

Biodiversity and Nature-related Progress Report

June 2023

Biodiversity-related risk and opportunity assessment, policies and commitments

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1. EXECUTIVE SUMMARY

In the current context of growing awareness about the importance of natural capital and biodiversity, businesses must be prepared to address the risks and opportunities associated with this emerging paradigm. The loss of biodiversity and degradation of natural capital pose significant economic and social risks, and the consequences of inaction are becoming increasingly clear. The need for transformative change is urgent, a fact that Cellnex Telecom realized, which is why biodiversity is an important topic for the company. Therefore, they are making significant efforts to map identify, evaluate, and assess their risks, in order to mitigate them and reduce their impacts.

This report contains an overview of the recent progress of Cellnex Telecom on the biodiversity- and nature-related impacts, dependencies, risks, opportunities, commitments, and policies. First, a general overview will be given of the company's organizational structure and the involvement and responsibilities of the board and senior management in nature-related topics. Here we will see their active involvement in the topic, as they provide valuable guidance and backing to the efforts made.

Second, the company's Global Risk Management structure and processes will be described, where the Global Risk Management has the necessary tools to identify and evaluate all risks, including nature-related risks. In this chapter, we will dedicate specific to the integration of the nature-related risks in the general risk management.

Third, the Biodiversity Risk Assessment will be presented, including the methodology followed, frameworks used and main outcomes. When it comes to the identification of dependencies, impacts and the resulting risks and opportunities, Cellnex Telecom has included both direct operations and their direct surroundings, as well as their up- and downstream value chain. This means that the value chain has been taken into account during the general nature-related risk identification. For the location-specific analysis, the organization has focused on the direct operations. A Graphical Information System (GIS) was used to evaluate the risks for all assets of the TIS, Broadcast, Data Center and Fiber-optic business lines in: Spain, Poland, United Kingdom, Switzerland, Italy, France, Portugal, Austria, the Netherlands, Denmark and Ireland. Only the Swedish assets have not been included in the analysis, due to the strict national regulations regarding telecommunications infrastructure, making their inclusion currently inviable.

Lastly, the company's current and future commitments, policies and metrics will be discussed. Here it becomes clear that they have been acting on their existing commitments, such as conducting a biodiversity-risk assessment. Moreover, a commitment to no-deforestation, no net loss and other important biodiversity policies has been introduced in the update of the [Environment & Climate Change Policy](#). To conclude this document, some of the metrics used by Cellnex Telecom will be presented.

2. GOVERNANCE

Cellnex Telecom's analysis of natural capital-related risks and opportunities forms part of the company's Global Risk Management Policy, which guides the Global Risk Management in the organization based on international best practices. This Global Risk Management Policy follows a bottom-up methodology, where the business units first identify and evaluate risks and opportunities throughout the company's processes and business activities.

Cellnex's governance of risks and opportunities related with natural capital and biodiversity is important for a sound general risk management within the organization. This evaluation, which is tracked and validated through various organizational layers and is ultimately overseen by the Board of Directors.

Risks are generally classified as either strategic or operational risks. Moreover, Cellnex counts with an internal risk classification based on the functional area mostly affected by the risk including legal/compliance, finance, business, operations, environment, human resources, and IT. Environmental risks are defined as those risks that could significantly damage the environment, such as disturbance of bird species or local ecosystem services.

A. BOARD SUPERVISION

Cellnex's Board oversees and advises the senior management on specific risks and opportunities, including those related to the environmental impact of its activities, biodiversity loss arising from habitat alteration or destruction, human-induced climate change, pollution from industrial activities and processes, as well as natural disaster risks, encompassing geologic hazards such as volcanic eruptions and earthquakes.

At the highest level of corporate risk and opportunity oversight, the following roles and responsibilities are in place:

- The Board of Directors oversees the risk management process by establishing the organization's risk tolerance, monitoring the most significant risks for the organization, and assessing whether the senior management is responding appropriately. They are informed of any significant risks that could impact the organization's strategic objectives and provide guidance to ensure that the company operates within an acceptable level of risk.

The Board of Directors and CEO, as part of their group-level responsibilities, evaluate and monitor the group's efforts on ESG topics (Environmental, Social, and Governance) based on a combination of the overall score obtained from a selection of ESG indices in which Cellnex Telecom participates (i.e., DJSI, Sustainalytics, and FTSE4Good). The Director of Public and Corporate Affairs and all employees of this department receive an economic incentive linked to the new Corporate Social Responsibility Master Plan 2020-2025, which includes the ESG Master Plan (2021-2025) applied in all countries where Cellnex Telecom operates.

