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05

Sustainable management of the value chain

MAP OF CELLNEX STAKEHOLDERS



Stakeholders

People management

The Cellnex team consists of 1,437 people, distributed geographically in Spain (84%), Italy (9%), France (2%), the Netherlands (2%), the United Kingdom (1%) and Switzerland (2%). This multidisciplinary team is key to a successful business project, which enables Cellnex Telecom to be one of the main telecommunications infrastructure operators in Europe.

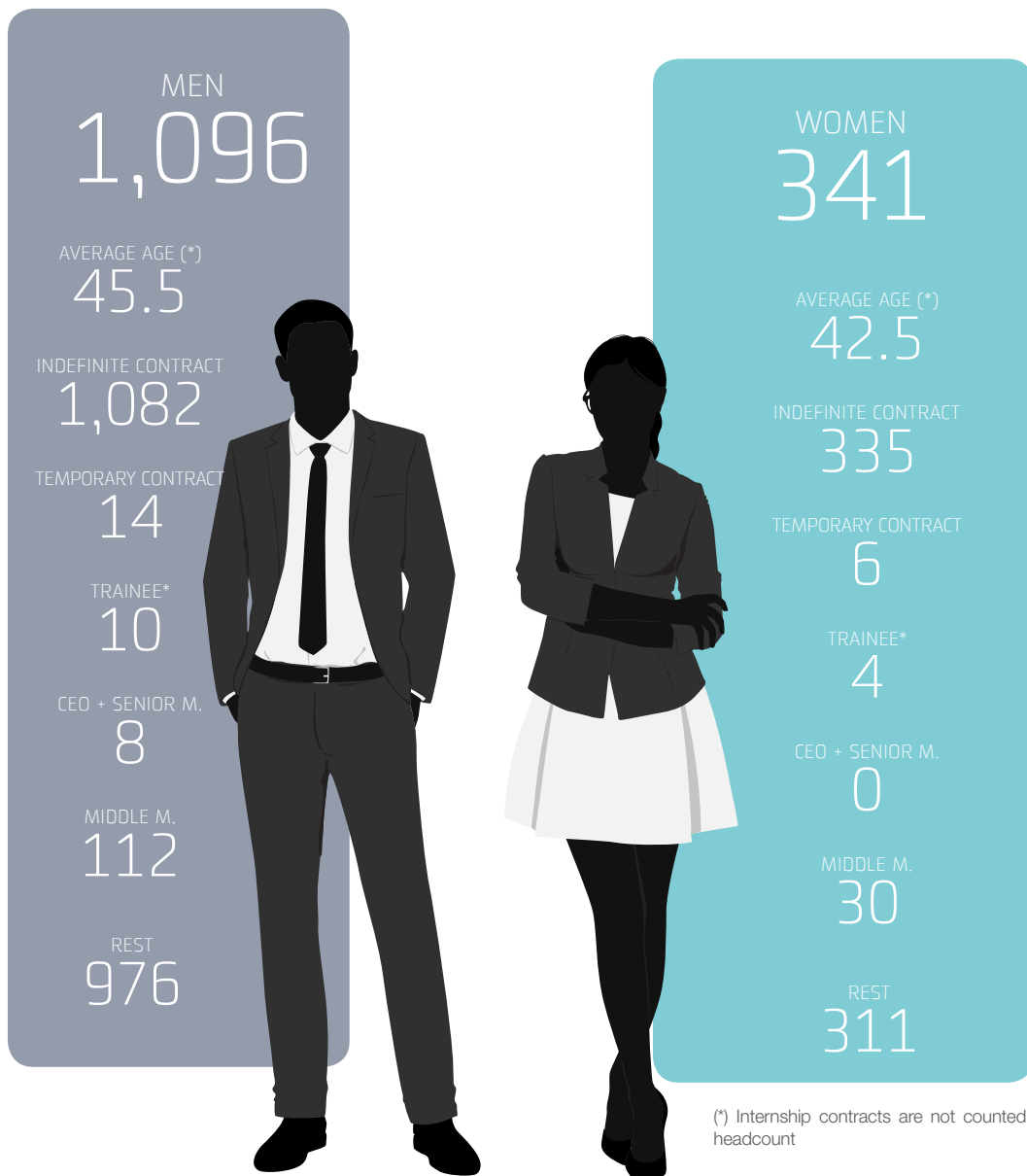
The workforce is predominantly male, reflecting the current situation of the sector.

Staff numbers of Cellnex France and Cellnex Switzerland

increased considerably as they completed their process of formalising the team.

Specifically, in Cellnex France, the workforce went from 21 to 34, a 62% increase from 2017. Furthermore, Cellnex Switzerland has experienced almost 156% growth compared to the first year.

In 2018, the staff turnover rate in Spain remained constant at 0.08%.



(*) Internship contracts are not counted in the final headcount

Equality, inclusion and diversity and integration

Significant milestones in 2018	Main challenges for 2019
Renewing the Equality Plan (Retevisión and Tradia): assessing the degree to which equal opportunities have increased at Cellnex	Developing the Equality Plan and meeting the objectives set at four years
Starting the pilot tests on teleworking	Developing and analysing the pilots in order to roll this out to all employees
	Working together with Futureway on inclusion issues to try to incorporate students at risk of social exclusion
	Developing a diversity and inclusion programme

Cellnex welcomes and respects staff diversity in the broadest sense of the term, with equal consideration for gender, race, ethnicity, origin, age, sex, religion, opinion, and any other condition or social circumstance of any employee.

In 2018 the company continued to work on renewing its Equality Plan, applicable to the Spanish subsidiaries Retevisión and Tradia, which began in 2017 with an independent external diagnosis of the extent of equality opportunities in Cellnex. The results were used to devise and launch Cellnex's Second Equality Plan in 2018, which has a duration of four years.

The general objective of this plan is to progressively increase the number of female employees in all positions and responsibilities, guaranteeing equal treatment and opportunities for women and men and preventing sexual harassment and gender discrimination, both indirect and direct.

The actions set out in the new Equality Plan focus on a range of areas that cover almost the entire company and include recruitment, training, awareness-raising and work/life balance.

Moreover, the Monitoring and Evaluation Committee will evaluate the Equality Plan annually to examine compliance

with the measures adopted in the Plan, assess whether the measures are appropriate, and to check they are in line with the objectives initially proposed.

In accordance with the Equality Plan, we have begun an analysis of fairness within the Corporation to compare whether pay conditions are equivalent for women and men in each job category. This analysis will be extended to the countries during 2019.

Furthermore, this year Cellnex Spain and Cellnex Italy worked on devising a remote working project to boost employee efficiency, work/life balance and commitment.

To ensure the project is successful, two six-month pilot tests were launched involving 40 volunteer employees in each country. According to the results and lessons learned, which should be finalised by mid-2019, the company will consider whether to extend remote working to all employees, incorporating any improvements identified.

THE SPECIFIC OBJECTIVES OF THE EQUALITY PLAN INCLUDE:



Attracting, recruiting and retaining talent

Significant milestones in 2018	Main challenges for 2019
Launching the Ignición Project, focused on attracting and detecting talent among the young talent pool (interns)	Consolidating and following up the Ignición Project, reinforcing the talent acquisition initiatives, and optimising and standardising recruitment and identification of potential in the countries
Performing on-boarding at the corporate level in Spain, and presenting it in Italy, France and Switzerland	Developing and implementing the recruiting and on-boarding modules and developing this latter in Italy, France and Switzerland
Launching a Talent Review process in Corporation and in Spain	Rolling out the Talent Review process to other countries
Starting to define the development profiles of Cellnex posts, as well as possible professional careers	Completing the project to define posts and professional careers
Defining the Succession Plan for first-line managers	Extending the Succession Plan to the rest of managers
Presenting the Rueda Project, focused on promoting internal mobility opportunities	Developing the Rueda Project, fostering mobility opportunities, creating pools of available talent to assign according to project, fostering employer branding, etc.

As it strives to become a benchmark in recruiting and retaining talent, Cellnex developed a series of initiatives throughout 2018 to publicise its image as an employer, improve the process of identifying and attracting young talent, and retaining and cultivating the talent already present in the company.

Thus, the Ignition Project got underway in 2018 to identify a talent pool of young people (interns) with a view to detecting and retaining talent in the company. Diversity and gender equality are fostered from the selection process onwards under this programme.

To this end, the project sets out a series of actions and objectives split into three areas:

- **Employer Branding:** This aims to position Cellnex as a company in which people want to work and increase the Group's presence in the university sector.
- **Recruitment:** This seeks to optimise the selection process and incorporation of young talent to be trained through their development in the company.
- **Identifying potential:** The aim is to standardise young talent to identify the best and create a pool of candidates to cover future vacancies in the company

Also in 2018, we implemented the on-boarding programme, which aims to streamline the adaptation and integration process of new people who join the organisation.

To evaluate talent within the company, we launched a Talent Review process in Spain and throughout the Corporation through which to position employees in quadrants according to their performance and potential (through a matrix known as 9-Box). In this way, HIPOs (High Potential) and HIPERs (High Performance) are identified and actions set in train to exploit this potential.

The forthcoming challenges of the Talent Review include developing a Risk Map to analyse the risk of talent flight, and extending the programme to the countries to standardise the processes of detecting and assuring talent throughout the company.

