

Second-Party Opinion

INWIT Sustainability-Linked Financing Framework

Second-Party Opinion



Reviewed by:

MORNINGSTAR

SUSTAINALYTICS

Evaluation Summary

Sustainalytics is of the opinion that the INWIT Sustainability-Linked Financing Framework aligns with the Sustainability-Linked Bond Principles 2023 and Sustainability-Linked Loan Principles 2023. This assessment is based on the following:

- Selection of Key Performance Indicators** The INWIT Sustainability-Linked Financing Framework defines the following KPIs: i) Absolute scope 1, 2 and 3 GHG emissions reduction; and ii) Share of women in management roles (see Table 1). Sustainalytics considers KPI 1 to be very strong and KPI 2 to be strong based on their materiality, relevance, scope of applicability and comparability to external benchmarks.
- Calibration of Sustainability Performance Targets** Sustainalytics considers the SPTs to be aligned with INWIT's sustainability strategy. Sustainalytics further considers SPTs 1a and 1b to be highly ambitious and SPT 2 to be ambitious based on past performance, peer performance and alignment with science.
- Financial Characteristics** INWIT will link the financial characteristics of its sustainability-linked debt instruments to achievement of the selected SPTs. All sustainability-linked debt instruments issued under the Framework will be linked to at least one SPT related to KPI 1. A change in the financial characteristics of each instrument will trigger a coupon adjustment, margin adjustment or a premium payment, as applicable.
- Reporting** INWIT commits to report on its progress on the KPIs on an annual basis and expects to include the relevant figures in INWIT's universal registration document or in a dedicated report published on the Company's website. INWIT commits to disclose relevant information enabling investors to monitor the level of ambition of the SPTs, including any update to INWIT's sustainability strategy, any recent announcements or strategic decisions related to the selected KPIs.
- Verification** INWIT commits to have an external verifier provide limited assurance against each SPT for each KPI annually. INWIT further commits to making the annual limited assurance report publicly available.

Evaluation Date	June 11, 2024
Issuer Location	Rome, Italy

The SPTs contribute to the following SDGs:



Overview of KPIs and SPTs

KPI	Baseline	Strength of KPI	SPT	Ambitiousness of SPT
KPI 1: Absolute scope 1, 2 and 3 GHG emissions reduction (in tCO ₂ e)	2020	Very Strong	SPT 1a: Reduce absolute scope 1, 2 and 3 GHG emissions (in tCO ₂ e) by 37% between 2020 and 2030	Highly Ambitious
			SPT 1b: Reduce absolute scope 1, 2 and 3 GHG emissions (in tCO ₂ e) by 90% between 2020 and 2040	Highly Ambitious
KPI 2: Share of women in management roles	2020	Strong	SPT 2: Reach 35% of women in management and executive positions by 2030	Ambitious

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Scope of Work and Limitations

INWIT has engaged Sustainalytics to review the INWIT Sustainability-Linked Financing Framework dated June 2024 (the "Framework") and provide an opinion on its alignment with the Sustainability-Linked Bond Principles 2023 (SLBP)¹ and the Sustainability-Linked Loan Principles 2023 (SLLP).²

Sustainalytics' Second-Party Opinion reflects Sustainalytics' independent³ opinion on the alignment of the Framework with the SLBP and SLLP.

As part of this engagement, Sustainalytics exchanged information with various members of INWIT's management team to understand the sustainability impact of their business processes and SPTs, as well as the reporting and verification processes of aspects of the Framework. INWIT's representatives have confirmed that:

- (1) They understand it is the sole responsibility of issuer to ensure that the information provided is complete, accurate and up to date;
- (2) They have provided Sustainalytics with all relevant information; and
- (3) Any provided material information has been duly disclosed in a timely manner.

Sustainalytics also reviewed relevant public documents and non-public information. This document contains Sustainalytics' opinion of the Framework and should be read in conjunction with the Framework. Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and INWIT. Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated SPTs of KPIs but does not measure KPI performance. The measurement and reporting of the KPIs and SPTS is the responsibility of the issuer. No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that INWIT has made available to Sustainalytics for the purpose of this Second-Party Opinion.

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¹ The Sustainability-Linked Bond Principles are administered by the International Capital Market Association and are available at: <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/sustainability-linked-bond-principles-slbp/>

² The Sustainability-Linked Loan Principles are administered by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications and Trading Association and are available at: <https://www.lsta.org/content/sustainability-linked-loan-principles-sllp/>

³ When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics' hallmarks is integrity, another is transparency.

Introduction

Infrastrutture Wireless Italiane S.p.A. (“INWIT” or the “Company”) is a wireless infrastructure operator in Italy. The Company mainly acts as a tower operator for telecom operators in Italy and develops distributed antenna systems and micro cells for indoor coverage.⁴ Headquartered in Rome, the Company had 296 employees and more than 24,000 towers across Italy as at 31 December 2023.^{5,6}

INWIT has developed the INWIT Sustainability-linked Financing Framework, under which it intends to issue sustainability-linked bonds and loans, whose financial and structural characteristics are tied to the achievement of sustainability performance targets for up to two key performance indicators. KPI 1 is related to the Company’s GHG emissions, while KPI 2 addresses the Company’s efforts towards promoting diversity and inclusion. INWIT has confirmed to Sustainalytics that all sustainability-linked debt instruments issued or obtained under the Framework will have a maturity period of at least one year.^{7,8}

INWIT has engaged Sustainalytics to review the Framework and provide an opinion on the alignment of the Framework with the SLBP and SLLP. The Framework will be published in a separate document.⁹

INWIT has defined the following KPIs and SPTs:

Table 1: KPI Definitions

KPI	Definition
KPI 1: Absolute scope 1, 2 and 3 GHG emissions reduction (in tCO ₂ e)	<p>The KPI is defined as the absolute amount of scope 1, 2 and 3 GHG emissions across the Company’s value chain, measured in tonnes of CO₂ equivalent (tCO₂e) and calculated in line with the GHG Protocol Corporate Accounting and Reporting Standard.¹⁰</p> <p>Scope 1 emissions are direct GHG emissions related to the primary energy consumption from gas, fuel and refrigerant gas leakages.</p> <p>Scope 2 emissions are indirect GHG emissions linked to the generation of electricity consumed by the Company’s sites. INWIT uses a market-based approach to calculate its scope 2 emissions, which assigns a zero CO₂e emissions factor for energy consumption resulting from the purchase of energy from renewable sources.</p> <p>Scope 3 emissions are indirect GHG emissions corresponding to eight upstream activities as defined by the GHG Protocol: i) purchased goods and services; ii) capital goods; iii) fuel- and energy-related activities (not included under scope 1 or 2); iv) upstream transportation and distribution; v) waste generated in operations; vi) business travel; vii) employee commuting; and viii) upstream leased assets.</p>
KPI 2: Share of women in management roles	<p>The KPI is defined as the number of women in management roles – both executives and managers defined as <i>dirigenti</i> and <i>quadri</i> according to Italian law¹¹ – divided by the total number of employees in management positions.</p> <p>The management positions, comprising executives and managers, account for approximately 33% of total employees in INWIT.¹²</p>

⁴ INWIT, “We are the leading Italian Tower Operator”, at: <https://www.inwit.it/en/company/>

⁵ INWIT, “Integrated Report”, (2023), at: https://www.inwit.it/wp-content/uploads/2024/04/Inwit_Integrated-Report_2023_ENG.pdf

⁶ Ibid.

⁷ INWIT, “INWIT Investor Relations”, at: <https://www.inwit.it/en/investors/>

⁸ INWIT has communicated to Sustainalytics that sustainability-linked bond issuances will not include interim targets and that sustainability-linked loan will include annual interim targets, which will be disclosed in the respective loan documentation. Furthermore, such interim targets will have a bearing on the financial characteristics of sustainability-linked loan instruments. Sustainalytics notes that only final observation dates of KPIs and SPTs defined in the Framework have been assessed as part of this Second-Party Opinion.

⁹ The INWIT Sustainability-Linked Financing Framework will be available on INWIT’s website at: <https://www.inwit.it/en/investors/debt-informations/>

¹⁰ The Greenhouse Gas Protocol, “A Corporate Accounting and Reporting Standard”, at: <https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf>

¹¹ Employment & Labor Lawyers International, “Dirigenti and Quadri”, at: <https://ellint.net/content/uploads/Dirigenti-and-Quadri-status.pdf>

¹² INWIT, “Integrated Report”, (2023), at: https://www.inwit.it/wp-content/uploads/2024/04/Inwit_Integrated-Report_2023_ENG.pdf

Table 2: SPTs and Past Performance

KPI	2020 (baseline)	2021	2022	2023	SPT 2030 / 2040
KPI 1: Absolute scope 1, 2 and 3 GHG emissions reduction (in tCO ₂ e)	183,927	171,452	59,277	240,349	SPT 1a: Reduce absolute scope 1, 2 and 3 GHG emissions (in tCO ₂ e) by 37% between 2020 and 2030
					SPT 1b: Reduce absolute scope 1, 2 and 3 GHG emissions (in tCO ₂ e) by 90% between 2020 and 2040
KPI 2: Share of women in management roles	23.7%	28.4%	23.3%	30.6%	SPT 2: Reach 35% of women in management and executive positions by 2030

Sustainalytics' Opinion

Section 1: Alignment with the Sustainability-Linked Bond Principles and Sustainability-Linked Loan Principles

Sustainalytics is of the opinion that the INWIT Sustainability-Linked Financing Framework aligns with the five core components of the SLBP and SLLP.



Selection of Key Performance Indicators

Relevance and Materiality of KPIs

In assessing the materiality and relevance of a KPI, Sustainalytics considers: i) whether the indicator speaks to a material impact of the issuer’s activities on environmental or social issues; and ii) to what extent the KPI is applicable.

KPI 1: Absolute scope 1, 2 and 3 GHG emissions reduction (in tCO₂e)

Sustainalytics’ ESG Risk Rating industry report for the telecommunication industry identifies Carbon – Own Operations as a Material ESG Issue (MEI).¹³ The report outlines that the industry generates a significant share of its GHG emissions from the energy that companies use to run base stations and core networks. It adds that the rapid expansion of international telecommunications infrastructure, including 5G technology deployment and growing customer demand, will increase the industry’s energy requirements substantially over the next few years. The International Telecommunication Union highlighted that the information and communications technology sector needs to reduce GHG emissions by 45% between 2020 and 2030 to meet the Paris Agreement’s climate goals.¹⁴ Furthermore, the Sustainability Accounting Standards Board identifies Energy Management as a relevant issue for the Telecommunication Services industry,¹⁵ while the ICMA materiality matrix considers GHG emissions as a highly material issue for the telecommunication services industry.¹⁶ As part of its materiality analysis conducted in 2023, INWIT identified climate change as a key material topic,¹⁷ and the KPI’s underlying GHG

¹³ Sustainalytics’ Carbon – Own Operations MEI refers to a company’s management of risks related to its own operational energy use and GHG emissions (scope 1 and 2). It also includes parts of scope 3 GHG emissions.

¹⁴ International Telecommunication Union, “ICT industry to reduce greenhouse gas emissions by 45 per cent by 2030”, (2020), at: <https://www.itu.int/en/mediacentre/Pages/PR04-2020-ICT-industry-to-reduce-greenhouse-gas-emissions-by-45-percent-by-2030.aspx>

¹⁵ SASB, “Telecommunication Services”, at: <https://sasb.ifrs.org/standards/materiality-finder/find/?industry%5B0%5D=TC-TL>

¹⁶ ICMA, “Illustrative KPIs Registry”, at: <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/sustainability-linked-bond-principles-slbp/>

¹⁷ INWIT, “Integrated Report”, (2023), at: https://www.inwit.it/wp-content/uploads/2024/04/Inwit_Integrated-Report_2023_ENG.pdf

emissions reduction target to achieve net zero by 2040 represents INWIT's overarching climate target to address the Company's total carbon footprint, including scope 1, 2 and 3 emissions.

In terms of applicability, the KPI covered 100% of INWIT's global scope 1, 2 and 3 GHG emissions in 2023. Emissions within the scope of the KPI accounted for a total of 240,349 tCO₂e in 2023, with the majority of applicable GHG emissions relating to scope 2 GHG emissions, which amounted to 154,746 tCO₂e in 2023. Sustainalytics considers the KPI to have a high scope of applicability and views positively INWIT's efforts to influence emissions and environmental performance beyond its direct control.

