

The logo for INWIT, featuring the word "INWIT" in a bold, white, sans-serif font. The letter "I" is stylized with a horizontal bar extending to the right, resembling a Wi-Fi symbol. The logo is set against a blue rectangular background.

INWIT

Sharing connections

Climate Transition Plan

September 2024



Foreword

INWIT's Climate Transition Plan is an integral part of the company's climate strategy and describes a transition plan towards a 1.5°C world, in line with the goals of the Paris Agreement.

The development of this transition plan allows INWIT to consolidate its action in the fight against climate change by defining a strategy that integrates and combines various aspects: the commitment to reduce emissions and the operational roadmap for achieving it, actions to seize opportunities in the low-carbon transition, and mechanisms to ensure business resilience against climate risks. Furthermore, it allows to illustrate company's actions to contribute to the global low-carbon transition through measures able to incorporate and accelerate climate action, thereby ensuring long-term value in a 1.5°C world.

The document provides an overview of the climate goals set by the company and the ongoing work, which will continue to be developed in next years, to achieve them. INWIT is committed to reporting progress towards the climate goals outlined in the plan and to adopting governance and feedback mechanisms necessary to ensure its validity, updating, and transparency of its climate ambitions towards stakeholders.

INWIT's Climate Transition Plan has been developed with reference to the recommendations of the CDP Technical Guideline, "CDP Technical Note: Reporting on Climate Transition Plans", and the ESRS reporting requirements of the Corporate Sustainability Reporting Directive, specifically the "Disclosure Requirement EI-1 – Transition plan for climate change".

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COMPANY PROFILE



Company profile

INWIT is the main Italian Tower Company, with a market share of over 45%.

Its mission is to build and manage digital and shared infrastructures that enable operators and technologies to connect people and devices, anytime and anywhere, for the benefit of the communities in which it operates. Digital infrastructures, in fact, are essential to enable a sustainable development model, where connectivity and digital innovation translate into attention to the needs of citizens and the territories, equal opportunities and a lower environmental impact.

The company's core business is identified in the offer of 'Integrated Hosting Services', with more than 24,000 towers distributed throughout the country, providing its customers, starting with anchor tenants, with infrastructures to build wireless networks: towers, poles, pylons and related technological systems. To date there are over 56,000 hospitality contracts, with a tenancy ratio of over 2 operators per site, among the highest in the industry.

Thanks to the possibility of installing cameras, IoT sensors and gateways, INWIT's towers lend themselves to offering multiple services, such as smart city applications, video surveillance, fire detection, monitoring of environmental parameters and energy consumption.

INWIT also provides to its customers indoor coverage solutions, through DAS systems (Distributed Antenna System), to date more than 500, multi-operator solutions aimed at improving the signal reception of mobile operators in particularly crowded areas, such as shops, hospitals, museums, universities, offices, stations, airports and subways.

INWIT manages the wireless coverage of around 1,000 km of road and motorway tunnels including some of the main national arterial roads.

All of this makes INWIT central to enabling 4G, 5G and FWA in support of telecommunications operators, contributing significantly to the country digitalisation and the digital divide reduction.

Asset



>24k towers



>56k hospitalities



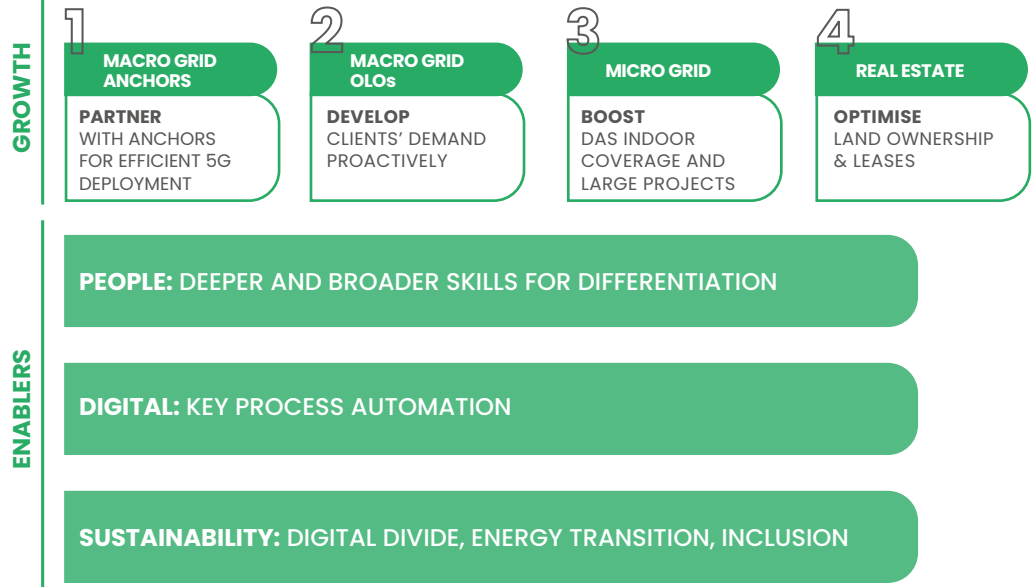
>500 DAS

INWIT Business Plan

In March 2024, the Board of Directors reviewed and approved INWIT's Business Plan for the period 2024-2026, which confirms the guidelines approved in March 2023 and INWIT's ability to invest in developing its infrastructure by developing key industrial, economic and financial indicators, reflecting the recent evolution of the macroeconomic, industrial and market context.

Coinciding with the update and approval of the Business Plan, INWIT approved the update of the Sustainability Plan 2024-2026, to seize development opportunities towards the pursuit of sustainable success. The 2024-2026 Business Plan envisages investments totalling around EUR 800 million between 2024 and 2026, an increase of around EUR 150 million compared to the March 2023 plan, concentrated in three main areas: the construction of new sites, the development of DAS indoor roofing, and land acquisition.

Strong and sustainable growth through the pillars of our Business Plan





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INWIT'S CLIMATE COMMITMENT

In line with the **2030 Agenda and its Sustainable Development Goals**, to the achievement of which INWIT intends to contribute, as of 2020 the company has adopted a **Sustainability Plan** integrated into its industrial strategy, through which it pursues the transition to a **sustainable business model**. The Sustainability Plan is represented by the three pillars **Environment, Social and Governance (ESG)**, with medium- long term strategic goals and specific lines of action to achieve each of them. The Environmental dimension includes INWIT's **climate strategy**, focused on achieving **Net Zero by 2040**, through the pursuit of challenging targets related to energy efficiency measures and the purchase and self-production of electricity from renewable sources.

INWIT's **Climate Transition Plan** integrates the company's Sustainability Plan, with particular reference to medium- and long-term emission reduction targets. To underline the importance of climate change's issue, and with a view to related business resilience, in 2023 INWIT carried out an updated **analysis of the risks and opportunities** associated with climate, with a particular focus on the economic assessment of the impact based on the different climate scenarios.

