



- Corporate culture
- Corporate governance
- Management Systems
- Ethics and compliance
- Risk management
- Cellnex's Corporate Responsibility framework

04

Governance model



Corporate culture

vision



European leader in telecommunications infrastructure solutions

mission



We generate value for society, customers and shareholders, and all stakeholders, through **innovative, efficient, neutral and quality management** for the provision of shared telecommunications networks and infrastructure through the **drive and development of our team of employees.**

values

Cellnex Telecom's values align consistently with the Vision and Mission to the extent that they are instrumental in achieving them, and fundamentally reflect an ethical attitude based on principles of tolerance, respect and cooperation with all the stakeholders with which the company wishes to develop and consolidate its project.

Commitment

We take responsibility for proactively consolidating our projects

Customer orientation

We find out, understand and consolidate the needs of our customers.

Flexibility

We adapt to the constantly-changing environment

Resolve

We achieve our goals through a combination of enthusiasm, reason and practicality

Innovation

We add value with a creative, professional and critical spirit to new ideas to implement them in practice

Honesty

We carry out our activities with integrity

Credibility

We do what we say we will do

Development

We foster human development through cohesion, cooperation and teamwork

Corporate governance

In 2017, Cellnex tasked an independent external consultant with evaluating the performance of the Board of Directors. The consultant concluded that within a short time period Cellnex had created a full set of internal regulations that guarantees compliance with legal obligations and the principles and recommendations of corporate governance, although a series of further measures were also proposed. Notwithstanding, the external consultant proposed a series of measures to put into practice. In 2018, Cellnex continued incorporating its corporate governance best practices by implementing all of the recommendations set out in the performance evaluation, in addition to those made in the Code of Good Corporate Governance for Listed Companies approved by the Spanish National Securities Market Commission (CNMV).

Towards the end of 2018, the Board performed a self-assessment of the functioning of the Board and committees using a questionnaire composed of different groups of questions: (i) Board composition; (ii) functioning of the Board; (iii) presidency of the Board; (iv) Board Secretariat; (v) Board committees; (vi) performance of the first executive and relationship with senior management; (vii) alignment and commitment of the Board with the strategic objectives; and (viii) overall assessment of the Board. The questionnaire was answered by all the members.

As a global assessment, the board members identify their strengths, their independence, their professionalism and their climate of confidence. Their dedication, collegial culture and commitment to the success of Cellnex are also appreciated. Notwithstanding the above, some areas for improvement were identified for the coming years, which are specified in an Action Plan to be implemented soon.

The selection policy for directors that the Appointments and Remuneration Committee of the Board of Directors approved in 2016 seeks to ensure an appropriate composition of the Board. According to the policy, Board member selection must take into account factors such as the company's shareholder structure, members' diversity of knowledge, professional experience, background, nationality and gender, as well as their availability to perform the role, specific expertise in particularly relevant areas (financial, legal, telecommunications, etc.), conflicts of interest (actual or potential), and their personal commitment to defending company interests. With regard to gender diversity under this policy, the company must ensure in the shortest possible time and at the latest by the end of 2020 that the least represented gender makes up at least 30% of the total number of members of the Board of Directors.

During FY 2018, it was agreed that the number of directors be extended once again, from 10 to 12 members. This will strengthen the composition of the Board, ensuring a compact, experienced and strategy-oriented Board of Directors comprising four Proprietary directors and seven Independent directors, in addition to the Chief Executive Officer.

BOARD OF DIRECTORS



Changes in 2018

Changes in the Shareholder structure

In the context of the tender offer over Abertis (“the tender offer”), during 2018, the relevant facts detailed below have taken place, in relation to the shareholding structure of Cellnex:

On 23 March 2018, Atlantia announced that it had made a request to Hochtief, subject to the positive outcome of the tender offer, to adopt the appropriate actions for the sale by Abertis of all or part of its 34% stake in Cellnex Telecom, by virtue of the Call Option granted to Atlantia by Hochtief.

Likewise, Atlantia accepted the proposal from Edizione, S.r.l. (“Edizione”) dated March 20, 2018, by virtue of which Edizione granted to Atlantia a Put Option on 29.9% of Cellnex share capital, subject to the positive outcome of the tender offer.

On 5 June, 2018, Abertis concluded the process of accelerated placement of shares of Cellnex Telecom, S.A. among qualified investors. The placement consisted of a block of 9,499,013 ordinary shares of the Company, representing 4.1% of its issued share capital, at a purchase price of EUR 22.45 per share. As a result of that placement, at that date Abertis held ordinary shares of Cellnex Telecom, representing 29.9% of its issued share capital.

On July 12, 2018, Abertis sold to Connect S.p.A. 69,273,289 ordinary shares in Cellnex, which represented 29.9% of the total share capital of the latter, at a price of EUR 21.50 per share. Connect is a subsidiary fully controlled by Sintonia S.p.A., a subholding company wholly owned by Edizione S.r.l. (“Edizione”).

Thus, as of 31 December 2018, Connect is positioned as a reference shareholder in Cellnex Telecom, S.A., holding a 29.9% stake in its share capital.