KPI 2: Share of women in management roles

KPI 2 addresses the issue of women's participation in leadership positions. Sustainalytics considers KPI 2 to be material and relevant in the context of closing the gender gap in the telecommunications infrastructure industry.¹⁸ Women continue to be outnumbered by men in senior leadership positions across all industries, with female senior leadership accounting for 32.2% of these positions across industries in 2023.¹⁹ According to McKinsey's Women in the Workplace 2022 Report, women held less than 30% of positions in each level of managerial and executive roles in the IT services and telecom industry.²⁰ Sustainalytics' ESG Risk Rating identifies Human Capital as an MEI for the Telecommunication Services industry,²¹ while INWIT identifies diversity and inclusiveness in workplace as a material topic for the Company based on the methodologies and principles of the GRI Standards.²² In terms of applicability, INWIT reported that women represented 30.6% of leadership roles and 39% of the total workforce in 2023.^{23,24} Sustainalytics considers that increasing the percentage of women in managerial and executive roles would generate impacts across all operations of the Company and assesses this KPI to be highly applicable in scope.

Based on the above, Sustainalytics considers KPI 2 to be material and to have a high scope of applicability.

KPI Characteristics

In assessing a KPI's characteristics, Sustainalytics considers: i) whether it uses a clear and consistent methodology; ii) whether it follows an externally recognized definition; iii) whether the KPI is a direct measure of the issuer's performance on a material environmental or social issue;²⁵ and iv) whether the methodology can be compared against an external contextual benchmark.²⁶

KPI 1: Absolute scope 1, 2 and 3 GHG emissions reduction (in tCO₂e)

Sustainalytics considers INWIT's definition and methodology to calculate the KPI performance to be clear and consistent based on the following: i) INWIT measures and reports the absolute emissions in tCO₂e, which is a standard industry practice; and ii) INWIT has consistently reported the KPI using the same methodology since 2020. In addition, INWIT follows the GHG Protocol's standard for measuring and reporting its scope 1, 2 and 3 GHG emissions;²⁷ scope 2 GHG emissions are calculated using a market-based methodology. KPI 1 supports benchmarking against external GHG emissions reduction trajectories, such as the Science Based Targets initiative's (SBTi) cross-sector absolute contraction approach.²⁸ Additionally, Sustainalytics considers KPI 1 to be

¹⁸ OECD, "Selected stocktaking of good practices for inclusion of women in infrastructure", (2021), at: <https://www.oecd.org/gov/infrastructure-governance/gender-in-infrastructure/OECD-Selected-stocktaking-of-good-practices-for-inclusion-of-women-in-infrastructure.pdf>

¹⁹ World Economic Forum, "Global Gender Gap Report 2023", (2023), at: https://www3.weforum.org/docs/WEF_GGGR_2023.pdf

²⁰ McKinsey, "Women in the Workplace" (2022), at:

<https://www.mckinsey.com/~media/mckinsey/featured%20insights/diversity%20and%20inclusion/women%20in%20the%20workplace%202022/women-in-the-workplace-2022.pdf>

²¹ Sustainalytics' Human Capital MEI includes management of risks related to scarcity of skilled labour, as well as labour relations, such as non-discrimination, working hours and minimum wage.

²² INWIT, "Integrated Report", (2023), at: https://www.inwit.it/wp-content/uploads/2024/04/Inwit_Integrated-Report_2023_ENG.pdf

²³ INWIT, "INWIT Sustainability-Linked Financing Framework", (2024), at: <https://www.inwit.it/en/investors/>

²⁴ INWIT, "Integrated Report", (2023), at: https://www.inwit.it/wp-content/uploads/2024/04/Inwit_Integrated-Report_2023_ENG.pdf

²⁵ A direct measure refers to a metric selected for the KPI that shows a specific indicator of performance or an outcome on the MEI.

²⁶ External contextual benchmarks are standards or points of reference established by recognized third-party organizations to facilitate comparability.

²⁷ Greenhouse Gas Protocol, "A Corporate Accounting and Reporting Standard", at: <https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf>

²⁸ Science Based Targets initiative, "SBTi Corporate Manual", (2023), at: <https://sciencebasedtargets.org/resources/files/SBTi-Corporate-Manual.pdf>

directly linked to the Company’s environmental performance, given its material environmental impacts, as it measures scope 1, 2 and 3 emissions in absolute terms.

KPI 2: Share of women in management roles

Sustainalytics considers INWIT’s definition and methodology to calculate KPI 2 to be clear and consistent, based on the following: i) INWIT measures the share by calculating the percentage of women in management roles; and ii) INWIT has consistently reported the KPI using the same methodology since 2020. INWIT measures and reports KPI 2 in line with GRI Standard 405-1 on Diversity and Equal Opportunity, which is directly related to the Company’s sustainability performance.²⁹ Noting that there are no applicable externally recognised contextual benchmarks for KPI 2, Sustainalytics recognizes that it enables comparability across various telecommunication infrastructure sub-industry players.

Overall Assessment

Sustainalytics considers KPI 1 to be very strong given that it: i) directly measures INWIT’s performance relating to a material environmental issue; ii) has a high scope of applicability; iii) follows a clear and consistent methodology aligned with the GHG Protocol that is externally verifiable; and iv) lends itself to be externally benchmarked against science-based trajectories.

Sustainalytics considers KPI 2 to be strong given that it: i) is directly related to the Company’s performance on a material social issue; ii) has a high scope of applicability; and iii) follows a clear and consistent methodology. Sustainalytics notes that there are no applicable externally recognized benchmarks for this KPI, but it enables comparability across various industry players.

KPI	Strength of KPI			
KPI 1: Absolute scope 1, 2 and 3 GHG emissions reduction (in tCO₂e)	Not Aligned	Adequate	Strong	Very strong
KPI 2: Share of women in management roles	Not Aligned	Adequate	Strong	Very strong



Calibration of Sustainability Performance Targets

Alignment with INWIT’s Sustainability Strategy

INWIT has set the following SPTs for its KPIs:

- SPT 1a: Reduce absolute scope 1, 2 and 3 GHG emissions (in tCO₂e) by 37% between 2020 and 2030
- SPT 1b: Reduce absolute scope 1, 2 and 3 GHG emissions (in tCO₂e) by 90% between 2020 and 2040
- SPT 2: Reach 35% of women in management and executive positions by 2030

Sustainalytics considers the SPTs to be aligned with INWIT’s sustainability strategy. Please refer to Section 2 for an analysis of the credibility of INWIT’s sustainability strategy.

