



# 4

**Sustainable Management  
of the Value Chain**

# Culture, leadership and people development



**Because the only way of growing as a company is doing it together as a team.**

Tobias Martínez  
CEO

Due to the transformation process that the company is going through, we consider that one of the most important pillars of this process are the people who are part of Cellnex. For this reason, “Corporate culture: Growing Together” is one of the transformation projects, whose main aim is promoting a common culture in Cellnex.

In this sense, we share a common commitment towards a Corporate Culture:



**OUR CULTURE IN ACTION!**

As a starting point, in 2019 the culture study has been launched with the aim of aligning and integrating the Organisational Culture (Current and Aspirational) with the global strategy of Cellnex.

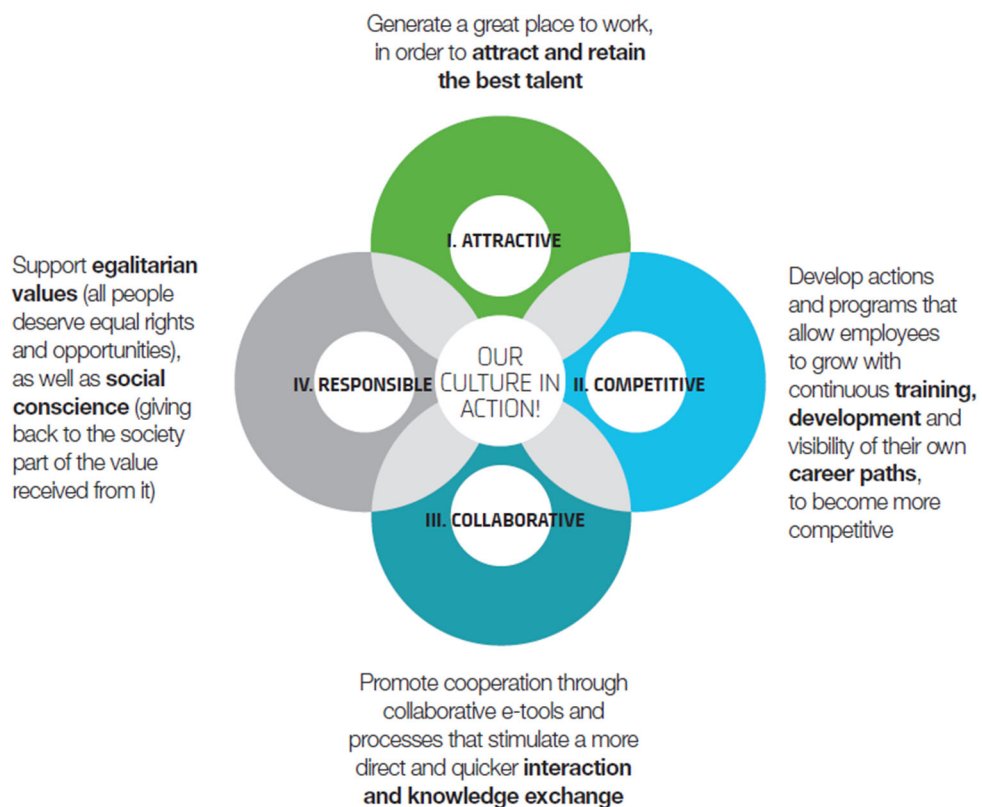
The specific goals are:

- Define and Validate the Global Aspirational Cultural Model, mainly through the Management Team.
- Know the Current Cultural Model(s) in Cellnex.
- Design the Implementation Roadmap to align and integrate the Cultural Model (gap analysis, roadmap design, communication and Leadership).
- Implement the actions defined in the Roadmap.

In 2019 the survey of 40% of Cellnex's workforce was launched with 71% employee participation. The results showed a clear pride in belonging to the Group, enthusiasm for participating in a successful project, as well as personal and professional satisfaction for the possibility of developing in this company. There were also points of improvement, that have served to redefine and reinforce our People Strategy.

Specifically, during this year change levers will be identified with the Management and by means of a work team and the design of the Implantation Roadmap will begin.

In this sense, we are working to develop and deploy a Corporate Culture built on the cultural axes that best define the company and our employees.



Our Corporate Culture is organised around four cultural axes:

### I. Attractive

In the first instance, we are working to create a great place to work, strengthening our branding and recruiting, facilitating mobility and building new spaces that foster integrated and aligned organisational culture.

To strengthen our brand, we are boosting our external presence, both physically and in social media, and managing a pool of young talent to attract external talent and generate pride in belonging to Cellnex.

In terms of recruitment, we are looking to combine bench" (experienced hiring) and "talent pool" (young blood) as well as selection and recruitment process based on values, skills and capabilities, where soft skills are equally (or even more) valued than hard ones

In addition, we facilitate the mobility of our employees by publishing all available vacancies on the internet and offering international assignments to employees according to country needs.

Finally, new offices have been designed in line with the trends. They reflect a corporate entity and enhance our brand value and presence.

### II. Competitive

In addition, we have undertaken specific actions related to compensation schemes and training programmes, such as the learning model 70:20:10, Cellnex Corporate Master or Cellnex Corporate Leadership School. However, training is not the only element; we are also developing other projects to generate a challenging place to work such as Job Leveling, Management by Objectives or Development Dialogues.

**"We need your talent. Your effort. Your commitment to reach further. Because as a team we are better, stronger, more efficient and more streamlined. Teamwork is the key. Together is the key to achieve great goals. We believe in people. We believe in you".**

#### Job Levelling

Job Levelling got underway in 2019 to identify, evaluate and draw up a unique catalogue of positions in Cellnex at Group level. This project provides a global framework and language, facilitating career management, internal rotation, talent mobility within the group and the rolling out of competitive compensation policies, while meeting business needs: attracting, engaging and retaining key talent.

It addresses the definition of roles and uniform professional categories based on three professional careers (management, key contribution, commercial). This allows us to design a Job Progression that defines the skills and aptitudes required for each position, as well as the remuneration according to the market.

- Standardisation of catalogue positions - we went from more than 300 items in various languages and differentiated by country to 190 items in English common to the entire Cellnex group.
- Definition of mission and functions to these 190 catalogue positions
- Definition of 3 professional careers and 13 professional roles/categories
- Assignment of the new positions to more than 1,500 employees from the entire Cellnex group.

The implementation of Job Leveling in the Corporation will allow us to obtain lessons learned and best practices through feedback from the corporate collective, helping us to more successfully roll this out in the countries. By 2020, all countries in the Cellnex Group will have implemented the new Job Leveling position catalogue and will have job description of all catalogue positions. From this point on, we will work with them in rolling out the Job Progression defined by the Corporation.

### III. Collaborative

Moreover, we have made collaborative IT tools available to employees based on their needs and designed to improve their experience and cooperation. In this connection, we have a new intranet at the centre of the Digital Workplace, My Compensa (the employee benefits portal) and The Hub (the online portal of talent management).

#### Digital Workplace

During 2019 we have worked to define and conceptualise the Digital Workplace, understood as the new communicative environment that supports and facilitates information, helps to motivate and integrate the collaborators of the Cellnex Group and allows us to be more streamlined, productive and collaborative.

The Digital Workplace development and implementation project will be rolled out between 2019 and 2020.

This year, deployment of the communication work line was prioritised as quick win. This has allowed us to bridge the most important gap: To have a single channel where we can all connect anywhere, anytime, any device before the end of 2019.

The project to develop and implement the communication line was launched in under six months for all the business units of the Cellnex Group and has served as a lever for transformation of all the projects in which we are immersed.

### IV. Responsible

Finally, we are developing programmes that promote Social Values. In this regard, we have developed the Equity, Diversity and Inclusion Programme for the period 2019-2022 and had the Equity, Diversity and Inclusion Policy approved by the Board of Directors. In addition, we are participating in the programme for the insertion of disadvantaged people in collaboration with the FutureWay and we are corporate partners of the United Way Foundation.



In addition, internal communication between the various countries was strengthened through the Internal Communication Strategic Plan and the Global Internal Communication Action Plan or the Global Coordination Meeting – Extended.

### Internal Communication Strategic Plan

The growth environment has made it necessary for us to define the Internal Communication Strategic Plan in 2019. This Plan defines the vision, mission and principles of the internal communication function and the Workstreams on which we will focus in 2019-2021. The role of the internal communication function is understood as strategic and integrating and allows us to accompany our collaborators in the Cellnex project.

All the projects and communication needs of the company have been aligned to the strategic objectives through a graphic line and an inspiring narrative that impacts on all the people who are part of Cellnex. Providing this coherence allows us to put individual talent at the disposal of the group, increasing efficiency, pride in belonging and cohesion.

### Global Coordination Meeting – Extended

In the April we will hold the Global Coordination Meeting of the management team and strategic positions of the Cellnex group to share milestones, challenges and objectives. The aims of cohesion of the management team, cementing a common culture and reinforcing the spirit of belonging through an inspiring discourse and enthusiasm. Growing together was the watchword during this event and will be the key message in the projects that we are creating for an integrated and aligned culture.

+80 executives and managers representing the main management structure of the Cellnex group. Overall satisfaction level of 4.73/5.

### Global Internal Communication Action Plan

Rolling out the Global Internal Communication Action Plan makes it possible to inform or raise awareness on various issues that have an impact both on providing information on the progress of different projects and the company itself and on raising awareness to improve behaviour in various areas as while generating pride in belonging and community. For example: Diversity, My Compensa, Wellness, Mobility, Environment, GDPR, information security, optimisation of 365 tools, corporate social-volunteer project, On holiday photography competition, Christmas celebrations.

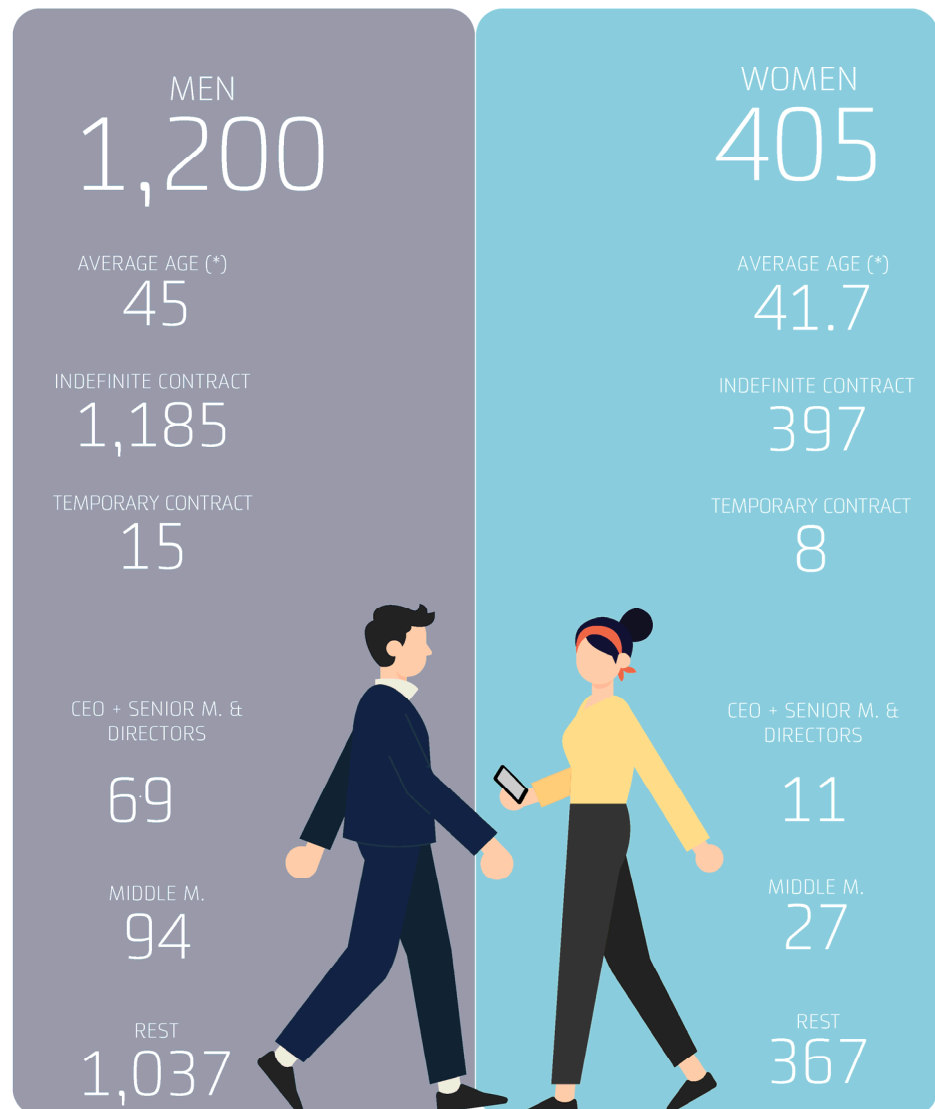
## People management

The Cellnex team consists of 1,605 people, distributed geographically in Spain (75%), Italy (9%), France (6%), the Netherlands (6%), the United Kingdom (1%), Switzerland (2%), and Ireland (1%). 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, Cellnex Netherlands and Cellnex Switzerland increased considerably as they completed their process of formalising the team. The workforce of these countries increases 238%, 181% and 56%, respectively.

