



5

Environment

Growing with a long-term sustainable environmental approach



Growing with a long-term sustainable environmental approach

	Achievement	Target	Target year
Growing with a long-term sustainable environmental approach			
Sourcing of renewable electricity (SBT) ^{1,2}	40%	40% ✓ / 100%	2021 / 2025
Reduction of scope 1 and 2 GHG emissions and scope 3 GHG emissions from fuel and energy-related activities (SBT) ²	-18%	-70%	2030
Absolute scope 3 GHG emissions from purchased goods and services and capital goods (SBT) ²	-8%	-21%	2025

1 Energy targets refer to the energy directly managed by Cellnex (Scope 2). Data calculated according to SBT and GHG Protocol methodology applied to FY21 perimeter.
 2 Compared to the base year 2020 verified by an external certified entity.

Actions 2021

Establishment of specific objectives and milestones for the reduction of emissions validated by the Science Based Targets Initiative (SBTI) aligned with a 1.5°C scenario

According to the recommendations of the TCFD, 9 risks & opportunities derived from climate change have been identified, thanks to the analysis of climate scenarios carried out in 2020

Publication of the first Annual Report on the Environment and Climate Change

Approval of the Environment and Climate Change Policy

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Cellnex became a Supporter of the TCFD



SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Next steps

Study of the natural capital contribution of Cellnex

Application of the Internal Carbon Price

Identify and assess the impact on biodiversity and natural capital

Carry out a Life Cycle Assessment (LCA) of the existing products' portfolio of the company, in order to incorporate circular economy criteria when launching new products.



Responsible environmental management

In 2021, the Cellnex Board of Directors approved the Group's Environmental, Social and Governance (ESG) Policy and the Environment and Climate Change Policy.

In 2021, the Cellnex Board of Directors approved the Group's Environmental, Social and Governance (ESG) Policy and the Environment and Climate Change Policy. Both policies outline Cellnex's commitment to the application of best practices in the countries where the Group operates and are based on international benchmark standards.

In addition, the provisions of the Company's Management System and the requirements of the ISO standards in which the Company holds certifications related to the environment and climate change are also taken into consideration within the framework of the Environment and Climate Change Policy.

Three basic principles are established within Cellnex's Environmental, Social and Governance Policy (ESG), which are transversally applicable to all lines of action and commitments. One of these principles is the Environment and Climate Change: the protection and conservation of the environment, preserving the areas in which the Company's activities are undertaken and their biodiversity, through the use of renewable energies, mitigating and adapting to climate change, and contributing to sustainable development through the efficient use of resources.

Cellnex Group follows the basic principles of the ESG Policy, to define the strategic lines of action, which include that of Sustainable Development. Growing with a long-term sustainable environmental proposal", which is aligned with the objectives and targets of Sustainable Development Goals numbers 3, 9, and 15.

In this regard, the environment and combating climate change are a strategic priority and a cross-cutting commitment that must be present in each of the actions and activities carried out by Cellnex Group. The commitment to the creation of sustainable value distributed to stakeholders is part of the Company's business model.

The Environmental and Climate Change Policy highlights Cellnex's efforts in the area of sustainability to ensure that each of its projects and actions takes into consideration the balance between generating profitability and social and environmental development, and also promotes the creation of sustained value in the short, medium and long term for all of the Company's stakeholders, while demonstrating its commitment to reducing the effects of its activities on the environment.

As such, the Company works to make progress in the responsible management of resources and to protect natural spaces and biodiversity, as well as to comply with and respect due diligence and environmental legislation. It is also committed to promoting efficient energy management and responsible and circular resource management, as well as incorporating measures to promote sustainable and safe mobility. In this regard, in 2021 there have been no environmental incidents that have incurred fines or sanctions.

The Strategic Sustainability Plan (2019-2023), which stems from these commitments, aims to raise Cellnex's level of responsibility in the field of the environment and combating climate change. The strategy and global objectives of the Plan are presented below.

Strategic Sustainability Plan (2019-2023) aims to raise Cellnex's level of responsibility in the field of the environment and the fight against climate change.



In addition, in 2021 a number of environmental awareness actions have been carried out, both internally and externally. Some of these actions are the following:

- Carbon Footprint Verification 2021
- CDP Europe 2021 Awards
- Earth Hour
- Science Based Target initiative
- World Environment Day
- European Mobility Week
- UN Climate Change Conference COP26
- CDP Climate Change

Management and follow up of main risks, opportunities and environmental impacts

In a context of significant changes in the regulatory, economic and industrial sectors, caused by the transition towards a decarbonised economic model, pressure is growing from investors, public bodies and society for organisations to report transparently on how they manage risks and opportunities arising from climate change in the short, medium and long term.

Within this transitional framework, in December 2015, the Financial Stability Board (FSB) established the Task Force on Climate-related Financial Disclosures (TCFD) to develop climate-related disclosures that “could promote more informed decisions on investment, credit and insurance underwriting” and, in turn, “would allow stakeholders to better understand the concentrations of carbon-related assets in the financial sector and the exposures of the financial system to climate-related risks”. The TCFD frames climate-related information in the business context under four pillars (governance, strategy, risk management, and metrics and objectives) and recommends disclosure in each pillar.

With its firm commitment to climate change and to making GHG emissions one of the focal points in decision-making, Cellnex takes into account the risks and opportunities presented by climate change, incorporating them into the organisation's vision and objectives for the coming years. As such, using four core elements, as recommended by the TCFD, Cellnex demonstrates how it takes account of climate-related risks and opportunities, as well as strategies to mitigate risks and take advantage of opportunities.



Governance

Cellnex's climate risk and opportunity analysis is part of the risk management process, following a bottom-up methodology, which reaches from every user in every business unit to Senior Management, and all the way to the Cellnex Board of Directors, the body responsible for supervising and guiding the Group in this matter. To this end, Cellnex has a global risk management policy, through which a framework is established which implements, evaluates and improves risk management throughout the company's processes and activities.

There is a Global Risk Management department within the company that provides the common risk management framework (templates, impact and probability scales, etc.) and support in risk management issues to the people responsible, since all Cellnex's departments are liable for risk management in their area of responsibility.

As explained in the "Global Management System and Risk Management" section of this report, Cellnex has a risk management methodology with three lines of defence, and a risk management model. Within the risk management governance framework, the Board of Directors supervises the process establishing the organisation's tolerance for risk, gathers information about the most significant risks for the organisation and assesses whether Senior Management is responding appropriately. Additionally, the Audit and Risk Management Committee (ARMC) has the most senior role in the deployment of the audit and internal control plan established at Cellnex, providing independent assurance to the Board of Directors. Its functions include monitoring risk management systems, as well as monitoring key risks at least every six months. Lastly, the CEO has ultimate responsibility for ownership of the organisation's risk management and control framework, as it ensures a positive internal environment and a culture of risk; he also provides leadership and direction to operational management and supervises general risk activities.

