INWIT

TCFD REPORT 2023

Sharing connections

INWIT AND THE TCFD RECOMMENDATIONS

INWIT is the largest operator in the wireless infrastructure sector in Italy, with a market share of over 45%, and realizes and manages digital and shared infrastructures, which host the radio transmission equipment of mobile telecommunications, FWA and IoT operators.
INWIT's infrastructure is made up of an integrated ecosystem of macro grids (towers, poles, pylons and related technological systems) and micro grids (DAS, small cells, repeaters), with an offer that follows technological development, serving all mobile operators.

Responding to the need for disclosure to its stakeholders and in accordance with the climate strategy set out in its Sustainability Plan, in this report, INWIT implements the reporting framework defined by the Task Force on Climate-related Financial Disclosure (TCFD) so as to gather clear and comparable information not only on the impact of the company's activities on the climate, but also, conversely, on the effects of climate change on the company.

Based on the 11 Recommendations of the TCFD, in this report INWIT analyses and summarises the key elements regarding the functions and processes through which the company monitors and manages climate-related risks and opportunities, the climate objectives that the company has set itself in this area, with the relevant metrics for monitoring them, as well as the strategy defined to achieve such.

This document is divided into the following chapters:

1 INWIT's Organisation and Governance:

Describes the BoD's supervisory role and how Management's role is configured in assessing and managing risks and opportunities, to then delve into the process by which the company identifies, quantifies and manages climate-related risks.

2 The risks and opportunities arising from climate change:

Presents the results of the processes described above, with particular reference to climate scenario analysis, which is useful for defining the strength of the company's strategy taking into account the various, challenging climate scenarios and related risks and opportunities that the company has identified in the short, medium and long term. In this chapter, it is possible to identify the priority risk categories identified in relation to the analysed climate scenarios and the economic impacts associated with them.

3 INWIT's strategy to counter climate change:

Describes the company's actions, strategies, and financial planning in response to the possible business impact of climate-related risks and opportunities, the results achieved and performance indicators so as to describe and publish metrics and any targets set to assess and manage climate change risks and opportunities.

This report is intended as a summary presentation of INWIT's activities and results within the TCFD framework. Please refer to the other public reports of the company for further details of the aspects presented here.

1 INWIT'S ORGANIZATION AND GOVERNANCE

INWIT has embarked on a path of transition of its business model by launching activities and projects with the aim of generating value in a long-term perspective for all its stakeholders and contributing to the growth, improvement and social and economic development of the communities where it operates and the players that make up the value chain.

The path aimed at integrating sustainability into the company's choices and strategies took practical form starting with governance, with the incorporation of the new INWIT in March 2020 and the establishment of the Board Sustainability Committee with dedicated organizational supervision within the External Relations, Communication & Sustainability Department.

The Sustainability Plan was then defined, integrated into the industrial strategy and used to pursue the transition to a sustainable business model. The Sustainability Plan is divided in the three dimensions Environmental, Social and Governance (ESG) and it has been developed consistently with the United Nations 2030 Agenda and its Sustainable Development Goals, which INWIT intends to help achieve. In particular, referring to the environmental dimension, INWIT has defined a strategy to achieve Net Zero Carbon 2040 target and reduce its carbon footprint embracing a circular economy approach.

In order to reduce its emissions to zero, the main lines of action that INWIT pursues are to develop an Energy and Carbon Management system and to identify energy efficiency solutions and the use of energy from renewable sources. These lines of action have been translated into specific targets and integrated into the corporate strategy, which include, in particular, the development of renewable sources and investments in energy efficiency, so as to reduce impact.

Closely related to these targets, a variable remuneration incentive system has also been defined to guide management behaviour and actions towards the Company's overall performance objectives, consistently with the expectations of shareholders and stakeholders in the medium to long term. In addition, the incentive system maintains the right balance between economic-financial performance, sustainable business development, and operational performance. Specifically, the key metric in the definition of Top Management's variable remuneration in the environmental area relates to the reduction of company emissions envisaged in INWIT's Sustainability Plan.

SUSTAINABILITY COMMITTEE

The Sustainability Committee is established within the Board of Directors with consulting and proposal-making functions.

Specifically, the Sustainability Committee is responsible for the following:

- it monitors compliance with corporate social responsibility regulations, as well as national and international regulatory developments and best practices in this area;
- it makes proposals to the Board of Directors regarding sustainability strategies and the Sustainability Plan, monitoring its implementation on the basis of the objectives set in the plan itself and assesses whether they should be updated at the end of each financial year;
- it monitors the consistency of INWIT's objectives and management with environmental, social and governance sustainability criteria (ESG), as well as sustainable finance initiatives, the company's ranking in ESG indices and ratings and the company's non-profit strategies.

