

# INWIF

## SUSTAINABILITY- LINKED FINANCING FRAMEWORK



June 2024

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# 1 INTRODUCTION

## 1.1 INWIT

INWIT is the largest operator in the **wireless infrastructure sector in Italy**, with a market share of over 45%.

INWIT builds and manages digital and shared infrastructures, which house the radio transmission equipment of mobile, Fixed Wireless Access (FWA) and Internet of Things (IoT) telecom operators.

INWIT's infrastructure consists of an integrated ecosystem of macro-grids (towers, masts, pylons and related technological installations) and micro-grids (DAS, small cells, repeaters), with an offer that follows technological developments, serving all mobile operators.

INWIT's **macro grid** is made up of **over 24,000 towers**, widely distributed throughout the country, with a density of one tower every 3 km. The technological content and the strategic nature of the locations make INWIT's sites attractive to all operators in the telecommunications market, present today with over 54,000 hosting contracts, for a tenancy ratio of over 2 hosts per site, among the highest in the sector. INWIT continues to invest in expanding and optimizing its network to serve the growing demand for mobile data and the coverage and technology upgrade needs of operators.

INWIT's **micro-grid** complements and supports the macro-grid, providing coverage and network capacity with its approximately **450 Distributed Antenna Systems (DAS)**<sup>1</sup>, Small Cells<sup>2</sup> and repeaters installed in both indoor and outdoor locations characterized by high user density and specific needs for dedicated coverage. The nearly 8,000 remote units of the micro grid cover sites such as stations, hospitals, shopping malls, offices and production areas, as well as roads and highways. To date, INWIT covers about 1,000 km of road and motorway tunnels, including some of the main national arterial roads. The demand for dedicated microgrid coverage is supported by the technology transition from 4G to 5G and the increasing mobile data consumption.

All of this makes INWIT central to enabling telecommunications technologies, contributing significantly to overcoming the digital divide and digitizing the territory.

INWIT's story began in March 2015, following the spin-off of Telecom Italia's "Tower" branch. The merger with the Italian Vodafone Towers, finalized at the end of March 2020, significantly transformed the size and strategic profile of INWIT. INWIT's activity is directly linked to the birth and development of mobile telecommunications in Italy driven by the two main operators in the sector, TIM and Vodafone Italia. As incumbent and first challenger in the Italian mobile market, the two operators have invested in creating the best networks, characterized both by the quality of the locations and the high standard of infrastructure implementation. INWIT has inherited all this heritage, together with a wealth of technical and professional knowledge of the highest level, and continues to work to consolidate it, creating a set of systems, processes and knowledge that can create value, at the service of the rapid and efficient deployment of 5G by operators.

INWIT has a clear positioning within the value chain, leveraging its assets (micro and macro grid) to offer infrastructure services to operators with a sharing model open to all mobile operators (functioning as a "neutral host"), FWA and other customers such as Other Than Mobile Operator (OTMO) and IoT.

<sup>1</sup> DAS are indoor antennas, distributed within a structure that transmits in full security, a cellular signal multi-operator. The signal is generated by a central unit to which all the micro-antennas are connected, guaranteeing a capillary coverage in particular for locations of medium/large size and with high a density of persons. The DAS are characterized by a high dedicated and guaranteed capacity of voice and data traffic, by devices with extremely small dimensions and negligible environmental and electromagnetic impact.

<sup>2</sup> Small cells are the most suitable solution to offer cellular service in densely populated urban contexts, in areas where environmental constraints persist and areas where the architectural decoration as well as the monumental/landscape heritage must be preserved. Small cells are typically installed on lampposts, wall mounted, camouflaged as shop signs/advertising totems, and have a coverage range of about 200 meters. Each small cell consists of an antenna and a radio apparatus, connected to each other by means of coaxial cables. The radio apparatuses, on the other hand, are connected in optical fiber to the nearby telecommunication tower that acts as an edge aggregation point.



INWIT's business is increasingly evolving towards the concept of **tower as a service**, thanks to the possibility of offering more integrated services starting with the infrastructure, in line with one of the main business models of circular economy (product as a service). In fact, INWIT shares its assets and infrastructures, ensuring their maintenance and technology upgrades, with multiple customers, who use them without owning them. This avoids the need for each operator to build its own infrastructure, resulting in environmental benefits that can be seen over the entire life cycle of the assets, from the use of materials for construction, to the use of energy in the operation phase, and on to the end-of-life phase.

