



Summary of the Human Rights Due Diligence and Assessment Process

February 2022

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1. INTRODUCTION

Cellnex is committed to respecting Human Rights throughout its daily operations and along its global value chain, incorporating this as an integral part of the core company values and as general conduct in order to carry out business activities legitimately. Cellnex develops its activity under the international framework¹ which provides a robust approach to addressing risks to people related to its products and services. This is especially valuable because it will lead to the regular review of, and a decision-making process regarding, products and services that can be used at scale, almost anywhere, and by a large number of different private, public, or individual key stakeholders.

*“Protect, Respect
and Remedy
Human Rights
throughout our
value chain”*

Cellnex signed a Corporate Human Rights Policy in 2019 as an expression of its strong commitment to internalizing human rights within core business operations, which, following these Due Diligence premises, has been updated in 2022. Under this roadmap, it undertakes promoting and spreading ESG policies and best practices based on the principles promoted by the United Nations (UN).

In 2021, the organization integrated the Human Rights Due Diligence into the ESG (Environmental, Social and Governance) agenda with the aim of providing an ethical approach and valuable information to its stake- and rights-holders.

2. APPROACH

There is an evident connection between human rights and the daily commercial activities of the company. Cellnex is committed to international guidelines on human rights, such as the United Nations Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights (UNGPs)², the Ten Principles of the UN Global Compact, and the UN Sustainable Development Goals (SDGs). These frameworks explicitly target improvements regarding human rights, in particular for the ICT sector focus on the SDG 8: Decent Work and Economic Growth, reflected in its Human Rights Policy.

Identifying and monitoring ESG risks in the activity of the company and its supply chain is especially important to Cellnex in order to tackle the emergence of legal liability and efficient compliance in the area of human rights. The Due Diligence and a Human Rights Impact Assessment (HRIA) have been carried out taking into account the HRIA’s Guidelines for the Information and Communication

¹ The UN Guiding Principles, The 10 Global Compact Principles (4 Pillars: Human Rights, Labour, Environment and Anti-Corruption), The OECD Guidance for Business Due Diligence and Human Rights, Impact Assessment Guidance from the Danish Institute for Human Rights (Widespread practice among MNEs), and the ICT and Human Rights Sector Guide (OECD and Danish Institute for HR)

² The UNGPs have affirmed that all companies, including those that provide the services and technologies, have a responsibility to respect human rights by undertaking human rights due diligence.

Technology (ICT) sector based on the inter-sectorial Human Rights Business Approach (HRBA) at the infrastructural level³.

Cellnex has carried out the first comprehensive Human Rights Due Diligence and Risk Impact Assessment Evaluation, followed by a management process with the goal of updating the business strategy and providing it with greater depth and scope. Cellnex due diligence emphasizes three commitments:

1.

Applying due diligence and using human rights impact assessment to be aware of adverse impacts, risks, and opportunities.

2.

Acting to respect and support the rights of individuals based on the insights.

3.

By reporting and making this information public.

2.1. Challenges

Cellnex is facing risks derived from emerging challenges related to human rights in its daily base operations, including, but not limited to, employing people, procuring services produced and provided by people, and running their operations in ways that could have a ripple effect on society, affecting customer privacy, freedom of expression and privacy, children's rights, and discrimination. This context is reinforced by digitalization. Cellnex is managing those impacts that could improve quality of life, equality, and employment conditions, while also taking responsibility for any adverse effects on privacy and end-users' rights these may have.

Another main challenge for the ICT (Information and Communication Technology) sector involves the complex and diverse legal frameworks that fluctuate in countries where Cellnex operates, and the fact that no international mandatory regulation of human rights currently exists, which could lead to situations riddled in uncertainty.

