

MEDIASET

Sustainability Report

CONSOLIDATED NON-FINANCIAL DECLARATION
IN ACCORDANCE WITH LEGISLATIVE DECREE 254/2016

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Letter to Stakeholders

Dear stakeholder,

First and foremost, our sustainability reporting for the year 2020 is marked by pride in being a company that exemplifies excellence and responsibility.

These characteristics have allowed Mediaset in both Italy and Spain to face the most serious health emergency of the modern age with rapidity, determination and effectiveness, safeguarding its essential assets.

These are, above all, the people who work for the Group: the utmost protection was immediately guaranteed for employees, collaborators and suppliers, preparing appropriate monitoring and prevention tools.

The television, radio and digital broadcasting offering based on our content was at the same time ensured for our users (in their millions), in terms of information first and foremost, which we delivered in the same professional, timely and balanced manner as always. And guaranteeing this essential public service was not something that could

be taken for granted when, at the most critical junctures, access to company premises was drastically limited.

The current health crisis, unimaginable only a year ago with regard to intensity, speed of spread and geographical extent, seems only now, with the global launch of vaccination campaigns, to be moving with difficulty in the direction of resolution. But it is still bound to have an impact – most likely profound – on the lifestyles and habits of business organisations, workers, students and consumers of both goods and services and of media content. These are contexts in which the existing digital media processes have accelerated.

Mediaset's response to the emergency followed precise directives:

1. Our Group dealt with the emergency in a prompt, rigorous and disciplined manner, applying and adapting to the situation guidelines that were already in place for dealing with extraordinary crises and emergencies.
2. The task force immediately established in close contact with all areas of the company drew up precise protocols that

are constantly adapted and updated according to the changing situation and instructions from national and local governmental and health authorities.

3. Through an exceptional effort, the entire personnel of the company was able to work through a remote connection during the lockdown thanks to a smart working pilot project that had already involved groups of employees in areas of the staff in the previous months and thanks to a new Intranet able to coordinate updates and communications.
4. The smart working model was then maintained in an organised, flexible manner, adapting to the curves of the pandemic and measures taken by the authorities. All of this was achieved with minimal use of welfare contributions and mechanisms and full and continuous sharing of strategies with trade union representatives.

But Mediaset went even further and implemented a monitoring and prevention system to progressively ensure the safest possible progress of activities at all offices and production sites. Workers were ensured diagnostic tests, and compulsory swabs for

employees or suppliers who were physically present, contact tracing systems were introduced, flu and pneumonia vaccines were guaranteed, hundreds of thousands of masks were distributed, all workplaces and common areas were sanitised, and drive-through stations were set up for rapid antigen tests in cars for those presenting flu symptoms even when smart working.

The employees expressed all their appreciation for what the Company had done: prevention, care, making full use of resources, values that have always inspired our policies to promote the best working conditions in terms of health, safety, welfare and well-being. These factors also mean that the Group is more attractive to young talent, who can be brought into key areas such as technology, content and advertising.

As for the key performance of our core business, the pandemic has changed our habits and affected consumption habits in our industry, the media. In this context, we felt even greater responsibility as an economic entity able to stimulate the market.

Generalist television – in addition to the broadcasting functions mentioned

previously – has been a fundamental lever for institutional brand communication plans and strategies. Mobility restrictions have stimulated and brought even the most “conservative” consumers closer to digital means of consumption. In this context, we defended and protected our market shares by continuing to invest in the product and in technological innovation in order to guarantee ever better coverage of the main advertising targets and an increasingly personalised offer supported by innovative technologies.

The quantity and quality of our broadcast offering spelt success in terms of greatly increased audience figures, both conventional linear – with our generalist networks, the extensive offering of free-to-air and pay channels and varied radio offering – and through our digital on-demand offering, unrivalled in terms of original content provided both via browser and through dedicated apps on smartphones, tablets, games consoles and internet-connected TVs, which also won over large and growing swathes of the youth audience.

Obviously, the difficulty of predicting how the pandemic will develop has significantly

increased uncertainty among many operators within the economy, affecting expectations and business and consumer confidence, and therefore investment.

Despite the sharp decline in advertising revenues that characterised the lockdown period, we continued to support our clients, creating the conditions for a strong recovery of investments and margins in the second half of the year.

We compensated for the closure of cinemas by continuing to invest in films and capitalising on their availability to the general public through streaming distribution agreements.

At international level too, Mediaset has continued to work with determination according to its own strategic guidelines focused on controlling and strengthening its model as a commercial TV broadcaster which is evolving towards the new digital paradigm in both Italy and Spain. And despite the suspension of the MFE Project due to the well-known dispute with shareholder Vivendi, the Group continues to pursue the plan to create a sustainable European development model in the new scenario of

global competition.

And it is precisely in the international arena, particularly within Europe, that the challenges and commitments with respect to climate are at stake. These issues are now unavoidable items on political and economic agendas at an international level. Within the European trade association of which it is a founding member (ACT), Mediaset is taking part in the work of the action plan promoted by the European Commission, which – among its various objectives – is also pursuing the creation of a European audiovisual media industry with zero impact on the climate, as part of the global objectives that set 2050 as the year for net-zero CO₂ emissions.

We therefore confirm that, also thanks to the Group's good performance, we have an increasingly strong awareness of the distinctive values at the heart of this 2020 Non-Financial Declaration. Among these, we would mention the following by way of example:

- the recognisability and authoritative position of Mediaset's self-produced content, a strong point in promoting and

defending responsible broadcasters against misinformation and fake news, a now distinctive feature of our news content;

- constant focus on minors, diversity, protecting women and commitment to defending human rights and eliminating every form of discrimination;
- the non-profit activities of Mediafriends and social communication with the campaigns promoted by *Mediaset ha a cuore il futuro*. The goal: preparation in the present to safeguard the future.
- the strong drive directed towards venture capital projects – through AD4Ventures in Italy and Spain – to support digital start-ups with cross-media advertising campaigns that give visibility and a boost to young local entrepreneurs.

But above all, we are pleased to call attention to the fact that we were able to put our stakeholders first in a year marked by emergencies.

In the meetings held in preparation for this Non-Financial Declaration, all internal and external stakeholders confirmed that our

commitment to developing the skills and well-being of our employees must continue to be the strategic priority for our organisation.

Surveys of the coming generation are also increasingly convincing us to invest heavily in technological innovation, new content and digital and social media idioms.

All this makes us more deeply aware of the great work carried out by all parts of the company in this last, extremely complicated year, which repays us with a Group that is even more financially sound, united, and in line with our stakeholders and their expectations, capable of ensuring the sustainable development of Mediaset in the years to come.

For the Board of Directors
The Chairman



Methodological note

This document is issued in compliance with Italian Legislative Decree no. 254 of 30 December 2016 (hereinafter “Decree 254”), on the reporting of information of a non-financial nature (*hereinafter also “Sustainability Report” or “Report”*), to which the Mediaset Group (hereinafter also “Mediaset” or the “Group”) is subject. In continuity with the previous editions, the document describes the initiatives and the main economic, social and environmental outcomes pursued and achieved by the Group during 2020 (from 1 January to 31 December) and is drawn up in compliance with the “Global Reporting Initiative Sustainability Reporting Standards” defined by the Global Reporting Initiative (GRI) in 2016, in accordance with the “in accordance – Core” option. With respect to the specific GRI 403 (Occupational Health and Safety) Standard, the most recent version of 2018 was adopted. In addition, the “Media Services Sector Disclosures” defined by the GRI in 2014 have been taken into account and the disclosure on tax compliance in accordance with GRI 207 is provided in the Tax Compliance section.

The present document, taking into account the expectations of stakeholders and the

impacts generated by business activities, offers a description of the management models, the policies implemented by the company, the results obtained and the principal risks - generated or suffered - associated with the issues expressly addressed in Art. 3 of Decree 254 (environmental, social, labour relations, respect for human rights, the fight against corruption), including the way in which they are managed.

As requested in the ESMA “European common enforcement priorities for 2020 annual financial reports” document of 28 October 2020 with regard to 2020 financial and non-financial reporting in relation to the consequences of the **Covid-19** pandemic, this document indicates the main impacts of the pandemic and the mitigation actions taken for each area reported. In particular, the priority issues concerning the policies adopted in this area towards employees and collaborators in terms of health, safety and remote working are presented in the “People” section, while the main actions taken to ensure operational and business continuity in the various areas of the Group’s activities, as well as the trends and main factors affecting the business model deriving

from the pandemic emergency, are reported in the various paragraphs for each of the various specific areas of activity reported in the chapters dedicated to the Broadcast Offering, the Community and Territory, and the Environment.

As part of the strategic risk assessment model (conducted by the Risk Officer, with the support of a leading consultancy company, as self-assessment with Group management - ERM model), with structural focus on exogenous and internal risk factors that can be correlated directly with its business model and guidelines defined by the Board of Directors, there are also the ESG risk areas in keeping with their materiality, expressed in the Group Materiality Matrix. This assessment involves identification of material risk/opportunity factors for each of the ESG areas.

The corresponding risk profiles are assessed taking into account the general reference context (also in terms of benchmark with leading operators in the TMT sector), monitoring of the Group’s main initiatives and projects in these areas and the main results linked to feedback from the main stakeholders.

The assessment carried out as part of the ERM process annual update highlighted the overall adequacy of the safeguards the Group has employed, given the predominance of active and positive approaches to ESG issues, in keeping with its own values, which are a reference as well as being instrumental in pursuing its business objectives.

Of particular note: the consolidation and focus on Human Resources development initiatives and monitoring of the overall broadcast offering, also with respect to greater sensitivity on the part of end users and advertising investors to ESG issues.

The current safeguards do not highlight critical situations but the emergence of sought-after opportunities (launch of assessments of initiatives to optimise consumption and reduce emissions).

For future reporting, the Group will assess supplementing its analysis – and thus its disclosure – of the climate change impact generated and undergone by the Group. This also relates to the development of regulation in this area, in particular the guidelines from the European Commission (Communication

2019/C 209/01 “Guidelines on non-financial reporting: Supplement on reporting climate-related information”) and the recent adoption by the European Commission of the Media and Audiovisual Action Plan (MAAP), which aims to support the recovery and transformation of these industries, which have been particularly affected by the pandemic crisis and are essential for democracy, cultural diversity and European digital autonomy. This action plan focuses on three main areas of activity (recovery, transformation, more tools and capacity) including the creation of a climate-neutral audiovisual industry. The European commercial television association, of which Mediaset is a founding member (ACT), is preparing a position paper to the EU institutions in connection with this plan.