In 2019, the staff turnover rate in Cellnex is 4.68%.

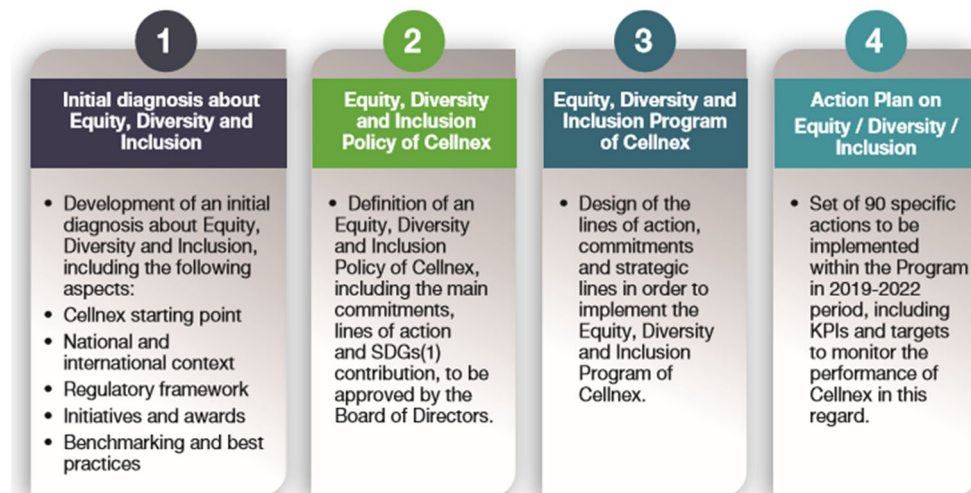


## Equity, diversity and inclusion

Significant milestones in 2019	Main challenges for 2020
Developing the Equity, Diversity and Inclusion Programme for 2019-2022 period.	Implement and monitor the actions defined in the 2020 programme.
Approval of the Equity, Diversity and Inclusion Policy.	Implementation of diversity governance. Review of the specific actions of the Equity, Diversity and Inclusion Programme and introduction of improvements.
Developing and analysing the pilot's tests on teleworking in order to roll this out to all employees.	Extension of teleworking to a larger number of employees and to other countries.
Working together with Futureway on inclusion issues to try to incorporate students at risk of social exclusion.	

In Cellnex we consider that equity, diversity and inclusion is not only an element related to the corporate social responsibility we have as a company with all our stakeholders, but as an essential element to improve the competitiveness and talent of our employees. Therefore, we are firmly committed to equity, diversity and inclusion, defining a comprehensive global strategy in this area for the period 2019-2022 in line with our corporate culture and values.

We are currently working to make diversity part of our business. But it is not enough for us to have the commitment, we want to understand and manage the diversity. In this sense, in 2019 we carried out an Initial diagnosis about diversity and inclusion in which we analysed the national and international context, regulatory framework, initiatives and awards and we drew up a benchmarking including companies in the telecommunications sector and companies from other leading sectors in this field, as well as examining the starting point in which the company finds itself.

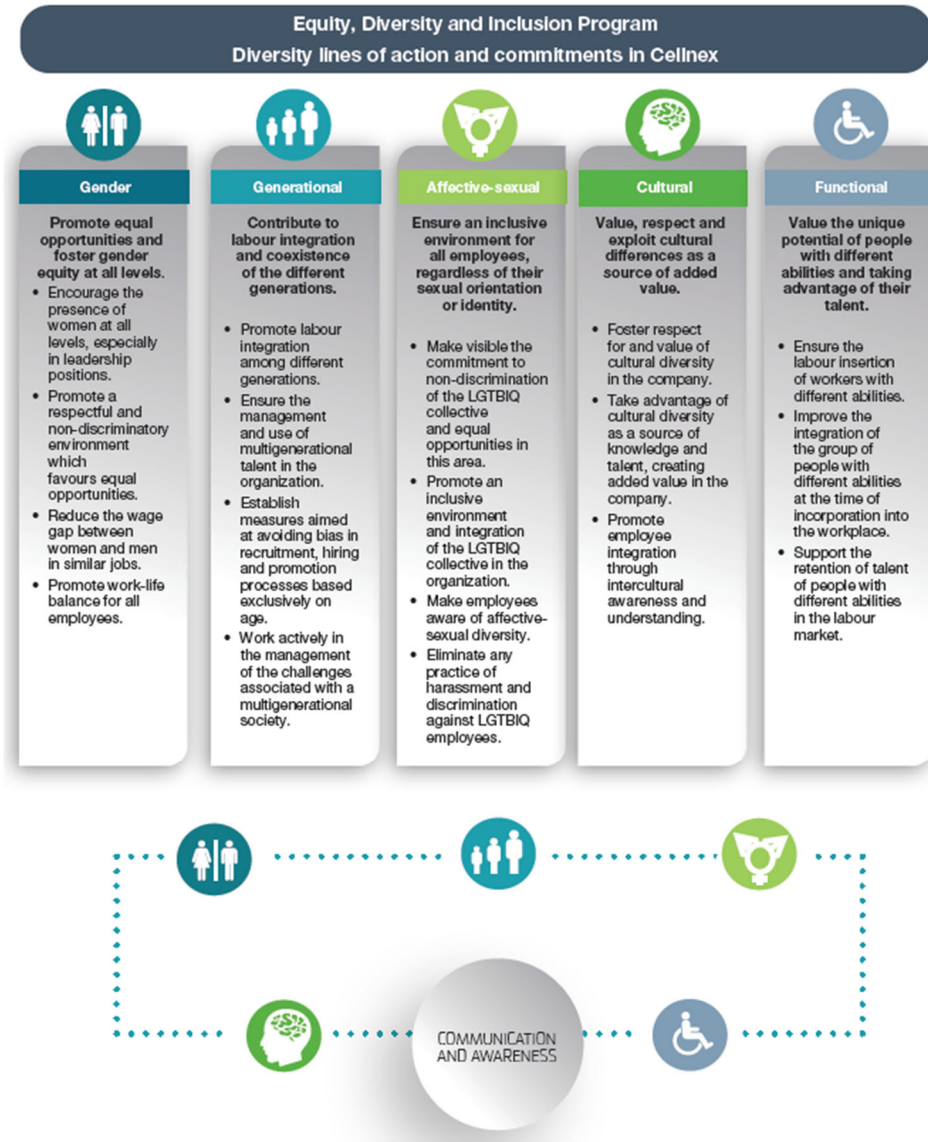


As a result of this analysis, we have prepared an Equity, Diversity and Inclusion Policy that establishes the guidelines and lines of action in the area of Diversity, Equality and Inclusion for the entire Cellnex Group. This policy focuses on creating a climate that allows diversity in all of the following areas: gender, age, sexual orientation, culture, race, religion, thought, education, talent, social condition, individual quality, work style, disability, special needs or any other circumstance of its personnel; and at the same time, rejecting any type of discrimination for these reasons that impedes the growth of the Company or that affects the selection, retention, advancement and well-being of its personnel. The Equity, Diversity and Inclusion Policy has been approved by the Board of Directors.



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Along with the policy, we have drafted an Equity, Diversity and Inclusion Programme, defining the lines of action, commitments and strategic lines. At Cellnex we understand diversity in a broad sense and, therefore, we consider that our programme has to go beyond gender diversity and include other types of diversities such as generational, affective-sexual, cultural or functional diversity, with the aim of integrating the diversity of the society in which we live and having diverse talents. The following infographics show the commitments and strategic lines established for each of the lines of action.



Finally, we have designed an Action Plan in which 90 specific actions have been defined, an implementation schedule has been established for the next four years and a follow-up tool has been designed for the Action Plan, defining objectives and KPIs.

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The Diversity Plan was implemented during the year in Spain, that implemented some of the measures, and it is planned to align this with the global Diversity Plan. Notable among the measures carried out this year are:

- Definition of the project and action plan 2019.
- Definition of objectives and areas of action (training, awareness-raising, selection and hiring and flexibility & conciliation) and their KPI's.
- Signing up to the "Diversity Charter".
- Training for the Management Committee and "first line" managers.
- Training in People & Organisation Management. Training for the Equality Committee.
- On-line training for managers (on inclusion).

In addition, during 2019 Cellnex Corporate held various training sessions on cultural diversity, with the aim of promoting cross-cultural awareness inside the organisation. Two training courses on cultural diversity were organised at Cellnex Corporate for employees and a special workshop for human resources staff. Two cultural awareness talks were also conducted on Cellnex Spain and Cellnex Corporate and specific cultural training was given to international assignees and relatives. In these sessions, 28 hours of training were given, and 140 attendees participated.

We are also working in Italy to improve the gender distribution within the company. Thus, the hiring plan takes into consideration whether it is opportune to increase the percentage of women. Currently, 2 out of 4 coordinators are women in the operational teams.

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 lasts 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 specific objectives of the Equality Plan include:**

**Following on the targets set in the 2010 equality plan.**

**Contributing to hiring more women in areas where they are least represented.**

**Raising staff awareness of equality through training and communications.**

**Fostering the use of conciliatory measures in a more equal fashion.**

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

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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.

On 2020, the Equality Plans of Retevisión and Tradia will be updated and a new Equality Plan for Cellnex Telecom will be defined, in order to cover all the employees of the company in Spain in this regard.

Cellnex continues to advance in flexibility and work-life balance through teleworking. In this connection, employees of Cellnex Netherlands, Switzerland and UK are entitled to enjoy teleworking as long as their superior authorizes it. In other companies, such as Cellnex Italy or Cellnex France, teleworking is allowed two days per month.

In Cellnex Spain we started a pilot project in 2018 with 40 employees for 3-4 months and after its success, in 2019 we moved forward with the "teleworking" project, increasing the number of places by 150 for Cellnex Telecom corporate and Spain.

In addition, Cellnex Spain, has developed a digital disconnection policy to guarantee our employee's right to privacy in relation to the digital environment and the disconnection provided for in the Workers' Statute, and to protect the health and safety of our employees.

