

ESG and Risk management in Supply Chain



ESG and risk management in Supply Chain

- 1 — Introduction
- 2 — Qualification and Screening
- 3 — Sourcing and Contracts
- 4 — Evaluation and Assessment

1. Introduction



ESG and Risk Integration Model with Specialist Areas

- In line with its ESG Master Plan, Cellnex launched a 2025 project to strengthen the 2022 ESG and Risk Integration model, focusing on better embedding specialist areas in the Supply Chain.
- The initiative involves key functions:—H&S, Legal/Compliance, Cybersecurity, ESG, Environment and Climate Change, IMS and Procurement—to enhance collaboration, improve risk visibility, and reinforce mitigation and resilience.

Critical Suppliers' Qualification

- In 2023 the first step towards the implementation of the model was done through the Qualification of Critical suppliers
- A Country objective was set in all the Group so that there was an alignment on the consecution of this milestone
- As part of this Qualification, campaigns with CDP (Carbon Footprint) and Ecovadis (ESG) are in place to monitor ESG performance of our suppliers

Integrating ESG and Risks in Onboarding, Sourcing, and Contracts

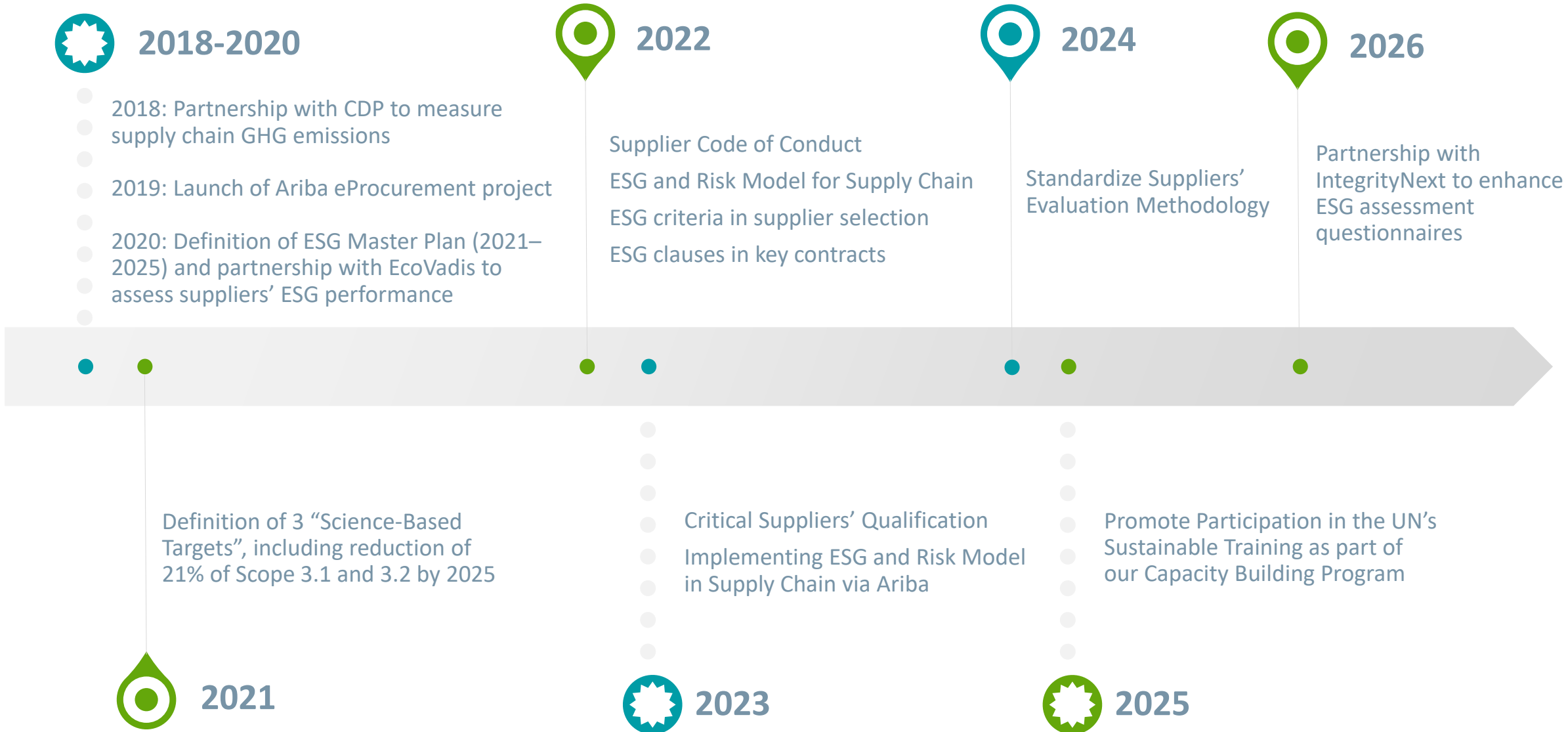
- A Risk checklist agreed with all specialist areas is included in the Onboarding (supplier specific) and in the Sourcing (service specific) processes
- ESG criteria list has been developed and included in relevant Sourcing events. The list is used when the suppliers are not already evaluated in Ecovadis
- Carbon footprint reduction is included in relevant key contracts (e.g. maintenance)