For further information on the initiatives of the Group, the main risks generated or undergone and the management methods for these, please refer to the paragraph “The internal control and risk management system” and the corresponding sections in this document.

In particular regard to respect for human rights, and given the regulatory environment

in which Mediaset operates, this topic is addressed as part of the management of relations with employees and suppliers, in observance of the principles and values embodied in the Code of Ethics of the Group, updated in 2019. In view of the specific nature of the business sector in which the Group operates, note that the Group does not consume significant amounts of water or emit atmospheric pollutants other than greenhouse gases. For this reason, and without detracting from the full comprehension of the Group’s activities, information on these topics (addressed in article 3 paragraph 2 of Decree 254) is not included in the present Report.

The contents of the present document are arranged by material issues for the Group and its stakeholders, as identified by the materiality analysis and updated prior to the preparation of the 2020 NFD, based on the results of the stakeholder engagement activities conducted prior to the preparation of this document as set out in more detail in the following *Mapping of Stakeholders and Materiality Analysis* paragraph. In particular, the process whereby the contents were defined is based on the principles of relevance, inclusiveness of stakeholders,

completeness and operating context for the Group. The principles of balance, accuracy, verifiability and comparability have been observed in regard to the quality of the information reported.

The GRI Content Index containing the GRI indicators associated with each material topic can be found in the appendix to this document.

The scope of the economic and financial data and the scope of social and environmental data and information includes the companies which were fully consolidated in the Consolidated Financial Statements¹. This scope does not differ significantly from that of the previous year (acquisition of 80% of Beintoo by the Publitalia '80 sales house and sale of the Mediashopping investment by R.T.I., while Mediaset España acquired 51% of the Aninpro Creative S.L. company in the course of the year).

To enable the comparability over time of the data, it is presented alongside the corresponding figures for 2019.

Also included is information on Group actions undertaken in previous years and which continue to be applied in the policies currently pursued by the Group.

To guarantee the reliability of data, estimates have been eliminated wherever possible. Where used, they are identified appropriately and based on the best methods available.

The following names are used in the text:

- R2 for R2 S.r.l.
- R.T.I. for R.T.I. S.p.A.
- Taodue per Taodue S.r.l.
- Medusa for Medusa S.p.A.
- RMC for RMC Italia S.p.A.
- Publieurope for Publieurope Ltd.
- Publitalia '80 for Publitalia '80 S.p.A.

- Digitalia '08 for Digitalia '08 S.r.l.
- Mediaset España for Mediaset España Comunicación S.A.

With respect to the commitments previously stated in the 2019 NFD, note that:

- With respect to health and safety issues, the companies of the Mediaset Group Radio Hub obtained ISO 45001:2018 Certification in 2020 from the DNV-GL certification body.²

In the process of formalising its strategic guidelines focusing on the development of its business model, both nationally and internationally, the Group constantly monitors the areas of sustainability considered material to its development and the commitments and activities carried out and planned with a view to meeting the needs and expectations of its own stakeholders and the development of the business context.

¹ For a list of the companies included under the full consolidation method, see “List of equity investments included in the Group’s consolidated financial statements at 31 December 2020” in the explanatory note to the consolidated financial statements of 31 December 2020 of the Mediaset Group.

² The companies of the radio hub are: Radio Mediaset S.p.A.; Radio Studio 105 S.p.A.; Radio Subasio S.r.l.; Virgin Radio Italy S.p.A.; Monradio S.r.l.; RMC Italia S.p.A.

This document was approved by the Board of Directors of Mediaset S.p.A. on 26 April 2021.

The present Report was subjected to a conformity assessment (“limited assurance engagement” under the criteria articulated in ISAE 3000 Revised) by Deloitte & Touche S.p.A. The assessment was conducted according to the procedures indicated in the “Independent Auditor’s Report” included in the present document.

The Sustainability Report is published annually. For further information on the Sustainability Report, please write to:

direzione.affarisocietari@mediaset.it

The Sustainability Report is also available on the Mediaset website (Corporate Social Responsibility section).



1 - The Mediaset Group

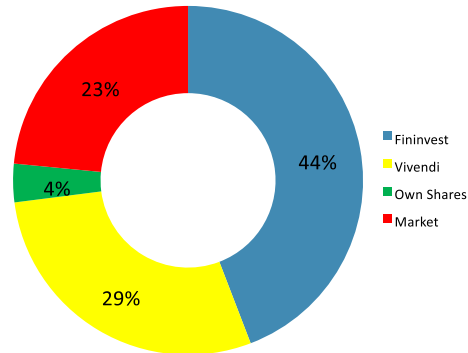
1.1 PROFILE AND ACTIVITY

SHAREHOLDING STRUCTURE

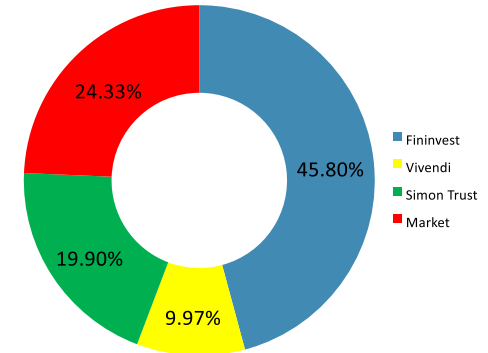
Mediaset S.p.A.³ is the holding company of the Mediaset Group. It has been listed on the Milan stock exchange since 1996 and is mainly active in the TV sector in Italy and Spain.

On 31 December 2020,⁴ the shareholding structure of the Group was as follows:

Mediaset Shareholders



Voting Rights



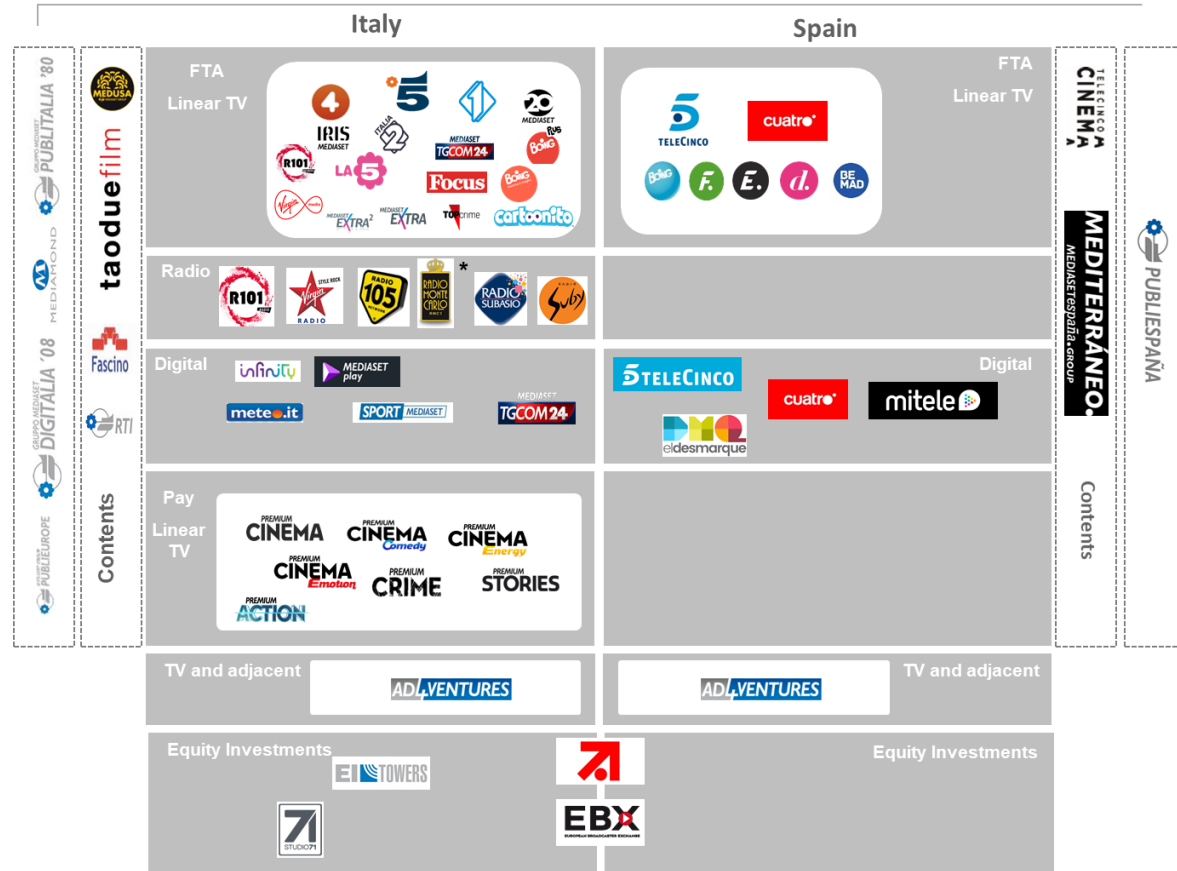
³ Its head office is at Viale Europa no. 44/46/48, Cologno Monzese. Its registered office is in Via Paleocapa, 3, Milan.

⁴ On 12 April 2018 Vivendi S.A. announced, as required by Art. 120 of the Consolidated Finance Law and in compliance with the Italian Media Authority Decision No. 178/17/CONS, that it had signed a consulting agreement with Simon Fiduciaria S.p.A. and its sole shareholder Ersel Sim S.p.A., relating to the exercise of voting rights for the shares held by the fiduciary company according to the instructions given by Ersel Sim, through its Chairman. Vivendi S.A. has kept its right to instruct the fiduciary company on the exercise of voting rights at the shareholders' meeting of Mediaset S.p.A. on matters for which the shareholders who did not take part in the decision are authorised to exercise their right of withdrawal.

THE MEDIASET GROUP - BUSINESS ACTIVITIES

In Italy, the Mediaset Group has what are known as **integrated television operations** consisting of commercial television broadcasting over three of Italy’s biggest general interest networks and an extensive portfolio of thematic free-to-air and pay TV channels (linear, non-linear and OTTV), with a broad range of content, including exclusive content, in cinema, TV series, documentaries and children’s television channels. Over the last three years, Mediaset has also created a radio broadcasting wing comprising some of Italy’s biggest broadcasters.

The Group draws on the expertise of two of its subsidiaries, Medusa and Taodue, in film distribution and the production of films and TV drama series, and also purchases sports, film and TV series content from third parties.



To secure its position in a market increasingly dominated by cross-platform solutions, the Group has launched a web business oriented towards TV based on free online video content combining new products with premium on-demand video-streaming services.