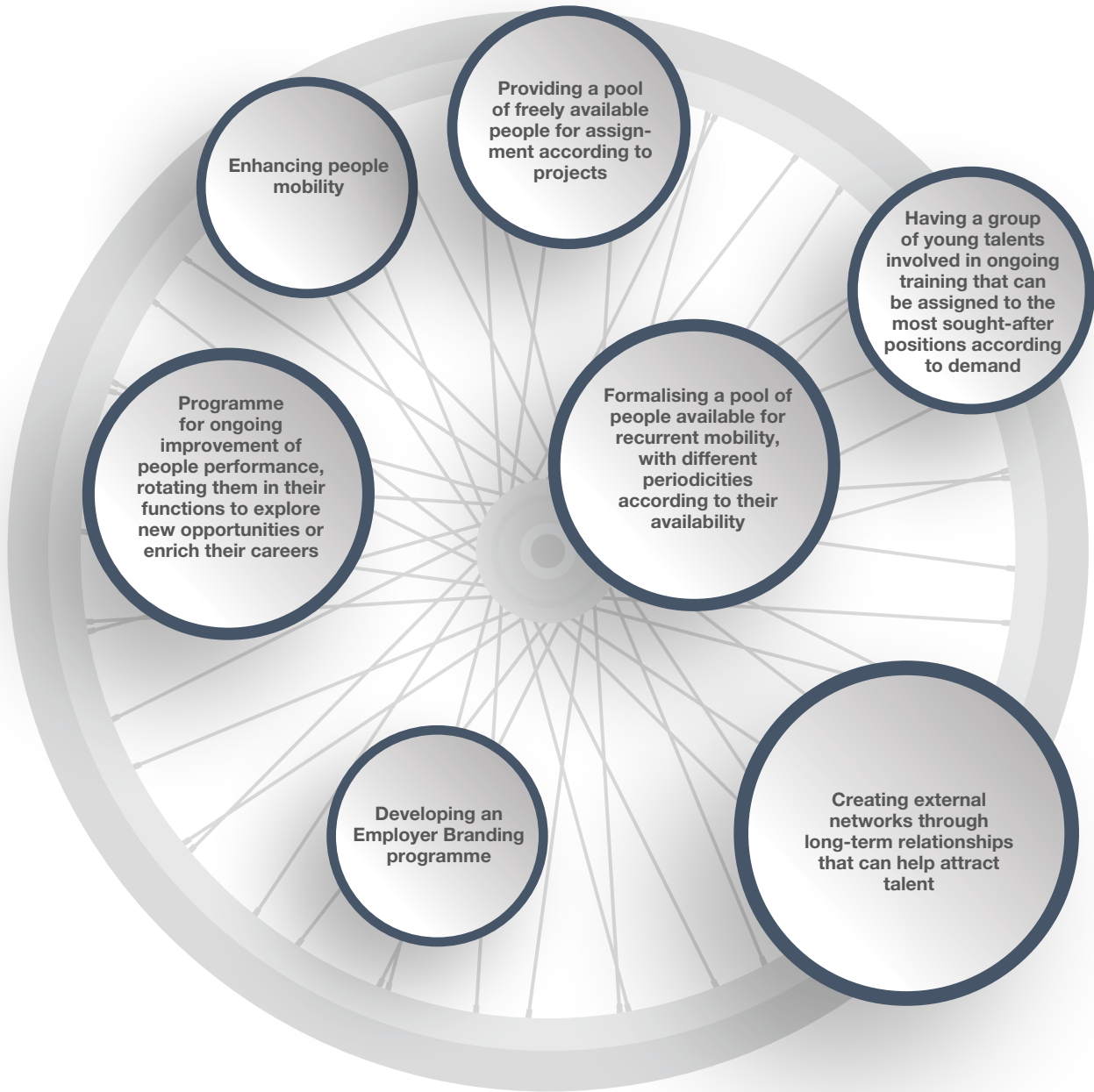
Furthermore, we have defined Succession Plans for the first level of Management, and in 2019 we will seek to extend this to all other levels of management.

Also, Cellnex undertook a Job Assessment Study this year to characterise the different levels of positions within the company plus the skills required to perform each position. As this assessment was underway, we performed a payment diagnosis comparing the current situation of Cellnex positions with the market. The aim was to find out where the company stood and develop new salary structures that to attract and retain talent.

The Rueda Project was presented at the end of 2018 and aims to foster and strengthen various aspects of the human resources area by working on a series of levers:



RUEDA PROJECT



2019 will focus on developing each of these initiatives, while exploring new possibilities based on their results.

Training 2018

Significant milestones in 2018	Main challenges for 2019
Development Dialogues launched in the Corporation, Spain and Italy	Extending the Development Dialogues to the remaining countries
Defining the Corporate Master's degree: scope of contents and selection criteria	Determining who will attend the Master's degree in each country and who will teach
Defining the new business profiles in Spain and starting in the countries	Analysing current business profiles and delivering training in countries and business lines

As part of its mission to become a benchmark for talent management, Cellnex has performed various training actions aimed at promoting the professional development of its employees.

Thus, last year we revisited the process for the Development Dialogues (a space for dialogue between co-workers and their managers in relation to individual development of these workers), launched at Corporation and Spain level in 2017, and incorporating Italy during 2018; Likewise, open training sessions were held for employees and new managers [89]. As a continuation of this, we will seek this year to extend the process to France, the Netherlands, Switzerland and the United Kingdom.

As a new initiative that aims to provide ongoing training, we began to define a Corporate Master's degree for employees at the end of 2018, defining its scope and establishing the criteria for selecting candidates. We expect to firm up all the details in 2019 and to begin teaching the contents to selected staff.

The corporate Master's degree will be taught by the EADA Business School. The programme is adapted to Cellnex's needs, starting with the Master's degree offered by the school in open format. The participants will be drawn from the various countries in which Cellnex is present and will last for a year and a half following the attached diagram:



The programme will apply the Learning By doing teaching method, an active learning model by the participant: learning by doing, rather than learning by listening.

In addition, and as a result of redesigning the Commercial Model motivated by the Trinity project, a series of roles were established that are associated with the consultative sales process and account management (i.e. KAM, Product Champion, etc.), which in turn led to defining the profiles associated with each of them. The next steps involve an evaluation of the existing profiles in the countries, in comparison with the skills defined for the roles, to identify gaps and be able to carry out the necessary training actions to enhance the required skills.

Cellnex Spain continues to apply its leadership training that began in 2016 through two types of actions: training for new managers and coaching sessions for managers of various levels to boost their people management skills and increase their alignment with the leadership model. In 2018, this programme continued and was extended to new managers.

We also continued to impart technical training sessions associated with the core knowledge of the Department of each partner as well as cross-cutting training such as project management, languages, office automation, skills and Occupational Risk Prevention. Training is face-to-face, online and blended and provided by external experts and/or internal trainers.

Likewise, we continued the specific pathways aimed at project managers, internal trainers and managers, which were already underway as part of the employee training plan.

In 2018 the staff of Cellnex Spain and Italy received more than 53,315.60 hours of training, of which 5,843 were based on safety training in the workplace.

HOURS OF TRAINING

Region	2016	2017	2018
Corporation	-	-	5,722.03
Spain	43,501	40,452	39,721.57
Italy	2,852	4,372	6,682.00
France	-	-	1,190.00
Total	46,353	44,824	53,315.60

See Annex V for details.



Remuneration and compensation

Significant milestones in 2018	Main challenges for 2019
Drawing up a remuneration study, internally and as a market comparison, to establish a remuneration policy and wage brackets in line with the telecommunications market	Completing the remuneration policy and defining wage brackets, and roll-out to the rest of the Cellnex countries
Developing an Employee Portal, unifying all elements of employee remuneration, total compensation and social benefits	Adjusting and implementing the Employee Benefits Portal in Spain, and subsequent creation of a global portal for all employees in the rest of the countries

In pursuit of its aim to maximise talent retention, Cellnex has developed various lines of action including an analysis of remuneration and compensation elements to optimise their competitiveness within the telecommunications market.

In this connection, we defined positions and associated profiles for all posts in the company in 2018, in parallel to which we began a remuneration study of each of these, comparing them to each other and creating a benchmark with the market. The goal of this exercise is to establish a series of competitive wage brackets for each of the professional scales and define a standardised remuneration policy to further attract and retain talent.

In parallel, we have created an Employee Benefits Portal to bring together in the same place all the elements of remuneration, compensation and social benefits that Cellnex offers its employees to make it easier to access and freely manage this information. This exercise will continue throughout 2019, until this Portal is implemented and rolled-out to all employees of the various Cellnex countries.

The professionals belonging to the Group currently enjoy a range of economic and social benefits that includes life and accident insurance, pension plans and health insurance.

Likewise, all employees of Cellnex Telecom generally have flexible hours, so they can choose when to start their working day, within a margin of hours, provided they work the number of hours established by agreement and contract by the end of the day. Likewise, all Group employees can take the holidays established by the agreement throughout the year by agreeing these in advance with the head of the department. All employees who have requested a reduction in working hours are granted this right.

Management by objectives

In Cellnex Telecom Management by Objectives (MBO) is considered as an incentive to stimulate the contribution and additional creation of value in a systematic way at all levels, ensuring a global alignment of efforts to achieve the group results expected in the market.

This array of objectives rolls out the group's priority strategy in each country and consistently combines crossed objectives among different areas that cover the main projects of the current year to support the business strategy. In 2018 we adapted the variable remuneration system for commercial profiles throughout the organisation to encourage customer acquisition, development and management and coherence with the new Commercial Model.