- **SPTs 1a and b:** As part of its sustainability strategy, INWIT focuses on reducing its environmental footprint. The SPTs are aligned with INWIT’s decarbonization target to achieve net zero for its scope 1, 2 and 3 GHG emissions across its value chain by 2040, in line with the SBTi’s 1.5°C scenario.³⁰
- **SPT 2:** INWIT developed a Diversity and Inclusion Policy in 2021 to ensure equal opportunities in the Company.³¹ Additionally, in 2020, INWIT signed the Women’s Empowerment Principles³² and obtained

²⁹ INWIT, “Integrated Report”, (2023), at: https://www.inwit.it/wp-content/uploads/2024/04/Inwit_Integrated-Report_2023_ENG.pdf

³⁰ Ibid.

³¹ INWIT, “INWIT Sustainability-Linked Financing Framework”, (2024), at: <https://www.inwit.it/en/investors/>

³² Women’s Empowerment Principles is promoted by the UN Global Compact and UN Women.

Women’s Empowerment Principles, “About”, at: <https://www.weeps.org/about>

UNI/PDR 125:2022 certification³³ on gender equality.³⁴ In 2023, INWIT published a policy on gender equality to protect and promote diversity and inclusion values in the Company.³⁵ In the same year, 39% of its total employees were women, and women held 30.6% of managerial roles in the Company.³⁶

Strategy to Achieve the SPTs

SPT 1a: Reduce absolute scope 1, 2 and 3 GHG emissions (in tCO₂e) by 37% between 2020 and 2030:

SPT 1b: Reduce absolute scope 1, 2 and 3 GHG emissions (in tCO₂e) by 90% between 2020 and 2040

INWIT intends to achieve SPTs 1 a and b through the following strategies:

- Scope 1 emissions: i) replace the Company's car fleet with hybrid and electric vehicles; ii) reduce diesel consumption for generator sets based on grid connection and modernize the generator sets; iii) reduce gas leakages through monitoring refrigerant gases and replacing them accordingly.
- Scope 2 emissions: i) implement energy efficiency measures, including free cooling and high-efficiency rectifiers; and ii) increase the use of electricity from renewable sources both purchased and produced.
- Scope 3 emissions: i) focus on sustainable procurement to acquire goods and services with lower environmental impact, including procuring lighter poles and poles that use recycled steel; ii) use hybrid and electric vehicles for upstream transportation and the distribution of purchased goods; and iii) reduce indirect emissions related to the use of fuels and electricity by generating and supplying renewable electricity.

SPT 2: Reach 35% of women in management and executive positions by 2030

INWIT intends to achieve SPT 2 through the following strategies:

- INWIT's external hiring practices that offer equal opportunities for all candidates irrespective of background or identity to foster growth of professional talent.
- INWIT includes stringent inclusion KPIs in the selective process for its STEM degree scholarship award programme, which is in collaboration with LUISS Guido Carli University, to address the digital skills gap.
- INWIT undertakes specific training initiatives dedicated to diversity and inclusion as well as individual executive coaching for women with a focus on leadership development.
- INWIT also monitors women's career development as a performance indicator.

Ambitiousness, Baseline and Benchmarks

To determine the ambitiousness of an SPT, Sustainalytics considers: i) whether the SPT goes beyond a business-as-usual trajectory; ii) how the SPT compares to targets set by peers; and iii) how the SPT compares with science-based references.³⁷

INWIT has selected 2020 as the baseline year for all SPTs, considering the relevant merger with Vodafone Towers S.r.l. and INWIT's establishment of a sustainability roadmap in the same year. Sustainalytics recognizes that the market favours setting a more recent baseline but notes INWIT's intention to ensure consistency with its company-wide sustainability plan and with the SBTi-validated target covered under SPT 1b.

The Company has communicated to Sustainalytics that in the case of sustainability-linked loans, it will be setting annual targets and will be disclosing the same in the relevant loan document.

SPT 1a and 1b: Sustainalytics was able to use the following benchmarks to assess ambitiousness: past performance, peer performance and alignment with science-based trajectories.

SPT 1a implies an annual average reduction of 7.4% between 2023 and 2030. Sustainalytics considers this to be above historical performance, which implies an annual increase rate of 10.23% between 2020 and 2023. INWIT has communicated to Sustainalytics that the increase in GHG emissions in 2023 compared to 2022 was due to a

³³ Government of Italy, "Gender Equality Certification System", at: <https://certificazione.pariopportunita.gov.it/public/info#>

³⁴ INWIT, "INWIT Sustainability-Linked Financing Framework", (2024), at: <https://www.inwit.it/en/investors/>

³⁵ Ibid.

³⁶ Ibid.

³⁷ We refer here to contextual benchmarks that indicate the alignment of targets with ecosystem boundaries.

lower use of electricity from renewable sources because of increased prices, which significantly affected scope 2 and 3 GHG emissions. Sustainalytics has used a forward-looking baseline approach³⁸ to calculate historical and targeted performance.

SPT 1b implies an annual average reduction of 5.43% between 2023 and 2040. Sustainalytics considers this to be above historical performance, which implies an annual increase rate of 10.23% between 2020 and 2023, for the same reason as described above. Sustainalytics has used a forward-looking approach to calculate historical and targeted performance.

Sustainalytics benchmarked SPTs 1a and 1b against five peers in the telecom infrastructure sub-industry and notes that INWIT's SPT 1a is above three peer targets, aligned with one peer and below one peer. SPT 1b is above five peer targets. Hence, Sustainalytics has assessed SPT 1a as aligned with peer performance and SPT 1b as above peer performance.

For the comparison with recognized science-based decarbonization trajectories, Sustainalytics notes that SPTs 1a and 1b are aligned with the SBTi's 1.5°C scenario, which uses a cross-sector absolute contraction approach.³⁹ This model requires a minimum annual GHG emissions reduction rate of 4.2% in absolute terms between 2020 and 2030.⁴⁰ SPTs 1a and 1b are aligned with this minimum reduction rate and SPT 1b has been validated by the SBTi.