- The Nominations, Remunerations and Sustainability Committee (NRSC) consists of 5 board members, of which three independent and two proprietary. The NRSC is responsible for all ESG themes within the company, such as the setting of targets for the underrepresented gender on the Board of Directors or informing the Board on all sustainability-related topics, including nature-related topics, and reviewing the company's governance system, among others. The committee convenes monthly about sustainability topics, including biodiversity and nature-related issues, with additional ad-hoc meetings whenever deemed necessary.
- The Audit and Risk Management Committee (ARMC) is Cellnex's highest ranking organ overseeing the financial and non-financial reporting as well as the risk management within the organization. The ARMC consists of four members, all of which are independent board members. Together, they monitor and control the company's risk and reporting-related processes and report their findings during the General Shareholders Meeting.
- The CEO bears the ultimate responsibility for the organization's risk management and control framework, ensuring a positive internal environment and a risk culture. Additionally, the CEO provides leadership and guidance to the operational management and oversees overall risk activities in alignment with the company's risk appetite, while correcting any potential misalignment. As part of this responsibility, the CEO will also receive monetary incentives based on Cellnex Telecom's progress in different indices linked to emission and energy reduction objectives, supply chain commitment, and improvement in the company's performance against environmental indicators

3. RISK MANAGEMENT

Cellnex Telecom has implemented a risk management model, approved and monitored by the Audit and Control Committee. The model is applied to all business units and corporate units in all countries where it operates. Said risk management model aims to ensure the achievement of Cellnex Telecom's main objectives and is found within the corporate area called the Global Management System, which includes four main pillars: Risk Management, Quality and Certifications, Health and Safety and Sustainability and Environment.

The biodiversity- and nature-related risks are an integral part of the multi-disciplinary corporate risk management processes, established by the organization. These processes will be briefly discussed in the following section, after which the biodiversity risk assessment will be described.

A. CORPORATE RISK IDENTIFICATION AND ASSESSMENT PROCESS

In Cellnex Telecom's risk culture and with the commitment to strengthen global risk management, the Board of Directors approved the risk model methodology of the three lines of defense: (i) operational management, (ii) Global Risk Committee and Department of Quality and Risk Management (iii) Department of Internal Audit.

The risk management process includes the identification of risks, evaluation, reactions and control thereof. Regarding the identification process, as it is a bottom-up process, it is initiated by each of the users in all business units (corporate and countries) to be completed and managed by the Senior Management / Board Administration / Audit and Control Committee in all Risk Management and Internal Audit and Risk Control departments.

An important aspect of this methodology is that risk management tasks (identification, analysis, action plans, etc.) must be carried out by each department of the company, complying with corporate guidelines. The risk assessment must be carried out according to this model (impact and probability), taking into account the categorization of the impacts (organizational, reputational and economic). All Cellnex Telecom departments are responsible for risk management in their area of responsibility.

B. RISK MANAGEMENT

Within the risk management methodology, action plans or risk responses are included, as well as the control and monitoring of these actions, in a continuous process of observation and review. Each business unit creates the role of a Local Risk Manager, when necessary, based on the country's size, who will be responsible for ensuring consistency in all identified risks within the business unit. The Global Risk Management department will convene necessary meetings with risk owners to ensure proper risk treatment and will gather all risk-related information generated by countries through local risk managers and all corporate areas to integrate it into Cellnex Telecom's global risk register.

The treatment of risks has information of the type:

The risk treatment includes information of various types, including:

- (i) Where in the value chain the risk occurred (Direct operations, Upstream, Downstream)
- (ii) A risk analysis, when it is a process risk.
- (iii) The follow-ups that are dedicated to the risk (depending on how much follow-up it requires, e.g. biannual, annual etc.)
- (iv) The time horizon to define the reaction (Short, Medium or Long-term)
- (v) The description of the process.

Integrated risk management is based on the assessment of inherent and residual risk, considering the strategy, policies, procedures, rules, responsibilities, and organizational structure, to define roles and determine the information available to determine its evolution (performance, information, and communication, etc.). With this information in hand, a response or action plan to address the risk is created, and management is responsible for determining the actions to reduce the risk level until the risk is controlled. The second line of defense plays a role in validating the effectiveness of the action plan.

Cellnex's comprehensive risk assessment program is designed to identify and manage nature-related enterprise-wide risks that have the potential to significantly affect their businesses over the short, medium, and longer terms. Their risk assessments cover exposures to both physical and transition climate-related risks and their respective financial impact.