One goal is to express an objective to be attained during the current year. This objective can be established by the line manager, or can be a functional objective assigned and evaluated by a cross-cutting area (resources, finances, etc.) as detailed in the Cellnex Telecom Relational Model

Each employee has different types of objective within the same period:

- Country Objectives
- Management Objectives
- Individual objectives



Occupational health and safety

Cellnex looks after well-being on its premises, striving to implement the best health and safety measures and ensuring compliance with the relevant rules in all its premises

According to the company's Occupational Risk Prevention Policy, which lays down the guidelines for action in this area, it is incumbent upon Management to integrate and implement Occupational Risk Prevention throughout the organisation. This policy is implemented and developed through the Health and Safety Management System based on process management and continuous improvement to ensure effectiveness and efficiency. Cellnex Spain and all the companies that comprise it have the OHSAS 18001:2007 standard from the certification entity TÜV Rheinland. In 2018, following an intense reorganisation and standardisation process, Cellnex Italy, including Galata, TowerCo and CommsCon, obtained the ISO 45001 certification in Occupational Health and Safety from the certification entity DNV GL, a new international standard that replaces the OHSAS 18001:2007 standard.



OCCUPATIONAL HEALTH

91.3%

of the workforce is covered by a Health and Safety Committee

In addition, Cellnex has Business Coordination Activities agreements with its customers through which the company defines the audit processes to be made on its customers. These audit processes seek to comply with current regulations concerning occupational hazards; RD171/2004 (the Royal Decree implementing Article 24 of Law 31/1995 of 8 November 1995 on Occupational Risk Prevention, on coordination of business activities) and LPRL 31/1995 (Law on Occupational Risk Prevention).

The company also has its own operational support system (OSS) to perform exhaustive access checks at its centres, which guarantees strict compliance with the Occupational Risk Prevention Policy and with access operations involving customers and contractors.

Cellnex Spain has a **Multi-Plant Health and Safety Committee** which handles prevention issues affecting the company as a whole, comprising 14 members with parity between trade union and Company representatives. It also has two Health and Safety Committees, for the Barcelona and Madrid sites, which handle issues specific to the corporate buildings. In the last year, the Multi-Plant Health and Safety Committee met four times, in keeping with the legal requirement. Furthermore, there is an e-mail and a corporate Intranet application to allow any Cellnex worker to blow the whistle on any situations in which worker safety could be compromised.

Cellnex Spain complies with its prevention obligations under Royal Decree 39/1997 through a Joint Prevention Service, whereas the rest of the company has an External Prevention Service that expert suppliers provide.

Cellnex Italy has eight agreements that cover aspects related to health and safety at work.

In Spain, 91.3% of the workforce is covered by a Health and Safety Committee.

In order to ensure a safe working environment in which all company staff know the health and safety measures in the workplace, the company provides information and training in occupational health and safety for the whole workforce.

We carry out numerous communication campaigns to raise employee awareness about the importance of safety in the workplace. In addition, informative documents are available for employees on working at height and using personal protective equipment (PPE), and informative talks are held to address any queries that arise on the job.

Cellnex has an innovative application for preventing occupational risks - Cosmos Mobile, which gives real-time information on technicians' locations and site status, allowing us to enhance employee safety as well as to maximise on the efficiency and quality of operations. In 2018 we incorporated new modules that provide information on the hazards linked to the various centres and positions, giving workers information about the characteristics of the job to be performed at all times.

In addition, and pursuant to Law 31/1995 on the Prevention of Occupational Risks, this year we performed an assessment of the psychosocial risks to which Cellnex staff are exposed in Spain, with the collaboration of the company Norprevención-Ibersys. After the initial consultation phase via questionnaire (62% response rate) and a quantitative and qualitative analysis of the results, a diagnosis was generated of the current situation of the various risk factors. To comply with this legal obligation, and also as an opportunity for the company to improve, work will be ongoing throughout 2019 to develop the Action Plan to apply the necessary preventive and corrective measures involving multidisciplinary work committees to help plan, prioritise and take part in these.



Mobility Plan

In 2018, the Cellnex Spain Mobility Plan was approved and implemented. Its primary objectives are to reduce accidents in itinere, raise awareness on preventing traffic accidents and improve the mobility of workers, partners, providers and customers. The expected outcomes are better health, energy savings, fewer emissions, and higher productivity and competitiveness.

Actions taken in 2018	Actions to be taken in 2019
Road Safety Training	4x4 Training and Road Safety
In itinere accident awareness campaigns	Online training
14 Compressed Natural Gas vehicles	Road Safety awareness campaigns

Health and Safety Training

In 2018, 5,937 hours of training were imparted at Cellnex in occupational risk prevention and occupational safety.

Training provided in 2018
Compulsory occupational risk prevention training
Firefighting
Cargo handling
Maintenance operations on carrier wave coupling devices
Self-protection plan
First aid
Preventive resources
Electrical risk
Work at height
Work in telecommunications facilities

OCCUPATIONAL HEALTH

5,937

hours of training in occupational risk prevention and occupational safety



Accident rate

Cellnex continually monitors safety at work and strives to minimise risks and reduce incidents and accidents among employees and anyone else on its facilities.

	Spain		Italy	
	Men	Women	Men	Women
Accident frequency rate (AFR)	4.49	0	4.57	0
Accident severity rate	0.096	0	0.17	0
Incidence of occupational diseases	0	0	0	0

	Spain		Italy	
	Men	Women	Men	Women
Falls on the same level	2	0	0	0
Falls on different level	2	0	0	0
Hit against object	1	0	0	0
Overexertion/ bad posture	3	0	0	0
Traffic accident / itinere	1	0	1	0
Total	9	0	1	0

*The rest of Cellnex regions had no working accidents

Healthy company

This year, Cellnex Spain continued working on its **healthy business model**. This model establishes the requirements of a management system for organisations committed to existing international principles and recommendations on healthy businesses that wish to promote and continuously protect the health, safety and welfare of their workers.

Also in 2018, Cellnex Spain worked towards adhering to the Luxembourg Declaration, which it expects to achieve in 2019. This declaration is a consensus document drawn up by the European Network for Workplace Health Promotion (ENWHP) that sets down the basic principles of action and the framework for good management of workers' health. Participant companies undertake to put the principles of health and safety into practice in business strategies and to promote and disseminate them.

We continued making progress in this area in 2018 through various initiatives, including:

- Regular health promotion campaigns:
 - Blood pressure tests, flu prevention and encouraging blood donation.
 - Campaign to prevent glaucoma: the mobile unit of Tres Torres Ophthalmological Institute gave a full eye test to employees at the Parc Logístic Barcelona offices at their request and at the Ophthalmological Institute for staff from Madrid.
- Integrating health surveillance (epidemiology) to design specific campaigns on good posture, nutrition, stress management, cancer prevention, etc.
- Celebrating the World Day for Safety and Health at Work by providing fresh fruit at the vending machines in the Barcelona Parc Logístic to promote healthy eating.
- Corporate medical and physiotherapy service.
- Promoting sports among group partners who work in the central offices.



Shareholders

Cellnex works continuously to maintain investor confidence and to meet investor expectations. To this end, since 2015 the Group has had an **Investor Relations Department**, dedicated exclusively to channelling and making available all financial information to shareholders and analysts, as a key tool for publicising the real value and the potential of the company, plus its growth opportunities. The person in charge of this new department is Juan José Gaitán, who in 2017 was recognised by Extel 2017 in the leading European survey among the investment community, and in 2018 ranked second in the category Best IR Professional Telecommunication Services by renowned Institutional Investor Magazine.

In 2018, the **Investor Relations Department**, has contacted more than 325 shareholders and held meetings in 14 different countries. In 2018, 32 brokers actively hedged the shares, issuing investment recommendations on Cellnex.



GRI: 102-17, GRI 102-43a/44a

Customers

Cellnex Telecom applies a customer relations model based on proximity, transparency and the search for constant improvement.

One of the key factors of the business model is continuous customer support throughout the process of providing the service, from commercial to incident management, reporting and possible consultations and complaints during provision, operation and maintenance. That is why the customer's main contact person is the commercial manager, who involves the specialist areas required according to the service phase and characteristics, to provide a suitable response to the customer's needs at all times.

To guarantee a personal and stable customer relationship, we strive to focus our commercial force on market segments by enhancing the role of the account manager who looks after the specialist end-to-end relationship with customers by providing a comprehensive and personalised service geared towards their overall satisfaction.

In 2018, Cellnex Spain, has handled 15 user complaints related to the DTT service. Likewise, in Italy there have been 2 customer complaints received through the suggestion box. All the complaints have been treated according to the Complaint Management Procedure of the external client and the Cellnex Telecom Company. In addition, 3,780 communications related to the DTT service (inquiries, incidents or complaints) have been attended to in the Contact Center.

As part of the effective management of significant events and incidents, there are various business continuity guidelines and plans designed to ensure that critical services can continue to be provided in the event of failure in any system, either by protecting these or by redundancy.

In Spain in 2018, the Control Centres were made into a single Network Operation Centre (NOC) with unified management, which allows us to provide a global vision for customers and to take a specialist technological approach to boost efficiency in detecting and solving incidents and problems across several geographical regions. This model ensures the possibilities of physical redundancy between sites that allows us to deal with contingency situations. As a result, we can guarantee service continuity as well as monitoring and operations, even in extraordinary situations.

The NOC operates and supervises the network 24/7 through two levels of customer service: the first level provides a broad overview to improve the service given to and perceived by customers, while the second level is split into technologies with operators who are highly skilled at each, to ensure efficiency in proactively detecting and solving incidents and problems. The equipment supporting the delivery of core

services is controlled remotely from the NOC and, if necessary, can force the manoeuvres necessary for the correct provision of the service. In addition, technical units are available in all provinces of Spain so that a qualified technician can be sent to the site of the fault, when necessary, to provide a solution within the time stated in the service level agreements. Since the company provides its services and operates its network 24/7 in all locations, there is no downtime on any sites.

