



7

Basis for the preparations
of the Report

Structure and content of the Report

This document represents the Consolidated Management Report for 2021 which includes the information that complies with the provisions of Article 262 of the Capital Companies Law, establishing the content of the management report drafted in tandem with the annual accounts of the company. Likewise, this report has incorporated best practices in corporate transparency during the 2021 period, applying the international framework of the Integrated Annual Report, presenting financial and non-financial, management, corporate governance and strategic information for the company.

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

Likewise, to ensure the credibility of the information and generate trust with its stakeholders, this report has been verified by an independent third party, as presented in the Annex 9. Independent Limited Verification Report.

The structure of the Report follows the guidelines of the International Integrated Reporting Council (IIRC), Directive 2015/95/EU on non-financial information, the CMNV guide for the preparation of management reports of listed companies and was prepared in accordance with GRI Standards in their "core" option and the AA1000AP (2018), AccountAbility Principles Standard, in relation to the principles of inclusivity, materiality, responsiveness and impact.

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

Reporting scope

Regarding Non-financial information scope, the report covers 12 countries in which Cellnex operates, which account the 100%of revenues, except for environmental indicators related to carbon footprint. The scope of these indicators represents 97% of the Group's revenues (see Carbon Footprint: Scope & Calculation methodology for CO2 emissions section).

It is supplemented with the information presented in the Cellnex Consolidated Consolidated Financial Statements for the financial year ended 31 December 2021, the 2021 Annual Corporate Governance Report and the Annual Report on the Remuneration of Directors 2021 all publicly available on the company website. The information reported regarding total staff and taxes refers to the entire Cellnex group, unless otherwise stated.

The GRI contents that Cellnex has addressed in this report are detailed in the GRI table presented in the Annex, with the scope of information reported by each one as shown in the table, depending on whether it applies specifically to Cellnex companies in Spain, Italy, France, Switzerland, the Netherlands, the United Kingdom, Ireland, Portugal, Austria, Denmark, Sweden, Poland or to the Cellnex Group as a whole.

Additionally, Annex 9 to this document includes the Independent Limited Verification Report issued by Deloitte S.L. in relation to the review of non-financial indicators in their adaptation to the GRI “core” option standards reported in this document.

The review process was conducted in accordance with the requirements of the Revised International Standard on Assurance Engagements 3000, “Assurance Engagements other than Audits or Reviews of Historical Financial Information” (ISAE 3000 Revised), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the guidelines for assurance engagements on the Non-Financial Information Statement issued by the Spanish Institute of Registered Auditors (ICJCE).

In addition, the non-financial information included in the report has been reviewed in accordance with the AccountAbility 1000 Assurance Standard (AA1000AS), issued by AccountAbility, to provide moderate assurance on the application of the principles set out in AA1000AP (2018) and on the sustainability performance indicators (moderate Type 2 review).

Carbon Footprint: Scope & Calculation methodology for CO₂ emissions

The GHG emissions inventory of Cellnex Group has been prepared according to the ISO 14064-1:2018 standard, and GHG statements related to GHG inventories and procedures have been independently (third-party) verified following the standard ISO 14064-3:2019 achieving a limited level of assurance.

The scope of Cellnex Group carbon footprint for the year 2021 includes the following business units, that represents a 97% of the Group's revenues:

Country	Holding	Society
United Kingdom	Cellnex UK limited	Cellnex UK Consulting Limited On Tower UK
Ireland	Cellnex Ireland Limited	Signal Infrastructure Limited On Tower Ireland Limited
Netherlands	Cellnex Netherlands B.V.	Shere Masten B.V. Alticom B.V. On Tower Netherlands, B.V. Towerlink Netherlands B.V. Signal Infrastructure Netherlands Breedlink B.V.
France	Cellnex France Groupe S.A.S	Cellnex France, S.A.S. On Tower France S.A.S Springbok Mobility NexLoop France S.A.S.
Switzerland	Cellnex Switzerland A.G.	Swiss Towers A.G. Swiss Infra Services S.A.
Italy	Cellnex Italia SPA	Towerco, S.p.A. CK Hutchison Networks Italia
Spain	Cellnex Telecom España S.L.U.	Retevision-I, S.A.U. Tradia Telecom, S.A.U. On Tower Telecom Infraestructuras, S.A.U. Metrocall, S.A.
Corporate	Cellnex Telecom S.A. Ukkoverkot OY	Cellnex Finance Company S.A. Edzcom OY
Portugal	Cellnex Portugal S.A.	Omtel, Estruturas de Comunicações, S.A. Towerlink Portugal, Unipessoal, L.D.A. On Tower Portugal, S.A.
Austria	Cellnex Austria	On Tower Austria GmbH
Denmark	Cellnex Denmark APS	On Tower Denmark APS

Country	Holding	Society
Sweden	Cellnex Sweden AB	On Tower Sweden AB
Poland	Cellnex Poland Sp, z o.o.	On Tower Poland Sp z.o.o Towerlink Poland Sp z.o.o

Cellnex Group has been preparing their GHG emissions inventory in accordance with the International ISO 14064 Standard since 2015. In the internal procedure of the GHG emissions information management there is a summary table with the organizational and reporting boundaries included between 2015 and 2019 in Cellnex's GHG inventories.