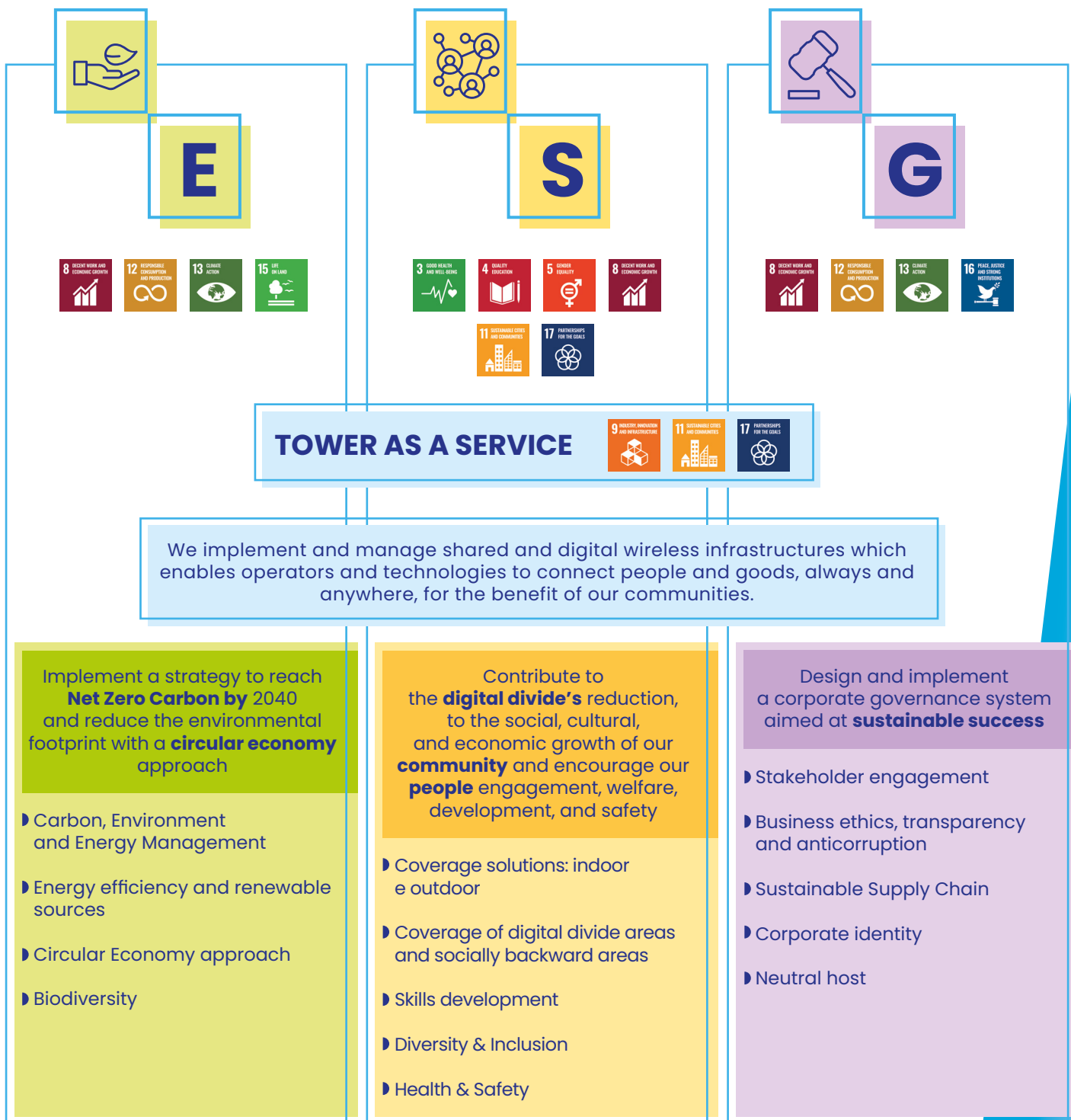
INWIT's Industrial Plan outlines an evolution towards increasingly intelligent towers: distributed and protected digital assets that can make a concrete contribution to the digital transformation of the country's economic and social activities. The widespread presence of INWIT's towers enables the provision of advanced services even in areas where fibre connectivity will arrive later, thus anticipating the country's **digitalization and reducing the digital divide**. This capability allows INWIT's towers to be considered as natural hubs for environmental and weather monitoring as well. In addition, the Industrial Plan also envisages the trial and development of adjacent businesses to foster the development of smart cities. Among those with the most potential in the medium to long term are IoT and the hosting of mini data centres to be placed at the base of our towers for services that need low latency.

## 1.2 INWIT's Sustainability Strategy

INWIT's business model is intrinsically sustainable, as it enables more efficient development along the entire value chain: the tower today is a shared and digital infrastructure that combines industrial, economic, social and environmental efficiency. The digital transition and the development of 5G require huge investments. A shared infrastructure, i.e. serving several operators at the same time, can guarantee a better return on investment for operators. At the same time, infrastructure sharing allows for limited environmental impacts in terms of land and resource consumption, and thus lower CO<sub>2</sub> emissions. The contribution made to reducing the digital divide also creates social value and enables greater inclusion for the populations and regions involved. INWIT therefore assumes a significant role as an enabler in Italy's digital transition process.

Digital and shared infrastructures represent an opportunity to enable a sustainable development model, where connectivity, advanced services, digital innovation, sustainable management of resources, attention to the needs of citizens and the country, greater well-being and equal opportunities and a lower environmental impact are the cornerstones.

To pursue these ambitions, the Company has defined a Sustainability Plan, integrated in its industrial strategy. It has been developed to be consistent with the United Nations' 2030 Agenda and its Sustainable Development Goals, to which INWIT intends to contribute. INWIT's Sustainability Plan for 2024-2026 lays out its Environmental, Social and Governance (ESG) objectives for this period.



INWIT's ESG strategy and performance have been externally acknowledged, as witnessed by the company's ESG ratings, awards, distinctions and inclusions in various ESG indices. The latest updates on INWIT's ESG credentials are shown below and on its website.



2023	F	D-	D	C-	C	B-	B	<b>A-</b>	A
2022	F	D-	D	C-	C	B-	<b>B</b>	A-	A
2021	F	D-	D	C-	C	B-	<b>B</b>	A-	A
2020	<b>F</b>	D-	D	C-	C	B-	B	A-	A



2023	CCC	B	BB	BBB	<b>A</b>	AA	AAA
2022	CCC	B	BB	BBB	<b>A</b>	AA	AAA
2021	CCC	B	BB	BBB	<b>A</b>	AA	AAA
2020	CCC	B	BB	<b>BBB</b>	A	AA	AAA



2023	19.3/100 - Low risk
2022	19.6/100 - Low risk
2021	19.4/100 - Low risk
2020	25.4/100 - Medium risk



2023	3.5/5.0
2022	3.5/5.0
2021	2.9/5.0
2020	2.2/5.0



2023	84/100 - A
2022	70/100 - B
2021	53/100 - C
2020	35/100 - D



2023	D-	D	D+	C-	C	<b>C+</b>	B-	B	B+	A-	A	A+
2022	D-	D	<b>D+</b>	C-	C	C+	B-	B	B+	A-	A	A+



## Environment: “Implement a strategy to achieve Net Zero Carbon by 2040 and reduce the environmental footprint with a circular economy approach”

Responding to the need for disclosure to its stakeholders and in accordance with its climate strategy set out in the Sustainability Plan, INWIT published its first TCFD Report in 2023, implementing the reporting framework defined by the Task Force on Climate-related Financial Disclosure (TCFD) with the aim of gathering clear and comparable information, not only on the impacts of its activities on the climate, but also on the effects that climate change has on the company.

Based on the 11 Recommendations of the TCFD, INWIT analysed and summarized the key elements concerning 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, and the strategy defined to achieve them.

For more details, please refer to [INWIT's TCFD Report](#).

