



CARBON FOOTPRINT REPORT 2020

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LETTER FROM THE CEO

DEAR FRIENDS,

I am pleased to present the Ezentis Carbon Footprint Report for 2020, our first verified by an independent expert.

Ezentis is very aware of the responsibility that companies around the world have in the face of the main environmental challenge facing our planet: climate change. For our company, the year 2020 has been a milestone in the field of this environmental struggle, and for the first time we have set out in a specific policy our position and the foundations that lead us to join this global cause.

The new Sustainability Master Plan 2020-2022 includes initiatives linked to several Sustainable Development Goals (SDGs), with SDG 13 (Climate Action) standing out in the environmental sphere.

Among the main actions of our climate change policy are the use of renewable energies and the gradual decarbonisation of our fleet of vehicles.

In this regard, we are gradually and steadily replacing our vehicles with less polluting ones. When the vehicle leasing/renting contract comes to an end, different options are requested from the fleet supplier, considering the use of alternative fuels to diesel or petrol. Vehicles that run on biodiesel, ethanol or CNG have been added to the fleet at work centres where possible.

As a complement to our Sustainability policy, we publish this report as an instrument of information and an exercise in transparency for all our stakeholders. A report that includes the volume of the company's emissions in accordance with the global commitments and objectives that are currently proposed in the fight against climate change.

Calculating the carbon footprint and setting out the conclusions in an externally verified report is part of the climate change due diligence process and is an essential information tool for calculating and preventing future risks and laying the foundations for Ezentis' environmental policy.

Best regards.

Fernando González Sánchez
CEO of Ezentis



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EZENTIS BUSINESS MODEL

Ezentis is a company with a 60-year history and has been listed on the stock exchange for 32 years.

Its main activity focuses on the Design, Logistics, Deployment, Operation and Maintenance of telecommunications, energy and security engineering infrastructures in 8 countries, although 88% of its business is concentrated in Spain, Portugal, Brazil and Chile.

82% of the Group's total revenues come from the telecommunications sector, 15% from the energy sector and the remaining 3% from other services.

The focus of customers on their core business implies greater outsourcing of the design, logistics and deployment phases, favouring a greater presence of Ezentis in these phases. Logistics provides added value to both Deployment and Operation and Maintenance.

As for Operation and Maintenance, these are activities linked to infrastructure inventories, with medium-term contracts of 3 to 5 years, stable margins and incentives for quality and adjustment for inflation.

RESILIENT BUSINESS MODEL GREATER PRESENCE IN THE VALUE CHAIN



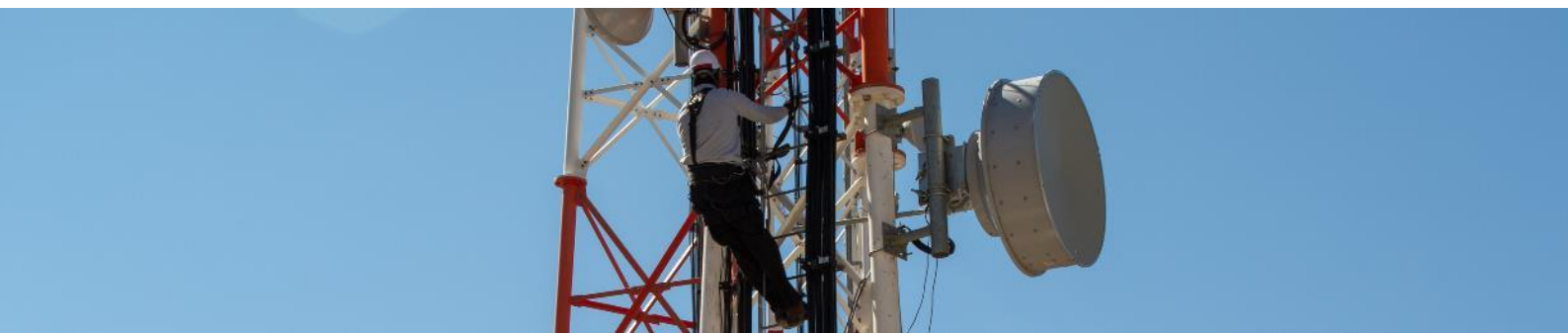
Within the activities of Deployment, Operation and Maintenance (O&M) of telecommunications, energy and security engineering infrastructures, the offer is composed of the following services:

Telecommunications: services for both fixed and mobile telecommunications systems, covering the entire service lifecycle from design, logistics, deployment and in-house operation and maintenance to user support:

- Fixed external network
- Mobile network
- Fibre deployment
- Customer services
- Enterprise Network Operations
- Operation Support Systems (OSS)

Ezentis carries out two types of deployment:

- Optical fibre: 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) technology equipment, with 5G technology coming shortly.



Energy: services for the distribution and commercialisation networks, as well as the deployment of photovoltaic generation infrastructure:

- Overhead and underground distribution and transmission lines
- Substations and transformer and distribution centres
- Control systems
- Digital transformation of the grid
- Smart Grids
- Commercial services

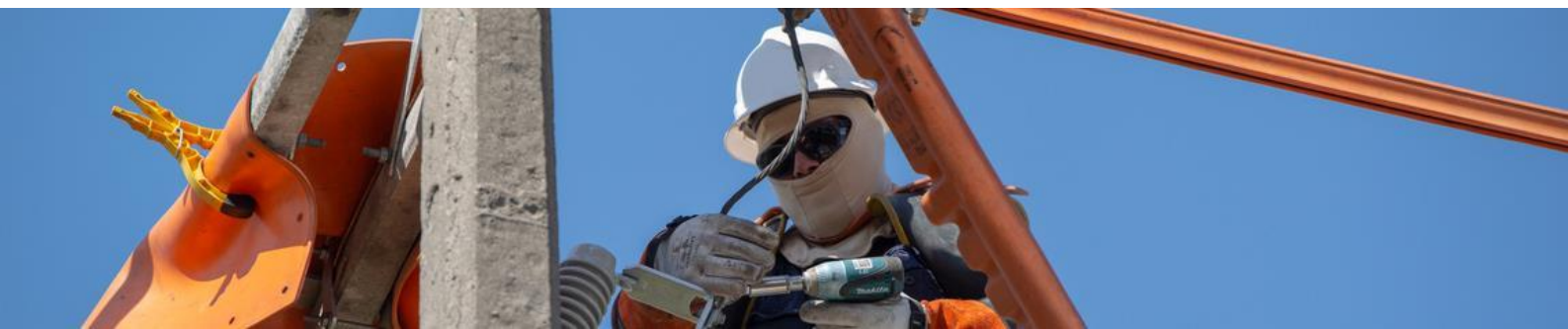


Security Engineering: New line of business in Spain after the integration of two new companies into the Group in 2020, which, in general terms, provide the following services:

- Alarm systems
- Access and presence control systems
- Maintenance of security installations
- Protection against theft
- Perimeter protections
- Closed-circuit TV
- Detection and Extinction Systems
- Security Audits
- Development of tailor-made security solutions



The multinational presence of the Ezentis Group means that its organisational structure is geographically segregated. In 2020, Ezentis Group was present in the following countries: Spain, Brazil, Chile, Peru, Colombia, Argentina, Mexico and Portugal.



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POSITIONING ON CLIMATE CHANGE

Climate change is one of the greatest challenges facing humanity in this century, caused mainly by the increase in the concentration of greenhouse gases in the atmosphere, which in turn accelerates the process known as global warming.

With a workforce of more than 9,000 employees, the social impacts of Ezentis' activities are evident in terms of health and safety and job stability. However, during the performance of the activities described in the Business Model section, it is important to consider the environmental impacts associated mainly with the constant movement of the vehicle fleet.

For this reason, and after identifying and assessing the main sources of energy consumption in the company, it was determined that the impact on the climate, and specifically emissions from vehicle use, was the most relevant environmental aspect and the one on which Ezentis should focus all possible efforts to minimise and remedy its impact.

2020 was a milestone for Ezentis in the fight against climate change. For the first time, a specific policy set out the company's position and the foundations for its commitment to join this global cause.

