



# 7

Extending our commitment to the value chain



## Extending our commitment to the value chain

### 2020 main highlights



**100%**

user **complaints** received have been resolved.

Customer satisfaction surveys

Spain	Italy	Netherlands	UK
59%	79%	78%	+17
NPS			NPS

Customer  
Care Global  
Model

Cellnex  
Connectivity  
Days

Cellnex  
ISO 27001  
certification  
renewal for the  
ISMS.

**Ariba**  
tool implementation

**2,630**  
local suppliers

**~400**

suppliers have been  
selected for evaluation in  
terms of ESG.

**435**

suppliers evaluated in  
terms of ESG.

### 2021 main challenges



**Critical suppliers**  
identified for both  
business and **ESG**  
perspective from  
2022.

**100%**

of critical suppliers  
homologated  
considering ESG  
criteria from 2023.

**80%**

of critical suppliers  
audited from 2025.



**Code of Conduct for customers**  
and CSR training and  
awareness by 2025.



**Code of Conduct for suppliers** and  
CSR training and awareness by 2021.

**Align existing processes** according to the **National Institute of Standards and Technology (NIST)** standards by 2025.



### Cellnex commitment with Covid-19



Cellnex has been able to provide **uninterrupted service to its customers** during the Covid-19 pandemic.



Cellnex has carried out different initiatives, including **financial support**, in order to guarantee the relationships with its **suppliers** as part of the **Contingency Plan**.

# Customers

*We think using reason, we act with our heart. First, we think about the actions that we have to take consciously, for our own safety and that of others. Second, we act with our heart to provide services that reach customers who need them, and it is gratifying to be able to make our contribution, knowing that it affects thousands of people.*

Javier Mingo,  
Central Territory Operation  
Manager

100%

user complains received were resolved

Cellnex has been able to provide

**uninterrupted  
service**

during the COVID-19 pandemic

Customers are one of the most important stakeholders for the company, which understands that connecting with them is key for the Cellnex model to function successfully.

To this end, Cellnex has set itself the objective of guaranteeing that best practices are used in the performance of its services. All products and services are continuously reviewed to improve the health and safety impacts both of the employees dedicated to their installation and operation, and the possible impact on customers.

Likewise, the company maintains a constant and close dialogue with customers, through meetings and training sessions or webinars to explain Cellnex best practices, improving the engagement with them.

Moreover, Cellnex provides various communication channels with customers, such as those contained in the service-level agreement (SLA) reports. To guarantee a personal and stable customer relationship, Cellnex strives to focus its 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.

Cellnex continued to manage complaints under the Complaint Management Procedure. A complaint is understood as the formal manifestation of disagreement or dissatisfaction with the service received by a client, a user or society.

- Customer Complaint: a complaint made directly by the customer with whom Cellnex has a contractual relationship.
- User complaint: a complaint made directly by the end user, received directly or derived from an external client.
- Society Complaint: a complaint made directly by a group of users that may be represented by Public Administration bodies and by private bodies (antennae organizations, neighbourhood communities, etc.).

In 2020, there were four user complains in Cellnex Spain and nine in Cellnex Italy (16 in 2019), of which 75% (100% in 2019) were processed and resolved according to the company's procedures before the end of the year.

In 2020, the relationship with customers was especially important, since Cellnex's services have been essential during the COVID-19 pandemic. The primary objective was to respond to crisis situations in Cellnex group by guaranteeing the provision of critical services. To achieve this, a Global risk committee and Local risk committees were set up and a daily report regarding the status of the services was established. A Global contingency plan was also developed to guarantee the continuity of critical services in the eight European countries in which it operates from the outset.

Furthermore, Cellnex has worked hard to preserve the security and availability of the services 24/7 while ensuring the application of the strictest protection measures for employees, minimising all control, maintenance or intervention operations on the ground due to network incidents, the risks of contagion and the spread of the disease. In a proactive and ingenious way, the Network Operation Centre (NOC) was reconfigured to be able to operate all the networks in Spain remotely from home. The networks have been monitored and operated remotely to full satisfaction.