Shareholders' agreement entered into between Sintonia, Connect, Infinity and Raffles

On 9 October 2018, Edizione announced through a regulatory information notice that Sintonia and Connect, both entities under its control, had executed a shareholders agreement with Infinity, an entity ultimately wholly-owned by the Abu Dhabi Investment Authority (“ADIA”), and Raffles, an entity ultimately wholly-owned by GIC Pte. Ltd. (“GIC”), governing the terms of the minority investment by Infinity and Raffles in the share capital of Connect and their commitment to inject up to EUR 1,500 million of further new equity in Connect to support the Company’s growth in the next four years.

On 12 October 2018, Edizione announced through a regulatory information notice the successful closing of such investment and the entry into force of the Shareholders Agreement. Following completion Sintonia holds approximately 60% of Connect’s share capital and each of Infinity and Raffles hold approximately 20% of Connect’s share capital.

The aforementioned Agreement contains certain shareholders agreements consisting in regulating the appointment of proprietary directors in Cellnex and in establishing strengthened quorums for the adoption of certain agreements in Connect and / or Cellnex. The specific terms of the agreement are available on the CNMV website as well as the Cellnex website.

In accordance to the aforementioned above, the most significant adaptations and changes made to the Group’s Corporate Governance in 2018 are as follows:

- **Appointment of Anne Bouverot and María Luisa Guijarro as new Independent directors** of the company, as a commitment to the qualitative and decisive weight of the Independent directors. A prestigious head hunter searched for and validated candidates for these appointments.
- **Increase in the proportion of independent directors on the Board of Directors** to almost 60% (from 5 to 7), surpassing the threshold set out in the recommendations for Good Governance of Listed Companies CNMV (at least half of all directors).
- **Increase in female representation on the Board of Directors**, resulting in greater gender diversity on the highest corporate governing body with 30% female representation (4 women) and complying with the CNMV recommendation on Good Corporate Governance for 2020.

- **Appointment of four new Proprietary directors at the proposal of Connect**, to replace the representatives of Abertis following the sale of 29.9% of Cellnex from Abertis to Connect. The new Directors from Connect are: Marco Patuano, Carlo Bertazzo, Elisabetta De Bernardi Di Valserra and John Benedict McCarthy.
- **Appointment of Marco Patuano** as non-executive chairman and continuation of Tobías Martínez as CEO, thereby separating non-executive and executive roles in the company and fulfilling another CNMV recommendation. In addition, despite separating the positions, with a view to incorporating corporate governance best practices, the Board decided to uphold the position of coordinating director, currently held by the Independent director Giampaolo Zambelletti.
- **Extension of the Appointments and Remuneration Committee** from 4 to 5 members, with 4 Independent directors (including the Chair) and 1 Proprietary.
- **Extension of the Audit and Control Committee** from 3 to 4 members, with 3 Independent directors (including the Chair) and 1 Proprietary.
- **Setting of a maximum number of company boards** on which the Company directors may sit (4 boards).
- **Review of the long-term variable remuneration plan** of the Chief Executive Officer and Senior Management, under which company shares will comprise a minimum part of that remuneration. It is also important to note that it is incumbent on the Appointments and Remuneration Committee to propose the remuneration of the Chief Executive Officer and Senior Management, following a market analysis by a specialist company from which it must take the lower than average remuneration band.

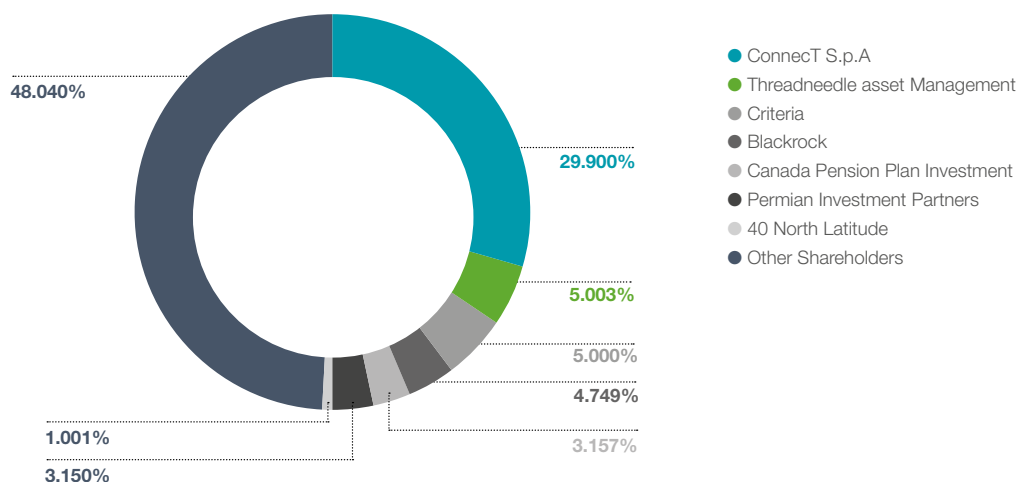
- **Independent third-party validation of the profiles contained in the Succession Plan** proposed by the Appointments and Remuneration Committee.
- **Greater company transparency** by publishing all corporate policies on a common repository in a corporate SharePoint that can be accessed from all regions.

