



**INWIT**

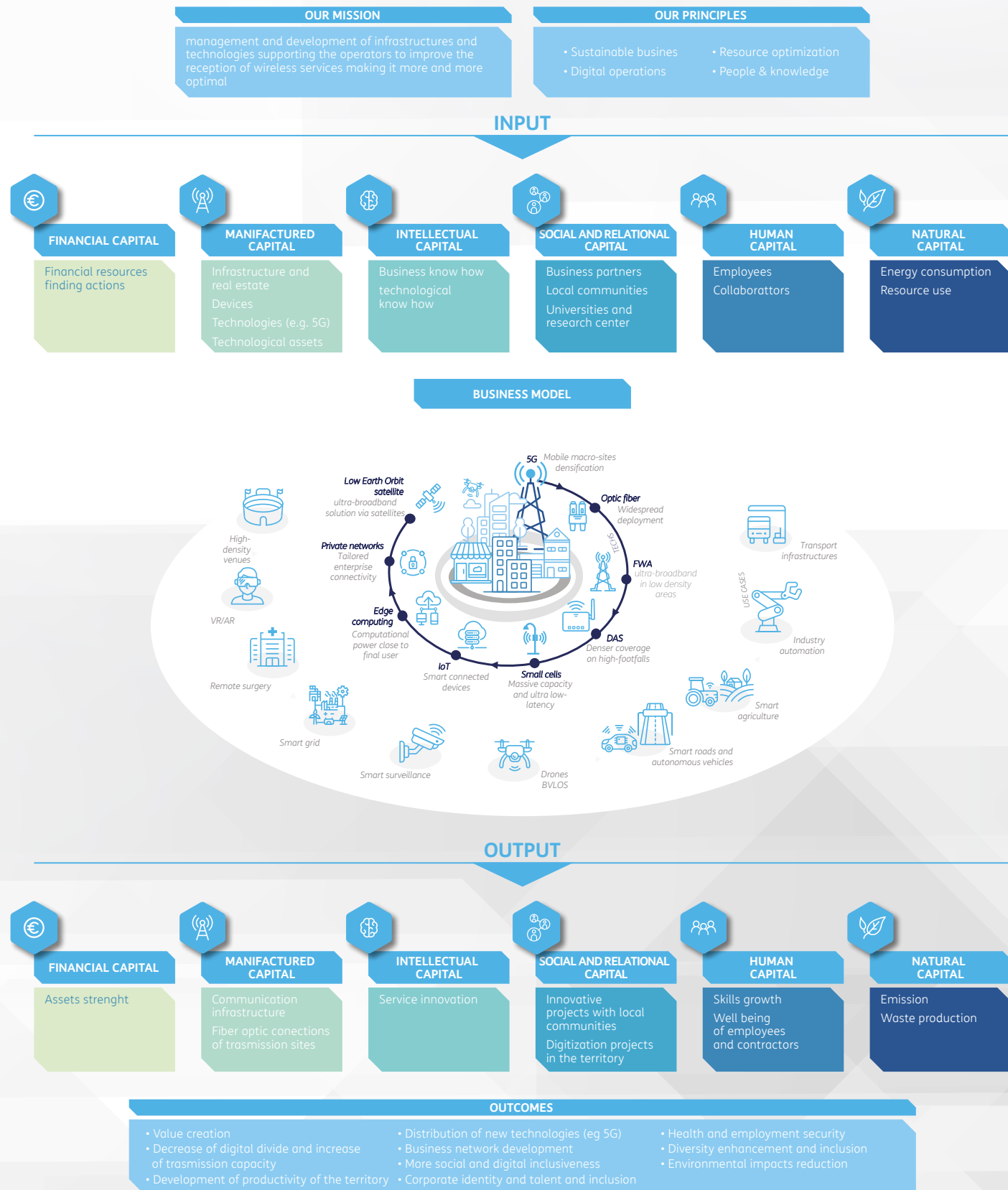
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**INTEGRATED REPORT  
SUMMARY  
2021**

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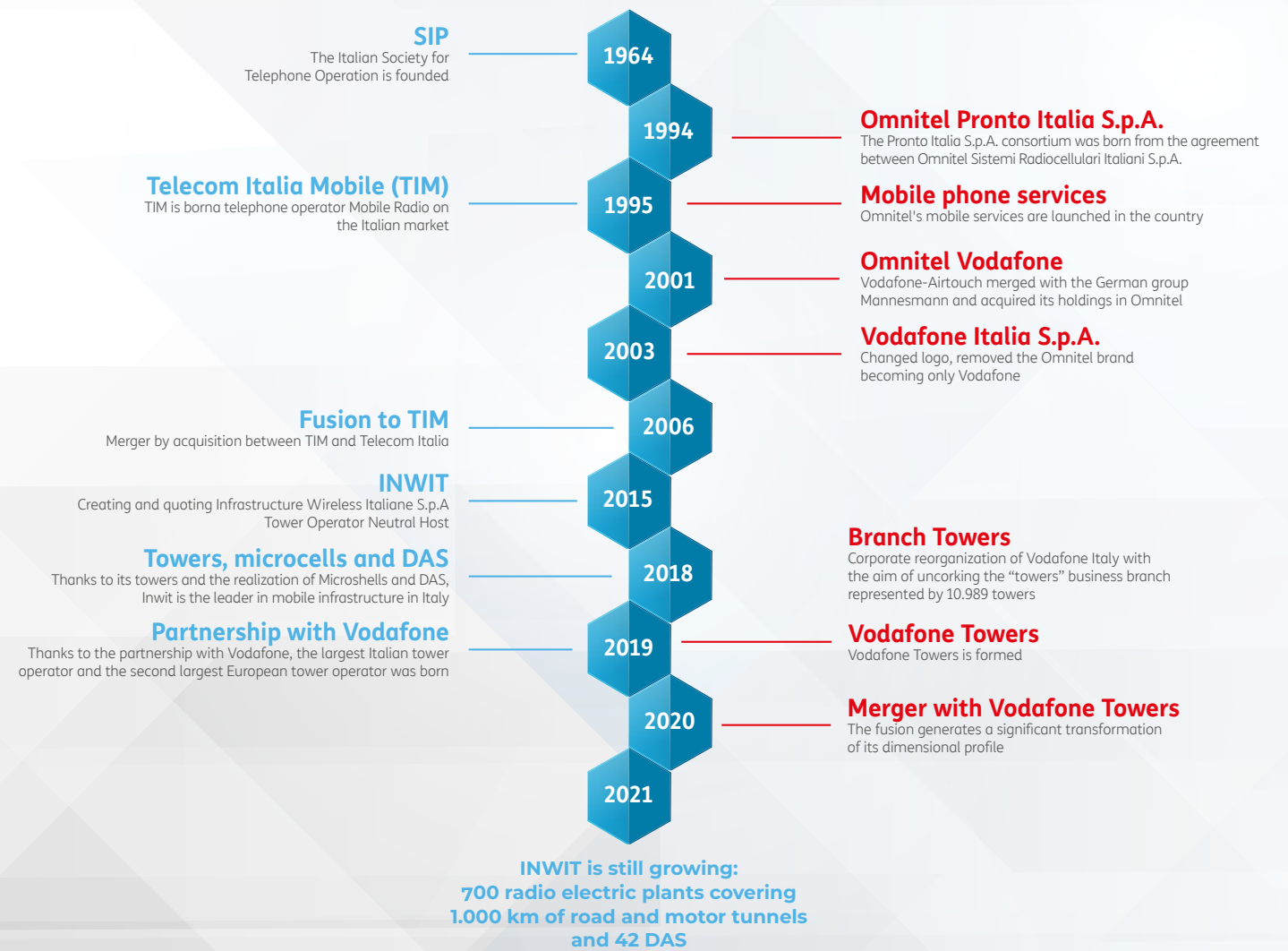
# INWIT'S BUSINESS MODEL AND STRATEGY FOR THE VALUE CREATION