2.2. Why is this important?

The HRIA⁴ is the process by which Cellnex gathers the basic information it needs in order to identify which human rights risks can be avoided, mitigated, or remedied. Identifying the human rights claims of right-holders and the corresponding human rights obligations of duty-bearers is the starting point to understanding how to translate Cellnex's human rights policy commitments into practice. This allows Cellnex to model the impact landscape along the global value chain, highlighting the needs and expectations of stakeholders in addition to involving different areas of the company. The assessment process helps to build shared responsibility for addressing the potential impacts of the underlying and structural causes of the non-fulfilment of rights in concordance with stakeholder's engagement activities and communities. For Cellnex, addressing adverse impacts is a way of aligning its commitments to the recommendations and guidelines for responsible due diligence at international and regional level, reaffirming its commitment to respect human rights in the way the Group does business.

³ <https://www.humanrights.dk/publications/human-rights-due-diligence-internet-infrastructure>

⁴ <https://www.humanrights.dk/tools/human-rights-impact-assessment-guidance-toolbox>

3. PARTIES INVOLVED IN THE PROCESS

The present Human Rights Due Diligence document also sets a common framework of understanding activities, guidance, and recommendations across the project’s focus areas. The Due Diligence process has been carried out as an extension of the updating of the corporate risks of the company. The tracking and managing of the risks will go hand in hand with the corresponding monitoring system.

Being a transversal project, it involves the following 11 areas within Cellnex:



4. METHODOLOGY

In order to identify and assess relevant risk events and gauge the nature and extent of human rights risks, the methodology has been inspired by the HRBA, a normative working methodology based on internationally recognized Human Rights, the UN Guiding Principles Interpretive Guide, and the OECD Due Diligence Guidance for Responsible Business Conduct. The goal with the present assessment is to provide a foundation that guides Cellnex’s work on its potential impacts on human rights, aiming to promote, protect, and fulfil human rights and democracy obligations in practice, integrating the norms, standards, and principles of international human rights law into the plans and processes of Cellnex development programs.

The evaluation exercise has been divided into Due Diligence and Risk Impacts Assessment.

4.1. Due Diligence

4.1.1. Guidance for understanding the topic’s materials’

- Immersion is the first phase, consisting of gathering data on Cellnex and identifying risk events, considering the commitments and principles of action acquired in the Corporate Human Rights Policy of Cellnex and potential violation in terms of Human Rights, and responding to the company’s commitment with its employees, suppliers, community, and main interest groups. Current and potential human rights risks have been considered throughout the entire value chain of the entity.
Cellnex may be complicit in, or have influence on, creating adverse human risk impacts in areas such as human trafficking, child labour and community

displacement. Regardless, they must be considered when evaluating operations, locations involved, legal regulations, and potential risks within the area supply chain.

- Regarding the framework criteria considered to carry out the evaluation, they include the terms of reference and development of a baseline, the prioritization's evaluation and management of the current, possible, and potential risks and opportunities.
- Remediation actions policies have been addressed, to prevent, mitigate, and explain how to attend to these previously identified impacts, especially in the supply chain and through business relationships.

4.1.2. Identification of risk landscape and vulnerable groups

The connection between Cellnex's daily operations and Human Rights, especially those pertaining to Cellnex's key stakeholders, is indisputable, therefore necessitating a holistic and systematic approach. This reaffirms the obligation and responsibility to ensure that Cellnex's operations do not affect the rights of individuals.

The evaluation is based on the list of the 35 Human Rights included in the IFC Human Rights Impact Assessment and Management Guide⁵ (labour conditions, economic and social well-being, civil and political rights, security, non-discrimination, rights of communities and indigenous peoples), The United Nations Guiding Principles, and the Ten Principles from Global Compact.

The identification process has consisted of:

- Defining the current and potential risk events applicable to Cellnex activity, as well as identifying the primary and secondary human rights that could be violated.
- Identifying the stakeholders that may be affected by each of the identified risk events (i.e. employees, local and indigenous communities, children, society, suppliers, and customers of risk of exclusion).
- Incorporating each risk event to Cellnex's commitment defined in the Human Right Policy.

As a result, 17 risk events have been assessed.

