NET-ZERO STRATEGY

cellnex

Roadmap towards a decarbonized company

THE CLIMATE CHALLENGE

The climate crisis is one of the most important challenges facing society today and, also, one of the greatest risks that companies and organizations must face.

At Cellnex we have been working for years to limit the effects of climate change and contribute to the decarbonization of the economy, but realize that it essential that we go much further because we are at a critical point.

If we do not take drastic action to limit temperature rises to 1.5°C by 2030, it will be too late to avoid rampant climate change which will have disastrous consequences for people and the natural systems that support us.

Aware of this, we have embodied our climate commitment in an ambitious corporate strategy to reduce and neutralize our emissions. A strategy with specific objectives in the medium and long term that will help us towards becoming a Net-Zero company by 2050.

"At Cellnex we face the climate challenge in an effective and proactive way, placing sustainability at the centre of our strategy."

Tobias Martínez
CHIEF EXECUTIVE OFFICER
CELLNEX

OUR COMMITMENT

Since our beginnings, at Cellnex we have taken on the responsibility of comprehensively addressing our environmental impact, taking into account all the activities of the company and all our stakeholders.

Our commitment to the climate is strategically relevant for Cellnex and is reflected in our policies and in the action plans that implement them.

Environmental, Social and Governance (ESG) Policy

ESG Master Plan 2021-2025

Includes our commitment to sustainability in six strategic lines aligned with the United Nations Sustainable Development Goals.

Environment and Climate Change Policy

Environment and Climate Change Strategic Plan 2023-2025

Establishes the principles to preserve natural spaces and biodiversity, promote the use of renewable energy, mitigate and adapt ourselves to climate change, and contribute to sustainable development through the efficient use of resources.

Strategic line for mitigation and adaptation to climate change based on four areas of action: carbon management, footprint measurement, emissions reduction and active and proactive culture.

Net-Zero Strategy (2022)

The roadmap to reduce and neutralize all our greenhouse gas (GHG) emissions by 2050.

2 key milestones (2035 and 2050) + 7 pillars of action

CLIMATE ACTION: WHERE WE HAVE COME FROM

2015

We started calculating the carbon footprint of the business in Spain.

We offset our direct emissions (scope 1) for the first time. Since then we have annually offset the Scope 1 emissions of all the countries that have been added to the calculation of the carbon footprint.

Cellnex signed up to the UN Global Compact.

2016

We responded to the CDP Climate Change questionnaire for the first time.

We started calculating the carbon footprint of the business in Italy.

2018

We started calculating the carbon footprint of the business in France.

2019

We started calculating the carbon footprint of the business in Switzerland, the United Kingdom and the Netherlands.

Cellnex on the "A list" with the CDP Climate Change questionnaire for the first time.

We signed the "Business Ambition for 1.5ºC" commitment.

2020

We calculated our carbon footprint addressing the 3 scopes and we established it as the base year for setting the Net-Zero Strategy targets.

We started calculating the carbon footprint of the business in Ireland and Portugal.

2021

We started calculating the carbon footprint of the business in Austria, Denmark, Finland, Poland and Sweden.

We established our **Science-Based Targets (SBT).**

We approved our **Energy Transition Plan.**

We analysed our climate risks and opportunities following the TFCD methodology.

We approved our **Environment and Climate Change Policy.**

We published our first Environment and Climate Change Report.

CLIMATE ACTION: OUR ACHIEVEMENTS

2022

We analysed the vulnerability of our infrastructures to the physical risks of climate change and established an adaptation plan.

We analysed the risks and opportunities associated with Natural Capital.

We defined eco-design criteria to reduce emissions associated with our IT service and purchasing.

We updated our Environment and Climate Change Strategy for 2023-2025 aligned with the ESG Master plan.

Cellnex on the CDP Climate Change “A list” for the fourth consecutive year, demonstrating our leadership in the sector on climate change issues.

We launched our Net-Zero Strategy with targets for 2035 and 2050.