# INWIT'S PATH TO DATE

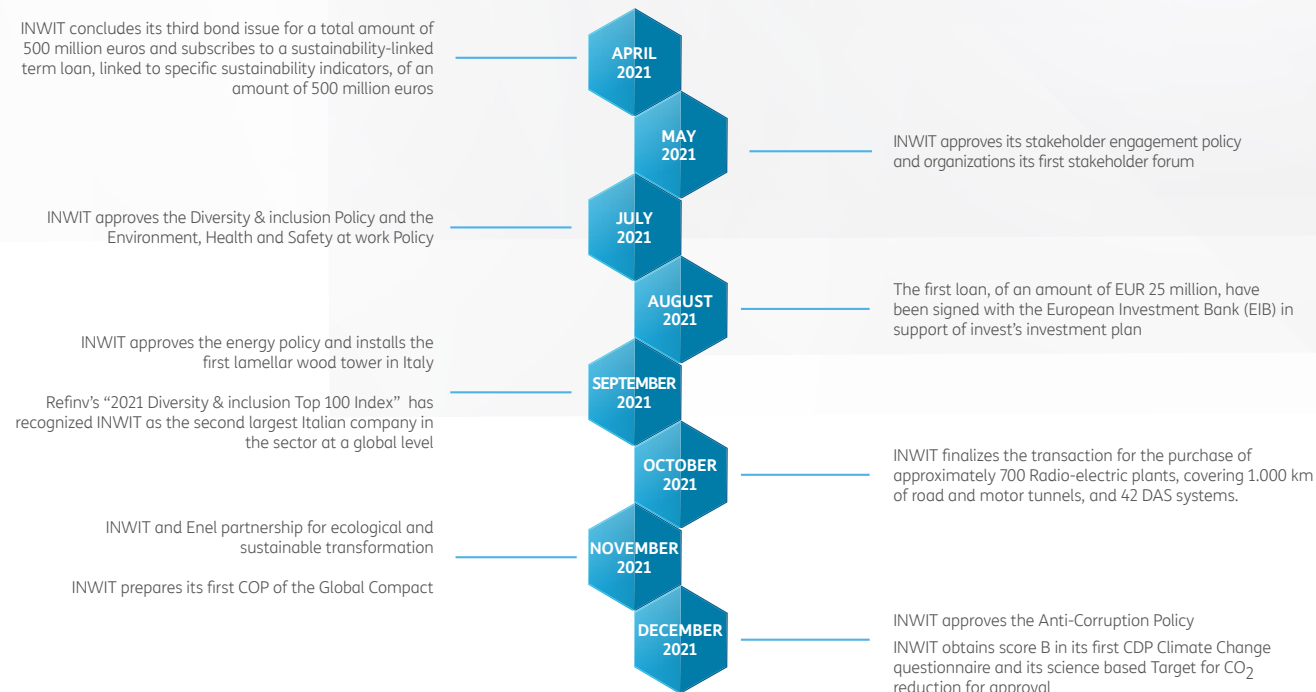
The story of INWIT, which began in March 2015, passes through a path of intense growth that brought, in March 2020, to merger with Vodafone Towers, significantly changing its profile, size and strategy. **Currently, INWIT is the largest operator in the sector in Italy.**

Figure 1 The main stages of INWIT's history





## MOST SIGNIFICANT EVENTS OF 2021



### WE SUPPORT



One year after joining the principles of the **UN Global Compact** on human rights, working standards, environmental protection and the anti-corruption. In November 2021 INWIT drafted its first Communication on progress (COP) to confirm the desire to integrate the ten principles into the company's strategy, culture and daily operations. In addition, in order to strengthen its commitment in terms of inclusion and sustainability, INWIT has signed up the **Women's Empowerment principles** promoted by the UN Global Compact and UN Women.

## COMPETITIVE POSITIONING

In the current environment, which the importance of digitization, innovation and competitiveness are key elements for safety of company production system and Public Administration of the post-Covid, INWIT plays a strategic role in the development of digital infrastructures, to support telecommunication operators, responding to market needs related to the evolution of wireless technology that is extending 5G coverage and related densification requirements, an important development element.

In February 2022, as part of the regular cycle of external scenario analysis and development opportunities for the Company, INWIT's Board of Directors have been confirmed the guidelines of the industrial plan of November 2020, in the context of a positive cycle of digital and infrastructure investments, supported by Next Generation EU projects.

The 2021-2023 Industrial Plan consists of 4 growth pillars and 4 enablers.

## INWIT VALUES

INWIT directs its business activities for conducting business based on the values and principles contained in its Code of Ethics, inspiring, in programmatic terms, all the actions of the components of the social organs, management, business partners, as well as internal and external collaborators.

Figure 2 The INWIT values



### GROWTH PILLARS



### ENABLERS



## SUSTAINABILITY FOR INWIT

Aiming to generate value from a long-term perspective and contribute to the growth, improvement and social and economic development of the communities in which it operates, INWIT has continued its pathway toward the creation of a sustainable business model. INWIT has also approved its Sustainability Plan's update to 2024.