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## 85% of customers

feel satisfied with company's management during COVID-19

### Cellnex's relationship with customers during the COVID-19 situation



The situation caused by COVID-19 has changed the telecommunications paradigm, driving it to unprecedented levels, since both individuals and companies have used technology to keep their day-to-day activities active. Because of this, Cellnex has made a commitment to its customers through several initiatives, for example a free expansion of data capacity to its customers to meet the needs of households.

In Spain, Cellnex helped with the contingency plans of its customers. For example, the company helped set up field hospitals by providing connectivity (for IFEMA field hospitals, and Sabadell hospital).

Moreover, within the global survey that has been carried out to customers in Cellnex Spain, they were asked about the management that Cellnex has carried out during the pandemic. Most of the customers surveyed point out that they have not noticed a change in the service received and consider that the service has been just as good prior to the situation marked by COVID-19. 85% of customers feel very satisfied or satisfied with company's management during this period.

Likewise, Cellnex Italy collaborated to TLC Operators to improve the mobile connectivity for the COVID patients of the Niguarda Hospital (Milan) and it was offered for free during the period of the higher pandemic emergency.

In France, to promote the continuity of deployment, the works franchises were increased for two months (credit of 1.5 million to the main customer).

Cellnex works to continue improving its relationship with customers, developing new infrastructures that offer coverage for their services in an efficient and reliable way. In this regard, a new Global Marketing & Sales area was created to enrich the Cross-Country Opportunities, to improve the commercial approach in all the countries, to introduce new products and services for different segments, to create additional value propositions, to facilitate materials and collaterals to increase the Sales and to extend best practices to all sales reps. Moreover, the implementation of the Salesforce tool to all countries makes it possible to level and standardise the sales process and better coordination and knowledge of the commercial pipeline.

Moreover, under the ESG Master Plan, some actions will be implemented to extend our commitment to ESG issues to our value chain. To this end, the company will offer ESG training and awareness for customers.

A specific Code of Conduct for customers will be drawn up in the coming years. This Code will include issues like labour conditions, human rights, anti-corruption and bribery, etc., to ensure compliance in ESG matters.

Cellnex is working to engage with customers through activities such as the "Cellnex Connectivity Days", a brand-new initiative which looks to gather a broad range of telecoms industry stakeholders to debate the most pressing topics in the industry and their impact on society. The very last objective of these events is to position Cellnex as a key player in markets where the brand awareness is still weak and where Cellnex also offers a unique networking opportunity.

In 2020, in response to the evolving nature of COVID-19, and to stay close to our customers and stakeholders in general, Cellnex was forced to reimagine these "Cellnex Connectivity Days" by creating an on-line version. In those sessions, Cellnex and its stakeholders had the opportunity to debate directly with leaders and experts from the industry. The following webinars were held and are all available on YouTube:

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A new

## Global Marketing & Sales area

was created to enrich the cross-country opportunities

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- April 2020: Indoor Connectivity Solutions.
- May 2020: The Next-Generation of Mobile Networks.
- October 2020: The impact of Smart & IoT technologies in the post-COVID era.
- November 2020: Boosting operating efficiency with private networks.



**Cellnex Ireland: one year in business**



A webinar was organised to celebrate the first anniversary of Cellnex Ireland in the group. Speakers from Dublin and Barcelona shared an overview of Cellnex Ireland’s plans and talked about some main topics such as next generation infrastructures and networks or Cellnex approach to diversification.

Apart from explaining the company’s plans, Cellnex Ireland made a donation on behalf of every attendee at the webinar to two social charities from the Irish community.

**Customer Care Global Model**

Customer Care is a strategic priority and a cross-cutting commitment that must be present in each of the actions by Cellnex Telecom to create sustainable value distributed to all stakeholders.

With the Customer Care Global Model, Cellnex aims to create a work environment to provide its customers the most demanding levels of satisfaction through a service management based on process approach and service support. This is achieved by collecting and analysing customer experience insights to incorporate the information into continuous improvement processes and to understand customer’s needs and expectations.