4.1.3. Risk events

The classification of the risk events has been organized using the four Pillars of the UN Global Compact⁶, which constitutes a company's value system and a principles-based approach to doing business, in this case based on Cellnex adverse impacts. By incorporating the Ten Principles of the UN Global Compact under the umbrella of Cellnex's risk strategy, Cellnex is agreeing to operate with a fundamental responsibility to adhere to human rights, labour protections, environmental regulations, and anti-corruption policies.

⁵ <https://www.ifc.org>

⁶ <https://www.unglobalcompact.org/>

Elements of the due diligence control, such as responsibilities, a human rights-based approach, management channels, and the integration of possible mitigation and remediation action plans, have been analysed for each of the pillars.

Human Rights

Cellnex as Europe's wireless telecommunications infrastructure operator, and as a service provider, might be considered a contributor to the adverse impacts that may affect the end consumer, whether to access information, express their opinions, or exercise their right to freedom of association by connecting with other users.

This human rights Pillar supports and respects the protection of internationally proclaimed human rights, as well as the intangible rights derived from information security and data protection risks.

Labour

The HRIAs identified a general need for further capacity-building for management personnel in relation to the working environment, particularly to address harassment. These include, but are not limited to, good hiring practices, employee complaint mechanisms, and diversity and inclusion commitments. The consequences of disregarding these rights include the loss of labour rights, modern slavery, the rupture of social "tissue" and communities, personal, local, and national insecurity, the violation of public health, difficult access to public services, and unequal treatment within people management.

This Pillar supports and respects the freedom of association and expression in the workplace, including accessibility to information and data protection, security, and health. It also encompasses the effective recognition of the right to collective bargaining, the effective abolition of child labour, and the elimination of employment discrimination.

Anti-Corruption and Bribery

The Anti-Corruption and Bribery Pillar highlights legal asymmetry in the different legal organisms, voluntary and mandatory regulation, and self-regulation, which can lead to the creation of corporative lobby and anticompetitive practices.

This Pillar respects and protects a responsible purchasing process in the registration and approval of projects, including the tender, bidding, homologation, and formalization of the contract. This work entails a commitment against corruption in all its forms, including extortion and bribery.

Environment

Cellnex's commercial activities comprise physical technologies and systems that connect computers and other devices around the world and across different types of networks. The physical layer consists of the tangible technologies that make up this network, such as optic fibre, cell towers, data centres and distributed antenna systems.

The Environment Pillar includes ecological debt, resource-grabbing, pollution, loss of biodiversity and desertification. It supports a precautionary approach to environmental challenges; undertakes initiatives to promote greater environmental responsibility; and encourages the development and diffusion of environmentally friendly technologies.

4.2. Risk Impacts Assessment

COVERED ISSUES:

1. The construction of a human rights map relayed by the previous four pillars defines the evaluation criteria that were applied to classify the actual and potential impacts on human rights, which are prioritized by severity and likelihood.
2. Some complex implications, which are distinctive for Cellnex and the ICT sector, for human rights have arisen and involve both Cellnex and its suppliers, such as the deployment and availability of telecommunications networks and the use of technologies such as digitalization.
3. To assess the priority and severity of the impact, an overarching analysis has been carried out, encompassing the following: Cellnex's influence within the different legal systems it operates in, its commercial activities along its global supply chain, its most relevant stakeholders, emphasizing the most vulnerable communities, and its potential impacts on consumers' and end-users' intangible rights.
4. To assess the priority and severity of the adverse impact, an analysis of the different legal systems has been undertaken, as well as its commercial activities along its global supply chain and most relevant stakeholders, emphasizing the most vulnerable communities, and considering the potential impacts identified at the downstream value chain where these affects mainly consumers and end-users (digital and intangible rights). The analysis has considered voluntary and mandatory human rights regulations applicable in Spain, Italy, France, United Kingdom, The Netherlands, Switzerland, Ireland, Portugal, Poland, Denmark, Sweden and Austria.
5. The integration of due diligence processes and elements established by Cellnex to prevent, mitigate, and remedy the current and potential risks determined by the maps for each pillar, arising from the use of ICTs, such as the impacts on freedom of expression and privacy and the implications of big data