Climate Change risk is defined as the set of risks linked to changes in meteorological-climatic-physical phenomena with direct repercussions on the assets, activities and services provided. It is also linked to the legal, technological, reputational or market impact that the transition to a zero-emission economy can have on the company's business. For each risk and opportunity, the possible effects for INWIT have been presented and the mitigation actions have been identified and prioritized based on probability and impact. In addition, INWIT's analysis of climate-related risks and opportunities have influenced the company's financial planning in the following areas:

- Use of electricity from renewable sources, which was 57% in 2023.
- In line with the EU taxonomy, Capital Expenditures allocated to eligible activities include **investments in renewable energy production** such as the installation of photovoltaic systems and **energy efficiency measures**, notably the installation of free-cooling systems and installation of high-efficiency current rectifiers.

Following its emission reduction targets set out in the Sustainability Plan and the Climate Strategy, and in order to strengthen its objective of achieving carbon neutrality starting from 2024, INWIT has chosen to submit its targets to the Science-Based Targets Initiative (SBTi). In 2022, the SBTi approved INWIT's commitment to reduce Greenhouse Gas (GHG) Scope 1 and 2 emissions by 42% by 2030 (near term) in line with the most ambitious target of limiting global warming to 1.5°C, and to reduce scope 3 emissions further and constantly. In 2023 INWIT submitted a new Net Zero target for 2040, which was approved by SBTi in early 2024.

## INWIT CLIMATE-RELATED COMMITMENTS



\* SBTi targets

\*\* with the removal of residual emissions through carbon removal credits (no offsets)

INWIT is also committed to implementing actions aimed at maximizing the efficiency in the use of resources and minimizing the environmental impacts of its activities. In order to ensure the effective management of these aspects, INWIT has started a process to define and implement an Environmental Management System, to be adopted on the basis of the **ISO 14001:2015** standard, certified in March 2024, and an Energy Management System, in line with the **ISO 50001:2018** standard, certified in March 2023.

During 2023, the Environmental Management System was integrated with the Quality Management System, which was recertified **ISO 9001:2015** in February 2023, and subsequently supplemented with the **UNI PdR 125:2022** practice on gender equality, which was certified in December 2023.

In this spirit, with the integration of the quality management system, the new Quality, Health, Safety and Environment Policy has also been issued, with multiple environmental commitments:

- ▶ identify and assess direct and indirect environmental aspects, including impacts on biodiversity<sup>3</sup>;
- ▶ identify new technologies to reduce raw materials consumption and the use of non-renewable energy sources;
- ▶ reduce greenhouse gas production, through the production and purchase of energy from renewable sources and the consideration, optimization, and reduction of the refrigerant gases used;
- ▶ manage waste by adopting strategies geared toward recycling and recovery, with the aim of increasing the lifecycle of materials and products;
- ▶ control and reduce all emissions that could be polluting or disturbing local communities during the construction, operation, and disposal of technological infrastructures, also with the cooperation of our customers;
- ▶ improve the landscape impact of its technology infrastructure.

<sup>3</sup> See more information here: [Biodiversity – INWIT](#)



**Social:** “Contribute to the reduction of the digital divide and to the economic, social and cultural development of communities and foster the involvement, well-being, development and security of our people” **Indoor and outdoor coverage solutions**”

INWIT recognizes the crucial importance of reliable, high-quality telecommunications services to foster social and economic development. The company's commitment to universal connectivity is concretely translated into the deployment of both indoor and outdoor coverage on a large scale throughout the country, through its macro-grids and micro grid (DAS small cells). INWIT is also committed to covering areas, through its micro grid, with a high social and cultural interest, such as, for example, hospitals, museums and universities. As of December 2023, INWIT manages dedicated network coverage in 124 Hospitals, 7 Museums and 10 Universities.

### Coverage of digital divide areas

INWIT has historically proven **the value of digital infrastructure in reducing inequalities and ensuring equal opportunities**.

In 2022, INWIT won a 5G contract from the National Recovery and Resilience Plan, for the reduction of the digital divide in Italy. With that mission, INWIT **fulfilled its digitalization-enabling role** by supporting mobile operators in the reduction of territorial barriers.

In the same year, INWIT and Open Fiber, an operator of Fiber to the Home (Ftth) network infrastructure, partnered to provide Fixed Wireless Access technology coverage for over 600 municipalities across the country. This alliance, which will see the construction of a maximum of 500 new sites by INWIT and the provision of FWA equipment and fiber optic connections by Open Fiber, aims at **minimizing the technological, social and industrial divide in Italy**.

In March 2023, the company teamed up with UNCEM, Italy's National Union of Mountain Communities, to **improve the use of digital services for mountain communities, municipalities and unions** by facilitating the construction of digital infrastructures and installing IoT solutions on INWIT towers to improve the monitoring in 900 areas.

In 2023, a Convention and Memorandum of Understanding was signed between the Italian Department for Digital Transformation, the National Association of Italian Municipalities (ANCI), Infratel Italia, INWIT and all the main TLC operators who have been awarded NRRP tenders. The objective of this convention is to establish an operational memorandum aimed at making local administrations aware of all the recent changes and opportunities, including regulatory simplification, that have been adopted in recent times to facilitate the implementation of the NRRP plans and hence the deployment of the latest generation of high-speed connections.

## Diversity and Inclusion

**Diversity and Inclusion** is at the heart of INWIT's values and commitments.

In July 2021, the Board of Directors approved the Diversity & Inclusion Policy, which describes the company's commitments to fight against any form of discrimination and ensure equal opportunities for all. The same year, a **specific team lead by a Diversity Ambassador**, has been set up, made up of people from various departments in the company, which aims to promote specific initiatives and spread an inclusive culture within the company. No discrimination incidents have been recorded in 2023.

In 2020, INWIT signed the Women's Empowerment Principles promoted by the United Nations Global Compact and UN Women.