In Italy, the Mediaset Group operates via two advertising sales agencies in which it holds 100% interests: Publitalia '80, the exclusive sales agency for the free-to-air Mediaset networks; and Digitalia '08, which handles advertising sales for the pay TV platform.

Both agencies are managed by another subsidiary, Publieurope.

With Mondadori, the Group participates in a joint-venture, Mediamond, which sells advertising space on the Mediaset Group's online and radio platforms, the websites of agencies in the Mondadori Group, and third-party publishers.

In **Spain**, Mediaset is the main shareholder of Mediaset España, with an interest of 53.2% at 31 December 2020. Mediaset España is Spain's leading commercial television broadcaster, with two general interest

channels (Telecinco and Cuatro) and a bouquet of six free-to-air thematic channels.

The company is listed on the Madrid, Barcelona, Bilbao and Valencia stock exchanges and has been included since 3 January 2005 in the Ibex 35, the index of the thirty-five largest Spanish companies by capitalisation and average trading volume. As of 22 June 2020, following a failure to meet the admission requirements, mainly due to the impact on capitalisation during the most acute phase of the pandemic, the stock was removed from the Ibex 35 and admitted to the IBEX Medium Cap Index.

1.2 HISTORY

Before 1996. The origins of the Mediaset Group lie in the late 1970s, when Milan-based entrepreneur Silvio Berlusconi founded a local cable TV channel, Telemilano, broadcasting from its purpose-built headquarters.

Two years later, in 1980, Telemilano was rebaptised as Canale 5. Due to a change in the regulations, it began transmitting all over Italy, something hitherto prohibited under Italian law.

The new channel was a breath of fresh air for the Italian viewing public, because until then the only national broadcaster was the state-controlled Rai, whose three channels constituted a monopoly.

To compete on equal terms with the public service broadcaster, the new private broadcaster put together its own 3-network offering: Canale 5 was joined by Italia 1 (acquired from Rusconi in 1982) and Retequattro (acquired from Arnoldo Mondadori Editore in 1984).

The new broadcaster was named Rti (Reti televisive italiane) and was assisted by an

exclusive advertising sales agency, Publitalia '80, and two other companies: Videotime, which was in charge of technology and TV production, and Elettronica Industriale, which managed the transmission network infrastructure.

Together, Rti, Publitalia, Videotime and Elettronica Industriale were placed under the control of a new company, Mediaset. And so the Mediaset Group was born.

1996 Mediaset is floated on the Milan stock exchange, opening its stock to institutional investors and small shareholders (around 300,000).

1997 Mediaset's international expansion begins with its acquisition of a 25% stake in private Spanish broadcaster Telecinco.

1999 The Group enters the online world with Mediaset.it (a website dedicated to Canale 5, Italia 1 and Retequattro) and Mediaset Online (renamed TgCom in 2001), a news site available over multiple platforms (internet, television, radio, Mediavideo teletext and mobile phone).

2003 Mediaset increases its stake in Telecinco, gaining a controlling interest in

the company with 50.1% of its shares. Telecinco is floated on the Madrid stock exchange the following year.

2004 Digital terrestrial television launches in Italy. The new technology allows many more channels to be broadcast compared to the existing analogue system. Mediaset launches Boing, a channel directed exclusively at children, and Mediashopping, a secure teleshopping channel.

2005 The Group launches Mediaset Premium, a digital terrestrial channel offering live coverage of Serie A football via smartcards, with no need for subscription. Mediaset Premium also offers TV movie premieres, theatre and live events in the pay-per-view format.

2006 *Pan's Labyrinth*, a film produced by Gruppo Telecinco, wins 3 Oscars.

2007 In a consortium with Cyrte Fund and Goldman Sachs, Mediaset relieves Telefonica of control of Endemol, a Dutch TV production company and the world's leading format producer.

- Mediaset also acquires Medusa, Italy's

leading cinema production and distribution company.

- Mediaset launches a new free-to-air digital terrestrial channel: Iris. The new channel specialises in classic movies, music, and adaptations from literature and theatre.

2008 Mediaset signs an agreement for the acquisition of Taodue, a leading Italian producer of quality fiction and drama series.

- Mediaset launches Premium Gallery, a new premium content service available over digital terrestrial TV, using the smartcard format. Gallery has exclusive broadcasting rights in Italy for the best US films and series by Time Warner and NBC-Universal.
- Disney Channel and Premium Calcio 24 launch.

2009 Publitalia '80 and Mondadori Pubblicità reach an agreement on online advertising sales and found a new company owned in equal proportions, Mediamond.

- TivùSat, Italy's first free digital satellite

platform, launches. Its owner, Tivù s.r.l., is jointly owned by Rai (48.25%), Mediaset (48.25%) and Telecom Italia Media (3.5%). TivùSat operates as a complement to digital terrestrial TV, serving areas the terrestrial signal is unable to reach.

- In Spain, Mediaset S.p.A., Gestevisión Telecinco S.A. and Promotora de Informaciones S.A. (Prisa Group) announce the acquisition by Telecinco of a new company whose assets include the Cuatro business unit (a free-to-air Spanish TV station owned by Sogecable S.A.), and a 22% interest in Digital Plus. The deal makes the Mediaset Group the leading TV operator in Spain.
- Taodue produces Checco Zalone's *Cado dalle nubi* (distributor: Medusa Film), the 2009/2010 season's biggest box office hit.

2010 video.mediaset.it, a catch-up service allowing viewers to watch recently-broadcast Mediaset TV programmes, goes live.

- NewsMediaset, an "in house" agency providing images, news and services to the entire Mediaset structure, is created.

- 12 May: Mediaset launches La5, a free-to-air digital terrestrial channel broadcasting female-oriented content 24 hours a day.
- 26 November: Mediaset Extra, a new free channel specialising in reruns of the most popular Mediaset entertainment programmes, launches.

2011 Premium Net Tv, a new non-linear TV format offering up to 6000 titles on demand, launches.

- July: Mediaset enriches its Mediaset Premium digital terrestrial offering with two new pay channels: Premium Crime, for aficionados of detective films and thrillers, and Premium Cinema Comedy, a showcase for the best of Italian and US comedy.
- Mediaset Italia 2, a new free-to-air digital terrestrial channel, begins transmission. The new channel offers movies, TV films, documentaries, cartoons, sports and entertainment shows directed at a young, predominantly male, audience.
- Cartoonito, a free-to-air digital terrestrial channel for children aged 6 and under, launches. Like Boing, Cartoonito is the fruit of a joint venture by Mediaset and

Turner Broadcasting System Europe Limited, and enriches Mediaset's free content offering for children and teenagers.

- Plans to merge EI Towers with DMT are approved.
- In 2012, on completion of the financial restructuring of the Endemol Group, the Mediaset Group reduces and then sells its holding in Endemol.
- Premium Play, conceived as the successor to Premium Net Tv, is launched. With its advanced technology, ease of use, quality and innovative content, Premium Play breaks new ground in the Italian multimedia sector.
- TgCom24 is repurposed as a free-to-air news channel available over DTT (slot 51) and satellite (slot 24), continuing to operate online via TgCom24.it and now available for smartphone and tablet with free-to-download apps.
- Taodue repeats the success of *Cado dalle nubi* with a new film production, *Che bella giornata* (distributor: Medusa Film), which outstrips the former in terms of viewer figures and box office receipts.

2013 Paolo Sorrentino's film *The Great Beauty* (producer: Medusa Film) wins the Oscar for best foreign picture and the Golden Globe for best film. A new Checco Zalone film produced by Taodue, *Sole a catinelle*, is the year's biggest box office hit with receipts of 51.8 million euros, and the most-viewed Italian film since Cinetel records began.

- Mediaset España secures "free" broadcasting rights for 25 matches - including those featuring the national team, Spain - at the football World Cup in Brazil, which runs from 12 June to 13 July 2014.
- Mediaset and Fox International Channels Italy sign an agreement for the inclusion of the Fox Sports channel in the Mediaset Premium roster. The new channel has exclusive rights for the live transmission of leading European football matches.
- Mediaset signs an agreement with the Eurosport Group for the inclusion of two channels, Eurosport and Eurosport2, in its Mediaset Premium roster. The deal extends the non-football pay-per-view offering of Mediaset to include the leading tennis tournaments, cycling tours, winter

sports, motor sports, athletics, swimming, basketball, handball, hockey and numerous emerging disciplines.

- The Mediaset Group launches Infinity, Italy's first OTT (streaming television) service. The new platform offers subscribers access to a catalogue of over 6000 titles including films, TV series, and drama and entertainment shows.

2014 Mediaset wins the exclusive, all-platforms Italian broadcasting rights for all UEFA Champions League live matches and highlights for the three-year period spanning 2015-2018.

2015 Spanish operator Telefonica acquires 11.1% of the shares in Mediaset Premium for a price of 100 million euros.

- The Mediaset Group signs an agreement with Warner and Universal awarding it exclusive Italian rights over the films and TV series distributed by the two US giants for the periods spanning 2016-2020 and 2016-2018 respectively.
- Mediaset demands that Sky pay a retransmission fee for the unauthorised inclusion of the Group's free-to-air TV

channels on its satellite platform. Sky contests the requested fee and Mediaset decides to encrypt its satellite channels, effective from 2400 on 7 September 2015.

2016 Mediaset and French group Vivendi sign a strategic alliance under which Mediaset would acquire 3.5% of the share capital of Vivendi, with Vivendi acquiring 100% of Mediaset Premium and 3.5% of Mediaset. On the eve of the deal, (25 July 2016) Vivendi signals its intention to withdraw from the agreement. On 19 August, Mediaset files with the courts of Milan in an attempt to obtain the compulsory enforcement of the agreement. Vivendi reacts in hostile fashion by building its stake in its Italian rival, and on 22 December informs the markets it holds 28.8% of the ordinary share capital of Mediaset, equivalent to 29.94% of voting rights. The operation attracts the attention of the Italian securities market regulator, Consob, the communications regulator, AGCOM, and the public prosecutor in Milan, which opens an enquiry into market manipulation.

- Also in 2016, Mediaset creates Italy's

leading radio broadcasting group in terms of audience and advertising revenue. The new group, RadioMediaset, includes the broadcasters R101, Radio 105 and Virgin Radio, as well as a partnership with Radio MonteCarlo.

- Checco Zalone's fourth film, *Quo Vado?* (produced by Taodue and distributed by Medusa), opens in Italy. It beats all records with 65.4 million euros of box office sales.