Figure 3 SDGs included in the INWIT Sustainability Plan



The results of the Sustainability Plan in 2021:



### GOVERNANCE

- Sustainability targets in MBO and LTI
- Policy stakeholders engagement and first stakeholder Forum
- Purchase Procedure: Classes linked to ESG risks in 100% of supply contracts
- Signature of the Ethics and Integrity Pact by all suppliers
- ESG questions set up to raise awareness of ESG issues in the supply chain
- Submission CDP Climate Change Questionnaire and score B.



### PEOPLE

- 95,9% of employees involved in at least one training initiative
- 15.713 hours delivered, equal to 64 hours per capita
- Internal climate analysis
- Refinitiv D&I Top 100 Index: INWIT 2nd Italian company
- D&I Policy
- 140 women selected out of a total of 348 candidates: 40,2%
- HSE policy for ISO 45001 certification
- Zero serious injury (including contractors)



### ENVIRONMENT

- Climate Strategy and Scenario Analysis Climate Change
- Science based Target submission and Approval
- Energy policy for ISO 50001 certification
- Energy efficiency: Installed 300 Free Cooling and 1.153 high efficiency Rectifiers for an overall saving at 5,8 GWh regime
- Started the installation plan for photovoltaic plants with 32 plants
- 69% electricity from renewable sources
- Defined a template for the calculation of the carbon footprint (scope 1, scope 2, scope 3)
- Policy HSE for ISO 14001 Certification
- 97% site materials sent for recycling



### INNOVATION

- Engineered solutions to standardize microcell implementation on existing light poles.
- Completed the BIM Management Platform Athena
- Use-cases experimentation: AI algorithms for air quality monitoring, cameras for meteorological and Environmental Monitoring
- Launched PoC for motorway infrastructure monitoring with drones
- Partnership with ENEL
- "5G & beyond" Observatory renewal with POLIMI
- Collaboration with ELIS consortium for IoT platform development and experimental laboratory development with the involvement of some startups
- Membership of THE ORAN Alliance
- POC using phase change materials for energy efficiency
- Start-up Digital Magics acceleration program launched on 5G and IoT



### COMMUNITY

- Coverage of areas with a high social and cultural vocation:
- 8 hospitality, of which 1 is under construction
  - Completion of the Luiss University of Rome and Federico II of Naples
  - National Railway Museum of Pietrarsa
  - The Nuvola Convention Center in Rome

# GOVERNANCE

Carrying out all its activities, INWIT's corporate bodies members comply with the applicable law, the 231 Organizational model, the Code of Ethics and Conduct adopted by the Company, the Statute and the Italian Stock Exchange Code, the Anti-Corruption Policy, the principles of self-discipline and the regulations governing corporate bodies functioning.

The Corporate Governance System:



In order to ensure that the conduct of all those who operate on behalf of or in the interests of the Company is always in accordance with the principles of legality, correctness and transparency in the business conduct and business activities, INWIT has provided an organizational model of Internal control and Management in accordance to Legislative Decree 231/01.

## Code of ethics and conduct

Where, as will be subsequently argued, the founding values and principles underlying the Company in the conduct of business are indicated.

## General principles of internal control:

The "instruments" intended to provide a reasonable guarantee of achieving the objectives of operating effectiveness and efficiency, reliability of financial and management information, compliance with laws and regulations, and safeguarding of social heritage even against possible fraud.

## Principle of conduct

Where specific rule of conduct have introduced in relation with third parties, as well as for the performance and activities of a corporate nature.

## Internal control schemes

Developed for business process at risk, both operational and instrumental, and structured in:

- ▶ Rules for identifying the main phases of each process.
- ▶ Offenses which may be committed in relation to individual process.
- ▶ Specific control activities to reasonably prevent the related risks of crime.
- ▶ Behavioral indications.
- ▶ Appropriate information flows to the Supervisory Body to highlight possible crime situations to be investigated.

**INWIT has adopted a Internal control and risk management system**, designed to allow - through a process of main risks identification, measurement, management and monitoring - a healthy, correct and coherent business management with the objectives set, compliant with the Code of Ethics and the principles of self-discipline of the Company's approved by the Board of Directors.

In this respect, INWIT has adopted a dedicated Enterprise Risk Management framework (ERM), which aims to identify and assess potential events that may affect the achievement of the main business objectives defined within the Strategic plan.

## INWIT ERM Framework is a cyclical process involving several step:

- ▶ Risk identification.
- ▶ Risk evaluation.
- ▶ Risk mitigation (for each remaining top risk determined during the Risk Evaluation phase)
- ▶ Risk reporting (quarterly reporting to the Top Management).

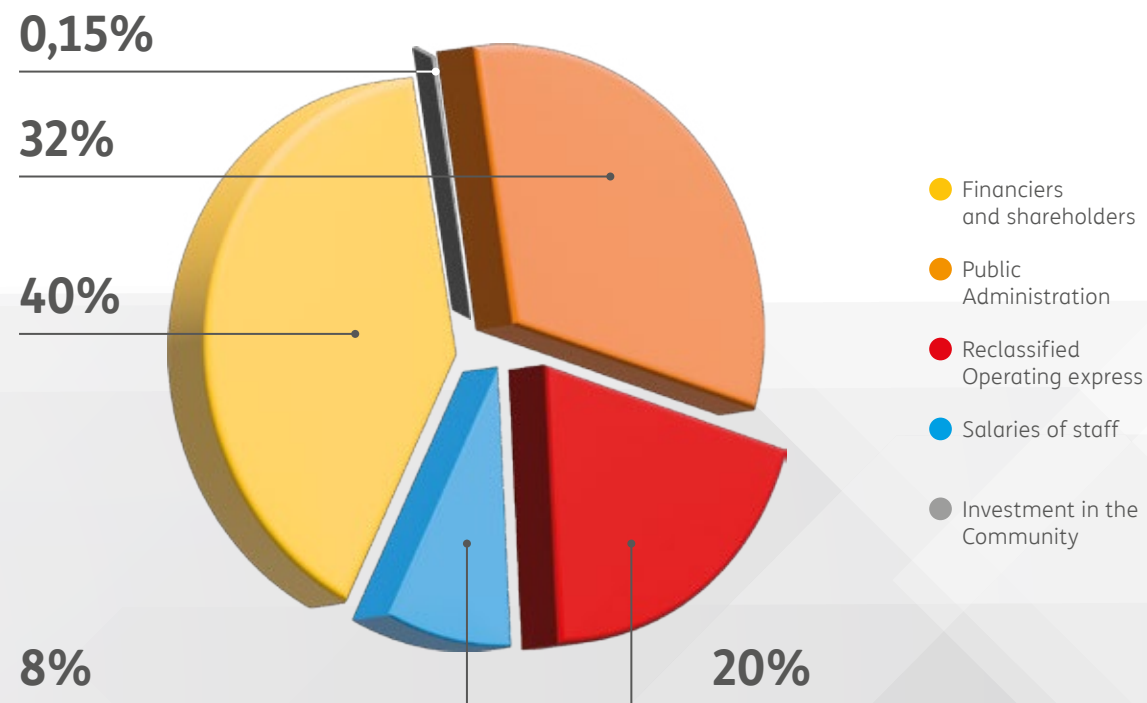
With particular reference to the relevant topic of fighting against climate change, a scenario analysis was carried out in 2021 to consider the ERM (physical and transition) risks and the opportunities associated with climate change.