Ezentis' Climate Change Policy principles include the following commitments:

- Consideration of climate change risk in the risk catalogue
- Use of renewable energies
- Gradual decarbonisation of the vehicle fleet
- Calculation, reduction and offsetting of emissions
- Extending our commitment to the supply chain

Prior to the existence of the Climate Change Policy, the company had already been measuring its Carbon Footprint annually and reporting on its performance to its stakeholders through the CSR/Sustainability Report, as well as through the completion of the Carbon Disclosure Project (CDP) questionnaire on Climate Change, one of the main tools that investors use as a reference in their investment decisions.

In addition to defining the Ezentis Group's cross-cutting and common framework for climate change, in 2020 the Ezentis Group Board of Directors approved the new Sustainability Master Plan 2020-2022, which includes initiatives linked to several Sustainable Development Goals (SDGs), including SDG 13 (Climate Action) in the environmental sphere.

One of these initiatives consists of the continuous replacement of the fleet with less polluting vehicles. Thus, when the vehicle leasing/renting contract comes to an end, different options are requested from the fleet supplier, considering the use of alternative fuels to diesel or petrol. In this sense, vehicles that consume biodiesel, ethanol or CNG have been incorporated into the fleet at work centres where possible.

In line with the identification and inclusion of risks derived from climate change in the company's risk catalogue, the initiative to replace vehicles involves minimising operational risks such as, for example, the impossibility of accessing certain low-emission areas in cities, or compliance risks in the event that increasingly restrictive regulations on the use of certain fuels come into force. Both cases would have a significant impact on Ezentis' activity and, therefore, risks have been included in the risk catalogue and appropriate measures have been taken to prevent these risks from materialising.



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CARBON FOOTPRINT METHODOLOGY AND CALCULATION

As described in section 2.-Scope of application of the Ezentis Group's Non-Financial Indicator Reporting Guidelines: Carbon Footprint, the definition of organisational and operational limits are as follows:

Organisational Boundaries

Based on the scheme proposed by the GHG Protocol and ISO 14064 standards on greenhouse gas inventory requirements, Ezentis Group calculates and reports its carbon footprint using the operational control approach.

Under this approach, the company accounts for 100% of GHG emissions and removals attributable to operations over which it has control and therefore will not account for emissions and removals from operations for which the company, although a participant, does not have control.

As this is a calculation of carbon emissions at corporate level, it covers all the activities carried out in the different geographies by the companies that make up the Ezentis Group and which comply with the operational control approach described above.

Operational boundaries

The company's carbon footprint includes Scope 1, Scope 2 and Scope 3 following the definitions included in the Ezentis Group's Non-Financial Indicator Reporting Guidelines: Carbon Footprint:

- Scope 1 (Direct emissions): Calculated from fuel consumption of vehicles (diesel, biodiesel, gasoline, ethanol, LPG and CNG) and machinery/electricity generators using fossil fuels, mainly diesel and gasoline.
- Scope 2 (Indirect emissions): Calculated on the basis of electricity consumption at Ezentis Group work centres.
- Scope 3 (Other indirect emissions): Scope 3 is currently limited in scope to the reporting of business travel.

Temporary scope

Emissions generated from activities carried out from January to December 2020.

Exclusions to scope

The consumption corresponding to the latest acquisition in Spain (Instal.lacions Parera Redes Proyectos y Mantenimientos, S.L.) will be considered in the next Carbon Footprint Report, as this incorporation has taken place in December 2020.

Identification of sources of energy consumption

The main sources of energy consumption in Ezentis Group are of non-renewable origin and correspond mainly to the fuel consumption of its fleet of vehicles and electricity consumption in offices and warehouses:

ENERGY CONSUMPTION (GJ)	2020
Vehicle fleet consumption	447,156
Fuel consumption by other sources	30,921
Electricity consumption	10,781
TOTAL	488,858

Fuel consumption from other sources accounts for approximately 6% of total energy consumption and refers to generators and other combustion machinery used in the operation.

List of activity data

Following the indications of the reference carbon footprint calculation methodologies, such as GHG Protocol or the ISO 14064 standard, emissions must be calculated from the activity data multiplied by a specific emission factor in each case.

