

Global Risk Management Policy

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1. Background

The Board of Directors of Cellnex Telecom, S.A. (hereinafter, Cellnex, Company or Organization), has the responsibility of approving the Global Risk Management Policy for all the companies of the Cellnex Group.

For the purposes of this Policy, companies of the Cellnex Group are those companies over which Cellnex Telecom, S.A. has or may have direct or indirect control, this consisting of:

- Holding the majority of the voting rights,
- The power to appoint or dismiss the majority of the members of the Board of Directors, or
- Holding the majority of the voting rights by virtue of agreements made with third parties.

In the exercise of these functions, the Board of Directors approves this policy and sets out the strategy for Global Risk Management and its commitment to the application of best practices in the countries in which the Company operates and based on international reference standards.

2. Reference framework

Cellnex Telecom will proceed in accordance with international reference standards and voluntary initiatives which include, but are not limited to, the following:

- The Sustainable Development Goals (SDGs)
- The 10 Principles of the United Nations Global Compact
- The United Nations Guiding Principles on Business and Human Rights
- The United Nations Principles for Social Investment
- The OECD Guidelines for Multinational Enterprises
- The Global Reporting Initiative (GRI) Guidelines
- The International Labour Organization (ILO) Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy

Cellnex is committed to promoting the achievement of the United Nations' Sustainable Development Goals (SDGs), and to setting its own objectives to contribute to the goals defined.

In addition, it also considers what is established in the global Integrated Management System of the Company and the requirements of the ISO standards in which will be certified in terms of risk management.

The Policy must be interpreted in accordance with the organization's internal management policies at a global level, as well as the provisions of the current internal policies in the areas related to risk management in some of the countries in which Cellnex Telecom is present.

3. Purpose and Scope

The Global Risk Management Policy highlights the efforts made by the Company to **mitigate the inherent risks** that may **affect the business**, thus guaranteeing the **continuity of each of its projects and actions**. It also promotes the generation of sustained value in the short, medium and long term for all the Company's stakeholders, while demonstrating its commitment to reducing negative impacts on the economic activity.

3.1. Purpose

The purpose of this policy is to define the principles governing risk management in the Cellnex Group and which are based on:

- **Developing a framework** that integrates, designs, implements, evaluates and improves risk management throughout the processes and activities of the Cellnex Group companies.
- Defining a **common methodology** to manage the risks.
- Defining and deploying **roles and responsibilities** in order to carry out the proper risk management actions to achieve Cellnex Group strategic goals.
- Establishing **mechanisms** for **monitoring** the risk management process (identification, evaluation, risk responses definition, control and continuous improvement).

3.2. Scope

This policy is mandatory and applies to all the companies in the Cellnex Group as defined above. Stakeholders are engaged with the mutual goal of creating a work environment that fosters risk management. The principles and commitments established in this policy are of general application and must be considered in each of the projects, businesses and activities carried out by the Company.

Some important **definitions** related to risk management are:

- **Risk:** the effect of uncertainty, where effect is the positive or negative deviation from the expected. It is the combination of the probability of an event occurring and its consequences.
- **Type of risk:** risks in Cellnex Group are classified based on the COSO¹ methodology in Strategic, Operational, Legal & Compliance and Financial & Reporting.
- **Risk appetite:** the level of risk that the Company is willing to accept in pursuit of the mission / vision and business strategy.
- **Opportunity:** a possible action that can be taken to improve or taking advantage of a situation, usually a positive risk is called opportunity.
- **Impact:** a powerful effect that something has on a situation.
- **Likelihood:** the chance that something will happen.

¹ An internationally recognized methodology capable of approaching risk management in companies from an integrative approach and that represents a great opportunity to create value for its interested parties or stakeholders.

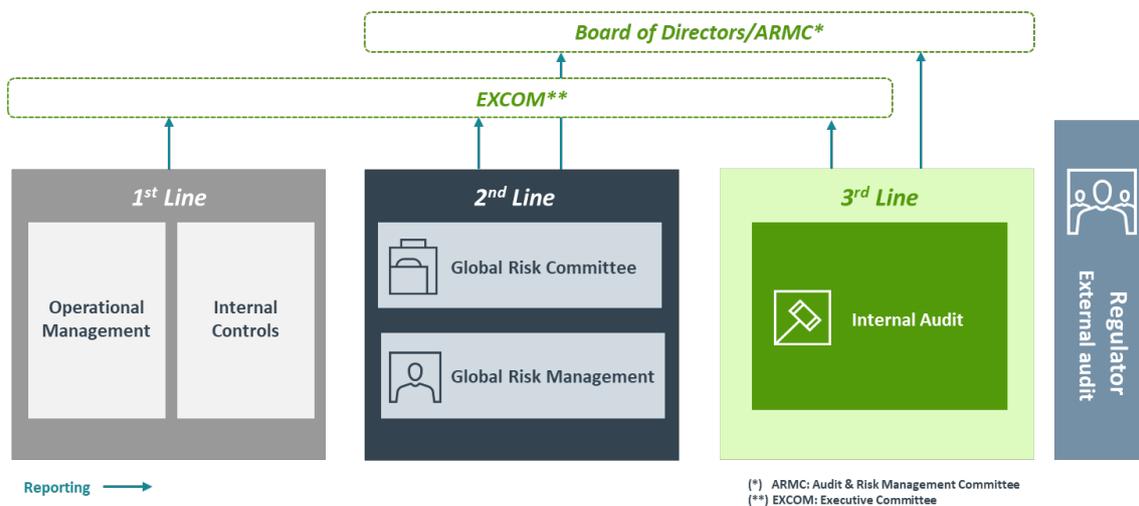
- **Risk Response:** a planning and decision-making process whereby stakeholders, such as the risk and/or control owner, decide how to deal with each risk.

