

**2020 SOCIAL RESPONSIBILITY REPORT**  
**TELNET REDES INTELIGENTES S.A.**

[www.telnet-ri.es/en/](http://www.telnet-ri.es/en/)

**DATE OF PREPARATION: 14/09/2021**

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### 1. ORGANISATION PROFILE

Founded in Zaragoza in 1994 by Manuel Villarig Tomás under the name INTELNET S.A., the Company adopted its current name, TELNET Redes Inteligentes S.A., in 2001.

TELNET Redes Inteligentes S.A. initiated its activity backed by the extensive experience of its founder, who had spent more than 20 years as the Head of Research and Development at Cables de Comunicaciones S.A., which, at that time, belonged to the General Cable group, and which was the company that introduced fibre-optic technology in Spain.

From the moment of its founding, TELNET Redes Inteligentes S.A. was firmly committed to research, development and innovation, adapting to the needs and requirements of the highly demanding telecommunications market.

In 1996, the Company began its entry into the broadband field together with Telefónica R+D, with the industrialisation of the first broadband network terminator (TR1-BA) for the Telefónica Gigacom network in Spain. More than 900 units supplied for this network speak to the quality of a product that was ahead of its time and marked a new trend in optical access at 155Mbps.

Subsequent changes to this product were developed by TELNET on its own, resulting in a complete range of termination and access monitoring equipment known as optical adapters with speeds ranging from 2Mbps to 40Gbps.

In addition to its broadband line of business, since its founding, TELNET Redes Inteligentes has marketed all kinds of passive optical components for fibre-optic networks.

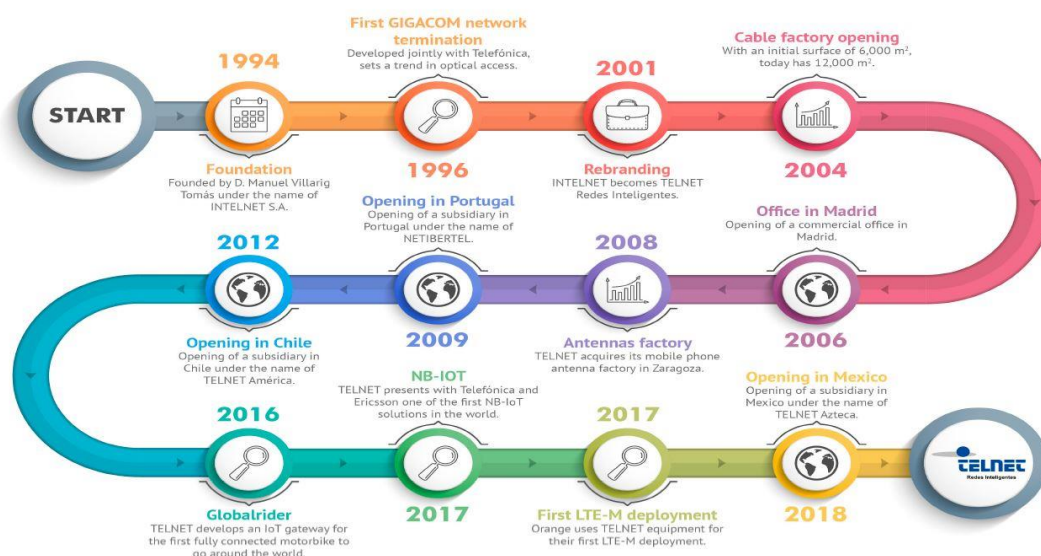
These two activities have allowed TELNET to position itself as a highly recognised technological supplier in the Spanish telecommunications market. Particularly noteworthy in this regard are its commercial relationships with Telefónica de España and other large companies, the main Spanish telecommunications operators, Public Administrations and telecommunications infrastructure integrators.

In 2002, it began the construction and assembly of a fibre-optic cable factory, which initiated production activity in 2004. All types of fibre-optic cables are produced at this plant, including cables for both outdoor and indoor plant lines and facilities as well as the modern fibre to the home (FTTH) technology.

These facilities initially had a surface area of 6,000 m<sup>2</sup> and a production capacity of 800,000 km of wired fibre. In 2008, the surface area was expanded to 12,000 m<sup>2</sup> and production increased to 1,500,000 km of wired fibre.

Also in 2008, following SIEMENS-ELASA's decision to close its Zaragoza production plant, TELNET Redes Inteligentes, S.A. decided to continue designing and manufacturing mobile antennas for base stations, an activity in which SIEMENS-ELASA was engaged at that plant. To this end, it purchased assets for the manufacture of fractal antennas, opening a new line of business activity for the design and manufacture of compact, low-visual impact antennas that blend in with their environment and are oriented towards the sharing of locations among telecommunications operators.

Currently, TELNET Redes Inteligentes, S.A. designs and manufactures its own multiband antennas with a wide range of frequencies and configurations. Among the most sought-after applications are sharing antennas in which up to 6 operators can share the same antenna, antennas with the new digital dividend frequencies such as 800-900 MHz combined with more traditional frequencies, and antennas oriented towards new network technologies such as LTE, WiMAX and 4G and 5G mobile networks.