These commitments have been recognized as best practice by several stakeholders:

1. In 2023, for the protection and diffusion of the values of diversity and inclusion, INWIT published its policy on gender equality and in 2024 INWIT obtained the UNI PdR 125:2022 certification on gender equality.
2. In January 2024, INWIT obtained the Top Employers Italy 2024 certification. Top Employers is a certification awarded to companies that reach and satisfy the high standards of the HR Best Practices Survey. The Top Employers certification is the official recognition of a company's excellence in HR policies and strategies and of their implementation to contribute to the well-being of individuals and to improve the working environment.
3. In 2022, Valore D published a paper comparing the corporate practices across 25 companies' member of the Generazione Donna group. Their results found that INWIT was among the most virtuous companies in its care and parenting policies.
4. In 2023, for the second year, INWIT has been included in the Bloomberg Gender-Equality Index which measures gender equality using five criteria: Leadership and talent pipeline; Equal pay & gender pay parity; Inclusive culture; Anti-sexual harassment policies; External brand. The improved score of 75.53 attests the performance of the company in terms of disclosure and inclusive culture policy.
5. INWIT is among the first signatories of the Manifesto "Enterprises for People and Society" promoted by the UN Global Compact Network Italy. By signing the Manifesto, INWIT has signaled its intent to further strengthen the social dimension in its corporate strategy to generate long-term value in the supply chain and in the communities in which it operates, with the aim of contributing to ensuring a fair and sustainable future for generations to come.
6. The number of employees has more than doubled at INWIT in four years, going from 122 employees in 2019 to 296 in 2023. In 2023, 39% of the total employees were women. Women were 16% of the executives ("Dirigenti") and 36% of managers ("Quadri"). INWIT has set itself the target of increasing the proportion of women in managerial positions<sup>4</sup> from 23.7% in 2020 to 35% by 2030.
7. In 2023, INWIT managed the selection of personnel for a total of 50 job positions across all company departments, concurrently equipping itself with stringent inclusion KPIs within the selection process, even when the latter is managed by external recruiting agencies. The overall number of male candidates in the year was 212, while female candidates were 235, equal to a share of 53%, an increase compared to the 46% share of female candidates seen in 2022.

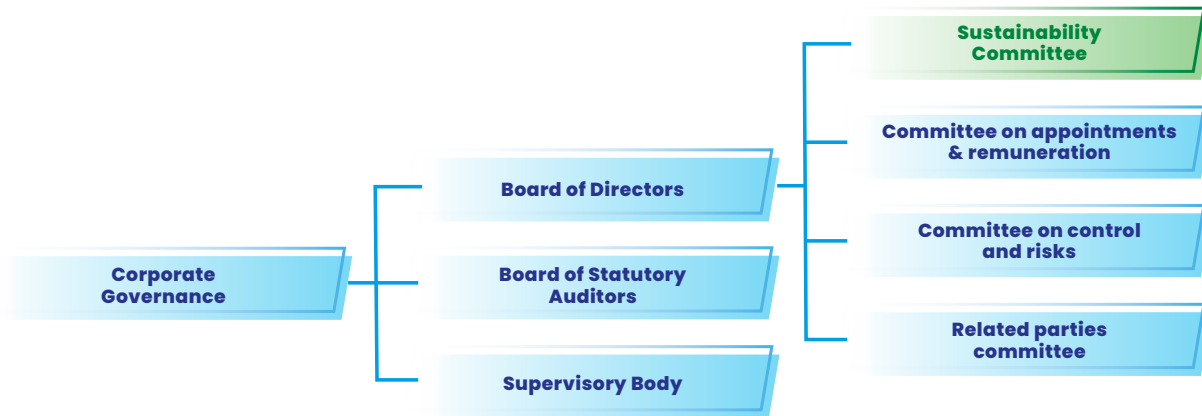
<sup>4</sup> A managerial position encompasses both executives and managers.



**Governance:** “Develop and maintain a corporate governance system aimed at sustainable success.”

The path aimed at integrating sustainability into the company's choices and strategies took practical form in 2020 when the merger of INWIT and the Italian Vodafone Towers became effective and a new governance structure was therefore implemented through the establishment of the Sustainability Board Committee with dedicated organizational supervision. The Sustainability Committee 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 positioning in sustainability indexes and the non-profit strategies of the Company.

## INWIT Governance



Source: INWIT 2023 Integrated Report Summary

INWIT has identified five lines of action to guide its governance's medium and long term goals: stakeholder engagement; business ethics, transparency and anticorruption; sustainable supply chain; corporate identity and neutral host.

Closely related to its ESG targets, a variable remuneration incentive system has also been defined to guide management behavior and actions towards the Company's overall performance objectives, consistent 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.

## 2. INWIT'S SUSTAINABILITY LINKED FINANCING FRAMEWORK

In 2021, INWIT took out a sustainability-linked term loan with two KPIs<sup>5</sup> for an amount of 500 million euros and a duration of 4 years, signed with a pool of 4 financial institutions. In 2024, the company formalized the option to extend the maturity date of the sustainability-linked Term Loan from April 2025 to April 2027<sup>6</sup>.

In 2022, INWIT amended the 500 million euro revolving credit facility to, inter alia, include specific ESG targets on the reduction of CO<sub>2</sub> emissions, the improvement of gender equality and the reduction of digital divide<sup>7</sup>.

The creation of a Sustainability-Linked Financing Framework (the "Framework") is a natural progression to further demonstrate INWIT's commitment to sustainability and to mobilize all its stakeholders around this objective. Through this Framework, INWIT will further align its funding needs with its industrial dimension, highlighting its ambitious sustainability objectives set forth in the 2024-2026 Sustainability Plan, and beyond towards 2030 and 2040, which is guided by exemplary social and environmental conduct. This Framework highlights the overall strategy and commitments of the Group.

The Sustainability-Linked Financing Framework has been developed as an overarching tool to be applied to any Sustainability-Linked instruments INWIT may issue going forward, namely bonds and loans. This Framework has been established in accordance with the 2023 Sustainability-Linked Bond Principles (SLBP)<sup>8</sup> as administered by the ICMA and the 2023 Sustainability-Linked Loan Principles (SLLP) as published by the APLMA, LMA and LSTA<sup>9</sup>.

The following five pillars form the basis of INWIT's Framework:

- 1. Selection of Key Performance Indicators (KPIs)**
- 2. Calibration of Sustainability Performance Targets (SPTs)**
- 3. Bond characteristics**
- 4. Reporting**
- 5. Verification**

<sup>5</sup> CO<sub>2</sub> reduction and training hours.

<sup>6</sup> More details available at link: [INWIT: Extension Of 500 Million Euro Sustainability-Linked Term Loan From 2025 To 2027 – INWIT](#)

<sup>7</sup> Underwriting of a EUR 500M sustainability-linked term loan with a term of 4 years. The maturity date of the revolving credit line has been extended 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<sub>2</sub> emissions. More details available [here](#).