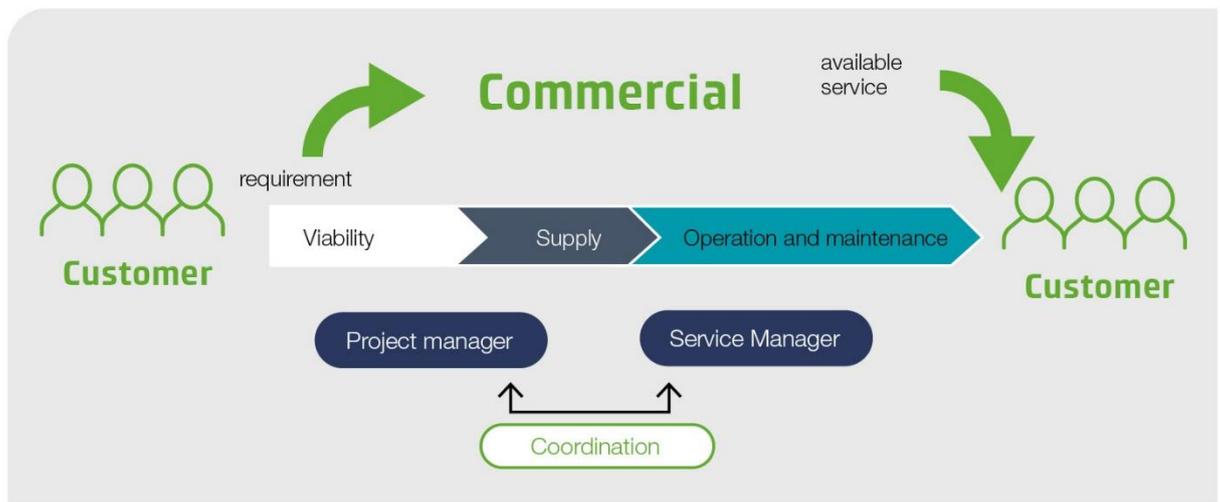
Cellnex delivers the optimal service to customers by understanding their current and future needs and expectations to plan, design and develop services to achieve maximum customer satisfaction.

For example, Cellnex Spain maximizes the satisfaction and quality of the services provided to its customers by providing the following interlocutors:

Cellnex aims for maximum customer  
**satisfaction**

Extending our commitment to the value chain

- Commercial: Each customer has an assigned Account Manager with end-to-end knowledge of all the relationships that Cellnex has with its customers to satisfy their needs and concerns from an overall perspective.
- Project Manager: These are the interlocutors with the customer, together with the Account Manager, in the feasibility phase and provision of a service. They play an important role in customer satisfaction, since this area, with its optimal performance in the design of the service to be provided, can influence customer satisfaction.
- Service Manager: These are the main interlocutors with the customer, together with the Account Manager, in the service provision phase. They are responsible for ensuring the availability of service levels, monitoring and optimising the service provided.



In this regard, In Spain, the continuity of the service is guaranteed through the Operation and Maintenance process, according to the contracted quality parameters.

The network operation and maintenance structure, which Cellnex Spain manages, is based on the support provided to the maintenance operations by the Service Operations Centre (SOC) and Cellnex's employees on the field.

In other geographies, such as United Kingdom, Portugal or Switzerland, the volume of clients allows a face-to-face relation with them, and therefore a more individualized service. In this regard, feedback is obtained in the day to day conversations with customers, as each customer is managed by an account manager or an account director, some customers also have a service manager responsible for the service relationship.

In the Netherlands, the relationship with the client is established by holding at least two meetings a year with them, in addition to holding one event once a year. Individualized account plans are also implemented for each client and satisfaction surveys are carried out.

## Customer satisfaction survey

Cellnex carries out studies to gauge customer satisfaction, the outcome of which feeds into action and improvement plans. The analysis of customer perception consists of evaluating the customer's satisfaction with the company, its main activities and the services it provides. This evaluation is based on customer satisfaction surveys and on the information obtained through the company's management of the complaint.

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 critical points and strengths and establish an action plan based on the external customer satisfaction study.

Cellnex carries out

## customer satisfaction surveys

to obtain feedback on their services

A new model for measuring customer satisfaction in Cellnex Spain was developed in 2019. This model integrates various measurements of customer satisfaction to gauge customer satisfaction at all stages of the process. This new model makes it possible to obtain specific feedback on projects/services and to carry out more streamlined management of action plans, by receiving results directly from the customer/project managers and reducing the outsourced cost by increasing the time taken to carry out the global survey. 95% of customers were "satisfied" or "very satisfied" with the service provided by Cellnex Spain, according to the Satisfaction Study for the second half of 2020.