## Section 102-1: Name of the organisation

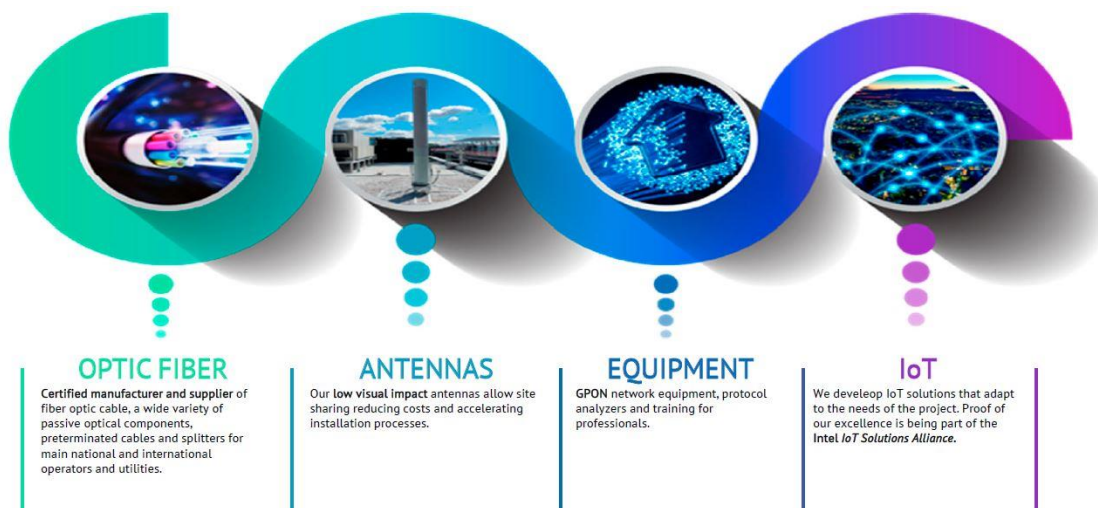
INTELNET, S.A. (from its founding until 2001)

TELNET Redes Inteligentes, S.A. (from 2002 to present)

### Section 102-2: Activities, brands, products and services

TELNET has four major lines of business:

- Design and manufacture of communications equipment for broadband networks
- Design and manufacture of fibre-optic cables
- Design and manufacture of passive optical components (POC)
- Design and manufacture of antennas for mobile base stations



### Section 102-3: Location of headquarters

TELNET Redes Inteligentes, S.A.'s headquarters are located at Polígono Centrovía, c/Buenos Aires nº 18, La Muela (Zaragoza), Spain.

### Section 102-4: Location of operations

During 2020, the Company has engaged in operations in more than 15 countries, with Spain being the most important:

- Spain
- Mexico
- France
- Puerto Rico
- United Kingdom
- Middle East (Group)
- Africa (Group)
- Portugal
- Bulgaria
- Norway
- Argentina
- Russia
- Colombia
- Australia
- Finland

### Section 102-5: Legal form and ownership

TELNET Redes Inteligentes S.A. is a single-shareholder limited company, 100% owned by the Spanish company INVERSORA VIRO S.L. It is an Aragonese, family-owned company.

### Section 102-6: Markets served

TELNET Redes Inteligentes S.A. distributes its products at both the domestic and international levels. To this end, it has the following sales and distribution network:

- Commercial office in Madrid. Located at 85 Menéndez Pelayo Avenue
- International network of commercial subsidiaries:
  - o Netibertel Redes Inteligentes, subsidiary in Portugal.
  - o TELNET Azteca, subsidiary in Mexico.
  - o TELNET America, subsidiary in Chile.

The sector in which TELNET Redes Inteligentes S.A. operates is the telecommunications sector. Specifically, it operates as a supplier of active and passive equipment for communications networks and, in particular, for fibre-optic networks. The types of customers it serves are as follows:

- Telecommunications operators
- Electrical, gas and energy companies
- Telecommunications integrators
- Infrastructure managers

## Section 102-7: Size of the organisation

In 2020, TELNET Redes Inteligentes S.A.'s average workforce consisted of 170.84 employees, all of whom were located in Spain. Commercial subsidiaries abroad employed 2 people during 2020.

In terms of the volume of operations, 4,690 customer orders were handled in 2020, and total sales amounted to €23.75M. (\*)

Its equity structure is similar to that of previous years.

(\*) Provisional financial statements pending deposit with the commercial registry at the time of preparation of this report.

## Section 102-8: Information regarding employees and other workers

**Total number of employees by employment contract (permanent or temporary) and by sex, 2020.**

Indefinite term, full-time		Indefinite term, part-time		Temporary, full-time		Training	
M	F	M	F	M	F	M	F
142	40	0	0	5	0	1	1

**Total number of employees by type of employment contract (full-time/part-time) and by sex, 2020.**

Full-time		Part-time	
M	F	M	F
142	35	6	6

**Total number of employees by employment contract and by region, 2020.**

Zaragoza Centre		Madrid Centre	
Permanent	Temporary	Permanent	Temporary
178	6	5	0

**Description of non-employed workers (volunteers, subcontractors etc.)**

None.

M=men; W=women

## Section 102-9: Supply chain

As a product manufacturer, the raw materials supply chain is particularly important in matters relating to sustainability. The main raw materials acquired are as follows, broken down by lines of activity:

- **Communications equipment for broadband networks:**
  - Printed circuit boards
  - Electronic components
  - Wiring
  - Metallic and plastic parts and components
- **Fibre-optic cables:**
  - Fibre-optic
  - Plastic polymers (polyethylene, thermoplastic, PBT etc.)
  - Steel, aramid, glass fibre
- **Passive optical components (POC):**
  - Fibre-optic cables
  - Connectors, adapters and other similar components
- **Antennas for mobile base stations:**
  - Electronic components
  - Wiring
  - Plastics

In 2020, purchases were made from suppliers located in the following markets:

Supplier location	% Purchases made
Spain	36.3%
United Kingdom	30.3%
China	23.2%
European Union	8.2%
Rest of Asia	1.8%
United States	0.3%

More than a third of the purchases made by TELNET Redes Inteligentes S.A. were from domestic suppliers, although it is necessary to highlight two important aspects in relation to the supply chain:

- Approximately 25% of the purchases of goods were made in the United States and Asia (mainly in China), with the resulting transport of these goods from the place of production to the place of consumption (Spain). This transport gives rise to environmental impacts.