The risk management process is based on the identification and subsequent, evaluation, reactions and control of risks, and is carried out on a quarterly basis or ad-hoc when necessary due to a new emerging risk and/or significant commercial or organisational changes in the company. In this regard, Cellnex plans to carry out a risk assessment annually.

Risk management

In parallel to the Global Risk Management explained in the section on "Global Management System and Risk Management" of this report, the Cellnex Sustainability Department worked in 2021 to assess the risks and opportunities arising from climate change, following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). These risks and opportunities will be included in the Environmental functional unit so that they form part of the company's general risk management.

As such, the potential impact of a risk and the probability of its occurrence are evaluated, taking the substantial impacts into consideration, based on the following areas:

- Economic: in the income statement and/or investments.
- Organisational: level of involvement in the organisation for monitoring and resolution.
- Reputation: media impact and possible liability actions.

In addition, if the impact is classified as low, medium, important and critical. After the impact assessment, the likelihood of the risk occurring must be evaluated to establish the probability that an event that has an impact will actually occur:

- Critical: Almost certain to occur.
- Important: Likely to occur.
- Medium: May occur.
- Low: Unlikely to occur.

Based on these two aspects, impact and probability, the risks are prioritised as high, medium or low.

In this regard, Cellnex has identified and evaluated nine risks arising from climate change, where the three risks with the highest priority are "changes in consumer (customer) preferences" (reputational risk), "increased concern or negative feedback from interest groups" (reputational risk), and "increase in average temperatures" (chronic risk).

In addition, Cellnex has identified and evaluated nine opportunities arising from climate change, the three opportunities with the highest priority are "change in investor preferences" (opportunity in products and services), "development and/or expansion of low-carbon goods and services" (opportunity in products and services), and "use of more efficient production and distribution processes" (opportunity in resource efficiency).

**ESG Plan
2021-2025:
climate change is a
fundamental pillar of
the strategy.**

Strategy

Cellnex is aware of the new risks and the demands arising from the environmental and social phenomena that predominate the international context, which is evidenced by the preparation and implementation of the ESG Plan 2021-2025, where climate change is a key pillar of the strategy due to its connection with the environment, which includes carbon emissions, toxic emissions and waste.

Cellnex has carried out a climate scenario analysis, as recommended by the TCFD, which allows the company to understand and define the level of resilience with regard to a number of future states relating to climate change. This enables Cellnex to explore and develop an understanding of how physical and transition risks, as well as opportunities, could plausibly impact the business over time.

Climate Scenarios analysis therefore evaluates a range of hypothetical outcomes by considering a variety of alternative plausible future states (scenarios) under a given set of assumptions and constraints. According to the TCFD methodology, there are two main types of scenarios to analyse: physical and transition.

- Physical scenarios take into account the concentrations of greenhouse gases (GHG) in the atmosphere and the physical characteristics of the climate to assess the possible risks that climate change may cause.
- Transition scenarios analyse trends in politics, energy and economics related to climate change, to determine the possible risks that they may pose to the activity of an organisation.

In this context, Cellnex has selected a physical climate scenario and two transitional climate scenarios to assess the possible impacts that the Company would have to face in the future.

Physical Climate Scenario

This scenario makes it possible to evaluate future climate projections in all the countries where Cellnex conducts its business, to be appraised of forecasts and be able to anticipate the impacts they may cause. To do this, the report was drawn up using the scenario developed by the Intergovernmental Group of Experts on Climate Change (IPCC) in its fifth assessment report (AR5) (the latest report available at the time of writing, an analysis that relied on representative concentration trajectories (RCPs) to define a series of climate scenarios. Such as, RCPs cumulatively measure human emissions from all sources of Greenhouse Gases (GHG) up to 2100.

In the analysis of the physical climate scenarios, the worst possible scenario was taken into consideration, (the RCP 8.5 scenario), since it considers that GHG emissions would continue to increase at the current rate and is therefore the worst possible scenario of higher emissions of GHG in the atmosphere and increased global warming. In addition, when analysing physical climate scenarios, it is important to take into account the differences between the countries under study, in terms of the availability and publication of information.

The following is a brief summary of the main physical impacts by country in this scenario:

Rising temperatures (in °C)			Sea level rise		Other phenomena	
Country	Increase	Country	Increase	Country	Phenomena	
Spain	2-3 (3.5 southeast Andalusia)	Denmark	26-77 cm by the end of the XXI century	Denmark	Hurricanes and floods	
France	1-3 (more severe East)	Spain	26-77 cm by the end of the XXI century	Spain	Hurricanes, floods and wildfires	
Italy	1-2 (more intense north and west)	Finland	26-155 cm by the end of the XXI century	France	Hurricanes and floods	
Portugal	2-3 (more intense interior)	France	Up to 1 meter by the end of the XXI century	Italy	Hurricanes, floods and wildfires	
		Iceland	1.98 meters in Dublin cm by the end of the XXI century	Netherlands	Hurricanes and floods	
		Italy	Rise especially north of the Adriatic Sea	Poland	Forest fires	
		Netherlands	20-40 cm in 2050	Portugal	Forest fires	
		Poland	65 cm at the end of the XXI century	Sweden	Forest fires	
		Portugal	0.5-1 meter by the end of the XXI century	United Kingdom	Hurricanes, floods and wildfires	
		Sweden	26-77 cm by the end of the XXI century			
		United Kingdom	45-82 cm by the end of the XXI century			

Climate Transition Scenarios

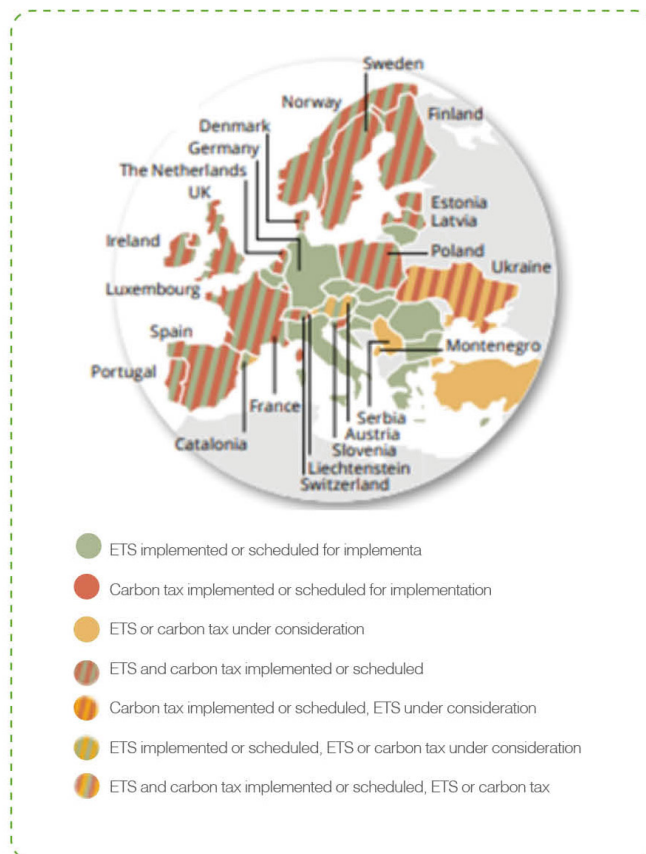
Two scenarios were selected for the transition scenarios:

Current Policy Scenario

Current policy scenario (Stated Policies Scenario or SPS), in order to study the existing trajectory and see what future risks and opportunities would arise from the non-implementation of measures. This analysis was carried out for Spain, Italy, France, the Netherlands, Switzerland, the United Kingdom, Ireland, Portugal and Finland.

In this scenario, policies that have been formally adopted by governments and are currently included in their legislation have been considered. Therefore, this scenario is built on the basis of what has already been defined and the objectives set by the countries with a 2030 and 2050 horizon.

Below is a summary map of the regional, national and sub-national carbon pricing initiatives in place, scheduled for implementation, and under consideration (ETS and carbon tax).



Future Sustainable Development Policy Scenario

Scenario of future sustainable development policies. This scenario goes beyond currently established policies. A more ambitious reduction scenario than the Paris Agreement, is considered that is, one in which it is possible to keep the global

temperature below 2°C. This analysis is carried out from a global perspective since it is based on generic hypotheses, with a certain degree of uncertainty.

The main sources used to produce this scenario were the scenario developed by the International Energy Agency (IEA) called Sustainable Development Scenario (SDS) and the Deep Decarbonization Pathways Project (DDPP), a global research project, that aims to analyse how countries can transition to a low carbon economy in line with the Paris Agreement goal of limiting global warming from anthropogenic sources to below 2°C.

Based on these scenarios, Cellnex has defined a series of time horizons, which are determined by the probabilities and reaction time on the part of Cellnex (short, medium and long term). The results obtained from the analysis allow Cellnex to envisage possible impacts and inform and influence its strategy and commercial objectives, so it can further increase its resilience and have the necessary tools in place to face possible future climate risks.

Metrics and objectives

The objectives set by Cellnex Telecom demonstrate to its stakeholders that it is committed to reducing environmental impact, while reducing exposure to the price of carbon. As explained in the "Carbon footprint and climate change" section of this report, in 2021 Cellnex strengthened its commitment to combating climate change by setting specific targets and milestones for reducing emissions validated by the Science Based Targets initiative (SBTi) aligned with a 1.5°C scenario.

Setting specific targets and milestones for reducing emissions validated by the Science Based Targets initiative (SBTi).

Cellnex used a series of reference metrics to assess climate risks and opportunities, estimate their financial impact and management cost, and to define monitoring indicators. In this regard, metrics related to climate, metrics related to GHG emissions, and objectives related to climate were defined.

Cellnex will continue to measure and disclose its performance in relation to these objectives, many of which are already being monitored due to their connection with the 2021-2025 ESG Plan as well as the company's Strategic Sustainability Plan.

Cellnex Spain response to storms and major fires

Weather storms and major forest fires pose a significant risk to Cellnex in relation to the continuity of service provision. An example of this was the Filomena storm that affected the Iberian Peninsula in early January 2021. The various COLs (Cut off lows) gave rise to major storms that brought the country to a standstill: strong wind, rain, flooding, and even snowfall at low altitudes.

To mitigate risks and provide continuity of service, Cellnex España has been working in recent years and, especially in 2021, on preventive and contingency measures with the aim of minimising the impacts caused by these situations. To this end, towers have been reinforced, the continuous power supply systems of the centres with greater autonomy have been strengthened, auxiliary equipment has been renewed (generators, Uninterruptible Power Supply Systems - UPSs), the Scada remote control system has been replaced by new, more effective and powerful software, etc.

An example of the effectiveness of this type of measures was the experience of the Sierra Bermeja forest fire in Malaga, where Cellnex España has a major communications node. The fire devastated the area around the site, but the measures taken to clean up the site, increase the centre's autonomy by up to 20 hours (the company's power supply failed due to the fire) and the remote control systems for the equipment allowed 100% of services to be maintained without impact.



Sustainable use of resources

Energy management

Energy saving and efficiency, improved energy performance and the use of renewable energies are indispensable principles in all Cellnex activities.

The Cellnex Energy Policy was approved in 2020. This Policy establishes that the Company promotes the efficient use of energy, through the implementation of energy saving and efficiency measures in work processes and conduct, and the control and monitoring of consumption in the most significant uses. All of this is based on compliance with applicable legal and regulatory standards, at international, European, state, regional and local level, as well as the willingness to adapt to future standards, and the requirements of customers and society.

Cellnex's commitment to energy management established in the Energy Policy has been put into effect in 2021 with the adoption of the Cellnex Energy Transition Plan framework. The Plan aims to set progressive guidelines to make energy supply more sustainable, working alongside the Company's primary customers to achieve this.

Along with the approval of the Energy Transition Plan framework, the corporate Green Power Purchasing target was also adopted in 2021, setting a goal of consuming 100% renewable energy across the organisation by 2025. To monitor the achievement of the target, an intermediate target of consuming over 70% green energy was also set for 2022. In 2021, the overall share of green energy consumption across the Organisation was approximately 45%.

In this regard, one of the main milestones in 2021 in terms of energy, was that all new Business Units incorporated in Cellnex during 2021 included the provision of green energy in electricity supply contracts. For example, in Poland, the Polkomtel MSA Business Unit includes the supply of 100% green energy through the Guarantee of Origin (GoO).

In this regard, one of the main milestones in 2021 in terms of energy, was that all new Business Units incorporated in Cellnex during 2021 included the provision of green energy in electricity supply contracts. For example, in Poland, the Polkomtel MSA Business Unit will include the supply of 100% green energy through the Guarantee of Origin (GoO).

Approval in 2021 of the Cellnex Energy Transition Plan framework.

Target has been approved in 2021, of 100% renewable energy consumption by 2025 across the organisation.

Guarantees of Origin



Guarantees of Origin are an electronic certification issued by the National Markets and Competition Commission (CNMC), or the competent authority in any other EU member state, which allows electricity suppliers to certify that the energy they sell comes from renewable generation sources. This mechanism ensures that the producer is delivering renewable energy and certifies the amount of green energy being supplied to the system.

