



Sustainability Plan 2023

March 2021



The Sustainability strategy's building blocks

SDGs GOALS

- Set of 17 **Sustainable Development Goals** set out by the **United Nations** as a strategy for "a better, more sustainable future for all"
- Also known as **Agenda 2030**

2020-23 INDUSTRIAL PLAN

- Outlines **Rai Way's strategy**, focusing on 1) **strengthening Core Business** 2) **expanding the managed infrastructures** 3) monitoring **optionalities for innovative uses of existing infrastructure**
- Defines the sustainability strategy's **4 pillars: Environment, Social, Governance and Innovation**



MATERIALITY MATRIX

- Identifies **issues relevant** to Rai Way, which the Sustainability Plan and DNF will focus on
- Management and external stakeholder **assessment results**

ESG RATING ACTION PLAN

- Aimed at improving Rai Way's **positioning** in terms of the main **ESG ratings**
- Contains the **improvement actions** identified after the **ESG ratings analysis** and subsequent **gap analysis**, shared with relevant internal structures

SUSTAINABILITY REPORT

- Shares **commitments** and **medium/long-term strategic guidelines** with **stakeholders**, consistent with the **Materiality Matrix** and **Sustainability Policy** summarised in the document
- Transparently reports **sustainability performance**, compared with the objective and targets set in the **Sustainability Plan**, entirely contained in the Sustainability report
- Includes information required by **ESG rating agencies**
- Drafted pursuant to Italian **regulatory provisions** (Legislative Decree 254/2016)

SUSTAINABILITY POLICY AND PLAN

- ### SUSTAINABILITY POLICY
- Sets out the **general principles, qualitative objectives** and **organisational safeguards** for the company's sustainability
 - Published on the website and incorporated into the **Sustainability Plan** and the **Sustainability Report**

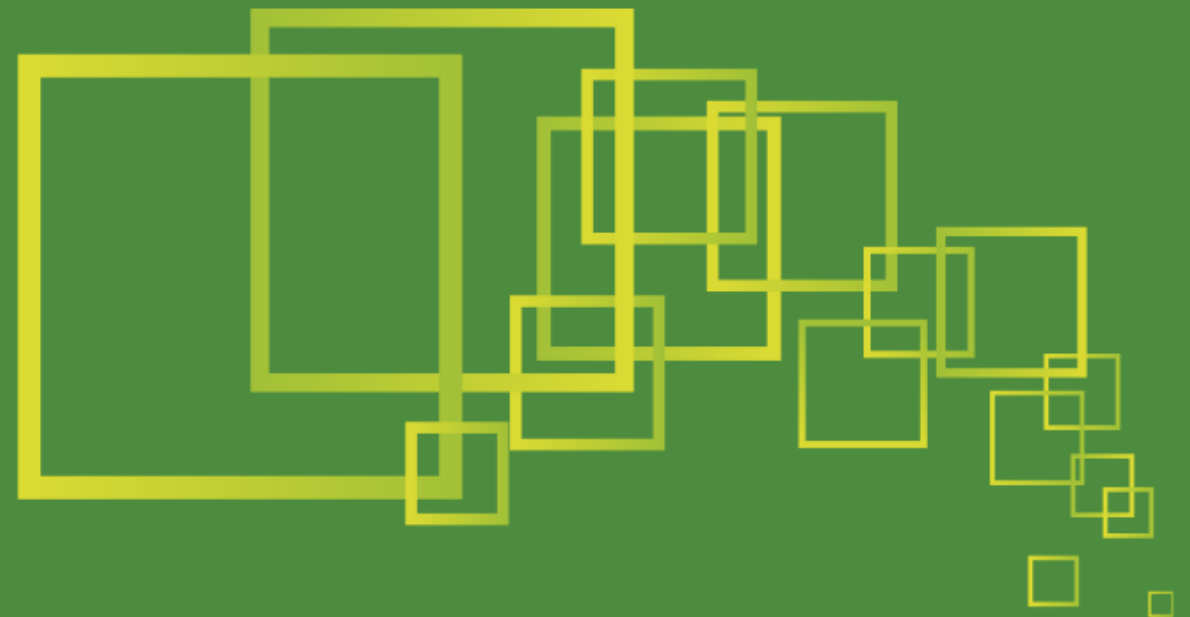
- ### SUSTAINABILITY PLAN
- Provides company's response to **global challenges** drawing on the UN **Sustainable Development Goals (SDGs)**
 - Links objectives and targets to **strategic guidelines** consistent with Rai Way's business model, the **Materiality Matrix** and the Company's **Sustainability Policy**
 - Classifies anticipated ESG Rating Action Plan and 2020-23 Business Plan actions, linking them to **qualitative objectives/quantitative targets** and **operational initiatives** with associated **deadlines**