With the provision of new network services such as Smart Cities and IoT services, Cellnex is seeing a change in the type of its customers. Specifically, the new services entail managing a greater number of customers and players from different sectors that are also geographically disparate. This new scenario involves a change in the customer management model, which requires the implementation of new communication channels in addition to the account manager, web or email. In this new scenario it is particularly important for Cellnex to be present in forums, conferences and events in which Cellnex plays an active role.

Likewise, Cellnex has established a number of communication channels with customers, such as those contained in the service-level agreement (SLA) reports, or the studies of perceived customer satisfaction, the outcome of which feeds into action and improvement plans.

These studies were established with the following specific objectives:

- To have a complete picture of customers' overall perception of the company.
- To learn about the level of customer satisfaction, breaking down and parametrising overall levels of satisfaction into the various values and attributes in the study.
- To produce a map of customer indicators with the services provided by the company for each activity and segmented by business area and type of customer.
- To determine company recommendation and loyalty rates relating to each service, activity, business area and customer type.
- To determine the critical points and strengths and establish an action plan based on the external customer satisfaction study.



Customer satisfaction survey

The customer satisfaction survey in Cellnex Spain is carried out on a biennial basis. The last survey was conducted in 2017 and yielded very positive results, with 92% of Cellnex Telecom customers either satisfied or very satisfied with the company's service. Cellnex utilised the results of the 2017 survey of its most important customers to pinpoint specific initiatives for each in 2018, and devised and implemented individual Action Plans to strengthen the company's relationship with them. This plan is supported by a monitoring and evaluation process geared towards continuous improvements.

Furthermore, Cellnex Italy incorporated the annual customer satisfaction survey as a standard practice. The survey asks customers about their relationship with the company, the sales process, Cellnex project management, its after-sale service, administrative service, general satisfaction, and general satisfaction with other competitors on the market. In 2018, Cellnex Italy obtained 83% customer satisfaction.

Cellnex Netherlands also conducts an annual customer satisfaction survey. The results of this 2018 were broadly satisfactory, with an average score of 8.0, meaning a slight improvement compared to the results of 2017 (7.93).



Zero Outage

The Deutsche Telekom Group renewed Cellnex Telecom's 'Zero Outage Supplier' certification for the second year running through Rainer Anton Offermann, Vice-President of International Network Functions in the Deutsche Telekom Technik GmbH unit. This certification is part of the German company's worldwide programme to select and certify key connectivity service providers in each country with the aim of working jointly as partners in improving the service given to the end customer.

The programme sets the German Group's quality standards for its customers based on the operational excellence, security and stability of the systems, monitoring of critical components and reduction / resolution of incidents with availability 24/7 by its key suppliers.

Cellnex has been working for Deutsche Telekom in Spain since 2015, providing connectivity services to T-Systems. This company of the German Group has been responsible for performing the type-approval and certification process on Cellnex based on the criteria and quality levels set by Deutsche Telekom.



Suppliers

Cellnex has a supplier management model based on cooperation and joint improvement. This model aims to implement more efficient procurement procedures and find technological solutions to bring about improvements, both in internal management and in providing services to customers. It should be underlined that the model is governed by the use of best practices in procurement processes.

For Cellnex it is essential that suppliers should be familiar with our corporate policies and ensure compliance with all of them. They can access our policies on purchasing, quality, the environment, occupational risk prevention, information security, corporate responsibility and R&D + innovation as well as our Code of Ethics on the Cellnex corporate website. Suppliers must comply with these requirements in the course of their work, and must also make available these rules and requirements to all contracted and subcontracted personnel.

In 2017, Cellnex drafted a Procurement Policy, which establishes and promotes a guide for action in the procurement process that goes beyond product and service price and quality to also impact social, ethical, environmental, privacy and continuous improvement aspects in the performance of Cellnex Group suppliers.

Cellnex suppliers perform important maintenance tasks and techniques, and help the company to perform its work with quality and professional rigour. Cellnex strives to generate local value by contracting 92.04% of local suppliers in Spain, 97.69% in Italy, 91.35% in France and 94.00% in Switzerland. Wherever possible, priority is given to purchasing goods and services from local suppliers, meaning from within the same country.

In terms of Occupational Risk Prevention, Cellnex Telecom establishes coordination requirements between the company and its providers of works and services, in order to comply with the obligations established in the Law on Prevention of Occupational Risks and other regulations that complement it. It has specific guidelines for suppliers that access the company's facilities, mainly those involved in supply and maintenance projects, and customer colocation services. Likewise, Cellnex informs suppliers of the environmental requirements for works, with which it must comply to avoid generating negative environmental impacts while performing their work. If these do occur, the necessary corrective measures must be implemented to address them.

LOCAL SUPPLIERS

92%
in Spain

98%
in Italy

91%
in France

94%
in Switzerland

In 2018, Cellnex was part of a working group comprising the main telecommunications companies on the **TELCO Training Project** to provide a common training framework for the sector. The project sets the Occupational Risk Prevention training standards that all professionals in the sector must meet. It includes a list of approved training programmes and the deadlines to update theory and practical training actions, to ensure that all sector professionals have the necessary skills to perform their work. By setting out this agreement, the sector aims to systematise the training requirements required of its suppliers, improve safety in the workplace and service quality, and increase confidence and transparency.



Evaluation, selection and monitoring of suppliers

Cellnex's companies apply a procedure for evaluating and selecting suppliers to ensure they are aligned and comply with the corporate policies and ethos.

Cellnex has a system for evaluating, selecting and monitoring suppliers that includes an internal procedure detailing the criteria and phases to be followed to become a Cellnex supplier.

- Initially, suppliers' performance is evaluated using quality and time criteria to obtain a grading by levels according to the result obtained. For suppliers with unsatisfactory results, while there is a desire to continue the business relationship, an action plan is established to correct and adjust their service level to that required by Cellnex. If a supplier does not improve its results and is unable to make the appropriate improvements, commercial relations may be terminated. This evaluation phase covers all countries that have the SAP system for purchases, such as the corporation and Cellnex Spain and Italy, and France and Switzerland as of this year.
- In a second phase, Cellnex Spain, Italy and UK evaluate the performance of suppliers in terms of Corporate Social Responsibility including issues on ethics, the environment and labour relations. The aim of this evaluation is to ensure that the company ethos is upheld across the value chain. In 2018, Cellnex Spain has evaluated 318 suppliers in terms of labor relations and the environment, and found 5 incidents related to labour relations, all of which were minor incidents. Similarly, Cellnex Italy has evaluated 220 suppliers in terms of labor relations, without identifying any incidence. In 2019, it is planned to implement this second phase in Cellnex France.

As part of the company's dissemination and communication of its Code of Ethics, a specific informative clause about this Code is included in the general conditions for orders in Cellnex Spain, Italy, France and Switzerland.

For the first time, and as a commitment to climate change, Cellnex participated in the CDP Supply Chain in which the company's suppliers report data on their emissions and environmental behaviour to control and evaluate their efforts to combat climate change.

Public administration and regulatory bodies

Cellnex Telecom maintains a close relationship with the various public administrations in Spain and throughout Europe.

As an Operator with significant market power (SMP) for the broadcast carrier service of the television signal in Spain, Cellnex is regulated by the National Commission for Markets and Competition (CNMC) in the wholesale access service to its broadcast centres.

Finally, Cellnex's level of internationalisation and the sector's significant level of globalisation means that the European level of administration and regulation is even more relevant. The European Commission and European Parliament, along with the key players in the telecommunications sector, are involved in defining the regulatory framework and creating policies at European level. In this area, Cellnex plays an active role in defending sector positions.



Cellnex's participation in relevant initiatives

Cellnex action and participation in relevant industry associations

In 2018, Cellnex continued to participate in initiatives related to sector activity. Cellnex belongs to the following associations:

Associations

- European Broadcasting Union (UER/EBU)
- Digital Video Broadcasting (DVB)
- TCCA (formerly Tetra MOU association)
- DIGITAL
- National Federation of Telecommunications Installers (FENITEL)
- Spanish Association of Interactive Television Companies (AEDETI)
- Broadcast Network Europe (BNE)
- The European Wireless Infrastructure Association (EWIA)
- European Internet Foundation
- HbbTV Association
- Association of businessmen and executives of Aragon (ADEA)
- Spanish Association for Quality (AEC)
- Spanish Association for Investor Relations (AERI)
- Association for Management Progress (APD)
- Italian Chamber of Commerce and Industry for Spain (CCIS)
- Business Confederation of security and services users (CEUSS)
- European Telecommunications Standard Institute (ETSI)
- European Innovation Partnership on Smart Cities and Communities (EIP-SCC)
- SmartCat Challenge
- IoT Catalan Alliance
- Audiovisual Cluster of Catalonia
- RTVE Chair
- Global Compact
- ENERTIC
- Chamber of Commerce of Barcelona
- Association of infrastructure, equipment and public services companies (CCIES)
- BARCELONA GLOBAL
- Institute of Internal Auditors
- Spanish Broadcasters' Association
- GSMA
- AIOTI (European Grouping of the IoT)
- Institute of Compliance Officers (IOC)
- Foro Conecta Digital
- Chamber of Commerce Spain

Cellnex is a founding partner and active member of:

- Broadcast Networks Europe (BNE): A Europe-wide association of broadcasters and operators, with the objective of developing the broadcasting technology ecosystem.
- EWIA (European Wireless Infrastructure Association): This Association aims to support its members in the development and emergence in Europe of independent telecommunications infrastructure operators and represent the industry's interests in matters of public policy within the European

Forums

- Digital TV Forum
- International Telecommunications Union (ITU)
- Circle of Technologies Foundation for Defence and Security
- European Conference of Postal and telecommunications Administrations - The Electronic Communications Committee (CEPT-ECC)
- Mobile Infrastructure Panel
- Official Professional Association of Telecommunications Engineers (COIT)
- TowerXchange
- Digi-CONNECT
- Digital Radio Forum
- Hybrid Radio Forum
- CTN178

Foundations

- EURECAT
- i2CAT
- SERES, foundation

Technological Platforms

- Networked & Electronic Media" (NEM)
- e-nem (Spanish audiovisual network technologies platform)
- E-isi (Spanish Satellite Communications Platform)
- e-mov (Spanish Wireless Communications Platform)
- Es. Internet (Spanish industry technological platform)

Universities and Training Centres

- School for New Interactive Technologies - University of Barcelona
- ESADE
- Barcelona Graduate School of Economics
- IESE



Likewise, Cellnex has taken part in the following key international events:

TowerXchange Meetup 2018

For the third year running, Cellnex took part in the TowerXchange Meetup 2018, one of the most important international meetings in the telecommunications infrastructure sector. TowerXchange is a think tank that offers conferences, panel debates and talks. The last Meetup brought together more than 250 industry leaders. Each year, as part of its commitment to promoting young talent, TowerXchange awards prizes to 25 young executives considered the most promising Rising Stars in the telecommunications infrastructure sector. In this edition four young people from Cellnex Telecom have been chosen from among the most outstanding: Matteo Felli (Italy), Tobias Schwender (Spain), Mohamed Ba (France) and Maarten Kippers (Netherlands).

Smart Cities for Smart Citizens Congress

Cellnex took part in the Smart Cities for Smart Citizens Congress promoted by Valencia Marina, where Francisco Javier Marcos, Head of Innovation, gave a talk entitled 'Towards 5G. Considerations about the future advantages of 5G for people, the possible impact on cities, and the need to rationalise roll-out and share infrastructure, where Cellnex can make significant contributions.'

Professional Audiovisual Technology Fair

This year Cellnex took part once again in the Professional Audiovisual Technology Fair (Bit Broadcast). The event showcased cutting edge audiovisual innovations in 5G; DAS and broadcast solutions; solutions aimed at enhancing viewer interactivity, such as Start Over, which uses an HbbTV application to take the viewer to the start of a streamed broadcast, UHD 4K broadcasts, and new developments in Hybrid DTT and OTT (over-the-top). These developments will allow viewers to play an active role with audiovisual content and give broadcasters a greater insight into the results of their programming.

Innovation Summit

Cellnex attended the Innovation Summit organised by the Advanced Leadership Foundation, with presentations by Jesus Verde (Chair of ALF), Jose Luis Bonet (President of the Chamber of Commerce) and Barack Obama (former President of the US), among others.

Mobile World Congress MWC-2018

Cellnex Telecom took part once again in this year's Mobile World Congress, the global meeting place for the mobile communication sector, at which the operator has participated in every one of the 12 yearly editions.

On this occasion, the company showcased its solution for responding to the high demand for mobile connectivity in high footfall areas (shopping centres, stadiums, metro lines, city centres, etc.), paving the way for the roll-out of 5G in Europe.

Ultra HD Forum Italy

Cellnex Telecom took part in the Ultra HD Forum in Italy (Milan), along with top experts from the audiovisual sector. Sergi Alsina, (Product Strategy) presented the LOVEStv project, as well as the role of Cellnex as a technological partner in services for private and public broadcasters. He noted that the aim of this is to add to the DTT experience and increase competitiveness in the new online television market.

Significant awards and recognition of Cellnex in 2018

- The LOVEStv platform won the Judge's Grand Prix at the prestigious HbbTV Awards, organised by HbbTV Association and Deutsche TV-Plattform and held in Berlin. The platform was chosen as the best proposal from among the forty-five top-level European projects from various players and operators of the audiovisual sector.
- Tu Economía 2018 award for Best Ibex 35 Value from newspaper La Razón for making 2017 an "excellent year" by constantly investing in innovation and infrastructure that have allowed the company to remain "a sector benchmark".
- Honorary mention of the Barcelona Chamber of Commerce (Premi Llotja) for the quality and transparency of information in the markets by Cellnex
- Honorary mention for Cellnex's work with law enforcement bodies, for which we were awarded the White Cross of the Civil Guard, the highest distinction that the Civil Guard grants to civilians, for our public-private partnership on security matters which has great institutional recognition.
- Cellnex excelled in the 'Most Honoured Companies' category and in the 'Small & Midcap' subcategory of the All-Europe Executive Team 2018 Awards, which the investment community gives in recognition of corporate leadership and best practices in investor relations.
- Mention in the 'Ibex 35 Listed' category for the greatest improvement since the previous edition of the 17th AECA Award for Business Transparency 2018, given at the AECA 2018 Awards Ceremony, which acknowledges the quality, accessibility, usability, content and presence of general, financial and sustainability and good corporate governance information on Spanish corporate websites.
- Award for International Growth from financial newspaper El Economista at the 'Noche de la Economía' awards, recognising Cellnex as the main European telecommunications operator.
- Recognition of the Cellnex reporting model as a success story at a meeting with executives from various companies (including CaixaBank, Volkswagen-Audi Group, ESADE, IESE, and Desigual), organised by Oracle Spain and tactic Key consulting.
- The GrowSmarter project, which Cellnex is part of, was a finalist in the 'Governance' category of the World Smart City Awards 2018 thanks to the viability, innovation and impact that the project has or will have on the future of our cities.
- Cellnex Italy was recognised as a success story in Gdoweek magazine having "connected" Europe's biggest shopping mall, located in Milan (Centro di Arese), through a DAS project.



Cellnex's participation in Sustainability Indices

Carbon Disclosure Project (CDP)

Once again Cellnex took part in the Carbon Disclosure Project (CDP), one of the most highly recognised organisations for its work on climate change, which seeks to assess the quality of – and systems for reporting – the information provided by private companies or by the public sector in the sustainability and environment area. In this sense, Cellnex was rated a letter B, maintaining the same score as in previous years.

Furthermore, this year Cellnex joined the CDP Supply Chain programme, which aims to better understand how suppliers are addressing climate change and working to reduce their greenhouse gas emissions. The response rate of the suppliers who were invited to answer the questionnaire in this first CDP Supply Chain campaign was 35%.

United Nations Global Compact

In November 2015 Cellnex Telecom joined the United Nations Global Compact as an expression of its commitment to including the corporate social responsibility concept into its operational strategy and organisational culture. United Nations Global Compact is an international voluntary initiative that includes more than 8,000 companies and institutions across 135 countries. Under this agreement, Cellnex Telecom undertakes to promote and spread corporate sustainability policies and practices based on the 10 key principles promoted by the United Nations, focusing on the areas of human rights, labour standards, environment and combating corruption in business activities. Cellnex's commitment to the United Nations Global Compact is part of its Corporate Responsibility (CR) programme.

FTSE4Good

Cellnex was added to the FTSE4Good sustainability index, which recognises the good practices of listed companies in the environmental, social and corporate governance fields. This year, the company obtained a score of 4.5 out of 5 in corporate governance practices and 3.8 out of 5 in social factors, two of the three main areas of analysis that led the company to be included in that international index. In environmental practices it scored 3.3.

Standard Ethics

Cellnex has taken part in the Standard Ethics sustainability index since 2017, obtaining this year an "EE-", the same rate as last year, which is equivalent to an adequate level for good compliance in governance, sustainability and social responsibility.

Sustainalytics

For the second year running, Cellnex was evaluated by Sustainalytics, an environmental, social and corporate governance (ESG) research and rating company for investors worldwide. This year its average score was 67 points, up from 64 in 2017 and taking the company to 29th position (out of 105) from 38th the previous year. Cellnex scores average for the sector on social and environmental matters but holds a leading position when it comes to governance.

Cellnex's better rating on this index contributed to the company being able to renew a € 500 million 'green' loan that matures in 2023.

Dow Jones Sustainability Index

In 2017, Cellnex participated in the DJSI index for the first time and achieved good results, ranking above the industry average in the three dimensions evaluated: economic, environmental and social.

This year Cellnex was again invited to participate in the Dow Jones Sustainability Index, as one of the few telecommunications operators worldwide. In 2018, the average score of the telecommunications industry leader dropped by 3%, whereas Cellnex improved its total score by 10%, taking it to 57 points. More specifically, in the economic dimension its score was improved by improvements made in Risk Management, Innovation and Network Reliability. With slightly lower social and environmental scores than in 2017, Cellnex will strive to continue working on all areas.

Social contribution

Cellnex works with non-governmental organisations through corporate volunteering actions, donations and joint development of projects. In 2018, Cellnex finalised and approved a Sponsorship Policy that sets out the company's priorities and guidelines on donations and sponsorships.

A social network of caring employees: volunteers

Cellnex Spain set up the Cellnex Volunteers initiative in 2015 as a social network of volunteers who can contribute their ideas, skills, knowledge and time to implement solidarity projects.