In 2018 the Board and Committees met as often as necessary to properly perform their administrative and supervisory functions, with the attendance of all or a large majority of their members. To be precise, there were 13 Board meetings, 9 CAC meetings and 9 CNR meetings.

Once again, the annual meeting of the Board of Directors and Steering Committee with certain key directors of the Group was held in November 2018 to discuss matters relating to the company's strategy and development.

The 2018 Shareholders Meeting held on 31 May in Madrid was a resounding success with the approval of the Annual Accounts and Management Report for 2017 and a quorum of over 83%.

SHAREHOLDER STRUCTURE



The Cellnex Board of Directors

Independent directors:

- **Bertrand-Boudewijn Kan**, former General Manager and Chairman of the European Telecommunications Group of the Morgan Stanley investment bank. He is currently Chairman of the Board of Directors of Síminn hf., of the Advisory Board of Wadhvani Asset Management and of the Supervisory Board of UWC in the Netherlands.
- **Pierre Blayau**, Chairman of Caisse Central Réassurance and independent director on the Boards of Directors of Fimalac and the Canal + group +). He has previously been CEO of Pont à Mousson, PPR, Moulinex, Geodis, and Executive Director of SNCF. He has also been Executive Director of La Redoute, member of the Board of Directors of FNAC, Independent director of Crédit Lyonnais, and Chairman of the Board of Directors of Areva. Pierre Blayau is a tax inspector at the French Ministry of Finance and studied at the École National d'Administration in Paris and the École Normale Supérieure de Saint-Cloud.
- **Giampaolo Zambeletti**, Chairman of RCS Investimenti and Vice-Chairman of Unidad Editorial. He has been a member of the Boards of Directors of Telecom Italia International (The Netherlands), Auna, S.A. (Spain), Avea (Turkey), Oger Telecom (Dubai), Ojer Telekomunikasyon (Turkey) and Telekom Austria. He is currently a member of the Board of Directors of the Banca Farmaceutica Group in Milan.
- **Peter Shore**, former Chairman of the telecommunications infrastructure operator Arqiva in the United Kingdom, Ucomms, Lonely Planet Publications, HostWorks Group and Airwave. He has also been Managing Director of the Telstra Group in Australia, CEO of Priceline in Australia and New Zealand, and Managing Director of Media/Communications/Partners. He has also been Director of Objectif Telecommunications Limited, Foxtel, SMS Management and Technology, and OnAustralia. He was also a member of the Advisory Board of Siemens Australia.
- **Marieta del Rivero**, has held executive positions in Telefónica, Nokia (Iberia and Corporation), Xfera Móviles, Amena and Nefitel. She is currently Senior Advisor at Ericsson and is a member of the advisory boards of the Made in Mobile technology incubator and the Roca Salvatella digital transformation consultancy. She is the Chair in Spain of the International Women's Forum and the Women Corporate Directors Foundation.
- **Anne Bouverot**, former CEO of Morpho, a biometrics and cybersecurity company (2015-2017) and Managing Director of the GSMA (2011-2015). She previously held various inter-

national management positions in telecommunications companies such as France Telecom/Orange (Executive Vice-chair of Mobile Services, 2009-2011), Global One Communications and Equant. She is currently a non-executive director of Capgemini and Edenred in France.

- **María Luisa Guijarro Piñal**, has held positions including Global Director of Marketing and Sponsorship, CEO of Terra España, Director of Marketing and Business Development in Spain and, more recently, member of the Executive Committee in Spain as head of Strategy and Quality.

Proprietary directors:

- **Marco Patuano**, has primarily worked in the Telecom Italia Group (1990-2016). He became CEO of the Group in 2011, participated in the creation and launch of TIM (1995-2001) and spent six years abroad (2002-2008) as CFO of TIM Brazil, General Manager for Latin America and CEO of Telecom Argentina. He has been CEO of Edizione Srl., the holding company of the Benetton family, since January 2017. He is a board member of Atlantia S.p.A., Autogrill S.p.A., AC Milan S.p.A. and Benetton Group Srl.
- **Carlo Bertazzo**, is General Manager of Edizione Srl, the industrial holding company of the Benetton family. He joined Edizione in 1994 and played a key role in the Group's diversification process by managing the acquisitions of Autogrill and Generali Supermercati (1995), Atlantia (2000), a stake in Telecom Italia (2001) and Gemina (2005), currently Aeroporti di Roma and integrated in Atlantia. His role has also entailed developing Edizione's relationships with investors in Italy and worldwide.
- **Elisabetta De Bernardi Di Valserra**, began her career in the investment banking team at Morgan Stanley (2000) where she worked in the Communications & Media team in London, later joining the corporate finance team in Milan, where she remained as Executive Director until 2013. She has been Investment Director at Edizione Srl, the holding company of the Benetton family, since 2015 and is a Board member of Atlantia and Getlink.
- **John Benedict McCarthy**, has been the Global Head of Infrastructure, Real Estate and Infrastructure Department of the Abu Dhabi Investment Authority (ADIA) since May 2013. He is jointly responsible with ADIA's top management for de-

signing and implementing the investment strategy for the infrastructure division, and for overseeing the work of the ADIA infrastructure team. Prior to joining ADIA, John McCarthy was Managing Director and Global Director of RREEF Infrastructure at Deutsche Bank since 2005. He was previously the Global Head of Infrastructure Capital and Structured Capital Markets at ABN Amro Bank.