## FINANCIAL CAPITAL

INWIT, through its activities, also contributes to the development of the economic and social fabric of the areas in which it operates. INWIT generated **an economic value of more than 785 million euros in 2021. The distributed value, more than 226 million euros**, represents the capacity to meet to the needs of its stakeholders, in particular toward its suppliers of goods and services (reclassified Operating expenses), toward its employees (staff salaries), toward the community, toward funders and shareholders and toward the Public Administration.

### DISTRIBUTED ECONOMIC VALUE 2021



In 2021 the EU 2020/852 Regulation on Taxonomy was implemented for the first time. It was published by the European Commission in June 2020 to establish a framework to facilitate sustainable investment and to achieve the EU's climate and energy targets for 2030, as well as the European Green Deal objectives. **INWIT in line with the ESG performance disclosure commitments, has decided to carry out a voluntary analysis of the activities in relation to the objectives of "Climate Change Mitigation and Adaptation", respectively indicated in Annex I and II of the Climate Delegate Act, the only two objectives for which, now, thresholds, criteria and metrics have been established.** INWIT identified investments in energy efficiency and in renewable resources development for an amount of 3,16 million euros in 2021.

## INFRASTRUCTURAL CAPITAL

As the first Tower Operator in Italy, and as a neutral host, the company's core business is identified in the offering of "integrated hospitality services" with almost 23.000 towers distributed throughout the Italy, with about 46.000 hospitality. INWIT is also expanding its business by developing a plurality of integrated services that, on the one hand, aim to ensure an increasingly effective reception of mobile telecommunications services and, on the other, enable the company's business to be diversified.

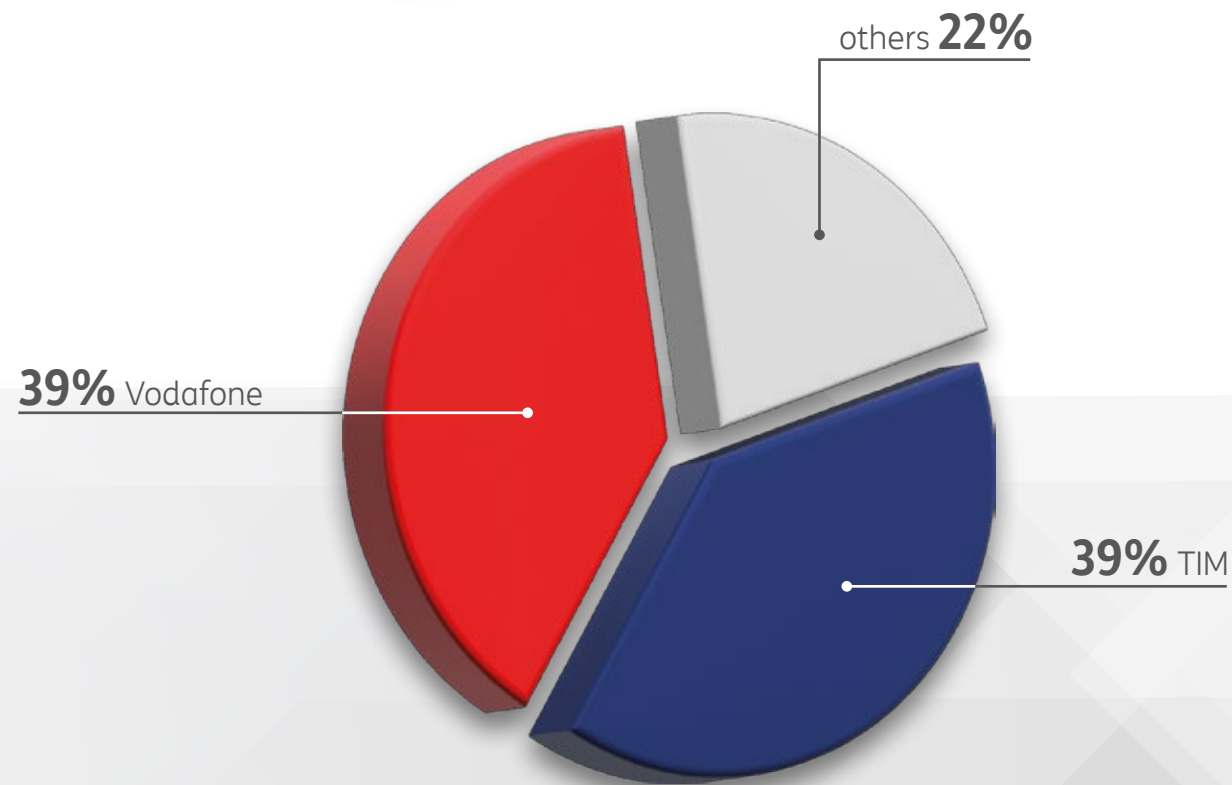
**INWIT is the leader in Italy,** with almost 23.000 towers, about 46.000 hospitality and the best quality asset park.

### THE SERVICES OFFERED BY THE COMPANY INCLUDE:



**INWIT customers are:**






- ▶ All national mobile radio Operators (“Mobile Network Operator” MNO): TIM, Vodafone, WindTre and Iliad.
- ▶ Fixed Wireless Acces (FWA) operators such as Linkem, Fastweb, Eolo, and Open Fiber, which provides mobile radio services based on GSM, UMTS, LTE technologies or radio transmission service licenses in other wireless technologies (e.g. Wireless Local Loop, Hyperlan, WiMAX, point-to-point and point-to-multipoint PDH and/or SDH).
- ▶ Operators of broadcasting services for radio and television signals transmission and diffusion (e.g. technologies in DVB-T standard); Institutions, public bodies, Armed forces for the creation of private networks.