4. Basic Principles, Commitments and Strategic Lines

The **Board of Directors** of Cellnex Telecom has focused its work on defining the risk management strategy, supervising its implementation and risk control, as well as advancing best practices in corporate governance.

As a function entrusted by the Board of Directors, the **Audit and Risk Management Committee (ARMC)** shall monitor the effectiveness of the Global Risk Management Model and the information to be provided to third parties, it must ensure that the risk management framework identifies, prioritizes, controls, monitors and informs adequately of the risks.

The governance of the **Global Risk Management Model** is configured taking as a reference the best international practices. It is based on a combined assurance around the **Three Lines Model**², providing an integrated vision of how the different parts of the Organization of Cellnex Group interact in an effective and coordinated manner, making the Cellnex Group’s relevant risk management and internal control processes more efficient. The Global Risk Management framework is based on the **implementation of the Three Lines Model**:



- **First Line:** all functional areas of Cellnex Group (Operational Management) have ownership, responsibility, and accountability for assessing, controlling and mitigating risks together with maintaining effective internal controls.
- **Second Line:** Global Risk Management facilitates and monitors the implementation of effective risk management practices and assists in defining the target risk exposure and reporting risk information through the Group. Global Risk Committee has the objective of ensuring the adequate coverage of the risks in Cellnex, promoting a risk culture in the Company. All corporate functional areas are represented in the Global Risk Committee.

² Best practice model for an accurate identification, monitoring and independence of risks.

- **Third Line:** Internal Audit provides independent assurance to the Board of Directors, Audit and Risk Management Committee (ARMC) and Senior Management on how effectively the Cellnex Group assesses and manages its risks, validating how the First and Second Lines operate.

The **Global Risk Management** function together with the Senior Management, Audit and Risk Management Committee (ARMC) and the Board of Directors, are aligned and committed to achieve the group’s business objectives and oriented to ensure the following strategic lines:

- **Ensure the resilience of the Company** by providing a robust and comprehensive risks control framework which allows Cellnex business continuity.
- **Anticipating the potential materialisation of risks** by continuously identifying, assessing and mitigating the risks Cellnex undertakes.
- **Promote the risk culture within the organization** by increasing the risk awareness and engagement across Cellnex.

These strategic lines are aligned with the Sustainable Development Goals (SDGs) of the Agenda 2030 thus reinforcing **Cellnex's commitment with the society and the planet**.

Through the Company's risk management, Cellnex contributes to **sustainable development, economic growth and resilience**, minimising the impact of risks and maximising opportunities in all business spheres.

Therefore, the main SDGs with which the risk management has a direct impact are:

Direct Impact³



Indirect Impact⁴



SDG with Direct Impact:

- **Decent Work and Economic Growth (SDG-8):** Cellnex's risk model helps to ensure the Company's resilience by detecting potential risk materialization in advance, contributing to generate wealth for society.
- **Industry, Innovation and Infrastructure (SDG-9):** Cellnex, as a neutral operator in the telecommunications sector, contributes to the development and management of the sector's infrastructures through ensuring its resilience.

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Goal 8: Promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
 Goal 9: Building resilient infrastructure, promoting inclusive and sustainable industrialization and fostering innovation.
 Goal 13: Take urgent action to combat climate change and its impacts.

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Goal 3: Ensuring healthy living and promoting well-being for all at all ages.
 Goal 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.
 Goal 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development.

- **Climate action (SDG-13):** Cellnex contributes to the mitigation of negative impacts on the environment, monitoring climate change related risks, and anticipating the potential materialisation of risks through a high level of awareness of the Group's risk culture.