## Attracting, recruiting and retaining talent

Significant milestones in 2019	Main challenges for 2020
Consolidating and following up the Ignition Project, reinforcing the talent acquisition initiatives, and optimising and standardising recruitment and identification of potential in the countries.	Implementing the 2020 action plan of the Ignition project, with a focus on giving internal and external visibility to the programme through a communication plan.
Redefining the on-boarding process and developing and implementing the recruiting and on-boarding modules and developing this latter in Italy, France and Switzerland.	Developing and implementing the recruiting and on-boarding modules in the newly integrated countries (Ireland).
Continuing the project and extending the talent map to all middle management.	Rolling out the Talent Review process to other countries.
Developing the Rueda Project, fostering mobility opportunities, creating pools of available talent to assign according to project.	Review and update of the Rueda Project.

As it strives to become a benchmark in recruiting and retaining talent, Cellnex developed a series of initiatives throughout 2019 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.

In this sense, an analysis and definition of the strategy and scope of the Employer Branding project was conducted at Cellnex:

- Promote our external presence through our collaborators providing criteria and guidelines.
- Give external visibility to our actions in the people area in Cellnex to increase both our brand image and the pride of belonging.

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Also, we published the “Join us” page on our external website and the Company Life page on Linked In.

In this regard, we have continued the Ignition Project to identify a talent pool of young people (interns) to detect and retain talent in the company. This project helps to harness management of interns as a strategic recruitment source. Diversity and gender equality are fostered from the selection process onwards under this programme.

In 2019-2020, the project sets out a series of actions and objectives split into three areas:

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

Furthermore, one of the cross-cutting objectives of the project involves promoting gender diversity to increase the percentage of women engineers in the project, since they may subsequently be contracted by the company either internally or externally.

During 2020, we want to implement the Action Plan 2020 of Ignition project and give an internal and external visibility of the program through a communication plan.

In 2018, we implemented the onboarding programme, which aims to streamline the adaptation and integration process of new people who join the organisation. During 2019, the on boarding programme of new employees and interns was redefined, placing greater emphasis on the activities carried out in the areas of resources and organisation. Satisfaction levels of new employees were 5.6 out of 6.

During the year in Spain, we continued our Talent Review process as well as Corporation, a project seeking to draw up a talent map with which to identify, retain and develop talent. Because of the large number of staff in Spain, we extended the map to “middle management” of the workforce. This programme allows us to have a talent map and work out a specific development plan (PDI) according to the different needs.

Likewise, it enables us to have specific programmes for distinct groups such as training for high potential employees and talent development programme (identification of competences and coaching) or performance improvement plan for low performers, leveraging continuous improvement of the company. During 2020, the Talent Review process will be launched at Group level to evaluate performance and growth potential from the current position.

Furthermore, we have defined Succession Plans for the first level of Management, and in 2020 we will seek to extend this to all other levels of management.

The Rueda Project was unveiled at the end of 2018 and is an internal mobility project in which preference is given to applications from company employees, since all positions are communicated internally at a global level before being offered externally. The Rueda Project aims to foster and strengthen various aspects of the human resources area by working on a different series of levers. During 2019, Cellnex's mobility policy was reviewed and updated based on new market trends.

## Training

Significant milestones in 2019	Main challenges for 2020
Extending the Development Dialogues to the remaining countries	Inclusion of new countries in the development dialogue process (Ireland)
Launching the first edition of the Cellnex Master, in collaboration with EADA (with 20 professionals from all countries).	Initiating the 2nd edition, incorporating the improvement actions identified during the first edition.
Analysing current business profiles and delivering training in countries and business lines	
Defining the Leadership Programme to ensure that all managers in the company have the same tools for training and development.	Implementation at a global level of leadership itineraries by organisational levels defined in the Leadership Programme.
Analysing and defining the strategy and scope of the employer Branding project.	
Two programmes related to the development of Business Teams were carried out within the Trinity project: Business Line and Country Commercial.	
Creation of the "Train to Grow" programme, a specific workshop to highlight the work done by internal trainers in Spain.	Continuity of the Train to Grow! Programme.

Training is a key element of the development based on the Cellnex's 70-20-10 model. Thus, every year we define training sessions that are aligned with the strategic needs of the organisation and which will determine the key guidelines.

In Cellnex Telecom we have implanted Development Dialogues, a space for dialogue between co-workers and their managers in which managers talk about the development of their co-worker, apprising their skills, defining development objectives and crafting a plan to achieve these based on the 70/20/10 model. To further strengthen these dialogues and make them a managerial function, in 2019 100% of Cellnex Group managers were trained in "Performance Appraisal: achieving objectives by developing collaborators".

This project was launched at Corporation and Spain level in 2017, incorporating Italy during 2018. Likewise, open training sessions were held for employees and new managers. As a continuation of this, this year we will seek to extend the process to France, the Netherlands, Switzerland and the United Kingdom. During 2020 the new countries, such as Ireland, will be incorporated into the process of Development Dialogues.

Similarly, Cellnex Italy has launched job shadowing project for managers, key people and process owners, to develop co-working activities for sharing different points of views, finding out what other departments are developing in the company, becoming aware of other contents, etc.

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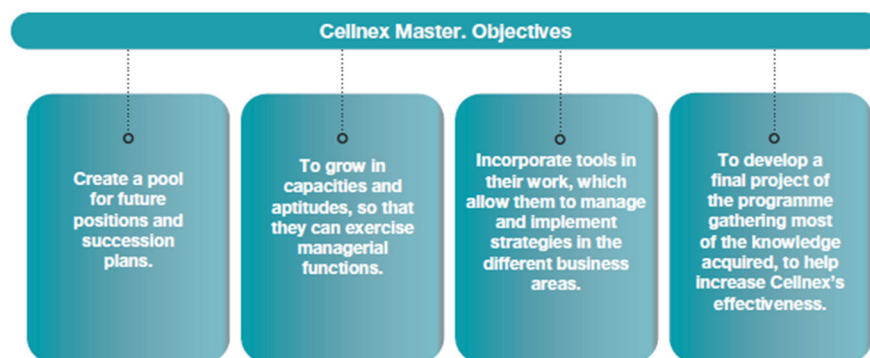
Cellnex's leadership model was defined during 2019 to ensure that all the company's managers have the same tools for their training and development. Various actions were designed for this group:

- Leadership Corner: Unique access for all managers to their leadership tools, such as the LeaderShip School, dashboards of their development, as well as information on their teams and the Leadership Community.
- Leadership School: Actions for leadership development at Cellnex:
  - Harvard Mentor: Access to a large number of tools for individual, team and business development with the endorsement of world-class experts from Harvard Business Publishing.
  - Leadership itineraries: leadership itineraries by organisational levels to be implemented in 2020.
  - Access to coaching requests.

Likewise, this programme provides access to a Competence Development Guide where ideas for "70's" development actions are contributed, according to the 70/20/10 development model. During 2020, the leadership itineraries by organisational levels defined in the Leadership model will be implemented at a global level.

In the talent and leadership area in 2019, we launched the first edition of the Cellnex Master in collaboration with 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. 20 employees from all countries participated in this year.

The objectives of the Master's are:



The professionals who participated in the Master received a total of 370 hours' training divided into: 192 hours face-to-face learning, 6 hours tutoring for a project, 8 hours rehearsal for presenting the project, 4 hours presentation of the project and an estimate of individual and team work of 160 hours.

The programme will apply the active Learning-by-doing teaching method, rather than learning by listening. A second edition will begin in 2020, incorporating the improvement actions identified during the first edition.

In addition, a series of roles were established as result of redesigning the Commercial Model in the light of the Trinity project, associated with the consultative sales process and account management (i.e. KAM, Product Champion, etc.), which in turn led to defining the profiles associated to each one.

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Two programmes related to the development of Business teams were carried out in this area in 2019:

- Business Line and innovation. Launch of a competence questionnaire with individualised feedback and training in two lines: Teamwork & empathy, and Planning & organisation.
- Country Commercials: launch of a competence questionnaire to analyse the sales profile of each (Hunter/Farmer orientation) to help managers develop their teams, and training in consultative sales and sales management.

Cellnex Spain and Corporate 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. Noteworthy among these programmes, is the new Leading by feedback (L2) and Performance Appraisal training course, within the leadership pathway of the company.

We also continued to impart technical training sessions associated with the core knowledge of the Department of each partner, such as innovation talks, and cross-cutting training such as project management, languages, internal certification of project managers, Intercultural Communication Programme, skills and Occupational Risk Prevention. Training is face-to-face, online and blended and provided by external experts and/or internal trainers. Training courses are also given to employees in other countries, such as Italy and the Netherlands.

Cellnex France places great emphasis on developing the knowledge and the skills of its collaborators. In this connection, in 2019 the company creates Cellnex University to share best practices and individual expertise, deepening the knowledge of our business line & strategy, discovering every Cellnex profession and training or developing new skills.

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

A new training needs detection system was defined for 2020 to achieve a greater efficiency in training management. This system allows the Director and Managers to have a better picture of the training needs of each employee, the development programmes carried out, those available and the budget for each one (resources allocation).

We are also aware that approximately 50% of training at Cellnex is internal, i.e., given by the workers themselves, who volunteer. In this context, we created the Train to Grow! programme, a specific workshop for placing value on these collaborators. This programme will continue in 2020. A special effort has also been made to raise awareness and educate about diversity, the strategic importance for the company and the role of the inclusive manager.

Likewise, Cellnex Italy has been implemented initiatives aimed at professional and managerial development such as a Mentoring project for HR development plans to support change management, professional growth and culture to spread or Coaching activities for key people to support professional and managerial growth.

In 2019 the staff of Cellnex Spain, Italy, France, Netherlands, United Kingdom and Switzerland received more than 54,317.51 hours of training (34.4 hours per employee), of which 10,127.25 concerned safety in the workplace.

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#### HOURS OF TRAINING

	2017	2018	2019
Corporation	-	5,722	5,994
Spain	40,452	39,722	40,380
Italy	4,372	6,682	5,826
France	-	1,190	1,007
Netherlands			798
United Kingdom			81
Switzerland			231
<b>Total</b>	<b>44,824</b>	<b>53,316</b>	<b>54,318</b>

See Annex IV for details.





## Remuneration and compensation

Significant milestones in 2019	Main challenges for 2020
Completing the remuneration policy and defining wage brackets, and roll-out to the rest of the Cellnex countries	
Adjusting and implementing the My Compensa employee benefits portal in Spain, France, Switzerland and Italy.	Implementing My Compensa for all employees in the rest of the countries.
Compliance with Spanish legal requirements for labour registration and labour disconnection policies.	Evaluation of implemented measures and introduction of improvements.

Cellnex has performed various action lines to maximise talent retention, including an analysis of remuneration and compensation elements to optimise 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 one, 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 2019, the remuneration policy and the definition of salary bands (remuneration by objectives) were extended to the rest of the countries and the aim is to benchmark different companies in the sector by position and country.

In parallel, we have implemented an employee benefits portal, My Compensa, bringing together all the elements of remuneration, compensation and social benefits that Cellnex offers its employees, making it easier to access and manage this information freely. The portal has been implemented in Spain as well as in France, Switzerland and Italy.

Employees currently enjoy a range of economic and social benefits including life and accident insurance, pension plans and health insurance.

Likewise, all employees of Cellnex Telecom generally have flexible hours, choosing within a margin of hours when to start their working day, 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 prior agreement with the head of the department. All employees who have requested a reduction in working hours are granted this right.". At the end of 2019, the procedures related to work disconnection measures and time registration were presented to the trade union representatives, thus complying with the legal requirements. Both documents were signed in January 2020.