- In particular, there is a definition used in the sector for the so-called “*conflict minerals*”, in reference to the uncontrolled extraction of tin, tantalum, tungsten and gold that finances armed conflicts in the Democratic Republic of the Congo and adjacent countries. Not all electronic components are made of raw materials from this part of the world. TELNET Redes Inteligentes, S.A. respects the prohibition of the use of raw materials from conflict zones. If the use of these raw materials by a supplier were to be detected, measures would be taken to prevent the incorporation of such materials into the final products delivered to the customer.

### Section 102-10: Significant changes in the organisation and its supply chain

No significant changes occurred in our supply chain in 2020. During the reporting period, the same supplier structure was maintained and no significant economic, environmental or social impacts arose.

### Section 102-11: Precautionary principle or approach

TELNET Redes Inteligentes S.A. does not apply the precautionary principle or approach set out in Principle 15 of the United Nations Rio Declaration on Environment and Development.

### Section 102-12: External initiatives

TELNET Redes Inteligentes S.A. has a process management system inspired by the principles of excellence in the EFQM model and has been certified as to the following widely used standards by the entity Bureau Veritas:

- UNE-EN ISO 9001, Quality management systems (all activities).
- UNE-EN ISO 14001, Environmental management systems (all activities).
- UNE 166002, R+D+i management systems (broadband equipment only).
- ISO/IEC 27001, Information security management systems (all activities).

All of the foregoing certifications were obtained by TELNET Redes Inteligentes S.A. on a voluntary basis and without any legal requirement to do so.

During 2020, TELNET Redes Inteligentes S.A. participated in the following initiatives:

- **ASR PLAN** (Aragon social responsibility plan). Social responsibility platform of the Government of Aragon. Regional level. Voluntary participation since January 2019.  
<https://www.aragonempresa.com/paginas/plan-rsa>



- **ECOVADIS**. Business sustainability rating platform. International level. Voluntary participation since July 2020. <https://ecovadis.com/es/en>  
In 2020, we conducted our first social responsibility performance assessment using the ECOVADIS tool, obtaining a score of 53/100:



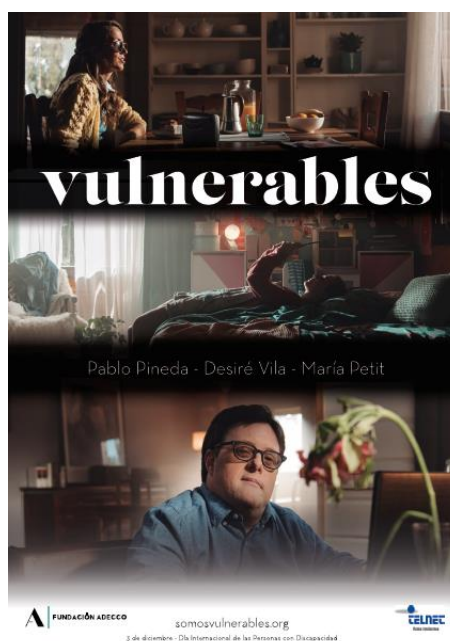
- **Participation in the Government of Aragon's specialisation pilot programme.** Collaboration agreement between the Los Enlaces Public Vocational Training Centre and TELNET Redes Inteligentes, S.A. to implement a specialisation known as '*Digital Transformation: Internet of Things*'. We collaborated by welcoming one intern during the first cycle of this new degree, from September 2020 to June 2021. The intern was ultimately hired by the Company.
- **Celebration of International Day of Women and Girls in Science.** Photograph recognising the contribution of women who work at TELNET as a technology company, and dissemination through social media platforms to collaborate in raising awareness of this international day.



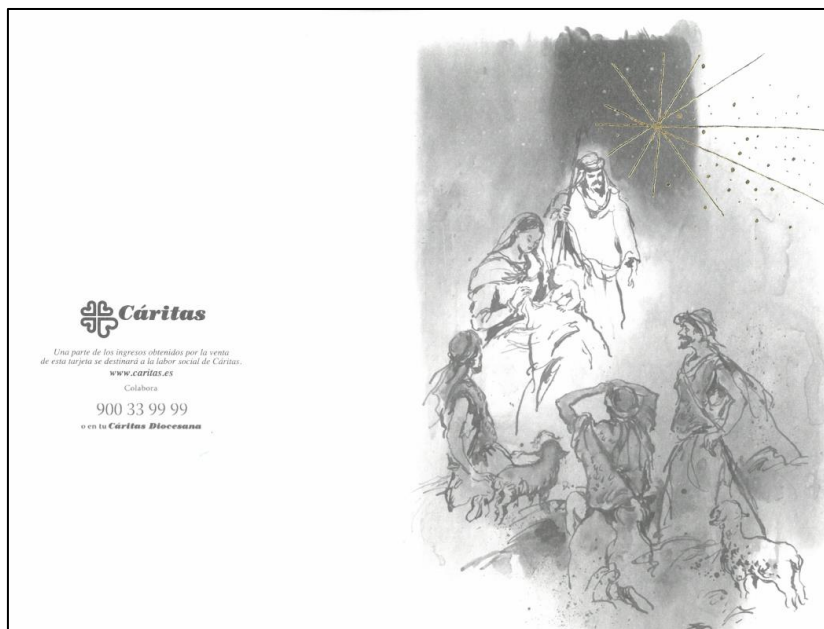
- **Healthy business.** In November 2020, TELNET Redes Inteligentes, S.A. received the MAZ Healthy Company award for its promotion of active lifestyles among its employees. Publication of this news: <https://www.maz.es/Actualidad/Paginas/ganadores-premios-maz-empresa-saludable-2020.aspx>



- **International Day of Persons with Disabilities (3 December).** Collaboration in the campaign carried out by the Adecco Foundation to celebrate this international day. Link: <https://www.telnet-ri.es/dia-internacional-de-la-discapacidad/>



- **Sustainable, environmentally conscious Christmas greetings.** Collaboration with Caritas to purchase and send Christmas cards to customers, mainly in a digital format in order to minimise waste and paper use.



