



# 06 **Bases** for the preparation of the report





In order to ensure the credibility of the information and generate trust with its stakeholders, this report has been verified by an independent third party.

# Bases for the preparation of the report

This document represents the Consolidated Management Report for 2017, which includes the information that complies with the provisions of Article 262 of the Capital Companies Law, establishing the content of the management report drafted in tandem with the consolidated financial statements of the company. Likewise, this report has incorporated best practices in corporate transparency during the 2017 period, applying the Integrated Reporting framework, presenting financial, management, corporate governance and strategic information for the company.

As a sign of Cellnex's commitment to transparency and responding to the applicable regulations in this regard, this report has been prepared in accordance with the provisions of Royal Decree Law 18/2017, which transposes Directive 2014/95/EU into Spanish law with regard to the dissemination of non-financial information and diversity.

Likewise, in order to ensure the credibility of the information and generate trust with its stakeholders, this report has been verified by an independent third party, as presented in the Verification Report on Annex V.

## Structure and content of the report

The structure of the Report follows the guidelines of the International Integrated Reporting Council, Directive 2015/95/EU on non-financial information, the CMNV guide for the preparation of management reports of listed companies and was prepared in accordance with GRI Standards in their Core option and the AA1000 AccountAbility

Principles Standard (the Foundation Principle of Inclusivity, the Principle of Materiality and the Principle of Responsiveness).

Following the guidelines laid down by those two standards, the content of this report was defined on the basis of a materiality study, which was used to identify the relevant internal issues for the company, expectations and concerns of Cellnex stakeholders and relevant Corporate Responsibility issues in the sector.

## Reporting scope

The report covers the two main geographical areas of the organisation, Cellnex Spain (Cellnex Telecom, S.A., Retevisión, S.A.U, On Tower Telecom Infraestructuras, S.A.U and Tradia Telecom, S.A.U.) and Cellnex Italia (Cellnex Italia, S.r.L., TowerCo, S.p.A and Galata, S.p.A.) excluding the companies Commscon Italia, S.r.L. and Sirtel, S.r.L.. However, Information reported regarding to total staff and taxes covers the Cellnex Group.

This information is supplemented with the information presented in the Cellnex Consolidated financial statements for the financial year ended 31 December 2017 and the 2017 Annual Corporate Governance Report, all publicly available on the company website. In those cases where the information differs from this scope, it is expressly indicated.

The GRI contents that Cellnex has addressed in this report are detailed in the GRI table presented in the Annex IV, with the scope of information reported by each of them as shown in the table, depending on whether it applies specifically to Cellnex Spain, Cellnex Italy or to the Cellnex Group.

Also appended to the end of this document is the independent limited assurance report issued by Deloitte, SL in relation to the review of CSR indicators in their adaptation to the GRI Essential Option standards reported in this document.

This review process was conducted in accordance with the requirements established in International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) for the issuance of limited assurance reports. Also, we applied Account Ability's AA1000 Assurance Standard (2008) (AA1000AS) to provide moderate assurance on the application of the principles established in AA1000 APS and on the sustainability performance indicators (type 2 moderate assurance).



## Determination of the content of the report

The Materiality Study helped to identify the key issues that the company intends to address, since they entail creating value and a contribution to society by the company. After obtaining the results of the study, Cellnex carried out a transparency and accountability exercise, by publishing this Integrated Report.

The study was conducted in accordance with the AccountAbility AA1000 standard and was structured into the following phases:

1. Initial phase identifying relevant issues;
2. Prioritising issues on the basis of the analysis results;
3. Assessment and validation of the issues identified by the main stakeholders of Cellnex Group;
4. Detailed examination of the material issues identified.

## Material issues identified

<b>Ethical management and good governance</b>	1.	Corporate governance
	2.	Ethical governance and compliance practices
	3.	Participation and involvement of stakeholders
	4.	Transparency and reporting
	5.	Management of risks and opportunities
<b>Responsible and sustainable management</b>	6.	Energy management
	7.	Emissions and climate change
	8.	Impact of infrastructure on the environment and the community
	9.	Managing socio-economic impacts on the local community
	10.	Responsible procurement
<b>Responsibility to employees</b>	11.	Involvement and commitment of workers
	12.	Training, professional development and retention of talent
<b>Commitment to customers</b>	13.	Contractual practices with customers (service provided and management)
	14.	Service security
<b>Commitment to innovation and value creation</b>	15.	Customer information security
	16.	Innovation and development in product and service

## Calculation methodology of the CO<sub>2</sub> emissions

In calculating CO<sub>2</sub> emissions generated by Cellnex in Spain, the emission factors published in the framework of the *Spanish registry of carbon footprint, offsetting and CO<sub>2</sub> Absorption Projects* of the Ministry of Agriculture and Fisheries, Food and Environment (MAPAMA), published in July 2017, have been considered as reference. In some cases, the following emissions factors have been used: DEFRA emissions factors, "Practical Guide for the calculation of GHG emissions" of the OCCC of the Generalitat de Catalunya, the Environmental Paper Network Calculator 3.2 version or the Ecoinvent database version 3.3.

In the case of Cellnex Italy, the last emission factors published by the "Istituto Superiore per la Protezione e la Ricerca Ambientale (ISPRA)" in 2016 have been considered

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