## Management by objectives

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

This policy is based on the definition of common objectives of group, country, area, and individual objectives for some groups. This definition and evaluation are performed annually on a scale of achievement of up to 125%. The 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. The objective for 2019 has been to extend this policy to all the countries in the group.

In addition to extending this policy to the entire Cellnex group, and within the framework of continuous improvement, the following actions were performed:

- Auditing individual objectives of all employees of the Cellnex group to analyse their compliance with the SMART definition.
  - 1,556 audited targets
  - 72.50% of the individual objectives are SMART
- Increasing the weight of group objectives in country directors to align this group with the achievement of group objectives.
  - 35 directors
  - 10% of the weight of the objectives of the group to this group.

Improvements introduced in 2019 will be consolidated in 2020 and auditing of individual objectives will continue, seeking the traceability of these objectives with the manual of missions and functions of the different areas. In this way, we ensure that the objectives defined are aligned with the company's strategy.

## Occupational health and safety

Cellnex takes care of its onsite staff, striving to implement the best health and safety measures and ensuring compliance with the relevant rules in all its premises.

### OCCUPATIONAL HEALTH

79%

of the workforce is  
covered by a Health and  
Safety Committee

According to the Occupational Risk Prevention Policy of Cellnex Spain, which sets out 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. Other companies, such as Cellnex Italy and France also have an Occupational Risk Prevention Management System.

In 2019, Cellnex Spain obtained ISO 45001 certification, a new international standard that replaces OSHAS 18001:2007. The 45001 certification represents a further step in the management of health and safety at work since the scope is greater than that of OHSAS 18001. Here, we would highlight how ISO 45001, determines internal and external factors that can impact the company's business and that bring new risks into the business. It also requires steps to be taken to address risks and opportunities that may affect the system's ability to achieve expected results or which may affect customer satisfaction.

During this year, Cellnex Italy achieved and maintained SA8000 and ISO45001 certification and created a new "Social Performance Team" committee that holds meetings at least twice a year, or more if they receive grievances to discuss and to solve. The topics discussed by the Social Performance Team are related to "social responsibility of the Company" (SA8000) and "health and safety in workplace" (ISO45001).

Moreover, in Cellnex Spain, the commitment and participation of senior management in the leadership of the management system comes to the fore, while everyone in the organisation has an obligation to know their responsibilities to be able to work together and achieve the objectives of health and safety at work.

Necessary actions under ISO 45001 includes monitoring, measurement, analysis and evaluation of occupational safety and health performance. In this context of the standard, work observations were made to detect potentially dangerous situations and head off any future shortcomings. The development of this initiative in Cellnex Spain represents an improvement in occupational health and safety, which is possible only in mature processes such as those at Cellnex.

In addition, Cellnex has Business Coordination Activities agreements with its customers through which the company defines the audit processes to be applied to its customers. These 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 31/1955 (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. The Multi-Plant Health and Safety Committee met four times over the last year, 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.

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Cellnex Italy also has a Health and Safety Committee comprising of 11 members, 8 internal employees and 3 external people involved only in case of emergency (the RSPP, the ASPP and the Competent Doctor). Internal employees come from all companies belonging to Cellnex Italy. The Health and Safety Committee met twice in 2019.

Cellnex Spain complies with its prevention obligations under Royal Decree 39/1997 through a Joint Prevention Service. Most of Cellnex Spain's companies are already in the Joint Prevention Service, with only XOC and ZENON still to be incorporated, and are expected to be integrated in 2020.

Cellnex's Joint Prevention Service has established all the operations necessary to comply with the current regulations on radioelectric emissions (Royal Decree 299/2016) and to define working methods for any employee who may be exposed to non-ionising radiation in technical telecommunications centres. This work protocol encompasses all risk prevention and/or protection measures both in the focus, the environment and on the individual.

Likewise, Cellnex Italy has an external prevention service (*responsabile del servizio prevenzione e protezione*), complying with the Italian law. This service is responsible for all matters related to prevention and protection. Every year Cellnex Italy performs an "evacuation drill" and holds a meeting with RSPP, RLS and the Managers "employers for the law" (Datori di Lavoro) in order to check the level of safety in the Company (in all different premises), to evaluate and to start improving potential actions.

Cellnex Group has 12 agreements that cover aspects related to health and safety at work, 4 agreements in Cellnex Spain and 8 in Cellnex Italy. In Spain, 90.5% of the workforce is covered by a Health and Safety Committee and in Italy is 100%.

In order to ensure a safe working environment in which all company staff know the health and safety measures in the workplace, Cellnex Spain provides information and training in occupational health and safety for the whole workforce. Training was provided in this area throughout 2019. Thus, training and awareness-raising activities were reorganised by area, and the training approach was changed to a more pedagogical approach in which workers are encouraged to be proactive, involving them in prevention at work.

Also noteworthy are the Health and Safety training initiatives of Cellnex Italy and the Netherlands. Cellnex Italy carried out all training activities in 2019 involving employees in first aid, fire escape, electrical risks, defibrillation (BLS) and at Cellnex Netherlands they regularly train employees on how to avoid risks.

We organise numerous communication campaigns to raise employee awareness about the importance of safety at the workplace. Moreover, information 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. In addition to these documents, the intranet provides access to all procedures, guidelines, etc., which cover all aspects of the work done by Cellnex Spain staff, both technical and office.

Furthermore, the process of managing occupational safety information relating to Cellnex work centres has been optimised, improving the information available from each centre in the systems and allowing greater accessibility and streamlining of the information to customers and suppliers.

One project that stands out in this field is Cosmos Mobile, an innovative application for preventing occupational risks which provides real-time information on technicians' locations and site status, allowing us to enhance employee safety as well as maximise the efficiency and quality of operations.

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In addition, and pursuant to Law 31/1995 on the Prevention of Occupational Risks, in 2018 assessed the psychosocial risks to which Cellnex staff are exposed in Spain, with 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. Following the evaluation of psychosocial risks carried out in 2018, Cellnex Spain set up a work commission in 2019 to implement preventive and corrective measures.

## Mobility Plan

Cellnex Spain's Mobility Plan was approved and implemented in 2018. 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.

At this point, it is worth noting that the Metropolitan Transport Authority of the Barcelona area has created the PDE (Company Travel Plan) Label. In 2019, the offices of Cellnex located in the free trade zone have received this label as a result of the preparation and presentation of our mobility plan for this work centre.

Furthermore, in line with the Mobility Plan approved in 2018, Cellnex Spain is working to optimise more sustainable and safer mobility through different initiatives such as teleworking.

Mobility Plan: actions undertaken and future actions

Actions taken in 2019	Actions to be taken in 2020
4x4 Training and Road Safety	4x4 Training and Road Safety
Online training	Awareness-raising courses for middle managers
Road Safety awareness campaigns	Awareness conferences at venues held by professionals affected by traffic accidents
	Promotion of teleworking

## Health and Safety Training

In 2019, 10,127 (5,937 FY2018) hours of training were imparted at Cellnex in occupational risk prevention and occupational safety.

Training provided in 2019
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

10,127

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.

	Men	Women
Accident frequency rate (AFR)	1.26	2.17
Accident severity rate	0.011	0.067
Incidence of occupational diseases	0	0

It should be noted that the frequency and severity rates have been calculated only for Spain because it is the only country where accidents have occurred. Therefore, the number of hours worked in Spain has been taken into consideration, not at Group level.

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

## 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.

In 2018 Cellnex signed up to the Luxembourg Declaration. 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. Participating companies undertake to put the principles of health and safety into practice in business strategies and to promote and disseminate them.

During 2019 the company continued to foster the promotion of healthy lifestyle habits through the "Click into Wellness" project, to promote and protect the health and well-being of all workers in the Cellnex Group. In 2019, activities focused on promoting healthy eating patterns and habits, including online and in-person training, as well as showcooking workshops. By 2020, the initiative is expected to focus on promoting physical activity and sport.

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Moreover, we continued making progress in this area in 2019 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.
- Organisation of informative sessions on "Emotional Eating and Stress" by the Preventive Management unit, within the project "Click into Wellness".
- Corporate medical and physiotherapy service.
- Promoting sports among group partners who work in the central offices.

Furthermore, Cellnex Italy designated the "Competent Doctor", complying with the law. With his support, they listed the official "Medical Protocol" for each job profile of the company. In each "medical protocol" there is a list of medical checks to be done for each employee, related to the occupational risk associated with the job, and the duration of the validity of the medical examination.

In Cellnex Netherlands, they are organising a preventive medical research for all employees wishing to take part, providing them with an opportunity to check their physical and mental health.

# Adding value to society

## Customers

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

One key factors of the business model is continuous customer support throughout the service provision process, from commercial to incident management, reporting and possible consultations and complaints during provision, operation and maintenance. The customer's main contact person is therefore the commercial manager, who involves the required specialist arear 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 2019 Cellnex Spain continued managing user complaints under the Complaint Management Procedure. Especially significant here is the second digital dividend, which comprises all the changes required in DTT Networks to free up the 700 MHz band for Mobile Telecom Services (mobile telephony and data) and the first 5G network roll-outs. This second digital dividend project will finish in 2020 and to date has required significant coordination with the Spanish Administration and with broadcast customers.

In 2019, Cellnex Spain managed 12 user complaints related to DTT and Cellnex Italy managed 4. All of them have been processed and resolved according to the company's procedures before the end of the year.

The effective management of significant events and incidents requires, various business continuity guidelines and plans that we have designed to ensure that continuity of critical services in the event of failure in any system, either by protect on or redundancy.

In 2019 Spain also consolidated the integration of the various resources for ensuring network monitoring and performance in a single Network Operation Centre (NOC). This has improved the detection and resolution of network incidents.

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 DAS, Private Networks, 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

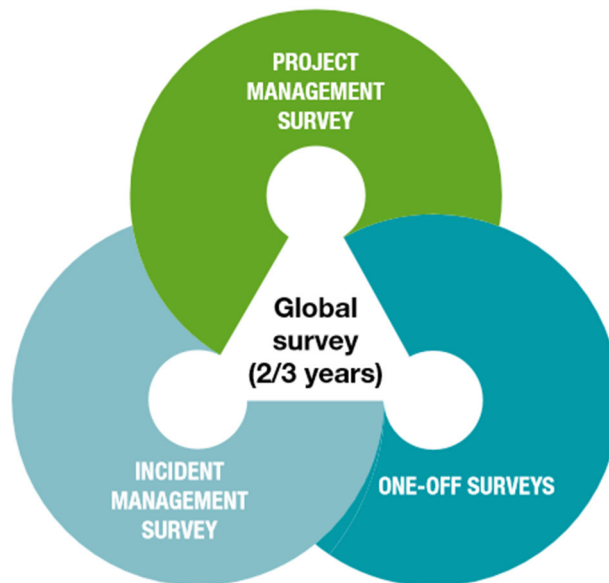
The customer satisfaction survey in Cellnex Spain was conducted in 2017 and yielded very positive results, with 92% of Cellnex Telecom customers either satisfied or very satisfied with the company's service. Cellnex used the results of the 2017 survey of its key customers to pinpoint specific initiatives for each one 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.

A new model for measuring customer satisfaction was developed in 2019. This model integrates various measurements of customer satisfaction to gauge customer satisfaction at all stages of the process.

It was also designed taking into account that the interlocutors, represent either the customer or Cellnex (according to the stage of the process), therefore using different measurements enables a greater number of interlocutors to be reached.

This new model makes it possible to obtain specific feedback on projects/services and, much more frequently, to carry out more streamlined management of action plans, by receiving results directly from the client/project managers and reducing the outsourced cost by increasing the time taken to carry out the global survey.