STRUCTURE OF THE ASSESSMENT:



STEP 1: Risk Identification (understand the organization's context)

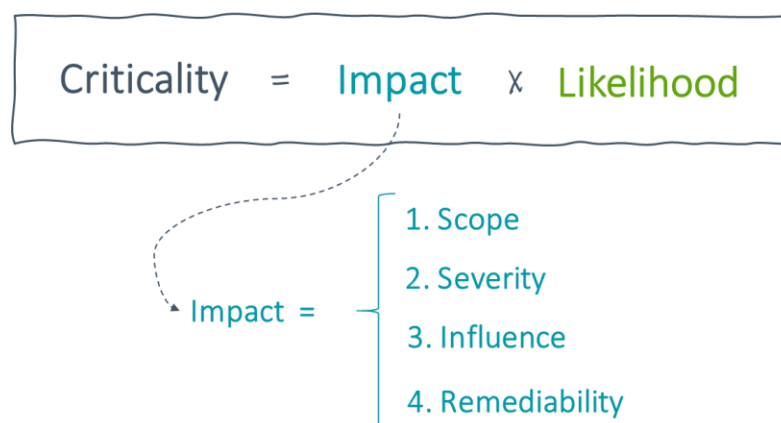
In this step, Cellnex has developed an initial high-level overview of its activities and business relationships, the context in which these occur, a baseline, and an overview of its stakeholders, legal framework, and ecosystem confluence. This provides the organization with critical information for identifying its actual and potential impacts. In this stage we have considered the activities in the entire value chain, business relationships, stakeholders, and human rights context of all business core activities (e.g., subsidiaries and sides), including indirect confluence (mining and raw material

extraction). Relevant areas within the organization have assisted Cellnex in this step as Risk Management and ESG.

STEP 2: Evaluation criteria (assess the significance of the adverse impacts)

Cellnex identifies its actual and potential impacts on human rights across the organization’s activities and business relationships. Actual impacts are those that have already occurred, and potential impacts are those that could occur but have not yet occurred. These impacts include negative impacts, short-term and long-term impacts, intended and unintended impacts, and reversible and irreversible impacts.

Cellnex has prioritized its most critical human rights following the HRIAs methodology that identifies human rights impacts, and the risks and opportunities that stem from those impacts. HRIA methodology also prioritizes human rights using factors contained in the Principles 19 and 24 of the UNGPs⁷.



The parameters to determine criticality are based on Impact x Likelihood, where Impact is judged by factors such as the:

- Scope: How many people could be affected by the harm or the opportunity?
- Severity: How serious could the impacts be for the victim?
- Influence: How much influence does Cellnex have over the impact?
- Remediability of the impact: Would a remedy restore the victim to the same or equivalent position they held before the harm?

Likelihood: What is the likelihood of the impact occurring?

Prioritization of impacts is undertaken according to their materiality to rights-holders, not their materiality to financial or operational success.

⁷ https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr_en.pdf

STEP 3: Assess Risks (Assess the significant impacts)

In this step, to determine Cellnex’s material topics for due diligence, the organization prioritizes its impacts based on their magnitude, scope, and influence among others. In this case, the impacts have been grouped into topics, such as labour rights, children rights, environmental impacts in order to help the organization to account adverse impacts in a cohesive way about multiple impacts related to the same topic. In order to manage the risk, they are setting a threshold to determine which topics have more relevance to address and allocate resources.

STEP 4: Prioritized Risks (Prioritize the most significant impacts)

The identified risks will be prioritized according to their degree of criticality/severity. In total, 17 human rights risks have been identified, of which 2 are of high criticality, 12 risks are of moderate criticality and the remaining 2 risks are of low criticality.



