

QUICK ACTION PROTOCOL

The COVID-19 situation led Ezentis to formally set up specific bodies for daily tracking and taking decisions: a Global Committee and several Local Committees (one per subsidiary).

GLOBAL COMMITTEE

- Objective: Determine how to govern the crisis and incorporate strategic and operational vision and ensure that this is put into practice.
- Reports: to the CEO
- Participants: Regional Directors (Europe and Latam), Director General of Resources and Means and Director General for Brazil.
- Coordinator: Occupational Health and Safety Director
- Situation report: Daily and weekly

LOCAL COMMITTEE

- Objective: Determine the general measures to be adopted and authorize the exceptional ones
- Reports: To the Director or General Manager of the subsidiary
- Participants: Those responsible for Resources and Means, Finance and Operations
- Coordinator: Occupational Health and Safety Director
- Situation report: Daily.



GENERAL MEASURES

- Coordination with clients.
- Action protocol in each subsidiary.
- General communication to the whole workforce on preventive and protective measures.
- Increased cleaning frequency.

COLLECTIVE PROTECTION MEASURES

- Travel restriction
- Meetings by videoconference, including employees, clients and providers.
- Work flexibility, teleworking and new shifts.
- Teleworking for those especially at risk: older people, those with young children and pregnant women

INDIVIDUAL PROTECTION MEASURES



- Training (remote).
- Specific procedures for each business and contract.
- Delivery of information with protective measures.
- Delivery of masks, gloves and alcohol gel.

INTERNAL COMMUNICATION PROGRAM: #TODOSJUNTOSLOSUPERAMOS



Nevertheless, and despite the efforts of the Company, the high rate of contagion of the virus affected its workers, with almost one hundred cases recorded at 6 May 2020 (1% of the total workforce).

Once these cases were identified, the workers availed of their right to sick leave and did not return to work in any of the possible modes of working until they had been confirmed by testing as free of the virus. The aim of this was to protect public health and guarantee the effective recovery of Group employees as far as possible.

The management of Grupo Ezentis wishes to offer special recognition to all those workers who have continued to carry out their activity with complete professionalism, complying with their professional obligations and demonstrating the commitment and diligence that characterize us and help us to surmount difficulties, like the case of COVID-19, a global event which will certainly mark a turning point in human relations and patterns of consumption.

OUR CONTRIBUTION

As a complement to the essential service Ezentis Group provides, in the first quarter of 2020, we can highlight two exceptional success stories in which the Company had a leading role.

REDUCED REMUNERATION FOR DIRECTORS & MANAGEMENT TEAM

As a gesture of solidarity with those most suffering the economic consequence of COVID-19 and of responsibility toward the workers of Ezentis and their families, members of the Board of Directors and the Management Team have accepted a temporary reduction of 20% in their fees, with a cut of 10% for the other management personnel.

MEDICALIZED HOTELS

Due to the pressing need for the health systems to increase the number of beds available for those affected by COVID-19, the Spanish government made an array of hotels available to medical teams: given that their normal activity has been suspended, they were adapted to hold patients and staff.

Ezentis collaborated on this project with Telefónica by deploying and improving the data networks of the Ayre Gran Hotel Colón and Hotel Vía Castellana, both in the city of Madrid, where we installed 100 Mbps connections to ensure the proper functioning of the channels of communication for all users.



SUSTAINABILITY GOVERNANCE AND MANAGEMENT

A new era starts at Ezentis this year, 2020. Having begun in 2017 to address the social and environmental responsibility of the company beyond that required by law, after three years Ezentis Group has decided to take another step in its engagement with society and its surroundings by laying the foundations to become a sustainable company.

The vision brought by sustainability is broader and more ambitious. It is not just about acting responsibly (CSR) in the present, but of building a business model which is solid and sustainable from every point of view.

Looking into the future, the new vision of sustainability of Ezentis incorporates everything learned and developed previously and gives it all a new thrust by means of three levers:

New Master Plan setting out the major sustainability challenges for the next three years

Creation of a governing body to monitor all the initiatives: the Sustainability Committee.

New focus in relationships with stakeholder groups

In addition to continuing to act pursuant to the Code of Ethics and Conduct, and the company's values, Ezentis has adapted its way of working so that its activity can contribute to meeting the Sustainable Development Goals and thus attain the desired balance between the three dimensions characterizing any sustainable company: economic growth, social justice and respect for the environment.

The purpose of Ezentis is a full declaration of intentions in itself: by merely carrying out its activity it has a significant influence on the accessibility of telecommunications technologies and electricity supply for communities, which elements are intrinsic to development and social equality in a globalized world.

10 REDUCED INEQUALITIES



PURPOSE
TO REDUCE
THE
TECHNOLOGY
GAP AND
ENERGY
POVERTY

SUSTAINABILITY POLICY

The object of the company's new Sustainability Policy is to define a common and transversal frame of reference, from which all employees of Ezentis Group can act and take decisions based on the balanced management of economic interests and the social and environmental implications of the operations.

This Policy is a corporate one and is therefore applicable to all entities comprising Ezentis Group now and any others that may be incorporated in the future.

SUSTAINABILITY MASTER PLAN 2020 - 2022

A Master Plan for a two-year period from 2020-2022 has been compiled, which is the continuation of the earlier CSR Plan initiated in 2017, to reach the objectives set in relation to sustainability.

The new Sustainability Master Plan (SMP) has been created on the basis of an exhaustive evaluation of the earlier Plan, all the management areas of the company have participated, and it has been approved by the Board of Directors of the Group.

The Plan is made up of numerous initiatives distributed by management areas (Resources, HR, Internal Audit, etc...) and distinguishing those which are corporate and therefore applicable to the whole Group in the same way, from other actions necessary at country level to meet local needs. In developing each of these, those responsible and a deadline to guarantee full accomplishment of the Plan in 2022 have been identified.

MOST IMPORTANT INITIATIVES OF THE SMP:



1. CREATION OF A SUSTAINABILITY COMMITTEE

Creation of an internal body made up of senior managers of the Company, which will be responsible for driving sustainability forward in all areas, coordinating the initiatives to be launched and supervise compliance with the SMP



2. MANAGEMENT OF OCCUPATIONAL HEALTH AND SAFETY WITHIN AND BEYOND THE ORGANIZATION

In view of the nature of our services, the topic of occupational health and safety is the most important in the Ezentis Group materiality matrix (which can be seen in the section "Significant non-financial issues") and thus, one of our priorities is for the safety culture lived and managed within the organization should extend to our supply chain. The objective is to improve people's health and safety and applies both to our own employees and those acting in our name.



3. RENEWAL OF FLEET TO USE LESS POLLUTING VEHICLES

The major environmental impact of Ezentis Group comes from the use of vehicles by its workers for providing their services on the ground. As part of the Group's commitment to mitigating climate change, a fleet transformation plan has been defined, with the incorporation of vehicles using fuels other than diesel or gasoline.



4. DEFINITION OF COMMON GUIDELINES FOR THE CONTRIBUTION TO SOCIETY

In addition to the positive contribution to society of our services per se, we at Ezentis believe that there exist new ways of improving the sustainable development of local communities and the natural environment. To combine forces and achieve a bigger positive impact, it is necessary to establish certain common principles and criteria for action to guide execution of social and volunteering actions in all the subsidiaries of the Group

SUSTAINABILITY COMMITTEE

The first and most important initiative in the SMP is the creation of a Sustainability Committee which will set the course for sustainability in the company and ensure proper accomplishment of this Plan and any future ones that may be launched.

The Sustainability Committee is an internal body made up of the CEO of the company, the Regional Directors (Europe and Latam) and the Sustainability area, and it will be responsible for promoting, supporting and supervising all the measures in the Plan or additional activities proposed: it will report to the Appointment and Salary Committee.



ACHIEVEMENTS

- Ezentis signed the Global Compact ("Signatory" partner, 2019)
- Launch of a new Sustainability Master Plan 2020-2022
- Inclusion of Climate Change risk in the Group's Risk Management System



GOAL FOR 2020

- Update the materiality analysis for non-financial issues
- Devise a specific Climate Change policy
- Reinforce the relationship with two key stakeholders: Investors and Clients

SIGNIFICANT NON-FINANCIAL ISSUES

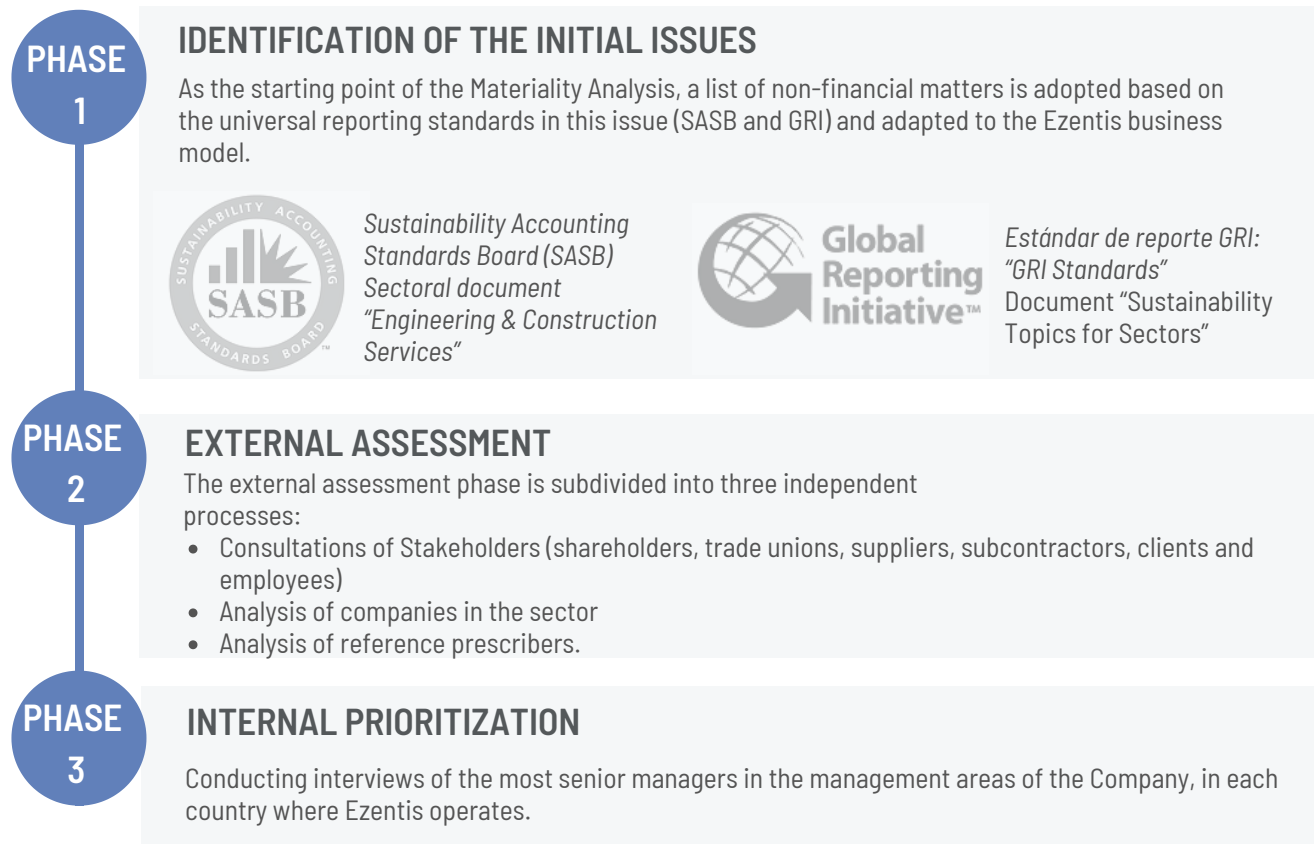
Identifying the non-financial matters is an exercise companies need to carry out to learn their priority areas for action and on which stakeholders they need to focus.

Ezentis has been performing this exercise since 2017, following the recommendations of the Global Reporting Initiative (GRI) in compiling Corporate Responsibility / Sustainability reports, and updates have been established as every two years, without prejudice to doing so at other times in accordance with the strategic priorities of the Company.

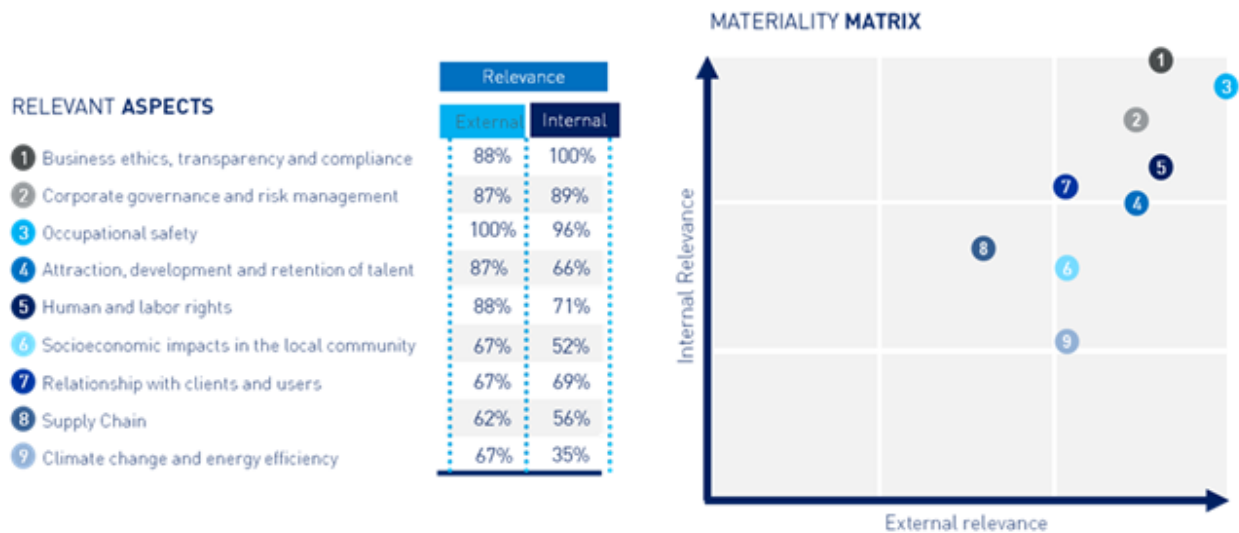
OBJECTIVES OF THE PROCESS

- Turn our Stakeholders into participants in the process and be aware of their expectations.
- Dedicate the efforts and resources necessary to those issues of most significance to the Company and its stakeholders.
- Prioritize the actions in the Sustainability Master Plans the Company prepares from time to time.
- Define the contents of external reports, both mandatory and voluntary ones, of non-financial information based on the management and performance for each issue.

PRINCIPAL PHASES OF THE ANALYSIS



RESULT OF THE MATERIALITY ANALYSIS 2018



As can be seen in the schematic, the matters that deserve greater attention from Ezentis Group are:

- Occupational safety
- Business ethics, transparency and compliance
- Corporate governance and risk management
- Human and labor rights

Next, the following appear

- Attraction, development and retaining of talent
- Relationship with customers and users

Finally, the three aspects which have grown significantly since the previous materiality analysis are:

- Supply chain
- Socioeconomic impacts in the local community
- Climate change and energy efficiency

In relation to these latter issues, while in the bottom of the Ezentis matrix, we consider that they comprise a clear trend and therefore should be addressed in the Sustainability Report; we will also define improvement objectives for them.