- **Supply of fibre-optic cables in Aragon.** In 2020, we continued to supply fibre-optic cables to our country's main operators (Telefónica de España, Orange, Vodafone and Masmovil). Many of these supplies have been delivered to Aragon, to be used in the fibre deployments made by these operators in our Autonomous Community. There are many "Made in Aragon" fibre-optic cables in the backbone network as well as in subscribers' homes (fibre-optic cables that connect directly to the router).

### Section 102-13: Membership in associations

TELNET Redes Inteligentes S.A. is a participant in the following business and/or sector-based organisations:

- **FACEL.** Spanish association of electrical and fibre-optic cable and conductor manufacturers. TELNET Redes Inteligentes S.A. currently has a member on the Board of Directors of FACEL (TELNET representative: Carolina Villarig, General Manager)  
<https://www.facel.es/estructura-de-facel/>
- **ASLAN.** Association of technology companies.  
<https://aslan.es/>
- **CEOE Aragon.** Confederation of Entrepreneurs of Aragon. TELNET is a member and participates on the following CEOE Aragon committees:
  - o HR Committee (TELNET representative: Jorge Tolosana, Head of HR)
  - o Labour Relations Committee (TELNET representative: Raluca Valean, HR Department)<https://ceoe-aragon.es/>
- **UNIVERSITY OF ZARAGOZA.** University professorship responsible for research, development and innovation in 5G, SATCOM and Internet of Things technologies, in addition to sponsoring events and conferences related to these fields.  
The “TELNET Professorship for the Promotion of 5G and IoT Technologies” was created on 08/05/2019. A TELNET Redes Inteligentes S.A. representative serves as the Chairman of the Joint Committee of the professorship (Telnet representative: Javier Cortes, Chief Technology Officer)  
<https://otri.unizar.es/catedra/catedra-telnet-para-la-promocion-de-las-tecnologias-5g-e-iot>

## 2. STRATEGY

The following sections contain an overview of an organisation's sustainability strategy, in order to provide the necessary context for the subsequent preparation of reports using other GRI Standards. The strategy section may be based on information provided elsewhere in the report, but its purpose is to clarify strategic matters rather than to summarise the contents of the report.

### Section 102-14: Statement of senior management responsible for decision-making

#### **COMPROMISO DE LA EMPRESA CON LA RESPONSABILIDAD SOCIAL CORPORATIVA**

D<sup>a</sup> CAROLINA VILLARIG RODRIGO, con DNI 25459439A, en calidad de representante de la empresa TELNET REDES INTELIGENTES, S.A., con C.I.F. A50609288, y domicilio en c/ BUENOS AIRES, 18 de LA MUELA (ZARAGOZA), según poderes otorgados, declaro que la entidad a la que represento se compromete a aplicar de forma voluntaria en su gobierno y gestión, en su estrategia, y en sus políticas y procedimientos, los valores y códigos éticos relacionados en el presente documento, que surgen de la relación y el diálogo transparente con sus grupos de interés, responsabilizándose así de las consecuencias y los impactos que derivan de sus acciones.

Asimismo declaro que dicha entidad está al corriente en las obligaciones con Hacienda y con la Seguridad Social, y no se encuentra en ninguno de los supuestos de prohibición para contratar con el sector público o para recibir subvenciones de las Administraciones Públicas.

En La Muela (Zaragoza), a 12 de abril de 2021.



### PRINCIPLES OF THE ARAGON SOCIAL RESPONSIBILITY PLAN

#### 1.- TRANSPARENCY

To be an exemplary and transparent organisation in carrying out its activity, complying with applicable law at all times, which implies an obligation, without exception, to comply with the laws and internal regulations that apply to the activities of the Company in a given case. To this end, the Company will promote a robust corporate governance structure that ensures professionalism and integrity in decision-making and in its actions.

#### 2.- SUSTAINABILITY

To actively incorporate environmental, social and good governance criteria into the Company's processes, products and services, taking into account the impacts it has on society and, therefore, on the community in which it operates. To contribute in this way to the sustainability of the organisation itself and to the development of the societies in which it carries out its activity. To establish a dialogue with the various actors and undertake commitments to our stakeholders.

#### 3.- RESPECT FOR EMPLOYEES

To promote, at all times, professional relationships that are based on respect for the dignity of others, collaboration, equity and communication and that foster a good professional environment. To take actions to:

- Promote a balance between personal, family and work life.
- Promote workplace safety, health and hygiene in accordance with occupational health and safety laws and best practices.
- Ensure a working environment that is free from harassment in any of its forms (workplace, sexual and/or gender-based).
- Ensure that persons with disabilities or handicaps are fully integrated into the workplace, removing all types of organisational barriers to their employment.
- Promote the effective implementation of equality between women and men, guaranteeing the same professional development and earning opportunities in the workplace.
- Recognise the rights of association, organisation and collective bargaining.
- Promote the development, training and professional promotion of employed persons.
- Tie remuneration and the promotion of employed persons to terms that are based on their merit and ability.

#### 4.- EXCELLENCE IN MANAGEMENT AND CUSTOMER FOCUS

To strive for excellence in management and seek to continually improve in order to provide the best service to our customers based on a relationship of trust and credibility.