ESG GOALS IN THE LTI PLAN

- Promotes **management action alignment** with the priority objective of creating long-term sustainable value, consistent with the Sustainability Plan
- Strengthens **retention** policies and initiatives

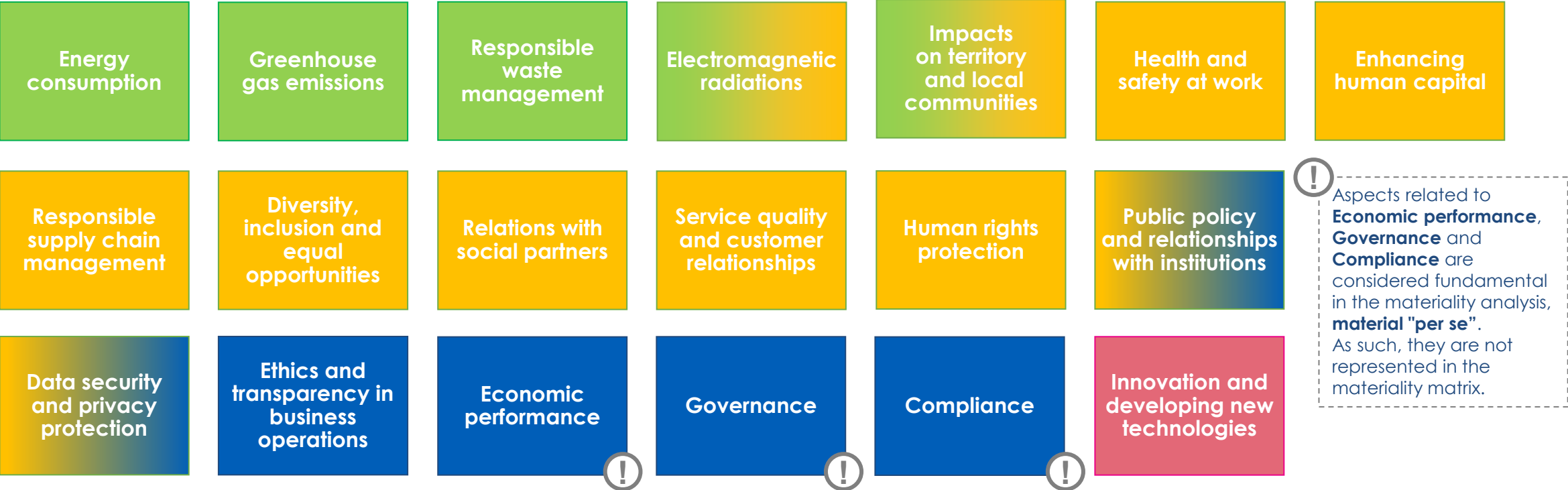
Contents

1. **Materiality Matrix 2020**
2. Sustainability Plan



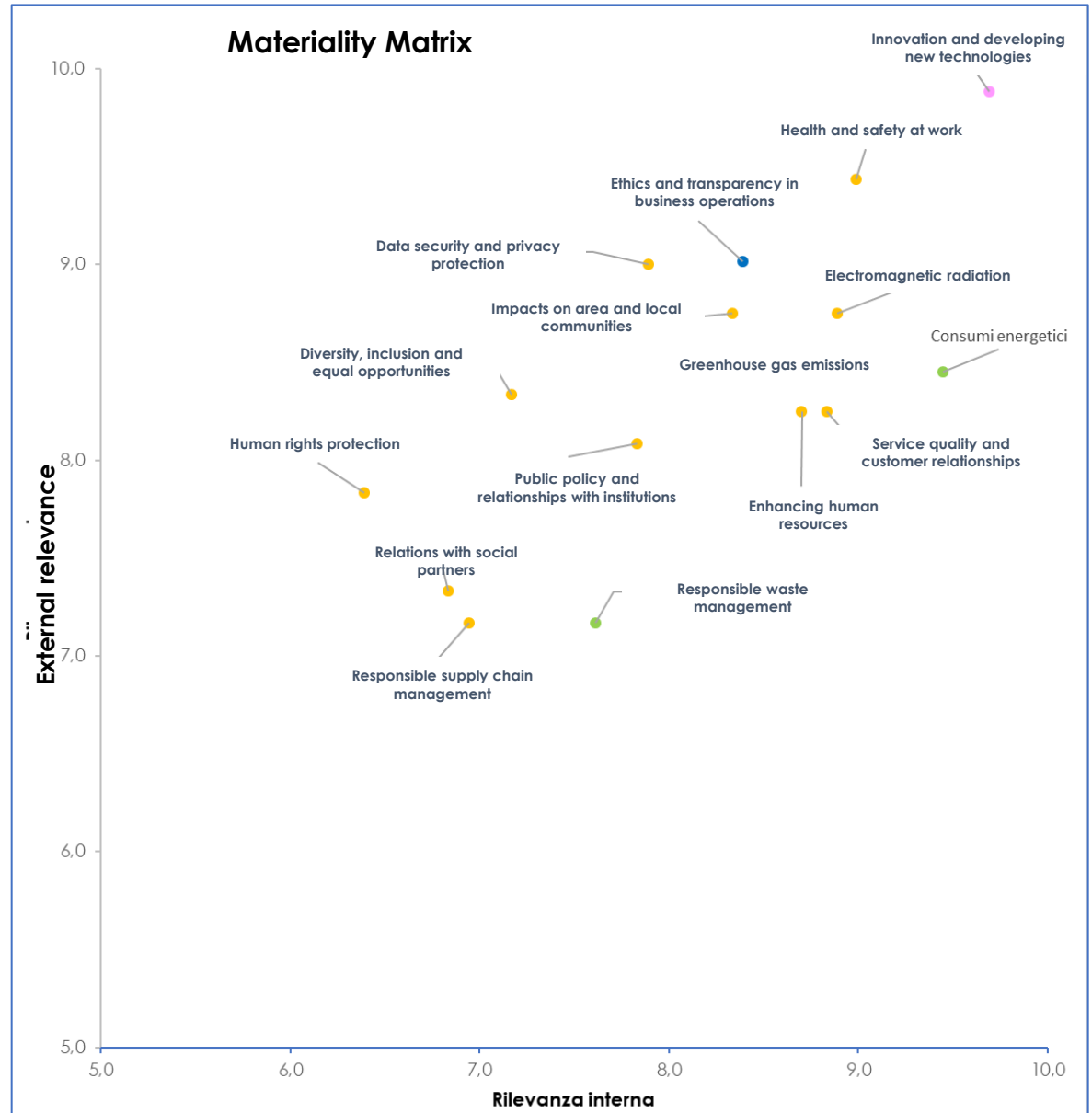
Materiality Matrix: Material issues

RAI WAY MATERIAL ASPECTS 2020



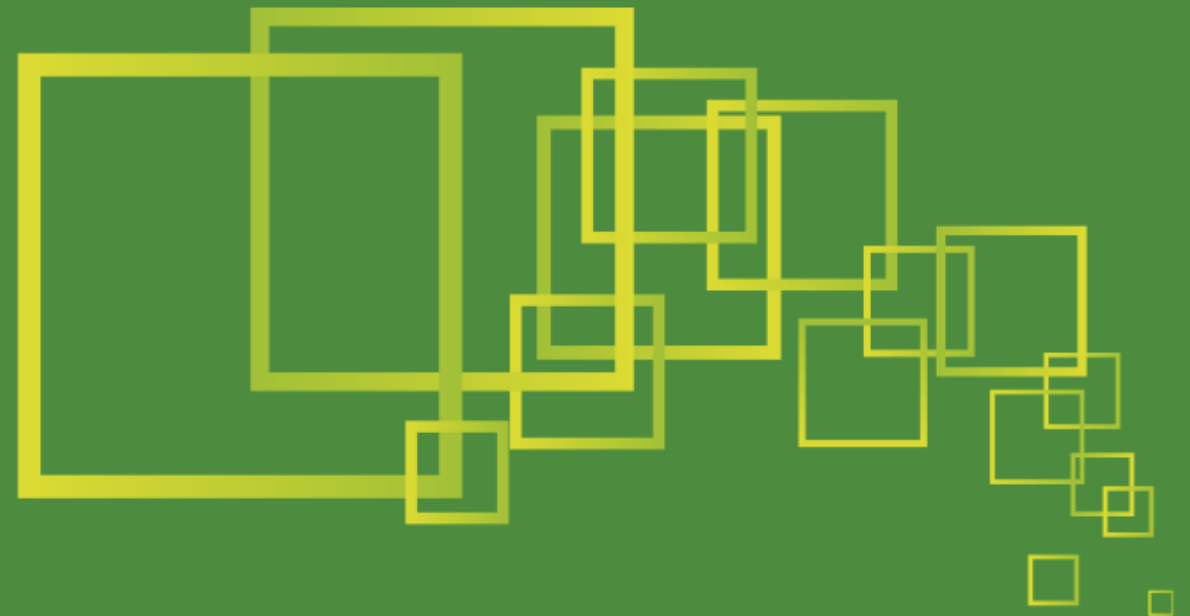