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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 overall satisfaction with other competitors on the market. In 2019, Cellnex Italy obtained 70% customer participation.

Cellnex Netherlands will conduct the next customer satisfaction survey in 2020, including Towerlink, Shere and Alticom.

#### Zero Outage

The Deutsche Telekom Group renewed Cellnex Telecom's 'Zero Outage Supplier' certification for the third year running through Rainer Anton Offermann, Head SuperSquad Production Infrastructure & Service Enabling within 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 Deutsche Telekom 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 corporate policies and ensure compliance with all of them. They can access Cellnex policies on purchasing, quality, 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 these rules and requirements available to all contracted and subcontracted personnel.

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

In 2019, Cellnex acquired an IT tool to be rolled-out during 2020 that will enable Cellnex to have a common Supplier Portal (Portal) for all countries, which will provide a single point of contact with suppliers, help standardise and digitalise processes, improve supplier contact management and be able to request additional information for improvement. "Portal" is an scalable tool applicable to all countries.

Cellnex Spain has increased the contracts with local suppliers up to 95% for maintenance and network deployment activities regarding infrastructures. Our current policy for supplier section has been considered as added value due to the local proximity and knowledge of their staff.

Cellnex suppliers perform important maintenance tasks and techniques that contributes to Cellnex providing high quality services to its customers. Cellnex strives to generate local value by contracting 91% of local suppliers in Spain, 94% in Italy, 87% in France, 95% in Switzerland, 98% in Netherlands and 73% in UK. Whenever its possible, Cellnex priority is allocate provision of goods and services to local suppliers (local terms mean suppliers who are based in the same country where delivery of goods or provision of services is done).

In terms of Occupational Risk Prevention, Cellnex Telecom establishes coordination requirements between the company and its suppliers of works and services to comply with the obligations established in the Law on Prevention of Occupational Risks and other complementary regulations. It has specific guidelines for suppliers that access the company's facilities, mainly those involved in installations and maintenance projects, and customer colocation services. Likewise, Cellnex informs its suppliers of the environmental requirements for works. Suppliers must respect these rules to avoid generating environmental impacts while performing their work. If so impact are caused, corrective measures must be implemented to remedy them.

Cellnex is extremely committed to preventing corruption, which affects suppliers within supply chain. To this end, Cellnex applies an audit process to find out supplier's position and schedule any necessary actions to avoid problems in this regard.

### LOCAL SUPPLIERS

91%

In Spain

94%

In Italy

87%

In France

95%

In Switzerland

98%

In Netherlands

73%

In UK

## Evaluation, selection and monitoring of suppliers

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

Cellnex has a system for evaluating, selecting and monitoring suppliers that includes an internal procedure setting out 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 results. 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 Cellnex countries that have ERP system for purchases, such as the corporation, Cellnex Spain, Cellnex Italy, Cellnex France, Cellnex Switzerland and Cellnex Netherlands, for the current year.
- Additionally, an evaluation of main suppliers regarding social responsibility issues is performed. The scope of the suppliers involved in this evaluation was updated in 2019, to align it, as much as possible, with the criteria used to define the scope of suppliers to participate in the CDP Supply Chain. The CSR supply survey methodology has been modernised to increase participation in the survey and therefore gather information from more suppliers and have sufficient critical mass to determine actions for continuous improvement. The survey includes labour, risk prevention, social, environmental, quality and human rights aspects. The survey also expressly requires suppliers to accept Cellnex's code of ethics and recommends that suppliers ensure that their subcontractors respect and apply it.

Along with the survey, Cellnex has informed its suppliers that it is in the process of certification (SA8000 Certification) and has sent its corporate social responsibility policy, as well as the requirements of the SA 8000 standard to make its suppliers aware of Cellnex's commitment to corporate social responsibility. Cellnex Italy has also achieved ISO9001, SA8000, ISO45001 certifications. In 2019, Cellnex Spain has evaluated 98 suppliers in terms of the environment and 100 suppliers in terms of labour relations. Similarly, 229 suppliers were assessed in terms of labour relations at Cellnex Italia, 2 at Cellnex France and 3 at Cellnex Switzerland, and 229 suppliers were evaluated in environmental terms at Cellnex Italia, 3 at Cellnex France and 3 at Cellnex Switzerland. At the beginning of 2020 we will develop a comprehensive analysis of the responses and, if necessary, agree on appropriate actions to be taken with each supplier.

In terms of the evaluation of new main suppliers, 89% were evaluated in Spain, 83% in Italy, 9% in France and 18% in Switzerland.

A specific information clause about the company's Code of Ethics is included in the general conditions for purchase orders in Cellnex Spain, Italy, France, Switzerland and Netherlands as part of the company's dissemination and communication drive.

For the second consecutive year, the CPD Supply Chain questionnaire was launched to our suppliers, improving the response rate to 37%. In this questionnaire, company's suppliers report data on their emissions and environmental behaviour to evaluate their efforts to combat climate change. These actions carried out by the company during 2019, aimed at reducing emissions of polluting gases and managing climate risks throughout its supply chain, have received recognition from CDP, as the organisation has designated Cellnex Telecom as a global **"Supplier Engagement Leader"**. Only 160 companies globally, barely 3% of a sample of more than 4,800, have this distinction. CDP thus recognizes the commitment to the fight against climate change that the operator has motivated among its suppliers.



## 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. During this year it has been confirmed that investors trust the company's long-term vision as well as the industrial profile offered by Cellnex. This model is attractive to our investors and has the confidence of most of our analysts, as more than 50% have a Buy recommendation on Cellnex ( a very significant percentage considering that in 2019 the share price revalued by 94%. This was achieved in 2019 thanks to the greater number of brokers that follow the company (currently 29).

The person in charge of this 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 Best IR Professional Telecommunication Services category by the renowned Institutional Investor Magazine.

During 2019, we continued to roll out our ongoing communication with investors and support for the financial analysts who follow the Company, which is increasingly due to the increased market focus on the Company.

It is worth pointing to the over 700 face-to-face meetings held with investors during the year, more than 400 telephone meetings and our participation in more than 40 sector conferences, where all relevant aspects such as capital increases, new M&A transactions or the strategic positioning of Cellnex were communicated.

## 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 2019, Cellnex continued to participate in initiatives related to sector activity. Cellnex belongs to the following associations:

## Cellnex's participation in relevant initiatives

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 Union.

## 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)

## Foundations

- EURECAT
- i2CAT
- SERES, foundation
- Foundation Portolà

Universities and  
Training Centres

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

## Associations

- European Broadcasting Union (UER/EBU)
- Digital Video Broadcasting (DVB)
- TCCA (formerly Tetra MOU association)
- Digitales
- National Federation of Telecommunications Installers (FENITEL)
- Spanish Association of Interactive Television Companies (AEDET)
- 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
- French Chamber of Commerce in Catalonia (CCI).

## 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
- 5G Forum Malaga
- International Women Forum
- Forum Telecom
- Foro IN
- 5G Forum Malaga
- International Women Forum
- Forum Telecom
- Foro IN
- Big Bang Santé
- Vakbeurs Facilitair & Gebouwbbeher
- ChannelConnect This is IT
- IBC trade show
- Telecom Infra Event
- Rotterdamse Vastgoeddag
- Asamblea General FENITEL
- Semana Makers Galicia
- DigitalES Summit
- EuCNC 2019 – European Conference on Networks and Communications
- La España Digital Vacuada
- 4K SUMMIT

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

### TowerXchange Meetup 2019

For the fourth year running, Cellnex took part in the TowerXchange Meetup 2019, 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.

### Mobile World Congress MWC-2019

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 13 yearly editions.

On this occasion, the company presented its latest solutions in terms of "intelligent connectivity", especially focused on the ecosystem of infrastructures that will serve as the basis for the deployment of 5G, as well as the most relevant cases of use in which it is working related to this technology, such as the connected vehicle, the IoT and the emergency management pilot using drones.

### Smart Cities for Smart Citizens Congress

Cellnex took part in the Smart Cities for Smart Citizens Congress promoted by Valencia Marina, where José Antonio Aranda, Director of Innovation and Product Strategy at Cellnex, took part in the programme of conferences at the Congress offering the company's vision of the process of digital transformation linked to the roll-out of 5G technology.

### World radiocommunication conferences (WRC)

The World radiocommunication conferences (WRC) took place in October-November 2019. They were organised by International Telecommunication Union (ITU) and are the meeting place for global administrations every three to four years to review and, if necessary, revise the Radio Regulations. These conferences serve to take decisions about the radio-frequency spectrum, as an international treaty, which affects the development of telecommunications.

Cellnex is actively involved in the ITU process, where it defends its interests. The expected results of the WRC point to an intensive period in terms of study and research in the coming years (2019-2023).

### Significant awards and recognition of Cellnex in 2019

- We were awarded the special designation of "Most Honoured Company" from the 2019 All-Europe Executive Team ranking organized by Institutional Investor. Of the more than 1,200 companies nominated, only 125 companies received this distinction, obtaining at least two of the top positions in the main research categories.
- Cellnex received the ECM Deal of the Year in Iberia award for the 600 million convertible bond. This award is a comprehensive recognition of achievements in the capital markets and acknowledges Cellnex's excellence throughout the EMEA region.
- The Regional Interior Ministry of the Catalan Generalitat distinguished Gabriel Sevilla, Head of Corporate Security of Cellnex, with an honourable mention in Private Security for the direct collaboration of the whole team with various areas and units of the Catalan Police Force.

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- Cellnex improved its FTSE4Good sustainability score, obtaining an overall rating (ESG, Environment, Social and Corporate Governance) of 4.4 out of 5 - as opposed to the 3.9 out of 5 recorded in 2018 - and far exceeds the average of the selective in the telecommunications sector, located at 2.9 out of 5.
- Cellnex was selected, together with Ferrovial and ACS, as a candidate for the company of the year 2019 award in the Influentials Awards. This category rewards companies for their innovative business model and contribution to social and economic development. In this regard, Cellnex was selected for doubling its stock market value in 2019, becoming the Spanish company with the best comparative results in the entire park, and for positioning itself as one of the best European companies in the roll-out of 5G technology.

## Cellnex's participation in Sustainability Indices and initiatives

### CDP (formerly Carbon Disclosure Projects)



Once again Cellnex takes 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.

This year Cellnex was rated the “A” score, the highest score allocated by the CDP. Only 12% of the more than 8,400 companies and organisations analysed worldwide – 178 in total – are part of the “A List”. Seven of the 90 Spanish companies analysed obtain the highest score allocated by the CDP.

Cellnex's score has risen from 'B' to 'A' in recognition of its implementation of best practices in the fight against climate change in 2019, above all relating to Corporate Governance, the impact of its activity and financial planning, environmental risk management and the calculation and verification of emissions.

Furthermore, CDP has designated Cellnex Telecom as a global "Supplier Engagement Leader". Only 160 companies globally, barely 3% of a sample of more than 4,800, have this distinction. CDP recognises the company's strategy to reduce pollutant emissions and climate management throughout its supply chain.

### 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, Cellnex total score is 50% higher compared to the sector average, up to 4,4 points out of 5. The company obtains the maximum score in the Governance Themes and in the Climate Change theme (5/5).

FTSE4GOOD

4,4

points out of 5

5/5

in Governance and  
Climate Change



## Standard Ethics

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

## Sustainalytics

For the third 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 70 points, up from 67 in 2018 and taking the company to 23th position (out of 96) from 29th the previous year. Cellnex scores average for the sector on social and environmental matters but holds a leading position when it comes to governance.

## 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 2019, Cellnex improved its total score by 5%, taking it to 60 points. More specifically, it scored better in the environmental (+13) and social (+5) dimensions. With a slightly lower economic score (-1) than in 2018, Cellnex will strive to continue working on all areas.