2017 Mediaset acquires a 5.5% holding in Studio 71, Europe's leading multichannel network - and among the five biggest in the world - controlled by the German group ProSiebenSat.1Media. It also creates a joint venture, "Studio 71 Italia", in which Mediaset holds a 49% stake. The new joint venture is in charge of the Italian operations of Studio 71.

- The Board of Directors of Mediaset approves the Mediaset 2020 plan, which outlines the development strategy and financial targets for the period spanning 2017-2020. Under this plan, Mediaset's share of the Italian advertising market will increase from 37.4% to 39.0% by 2020,

with EBIT from Italian media activities increasing by 468 million euros.

- The communications regulator AGCOM rules that Vivendi's holding in Mediaset and Telecom Italia is in breach of regulations, and orders the French company to reduce its holding.
- Mediaset acquires a 100% stake in free-to-air TV channels Retecapri (LCN 20), Retecapri +1 (LCN 120), and Retecapri HD (LCN 121).
- Mediaset decides not to bid for pay TV broadcasting rights for Serie A in the 2018-2021 period as it holds the conditions of auction, issued by Lega Calcio, to be unacceptable. The auction is cancelled and bidding postponed.
- Mediaset acquires an 11.1% holding in Mediaset Premium from Telefónica, regaining 100% ownership of the latter.
- Publitalia '80 and Publiespaña join TF1 (France) and ProSiebenSat1 (Germany) to create AdTech Ventures, which holds a 33% stake in European Broadcaster Exchange (EBX), a joint venture enabling advertisers to book campaigns across all member digital platforms. On 14

November, Channel 4 announces it is joining EBX.

- RadioMediaset acquires RadioSubasio and Radio Aut, central Italy’s leading radio broadcasters by coverage and audiences.
- Mediaset’s holding in El Towers rises to 41.74% as a result of a buyback of its own shares by El Towers.
- Mediaset’s holding in Mediaset España increases to 51.63% as a result of a share buyback.
- Mediaset signs a three-year accord with the FIA for exclusive Italian television broadcasting rights for Formula E, the world’s leading electric auto racing championship.
- Mediaset wins exclusive broadcasting rights for the 2018 football World Cup in Russia. For the first time, the Mediaset Group will be offering all matches free-to-air in both Italy and Spain.

2018 On 30 March, Mediaset and Sky Italia sign a commercial agreement to rebroadcast the Premium channels on the satellite platform as well.

- Also in March, Mediaset España, together

with RTVE and Atresmedia, launches a web platform to create and distribute the audiovisual content of the three groups.

- On 10 May, Mediaset reaches a commercial agreement with TIM to rebroadcast all of Mediaset’s free-to-air networks on TIMVision.
- Broadcasts from Focus, the new free-to-air channel dedicated to promoting culture, begins in May, on channel number 35.
- For the first time in Italy, all 64 matches of the 2018 World Cup are broadcast live and free to air in June and July. Broadcasting was guaranteed exclusively by Mediaset, meeting with great success in terms of broadcasting and audience.
- On 31 August, RadioMediaset acquires RMC Italia S.p.A., parent of the Radio MonteCarlo network.
- After entering into a partnership with Mediaset, the infrastructure fund F2i SGR launches a takeover bid for the entire share capital of El Towers S.p.A.

2019 Following an agreement with Sky Italia, as of 2 January all Mediaset’s free-

to-air channels are again rebroadcast among the offering of the satellite platform.

- On 6 March, Mediaset España acquires 60% of El Desmarque Portal Deportivo SL.
- On 28 March, a deed is signed for the reverse merger of 2i Towers Holding S.p.A. (in which Mediaset holds a 40% stake) and the subsidiary 2i Towers S.p.A. into El Towers S.p.A.
- On 29 May, Mediaset communicates acquisition of a 9.6% share in the share capital of German broadcaster ProSiebenSat.1 Media SE.
- On 7 June, the Boards of Directors of Mediaset and Mediaset España resolve to propose to their respective shareholders a cross-border merger of the two companies into “MFE – MEDIAFOREUROPE”, a holding company under Dutch law.
- On 10 July, transmission begins on two new channels: Boing Plus (LCN 45) and Mediaset Extra 2 (LCN 55).
- On 15 July, the Court of Rome sentences the French portal Dailymotion, part of the Vivendi Group, to pay Mediaset

compensation of more than 5.5 million euros for illegally uploading hundreds of copyrighted videos. Mediaset has another six similar cases against Dailymotion, which may result in total compensation of more than 200 million euros. On 18 July 2019, the Court of Rome also sentences the Vimeo portal to pay Mediaset compensation of around 5 million euros.

- On 5 August 2019, the Italian Ministry of Economic Development assigns Elettronica Industriale two sets of rights for broadcasting capacity (new DVB-T2 standard frequencies) on channels 36 and 38 and further user rights equivalent to half of a national multiplex.
- On 4 September 2019, the Extraordinary Shareholders' Meetings of Mediaset S.p.A. and Mediaset España Comunicación S.A. approve the MFE-MEDIAFOREUROPE cross-border merger.
- On 11 November, Mediaset España acquires 5.5% of ProSiebenSat.1 Media SE. The Mediaset Group thus holds a 15.1% stake in the share capital of the main German private broadcaster.

secured 24.9% of the voting rights of ProSiebeneSat.1 Media excluding treasury shares through a new investment, becoming the largest shareholder in the German broadcaster.

- On 5 August, following a lengthy legal dispute, Mediaset's Board of Directors withdrew the MFE MEDIAFOREUROPE cross-border merger project.
- Following the plan to dispose of non-strategic assets, in October Mediaset sold the Mediashopping company, operating in the multichannel remote consumer product sales sector, to Ortigia Investimenti.

2020 On 23 April, the Mediaset Group,

1.3 THE VALUES OF THE MEDIASET GROUP

The founding principles of the Mediaset Group are embodied in its Code of Ethics⁵, which defines the values cherished by the group at every level and in every area it pursues its business interests.

The first draft, which dates back to 2002, was subsequently modified in 2008 and 2012.

The present version of the Code of Ethics was approved by the Board of Directors of Mediaset S.p.A. and by other Italian companies belonging to the Group in 2019. The Code was created in the conviction that ethical conduct is necessary for the success of every business venture. It is therefore a cornerstone of the Compliance Programme and internal control system of the Group, which also includes the Organisational Guidelines (OGs) issued for each business process.

Modifications and additions to the Code of Ethics are subject to the approval of the

Boards of Directors of member companies and communicated at Mediaset Group level.

In the pursuit of its business activities, the Group therefore undertakes to respect the applicable laws and regulations in all countries where it operates, in conformity with the principles of freedom and individual dignity and in respect for diversity in all its forms, rejecting all forms of discrimination based on sex, race, religion, political convictions or socio-economic conditions.

As a major presence in the social and economic context in Italy and in other countries, the Mediaset Group predicates its growth on a solid reputation for transparency and rigour in the pursuit of its business activities.

In this respect the Group is committed to promoting a working environment based on respect for others and the values of loyalty, trust, transparency and integration, stressing priorities such as the health, safety and privacy of its employees.

In regard to the various categories of stakeholders, the Mediaset Group has always

made every effort to combat corruption by acting transparently in its dealings with clients, suppliers and institutions, always and without exception respecting the principle of free competition.

The Group has always valued the wealth to be found in diversity, research and innovation, caring for the young and for the environment, enabling each individual to find fulfilment in his work, the basic principles which underpin its activities, and the people who have made it successful.

⁵ The Group's Code of Ethics is implemented by all member companies except for Mediaset España, which operates its own code based on the parent company's.

1.4 LOOKING TO THE FUTURE: MEDIASET FOR THE COMING GENERATION

Throughout its history, the Mediaset Group has always placed the coming generation at the centre of its own broadcasting projects as well as the services provided to communities in the areas where the Group is based.

In Italy, while involving audiences of all age groups, the Group has always had a special focus on young people, selecting programmes capable of responding to the tastes and demands of the coming generation.

A few examples: based on Auditel data, **Canale 5** with its 18.4% share in the prime time slot confirms its position as the leading network in Italy for young people between 15 and 34. This significant success is also replicated in the other time slots: the leading network with 16.2% in the day as a whole and 16.0% in daytime.

With respect to the target of men aged 15–34, Canale 5 is also the leading national network with a share of 17.4%.

Turning to programmes, the highest coverage of the youth target is again found on **Canale 5**. The following stand out in particular in prime time: *Tu si que vales* (31.9% share among 15–34-year-olds), *Temptation Island* (28.2% share among 15–34-year-olds with peaks of 40.4% among 15–19-year-old females and 45.3% among 20–24-year-old females), *Amici di Maria de Filippi* (40.7% share among 15–19-year-old females and 39.4% among 20–24-year-old females), *Grande Fratello Vip* (26% share among 15–34-year-olds and 36.6% among 20–24-year-old females).

In daytime, *Verissimo*, which has a wide profile among women but performs very well among very young women (24.1% share among 20–24-year-old females), and *Uomini e Donne* (more than 30% share among the same target).

Among men, *Striscia la Notizia* (21.5% share among 25–34-year-old males) and, above all, the *UEFA Champions League*, the most popular event among young people (peaks of over 35% share among 15–19-year-olds), have achieved significant results.

Italia 1 confirms its more male-oriented

profile among young people, both with established programmes such as *Le Iene* (19.7% share among 25–34-year-old males) and new programmes such as *Emigratis* (18.8% among 20–24-year-old and 19.6% among 25–34-year-old males) or *La Pupa e il secchione e viceversa* (22% share among 15–19-year-old males and 24.7% among 20–24-year-old females).

In daytime, the *Studio Aperto* news programme should not be forgotten: the lunchtime edition achieves truly remarkable peaks among the youth audience (26.5% share among 20–24-year-old males).

Finally, the strength of the evergreen *The Simpsons*, still able to achieve a share of 24.2% among 20–24-year-old males in its 29th year on the Mediaset networks, remains extraordinary.

It should also be noted that a specific area of the company also monitors all Mediaset programming to check the impact that programmes could have on minors.

Another dedicated organisational structure deals with the digital offering precisely in order to guarantee access to Mediaset

content for the coming generation. TV and radio programmes are enhanced through digital extension initiatives on all major connected digital platforms (desktops, mobile and wearable devices, tablets, smart TV, etc.).