<sup>8</sup> [Sustainability-Linked Bond Principles \(SLBP\) » ICMA \(icmagroup.org\)](#)


<sup>9</sup> [Sustainability Linked Loan Principles \(SLLP\) – LSTA](#)




## 2.1 Selection of Key Performance Indicators (KPIs)

INWIT has selected two relevant, core, material and measurable KPIs with related ambitious SPTs, which play a central role in its Sustainability Strategy to support its Sustainability-Linked transactions:

- KPI #1: Absolute scope 1, 2 and 3 GHG emissions reduction
- KPI #2: Share of women in management roles

KPI 1	ABSOLUTE SCOPE 1, 2 AND 3 GHG EMISSIONS REDUCTION				
<b>Definition</b>	<ul style="list-style-type: none"> <li>● Scope 1: The Group's direct GHG emissions relate to the primary energy consumption of INWIT from gas, fuel (diesel fuel for automotive use and generator sets) and refrigerant gas leakage</li> <li>● Scope 2: Indirect (Scope 2) market-based emissions linked to the generation of electricity consumed by the Group's sites<sup>10</sup></li> <li>● Scope 3: Other indirect emissions, corresponding to the 8 categories of the upstream Scope 3 emissions as defined by the GHG protocol<sup>11</sup>, namely:               <ul style="list-style-type: none"> <li>○ Purchased goods and services</li> <li>○ Capital goods</li> <li>○ Fuel - and energy - related activities (not included in scope 1 or scope 2)</li> <li>○ Upstream transportation and distribution</li> <li>○ Waste generated in operations</li> <li>○ Business travel</li> <li>○ Employee commuting</li> <li>○ Upstream leased assets</li> </ul> </li> </ul>				
<b>Perimeter</b>	The entirety of INWIT's perimeter.				
<b>Historical data</b> (emissions expressed in tCO <sub>2</sub> e)		<b>2020</b> (baseline)	<b>2021</b>	<b>2022</b>	<b>2023</b>
	<b>Scope 1</b>	2,432	2,693	3,029	2,638
	<b>Scope 2 MB<sup>12</sup></b>	115,766	100,170	53	154,746
	<b>Scope 3</b>	65,729	68,589	56,195	82,965
	<b>Combined scope 1, 2 and 3</b>	183,927	171,452	59,277	240,349
<b>Rationale and materiality</b>	<ul style="list-style-type: none"> <li>● It is estimated that the information and communications technology industry is responsible for 2% to 3% of all global GHG emissions<sup>13</sup>. INWIT is dedicated to developing innovative solutions along its whole value chain to be a part of the solution in the fight against climate change</li> <li>● INWIT has identified "Combatting climate change" as one of its most material topics in 2023</li> <li>● Scope 1 emissions represented approximately <b>1.1%</b> of INWIT Scope 1, Scope 2 (market-based) and Scope 3 GHG emissions in 2023</li> <li>● Scope 2 emissions represented approximately <b>64.4%</b> of INWIT Scope 1, Scope 2 (market-based) and Scope 3 GHG emissions in 2023</li> <li>● Scope 3 emissions represented approximately <b>34.5%</b> of INWIT Scope 1, Scope 2 (market-based) and Scope 3 GHG emissions in 2023</li> <li>● GHG emissions is also one of the components of variable remuneration that has been implemented by the Company<sup>14</sup></li> </ul>				
<b>Contribution to the United Nations Sustainable Development Goals</b> 	<ul style="list-style-type: none"> <li>● <b>SDG 7.</b> Ensure access to affordable, reliable, sustainable and modern energy for all               <ul style="list-style-type: none"> <li>○ <b>Target 7.2.</b> By 2030, increase substantially the share of renewable energy in the global energy mix                   <ul style="list-style-type: none"> <li>▶ <b>Indicator 7.2.1.</b> Renewable energy share in the total final energy consumption</li> </ul> </li> </ul> </li> <li>● <b>SDG 13.</b> Take urgent action to combat climate change and its impacts               <ul style="list-style-type: none"> <li>○ <b>Target 13.2.</b> Integrate climate change measures into national policies, strategies and planning                   <ul style="list-style-type: none"> <li>▶ <b>Indicator 13.2.2.</b> Total greenhouse gas emissions per year</li> </ul> </li> </ul> </li> </ul>				



KPI 2	SHARE OF WOMEN IN MANAGEMENT ROLES				
<b>Definition</b>	The share of women in managerial roles is calculated as the number of women in management roles (including both executives and managers) divided by the total number of members in management positions. A management role is defined as per <b>Quadri e Dirigenti</b> .				
<b>Perimeter</b>	The entirety of the Group's perimeter.				
<b>Historical data</b>	<b>Percentage of women in managerial roles</b>	<b>2020</b> (baseline) 23.7%	<b>2021</b> 28.4%	<b>2022</b> 23.3%	<b>2023</b> 30.6%
<b>Rationale and materiality</b>	<ul style="list-style-type: none"> <li>Diversity and inclusiveness in the workplace have been one of the key material topics in 2023 for INWIT. The Company has embedded diversity and inclusion as well as fighting for gender equality in its company policies and initiatives.</li> <li>INWIT's business need has led to a significant investment in professionals. 2023 has been an exceptional year for INWIT due to the massive increase of total headcount (54 new hirings of which 24 were female) and 5 women have been promoted in managerial roles.</li> <li>INWIT recognizes that human capital is crucial to its long-term success. The Company believes that diversity is a key lever of performance and innovation with D&amp;I programs positively impacting employee retention and attraction, promoted by D&amp;I team headed by a Diversity ambassador.</li> <li>INWIT has achieved Gender Equality Certification in compliance with UNI/PdR 125:2022<sup>15</sup>, an important acknowledgement that testifies to the value of the path taken towards the creation of a fairer and more sustainable working environment.</li> <li>The Company has been recognized for the strength of its commitments, actions and market practices by the Bloomberg Gender-Equality Index.</li> <li>According to an internal benchmark of the 5 largest tower companies, women represent on average 31% of the workforce and 23% of managers<sup>16</sup>.</li> <li>In 2023, women in INWIT represent 39% of the total workforce and 30.6% in management roles (executives and managers). Executives and managers represent 33% of the total workforce.</li> </ul>				
<b>Contribution to the United Nations Sustainable Development Goals</b> 	<ul style="list-style-type: none"> <li><b>SDG 5:</b> Achieve gender equality and empower all women and girls             <ul style="list-style-type: none"> <li><b>Target 5.1.</b> End all forms of discrimination against all women and girls everywhere                 <ul style="list-style-type: none"> <li><b>Indicator 5.1.1.</b> Whether or not legal frameworks are in place to promote, enforce and monitor equality and non-discrimination on the basis of sex</li> </ul> </li> <li><b>Target 5.5.</b> Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life                 <ul style="list-style-type: none"> <li><b>Indicator 5.5.2.</b> Proportion of women in managerial positions</li> </ul> </li> </ul> </li> </ul>				