Cellnex focuses on the required information and provides it, in accordance with the impact assessment carried out under the global corporate risk threshold.

5. MAIN CONCLUSIONS AND FINDINGS

After an exhaustive evaluation process derived from direct consultations with the responsible parties and an analysis of the company’s internal and external policies and commitments, it has been concluded that:

- Cellnex focuses on adequate coverage for each material event of risk in human rights, in processes, public commitments, and the provision of the necessary resources considering the due diligence elements available to it.
- The evaluation confirms that Cellnex's maturity in the protection and respect of human rights is aligned with the commitments defined in its Corporate Human Rights Policy with respect to its interest groups and global value chain, identifying opportunities for continuous improvement. The Human Rights Policy has been updated in 2022 by taking into account the emerging risks of the applicable sector.

There are several thresholds where Cellnex's economic activity has a potential impact on human rights violations. The human rights landscape is much more dynamic than before; national regulations are more often addressing human rights policy within companies and creating legal obligations.

The other thresholds fall outside the "four walls" of Cellnex (human rights, labour, environment and anti-corruption), occurring in its value chain. The company can lose control in the knowledge of the complexity, identification and monitoring of the impacts derived along the value chain; a crucial control due to the degree of influence it has on the final action. This is the biggest challenge for the company because of the relevant ESG impacts that could be outside Cellnex operations.

Derived from the summary of the adverse impact analysis and due diligence exercise, Cellnex's Human Rights agenda will provide a new set of business risks that until now were not monitored, and which from this year will be tracked and grouped under the Human Rights risk included in the corporate risk matrix.

This new approach increases Cellnex's ability to understand, assess and address the negative impacts that economic activity can generate on the company's natural and social environment and business interactions, as well as its focus on preventive actions to maximise positive impacts and proactively minimise negative ones.

6. MITIGATION PLANS AND REMEDIAL ACTIONS

Cellnex has characteristics that are comparable within the industry or segment operation, but also has attributes that make it stand out. This due diligence summary helps Cellnex comprehensively identify the potential and real impacts of its policies, practices, products, and services on human rights, and take actions to mitigate them.

Therefore, this risk analysis has identified, based on these characteristics, the adverse impacts that could affect people's rights related to Cellnex business activity. Understanding the potential impact of each identified risk and estimating the scope, severity, influence, and probability of occurrence is necessary in order to determine the degree of effort and resources that will be dedicated to mitigating each one of these. This analysis includes a risk management mechanism that the company has implemented also for the rest of the organizational risks. The more comprehensive and intelligent this process is, the more effective the organization will be in terms of mitigation and in the use of the resources available for its prevention.

Cellnex considers not only how best to engage with its supply chain and key stakeholders, but also how to build an ethical value chain. To achieve these goals the organization has integrated better effective mitigation measures regarding the following issues:

6.1. Upholding human rights and containing risks

The ICT sector is characterized by complex global manufacturing supply chains, so the human rights of workers in supply chains and manufacturing settings will be highly relevant. Cellnex complaint

mechanisms provide stakeholders with a channel for complaints and notifications of Cellnex Code of Ethics violations including human's rights violations. This channel is open to everyone, regardless of the existence or nature of the contractual business relationship with Cellnex. Compliance with Cellnex data protection guidelines is also top priority.

The ICT sector, in its upstream supply chain, is a significant user of raw materials, including some of very high value and/or located in conflict zones, so the human rights of workers and communities are highly relevant.

Access to remediation is a key component of impact mitigation and management. The role of grievance mechanisms at the operational level in impact management should be considered, both as a resource to identify impacts and as a means to address any associated grievances.

7. INTEGRATING OPPORTUNITIES

Human rights have been identified as a corporate risk, therefore becoming a priority in Cellnex's corporate agenda, guaranteeing a direct channel to denounce irregular situations and protecting people against events that could affect their normal development and quality of life in the broadest sense. This ranges from basic and elementary concepts, such as the rights to an acceptable quality of life, and access to vital elements such as, water and a healthy environment, to others more specific to the business environment, such as fair and satisfactory working conditions and ensuring the non-discrimination along Cellnex commercial activities, among others.