The following actions are carried out to gauge customer satisfaction:

- Registration and analysis of complaints according to the complaint's management procedure.
- Assessment of customer perception through different types of surveys, regarding the satisfaction and loyalty to Cellnex, the main activities of the company, and the services provided.

The evaluation of customer perception through surveys allows Cellnex Spain us to detect points in which the customers are unsatisfied with the services provided and / or the attention received. To this end, we perform various types of surveys depending on the aspect or phase of the service provided for which satisfaction is to be analysed:

- Project management. To measure the satisfaction of the project management process, from the offer, provision, monitoring and delivery of the project.
- Incident management. To gauge customer satisfaction in the management of an incident: proactivity, monitoring and communication that takes place throughout the process.
- Service Surveys to some groups of customers (CAC, Fixed Operators, ...). To monitor the evolution of the general satisfaction of customers who make various service requests on a recurring basis during the year.

- Biennial Global Surveys, where all services provided and all processes in which the customer interacts are analysed.

The information available from the management of complaints is analysed each year with the data from customer surveys, to analyse customer perception, to generate associated actions to customers and perform processes and services actions.

In Cellnex UK, customers satisfaction is measured in the surveys. This understood as site access speed and quality of responses, delivery speed and management of suppliers, as well as poor communications. Service Development Plans are then drawn up and worked through with the customers to improve the service provided.

The Customer Satisfaction Survey is carried out in all geographical areas where Cellnex operates.

#### Customer Satisfaction Survey in the Netherlands



On January 16, 2020, customers of Cellnex Netherlands received an invitation by email to participate in the customer satisfaction survey, where TIS customers of Shere and Towerlink were included for the first time. To keep continuity of the information, the questionnaire remained as much as possible as the questionnaire of previous years, but a number of questions were added for TIS customers. The results showed that 78% of all respondents are generally very satisfied with Cellnex NL.

#### Customer Satisfaction Survey in UK



The Net Promoter Score (NPS) system is used in Cellnex UK and for 2020, the annual Customer Satisfaction Survey showed improved engagement, highlighting significant improvements relating to transparency, commercial flexibility and operational delivery.

#### Customer Satisfaction Survey in Spain



In 2020 the Net Promoter Score (NPS)' results in Spain pointed out a 95% of satisfaction (44% in 2017).

#### Customer Satisfaction Survey in Italy



Cellnex Italia 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. The results showed that 79% of all respondents are satisfied with Cellnex Italy.

## Information security management

Security, whether physical or IT, is an important matter for Cellnex which is why the Company performs many activities to avoid and mitigate any possible threat that might affect its service.

In 2019, Cellnex 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 geographical areas where Cellnex operates 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.

During 2020, Cellnex deployed the security model as defined in the Strategic Global Security Plan, which establishes the implementation of comprehensive security risk management, both physical and logical, with well-defined roles and functions at both corporate and country levels.

An important aspect of the Strategic Plan was to analyse company security based on standard frameworks (NIST cybersecurity and ISO 27001). An internal audit of the Information Security Management System (ISMS) was carried out in September 2020 to determine whether the management system meets the requirements defined in ISO 27001. Among the conclusions of audit on the Information Security Management System are:

- A consistent, coherent and well-structured Information Security Management System (ISMS).
- The Information Security Management System remains alert with the incorporation of new companies/countries.
- Good ISMS definition. Focus on implementation in Corporate & Business Units.
- Focus on active responsibility in Data protection and awareness for all employees.

An external audit of the Information Security Management System was carried out in November 2020 to determine whether the management system meets the requirements defined in ISO 27001.

The ISMS will include documented information determined by Cellnex as necessary for the effectiveness of the Management System. Documented information will be checked to ensure that it is available and suitable for use and is adequately protected (e.g. from loss of confidentiality, improper use, or loss of integrity).