Finally, we believe the preparation of the materiality analysis is just as important as its proper dissemination and communication within the organization and toward the stakeholders. For this reason, after the approval and official presentation of the materiality analysis, a plan for communicating the results was agreed upon, both internally and with regard to the external Stakeholders.

2020 OBJECTIVE

UPDATE OF MATERIALITY ANALYSIS

After the last review of the analysis carried out in 2018, and in accordance with the periodicity defined by the Company, we have as objective to conduct a new Materiality Analysis to enhance pinpointing and identifying the significant non-financial issues for Ezentis Group today.




RELATIONSHIPS WITH STAKEHOLDERS




Ezentis Group, as an entity present in eight countries and a participant in two huge sectors of enormous social importance (telecoms and energy), is aware of its role and responsibility to the stakeholder groups with which it engages constantly.

Because of this, and with a view to accomplishing effective collaboration beneficial to both parties, specific initiatives have been defined for each of them in the new Sustainability Master Plan 2020-2022. Moreover, these are also borne in mind in each of the updates of the materiality analysis which serves to guide the company in taking future decisions, as set out in the previous section on "Significant non-financial issues".

In addition, all the communication by means of social networks, the press and other media available to the company are governed by the principle of transparency and veracity, thus ensuring the reliability of the information and the commitment assumed by the company to contribute to the growth and sustainable development of the environment where we are active.

Below, details are given of how the relationships with the different Stakeholders significant to the company are managed, including the communication channels and content considered appropriate in each case.

| | COMMUNICATION CHANNELS | FOCUSED CONTENT |
|---|---|--|
| EMPLOYEES | | |
|  | <ul style="list-style-type: none"> • Email and newsletter (Ezentis Comunica) • Ezentis Comunica app • Meetings • Social networks • Signs in offices and workplaces • Whistleblower channel • Corporate blog • Sustainability Report | <ul style="list-style-type: none"> • Attraction and retention of talent (flexitime, teleworking, medical insurance, meal vouchers) • Code of Conduct: course for new employees • Occupational health and safety (training in prevention culture) • Cybersecurity (training to counter cyberattacks) • Environment (training and awareness) • Sustainability (information about advances in the company and training) |
| CLIENTS | | |
|  | <ul style="list-style-type: none"> • Email and telephone • Meetings • Social networks • Satisfaction surveys and sustainability questionnaires on demand • Corporate website and blog • Sustainability Report | <ul style="list-style-type: none"> • Assessment of client satisfaction • Complaint handling • Improvements in service quality • Sustainability at Ezentis Group and our role in their supply chain |
| SHAREHOLDERS AND INVESTORS | | |
|  | <ul style="list-style-type: none"> • Email, post and telephone • Ezentis IR app • Social networks • Corporate website and blog • Meetings • Presentations of results • Corporate reports (Annual Accounts, Management Report, Corporate Governance Report, Sustainability Report) • General Shareholders' Meeting • Events | <ul style="list-style-type: none"> • Financial performance • Strategy and future objectives • Company sustainability performance • Organizational management and governance • Status of the share on the stock exchange |

| | COMMUNICATION CHANNELS | FOCUSED CONTENT |
|---|--|---|
| SUPPLIERS/SUBCONTRACTORS | | |
|  | <ul style="list-style-type: none"> • Email and telephone • Corporate website and blog • Social networks • Meetings • Sustainability Report | <ul style="list-style-type: none"> • Management of relationship with suppliers (contractual conditions, payment and invoicing, award criteria) • Management of relationship with contractors and subcontractors (service quality, occupational health and safety conditions, compliance with client requirements...) • Sustainability criteria at Ezentis and its supply chain |
| MEDIA | | |
|  | <ul style="list-style-type: none"> • Email and telephone • Press Office (press releases, events, direct engagement with Communication managers) • Social networks • Meetings and interviews • Web | <ul style="list-style-type: none"> • Company financial results and strategy • New policies and initiatives with regard to sustainability • Significant issues related to the business of Ezentis • Corporate governance • Status of the share on the stock exchange |
| SOCIETY | | |
|  | <ul style="list-style-type: none"> • Corporate website and blog • Social networks • Press communiques • Corporate reports (Annual Accounts, Management Report, Sustainability Report) • Job portals | <ul style="list-style-type: none"> • Financial results • New hires • Major initiatives in relation to sustainability • Outreach material about our sectors of activity • Job offers |

As part of its engagement with stakeholders, the Group dedicates its efforts to keeping up up-to-date communication with each group so as to build firm and durable relationships of trust, seeking whenever possible that the communication should be two-way and mutually enriching.

SUCCESS CASE

New communication channels

In 2019, Ezentis Group embarked on two initiatives to improve communication with two key groups: employees and society at large.

Firstly, the Ezentis Comunica app for employees was created, whose functionality includes the following:

EZENTIS COMUNICA APP

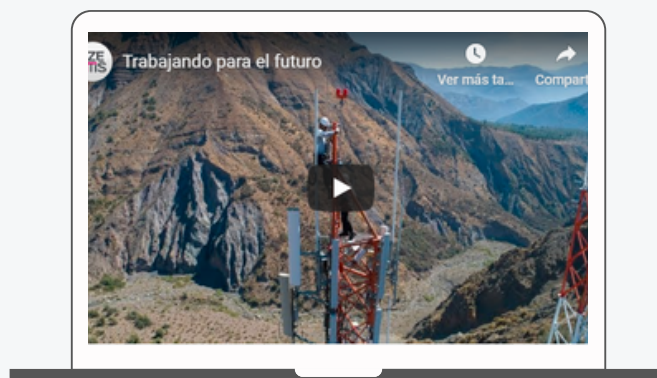
- The latest about Ezentis: news, appointments, results
- Campaigns, competitions and offers
- Advice, information and good practices with regard to Occupational Health and Safety
- Videos and other communications
- Surveys
- Other documents of interest



WEBSITE

Also in 2019, the image of Ezentis Group was reinforced with the new website, with a more modern design, more intuitive navigation and easier access to contents.

This web is a tool for communication with stakeholders and society at large, and it showcases an Ezentis adapted and ready for the new challenges looming.



OUR PRIORITIES

| | |
|---|----|
| Transparency, ethical principles, and good governance | 42 |
| Talent management | 47 |
| Occupational health and safety | 57 |
| IT systems security | 66 |
| Closeness and responsibility to the client | 69 |
| Digital transformation | 72 |
| Commitment to society | 74 |
| Minimization of environmental impact | 80 |

TRANSPARENCY, ETHICAL PRINCIPLES, AND GOOD GOVERNANCE

ETHICAL AND RESPONSIBLE GOVERNANCE

Ezentis is a company present in several territories, whose values and norms of conduct are understood and applied universally. To this end, since 2014, and following updates in 2017, Ezentis Group possesses a Code of Ethics and Conduct (henceforth, the "Code") approved by its Board of Directors, whose purpose is to ensure professional and ethical conduct by all its employees, and also other persons in their relationships with Ezentis Group, in the course of their duties and activities.

Under the Code, Ezentis and the individuals to whom it applies are committed to complying with and enforcing applicable legislation, as well as promoting ethical behavior consistent with the corporate values and human rights contained in the Universal Declaration of Human Rights of the United Nations.

Section 6 of the Code⁽¹⁾ includes the detail of a series of specific rules of conduct that cover aspects of ethical behavior like respect for the law, human rights and civil liberties, and support for equal opportunities and non-discrimination.

(1) <https://www.ezentis.com/media/2018/07/Codigo-de-Etica-y-de-Conducta-Aprobado-en-CdA.pdf>

With the goal of preventing behavior contrary to the values and standards of ethical behavior in the company, the Code of Ethics and Conduct also includes mention of the following issues:

1. Duty of loyalty and conflicts of interest
2. Measures against bribery and corruption
3. Gifts and courtesies
4. Money laundering and payment irregularities
5. Financial records



Ezentis, one of only five listed companies complying with 100% of the CNMV Good Governance Code.

Since the compilation of the Code, the organization has encouraged the communication and dissemination of these values to all its members through regular discussions and meetings with the different managers of the areas, and by sending the document to all its employees. Along these lines, in 2017 Ezentis initiated online, mandatory training in the Code of Ethics and Conduct of the Company, directed to all the Group's employees, and this program remains in force today.

As the objective is that 100% of the workforce should know and apply the Code of Ethics and Conduct, as new companies are incorporated into the Group, their workers each receive a copy of the Code and they are referred to the online course for employees. In addition, every six months, the employee database is reviewed and a reminder is sent to all those who have not completed this training.

As a supplement, the organization has a Crime Prevention Model, in accordance with the amendments to the Spanish Criminal Code; this is reviewed annually and describes the measures for the prevention and control of operations and/or actions that could constitute a criminal offense by the legal person. The company has Crime Prevention Protocols⁽¹⁾ and matrices of criminal risks and controls at corporate level. For this reason, a Compliance Officer has been appointed in the organization, who is responsible for the supervision and management of issues related to regulatory compliance.

Besides the internal dissemination of the Code of Ethics and Conduct, the company makes available to all employees a Whistleblower Channel through which they can communicate possible breaches, anonymously if they wish, whose handling is absolutely confidential and limited to the members of the Ethics Committee.

(1) <https://www.ezentis.com/media/2018/07/Protocolo-de-Prevencion-de-Delitos-de-Grupo-Ezentis-SA.pdf>

The Ethics Committee is the body designated to follow up and address reports of breaches received by email (canaldedenuncias@ezentis.com) or by post (Apto Correos 14867 – 28080 Madrid). The Ethics Committee meets on a regular basis and is comprised of four members, and moreover is obliged to report to the Audit and Compliance Committee.

With the purpose of ensuring the security of personal information and maintaining independent processes, Ezentis has internal procedures that establish the functions and guidelines to follow from the reception of a report alleging behavior contravening the Code of Ethics until the matter is closed (Ethics Channel Procedure and Ethics Committee Regulations).

The Ethics Committee is obliged to report to the Audit and Compliance Committee and must also determine and implement the action plan appropriate to each specific case.

Both the Code of Ethics and Conduct and the Crime Prevention Model expressly cover, among other points, the offenses of corruption, bribery and money laundering.

In 2019, a total of 17 complaints were received and closed, cataloged by type (working climate, equal opportunities, requirement for greater transparency in processes, and others), and as a consequence, the appropriate disciplinary measures and specific actions in each case for investigation and future mitigation were taken.

CORPORATE GOVERNANCE SYSTEM

Following the recommendations of the CNMV, and in its commitment to continue improving in the establishment of a responsible and transparent governance model, Ezentis has defined policies on corporate governance:

1. Company bylaws
2. Regulations of the Board
3. Regulations of the Shareholders' Meeting
4. Internal regulations on conduct
5. Code of Ethics
6. Selection Policy for Candidate Directors
7. Communication and engagement
8. Policy with shareholders, institutional investors and voting advisers
9. Corporate tax policy
10. Crime Prevention Protocol
11. Remuneration Policy for Directors
12. Sustainability policy

These policies are publicly available through the company's website: <https://www.ezentis.com/accionistas-e-inversores/gobierno-corporativo/reglas-de-organizacion/>

In 2018 a project was initiated to increase coverage and visibility for all Group companies of each of the current policies applicable, in each country where we are present.

This is a platform based on sharepoint, to which it is envisaged that all Group employees will have access so they can consult the latest internal regulations. Over the course of 2019, access has been progressively given to certain job profiles, although the access and communication process to the whole workforce has not been completed: this is expected in 2020.

COMMUNICATION OF CRITICAL THEMES

The entire organization of the Company is involved in the detection of issues that, due to their relevance, are important for it. Important concerns are communicated hierarchically, in the end reaching the highest governing body. The people of reference who work in the organization are those who, first of all, determine the issues relevant to the Stakeholders of the Company.

Ezentis guarantees maximum transparency and communication to its shareholders, facilitating a fluid and direct relationship, so that shareholders can express their interests. This relationship is based on the company's commitment that interactions should always be of the highest quality and reliability.

Relevant economic, environmental and social concerns that may arise, if any, are passed on to the Audit and Compliance, and Appointment and Salary Committees and ultimately, they are periodically conveyed to the highest governing body at meetings of the Board of Directors.

EVALUATION OF THE BOARD OF DIRECTORS

The Chairman of the Board, with the support of the Board Secretary, coordinated the self-evaluation of the Board of Directors for the year 2019, without recourse to external assessment, on the understanding that it was not necessary for that year, since according to the recommendations of good governance, external assessment is required every three years, and this had been done most recently in FY 2016. The evaluation of the Board and its committees is performed annually and affects the following areas:

- **Quality and efficiency of the operation of the Board of Directors.**
- **Functioning, operation and training**
- **Conduct of the meetings, information and documentation**
- **Relationships of the Board of Directors with its committees and the**
- **Shareholders' Meeting.**
- **Diversity in the composition and competencies of the Board of Directors.**
- **Performance of the Chairman of the Board of Directors and the CEO.**
- **Performance and contribution of each board member.**

This self-evaluation has been performed through questionnaires for the members of the Board, which include questions on the aforementioned points, as well as a section where each director can make observations.

With regard to accomplishment of the improvement proposals in FY 2019, in general terms, there has been significant progress on implementing the proposals made in the evaluation report on the functioning and composition for the year 2018, although improvement is still required in certain areas of documentation and business to be dealt with by the Board of Directors.

AWARENESS OF THE GOVERNING BODIES OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE ASPECTS

The members of the Board of Directors and its committees, as described in the section Governing bodies hereof, possess sufficient experience in non-financial matters, and are kept duly informed of the advances along these lines in the company, monitoring and evaluating these periodically, although periodic control and monitoring are channeled through the meetings of the Appointment and Salary Committee that take place over the year.

ESG RESPONSIBILITIES⁽¹⁾ AT EXECUTIVE LEVEL

Since the year 2018, the position of Non-Executive Chairman has been held by Mr. Guillermo Fernández Vidal. The CEO, Mr. Fernando González Sánchez, is the company's most senior executive.

The corporate areas involved in managing the non-financial matters are:

- Resources: Handles aspects relating to Fleet, Persons, Quality and Environment.
- Legal Affairs: Monitoring and control of Corporate Governance initiatives.
- Investor Relations and Sustainability: Coordination and reporting on non-financial matters.

Just as is the case for those responsible for Resources and Legal Affairs, the Investor Relations and Sustainability Director reports directly to the CEO. He also reports periodically to the Appointment and Salary Committee on all aspects relating to the Sustainability area.

(1) ESG: Environmental, Social and Governance areas.

TALENT MANAGEMENT

As a service company, Ezentis' business model is strongly based on its human capital. Ezentis' talent management has the goal of ensuring that all its professionals have the training they need to perform their work, and to provide them with resources to develop in the most effective and efficient manner possible. The company understands that this approach serves the mutual benefit of both the company itself and the professionals working for it. It also has policies at corporate level and in each of its subsidiaries, which serve as a framework for the management of people.