Materiality Matrix: Analysis results

UPDATED RECOMMENDED RANKING		INTERNAL RELEVANCE	EXTERNAL RELEVANCE	TOTAL
Innovation and developing new technologies	9.7	9.9	95.8	
Health and safety at work	9.0	9.4	84.8	
Energy consumption	9.4	8.5	79.8	
Electromagnetic radiations	8.9	8.8	77.8	
Greenhouse gas emissions	9.0	8.5	76.1	
Ethics and transparency in business operations	8.4	9.0	75.6	
Impacts on territory and local communities	8.3	8.8	72.9	
Service quality and customer relationships	8.8	8.3	72.9	
Enhancing human capital	8.7	8.3	71.8	
Data security and privacy protection	7.9	9.0	71.0	
Public policy and relationships with institutions	7.8	8.1	63.3	
Diversity, inclusion and equal opportunities	7.2	8.3	59.7	
Responsible waste management	7.6	7.2	54.6	
Relations with social partners	6.8	7.3	50.1	
Human rights protection	6.4	7.8	50.1	
Responsible supply chain management	6.9	7.2	49.8	



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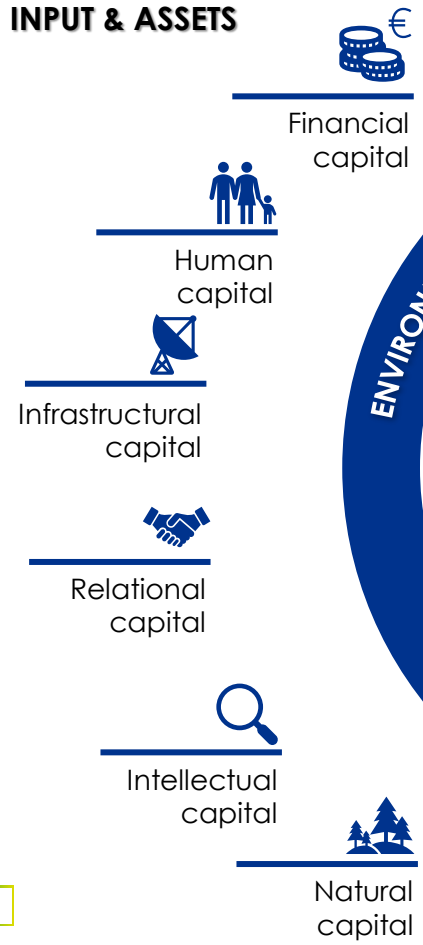