In addition to the objective of purchasing of green energy, work is currently under way to finish establishing the commitments and objectives related to the other three pillars that make up the Energy Transition Plan, related to:

- Energy 4.0 principles such as smart metering or digitalisation of energy-related processes and procedures.
- Energy efficiency.
- Renewable energy self-generation.

Smart Energy (Energy 4.0)



The Cellnex Smart Energy model consists of applying the IoT vision and digitalisation (Energy 4.0) to the entire energy cycle (consumption control, cost control, continuous improvement), through two key elements:

- Smart Metering: this consists of introducing meters to obtain an accurate view of where and when energy is consumed, with a view of centres and services, to clearly identify where consumption originates. Smart Metering is currently fully deployed in Spain and the Netherlands, it is deployed in more than 25% of centres in Italy, and a plan is being designed for the United Kingdom and Sweden with a view to initiating implementation in 2022.
- Cellnex Energy Control Platform (CEC): Cellnex is in the process of initiating the implementation of a platform that will enable intelligent and detailed management of all consumption data, based on Smart Metering and supplier billing, allowing data mining to enhance consumption efficiency and reduce costs. Deployment will begin in 2022 in Spain and Italy and it will subsequently be implemented in the remaining countries.

Energy efficiency



Cellnex will complete the renewal of DTT, FM and DAB equipment, focused on reducing consumption, by June 2022, with an implementation level of 75% by the end of 2021. 305 DTT, 318 FM and 5 DAB equipment be replaced, within the framework of this project, with an estimated saving in electricity consumption of 10GWh/year.

In addition, in 2021, new free-cooling projects were implemented with an estimated reduction of 1GWh/year. Moreover, progress has been made in the approval of high-efficiency power stations, and in the evaluation of various energy storage technologies.

Spain energy self-generation pilot: "The calculations already foresaw the feasibility of the project, but it is when the difficulties of the first installations are overcome and the success of the production is proved, that the team really believes in the possibility of bringing solar energy to every corner of Cellnex".

Arturo Losada - Country Head of Infrastructures

Spain energy self-generation pilot



Cellnex is implementing a solar energy self-generation project in Spain, which involves the installation of solar panels at 692 rural sites with which it expects to produce around 3GWh/year of 100% emission-free energy at the point of consumption, reducing distribution losses. The solar initiative in Spain is launched with the aim of using self-generation of energy as a lever to capture inefficiencies and reduce the carbon footprint.

The Pilot consisted of four stages, which made it possible to identify of telecommunications infrastructure in potential rural sites to develop energy self-generation, conduct studies on any adaptation and modifications required. At the same time, constant negotiations have been under way with landowners and infrastructure operators.

In this way, it is expected that regulatory changes regarding energy costs, technological advances, the reduction of costs for the main components and the experience gained during the pilot will allow Cellnex to initiate a mass deployment of self-generation at its sites. In addition, pilots are planned for 2022 in Italy and other countries to green-light the possible extension of self-generation using photovoltaics, as well as other technologies such as wind or hydrogen-based fuel cells.

80%
of the organisation's energy consumption will meet ISO 50001 criteria.

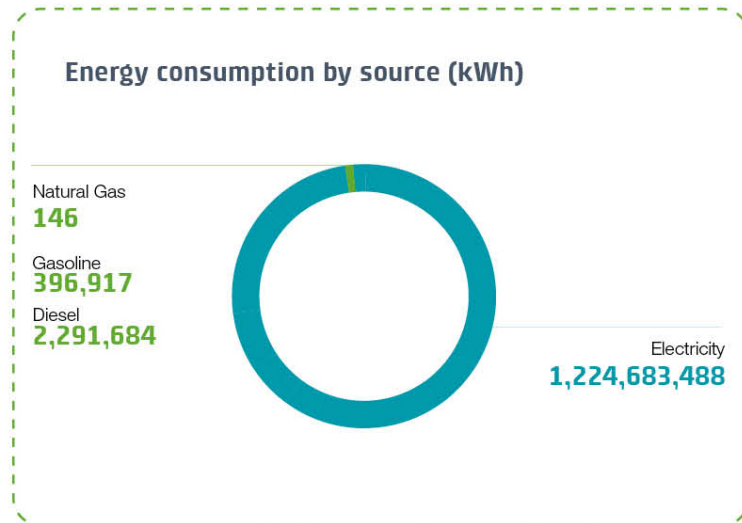
To certify the efficient energy management efforts being developed at Cellnex, work is under way to ensure 80% of the organisation's energy consumption will meet ISO 50001 criteria by 2022-2025. In this regard, Spain is already ISO 50001 certified.

The Group's total energy consumption for 2021 was 1,227 GWh.

The Group's total energy consumption for 2021 was 1,227.4 kWh (700.8 kWh in 2020), the most significant part of which was electricity consumption. Cellnex's electricity consumption derives mainly to site electricity consumption and, to a lesser extent, office electricity consumption. In 2021, the Organisation's total electricity consumption was 1,224.7 GWh (694.5 GWh in 2020), 40.5% of the consumption comes from renewable sources.

The actions undertaken in terms of energy management are focused on the transition towards a low-carbon economy, which is established as one of the lines of action of the company's Strategic Sustainability Plan, intended, among other objectives, to mitigate the impact that the company's activity may have on climate change.

The breakdown of total energy consumption by source is presented below.



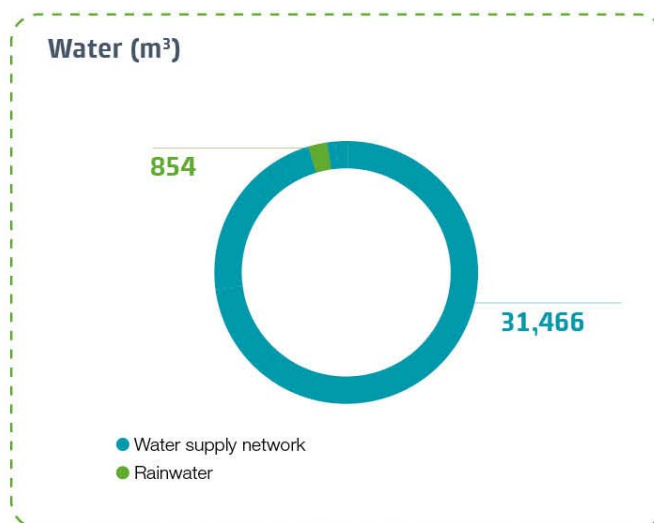
Management of other resources

Water consumption

The Organization's total water consumption was 32.320 m³

Due to the nature of Cellnex's activity, water consumption is not a material issue. Water consumption is mainly limited to the use of toilets and the office kitchen. The source of the water consumed is the municipal drinking water network. In 2021, the Organisation's total water consumption was 32.320 m³ (28,795 m³ in 2020). The breakdown of total water consumption by source is presented below.