Cellnex's ISO 27001 certification for the whole group was renewed in the wake of the internal and external audit of the Information Security Management System during 2020., Corporate, Spain, Netherlands and France, and Switzerland were audited in 2020, and following the audit rotation, Corporate, Spain, UK, Ireland and Portugal will be audited in 2021.

Cellnex continuously improves its

## Information Security Management System

in accordance with ISO 27001

Cellnex

## ISO 27001 certification renewal

for ISMS

Cellnex has been able to

## protect

its products and services during the COVID-19 pandemic

The Global Security Office was deployed to support in Information Security at a global level and provides the following services:

- Threat Intelligence and legal surveillance.
- Continuous monitoring of vulnerabilities.
- Continuous improvement of security incident monitoring (Red Team).
- Update of threat catalogue and security risk map.
- Technical consultancy and auditing in security matters.

The following actions were also rolled out in 2020 regarding Information Security Management:

- Analysis and deployment of a risk management tool enabling automated management of global security risks.
- Deployment of a security event monitoring model in all integrated countries.
- Implementation of Azure Information Protection (AIP) for sensitive information.
- Replacement Mobile Device Management (MDM) to ensure unified management of mobile devices.
- Regularisation of administrator users to ensure that users have access to the necessary privileges to perform their work.
- Implementation of Cloud Access Security Broker (CASB) to apply security controls on Cloud applications.
- Deployment of 2-Factor authentication to reinforce access to network resources.

As a result of the Security Awareness Campaign that the Global Security area started in July 2020, a series of mandatory online training activities will be assigned through The Hub until April 2021. These sessions aim to raise awareness of the dangers of cyberattacks among all Cellnex employees.

With regard to the personal data managed by the company, the entry into force of the new General Data Protection Regulation (GDPR) on 25 May 2018 led the Group to make 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). At Cellnex, these duties are 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. As the company was fully compliant with the previous European regulation and already had a mature and robust system, it was able to adapt quickly and effectively.

An audit of the Information Security Management System (ISO 27001) was carried out in Corporation, Spain, Holland and France in the last quarter of 2020 and was passed successfully. The results of the data protection part of the audit were positive, and no non-conformity or observation was pointed out.

The company has adapted to the new paradigm imposed by the COVID-19 pandemic situation. Solutions planned for 2020 and beyond have been adapted to the new context of high remote working regarding:

- Information protection.
- Endpoint protection.
- Cloud environments protection.

In this context, security awareness programmes including online trainings and phishing campaigns were prepared for all employees.

In 2020 there were no data leaks, theft or loss in Cellnex, nor were any complaints received in relation to information security and data protection.

# Suppliers

## Cellnex Supply Chain and Engagement with suppliers

Cellnex purchasing model is based on  
**decentralized  
purchasing**

The Global Resources Procurement area is tasked with providing strategic value to Cellnex group stakeholders by managing purchases in accordance with Cellnex's industrial model and promoting efficient, innovative, transparent, sustainable and quality purchasing as a lever to provide Cellnex's customer care services with the right balance between cost/performance while respecting corporate policies.

Cellnex has a purchasing model based on decentralised purchasing with point of control across the process. Some key purchases are managed in a centralised way by the purchasing team. The purchasing model is based on three axes:

- **Plan Purchases:** Cellnex has defined a purchasing strategy for key tenders, seeking purchasing efficiency by managing global tenders, anticipate purchasing processes and obtaining competitive agreements in the marketplace that will allow Cellnex to provide excellent services to its customers.
- **Manage Purchasing:** The company has established guidelines for the entire purchasing process, from the detection of the purchasing need and the Purchase Order release from receipt of the service/product by Cellnex to the signature of the contract.
- **Manage Supplier's Relationship:** The company has designed a relational model with countries and corporate areas, including procurement policy, group's plan purchase, supplier management framework agreements, cross-sectional purchases and non-transversal purchases and Opex and Capex Committee (OCC).

Within the purchasing model, the Functional Area sets the procurement plan for its Area and shares it with Procurement in Business Units. In addition, it defines the requirements (technical specifications and conditions) and participates in the selection of the supplier from a technical point of view when purchasing actions are performed.