Executive Director:

- **Tobías Martínez Gimeno**, Chief Executive Officer of Cellnex. He is the executive head of the company. He joined Acesa Telecom (now Cellnex Telecom) in 2000, first as a Director and Managing Director of Tradia and later of Retevisión. Before joining the Abertis Group he led his own information and telecommunications systems business project for over 10 years.

Non-Executive Secretary:

- **Javier Martí de Vesés**, General Secretary of Cellnex. He is in charge of the company's legal area, covering Legal Advice, regulatory matters and insurance. He is also Secretary of the Board of Directors and Chairman of the Ethics and Compliance Committee. He has worked for the Group since 1998 when he took over Legal Advice of what was then Retevisión, and has since held various different positions in the organisation.

Deputy Non-Executive Secretary:

- **Mary Annabel Gatehouse**, Director for International Corporate Development Advice of Cellnex. In 2014 she took over Legal Affairs management for Europe and North America for Abertis Infraestructuras S.A. From 2007 she was Legal Director and Executive Secretary of TBI plc/Abertis Airports. She trained at international law firm Ashurst, LLP specialising in large-scale infrastructure projects in the London and Madrid offices.

Committees of the Board of Directors

The Cellnex governance bodies are supplemented by the Audit and Control Committee (CAC) and the Appointments and Remuneration Committee (CNR), both composed of non-executive directors, mostly independent. It is also important to note that independent directors chair the Board Committees.

The responsibilities and functioning of the Committee and Control Committee, and Appointments and Remuneration Committee, are set out in the Terms of Reference of the Board of Directors.





Marco Patuano
 Chairman
 Proprietary



Tobias Martinez Gimeno
 Chief Executive Officer
 Executive



Bertrand Boudewijn Kan
 Independent
 ● Chairman



Giampaolo Zambetti
 Coordinating director
 Independent
 ● Chairman



Carlo Bertazzo
 Proprietary



Pierre Blayau
 Independent



Anne Bouverot
 Independent



Elisabetta De Bernardi
 Proprietary



Marieta del Rivero
 Independent



María Luisa Guijarro
 Independent



John Benedict Mc Carthy
 Proprietary



Peter Shore
 Independent



Javier Martí De Veses
 Non-Executive Secretary
 ● Secretary



Mary Annabel Gatehouse
 Deputy Non-Executive Secretary
 ● Secretary

- Audit and Control Committee (CAC)
- Appointments and Remuneration Committee (CNR)

