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**Bases for the Preparation
of the Report**

This document represents the Consolidated Management Report for 2019 which includes the information that complies with the provisions of Article 262 of the Capital Companies Law, establishing the content of the management report drafted in tandem with the annual accounts of the company. Likewise, this report has incorporated best practices in corporate transparency during the 2019 period, applying the international framework of the Integrated Annual Report, presenting financial and non-financial, management, corporate governance and strategic information for the company.

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

Likewise, in order to ensure the credibility of the information and generate trust with its stakeholders, this report has been verified by an independent third party, as presented in the Verification Report in Annex 5.

Structure and content of the report

The structure of the Report follows the guidelines of the International Integrated Reporting Council, Directive 2015/95/EU on non-financial information, the CMNV guide for the preparation of management reports of listed companies and was prepared in accordance with GRI Standards in their Essential option and the AA1000 AccountAbility Principles standard (the principle of inclusivity, the principle of materiality, and the principle of responsiveness).

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

Reporting scope

Regarding Non-financial information scope, the report covers six of the seven countries in which Cellnex operates, which account for more than 95% of the revenues. Cellnex Spain (Cellnex Telecom, S.A., Retevisión, S.A.U, On Tower Telecom Infraestructuras, S.A.U and Tradia Telecom, S.A.U.); Cellnex Italy (Cellnex Italia, S.r.L., TowerCo, S.p.A, Galata, S.p.A. and Commsocon Italia, Srl), excluding the company Sirtel, S.r.L.; Cellnex France (Cellnex France, Springbook e Iliad7), Cellnex Switzerland (Cellnex Switzerland, Swiss Towers y Swiss Infra Services), Cellnex UK (Cellnex UK Midco, Watersite, Radiosite, Cellnex Connectivity Solutions and Cellnex UK Consulting) and Cellnex Netherlands (Towerlink Netherlands B.V., Shere Masten B.V., Breedlink, Alticom B.V. and On Tower Netherlands). It is supplemented with the information presented in the Cellnex Consolidated Annual Accounts for the financial year ended 31 December 2019 and the 2019 Annual Corporate Governance Report, all publicly available on the company website. However, the information reported regarding total staff and taxes refers to the entire Cellnex Group, unless otherwise stated.

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

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

This review process was conducted in accordance with ISAE 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) for limited assurance reports. We have also applied the AA100 Assurance Standard which provides moderate assurance in applying the principles set down in AA1000 APS and in drawing up sustainability performance indicators (type 2 moderate assurance).

Determining the content of the report

In 2018 Cellnex carried out a 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 and maximize its contribution to the society. The results obtained in the materiality analysis developed in 2018 remain in place during 2019. After obtaining the results of the study, Cellnex carried out a transparency and accountability exercise, by publishing this Integrated Report.

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

1. initial phase identifying relevant issues;
2. prioritising issues on the basis of the analysis results;
3. assessment and validation of the issues identified by the main stakeholders of Cellnex Group (the stakeholders map of the company considered in this phase of the materiality analysis is shown bellow);
4. detailed examination of the material issues identified.

The list of material issues identified for Cellnex Group are shown in the following table.

MATERIAL ISSUES IDENTIFIED

Ethical management and good governance	1. Corporate governance
	2. Ethics and regulatory compliance
	3. Transparency and reporting
	4. Human Rights
	5. Management of risks and opportunities (business, environmental, societal, etc.)
Responsible and sustainable management	6. Energy
Responsibility to employees	7. Training, professional development and retention of talent
	8. Employee health and safety
	9. Hiring head of employees
Commitment to customers	10. Service security (technology disruption)
	11. Data privacy
Commitment to innovation and value creation	12. Economic performance (direct economic value generated)
	13. Resource rationalisation (sharing infrastructure)

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Map of Cellnex stakeholders



Carbon Footprint: Scope & Calculation methodology for CO₂ emissions

The company reported all GHG emissions attributable to the operations it controls. Cellnex Spain: Tradia, Retevisión, Ontower and Cellnex corporate; Cellnex Italy: Galata TowerCo and CommsCon; Cellnex France: Towerlink France; Cellnex Netherlands: Alticom, Shere Masten and Towerlink Netherlands; Cellnex Switzerland: Swiss Towers, and Cellnex UK: Cellnex UK Consulting.

The reference used to calculate the CO₂ emissions that Cellnex generates in Spain was the emission factors listed in *Carbon Footprint Registry, carbon dioxide offsetting and absorption projects*, published by the Spanish Ministry of Agriculture, Fisheries and Food in July 2017. In some cases we also used the emission factors provided by DEFRA, the 'Practical Guide to calculate greenhouse gas emissions' by the Catalan Office for Climate Change (OCCC) of the Generalitat of Catalonia, the Environmental Paper Network Calculator version 3.2, and Ecoinvent database version 3.3.

For Cellnex Italy, the latest emission factors published by the *Istituto Superiore per la Protezione e la Ricerca Ambientale (ISPRA)* in 2016 were used.

In the case of Cellnex France, in the calculating of the carbon footprint, the emission factors are those published in the public database of emission factors called Base Carbone administered by the French Environment & Energy Management Agency (ADEME).

In the case of Cellnex Switzerland, the DEFRA GHG Conversion Factors 2019 has been taken into account for the calculation of the carbon footprint.

Cellnex Netherlands has followed the information provided by the Ministerie van Economische Zaken en Klimaat.

Finally, in the UK, the data provided by the UK Government GHG Conversion Factors for Company Reporting has been considered.

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Cellnex's Corporate & Public Affairs