Procurement in Business Units works as a team with the functional areas to identify purchasing needs. It creates an integrated procurement plan for the Business Unit. Procurement in Corporate Area works as a team with the functional areas in Corporate to identify purchasing needs. It creates an integrated procurement plan for the Corporate areas. Also, Procurement in Corporate Area consolidates all Business Units' procurement plans to have a Group Procurement Plan.

Four key components were identified for the Cellnex Purchasing Process:



- Purchasing Policy: Cellnex has created a policy that establishes guidelines in the purchasing process. Any stakeholder in the purchasing process must be aware of it and respect it and its principles.
- Suppliers performance evaluation: Suppliers are key within the purchasing chain. Selecting a criteria and evaluation performance for them is key for achieving excellence in operations, providing good services to final customers and continuous improvement.
- Purchasing Category: Category management is key for a unified vision of purchases across business units and corporation to analyse and classify purchases and define purchasing strategies for most strategic and relevant categories.
- Relational model: Relational model between purchasing teams, both corporate and business units helps to set responsibilities and work as a well-defined team. Relational model with suppliers is key for good governance and efficiencies (digitalisation).

Cellnex understands that its commitment to corporate social responsibility must extend to its value chain. Suppliers must be aware of Cellnex's corporate policies, such as those concerning purchasing, quality, environment, occupational risk prevention, information security, corporate responsibility and R&D + innovation as well as the Code of Ethics and must ensure compliance with all of them.

In this context, in 2020 Cellnex has implemented a new tool (Ariba) to manage the procurement process that will improve the suppliers' engagement. The different modules of the tool allow standardizing the purchasing processes in all countries, provide greater autonomy to the suppliers and improve the transparency of the process. In 2020 the tool was implemented in Corporate, Spain, and Netherlands; and is currently being implemented in France and Switzerland, where it is expected to be fully implemented in 2021.

The Ariba tool contains three modules:

- Ariba Buying: a user-friendly web portal where all employees in Cellnex can manage the purchasing process from end to end, from the creation of a Purchase Order to the final payment of an invoice.
- Ariba Network: a supplier portal that enhances the relationship with Suppliers by centralising all the communication in one portal, updated in real time with all the information regarding Purchase Orders, Goods Receipt Notifications, Invoices and Payments. No more paper invoices are needed. Furthermore, a supplier in Ariba Network can use Supply Chain Finance to be paid their invoices in advance, in exchange for a discount to Cellnex.
- Ariba Supplier Lifecycle and Performance (SLP): A module that enhances the exchange of information between Cellnex and the Supplier by adding the following functionalities:
  - New Suppliers can request to be a Cellnex supplier through a Standard questionnaire
  - New suppliers will be registered directly by the Supplier within a predefined questionnaire where the Supplier includes acknowledgement of Cellnex' Code of Ethics, Purchasing Policy and general contracting conditions.
  - Increased autonomy: The Supplier must update their information details in SLP at least once per year, ensuring that the data is always up to date.

Cellnex implement

## a new tool

to manage the procurement process

### List of suppliers



While the roll-out to all countries is being performed, Cellnex Italia has established its own List of Suppliers to qualify and rationalise the Company's recurring purchases. All Suppliers wishing to register must submit a specific request for accreditation by connecting to their webpage. This request is introduced for all Suppliers, including those already registered, to ensure proper management of the Supplier's registry on both the administrative and fiscal sides. In this regard, companies are urged to keep their data up to date. The user manual is available on the home page with all the information necessary for the accreditation process to the Cellnex Italia Supplier Register. They have also enabled an email address for any type of support that may be needed.

### Local suppliers

It is worth pointing out that Cellnex's suppliers perform important maintenance tasks and techniques that help Cellnex to provide high quality services to its customers. That is why Cellnex strives to generate local value by contracting local suppliers in all the countries in which it operates.

Whenever possible, Cellnex's priority is allocate provision of goods and services to local suppliers (local terms mean suppliers who are based in the same country where goods are delivered, and services provided).



**90%** (91% in 2019)



**90%** (98% in 2019)



**94%** (94% in 2019)



**91%** (95% in 2019)



**94%** (87% in 2019)



**93%** (N/A in 2019)



**82%** (73% in 2019)



**97%** (N/A in 2019)

For 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 accessing the company's facilities, mainly those involved in installations and maintenance projects, and customer colocation services.