**INTELLECTUAL CAPITAL**

For INWIT, innovation is one of the 5 areas of intervention in its Sustainability Plan, with the aim to **be an actor in supporting operators in the country’s digitization**, contributing significantly to the wireless coverage of Italy, also depending on the development of new technologies, starting with 5G and FWA.

In 2021, INWIT continued its innovation path to support the new 5G networks, focusing on the following areas of action and operations:

 <p><b>Monitoring activities</b>  <b>Elis Smart City Lab</b>                  Motorway infrastructure monitoring                  Site access control with mechatronic systems</p>	 <p><b>Building innovative infrastructures</b>                  Wooden tower                  Fast-Site</p>
 <p><b>Radio innovation</b>                  ORAN Alliance                  Project City Green Light</p>	 <p><b>Digitizing assets</b>                  Athena                  Hermes                  Éfesto                  Harmony</p>
 <p><b>Open collaboration Innovation</b>  <b>Magic Spectrum</b>                  Partnership with: Politecnico di Torino,                  Politecnico di Milano, ENEL</p>	



## SOCIAL AND RELATIONAL CAPITAL

INWIT strongly believes that the digitization of the country represents an opportunity for development that fully integrates all dimensions of sustainability, ensuring equal opportunities in the use of the network and in the development of a culture of innovation and creativity, combating new illiteracy and social and cultural discrimination, in line with the targets of the Sustainability Plan.

INWIT pays strong attention to the development of the communities, demonstrating an active part in responding to the needs expressed by the territories in which it operates.

During 2021, INWIT maintained commercial relations with **420 suppliers, of which 162 new suppliers**, for a total expenditure of more than 37 million euros (114% SRB implementation and maintenance services, 30% professional services and 34% suppliers of materials and technological equipment). **The 99% of the expenditure** incurred in 2021 can be defined **as local**, as it relates to suppliers operating in Italy (the remaining 1% of foreign origin).

99% of INWIT suppliers' expenditures in 2021 occurred in Italy.



### PUBLIC SERVICES – Hospitals and Underground

INWIT has looked coverage to 30 Italian hospitality with the installation of DAS facilities (user base of 9 million people for over 16,000 beds). Telemedicine can work better, and patients' family members can feel closer to their loved ones. INWIT has signed an agreement for the development of mobile connectivity within the new Linate – Forlanini section of the Milan underground.



### MUSEUMS AND CONGRESS CENTERS

The National Railway Museum of Pietrarsa, of the Italian FS Foundation is now ready for 5G technology thanks to the INWIT's work. INWIT has built an indoor coverage system with DAS technology, installing 40 microantennas connected to each other and powered by a signal that reaches the Nuvola Fuksas congress center with optical fiber.



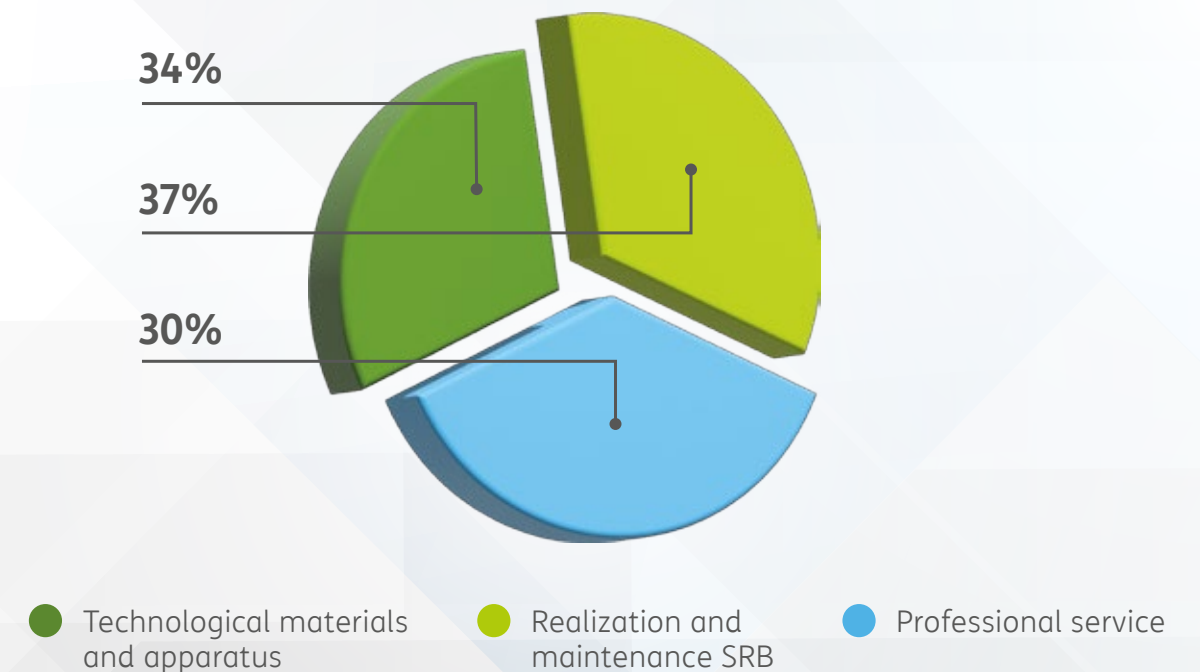
### UNIVERSITY

The coverage of important universities such as the Luiss offices in Rome and the Engineering Departments of the Federico II University of San Giovanni in Tediuccio (Naples) has been completed.

**INWIT Advocacy Initiatives**  
Talk FOR 5G. 5G Tour.  
Earth Technology Expo.

To stimulate discussion and debate on the fifth-generation mobile network and to explain the potential and benefits of the new technology, INWIT has organized a number of advocacy initiatives

### Supplier expenditure at 31.12.2021



In the **purchase of goods and services procedure** INWIT has declined sustainability criteria to increase the level of sustainability and circularity of its supplies.

In the **Supplier Qualification Management procedure** INWIT has strengthened the verification of the legal, financial economic, organizational technical and sustainability requirements of the suppliers, and the verification of the quality, safety and environmental compliance requirements of the purchased goods.

