

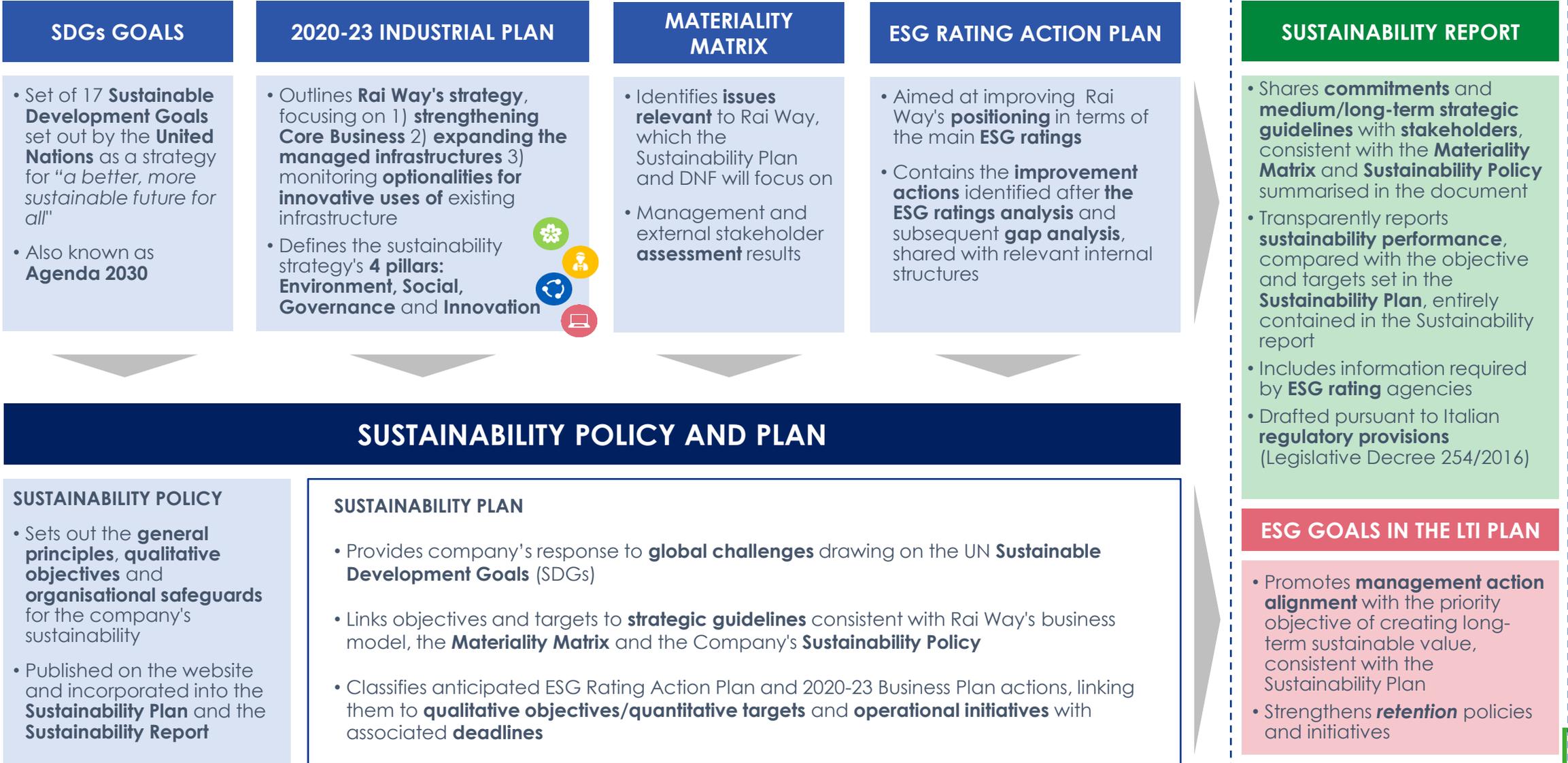


# Sustainability Plan 2023

March 2021

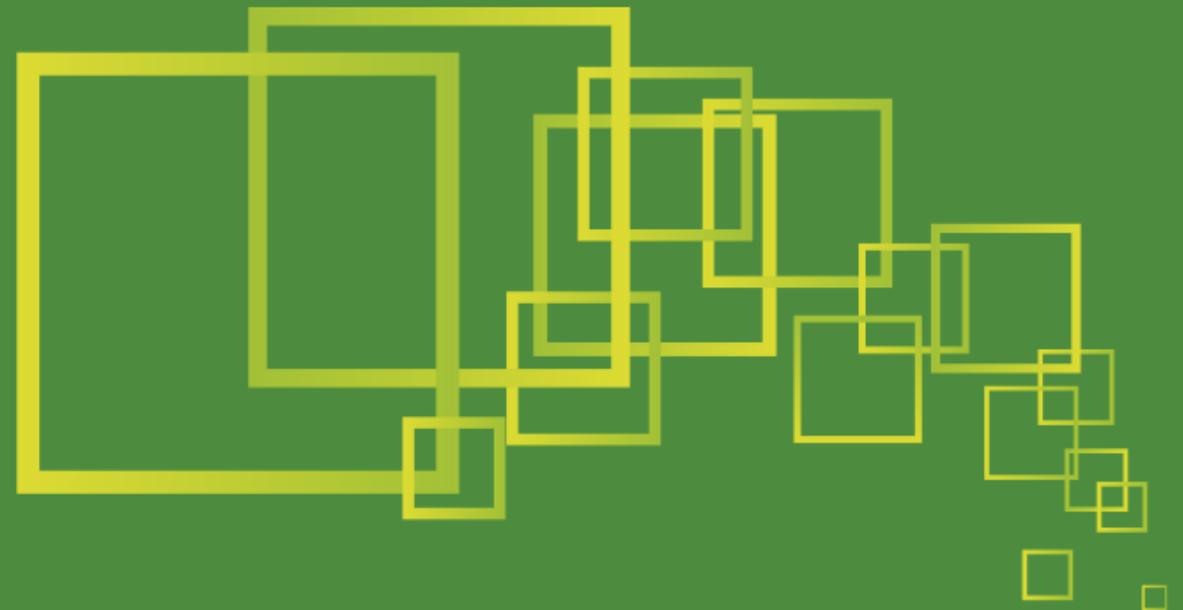


# The Sustainability strategy's building blocks