E



S



G



TOWER AS A SERVICE



We implement and manage shared and digital wireless infrastructures which enables the operators and the technologies to connect peoples and goods, always and everywhere, for the benefit of our community

Implement a strategy to reach **Net Zero Carbon** goal by 2040 and reduce our environmental footprint using a circular economy approach

- ▶ Carbon, Environment and Energy Management
- ▶ Energy efficiency and renewable sources
- ▶ Circular Economy approach
- ▶ Biodiversity

Contribute to the **digital divide's** reduction and to the social, cultural, and economic growth of our community and encourage our **people** engagement, welfare, development, and safety

- ▶ Coverage solutions: indoor e outdoor
- ▶ Coverage of digital divide and socially backward areas
- ▶ Skills development
- ▶ Diversity & Inclusion
- ▶ Health & Safety

Design and implement a corporate governance system aimed at a **sustainable success**

- ▶ Stakeholder engagement
- ▶ Business ethics, transparency and anticorruption
- ▶ Sustainable Supply Chain
- ▶ Corporate identity
- ▶ Neutral host

In line with its commitment to mitigate climate change impacts, INWIT has developed an ambitious short, medium and long term **decarbonisation strategy**, with the aim of zeroing its direct and indirect CO2 equivalent emissions, reaching Net Zero by 2040.

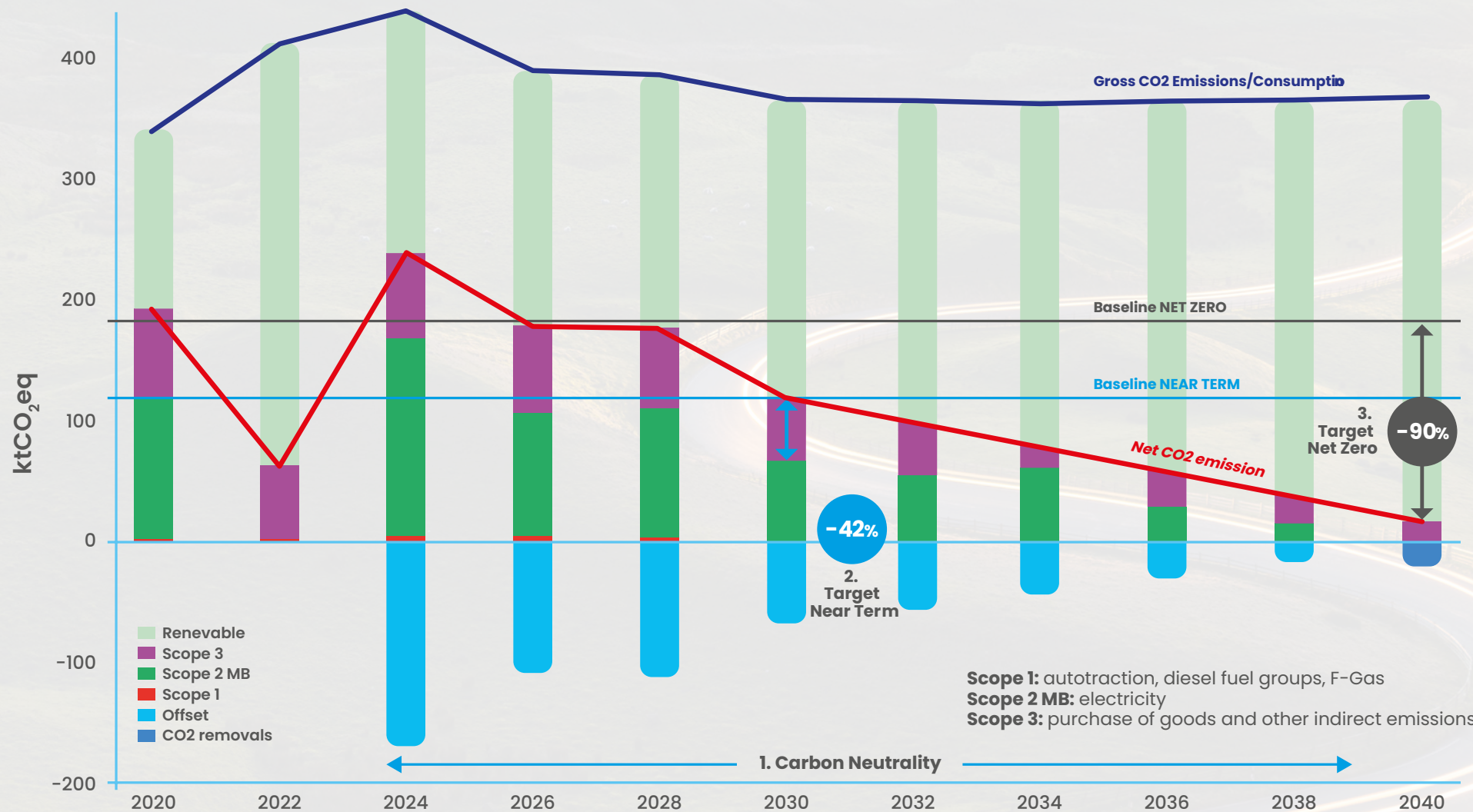
In January 2024, INWIT obtained validation of its **Net Zero target to 2040** by the **Science Based Targets Initiative (SBTi)**. This challenging new long-term target further strengthens the commitment to the transition to a low-carbon economy, adding to the 2030 (near-term) emission reduction target validated by SBTi in 2022. In addition, in line with SBTi's recommendation to companies to commit for a **"beyond value chain mitigation"** (BVCM) on their pathway to Net Zero, INWIT intends to contribute to global emissions reductions right now by financing climate action projects through the purchase of certified and quality carbon credits, achieving Carbon Neutrality for Scope 1 and 2 emissions, starting with emissions produced in 2024 and then every year until Net Zero.

Science-Based Targets Initiative and alignment to 1.5°C

The Science Based Targets Initiative (SBTi) is an international organisation that supports the setting of emission reduction targets based on climate science, in line with the level of decarbonisation needed to achieve the goals of the Paris Agreement and limit global warming to well below 2°C compared to pre-industrial levels and pursue efforts to further limit it to 1.5°C.

By setting these targets, INWIT shows its awareness and willingness to contribute to the country's decarbonisation process.

INWIT's short-term and Net Zero targets were developed and validated in line with the applicable requirements of the Science-Based Targets Initiative. Both targets are based on economy-wide scenarios and developed to ensure the GHG inventory coverage requirements and ambition needed to be in line with the Paris Agreement and the maintenance of temperatures below 1.5°C. The scenarios used by SBTi come mainly from the Integrated Assessment Modeling Consortium (IAMC) and the International Energy Agency (IEA), aligned to 1.5°C.