## HUMAN CAPITAL

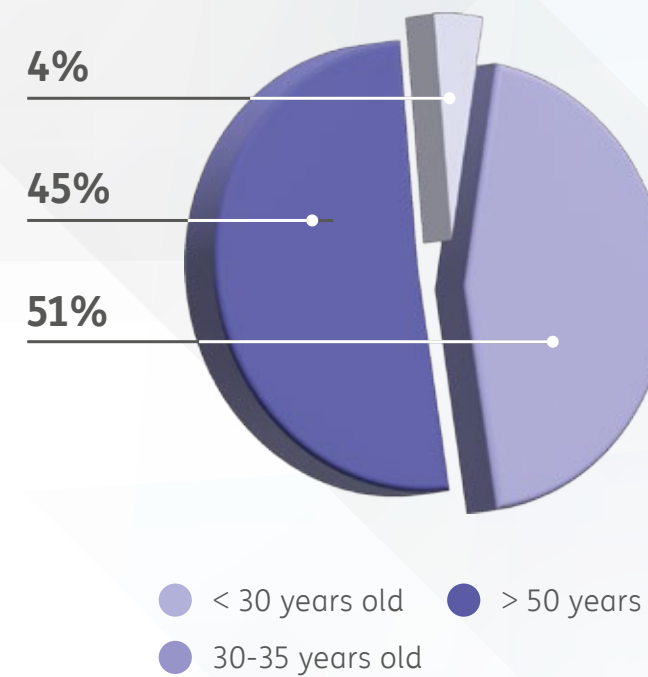
The involvement, well-being and development of people are one of the pillars of INWIT's sustainability strategy, in awareness that a corporate culture focused on including and enhancing diversity will bring about a change for all stakeholders, generating a positive impact on the society in which we operate.

As of December 31, 2021, INWIT has **246 employees**, 99% of which are full-time and permanent contract. Women account for 35% of the total employees. In 2021, there was a **19,42% increase in employees** compared to the previous year, reflecting the company's hiring policy, with an **employment rate of 21%**.

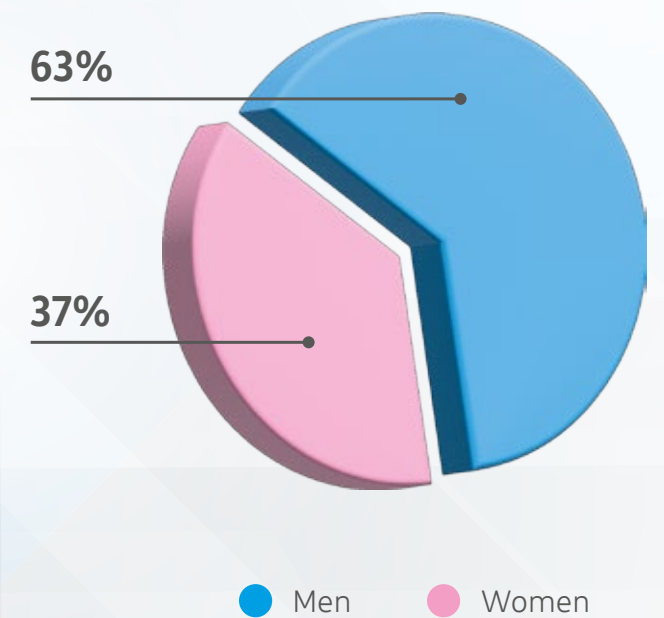


INWIT uses an integrated system of people's development aimed at assessing and enhancing both performance and potential.

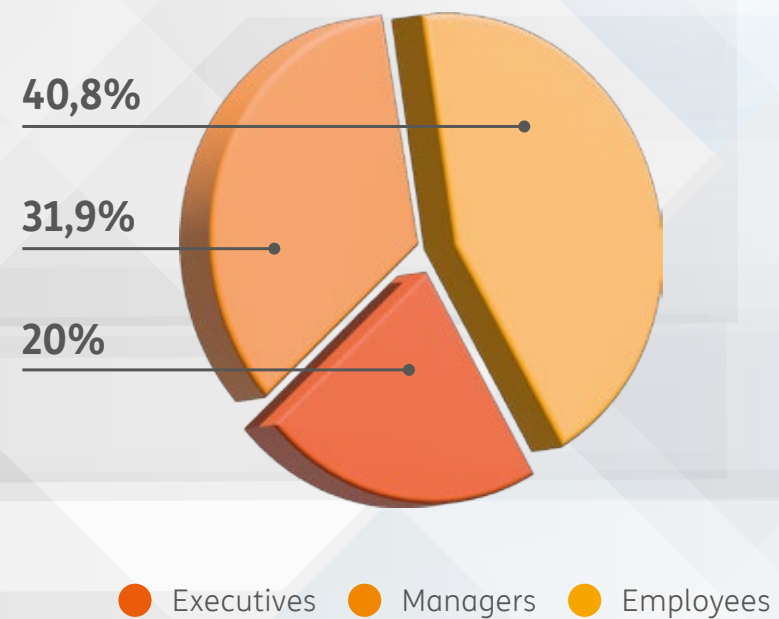
Employees by age group



Employees by gender



Percentage of women by professional category



Policy **D&I**.  
4 Weeks 4 **Inclusion**.  
**Diversity & Inclusion**  
Top 100 Index di Refinitiv.  
Osservatorio **D&I**  
di UN Global Compact  
Network Italia.

More than **15.700** hours  
of training **64** on average  
for employees.

In 2021, INWIT launched many initiatives to spread the values of diversity and inclusion, promoting and encouraging respect for the individuals' rights and dignity.

Launched in 2020, the widespread shareholding plan was aimed at all employees, to promoting the "active" participation of people in the Company's results and investing in the sense of identity **to which 98% of employees joined**.

INWIT invests in quality training with the aim of supporting knowledge, the use of new technologies and the professional growth of people.

## HEALTH AND SAFETY

Innovation, sustainability and people care are key values for INWIT's success. **In 2021, there no have been incidents at work.**

With regard to the issue of employee health, in the face of the Covid 19 emergency, INWIT has taken specific actions to protect its staff:

- ▶ large-scale use of **smart working** with the provision of the necessary equipment (laptop, ergonomic chair, headphones and monitor);
- ▶ provision of **specific training on safety protocols to the people**;
- ▶ continuous **sanitization** of the working environments and restructuring to guarantee social distance and the use of an app to regulate the presence in the workplace;
- ▶ **a serological vaccination test campaign** aimed at its personnel which subsequently suspended, due the excellent results from public facilities.

In addition to the measures described above, and in order to increase the level of personnel protection, INWIT has also used the best technologies on the market for monitoring environments, to detect the degree of surface sanitization in common areas and to exclude the presence of pathogens of Covid-19.

In 2021, a mandatory H&S training plan was launched, with more than 2.800 hours of training provided.