However, to demonstrate Cellnex's commitment to ensuring the sustainability of its activity, in 2021 the Group's water footprint for 2020 and 2021 was calculated according to the methodology defined in ISO 14046. Cellnex's objective is to calculate its water footprint annually to monitor and control the impact of Cellnex's activity on this resource.



Waste management

Cellnex produces practically no waste directly, however, waste is generated through its the activities of its suppliers. As such, this is a non-material issue for Cellnex. Nevertheless, waste management is carried out in the Organisation in line with the principles of precaution and preventive action, based on the waste management hierarchy. Consequently, the first priority is the prevention/reduction of waste generation during the course of the activity. When waste is generated, the priority is to prepare it for reuse, then recycling and, finally, maximum recovery before disposal.

Reduction and reuse are the key to protecting the environment, saving on the environmental and economic costs associated with waste management and extending the life of products. That is why the Organisation is committed to ensuring that waste produced by its suppliers and contractors in the course of their activities at Cellnex sites (construction, operation, maintenance and decommissioning) is properly managed.

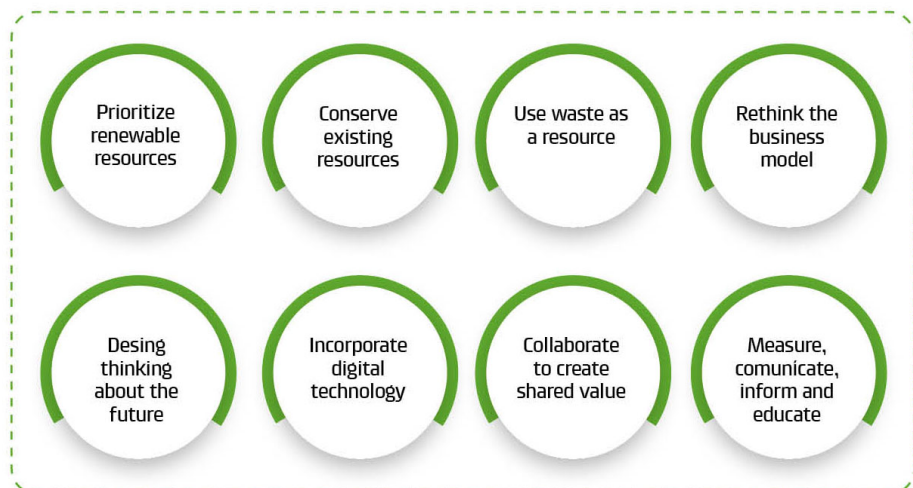
This process is ensured through the progressive implementation of the Integrated Management System, whereby Cellnex periodically requests evidence of proper waste disposal and encourages its suppliers to find alternatives to waste disposal where possible, recycling the metal used for tower construction and maintenance.

Life Cycle Assessment (LCA) of Telecommunications Infrastructure Services (TIS)

Life Cycle Assessment (LCA) is a methodology standardised by ISO 14040:44 (2006) that systematises the acquisition and generation of information on the environmental aspects of products, services and processes by analysing inputs (consumption of raw materials and energy) and outputs (emissions to water, air, soil, waste and by-products) throughout all stages of their life cycle.

In 2020, the company started Life Cycle Analysis of Telecommunications Infrastructure Services to identify critical points, identify the environmental impacts generated along the value chain, minimise the risks of transferring impacts from one process to another, and thereby obtain rigorous information for decision-making.

The key principles on which the strategies promoting more circular production and consumption models are as follows:

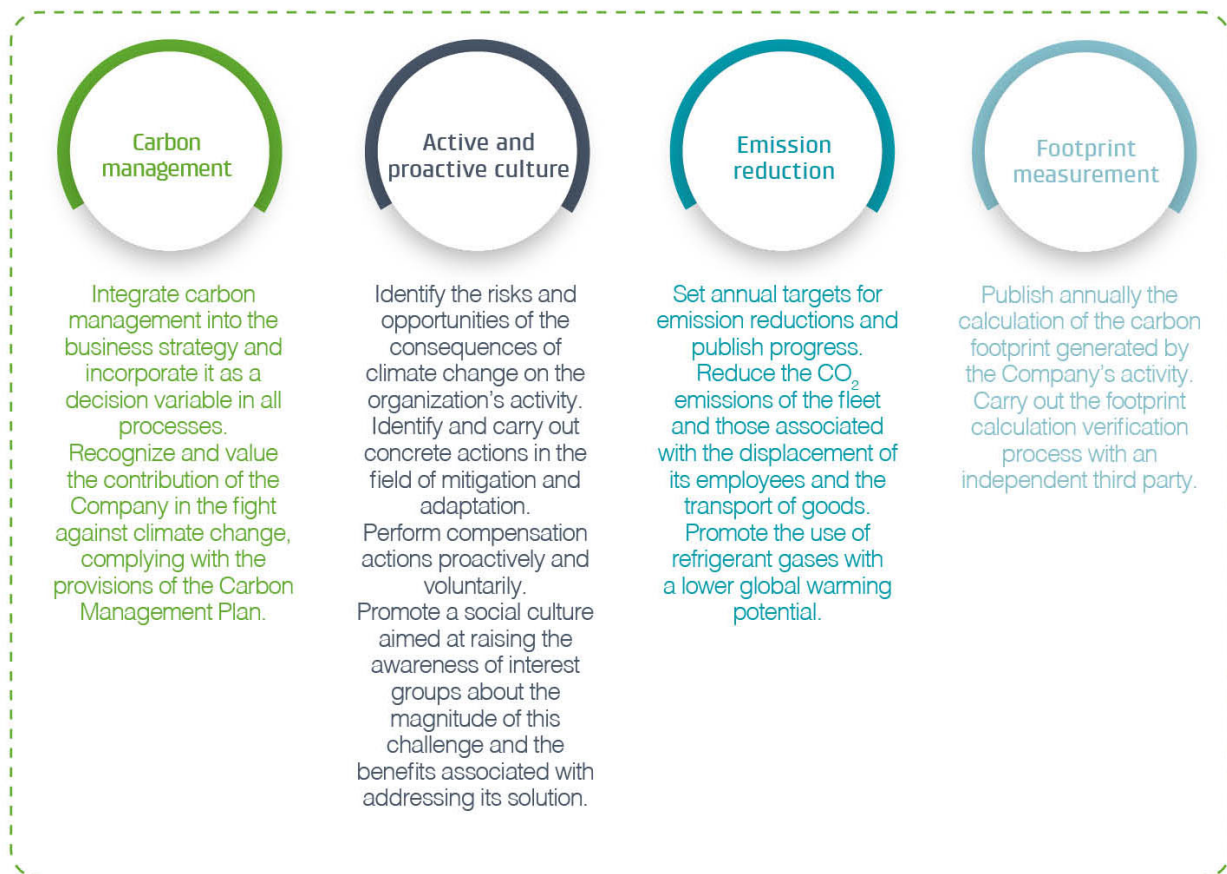


Based on the Life Cycle Analysis (LCA) of the Telecommunications Infrastructure Services (TIS) carried out in 2020, work was undertaken in 2021 on the preparation of a starting point document, outlining the forces of change, and the ecodesign opportunities that can be addressed by Cellnex. An opportunity prioritisation exercise will be carried out, during 2022, which will form the basis of the sustainable vision and define the strategy to be followed.