Our customer-focused actions are based on:

- Offering customers products or services that meet their characteristics and needs.
- Clarity in marketing products so that the customer understands their content, benefits, risks and costs.
- Seeking to achieve excellence in the Company's goods and services so that its customers and consumers obtain the expected satisfaction from them.
- Guaranteeing the Company's products and services and responding quickly and effectively to consumer and user complaints by seeking to satisfy them beyond mere compliance with applicable regulations.
- Not offering benefits or advantages to certain customers to the detriment of others.
- In addition, given that this is a consumer protection measure, a fast and free way of resolving disputes and an effective alternative to judicial proceedings, we undertake to adhere to the Arbitration System for Consumer Affairs (applicable only in the case of direct sales to the consumer): <https://www.aragon.es/-/arbitraje-de-consumo>

### 5.- RELATIONSHIP WITH SUPPLIERS

All persons at the Company, and particularly those involved in the selection of or decision to contract for supplies or services or to negotiate rates or other terms, are required to have an ethical and responsible relationship with suppliers, avoiding any type of interference that could affect their impartiality in this area. In this regard, the Company promotes actions that are aimed at:

- Searching for and selecting only suppliers whose business practices respect human dignity, do not violate the law and do not jeopardise the Company's reputation.
- Selecting suppliers based on the suitability of their products or services as well as their price, delivery terms and quality, not accepting or offering gifts or commissions, in cash or in kind, that could alter the rules of free competition in the production and distribution of goods and services.

### 6.- RESPECT FOR THE ENVIRONMENT

Respect for the environment is encouraged through the implementation of actions relating to the control and responsible consumption of natural resources, the minimisation of environmental impacts and the promotion of clean technologies, among other things. Among these measures, the Company promotes the following:

- Actions aimed at preventing and managing environmental aspects: combating air pollution, water pollution, soil and groundwater pollution and noise pollution, exercising waste prevention and proper waste management etc.
- Biodiversity protection measures that ensure environmental quality, especially actions to combat greenhouse gas emissions.



### Section 102-15: Main impacts, risks and opportunities

TELNET Redes Inteligentes S.A. has identified the following **social impacts, risks and opportunities**:

- Creation of jobs and social fabric in the Autonomous Community of Aragon and the Community of Madrid, regions in which the Company is located.
- Compliance with the requirement that 2% of the staff be reserved for workers with disabilities (R.D. 1451/1983) through the implementation of alternative measures, as per file Z-0026-MEALT-18 approved by the Aragon Employment Institute (INAEM) on 26/02/2019. During 2019, the implementation of these alternative measures was embodied in the following donations made to institutions for the employment of workers with disabilities and contracts with Special Employment Centres (SEC):
  - o **Protec&Marti** (tax ID no.: B99162976). Contract amount: €7,302.  
Project: Purchase of work clothing and personal protective equipment (PPE).
  - o **Rey Ardid Foundation** (tax ID no.: G50491166). Donation amount: €5,000.  
Project: Various short-term actions towards the employment of persons with disabilities.
  - o **Adecco Foundation** (tax ID no.: G82382987).  
Donation amount: €15,350.  
Project: Various short-term actions towards the employment of persons with disabilities. "Against Labels" communication campaign, which takes place annually on 3 December for the International Day of Persons with Disabilities.
  - o **DFA Foundation** (tax ID no.: G99118598). Donation amount: €5,000.  
Project: Various short-term actions towards the employment of persons with disabilities.

TELNET Redes Inteligentes S.A. has identified the following **economic impacts, risks and opportunities**:

- Our high-tech business operations create synergies in other companies and entities in the region.
- Our business operations include exports and therefore generate wealth for the country as a whole.
- The Company regularly engages in collaborations in funded research and development projects with entities and companies at the domestic and European levels.
- The Company has been awarded the stamp of "INNOVATIVE SME" by the Ministry of Science, Innovation and Universities.



TELNET Redes Inteligentes S.A. has identified the following **environmental impacts, risks and opportunities** within the framework of the environmental management system certified under the UNE-EN ISO 14001 standard:

- Generation of non-hazardous waste (general waste, paper and cardboard, plastics, wood) in the Company's production centres.
- Electric power consumption in the Company's production centres.
- Electric power consumption of products supplied to the customer, during their useful life.

These environmental impacts have been identified through a procedure-based methodology and are reviewed periodically and at such time as conditions change in the organisation's centres, products and activities.

With regard to electric power consumption at our facilities, the data for 2020 was as follows:

Electric power consumption – Indicators	Consumption (kWh), 2020
IP-190087. Electric power consumption: 12M CT BA93 (kWh)	2,017,559.00
IP-190089. Electric power consumption: 12M CT BA22 (kWh)	89,558.00
Total electric power consumption: 12M	2,107,117.00

As the main area for improvement, it has been proposed that a sensorisation and monitoring system be installed to measure the electric power, water and gas consumption at the Company's different facilities, in order to establish programmes to reduce the use of natural resources.

In addition, due to the fact that 100% of the electric power acquired in 2020 came from renewable sources (as per Guarantee of Origin certificates for the year 2020, validated by the National Commission on Markets and Competition), we have avoided emitting 788 tonnes of CO<sub>2</sub> (equivalent overall gross emissions) into the atmosphere.