### Iloq project



ILOQ Project is a global initiative taking place in France, Portugal and the Netherlands. It is a new access system with NFC technology that allows remote access to subcontractors that need to enter the sites, facilitating access traceability.

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 an impact is caused, corrective measures must be implemented to remedy them.

Cellnex is extremely committed to ethics and human rights, including in its supply chain, which represents the greatest potential risk, yet is the biggest area to make a positive impact. To this end, Cellnex applies an audit process to find out their supplier's position and schedule any necessary actions to avoid problems in this regard.

Moreover, there are plans to develop a Supplier Code of Conduct under the ESG Master Plan and to include it as a contractual clause in agreements with them. The main topics in the Supplier Code of Conduct relate to labour conditions, human rights, anticorruption and bribery, etc.

Additionally, Cellnex will offer ESG training and awareness for suppliers to encourage them to make changes in their manufacturing processes and to adopt similar sustainability standards.

#### Cellnex relationship with suppliers during the COVID-19 situation



The situation caused by COVID-19, with lockdowns, mobility restrictions, remote working, etc. has directly or indirectly affected all economic sectors. Because of this, Cellnex has made a commitment to its suppliers by developing several initiatives:

In Cellnex France, invoices for April and May from subcontractors were paid early (more than two million €).

In Cellnex Spain, the company provided mechanisms to their local subcontractors to speed up receipt of payments for services and supplies, such as payment plans and confirming contracts.

In Cellnex Italy, the company gave financial support to their suppliers in special way during the first and tough period of lockdown. For this purpose, the company negotiated with the main Italian bank's mechanisms of confirming or reverse factoring totally guaranteed by Cellnex Italy with the most favourable commercial terms and conditions.

In Cellnex Portugal, as of March (when the state of emergency began in Portugal due to the COVID pandemic), Cellnex launched an offer deferring payment of new colocation fees for six months, enabling MNOs to address both capacity and coverage issues exacerbated by the increased data traffic post-lockdown.

### Evaluation, selection and monitoring of suppliers

In 2020 Cellnex partnered with EcoVadis to perform the evaluation of its suppliers. The EcoVadis Rating covers a broad range of non-financial management systems including Environmental, Labour & Human Rights, Ethics and Sustainable Procurement impacts. EcoVadis provides an outsourced sustainability management platform that helps Cellnex to invite its trading partners to be rated; manage trading partners' performance; and drive continuous improvement.

In this regard, during 2020, the first phase of data collection from suppliers took place in all countries except Portugal, Ireland and the UK. Around 400 suppliers were selected for evaluation. Once the analysis phase is finished, a supplier risk map will be defined, and action plans will be drawn up for the suppliers, expected for 2021.

Cellnex has partnered with Ecovadis to evaluate its suppliers

in terms of ESG



Supplier performance is evaluated using quality and time criteria to obtain a grading by levels according to the results. For suppliers with unsatisfactory results, 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.

One of the companies (Shere Masten) in Cellnex Netherlands was audited by KPN in 2019, and an ESG survey was performed by Ecovadis. The rate obtained was good, so no additional improvements have been asked by Cellnex to continue working with KPN.

#### Cellnex as a supplier



In 2020 the Deutsche Telekom Group has renewed Cellnex Telecom's certification as a "Zero Outage Supplier" for the fourth year running.

This certification is part of the German group's worldwide programme for selecting and certifying their key connectivity service providers in each country, to act jointly as partners in improving the service to their end customer.

The programme sets the German 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.

This type-approval and certification process measures indicators linked to commercial service, compliance with the delivery dates of contracted services, continuity of service, and constant real-time information, scaling, response time and resolution of incidents, to name just a few. It should be underlined that, in accordance with Deutsche Telekom's requirements, the information, management and resolution of serious incidents affecting service are reported in real time directly to Germany.

T-Systems monitored these indicators throughout 2020 along with the quality of the connectivity service and the level of continuity offered by Cellnex.