C. INTEGRATION IN THE GENERAL RISK MANAGEMENT

Cellnex Telecom has integrated global risk management throughout its organization and within the different actions planned, a Global Risk Compliance (GRC) tool has been implemented in 2021. The GRC tool adds value to the Integrated Risk Management, Internal Control and Internal Audit system, as well as legal compliance and governance, which will lead Cellnex Telecom to a leadership position. Likewise, the Management Systems department was created in 2020 to promote the achievement of Cellnex Telecom's strategic objectives aligned with European standards and contribute to the achievement of the Sustainable Development Goals.

As already mentioned, Cellnex has a solid governance structure that is responsible for integrating sustainability and nature into the daily management of the company and fulfil the strategy. The model of government consists of three levels reflected in the figure 1, where the functions of each are detailed.

First, the Nominations, Remunerations and Sustainability Committee (NRSC), integrated into the company's Board of Directors, is responsible for overseeing and evaluating all of the company's ESG practices, ensuring they meet their objective.

Second, Cellnex has an ESG Committee, integrated within the Board of Directors, whose role is to promote and guide the Group's performance in ESG matters, involving all corporate areas and business units. In 2022, the figure of ESG leader for each of the countries of the group has been created in order to establish a task force on ESG aspects. Through quarterly meetings and an online community, the objective is to improve communication between business units to jointly advance in the daily operations of sustainability.