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The Sustainability Committee reports to the Board of Directors every six months, in particular, training sessions and presentations are held on the progress of the company's performance with respect to the goals set in the Sustainability Plan. An annual session is also held for the Board of Directors to update and approve the Sustainability Plan.

CONTROL AND RISK COMMITTEE

The Control and Risk Committee is a body with consulting and proposal-making functions, responsible for assisting the Board of Directors in its evaluations and decisions regarding the internal control and risk management system and in approving periodic financial and non-financial reports. The Committee is responsible, inter alia, for the implementation, monitoring and updating of the Enterprise Risks Management System.

ENTERPRISE RISK MANAGEMENT – ERM

With reference to the internal control and risk management system, INWIT has defined a dedicated Enterprise Risk Management Framework, so as to identify and evaluate potential events the occurrence of which could jeopardise achievement of the main company objectives defined in the Strategic Plan. Specifically, in light of the objectives defined in the Sustainability Plan, INWIT has undertaken integration analysis and exercises to stimulate the company to develop a long-term strategic vision that considers the risks (physical and transitional) and opportunities associated with climate change. INWIT's ERM framework, defined on the basis of benchmark best practices, aims to ensure - through a process of identifying, measuring, managing, and monitoring key risks - that the company's operations are sound, fair, and consistent with the achievement of the key business objectives defined in the Strategic Plan. INWIT's ERM Framework is a cyclical process, carried out annually, integrated into the industrial planning process.

PHASES OF THE ERM FRAMEWORK

1. Risk Identification

This phase involves the definition of the Risk Universe, understood as a comprehensive list of risks that could impact the company, classified as *Strategic, Operational, Financial and Legal or Compliance*. The Risk Universe is defined based on information contained in the Strategic Plan and Financial Report, industry benchmarking results, as well as direct discussion with heads of department so as to cyclically intercept any emerging risks or changes in impact of existing risks. Identified risks undergo an initial screening taking into account the criteria of applicability of the events to INWIT's business area.

In 2022, the Risk Universe has been updated to include CLIMATE RISK in the assessment and also consider its iteration with different types of risks. **Climate Change risk is defined in INWIT's ERM system as: Risks linked to changes in physical weather and climate phenomena, leading to direct repercussions on assets, activities, and services provided, and/or linked to legal, technological, reputational, or market effects that the transition to a zero-emission economy may entail for the business."**

2. Risk Assessment

At this stage, the Risk Owner assesses each risk in terms of impact and probability. Impact is evaluated according to various assessment drivers (including financial, ESG, reputational, etc.) on a 4-level scale (low, medium, high, critical). With specific reference to the financial driver, impact is defined as high if it has a damage potential of more than 2,5% of recurring free cash flow (RFCF) and critical if more than 5%. Probability is assessed both on the basis of the historical frequency of occurrence of the risk and on the probability of occurrence over the time horizon of the Plan assessed on a 4-level scale. The combination of impact and probability is represented by a 4x4 matrix. For Top Risks identified in the matrix by this first process, the existing safeguards are evaluated so as to determine the Residual Risk. For Top Risks with impact on Plan objectives, sensitivity analysis is also conducted so as to quantify the same.

3. Risk Mitigation

For each of the Residual Top Risks determined at the Risk Assessment stage, mitigation actions are identified. Monitoring of proper execution thereof is carried out on a quarterly basis.

4. Risk Reporting

Management is informed at quarterly intervals, through the adoption of the reporting system defined for each process area, on the updated progress of Action Plans and focus of investigation of specific risks.

SUSTAINABILITY IN MANAGEMENT

In INWIT, the position of Chief Sustainability Officer (CSO) is held by the Director of External Relations, Communication & Sustainability. The CSO is responsible for monitoring and assessing climate-related risks and opportunities, in collaboration with all the departments involved, especially Risk&Compliance, Energy Management, and Finance. The CSO is also responsible for coordinating the ESG strategy, updating the Sustainability Plan and monitoring its progress, defining and monitoring the Net Zero Plan by 2040, and preparing non-financial and sustainability reporting. The Head of Sustainability reports to the CSO. Its role is to identify, assess, and manage climate-related risks and opportunities, implementing and monitoring the ESG strategy, contributing to the Sustainability Plan and the Net Zero Plan update and monitoring and collecting relevant data and information for non-financial and sustainability reporting. The Energy Manager reports to the Technology & Operations Director (CTO) and is responsible for managing the energy investment budget, developing and implementing an energy management system and energy efficiency measures, purchasing green energy certificates, supervising renewable energy production, and achieving the energy goals included in the Sustainability Plan.

LEADERSHIP TEAM

The Leadership Team is the main body of corporate governance and operates with the aim of overseeing company activities, with particular reference to strategic, economic/financial, and sustainability plans.