### Suppliers monitoring at Cellnex Netherlands



Cellnex Netherlands monitored its suppliers using the KVGM management system. Suppliers are assessed by criteria as:

- Quality employees
- Incident performance
- Corrective / Preventive Maintenance
- Escalation
- Invoicing
- Tariffs
- Guarantees
- Termination notice
- Accountability
- Usage of access protocol and equipment (keys, cards)
- Good housekeeping
- Awareness information security
- Performance information security
- Remarks

Besides suppliers need to keep the “10 tower-rules” they also need to agree with Cellnex Netherlands’s terms to work at a “high-tower-Cellnex-location” including working on height-certificate, VCA-safety-certificate, working at Cellnex infrastructure-contract, Rules and regulations high-masts (omroepmasten), keys and cards contract and Monet-Health-and-Safety-plan).

An evaluation of main suppliers is also performed regarding social responsibility issues. 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. In 2020 the scope and criteria defined in 2019 was followed.

Furthermore, Cellnex carries out indicatives throughout its supply chain in order to reduce emissions of polluting gases as well as to manage climate risks. For the third consecutive year, the CDP Supply Chain questionnaire was launched to Cellnex suppliers, improving the response rate to 35% with 169 responses in 2020 (89 in 2019). In this questionnaire, company’s suppliers report data on their emissions and environmental behaviour to evaluate their efforts to combat climate change. Cellnex received an A- in 2020, which is in the Leadership band. This is higher than the Europe regional average of B-.

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For third consecutive year the  
**CDP Supply Chain  
questionnaire**  
was launched to Cellnex suppliers

### Suppliers evaluated in terms of ESG

In 2020, Cellnex, together with EcoVadis, evaluated 190 suppliers in environmental terms in Spain, France, Switzerland, and Netherlands. And similarly, 245 in Italy. In terms of the evaluation of new main suppliers, 5% were evaluated in Spain, France, Switzerland, and Netherlands, and 22% in Italy.

In relation to the 190 suppliers evaluated in Spain, France, Switzerland, and Netherlands, 11 suppliers have been identified with negative environmental impacts in the supply chain.

None of the impacts detected in the evaluations was considered serious and therefore it has not been necessary to implement corrective actions in this regard. If significant impacts were detected, joint improvement plans would have been implemented with suppliers.

Regarding the evaluation on social criteria, 88 were evaluated in Spain, France, Switzerland, and Netherlands with EcoVadis, and 245 were evaluated by Cellnex Italy. In terms of the evaluation of new main suppliers, 18% were evaluated in Spain, France, Switzerland, and Netherlands, and 54% in Italy.

Regarding the evaluation of labour practices, together with EcoVadis Cellnex evaluated 88 suppliers in Spain, France, Switzerland, and Netherlands, and 245 suppliers were evaluated by Cellnex Italy.

**100%**

of critical suppliers homologated considering ESG criteria as of 2023

**80%**

of critical suppliers audited as for 2025

Under the ESG Master Plan, Cellnex will define a model for the analysis and evaluation of the risk associated with suppliers, including ESG-related factors to gain a deeper insight into the supplier's business and operations, and thus build stronger relationships with suppliers. This model will define and identify Cellnex's critical suppliers for both business and ESG perspective from 2023.

Quantitative objectives have been established for the company to ensure that this action is carried out. In this connection, 100% of critical suppliers must be type approved in 2023 considering ESG criteria and 80% critical suppliers must be audited in 2025.

Likewise, the company conducted an internal audit in 2019 as part of the process to obtain SA8000 certification for the whole Group. The SA8000 Standard is based on internationally recognised standards of decent work, including the Universal Declaration of Human Rights, ILO conventions, and national laws. SA8000 applies a management-systems approach to social performance and emphasises continual improvement. The elements of the Standard are:

#### SA8000 Standard

- Child Labour
- Forced or Compulsory Labour
- Health and Safety
- Freedom of Association & Right to Collective Bargaining
- Discrimination
- Disciplinary Practices
- Working Hours
- Remuneration



Extending our commitment to the value chain

As part of the SA8000 certification and to strengthen the relationship with its suppliers, Cellnex makes its suppliers aware of the company's commitment to further comply with corporate social responsibility.

To this end, in 2020 Cellnex Italia maintained the SA8000 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 resolve.