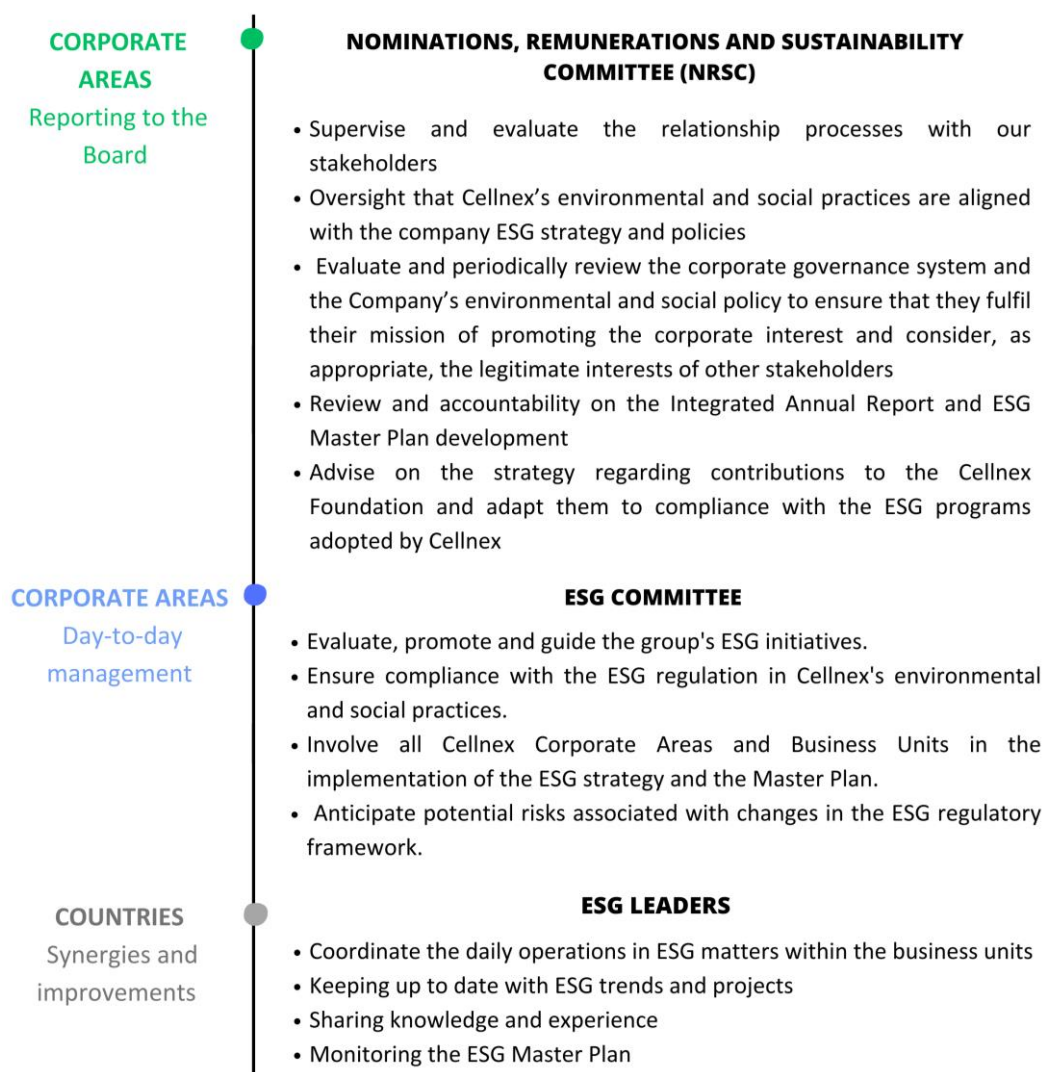


Figure 1: Governance model structure and functions of Cellnex

Cellnex establishes commitments, regulations and procedures at the heart of the company that ensure that all decision-making is governed by sustainability principles and aligns with the company's values.

Only in this way, Cellnex considers that it can generate value for its stakeholders and resilience in the short, medium, and long term. One of the main instruments implemented since the origin of the company for adequate performance, is minimization of environmental impact, and continuous improvement of the **Environmental Management System (EMS)**, in which all business units are gradually integrated.

Currently, the Integrated Global Management System is implemented and certified in the Corporate Centre as well as in seven business units: France, Ireland, Portugal, Switzerland, the Netherlands, the United Kingdom and Poland, the last two having been integrated into the field of certification during 2022.

4. BIODIVERSITY RISK ASSESSMENT

In 2021, Cellnex Telecom conducted a general biodiversity risk assessment, evaluating the nature-related risks of the direct operations, upstream- and downstream value chain. Based on this prior exercise, Cellnex conducted an in-depth location-specific biodiversity risk assessment for all its operational assets in Spain, Poland, Portugal, Ireland, France, Italy, Switzerland, Denmark, the Netherlands, Austria, and the United Kingdom. Due to strict national security regulations regarding telecommunication infrastructure, the Swedish assets were left out of this assessment. This chapter will elaborate on the methodology and main findings of this biodiversity risk assessment.

A. LOCATION-SPECIFIC PRIORITIZATION OF ASSETS

To analyze the risks of Cellnex Telecom's operational assets, the LEAP approach -Locate, Evaluate, Assess and Prepare- from TNFD (Beta v0.4, March 2023) has been used. This approach guides companies in the localization, evaluation, assessment and preparation/reporting about their nature-related risks. The four phases can be summarized as follows:

1. **Locate** the interface of the company with nature.
2. **Evaluate** the company's impacts and dependencies on nature.
3. **Assess** the risks and opportunities related to these impacts and dependencies for the company.
4. **Prepare** to respond to the identified risks and opportunities and to inform the stakeholders about them.



Figure 2: TNFD LEAP Approach. Source: Recommendations of the Task Force on Nature-related Financial Disclosures ([LINK](#))

This section will principally focus on the Locate phase of the LEAP approach, the following section will elaborate on the Evaluation, Assessment and Preparation.

The criteria in this version of TNFD v0.4 (Step L3 of the LEAP approach) for identifying priority locations have been updated compared to the previous version. The new criteria are shown in the right column of the following figure:

Category	Criteria in previous beta framework	Updated criteria in v0.4
Ecosystem integrity	Areas of low ecosystem integrity	The location has high ecosystem integrity and/or is characterised by rapid decline in ecosystem integrity. The integrity of an ecosystem is the extent to which the composition, structure, and function of an ecosystem falls within its natural range of variation.
Biodiversity importance	Areas of high biodiversity importance	The area is of biodiversity importance, including, but not limited to, protected areas or otherwise internationally recognised areas.
Water stress	Areas of water stress	The location is an area experiencing water stress, where the quality and/or quantity of available water is deteriorating.
Dependencies and impacts on nature	Not covered	The organisation is likely to have significant dependencies and impacts in the location (based on a high-level evaluation of potential dependencies and impacts).

Figure 3: Criteria for the identification of priority locations. Source: Recommendations of the Task Force on Nature-related Financial Disclosures ([LINK](#))

After an evaluation of the company's dependencies and impacts, which will be discussed in detail in the following section, the analysis and prioritization of Cellnex Telecom's assets was conducted based on the criteria lined out by the TNFD. Relevant datasets, with geospatial data for each of the criteria was selected from institutional and publicly accessible sources to conduct the analysis. The following table shows the sources chosen for each criterion:

Criteria	Indicator	Sources
Ecosystem Integrity	<ul style="list-style-type: none"> Biodiversity intactness Index + Ecosystem Types EU 	<ol style="list-style-type: none"> Newbold et al. (2016) (Natural History Museum) EUNIS Habitat Classification
	<ul style="list-style-type: none"> Changes in land cover/use 	<ol style="list-style-type: none"> Corine Land Cover 2012 and 2018
Biodiversity importance	<ul style="list-style-type: none"> Natural Protected Areas 	<p>EU + Switzerland</p> <ol style="list-style-type: none"> Nationally Designated Areas <p>United Kingdom</p> <ol style="list-style-type: none"> Ramsar 2019 Special Protection Areas 2022 Special Areas of Conservation 2019 Natural National Reserve Local Natural Reserve Other Sources (Daera, Scotland Nature Agency)
Water Stress	<ul style="list-style-type: none"> Water Stressed Areas 	Water Risk Atlas (World Resource Institute)
Dependencies and Impacts on nature	<ul style="list-style-type: none"> Hawk and Stork Presence 	<ol style="list-style-type: none"> Cellnex's own cartography (Base data comes from eBird and GBIF portals)
	<ul style="list-style-type: none"> Potential impact on the landscape 	Created a visual basin based on a 10 km radius around each asset in ArcGIS.
	<ul style="list-style-type: none"> Dependencies on plant habitats 	<ol style="list-style-type: none"> Corine Land Cover (binary indicator on presence of land cover providing ecosystem services or not)

Figure 4: Variables used for Analysis of Priority Locations

Each criterion was considered in the identification and prioritization of the high integrity ecosystems that Cellnex Telecom's assets are located in or nearby. Considering the enormous number of Cellnex Telecom's assets, which are spread out over various biomes, an analysis per criterion is currently not viable. Therefore, the geographical data of the different criteria have been consolidated, which enabled the analysis of such a great number of assets across all the criteria of the LEAP approach.

As the various geographical data sources provided different valuations and scales, the scores have been normalized. This was done by transposing all values onto a 5-point scale ranging from 0 (lowest prioritization) to 4 (highest prioritization). High integrity ecosystems were defined as those ecosystems that were closest to their natural state, with a categorization that indicates a high carbon sequestration capacity and low water stress. Low integrity systems are defined as those characterized by their high levels of anthropological alterations. Additionally, water stress was taken into account, giving higher scores of importance to those territories with elevated water stress.

Each criterion has been assigned a weight, based on an analytical evaluation of their relevance for Cellnex Telecom's operations. The consolidation of all this geographical data, using a weighted score for the criteria resulted in a **heatmap presenting the biodiversity value of the geographical environment in which the organization operates**. This showed that around 4,37% of all assets are located in a zone with high biodiversity integrity.