## MSCI Europe index

Cellnex was added to the MSCI Europe index, following the May 2019 semi-annual index review. Cellnex was previously a constituent of MSCI Europe Small Cap Index. The announcement follows the company's recent acquisition of 10,700 sites in France, Italy and Switzerland in line with its strategic expansion into Central and Western European markets. The company also recently delivered strong Q1 results and a successful share capital increase of €1.2billion in March 2019. MSCI is a leading provider of research-based indexes and analytics, and the MSCI index is of interest to several passive funds.

## Social contribution

Cellnex works with non-governmental organisations through corporate volunteering actions, donations and joint development of projects. In 2019, Cellnex Spain launched the Programme of social projects and volunteerism, a platform that includes all projects aimed at contributing to the construction of a fairer society.

Likewise, other countries such as Netherlands or Italy have developed social contribution projects. Cellnex Netherlands implemented an initiative entitled “Media parks of broadcasting”, a project in which tickets were offered for EUR 5 for students to visit the towers on a study visit day. Cellnex Italy collaborated with different foundations which help children affected by diseases and health institutions in addition to participating in humanitarian actions. Also, in Ireland, Signal was the main sponsor of the Cancer Fund for Children Charity ball at The Shelbourne Hotel in aid of Daisy Lodge.

## Social projects and volunteer programme

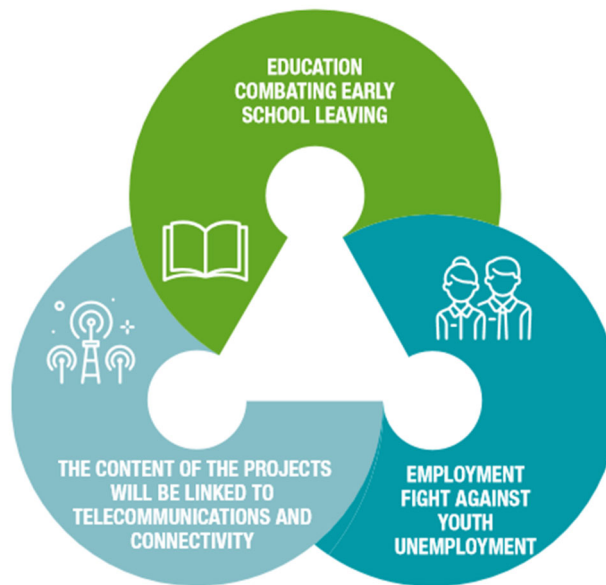
In Cellnex we have a significant group of volunteers who contribute their ideas, skills, knowledge and time to developing solidarity projects. This year, we wanted to go one step further, creating a platform that not only recognises the work

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of these volunteers but also promotes further corporate volunteer activity and Cellnex as a socially responsible company, increasing our social contribution.

The purpose of Cellnex's social action was defined through the programme, and the company's social action and volunteer projects were planned strategically for three years. It will also serve as a platform for the future creation of the Cellnex Foundation.

The Cellnex social projects and volunteer programme was created to improve our social environment by promoting the development of young people in vulnerable situations through education and inserting them into the world of work, promoting innovation and technology.



The first project launched called "Cellnex Youth Challenge" is an educational and on-the-job training project in which Cellnex and its employees are closely linked to the La Mercè secondary school, offering support to vocational training students in telecommunications through motivation, mentoring, transmission of knowledge, experience and employability.

The initiative is aimed at several of the school's courses. The programme covers all students involved in vocational training in telecommunications, with 67 young people benefitting from this initiative during this first academic year.

The main goal of the project is to reduce the school drop-out rate and promote youth employment, but it also has several secondary cross-cutting objectives. These include empowering students, using their skills to perform projects and involving of company volunteers and teachers to motivate students on their way to training and employment. This year 64 volunteers participated in the initiative.

In December a solidarity campaign in which we collected food, toys, books and money at national level for children and teenagers who need them was launched. As in previous years, in Barcelona there will be collaboration with the Juvanteny Foundation and in Madrid with the Madrina Foundation. Thanks to the contributions of the employees, a total of 755 kg of food, EUR 847 in financial contributions and two whole vanloads of toys have been obtained.

## Donations

Once again, this year Cellnex continued to collaborate with non-governmental organisations through its specific budget allocation for Christmas gifts. The Group's 2019 corporate donation was given to Unicef. The collaboration with Unicef in the project "For me and for all my companions" in favour of equality and against discrimination and gender violence is framed in the Group's Diversity and Inclusion Plan. Specifically, the project focuses on girls and women who suffer exclusion in areas such as education, health, political participation and economic opportunities.

Also, in Cellnex Ireland sponsored a Masquerade Ball event. This event aims to raise money for the Cancer Fund for Children's Daisy Chain, an organization that builds therapeutic short break facility for children diagnosed with cancer and their families. Thanks to the donations received, they are building a second Daisy Lodge in Mayo to ensure 70 families across Ireland get the vital emotional support they need with a therapeutic short break in Daisy Lodge.

## Contribution to initiatives

For years Cellnex has shown its commitment to society by joining and organising numerous Corporate Responsibility initiatives. Below are the most important initiatives of 2019.

### 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 in the social situation. 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. In 2019, Cellnex donated EUR 6,000.

### 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 2019

For the third year running, Cellnex joined the WWF 2019 Earth Hour campaign and turned the lights off in the offices of Cellnex in Barcelona, Rome, Milan, Paris, Zurich, Reeuwijk and Zmolle (Netherlands) and Woking (UK) from 8.30am to 9.30pm on 30 March. 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. In 2019, Cellnex donated EUR 500.

### 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 EUR 153,425 (EUR 6,973.86 per connection).

## 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 2019, Cellnex donated EUR 9,000. The money raised is used to research new methods of prevention, diagnosis and treatment for minority diseases.

## 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 EUR 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 2019, Cellnex will sponsor with a contribution of EUR 35,000.

## Fundació Portolà

In 2019 Cellnex collaborated with Portolà Foundation, an organisation going back almost 30 years and supporting the social and labour integration of people with intellectual disabilities. 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.

## Social projects

### 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 2019, the number of social housing units equipped with various sensors making it possible to collect and monitor data related to energy efficiency, temperature, humidity and CO2 levels, among other indicators, will rise to 50, thereby helping these social entities to better monitor and protect these "connected" homes. 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.

## Casa Bloc Project

This year Cellnex started the steps to collaborate in the execution of the Llar Casa Bloc Project promoted by HÀBITAT3. This organisation is a social housing manager promoted by the Third Social Sector of Catalonia with the aim of ensuring that all of society, especially the most vulnerable groups, have decent housing.

Llar Casa Bloc Project aims to remodel the former residence of the Casa Bloc to create 17 homes that will host people in vulnerable situations in the city of Barcelona. Cellnex's collaboration is focused on the installation of the necessary elements for an integral management of the houses' consumption and to provide them with the Wi-Fi communication infrastructure.

# Sustainable development of the business

## Responsible environmental management

Cellnex bases its activity on the principles of sustainability and responsibility and has therefore defined a Strategic Sustainability Plan, which was approved by the company's senior management in 2019. The project aims to raise the level of the company's responsibility in the field of sustainability to work towards becoming a leader in environmental management. The plan also seeks to achieve a high level of commitment among the company's stakeholders that contributes to increasing their environmental awareness.

The Strategic Sustainability Plan covers five years (2019-2023) and has been drawn up within the framework of the CR Master Plan (2016-2020). This Plan will be integrated into the next CR Master Plan (2020-2025).

The Plan is part of the company's daily activities and is structured around 11 lines linked to the United Nations Sustainable Development Goals (SDG). To that end, we carried out an analysis of the company's risks and opportunities in order to identify the Sustainable Development Goals that Cellnex may influence, beginning with the definition of three strategic goals related to sustainability.

Lines	Goals	SDG
1 Planning and management of sustainability	Develop and implement a Sustainability Plan as a roadmap for the organisation, which includes specific actions and measurement Indicators, aligned with the Sustainable Development Goals.	
2 Mitigation of and adaptation to climate change.	Implement a comprehensive strategy to combat climate change, with sustainable management of emissions, offsetting them where appropriate.	
3 Energy management	Manage energy and water consumption responsibly, minimising impacts and optimising resources.	
4 Responsible and circular management of resources	Responsible management of the Inputs and outputs of the organisation's resources (basically water, raw materials and waste, applying the principles of sustainability).	
5 Sustainable and safe mobility	Ensure that travel by and for CELLNEX is as sustainable as possible, incorporating the security vector as the main criterion.	
6 Natural spaces and biodiversity	Preserve the natural spaces in which our activity is carried out, minimising any environmental impacts.	
7 Development of sustainable products and services	Analyse the existing product portfolio from the perspective of sustainability and the circular economy, and incorporate these as criteria when launching new products.	
8 Responsible management of the supply chain	Many of the impacts generated by our company occur outside our company, along our supply chain, so they also need to be managed responsibly.	
9 Measuring the impacts on society and the planet	To develop systems of metrics of impact on society and the natural environment in order to make explicit the social value generated and to be able to manage it.	
10 Strengthening relationships with stakeholders and society	Strengthen, in a participative and inclusive manner, the relationship with stakeholders in order to know their expectations and anticipate opportunities and risks, developing a battery of strategic actions to strengthen the positive perception of society.	
11 Communication of the sustainability strategy	Devise a communication plan for stakeholders (internal and external), matching their expectations and using the most appropriate channels to optimise impact.	

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On the basis of the corporate goals, it will set up specific goals for the different geographical areas and standardise global management systems and regulations at Group level.

As shown in the figure above, the first strategic line of the Plan consists of planning and management of sustainability, for which an Action Plan will be devised. The Action Plan will include more detailed actions that facilitate the execution of the Strategic Plan in order to plan, communicate, train and implement a certifiable management system.

Over the coming years, the development of the Action Plan aims to design the implementation and future certification of a global integrated management system under a number of International Standards (ISO 9001, ISO 14001, ISO 45001, AS8000, with a focus on energy certification ISO 50001) for all business units.

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








**MAIN ACTIONS IMPLEMENTED IN 2019 / KEY FUTURE ACTIONS TO BE IMPLEMENTED IN 2020**

Main actions implemented in 2019		Key future actions to be implemented in 2020
1	Devise an action plan	Plan the implementation of a global integrated ISO system for its future certification.
2	Draft a Strategic Plan for carbon management	Incorporate Ireland and other acquired companies in the calculation of the Cellnex Carbon Footprint.
3	Working on a Green Power Purchase Agreement in Spain	Define the global energy management model as well as the company's energy efficiency plans, aligned for possible ISO certification.
4	Valuing almost 100% of the waste generated directly from our activity in Spain.	Carry out a Life Cycle Analysis. Perform an analysis of climate scenarios following the recommendations of the TCFD.
5	Carrying out studies on sustainable and safe mobility in Spain	Work on the development of a safe and sustainable Travel/Mobility Plan.
6	Evaluation of the sites acquired until the first quarter of 2019 (assess whether these are natural and/or protected areas and the regulations that apply to them.)	Identify natural spaces and applicable regulations. Keep in step with legislation relevant to the management system. Prepare of the environmental impact map.
7	Planning of possible actions	Analyse the life cycle of the main products/services.
8	Maintenance of the value chain with CDP Supply Chain suppliers. During 2019 suppliers from France, the Netherlands, and Switzerland join.	Incorporate environmental and social criteria in contracting processes. Maintain the value chain with CDP Supply Chain suppliers and maintain or improve the current index.
9	Plan actions from 2020 onwards.	Plan a systematic follow-up to UN SDG.
10	Actions in coordination with the Management of Corporate & Public Affairs	Plan action with the CSR unit of Corporate & Public Affairs Management.
11	Actions in coordination with the Management of Corporate & Public Affairs	Plan action with the CSR unit of Corporate & Public Affairs Management.