77 %
electricity consumption is of renewable origin

48 %
reduction of global emissions compared to 2020

NET-ZERO STRATEGY FOR 2050: WHAT IS IT?

Cellnex's Net-Zero strategy is our roadmap, with specific medium- and long-term objectives, to accelerate the transition towards a truly carbon-neutral business model.

In it we specify three types of measures:

REDUCTION

to levels close to zero of our direct and indirect CO_2 emissions.

NEUTRALIZATION

of unavoidable emissions when emissions have been reduced to a level close to zero, through sequestration projects to remove carbon from the atmosphere.

OFFSETTING

of emissions, financing projects to avoid the generation of new emissions outside of our own activity.

What does it mean to be Net-Zero?

According to the Science Based Targets Initiative (SBTi), net-zero carbon emissions are achieved when anthropogenic greenhouse gas (GHG) emissions to the atmosphere are balanced by anthropogenic removals over a specified period.

For cities and businesses, this means balancing the emissions produced by the organization's operations and supply chain with the emissions removed from the atmosphere.

CARBON FOOTPRINT FROM BASE YEAR 2020

At Cellnex we started calculating our carbon footprint in 2015. Since then we have been expanding the scope of the calculation to obtain a complete picture of our climate impact.

- DIRECT EMISSIONS (SCOPE 1)
- INDIRECT EMISSIONS FROM IMPORTED ENERGY (SCOPE 2)
- OTHER INDIRECT EMISSIONS (SCOPE 3)

Note: Carbon footprint from 2020 updated for the 2022 perimeter.

The carbon footprint is the basis for understanding our main sources of emissions and setting ambitious reduction targets.

The carbon footprint of the base year has been recalculated due to the expansion of the company's scope and improvements in the calculation methodology

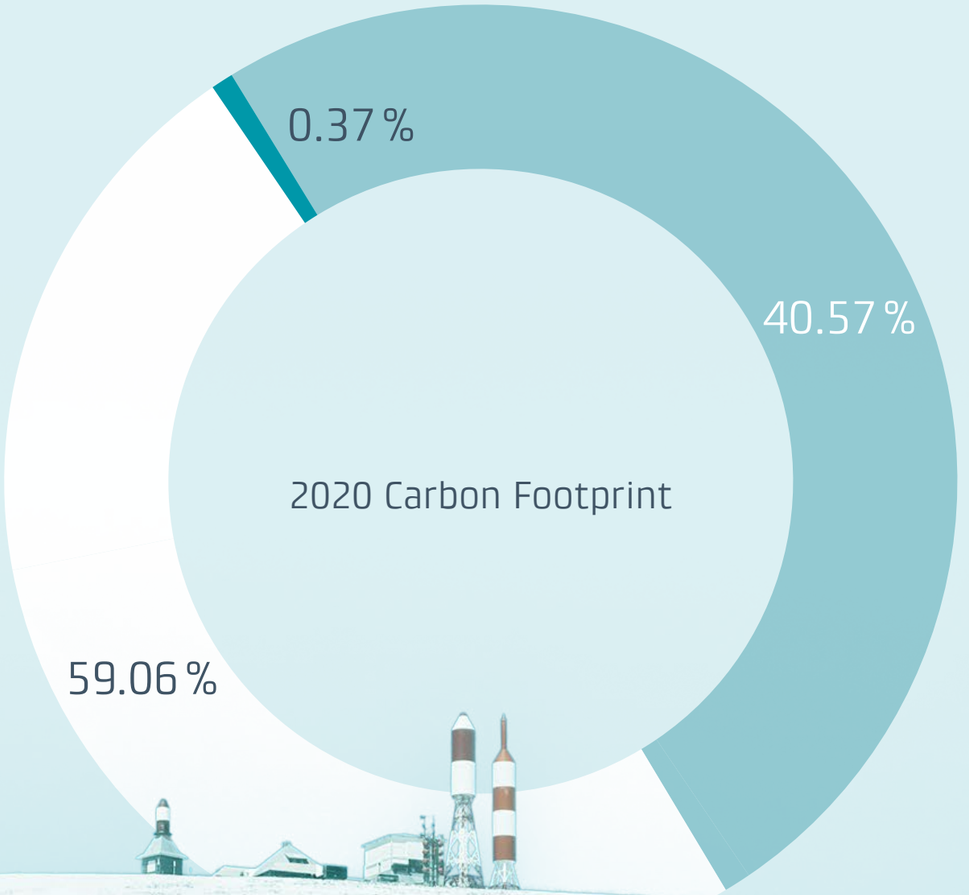
How do we calculate our greenhouse gas (GHG) emissions?