SPT 2: Sustainalytics was able to use the following benchmarks to assess ambitiousness while taking the telecommunication industry context into consideration: past performance and peer performance.

Regarding past performance, INWIT increased the share of women in managerial roles by an annual rate of 2.3 percentage points between 2020 and 2023.⁴¹ To achieve SPT 2, INWIT would need to increase the proportion of women in managerial positions to 35% by 2030 compared to 30.6% in 2023, which translates to an average annual increase of 0.63 percentage points from 2023 to 2030. INWIT has communicated to Sustainalytics that the significant increase in the reported number for SPT 2 for 2023 was due to the Company's exceptional business needs in that year which led to a significant investment in professionals and a considerable increase in new hirings. Where possible, the Company hired women to fill managerial positions. Considering 2023 to be an exceptional year, the Company also communicated to Sustainalytics that the expected average annual increase in SPT 2 in the coming years may not be as high as the annual percentage increase achieved in 2023. However, Sustainalytics views the significant increase in the reported percentage of SPT 2 in 2023 to be in line with the Company's strategy to achieve KPI 2. Sustainalytics considers SPT 2 to represent a continued improvement in INWIT's historical performance on gender diversity in managerial roles. Sustainalytics has used a forward-looking approach to calculate historical and targeted performance.

Compared to the targets set by five of its sub-industry peers globally, INWIT's SPT 2 is above the targets set by four peers and below the targets of one peer. Hence, Sustainalytics considers SPT 2 to be above peer performance.

In Italy, women represent 14% of executives and 21% of senior management.⁴² Furthermore, Italy saw an increase in the gender employment gap from 2022 to 2024.⁴³ According to the Gender Diversity Index of Women on Boards and in Corporate Leadership that surveyed 668 European companies,⁴⁴ Italy had the second-lowest percentage of

³⁸ Sustainalytics notes that it is market practice to set a baseline reflecting the last FY or CY where data for the KPI is available or has been verified. Sustainalytics further notes that the "forward-looking" baseline approach involves using the most recent and relevant baseline year to assess the ambition of targets against historical performance. In such cases, Sustainalytics acknowledges two baselines: i) the original one as per the Framework (set at 2020 or earlier) and ii) a "forward-looking" baseline that will be used to determine the ambition of the targets. For calculating INWIT's past performance, while the Framework baseline is 2020, Sustainalytics used a forward-looking baseline of 2023.

³⁹ The absolute contraction approach is a method for companies to set emissions reduction targets that are aligned with the global annual emissions reduction rate that is required to meet the 1.5°C or well-below 2°C targets.

⁴⁰ Science Based Targets initiative, "SBTi Corporate Manual", (2023), at: <https://sciencebasedtargets.org/resources/files/SBTi-Corporate-Manual.pdf>

⁴¹ INWIT has communicated to Sustainalytics that the difference between the historical data of 2021 (28.4%) and 2022 (23.3%) is mainly on account of employee turnover. INWIT has communicated to Sustainalytics that there was a high employee turnover rate for female employees in 2020 (31%) and 2022 (26%), compared to the turnover rate for male employees in 2020 (10%) and 2022 (8%).

⁴² Equileap, "Gender Equality Report & Ranking", (2024), at: https://equileap.com/wp-content/uploads/2024/02/Equileap_2024_Gender_Equality_Report_Developed_Markets.pdf

⁴³ European Commission, "2024 Report on Gender Equality in the EU", at: https://commission.europa.eu/document/download/965ed6c9-3983-4299-8581-046bf0735702_en

⁴⁴ Sustainalytics notes that INWIT participated in the survey from this study.

women in leadership positions among 19 EU countries in 2021 while having the highest percentage of women on boards and committees.⁴⁵

According to McKinsey’s Women in the Workplace 2022 Report, women held less than 30% of positions in each level of managerial and executive roles in the IT services and telecom industry.⁴⁶ The European Commission’s 2021 Women in Digital Scoreboard confirmed that there is a substantial gender gap in specialist skills, with only 19% of the ICT specialists were women.⁴⁷ The Framework states the challenges faced by INWIT to hire experienced female employees for middle management roles due to a scarcity of available female candidates in the telecommunications industry. Sustainalytics acknowledges the gender gap with respect to representation of women in leadership positions in Italy and the challenge faced by the telecommunications sector to hire and retain female employees at the senior level. Sustainalytics further recognizes that this challenge represents a need for continuous material improvement related to promoting gender diversity and ensuring increased representation of women in leadership positions.

Overall Assessment

Sustainalytics considers the SPTs to align with INWIT’s sustainability strategy and SPT 1a to be highly ambitious given that it: i) is above past performance on emissions reduction; ii) is aligned with peer performance and iii) aligns with the 1.5°C scenario.

Sustainalytics considers SPT 1b to be highly ambitious given that it: i) is above past performance on emissions reduction; ii) is above peer performance; and iii) aligns with the 1.5°C scenario.

Sustainalytics considers SPT 2 to be ambitious given that it: i) is below past performance; ii) above peer performance; and iii) no applicable science-based reference. Sustainalytics acknowledges the gender gap with respect to representation of women in leadership positions in Italy and the challenge faced by the telecommunications sector to hire and retain female employees at the senior level. Sustainalytics further recognizes that this challenge represents a need for continuous material improvement related to promoting gender diversity and ensuring increased representation of women in leadership positions.

SPT	Ambitiousness of SPT			
SPT 1a: Reduce absolute scope 1, 2 and 3 GHG emissions (in tCO ₂ e) by 37% between 2020 and 2030	Not Aligned	Moderately Ambitious	Ambitious	Highly Ambitious
SPT 1b: Reduce absolute scope 1, 2 and 3 GHG emissions (in tCO ₂ e) by 90% between 2020 and 2040	Not Aligned	Moderately Ambitious	Ambitious	Highly Ambitious
SPT 2: Reach 35% of women in management and executive positions by 2030	Not Aligned	Moderately Ambitious	Ambitious	Highly Ambitious



Financial Characteristics

The financial characteristics of the sustainability-linked instruments issued under the Framework will be linked to the achievement or non-achievement of the selected SPTs and compliance with its reporting and verification commitments. Failure to achieve the selected SPTs or to comply with the reporting or verification commitments will result in a coupon adjustment or margin adjustment or a premium payment.