Sustainability Plan: strategic guidelines

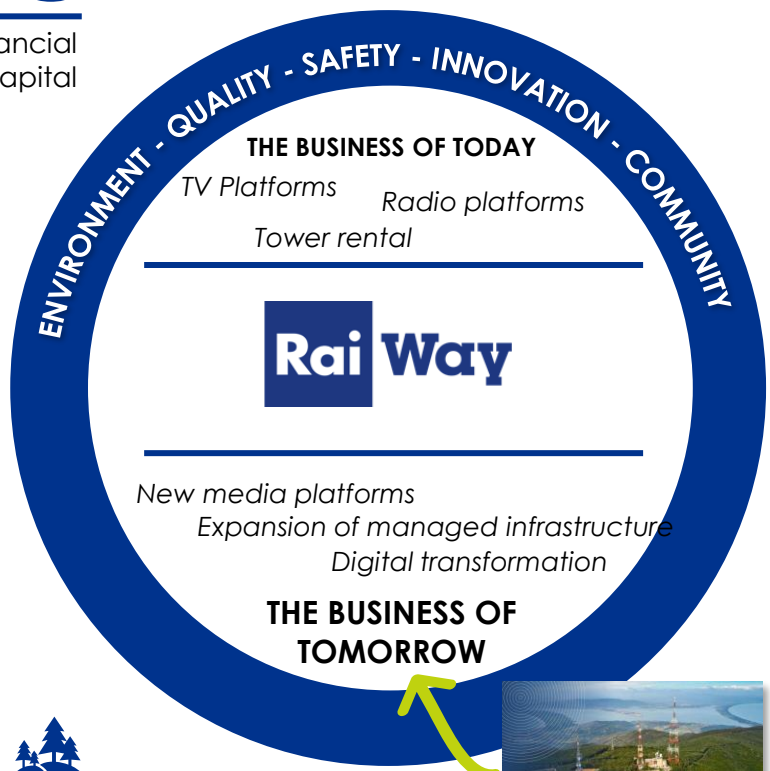
Strategic guidelines, identified in line with Rai Way's **inputs** and **business model**, aim to make clear the Company's **commitment to sustainable development**.

They set out the company's response to the **global challenges** summarised by the **SDGs**, reaffirming the contribution to the **medium/long-term generation of sustainable value** for all **stakeholders**

INPUT & ASSETS



BUSINESS MODEL and VALUES



2020-2023 Business Plan

CREATING SUSTAINABLE VALUE: 6 STRATEGIC GUIDELINES and 9 SDGs



Fight climate change and reduce environmental impact



Promote the well-being and development of our people



Ensure high health and safety standards throughout the value chain



Develop and maintain a governance system aligned to the best practices, integrated with sustainability profiles

Develop technological innovation and contribute to the digitalisation of the Country



Environment

1

Fight climate change and reduce environmental impact



Reduce energy consumption and greenhouse gas emissions



Carbon Neutral by 2025 (Scope 1+2)

100% of energy from renewable sources

Invest over € 100 million in more efficient systems and equipment



Spread a culture of environmental respect among stakeholders



Improve management systems to reduce environmental impacts

Maintain the level of waste recycling at over 99%⁽¹⁾

Main quantitative targets



1) With respect to total waste generated excluding septic sludge (non-recoverable)