Based on a life cycle perspective that includes both the activity itself (direct emissions) and the entire value chain (indirect emissions).

In every country where we operate.

Following the ISO 14064-1:2018 Standard and GHG Protocol.

We have established 2020 as the base year for setting the Net-Zero Strategy targets.



OUR NET-ZERO STRATEGY AT A GLANCE

BUSINESS AS USUAL — PATH TO NET-ZERO

2020 as the base year for target setting

We will reduce our GHG emissions to as close to zero as possible, complying with existing SBT emission reduction commitments and addressing the 3 scopes of the carbon footprint. We will continue to offset our direct GHG emissions, as we have been doing since 2020.

GHG emissions reduction and Carbon Neutral for scopes 1+2

By 2025, emissions directly linked to the business (scopes 1 and 2) will have been drastically reduced. Starting in 2025, we will progressively increase the offsetting of GHG emissions until we become Carbon Neutral for all scopes.

Carbon Neutral in 2035 for all scopes

From that point on, we will neutralize progressively our residual carbon footprint with carbon sequestration projects. The volume of offset tons will be reduced to increase the volume neutralized with absorption projects, maintaining carbon neutral status.

Net-Zero in 2050

The balance between the amount of greenhouse gas produced by the organization and the amount removed from the atmosphere will be zero.

2020 **2025** **2035** **2050**

HOW WILL WE DO IT?

Our strategy to reduce greenhouse gas emissions as much as possible and neutralize residual emissions that we cannot reduce is structured around 7 pillars:

1

Science-Based Reduction Targets:
addressing the key scopes of our carbon footprint.

2

Energy transition:
100% renewable electricity in 2025, efficiency, smart metering and self-generation.

3

Value chain:
engagement and emission reduction clauses.

4

Circular economy:
green sourcing, eco-design and eco-strategies.

5

Sustainable mobility:
transition to green fleets and travel and mobility plans.

6

Neutralization of residual emissions:
offsetting and sequestration.

7

Transparency and governance:
carbon management at the heart of our activity.

SCIENCE-BASED REDUCTION TARGETS

In 2021 we reinforced our commitment to the fight against climate change by establishing **three medium-term emission reduction targets, validated by the Science Based Targets (SBTi) initiative.**

The goal of the SBTs is to limit global warming to well below a 2°C rise above pre-industrial levels and redouble efforts to **limit warming to 1.5°C.**

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

The SBTs are an international initiative promoted by CDP, the United Nations Global Compact, WRI, WWF and We Mean Business. aligned with the Paris Agreement which aims to promote ambitious science-based climate change strategies.

SCIENCE-BASED REDUCTION TARGETS

Cellnex's SBT targets address the key scopes of our carbon footprint, including, in addition to scopes 1 and 2, the following aspects of scope 3: purchased goods and services, capital goods, and fuel and energy related activities.

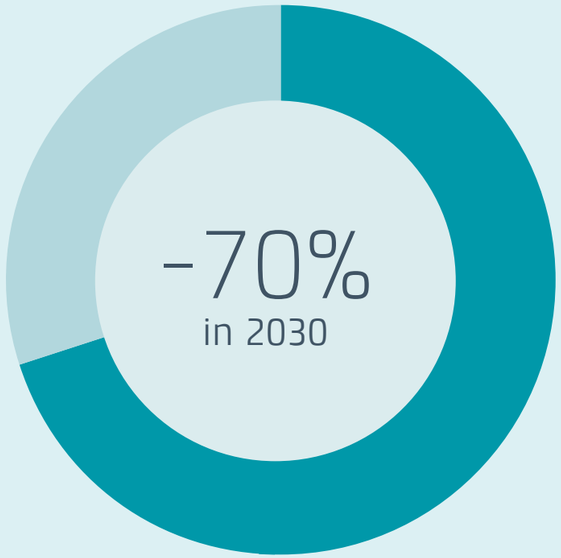
We annually measure our progress in achieving the targets and publish it in our Annual Report.