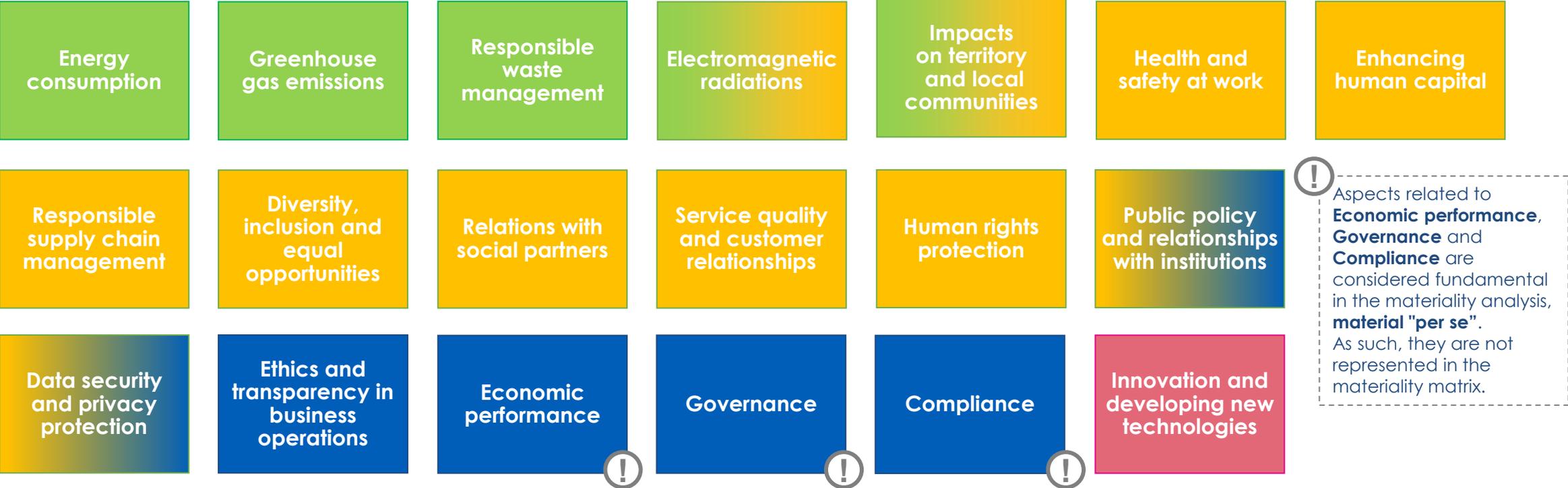
# Contents

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



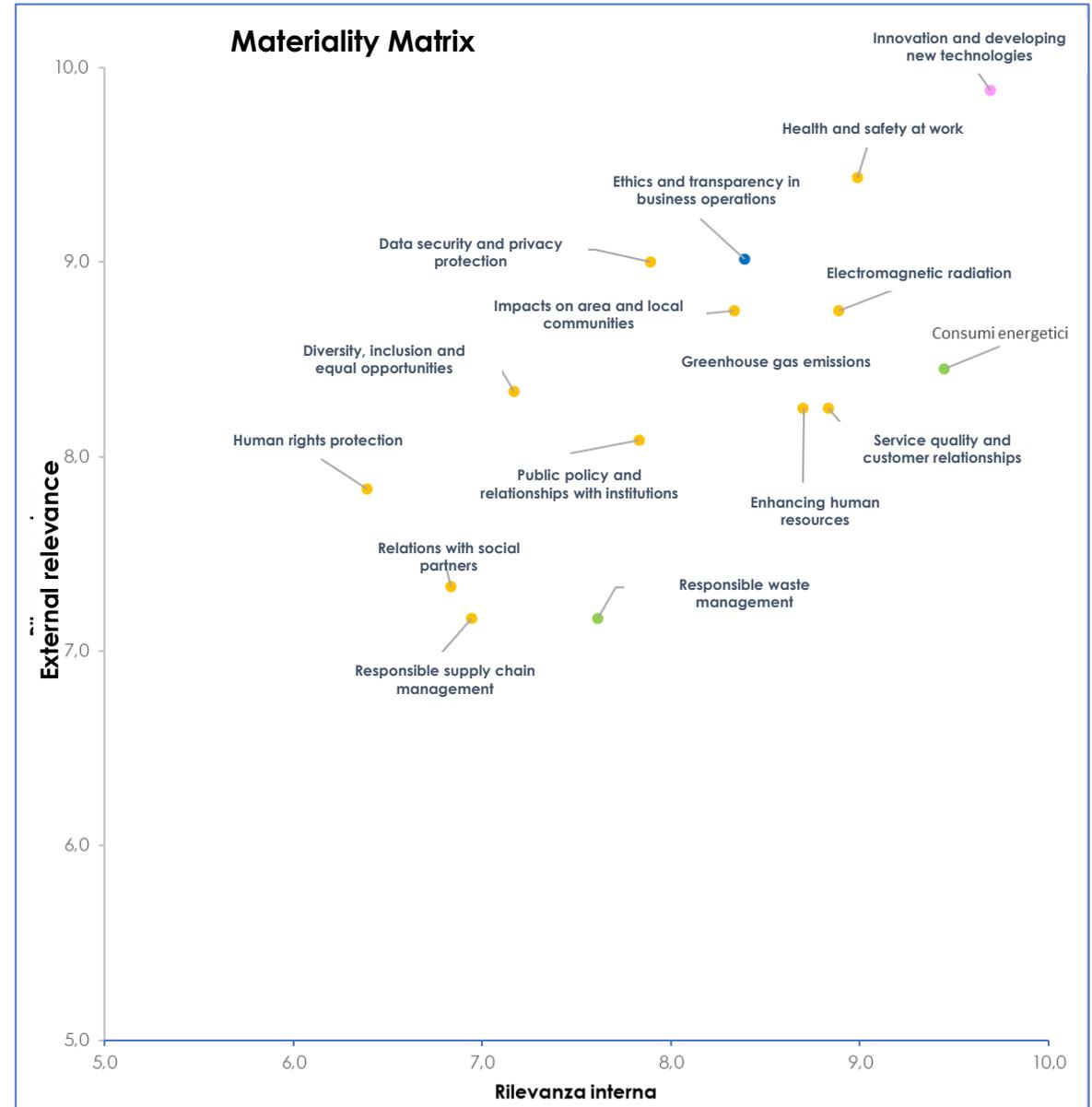
# Materiality Matrix: Material issues