# CERTIFICADO

Este establecimiento consume  
**electricidad 100% renovable**

Enérgya-VM declara que la energía suministrada ha sido certificada por la CNMC como energía proveniente de fuentes **100% renovables** a favor de:



Firma: Martín Ogueta San Vicente  
Director Comercial

TELNET REDES  
INTELIGENTES, SA

NIF/CIF A50609288

- > CUPS: ES0031300550538001NM
- > Tecnología\*: SOLAR FOTOVOLTAICA
- > Consumo: 2.172,00 Mwh
- > Año de Garantía: 2020

\* Tipo tecnología renovable principal



**Nota:** Este documento tiene carácter informativo. La Comisión Nacional de los Mercados y la Competencia (CNMC) pondrá a su disposición la documentación oficial en el enlace siguiente: <https://gdo.cnmc.es/CNE/accesoInformacionGeneral.do>

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Firma: Martín Ogueta San Vicente  
Director Comercial

TELNET REDES  
INTELIGENTES, SA

NIF/CIF A50609288

- > CUPS: ES0031300550573001SE
- > Tecnología\*: SOLAR FOTOVOLTAICA
- > Consumo: 97,00 Mwh
- > Año de Garantía: 2020

\* Tipo tecnología renovable principal



**Nota:** Este documento tiene carácter informativo. La Comisión Nacional de los Mercados y la Competencia (CNMC) pondrá a su disposición la documentación oficial en el enlace siguiente: <https://gdo.cnmc.es/CNE/accesoInformacionGeneral.do>

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With regard to the generation of waste, the data for 2020 was as follows:

Generation of waste – Indicators	Waste, 2020
IP-170010. Non-hazardous waste generated (mt)	254.72
IP-170011. Hazardous waste generated (mt)	0.04
TOTAL WASTE GENERATED (mt)	254.76

TELNET Redes Inteligentes S.A. has a waste management system that it uses to ensure that all waste generated at its work centres is classified, separately picked up and delivered to authorised managers. Selective pick-up is available for the following types of waste:

- Paper and cardboard
- Wood
- Packaging plastics
- Trash
- Hazardous waste:
  - o Oils and solvents
  - o Contaminated rags and papers
  - o Empty contaminated containers
  - o Aerosols and empty spray cans
  - o Expired chemical products
  - o Batteries
  - o Fluorescent lamps and lightbulbs
  - o Printer toner and ink cartridges

For TELNET Redes Inteligentes S.A., developing as a company in a sustained and sustainable manner is a priority. For this reason, our management system is certified under the UNE-EN ISO 14001 standard. Compliance with laws, conservation and respect for the environment are of paramount importance. All of our activities are conducted by applying the best available technologies, paying particular attention to reducing pollution at the source and minimising waste.

TELNET Redes Inteligentes S.A.'s main environmental initiatives are:

- Managing waste from electrical and electronic equipment (WEEE). We participate in the ECOTIC integrated management system (IMS) for the management of waste from electrical and electronic equipment.
- Contribution to the Ecoembes integrated management system (IMS) for the recovery of packaging placed on the market (included within this area).
- Segregation and management of waste generated at all work centres.
- Design of electronic equipment using environmental criteria.

TELNET Redes Inteligentes S.A. is required to prepare and submit a Business Plan for the Prevention (BPP) of packaging waste to the Autonomous Community of Aragon, in order to ensure that the prevention and reduction targets set in Act 11/97 on Waste are effectively met.

In order to meet this target, TELNET Redes Inteligentes S.A. has adhered to the BPP managed by Ecoembes since 2012. It has participated in the following plans:

- 2012-2014 BPP
- 2015-2017 BPP
- 2018-2020 BPP

With regard to the packaging used by TELNET Redes Inteligentes S.A., there are, primarily, two different situations:

- **Cardboard packaging**, which is not designed to be reused. This type of packaging is mainly used in the areas of broadband equipment, POC and antennas. This packaging is marked with a green dot (Ecoembes IMS), and an annual payment is made to Ecoembes to finance the pick-up systems once the packaging is converted into waste. Our suppliers of cardboard packaging are largely FSC (Forest Stewardship Council) and PEFC (Programme for the Endorsement of Forest Certification) certified.
- **Wood packaging**. Most of the packaging of this type that we use consists of coils for fibre-optic cables. The coils are reusable, as they support more than one use. TELNET Redes Inteligentes S.A. has a pick-up system for coils used by customers, so that they can be reconditioned and used again for as long as possible. Where it is not possible to reuse them, they are processed as wood waste through authorised managers.



### 3. ETHICS AND INTEGRITY

Description of the values, principles, standards and rules of conduct that the organisation has voluntarily incorporated and strictly undertaken to adhere to, along with the role of senior management and the governing body of the organisation in developing, approving and updating statements.

#### Section 102-16: Values, principles, standards and rules of conduct

TELNET Redes Inteligentes S.A.'s mission is to provide advanced technological solutions that facilitate the development of an information and knowledge society in a manner that is cost-effective for its shareholders, contributing to the creation of social fabric and the professional development of the individuals who work in the organisation. TELNET Redes Inteligentes S.A.'s values are:

- A focus on customers' needs and expectations
- Technological innovation
- Ability to adapt to changes
- Engagement and involvement of staff
- Commitment to the continued growth of the organisation

TELNET Redes Inteligentes S.A. has a process management system inspired by the principles of excellence in the EFQM model and has been certified as to the following widely used standards by the entity Bureau Veritas:

- UNE-EN ISO 9001, Quality management systems (all activities).
- UNE-EN ISO 14001, Environmental management systems (all activities).
- UNE 166002, R+D+i management systems (broadband equipment only).
- ISO/IEC 27001, Information security management systems (all activities).