We review these targets at least every 5 years, or sooner if there are significant changes to our organization's scope or substantial changes to climate regulations and agreements.

OUR SCIENCE-BASED TARGETS

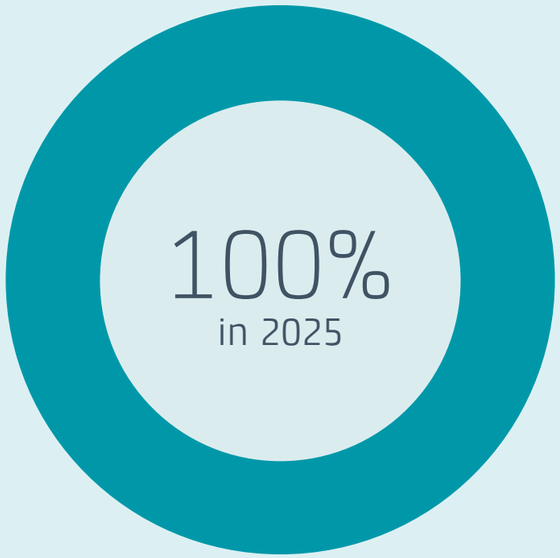
1

Reduce scope 1 and 2 Greenhouse Gas (GHG) emissions, as well as scope 3 emissions from fossil fuel energy sources by 70% in 2030, using 2020 as the base year.



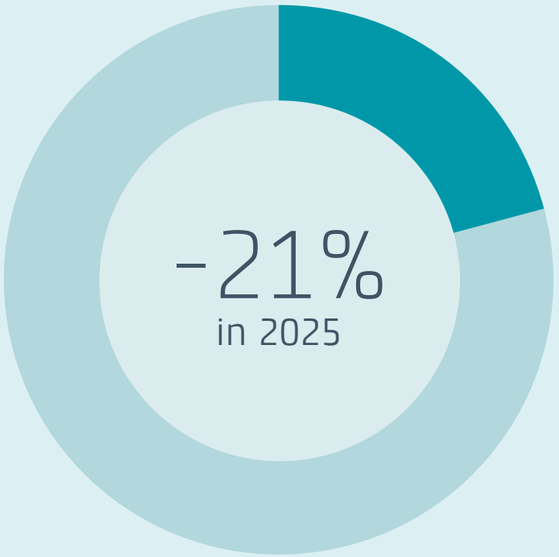
2

Increase the supply of electricity from renewable sources from 0% in 2020 to 100% in 2025.



3

Reduce by 21% in 2025, with 2020 as the base year, scope 3 emissions generated by purchased goods, services and capital goods.



ENERGY TRANSITION

Electricity consumption is the primary source of emissions at Cellnex. Aware of this, we have established commitments for responsible energy management in our Environmental Policy:

- Energy efficiency
- Reduction of consumption in our facilities
- Use of renewable energy
- Monitoring of consumption (electricity, natural gas and fuels)

These commitments are embodied in the Cellnex Energy Transition Plan (2021), which sets progressive guidelines to make our energy supply more sustainable, working together with the company's main customers to achieve it.

We take climate action

We have an ambitious plan to install solar panels at our sites in Spain. In 2022, Cellnex Spain successfully completed a programme to test and validate the use of aluminium-air batteries as an alternative to diesel generators as backup power at its sites.