Social

2

Promote the well-being and development of our people



Promote diversity and ensure inclusion

35% of less-well represented gender in managerial positions¹⁾



Increase employee engagement

Introduce performance share plan for managers



Ensure work-life balance

Configure a structural flexible working model for at least 45% of employees

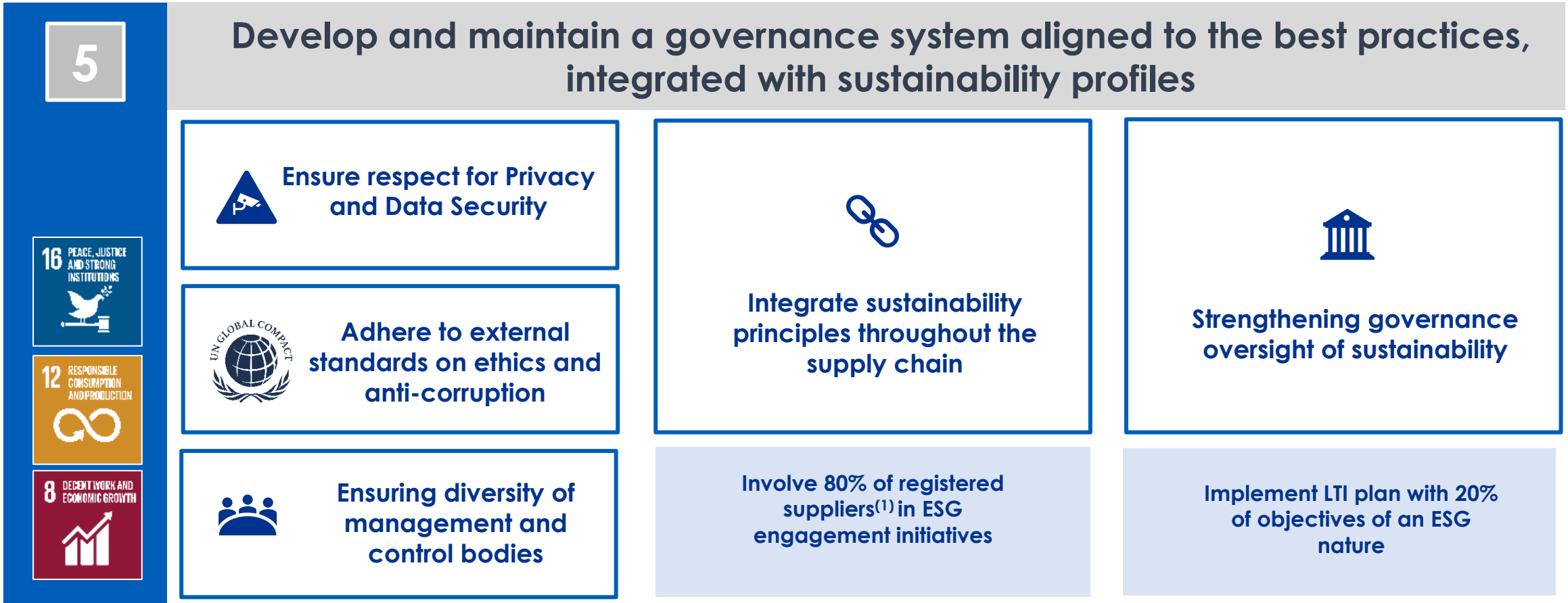
Main quantitative targets



Social

<p>3</p> <p>17 PARTNERSHIPS FOR THE GOALS</p>  <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> 	<h3>Contribute to social, cultural and economic development in our community and the territory</h3>		
	<p> Increase access to digital services</p> <p>Improve RAI thematic MUX coverage for over 1000 Italian municipalities</p>	<p> Increase commitment to socio-cultural initiatives benefitting the community</p>	<p> Promote landscape impact reduction</p>
<p>4</p> <p>3 GOOD HEALTH AND WELL-BEING</p> 	<h3>Ensure high health and safety standards throughout the value chain</h3>		
	<p> Ensure the company's workplace health and safety standards are monitored</p>	<p> Promote health and safety culture at work</p>	<p> Guarantee electromagnetic radiations control and compliance</p>

Governance



Main quantitative targets

¹⁾ With the exception of professional firms and other similar legal entities

Innovation

6

Develop technological innovation and contribute to the digitalisation of the Country



Strengthen digital development skills



Enable the company and stakeholders' digital evolution



Invest in research and development for innovative uses of the infrastructure

Invest approx. € 200 million in technological development and digital transformation projects



Main quantitative targets

Towards continuous improvement

After the approval of **Rai Way's Sustainability Plan**, the **implementation and progress monitoring** phases will follow, complying with commitments undertaken with the stakeholders and recognising that setting out the Plan is not the finish line, but the first step in a journey towards **continuous improvement**.