## NATURAL CAPITAL

In 2021, as foreseen in the Sustainability Plan, INWIT defined and approved its Climate Strategy, defining actions, initiatives and targets where it based a solid carbon neutral goal by 2024, and trough which it is expected:

### Climate Strategy

- ▶ Calculation of the INWIT **carbon footprint**;
- ▶ Drawing up a **Scenario Analysis**;
- ▶ CDP **Climate Change questionnaire submission**;
- ▶ Science **based Target definition**;
- ▶ Drawing up the **TCFD Report**.

In 2021, INWIT worked for the definition and implementation of an Environmental Management System to be adopted according to the ISO 14001 standard and of an Energy Management System according to the ISO 50001 standard, both considering the certification achievement by 2023. In this direction, **INWIT adopts a Health, Safety and Environment Policy in 2021.**

In 2021, INWIT conducted **for the first time, an analysis of climate scenarios** according to the recommendations of the Taskforce on Climate related Financial Disclosure (TCFD). The methodology adopted by INWIT has the objective of **identifying the risks and opportunities** of a climate nature deriving from the scenarios analyzed, as well as the qualitative assessment of their effects and impacts on their business.

In 2021, INWIT has chosen to join the **Science based Target Initiative**, and has presented the target submission form, choosing the most ambitious target of maintaining the increase in global warming to within 1.5°C, committing to reduce GHG scope 1 and 2 emissions by 42% by 2030, compared to 2020 levels, and to calculate and reduce scope 3 emissions.



As further evidence of its commitment, INWIT participated voluntarily, for the first year, in the CDP Climate Change Evaluation Questionnaire **earning a score equal to "B – Management"** making relevant governance and completeness of the reporting of its CO2 emissions issues.



## DIRECT AND INDIRECT CO2 EMISSIONS

In accordance with the GRI Standards reporting requirements and, more specifically, according to the GHG Protocol Corporate Standard and the GHG Protocol Corporate value Chain Standard, INWIT has for the first time in 2020, developed the Group's **GHG inventory**, providing the monitoring of **carbon emissions** generated by INWIT activities.



In accordance with the GHG Protocol, the emissions generated are divided into:

**SCOPE 1**

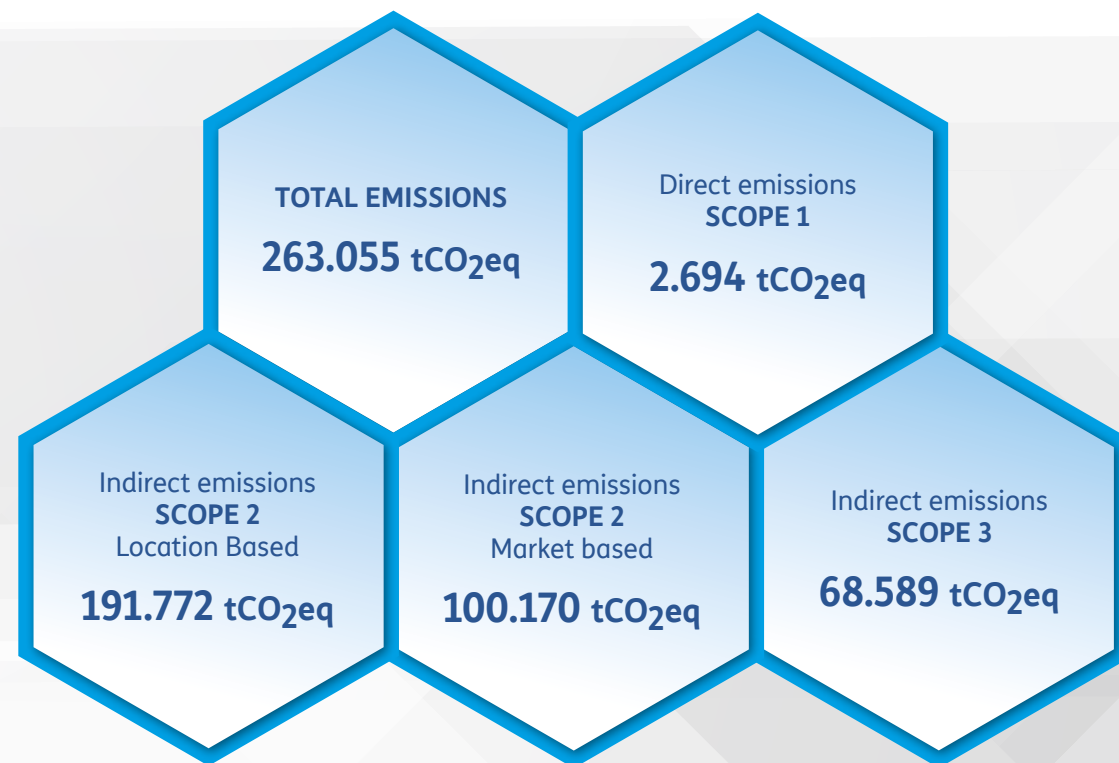
i.e. direct emissions related to INWIT's activities, which are mainly derived from the use of fossil fuels.

**SCOPE 2**

i.e. indirect emissions associated with electricity generation.

**SCOPE 3**

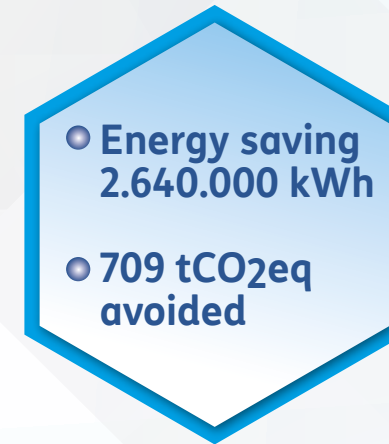
other indirect emissions currently associated with GHG Protocol categories: *Goods and services purchased, Capital Goods, Fuel and energy related activities not included in S1 or S2, Leased assets upstream and upstream transport and distribution*, with reference to materials supplied during the year.