Donations

Once again this year Cellnex continued to collaborate with non-governmental organisations through its specific budget allocation for Christmas gifts. The Group's 2018 corporate donation was given to Save the Children, Medici Senza Frontiere, the Italian delegation of Doctors without Borders, and LAD Curre & Care, an Italian non-governmental organisation that works with children with cancer and their families.

Contribution to initiatives

Seres Foundation

The company worked with the Seres Foundation, whose aim is to "Build a healthier, stronger society with competitive businesses that can stand the test of time". The foundation

aims to foster and promote strategic business actions that contribute to an overall improvement of social reality. Cellnex has signed an agreement pledging to work with the Seres Foundation, disseminate their joint work, share knowledge on good practices in social matters, and attend meetings with partners and other social entities.

Fair Logistics Foundation

In 2018 Cellnex collaborated with Fair Logistics Foundation, an organisation that works towards equal opportunities for groups at risk of exclusion from society and the labour market. Through this collaboration, Cellnex takes on the foundation's commitment to responsible consumption and the development of social logistics by importing fair trade and social economy products.

AMPANS

Cellnex contributes to the AMPANS foundation by buying the company's Christmas gift hampers from them. The AMPANS Foundation promotes education, quality of life and employment for people with an intellectual disability, mental illness and other groups at risk of exclusion, by creating and managing centres, services, programmes, support and business activities that pursue excellence.

WWF Earth Hour 2018

For the third year running, Cellnex joined the WWF 2018 Earth Hour campaign and turned the lights off in its Madrid and Barcelona headquarters (and this year also the Esplandi and Barcelona offices) from 8.30pm to 9.30pm on 24 March.



The main actions brought to bear in 2018 were:

- Work with the Food Bank on the campaign "Hunger knows no holidays": collecting long-life products such as UHT milk and pasta to tackle the increasingly widespread problem in Spain of energy poverty. Cellnex employees donated 1,109 kilograms of food to this campaign.
- Recogida de ilusiones 2018: a solidarity campaign for children and adolescents which involves collecting toys and financial contributions for children's and youth groups most in need during the Christmas holidays. In 2018, employees collected donations totalling € 649 to give to the Juvanteny Foundation which helps teenagers at risk of social exclusion.
- Tapones para una nueva vida: a collaboration with the SEUR Foundation to collect bottle tops and deliver these to a recycling plant to help children with health problems.



In doing so Cellnex hopes to show its concern about the effects that climate change is having on the planet's people, nature and economy, in addition to its public commitment to reduce CO₂ emissions.

Installation of forest water connections

Since 2008, Cellnex has been investing in forest water connections at its centres for firefighters to use in the event of an emergency. To date Cellnex has installed water connections in 23 of its centres in Spain, with a total investment of € 153,425 (€ 6,973.86 per connection).

Citizen Sustainability Board

In 2018, Cellnex participated in a workshop to design the work plan of the 'Barcelona Network + Sustainable' which aims to pinpoint the joint short- and medium-term measures required to overcome the challenges that this initiative focuses on.

Barcelona Climate Plan

Participation in co-producing the Barcelona Climate Plan with Barcelona City Council, which sets down all ongoing and planned actions related to climate change in the city. Cellnex draws up proposals within the company and takes part in the debate on the proposals submitted by all participants.

TV3 Telethon

Cellnex has been taking part in the TV3 Telethon for more than 10 years. The Telethon Foundation aims to foster and promote biomedical research into and social awareness of diseases for which no cure has been found. In 2018, Cellnex donated € 9,000. The money raised is used to research new methods of prevention, diagnosis and treatment for people with cancer.

Collaboration with the BEST Foundation

Cellnex made a commitment to the Barcelona Engineering and Economic Studies project this year as a sponsor company of the BEST Foundation. This new inter-university degree offered by the Polytechnic University of Catalonia (UPC), Pompeu Fabra University (UPF), Barcelona Global, and FemCat aims to train highly skilled engineers to address the challenges of a continuously changing society and equip professionals who are interested in business leadership. Cellnex will sponsor two students in a four-year commitment with an annual contribution of € 10,000 each.

IESE

Cellnex has been an IESE sponsor company since 2017 and is involved in various projects run by the Public Sector-Private Sector Centre of the Business School. In 2018, Cellnex

Third Social Sector Board

As part of the m4Social Project, Cellnex Telecom signed a collaboration agreement in December 2017 with the Third Social Sector Board to carry out a social housing project involving the use of sensorisation and connectivity technologies linked to the Internet of Things (IoT). In 2018, following various definition and planning meetings and a design thinking day, Cellnex sensorised the six social houses under the project. Over the course of the year we collected and monitored data, primarily regarding consumption, energy efficiency, temperature and other indicators used to upkeep these 'connected' households. This data is stored on an IoT platform that Cellnex provides which allows the housing authorities to anticipate abnormal situations or risks, optimise resource use, and make decisions on possible actions according to the parameters obtained. It also enables them to learn a new management methodology, which in addition optimises and renders their operations more efficient.

It is worth noting that in 2018, the m4Social Project was selected and included in the Special Dossier on the SDGs of the Global Compact Network Spain as a good practice.

contributed to the scholarship fund and young teacher training.

In addition, Cellnex worked with IESE on the I-WIL Index (Women in Leadership) research study, which examines female leadership and equal opportunities in 34 OECD countries, comparing the current situation (2018) to 2006. By supporting projects such as this, Cellnex hopes to highlight the importance of diversity and gender equality at work and to raise awareness among society at large.

Environment

Responsible environmental management

Cellnex bases its activity on the principles of sustainability and responsibility and has therefore defined Sustainable Business Development as one of the basic pillars of its CR Master Plan. This involves the company committing to sustainability, environmental preservation and efficiency by setting goals, and more specifically by implementing concrete actions and programmes for all the companies of the Group.

As such the company has an Environmental Policy based on respecting the environment, protecting and preserving biodiversity, using renewable energies, mitigation and adaptation to climate change, and contributing to sustainable development through the efficient use of resources, as well as promoting preventive and mobility actions.

The Sustainable Business Development pillar is defined on the basis of the following goals, each of which consists of several specific actions:

1. Putting environmental management of Cellnex in Spain at the same level as the rest of the companies in the Cellnex group;
2. Promoting energy efficiency, increasing the use of renewable energy as much as possible and fostering the implementation of efficiency measures at the company's premises;
3. Committing to sustainable mobility;
4. Developing a carbon management framework in Spain to include the strategic perspectives to be worked on and focused on a set of actions, framed in different lines of management, that must be approved, funded and implemented to achieve the carbon management objectives established;
5. Minimising the risks and fostering the business opportunities derived from climate change identified in relation to Cellnex Telecom's activity in Spain;
6. Progressively reducing the carbon footprint in Spain, Italy and France;
7. Protecting and respecting the ecosystems affected by Cellnex's activity;
8. Promoting a sustainable culture within the Cellnex organisation; measuring and communicating environmental performance and reporting this on an annual basis in international organisations (CDP, GRI, DJSI, UNGC, FTSE, etc.).

The organisation's environmental objectives defined in 2018 set out 31 goals for improving or mitigating environmental impacts. Twenty-four of these have been implemented, while the remainder are almost implemented or in the process of completion.

Monitoring and managing the main risks, opportunities and environmental impacts

Within the environmental management system already implemented and certified, Cellnex Spain periodically updates the identification and evaluation of its environmental aspects, risks and opportunities related to the company's activity and its derived environmental impacts, as well as the significance criteria.

The most significant impacts are extracted from these evaluations, to which end a monitoring system is established and actions are planned to mitigate them. Efficiency and management actions are performed according to the type of impact and are related to energy and biodiversity respectively.



Energy

Cellnex monitors the organisation's energy consumption to achieve maximum efficiency and the lowest possible impact on the environment and hence on society.

Most of Cellnex's electricity consumption comes from its sites and, to a lesser extent, its offices. In 2018, the company's total electricity consumption was 460,972,053 kWh.

Cellnex is committed to using renewable energies, as borne out by Cellnex Netherlands practice of buying 100% green energy and Cellnex UK's target to follow suit in 2019.

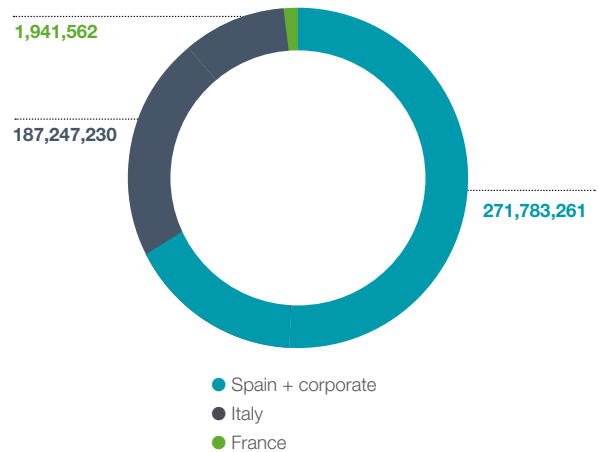
Cellnex Spain has photovoltaic power generation facilities for electricity use on its own sites, which generated 62,014 kWh in 2018, thereby contributing to reducing 24.19 t CO₂ of the company's carbon footprint.

In addition, the fuel consumed by the company's vehicle fleet and emergency generators on sites was 7,693,453kWh in 2018. Natural gas is used only at the Cellnex headquarters in Barcelona and in 2018 amounted to 11,061 kWh.