12,455

Employees distributed in 8 geographical areas as of December 31, 2019

PRESENCE IN 8 COUNTRIES AND RISING

Ezentis es una compañía que está en constante crecimiento y considera la atracción de talento como un pilar fundamental para alcanzar el éxito empresarial. Para ello, la Dirección de Personas de Grupo Ezentis trabaja bajo la premisa de primar la estabilidad y el bienestar del empleado.

DISTRIBUTION OF THE WORKFORCE BY COUNTRY

NUMBER OF EMPLOYEES AS OF DECEMBER 31 BY COUNTRY

| | 2018 | | | 2019 | | |
|--------------|---------------|--------------|---------------|---------------|--------------|---------------|
| | MEN | WOMEN | TOTAL | MEN | WOMEN | TOTAL |
| Argentina | 487 | 35 | 522 | 303 | 22 | 325 |
| Brazil | 4,674 | 419 | 5,093 | 4,693 | 450 | 5,143 |
| Chile | 2,570 | 246 | 2,816 | 2,399 | 235 | 2,634 |
| Colombia | 697 | 161 | 858 | 450 | 149 | 599 |
| Spain | 1,425 | 219 | 1,644 | 1,740 | 233 | 1,973 |
| Mexico | 221 | 42 | 263 | 159 | 20 | 179 |
| Peru | 1,475 | 177 | 1,652 | 1,423 | 174 | 1,597 |
| *Portugal | - | - | - | 4 | 1 | 5 |
| TOTAL | 11,549 | 1,299 | 12,848 | 11,171 | 1,284 | 12,455 |

*Ezentis Group entered Portugal in 2019



EQUALITY AND DIVERSITY IN EZENTIS GROUP

Diversity and equal opportunities are two notions which cover multiple variables at Ezentis Group. We consider that a workforce is diverse when it is made up of different nationalities, ages, capabilities and genders, and foment equality of opportunities without any grounds for discrimination.

GENDER

Ezentis is a company undergoing constant growth and considers attracting talent as a key pillar for reaching business success. The HR team at Ezentis Group works under the premise that stability and well-being of the employee must come first.

In each and every one of the areas in which the activity of the company is conducted, from hiring to promotion, involving salary policy, training, work and employment conditions, occupational health, the organization of work-balance time, the principle of equal opportunities between women and men is taken on board, with special focus on indirect discrimination, understanding this as a "situation in which an apparently neutral disposition, criterion or practice places a person of a certain gender at a particular disadvantage with respect to people of another gender".

The companies in Spain with more than 250 workers already have an Equality Plan just as required by the Royal Decree-Act 6/2019, on immediate measures to guarantee equality of treatment and opportunities between men and women in the work environment.

10%

Women on total workforce

+50%

Of the women who work at Ezentis are Field Technicians

SUCCESS CASE

Professional development opportunity for women in Colombia

Equality of access to opportunities is fomented at Ezentis Group through training programs, allowing equal participation in these to both men and women. In the year 2019, we wish to highlight a training course in Colombia to qualify 10 workers as Fiber Optic Installation Technicians, 8 of whom were women.



Their testimonials are shown in this video. In addition, among management levels, the extensive female presence at Ezentis Colombia is a highlight, where 3 of the 4 members of the Management Committee are women, including the Director General.

DISABILITY

We are aware of the added difficulties posed to people who due to birth, illness or accident, present some type of disability and, just as is the case for many other associations and entities, we consider that the term is not very precise given that these workers possess important capabilities for work and fulfill an important role in the company. Thus, for us, our employees with a disability (32 in 2019, which is 5 fewer than in 2018) are workers at the same level as the rest and constitute one more way of displaying the positive aspects of diversity.

32

People with a disability

Irrespective of the fall recorded in 2019, Ezentis Group has a firm commitment to the integration of people with a disability in the workplace, in all posts at the company where this is possible and all the geographical areas, guaranteeing at all times that there are no criteria of negative discrimination against this group in the processes of selection and promotion, and fulfilling the Code of Ethics and Conduct of the company.

With regard to universal accessibility, it should be said that all the work centers of Ezentis Group have been prepared for access by employees, clients and providers with reduced mobility. Similarly, jobs are adapted to the special needs required by employees.

AGE

In 2019, 24% of the company's professionals were under 30 years old, and 76% less than 45. Encouraging youth employment takes on great significance in the socioeconomic context of countries like Brazil, Colombia and Spain where, according to various reports by the International Labor Organization⁽¹⁾ (ILO), the youth unemployment rate exceeds 30% of total unemployment.

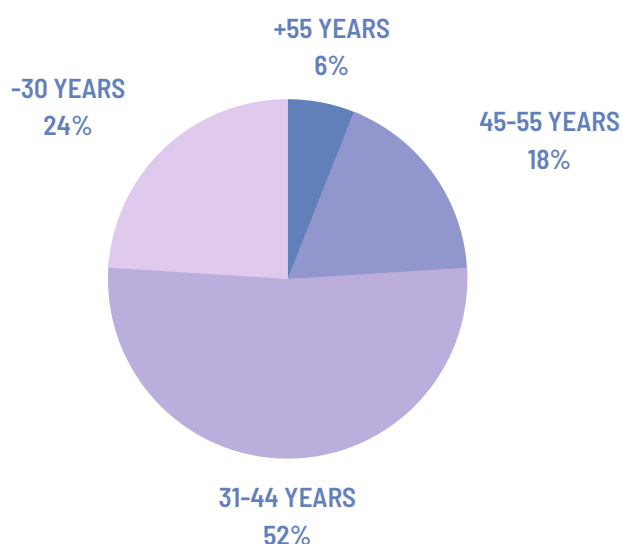
+76%

Employees <45 years old at Ezentis Group

74%

Permanent contracts in young employees (<30 years)

STAFF DISTRIBUTION BY AGE



(1) World Employment and Social Outlook Report - Trends 2020; Latin America and the Caribbean Labor Outlook Report 2019

NATIONALITY

Ezentis Group is present in two continents and a total of eight countries. This fact furnishes us from the outset with a very interesting melting-pot of nationalities which, taken along with the intensive movement to welcome people from other parts of the world taking place in several of the countries where we are present, means that we at Ezentis Group belong to more than 28 nationalities, with all the cultural richness this implies.

28

Different nationalities in
the total workforce of
Ezentis Group

DIVERSITY ON THE BOARD OF DIRECTORS

The Board of Directors of Ezentis Group, S.A., at 31 December 2019, is 50% comprised of independent directors, and 40% are women. All members of the Board possess broad professional experience and come from the worlds of telecoms, energy, IT, economics and business studies, etc.

All this makes clear that at Ezentis, diversity is a factor which is taken into account in the supreme decision-making body, and while at the moment there is no formalized Diversity Policy for the Board of Directors, this is set out expressly in the different corporate governance rules of the Company.

The elements related to diversity on the Board are included in the following public documents:

1. Group bylaws
2. Regulations of the Board of Directors
3. Selection Policy for Candidate Directors
4. Corporate Governance Policy
5. Annual Corporate Governance Report

40%

Women on the Board of
Directors

+50%

Of the women who work at
Ezentis are Field
Technicians

The documents mentioned above make no mention of age restrictions for directors. However, the Corporate Bylaws establish that, among the competences of the Appointment and Salary Committee is that of making sure that the selection procedures for directors do not discriminate on the grounds of gender diversity, and the Regulations of the Board set out expressly that the Board of Directors shall make sure that selection procedures for its members foster diversity of experiences and knowledge, training, age, disability and gender, and do not suffer from implicit biases which could imply some type of discrimination and, in particular, that they should facilitate the selection of Directors, establishing a diversity policy or guidelines to that effect.

Likewise, the Selection Policy for Candidate Directors mentions other aspects of diversity which should be taken into account. These are set out in the following quotes from the Selection Policy for Candidate Directors:



"The Policy will endeavor to comply with the provisions of the Good Governance Code for Listed Companies in relation to the number of women representatives on the Board of Directors, which in the year 2020 will continue to represent at least 30% of the total membership of the Board of Directors. 50% independent".



"In the selection process for candidate directors, persons who meet the conditions cited in this Policy shall be sought who, in view of their profile and characteristics, nurture the diversity of knowledge, aptitudes, experience and gender in the Board of Directors, and any implicit bias which could entail some kind of discrimination, and in particular, any hampering the selection of women directors, shall be avoided."



"The selection process for directors will ensure that the composition of the Board of Directors attains an adequate balance of profiles, knowledge, skills, trajectories and experiences, which provides diverse perspectives on the debate of the issues and enhances the decision-making process."

LOCAL AND STABLE EMPLOYMENT

Ezentis is a company that has established itself as a multinational that generates employment and job stability in all the countries in which it operates. Overall, the creation of employment has remained stable with respect to 2018, looking at the annual average workforce, as well as the job stability indicator, with 78% of contracts being permanent (compared with 77% in 2018).

Moreover, local hiring reaches 97% on average, a fact that positions Ezentis as a significant generator of wealth and growth for the local population.

Unfortunately, like other companies of the services sector, we also have people leaving our companies for undesired reasons. Given that the activity of Ezentis Group is conducted by means of medium-term contracts/projects and, combined with the fact that the majority of the workforce join the company with permanent contracts, in the event that a project terminates and it is not possible to reassign the worker to one of similar characteristics, we find ourselves obliged to bring the employment relationship to a close. In 2019, this percentage stood at 19% in the whole of Ezentis Group.

12,800

Average employees in 2019 (+6.7% vs 2018)

78%

Permanent Contracts

97%

Local hiring

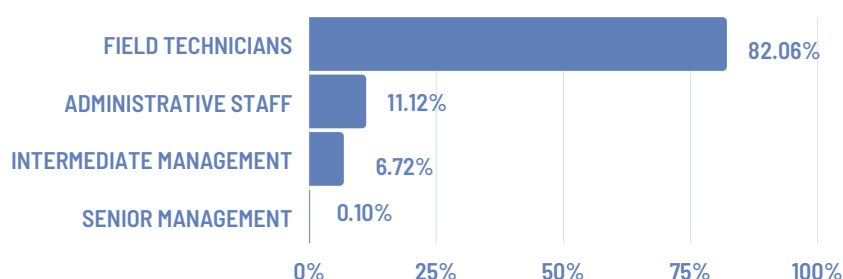
FLAT AND EFFICIENT ORGANIZATIONAL STRUCTURE

The company has a very flat, dynamic and efficient structure, fully adapted to the activities it performs. As can be seen in the graphic, our operational base makes up more than 82% of the total employees.

82%

Site personnel or field technicians

DISTRIBUTION OF THE WORKFORCE BY PROFESSIONAL CATEGORY



EZENTIS IS COMMITTED TO THE TRAINING AND DEVELOPMENT OF ITS PROFESSIONALS

As part of the Group's commitment to training the professional teams comprising Ezentis, the company offers a general training plan, as well as specific training in the sector and the positions occupied, so that the initial training they possessed on joining the Group always increases.

In the last years the company developed technical skills training plan at the different levels of responsibility. This plan has been adapted to local particularities, so that each country identifies its own training needs and compiles a training plan adapted to the requirements of the clients and services being provided.

For instance, in Colombia, there is the Annual Training Plan, which is segmented by projects, profiles and client requests, and additionally structured to convey both hard (operational) skills and soft (structure/administration) skills.

+1,000,000

Training hours in the period 2015-2019

298

Training actions

+400,000

Total training hours

OUR EMPLOYEES' OPINIONS, AN INCENTIVE TO KEEP GROWING

Aware of the value of the company's human capital, Ezentis conducts regular work environment evaluations to discover the opinion of employees and their level of satisfaction. This involves a procedure that helps the company identify the critical points in order to carry out pertinent modifications that make employees feel more satisfied and increase their pride in belonging to the company.

A questionnaire is conducted in each subsidiary, with a format adapted to the country so that the results obtained are not comparable. However, they do have common questionnaire parameters such as, for example, questions on the work environment, internal communication in the company, career plan and the necessary training for it.

It is a good sign that the voluntary turnover rate in 2019 remained stable, with values similar to 2018, although we are not satisfied with this and will continue working to give workers the best possible environment and prospects for professional growth within the Ezentis family.

Other indicators that we use to infer the level of employee satisfaction and well-being are the rate of return following maternity/paternity leave and the number of employees who request shorter working hours. Once again this year, this figure shows that Ezentis promotes work-life balance, as almost all of the employees who enjoyed this concession in 2019 have continued with the company, and that on the other hand, 99% of the workforce are full-time.

99%

Of employees work full-time

98%

Return after paternity or maternity leave in 2018

14%

Voluntary turnover

3.4%

Total absenteeism

REMUNERATION OF EMPLOYEES

To promote the right to equitable working conditions which ensure that our employees receive pay which, at minimum, offers them a fair salary, with equal pay for equal work without any kind of distinctions, at Ezentis Group we have measures to allow work and family life to be reconciled, as well as equality plans, so that our workforce can adapt to the different personal situations they face. At Ezentis Group, we have a firm commitment to fairness in salaries, promoting an equitable and fair environment.

We have an Integrated Remuneration Policy and carry out control and tracking work for personnel costs arising from the activities of the different companies of Ezentis Group, so that resources can be planned properly, and the work of our employees be optimized. In all the companies in the different countries where our Group is present, we ensure that salary discrimination neither exists nor is encouraged, and rather that work always takes place subject to criteria of internal and external fairness based solely on the grounds of professional performance.

In this way, the professional development and career of our employees is based on their individual performance and teamwork, and no other questions beyond development in the job itself, such as factors of gender or age, or any other grounds for discrimination which could characterize the employee.

During FY 2019, work took place on compiling average remuneration data for men and women, and the data presented in this report is for the countries where 87% of our revenues are concentrated: Spain, Brazil and Chile. Ezentis Group declares its commitment to continue working to increase the scope of this information for future years, so that the pay reality of our whole workforce can be presented, thus conducting an exercise in transparency in harmony with our commitment to our stakeholders.

The average pay for fiscal year 2019, expressed in euros and for the workforce in our principal territories, is as follows:

AVERAGE PAY⁽¹⁾ BY GENDER AND PROFESSIONAL CATEGORY (SPAIN)

| 2019 | | | | | |
|--------------|----------------------|----------------------|--------------------|----------------------------------|--|
| | SENIOR MANAGEMENT | GRADUATE MANAGERS | MIDDLE MANAGERS | FIELD TECHNICIANS / OPERATORS | STRUCTURE PERSONNEL / STAFF / ADMINISTRATION |
| Men | 167,961 | 89,365 | 43,490 | 24,944 | 27,516 |
| Women | NA ⁽²⁾ | 65,681 | 38,259 | 26,585 | 22,892 |

(1) The average pay is defined to be the average of the salaries received by the workforce in fiscal year 2019. It includes all the workforce who were active during 2019.

(2) In cases where N/A is shown, this is because there does not exist any workforce fitting into this category for the calculation.

