

## **EUSKALTEL GROUP CORPORATE CRIMINAL RISK PREVENTION POLICY**

The Euskaltel Group's Board of Directors, which is committed to legal compliance particularly with regard to compliance with criminal law, has declared its zero-tolerance approach to the committing of offences and has agreed to adopt and implement a criminal risk management and organisation plan in the Euskaltel Group that includes suitable crime prevention surveillance and control measures or, where appropriate, that significantly reduces the risk of such offences being committed.

Within the framework of this declaration of zero tolerance towards the commission of criminal offences, in December 2017 the Board of Directors approved a Corporate Anti-Corruption Policy for the management of criminal risks specifically derived from the crimes of bribery and corruption in the Group. This Corporate Anti-Corruption Policy was revised in 2019.

The Corporate Criminal Risk Prevention Policy is the general framework for the criminal risk management and organisation plan, complemented by the Corporate Anti-Corruption Policy.

Both policies, which develop the values set out in the Code of Ethics, make an essential contribution to the establishment and maintenance of a corporate culture of compliance in the criminal-law area within the Group, taking the form of substantive elements in the criminal risk management and organisation plan.

Within the framework of the commitments assumed by the Group, the Board of Directors has approved this Corporate Criminal Risk Prevention Policy.

### **1.- PURPOSE AND SCOPE OF APPLICATION**

This Policy lays down the action criteria for the Euskaltel Group with regard to Criminal Risk Prevention, as well as the persons addressed by it.

For the purposes of this Policy, "Criminal Risk Prevention" is defined as the prevention of risks derived from the infringement of rules that may generate criminal liability and the contribution to socially responsible behaviour in the Euskaltel Group. This is done through a management model that includes tools and measures to prevent and mitigate these risks in the business activity of the Euskaltel Group.

The Policy applies to the companies that make up the Euskaltel Group and to any others in which the Euskaltel Group has a majority shareholding at any time. In companies in which the Euskaltel Group is a non-majority shareholder, the company that holds the relevant shareholding at a given time must encourage and promote conduct that is consistent with this Policy.

The Policy is applicable to the members of the Board of Directors and to all Euskaltel Group employees, irrespective of the responsibilities they assume in the organisation, their

geographical or functional location and the company in which they work (the Group Professionals).

This Policy also applies to its Business Partners, defined as external parties with which the Group has or intends to have business relations, including, but not limited to, customers, consumers, business alliances, business alliance partners, members of a consortium, external suppliers, contractors, consultants, subcontractors, vendors, agent advisors, distributors, representatives, intermediaries and investors. Business Partners of the Euskaltel Group with third parties under their business supervision must ensure that they comply with this Policy and report any suspected breach of the relevant contractual obligations or illegal conduct.

All recipients of this Policy:

1. Must be aware of, apply and comply with the Policy in all their actions.
2. Must be aware that their actions on behalf of the Euskaltel Group that are beneficial for the Group could lead to criminal liability not only for themselves but also for the pertinent Euskaltel Group company, and they must therefore avoid such conduct.
3. Must act and encourage action consistent with the Policy by all Business Partners and/or third parties that in any way act on behalf of the Euskaltel Group.

## **2. APPROVAL, MONITORING AND REVIEW**

This Policy is applicable from the date of its approval by the Board of Directors and is posted on the corporate intranets and websites of each Euskaltel Group company.

Its content and application are monitored by the person responsible for the Regulatory Compliance Function, who carries out periodic reviews of the Policy and proposes, where appropriate, changes and/or improvements which must be approved by the Board of Directors.