These are the main results:

- Total Mediaset Properties Video Content consumption amounted to around 3.15 billion over the year, representing 131% growth on the previous year, with 314 million hours of video generated in total, representing 47% growth on the previous year (Source Webtrekk).
- During the year, the Information hub saw significant growth, reaching an average Total Audience of 2,863,000 unique daily users in 2020 (Source Audiweb 2.0), positioning itself under the TGC0M24 brand in third place in the Italian digital information market.
- Together, the information hub's free apps saw around 13.1 million downloads by the end of 2020, representing 13% growth on the end of 2019. In this context, the TGC0M24 app achieved a total of 3.4 million downloads, with the base of

installations increasing by 21% compared to the previous year (as of December 2020); in 2020 alone, there were 585,000 downloads, an increase of 168% compared to 2019. The weather forecasting service (Meteo.it) achieved 6.3 million downloads, with a growth of 9%. Downloads of the SportMediaset app reached 2.3 million (+8% compared to 2019); in 2020 alone, there were 173,000 downloads, an increase of 31% compared to 2019. The TG5 app achieved 1.1 million downloads in 2020, growth of 28%. (Source: App Annie at 31 December 2020)

In relation to **Social Media Network** presence, Mediaset confirmed itself as one of the leading European media companies in creating engagement with its communities: 41 million total likes on Mediaset network Facebook pages, over 8 million followers on Twitter accounts and more than 12 million followers on Instagram accounts.

In Spain too, the Group has a broadcast offering targeted at the coming generation; examples include *La Isla de las tentaciones* (40% share in the commercial target audience), *Supervivientes* (28% share in the

same group) or *'Cantora: la herencia envenenada'* (25% share).

In terms of digital offerings, we would highlight the introduction of the *Mitele* platform, which enables innovative interaction between the content offered and the end user.

In the area of managing human resources, categorised as stakeholders, (see Chapter 5 "People") Mediaset has launched managerial development projects through classroom sessions and individual training meetings for young graduates.

The commitment and motivation of employees are considered essential to the Group's success. Young people are also constantly offered opportunities for professional growth, capitalising on the diversity of origin, experience and competence of the new resources.

Finally, it should be noted that, again with a view to taking the new dynamics and lifestyles connected with technological development into account, the use of smart working, which had already been tested

successfully during 2019, was extended further in 2020 owing to the pandemic.

It should also be noted that the Mediaset Group is highly attentive in both Italy and Spain to internship opportunities that supplement and complete courses of study in collaboration with major universities. During internships, young undergraduates can approach the world of work, experiencing professional relationships and using the knowledge acquired during their studies.

On the subject of higher education initiatives (see Chapter 6 *Community and Territory*) for people not employed by the company, the Group's commitment to promoting Master's and training courses aimed at young graduates in collaboration with major universities should be stressed. These initiatives are directed towards a professional future in the world of television, marketing, e-trade marketing, sales and digital communication.

In Italy, we organise the Master's in Journalism: this is the training course for professional journalists, combining the communications and information expertise of IULM University and Mediaset. It is a

professional training course, which means it is recognised by the National Association of Journalists as the equivalent of an apprenticeship.

In 2020, 12 students from the IULM Master's in Journalism were hosted on internships in Mediaset's agencies (TV, web, mobile and radio) between September and November.

The Master's in Marketing, Digital Communication and Sales Management, established in 1988 by Publitalia'80 and now in its 32nd edition, is also highly appreciated. The Master's is a 13-month (lectures and internship) postgraduate course with limited admission aimed at graduates looking to a professional future in the field of marketing, trade marketing, sales and digital communication. Through the two editions launched in 2020 (January-April and September-December), the Master's offered its **67** participants **166** course days for a total of **1,162** hours of training; with reference to the January-April 2020 edition, the **36** participants were able to approach the world of work through participation in a total of **140** days of internship, a total of **1,120** hours. At the end of this internship period, all graduates were able to find a stable job.

Below are the training activities that took place in Spain in 2020, virtually or in any case adapted to current circumstances owing to the pandemic.

- Master's in audiovisual content creation and management, launched in 2009 in collaboration with the European University of Madrid;
- "Showrunner-aula di fiction" course launched in October 2019 in collaboration with the Cinema and Audiovisual School of Catalonia: a workshop for young people intended to create the formats of the future;
- Internship plan for students at the CES School (image and sound studies secondary school).

The social communication campaigns that have always distinguished the Mediaset Group also continue. Awareness-raising campaigns with TV and radio commercials and digital and social media coverage aimed at the community and youth issues in particular (see Cap. 6 *Community and territory*).

The “Mediaset ha a cuore il futuro” initiative launched in 2019 is a part of this, a concrete way of putting Mediaset’s skills and communicative power at the service of society. A new cross-media campaign from Mediaset called “Pensa, prima di scrivere” to raise social awareness in connection with the national Anti-Bullying and Cyberbullying Day began in the early months of 2020.

Over 2,400 radio spots were broadcast in 2020 by the various Mediaset Group radio stations to support social initiatives. Examples include information initiatives concerning the coronavirus pandemic, supporting the Italian Red Cross; the campaign against cyberbullying; the “Mediaset ha a cuore il tuo futuro” campaigns on child protection and against violence against women; the “A fianco del coraggio” campaign against cancer and the campaign to support the Lega Italiana Difesa Animali e Ambiente.

Mediaset social campaigns are also a tradition in Spain: the latest is the “Diritto a giocare” initiative for children in collaboration with the Spanish Observatory of Children’s Play in collaboration with

psychologists, educators and international scientists.

Finally, the activity of Mediafriends Onlus (see Cap. 6 *Community and Territory - Social utility initiatives*), a non-profit organisation, is a concrete expression of how Mediaset understands Corporate Social Responsibility.

Over the years, Mediafriends has supported numerous TV and other events to raise funds for the projects of non-profit associations. The best known of these is “Fabbrica del sorriso”, which in 14 years of activity has made it possible to finance countless charity projects in Italy and around the world, in particular for children and young people in difficult situations and poverty.

Unlike in the past, the pandemic that has deeply affected the country since the end of February has prevented development of the projects planned for 2020 and has required a major review of objectives, developing new intervention methods that excluded the possibility of operating on the ground, entrusting operations to remote working.

We would however like to point out that, in November, Mediafriends supported the

Associazione Italiana Editori “#Io leggo perché” campaign, which saw, in a terrible year, the purchase and donation of more than 300,000 books to Italian school libraries by the public and publishers. Activities in local areas, particularly in connection with the “A Regola d’Arte” (ARdA) project addressed to disadvantaged Italian and foreign children living in the suburbs of Italian cities and seeking to promote integration and social development through music and rugby, were of course drastically reduced due to the pandemic. In accordance with the Prime Ministerial Decree issued on 23 February, the activities that began in January for around 400 children in the seven centres in Milan were suspended on the same day. In June and July, in a more positive scenario, the decision was taken to organise three local summer activities, two in Milan and one in Naples, with the aim of facilitating socialisation through play activities and remedial teaching support for about 100 children. All activities took place with fewer young people than in previous years and in accordance with Covid regulations. In the autumn, activity resumed in the Neapolitan centre, only interrupted in the 15/30 December period.

With regard to promoting youth entrepreneurship and supporting the world of work and promoting the territory in general, we would highlight the activities carried out by **AD4Ventures** (see Chapter 6 *Community and Territory-aimed at the community*).

This venture capital project involves investing in shares in start-ups, mainly digital in the consumer and retail area with high growth and development potential, through advertising campaigns in Italy and Spain.

The business model of AD4Ventures contributes to the growth of the companies in which investments are made, providing a great boost for all those young entrepreneurs still unable to access the big world of television media.

THE SURVEY OF THE COMING GENERATION

As part of the Group's stakeholder engagement activities, in December 2020 Mediaset commissioned the IPSOS public opinion analysis organisation to carry out a survey on a representative sample of young

Italians aged between 16 and 26, with the aim of:

- measuring the level of awareness and perception of the importance of sustainability issues and the UN 2030 Agenda's Sustainable Development Goals (SDGs) among the coming generation;
- understanding young people's perception and evaluation of the sustainable initiatives launched by Mediaset both internally and among the public.

The 600 interviews, conducted between 9 and 14 December 2020 through CAWI (Computer-Assisted Web Interviewing), provided interesting starting points for analysis and reflection among the 16-26-year-olds, who proved to be aware of and attentive to sustainability issues.

40% of the sample surveyed stated that they had a good knowledge of these issues and 24% demonstrated knowledge of the Sustainable Development Goals (especially those related to environmental issues), considering them important for the country's development.

In this context, Mediaset's reputation as a

company with a high level of attention to sustainability issues has been confirmed by several pieces of evidence:

- 60% of the sample surveyed define Mediaset as a sustainable company;
- 71% of respondents are aware of at least one social project of the Group, while 74% of respondents are aware of at least one specific initiative sponsored by the Group, mainly through promotion on its own channels. The same initiatives were also judged positively in terms of both brand consistency and impact on the company's image and the Goals of the 2030 Agenda;
- after receiving information about the main initiatives within the Group, 92% of the sample considered the idea of working for a company with this level of attention towards its collaborators to be very or fairly attractive.

1.5 THE MEDIASET GROUP, ITS BUSINESS CONTEXT, AND SUSTAINABILITY

In a rapidly evolving national and international context where new operators and different platforms are emerging and integrating, bringing big changes to offering models and ways of accessing content, the Mediaset Group - as Italy's leading private television broadcaster - pursues its corporate objectives with the major exogenous and endogenous risk factors taken into account, which can exert a significant influence on the evolution and sustainability of its own business model. Factors in this sustainability include:

- Socio-demographic trends (rising average age of traditional television viewership) and new ways of consuming content among younger age groups (non-linear consumption on new devices);
- New competitors (telecoms, global

internet players etc.) operating at every link in the supply chain (content control, distribution platforms, client databases and advertising) and thereby depriving traditional operators of their role as intermediaries;

- Regulatory changes on the national and international levels (copyright protection, concentration of advertising etc.), changes to allocations processes, evolving distribution infrastructure (DTT, broadband).

This scenario places the Group in a context characterised by the growing maturity of the leading markets and the rising cost of the premium content offered by operators.

In response to this context, the Group's strategy focuses on a media-company model characterised by a strong local/national quality, with a view to developing its product and video distribution strategy in a multi-device direction and the consequent adaptation of its Compliance Programme (processes, professional expertise and

technological innovation) as well as the evaluation of any agreements and targeted alliances on an international basis. With this in mind, in 2020 the Group suspended the creation of the "MFE - MEDIAFOREUROPE N.V." holding company, while it continued and consolidated its investment in the share capital of German broadcaster ProSiebenSat.1 Media SE. This increased its minority shareholding to 20.1% of the capital (20.7% of voting rights), which will be further increased to 23.5% (24.2% of voting rights) in January 2021.