DIESEL CONSUMPTION PER COUNTRY [KWH]

	2016	2017	2018
Spain	9,497,843	8,968,860	2,117,063
Italy	3,480,186	3,494,767	2,531,411
Total	12,978,029	12,463,627	4,648,474

DISTRIBUTION OF THE ELECTRICITY CONSUMPTION



Energy efficiency

Throughout 2018, Cellnex continued working to achieve more efficient procedures and perform initiatives to reduce energy consumption. This objective focuses primarily on improving equipment and implementing technologies that increase efficiency, applied in two different approaches: products and services provided by the company and Cellnex's own offices and centres.

One of the main energy efficiency measures that we have implemented on sites is a type of cooling system that consumes less energy by using external air to chill water for more efficient air conditioning than traditional systems. The free cooling system has already been installed on numerous sites in Spain, Italy and the Netherlands. In Italy the goal is to install this system in 1,000 sites by 2020 - equivalent to 30% of all sites in the country where it has the potential to be installed.

In addition, in Cellnex Spain, measures have been taken to reduce energy consumption, such as the renewal of uninterruptible power supply systems (UPS) by more efficient ones, the replacement of luminaires and the modification of tariffs, which without reducing consumption have managed to reduce the associated cost.

On the other hand, Cellnex France has opted for a fleet of 100% hybrid vehicles minimising the damage to the environment and to human health.

In Cellnex Spain, during 2018, the above energy-efficiency projects enabled savings of 781 MW, which equals to 306 of CO₂-eq.

It is worth noting that HIVOS (a Dutch non-profit organisation for human development) named Alticom, a Cellnex Netherlands subsidiary, one of the most sustainable Data Centre providers in the country because of its energy efficiency measures in 2014, 2015 and again in 2018.

Other relevant projects that entailed energy savings in 2018 were:

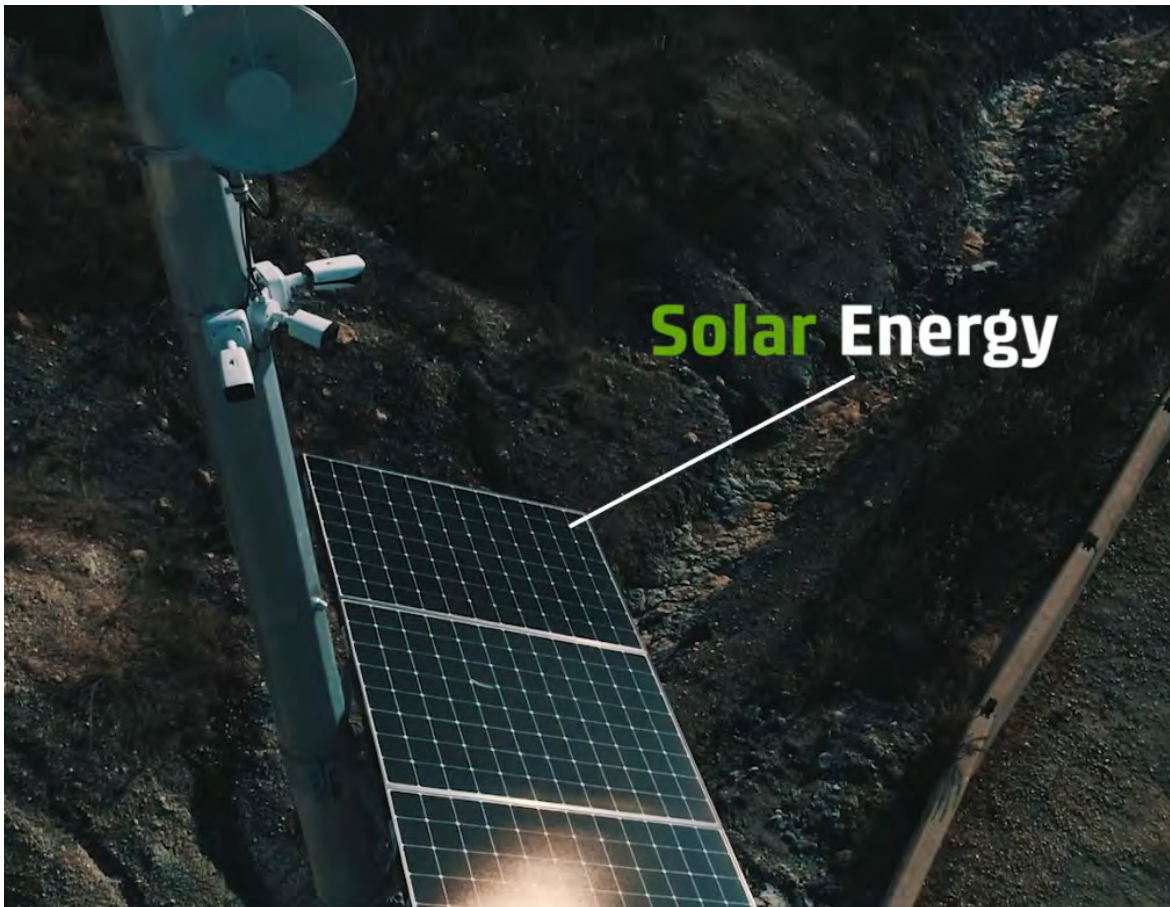
- Installing wall and ceiling fans in On Tower centres with compact air conditioning.

- Implementing several specific energy-saving projects in Collserola Tower, including: installing a solar filter on all glass surfaces to improve closures; replacing the lighting system (fluorescent) with LED lighting; installing heat monitoring and control systems and recorders for automatic temperature activation and recording equipment energy consumption, and moving transformers to rooms that do not require air conditioning.

- Replacing separator transformers with passive protection without losses for transient and permanent voltage in some Cellnex centres.

ENERGY-EFFICIENCY PROJECTS

306
of CO₂-eq avoided



Carbon footprint

As part of the Environmental Policy, an initial diagnosis and an analysis of risks and opportunities related to climate change in the company's activities was performed in 2017. The results of this first phase were used to draft the Cellnex Spain Carbon Management Plan in 2017, which aims to reduce greenhouse gas emissions of the company and sets out individual measures and priorities in tackling climate change. This plan was approved in 2018.

Once again this year, Cellnex measured and obtained independent third-party confirmation of its carbon footprint, to ascertain the company's impact on climate change and to identify the baseline for managing and reducing its emissions. This year, for the first time and as part of the country integration programme for the various countries, in addition to calculating the carbon footprint of Spain and Italy, we also calculated that of Cellnex France.

In 2018, the GHG emissions from Cellnex Spain, Italy and France were calculated according to the financial control approach. The company reported all GHG emissions attributable to the operations it controls. Cellnex Spain: Tradia, Retevisión, Ontower and Cellnex corporate; Cellnex Italy: Galata and TowerCo; Cellnex France: Towerlink..

The operational scope is based on the following criteria:

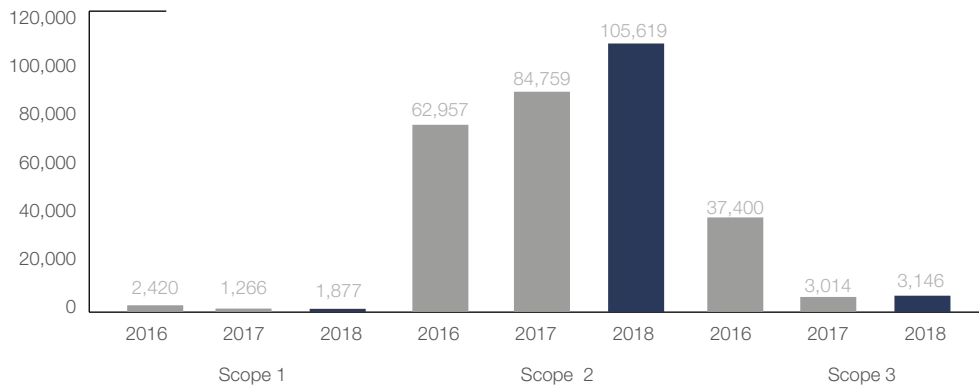
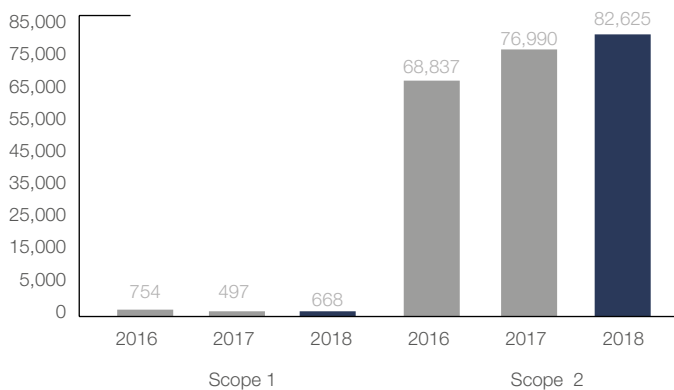
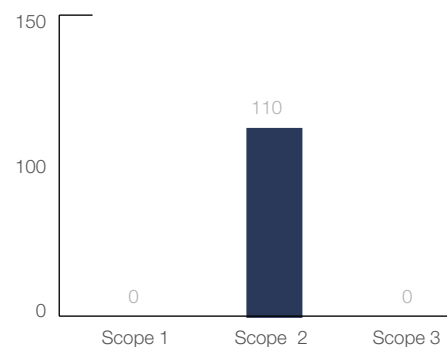
- Scope 1: covers GHG emissions that are directly under Cellnex control.
- Scope 2: covers indirect GHG emissions associated with the electricity consumption of Cellnex's own facilities.
- Scope 3: this takes into account indirect GHG emissions resulting from the organisation's activities but which are generated in sources owned or controlled by another organisation. To calculate scope 3 emissions, the following categories defined in the 'Corporate Accounting and Reporting Standard (scope 3)' were taken into account:
 - a) Purchase of goods and services: emissions from water and paper consumption.
 - b) Third-party upstream transport and distribution: from road, plane and/or sea travel by third parties paid by Cellnex.
 - c) Waste generation: emissions linked to managing waste fractions with a contribution of over 1%.
 - d) Corporate travel: linked to related air travel, taking into account the characteristics of flights taken by Cellnex staff.
 - e) End-of-life of products sold: waste management at the end of the useful life of products that account for at least 1% of the total, provided that the sum of those excluded does not exceed 5% of the total.