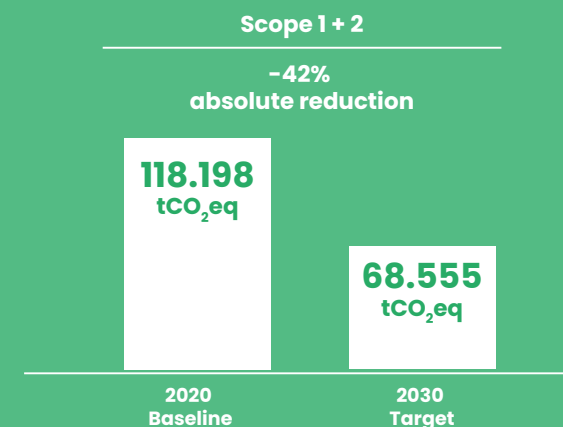


1. Carbon Neutrality by 2024

Mitigation of the annual residual emissions from its operations – Scope 1 and Scope 2 Market Based (MB) – emissions through financing of certified climate action projects (purchase of certified carbon credits).

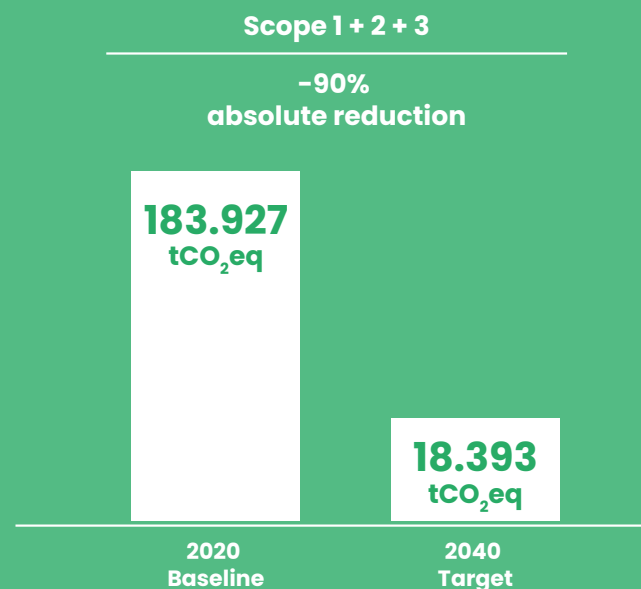
2. Near Term Target by 2030

SBTi's approved target to reduce Scope 1 and Scope 2 MB emissions by **42% to 2030 compared to base year 2020** and commitment to measure and reduce Scope 3 emissions.



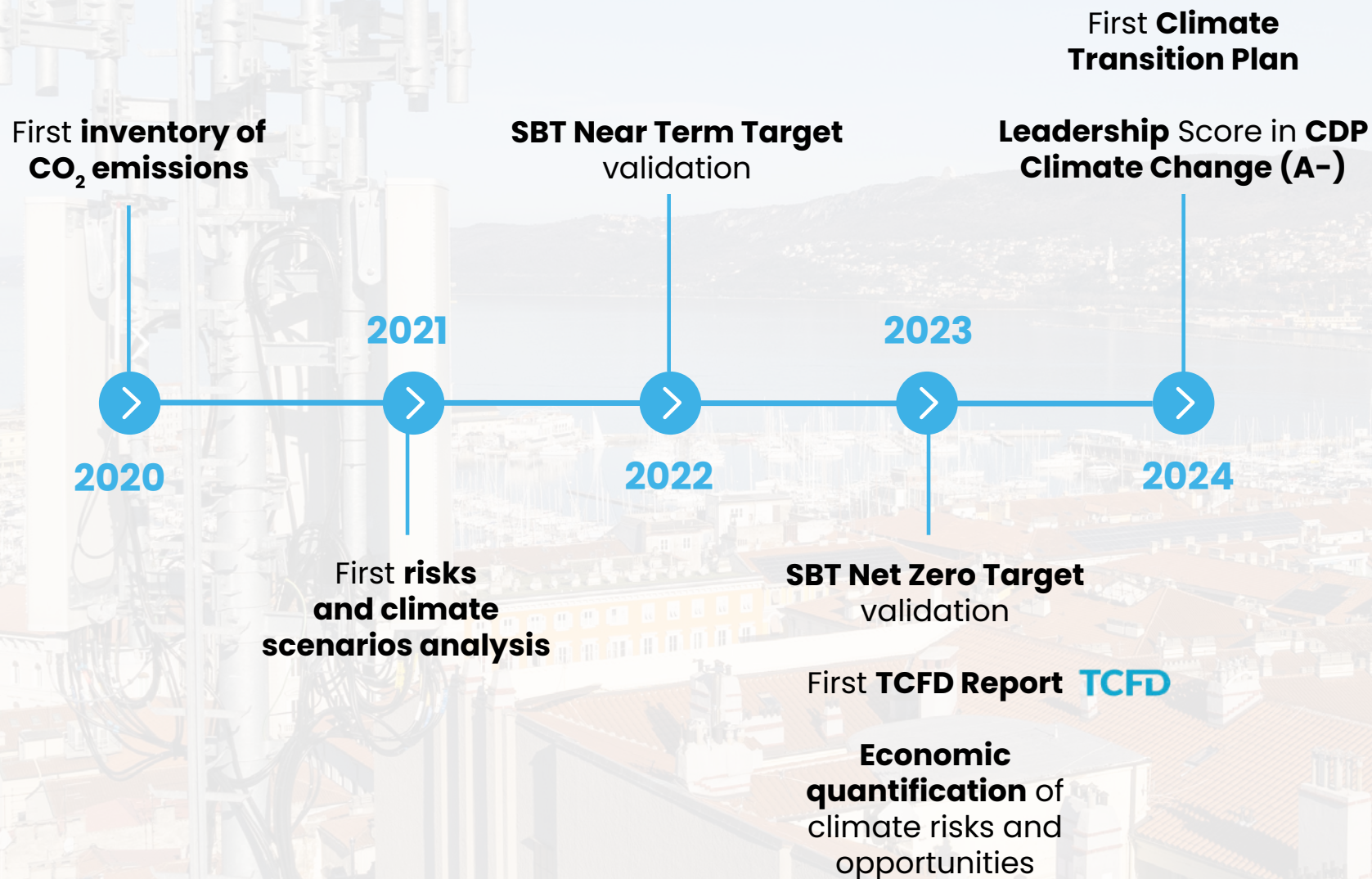
3. Net Zero Target by 2040

SBTi's approved target to reduce Scope 1, 2 and 3 emissions **by at least 90% by 2040 compared to the base year 2020**, and a commitment to neutralise residual emissions (0%- 10%) through capture and storage.