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## 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 the 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. The following risks were identified during 2019:

Risk	Risk	Management
	Damage from extreme weather events (extreme temperatures)	<ul style="list-style-type: none"> <li>Implementation of projects related to the monitoring of meteorological information. Noteworthy among them are the ENERTIKA project, which involves installing temperature sensors to obtain detailed meteorological information (temperature, relative humidity, etc.), the R&amp;D+I SOLARE2RF-Potenciación project and efficient cooling for radio-frequency sites.</li> <li>Implementation of pilot refrigeration projects such as Free-Cooling projects in Italy and Spain.</li> </ul>
	Damage by natural disasters	<ul style="list-style-type: none"> <li>Measures to ensure continuity of service</li> <li>Monitoring the state of the territory in the areas most at risk of natural disasters</li> <li>Evaluation of the impact of natural disasters</li> <li>Have emergency plans in place</li> <li>Insurance contracts covering these disasters, etc.</li> </ul>
	Repercussions for non-compliance with corporate agreements in the framework of COP 21	<ul style="list-style-type: none"> <li>Investment in energy efficiency and emission reduction projects- Setting of targets for the reduction of energy and own emissions 2018</li> <li>Project to increase renewable energy for self-consumption (Desigenia Project Pilot)</li> <li>Maintenance of the Environmental Management System</li> <li>Be up to date with emerging regulations and compliance with established limits and requirements- We are part of the digital sector DigitalES.</li> <li>Invest in equipment that works at high temperature to minimise cooling needs</li> </ul>
	Control of GHG emissions from diffuse sectors	<ul style="list-style-type: none"> <li>Investment in energy efficiency and emission reduction projects- Setting of targets for the reduction of energy and own emissions 2018</li> <li>Project to increase renewable energy for self-consumption (Desigenia Project Pilot)</li> <li>Maintenance of the Environmental Management System</li> <li>Be up to date with emerging regulations and compliance with established limits and requirements- We are part of the digital sector DigitalES.</li> <li>Invest in equipment that works at high temperature to minimise cooling needs</li> </ul>
	Repercussions associated with the regulation of WEEE (Waste Electrical and Electronic Equipment).	<ul style="list-style-type: none"> <li>Identify actions that will help to minimise electrical and electronic equipment waste, in order to reduce emissions from treating it. (Outsourced processes).</li> </ul>
	Incidences due to the creation of new taxes and regulations on energy and fuels.	<ul style="list-style-type: none"> <li>Actions to promote the use of renewable energies</li> <li>Project to increase renewable energy for self-consumption (Desigenia Project Pilot).</li> <li>Actions for the purchase of certified green energy</li> <li>Investments in energy efficiency projects - Follow-up actions on possible changes in electricity regulation</li> </ul>
	Changes in the behaviour of customers and investors: demand for environmental information on the services provided	<ul style="list-style-type: none"> <li>Calculation and publication of our carbon footprint.</li> <li>Implementation of the online tool Clean CO2, a software application that allows the calculation of the carbon footprint and the offset of emissions of the companies of the Group and also of the services it offers.</li> <li>Annual reports on Cellnex's environmental performance in sustainability indices and international organizations, including Carbon Disclosure Project, Dow Jones Sustainability Index, United Nations Global Compact, FTSE Russell.</li> <li>Participation in the I + D + I GROWSMARTER project (2015-2019), which develops measures, pilots and demonstrations in the field of energy efficiency and sustainable urban mobility for the City of Barcelona.</li> </ul>

## Sustainable use of resources

Owing to the nature of Cellnex's business, the only material environmental aspect is, energy. In this context, 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 2019, the company's total electricity consumption was 563,003,094 kWh (460.972.053 kWh in 2018).

Cellnex is committed to using renewable energies, as borne out by the Cellnex Netherlands practice of buying 100% green energy, Cellnex UK aims to buy green energy in 2020 and Cellnex Italy has issued a tender for its energy supplier that specifies that 30% of power must come from green sources by 2021. Also, Cellnex Switzerland uses 100% renewable electricity (water and solar).



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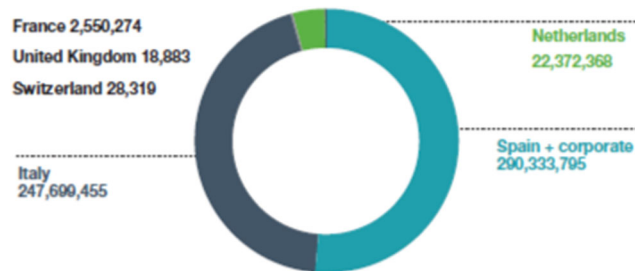
Cellnex Spain has been working on a Green Power Purchase Agreement in 2019 by negotiating PPAs, to be implement in 2020.

Cellnex Spain has photovoltaic power generation facilities for producing electricity for its own sites. They generated 1,756,294 kWh in 2019, thereby cutting 667,391 of CO2 from the company's carbon footprint.

On the other hand, Cellnex Netherlands has replaced oil with biodiesel, certified as buying 100% green energy.

**BREAKDOWN OF ELECTRICITY CONSUMPTION**

Region	Electricity consumption (kWh)
Spain + Corporate	290,333,795
Italy	247,699,455
France	2,550,274
Netherlands	22,372,368
United Kingdom	18,883
Switzerland	28,319


**GASOLINE CONSUMPTION BY COUNTRY [KWH]**

	2017	2018	2019
Spain	9,576	7,966	34,770
Italy	-	-	-
France	-	-	-
Switzerland	-	-	-
Netherlands	-	-	-
UK	-	-	-
Total	9,576	7,966	34,770

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**NATURAL GAS CONSUMPTION BY COUNTRY [KWH]**

	2017	2018	2019
Spain	11	9	10
Italy	-	-	-
France	-	-	-
Switzerland	-	-	-
Netherlands	-	-	1,062,034
UK	-	-	53,204
<b>Total</b>	<b>11</b>	<b>9</b>	<b>1,115,248</b>

**DIESEL CONSUMPTION BY COUNTRY [KWH]**

	2017	2018	2019
Spain	1,783,846	2,022,536	2,187,968
Italy	1,908,753	2,568,292	3,637,404
France	-	-	-
Switzerland	-	-	-
Netherlands	-	-	497
UK	-	-	-
<b>Total</b>	<b>3,692,598</b>	<b>4,590,828</b>	<b>5,825,869</b>

**Energy efficiency**
**ENERGY-EFFICIENCY  
PROJECTS**

**667**  
of CO<sub>2</sub>-eq avoided

As per the Strategic Sustainability plan, Cellnex continued working towards achieving more efficient procedures and taking initiatives to reduce energy consumption. This objective focuses primarily on improving equipment and implementing technologies that increase efficiency, and it is 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 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. These free-cooling systems have already been installed at 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 can potentially be installed, while Cellnex Netherlands aims to cut energy consumption by 6%.

Furthermore, this year Cellnex established energy efficiency criteria in new offices in Rome and Zurich. The premises Zurich comply with the Minergie energy standard, with 100% renewable electricity (water and solar). In line with the new offices that opened in 2019, Cellnex Spain will use these criteria in the new corporate headquarters planned for 2020.

In addition, in Cellnex Spain, measures have been taken to reduce energy consumption, such as replacing the uninterruptible power supply systems (UPS) with more efficient ones, replacing light fittings and altering tariffs which, without reducing consumption, have managed to reduce the associated cost.

In 2020, Cellnex Spain will define a global energy management model together with an energy efficiency plan for the company, aligned with a possible ISO 50001 certification.

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

In Cellnex Spain, during 2019, the above energy-efficiency projects enabled savings of 1,756,294 Kwh, which equals to 667.391 tonnes of CO<sub>2</sub>-eq.

Note 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 achieved energy savings in 2019 were:

- Replacement of old batteries, power stations and rectifiers with more efficient ones in Cellnex Italy. The replaced batteries were re-used in a specific recycling project.
- Achievement in December 2019 of ISO 14001 Certification in Cellnex Italy.
- Minergie energy standard premises with 100% renewable electricity (water & solar) in Cellnex Switzerland.
- Decommissioning programmes in the Cellnex Group.
- Infrastructure sharing in the Cellnex Group.

## Carbon footprint and climate change

As part of the Environmental Policy, an initial diagnosis and an analysis of risks and opportunities related to climate change in the Cellnex Spain's activities were carried out in 2017. The results of this first phase were used to draft the Cellnex Spain Carbon Management Plan in 2017, which aims to reduce the company's greenhouse gas emissions and sets out individual measures and priorities for tackling climate change. In 2019 this plan was integrated into the Strategic Sustainability Plan.

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 set a baseline for managing and reducing its emissions. Since the foundation of Cellnex Telecom in 2015, the carbon footprint has been calculated yearly at group level. Each year, the various companies acquired by Cellnex are incorporated into the carbon footprint calculation.

Scopes 1, 2 and 3 have been calculated for all countries. In 2020, it is planned to incorporate Ireland and acquired companies into Cellnex's carbon footprint calculation.

In 2019, the GHG emissions from Cellnex Spain, Italy, France, Netherlands, Switzerland and UK were calculated according to the financial control approach.

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.

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Scope 3: this covers 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, air 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 account of the characteristics of flights taken by Cellnex staff.
- e) End-of-life of sold products: 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 2019 Cellnex offset 2,814tCO<sub>2</sub> by purchasing 2,814 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 from all countries.

In October of 2019 (signature in July), Cellnex undertook to develop a Science-Based Emission Reduction Target over the next 24 months, which will be recognised by the Science-Based Targets Initiative (SBTi, <https://sciencebasedtargets.org/>). The Science-Based Targets Initiative, aligned with the Paris agreement (COP 21, 2015), is a joint initiative by CDP, the UN Global Compact, the World Resources Institute and WWF, that supports companies in setting emission reduction targets in line with the level of decarbonisation required to keep the global temperature increase below 2°C compared to pre-industrial temperatures. The targets are calculated using methodologies based on scientific knowledge and making it the dominant practice. The quantitative objectives for 2025 and other time horizons will be defined in the future, depending on resources available to achieve them.



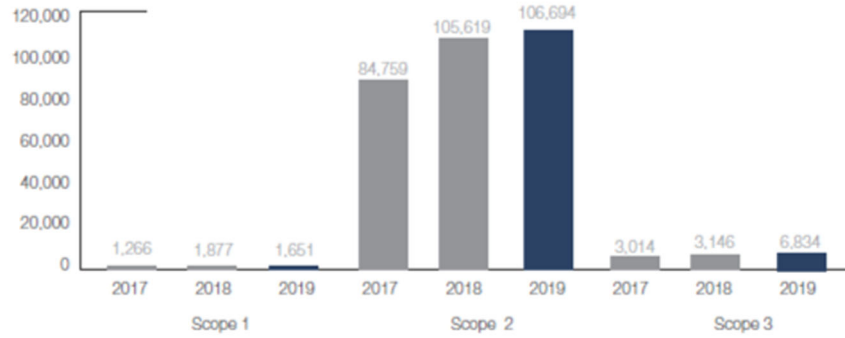
In the same month, Cellnex joined the Global Compact initiative "Business ambition for 1.5°C". This is a global initiative, signed by more than a hundred companies, 10% of which are Spanish. The initiative sets out two areas of action: "1.5°C science-based targets", aligning its GHG emissions in all relevant areas with emission scenarios at 1.5°C, and "Zero Emissions Commitment" setting a public target to achieve zero emissions by 2050. In this way, the Group steps up and commits the business to set science-based targets aligned with limiting the global temperature rise to 1.5°C above pre-industrial levels.