<sup>10</sup> INWIT follows the GHG **Protocol Scope 2 Guidance**. Market-based emissions are calculated with an emission factor relative to purchased contracts as per the Association of Issuer Bodies (AIB) European residual mix, equal to zero for electricity covered by a Guarantee of Origin (GO)

<sup>11</sup> See the GHG Protocol categories [here](#)

<sup>12</sup> Market-Based Methodology: Scope 2 related CO<sub>2</sub> emissions calculated with emission factor relative to the purchase contract (AIB residual mix), equal to zero for electricity covered by GO.

<sup>13</sup> See [here](#) and [here](#)

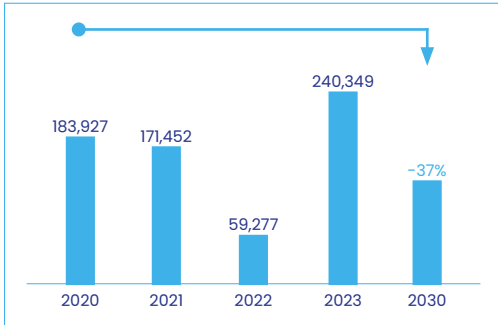
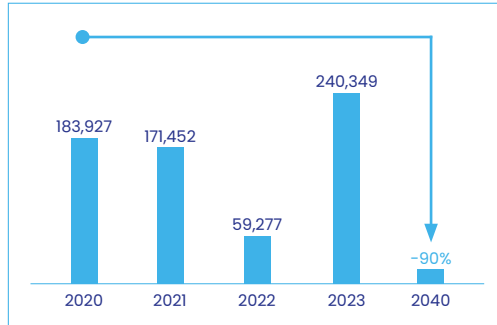
<sup>14</sup> [See more here](#): INWIT-TCFD-2022

<sup>15</sup> [See more here](#): INWIT achieves Gender Equality Certification (UNI/PDR 125:2022) – INWIT

<sup>16</sup> Internal benchmark: average for the telecommunications towers sector calculated using samples from 5 companies in the sector (American towers, Cellnex, Vantage towers, IHS towers & Helios towers)



## 2.2 Calibration of the Sustainability Performance Targets

KPI 1	SPT #1A: Reduce absolute Scope 1, 2 and 3 emissions by 37% by 2030 vs. 2020	SPT#1B: Reduce absolute Scope 1, 2 and 3 emissions by 90% by 2040 vs. 2020																								
Target Observation Date	• 31 <sup>st</sup> December 2030	• 31 <sup>st</sup> December 2040																								
Trajectories	<div><p><b>Absolute Scope 1, 2 and 3 GHG emissions (TCO<sub>2</sub>e) until 2030</b></p><table><tr><th>Year</th><th>2020</th><th>2021</th><th>2022</th><th>2023</th><th>2030</th></tr><tr><td>Emissions (TCO<sub>2</sub>e)</td><td>183,927</td><td>171,452</td><td>59,277</td><td>240,349</td><td>-37%</td></tr></table></div> <div><p>These SPTs have been set in line with INWIT’s climate objectives and are aligned with a 1.5°C trajectory, as validated by the SBTi, in the case of SPT #1b, or coherent with INWIT’s near-term SBTi target, as with SPT #1a. The increase of emissions in 2023 compared to 2022 is due to the lower use of electricity from renewable sources, as 57% of electricity from renewable sources was used in 2023, compared to 100% in 2022. This had effects on:</p><ul style="list-style-type: none"><li>• Scope 2 MB emissions, that increased significantly (triple).</li><li>• Scope 3 Cat 3 emissions more than doubled.</li></ul></div>	Year	2020	2021	2022	2023	2030	Emissions (TCO <sub>2</sub> e)	183,927	171,452	59,277	240,349	-37%	<div><p><b>Absolute Scope 1, 2 and 3 GHG emissions (TCO<sub>2</sub>e) until 2040</b></p><table><tr><th>Year</th><th>2020</th><th>2021</th><th>2022</th><th>2023</th><th>2040</th></tr><tr><td>Emissions (TCO<sub>2</sub>e)</td><td>183,927</td><td>171,452</td><td>59,277</td><td>240,349</td><td>-90%</td></tr></table></div>	Year	2020	2021	2022	2023	2040	Emissions (TCO <sub>2</sub> e)	183,927	171,452	59,277	240,349	-90%
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Emissions (TCO <sub>2</sub> e)	183,927	171,452	59,277	240,349	-90%																					
Baseline	2020: 183,927 TCO <sub>2</sub> e – reviewed by PwC at a limited assurance																									
Ambitiousness of the SPTs	<p>● <b>INWIT’s SPTs are in line with its SBTi-validated target:</b></p> <p>In 2021, INWIT joined the Science-Based Targets initiative (SBTi)<sup>17</sup>. INWIT’s scope 1 and 2 target was approved by SBTi in early 2022, in line with SBTi’s SME criteria and a 1.5°C scenario. INWIT has since had its 2040 net-zero target validated by SBTi, going beyond SBTi’s guidance for SMEs by setting quantitative scope 3 emissions reduction targets.</p>																									
Action Plan	<p><b>Scope 1 emissions</b></p> <ul style="list-style-type: none"><li>● Gradual replacement of the car fleet: transitioning to hybrid and electric cars towards 2040.</li><li>● Significant reduction in diesel consumption for generator sets (gensets) thanks to grid connection, where possible, and the modernization of the gensets themselves.</li><li>● Monitoring of refrigerant gases with a consequent reduction in gas leakages by 2030, following investments in free cooling systems and, consequently, replacement of refrigerant gases with others not impacting the climate towards 2040.</li></ul> <p><b>Scope 2 emissions</b></p> <ul style="list-style-type: none"><li>● Energy efficiency measures (free cooling and high-efficiency rectifiers) according to both Industrial and Sustainability Plans, leading to:<ul style="list-style-type: none"><li>○ an increase in investments on free cooling and electricity rectifiers;</li><li>○ additional investment up to 2039.</li></ul></li><li>● Gradual increase in the use of electricity from renewable sources, both purchased and self-production:<ul style="list-style-type: none"><li>○ Installation of photovoltaic systems at the sites, consisting in:<ul style="list-style-type: none"><li>- a twofold increase in investments which will have effect in 2025</li><li>- additional and constant investment up to 2039</li></ul></li><li>○ Purchase Guarantees of Origin to cover the target percentage of renewable energy.</li></ul></li></ul>																									