Processes Supported by Appropriate Tools

- Between 2020 and 2024, the complete SAP ARIBA suite was successfully deployed across all Business Units, ensuring the effective implementation of these processes.

1. Introduction

Cellnex's Journey to Integrating ESG and risks in Supply Chain



ESG and risk management in Supply Chain

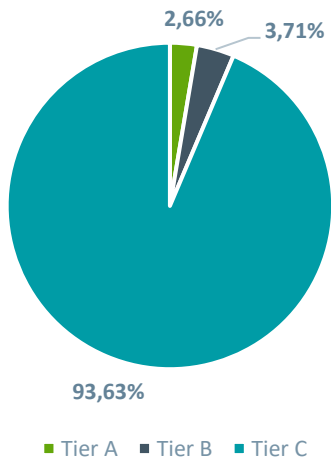
- 1 — Introduction
- 2 — **Qualification and Screening**
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2. Qualification

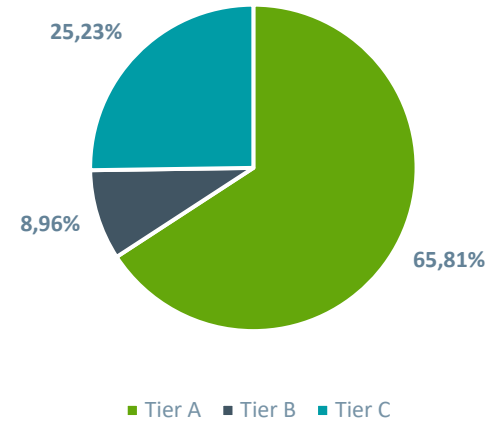
Supplier Categorization in 2025 (based on 2024 spend)

	Tier C (Basic) – Minimum conditions	Tier B (Standard) – ISO standards and others	Tier A (Critical) – Scoring and ECOVADIS
Who?*	All suppliers working on a regular basis with Cellnex	All Cellnex suppliers whose annual purchase is => 500.000€	All Cellnex suppliers whose annual purchase is => 5.000.000€ And/or delivering a critical Service for business continuity
	~5772	~229	164

Distribution per # of Supplier



Distribution per Spend (€)



(*) All suppliers classified as Tier A, B, C are Tier-1

2. Qualification

Supplier Categorization

Tier C (Basic) – Minimum conditions

Tier B (Standard) – ISO standards and others

Tier A (Critical) – Scoring and ECOVADIS

	Tier C (Basic) – Minimum conditions	Tier B (Standard) – ISO standards and others	Tier A (Critical) – Scoring and ECOVADIS																		
Who?	All suppliers working on a regular basis with Cellnex	All Cellnex suppliers whose annual purchase is => 500.000€	All Cellnex suppliers whose annual purchase is => 5.000.000€ And/or delivering a critical Service for business continuity																		
What?	<p>Supplier must accept...</p> <ul style="list-style-type: none"> 1 Code of Conduct 2 Code of Ethics 3 General Conditions 4 Purchasing Policy 5 Data Protection 6 No sanctions by the EU <p><i>* Additional: Legal documentation by country</i></p> <p>Code of Conduct</p> <table border="1"> <tr> <td>Human Rights</td> <td>Environmental policies</td> <td>Continuity of business</td> </tr> <tr> <td>Ethics & Integrity</td> <td>Data security</td> <td>Working conditions & remuneration</td> </tr> <tr> <td>Equality & Diversity</td> <td>SST Policy</td> <td>Risk evaluation</td> </tr> </table>	Human Rights	Environmental policies	Continuity of business	Ethics & Integrity	Data security	Working conditions & remuneration	Equality & Diversity	SST Policy	Risk evaluation	<p>General information ...</p> <ul style="list-style-type: none"> 1 Certifications <table border="1"> <tr> <td>ISO 14001</td> <td>ISO 9001</td> <td>SA8000</td> </tr> <tr> <td>ISO 22301</td> <td>ISO 27001</td> <td>ISO 50001</td> </tr> <tr> <td>ISO 45001</td> <td></td> <td></td> </tr> </table> <p> Mandatory Optional </p>	ISO 14001	ISO 9001	SA8000	ISO 22301	ISO 27001	ISO 50001	ISO 45001			<p>Execution of...</p> <ul style="list-style-type: none"> 1 Financial scoring 2 ESG evaluation
Human Rights	Environmental policies	Continuity of business																			
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ISO 14001	ISO 9001	SA8000																			
ISO 22301	ISO 27001	ISO 50001																			
ISO 45001																					