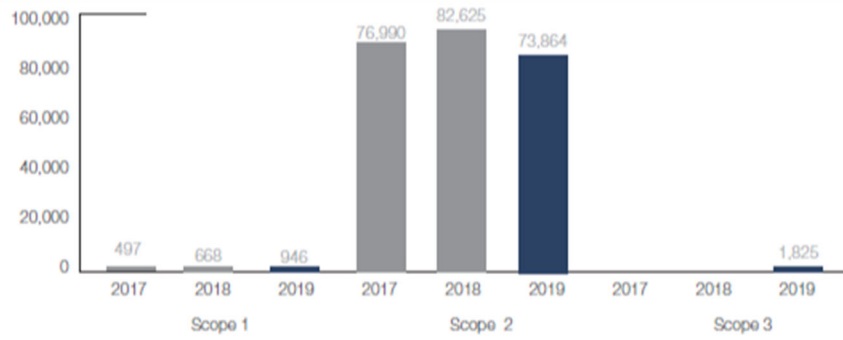
In December, the Spanish Global Compact Network, together with the UN Global Compact, the Chilean Network and the British Network, held an event in the context of COP25 in which, in addition to presenting the commitments in the manifesto, publicly recognised the Spanish entities adopting Business Ambition for 1.5°C.

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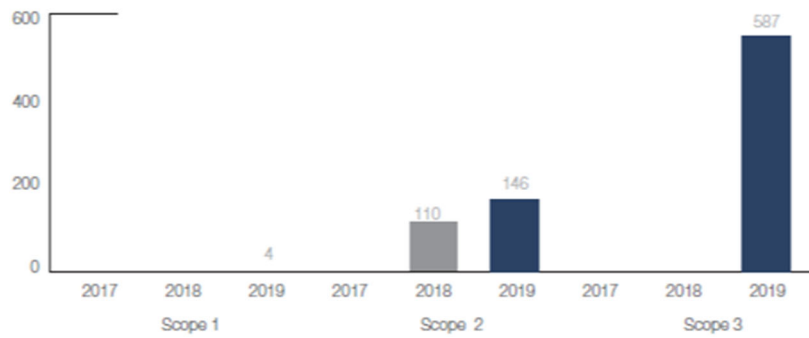
CELLNEX SPAIN EMISSIONS (T. CO2 E) <sup>(1)</sup>



CELLNEX ITALY EMISSIONS (T. CO2 E) <sup>(1)</sup>

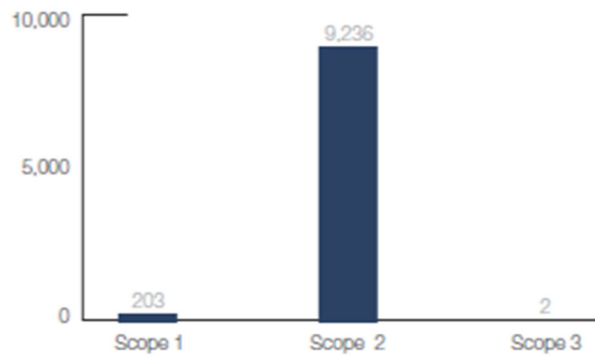


CELLNEX FRANCE EMISSIONS (T. CO2 E) <sup>(1)</sup>

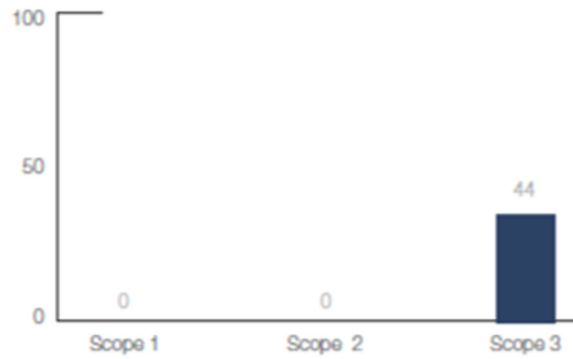


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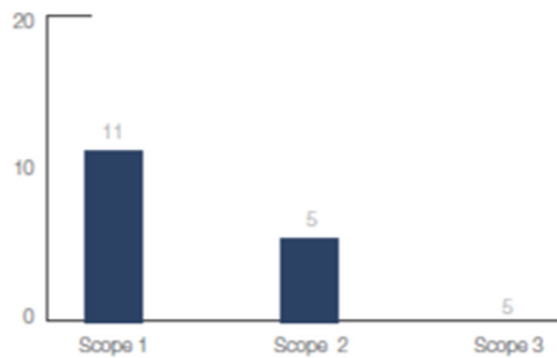
CELLNEX NETHERLANDS EMISSIONS (T. CO2 E) <sup>(1)</sup>



CELLNEX SWITZERLAND EMISSIONS (T. CO2 E) <sup>(1)</sup>



CELLNEX UK EMISSIONS (T. CO2 E) <sup>(1)</sup>



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From a communication and awareness-raising standpoint, 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 the statutory requirements.
- Publication of the withdrawal of the carbon credits from the project selected in the Markit Environmental Registry or equivalent as evidence of the compensation made.



In addition, Cellnex has drawn up Sustainability Guidelines. This tool will help to ensure that the sustainability principles will be in place in companies close to acquisition. Furthermore, this tool will help measure our positioning on the market in relation 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. Indeed, one of the strategic lines of the Strategic Plan for Sustainability is “Natural spaces and biodiversity”.

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 of the work of the company itself but also of 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 properly managing waste and protecting biodiversity.

To ensure a proper management of these impacts, it is essential to diagnose the presence of Cellnex's activity in the most vulnerable areas. To that end, Cellnex Spain uses the Inventory of Natural Parks and Biodiversity Protection Areas. During 2019, the inventory was modified to take account of the updating of the regulations in this area. In 2019, Cellnex Spain assessed all the sites, including the sites purchased up to the first quarter of 2019, in order to assess whether the sites were in protected areas as well as any applicable regulations. In 2019, the surface area of the protected area affected by company activity was 193,585.4 m<sup>2</sup>.

In accordance with Strategic Plan for Sustainability, Cellnex will produce an environmental impacts map for 2020. We are also continuing to identify natural spaces and applicable regulation.

To monitor the company's impact on birdlife, Cellnex Spain uses signage to **identify centres with nesting birds** to establish whether a centre does in fact cause such an effect and to remind staff of the preventive measures to be taken. Likewise, in Cellnex Netherlands, nesting boxes were installed on 16 of the 24 Alticom towers for protected peregrine falcons. Moreover, during the breeding season, no work is allowed on platforms with nesting boxes.

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Furthermore, as a key preventive environmental protection measure, every year Cellnex Spain notifies its employees of the start of the forest fire prevention campaign, when use of machinery that may cause 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, this information is also found in the aQua Sites database. The server also provides access to environmental data relating to Cellnex Spain's sites.

Cellnex is also working on a new tool to manage the sites of all countries, which will allow each country to manage its sites. At the moment, the study has been completed to find out how many sites in each country are located in protected areas.

## Electromagnetic emissions

Cellnex Telecom complies with the rules governing electromagnetic emissions for the general public and its workers. Pursuant to Royal Decree 299/2016, it conducts periodic measurements at technical centres with a permanent staff presence. 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.

Furthermore, in autumn 2018, the former Federal Councillor Doris Leuthard, head of the Department of the Environment, Transport, Energy and Communications (DETEC) in Switzerland, decided to set up a working group to discuss mobile communications and radiation. As new independent player and with its 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, 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.).

Moreover, at Cellnex we are working with various groups, such as our employees and suppliers, to explain what 5G is and the consequences of this technology. These awareness-raising activities are aimed at improving knowledge on this subject among our stakeholders.



# Information security management

Significant milestones in 2019	Main challenges for 2020
Definition and implementation of Strategic Global Security Plan for Cybersecurity and Physical Security.	Deployment of Global Security Office and intelligence & legal vigilance service in all integrated countries in 2019 (Spain, France, Italy, The Netherlands, Switzerland and UK).
Establish an information security governance model.	Analysis and deployment of a risk management technical solution that enables automated management of global security risks.
ISO 27001 certification in all countries.	Implementation of a security event monitoring model in all integrated countries in 2019.
	Deployment of a CASB solution to enable policy enforcement and governance of cloud applications.

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 might affect its service.

Accordingly, this year we have devised a Strategic Global Security Plan for Cybersecurity and Physical Security that allows high-impact events to be anticipated, in accordance with Reference Frameworks. The Plan applies to all companies in the Cellnex group and covers all aspects of corporate security regardless of the type of threat, whether physical, IT, or hybrid. The following actions were rolled out under this plan:

- Integral Security Assessment.
- Definition of a risk map.
- Development of a global action plan.
- Three-year budget approval.

In the first place, we analyse company security based on standard frameworks (NIST cybersecurity and ISO 27001) with focus on IT, OT and Physical, and five high-level blocks, which encompass a variety of security activities (identify, protect, detect, respond and recover). Each control has been evaluated considering the maturity level of the Business Units, whose levels have been classified into four categories (Not implemented, partially implemented, widely implemented and fully implemented).

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On the other hand, a three-year global action plan has been defined, in agreement with the Risk Committee, with the aim of improving the safety level of Cellnex. This Plan has defined six strategic lines and 36 initiatives, most of which are at corporate level or for Spain, but there are also projects in other countries. To this end, an objective maturity threshold has been established based on benchmarking.



The Strategic Global Security Plan for Cybersecurity and Physical Security has been formalised in the Information Security Policy applicable to all the companies that compose the Cellnex group, which is aligned with ISO standard 27001.

This policy sets out the guidelines and lines of action for Information Security that will govern how Cellnex will manage and protect its information and services, as well as its communication to stakeholders and implementation in all Group companies and functional units.

The information security governance model has also been defined and is structured as follows:

- At group level
  - Global security manager
  - Security Control Centre
  - Security office
- At the country level:
  - Local cyber security (logical security)
  - Responsible for physical security
  - Local front end

As a result of these actions, in 2019 there were no data leaks, theft or loss in Cellnex, nor were any complaints received in relation to information security and data protection.

In September, ISO 27001 certification was obtained for all countries and all companies. This standardisation guarantees the implementation of the industrial model and the homogenisation of processes at a global level in a group as diverse as the Cellnex group, which integrates different countries and allows for continuous improvement. This certification also enables us to have access to certain markets and customers who require this certification in order to work with them.

In order to obtain ISO 27001 certification, in 2019 the Corporation, Spain, Switzerland and Italy were audited. In 2020 the Netherlands and France will be audited, together with Spain and the Corporation, which will always be audited owing to their size and importance in the Cellnex group.

The progress made in 2019 will raise the level of maturity and reduce the level of risk associated with information management.

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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 2018, 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 the company's Director of Legal Affairs, who will periodically report to the Committee of Ethics and Compliance 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.

In addition, this year the deployment of some projects has begun to protect of information and prevent the leakage of the most sensitive types, notably the following:

- **AIP implementation (Azure Information Protection):** aimed at protecting information, regardless of whether it is hosted at Cellnex, in the Cloud or at third-party locations.
- **Replacement MDM (Mobile Device Management):** allows advanced management of mobile devices, ensuring that only authorised devices can access corporate information.
- **Regularisation of administrator users:** allows access to be given to information, with the appropriate permissions for processing it.
- **Implementation CASB (Cloud Access Security Broker):** allows access control for information located in public clouds.