## RAI WAY MATERIAL ASPECTS 2020



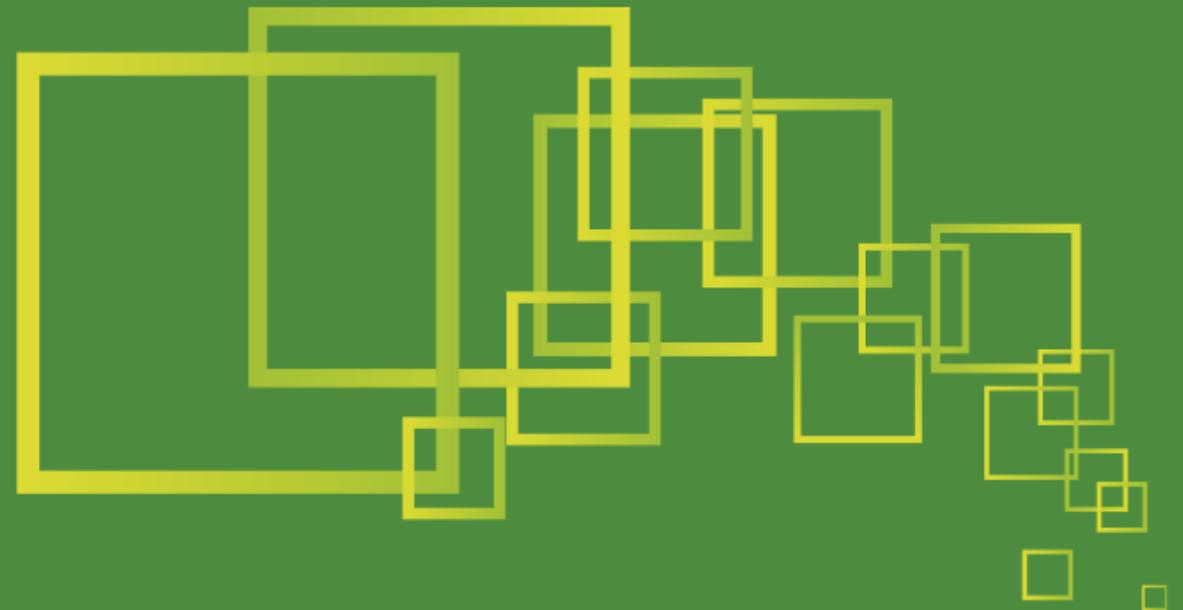
# Materiality Matrix: Analysis results

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



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1. Materiality Matrix 2020
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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