ENERGY TRANSITION

THE CELLNEX ENERGY TRANSITION PLAN AT A GLANCE

Self-generation

Deployment of photovoltaic facilities in Spain according to the established roadmap and feasibility analysis of photovoltaic deployment in other countries

Wind and hydrogen production pilot projects

We will stop using fossil fuel generators for backup power by 2030

Energy efficiency

Initiatives to reduce consumption in Spain (free-cooling, equipment operating temperature control, renewal of broadcast equipment...)

70% of consumption certified according to ISO50001 by 2025

Purchase of green energy

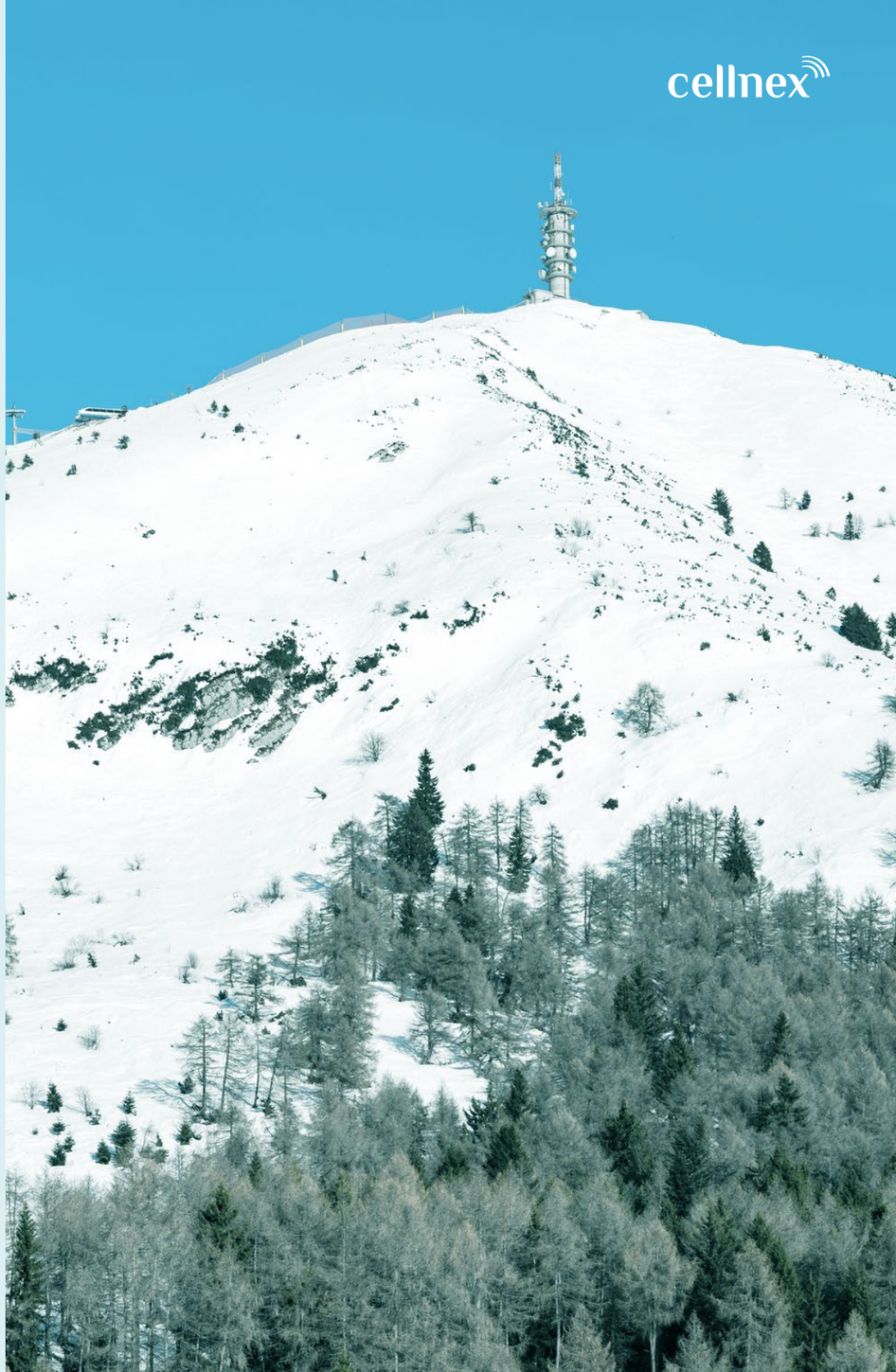
100% electricity from renewable sources by 2025