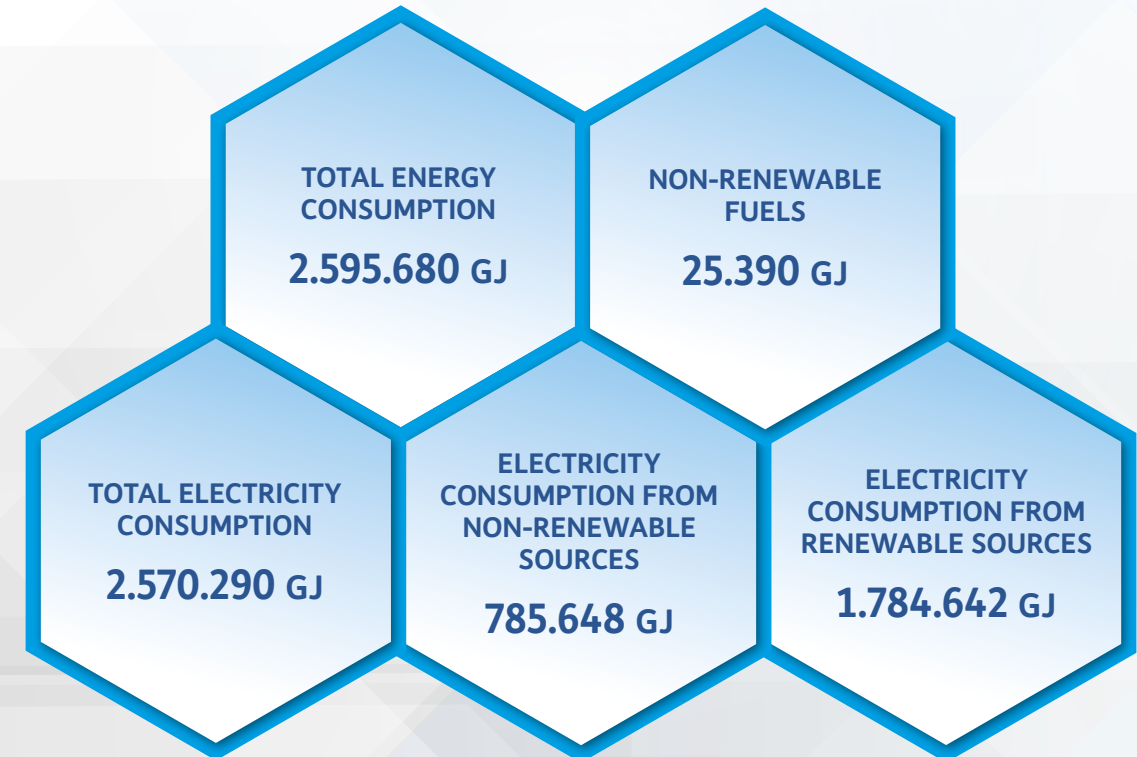
In view of the achievement of the carbon Neutrality target in 2024, energy efficiency works implemented in 2021 allow a steady-state saving of 1.572 tons of CO<sub>2</sub>eq:

**Free cooling**

**Current Rectifiers**



**ENERGY CONSUMPTION**



INWIT's 2021 energy consumption is mainly due to the electricity purchase for the radio base stations supply (99% of the total).

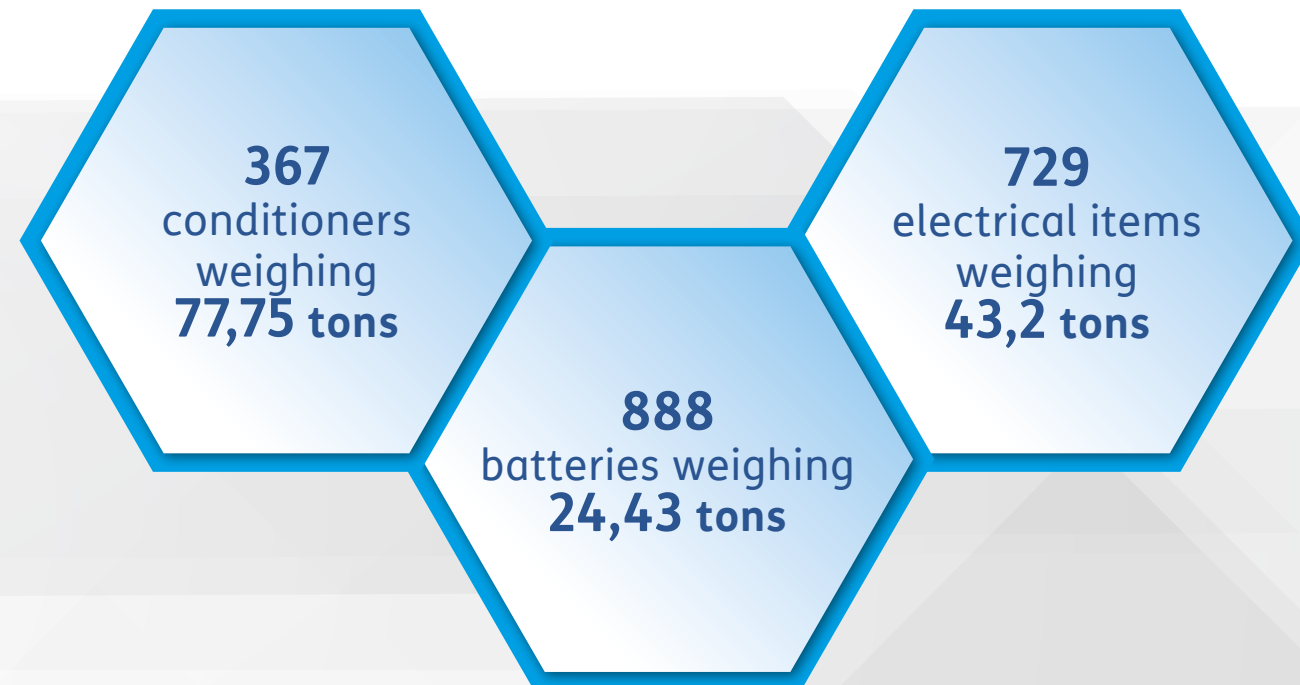
In 2021, INWIT's electricity consumption came, for 69% from **renewable sources**, going beyond the 60% target of the Sustainability Plan.

## CIRCULAR ECONOMY AND WASTE MANAGEMENT

Circular economy plays a central role among INWIT commitments. In fact, the entire network of INWIT towers and microcells totally responds to the logic of the product as a service, and in the specific case of *tower as a service*, given the role of neutral host held by INWIT. In fact, the Company makes all its infrastructures available (also ensuring maintenance) to several customers, who use them without being owners; at the same time, these towers will offer different services to operators.

In the framework of an Environmental Management System, INWIT has adopted a new waste management process, aimed at increasing the efficiency in the use of resources and increasing the recovery and recycling of waste materials related to its activities.

In view of the nature of the materials disposed of during 2021 - air conditioners, batteries, and electrical equipment (energy stations, rectifiers, electrical switchboards) - a significant **material recovery of 97%** of the 145 tons of waste produced was achieved. In particular, a significant waste disposal operation was carried out in 2021, covering three lots of materials:



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**INWIT**  
Sharing connections.

**Infrastrutture Wireless Italiane S.p.A.**

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