Execution

The Sustainability Plan initiatives, approved by the Board of Directors, will be **implemented** by the corporate structures and transversal organisational units according to their ESG competence profiles.

Coordination and impulse will be ensured by Investor Relations & Sustainability department with the support of Corporate Social Responsibility and within the broader framework of the **virtual sustainability governance model**.

ESG VIRTUAL GOVERNANCE MODEL

Ensuring permanent support for the planning, implementation, monitoring and continuous improvement of corporate action on sustainability. Made up of:

- ESG Steering Committee
- ESG Team
- ESG contacts within the relevant company structures



Sustainable performance culture

The commitment to sustainable and responsible behaviour will be strengthened by specific **information** and **training programmes** for all employees, supporting the development of a genuine **corporate sustainability culture** in line the principle of continuous improvement



Monitoring

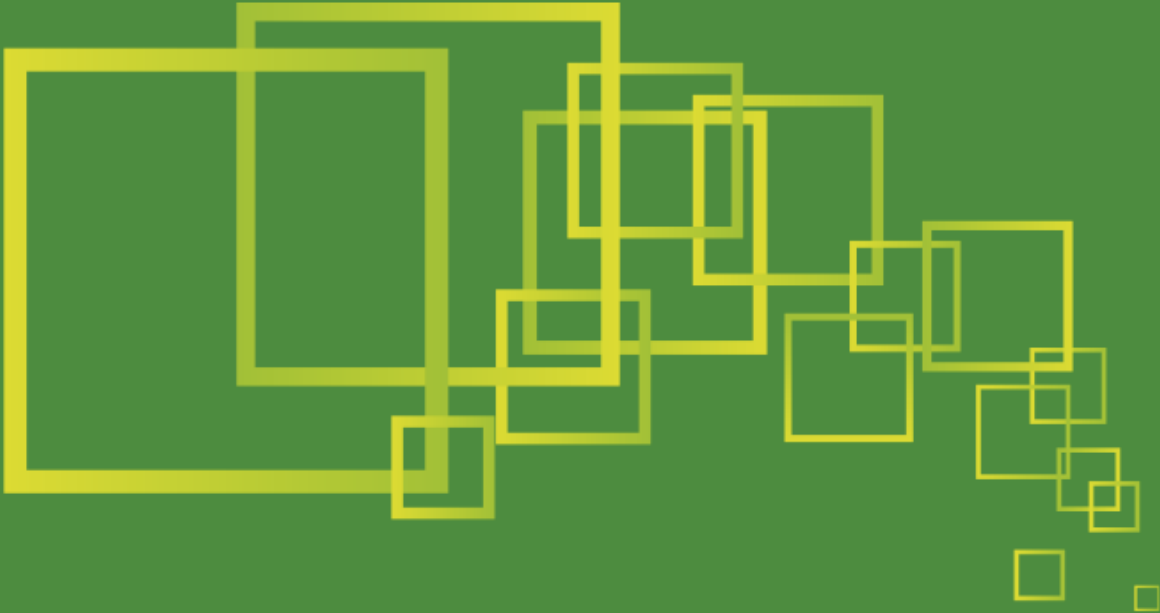
Progress in reaching objectives and targets will be monitored continuously, published annually in the **Sustainability Report** and assessed on an infra-annual basis by the **main ESG rating agencies** (CDP, MSCI, Sustainalytics) with which an engagement process has already been launched.



Aligning management

The engagement of Rai Way's management will be ensured through both sustainability training and outreach initiatives, as well as through setting up a quota of **ESG objectives** (20%) in the **LTI plan**, in line with Best Practices and in conjunction with a **short-term variable remuneration** policy (MBO) for sustainability goals.