AVERAGE PAY⁽¹⁾ BY GENDER AND PROFESSIONAL CATEGORY (BRAZIL)

| 2019 | | | | | |
|-------|----------------------|----------------------|--------------------|----------------------------------|---|
| | SENIOR MANAGEMENT | GRADUATE MANAGERS | MIDDLE MANAGERS | FIELD TECHNICIANS / OPERATORS | STRUCTURE PERSONNEL/ STAFF / ADMINISTRATION |
| Man | 171,173 | 46,825 | 16,271 | 7,692 | 6,856 |
| Woman | NA ⁽²⁾ | 46,124 | 13,413 | 5,977 | 4,671 |

AVERAGE PAY⁽¹⁾ BY GENDER AND PROFESSIONAL CATEGORY (CHILE)

| 2019 | | | | | |
|-------|----------------------|----------------------|--------------------|----------------------------------|---|
| | SENIOR MANAGEMENT | GRADUATE MANAGERS | MIDDLE MANAGERS | FIELD TECHNICIANS / OPERATORS | STRUCTURE PERSONNEL/ STAFF / ADMINISTRATION |
| Man | 189,158 | 199,976 | 21,424 | 14,012 | 16,640 |
| Woman | NA ⁽²⁾ | 60,642 | 16,267 | 10,594 | 9,925 |

(1) The average pay is defined to be the average of the salaries received by the workforce in fiscal year 2019. It includes all the workforce who were active during 2019.

(2) In cases where N/A is shown, this is because there does not exist any workforce fitting into this category for the calculation.

As has been commented above, at Ezentis Group we ensure that there is no salary gap on the grounds of gender, age, race, religion or any other concept which could characterize the employee beyond their own performance and professional evaluation. We have not identified any cases of salary discrimination among our employees, although there do exist certain salary differences which reflect different points such as the nature of our sector, length of service and geographical distribution, etc.

The nature of the sector we work in and how it has evolved over the years is a key factor when trying to understand the salary differences⁽¹⁾ presented. On this point, the telecoms sector, and in particular the deployment and maintenance of the infrastructures, as well as their construction and engineering, is characterized by being predominantly male.

For instance, in Spain, only 15.6% of women worked in the IT technologies and communications sector in 2017. In this case, the factor of length of service should be mentioned. Historically, the male gender has had higher representation in this sector, to that their pay contains this differential component which explains part of the salary differences when compared with women, who have more recently joined a sector which is heavily male-dominated.

Despite this, over the years and as society itself evolves, there are ever rising numbers of women with training in these areas, who will be joining the labor market progressively, occupying the posts which make up our operational structure.

The Non-Financial Information Statement included in the Consolidated Management Report 2019, available on our website, gives greater detail on remuneration and salary gap.

(1) <http://www.mineco.gob.es/stfls/mineco/ministerio/ficheros/libreria/LibroBlancoFINAL.pdf>

EMPLOYEE-COMPANY RELATIONSHIP

On another point, Ezentis respects and complies strictly with freedom of association and collective negotiation as one aspect more which protects workers' rights.

In all the countries where Ezentis Group is active, there is a close and direct relationship with the legal representatives of the workers through the union organizations. In most of them there exist Collective Agreements for the sector or the company, and to which the workers are attached. In the absence of this, the workers' rights will be governed by the appropriate Workers' Charter.

These are the cases, for instance, of Colombia, Mexico and Peru. We at Ezentis Group believe that communication is the keystone of a successful relationship between the company, the workers and their union representatives. Evidence of this lies in the over 170 collective agreements or negotiations undertaken on average per year.

+60%

Employees within
collective
bargaining
agreements

WORKING FOR OUR EMPLOYEES AND THEIR FAMILIES

At Ezentis Group we ensure that the family life needs of our employees are attended to and so, besides offering statutory guarantees like reduced working hours for child or elderly care, in the countries where this is applicable, the company offers flexible working hours so that workers can balance their daily work with their personal lives, in cases where the needs of the service allow.

Another of the mechanisms the company offers to promote work-life balance is the possibility of teleworking for employees whose activities are compatible with this type of working, as in the case of the engineering field.

During 2018, a teleworking system was implemented and formalized in the companies Ezentis Tecnología, Navento Technologies, EFF, Grupo Ezentis, S.A., (Spain), so that, at the moment, over 100 people have opted for this way of working two days per week. The exceptional situation prompted by the COVID-19 pandemic in the first quarter of 2020 has led us to reorganize personnel who habitually do office work toward teleworking, both in Spain and the other territories affected where we are present. Given that in Spain, teleworking, as was said above, was already in place in some companies, adapting the systems and tools has been rapid, thus avoiding inconveniences or interruptions to the normal activity of these employees.

In line with our obligation to look after the well-being of our workers, in November 2019 Ezentis took a step forward with respect to the right to disengage from work, through the statement and approval of the stance of the company on digital disengage. This position taken by Ezentis Group goes beyond the initial concept of disengagement from work, given that its objective is to promote responsible use of technology by all workers during and outside working hours, thus assisting with the reconciliation with personal and family life, with all its implications this entails in terms of productivity, and health and safety.

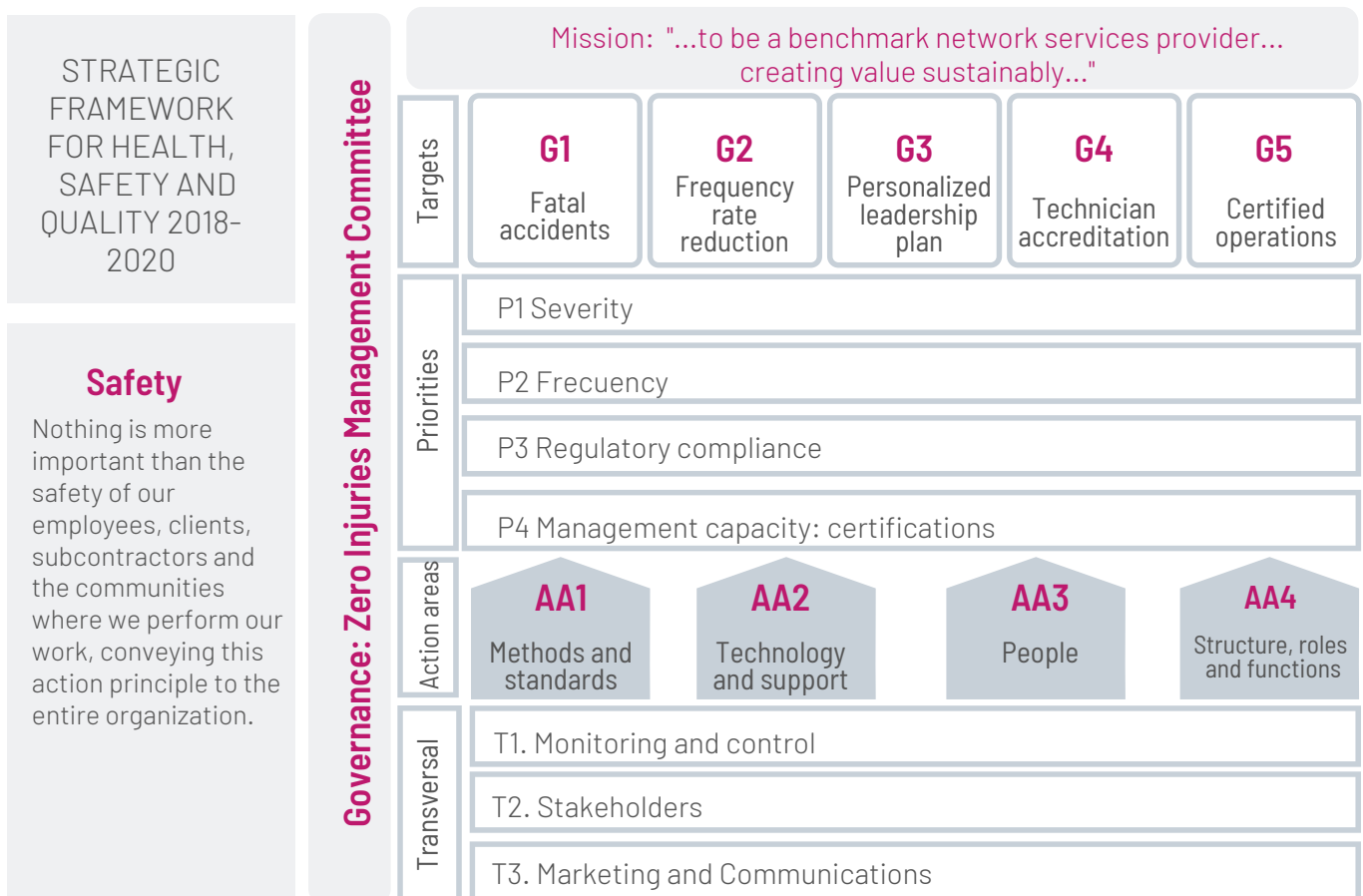
In addition to giving balanced pay, consistent with the obligations demanded in each post, the company focuses other benefits on employees, centering on promoting work-life balance and healthcare assistance, such as: medical insurance, study grants, nursery vouchers or salary complements in situations of temporary disability or occupational accidents.

OCCUPATIONAL HEALTH AND SAFETY

Occupational Health and Safety (OHS) is an area to which Ezentis is firmly committed. Indeed, the following is included within the values that serve as a guide in the company's activity: "Nothing is more important than the safety of our employees, clients, subcontractors and the communities where we perform our work, conveying this action principle to the entire organization."

At Ezentis we are of the conviction that all work-related accidents, illnesses and injuries can be avoided. We believe in risk prevention and, with this, in systematic and permanent work that successfully averts injuries and illnesses, an indisputable premise from which we start in compiling our Occupational Health and Safety management model.

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT MODEL



OUR PRIORITIES

- Zero accidents with fatal outcome
- Zero serious accidents or occupational illnesses
- Falling frequency rate
- Certified operations
- Accredited personnel
- Guarantee compliance with current regulations in all the countries where we operate

COMMON GUIDELINES

The Ezentis Group performs OHS management within the framework of the Integrated Health and Safety, Quality and Environment Policy, as well as the "Stop Work" Policy, constituting the main tools that guide our work in order to achieve zero accidents and zero occupational illnesses.

PLANNING OF THE ROUTE TO FOLLOW

Drafting of the OHS Master Plans which define the priorities to be executed over a specific period.

CERTIFICATION OF OUR MANAGEMENT SYSTEMS

With regard to Safety Management Systems, Ezentis is certified to the OHSAS 18001 or ISO 45001 standards in all the O&M activities within Brasil Energia, Chile (Tecnet), Colombia, Spain and Peru. In addition, Ezentis Colombia has obtained a new certification to the standard NORSOK S006, directed at improving environmental management, industrial safety and occupational health of contractor organizations that provide services in the petroleum industry with a view to making their operations around the world more profitable.

Incorporation of a new safety certification in Sao Paulo, Brazil.

NORSOK 006

New certification at Ezentis Colombia

ISO 45001

CYS Group in Spain, the first Ezentis Group subsidiary to achieve this certification

EZENTIS

PRAXIS

La mejor tecnología a tu servicio

Seguridad
Calidad

MÁS SEGURIDAD, MÁS CALIDAD, MÁS PRAXIS.

La herramienta incorpora nuevas funcionalidades que harán más cómoda y eficiente la actividad del día a día de los negocios de Ezentis.

Seguridad en el Trabajo

Uno de los principales objetivos de Praxis es velar por la seguridad de los empleados y, por ello, permite realizar:

- Charlas de Seguridad
- Inspecciones en terreno
- Comunicación de incidencias
- Envío de incidencias a áreas de apoyo

Calidad

Praxis permite un incremento de la calidad del trabajo realizado, ya que ofrece diversas posibilidades en tiempo real:

- Generación de informes
- Evaluación de recursos y medios

TRANSFORMACIÓN DIGITAL, EN LA PALMA DE TU MANO, CON PRAXIS.

Y MUCHO MÁS...

EZENTIS

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TOOLS AND SYSTEMS

Implementation of systems: PRAXIS as support for field activities and eGestiona to maintain traceability of the documentation needed to accredit our technicians in all the subsidiaries, businesses and contracts.

MONITORING AND CONTROL

Implementation of a "Leadership matrix" which includes the minimum number of preventive actions which should be carried out by each person in a role of supervision or management, the activities being: safety talks, safety inspections, safety observations, etc.

Constitution of Health and Safety Committees in all the countries where we have activity.

INFORMATION TO THE HIGHEST EXECUTIVE LEVELS

Immediate communication by email to the most senior executives of the Company when there are accidents related to the critical risks of the operation by means of so-called "Safety Alerts" and extraordinary meetings at which the case is presented, the events and the preventive or protective measures (as applicable) are reviewed, so that the lessons learned can be passed to all subsidiaries.

TRAINING

In 2019, employees received over 270,000 hours of training in safety-related courses relevant to their posts, such as electrical risk, handling and control of mechanical tools and energized equipment, welding work and working at height, etc.

OHS WORKSHOPS

CHILE

There were two workshops given during 2019, the first on Safety and Operations, given in Santiago on 11 and 12 March 2019, whose objective was to talk about and agree measures which contribute to knowledge, outreach and implementation of good practices and allow the development of a safety culture in the Group to advance further; the second was in the same place on 21 and 22 October, whose objective was to review the performance for the year, correct course and plan the main lines of work for 2020 and beyond.

SPAIN

Ezentis held a Safety and Operations workshop directed at the coordinators of the operational areas of I+M and External Plant with the objective of continuing to foment the safety culture and integrate prevention into all the levels of the company.

+270,000

Hours of OHS training

+10,500

Safety talk with +107,000 participants

+19,000

Conduct observations

+21,000

Field inspections

INTERNAL COMMUNICATION TO EMPLOYEES

Implementation of the internal communication campaign "I pledge to the Safety Culture" which is supported by the Ezentis Comunica app and included, in April, OHS Month at Ezentis.



SUCCESS CASE



"I pledge to the safety culture"

To mark International Occupational Health and Safety Day on 28 April, we decided to implement "Safety Month" that month, the slogan for 2019 being "I pledge to the Safety Culture".

The objective of the campaign is to convey the commitment of the entire workforce of Ezentis Group, from general management, middle managers and, in short, all employees, to a Safety Culture.

During the month, preventive activities in the field were reinforced by senior and middle managers, who carried out safety inspections, observations of conduct and safety talks.

This year has been a great success in terms of participation, with special mention for Peru, with increases in between 55 and 84% in the content and events of the campaign.

Together with this, there was a competition for videos "Safety in one minute", and another for stories "Safety with words", and a quiz with relevant questions and information, anecdotes and downloadable material in the Ezentis Comunica app.

CAMPAIGN DATA

1,971

**SAFETY
INSPECTIONS**

+30.2% vs 2018 campaign

1,335

**SAFETY
OBSERVATIONS**

+45.2% vs 2018 campaign

1,108

**SAFETY
TALKS**

+74.6% vs 2018 campaign

7,099

**PARTICIPANTS IN
SAFETY TALKS**

+69.1% vs 2018 campaign

271

**EMPLOYEES RESPONDING TO THE
SAFETY QUIZ**

76% percentage
means of success in the quiz


+3,928

Views of the campaign
video: "I PLEDGE TO THE
SAFETY CULTURE"

ANALYSIS OF RISK EXPOSURE

At Ezentis, we have always considered our people the fundamental piece of the mechanism, the shaft around which the company's activity and business revolves, so that we view the our people's safety as a critical element on which we work continuously.

The exposure of our field team - technicians - to risks like driving vehicles, working at height, work around voltage (energy), work in confined spaces and/or with moving equipment, as well as errors of the operator him/herself, are elements or factors that can lead to injuries while working, and that is why we are committed to achieving an accident-free work environment and a Safety Culture based on commitment, teamwork, leadership and participation.