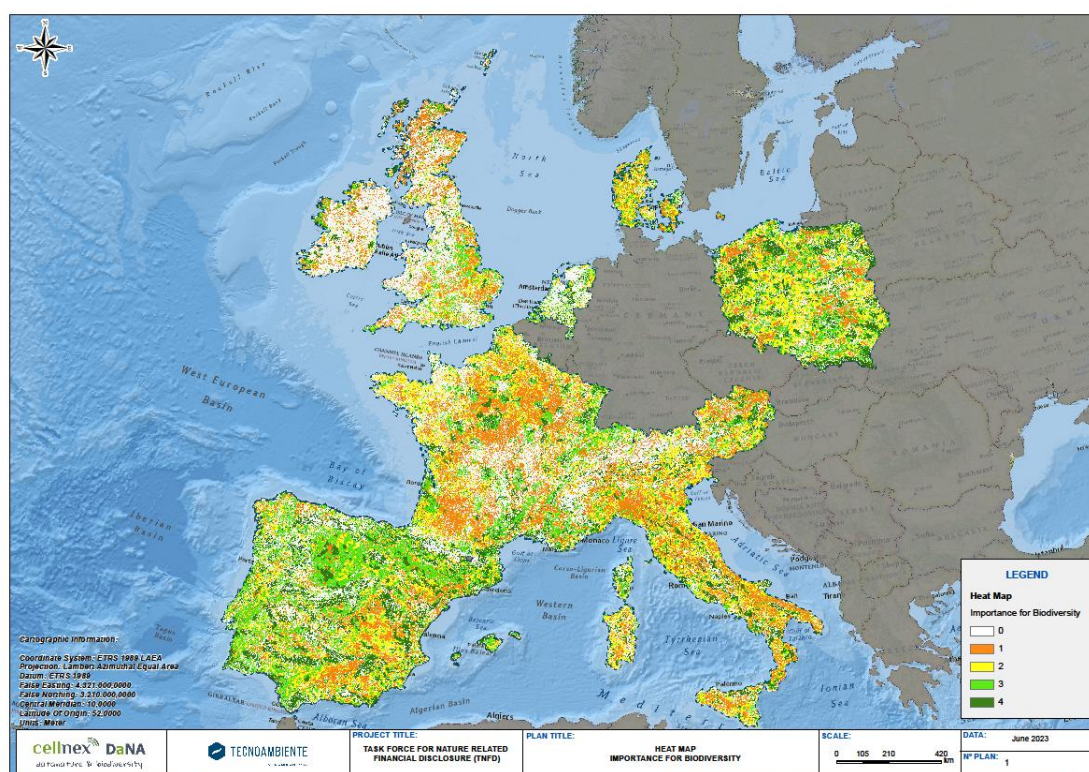


Figure 5: Heatmap of biodiversity value

When looking at the classification of Cellnex Telecom's assets, we see that the majority of assets are situated in zones that have a relatively low importance for biodiversity. This is at least in contributed to the fact that the assets are often in a location that has been transformed by human activities in the past. The following table provides a quantitative overview of the number of assets per category.

B. NATURE-RELATED DEPENDENCIES AND IMPACTS

The second step of the LEAP approach is evaluating the dependencies and impacts of the company's assets on ecosystem services. To adapt this phase to the number of assets part of this study, the potential and real dependencies and impacts have been identified for the different asset types. In 2021, Cellnex Telecom conducted an analytical analysis of all the dependencies and impacts related to the all relevant economic activities related to their direct operations and their up- and down-stream value chain. The following tools were used for this analysis:

- **Dependencies:** ENCORE Tool
- **Opportunities:** Sectoral Materiality Tool (UNEP-WCMC, July 2021 version)

For this year's location-specific analysis of Cellnex Telecom's operational assets, the dependencies of the direct operations are most important. The following table presents the main nature-related dependencies and impacts for the direct operations of the company, as identified using the previously described methodologies.

Ecosystem Service	Definition
Dependencies	
Climate Regulation	Global climate regulation is provided by nature through the long-term storage of carbon dioxide in soils, plant biomass, and oceans. At a regional level, climate is regulated by ocean currents and winds, while at a local and micro level, vegetation can modify temperatures, humidity, and wind speeds.
Flood and storm protection	Protection against floods and storms is provided by the sheltering, buffering, and attenuation effects of natural and planted vegetation.
Mass Stabilization and erosion control	Mass stabilization and erosion control are carried out through protected vegetation cover and the stabilization of terrestrial, coastal, and marine ecosystems, coastal wetlands, and dunes. Vegetation on slopes also prevents avalanches and landslides, while mangroves, seagrasses, and macroalgae provide protection against coastal erosion and sedimentation.
Impacts	
Generation of GHG Emissions	Emissions of gases that contribute to climate change including carbon dioxide (CO ₂), methane (CH ₄), nitrous oxide (N ₂ O), Sulphur hexafluoride (SF ₆), Hydrofluorocarbons, (HFCs) and perfluorocarbons (PFCs), etc.
Waste Generation	Generation of solid waste, which could be either hazardous or non-hazardous and could be treated in various ways (disposal, recycling, reuse, etc.)
Water Contamination	Water discharged to a receiving water body, consisting for example nutrients (e.g., nitrates and phosphates) or other substances (e.g., heavy metals and chemicals).

Figure 6: Nature-related dependencies and impacts

The relevant dependencies and impacts identified in 2021 were used in the 2023 quantitative analysis, which focused on the dependencies and impacts of the direct operations related to the following business lines: **Telecommunication Infrastructure Services (TIS), Broadcast, Data Centers, and Fiber optics.**

For each of the business lines, the pertaining economic activities were listed, with their respective degree of dependence (for dependencies) or contribution to impact drivers (for impacts). These scores were assigned according to a five-point scale, ranging from very low to very high.

Degree of Dependence or Contribution to the Impact Drivers (category)
Very Low (VL)
Low (L)
Medium (M)
High (H)
Very High (VH)

Figure 7: Degree of Dependence or Contribution to the Impact Drivers

C. NATURE-RELATED RISKS

After the description of the LOCATE and EVALUATE step in the LEAP approach by the previous sections, this section will elaborate on the ASSESS stage. This stage aims to identify and assess the nature-related risks and opportunities, which are related to the aforementioned dependencies and impacts.

Nature-related risks are identified and separated in two mayor categories as described in the TNFD:

1. **Transition Risks** are those risks related to the transition to no-net-loss or nature-positive operations. They are associated with the pace and extent at which Cellnex manages and adapts to the internal and external pace of change to reduce any potential negative effects on nature and biodiversity.
2. **Physical risks** are those risks associated with the potential physical dependencies on nature or biodiversity. These risks can be event driven (acute) or associated with longer-term shifts in ecosystems and the ecosystem services they provide (chronic).