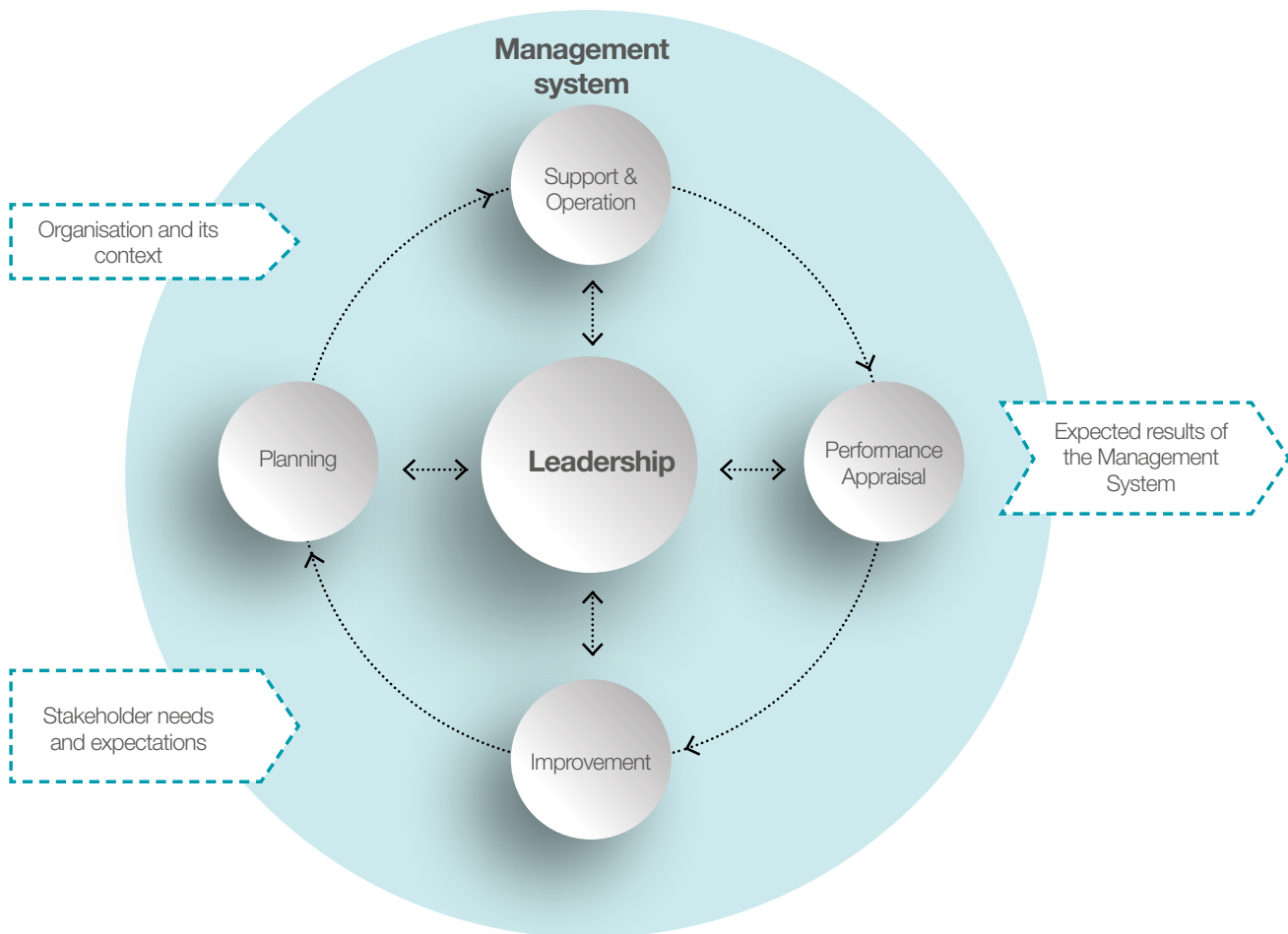
Management Systems

The Cellnex organisational model is underpinned by an Integrated Management System which provides the framework that enables a systematic approach to processes, ensuring they are effective. It also allows a procedure to be established to guarantee the quality of the services provided and to ensure that the activity is carried out in compliance with standards on the environment, health and safety at work and data security as well as current legislation.

have been set out on quality, prevention and sustainability, in addition to a self-evaluation method that allows each company to easily and quickly assess the level of development of their Management System.

The Management System approach is based on the iterative Plan-Do-Check-Act (PDCA) method to achieve ongoing improvement.

To ensure that the companies recently incorporated can adapt to this Management System, common guidelines



As a driver of the Integrated Management System and in its commitment to quality and excellence, Cellnex Spain holds the following certifications, issued by TÜV Rheinland:

- ISO 9001 Standard for a Quality Management System.
- ISO 14001 Standard for an Environmental Management System.
- OHSAS 18001 Standard of the System Occupational Health and Safety Management.
- ISO 27001 Standard for Information Security Management.
- Standard ISO 14064-1 Greenhouse gases. Part 1: Specification with guidance, at organisation level, for quantifying and reporting emissions and removal of greenhouse gases.
- Accreditation from the Measurement and Instrumentation Laboratory of the ISO 17025 Standard (CGA-ENAC-LEC) for Tests on Receivers of terrestrial digital television.

As part of its effort to continue improving, Cellnex Spain has set the objective of reinforcing its Management System with the ISO 50001 (Energy) and SA8000 Social Responsibility certifications.

Internal and external audits are an essential component of the Management System and are therefore performed annually to check compliance with the requirements of the reference standards and to take the measures required to correct any deviations found.

In 2018, Cellnex Italia further developed its Management Systems, obtaining the following certifications issued by DNV GL:

- ISO 9001 Standard for a Quality Management System.
- SA8000 Standard for Social Responsibility.
- ISO 45001 Standard for an Occupational Health and Safety Management System.

As part of its effort to continue improving, Cellnex Italy has set the objective of reinforcing its Management System with the ISO 2019 (Energy) and SA14001 Social Responsibility certifications).

Ethics and compliance

The Cellnex Group Ethics and Compliance Committee represents the highest body in charge of complying with the Cellnex Group Code of Ethics and developing its internal regulations. This Committee is the advisory and management body, as well as the executive body, of all matters related to the Cellnex Group's Code of Ethics.

Likewise, the Ethics and Compliance Committee, as the body responsible for criminal compliance, is in charge of identifying the risks, mainly criminal, specific to the Cellnex Group and evaluating, analysing, implementing or improving and monitoring the Crime Prevention and Detection system.

The current composition of the Ethics and Compliance Committee is as follows:

- Javier Martí de Vesés (Chair). Cellnex General Secretary
- Sergi Martínez. Head of Internal Audit and Risk Control Cellnex

- Alberto López. Director of Resources and Transformation Cellnex

- José M^a Miralles. Cellnex Legal Advice Manager

In order to ensure the independence of the Ethics and Compliance Committee of the Cellnex Group, it maintains its functional and organic dependence on the Appointments and Remuneration Committee of the Board of Directors of Cellnex Telecom, S.A.

Following this approach, the Ethics and Compliance Committee regularly reports its activities and initiatives directly to both the Appointments and Remuneration Committee and the Audit Committee. It should be underlined that compliance management is currently centralised in the corporation. However, the rules provide that Ethics and Compliance Committees may be set up in each of the countries where Cellnex is present should this prove necessary.

