

COP 2017

Cellnex Telecom joined the **United Nations Global Compact** in 2015, and took on board its principles as an integral part of the company's Corporate Responsibility (CR) programme. This programme is an integral part of the company's value creation model, which takes into account the economic, social and environmental dimensions.

This Communication on Progress serves as a renewal of our commitment and a reiteration of our continued support for the Global Compact.

Cellnex Telecom's governance model

Cellnex Telecom was created in April 2015 with a project imbued with the ambition to be the European leader in the provision of telecommunications infrastructure and connectivity solutions. As an independent listed group, the company has undertaken from the outset to deploy policies and practices that embody a management style strictly committed to the objectives of transparency and compliance with and attention to the ethical principles of integrity, honesty, respect for diversity and sustainability.

These principles underlie a model of governance and management based on four pillars:

- **Corporate culture** based on the founding values of the organisation with a mission and vision aimed at creating value.
- **Corporate Governance** safeguarding the interests of all stakeholders.
- **Risk management** shared throughout the organisation and aligned with the levels of risk tolerance and risk appetite set by the Board of Directors.
- **Responsible management of the value chain** based on a threefold vision: financial, social and environmental.

Cellnex's corporate policies and codes

This responsible management model is implemented through corporate policies and codes that are both cross-cutting and mandatory for everyone who is part of Cellnex Telecom. The following are currently in force - the Corporate Responsibility Policy, the Communication and Contacts Policy, the Remuneration Policy for the Governance Bodies, the Policy for the Selection and Appointment of Directors, the Equality and Diversity Plan and the Code of Ethics with its ethics channel.

Our CSR policy is based on the international standards adopted as a regulatory framework: the Principles of the UN Global Compact, the UN Guiding Principles on Business and Human Rights, the core conventions of the International Labour Organization (ILO), the OECD guidelines for Multinationals, and also on the recommendations contained in ISO 26000 (Social Responsibility Guide) and standards of the Global Reporting Initiative (GRI).

Cellnex performs annual monitoring of the [CSR Master Plan](#) 2016-20, which is based on five main axes and comprises 40 goals and 82 actions.

A great effort was made during fiscal year 2016 and 2017 to implement the various, achieving a high percentages of compliance in the actions, as well as in the goals initiated.

Cellnex has participated in several international ESG indexes, the most outstanding of which is its first inclusion in the Dow Jones Sustainability Index (DJSI). Although it was not selected as a member of this sustainable index, Cellnex obtained a very good rating, above average in each of the dimensions assessed (economic, environmental and social).

Cellnex Telecom joined also the “Standard Ethics” sustainability index debuting with EE-” rating, that it is compliant with sustainability standards, indicating a good level of compliance in terms of governance, sustainability and social responsibility.

According to the independent sustainability rating agency, , the company has a good corporate governance system, according to the SE model, and has a good strategy that values important issues such as risk management, including environmental, social and corporate governance (ESG) risks, as well as for the possible negative impacts on local communities.

Implementation of the principles of the Global Compact

HUMAN RIGHTS

During the year, we established a number of key documents and procedures.

1. We are developing a purchasing policy that is committed to sustainability and favours ethical behaviour by our suppliers. To this end, we are making improvements to our supply chain management, such as sending the CSR questionnaire to the main suppliers or including the code of ethics in the general contracting clauses. These procedures, which are currently in progress in Cellnex Spain, are planned for roll-out in the remaining countries in the near future.

2. Supplier Self-assessment questionnaire: we have improved the questionnaire, adding issues related to Human Rights. This questionnaire is sent to the company’s main suppliers, which represent approximately 80% of turnover.

During the year, we developed the following procedures:

Group Code of Conduct and Ethics Channel:

- a. During 2017 a training course was held for all Cellnex Spain employees. This training course will be implemented in the other Cellnex Group companies from 2018 onwards.
- b. During 2017 we organised an information campaign to various stakeholders, mainly Group staff and the most important suppliers.

Main social projects developed:

Castellolí Parcmotor project. Related to economic development of the region, Cellnex Telecom has signed an agreement with the Parcmotor for equipping the circuit with infrastructures and technology to allow the facility's users and customers to develop new products and services linked to smart mobility and the connected vehicle. The objective is to make the Castellolí Parcmotor into a benchmark environment and an innovative testing space for the development of ITS (Intelligent Transport Systems) technological solutions, particularly in the field of vehicle-to-vehicle (V2V) and vehicle-to-infrastructure (V2I) communications, which can subsequently be implemented in vehicles (future mobility), in towns and cities (smart cities) and on roads and motorways (smart roads).

Cellnex has maintained an active participation, through collaborations and sponsorships, in the organization of several workshops and seminars focused on enhance companies digitalization, improving competitiveness and, ultimately, stimulate economic growth.

Cellnex Telecom belongs to the Global Compact, an association concerned with defending human rights.

LABOUR PRACTICES

We established a number of key documents and procedures during the year:

International assignment policy. This programme revolves around accompanying the worker throughout the duration of the project. In addition to career development opportunity, the company not only offers workers the opportunity to develop their professional career, but also provides a series of guarantees during the time they are away.

Road safety Mobility Plan. We drew up this programme, which focuses on Safety and Sustainability and is based on a mobility study (survey), drafting a policy and analysing the results for subsequent decision-making.

ENVIRONMENT

Proposal for an enhanced environmental policy with a commitment to climate change mitigation and adaptation.

Study of risks and opportunities associated with climate change.

We have participated in some sustainability indexes, such as CDP, in which Cellnex improved its rating in the last Climate Change 2017 questionnaire (from B- to B).

We had the calculation of our carbon footprint verified by an external auditor (scope: Spain and Italy).

ANTI-CORRUPTION

A policy was applied for our Board member selection policy and a woman was appointed as a new independent member, along with the appointment of an independent vice-chairman.

During 2017, the activities of the Board of Directors were evaluated by an independent external evaluator.

The Internal Guide to Prevent Criminal Offences was drawn up in 2016 and was approved and launched in 2017.

Projects

HUMAN RIGHTS

To participate in collaboration with others partners or local institutional entities in a project related to providing benefits to the local community, for instance related to social housing.

Code of ethics. Information campaign at the company's headquarters in Switzerland and the beginning of the training plan at the other sites (except for Spain, where it has already been implemented).

LABOUR PRACTICES

Onboarding programme. This project consists of creating a welcoming plan, bringing together all the relevant information for all new Cellnex employees to facilitate their integration into the company with the highest level of satisfaction in the shortest possible time.

Engagement Survey. Measuring staff satisfaction through a new engagement survey.

Development of the Road Safety Mobility Plan.

Implementing The Hub (the project based on a management tool to foster the development of people within the organisation) in Cellnex Italy.

ENVIRONMENT

Designing and developing a Carbon Management Plan, which includes a voluntary compensation of CO2 emissions to reduce the company's carbon footprint.

ANTI-CORRUPTION

Incorporation of new companies acquired into the group's risk plan.