[\(LINK\)](#)

Nature-related risk categories	
Physical risk	
Acute	
Chronic	
Transition risk	
Policy and legal	-
Market	
Reputation	-
Technology	

Figure 8: Types of risk. Source: TNFD

To identify relevant risks for Cellnex Telecom's assets, the input from the earlier stages in the LEAP approach were used. The dependencies and impacts identified, in combination with the types and integrity of ecosystems that the assets are located informed the company-specific risks. An overview of these physical and transition risks is depicted in the table below, with a subdivision demonstrating the categories that the risks fall within.

Physical Risks		Acute	Chronic		
RN01	Forest fires	●	○		
RN02	Adverse Climate impacts from Habitat Degradation	○	●		
RN03	Sanctions of Habitat and Species Degradation	○	●		
Transition Risks		Policy & Legal	Market	Technology	Reputation
RN04	Advances of biodiversity standards, frameworks and legislation	●	○	○	○
RN05	Implementation of EU Directives with nature-related disclosure requirements	●	○	○	○
RN06	Lower ESG classifications by lacking behind on nature-related topics	○	●	○	○
RN07	Visual impact of the assets on the landscape	○	○	○	●
RN08	Litigations over the impact of electromagnetism on biodiversity and/or public health	○	○	○	●

Figure 9 Identified nature-related risks

Cellnex Telecom has categorized their assets in function of their risk level, with the objective to obtain an overview of the risk-levels of their assets. The methodology for this categorization was based on the *Nature Risk Profile. A methodology for profiling nature related dependencies and*

impacts (2022, United Nations Environment Program), which as adapted to the context of the analysis and previous works.

For categorizing **physical risks**, the following function was used:

$$\text{Physical Risk} = f(\text{Resilience}, \text{Relevance})$$

Where the **resilience** refers to the resilience of ecosystems. This was defined as the capacity of an ecosystem to provide ecosystem services, where ecosystems with greater biodiversity will have a superior resilience. The results obtained by the heatmap depicted in figure 5 served as indicators for this variable, with the highest categories (3,4) containing areas with higher resilience than the lower categories (0,1,2).

The **relevance** is related to the installations dependencies on the ecosystem services included in the analysis. This variable makes use of the dependency analysis of 2021, creating a consolidated score for the dependency of types of installation based on the economic activities involved in operating that type of asset. As can be seen in the following table, each of the economic activities were assigned a weight, based on their relative contribution to operating the asset in question.

When it comes to categorizing **transition risks** Cellnex Telecom used the following function:

$$\text{Transition risk} = f(\text{Significance}, \text{Magnitude})$$

Significance is defined as the conservation status of the ecosystems in which the assets are located. Where those assets, located in an area with a higher conservation status, are assigned a higher significance score. These scores have been determined based on the previously elaborated heatmap (Figure 5), assigning the higher categories (3,4) more significance and the areas in lower categorization (0,1,2) with lower significance scores.

The **Magnitude** is determined by the footprint that the activities can have on the ecosystem's integrity. This value is based on the impact assessment, which was conducted in 2021. The scores of the various types of impacts are combined and weighted according to their relation to the location of interest.

Finally, a score for each asset is calculated both for the **physical risks** and the **transition risks**. The combined risk score is on a scale from 1 to 9, with categorizations shown in table 10.

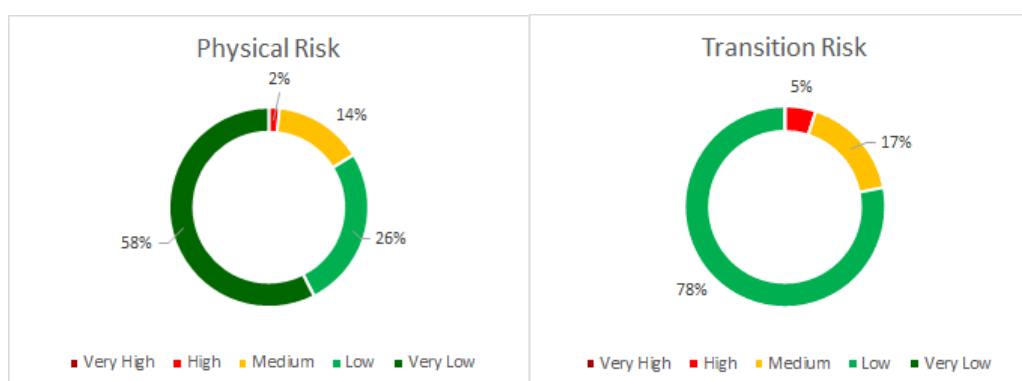
Valuation	Category Risk
$\geq 8,5$	Very High
$< 8,5 - 6,5$	High
$< 6,5 - 4,5$	Medium
$> 4,5 - 2,5$	Low
$> 2,5 - 1$	Very Low

Figure 10 Risk Categorization

RISK ASSESSMENT RESULTS

This section will provide a closer look into the results of the ASSESS phase from the LEAP approach.