<sup>17</sup> Science-Based Targets initiative (SBTi). [Available here.](#)



<b>Action Plan</b>	<p><b>Scope 3 emissions</b></p> <ul style="list-style-type: none"> <li>● Sustainable procurement to ensure goods and services with less environmental impact for the Net Zero to 2040. <ul style="list-style-type: none"> <li>○ Progressive procurement of poles containing part of recycled steel;</li> <li>○ To the extent possible, from 2025, lighter poles will be used, resulting in a reduction in emissions related to the realization of capital goods, and additional emission benefit related to upstream transport and distribution.</li> </ul> </li> <li>● Incremental introduction of commercial means with a lower environmental impact (hybrids and electric); also, commercial means will be used for upstream transport and distribution of purchased goods.</li> <li>● Reduction of indirect emissions related to the use of fuels and electricity through self-generation and supply of renewable electricity, covered by Guarantees of Origin, and a gradual replacement of company fleet with low emission vehicles, in line with the scope 1 and 2 emission reduction initiatives.</li> <li>● Contractual changes allowing direct electricity supply, with consequent monitoring of consumption, with reference to the operating sites currently not provided with a dedicated Point of Delivery.</li> <li>● Monitoring, through the Mobility Manager, of employees' workplace travel arrangements through the use of questionnaires and resulting improvement of the methodology for calculating</li> </ul>
<b>Limiting factors in the achievement of INWIT's targets</b>	<p>Factors which could prevent INWIT from achieving its targets includes, but are not limited to:</p> <ul style="list-style-type: none"> <li>● Uncertainty around availability and prices of certificates for renewable electricity;</li> <li>● Failure to obtain the administrative permissions for the installation of renewable energy equipment;</li> <li>● Failure of the market in delivering technological innovation;</li> <li>● Climate physical risks affecting the resilience of infrastructures;</li> <li>● Failure to disseminate an effective preventive culture across the actors involved.</li> </ul>
<b>KPI 2</b>	<b>REACH 35% OF WOMEN IN MANAGEMENT AND EXECUTIVE POSITIONS BY 2030</b>
<b>Target Observation Date</b>	<ul style="list-style-type: none"> <li>● 31<sup>st</sup> December 2030</li> </ul>
<b>Trajectories</b>	<p><b>Share of women in management and executive positions</b></p> <p>35% in 2030</p>
<b>Ambitiousness of the SPTs</b>	<ul style="list-style-type: none"> <li>● The INWIT's industry lags behind on gender parity. In the telecommunications tower industry, women represent an average of 31 % of the workforce and 23% of managers<sup>18</sup>. To achieve a target as challenging and ambitious as the one set for the percentage of women in management, INWIT collaborates with schools and universities to recruit female talent for entry-level positions. The company struggles to find experienced women for middle management roles due to a scarcity of available female candidates in the telecommunications industry. The Company has implemented initiatives that enabled the recruitment of women in senior roles and that give access to a significant pool of talented young women. Inwit has also implemented development activities and initiatives in order to support the professional and managerial growth of the women already part of the own workforce.</li> <li>● In 2020, the percentage of women in management was of 23.7%, a progression of 7% to date. The Company expects a growth of 11% by 2030 from 2020.</li> </ul>

<b>Action Plan</b>	<ul style="list-style-type: none"> <li>● INWIT is committed to external hiring practices that offer equal opportunities for all candidates, salary review and promotion process focused on fostering the growth of professional talent irrespective of background or identity.</li> <li>● In collaboration with LUISS Guido Carli University, INWIT awards scholarships to female students enrolled in STEM degree programs to address the digital skills gap and ensure a better match between industry demand and available talents. The company also includes stringent inclusion KPIs within the selective process even when managed by external recruitment agencies (50% of candidates are women).</li> <li>● INWIT provides specific training initiatives and inspiring speeches to D&amp;I culture as well as individual executive coaching focused on leadership development for women.</li> <li>● Female career development topic is also specifically monitored in an indicator.</li> </ul>
<b>Limiting factors in the achievement of INWIT's targets</b>	<ul style="list-style-type: none"> <li>● Significant variations in INWIT's perimeter, such as acquisition of companies with low performance on gender equality in executive positions.</li> <li>● Low availability of open executive positions.</li> <li>● Low availability of women with senior technical skills in the Italian market.</li> </ul>

<sup>18</sup> Internal benchmark: average for the telecommunications towers sector calculated using samples from 5 companies in the sector (American towers, Cellnex, Vantage towers, IHS towers & Helios towers)

## 2.3 Financial Characteristics

The proceeds of INWIT's Sustainability-Linked Instruments will be used for general corporate purposes. For any Sustainability-Linked Instrument, INWIT commits to including at least one SPT related to KPI 1. Details on the choice of selected KPI(s) and applicable SPT(s) as well as the impact on financial and/or structural characteristics will be specified in the relevant documentation (e.g. in the final terms of the relevant Sustainability-Linked Bond or the facility agreement of the relevant Sustainability-Linked Loan). Sustainability-Linked Instruments issued under this Framework will have a sustainability-linked feature that will result in a coupon adjustment or margin adjustment, or a premium payment as the case may be:

- ▶ in the event one or more of the applicable SPT(s) in relation to the selected KPI(s) is (are) not achieved as of the relevant Target Observation Date(s); or
- ▶ if INWIT fails to comply with reporting and/or verification obligations as of the relevant Target Observation Date(s).

## 2.4 Reporting

Until the maturity of any Sustainability-Linked Instrument, INWIT will report annually on information required to observe the performance of applicable KPI(s). This information will be available within INWIT's Universal Registration Document or in a dedicated report accessible on INWIT's website.