The TELNET Redes Inteligentes S.A. occupational health and safety system has been developed in accordance with the pillars of OHSAS 18001, which ensures that all activities related to the prevention of occupational risks are carried out:

- Risk assessments for the various jobs
- Adoption of preventive measures to eliminate or minimise risks
- Monitoring of health
- Preventive training and information
- Coordination of business activities with customers and suppliers
- Use of personal protective equipment

### Section 102-17: Channels for advice and concerns relating to ethical matters

TELNET Redes Inteligentes S.A. has an internal body to resolve all matters relating to ethical compliance, conduct and integrity. The main functions of the *Working Environment, Equality and Internal Framework Committee* are to improve the working environment in the Company, apply the employment code of conduct, manage the criminal offence prevention system and manage policies on equality.

This committee is made up of 4 area managers and addresses all complaints made by employees. Complaints are handled confidentially, but not anonymously. Employees are provided with an e-mail address ([regimen.interno@telnet-ri.es](mailto:regimen.interno@telnet-ri.es)) where they can send complaints or requests for consideration by the committee.

This committee also reviews the family balance and working schedule adjustment measures requested by employees.

The following situations are attributed to the *Working Environment, Equality and Internal Framework Committee* and will be reviewed, investigated and addressed by this committee:

- Situations that could impact the working environment. Improving the working environment. Conducting and analysing a survey on the working environment.
- Reviewing complaints from the criminal offence prevention system. Situations that could involve the commission of offences set forth in the criminal code.
- Reviewing employee complaints.
- Situations involving workplace/sexual harassment.
- Violations of the employment code of conduct.
- Violations of employment obligations.
- Applying the employment code of conduct to and sanctioning employees.

### 4. GOVERNANCE

The contents of this section provide an overview of the following:

- the governance structure and its composition
- the role of the governing body of the organisation in identifying its purpose, values and strategy
- the authority and performance assessment of the governing body
- the role of the governing body in managing risks
- the role of the governing body in preparing sustainability reports
- the role of the governing body in assessing economic, environmental and social performance
- remuneration and incentives.

#### Section 102-18: Governance structure

The governing and management bodies of TELNET Redes Inteligentes S.A. are as follows:

- **Sole Director.** This individual is appointed by the Board of Directors of Inversora Viro S.L (owner of TELNET Redes Inteligentes S.A.) to manage and serve as the highest-ranking representative of the Company and holds the position of General Manager. This position is currently held by Carolina Villarig Rodrigo.
- The **Board of Managers** is comprised of all area managers, together with the General Manager. Their role is to support the General Manager in managing the Company.
- **Topic-based committees**, responsible for making decisions regarding economic, environmental and social matters:
  - o *Business Risk Committee.* Information security and business continuity. Technological risks, information security risks and risks at factories and in production processes.
  - o *Management Committee.* Management of ISO 9001, ISO 14001, ISO 27001 and UNE 166002 certified systems.
  - o *Cable Innovation Committee.* Cable innovation and technological oversight projects.
  - o *Antenna Innovation Committee.* Antenna innovation and technological oversight projects.
  - o *Equipment Innovation Committee.* Equipment innovation and technological oversight projects.
  - o *POC Innovation Committee.* POC innovation and technological oversight projects.
  - o *Company Council Committee.* Point of contact and relationship with the Company Council.
  - o *Health and Safety Council Committee.* Occupational health and safety and participation as a representative of the Company on the Health and Safety Council.
  - o *Working Environment and Internal Framework Committee.* Charged with improving, and conducting and analysing a survey on, the working environment.



Manages the equality plan and family balance/working schedule adjustment measures. Applies the employment code of conduct and sanctions; reviews criminal offence prevention system complaints and employee complaints.

- Innovation and Diversification Committee. Establishes the strategic lines of innovation at TELNET. Analyses potential innovation projects for TELNET and makes portfolio incorporation decisions. Defines the innovation-related lines of work in each product area.
- Internationalisation and New Business Development Committee. Analyses and chooses new countries in which to do business and/or acquire new customers. Analyses and determines whether to add new products/services to the TELNET portfolio.
- Vocational Training and Classification Committee. Manages and supervises the training plan. Manages and supervises the system for defining jobs/professional groups. Approves promotions of professional groups.

### 5. PARTICIPATION OF STAKEHOLDERS

Identification of stakeholders in the Organisation. Description of systems implemented for stakeholder participation, as well as the consequences/use made of the results/conclusions obtained from this participation.

#### Section 102-40: List of stakeholders with which the organisation is involved

The stakeholders identified by TELNET Redes Inteligentes S.A. are as follows:

- Shareholders
- Customers:
  - o Telecommunications operators
  - o Large companies
  - o Electrical, gas and energy companies
  - o Telecommunications integrators
  - o Infrastructure managers
- Suppliers/collaborators:
  - o Suppliers of materials
  - o Service providers
- Employees:
  - o Company Council (LRE)
  - o Employees
- Technology partners:
  - o Universities, technology centres: Entities to carry out joint ventures with or render services to
  - o Companies in the sector: Potential competitors/partners
  - o Associations of software manufacturers and companies
  - o TELNET group companies: Energy Minus, SATYA
  - o Datek Sistemas
  - o SAGE Spain
- National, regional and local public administrations/entities:
  - o Administrations that manage public aid programmes (local, regional, national, European)
  - o Ministry of Science, Innovation and Universities
  - o Government of Aragon
  - o Town Council of La Muela (Zaragoza)
- Entities/Associations:
  - o FACEL
  - o ASLAN
  - o CEOE Aragon
  - o Association of Telecommunications Engineers of Aragon
  - o Official Body of Telecommunications Engineers of Aragon

### Section 102-41: Total number of employees covered by collective bargaining agreements

100% of TELNET Redes Inteligentes S.A.'s workers are covered by collective bargaining agreements. TELNET Redes Inteligentes S.A. is subject to the iron and steelworking agreement of the province of Zaragoza.