The team is led by the CEO and involves all directors of the company functions:

- Technology & Operations Director,
- Legal & Corporate Affairs Director,
- Human Resources & Organization Director,
- Administration, Finance & Control Director,
- External Relations, Communication & Sustainability Director,
- Commercial Department Director,
- Indoor Coverage Solutions Director,
- Head of Investor Relations & Corporate Development.

Sustainability issues are addressed, if necessary, on a monthly basis, during Leadership Team meetings, with the support of the Head of Sustainability.

2 RISKS AND OPPORTUNITIES ARISING FROM CLIMATE CHANGE

CLIMATE CHANGE SCENARIO ANALYSIS

Climate scenario analysis is a methodology for assessing the climatic resilience of the business model, aimed at identifying useful inputs for the company's strategic plans. This exercise is designed to test the Company's ability to generate value under various assumptions, enabling it to develop a long-term strategic vision that considers climate change-related risks, both physical and transitional, and opportunities.

In 2021, INWIT conducted an analysis of climate scenarios in line with TCFD recommendations for the first time involving the Sustainability, Risk Management, Energy Management and Finance Departments.

Nine internationally recognised climate scenarios recommended by the TCFD and adopted by the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC) were considered. Each scenario defines a future pathway in terms of carbon dioxide concentration in the atmosphere.

Among these scenarios, the RCP 8.5 physical scenario and the IEA ETP 2DS transition scenario were selected as they offer the opportunity to assess business resilience under challenging but plausible conditions.

The RCP 8.5 (Representative Concentration Pathways) scenario describes carbon dioxide concentration generating global warming of about 4.3°C by 2100, compared to pre-industrial temperatures.
This scenario will occur if no further action is put in place in the future to counter climate change.

The IEA ETP 2DS is the model published in the Energy Technology Perspectives of the International Energy Agency, which describes an energy system consistent with an emissions trajectory such as to limit the global temperature increase to 2°C by 2100 (2 Degrees Scenario).

Once the climate scenarios were selected, the relevant parameters were analysed to identify the risks and opportunities associated with internal activities, upstream and downstream of INWIT. The research was conducted with reference to industry studies, benchmarking with competitors and internal analysis.

The risks and opportunities identified were classified according to the time horizons defined by INWIT as follows:

- Short-term: 0-3 years; this period is consistent with the three-year time frame of the Company's Industrial Plan.
- Medium-term: 3-9 years; this period is aligned with the United Nations 2030 Agenda and the Sustainable Development Goals, which INWIT is committed to contributing to.
- Long-term: 9-29 years; this period currently ends with 2050, in line with the target year for the European Union to achieve net zero emissions in the sector where INWIT operates.

Next, they were classified according to TCFD categories and completed with a description of the expected impact on operations, strategy, and budgets. Lastly, the risks and opportunities were assessed on a qualitative basis.

In order to ensure risk management integrated with the ERM process described above, the physical and transitional risks that emerged from the analysed scenarios were put back into the scope of the company's risk universe and classified according to the 4x4 matrix described above, enabling the creation of heat maps so as to prioritise the results

RISK AND OPPORTUNITIES

During the analysis exercise conducted in 2021, 4 physical risks related to the RCP 8.5 scenario were identified: 1 short-term (2021-2023), 1 medium-term (2024-2030) and 2 long-term (2031-2050). In the ETP 2DS IEA scenario, 3 medium-term transition risks and 8 opportunities were identified, referring mainly to the medium term, related to a global temperature rise limited to 2°C.

Physical risks

- **Heat waves** - *Short term*:
  Risk of occurrence of more frequent or intense extreme heat waves during summer periods, capable of directly affecting human health and the functioning of certain systems/equipment.
  Classification: Acute
- **Extreme Weather Events** *- Medium Term*:
  Risk of an increase in the frequency and/or intensity of extreme phenomena such as floods, high winds, tornadoes, hailstorms, and snowfall capable of causing extensive damage to affected areas, including due to local levels of hydrogeological instability.
  Classification: Acute
- **Annual Precipitation Distribution** - *Long Term*:
  Risk of major and chronic variations in the distribution and intensity of annual precipitation, resulting in possible exceptional and "out-of-season" events and potential risk of periods of intense and prolonged drought in various areas with increased likelihood of fire.
  Classification: Chronic
- **Rising Sea Levels** - *Long Term*:
  Risk of generalised rise in sea levels, with possible repercussions on human activities present in more exposed coastal areas.
  Classification: Chronic

Transition risks

- **Technological Evolution** - *Medium term*:
  Risk of having to adapt investment plans to make up for the obsolescence of current technology, in the drive to develop new technologies that allow substantial energy savings.
  Classification: Technological
- **Increased cost of technology** *- Medium term*:
  Risk of increased investment and adaptation costs needed to stay abreast of new technologies available on the market.
  Classification: Technological
- **Non-compliance with environmental regulations** - Medium term:
  Risk of violation of emerging environmental regulations that may require the adoption or use of certain technologies and practices based on impact on energy consumption and climate change.
  Classification: Political Regulatory