As part of its efforts to manage greenhouse gas emissions, **in 2018 Cellnex in Spain offset 1,877 tCO₂** by purchasing 1,877 VER (Verified Emissions Reductions) credits on the voluntary market from the Mariposas Project in Chile, with the Verified Carbon Standard (VCS), **to achieve neutrality in Scope 1 carbon footprint emissions.**



GRI: 305-5, Emissions management approach (103-1, 103-2, 103-3)



CELLNEX SPAIN EMISSIONS (T. CO2 E) ⁽²⁾CELLNEX ITALY EMISSIONS (T. CO2 E) ⁽¹⁾CELLNEX FRANCE EMISSIONS (T. CO2 E) ⁽³⁾

(1) In Cellnex Italy, scope 3 emissions were not calculated.

(2) For the calculation of GHG emissions, it has not been possible to include the emissions derived from the leakage of refrigerant gases in scope 1 due to lack of information related to the air conditioning equipment, although an attempt will be made to obtain the information for the calculation of next year's carbon footprint. For the calculation of GHG emissions of scope 2, emissions derived from electricity consumption have been considered.

(3) In Cellnex France, scope 1 and 3 emissions were not calculated.

From a **communication and awareness-raising** point of view, the company has released several communications of its actions:

- Publication of the company's carbon footprint report on the Cellnex corporate website.
- Registration in the Footprint Registry of the Spanish Climate Change Office under the Ministry of Agriculture, Food and Environment.
- Joining the Catalan Generalitat's Voluntary Agreements Programme for reducing greenhouse gas (GHG) emissions. This tool is promoted by the Catalan Office for Climate Change (OCCC) for companies seeking a



voluntary commitment to reduce their GHG emissions beyond what regulations stipulate.

- Publication of the withdrawal of the carbon credits from the project selected in the Market Environmental Registry or equivalent as a guarantee of the compensation made.

In addition, Cellnex Spain has drawn up Sustainability Guidebook as a tool for integrating measures in this area for all countries, which will help measure our positioning on the market with regard to other companies in the sector.



Biodiversity

By assessing and monitoring the aspects and impacts of Cellnex Spain, the organisation has identified the Effect on Biodiversity – the environmental impact associated with the loss of biodiversity of living beings and natural species – as one of its significant aspects.

Cellnex manages its facilities so as to minimise any type of environmental impact of its activities that affects biodiversity. It takes into account not only the work of the company itself but also its providers, since their maintenance work and services can have the greatest environmental impact. Cellnex works with its suppliers to ensure they are environmentally responsible and use best practices, for instance by correctly managing waste and protecting biodiversity.

To ensure a proper management of these impacts, it is essential to have a diagnosis of the presence of Cellnex's activity in areas with greater vulnerability. Specifically, in Spain 58.18% of the sites are within protected areas, while in Italy this figure is 20%.

To control the company's impact on birds, Cellnex Spain uses signage to **identify centres with bird nesting** to establish whether a centre does in fact cause such an effect and to remind staff of the preventive measures to be taken into account.

Furthermore, as a key preventive measure to protect the environment, every year Cellnex notifies its employees of the start of the forest fire prevention campaign, when use of machinery that may cause a fire is restricted on company facilities.

DaMA programme

Cellnex uses the DaMA (environmental data server) tool to display geographical data and identify declared natural protection sites in the country, information that is also found in the GESEM database. The server also provides access to environmental data relating to Cellnex Spain's sites.

Electromagnetic emissions

Cellnex Telecom complies with the rules associated with electromagnetic emissions for the general public and its workers. It conducts periodic measurements at technical centres with a permanent staff presence, pursuant to Royal Decree 299/2016. As regards the general public, it ensures compliance with Royal Decree 1066/2001 at all sites in Spain. The regulatory framework in Italy is stricter and Cellnex Italy works to ensure compliance.

Cellnex works with expert groups in researching the impact of electromagnetic fields and takes part in activities related to assessing, managing and communicating the possible health risks of exposure. Specifically, Cellnex works with a subdivision in a department of DigitalES, the Spanish Association for Digitisation, formed mainly by telecommunications operators and Cellnex, which carries out activities related to radio emissions. This work involves examining issues of legal compliance and proposals for improvement, based on the recommendations of the International Electrotechnical Commission (IEC), in addition to studying 5G emissions.

On the other hand, the former Federal Councillor Doris Leuthard, head of the Department of the Environment, Transport, Energy and Communications (DETEC) in Switzerland, has decided in autumn 2018 to set up a working group to discuss mobile communications and radiation. In particular, the group will analyse the needs and risks of setting up 5G networks and draw up a report with recommendations by mid-2019. As new independent player and with his forward-looking infrastructure model, Cellnex Switzerland is part of the group and is helping to shape the future development of the mobile network. As a member, Cellnex can, through its knowledge and experience, make a significant contribution to the established working group.

In addition, Cellnex is working with epidemiology research groups from ISGlobal (Barcelona Biomedical Research Park) by providing information on emission sources (television, radio, etc.).

Information security management

Significant milestones in 2018	Main challenges for 2019
Review the catalogue of Information Security threats	
Implement risk mitigation measures in terms of confidentiality, integrity and availability of information	
Review procedure for managing critical incidents in Cellnex Spain and check their effectiveness	Define a Comprehensive Security Model (physical and IT) to allow an optimal response to hybrid threats
Conduct awareness campaigns to reinforce good information security practices	

The telecommunications sector needs to be protected from a wide variety of different types of threats to provide a stable and high-quality service to its customers. For this reason, Cellnex has been placing special emphasis on the area of security, whether physical or IT, performing a large number of activities aimed at avoiding and mitigating any possible threat that may affect its service.

Thus, throughout 2018 Cellnex has been preparing to develop a Comprehensive Security Plan that covers all aspects of corporate security regardless of the type of threat, whether physical, IT, or hybrid. A series of actions were rolled out in 2018 to achieve this goal:

- Revise and refine the catalogue of information security threats to define more precise controls to mitigate the possibility of their occurring, and their impact if they do arise

- Implement measures to mitigate risks in terms of confidentiality, integrity and availability of information. These were included in the Information Security Master Plan, which covered nine security programmes implemented throughout 2018, which were identified within the Action Plan associated with the Map of Information Security Risks.

- Review the Cellnex Spain critical incident management procedure and test its functioning and effectiveness by performing cybersecurity exercises.

- Roll-out awareness campaigns aimed at all Cellnex employees to reinforce messages concerning good Information Security practices

As a result of these actions, in 2018 there were no data leaks, theft or loss in Spain or Italy, nor were any complaints received in relation to information security and data protection. The new

SECURITY MASTER PLAN PROGRAMMES

BOARD INFORMATION

Preventing **data leaks** and protecting the information used by Cellnex Board.

MOBILITY

Establishing security controls and applying them in a homogeneous way to different technologies of **mobile/portable devices**.

ACCESS CONTROL

Classifying the information and implementing security measures in order to handle it (encryption, remote access, data storage policy, etc.).

TRAINING AND AWARENESS

Reinforcing **cybersecurity** messages as part of the annual Cybersecurity Awareness campaign established by Cellnex.

LEGAL COMPLIANCE

Legal impact analysis and implementation for new applicable Laws & Regulations over Cellnex systems.

CORPORATIVE GOVERNANCE AND TECHNOLOGY SECURITY

Continuous improvement of processes and IT infrastructure to ensure IT security in Cellnex facing existing and new threats.

INTERNATIONAL

Defining and developing a **Common Cybersecurity Framework** (Policies & IT infrastructure) for Cellnex Corporation and Business Units.

BUSINESS CONTINUITY

Continuous improvement of Business Continuity Processes (**Business Impact Analysis, Disaster Recovery Plans**, etc.)





Comprehensive Security Plan will continue to be developed in 2019, and will combine physical and IT security to offer an optimal response to hybrid threats (occurring simultaneously through logical channels and physical actions).

Cellnex has an information security policy that reflects the company's commitment in this area, the necessary steps to be taken to identify and protect information assets, as well as to ensure compliance with applicable rules and regulations. Likewise, since 2011 the company has had an Information Security Management System based on ISO standard 27001.

As part of this Management System, we have an information map to identify and assess risks in order to apply the most appropriate risk treatment strategy in each case, as well as to draw up action plans for mitigation, when deemed necessary, in terms of data confidentiality, integrity and availability.

With regard to the personal data managed by the company, with the entry into force of the new General Data Protection Regulation (GDPR) on 25 May, the Group has made several changes to ensure full compliance. One of the main changes under the GDPR was that it became compulsory to appoint a Data Protection Officer (DPO). In Cellnex these duties will be performed by José María Miralles, the company's Director of Legal Affairs, who will periodically report to the Ethics and Compliance Committee on the status of GDPR implementation and compliance in the companies of the Group. Because the company fully complied with the previous European regulation and already had a mature and robust system, it has adapted quickly and effectively.