Guiding Principles of the Cellnex Group established in the Code of Ethics.

- We embrace the ethical principles of integrity, honesty, and transparency, conducting ourselves at all times on the basis of good faith.
- We comply with all applicable legislation in the countries where the Cellnex Group operates and also with the Cellnex Group's internal regulations.
- Ethical conduct and compliance with regulations are more important than Cellnex Group results.
- Wherever there is a conflict between the applicable legislation and the internal regulations applicable to the Cellnex Group, the former shall prevail.
- We do not allow the personal situations of affected individuals to come into conflict, whether directly or indirectly, with the interests of any company in the Cellnex Group.
- We treat information with the utmost rigour.
- We use and protect the company's assets appropriately, treating people as its most important asset.
- We guarantee equal opportunities and do not discriminate against individuals.
- We guarantee that there will be no reprisals for any query on or report of breaches of the Cellnex Group's Code of Ethics and its operating rules, provided that it is made in good faith.
- We protect the environment.
- We foster political neutrality.



Main responsibilities of Cellnex's Ethics and Compliance Committee

Compliance with the Code of Ethics and development of internal regulations

The Cellnex Code of Ethics, approved in 2015 by the Board of Directors, is the fundamental rulebook of the Cellnex Group that establishes the enforceable general guidelines for all persons and stakeholders covered by it within the Cellnex Group.

The aims of the Code of Ethics are:

- To establish general guidelines for action and behaviour.
- To define an enforceable ethical reference framework that should govern the work and professional conduct of everyone it covers.
- To create reference standards of conduct for stakeholders in contact with any of the companies in the Cellnex Group (partners, suppliers, customers, shareholders, partners, etc.).

Responding to the Group's Code of Ethics, in 2018 the Ethics and Compliance Committee continued to advance on disseminating and communicating the Group's Code of Ethics through various actions with different scopes according to the geographical area concerned:

- The communications campaign has continued to inform the staff in all countries where the group operates of its Code of Ethics, including Switzerland for the first time in 2018.
- During 2018, the Ethics and Compliance Committee has carried out a training campaign related to the Ethics Code and corruption, to all group's employees, with the exception of the Netherlands, where the integration is pending. Through this campaign, training was given to 74.17% of the staff in Cellnex Spain, 29.85% of the staff in Cellnex Italy, 20% of the staff in Cellnex France and 13.04% of the staff in Cellnex Switzerland.
- Since 2017, all contracts in Cellnex Spain and Cellnex Italy include a clause in the general conditions which provides information on the Code of Ethics. In 2018 this clause was added to contracts in Switzerland, and it is also planned to be implemented in France, the Netherlands and the UK in 2019. Furthermore, the clause was extended in 2018 to require that all suppliers declare knowledge of and full compliance with the content of the Cellnex Group Code and the Corruption Prevention Rule. It is also compulsory for suppliers to inform their employees and, if applicable, their subcontractors of the Code and ensure compliance.
- The Cellnex Group Code of Ethics has created an information channel, called the Ethical Channel and managed by the

Ethics and Compliance Committee, to confidentially notify any potentially significant irregularities detected within Cellnex Group companies.

Using the Ethical Channel, all affected individuals and stakeholders can:

- Request clarification about the interpretation of the Code of Ethics, its implementing regulations, and all applicable legislation and internal rules.
- Report any breaches of the Code of Ethics, its implementing regulations, and the applicable legislation and internal rules.

Such communications and notifications can be made through:

- The Group's intranet.
- E-mail: canaletico@cellnextelecom.com).
- By post addressed to the Ethics and Compliance Committee.
- Other channels established in the internal rules.

An interactive form was created in 2017 to facilitate communications and is available to all employees. It provides an effective and confidential way to send communications and notifications directly to the Committee via e-mail without the need to print them on paper.

During 2018, two notifications were received for breaches of the Cellnex Group Ethical Code through the Group's Ethical Channel, for which the appropriate measures were taken to resolve them through the established procedures. None of the notifications received were related to the violation of human rights.

Likewise, Cellnex offers a Corruption prevention procedure, approved in 2015 by the Board, which aims to develop patterns of behaviour to continue efforts to combat corruption. This procedure also applies to all employees and stakeholders. In this regard, no cases of corruption were detected in the Cellnex group in 2018. Moreover, 100% of the Board of Directors were given anti-corruption training.

Cellnex has a Model for the Prevention of Criminal Offences (MPDD), approved in 2017, which includes the appropriate surveillance and control measures to prevent crimes or significantly minimise their risk. The model has a general and specific protocol and will be reviewed periodically.

Risk management

The Cellnex risk management model is formalised in a risk management policy approved and overseen by the Audit and Control Committee. This model is embodied in a comprehensive risk management system that allows risks to be managed in a logical and structured way while facilitating effective and efficient decision-making. The main stages in risk management include: risk identification, risk analysis, assessing and developing risk action plans and monitor an review.