Carbon footprint and climate change

Cellnex Group is committed to the comprehensive management of sustainability and combating climate change and it presents the Company's commitments and general principles of action in these areas through the Environment and Climate Change Policy.

In this regard, one of the strategic lines of the Environment and Climate Change Policy is based on the mitigation and adaptation of climate change, for which the Company is taking a step forward to implement measures that contribute to its mitigation and to achieve the objectives established in the Paris Agreements and to adopt an active and proactive position in combating climate change through the following initiatives:



These initiatives were included in the ESG Master Plan, where one of the actions planned for 2021 was implementing the corresponding initiatives to minimise and mitigate the company's impact on climate change, including monitoring and controlling fossil fuel and electricity consumption, calculating the carbon footprint (scopes 1, 2 and 3), establishing reduction targets in this regard aligned with the Science Based Targets initiative (SBTi), and implementing the relevant actions to achieve them.

With regard to noise and light pollution, Cellnex's activity does not generate a significant impact. Nevertheless, Cellnex takes these impacts into consideration and strives to minimise them.

The Greenhouse Gas (GHG) emissions inventory is a key instrument for understanding the global dimension of the impact of the Company's activity on climate change, as well as the development of GHG emissions over time and Cellnex's value chain. As such this year, Cellnex has once again calculated and certified, through an independent external body, Scope 1, 2 and 3 of the Carbon Footprint following the ISO 14064-1:2018 standard, as well as on the criteria of the GHG Protocol, for all countries and at the corporate level. Additionally, in 2021 internal audits related to the carbon footprint were conducted in five countries (France, Portugal, Ireland, Spain and the United Kingdom).

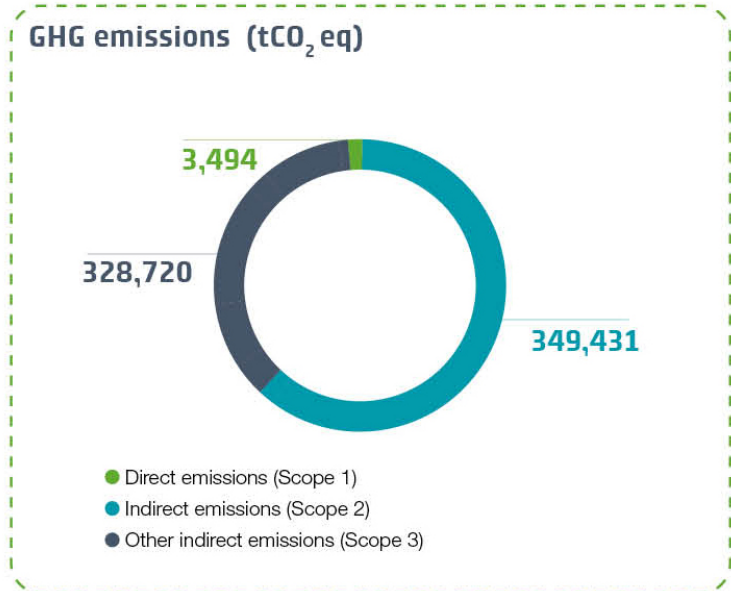
Emissions have also been reported and verified since 2021 with the classification established by the Corporate Accounting and Reporting Standard of the Greenhouse Gas Protocol (GHG Protocol), developed by the World Business Council for Sustainable Development. In the case of Scope 3 emissions, the classification set out in the GHG Protocol publication "Corporate Value Chain Accounting and Reporting Standard (Scope 3)" is used.

Verified emissions inventory for 2021 is 681,646 tons of CO₂e.

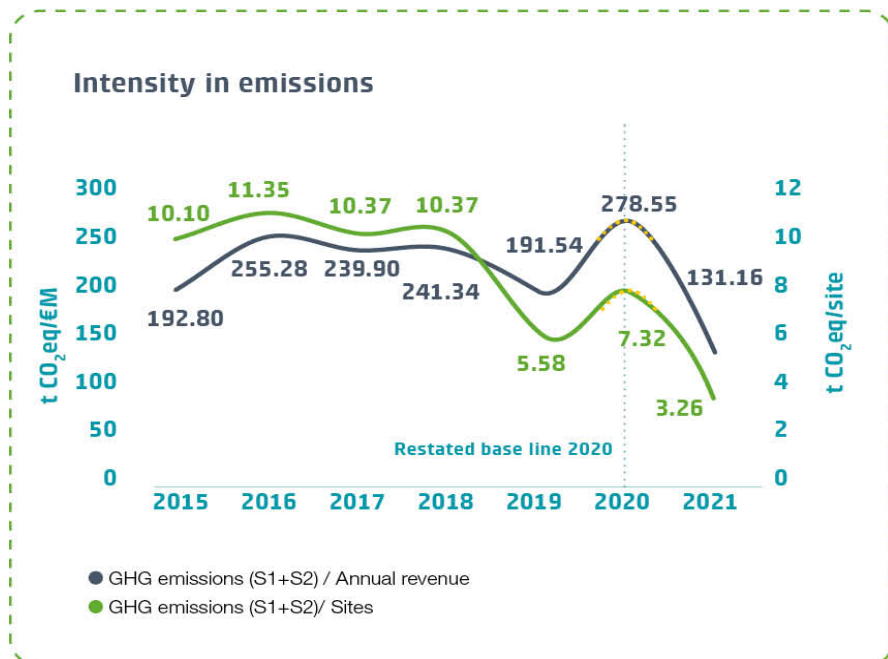
According to the verification, the verified emissions inventory for 2021 is 681,644 tonnes of CO₂e with the market focus (782,421 tonnes of CO₂e in 2020). The decrease in scope 2 emissions is due to the implementation of the actions defined in the Energy Transition Plan.