2. Qualification

Specific conditions according to the specific risks identified

Identify Specific Risks During Supplier Onboarding

Which risks?

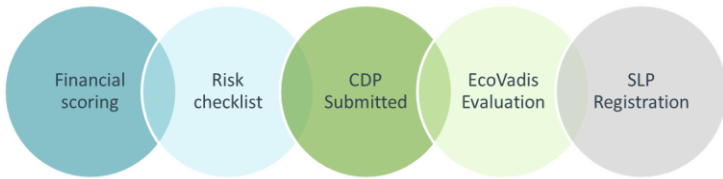
- ☑ Supplier operations in high risk areas
- ☑ Use or maintenance of Cellnex software/systems
- ☑ Cellnex data cloud services (critical service)
- ☑ Access or use to confidential or sensitive info
- ☑ Access or use to personal data
- ☑ Data transfer outside EU
- ☑ Access to Cellnex mail
- ☑ Performing hazardous work
- ☑ Access to facilities
- ☑ Absence of international penalties
- ☑ Procurement category with high CO2 impact



2. Qualification

Results on the Critical Suppliers Qualification

Suppliers' Qualification process

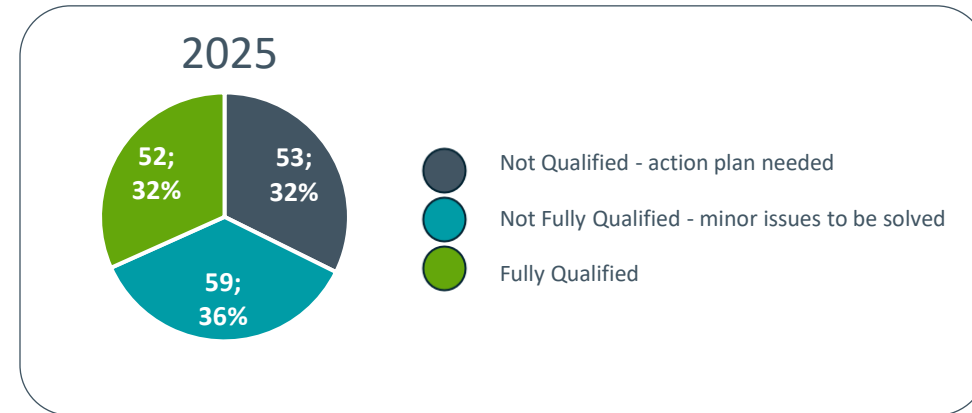


Reasons for qualification not successful:

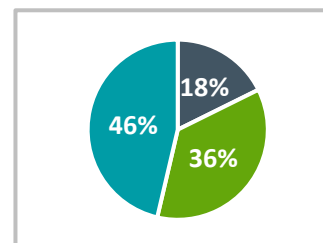
- **Security risk:** Suppliers providing field operations without ISO 45001 (H&S)
- **Reputation risk:** CDP or Ecovadis evaluations not completed

For suppliers who do not meet the qualification criteria, alternative options are available. An action plan is proposed to help these suppliers achieve qualification within the year.