⁴⁵ European Women on Boards, “Gender Diversity Index of Women on Boards and in Corporate Leadership”, (2021), at: <https://europeanwomenonboards.eu/wp-content/uploads/2024/03/Gender-Equality-Index-2021.pdf>

⁴⁶ McKinsey, “Women in the Workplace”, (2022), at: <https://www.mckinsey.com/~media/mckinsey/featured%20insights/diversity%20and%20inclusion/women%20in%20the%20workplace%202022/women-in-the-workplace-2022.pdf>

⁴⁷ European Commission, “Women in Digital Scoreboard 2021”, at: <https://digital-strategy.ec.europa.eu/en/news/women-digital-scoreboard-2021>

For all sustainability-linked instruments issued under the Framework, INWIT will include KPI 1 and may include KPI 2 for some instruments issued under the Framework. Sustainalytics notes that details related to the selected KPIs and SPTs, as well as the impacts on financial characteristics, will be specified in the transaction documentation. Sustainalytics considers the financial characteristics of the sustainability-linked instruments to be aligned with the SLBP and SLLP, noting that it does not opine on the adequacy of the magnitude of the financial penalty.



Reporting

INWIT commits to report on its progress on the KPIs on an annual basis and expects to include the relevant figures in INWIT's universal registration document or in a dedicated report published on the Company's website. INWIT further commits to disclose relevant information enabling investors to monitor the level of ambition of the SPTs, including any update to INWIT's sustainability strategy, any recent announcements or strategic decisions related to the selected KPIs. INWIT is also committed to reporting on any reassessments of KPIs or restatement of the SPTs or pro-forma adjustments of KPI scope following a recalculation event, when applicable. The reporting commitments are aligned with the SLBP and SLLP.



Verification

INWIT commits to have an external verifier provide limited assurance against each SPT for each KPI annually, which is aligned with the SLBP and SLLP on verification. INWIT further commits to making the annual limited assurance report publicly available.

Section 2: Assessment of INWIT's Sustainability Strategy

Credibility of INWIT's Sustainability Strategy

INWIT's ESG strategy for the 2024-26 period includes the following goals: i) implement a strategy to achieve net zero by 2040; ii) reduce the Company's environmental footprint through a circular economy approach; and iii) contribute to the social development of communities and foster involvement. Moreover, the Company's sustainability plan defines the following environmental and social thematic areas: i) carbon, environment and energy management; ii) development of a management system aimed at reducing environmental impacts; iii) circular economy approach; iv) biodiversity; and v) diversity and inclusion.⁴⁸

INWIT has committed to achieving net zero emissions by 2040 and reaching carbon neutrality by 2024 mainly by financing climate action projects, and reducing and offsetting residual emissions.⁴⁹ INWIT has set the following emissions reduction targets, which have been approved by the SBTi in 2022 and in 2024 respectively : i) 42% reduction of scope 1 and 2 GHG emissions by 2030 compared to 2020; and ii) 90% reduction of scope 1, 2 and 3 GHG emissions by 2040 compared to 2020. In terms of achievements made in 2023, the Company established and implemented a sustainable energy management system. INWIT also installed solar PVs with a total capacity of 1,409 kW in order to supply electricity to base radio stations and installed free cooling systems and high efficiency rectifiers that will allow for energy savings of approximately 5,465 MWh and 1,832 MWh, respectively, when fully operational. As part of its focus on increasing circularity throughout its operations, INWIT carried out life cycle analyses of its model sites, rooftop and raw land in 2022 to identify the environmental impacts of its infrastructure and adopt sustainable solutions accordingly. The Company reported recovery rates of 97.4% for hazardous waste and 100% for non-hazardous waste in 2023, with a total material recovery of 98% of waste produced. With regard to biodiversity, INWIT identified the distribution of its sites among the different environmental types of areas, such as built areas, wooded areas and wetlands, and assessed the

⁴⁸ INWIT, "Sustainability Plan 2024-2026", at: <https://www.inwit.it/en/our-sustainable-values/sustainability-plan/>

⁴⁹ INWIT, "Integrated Report", (2023), at: https://www.inwit.it/wp-content/uploads/2024/04/Inwit_Integrated-Report_2023_ENG.pdf

magnitude of its impacts on such environmental areas. Beyond that, INWIT collaborates with the WWF, using the Company's tower technology to detect the spread of forest fires in identified areas, thereby contributing to biodiversity protection.⁵⁰

INWIT has been reporting on its environmental and sustainability issues since 2019 and published its first TCFD Report in 2023 for FY2022.^{51,52} In early 2022, the Company joined the UN Global Compact and became a signatory to the UN Women's Empowerment Principles to align the Company's operations and strategies with sustainability principles, including human rights, anti-corruption and labour.⁵³ In 2023, INWIT obtained UNI/PDR 125:2022 certification for gender equality, through which INWIT adopted a Gender Equality Policy. Moreover, the Company introduced the Diversity Ambassador in 2023, aiming to identify new inclusion measures.⁵⁴

Based on the above, Sustainalytics considers that the instruments financed under the Framework will further support INWIT's sustainability strategy.

INWIT's Environmental and Social Risk Management

Sustainalytics recognizes that INWIT's defined targets are impactful but notes that achieving the SPTs may bear environmental and social risks related to: i) emissions, effluents and waste; ii) biodiversity and land use; iii) human capital; and iv) data privacy.

Sustainalytics comments below on INWIT's ability to mitigate such potential risks.