On the other hand, it is important to remember the main risks to which office workers are exposed, although this affects a lower percentage of employees in Ezentis Group:

























1. Falls and hitting against objects
2. Adopted postures and movements
3. Manual load handling
4. Visual fatigue
5. Aural comfort
6. Thermal comfort
7. Indoor air quality
8. Psychosocial factors

In the specific area of worker Health and Well-being it should be mentioned that Ezentis Group promotes health surveillance through regular medical examinations.

Further, the company is evaluating other kinds of initiatives to encourage healthy habits (balanced diet, exercise...) which would improve the quality of life of our workers and their families.




OCCUPATIONAL HEALTH AND SAFETY COMMITTEES

| SPAIN | | | |
|---|--------------------|---|--|
| Law 31/1995, of 8 November, on the Prevention of Occupational Risks | | | |
| COMPANY AND COMMITTEE NAME | MEETING FREQUENCY | FUNCTIONS | PROFILE OF MEMBERS |
| Networks Test | | | |
| Health and Safety Committee | Every 4 months | <ul style="list-style-type: none"> • Approve the minutes of the previous meeting formally. • Analyze accident indicators. • Analyze employee training data. • Review aspects related to Health Surveillance. |       |
| Tecnología Health and Safety Committee | Every 3 / 4 months | <ul style="list-style-type: none"> • Review all the points related to the conditioning of the Work Centers: lighting, air conditioning, ergonomics of the workplace, accessibility, evacuation plan, visits of the prevention technician, specific problems, etc, analyze accident indicators. |     |
| Cys Spain Health and Safety Committee | Every 3 months | <ul style="list-style-type: none"> • Participate in the development, implementation and evaluation of plans and programs for workplace safety in the company. • Promote initiatives on methods and procedures for effective risk prevention. • Discuss and study the identification of risks that must be analyzed and controlled. • Know the information on prevention assessment. • Promote guarantee training and information in Occupational Health for all workers. |     |
| Excellence Field Factory (EFF) Health and Safety Committee | Every 3 months | <ul style="list-style-type: none"> • Participate in the development, implementation and evaluation of plans and programs for workplace safety in the company. • Promote initiatives on methods and procedures for effective risk prevention. | 50%  50%  |
| MEXICO | | | |
| Official Mexican Regulation, NOM-019-STPS-2011, Constitution, integration, organization and operation of health and safety committees | | | |
| Health and Safety Committee | Every 3 months | <ul style="list-style-type: none"> • Promote investigation of the causes of accidents and occupational illnesses. • Prepare the corresponding minutes at the end of each verification procedure, in conjunction with the committee coordinator. • Present and deliver the minutes of verification procedures to the employer, along with the committee coordinator; • Participate in inspections by the labor authority of the general safety and hygiene conditions in the workplace. • Integrate the annual training program of the members of the committee |       |
|  Company representative  Workers representative | | | |


CHILE

Law of the Ministry of Labor and Social Security No. 16,744, approving social insurance against the risks of occupational accidents and illnesses

| COMPANY AND COMMITTEE NAME | MEETING FREQUENCY | FUNCTIONS | PROFILE OF MEMBERS |
|--|-------------------|---|---|
| Joint Committee on Hygiene and Safety (JCHS) | Monthly | <ul style="list-style-type: none"> Instruct workers for the correct use of protection instruments. Monitor compliance by both companies and workers with prevention, hygiene and safety measures. Investigate the causes of occupational accidents and illnesses that occur in the company. Indicate the adoption of all hygiene and safety measures that serve to prevent professional risks. Promote the implementation of professional training courses for workers, at public or private organizations authorized for this purpose or at the company, industry or job itself, under the control and direction of those bodies. |  |


BRAZIL

Regulatory Standard Five (NR-5) of MTE, which provides for mandatory annual training for members of the Internal Accident Prevention Committee - INCPA (Ministry of Labor)

| COMPANY AND COMMITTEE NAME | MEETING FREQUENCY | FUNCTIONS | PROFILE OF MEMBERS |
|--|-------------------|---|---|
| Internal Accident Prevention committee | Monthly | <ul style="list-style-type: none"> Identify the risks of the work process, and prepare a risk map with the participation of as many workers as possible Prepare a work plan that facilitates preventive action in solving occupational health and safety issues Perform regular checks of working environments and conditions at each meeting (once a month). Evaluate compliance with the objectives set in the work plan and discuss the identified risk situations Communicate occupational safety and health information to all workers. |  |

COLOMBIA

Law Decree 1072 of 2015 through which the provisions for the implementation of the management system of the occupational safety and health (SG-SST).

| COMPANY AND COMMITTEE NAME | MEETING FREQUENCY | FUNCTIONS | PROFILE OF MEMBERS |
|--|-------------------|---|---|
| Health and Safety Committee at Work (HSCW) | Monthly | <ul style="list-style-type: none"> Participate in promotional, dissemination and information activities on industrial hygiene and safety. Act as a monitoring instrument for compliance with Occupational Health programs in the company's workplaces. Propose training activities in occupational health aimed at workers, supervisors and managers of the company. Collaborate in the analysis of the causes of work accidents and occupational diseases and propose corrective measures. Participate in the planning of compliance monitoring audits of the Occupational Health and Safety Management System. Conduct the review of the Occupational Safety and Health Training Program. |  |

 Company representative

 Workers representative

PERU

Law 29,783 and its regulations contained in Supreme Decree DS 005-2012-TR.

| SOCIETY AND NAME OF THE COMMITTEE | MEETING FREQUENCY | FUNCTIONS | PROFILE OF MEMBERS |
|--|-------------------|--|--|
| Central Committee for Safety and Health at work | Monthly | <ul style="list-style-type: none"> • Participate in the development, approval, implementation and evaluation of policies, plans and programs to promote occupational safety and health. • Monitor compliance with legislation, internal standards and technical specifications of work related to safety and health in the workplace. • Promote the commitment, collaboration and participation of all employees in the prevention of work risks. • Carry out periodic inspections in administrative areas, operating areas, facilities, machinery and equipment. • Investigate the causes of all incidents, accidents, and occupational illnesses that occur in the workplace. • Analyze and issue reports of statistics on occupational incidents, accidents and illnesses occurring in the workplace. | 50%  50%  |

ARGENTINA

National Law on Safety and Hygiene at Work No. 19587/72. National Law on Occupational Hazards No. 24557/95. Decree 911/96, Hygiene and Safety at work for the construction industry. Decree 351/79, Amending and/or supplementing. Resolutions and annexes

| | | | |
|---------------------------------|---------|--|--|
| SIG Management Committee | Monthly | <ul style="list-style-type: none"> • Report the statistics of registered accidents of each Business Unit. • Report on the progress of training of all Business Units. • Track anomalies identified in monthly inspections. • Share relevant issues that arise in the business unit, photos and examples of work. |  HSQE Manager, heads of Business Units (Energy, Telecoms, Gas, HR), deputy heads of business units |
|---------------------------------|---------|--|--|

*Portugal has fewer than 50 employees, so that it is not mandatory to constitute a Joint Safety Committee.



Company representative



Workers representative

PERFORMANCE INDICATORS

The Ezentis business model combines two main activities with very different risk profiles. On the one hand, the telecommunications activity has a low severity and high frequency risk, while the energy activity has a high severity with a lower frequency. Offering aggregate data is not very representative for this reason.

Taking into consideration that, in turn, the activity covers different segments, both field operations (telecommunications and energy) and technology development activities (IT in offices), the analyses of accident statistics, action plans and awareness-raising are performed separately, adapted to each region and type of activity:

-15%

Net Frequency Index
compared to 2018

+80%

Workforce on the field

| OCCUPATIONAL HEALTH AND SAFETY INDICATORS (1) | | | | | | |
|---|--------|--------------------|--------|--------|--------------------|--------|
| | 2018 | | | 2019 | | |
| | ENERGY | TELECOMMUNICATIONS | OTHERS | ENERGY | TELECOMMUNICATIONS | OTHERS |
| Net Frequency Index | 6.42 | 15.92 | 10.43 | 5.30 | 12.73 | 19.04 |
| Severity Index | 1.74 | 0.62 | 0.39 | 0.79 | 1.26 | 0.27 |
| Net Incidence Index | 14.93 | 41.48 | 17.06 | 14.04 | 36.26 | 40.22 |

(1) Formulas used:

(Net) Frequency Index = (No. accidents with time off or fatal / Total no. hours worked) * 1,000,000

Severity Index = (Total no. days lost / Total no. hours worked) * 1,000

Net Incident Index = (No. accidents with time off or fatal / Average no. workers) * 1,000

The results obtained for 2019 show a downward trend in all the business indicators, although we will continue working to reduce the degree of severity, especially in the telecoms business.



GOALS FOR 2020

Just as set out in the Occupational Health and Safety Master Plan and, in turn, included in the Sustainability Master Plan, in the short term, the organization has set itself the following objectives, among others:

- Draft, implement and communicate policies and standards to bring down the rate and severity of road accidents, starting with the introduction of the "Motor Vehicle Speed Policy".
- Continue improving performance, reducing the number and severity of accidents (the corresponding indexes).
- Maintain the international certifications of all the operations.
- Integrate Occupational Health and Safety Management even more closely into the work of contractors and subcontractors.

IT SYSTEMS SECURITY

We at Ezentis take Cybersecurity to be a keystone of business sustainability and social responsibility and, moving forward with our commitment to improve and evolve in this area, we have centered our endeavors on consolidating the steps already taken and enhancing the level of maturity of our information security.

The awareness of our employees has become the focus of our efforts so we can convey to our clients that the entire Group participates in data security.

In 2019, Ezentis Group recorded important advances in the area of cybersecurity and information privacy, as summarized in the following chart:

MILESTONE CREATION OF GLOBAL EMPLOYEE AWARENESS CAMPAIGN

1



An awareness-raising campaign has been created at Group level, using the multiple channels available today to reach all corners of the Group. Through email, signs, apps and games, our employees will learn to protect themselves, as well as protect our clients.

MILESTONE CORPORATE IT SECURITY COMMITTEE

2



This Committee meets monthly upon the invitation of the CISO and is made up of those responsible for the Group's Systems, nationally and internationally. If there is any significant event or situation, this would be reported formally to the Audit and Compliance Committee.

MILESTONE MEASUREMENT OF AWARENESS

3



Ezentis Group has conducted various actions at corporate level directed at improving the awareness of users, and one of these has been to launch a survey at global level with questions weighted to measure different aspects of awareness, such as management of the company's assets, threats received by email, and a further series of key fields: in this way the company fulfills its commitment for awareness to be measurable.

MILESTONE COMPILATION, APPROVAL AND COMMUNICATION OF CORPORATE IT ASSETS MANAGEMENT POLICIES

4



Standardized policies have been put in place for the management of cybersecurity by the IT teams of the whole Group, whichever country they are based in, so that the values and standards offered around the world in relation to IT security will be the same for all of our clients.

MILESTONE INFORMATION SECURITY AUDITS

5



Continuing with our commitment to maintain our own data and our clients' data secure, we have performed a series of security audits in each of the countries where we are present, through "ethical hacking" techniques, to put our systems to the test against a potential attack and thus enhance our security even further.

The advances recorded in 2019 would not have been possible without the implementation of a series of measures devised to help consolidate Information Security as a complement to the business.

Ezentis Group intends not only to reinforce the security of the infrastructures and the governance model, but to work on the awareness of employees and a cultural shift in relation to cybersecurity and integrating other aspects such as legal considerations and process Management.

- Ethical hacking audits and system penetration tests
- Standardization of the secure installation of new IT infrastructure
- Awareness and information campaigns aimed at employees



¿Estás suficientemente protegido ante posibles robos de datos?



TEST ANTIRROBO

Responde este breve cuestionario y descubre tu nivel de seguridad anti hackers.

ACCEDER AL CUESTIONARIO



TOP 3: SITIOS WEB DE COMPRA / VENTA Y SUBASTAS

EXCUSA: Problemas en la cuenta del usuario, detectados movimientos sospechosos, actualización de las condiciones del uso del servicio, etc.

OBJETIVO: Robar cuentas de usuarios y estafarlos económicamente.



TOP 1: LAS ADMINISTRACIONES

EXCUSA: Informar sobre una notificación, multa, paquete no entregado, reembolso económico.

OBJETIVO: Infectar el dispositivo del usuario con malware, robarle datos personales e información bancaria.



Alerta de Phishing

Os informamos de que hemos detectado intentos de suplantación de identidad de empleados de la compañía vía email (Phishing) con el dominio @ezentis.com.

Como veis, estos correos intentan simular nuestro dominio de correo con algún pequeño carácter incorrecto, e incluso pueden usar la forma de hablar de nuestros compañeros o su firma, por lo que es importante que os mantengáis alerta y realicéis siempre una serie de comprobaciones ante correos sospechosos:

Medidas anti Phishing

- 1 No abrais correos cuyo remitente no conozcáis
- 2 Si lo crees conocer, comprueba la dirección exacta de dominio (@Appli.com @Bankinter.com @ezentis...) Una sola letra cambia el remitente y a veces es difícil de apreciar en una primera lectura.
- 3 Revisa la ortografía de los mismos, estos correos suelen venir con ortografía descuidada.
- 4 Coloca el cursor sobre el link (en caso de llevarlo) para comprobar que la url incluida se corresponde con lo que indica el correo.

Ante cualquier duda, contacta con comunicacion@ezentis.com



CYBERSECURITY CHALLENGES AND OBJECTIVES



Short-term

- Launch of an Awareness Plan for employees in 2020.
- Hardening and standardization of workstations in terms of cybersecurity by securing the work environment: equipment and work devices, permitted applications and remote access.
- Monitoring and correlation of cybersecurity events and prompt alerting of cyberincidents.



Medium-term

- Continuous training in cybersecurity for our own employees in any mode of working (in-person, online...)
- Fostering employee proactivity in communicating and reporting cyberincidents.

- Obtaining a level of cybersecurity maturity greater than 3 according to the global CMM (Capability Maturity Model) standard.
- Obtaining ISO 27000 certification gradually at all Group companies.



Long-term

- Promoting assimilation of the IT Security Culture throughout Ezentis Group and extend it to all external agents with whom we associate
- Automation and consolidation of IT Security tools.

CLOSENESS AND RESPONSIBILITY TO THE CLIENT

The services provided by Ezentis are highly specialized and focused on large telecommunications and energy companies. Taking into account that these sectors are highly concentrated, with just a few operators in each country, the Ezentis clients base is comprised of a small number of clients with high turnover volumes.

For Ezentis, the capacity to establish lasting trust relationships with its clients is of vital importance, so it can attain a high renewal rate for contracts and income stability. To this end, the key is to guarantee a high-quality service in processes, seeking to maximize efficiency and fulfill their expectations.

Our commitment and the great challenge we face with our clients is that with long-term agreements, is to be able to maintain excellent performance throughout the life of the service.

Our portfolio consisting of a large number of clients (over 500, with 11% being large accounts) is proof of this and the best assurance that we can remain one of the benchmark suppliers in the sector.