Suppliers' Qualification results

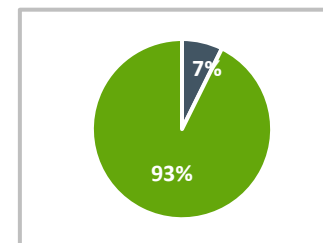


ISO 45001

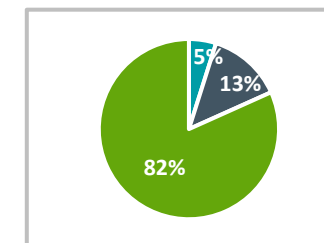


*46% (N/A)

CDP Campaign



ECOVADIS Campaign



2. Screening

ESG, Financial and Compliance monitoring is in place through 3rd party platforms

Suppliers are included in the screening process considering

- Environmental, Social and Governance and Business relevance, including the suppliers ensuring Cellnex business continuity
- Plus, the following risks:
 - **Country-specific risk:** most Cellnex suppliers are in the EU and UK. Suppliers in high-risk jurisdictions are monitored to mitigate potential risks.
 - **Sector-specific risk:** focus on construction, maintenance, and equipment sectors due to their significant ESG implications. These industries carry substantial environmental and social risks, making rigorous supplier assessment crucial.
 - **Commodity-specific risk:** managing risks related to commodities like price fluctuations, quality concerns, supply chain disruptions, and ethical sourcing, especially in electronic equipment manufacturing.

Suppliers screening process in some figures

- **ESG:** c.300 suppliers monitored (*Ecovadis*)
- **Financial:** c.100 suppliers monitored (*Dunn & Bradstreet*)
- **Compliance:** c.100 supplier monitored (*Catalyst*)
- **Coverage of critical suppliers:** 100%



* High-Risk Jurisdictions: subject to a Call for Action and Jurisdictions under Increased Monitoring listed by the FATF (Financial Action Task Force) to address strategic deficiencies in their regimes to counter money laundering, terrorist financing, and proliferation financing. (see the lists updates here: "Black and grey" lists (fatf-gafi.org))

2. Screening

Training is conducted with our suppliers in collaboration with our ESG partners

In 2025, **106** suppliers completed capacity building programs

Achieving a completion rate of **40%** of the programs

15% of them were critical suppliers

In 2025, Cellnex procurement teams continue their ESG skills through various training sources, including associations, LinkedIn Learning, and internal sessions.

2. Screening

Capacity Building Program: Supplier ESG Training Program (2025 & 2026)



Program purpose

- To enhance suppliers' ESG performance by building capabilities in line with the UN Global Compact principles and the Sustainable Development Goals (SDGs)

Global Reach

- +5,000 companies from +70 countries

Cellnex Outreach (2025 & 2026)*

- *609 suppliers* & **504**, from **17 countries** invited
- *115 enrolled* (20%) & **46** (9%), on mid-June 2026
- **Industry and Geographic Distribution**
 - Top 1: Telecommunications and IT: *66%* & **43%**
 - Top 2: Const. and Engineering: *13%* & **20%**
 - Top 3: Professional Services: *9%* & **13%**
 - Geographic Distrib.: EU: *99%* & **96%**; Asia: *1%*; US: **4%**

Impact on Suppliers

- ESG awareness improved
- Alignment with UN SDGs and UN Global Compact principles
- Improved sustainability practices

Contribution to ESG strategy

- Supports Cellnex Scope 3 emissions reduction and supplier ESG performance improvement

(*) Italic text represents 2025 data, and bold text represents 2026 data for the Capacity Building Program.

2. Screening

Indicators overview

		FY 2025
Supplier Screening	Total number of Tier-1 suppliers	6,113
	Total number of significant suppliers in Tier-1	164
	% of total spend on significant suppliers in Tier-1	62%
	Total number of significant suppliers in non Tier-1	0
	Total number of significant suppliers (Tier-1 and non Tier-1)	164
Supplier Assessment	Total number of suppliers assessed via desk assessments/on-site assessments ¹	471
	% unique critical suppliers assessed	100%
	Number of suppliers assessed with substantial actual/potential negative impacts ²	27
	% of suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan	89%
	Number of suppliers with substantial actual/potential negative impacts that were terminated	1
Corrective action plan support	Total number of suppliers supported in corrective action plan implementation ³	24
	% of suppliers assessed with substantial actual/potential negative impacts supported in corrective action plan implementation	89%
Contribution to Climate Targets	Supporting Scope 3 emissions reduction ⁴	-21% target
	ESG criteria integrated into sourcing decisions	5-15% weight

1. Suppliers evaluated in environment
2. Suppliers evaluated in environment with potential negative impacts
3. Suppliers evaluated in environment with potential negative impacts with an environment score in Ecovadis: ≤ 30 and being a medium or big-sized businesses
4. Source: Integrated Annual Report 2025, page 47

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3. Sourcing and Contracts



A cross-functional **risk checklist** (H&S, Sustainability, Legal, Cybersecurity, etc.) is applied during sourcing.