EMISSIONS FROM THE GHG PROTOCOL (market-based)			ISO 14064 GHG EMISSIONS (market based)		
Category	GHG emissions (t CO ₂ e)	%	Category	GHG emissions (t CO ₂ e)	%
Scope 1: direct emissions	3,494	1%	C1. Direct GHG emissions and removals	3,494	1%
Scope 2: indirect emissions	328,720	48%	C2. Indirect GHG emissions from imported energy (market)	328,720	48%
Scope 3: other indirect emissions	349,431	51%	C3. Indirect GHG emissions from transport	2,760	0.4%
			C4. Indirect GHG emissions from products used by the organisation.	218,390	32%
			C5. Indirect GHG emissions associated with the use of the organisation's products	128,282	19%
Total	681,646	100,00%	Total	681,646	100,00%

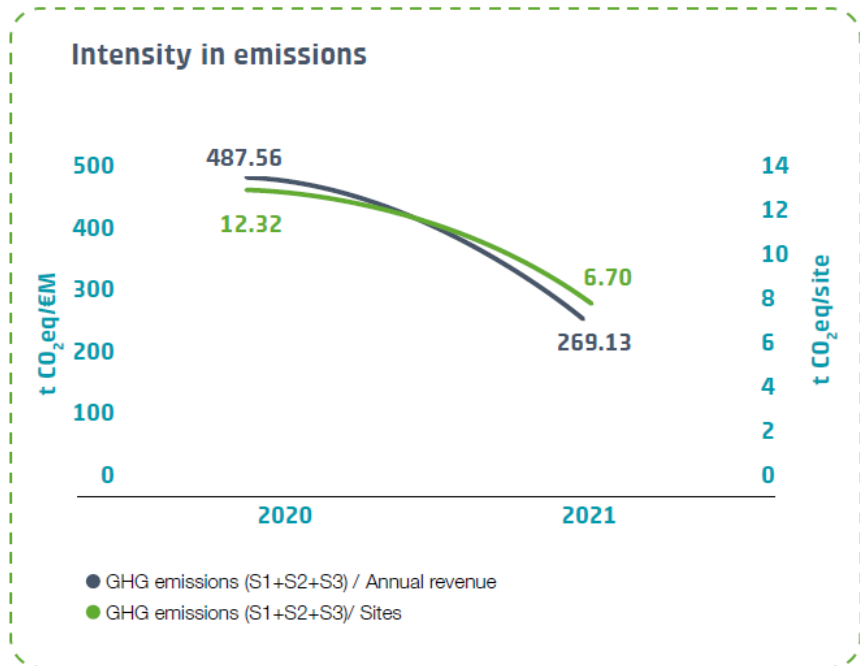
Following the ISO 14064, with the market-based approach 48.22% of the GHG emissions inventory corresponds to category C2 "indirect emissions from imported energy", followed by category C4 "indirect GHG emissions from products used by the organization" with 32.04% of the total GHG emissions. C5 category "indirect GHG emissions associated with the use of products from the organization" represents the 18.82% of the total. C1 and C3 categories only contribute an 0.51% and 0.40% respectively.



Following the GHG protocol, 51% of the emissions corresponds to Scope 3, followed by Scope 2 with 48% and Scope 1 with less than 1% of the GHG emissions.



Cellnex's Scopes 1+2 intensities have been reduced mainly due to the efforts made within the Energy Transition Plan. Regarding the evolution of emissions intensity it should be noted that the emissions for the base year 2020 have been recalculated, Further information explained in Chapter 7.3. Carbon footprint: Scope and calculation methodology.



In 2021 Cellnex Group offset

3,494 tonnes of CO₂.

As part of its efforts to manage greenhouse gas emissions, in 2021 Cellnex offset 3,494 tons of CO₂ from scope 1 (2,850 tons in 2020) by acquiring 3,494 CER credits (certified emission reductions) (2,850 CER credits in 2020) in the market Wind Energy Project in Tirunelveli and Coimbatore (India) according to CDM (Clean Development Mechanism), to achieve neutrality in emissions with carbon footprint of Scope 1 of all countries. The project consists of a package of 250 wind turbines for a total installed capacity of 56.25 MW.

The results obtained in the GHG emissions inventory are also useful for meeting to the various sustainability indexes in which the organisation participates, such as FTSE4GOOD, CDP, Sustainalytics and "Standard Ethics".



In 2021 it is worth noting that Cellnex was recognised for its commitment to sustainability and combating climate change by CDP, which manages a global disclosure system for investors, companies, cities, states and regions to measure their environmental impact and secured a place on its prestigious 'A List'.

Science Based Targets Initiative (SBT)

Science-based targets is an initiative of CDP (formerly Carbon Disclosure Project), the United Nations Global Compact, the World Resources Institute (WRI) and the World Wildlife Fund (WWF), of which more than 2,000 companies are members worldwide. Its objective is to increase the commitment of companies to sustainable management, and the search for more ambitious solutions to climate change.

This initiative, aligned with the Paris Agreement, aims to help establish science-based climate change strategies to reduce greenhouse gas emissions. As such it aims to limit global warming to well below 2°C above pre-industrial levels and to continue efforts to limit warming to 1.5°C.

In this regard, in 2019 Cellnex committed to developing a science-based emissions reduction target and in 2021 the Company strengthens its commitment to combating climate change by establishing specific targets and milestones for emissions reduction validated by the Science Based Targets initiative (SBTi) aligned with a 1.5°C stage.

Therefore, Cellnex is committed to:

- Reducing absolute Scope 1 and 2 GHG emissions and Scope 3 GHG emissions by 70% from fuel and energy-related activities by 2030 compared to the base year 2020.
- Increasing annual renewable electricity supply from 0% in 2020 to 100% by 2025.
- Reducing Scope 3 emissions from the purchase of products, services and capital goods by 21% by 2025, with 2020 as the base year.

To achieve these objectives, on the one hand, Cellnex has adopted an Energy Transition Plan whereby the company's electricity supply will be 100% renewable by 2025. On the other hand, commitment actions are planned with suppliers to achieve the planned emissions reductions in the supply chain.

The transition towards a low-carbon economy is one of the lines of action of the company's Strategic Sustainability Plan, as well as the ESG Master Plan. Both plans aim, among other objectives, to mitigate the impact that the company's activity may have on climate change.

Internal carbon price

The internal carbon price is a financial tool to reflect the social, environmental, and economic costs of climate change in terms of greenhouse gas emissions generated by the consumption of energy and materials needed for an organisation's daily activities.

Its analysis can add value to investments that reduce social, environmental, and economic costs, thus generating incentives for innovation in low-carbon companies. It also helps to anticipate policies that may affect a company's operations or supply chain, and meet ambitious emission reduction targets.

With internal carbon pricing it is possible to translate the business impact on climate change into financial terms, which helps to translate carbon into relevant terms for the company and strengthen internal commitment, thereby responding to the demands of investors and customers, and improving Cellnex's positioning in terms of climate change.

In this regard, during 2021, a study of possible Internal Carbon Pricing (ICP) options for Cellnex was carried out, resulting in a first preliminary proposal for an Internal Carbon Rate. As a continuation of the project, at the end of 2021, a pilot application of this internal rate was initiated, which will be developed during 2022.