As stated above, in the pursuit of its business activities, the Group therefore maintains relations with a multiplicity of stakeholders in its efforts to protect their interests, while setting itself the target of generating a positive social impact in the territories where it operates.

For these reasons, the Mediaset Group is careful to fully comply with the applicable laws and regulations in all the countries in which it operates, undertaking to act in accordance with the principles of loyalty,

propriety, responsibility and freedom of the individual, respecting diversity and rejecting discrimination in all its forms.

What this signifies in its business context is the Group caring for its own employees and cultivating their professional advancement, safeguarding intellectual property rights and the rights of minors, developing training initiatives and promoting culture.

MAPPING OF STAKEHOLDERS AND MATERIALITY ANALYSIS

In keeping with the reporting principles drawn up by the Global Reporting Initiative (GRI), the first Sustainability Report was drawn up, involving the principal company departments, using a structured analysis designed to identify the key stakeholders for the organisation and the most material topics for the preparation of the Report.

For the purposes of sustainability reporting, topics deemed material, or significant, are those of an economic, social and environmental nature on which a business has a significant effect (positive or negative) and which may substantially affect the assessments and decisions of stakeholders. The materiality analysis therefore takes into consideration not only the perspective of the organisation but also that of the stakeholders themselves. These analyses are periodically reviewed and updated.

STAKEHOLDERS MAP



For the purposes of preparing this NFD, in 2020, targeted stakeholder engagement initiatives were carried out, in continuity with those carried out in previous years, in order to collect their reflections and assessments of material sustainability issues, as a preliminary step in updating the Materiality Matrix. Through Workshops and Online Surveys, **employees** in particular (through a survey of all personnel and a subsequent focus group using a representative sample) were involved as well as a panel of **financial analysts** as external stakeholders, while the assessment of significant issues from the Group's point of view was updated on the basis of the results that emerged during a dedicated workshop involving the **management** of the main company areas and departments.

To make up the Materiality Matrix, the significance of these issues assigned by the various categories of stakeholder was integrated with the results that emerged during the pre-existing stakeholder engagement activities, which involved advertising investors, service and content providers and television sector agents, weighting the results on the basis of the

updated assessments of significance attributed to the categories present in the map of stakeholders identified by company management.

In view of the significance attributed to the youth cluster, a survey on the **coming generation** cluster (16-26 years old) was carried out by a leading social research institute with the aim of assessing perception of sustainability issues and their impact on the Group's activities, as already reported in the previous paragraph dedicated to the Group's activities and commitment towards the coming generation (*Mediaset for the coming generation*).

The result of the materiality analysis was shared with the Group's senior managers during the strategic ERM risk assessment interviews. Following these interviews, the Group confirmed that the issues in the materiality matrix are monitored systematically within the corporate risk assessment process.

The results of the analysis described above have been processed and presented in the following Materiality Matrix, which represents the weighted combination of the degree of relevance/critical nature of the issues for the Group (represented on the horizontal axis) and for its stakeholders (represented on the vertical axis). The materiality analysis process and the materiality matrix were validated by the Risk, Control and Sustainability Committee of Mediaset S.p.A. and approved by the Board of Directors of Mediaset S.p.A. which met on 23 February 2021.

The materiality matrix shows the most relevant issues, by relevance/critical nature. The graph shows the issues with relevance ranging from “high” to “very high”. These issues are linked to the following sustainability groups: **“economic responsibility, responsibility with respect to human resources, product responsibility, corporate governance and compliance, responsibility towards suppliers, social and community responsibility and environmental responsibility”**.

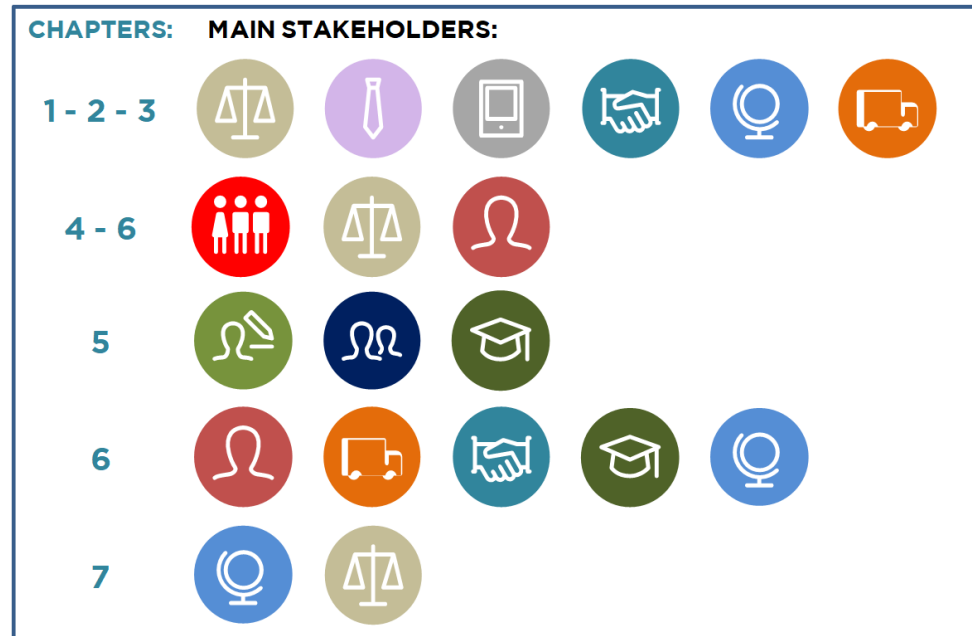
Compared to the 2019 materiality matrix, it should be noted that the current matrix,



updated for this NFD, reflects further and greater symmetry between the assessments expressed by external stakeholders and corporate management respectively and, in particular, the convergence of all surveys conducted, which highlighted the cultivation, development of skills and protection of people working within the organisation as the issue of greatest relevance with a central role in the future activities of the Group.

The strategies, policies and instruments associated with individual material topics are reported in depth in the present document.



This document is structured to report the relevant issues included in the materiality matrix in line with the key to the graph. To facilitate reading, below is an example scheme to allow correlation of the topics in different chapters with the main stakeholder categories.









MATERIAL TOPIC

IMPACT BOUNDARY

The table below summarises correlation with the GRI topics, the boundary and the type of impact for each material topic.

MATERIALITY ISSUES FOR MEDIASET	GRI TOPIC RELATED STANDARDS	PERIMETER OF MATERIALITY ISSUES	
		Where impact occurs	Type of impact
 Compliance with regulatory requirements	<ul style="list-style-type: none"> - Anti-corruption - Anti-competitive behavior - Tax - Environmental compliance - Socio-economic compliance 	Mediaset Group	Generated by Group
Risk management	n/a	Mediaset Group	Generated by Group
Corporate governance	n/a	Mediaset Group	Generated by Group
 Economic performance	<ul style="list-style-type: none"> - Economic performance 	Mediaset Group	Generated by Group
Indirect economic impact	<ul style="list-style-type: none"> - Indirect economic impacts 	Mediaset Group	Generated by Group

MATERIALITY ISSUES FOR MEDIASET	GRI TOPIC RELATED STANDARDS	PERIMETER OF MATERIALITY ISSUES Where impact occurs	Type of impact
Responsible advertising and marketing	<ul style="list-style-type: none"> - Marketing and labelling 	Mediaset Group	Generated by Group
Quality, integrity and continuity of service	<ul style="list-style-type: none"> - Content creation - Content dissamination 	Mediaset Group Business partners, suppliers of content	Generated by Group and connected with Group activities
 Audience satisfaction	<ul style="list-style-type: none"> - Customer privacy - Audience interaction 	Mediaset Group	Generated by Group
Intellectual property protection	<ul style="list-style-type: none"> - Intellectual property 	Mediaset Group	Generated by Group
Accessibility of the product	<ul style="list-style-type: none"> - Content dissamination 	Mediaset Group	Generated by Group
Strategic and business partnerships	<ul style="list-style-type: none"> - Content creation - Content dissamination 	Mediaset Group Business partners, suppliers of content	Generated by Group and connected with Group activities
 Human resources development and management	<ul style="list-style-type: none"> - Occupation - Occupational health and safety - Assessment of protection of human rights - Training and education - Content creation - Non-discrimination 	Employees[*]	Generated by Group
Industrial and labour relations	<ul style="list-style-type: none"> - Labor and management relations - Freedom of association and collective bargaining 	Employees; Trade unions	Generated by Group

MATERIALITY ISSUES FOR MEDIASET	GRI TOPIC RELATED STANDARDS	PERIMETER OF MATERIALITY ISSUES	
		Where impact occurs	Type of impact
 Responsible and sustainable management of supply chain	- Procurement practices	Mediaset Group	Generated by Group and connected with Group activities
	- Freedom of expression	Artistic resources, business partners, content suppliers	
	- Content dissamination	Suppliers, subcontractors	
	- Content creation	Artistic resources, business partners, content suppliers	
 Relations with public administration	- Economic Performance	Mediaset Group PA, governance and regulatory bodies	Generated by Group
	Social commitment	- Indirect Economic Impacts	
 Environmental impact management	- Energy	Mediaset Group	Generated by Group and connected with Group activities
	- Emissions		
 Electromagnetic emissions	- Discharges and waste	Mediaset Group	Generated by Group and connected with Group activities
	n/a		

[*] The information regarding Occupational Health and Safety and its indicators cover all the companies in the Group and include all the external collaborators in Italy and temporary workers in Spain.

SUSTAINABLE DEVELOPMENT GOALS (SDGs)

In this document, it was deemed appropriate to link the SDGs that could be related directly to the main topics presented, from the 17 Sustainable Development Goals defined by the United Nations in 2015 and contained in the Sustainable Development Agenda.

These objectives contain the Guidelines that commit governments and international economic actors to achieving specific environmental, social and economic targets by 2030.

These links were established by analytically comparing the 17 Sustainable Development Goals (SDGs) with the material topics and the Group's characteristic activities and services. The following 11 sustainable development objectives were identified on the basis of this analysis.