Opportunities

- **Exploitation of government incentives, tax concessions, access to capital markets** *- Short term:*
  Opportunity to access advantageous economic-financial conditions based on economic incentives, support programmes, and tax concessions offered by the government.
  Classification: Markets
- **New products and services** *- Medium term:*
  Use of new products and services able to generate operational efficiencies and climate benefits (e.g., use of renewable energy) and reduction of related costs, including by adopting the best technologies and techniques available.
  Classification: Products and Services
- **Energy Cost Increase** *- Medium Term:*
  Reduced exposure to future price increases for energy generated from fossil fuels.
  Classification: Energy Sources
- **Returns on investment in low-emission technologies** *- Medium term:*
  Improved economic and financial returns associated with investments made in technologies characterized by lower GHG emissions.
  Classification: Resilience
- **Reputational benefits associated with decarbonization** *- Medium term:*
  Possible reputational benefits associated with the Company's contribution to reducing GHG emission and to climate goals, including with respect to ESG indices/rating agencies.
  Classification: Resilience
- **Synergies along the value chain** - Medium term:
  Launch of collaborative actions with customers to reduce consumption and for energy efficiency.
  Classification: Markets
- **Access to new emerging markets (carbon market)** *- Medium term:*
  New opportunities related to accessing new emerging markets.
  Classification: Markets
- **Transition to production levels with lower impact** *- Long term:*
  Opportunity to maintain high or increasing production volumes with lower energy consumption.
  Classification: Resource Efficiency

Overall, INWIT appears to be more exposed to physical risks than transition risks, as many aspects of decarbonization actually represent an opportunity for INWIT's business.
For each risk and opportunity, the possible effects for INWIT have been presented and the mitigation actions to be implemented by the Company have been identified and prioritised based on probability and impact. The implementation schedule depends on the time horizon of the risk or opportunity.
Although all identified risks are directly or indirectly attributable to the ERM risk universe, in order to have a specific focus on the impact arising from climate change and include it in a process of cyclical review and update, a dedicated risk has been included in INWIT's risk universe, the Climate Change risk. It regards risks related to changes in physical climate weather phenomena with direct impact on the assets, activities and services provided, and/or related to the legal, technological, reputational or market effects that the transition to a zero-emission economy may have on company business.

ECONOMIC QUANTIFICATION OF PHYSICAL CLIMATE RISKS

As an additional exercise in 2023, INWIT conducted a **Business Impact Assessment** on physical climate risks, starting with an initial screening that led to the compilation of the climate risk register containing 26 risks, including 19 physical risks and 7 transitional risks.
Once the 26 risks were defined, through the completion of a climate risk perception survey by INWIT, the following **four priority categories**[1] **of physical risk** were identified for the Company's activities.

[1] The identified risk categories fall within the list of risks indicated in Appendix A of Annex I to the Climate Delegated Act (pursuant to Regulation 2020/852 of the European Taxonomy).

Categories of physical risk

- **Windstorm Risk:** it can cause damage to towers. For each site, wind gust speed is associated with a *probability of tower failure* (e.g., tower collapse with speed >180 km/h).
- **Fire Risk:** if occurring near INWIT's assets, it can cause damage to raw-land sites, requiring interventions and repair costs.
- **Flood Risk:** it can cause damage to the electrical equipment of raw-land sites. Additionally, for rooftop sites, water height can damage the tower's supporting structure, leading to collapse.
- **Heatwave Risk:** it impacts assets by increasing the frequency of maintenance interventions and energy consumption for cooling systems.

For these risk categories, scenario analyses were conducted to assess the significance of the risks based on two scenarios (described below) and considering two time horizons: 2030 and 2050.

The scenarios considered in the analysis are:

- SSP5-8.5 scenario (+4°C): characterized by increasingly integrated global markets, push for economic and social development accompanied by heavy exploitation of fossil fuels, and the absence of emission variations, leading to a global average temperature increase of 3.2-4.5°C by 2100 (business-as-usual);
- SSP2-4.5 scenario (+2°C): characterized by uneven income growth and development, global and national institutions committing to achieve sustainable development goals, but with slow progress, environmental systems undergoing degradation despite slight improvements, and challenges in reducing vulnerability to social and environmental changes. In general terms, this scenario is characterized by low ambition in emission reduction, with the projected increase in the global average temperature reaching 2.7°C by 2100.