- To mitigate risks related to emissions, effluents and waste, INWIT has established an environmental management system, adopted on the basis of ISO 14001,⁵⁵ and an energy management system in line with ISO 50001. INWIT has also established a Quality, Environment and Occupational Health and Safety Policy, which includes the Company's commitment to identifying its environmental impacts, reducing emissions and managing waste by focusing on recycling and recovering.⁵⁶ In 2022, INWIT established a new waste management process to increase efficiency in resource utilization and maximize recycling and recovery.⁵⁷
- Regarding biodiversity and land use, INWIT's Quality, Environment and Occupational Health and Safety Policy also establishes the Company's commitment to reducing impacts on biodiversity.⁵⁸ Moreover, projects financed in the EU are expected to comply with the requirements of EU Directive 2014/52/EU on environmental impact assessments, which requires projects that are likely to have significant environmental impacts to be adequately assessed before approval. It also requires adequate measures to avoid, prevent, reduce and, if possible, offset significant adverse effects on the environment, in particular on species and habitats. For projects requiring significant use of land, the directive mandates an environmental impact assessment, and for large-scale projects, this also includes limiting impacts on land and soil, including organic matter, erosion, compaction and sealing.⁵⁹
- Regarding data privacy, the Company has implemented its Data Protection Organizational model by updating the Data Protection Impact Assessment on whistleblowing during 2023. Additionally, INWIT stores personal data in accordance with applicable legislation.⁶⁰
- INWIT has a Global Human Rights Statement which outlines the Company's values on human rights-related matters, including anti-discrimination, diversity, equality, and a healthy and safe workplace. The statement is guided by the principles set forth in the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the Organisation for Economic Co-operation and Development Guidelines for Multinational Enterprises. The statement applies to the Company's operations, including its interactions with communities and stakeholders.⁶¹

⁵⁰ Ibid.

⁵¹ INWIT, "TCFD Report", (2023), at: https://www.inwit.it/wp-content/uploads/2024/05/Inwit_report_TCFD_2023_ENG.pdf

⁵² INWIT, "Integrated Report", (2023), at: https://www.inwit.it/wp-content/uploads/2024/04/Inwit_Integrated-Report_2023_ENG.pdf

⁵³ Ibid.

⁵⁴ Ibid.

⁵⁵ ISO, "ISO 14001:2015 – Environmental management systems", at: <https://www.iso.org/standard/60857.html>

⁵⁶ INWIT, "Quality, Environment and Occupational Health and Safety Policy", at: https://www.inwit.it/wp-content/uploads/2023/07/Policy-QHSE-INWIT_EN.pdf

⁵⁷ INWIT, "Integrated Report", (2023), at: https://www.inwit.it/wp-content/uploads/2024/04/Inwit_Integrated-Report_2023_ENG.pdf

⁵⁸ INWIT, "Quality, Environment and Occupational Health and Safety Policy", at: https://www.inwit.it/wp-content/uploads/2023/07/Policy-QHSE-INWIT_EN.pdf

⁵⁹ European Commission, "Directive 2014/52/EU on the assessment of the effects of certain public and private projects on the environment", (2014), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0052>

⁶⁰ INWIT, "Integrated Report", (2023), at: https://www.inwit.it/wp-content/uploads/2024/04/Inwit_Integrated-Report_2023_ENG.pdf

⁶¹ Ibid.

- The Company has established a Sustainability Committee which monitors INWIT's alignment with its ESG objectives, its management of ESG issues and sustainable finance initiatives.⁶²

In addition to the above, Sustainalytics notes that it has found no evidence of any major environmental or social controversies related to INWIT. Overall, Sustainalytics considers that INWIT has implemented adequate measures and is well positioned to manage and mitigate risks related to its operations.

Section 3: Impact of the SPTs

Importance of increasing GHG emissions reduction efforts

The telecom industry produces approximately 2-4% of the total global CO₂ emissions.⁶³ As such, the ICT industry needs to reduce GHG emissions by 45% between 2020 and 2030 to meet the targets of the Paris Agreement.⁶⁴ Decarbonization efforts in the ICT sector to align with a 1.5°C trajectory by 2030 would mainly focus on: i) continued implementation of energy efficiency plans; ii) a shift to renewable or low-carbon electricity supply; and iii) encouragement of carbon consciousness among end users.⁶⁵

In addition, scope 3 emissions represent the majority of total emissions in the telecom industry.⁶⁶ These emissions capture the providers' entire supply chain and can sometimes contribute up to 90% of total emissions.⁶⁷ They are primarily driven by two factors: i) the upstream delivery of capital goods and services; and ii) the downstream use of telecom services, which consists of electricity consumption to operate telecom equipment.⁶⁸ Telecom companies, with telecom infrastructure included, have recognized the need to reduce supply chain emissions in recent years.⁶⁹ This can be achieved by engaging with suppliers to improve transparency and communicating the priorities.⁷⁰ In 2019, GSMA created a Climate Action Taskforce, which supports telecom companies in engaging with suppliers on scope 3 emissions and setting science-based reduction targets.⁷¹

Sustainalytics is of the opinion that INWIT's focus and efforts in reducing scope 1, 2 and 3 GHG emissions are expected to positively contribute to reducing the environmental footprint of its telecom infrastructure and support the ambitions of the Paris Agreement, including by encouraging suppliers to commit to science-based targets.

Importance of gender diversity and inclusion in leadership roles in the workplace

Gender diversity and inclusion in the workforce, particularly in leadership roles, are expected to contribute to better decision-making and improved organizational performance for businesses.⁷² Companies with more diversity in their leadership teams typically report greater returns in innovation and earnings,⁷³ and companies in the top quartile of gender diversity in their boards are 25% more likely to outperform their peers financially.⁷⁴

⁶² INWIT, "Report on Corporate Governance and Share Ownership", (2023), at: <https://www.inwit.it/wp-content/uploads/2024/03/Report-on-Corporate-Governance-and-share-ownership-2023.pdf>

⁶³ S&P Global, "ESG Credit Indicator Report Card: Telecoms", (2023), at: https://www.spglobal.com/_assets/documents/ratings/research/esg-credit-indicator-report-cards/esg-rc-for-public-site-telecoms.pdf

⁶⁴ International Telecommunication Union, "Cutting industry emissions and fighting the climate crisis", (2023), at: <https://www.itu.int/hub/2023/11/cutting-industry-emissions-and-fighting-the-climate-crisis/#>

⁶⁵ Science Based Targets initiative, "Guidance for ICT Companies Setting Science Based Targets", at: https://sciencebasedtargets.org/resources/legacy/2020/04/GSMA_IP_SBT-report_WEB-SINGLE.pdf

⁶⁶ Rao, V. et al. (2023), "Scope 3 Emissions in the Telecommunications Industry: Driving Sustainable Transformation", SAP, at: <https://news.sap.com/2023/09/emissions-in-telecommunications-industry-sustainable-transformation/#>

⁶⁷ Friedrich, R. et al. (2021), "Putting Sustainability at the top of Telco Agenda", Boston Consulting Group, at: <https://www.bcg.com/publications/2021/building-sustainable-telecommunications-companies>

⁶⁸ Ibid.