SDG with Indirect Impact:

- **Good Health and Well-Being (SDG-3):** Cellnex's risk model monitors risks related to the health and safety of employees, thus creating a control model around these risks in order to mitigate them effectively and building a higher consciousness of the risk culture in the Group.
- **Life on land (SDG-15):** The protection and preservation of the environment in which Cellnex's activities are carried out, as well as its biodiversity, is a relevant aspect due to the impacts generated by its infrastructures. The risk framework monitors risks related to activities in these natural areas thus anticipating their materialization and increasing the risk culture in the Group.
- **Partnership for the goals (SDG-17):** Cellnex and its Global Risk Management area actively collaborate with different organizations outside the Company with the aim of contributing to the achievement of the SDGs. Therefore, the resilience of the Company becomes stronger.

5. Methodology

The **Global Risk Management** department is the main responsible for the optimal deployment of the risk management methodology within the Organization, ensuring its monitoring and compliance. The function of Global Risk Management is based on anticipation, independence and commitment to the group's business objectives, guaranteeing the robustness of the Global Risk Management Model through a risk assessment methodology aligned and adapted to the needs of the risk function and the Company.

Risks are events that may have an impact on achieving the strategic objectives established by the Board of Directors, so these strategic objectives should always be considered for managing risks in the Cellnex Group in order to ensure the resilience of the Organization.

This methodology has been developed taking into account 5 phases of development:



1. **Identify risks:** identification and preparation of risk inventory. The risks are classified through the 4 categories of the COSO methodology:
 - **Strategic:** risks that affect the business strategy or strategic objectives of any company.
 - **Operational:** risks of potential losses resulting from the inadequacy of processes of the operations as well as people, equipment and systems that support these processes.
 - **Financial & Reporting:** risks that have a direct impact on financial and reliability variables of Cellnex Group.
 - **Legal & Compliance:** risks related with legal or administrative sanctions, significant financial loss or loss of reputation due to non-compliance with laws, regulations, internal rules and codes of conduct applicable to the business.
2. **Evaluate risks:** perform an assessment of those risks identified both at corporate and BUs levels. The risks are evaluated considering the impact, as well as its likelihood to occur. The potential impact of a risk must be considered based on the following areas:
 - **Economic (40%):** Economic impact on the income statement and/or investments.
 - **Operational (40%):** Impact on the area's operations and its repercussion on relations with third parties.
 - **Reputational (20%):** Repercussion in the media and possible liability actions.
3. **Risk responses:** definition of a response to address or modify these risks in order to achieve acceptable risk levels. The possible answers are framed in line with the options outlined below: avoid, transfer, accept and reduce. If the response is to reduce, define internal controls where possible.
4. **Monitor risks:** control that the risk levels, once the response is implemented, are in line with the risk appetite defined by the Organization.
5. **Continuous improvement:** a continuous monitoring and review of the process to achieve improvements in the risk management lifecycle.

In order to perform a proper risk management, it is important to analyse both external and internal possible factors that can lead to an event to impact the objectives of the Cellnex Group.

6. Approval, Monitoring and Control

Among the responsibilities of the Cellnex Telecom **Board of Directors** is the approval of the Global Risk Management Policy and any modification made to it, as well as the definition of the risk appetite, ensuring that any risks relevant to Cellnex are duly identified, assessed, prioritised and acceptably controlled, and to establish the mechanisms and basic principles for attaining a risk level acceptable. **CEO** is in charge of correcting potential misalignment with risk appetite.

To this end, the **Global Risk Management team** of Cellnex Telecom undertakes to review the Global Risk Management Policy periodically, adapting it to new organizational, environmental or market requirements which may arise, as well as to communicate it to the companies of the Cellnex Group and to make it available to interested parties and stakeholders at all times.

Likewise, the Management Team of Cellnex Telecom undertakes to carry out periodic monitoring of the degree of progress of all the strategic lines of action derived from the implementation of this Policy.

Consequences of non-compliance: All Cellnex Telecom employees have an obligation to know, understand and comply with the terms of this Policy regardless of the country or region in which they are located. In addition, they must report any possible impact or non-compliance on the matter.

Cellnex promotes knowledge and compliance with the commitments established in this Policy, which will be permanently available on the website.

The objectives in terms of Global Risk Management defined by the Company are consistent with this policy, aligned with Cellnex Telecom's process model, reviewed annually by the Global Risk Management team and updated according to their evolution and environment.

7. Contact

Any questions regarding this Global Risk Management Policy may be directed to the **Global Risk Management team** in Cellnex Telecom.

8. Change control

Version	Prepared by	Department	Date	Changes
1	Quality & Risk Management / Internal Audit & Risk Control	Management System / Internal Audit	29/06/2020	Initial version.
1.1	Quality & Risk Management / Internal Audit & Risk Control	Management System / Internal Audit	06/10/2020	Include risk appetite in the policy.
2	Quality & Risk Management	Management System	27/04/2022	Align with Sustainable Development Goals from United Nations. Update with the strategic lines of the Global Risk Management Strategic Plan.

Madrid, 27 April 2022.