The impact of the individual material topics on the Sustainable Development Goals is summarised in the following diagram:





2 - Economic performance and relations with investors

2.1 SUMMARY OF INCOME STATEMENT/ BALANCE SHEET DATA



	€ millions	2020	%	2019	%
Consolidated net income		2,636.8	0	2,925.7	
Italy		1,800.5	68%	1,982.1	68%
Spain		836.6	32%	946.2	32%
Operating Result		269.7		354.6	
Italy		38.5		91.3	
Spain		230.5		264.9	
Net Result		139.3		190.3	
		0			
Net Invested Capital		4,228.7		4,238.7	
		0			
Shareholders' equity (Group and third parties)		3,165.6		2,890.4	
Shareholders' equity (Group)		2,668.3		2,477.9	
Shareholders' equity (third parties)		497.3		412.5	
Net financial position		-1,064.4		-1,348.3	
Italy		-1,187.7		-1,318.0	
Spain		123.3		-30.2	

2.2 DISTRIBUTION OF ECONOMIC VALUE GENERATED

The following prospectus shows the distribution of economic value of the Mediaset Group in regard to the principal stakeholder categories: suppliers, human resources, financial institutions, shareholders, government and community.

The data is based on the Consolidated Income Statement.

Economic value generated includes:

- The *characteristic economic value* generated by the Group in terms of:
 - Revenues from sales and services
 - Other revenues and income
 - Financial income

ECONOMIC VALUE GENERATED AND DISTRIBUTED	2020	%	2019	%
	From the consolidated financial statement (millions of euros)		From the consolidated financial statement (millions of euros)	
Characteristic Economic Value generated by the Group	2,693.7		2,991.6	
Net Result from Discontinued Operations	0.0		0.0	
Economic value generated by Group (A)	2,693.7	100%	2,991.6	100%
Economic value distributed by Group (B)	2,540.8		2,819.8	
Remuneration of suppliers	1,850.8	69%	2,071.9	69%
Remuneration of financial system	63.7	2%	53.4	2%
Remuneration of employees	470.1	17%	501.3	17%
Charity	1.3	0%	0.4	0%
Public administration remuneration	74.9	3%	95.3	3%
Remuneration of third party shareholders	80.0	3%	97.5	3%
Difference between generated and distributed (A)-(B)	152.9		171.8	
Other economic components (*)	-13.6	-1%	18.4	1%
Added value retained by company	139.3		190.3	6%

(*) Depreciation, reserve funds, changes in the inventories and all the non-monetary components have been included.

The **value** is **distributed** as shown below:

- Value distributed to **external suppliers** inclusive of purchase costs, services, other costs and amortisation of tangible and intangible property;
- Remuneration of **personnel**, which is equivalent to personnel costs;
- Remuneration of **financial institutions**, represented by financial expenses;
- Remuneration of **government**, including costs and current taxes;
- Remuneration of the **Community**, principally deriving from donations and grants for social and philanthropic causes and sponsorship of charities;
- Remuneration of minority shareholders representing the minority interests in the results of Mediaset España and Monradio.

The difference between the Economic value generated and the value distributed, net of non-monetary economic components, represents, in the absence of distribution to the shareholders of the parent Company, the value added retained by the Company.

2.3 RELATIONS WITH INVESTORS

The Mediaset website publishes financial information (financial statements, interim reports and additional financial information, presentations to the financial community and the performance of Stock Exchange transactions involving financial instruments issued by the Company) as well as data and documents that are of interest to shareholders (press releases, composition of Company bodies and committees, company bylaws, regulations and minutes of Shareholders' Meetings, as well as documents and information on corporate governance and the compliance programme pursuant to Legislative Decree no. 231/2001).

In order to establish an ongoing relationship with the shareholders, based on an understanding of their respective roles, the Board of Directors appointed the Chief Financial Officer of the Group as the person in charge of managing relations with the shareholders.

MEDIASET SHARES ON THE STOCK MARKET

(Source: Bloomberg)

	2020	2019
Maximum price (euros)	2.7	3.0
	<i>6-Jan</i>	<i>20-Jun</i>
Minimum price (euros)	1.4	2.6
	<i>12-Mar</i>	<i>8-Feb</i>
Opening price 1/1 (euros)	2.7	2.8
Closing price 31/12 (euros)	2.1	2.7
Avg. daily volumes (m)	2.2	2.2
Max. daily volumes (m)	13.2	12.6
	<i>4-Sep</i>	<i>20-Aug</i>
Min. daily volumes (m)	0.2	0.5
	<i>5-Jan</i>	<i>27-Dec</i>
Number of ordinary shares (m)	1,139.2	1,137.9
Capitalization on 31/12 (m/euros)*	2,376.4	3,026.9

*own shares are excluded from the calculation.

For this purpose the Chief Financial Officer is assisted by the following two departments that report directly to him:

- The Company Affairs Department, which oversees relations with retail investors and institutional entities (CONSOB, Borsa Italiana);
- The Investor Relations Department, which oversees relations with the financial community (financial analysts, institutional investors and ratings agencies).

In January, the financial calendar with details of main financial events⁶, is reported to the market and published on the website.

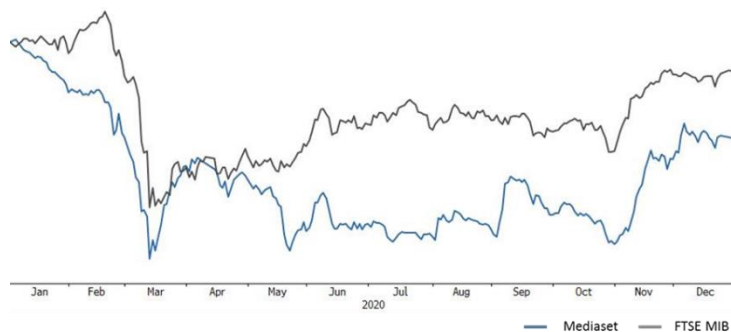
The company guarantees that the market receives information which is appropriate, fit for the purpose of correct evaluation of the financial and revenue prospects for the Group, compliant with applicable legislation and in accordance with the principles of clarity, propriety and parity of access to information. In particular, in 2020 the Company took part in the industry’s main conferences, which were organised virtually due to the restrictions imposed to deal with the health emergency, and met many institutional investors. These activities were part of the daily work of interaction with the 21 brokers covering Mediaset stock and the numerous investors who contact the company via its Investor Relations team.

Up until September 2020, Mediaset stock featured in the **FTSE4GOOD Index**, a basket of stocks representing companies with high ESG ratings, selected by FTSE Russell, one of the first signatories and biggest promoters of the Principles for Responsible Investment (PRI).

This index is designed to allow institutional investors to identify the companies that best meet the need for responsible investment.

The contact details and telephone numbers of the Mediaset Group Corporate Affairs Department and Investor Relations Department are published on the Company’s website.

MEDIASET STOCK AND THE MAIN INDEXES



⁶ Mediaset has released a calendar available on the company’s website in connection with this.



3 - Ethics, integrity and transparency in business activities

3.1 CORPORATE GOVERNANCE

Mediaset S.p.A., the holding company of the Mediaset Group, is listed on the FTSE Italia Mid Cap Index ⁷ and is a signatory to the Code of Corporate Governance approved by the Borsa Italiana S.p.A. Corporate Governance Committee and published on 31 January 2020, implementing its principles and adjusting its own Corporate Governance system to national and international best practices in this sphere.

The subsidiary Mediaset España Comunicación S.A., listed on the Madrid, Barcelona, Bilbao, and Valencia Stock Exchanges and on the Spanish electronic stock market – Ibex 35 and its subsidiaries are subject to Spanish Law and to the Spanish corporate governance system. As of 22 June 2020, following a failure to meet the admission requirements, mainly due to the impact on capitalisation during the most acute phase of the pandemic, the stock was removed from the Ibex 35 and admitted to the IBEX Medium Cap Index.

Mediaset has adopted a traditional administration and control system consisting of the following corporate bodies: shareholders' meeting, board of directors, executive committee and board of statutory auditors.

The powers and operations of company bodies and committees are governed by law, by the company's Bylaws, by the resolutions passed by the competent company bodies, and by the principles and criteria set down in the Stock Exchange Code.

The Shareholders' Meeting represents all shareholders and has powers to deliberate, in ordinary and extraordinary sessions, on matters falling under its remit by law or by the Bylaws. The shareholders' meeting is chaired by the Chairman of the Board of Directors, and its decisions, taken in conformity with the law and with the Company Bylaws, are binding. The shareholders' meetings of Mediaset are governed by regulations framed to ensure they proceed in an orderly and productive fashion, and in observance of the fundamental right of each shareholder with



voting rights to take part in the meetings, to request clarifications on the items under discussion, to express their opinions and to formulate proposals. See the “Profile and activity” section of the present Report for a breakdown of the share ownership structure.

The Board of Directors is the collective body of Mediaset S.p.A. responsible for administration of the company. It plays a key role in the Company's organisation, overseeing functions and responsibility for its strategic and organisational guidelines, checking the existence of controls necessary to monitor the performance of the Company and Group. The system of delegation of powers is such that the central role of the Board is maintained within the Company's organisation. The Board of Directors is invested with the powers provided by the law and by art. 23 of the Bylaws. In addition,

⁷ Following the change in the composition of the FTSE MIB index, on close of trading on 21 December 2018, meaning that the Company has been included in the FTSE Italia Mid Cap Index since 27 December.

the Board performs the activities assigned to it by the stock exchange Code.

The Board of Directors met sixteen times in 2020. Each meeting lasted on average approximately one hour and a half. The overall percentage of directors attending during 2020 was approximately 94%, while the percentage of independent directors attending was approximately 97% overall. On 31 December 2020, the Board of Directors comprised 15 members:

Fedele Confalonieri, Pier Silvio Berlusconi, Marco Giordani, Gina Nieri, Niccolo' Querci, Stefano Sala, Marina Berlusconi, Marina Brogi, Andrea Canepa, Francesca Mariotti, Danilo Pellegrino, Carlo Secchi, (from majority list "2"); Raffaele Cappiello, Costanza Esclapon de Villeneuve and Giulio Gallazzi (from minority list "1").

Note too that the Board of Directors comprises 67% men and 33% women. 14 directors are aged over 50, and one is aged between 30 and 50.

The Board of Directors has appointed three internal committees with advisory and consultative functions: the Compensation

Committee, the Risk, Control and Sustainability Committee and the Governance and Appointments Committee.

Since 2017, the Board of Directors has been responsible for guaranteeing that the Sustainability Report is prepared and published in conformity with the requirements of Legislative Decree 254/2016. On 28 June 2018, the Board of Directors confirmed the powers of the Risk, Control and Sustainability Committee with powers of supervision in regard to questions of sustainability connected with the activities of the company and its dynamics of interaction with shareholders, in addition to the powers set down in the Corporate Governance Code for Listed Companies.