In addition, with the publication in 2024 of the Sustainability-Linked Financing Framework (SLFF), a sustainable finance tool that links the cost of financing to the level of achievement of specific Key Performance Indicators, INWIT has identified a new intermediate climate target at Net Zero to 2040, which envisages a 37% reduction in total emissions by 2030, compared to 2020.

The stages of INWIT's climate commitment

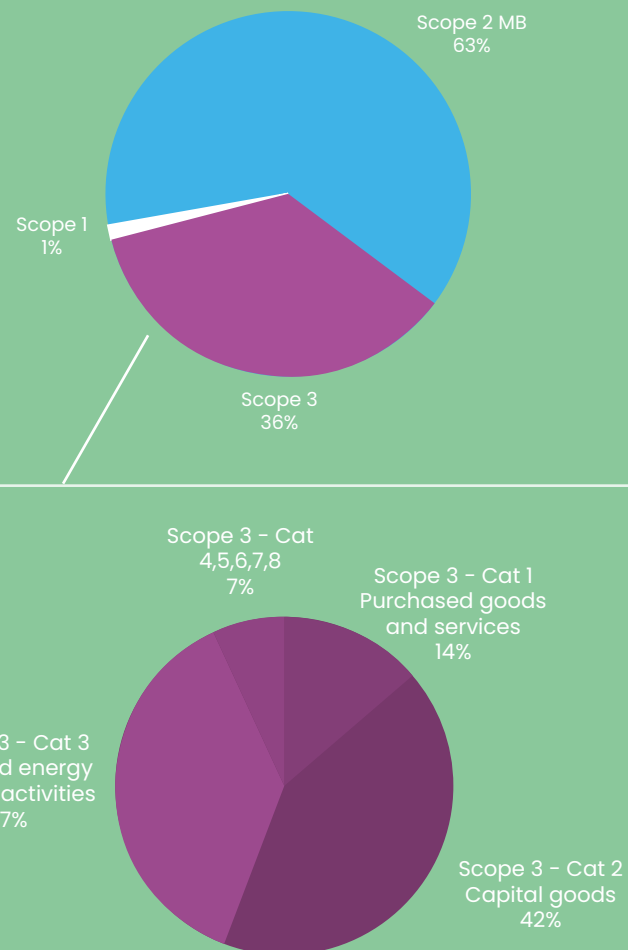


A strong decarbonisation strategy is built on three main steps: measure, reduce and monitor.

The starting point for defining a climate transition strategy is the awareness of its impact and its quantification. For this reason, INWIT is committed to **measuring its direct and indirect emissions** in accordance with the reporting requirements of the **GHG Protocol Corporate Standard and the Value Chain Standard**.

The boundaries of INWIT's emissions inventory is in line with corporate financial reporting and includes all activities over which the Company has full financial control and is divided into the three categories set out in the GHG Protocol: **Direct emissions – Scope 1, Indirect energy consumption emissions – Scope 2 and Other indirect value chain emissions – Scope 3**. The base year, identified by the company, from which to measure progress in reducing its emissions (base year) is 2020, the first year of full inventory calculation for the company (Scope1, Scope2 and Scope 3). In 2020, the total emissions generated by the company amounted to **183,927 tonnes of CO2 equivalent**, according to the market-based approach, of which approximately 63% related to Scope 2 (related to electricity consumption of company sites), 36% Scope 3 and only 1% Scope 1. This allocation remains unchanged in 2023.

Carbon footprint di INWIT per categoria di emissioni al 2020



INWIT commits annually to calculate and monitor its emission inventory and to disclose its impacts. The analysis of the indicators is published annually in INWIT's [Integrated Report](#) (which also includes GHG emissions) and in the **CDP Climate Change** questionnaire, subject to assessment by the CDP organisation itself, for which the company achieve **Leadership level** with a score of A- in 2023.

INWIT's reduction targets refer to the inventory calculated according to the market-based approach. For a complete view and reporting of its impact, the company also monitors emissions according to the Location Based approach.

The table shows the boundaries calculation of INWIT's Scope 3 emissions (according to the categories of the GHG Protocol). Some Scope 3 categories are not present in the inventory because they are not applicable to INWIT's business model: it does not offer products that need to be transported or disposed of, it does not offer leasing services, it has no franchisees and it has no investments.

For more details on emissions, please refer to the Natural Capital section of INWIT's Integrated Report.

INWIT Scope 3 calculation boundaries

Cat. 1 – Purchased goods and services

Cat. 2 – Capital goods

Cat. 3 – Fuel and energy related activities

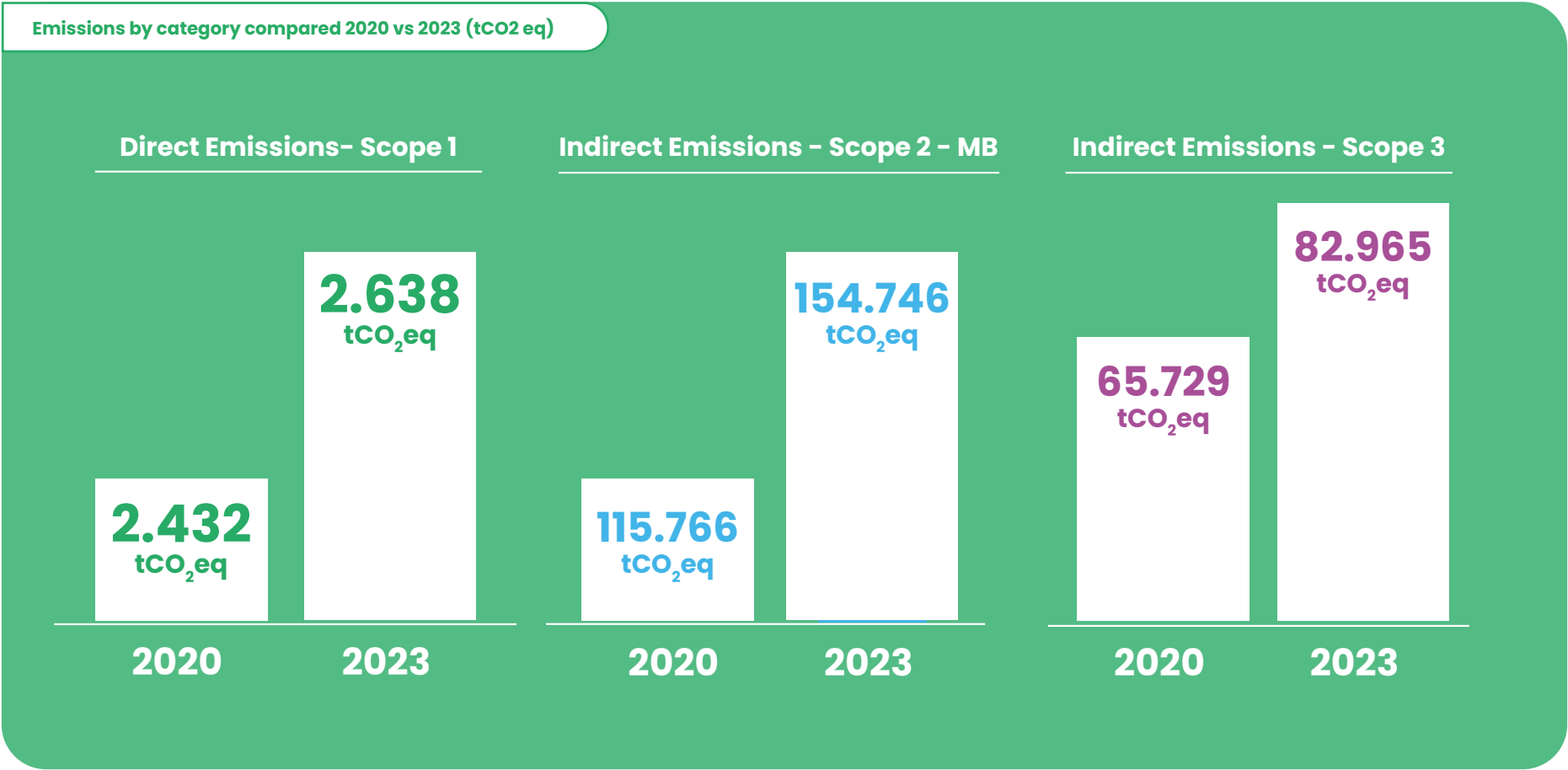
Cat. 4 – Upstream transport and distribution