### **3. ACTION PRINCIPLES**

By virtue of this Corporate Criminal Risk Prevention Policy and in accordance with the organisation's objectives, the Euskaltel Group:

1. Requires compliance with criminal legislation applicable to the Euskaltel Group and that the organisation's exposure to criminal risks be minimised.
2. Maintains its commitment to zero tolerance of the committing of criminal offences both within the Group and by third parties that supply goods or services to it, or in any way act on behalf of the Euskaltel Group.
3. Undertakes to promote preventive measures and measures to detect conduct that may breach applicable criminal law, this Policy or the Criminal Risk Prevention organisation and management plan.
4. If the conduct referred to in the previous point is detected, it undertakes to react appropriately and take the necessary action, whether disciplinary or, where applicable, before the corresponding public bodies.
5. It undertakes to implement the Corporate Criminal Risk Prevention Policy and to comply with the requirements set out in this Criminal Risk Prevention Policy and in the Criminal Risk Prevention management system.
6. Provides a suitable framework for the definition, review and achievement of the Criminal Risk Prevention objectives.
7. Is committed to the continuous improvement of the Criminal Risk Prevention management system.

### **4. DEVELOPMENT, MONITORING AND CONTROL OF THE CORPORATE CRIMINAL RISK PREVENTION POLICY**

The prevention of criminal risks in the Euskaltel Group, as well as the development, monitoring and control thereof is carried out by means of the following:

1. Preparation and continuous evaluation of a criminal risk management and organisation plan focused on reaffirming a corporate culture of compliance and respect for the law within the Group, governed mainly by the provisions of the Criminal Code, in which:
  - a. The criminal risks existing in the activities of Euskaltel Group companies in whose areas the offences to be prevented might be committed are identified:
    - the probability of occurrence and impact of possible criminal actions are assessed,
    - surveillance and control measures are associated with the risks identified which are suitable for preventing or significantly reducing their occurrence,

- b. Protocols or procedures are implemented that specify the process for establishing the Euskaltel Group's aims and taking and implementing decisions.
  - c. A suitable financial resource management arrangement is in place to ensure prevention of the committing of offences that need to be prevented,
  - d. An obligation is imposed to report suspicious events or conduct relating to criminal risks through the Group's Ethics Channel, ensuring that no disciplinary action will be taken for bona fide communications,
  - e. A disciplinary system is established that adequately sanctions non-compliance with the measures established by the model,
  - f. The plan and any changes made to it are regularly verified when relevant infringements are revealed, or when changes occur in the organisation, in the control structure or in the activities that make them necessary,
  - g. The Group's Criminal Risk Prevention Roles and Responsibilities are defined,
  - h. There are internal bodies or functions that ensure the correct implementation of the criminal risk management and organisation plan in the Euskaltel Group, and ensure compliance with applicable internal and external regulations,
  - i. The Group's Regulatory Compliance Officer is entrusted with the supervision of the operation and fulfilment of the plan,
  - j. A Prevention of Criminal Risks and Anti -Bribery Manual is available, which sets out and brings together in a single document the main components of the plan.
2. Preparation of procedures, instructions, protocols, or other regulations considered necessary to be implemented at any time in the Euskaltel Group.
  3. Notification and dissemination of applicable criminal legislation and the criminal risk management and organisation plan, as well as related training and awareness raising. Notification and dissemination are carried out by means of communications and training aimed at the Group's professionals and regular reporting to senior management and the Board of Directors, as well as through the preparation and presentation of reports on materially significant issues.

## **5. EUSKALTEL GROUP REGULATORY COMPLIANCE FUNCTION**

The Euskaltel Group Regulatory Compliance Officer has sufficient authority and independence in the exercising of his/her activity and is responsible for the correct application of this Policy, as well as the management and review of the Euskaltel Group's Criminal Risk Prevention Management System.

## **6. ETHICS CHANNEL**

The Group has an Ethics Channel which can be accessed to clarify any doubts, make queries and/or communicate any action contrary to the applicable external regulations, the values and basic principles of the Euskaltel Group's Code of Ethics or Corporate Policies, as well as other internal regulations implemented for the development and application of the Code of Ethics, guaranteeing at all times the confidentiality of the reporting party and the non-adoption of any disciplinary measures with respect to communications made in good faith.

## **7. DISCIPLINARY REGIME**

Duly evidenced and qualified non-compliance with this Policy may result in liability and/or penalties under the applicable legislation, internal regulations related to the criminal risk management and organisation plan and/or, where applicable, the disciplinary regime established in the pertinent collective agreement.

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*This Corporate Policy was approved by the Euskaltel, S.A. Board of Directors on 23 July 2020.*