Financial capital



Human capital



Infrastructural capital



Relational capital

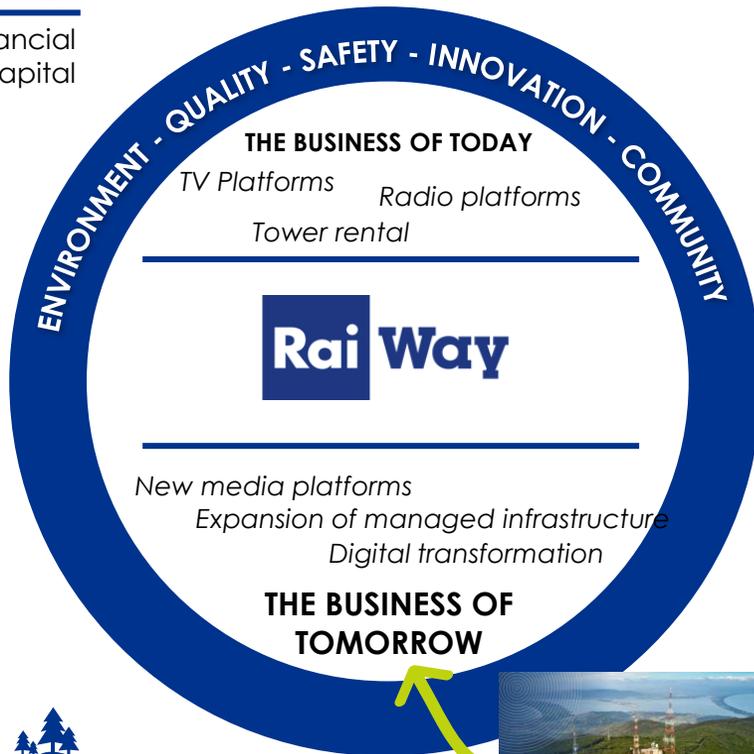


Intellectual capital



Natural capital

## 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



Contribute to social, cultural and economic development in our community and the territory



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%<sup>(1)</sup>

*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 positions<sup>1)</sup>



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

## Governance

5

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



Ensure respect for Privacy and Data Security



Integrate sustainability principles throughout the supply chain



Strengthening governance oversight of sustainability



Adhere to external standards on ethics and anti-corruption

Involve 80% of registered suppliers<sup>(1)</sup> in ESG engagement initiatives

Implement LTI plan with 20% of objectives of an ESG nature



Ensuring diversity of management and control bodies



*Main quantitative targets*

<sup>1)</sup> 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

17 PARTNERSHIPS FOR THE GOALS



11 SUSTAINABLE CITIES AND COMMUNITIES



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



*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

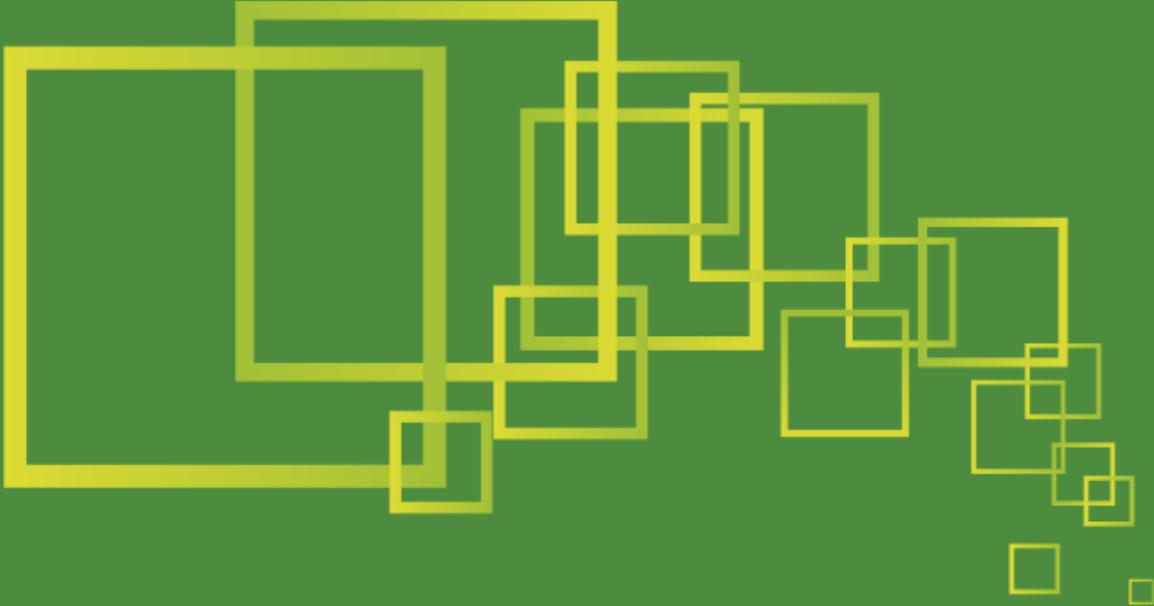
Progress in reaching objectives and targets will be monitored continuously, published annually in the **Sustainability Report** and assessed on an infra-annual basis by the **main ESG rating agencies** (CDP, MSCI, Sustainalytics) with which an engagement process has already been launched.