Such annual reporting will include:

- ▶ information on the performance of the KPIs, as per the relevant reporting period including the calculation methodology and baselines where relevant
- ▶ a limited assurance opinion from an independent external verifier confirming the performance levels of each KPI
- ▶ when relevant, any information enabling investors and/or lenders to monitor the ambition of the applicable SPTs including any update in INWIT's sustainability strategy or any recent announcements, strategic decisions on the related KPI
- ▶ when relevant, any re-assessments of KPIs and/or restatement of the SPTs and/or pro-forma adjustments of KPI scope following a recalculation event as defined in section 3 of this Framework

## 2.5 External Verification

### Pre-Issuance Verification

INWIT's Sustainability-Linked Financing Framework has been reviewed by Sustainalytics who provided a second party opinion, confirming the alignment of the Framework with the Sustainability-Linked Bond Principles (SLBP) administered by the ICMA and Sustainability-Linked Loan Principles (SLLP), administered by APLMA, LMA and LSTA.

### Post-Issuance Verification.

INWIT will appoint a qualified independent external verifier to provide an independent and external verification on the annual performance levels of applicable KPI(s) at a "Limited Assurance Standard", within a period defined in the specific documentation of each Sustainability-Linked Financing Instrument

This annual assurance report will be made publicly available.



### 3. RECALCULATION POLICY

The KPIs and/or baseline(s) and/or SPT(s) set out in the legal documentation of a Sustainability-Linked Instrument may be restated/amended in the context of a Recalculation Event.

A Recalculation Event covers the occurrence of any change or other potential event that individually or in aggregate, has a significant impact on the level of any KPI and/or SPT and/or KPI baseline and results from:

- ▶ any evolution of INWIT's perimeter (due to an acquisition, a merger or a demerger or other restructuring, an amalgamation, a consolidation or other form of reorganization with similar effect, a spin-off, a disposal or a sale of assets);
- ▶ any changes in market practice or industry standard, any applicable laws, regulations, rules, guidelines and policies relating to the business of the issuer; or
- ▶ any change to the applicable methodology or data sources for calculation (including correction of errors and/or new or more accurate data sets)
- ▶ An update of KPI I's SPTs which have been validated by the SBTi

Such restatement/amendment may be performed provided that:

- ▶ an external verifier has independently confirmed that the proposed restatement/amendment, is consistent with the initial level of ambition of the relevant SPT and is consistent with INWIT's sustainable strategy.

Any such change will be communicated and notified as soon as reasonably practicable by INWIT in accordance with the conditions detailed in the specific documentation of each Sustainability-Linked Financing instrument.

## 4. DISCLAIMER

This document (the "**Sustainability-Linked Financing Framework**" or "**Framework**") is intended to provide non-exhaustive, general information. This Framework may contain or incorporate by reference public information not separately reviewed, approved or endorsed by INWIT and accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by INWIT as to the fairness, accuracy, reasonableness or completeness of such information.

This Framework may contain or incorporate by reference statements about that are forward-looking statements about future events, expectations and commitments. Forward-looking statements are generally identified through the inclusion of words such as "will," "expect," "may," "intend," "aim," "anticipate," "believe," "drive," "estimate," "commit" or similar statements or variations of such terms and other similar expressions. None of the future projections, expectations, estimates or prospects in this Framework should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of the assumptions, fully stated in this Framework. Because these forward-looking statements are subject to risks and uncertainties, actual future results or performance may differ materially from those expressed in or implied by these statements due to any number of different factors, many of which are beyond the ability of INWIT to control or estimate precisely, including but not limited to, future market development, changes in the regulatory framework, general business and economic conditions globally, including in relation to the environment, health and safety and taxation, and political and economic uncertainty as a result of global pandemic and current geopolitical instability. You are cautioned not to place undue reliance on the forward- looking statements contained herein, which are made only as of the date of this document. INWIT has and undertakes no obligation to update, modify or amend this Framework or the statements contained herein to reflect actual changes in assumptions or changes in factors affecting these statements or to otherwise notify any addressee if any information, opinion, projection, forecast or estimate set forth herein changes or subsequently becomes inaccurate.

The information contained in this Framework does not purport to be comprehensive and, unless differently specified in this Framework, has not been independently verified by any independent third party. None of the future projections, expectations, estimates or prospects in this Framework should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of assumptions, fully stated in this Framework. No representation is made as to the suitability of any Sustainability-Linked Financing Instruments to fulfil environmental and sustainability criteria required by prospective investors.

This Framework is not intended to be and should not be construed as providing legal, financial or technical advice. It does not constitute an offer or invitation to sell or any solicitation of any offer to subscribe for or purchase or a recommendation regarding any securities of INWIT or any member of the INWIT group, and nothing contained herein shall form the basis of any contract or commitment whatsoever and it has not been approved by any security regulatory authority. Any decision to buy or invest in securities shall be made solely and exclusively on the basis of the information set out in the pertinent prospectus or equivalent or related documentation filed or otherwise made available to prospective investors by INWIT or its subsidiaries.

In particular, neither this Framework nor any other related material may be distributed or published in any jurisdiction in which it is unlawful to do so, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession such documents may come must inform themselves about, and observe, any applicable restrictions on distribution.

The information and opinions contained in the Framework are provided as of the date of this Framework and are subject to change without notice.

This Framework does not create any legally enforceable obligations against INWIT or any of its subsidiaries; any such legally enforceable obligations relating to any Sustainability-Linked Financing Instruments are limited to those expressly set forth in the legal documentation governing each such Sustainability-Linked Financing Instruments. Therefore, unless expressly set forth in such legal documentation, INWIT's failure to adhere or comply with any terms of this Framework, including, without limitation, failure to achieve any sustainability targets or goals set forth herein, will not constitute an event of default or breach of contractual obligations whatsoever under the terms and conditions of any such Sustainability-Linked Financing Instruments.

Factors that may affect INWIT's ability to achieve any sustainability goals or targets set forth herein include (but are not limited to) market, political and economic conditions, changes in government policy (whether with a continuity of the government or on a change in the composition of the government), changes in law, rules or regulations, and other challenges.

The addressee is solely liable for any use of the information contained herein and INWIT shall not be held responsible for any damages, direct, indirect or otherwise, arising from the use of this Framework by the addressee.

This Framework is the exclusive intellectual property of INWIT.

By possessing or otherwise accessing this Framework, you agree to be bound by the foregoing limitations. Any failure to comply with these restrictions may constitute a violation of any applicable law and regulations.