For each risk identified on INWIT'S assets a Business Impact Assessment (BIA) was carried out, based on the different climate scenarios analyzed. This assessment is aligned with risk's financial impact metrics established by the INWIT's ERM. As results, the BIA had the following business impacts related to all the risks identified and properly divided on climate scenario:

SSP2-4.5 (+2°C)		SSP5-8.5 (+4°C)	
2030	2050	2030	2050
7,15 milioni di €	7,95 milioni di €	7,63 milioni di €	8,9 milioni di €

The aforementioned impacts can be attributed to long-term climate scenarios that go well beyond what is outlined in the Paris Agreement, signed by 194 countries and the EU. The agreement aims to limiting global warming to below 2°C and to pursuing efforts to restrict it to 1.5°C in order to avoid the catastrophic consequences of climate change.
These evaluations will be taken into consideration for future updates to the company's Business Continuity Plan, which involves periodic revisions and refers to a 3-year time horizon. Furthermore, the analyzed impacts can be managed through adaptation and mitigation actions that the company will adopt in response to climate risks. Pointed out is that damages to infrastructure caused by climatic events are covered by insurance instruments.

3 INWIT'S STRATEGY TO COUNTER CLIMATE CHANGE

RISK AND OPPORTUNITY MANAGEMENT STRATEGY

In alignment with its Climate Strategy and the emission reduction commitments outlined in the Sustainability Plan, INWIT, by the end of 2023, has defined a plan to achieve Net Zero by 2040. This target has been approved by the Science Based Targets Initiative (SBTi), an initiative that advocates for science-based emission reduction goals to meet decarbonization needs consistently with the Paris Agreement's objectives. The goal is to limit global warming to 2°C above pre-industrial levels and continue efforts to limit it to 1.5°C.

This new ambitious long-term objective complements the short-term goal previously undertaken by INWIT and validated by SBTi in February 2022, which aims to reduce scope 1 and 2 GHG emissions by 42% by 2030 compared to 2020 levels. Additionally, the company is committed to calculating and reducing scope 3 emissions, aligning with the more ambitious trajectory to limit the increase in global warming to within 1.5°C.

INWIT's strategy, in line with the requirements of the SBTi, aims first and foremost to implement direct actions to reduce its emissions, mainly through the purchase and production of electricity from renewable sources, investment in technological solutions targeted at making its energy consumption more efficient, and actions targeted at reducing emissions that come from its supply chain.

Net Zero requires a reduction of Scope 1+2+3 emissions from 90% to 100% by 2040. In comparison to the near-term scenario, the additional effort pertains to the reduction of indirect Scope 3 emissions, specifically involving the supply chain, with the perspective of ensuring goods and services with an increasingly lower environmental impact.

Moreover, INWIT, intends to contribute immediately to global emission reduction by financing climate action projects through certified carbon credits, achieving Carbon Neutrality for Scope 1 and 2 emissions starting from the year 2024. By setting these targets, INWIT demonstrates its awareness of the crucial role that oganisations play in the decarbonization process of our country.

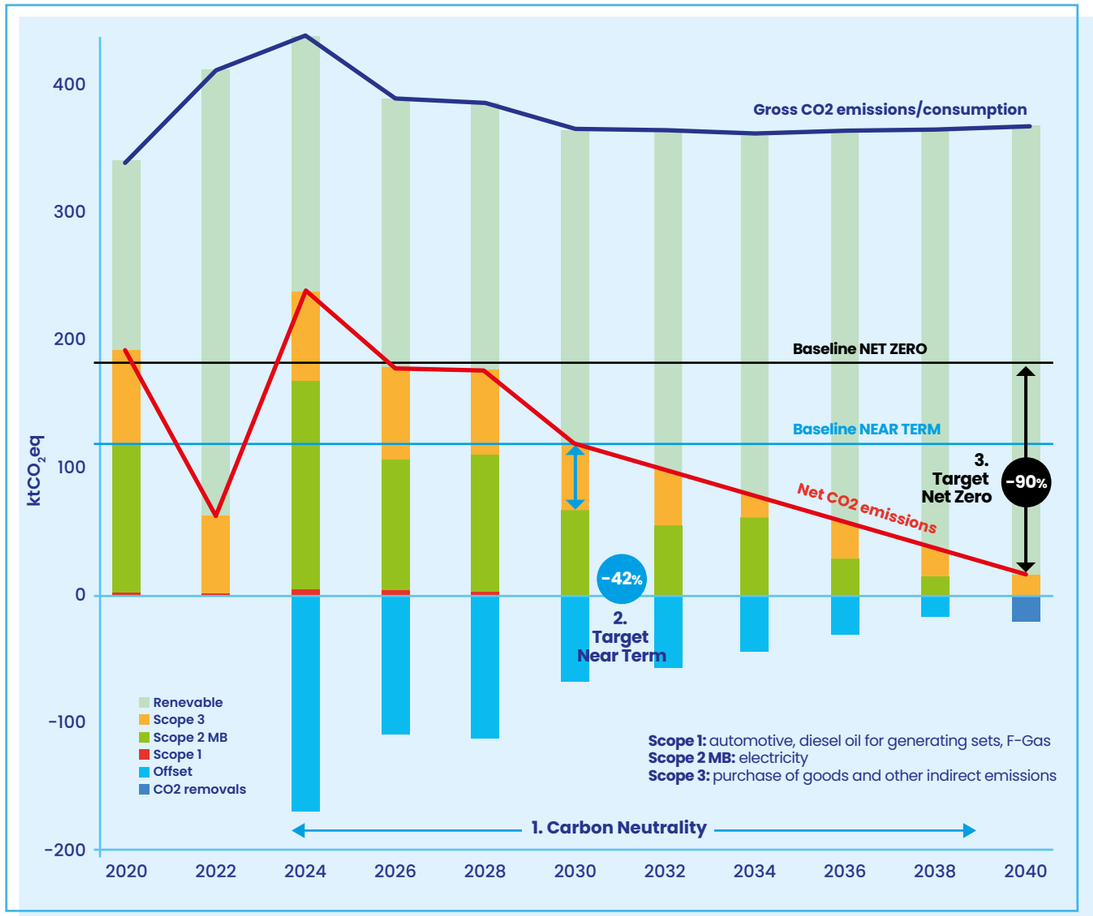
INWIT'S CLIMATE STRATEGY SUMMARY:

1. Carbon Neutrality from 2024
Annual offsetting of residual Scope 1 + Scope 2 emissions, not nullified through efficiency and renewable utilization (self-production + purchase of GOs), through financing climate action projects (purchase of certified CO_2 credits).

2. SBTi Near Term by 2030
SBTi target involving a 42% reduction in Scope 1 + Scope 2 MB emissions by 2030 vs. 2020 and a commitment to measure and reduce Scope 3 emissions.

3. Net Zero by 2040
SBTi target involving a 90% to 100% reduction in Scope 1+2+3 emissions by 2040 vs. 2020, with residual emissions removal through carbon removal credits.

Figura 1. Climate Strategy



Furthermore, the analyses conducted by INWIT on climate-related risks and opportunities have influenced the company's financial planning in the following areas:

- **Direct costs:** specific budgets have been allocated to achieve **emission reduction** goals through the purchase of certified renewable electricity and to achieve **Carbon Neutrality** from 2024 through the purchase of certified carbon credits (in an amount equal to the unreduced emissions through the use of renewable energy).
- **Access to capital:** underwriting of a sustainability-linked term loan, extended by an additional two years in January 2024, tied to specific sustainability indicators, amounting to 500 million euros, with a duration of 4 years, including the reduction of CO_2 emissions. Extension of the maturity date of a revolving credit line by two years, resulting in an improvement in the company's financial flexibility, better contractual terms, and the inclusion of sustainability indicators, including the reduction of CO_2 emissions;
- **Capital allocation:** in line with the EU Taxonomy specification, CapEx expenditure allocated to eligible activities includes investments in renewable energy production (installation of photovoltaic systems) and energy efficiency measures (installation of free-cooling systems and installation of high efficiency current rectifiers).

In addition, INWIT has put in place actions to counter climate change and increase its resilience to the same, covering both the construction of its infrastructure and the procurement of goods and services.

SERVICES

Lower Environmental Impact Infrastructures

With reference to its infrastructure, following a search for innovative solutions capable of limiting the impact of its assets throughout their life cycle, from the design phase to end-of-life management, in 2021 INWIT has started approaching circular economy issues designing:

Fast-site plants, prefabricated raw-land facilities, built with an elevated infrastructure, anchored to a prefabricated platform made of reinforced concrete, engineered using elements that can be assembled in layers by use of threaded connecting rods. During the 2023, 38 raw-land fast-site plants have been installed.

This solution combines the advantages associated with the possible use of standard multi-operator steel masts with the creation of a layered, factory-built foundation of transportable modules. The platform, created entirely in the factory, can be installed and used immediately and is designed to obtain clear advantages in the reduction of excavation volumes, installation speed (2 days instead of 4 weeks for installations created on-site), and the possibility of reuse (dismantling and re-assembly) of both the mast and the prefabricated foundation itself.

Quick-site plants, prefabricated raw-land facilities consisting of a precast reinforced concrete foundation and a modular metal pylon tower, available in two versions, 25m and 30m high. The foundation is composed of a series of precast reinforced concrete elements designed to be assembled on site, making three layers fitted with enclosing side walls. The various elements are fixed together by a mechanical anchor system consisting of threaded bars, bushings and nuts. The use of prefabricated elements provides benefits in terms of environmental impact throughout the life cycle of the construction.