## 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          | <b>100% of energy from renewable sources</b>                                 | %                   | 98.1%             | <b>100%</b>           | <b>2021</b>              | <ul style="list-style-type: none"> <li>100% green procurement with CONSIP evaluating potential alternative supplies</li> </ul>  |
|   |  |   | <b>Carbon Neutral Scope 1+2</b>  | tCO <sub>2</sub> eq | 2471              | <b>Carbon Neutral</b> | <b>2025</b>              | <ul style="list-style-type: none"> <li>Replace the company fleet introducing hybrid and electric vehicles</li> <li>Generators, buildings and boilers energy efficiency</li> <li>Offset residual emissions through purchasing carbon credits (e.g. Gold standard)</li> </ul> |
|   |  | Implement initiatives to reduce electricity consumption | <b>Invest over € 100 million in more efficient systems and equipment</b>     | € million           | 8.3               | <b>&gt;100</b>        | <b>From 2020 to 2023</b> | <ul style="list-style-type: none"> <li>Replace and install new, more energy-efficient equipment as part of the Refarming project</li> </ul>   |
|   | Improve management systems to reduce environmental impacts | Maintain the recycling level of waste generated         | <b>Maintain the recycling level of waste produced over 99%<sup>(1)</sup></b> | %                   | 99.3%             | <b>&gt;99%</b>        | <b>2021</b>              | <ul style="list-style-type: none"> <li>Maintain current high recycling levels (further improvement not technically possible)</li> </ul>   |

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 | <b>% of gender less-well represented in managerial positions<sup>(1)</sup></b>     | % 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                    | <b>Performance share plan aimed at all managers</b>                                | % 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     | <b>Configure a structural flexible working model for at least 45% of employees</b> | % 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 | <b>Improve RAI thematic MUX coverage for over 1000 Italian municipalities</b> | # 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                        | <b>Adopt an LTI plan with 20% of objectives of an ESG nature</b>                    | %   | n.a.              | 20%    | 2021 | <ul style="list-style-type: none"> <li>Finalize plan set up and subsequent approval steps</li> </ul>   |
|   | Integrate sustainability principles throughout the supply chain | Ensure suppliers maintain and comply with stringent environmental/social/ethical standards | <b>Involve 80% of registered suppliers <sup>(1)</sup> in engagement initiatives</b> | %   | -                 | 80%    | 2023 | <ul style="list-style-type: none"> <li>Receive environmental, ethical and anti-corruption policies from suppliers</li> <li>Information initiatives with suppliers</li> </ul> |

|   | 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<br><br>Develop trials for new platforms and systems for innovative applications and services | <b>Invest around € 200 million in technological development and digital transformation projects</b> | € million | 11                | ~200   | From 2020 to 2023 | <ul style="list-style-type: none"> <li>Refarming, DAB, CDN, IRU, FTT</li> <li>Introduce Business Support System and Operational Support System platforms</li> <li>Investments aimed at identifying new uses of current infrastructure (HBBTV, 5G transmission, VR content encoding, platforms integrating IoT technologies and drones)</li> </ul> |



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