Developing recommendations for mitigation measures in the short, medium, and long term, in line with Cellnex human rights prioritization, raises horizontal integration across the enterprise of specific findings of the assessment of the consequences on human rights only can be effective if the company's political commitment to human rights has been embedded to all relevant functions of the company. Nine main opportunities of improvement have been identified, four are transversal and five are specifics.

7.1. Transversal opportunities

As wireless telecommunications infrastructure operator, Cellnex empowers the way we learn and communicate. Digital communication is a necessary tool in both human and economic development, as well as in strengthening human rights protections. This section highlights areas of opportunities where greater potential benefits in terms of realization of human rights may be achieved.

1. Corporate Human Rights Policy

- Incorporating a periodic commitment to carry out the evaluation every year, as an ongoing due diligence process, and include the corporate governance framework, specifying those responsible for the deployment of the policy.
- Additionally, some more actions can be included in the policy, such as the training of employees in the subject of human rights, and emphasizing economic and social inclusion,

access to health, access to education, freedom of expression and peace in the Code of Ethics.

2. Report on the due diligence process

- Integrating an ongoing report and monitoring the due diligence process and the assessed risks.
- Recommendations of the impact assessments in the relevant areas of the company.
- Integration of the human rights risk to the Company's Global Risk Matrix.

3. Monitoring risks and progress in human rights

- Creating a register of risks associated with Humans Rights to minimise risks, maximise opportunities, and create value, aligned to the company's ordinary global risk monitoring.

4. Human Rights Training & Awareness

- Define training material on human rights for employees and suppliers.
- Awareness & training module for suppliers.

7.2. Specific opportunities

1. Customer Engagement

- It is necessary to implement information management mechanisms that ensure the possibility of having relevant and correct data that contributes positively to the process of responding to the interested parties.
- Be facilitators of rural innovation and operations.
- Identifying and testing relevant issues and opportunities through stake- and rights-holders mapping and interviews.

2. Health & Safety management

- Manage and monitoring H&S indicators for employees and contractors.

3. Suppliers

- Ethical supply chain. Communication channels and rules (Code of Ethics and Supplier Code of Conduct).
- ESG supplier evaluation.
- Responsible purchasing policy.
- Selection, homologation and evaluation of suppliers with ESG criteria.

4. Environment and Climate Change

Continue working to meet the targets set to protection and preservation of the environment, preserving the areas and their biodiversity, and combating climate change.

5. Workforce and Diversity Commitments

- Cellnex has a global commitment to diversity, fostering an approach and culture that is unconditionally inclusive for a common purpose, acting against racism, avoiding discrimination and ensuring respect for the ethnic, cultural, sexual orientation and belief diversity of employees as an enhancing element.

To conclude, the risks we are facing are very dynamic, some risks disappear while new ones appear with increasing frequency. The factors that affect this vary widely: globalization, market concentration, new markets, product development, competitor assets, and unexpected, growing regulatory frameworks, among others. It is essential to ensure that the risk assessment and management processes have the appropriate flexibility to adapt in this context. It is a very challenging task to sustain over time. As expressed in the guiding principles, a proactive action is necessary for the identification, prevention, mitigation, and response to the negative consequences of activities on Human Rights. It is critical to integrate Human Rights to the comprehensive risk management process to both ensure and guarantee due diligence on this concept.

In this challenging context, full of risks and opportunities, it is the objective of this document to serve as a turning point in Cellnex's Human Rights risk management. By putting the spotlight on Human, the company strives to end abuse, empower communities and workers, and secure labour rights, while gaining current and potential risk management for abuse and incentivizing decent work, living wages, fair purchasing practices, and corporate accountability for rights in the global supply chain.