ACHIEVEMENTS 2019

SPAIN

- Ezentis was awarded a contract by Enaire to connect several airports by fiber optic.
- Ezentis signed an agreement with Ericsson to maintain telecoms networks.
- Ezentis participated in a removal project for Telefónica copper exchanges.
- Ezentis was awarded a contract by Telefónica España for three years.
- Renewal of ISO 9001 certification at Grupo Comunicaciones y Sonido (Grupo CYS)
- Certification of Quality Management System at the company Excellence Field Factory (EFF)

BRAZIL

- Ezentis was awarded a fiber optic operations and maintenance contract by Telefónica
- Ezentis renewed its contract with Neoenergía for a further 12 months
- Ezentis renewed and expanded its contract with Vivo for telecoms services

CHILE

- Ezentis became the leading contractor for the telecoms operator Claro

PERU

- Ezentis renewed its contract with the power utility Enosa for two years.
- Ezentis renewed its contract with Telefónica until 2023.

COLOMBIA

- Renewal of the ISO 9001 certification.

A MANAGEMENT THAT DESERVES THE CONFIDENCE OF CLIENTS

Ezentis assumes the responsibility of acting on behalf of its customer in relation to end users of energy and telecommunications services in the course of its activities. For this reason, Ezentis customers need to be completely certain that the provider in which they place their trust is able to safeguard the brand and prestige of their company.

It is essential that all its processes are formally structured and subject to regular audits that identify and remedy possible weaknesses. Therefore, the majority of our companies/businesses that conduct activities at client sites have been externally certified to ISO 9001:2008, on Quality Management Systems.

Ezentis believes that the key to offering quality services and ensuring client's satisfaction lies in improving the performance and enhancing the safety of the environment in which its employees work.

The company has consequently implemented a series of policies in the countries in which it operates, committed to:

€608.8M

Renewed and new
contracts

€934.4M

Of multiannual contracts
(3 to 5 years)

1

Nurture respect for people, safe working and teamwork

2

Promote a clients service culture in the company

3

Ensure an adequate Working Climate for employees who form part of Ezentis

RECOGNITION FOR A WELL DONE JOB

The approach of continuous improvement and innovation in the processes leads to Ezentis applying client's feedback as input for its company strategy.

So, it regularly conducts customer satisfaction surveys in all the territories where it operates. In 2019, Ezentis offered a total of 347 surveys to its clients and obtained a response rate of 50%. In addition, out of the 179 responses received, 83% showed "satisfactory" or "very satisfactory" results.

This is highly positive overall because, even though more client evaluations were received, the satisfaction indicator remained above 80% for the fourth consecutive year.

The high level of satisfaction may have contributed, through greater contract renewal by clients, to the continuous growth in revenue experienced by Ezentis over recent years, with a rise of 44% since 2016.

52%

Responses received (10
points higher
than in 2018)

83%

Responses expressing
satisfaction

EVOLUTION OF OUR CLIENTS SATISFACTION

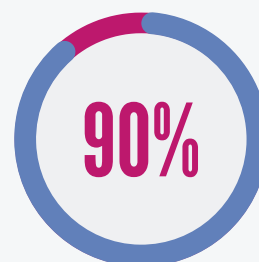
| 2016 | 2017 | 2018 | 2019 |
|------|------|------|------|
| 86% | 86% | 89% | 83% |

COMMITMENT AND PROXIMITY TO THE END USER

Although the main objective of Ezentis' activity is customer satisfaction by offering the very highest service quality, it is essential that end users (our clients' customers), are taken into account in the equation as, all things considered, they are the final receivers of the service Ezentis provides.

On this point, Ezentis acts in close proximity to the end user of telecommunications services (inside and outside the home) and with the firm commitment to cooperate with the community. Evidence of this is the occasions on which the activity of Ezentis has been classified as essential and we have known how to rise to people's needs. This happened three years ago in Chile, with the reconstruction of telecoms networks damaged by a natural disaster, even though this action was not envisaged in the terms of our contract, and now again in 2020, with the deployment and enhancement of the telecoms network in hotels which have been medicalized to treat COVID-19 patients.

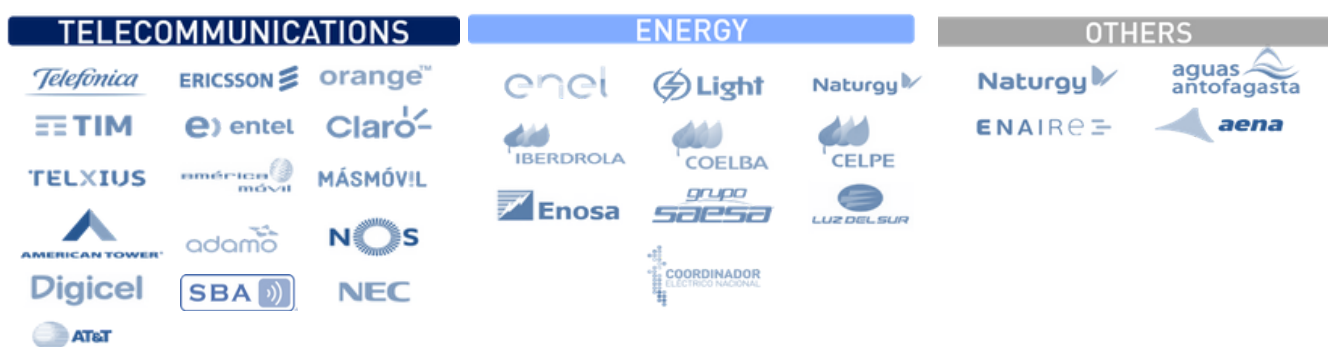
This type of situation and reaction shows that the presence of Ezentis goes beyond representing a telecoms operator or power utility, to becoming a partner or close collaborator of the user community. Considering the nature of its work that guarantees basic services to people, the company understands that this is part of its responsibility and its commitment to the community.



Strategic contracts renewed

OUR CLIENTS: OUR ALLIES

The client portfolio of Ezentis is made up of major telecoms operators and utilities:



KEYS TO THE RELATIONSHIP BETWEEN EZENTIS AND ITS CLIENTS



DIGITAL TRANSFORMATION

Working for the future necessarily implies transforming the current patterns of work by harnessing the opportunities offered by technology to the utmost. At Ezentis, we have spent years working on designing a digitalization process at all levels of the company: processes, competencies, business models, etc., and this has started to bear its first fruits in 2019.

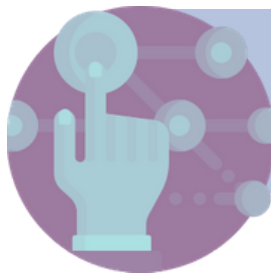
We are following the path to Digital Transformation in alliance with major players like ORACLE and SAP, who are helping us to incorporate the best international practices, or "best-of-breed", as they say in the world of new technologies.



1. Optimize our processes to give a service of higher added value to our clients.



2. Gain efficiency and agility in the internal processes of different areas (finance, fleet, supplier management, etc.)



3. Move toward using tools enabling decisions to be taken more automatically and objectively, founded on monitoring all the business and management processes of the Company.

SUCCESS CASE

Agreement with ORACLE

In the month of February 2019, Ezentis signed an important agreement with Oracle for the digital transformation of its operations.

This ambitious project consists of implementing an ORACLE Software-as-a-Service (SaaS) platform, which will become the digital heart of the operations of Ezentis, connecting different elements in a cloud environment: people, data, devices, business units, etc., and integrating this with the ecosystem of corporate applications. This new tool will manage the entire operational flow centrally, end-to-end, including field resources, subcontractors, contracts and projects, work orders and invoicing. The project is part of the strategic vision of Ezentis of combining elements to make us stand out in the sector and become a benchmark through a process of digital transformation.

2019 DEVELOPMENTS ON CONTINUOUS IMPROVEMENT



PRAXIS

Tool aimed at supervisors of operations. Its functionality includes: Control over own and subcontracted resources, attendance control, quality and safety audits, evaluation of resources and incident reporting (logistics, fleet, PPE in poor condition, etc.).

SAP HANA

Tool directed mainly at the finance area. Its functionality includes: budgeting, cash flow management, asset accounting, recording purchases and logistics, invoicing and reporting.



EZENTIS FLEET

System designed for controlling the vehicle fleet. Its functionality includes: vehicle overview, driver data, tracking fuel use and refueling, GPS vehicle positioning, speed control and verification of programmed routes.

DOCUMENT MANAGEMENT

Document control tool for requirements of clients and Ezentis' own companies, extending to suppliers and subcontractors. Its functionality includes: data of subcontractor, human resources, management of digitalized documentation, worker accreditation and OHS incident documents.

COMMITMENT TO SOCIETY

Ezentis is aware of the important challenge in terms of social contribution performing its activities implies as, in short, it consists of contributing to the socioeconomic development of communities by creating employment and opportunities, purchasing local goods and services and collaborating with NGOs aligned with the strategies of the company.

To meet this challenge, the company structures its commitment around the following lines of action:

- SUPPORT FOR LOCAL ECONOMIES
- CONTRIBUTION TO SOCIAL DEVELOPMENT

SUPPORT FOR LOCAL ECONOMIES

One of the ways Ezentis collaborates with local businesses is by purchasing goods and services from companies whose registered address is in the same country as that of our activity, in each case.

The figures speak for themselves: around 98% of our providers are local. Specifically, out of the 180.3 million euros Ezentis purchased from its providers in 2019, 96% went to local procurement.

This commitment to local provisioning exerts a tractor effect on the economy which results in the creation of indirect employment and wealth in these communities. By doing this, Ezentis' capacity to generate local employment surpasses the limits of its own organization, by contributing to the creation of indirect employment throughout its supply chain.

Although the weight of suppliers involved in Ezentis' activity is not particularly significant when compared to other economic sectors, except for the case of subcontracting services and vehicle providers, the potential contribution made by the company in terms of wealth creation and local employment can be significant for the communities in which it operates. That is why Ezentis supports local purchasing, as well as a transparent, efficient procurement process that promotes sustainability in its value chain.

A positive side effect of the provisioning of local goods, besides the obvious creation of indirect employment at the local level, consists in the reduction of emissions from transport. As stated below, the main environmental impact from Ezentis' operations are emissions into the atmosphere, associated both to the purchase of goods and services, and in the transportation of workers in their daily activities. For this reason, the company is always searching for solutions that minimize these impacts without affecting the profitability of the business, and, in turn, adopts the commitment to perform an increasingly accurate and exhaustive calculation of its carbon footprint, to allow the sources for which reduction goals can be later defined to be better identified.

98%

Local suppliers

€180.3M

Total purchases from suppliers

Approx.

6,500

Total suppliers

+700

Subcontractors
(equivalent to 5,500 workers)

PURCHASING PROCESS FOR GOODS AND SERVICES

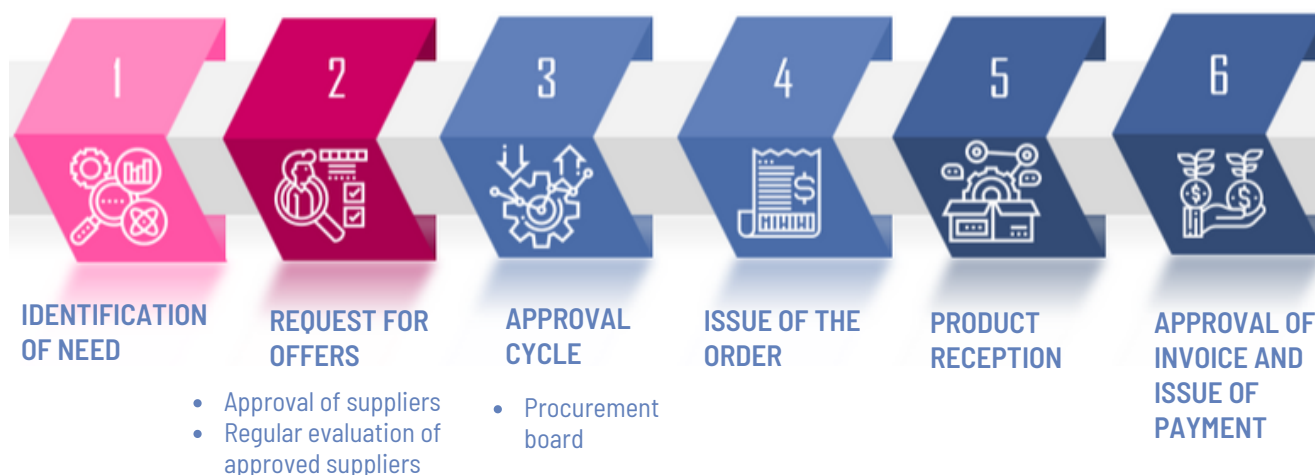
Ezentis has a Procurement Procedure applicable to the entire Group, whose objective is mainly to ensure that all the departments involved in the process of buying goods and services assume their responsibilities in this matter diligently. Moreover, it has the goal of establishing a common methodology for the purchasing and procurement processes for all types of goods, resources, activities or services in all business units.

The content of this policy is fundamentally connected to financial and legal issues, but it can also incorporate other social or environmental requirements or specifications like the existence of an external certification based on the ISO 14001 environmental management standard.

Currently, the different territories have specific purchasing policies that must always be applied without contravening the contracting thresholds defined in the Group's Powers of Attorney Procedure, and aligned with the aforementioned Group Procurement Procedure.

This process is especially important in the cases of suppliers which are considered "critical" based on the type of good or service they provide and their relevance to the production process of Ezentis.

PHASES OF THE PROCUREMENT PROCESS



GOALS

SHORT-TERM

Generate and share information with all countries, seeking synergies in the acquisitions of goods and services.

MEDIUM-TERM

Transformation of the current purchasing model to optimize and leverage cost reduction through automation, reverse auctions and the "robotization" of repetitive activities in the purchasing area.

LONG-TERM

Share knowledge and promote a cultural change through fluid communication to create a new concept of the "Ezentis" community.

CONTRIBUTION TO SOCIAL DEVELOPMENT

Ezentis Group, through its presence in two continents and eight countries, has an unquestionable impact on the societies where its activities take place. Based on the premise that the level of knowledge and the capacity to apply it are manifestly elements in the development of any society, the greatest contribution that Ezentis can make in the areas where it operates is to promote the learning of young people and adults, and for this to translate into better job opportunities and quality of life.

Aiming to achieve the maximum professional development of each individual, for a number of years, the company has established various agreements and collaborations with training centers and professional lyceums (Universities, Technical Institutes, etc.). These agreements are mostly designed for students in the final years of technical and technological qualifications, through an internship program in Ezentis work centers and, as the end goal, for them finally to join the company.

The difficulty in identifying the profiles of high technical and technological qualifications makes this type of alliance mutually beneficial. On the one hand, they offer opportunities to people without work experience and, in turn, help Ezentis in providing the opportunity to identify the potential of these individuals and participate directly in their practical learning.

In addition, Ezentis maintains relationships with foundations and other non-profits, by cash contributions and volunteering actions from time to time. In broad terms, the social activity of Ezentis is encompassed by two major types of projects: Employability and Charity. Some examples of projects and collaborations are now given.

EXAMPLES OF PROJECTS AND COLLABORATIONS

ARGENTINA

- Agreements with several universities and technical schools



- Garrahan Pediatric Hospital

BRAZIL



- Agreement with the National Industrial Learning Service - SENAI



- Vale da Benção Educational and Charitable Association

CHILE



- NGO Pather Nostrum



- Padre José Kentenich Mixed Ability School



- Hogar de Cristo Charitable Institution

EXAMPLES OF PROJECTS AND COLLABORATIONS

COLOMBIA



- Agreement with the National Learning Service (SENA)

- Corporate Volunteering Project: Reader Plan

SPAIN



- Purchases from Special Employment Centers.