### Section 102-42: Identification and selection of stakeholders

TELNET Redes Inteligentes S.A. identifies its stakeholders in accordance with the criteria established in the following standards:

- **UNE-EN ISO 9001, Requirement 4.2: Understanding the needs and expectations of stakeholders.**

Given their effect or potential effect on the organisation's ability to regularly provide products and services that meet customer requirements and comply with applicable legal and regulatory requirements, the organisation must determine:

- (a) the stakeholders that are relevant to the quality management system; and
- (b) the relevant requirements of these stakeholders as they relate to the quality management system.

The organisation must monitor and review information regarding these stakeholders and their relevant requirements.

- **UNE-EN ISO 14001, Requirement 4.2: Understanding the needs and expectations of stakeholders.**

The organisation must determine:

- (a) the stakeholders that are relevant to the environmental management system;
- (b) the relevant needs and expectations (i.e. requirements) of these stakeholders; and
- (c) which of these needs and expectations become legal and other requirements.

- **UNE 166002, Requirement 4.2: Understanding the needs and expectations of stakeholders.**

The organisation must determine which stakeholders are relevant to the system and identify their needs, expectations and requirements. Stakeholders are divided into those outside the organisation (e.g. partners, suppliers, distributors, research organisations, customers and users, public authorities etc.) and those inside the organisation (e.g. employees, management, departments, shareholders etc.).

It is important to consult and involve stakeholders in order to identify their needs and expectations, which may be explicit or implicit. In particular, it is essential for the organisation to understand the needs of customers and users and to know which of them have not been met or even raised.

NOTE: Technological oversight and competitive intelligence are useful for the purposes set forth in this section (see 7.9).

- ISO/IEC 27001, Requirement 4.2: Understanding the needs and expectations of stakeholders.

The organisation must determine:

- (a) the stakeholders that are relevant to the information security management system; and
- (b) the requirements of these stakeholders that are relevant to information security.

NOTE: Stakeholder requirements may include legal and regulatory requirements as well as contractual obligations.

### Section 102-43: Focus on stakeholder participation

TELNET Redes Inteligentes S.A. uses the following methods of stakeholder participation:

- Working environment survey of employees (bi-annual)
- Customer satisfaction survey (annual)
- Business plan for visits to customer sites. Given our status as a company that makes tailor-made designs based on customer needs, we have pre-sale and commercial teams whose main role is to be in contact with the customer (visits to customer sites, participation in trade fairs, commercial events etc.), in order to identify their needs and concerns.

### Section 102-44: Key issues and concerns

TELNET Redes Inteligentes S.A. obtained the following results in the surveys made of stakeholders in 2020:

- Customer satisfaction survey: 4.37 (out of 5). The most highly rated aspect by customers was the way they were treated (4.71) and the lowest rated was the price of the products as compared to similar ones (3.91).

### 6. REPORTING PRACTICES

#### Section 102-45: Entities included in the consolidated financial statements

TELNET Redes Inteligentes S.A. does not consolidate accounts in its financial statements with any other companies.

#### Section 102-46: Defining the contents of the reports and coverage of the topic

TELNET Redes Inteligentes S.A. has different systems in place to engage in dialogue with its stakeholders, which serve as a source of analysis in defining the relevant contents to include in the report. The results of this communication enable it to keep mechanisms to identify needs and key aspects active and allow it to monitor commitments made and the degree of fulfilment of challenges set in the previous year. These processes allow it to keep the materiality analysis, as a tool that integrates relevant business and stakeholder issues, up-to-date. And, based on this, it has been able to define the key content to set forth in this year's report, including the main specific indicators that reflect the evolution of TELNET Redes Inteligentes' business and its relationship with stakeholders.

#### Section 102-47: List of material, relevant topics for the organisation

The material issues that TELNET Redes Inteligentes S.A. has prioritised for inclusion in the report, given their economic and social impact on the organisation and their influence on stakeholder assessments and decisions, are as follows:

- Innovation
- Environment
- Supply chain
- Corporate governance
- Human capital

#### Section 102-48: Restating of information

During the past year and following the submission of the last report, there have been no changes in the nature of the business or measurement methods that could lead to restatements of information from previous reports.

### Section 102-49: Significant changes during the reporting period

During the past year and following the submission of the last report, there have been no changes in the nature of the business or measurement methods that could lead to restatements of information from previous reports.

### Section 102-50: Reporting period

The period covered by this report is the calendar year 2020 (from 1 January to 31 December).

### Section 102-51: Date of last report

This is the second social responsibility report prepared by TELNET Redes Inteligentes S.A. The last report was made on 30 September 2020, covering the year 2019.

### Section 102-52: Reporting cycle

The reporting cycle for the preparation of the social responsibility report is annual.

### Section 102-53: Point of contact for questions regarding the report

For questions related to the report or its contents, the TELNET Redes Inteligentes, S.A. point of contact is Jorge Tolosana Trillo (Head of HR and Management Systems) ([jtolosana@telnet-ri.es](mailto:jtolosana@telnet-ri.es)).

### Section 102-54: Statement of preparation of the report in accordance with the GRI Standards

This report has been prepared in accordance with the essential option of the GRI Standards.

## Section 102-55: GRI Index

GRI 102: General Disclosures, 2016

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### Section 102-56: External verification

This report has not been externally verified, although the following mechanisms have been used to evaluate it:

- **External controls.** The sustainability report is reviewed by the Aragon Institute for Development ([www.iaf.es](http://www.iaf.es)) within the framework of the ASR (Aragon social responsibility) Plan.
- **Internal controls.** Internal tools are used to prepare the report (financial reports, published, verifiable data, audits etc.), in order to allow the Company to affirm the reliability of the information contained in the sustainability report. The sustainability report is approved by the sole director of the Company.