Implementation of a system to guarantee the traceability of the origin of energy

Energy 4.0: Optimization, big data and control

Smart meters in 70% of total consumption by 2025

Global energy platform in 70% of total consumption by 2025



VALUE CHAIN

We collaborate with our suppliers, helping them reduce their climate impact and aligning them with our environmental values and targets.

We extend our commitment to the value chain through the acceptance of our Environment and Climate Change Policy. We also evaluate the suppliers with the highest risk under ESG criteria.

As a **Supplier Engagement Leader** (recognized by the CDP from 2020 onwards), we measure and reduce the environmental risks of our value chain. Among other aspects we promote:

A pilot project involving an internal carbon tax to improve the management of our emissions.

Mobility plans to promote safety and sustainability while travelling.

A better calculation of the carbon footprint of our suppliers to increase the transparency and quality of the emissions data of the entire Cellnex value chain.

CDP™ SUPPLIER ENGAGEMENT LEADER 2022

100 %
of critical suppliers approved according to ESG criteria in 2023

80 %
of non-compliant critical suppliers audited by 2025

CIRCULAR ECONOMY

Our goal is to reduce the environmental impact generated by TIS centres in Europe by applying a Life Cycle Analysis (LCA) approach, focusing on collaboration with suppliers and the establishment of applicable eco-design strategies.

Based on the LCA, we have evaluated the forces of change and the eco-design opportunities that we can address.

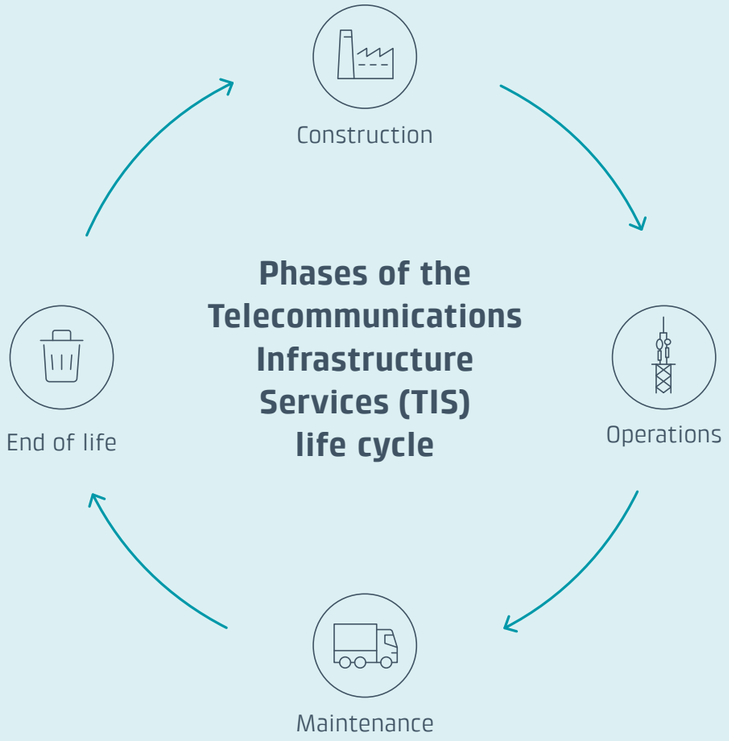
For each of our eco-design strategies we have prepared a series of verifications, in accordance with ISO 14006 criteria, which will allow us to:

Reduce dependence on fossil fuel resources

Reduce materials management costs

Reduce the risks derived from the volatility of material prices

Reduce emissions



Initiatives towards circularity

Promoting the use of renewable energy

Getting suppliers involved Prioritizing materials with a longer lifespan or that are easier to recycle

Developing an internal index of circularity

Designing and innovating with the future in mind (Eco-design and new technologies)

Collaborating internally and externally to create shared value

SUSTAINABLE MOBILITY

Cellnex has implemented a global mobility programme that pursues the dual objective of reducing accidents and ensuring that the company's travel is as sustainable as possible, minimizing the emissions derived from travelling.