Cat. 5 – Waste generated in operations

Cat. 6 – Business travel

Cat. 7 – Employees commuting

Cat. 8 – Upstream leased assets



In 2023, INWIT’s emissions amounted to 240,349 tonnes of CO₂ equivalent, up 31% from the 2020 base year.

This increase is due to the company’s solid growth trend, which has seen a continuous improvement in industrial, economic and financial indicators, linked to the growing market demand for new digital and shared infrastructure and hospitality services in recent years. In 2023, INWIT set a record number of new sites per year (900), with a consequent increase in energy consumption, both electricity and fuel, while maintaining a constant commitment to reducing and improving energy consumption.

Locked in emissions

Locked-in emissions are a crucial aspect of a Climate Transition Plan as they provide a concrete and measurable basis for planning, transition risk management and innovation towards a low-carbon future.

Locked-in emissions refer to future Scope 1 and 2 emissions from existing and planned infrastructure, equipment and current company policies, projected over the entire life cycle of the assets considered, from the base year to the years 2030 and 2050.

When mapping its emissions and defining its long-term reduction strategy, INWIT considered the locked-in emissions of its corporate assets, in line with the reporting requirements of the new Corporate Sustainability Reporting Directive (CSRD). INWIT, in particular, analysed the effect that the business growth envisaged in the Industrial Plan would have on emissions in the medium- and long-term horizons (2030 and 2040), with no change in the management of its operations compared to the actual strategy. The results confirmed the large share of locked-in emissions related to the current and projected sites electricity consumption, resulting in an increase in Scope 2 emissions, and also showed an increasing trend of locked-in emissions related to Scope 1. These emissions represent a minor share of the company's carbon footprint (about 1%), but nevertheless, they represent a point to be addressed in the company's strategy.



3

INWIT'S DECARBONISATION PLAN



INWIT's decarbonisation plan

INWIT implement its climate strategy and pursue the emission reduction targets set, first and foremost, through **direct reduction actions**, in line with SBTi requirements. For this reason, it has carried out a thorough analysis of its emissions and the source of their generation, and defined a solid **decarbonisation Plan**, built on concrete actions. Their contribution to reducing emissions is monitored annually by **updating the company's Carbon Footprint calculation**. In addition, INWIT continues its research and study activities in order to identify further initiatives to support the achievement of targets and/or strengthen and expand existing ones.

The current Decarbonisation Plan envisages concrete initiatives concerning, on one side, INWIT's direct operations, aimed to **reducing Scope 1 and 2 emissions**, and on the other side, the identification of actions aimed to **involving and raising awareness of the supply chain in order to reduce Scope 3 emissions**. Analysing the potential and effectiveness of emission reduction measures to achieve the company's targets, INWIT considered a **business scenario aligned with the forecasts of the 2024–2026 Business Plan**, so as to include the effects of planned growth.



Nearly two-thirds of INWIT's emissions in 2023, 64%, can be attributed to the **direct electricity consumption of the infrastructure** (Scope 2). This percentage rises to more than 70% including the indirect impacts of this consumption (Scope 3 emissions category Fuel and energy related activities). This is the reason why INWIT is strongly committed to researching and implementing **solutions for the efficiency and reduction of its energy consumption, through the purchase and production of electricity from renewable sources, and by investing in technological solutions aimed at making its energy consumption more efficient.**

The topic of energy efficiency and production has long been monitored by the company and included in the Sustainability Plan 2024-2026, within which several interventions have already been identified and implemented for a value of 7.7 million euros only in 2023:

- ▶ **Photovoltaic systems to power Radio Base Stations.** In 2023, 215 photovoltaic systems with a total capacity of 880 kWp were installed, adding to the 529 kWp installed in 2021-2022, making a total of **349 systems** and a **total capacity of 1,409 kWp**.
- ▶ **Free Cooling Systems for the climate control of Rooms/Shelters** containing the Energy Stations and Active Equipment of Hosted Mobile Phone Operators. In 2023, 621 Free Cooling Systems were installed, which allow the use, in certain climatic conditions, of outside air for air conditioning of the rooms where the operators' equipment are installed and which allow an annual energy saving, when fully operational, of **5,464.8 MWh**.
- ▶ **High Efficiency Current Rectifiers (HE).** In 2023, 1,052 kits of new High Efficiency Current Rectifiers were installed to reduce losses due to the transformation of energy into direct current, as it has to be supplied to the operators housed on the sites, for an annual energy saving of **1,831.8 MWh** when fully operational.

The **energy efficiency initiatives** implemented have generated a **savings of 3,655 tonnes of CO2eq, only in 2023**. In continuity with these measures and the goals set, INWIT has planned further investments in the 2024 –2026 plan period of photovoltaic plants and energy efficiency measures (free cooling and rectifiers). Further actions are under consideration and to be planned for the following years.

With regard to **renewable energies**, in addition to the installation of **photovoltaic systems** for energy production and self-consumption, INWIT has been purchasing, and plans to continue purchasing, **Guarantees of Origin (GO)** with an increasing trajectory towards Net Zero.