- For emissions from the fleet of vehicles and generators/machinery, the activity data used is the volume of fuel refuelled at the pumps (in litres, m³ or kg), and the necessary conversions are made so that the corresponding emission factor can be applied.
- For electricity consumption, the activity data taken as a reference is the active energy consumed in kWh.
- For business trips, based on the places of origin and destination of each journey, the kilometres travelled in each case are calculated using the International Civil Aviation Organization (ICAO) for air travel and, for all other means of transport, a distance calculator in a straight line (Distance to).

Sources of emission factors used

In order to transform activity or energy consumption data into CO₂e emissions, it is necessary to apply an emission factor. There are several sources for obtaining emission factors, however, not all of these sources have the same degree of updating and availability of information.

Ezentis Group's criteria for selecting emission factor sources are as follows:

- Reliability of source (Official sources)
- Frequency of updates (Desirable annually)
- Local availability (By country)

Following these criteria for the selection of emission factors, in Spain the emission factors published annually by the Ministry of Ecological Transition are applied. However, for the rest of the countries, as no local emission factors issued by official entities are available, emission factors from international reference sources are applied, such as:

- UK Government GHG Conversion Factors for Company Reporting
- International Energy Agency (IEA)



The source list of the emission factors used for each activity indicator is given below:

ACTIVITY DATA	USE	SOURCE EMISSION FACTOR
Fixed source diesel (L) Gasoline fixed source (L)	Generating sets/ machinery	<ul style="list-style-type: none"> UK Government GHG Conversion Factors for Company Reporting Spanish Ministry of Ecological Transition
Diesel (L) Petrol (L) LPG (L) CNG (L or Kg) Ethanol (L) Biodiesel (L)	Vehicle fleet Vehicle fleet Vehicle fleet Vehicle fleet Vehicle fleet Vehicle fleet	<ul style="list-style-type: none"> UK Government GHG Conversion Factors for Company Reporting (all other countries) Ministry of Ecological Transition of Spain (Spain)
Air travel (Km) Train journeys (Km) Boat trips (Km)	Business travel Business travel Business travel	<ul style="list-style-type: none"> UK Government GHG Conversion Factors for Company Reporting
Electricity - Argentina (kWh) Electricity - Brazil (kWh) Electricity - Chile (kWh) Electricity - Colombia (kWh) Electricity - Mexico (kWh) Electricity - Peru (kWh) Electricity - Portugal (kWh)	Offices and warehouses Offices and warehouses Offices and warehouses Offices and warehouses Offices and warehouses Offices and warehouses Offices and warehouses	<ul style="list-style-type: none"> International Energy Agency (IEA)
Electricity - Spain (kWh)	Offices and warehouses	<ul style="list-style-type: none"> Ministry of Ecological Transition of Spain (marketers)



Carbon footprint result

The breakdown of the corresponding carbon emissions according to the different scopes is shown below:

EMISSIONS (tCO ₂ eq)	2020
Scope 1	30,014
Scope 2	778
Scope 3	130
TOTAL	30,922

Definition of base year and emission reduction targets

Once the climate change milestones set out in the Sustainability Master Plan for 2020 have been met, work is underway to define the emission reduction targets for the Ezentis Group in 2021, in order to be able to assess more accurately the impact of the various emission reduction initiatives we have been implementing for years.

Calculation uncertainty

The uncertainty associated with the calculation of carbon emissions arises from the combination of uncertainties in emission factors and activity data.

With regard to the emission factors, as described above, the most up-to-date and international reference factors are used.

As far as activity data are concerned, in cases where it has not been possible to consider consumption on invoice, it has been necessary to make an estimate. This has occurred in the electricity consumption data for some countries, assuming an uncertainty level of $\pm 0.2\%$.



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INDEPENDENT ASSURANCE REPORT

Free translation from the original in Spanish, in the event of a discrepancy, the Spanish language version prevails.