Cellnex's integrated risk management model involves the Steering Committee developing and monitoring a risk map while the Audit and Control Committee oversees its development. In 2018, the Board of Directors examined the Risk Maps of the various countries. When a new company joins the group, there is a prudential period of consolidation

from which time the risks are analysed and the Code of Ethics disseminated.

It is important to note here that in 2018 Cellnex Switzerland adopted the Cellnex Group risk management model and set out a Risk Map and Action Plan using the same typology and methodology as the rest of the Group. Likewise, maintaining the objective of homogenising risk management, in 2019 the risk maps that exist in the different companies of Cellnex Italy and the Netherlands will be merged so that there is a single map of risks by geographical area.

In this regard, we should underline that the management team and the governing bodies of Cellnex are aware that creating value for the organisation is directly linked to managing risks that may jeopardise the sustainability of its strategy.

MAIN STAGES IN RISK MANAGEMENT



The main risks that may affect the achievement of the Group's objectives are:

CELLNEX RISK TYPOLOGY ⁽¹⁾

Risks related to the industry and the business in which the Group operates

- I) Risks related to the environment in which the Group operates and those derived from the specific nature of the Group's businesses
- II) Risks of increased competition
- III) Risk related to a substantial portion of the revenue of the Group is derived from a small number of customers
- IV) Risk of infrastructure sharing
- V) The expansion or development of the Group's businesses, through acquisitions or other growth opportunities, involve a series of risks and uncertainties that could adversely affect operating results or interrupt operations
- VI) Operational risks
- VII) Risks about the conservation of land entitlements where the Group's infrastructures are located
- VIII) Risks inherent to the businesses acquired and international expansion of the Group
- IX) Risk associated to significant agreements signed by the Group that can be modified by change of control clauses
- X) Risk related to the "non-control" of certain subsidiaries
- XI) Risks related to the execution of Cellnex's acquisition strategy
- XII) Regulatory and other similar risks
- XIII) Litigation
- XIV) Risk related to the shareholding of the Group

Risks related to financial information

- XV) Financial information, fraud and compliance risks
- XVI) Expected contracted revenue (backlog)

Financial risks

- XVII) Exchange rate risks
- XVIII) Interest rate risk
- XIX) Credit risk
- XX) Liquidity risks
- XXI) Inflation risk
- XXII) Risk related to the Group's indebtedness



See Annex II for detail of risks

⁽¹⁾For more information see note 5 of the attached consolidated annual accounts

Cellnex's Corporate Responsibility framework

Cellnex's key objective is to generate sustained value in the short, medium and long term, through responsible management of the business, incorporating the interests and expectations of the company's stakeholders.

Cellnex has a Corporate Responsibility (CR) policy that the Board of Directors approved in 2016 which sets out Cellnex's CR strategy and commitment to best practices in the countries in which it operates, on the basis of international

reference standards. This commitment is set forth in the company's 2016-2020 CR Master Plan, which constitutes the reference framework and the tool for systematising the strategic objectives, monitoring indicators and the actions and programmes under way for each of the axes of the Plan. Specifically, the plan consists of six areas of action:



LINES OF ACTION INCLUDED IN THE CELLNEX CSR MASTER PLAN

Corporate Social Responsibility governance

- Incorporate executive responsibility into the Corporate Social Responsibility master plan
- Put the Corporate Social Responsibility master plan into practice
- Establish a working framework for Corporate Social Responsibility



Communication & reporting

- Create awareness within the Company about the importance of Corporate Social Responsibility
- Get to know stakeholders and work closely with them
- Implement integrated reporting
- Be a reference in transparent corporate governance
- Be a reference for value creation for society

Add value to society

- Drive and stimulate responsible and local procurement
- Support the world of entrepreneurship and innovation
- Create value in the community
- Take a strategic approach to the relationship with the third sector



Ethical management and good governance

- Foster ethical behaviour
- Establish a framework for ethical behaviour
- Implement effective and sustainable corporate governance
- Promote an acknowledge compliance culture

Sustainable development of the business

- Ensure that the whole Company has the same level of environmental responsibility
- Take a stance on the analysis of the effects of EMR on health
- Increase environmental awareness among stakeholders



People development

- Implement an effective people development plan
- Assist people in the internationalisation process
- Promote quality employment

With this Master Plan, Cellnex aims to create an instrument bringing together all the company's ethical, environmental and social initiatives. Furthermore, it sets out a long-term vision, establishing commitments in accordance with internationally recognised standards that place it on the same level as the major infrastructure companies operating in Europe, specifically in the telecommunications sector. This plan also aims to improve two-way dialogue between Cellnex and all stakeholders, especially the company's staff, customers, suppliers and contractors, administrations, shareholders, the community and partners in shared projects.

In 2017, Cellnex Telecom drafted a declaration on slavery and trafficking in human beings (currently available on its corporate website), in response to the United Kingdom Modern Slavery Law, which condemns any practice of labour exploitation and pledges to prevent it both in its activity and its supply chain. This commitment is developed through the Group's Corporate Responsibility Policy, which sets basic guidelines and lines of action in this area. Likewise, Cellnex's Code of Ethics expresses its commitment to complying with human rights and expresses its total rejection of child labour and forced or compulsory labour, and undertakes to respect freedom of association and collective bargaining.