In addition to these initiatives, further areas of intervention were mapped in order to outline a comprehensive plan aligned with the achievement of the company’s emission targets. INWIT’s decarbonisation plan define strategic actions for each operational area of the business, with a view not only to reducing the impact generated by each activity, but also in order to define an action plan aimed at **integrating innovative and technological solutions into the company’s operations, making costs more efficient and increasing resilience and sustainability in the long term.**

Main actions of the Decarbonisation Plan	
Area	Action
Electricity (Scope 2)	<ul style="list-style-type: none">• Energy efficiency: installation of free cooling systems and power rectifiers• Self-production of electricity from renewable sources• Purchase of electricity from renewable sources through Guarantees of Origin
Generator sets for powering sites (Scope 1)	Progressive connection of sites to the national grid and investigation of innovative power generation technologies for those not connectable to the grid
Refrigerant gases (Scope 1)	Monitoring and maintenance of systems aim to reduce refrigerant gas losses. Replacement and use of alternative refrigeration technologies (e.g. Free Cooling or appliances with climate-friendly gases)
Vehicle fleet (Scope 1)	Progressive replacement of the company's thermal car fleet (diesel and petrol) with hybrid and electric cars.

In analysing the potential and effectiveness of the emissions reduction measures to reach the targets, INWIT considered the business scenario aligned with the 2024–2026 Industrial Plan, including the effects of the planned business growth, and the decarbonisation scenarios of the national electricity system, also including the exogenous effects impacting the business.

The decarbonisation Plan includes the **actions currently envisaged in the Industrial and Sustainability Plan**, related to electricity (renewables and efficiency) and further actions and investments, planned and in the pipeline, aimed to achieving its medium- and long-term objectives.

With the Net Zero 2040 target, INWIT has expanded the scope of its climate change commitment to include Scope 3, i.e. emissions related to its value chain. Although the company's commitment covers a still distant time horizon, INWIT, aware of the complexity of managing and reducing indirect emissions related to its value chain, has already started working on it.

In particular, the company focuses on **emissions generated by the production of products and services** (Scope 3 Category 1) **and purchased capital goods** (Scope 3 Category 2), that weigh more than 50% of Scope 3 emissions in 2023.

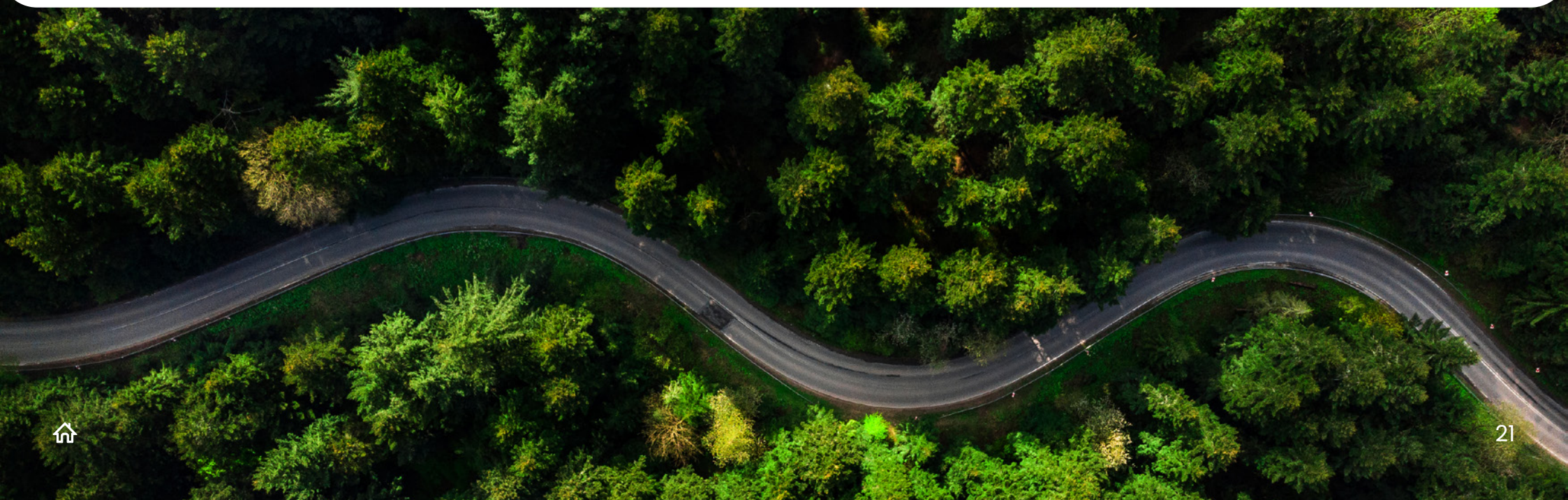
INWIT promotes the reduction of emission impacts related to the production of its assets and raw materials (infrastructure steel above all), urging its suppliers to develop new technological solutions and innovative designs, inspired by **circular economy logics**. The design phase is, in fact, crucial to give the infrastructure a circular economy vision.

The work must be designed to have limited impacts throughout its life cycle, particularly in the end-of-life phase: it must be able to be disassembled and each of its parts finds another use.

Equally important are the aspects related to reducing the amount of materials used and the increasing use of recycled raw materials.

Guidelines for the validation of non-standard antenna holder structures

In order to make its infrastructures more and more circular, INWIT has defined the "Guidelines for the validation of non-standard antenna holder structures", providing suppliers with guidelines for the definition of new design proposals. They must be designed to have limited impacts throughout their life cycle, they must be durable, they must be repairable and, at the end of their life, they must be able to be broken down so that each of their parts finds a new use.



Fast site towers

As of 2021, the company has started to build fast sites, towers and pylons, built with an elevated infrastructure, anchored on a prefabricated, reinforced concrete platform, engineered by means of elements that can be assembled together in layers, through the use of threaded connecting rods.

The platform, made entirely in the factory, is easy to install and use, and is designed to achieve clear advantages in the reduction of excavation volumes, the speed of installation (2 days instead of 4 weeks for installations made on site), the possibility of reuse (disassembly and reassembly) of both the pole and the prefabricated foundation itself, and the possibility of environmental advantages over standard infrastructures.

Life cycle assessment

During 2022 INWIT carried out a life cycle analysis of its model sites, roof-top and raw-land, in order to understand the extent of the environmental impact of its infrastructures. The Life Cycle Assessment is one of the best operational tools to support the circular economy, capable of fostering thinking about the impacts of infrastructure throughout its life cycle and making sustainable choices.



ESG questionnaire and sustainability criteria in tenders

In order to know the level of commitment of its supply chain on sustainability issues, so as to have an information base on which to identify the most suitable initiatives to be implemented, as well as with the aim of raising awareness and approaching the players involved on sustainability issues, including their impact on climate change, INWIT, in 2022, has begun to submit an **ESG questionnaire** to its suppliers, with specific questions on sustainability aspects, broken down into the three areas of Environment, Social and Governance, and has included **sustainability criteria as a rewarding element in supply tenders**.