Due to the expansion of the countries where the company operates and the addition of indirect GHG emission categories as set out in the new International ISO 14064-1: 2018 Standard and GHG Protocol, Cellnex has established 2020 as the base year for GHG emissions for comparative purposes and other GHG programs requirements and intended uses. Furthermore, the 2020 carbon footprint has been recalculated according to the GHG Protocol, as there have been relevant structural and methodological changes in 2021:

- Structural changes in the reporting organization that have a significant impact on the company's base year emissions. Structural changes that include acquisitions of new companies and countries have occurred. Regarding the carbon footprint of 2020, companies from the following countries have been added to the scope in 2021: Austria, Denmark, Finland, Poland, and Sweden. In addition, the Group has also acquired a new companies in The Netherlands (also in France, but this acquisition has not been factored in the carbon footprint calculation).
- Changes in calculation methodology or improvements in the accuracy of emission factors or activity data that result in a significant impact on the base year emissions data. In this case, the methodology for calculating the categories of indirect emissions from the purchase of goods and services and capital goods has been improved.

In summary, base year emissions have been retroactively recalculated to reflect changes in the company that would otherwise compromise the consistency and relevance of the reported GHG emissions information.

The results of the carbon footprint of Cellnex Group correspond to the period from January 1, 2021 to December 31, 2021. The GHG emissions inventory maintains the structure and content established by the reference standard ISO 14064-1:2018, as well as the GHG Protocol. The GHG inventory includes the quantification of direct GHG emissions separately for CO₂, CH₄, N₂O, NF₃, SF₆ and other GHG groups (HFCs, PFCs, etc.) in tonnes of CO₂e, as well as the indirect GHG emissions separated by categories in the same units. Besides, Cellnex does not present biogenic GHG emissions or removals.

To calculate the carbon footprint of Cellnex Group the approach of financial control has been considered. According to the ISO 14064-1:2018 methodology, GHG emissions have be aggregated into the following categories at the organizational level:

ISO 14064-1:2018 methodology	GHG Protocol methodology Corporate Value Chain (Scope 3) Accounting and Reporting Standard methodology
C1. Direct GHG emissions and removals	Scope 1: direct emissions
C2. Indirect GHG emissions from imported energy (market)	Scope 2: indirect emissions from electricity
C3. Indirect GHG emissions from transportation	
C4. Indirect GHG emissions from products used by organization	Scope 3: other indirect emissions
C5. Indirect GHG emissions associated with the use of products from the organizations	

Following the “Guidance for the process of identifying significant indirect GHG emissions” included in ISO 14064-1:2018 Standard, Cellnex Group has defined its global criteria to evaluate the relevance of each indirect GHG emissions subcategory.

The principles that have been taken into account when applying the criteria are relevance, completeness, consistency, accuracy and transparency.

The criteria used to evaluate the significance of indirect emissions include the following:

- Magnitude: emissions that are assumed to be quantitatively substantial. Are considered not relevant all categories which its GHG emissions contributes less than a 5% to the global carbon footprint.
- Level of influence: the organization has the ability to monitor and reduce these emissions.
- Risk or opportunity: indirect emissions that contribute to the organization’s exposure to risk or its opportunity for business.
- Sector-specific guidance: GHG emissions deemed as significant by the business sector.
- Outsourcing: indirect emissions resulting from outsourced activities that are typically core business activities.
- Employee engagement: indirect emissions that could motivate employees to reduce energy use or fight climate change

With this analysis, in 2020 it was concluded that the following subcategories of indirect GHG emissions were considered non-significant: Upstream transport and distribution, Disposal of waste, Use of assets leased by the organization, Downstream leased assets owned by the organization and Investments. These subcategories were then excluded from the 2020 GHG emissions inventory. However, due to the setting of SBT targets, in 2021 all emission categories have been considered as significant, and have been included in the carbon footprint results.

The quantification model obtains the amount of emissions by source by multiplying the activity data by its correspondent emission factor. The emission factors are obtained from reliable and official sources (IPCC and other relevant sources).

Contact information

Passeig Zona Franca, 105. 08038 – Barcelona

Phone: 935 678 910

cellnex@cellnextelecom.com

www.cellnextelecom.com

Produced and compiled by:

Cellnex's Corporate & Public Affairs