- Juan XXIII Roncalli Foundation

PERU



gob.pe

- National Youth Employment Program - Ministry of Labor
- CEF (Special Training Center) Program carried out at Ezentis



MILESTONES 2019

Successful collaboration with Pather Nostrum in Chile: on the one hand, workplace integration of people with a disability and, on the other, the development of a corporate volunteering program by delivering toys during the Christmas campaign to vulnerable children.



GOAL FOR 2020

Preparation of a Corporate Policy on contributing to the social, environmental and economic development of the regions in which Ezentis performs its activities.

The commitment of Ezentis to the Sustainable Development Goals was materialized in 2019 with the collaboration of Ezentis subsidiary in Chile with the NGO Pather Nostrum, which supports people with physical disabilities, through the project "Protected Work Inclusion Plan": This specific project has contributed to meeting three key objectives for the Sustainable Development strategy of the Group:



SDG 4 on Quality Education

- through collaboration with a special training school belonging to an NGO



SDG 8 on Decent Work and Economic Growth:

- by hiring 27 beneficiaries of the NGO



SDG 10 on Reducing Inequality

- by helping beneficiaries of the NGO to attain successful professional development and thus encourage their full integration into society.

SUCCESS CASE

Ezentis Chile – NGO Pather Nostrum Social project

Ezentis Chile is a great example of social engagement within the Group due to its successful relationship with the NGO Pather Nostrum, a local non-profit which devotes its efforts to training and occupational support for people with a physical disability. The relationship with the NGO began in 2018 with monetary donations to support its general activity, and in 2019 a major step forward was taken by involving the company in a project to develop the Protected Work Inclusion Plan which is intended to improve the social and occupational integration of people with a disability who are beneficiaries of the NGO.



Photo (L to R) :

- Ricardo Llantén Letelier, Welfare and Life Quality Manager, Ezentis/Pather Nostrum Alliance Coordinator,
- Daniela Torreblanca, Pather Nostrum/ Ezentis Alliance Coordinator
- Diego Villazón, Ezentis attorney,
- Diana Nieto, coordinator of the general services and cleaning team at Ezentis,
- Alexis Judel, head of the Ezentis upcycled equipment project

The project was comprised of two parts: the first part was about training and work, with the hiring of 27 people for different areas of the company; the second part was that, thanks to monetary collaboration from Ezentis Chile, Pather Nostrum was able to purchase some land of its own and build a Headquarters to attend to its beneficiaries, as well as to carry out improvement works at the Santa María School, which is dedicated to education and training for young people at risk of social exclusion who are not accepted by the ordinary schools of the country.

Finally, a group of six volunteer employees came to the school on behalf of the company in December 2019 to give the children gifts donated by company employees and thus strengthen the relationship between the two parties.

COLLABORATION WITH PATHER NOSTRUM



MINIMIZATION OF ENVIRONMENTAL IMPACT

As a company whose business model is based on the construction, operation and maintenance of infrastructure, Ezentis pays special care and carries out prevention in all its actions where it interacts with the natural environment. The main lines of business comprising the activity of Ezentis (Energy and Telecommunications) generate environmental impacts of different types and relevance in relation to other minority activities, for example, Ezentis Tecnología in Spain or the water business in Chile.

Ezentis operational centers are of two types:

- **Field work centers:** These are comprised of a small administrative office, a materials/waste warehouse and a vehicle parking area.
- **Administrative offices:** These are found in the main cities of the countries where we are present.

ZERO

Hazardous substance
spill incidents

ZERO

Significant fines or
penalties for breach of
environmental regulations

While environmental aspects do not appear as among the most important for the company in the most recent Materiality Analysis, the commitment of Ezentis Group is firm and unwavering, as is shown in this chapter. The year 2019 was especially decisive from the environmental perspective. The roadmap toward climatic neutrality promoted from the international arena at the UN Climate Change Conference (COP25), taken with the European Green Deal and, within Spain, the draft law on climate change and energy transition, are clear indications that the part toward sustainability, and in particular, toward decarbonization of the economy will not turn back.

As for companies, these face the challenge of adapting their business model and their corporate culture to align with the new social and environmental reality, in an ever more globalized and connected world. We are in 2020 and, at this point, a corporate sustainability strategy is not understood to exist unless companies at least perform an analysis of their activities and the impacts these generate on the natural environment. The increasingly demanding environmental legislation combined with greater awareness and knowledge on the part of customers and end users leads to environmental issues becoming ever more important in the strategic decisions of companies.

Four fundamental pillars underpin how Ezentis Group takes on the environmental challenge:

- 1 Commitments in environmental sustainability
- 2 Efficient and responsible environmental management
- 3 Climate change and energy efficiency
- 4 Proper waste management

COMMITMENTS IN ENVIRONMENTAL SUSTAINABILITY

**1. CARBON DISCLOSURE PROJECT**

Annual Completion of Climate Change questionnaire from Carbon Disclosure Project (CDP).

Stakeholders: Investors

**2. ECOVADIS QUESTIONNAIRE**

Completion of the ECOVADIS questionnaire on the performance of the company EFF.

Stakeholders: Clients

**3. PRINCIPLES OF GLOBAL COMPACT & SDG**

Commitment undertaken to fulfill the 10 Principles of the United Nations Global Compact and the Sustainable Development Goals (SDG), which are to be found in our Sustainability Master Plan (2020-2022).

Stakeholders: Society

**4. SYNDICATED FINANCING**

Ezentis incorporates sustainability criteria into its syndicated financing.

Stakeholders: Financiers

EFFICIENT AND RESPONSIBLE ENVIRONMENTAL MANAGEMENT

Environmental management is a matter which is carried out at Ezentis Group from a point of view integrated with quality and OHS management, although in some cases there are individualized environmental management systems which are generally certified by an external entity.

The continuous acquisition of companies over recent years has hampered setting common policies and alignments with respect to environmental management and efficiency. Thus, at the moment, certain territories have retained their particular environmental policies and certified management systems, and those companies which do not have these have been set the objective of obtaining certification of their system to the standard ISO 14001:2015 in the near future.

SUMMARY OF SUBSIDIARIES WITH CERTIFIED ENVIRONMENTAL MANAGEMENT SYSTEMS

Brazil:

- Ezentis Energía

Spain:

- Excellence Field Factory (EFF)
- Grupo Comunicaciones y Sonido (CYS)
- Ezentis Tecnología

Colombia:

- Ezentis Colombia

Peru:

- Ezentis Perú

ACHIEVEMENTS 2019

Spain:

- ISO 14001 certification for the company EFF
- Renewal of ISO 14001 certification at: Ezentis Tecnología, Grupo CYS

Colombia:

- Renewal of ISO 14001 certification at Ezentis Colombia

GOALS FOR 2020

- Renewed certification for the companies where this applies
- Include the Portugal activity into the ISO 14001 certification of EFF
- Energy Efficiency Audit in Spain

SUCCESS CASE

Ezentis Brasil passes the Enel environmental inspection with a rating of 100%

In November 2019, Ezentis Brasil was awarded an outstanding rating in the environmental inspection carried out by its client Enel. In this, different aspects were examined in relation to environment-related procedures implemented, including the management and control of chemical products and waste, measurement and control of vehicle emissions, and the emergency response plan our Brazilian subsidiary has in place.

For all of the issues looked at, Ezentis Brasil showed that its compliance with the regulations, protocols and regulations was outstanding, and it exhibited great expertise in the environment and commitment to sustainability as a transversal objective.

CLIMATE CHANGE AND ENERGY EFFICIENCY

We work on the premise of efficiency in the use of resources at Ezentis Group, understanding that reasonableness in consumption promotes environmental and economic sustainability throughout the organization.

-10%

Fuel consumption per vehicle compared to 2018

ENERGY CONSUMPTION

The main sources of energy consumption at Ezentis Group are of non-renewable origin and are mainly the fuel of its fleet and office and warehouse energy use.

The field activity accounting for more than 80% of the company's business is supported by the large number of technicians and operators who commute daily to the sites of operations.

For this, Ezentis possesses a substantial vehicle fleet (average over 2019 was 7,245 units) which give off atmospheric emissions by consuming fuel and are thus one of the causes of climate change and global warming. This is without a doubt the most significant environmental impact linked to Ezentis' activity and, consequently, it is what the company pays most attention to in the attempt to mitigate its effects.

Aware of the environmental implications of the logistics aspect of its activity, Ezentis is developing plans for the replacement of vehicles by more efficient ones, or ones consuming other less polluting fuels (LPG, ethanol or natural gas). Spain and Brazil are the two countries where our vehicle fleet is moving toward alternative fuels which pollute less.

As demonstrated in the following table, fuel consumption accounted for 97% of the energy consumption of the entire organization in 2019:

ENERGY CONSUMPTION BY TYPE OF SOURCE

| ENERGY CONSUMPTION (GJ) | | |
|----------------------------------|---------|---------|
| | 2018 | 2019 |
| Electrical consumption | 11,452 | 15,098 |
| Fuel consumption (vehicles) | 500,174 | 540,612 |
| Fuel consumption (other sources) | 47,072 | 41,810 |
| Total energy consumption | 558,698 | 597,521 |

While higher consumption was recorded in 2019 over 2018 because of the increase in activity, it is important to mention that in the case of the vehicles, consumption per unit has fallen considerably (-10% compared with 2018). More activity, more vehicles, but also greater efficiency.



GOAL FOR 2020

UPDATE THE INVENTORY OF THE MAIN ENERGY SOURCES OF EZENTIS GROUP

ENERGY EFFICIENCY INITIATIVES

Good practices at work centers



Wherever possible, the following energy consumption and consumption rationalization measures are implemented at the administrative offices and warehouses.

- Lighting with presence detector
- Fluorescent and low-consumption (LED) bulbs
- Rational use of A/C equipment (24°C)
- Use of low-consumption electrical appliances (canteen and restrooms)
- Ecotips to raise awareness of the rational use of energy and other environmental issues

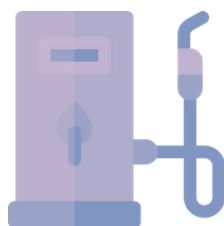
Maintenance and replacement of vehicles



In Spain, for instance, the company EFF incorporated 50 Compressed Natural Gas (CNG) vehicles into its fleet, which will offer greater efficiency in the consumption of fuel, and therefore a reduction in emissions of greenhouse gases (GHG). The Ezentis subsidiary in Brazil has agreed a vehicle replacement plan with the leasing company which owns the fleet, which will actively promote the incorporation of vehicles running on biofuels instead of gasoline.

At Ezentis in Peru, in 2019 the replacement of 246 vehicles (light trucks and vans) which were more than five years old took place. Proper maintenance of vehicles is another important aspect. In Chile, engine oil of type DFP is used, which helps to limit particle emissions to the atmosphere.

Tools which improve efficiency



An important aspect in relation to the operational systems in use at the company is control and management of the fleet and the fuel these vehicles consume. Currently, the Group keeps a record of each vehicle which is in use, showing its location using GPS tools, and refueling using a cash card. This information, combined with the fact that the supervisors of each team enjoy certain freedom to design the most efficient service route in terms of distance and time, helps to reduce the consumption of fuel and thus emissions to the atmosphere.

Moreover, this application also helps to identify the vehicles requiring more maintenance due to their age or accumulated faults, enabling them to be marked for inclusion in the vehicle replacement plan. As a general rule, older vehicles produce more emissions to the atmosphere given that they do not incorporate the efficiency improvements in the latest models. This cost-saving measures also represents an environmental advantage.



CALCULATION OF EMISSIONS ARISING FROM ENERGY CONSUMPTION

Fiscal year 2019 is the fourth consecutive year in which Ezentis Group has calculated the emissions from its activity and, like for all processes, the availability of the information sources has been improving, and the calculation guidelines are becoming standardized. On this latter point, a change of criterion has been applied with respect to the inventory from earlier years, which specifically affects the reporting of Scope 1 and Scope 3.

To date, the emissions from vehicles under leasing / renting contracts was included in Scope 3, observing the criterion of ownership and management control of the GHG Protocol, although the reality is that for the activity carried out by technicians in the field, there is no distinction between vehicles we own and those we do not, so that it has been decided that all vehicles should be included under Scope 1, with only emissions derived from business travel remaining included under Scope 3.

-26%

Emissions from
business travels

-9%

Total emissions of Ezentis
Group compared to 2018

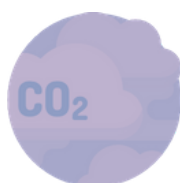
DISTRIBUTION OF GENERATED EMISSIONS

| EMISSIONS tCO ₂ e | | | |
|------------------------------------|---------------|----------------------|---------------|
| | 2018* | 2018 | 2019 |
| | | Comparable with 2019 | |
| Direct emissions (scope 1) | 7,477 | 36,223 | 32,761 |
| Indirect emissions (scope 2) | 949 | 949 | 1,159 |
| Other indirect emissions (scope 3) | 29,471 | 725 | 532 |
| Total energy consumption | 37,987 | 37,897 | 34,453 |

*Breakdown reported in 2018 CSR Report

As can be seen in the table above, in comparative terms, the path taken by Ezentis Group toward efficiency in fuel consumption and the gradual decarbonization of its vehicle fleet is starting to be seen in the numbers. In 2019, a reduction of almost 10% was recorded in the emissions from vehicles and fuels used in equipment, and this figure was 26% for business travel.

Despite the rise recorded in the emissions from electricity consumption, we have managed to reduce the overall carbon footprint by 9% over 2018.



GOAL FOR 2020

Calculate the base year for emissions to define the reduction objectives for later years.

COMPLETION OF THE ANNUAL CDP QUESTIONNAIRE ON CLIMATE CHANGE

For Ezentis, the perception and opinion of investors is key in its growth and international expansion strategy.

For this reason, the Company responds to all requests for information that demonstrate its transparent management, and not only in strictly financial matters.

An example of this is the completion, for the third year in a row, of the Carbon Disclosure Project (CDP) questionnaire on Climate Change, one of the tools investors adopt as a reference in their decisions. Moreover, we can be proud of the improvement recorded over the last year, where we were rated as "C", although we are not content with this as our objective is to continue to improve.

PROPER WASTE MANAGEMENT



Matters relating to waste management do not appear in our Materiality Analysis as of particular relevance, so that our understanding is that this is not material for the company at the moment. That being said, it should be mentioned that our service provision brings with it correct disposal and management for the wastes that may be generated, in accordance with the local legislation in force and the requirements our own clients occasionally impose in contracts.

For instance, in dismantling telecoms exchanges, the copper and other materials which must be separated at origin subject to processing and management, are withdrawn using a rigorous process agreed with the client.



MILESTONES 2019

Preparation of a procedure for the control and final disposal of hazardous wastes from the central offices (Chile)



GOAL FOR 2020

Updating the inventory of hazardous and non-hazardous wastes generated by Ezentis Group in the course of its activities.