In 2023, the ESG questionnaire, completed on a voluntary basis, involved 179 suppliers, covering 81% of the total expenditure.



4

CLIMATE-RELATED RISKS AND OPPORTUNITIES



Climate-related risks and opportunities

The climate transition plan is a tool through which companies face and counteract climate risks and, at the same time, seize the opportunities that this scenario can offer. Therefore, INWIT, in the context of the transition plan, monitors climate risks and opportunities in order to seize the opportunities of the transition to a low-carbon economy and increase business resilience to face physical and transitional climate risks.

INWIT has defined a specific **Enterprise Risk Management (ERM) Framework** with the aim of identifying and assessing potential events whose occurrence could jeopardise the achievement of the objectives defined in the Strategic Plan. INWIT has also **integrated the topic of climate change into the ERM** to stimulate the company to develop a long-term strategic vision that considers the risks and opportunities related to climate change and their interactions. INWIT's ERM Framework is a cyclic process, carried out annually and defined on the basis of reference best practices. It is divided into the phases of risk identification, assessment, mitigation, monitoring and reporting. The Top Risks identified in the ERM process, determined by likelihood and impact, are analysed further with the function contact persons in order to investigate the control actions, determine the residual risk component and define mitigation actions for the events in question.

During 2023, the evolutionary lines of ERM were implemented in terms of both process and methodology. In particular, "ESG Impact" sheets were created in order to relate each identified risk to a specific ESG category, as well as to the specific objectives of the Sustainability Plan, when applicable.

Impact and Probability Metrics

Within the ERM process, each risk, once identified and classified according to the company's taxonomy, is assessed in terms of its likelihood and impact on INWIT's business. The impact is assessed according to different drivers (financial, reputational, compliance, etc.) on a 4-level scale (low, medium, high, critical). With specific reference to the financial driver, impacts are defined as "high" if they have a potential damage between 1.5% and 2.5% of Recurring Free Cash Flow (RFCF) and "critical" if they exceed 2.5%. Instead, the probability of the risk is assessed by considering both the historical frequency of occurrence of the event and the probability over the time horizon of the Plan.

ERM and Climate Change Risks

In addition to the ERM process, INWIT's risks and opportunities related to Climate Change are first analysed separately through a special sensitivity study of the business with respect to climate scenarios and then integrated into the company's Risk Universe, so as to update the overall assessment of the business and also to consider its interaction with different types of risk.

Climate Change risk is defined in INWIT's ERM system as: "Risks related to changes in physical weather phenomena with direct repercussions on the assets, activities and services provided, and/or related to the legal, technological, reputational or market effects that the transition to a zero-emission economy may have on the company's business."

To identify, assess and respond to climate-related risks and opportunities and how they may impact its business, INWIT has developed and implemented a **climate scenario analysis** for the short, medium and long term. Scenario analysis is an exercise designed to test the company's ability to generate value under different assumptions, allowing it to develop a long-term strategic vision that considers the opportunities and risks, both physical and transitional, associated with certain climate scenarios under consideration.

In 2021 INWIT conducted for the first time a climate scenario analysis in line with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) involving several corporate functions. Internationally recognised climate scenarios adopted by the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC) were taken into account: for physical risks, the **RCP 8.5** scenario was simulated, which aligns a global warming of approximately 4.3°C by 2100 with pre-industrial temperatures, and for transition risks and opportunities, the **IEA ETP 2DS** scenario, which describes an energy system consistent with an emissions trajectory that limits the global temperature increase to 2°C by 2100. INWIT has classified climate change risks and opportunities into three business-relevant time horizons.



Time horizon	Short term	Medium term	Long term
Alignment	Industrial Plan	UN Agenda (SDGs)	Net Zero Eu Strategy
Years	2024-2026	2027-2030	2031-2050

4 physical risks related to the RCP 8.5 scenario were identified in the different time horizons, 3 transition risks and 8 opportunities in the ETP 2DS IEA scenario, referring mainly to the medium term. The risks and opportunities identified were classified according to the categories of the TCFD (Task Force on Climate-related Financial Disclosures) and completed with a qualitative assessment of the expected impact on operations, strategy, company balance sheet and likelihood of occurrence. Overall, INWIT was found to be more exposed to physical risks than to transition risks, as many aspects of decarbonisation actually represent a business opportunity.

Risks

Physical Risks

Extreme weather phenomena

Annual rainfall distribution

Heat waves

Rising sea levels

Transition Risks

Technological evolution

Increasing cost of technology

Non-compliance with environmental regulations

Opportunities

New products and services

Reduced exposure to energy price increases

Returns on investment in low-emission technologies

Reputational advantages

Transition to less impactful production levels

Exploitation of state incentives and access to capital markets

Synergies along the value chain

Access to new emerging markets



In continuity with the previous year, in 2023 INWIT updated its climate scenario analysis in order to make a quantitative assessment of the economic impact of risks on its business. Through a survey to the company's functions on risk perception and relevance, 4 physical risk categories were identified as priorities for quantitative analysis, confirming the previous year's result:

- **Windstorm Risk:** extreme wind gusts can cause damage and fall of INWIT towers.
- **Fire Risk:** if they occur near INWIT's assets, they can cause damage to raw-land sites, resulting in the need for intervention and repair costs.
- **Flood Risk:** may cause damage to electrical equipment at raw-land sites. In addition, for rooftop sites, the height of the water can cause damage to the supporting structure of the tower, to the point of collapse.
- **Heatwave Risk:** they can impact assets both by increasing the number of maintenance operations and the energy consumption of cooling systems.

The scenario analysis was carried out on the basis of two scenarios in the most recent IPCC Assessment Report (SSP5-8.5 and SSP2-4.5) with reference to two crucial time horizons: 2030 e 2050. The scenarios considered in the analysis are:

- **SSP5-8.5 (+4°C) scenario:** no reduction in emissions, leading to a global average temperature increase of 3.2-4.5°C by 2100 (business-as-usual);
- **SSP2-4.5 scenario (+2°C):** slow progress on sustainable development goals, environmental systems deteriorating even if there are slight improvements, challenges to reduce vulnerability to social and environmental change.

An **economic impact assessment (BIA)** was carried out for each risk identified on INWIT's assets. The economic assessment of the impact showed that no physical risks exceeded the minimum materiality threshold (2.5% of Recurring Free Cash Flow). Consequently, the risks analysed do not present substantial effects for the company's business in the medium and long term.