During 2018, Cellnex has elaborated its Human Rights Policy of application to the entire organisation which establishes that Cellnex is committed to protecting and respecting the Human Rights.

In the supply chain, Cellnex evaluates its most critical suppliers in terms of human rights on an annual basis. Furthermore, in 2017, Cellnex drafted a Purchasing Policy under which its suppliers undertake to protect and respect human rights and to be familiar with the Code of Ethics and circulate it among their employees and subcontractors.

In 2018 Cellnex carried out a new materiality analysis to identify and update the most relevant matters for the group, as well as adapt them to the new size of the company. This analysis enables the company to define its priority topics according to internal perceptions, the expectations and concerns of Cellnex stakeholders, and relevant issues regarding Corporate Responsibility in the sector. By performing this materiality study Cellnex can detect any changes that have taken place, both internally and in stakeholder expectations, which allows the company to focus its efforts on programmes that generate greater shared value. The "Determining the content of the report" section of this report describes the analysis methodology and priority matters based on materiality.



CSR Master Plan 2016-2020 and degree of progress.

In 2018 great efforts were made to implement the various goals and actions included in the Master Plan. The degree of implementation of these is shown below:

CSR 2016-2020 MASTER PLAN

Action Areas	No. Action lines	No. Lines under development	No. of actions	Attainment of the different actions
Ethical management and good governance	5	100 %	21	86 %
People development	6	100 %	9	78 %
Sustainable development of the business	9	100 %	17	65 %
Adding value to society	5	60 %	9	44 %
Communication and reporting	10	80 %	13	69 %
Governance of Corporate Responsibility	3	100 %	13	77 %
TOTAL	38	90 %	82	70 %

DEGREE OF PROGRESS OF THE PLAN. PERFORMANCE LINES AND GOALS STARTED



MAIN ACTIONS IMPLEMENTED IN 2018 / KEY FUTURE ACTIONS.

Main actions implemented in 2018	Key future actions
Ethical management and good governance	
<p>Increasing the proportion of Independent directors (60%) and womens (33%) on the Board of Directors.</p> <p>Separating non-executive and executive roles in the company by appointing Marco Patuano as non-executive chairman.</p>	<p>Continuing to work towards a board of directors whose composition is in accordance with the guidelines of the Code of Good Governance of Listed Companies CNMV (2015).</p> <p>Training plan on the Code of Ethics and Prevention of Corruption in all the countries that make up the group.</p>
People development	
<p>Renewing the Equality Plan applicable to the Spanish subsidiaries Retevisión and Tradia.</p> <p>Assessing psychosocial risks in Cellnex Spain through Norprevención.</p> <p>Implementing the HR Business Partner programme to bring the People department closer to the business and align its objectives and priorities with the group strategy.</p> <p>Developing the Ignition Project for interns to attract talent and increase workforce diversity.</p> <p>Developing and implementing a national plan to enhance pride in belonging to the company and creating a Group culture.</p>	<p>Continuing to make a firm commitment to equal opportunities and non-discrimination by supporting measures to facilitate the presence of women in the company.</p> <p>Continuing to measure staff satisfaction through work climate surveys.</p>
Sustainable development of the business	
<p>Implementing the Sustainable Mobility Plan in Barcelona.</p> <p>Approving and formalising the Carbon Management Plan for Cellnex Spain.</p> <p>Incorporating France and Switzerland in the Reporting of CSR, as well as incorporating France in the measuring and verifying the Group's carbon footprint.</p> <p>Making a commitment in Cellnex Netherlands to reduce energy consumption by 6% per year.</p> <p>CDP suppliers - Supply Chain</p> <p>We have carried out communications, security awareness and mobility initiatives.</p> <p>Participating in EMR analysis and research initiatives.</p>	<p>Taking steps to progressively adapt the Cellnex purchasing system to a system that is sustainable with climate change.</p> <p>Adapting the internal processes in the current Integrated Management System (9001-14001-OSHAS) to integrate the requirements of ISO-50001.</p>
Adding value to society	
<p>Drafting a Human Rights Policy</p> <p>Drafting a sponsorship handbook that responds to the company's strategic priorities</p> <p>Developing and evaluating a pilot project in consortium with third-sector entities that use IoT technology in social housing.</p>	<p>Renew the project with entities of the Third Sector in which IoT technology is applied in the field of social housing, extending the scope thereof</p>
Communication and reporting	
<p>Having the company's integrated annual report checked by an independent third party in accordance with the highest reporting standards.</p> <p>Drafting a Non-financial Reporting Manual to ensure the consistency of information that is published.</p> <p>Study of materiality update of Cellnex.</p>	<p>Promote and capillarize the internal awareness of the CR strategy and its achievements.</p>
CSR governance	
<p>Preparing an RC Integration Plan for the new companies in the group</p> <p>Drafting an Internal RC Communication Plan to raise awareness of CR within the company.</p>	<p>Defining common Corporate Responsibility requirements for all Group companies.</p> <p>Implement the SA8000 at a corporate level of the Cellnex Group. (Cellnex Italia has been certified in 2018).</p>