INDEPENDENT LIMITED ASSURANCE REPORT ON GREENHOUSE GAS (GHG) STATEMENT 2020

To the Management of Grupo Ezentis, S.A:

Scope of work

We have undertaken a limited assurance engagement of the GHG statement of Grupo Ezentis, S.A. and its subsidiaries (hereinafter referred to as Ezentis) for the financial year ended December 31, 2020, included in the Appendix of this report. This engagement was conducted by a team of sustainability and climate change assurance practitioners.

Responsibility of Ezentis's management

Ezentis's management is responsible for the preparation of the 2020 GHG Statement in accordance with their internal procedure, Non-Financial Indicator Reporting Guidelines: Ezentis Group's Carbon Footprint, described in Carbon Footprint Report 2020. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of a GHG statement that is free from material misstatement, whether due to fraud or error.

GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the GHG Statement based on the procedures we have performed and the evidence obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements 3410 (ISAE 3410), "Assurance Engagements on Greenhouse Gas Statements" issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). That standard requires that we plan and perform this engagement to obtain limited assurance about whether Ezentis's 2020 GHG Statement is free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3410 involves assessing the suitability in the circumstances of Ezentis's use of applicable criteria as the basis for the preparation of the GHG statement, assessing the risks of material misstatement of the GHG statement whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the GHG statement. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Through inquiries and meetings with personnel of Ezentis's various departments who have been involved in the preparation of the GHG Statement, obtained an understanding of Ezentis's control environment and information systems relevant to emissions quantification and reporting, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness.
- Evaluated whether Ezentis's methods for developing estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate Ezentis's estimates.
- Verification, through analytical and substantive tests based on the selection of a sample and internal control tests, of the information (activity data, calculations and information generated) used to determine Ezentis's 2020 GHG Statement and the correct compilation of information based on the internal procedure applied by Ezentis.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained if we had performed a reasonable assurance.

Independence and Quality Control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which includes independence and other ethical requirements founded on fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behaviour.

The firm applies the International Standard on Quality Control 1 (ISQC 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention which may lead us to believe that Ezentis's GHG Statement for the financial year ending 31st December 2020 is not prepared, in all material aspects, in accordance with the internal procedure "Non-Financial Indicator Reporting Guidelines: Ezentis Group's Carbon Footprint".

Use and distribution

Our report is only issued to the Management of Grupo Ezentis, S.A. in accordance with the terms and conditions of our engagement letter. We do not assume any liability to third parties other than Ezentis Management.

PricewaterhouseCoopers Auditores, S.L.

Tamer Davut
March 31, 2020

Appendix

GREENHOUSE GAS (GHG) STATEMENT OF Grupo Ezentis, S.A. CORRESPONDING TO THE YEAR ENDED DECEMBER 31, 2020

<i>GHG statement</i>	<i>tCO₂-eq</i>
Scope 1	30.014
Scope 2	778
Scope 3	130
Total	30.922

As this is a corporate-level calculation of carbon emissions, it covers all activities carried out in Spain, Brazil, Chile, Peru, Argentina, Mexico and Portugal by the companies that constitute the Ezentis Group.

Ezentis' 2020 GHG statement has been calculated based on the following energy consumption:

<i>Energy consumption (GJ)</i>	<i>2020</i>
Vehicle fleet consumption	447.156
Fuel consumption by other sources	30.921
Electricity consumption	10.781
Total	488.858

Criterion of quantification

The 2020 GHG statement of Grupo Ezentis, S.A. has been prepared in accordance with the internal procedure " Non-Financial Indicator Reporting Guidelines: Ezentis Group's Carbon Footprint ", described in Carbon Footprint Report 2020.

The Ezentis Group's emissions are calculated under the operational control approach, considering emissions from those sources over which it has full authority to introduce and implement its operational policies.

Scope

The emissions associated with the Ezentis Group's activities and facilities are quantified, considering the following scopes:

Scope 1 (direct emissions): calculated from fuel consumption of vehicles (diesel, biodiesel, gasoline, ethanol, LPG and CNG) and equipment/electricity generators that use fossil fuels, mainly diesel and gasoline.

Scope 2 (indirect emissions): calculated from electricity consumption at Ezentis Group work centres.

Scope 3 (other indirect emissions): Scope 3 has a limited scope of application in which only business travel is reported for the moment.

Working for the future

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