	SSP2 – 4.5 (+2°C)		SSP5 – 8.5 (+4°C)	
	2030	2050	2030	2050
% RFCF	1,46%	1,62%	1,55%	1,81%
Economic Impact	7.15 million	7.95 million	7.63 million	8.9 million

Although **the level of risk related to climate change is not significant**, INWIT, in line with the company's climate strategy and decarbonisation objectives, implements **climate change mitigation and adaptation actions** aimed at reducing the potential impact of such events, such as: purchase and production of renewable energy, energy efficiency actions with free cooling and power rectifiers. It should also be noted that damage to infrastructure caused by climatic events is covered by **insurance instruments**.

Additional assessments will be considered for future updates of the company's Business Continuity Plan, which provides for periodic updates and refers to a 3-year time horizon.

Climate-related risks and opportunities have influenced the strategy and financial allocation of resources for the transition to a more sustainable and climate-resilient business.

– **Direct costs:** specific budgets have been allocated to achieve emission reduction targets through the purchase of certified renewable electricity and the achievement of Carbon Neutrality from 2024 emissions, in line with corporate commitments.

– **Capital Allocation:** In line with the EU taxonomy specification, CapEx expenditure allocated to eligible activities includes investments in renewable energy production (installation of photovoltaic systems) and energy efficiency measures (installation of free-cooling systems and installation of high-efficiency power rectifiers). In addition, INWIT has implemented actions to counter climate change and to increase its resilience to it, which concern both the construction of its own infrastructure and the procurement of goods and services.



– **Access to capital:** In terms of sustainable finance, INWIT has two credit lines (expiring in 2027), the sustainability-linked term loan, worth 500 million euros, and a revolving credit facilities, worth 500 million euros. Both of which are linked to specific sustainability indicators, including the reduction of CO₂ equivalent emissions. In addition to the path started by INWIT in the field of sustainable finance, the [Sustainability-Linked Financing Framework \(SLFF\)](#) will be added in 2024. The SLFF covers any type of financial instrument, the cost of which may vary depending on the level of achievement of the specific sustainability target identified. Among the Key Performance Indicators identified, the reduction of CO₂ emissions is included.

5

CLIMATE
GOVERNANCE



Climate Governance

One of the key aspects for the successful implementation of the Climate Transition Plan is the presence of a well-defined governance for its supervision, monitoring and updating.

For INWIT, the path aimed at integrating sustainability into corporate choices and strategies has taken concrete form starting from governance, since the birth of the new INWIT in March 2020, with the establishment of the Sustainability Board Committee and a dedicated organisational unit within the External Relations, Communication & Sustainability Department.

The **Sustainability Committee** is a body of the Board of Directors with consultative and propositional functions. In particular, it is responsible for:

- monitor compliance with corporate social responsibility standards, as well as national and international regulatory developments and best practices in this area;
- making proposals to the Board of Directors on sustainability strategies and the Sustainability Plan, monitoring its implementation on the basis of the targets set in the plan and evaluating its update at the end of each financial year;
- monitor the consistency of INWIT's objectives and management with environmental, social and corporate sustainability (ESG) criteria, as well as sustainable finance initiatives, the company's position in ESG indices and ratings, and the company's non-profit strategies;
- supervise and guide the scenario analysis and risk management process;
- supervise and guide employee incentives;
- supervise, guide and approve the development of the transition plan.

An update and approval session of the Sustainability Plan is held annually, within the update of the Business Plan, by the **Board of Directors**.



Board and Management Responsibility



The **Control and Risk Committee** is a body with advisory and proposing functions that has the task of assisting the Board of Directors in its evaluations and decisions relating to the internal control and risk management system and in the approval of periodic financial and non-financial reports. Among other things, the committee is responsible for observing the implementation, monitoring and updating of the Enterprise Risks Management System.

In INWIT, the position of **Chief Sustainability Officer (CSO)** corresponds to the Director of External Relations, Communication & Sustainability. The CSO is responsible for the supervision and evaluation of climate-related risks and opportunities, in cooperation with all departments involved, in particular Risk&Compliance, Energy Management and Finance. The CSO is also responsible for coordinating the ESG strategy, updating the Sustainability Plan and monitoring its progress, reported on a six-monthly basis to the Sustainability Committee, defining and monitoring the Net Zero to 2040 Plan and the Climate Transition Plan, and preparing non-financial and sustainability reporting.

The Head of Sustainability reports to the CSO. Its role is to identify, assess and manage climate-related risks and opportunities, implementing and monitoring the ESG strategy, contributing to the updating and monitoring of the Sustainability Plan and the Net Zero Plan through direct engagement of various corporate functions involved, and collecting data and information for the production of non-financial and sustainability reporting.

The Head of Energy Management reports to the Director of Technology & Operations and is responsible for the management of the energy investment budget, the development and implementation of an energy management system and energy efficiency measures, the purchase of green energy certificates, the supervision of renewable energy production and the achievement of the energy targets included in the sustainability plan.

The Leadership Team is the main executive corporate governance body and operates with the objective of overseeing the company's activities with particular reference to: strategic, economic/financial and sustainability Plans.

The integration of ESG issues into the company's procedural framework is guaranteed and constantly strengthened through the implementation of sustainability-related policies, that guide worker's behavior and, indirectly, also those of his interlocutors. These elements further an already strong governance towards the sustainable success.

INWIT's remuneration systems are defined in close correlation with the Industrial Plan and the Sustainability Plan, so as to direct the behaviour and actions of management towards the Company's overall performance objectives, in line with the expectations of Shareholders and Stakeholders in the medium-long term.

INWIT integrates its **ESG targets**, which are present in the Sustainability Plan, **into the variable remuneration incentive systems of the General Manager and corporate management.**



Management by Objectives (MBO)

In 2023, the key metric for defining the short-term variable remuneration of top management in the ESG area concerned the **reduction of corporate emissions** in INWIT's Sustainability Plan.

One of the 2024 MBO Plan KPIs is related to the reduction of CO2 equivalent emissions through energy efficiency **initiatives and the development of renewable sources (photovoltaics)**, in line with the Company's Net Zero strategy. These KPIs weigh 7.5% of the total variable remuneration (the total weight of ESG KPIs is 15%).

Long Term Incentive (LTI)

One of the LTI Plan KPIs is "**top placement in sustainability indices and ratings**", including the CDP Climate Change, for which one of the determining criteria for achieving the maximum score is the presence of a Climate Transition Plan aligned to 1.5°C. The KPI on ESG ratings has a weight of 10% on the total variable remuneration (the total weight of ESG KPIs is 20%).

The incentive system maintains the right balance between economic and financial performance, sustainable business development and operational performance

Performance Bonus

Starting from 2023, the indicators present in the MBOs of the General Manager and all incentivised management, including sustainability indicators, are also included among the KPIs of the **Performance Bonus**, a bonus awarded to the entire company population for their contribution to the achievement of company results and based on the level of achievement of the assigned objectives.

For more information, see the [Annual Remuneration Report](#).



INWIT

Sharing connections