The combined scores for the physical and transition risks provide us with an average value of both the magnitude and relevance for the different business lines. When combining these values with the location-specific Resilience and Significance values, the total physical and transition risk value for each asset can be determined. From this analysis, it becomes clear that none of the installations fall within the very high-risk category for neither risk typology. Furthermore, 84% have a low or very low physical risk and 78% of assets are assigned a low transition risk. The number of assets with a 'high' risk categorization is relatively low.



In conclusion, the majority of assets has a low or moderate risk level, partly due to the fact that these economic activities have direct operations that do not entail high dependencies or impacts. The analyzed facilities are mostly individual and occupy limited land areas, although they may have certain significance depending on their location and the accumulated quantity (number of installations).

However, the infrastructures associated with the telecommunications sector usually require specific locations for their installations: elevated grounds (buildings, mountain peaks, etc.) without nearby obstacles. In highly rugged countries, they are often located in prominent areas that, precisely due to the morphology of the terrain, have not been intensely exploited by humans and retain high biodiversity values.

5. BIODIVERSITY COMMITMENTS, POLICIES AND METRICS

Cellnex Telecom is working hard to establish policies and commitments to biodiversity, both for its own operations and the value chain. This chapter will elaborate on the progress made and the future plans related to the commitments, policies and actions for biodiversity and nature.

A. BIODIVERSITY COMMITMENTS, POLICIES AND ACTIONS

Cellnex Telecom has a strong commitment to the SDG framework, which provides the company with sustainability perspective within the business operations. Previously, the company committed to conduct a Biodiversity Risk Assessment. In 2023, this commitment was fulfilled, as the company concluded a Biodiversity Risk Assessment, as described in previous chapters, for all its operational assets. The organization commits to renewing the Biodiversity Risk Assessment periodically and expanding the scope in the coming years.

The company firmly believes in working together with local stakeholders, in order to better adapt to the needs of local communities and ecosystems. This commitment can be seen in the various projects that Cellnex Telecom has in collaboration with various stakeholders to improve biodiversity and the sustainability of their assets. Examples are the Life project, where the company works together with landowners to promote sustainable farming practices to restore degraded land, while fixing power lines to improve safety for the local agrosteppe birds.

Furthermore, Cellnex has been working on enhancing the ESG policy with more biodiversity and nature-related commitments and principles. The following commitments and policies are currently prepared to be integrated into the ESG policy:

The company has updated its environment and climate change policy, in line with the nature-related risk mitigation hierarchy, to limit its' nature-related impacts and risks. In addition to applying the mitigation hierarchy, it avoids and reduces land use changes in high-conservation value areas and has to publicly committed to **no deforestation** within the next year. All forest-based products will also have to be sourced from sustainable sources that do not contribute to deforestation.

Additionally, Cellnex Telecom is planning to implement a No Net Loss Principle in priority areas identified in the nature-based risk analysis that has been conducted in 2023. This would come on top of the strengthening of systems to ensure compliance with legislation related to vulnerable designated protected areas.

All actors in the company's value chain will be required to align their business operations with the environmental standards set by this ESG policy of Cellnex Telecom. This means that the commitments made by Cellnex will be applicable to the entire value chain of the company. Moreover, the contents of this policy are directly overseen by the NRSC, which is a board committee, and the policy is fully endorsed by Cellnex Telecom's Board of Directors.

B. METRICS

Over the past years, the company has been developing metrics and indicators that allow them to track their progress and performance on biodiversity and nature-related topics. These metrics are developed to be adjusted to the needs and situation of the organization, taking into account the great number of assets that it needs to evaluate.

One of the metrics used by Cellnex Telecom is the number of assets in zones of high biodiversity integrity. This allows the company to evaluate the state of nature surrounding its' installations, as well as its' exposure to biodiversity-related risks and to address potential and actual risks and opportunities.

Moreover, the company categorizes the assets as either urban or rural assets, where the latter indicates more elevated nature-related risks.