ABOUT THIS REPORT

Principles Governing the Report

87

ABOUT THIS REPORT

PRINCIPLES GOVERNING THIS REPORT

As a response to the requirements and expectations of the different stakeholders, and in line with the company's commitment to establish basic pillars of Corporate Responsibility on which to work and internalize the CSR culture of reporting, transparency and management, Ezentis has prepared and published its first Sustainability Report, after including this information for three years in the Corporate Social Responsibility Report.

This Report, which describes the management and commitments of the organization on both financial and non-financial matters for 2019, has been compiled in accordance with the Essential option of the GRI Standards.

The principles specified below are fulfilled in monitoring the guidelines established by GRI, in this way guaranteeing the requirements demanded by the standard:

MATERIALITY

A Materiality Analysis has been conducted for the identification of relevant issues, explained in more detail in the section "Significant non-financial matters".

STAKEHOLDERS INCLUSIVENESS

The company has established different two-way communication channels with its stakeholders, as described in the section "Relationships with stakeholders".

SUSTAINABILITY CONTEXT

The Sustainability Report is conceived as an instrument to set out the activity and performance of the company, and integrating all the economic, social and environmental variables into its purview.

COMPLETENESS

Collaboration was requested from the main areas of company management with the intention that all relevant and strategic matters of the organization were collected in order to prepare this report.



Moreover, the application of GRI principles which determine the quality of the report was taken into account:

BALANCE

The contents of this report have been conveyed in a transparent and rigorous manner, both in the positive aspects and in areas where the organization recognizes that it has room for improvement.

COMPARABILITY

This being the fourth year of compilation of this report, information was included in relation to all those quantitative data for which updated and reliable information was available.

ACCURACY

The organization has reported such information that is available, updated and reliable, with explanations and clarifications added to explain the scope and detail of the data.

TIMELINESS

Ezentis believes that it is relevant to publish the Sustainability Report on a regular basis, and undertakes to issue the report annually.

CLARITY

This report has been prepared for the comprehension of all the organization's stakeholders, using clear and unambiguous language and including informational notes to avoid ambiguities or dual interpretations.

RELIABILITY

Ezentis is aware of the need to report reliable and traceable information. Therefore, the Report contains only information from reliable sources that can be checked.

GRI CONTENTS INDEX

| | |
|-----------------------|----|
| General Contents | 90 |
| Economic aspects | 91 |
| Environmental aspects | 92 |
| Social aspects | 93 |

GRI CONTENTS INDEX

This Report has been compiled in accordance with the Essential option of the GRI Standards.

Below, the list of GRI indicators in their version SRS-2016 has been included, with references to the same in the content of the Report.



| GRI STANDARD | CONTENT | PAGE/REFERENCE |
|---------------------------------|--|--|
| GRI 101: Foundation 2016 | | |
| | 102-1 Name of the organization | Back Cover |
| | 102-2 Activities, brands, products, and services | Pages 07-08; 12 |
| | 102-3 Location of headquarters | Back Cover |
| | 102-4 Location of operations | Pages 07-08 |
| | 102-5 Ownership and legal form | Page 21 |
| | 102-6 Markets served | Pages 07-08 |
| | 102-7 Scale of the organization | Pages 07-08; 17-18 |
| | 102-8 Information on employees and other workers | Pages 47-56 |
| | 102-9 Supply chain | Page 74 |
| | 102-10 Significant changes to the organization and its supply chain | Page 74 |
| | 102-11 Precautionary Principle or approach | Our actions are governed by the principle of precaution and prevention of environmental risks, in accordance with both our own alignments and the requirements of our customers. |
| | 102-12 External initiatives | Pages 18; 81 |
| | 102-13 Membership of associations | Pages 18; 81 |
| | 102-14 Statement from senior decision-maker | Pages 01-04 |
| | 102-15 Key impacts, risks, and opportunities | Pages 27-29 |
| | 102-16 Values, principles, standards, and norms of behavior | Pages 05-06 |
| | 102-17 Mechanisms for advice and concerns about ethics | Page 43 |
| | 102-18 Governance structure | Pages 21-26 |
| | 102-19 Delegating authority | Pages 21-26 |
| | 102-20 Executive-level responsibility for economic, environmental, and social topics | Pages 21-26 |
| | 102-21 Consulting stakeholders on economic, environmental, and social topics | Pages 39-41 |
| | 102-22 Composition of the highest governance body and its committees | Pages 21-26 |
| | 102-23 Chair of the highest governance body | Pages 21-26 |
| | 102-24 Nominating and selecting the highest governance body | See Annual Corporate Governance Report 2019 |
| | 102-25 Conflicts of interest | See Annual Corporate Governance Report 2019 |
| | 102-26 Role of highest governance body in setting purpose, values, and strategy | The Board of Directors is ultimately responsible for the approval of the company's values and Strategic Plan. |
| | 102-27 Collective knowledge of highest governance body | Page 48 |
| | 102-28 Evaluating the highest governance body's performance | Page 45 |
| | 102-29 Identifying and managing economic, environmental, and social impacts | Pages 37-38 |
| | 102-31 Review of economic, environmental, and social topics | Pages 21-26; 42-46 |
| | 102-32 Highest governance body's role in sustainability reporting | Approval of the Sustainability Report by the Board of Directors of Ezentis Group Co.n. |
| | 102-33 Communicating critical concerns | Page 45 |
| | 102-40 List of stakeholder groups | Pages 39-41 |
| | 102-41 Collective bargaining agreements | Page 56 |

GRI 102: General Disclosures 2016

| GRI STANDARD | CONTENT | PAGE/REFERENCE |
|---|--|---|
| GRI 101: Foundation 2016 | | |
| | 102-42 Identifying and selecting stakeholders | Pages 39-41 |
| | 102-43 Approach to stakeholder engagement | Pages 39-41 |
| | 102-44 Key topics and concerns raised | Pages 37-38 |
| | 102-45 Entities included in the consolidated financial statements | See Annual Accounts 2019 |
| | 102-46 Defining report content and topic Boundaries | Pages 37-38 |
| | 102-47 List of material topics | Pages 37-38 |
| | 102-48 Restatements of information | In this fourth non-financial information report, no information from the previous report has been restated. |
| | 102-49 Changes in reporting | The significant change that has occurred with respect to the 2018 report is the name change. In this fourth reporting exercise, it has gone from being a CSR Report to a Sustainability Report. |
| GRI 102: General Disclosures 2016 | | |
| | 102-50 Reporting period | 2019 |
| | 102-51 Date of most recent report | May 2019 |
| | 102-52 Reporting cycle | Annual |
| | 102-53 Contact point for questions regarding the report | Investor Relations and Sustainability Department sustainability@ezentis.com |
| | 102-54 Claims of reporting in accordance with the GRI Standards | Pages 4; 89 |
| | 102-55 GRI content index | Pages 90-94 |
| | 102-56 External assurance | This 2019 Sustainability Report has not been externally verified. |
| ECONOMIC ASPECTS | | |
| GRI 103. Management Approach (GRI201) 2016 | 103-1 Explanation of the material topic and its Boundary | Pages 37-38 |
| | 103-2 The management approach and its components | Pages 28-29 |
| | 103-3 Evaluation of the management approach | Pages 28-29 |
| GRI 201. Economic Performance 2016 | 201-1 Direct economic value generated and distributed | See Annual Accounts 2019 |
| | 201-2 Financial implications and other risks and opportunities due to climate change | Pages 28-29 |
| | 201-4 Financial assistance received from government | See Annual Accounts 2019 |
| GRI 103. Management Approach (GRI204) 2016 | 103-1 Explanation of the material topic and its Boundary | Pages 37-38 |
| | 103-2 The management approach and its components | Pages 74-75 |
| | 103-3 Evaluation of the management approach | Pages 74-75 |
| GRI 204. Procurement Practices 2016 | 204-1 Proportion of spending on local suppliers | Pages 74-75 |
| GRI 103. Management Approach (GRI205) 2016 | 103-1 Explanation of the material topic and its Boundary | Pages 37-38 |
| | 103-2 The management approach and its components | Pages 42-46 |
| | 103-3 Evaluation of the management approach | Pages 42-46 |

| GRI STANDARD | CONTENT | PAGE/REFERENCE |
|---|---|--|
| ECONOMIC ASPECTS | | |
| | 205-2 Communication and training about anti-corruption policies and procedures | Pages 42-46 |
| GRI 205. Anti-corruption 2016 | 205-3 Confirmed incidents of corruption and actions taken | The Company is not aware of having received or registered a corruption case throughout 2019. |
| GRI 103. Management Approach (GRI206) 2016 | 103-1 Explanation of the material topic and its Boundary | Pages 37-38 |
| | 103-2 The management approach and its components | Page 92 |
| | 103-3 Evaluation of the management approach | Page 92 |
| GRI 206. Anti-competitive Behavior 2016 | 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | The Company is not aware of having received or registered during 2019 any significant legal action related to unfair competition and monopolistic practices and against free competition. |
| ENVIRONMENTAL ASPECTS | | |
| | 103-1 Explanation of the material topic and its Boundary | Pages 37-38 |
| GRI 103: Management Approach (GRI302) 2016 | 103-2 The management approach and its components | Page 83 |
| | 103-3 Evaluation of the management approach | Page 83 |
| GRI 302: Energy 2016 | 302-1 Energy consumption within the organization | Page 83 |
| | 302-4 Reduction of energy consumption | Page 83 |
| GRI 103: Management Approach (GRI305) 2016 | 103-1 Explanation of the material topic and its Boundary | Pages 37-38 |
| | 103-2 The management approach and its components | Page 85 |
| | 103-3 Evaluation of the management approach | Page 85 |
| GRI 305: Emissions 2016 | 305-1 Direct (Scope 1) GHG emissions | Page 85 |
| | 305-2 Energy indirect (Scope 2) GHG emissions | Page 85 |
| | 305-3 Other indirect (Scope 3) GHG emissions | Page 85 |
| | 305-5 Reduction of GHG emissions | Page 85 |
| GRI 103: Management Approach (GRI307) 2016 | 103-1 Explanation of the material topic and its Boundary | Pages 37-38 |
| | 103-2 The management approach and its components | Page 92 |
| | 103-3 Evaluation of the management approach | Page 92 |
| GRI 307: Environmental Compliance 2016 | 307-1 Non-compliance with environmental laws and regulations | The Company is not aware of having received or registered throughout 2019 any significant case of non-compliance with environmental regulations in any of the geographies in which Ezentis is present. |

| GRI STANDARD | CONTENT | PAGE/REFERENCE |
|---|--|---|
| SOCIAL ASPECTS | | |
| GRI 103: Management Approach (GRI401) 2016 | 103-1 Explanation of the material topic and its Boundary | Pages 37-38 |
| | 103-2 The management approach and its components | Pages 53-56 |
| | 103-3 Evaluation of the management approach | Pages 53-56 |
| GRI 401. Employment 2016 | 401-1 New employee hires and employee turnover | Pages 53-56 |
| | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | Page 56 |
| | 401-3 Parental leave | Page 56 |
| GRI 103: Management Approach (GRI403) 2016 | 103-1 Explanation of the material topic and its Boundary | Pages 37-38 |
| | 103-2 The management approach and its components | Pages 57-65 |
| | 103-3 Evaluation of the management approach | Pages 57-65 |
| GRI 403. Occupational Health and Safety 2016 | 403-1 Occupational health and safety management system | Pages 57-65 |
| | 403-2 Hazard identification, risk assessment, and incident investigation | Page 65 |
| | 403-3 Occupational health services | More than 10,000 employees exposed to occupational risk conditions, that is, the personnel dedicated to field work (82% of the total workforce). |
| | 403-4 Worker participation, consultation, and communication on occupational health and safety | Pages 57-65 |
| | | |
| GRI 103: Management Approach (GRI404) 2016 | 103-1 Explanation of the material topic and its Boundary | Pages 37-38 |
| | 103-2 The management approach and its components | Page 53 |
| | 103-3 Evaluation of the management approach | Page 53 |
| GRI 404. Training and Education 2016 | 404-1 Average hours of training per year per employee | Page 53 |
| GRI 103: Management Approach (GRI405) 2016 | 103-1 Explanation of the material topic and its Boundary | Pages 37-38 |
| | 103-2 The management approach and its components | Pages 48-51 |
| | 103-3 Evaluation of the management approach | Pages 48-51 |
| GRI 405. Diversity and Equal Opportunity 2016 | 405-1 Diversity of governance bodies and employees | Pages 48-51 |
| | 405-2 Ratio of basic salary and remuneration of women to men | Pages 54-55 |
| GRI 103: Management Approach (GRI406) 2016 | 103-1 Explanation of the material topic and its Boundary | Pages 37-38 |
| | 103-2 The management approach and its components | Page 93 |
| | 103-3 Evaluation of the management approach | Page 93 |
| GRI 406. Non-discrimination 2016 | 406-1 Incidents of discrimination and corrective actions taken | No cases of discrimination have been identified during 2019. |
| GRI 103: Management Approach (GRI407) 2016 | 103-1 Explanation of the material topic and its Boundary | Pages 37-38 |
| | 103-2 The management approach and its components | Page 93 |
| | 103-3 Evaluation of the management approach | Page 93 |
| GRI 407. Freedom of Association and Collective Bargaining 2016 | 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | No significant risk of violation of the right to freedom of association and collective bargaining has been identified in any of the operations of the company or its suppliers. |
| GRI 103: Management Approach (GRI412) 2016 | 103-1 Explanation of the material topic and its Boundary | Pages 37-38 |
| | 103-2 The management approach and its components | Page 94 |
| | 103-3 Evaluation of the management approach | Page 94 |

| GRI STANDARD | CONTENT | PAGE/REFERENCE |
|---|--|---|
| SOCIAL ASPECTS | | |
| GRI 412. Human Right Assessment 2016 | 412-2 Employee training on human rights policies or procedures | Employees receive training in the Company's Code of Ethics and Conduct, which includes content on respect for Human Rights. |
| GRI 103: Management Approach (GRI417) 2016 | 103-1 Explanation of the material topic and its Boundary | Pages 37-38 |
| | 103-2 The management approach and its components | Page 94 |
| | 103-3 Evaluation of the management approach | Page 94 |
| GRI 417: Marketing and Labeling 2016 | 417-3 Incidents of non-compliance concerning marketing communications | The Company is not aware of having received or registered in 2019 any significant case of non-compliance related to marketing communications (advertising, promotion or sponsorship). |
| GRI 103: Management Approach (GRI418) 2016 | 103-1 Explanation of the material topic and its Boundary | Pages 37-38 |
| | 103-2 The management approach and its components | Page 94 |
| | 103-3 Evaluation of the management approach | Page 94 |
| GRI 418. Customer Privacy 2016 | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | The Company is not aware of having received or registered throughout 2019 any significant case of violation of privacy and leakage of customer data. |
| GRI 103: Management Approach (GRI419) 2016 | 103-1 Explanation of the material topic and its Boundary | Pages 37-38 |
| | 103-2 The management approach and its components | Page 94 |
| | 103-3 Evaluation of the management approach | Page 94 |
| GRI 419. Socioeconomic Compliance 2016 | 419-1 Non-compliance with laws and regulations in the social and economic area | The Company is not aware of having received or registered throughout 2019 any significant case of non-compliance with laws and regulations in the social and economic fields. |



Working for the Future

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