Environmental Monitoring Infrastructures

INWIT is directly committed in designing increasingly intelligent and sustainable infrastructures capable of accelerating the deployment of ultra-fast networks and evolving into true technological hubs where IoT components and communication systems converge. Consistently with the concept of tower as a service, at the core of the company's strategy, INWIT makes its infrastructure available for the environmental conservation and biodiversity protection, undertaking specific projects:

Air Quality Monitoring in the City of Turin

The aim of this experimentation is to provide citizens with an air quality monitoring platform that grants everyone access to clear and transparent information and enables the Administration to guide its urban development policies by continuously monitoring the impact and maximizing effectiveness. INWIT hosts gateways and LoRa sensors for monitoring on its towers, collects data, archives them, and transmits it to the partner's front-end platform. Through this platform, the end customer can access aggregated data.

Wildfire Risk Monitoring in WWF Italy Oases

In 2022, INWIT initiated a collaboration with WWF to support the association in fire prevention activities by promptly detecting wildfires in the Macchiagrande Oasis (Rome), Bosco di Vanzago Oasis (Milan), and Calanchi d'Atri Oasis (Teramo) using cameras installed at the top of the towers. The project, completed in 2023 and currently fully operational, provides that alarms and images detected by HD cameras, are collected by the tower's gateway, and made available in real-time through a dashboard.

Air Quality Monitoring in Central Apennines Parks and Nature Reserves

In 2023, INWIT started its collaboration with Legambiente for air quality monitoring to protect biodiversity in 2 Parks and 2 Nature Reserves in the Central Apennine. The project specifically involved the Abruzzo, Lazio and Molise National Park, the Majella National Park, the Zompo lo Schioppo Nature Reserve, and the Monte Genzana Alto Gizio Nature Reserve. The project, later extended to the Punta Aderci Nature Reserve, provides the installation of sensors to monitor air quality by detecting the presence of various pollutants. Data collected by the sensors are then sent to the gateway, present on INWIT towers, which processes and sends the data to the control center in real-time. The aim is to create a long-term database on the air quality of the monitored areas, facilitating the identification and reporting of any issues in the affected areas and encouraging the adoption of corrective measures by both the public and private sector.

VALUE CHAIN

Purchase of electricity from renewable sources

In 2023, INWIT used the 57% of certified renewable electricity, totaling over 300,000 MWh.

ESG Criteria in Procurement Tenders

INWIT includes specific clauses related to ESG risks in all supply contracts, as also outlined in the standard Terms & Conditions of purchase orders. Within the Purchase Procedure for goods and services, INWIT has defined criteria aimed at increasing the sustainability and circularity of its procurements. The presence of these criteria is a bonus element in the tender award phase. The criteria can be categorized into: general sustainability criteria (general requests on sustainability aspects applicable to all types of procurement) and technical sustainability criteria (specific requests on sustainability aspects to be integrated into the technical evaluation of tender specifications).

General sustainability criteria:

- Health and Safety Management Systems (ISO 45001);
- Anti-bribery Management System (ISO 37001);
- Environmental Management System (EMAS, ISO 14001);
- Energy Management System (ISO 50001);
- Emission reduction targets;
- Sustainability Balance Sheets or Non-Financial Statements

Bonus criteria for products:

- Consideration as a product-as-a-service, preferring the purchase of a service rather than a product (e.g., printers and corporate fleets);
- Products with an environmental certification or declaration according to existing Type I (e.g., EU Ecolabel) and Type III (e.g., EPD) schemes;
- Reusable products, avoiding the purchase of disposable products, such as single-use plastics in offices.

Furthermore in 2023, INWIT, in addition to technical and economic evaluations, introduced a sustainability assessment for tenders, with a specific scoring system.

ESG Questionnaire for Supplier Awareness
Starting in 2022, INWIT began to submit an ESG questionnaire to its suppliers, with specific questions on sustainability aspects categorized into Environment, Social, and Governance areas. The questionnaire aims to assess its own supply chain on sustainability aspects and to raise awareness about the "strategicity" of the company's journey towards the creation of a sustainable business model extended throughout the entire value chain. The voluntary ESG questionnaire involved 179 suppliers, covering the 81% of the total expenditure in 2023.

"Sustainable Procurement" Working Team
In 2023, INWIT participated in the "Sustainable Procurement" working team organized by the Global Compact Network Italy, along with 37 other companies, including major Italian companies. The initiative aimed to deepen the theme of sustainable supply chains management as a cross-cutting element linking social, environmental, and economic dimensions and through which the private sector can have a concrete and positive impact on advancing the UN 2030 Agenda.