The programme seeks to improve the mobility of our staff (travel as part of the work itself and commuting to the workplace) and also involves that of the shareholders, suppliers and customers.

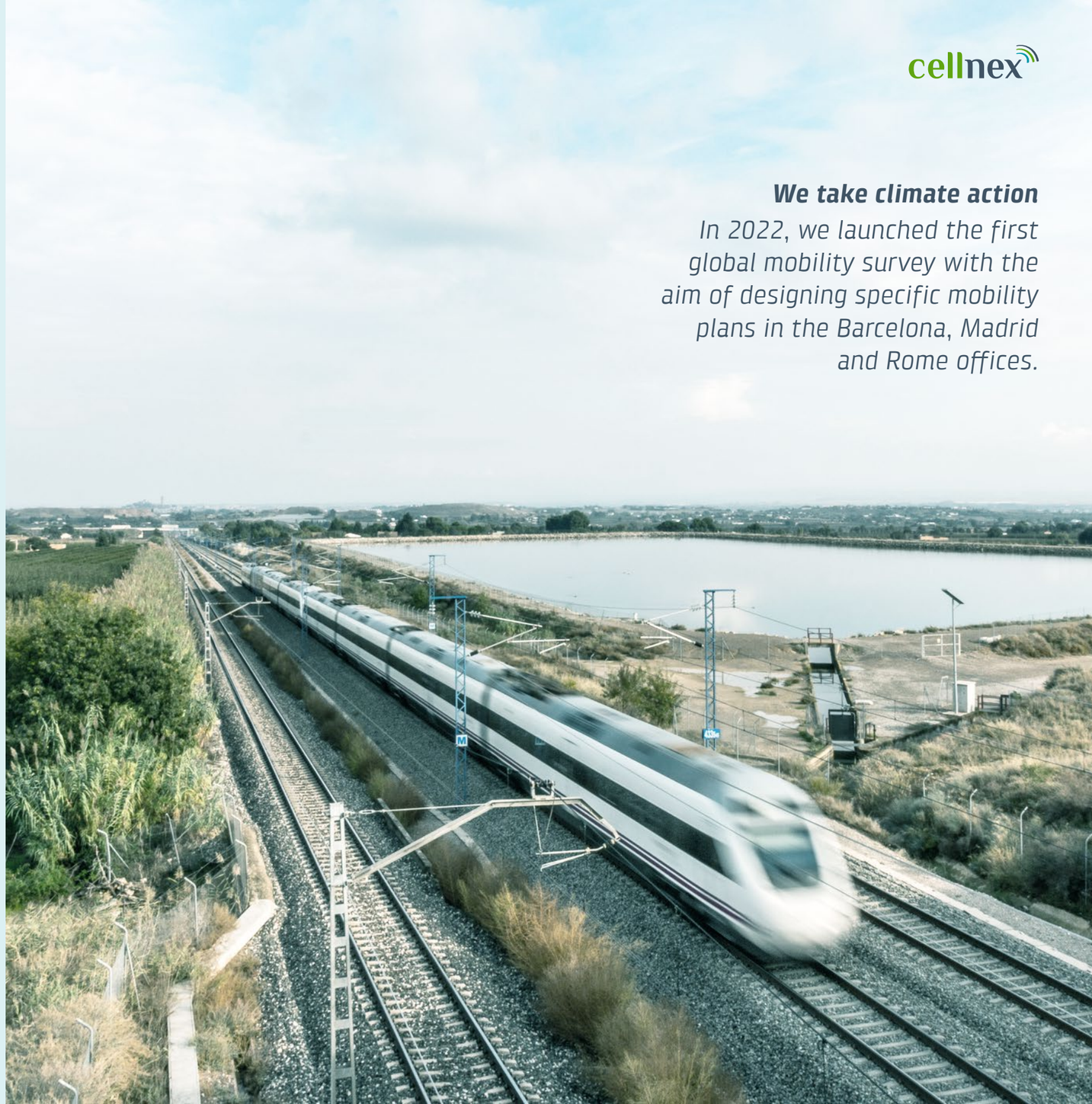
Through the programme, we provide business units with tools to develop and implement mobility plans adapted to the specific circumstances of each country and establish systems and methodologies that guarantee safe and sustainable mobility.