Biodiversity

Cellnex recognises the environment and climate change as one of the three key principles that are transversally applicable to all the Company's lines of action and commitments. For this reason, the protection and conservation of the environment where the Company's activities are undertaken and biodiversity is a priority for Cellnex.

Growing with a long-term sustainable environmental proposal.

In the ESG Master Plan, within the strategic line of "Growing with a long-term sustainable environmental proposal", Cellnex has identified the need to develop actions focused on respecting and minimising Cellnex's impact on natural areas and biodiversity.

One of these actions defined in the ESG Master Plan is determining and assessing the impact on biodiversity and natural spaces, identifying the areas affected by the company's activities and the legislation applicable to them, in order to implement the corresponding actions to minimise this impact and preserve the natural environment.

International tool (SALEM) to identify and assess compliance with all legislation applicable to the Company in biodiversity issues.

In this regard, Cellnex has an international tool (SALEM) to identify and assess compliance with all legislation applicable to the Company in biodiversity issues, such as quality, health and safety, energy, etc. In 2021, five training sessions (in France, Ireland, Portugal, Spain and the United Kingdom) and eight awareness-raising sessions (in Denmark, Sweden, the Netherlands, Austria, Finland, Switzerland, Italy and Poland) were held during which the tool was introduced. In addition, extension sessions were held in the countries involved in the 2021 IMS certification (France, Netherlands, Portugal, Ireland and Switzerland).

Another tool available to Cellnex to monitor its impact on the natural environment is the DaNA tool. This identifies sites in protected areas. During 2021, the information on the types of protected areas was expanded, as far as country level. In 2020 only the Natura 2000 network was displayed. In addition, in 2021, climate scenarios were incorporated into the tool, making it possible to obtain information on the effect of climate change on each site and thereby monitor its development, as well as for the identification and application of preventive and corrective measures.

With all this, it will be possible to carry out another action defined in the ESG Master Plan relating to undertaking a monetisation of the company's interactions with biodiversity and natural spaces, as a contribution of natural capital. In this regard, work will be done on this project during 2022 and 2023. The first step will be to carry out an analysis of exposure to Natural Capital risks and opportunities.

Applying this new approach provides a new perspective in the company when it comes to integrating environmental, economic and social aspects that help to boost the value of its contribution to society, make better management decisions and improve conservation of natural assets, and generate value shared by society and the natural environment. Natural capital and biodiversity have a direct impact on various Sustainable Development Goals of the United Nations 2030 Agenda. So much so that by correctly incorporating natural capital into the business plan and corporate culture of the company, a substantial contribution can be achieved on a number of SDGs.

However, in the specific case of this project, where Cellnex intends to take an initial approach to the issue of natural capital, the most substantial contribution will be in the following objectives:

13 - Climate Action

14 - Aquatic life

15 - Life on Earth

Below the total protected sites analysed following the IUCN categories are presented:

	Total analyzed sites	Not affected	Affected	% of sites in protected areas
Austria	3,189	2,880	309	10%
Denmark	1,351	1,320	31	2%
France	12,399	11,678	721	6%
Ireland	1,774	1,723	51	3%
Italy	21,663	20,581	1,082	5%
Netherlands	769	681	88	11%
Poland	6,911	6,069	842	12%
Portugal	5,958	5,443	515	9%
Spain	10,733	9,527	1,206	11%
Switzerland	5,308	5,237	71	1%
United Kingdom	9,236	8,346	890	10%
Cellnex Total	79,291	73,485	5,806	7%

"Cellnex has more than 300 sites in Irish forestry locations, which provide a unique habitat for many species. Cellnex actively work with Coillte, the Irish State Forestry Body, to ensure that the bio-diversity & sustainability of the forests is maintained. Cellnex & Coillte ensure the environmental impact from our infrastructure has a minimal impact on these beautiful Irish forest locations".

John Brophy, Health & Safety Manager

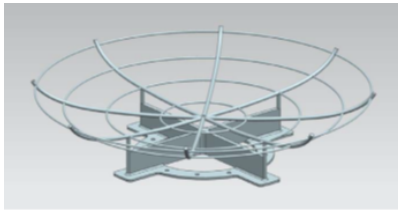
Sites in sensitive forest areas in Ireland



Cellnex Ireland has approximately 300 sites in environmentally sensitive forest areas. The forests belong to the state-owned forestry company Coillte (the name means forests in Irish). All construction and maintenance operations in these forest areas are governed by the requirements of Coillte, which establish that an Environmental Risk Assessment (ERA) must be completed to conduct activities in the area.

The ERA works by recording in the Site File the environmental designations and environmental features present, and then listing what mitigations or management measures need to be implemented to avoid a negative impact on the site features. Cellnex Ireland keeps an environmental risk assessment checklist for this purpose. In addition, relevant Cellnex contractors and employees are also trained in environmental risk assessment.

Stork nests at Cellnex Spain sites



Cellnex España has developed a novel and unique project that solves the operational problems caused by storks nesting at its sites.

"Por San Blas la cigüeña verás". As the saying goes, every year in February storks nest on telecommunications towers, heralding good weather, sunshine and warm temperatures. However, when they do so, the authorities do not allow access to the sites because of the risk that the nests, which can weigh between 80 and 100kg, might fall off. This is a major setback, as no maintenance work or new telecommunications installations are allowed until these birds migrate and leave the nests, sometimes for periods of nine months. The nests are then removed and maintenance and operation can be resumed. However, the storks return the following year to the same site and build their nests again.

As a solution to this situation, to avoid harming the birds and be able to continue with Cellnex's daily activity, it was decided to manufacture metal structures to support the nests, so that the storks do not need to rebuild them every year and also minimise the risk of the nests falling, making access to the centres compatible with nesting.

This solution was presented to the regional administrations and the project was approved. In 2021. Several metal nests have been built and the solution is expected to be deployed in up to

Habitat Protection and Biodiversity in Cellnex Portugal



Cellnex Portugal acknowledges that telecommunication infrastructures impact the surrounding ecosystems, and manages habitat protection and biodiversity through the following procedures:

- Compliance with Decree-law °No 49/2005, which aims to contribute to biodiversity, through the conservation or rehabilitation of natural habitats and flora and fauna through habitat protection, management, and species control.
- Compliance with Decree-law °No 11/2003, applying to municipalities to license new sites, which includes the evaluation of environmental aspects.
- Cellnex Portugal continues to monitor the sites through routine maintenance inspections to ensure local biodiversity is not negatively affected.
- Procedure to protect stork nests in towers before interventions are undertaken. Cellnex Portugal consults ICNF (Instituto de Conservação de Natureza e Florestas) whenever a stork nest interferes with an intervention.