Politecnico di Milano Observatories
Also in 2023, for the fourth consecutive year, INWIT participated, as a partner, in the "5G & Beyond" Observatory, a research activity of the Politecnico di Milano focusing on the evolution of 5G network standards and offerings in Edge Computing/Slicing, Open RAN, mmWave, dedicated networks, and the diffusion status of related devices (consumer and industrial). This project allowed to deepen the level of knowledge about the 5G theme and the understanding of opportunities by the Italian digital supply chain players and end-user companies, studying the new value chain for the development of a 5G project.

Fuel Cells (University of Salerno)
In 2022, INWIT initiated a project pursued and concluded in 2023, focused on the storage and possible "green" power supply of sites using hydrogen, in collaboration with the University of Salerno, which has solid international expertise in the use of hydrogen as a vector for the production and storage of electrical energy. Specifically, Fuel Cells were designed to support SRB, i.e., green hydrogen batteries for storage and SRB power supply. To better adapt the Fuel Cell system to the existing systems on INWIT sites, two macro-solutions were proposed: with an electrolyzer (a membrane cell in addition to a low-temperature storage system); reversible (a solid oxide cell in addition to a high-temperature thermal storage). After a series of technical-economic feasibility studies and analyses, a preliminary project for the hydrogen-powered fuel cell plant was identified to be tested on a small number of INWIT sites, the evaluation of which is to continue at a later stage.

METRICS AND TARGETS

INWIT has decided to conduct a voluntary analysis on the activities in relation to the objectives of "Climate Change Mitigation and Adaptation," properly indicated in Annex I and II of the Climate Delegated Act.
The 2.7% of INWIT's Capital Expenditures has been deemed eligible under the European Taxonomy, involving the installation of photovoltaic systems, free-cooling systems, and rectifiers. All these activities, for which INWIT invested over €7.6 million in 2023, are aligned with the goals of Climate Change mitigation and adaptation.

Consistently with the Climate Strategy outlined in the Sustainability Plan and the ERM risk management process, INWIT continuously monitors and publicly reports indicators related to the potential effects of Climate Change on the company and the company's effects on the climate.

Aligned with the goals of reducing environmental impacts, defined at the European level with the European Green Deal and confirmed by the National Recovery and Resilience Plan for the development of an increasingly circular and climate-neutral economy, one of the most challenging targets in INWIT's Sustainability Plan is the Net Zero target, approved by SBTi. This target involves the overall reduction of direct and indirect company emissions and the removal of residual emissions, aiming for net-zero emissions for the business by 2040. This long-term goal is complemented by the near-term target (also validated by SBTi), which includes a 42% reduction in GHG scope 1 and 2 emissions by 2030, in line with a scenario of limiting global warming increase to 1.5°C.

Monitoring and analysis of indicators are annually published in INWIT's Integrated Report, which includes the voluntarily prepared Non-Financial Statement subject to audit by external certifying bodies. This information is also available in the CDP Climate Change questionnaire, evaluated by the CDP organization. INWIT achieved Leadership level with an A- score.

Within these documents, stakeholders can find the trends of indicators and information related to:

- Direct emissions (Scope 1): resulting from civil gas consumption, vehicle fuel consumption, and refrigerant gas losses;
- Indirect emissions (Scope 2): resulting from electricity purchase consumption;
- Other indirect emissions (Scope 3): resulting from the purchase of goods and services, upstream transportation, waste, business travel, commuting, leased assets, and emissions related to purchased and consumed energy production;
- Avoided emissions from energy efficiency initiatives and electricity production from renewable sources;
- Emission intensity based on revenues and the number of sites.

Furthermore, with the aim of developing and implementing the delegation and responsibility system on the matter of sustainability, every year, Sustainability Plan targets are included in the CEO and entire incentivized management's MBO system. Specifically, for the CEO in the 2023 MBO, the sustainability target account for 15% of the total variable compensation and are related to the reduction of CO_2 emissions and the rate of lost days due to accidents.

TCFD CONTENT INDEX

TCFD Recommendation	Report Chapter
Governance A) Describe the board's oversight of climate-related risks and opportunities.	**1.** INWIT's Organisation and Governance.
Governance B) Describe management's role in assessing and managing climate-related risks and opportunities.	**1.** INWIT's Organisation and Governance.
Strategy A) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	**2.** Risks and opportunities arising from climate change.
Strategy B) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	**3.** INWIT's strategy to counter climate change.
Strategy C) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	**3.** Risks and opportunities arising from climate change.
Risk Management A) Describe the organization's processes for identifying and assessing climate-related risks.	**1.** INWIT's Organisation and Governance.
Risk Management B) Describe the organization's processes for managing climate-related risks.	**1.** INWIT's Organisation and Governance.
Risk Management C) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	**1.** INWIT's Organisation and Governance.
Metrics and Targets A) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	**3.** INWIT's strategy to counter climate change.
Metrics and Targets B) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	**3.** INWIT's strategy to counter climate change.
Metrics and Targets C) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	**3.** INWIT's strategy to counter climate change.