In relation to Cellnex's own fleet, we analyse the best way to transition towards more sustainable vehicles.

The relative objective of the displacements is to reduce both emissions and energy consumption.

We take climate action

In 2022, we launched the first global mobility survey with the aim of designing specific mobility plans in the Barcelona, Madrid and Rome offices.



NEUTRALIZATION OF RESIDUAL EMISSIONS

Even with the implementation of the previous pillars and the deployment of the planned GHG emission reduction measures, there are a series of residual emissions that do not depend on Cellnex and cannot be reduced. Aware of this, we will allocate resources for climate financing in carbon offsetting and sequestration projects from the voluntary carbon market. We will also develop offsetting opportunities within our value chain.

The projects that we will finance will be regulated by international standards (MDL, VCS, Gold Standard) that guarantee the contribution to the sustainable development of countries and the fight against climate change by reducing greenhouse gas (GHG) emissions.

This neutralization strategy will be approached through the following phases:

1. *From 2020 we will offset all direct GHG emissions (scope 1).*

2. **In 2025 we will be Carbon Neutral (scopes 1+2)**. *From then on, we will progressively increase the offsetting of all total GHG emissions until we become* **Carbon Neutral in 2035 for all scopes**

3. *By 2050 we will have neutralized our residual carbon footprint with carbon sequestration projects until we achieve 100% climate neutrality, that is, the target of* **Net-Zero by 2050**

TRANSPARENCY AND GOVERNANCE

The fight against climate change requires integrating carbon management into the governance model and reporting in a clear, objective and transparent manner.

A governance structure for the sustainable development of the business

At Cellnex we integrate sustainability and climate change into the day-to-day management of our company through our governance model, so that it operates responsibly in each of the activities and business areas.

We have established commitments, policies and procedures in the core of the company that ensure that all decision-making is governed by sustainability principles and is aligned with the company's values.

Climate accountability

We demonstrate our commitment to the satisfaction of investors and our stakeholders through transparency and accountability in climate matters through the annual publication of our Environment and Climate Change report.

Corporate bodies involved in environmental management:

Nominations, Remuneration and Sustainability Committee, *within the Board of Directors.* ***Monitors and assesses all of the company's ESG practices****.*

ESG Executive Committee *promotes and guides* ***the Group's ESG actions, involving all corporate areas and business units.***

TRANSPARENCY AND GOVERNANCE

We are part of the leading international sustainability initiatives

CDP DISCLOSURE INSIGHT ACTION

FTSE4Good

standard ethics

SUSTAINALYTICS

MSCI

S&P Dow Jones Indices
A Division of S&P Global

GRESB

We actively participate in global organizations and initiatives dedicated to promoting sustainability in order to align our actions with the most up-to-date international standards, anticipate potential regulatory and policy changes, and **clearly and transparently report our global position on climate change.**

We are present in the main sustainability indices and are evaluated by the most renowned international analysts, including CDP, Sustainalytics, FTSE4Good, MSCI and Standard Ethics.
In 2022 Cellnex improved its overall score in all these indices.

At Cellnex, the entire team strives every day to ensure our business activity is as respectful as possible with our surroundings and the environment. Our challenge now is to improve until we achieve a business with 0 emissions

Tobias Martínez
CHIEF EXECUTIVE OFFICER
CELLNEX

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www.cellnex.com/sustainability