⁶⁹ Ibid.

⁷⁰ Lambrette, U. (2021), "The Next Level of Emission Reductions in Telecom Operators", Oliver Wyman, at: <https://www.oliverwyman.com/content/dam/oliver-wyman/v2/publications/2021/The%20Next%20Level%20of%20Emission%20Reductions%20in%20Telecom%20operators.pdf>

⁷¹ GSMA, "Mobile Net Zero 2024: State of the Industry on Climate Action", (2024) at: <https://www.gsma.com/betterfuture/wp-content/uploads/2024/02/Mobile-Net-Zero-2024-State-of-the-Industry-on-Climate-Action.pdf>

⁷² Rohwerder, B. (2017), "Impact of diversity and inclusion within organisations", Institute of Development Studies, at: https://assets.publishing.service.gov.uk/media/5ba51175e5274a54d5c39c19/109_Diversity_and_inclusion_within_organisations.pdf

⁷³ Lorenzo, R. et al. (2018), "How Diverse Leadership Teams Boost Innovation", Boston Consulting Group, at: <https://www.bcg.com/en-us/publications/2018/how-diverse-leadership-teams-boost-innovation>

⁷⁴ Dixon-Fyle, S. et al. (2020), "Diversity wins: How inclusion matters", McKinsey & Company, at: <https://www.mckinsey.com/featured-insights/diversity-and-inclusion/diversity-wins-how-inclusion-matters>.

In 2023, the World Economic Forum found the Global Gender Gap Index to represent 68.4% gender parity⁷⁵ and estimated that it will take 131 years to reach full gender parity.⁷⁶ Although the percentage of women in leadership roles worldwide has gradually increased over the years to reach 32.2%, women are still outnumbered by men in senior leadership positions across all industries.⁷⁷ Moreover, the global average proportion of women on boards in 2024 was only 23.3%, an increase of just 3.6 percentage points from 2022.⁷⁸ In 2021, the Generation Equality Forum held in Paris announced a global five-year action plan to accelerate gender equality globally by 2026,⁷⁹ driven by EUR 36 billion in policy and programme commitments from governments, multilateral bodies and the private sector.⁸⁰

Based on the above, Sustainalytics is of the opinion that INWIT’s efforts to increase women’s representation in leadership roles are expected to contribute to improving gender diversity and inclusion in the workplace in Italy, where INWIT operates.

Contribution to SDGs

The Sustainable Development Goals were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by 2030. The sustainability-linked financing associated with the selected KPIs and SPTs is expected to help advance the following SDG and targets:

KPI	SDG	SDG Target
KPI 1: Absolute scope 1, 2 and 3 GHG emissions reduction	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix 7.3 By 2030, double the global rate of improvement in energy efficiency
	9. Industry, Innovation and Infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
KPI 2: Share of women in management roles	5. Gender Equality	5.5 Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life

Conclusion

INWIT intends to finance sustainability-linked bonds and loans, tying the financial characteristics, such as a coupon or margin adjustment or premium payment, to achievement of the following SPTs:

- (1) SPT 1a: Reduce absolute scope 1, 2 and 3 GHG emissions (in tCO₂e) by 37% between 2020 and 2030
- (2) SPT 1b: Reduce absolute scope 1, 2 and 3 GHG emissions (in tCO₂e) by 90% between 2020 and 2040
- (3) SPT 2: Reach 35% of women in management and executive positions by 2030

Sustainalytics considers KPI 1 to be very strong given that it: i) directly measures INWIT’s performance relating to a material environmental issue; ii) has a high scope of applicability; iii) follows a clear and consistent methodology aligned with the GHG

⁷⁵ The Global Gender Gap Index measures scores on a scale from 0 to 100 and scores can be interpreted as the span covered towards parity (i.e. the percentage of the gender gap that has been closed). The Global Gender Gap Index benchmarks the state of gender parity across economic participation and opportunity, education attainment, health and survival and political empowerment.

World Economic Forum, “Global Gender Gap Report”, (2023), at: https://www3.weforum.org/docs/WEF_GGGR_2023.pdf

⁷⁶ Ibid.

⁷⁷ Ibid.

⁷⁸ Marks, A. et al. (2024), “Women in the boardroom, eighth edition”, Deloitte, at: <https://www2.deloitte.com/us/en/insights/topics/leadership/women-in-the-boardroom.html>

⁷⁹ Generation Equality, “Generation Equality Forum concludes in Paris with Announcement of Revolutionary Commitments and Global Acceleration Plan to Advance Gender Equality by 2026”, (2021), at: <https://forum.generationequality.org/news/generation-equality-forum-concludes-paris-announcement-revolutionary-commitments-and-global>

⁸⁰ Ibid.

Protocol that is externally verifiable; and iv) lends itself to be externally benchmarked against science-based trajectories. Sustainalytics considers KPI 2 to be strong given that it: i) is directly related to the Company's performance on a material social issue; ii) has a high scope of applicability; and iii) follows a clear and consistent methodology. Sustainalytics notes that there are no applicable externally recognized benchmarks for this KPI, but it enables comparability across various industry players.

In addition, Sustainalytics considers the SPTs to be aligned with INWIT's sustainability strategy and considers SPT 1a to be highly ambitious given that it: i) is above past performance on emissions reduction; ii) is aligned with peer performance; and iii) aligns with the 1.5°C scenario. Sustainalytics considers SPT 1b to be highly ambitious given that it: i) is above past performance on emissions reduction; ii) is above peer performance; and iii) aligns with the 1.5°C scenario. Sustainalytics considers SPT 2 to be ambitious given that it: i) is below past performance; and ii) above peer performance while recognizing the need for continuous material improvement related to promoting gender diversity and ensuring increased representation of women in leadership positions in Italy.

Sustainalytics considers the reporting and verification commitments to be aligned with the Sustainability-Linked Bond Principles 2023 and Sustainability-Linked Loan Principles 2023.

Based on the above, Sustainalytics considers INWIT's Sustainability-Linked Financing Framework to be in alignment with the five core components of the Sustainability-Linked Bond Principles 2023 and Sustainability-Linked Loan Principles 2023 and the prospective achievement of the SPTs to be impactful.

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