Annex
Quantitative targets



Sustainability Plan: Quantitative target proposals

	Qualitative objectives	Operational initiatives	Target description	UoM	Base value (2019)	Target		Details of specific actions and interventions
						Val.	Year	
1	Reduce energy consumption and greenhouse gas emissions	Reduce the use of non-renewable energy sources	100% of energy from renewable sources	%	98.1%	100%	2021	<ul style="list-style-type: none"> • 100% green procurement with CONSIP evaluating potential alternative supplies
			Carbon Neutral Scope 1+2	tCO ₂ eq	2471	Carbon Neutral	2025	<ul style="list-style-type: none"> • Replace the company fleet introducing hybrid and electric vehicles • Generators, buildings and boilers energy efficiency • Offset residual emissions through purchasing carbon credits (e.g. Gold standard)
		Implement initiatives to reduce electricity consumption	Invest over € 100 million in more efficient systems and equipment	€ million	8.3	>100	From 2020 to 2023	<ul style="list-style-type: none"> • Replace and install new, more energy-efficient equipment as part of the Refarming project
	Improve management systems to reduce environmental impacts	Maintain the recycling level of waste generated	Maintain the recycling level of waste produced over 99%⁽¹⁾	%	99.3%	>99%	2021	<ul style="list-style-type: none"> • Maintain current high recycling levels (further improvement not technically possible)

1) Relative to total waste produced excluding septic tank sewerage (non-recyclable)

Sustainability Plan: Quantitative target proposals

	Qualitative objectives	Operational initiatives	Target description	UoM	Base value (2019)	Target		Details of specific actions and interventions
						Val.	Year	
2	Promote diversity and ensure inclusion	Ensure inclusion and diversity objectives are met	% of gender less-well represented in managerial positions⁽¹⁾	% increase	27.9%	35%	2023	• Management development initiatives geared towards inclusion and diversity with particular focus on gender issues
	Increase employee engagement	Introduce employee share plans	Performance share plan aimed at all managers	% managers involved	n.a.	100%	2021	• Adopt performance share plan for executives, following the necessary approval steps
	Ensuring work-life balance	Adopt a structural model for flexible working	Configure a structural flexible working model for at least 45% of employees	% employees involved	5%	45%	2021	

	Qualitative objectives	Operational initiatives	Target description	UoM	Base value (2019)	Target		Details of specific actions and interventions
						Val.	Year	
3	Increase access to digital services	Develop projects and services capable of generating social benefits across the Area	Improve RAI thematic MUX coverage for over 1000 Italian municipalities	# Italian municipalities	150	1000	2021	• Coverage extension project as part of the Refarming project



1) Refers to the staff gender level

Sustainability Plan: Quantitative target proposals

	Qualitative objectives	Operational initiatives	Target description	UoM	Base value (2019)	Target		Details of specific actions and interventions
						Val.	Year	
5	Strengthening governance oversight of sustainability	Introduce a remuneration component related to sustainability issues	Adopt an LTI plan with 20% of objectives of an ESG nature	%	n.a.	20%	2021	<ul style="list-style-type: none"> Finalize plan set up and subsequent approval steps
	Integrate sustainability principles throughout the supply chain	Ensure suppliers maintain and comply with stringent environmental/social/ethical standards	Involve 80% of registered suppliers ⁽¹⁾ in engagement initiatives	%	-	80%	2023	<ul style="list-style-type: none"> Receive environmental, ethical and anti-corruption policies from suppliers Information initiatives with suppliers

	Qualitative objectives	Operational initiatives	Target description	UoM	Base value (2019)	Target		Details of specific actions and interventions
						Val.	Year	
6	Enable digital evolution for Rai Way and its stakeholders	Upgrade digital infrastructure Develop trials for new platforms and systems for innovative applications and services	Invest around € 200 million in technological development and digital transformation projects	€ million	11	~200	From 2020 to 2023	<ul style="list-style-type: none"> Refarming, DAB, CDN, IRU, FTT Introduce Business Support System and Operational Support System platforms Investments aimed at identifying new uses of current infrastructure (HBBTV, 5G transmission, VR content encoding, platforms integrating IoT technologies and drones)



1) With the exception of professional firms and other similar legal entities