Risks are identified and assessed throughout the **sourcing-to-contract process**.

Mitigation measures are implemented, including **specific contractual clauses**.



ESG criteria are defined through the *ESG matrix* and applied in relevant sourcing events.

ESG is weighted **5% to 15%** in supplier selection decisions.

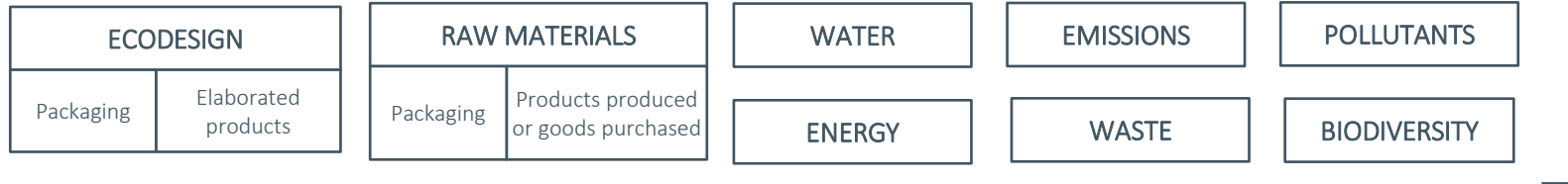
Suppliers not meeting minimum ESG, technical, financial or supplier profile requirements within the defined timeframe are excluded from contracting.



Carbon footprint reduction is embedded in key contracts through clauses requiring suppliers to develop and implement CO₂ reduction plans.

3. Sourcing and Contracts

ESG matrix principles



European Union



European Corporate Sustainability Reporting (CSRD)



Corporate Sustainability Due Diligence Directive (CSDDD)



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4. Evaluation

Suppliers' performance evaluation

Why are they important to us?

- Explicit our perception towards our Suppliers;
- Ensure that our Suppliers are meeting our standards and requirements;
- Identify any potential topics that could impact our business and take steps to minimize them;
- Spot areas of improvement, to maximize efficiency and effectiveness

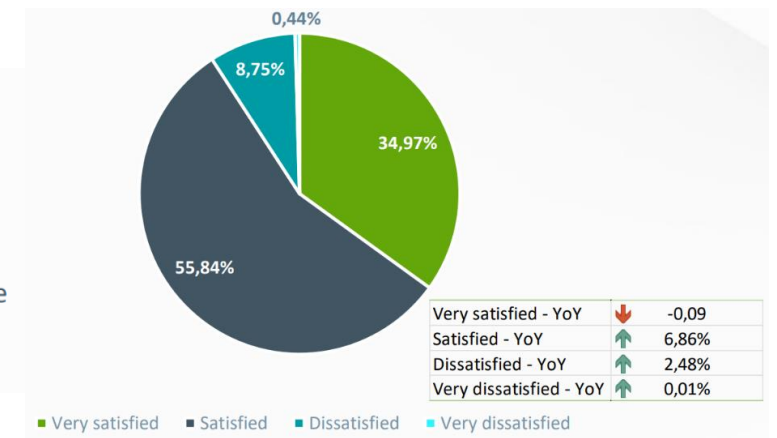
What do we measure?

- **Quality:** how well suppliers meet defined standards and specifications
- **Cost:** efficiency of resources and impact on total cost
- **Delivery:** reliability, timeliness, and responsiveness to demand changes
- **Risk mgmt:** compliance with contractual and risk-related requirements
- **ESG mgmt:** compliance with ESG-related contractual requirements
- **Overall:** relationship quality, problem-solving, and responsiveness

Results 2025



How to read it? Number in brackets show the year-over-year change vs the previous year



4. Assessment

On site Audits are conducted

Certain key suppliers are assessed on site via audits conducted by internal or external staff

Criteria like Quality, ESG and H&S are evaluated on site with the suppliers

In 2025, we conducted audits of critical suppliers for Spain (3), France (2) and Italy (2) business units

7 critical suppliers have been audited in 2025

Achilles acts as an independent third-party conducting audits and providing the audit tools, reporting, and follow-up on non-conformities.

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Thank you