The Board of Statutory Auditors has the powers invested in it by law and by the Bylaws, in addition to its internal control and auditing remit. In particular, the Board of Statutory Auditors oversees the financial reporting process, the efficacy of the Internal Control and Risk Management System, the statutory audit of annual and consolidated accounts, and the independence of the statutory auditor. With the entry into effect of Legislative Decree 254/2016, the Board of

Statutory Auditors is also responsible for overseeing compliance with the requirements of the Decree in regard to the preparation of the Sustainability Report, and prepared an annual statement to this effect for the Shareholders' Meeting. On 31 December 2020, the members of the Board of Statutory Auditors were:

Giovanni Fiori, Flavia Daunia Minutillo and Riccardo Perotta (regular auditors); Francesca di Donato, Leonardo Quagliata and Francesca Meneghel (alternate auditors). They will remain in office until the Shareholders' Meeting for the approval of the financial statements for the year ending 31 December 2022. The Chairman of the Board of Statutory Auditors is Giovanni Fiori, who was first in minority list "3".

The Board of Statutory Auditors met 33 times in 2020, with total participation rate of 94%.

During the year, in line with the consolidated practice of the company, with the purpose of increasing the awareness of all the directors and the statutory auditors of the reality and the business dynamics and to favour greater knowledge of the sector in which the

company operates and of the regulatory and self-regulatory framework, different meetings are pursued directed towards close examination of specific business and corporate governance issues, through one structured program of Induction, with the involvement of the management of the company and its subsidiaries.

The statutory auditors of the company have been invited to attend all these meetings.

For more detailed information on the company's governance structure, including the composition of the corporate governance bodies of Mediaset Group companies, diversity in governance bodies and remuneration policy for the members of these bodies, the reader is referred to the Report on Operations, the Report on Corporate Governance and Ownership Structure and the Remuneration policy and compensation paid Report, which are all available on the corporate.mediaset.it website.

3.2 ETHICS AND INTEGRITY IN BUSINESS

CODE OF ETHICS

As indicated in paragraph 1.3 above, the Code of Ethics of the Mediaset Group defines the values which the Group cherishes, accepts and shares at every level in the pursuit of its business activities.

The new Code of Ethics was approved in 2019, following a process of revision in 2018. This was made necessary by, among other things, the development of Mediaset Group business activities, the need to harmonise the provisions of the Code of Ethics with the Compliance Programmes (Legislative Decree 231/01) adopted by Group Companies and adaptation to regulatory changes (e.g. with respect to whistle-blowing).

The principles and provisions of the Code of Ethics are binding on directors, auditors, all persons holding an employment contract with Mediaset Group companies and all persons working for/with the Mediaset Group, regardless of the nature of their

employment relationship, even temporary, with the company (e.g. employees, suppliers, clients etc.).

Respect for the principles and values enshrined in the Code of Ethics is of fundamental importance for the correct operation, reliable management and image of the Mediaset Group⁸.

All activities of the Group are therefore pursued in a spirit of fair competition, in full respect for the laws and regulations of the jurisdictions of all countries in which it operates, and for the ethical principles commonly applied in the pursuit of business, such as honesty, fairness, propriety, transparency and good faith.

The Mediaset Group propagates the principles and values enshrined in its Code of Ethics via targeted information campaigns, especially with regard to its corporate bodies, staff and employees, encouraging them to apply and strictly observe these principles and values.

The Code of Ethics is issued to all employees of the Group together with their salary

⁸ Including foreign investee companies

statements, and to new recruits at the moment of recruitment.

The Code of Ethics of the Mediaset Group is also published and appropriately highlighted in the “Compliance 231” section of the Mediaset Group’s website (<http://www.mediaset.it/corporate/home>), in English and Italian, and in a dedicated “Compliance 231” section of the corporate intranet system.

The Mediaset Group also implements training activities addressing its Code of Ethics, as required under the administrative liability provisions of Legislative Decree 231/01) and in reference to the “231 Compliance Programmes” implemented by Group companies⁹. According to circumstances and requirements, training plans are administered in classroom courses or via special e-learning modules.

Following its adoption and subsequent amendments (we would point out that no changes were made in 2020 to what was

already approved in 2019), the Code of Ethics was distributed appropriately to its different recipients including signatories to employment and supply contracts and, more generally, to all parties conducting business relations with Mediaset Group companies. Contracts with third parties contain clauses with an explicit formal reference to the Code of Ethics (as well as the 231 Compliance Programmes), stating that failure to observe its provisions constitutes a breach of contractual obligations, giving rise to the right to terminate the legal relationship.

In line with Italy, the **Mediaset Group in Spain** implements its own Code of Ethics, which applies both to the parent Company and its Subsidiaries. Its latest version was approved by the Board of Directors in 2019. Mediaset España also implements its own Compliance Programme, which is analogous to the programme implemented in Italy. It also implements a whistle-blowing mechanism

allowing violations of the code to be reported anonymously.

COMPLIANCE WITH REGULATORY REQUIREMENTS

As a supplier of audiovisual services and a radio broadcaster, the Group scrupulously observes Italian law in the pursuit of its business activities, including requirements of a regulatory and self-regulatory nature.

To prevent violations of applicable legislation, the Mediaset Group scrupulously observes the requirements on air time and the protection of minors in the advertising content carried in its radio and television broadcasts. The following requirements apply in regard to these issues:

- training of personnel responsible for programming, production and broadcasting;
- general oversight of programming activities, using a delegation system

⁹ The companies which have implemented their own Compliance Programmes under Legislative Decree 231/01 are: Mediaset S.p.A., Mediaset Italia S.p.A., R.T.I. S.p.A., Publitalia '80 S.p.A., Digitalia '08 S.r.l., Medusa Film S.p.A., Taodue S.r.l., Elettronica Industriale S.p.A., R2 S.r.l., Radio Mediaset S.p.A., Radio Studio 105 S.p.A., Virgin Radio Italy S.p.A., Monradio S.r.l., RMC Italia S.p.A., Radio Subasio S.r.l.

conferring the necessary powers on those responsible for content;

- advisory and supervisory action by the Legal Affairs Department and Regulations and Corporate Compliance, both from a general perspective and addressing specific programmes or individual issues, with the purpose of identifying critical issues and taking any appropriate preventive action wherever possible.

Regulations and Corporate Compliance periodically publishes a manual summarising the regulations governing the TV and radio programming activities of private Italian broadcasters.

The **manual** is designed for everyday use, and is also valuable as a guide for programmers to identify critical issues.

Programmers receive training on correct programming procedure in a series of meetings, including issues specifically connected with regulations on programming.

The Mediaset Group operates in an intensively regulated sector, and its relations with regulatory bodies and industry associations are of primary importance. The

Group defends its legitimate interests before local and international administrative powers.

To do so, Mediaset is a member of various industry associations created to promote the shared interests of commercial TV stations on the national, EU and international levels:

- Association of Commercial Television in Europe (ACT)
- Associazioni Produttori Audiovisivi (APA)
- Columbia Institute for Tele-Information (CITI)
- Centre on Regulation in Europe (CERRE)
- Confindustria Radio Televisioni
- Assolombarda
- European Interactive Digital Advertising Alliance (EDAA)
- Federazione Concessionarie di Pubblicità (FCP)
- Fedoweb
- CMBA – Creative Media Business Alliance
- EGTA – Association of advertising sales

companies

- IAB Italia Interactive Advertising Bureau
- Istituto di Autodisciplina Pubblicitaria (IAP)
- Utenti Pubblicità Associati (UPA)
- Pubblicità Progresso
- Asociación para la autorregulación de la comunicación comercial (AUTOCONTROL)
- Comité de Autorregulación y Comisión Mixta de Seguimiento sobre contenidos televisivos e infancia
- Asociación Europea de Comercio de Marketing de Soluciones de Publicidad (EGTA)

CONFLICTS OF INTEREST

The Code of Ethics of the Mediaset Group includes special provisions on conflicts of interest.¹⁰ All recipients of the Code of Ethics must scrupulously observe the laws and regulations on conflicts of interest, especially with regard to the pursuit of their business activities and their own duties/functions. In pursuing the interests and general objectives of the Group, they must abstain from conduct and action incompatible with their obligations in connection with their relations with Mediaset.

Consequently, in the occurrence of situations or activities in which the recipients of the Code of Ethics may have interests (directly or via third parties) which are or could be in conflict with those of the Mediaset Group, these recipients must immediately inform

their superiors or the designated bodies, i.e. supervisory and control bodies, where these exist, and to respect the decisions taken by the Mediaset Group in this regard.

Mediaset implements a "related parties procedure" taking into account the dictates of the regulations containing provisions on the subject of related transactions adopted by Consob, the provisions of the Civil Code, and the recommendations of the Corporate Governance Code.

The Mediaset Group is therefore committed to taking all measures necessary for avoiding situations which may present conflicts of interest.¹¹

Mediaset also establishes the necessary measures to ensure observance of the regulations concerning equal access of political entities to television and radio in

application of the principles of pluralism of information. In overly simple terms, this activity takes the form of sending internal company circulars to its broadcasting structures, including news directors, precisely indicating the requirement to observe regulations concerning equal access of political entities to television and to implement the measures issued by the Authority.

The AGCM carries out its supervision of conflicts of interest through the Resolution of 16 November 2004 - "Regulation on conflicts of interest" (amended by Resolution No. 26042 of 18 May 2016).

Conflict of interest may exist in two distinct cases.

The first (conflict by reason of incompatibility) occurs whenever the holder

¹⁰ Art. 6 of the Group Code of Ethics. The new Code of Ethics adopted by the Mediaset Group and its subsidiaries in 2019 contains a revised and strengthened Article 6 (Conflict of interest): "1. The Mediaset Group requests that Addressees, in their relations with the Group, adhere scrupulously to the laws and regulations that govern conflict of interest. 2. Addressees must pursue the objectives and general interests of the Mediaset Group in the performance of their business activities and their own duties/functions and must therefore abstain from activities, conduct and action incompatible with their obligations in connection with their relations with the Group. Purely by way of example, the following situations may constitute conflicts of interest: (i) having economic or financial interests, including through family members, in Suppliers, Clients or competitors; (ii) using one's role within the Mediaset Group or the information or data acquired in the performance of one's business activities and/or own duties or functions to one's own advantage or that of third parties contrary to the interests of the Group; (iii) performing business activities or any kind (including services or intellectual work) for Suppliers, Clients, competitors and/or for third parties contrary to the interests of the Group; (iv) initiating negotiations and/or entering into agreements - in the name of and/or on behalf of the Group - with family members or partners as counterparties, or with counterparties of which the Addressee is, in any capacity, owner or in which they are in any case an interested party. 3. Addressees must without delay, taking the circumstances into account, inform their superior or, if applicable to the specific case, the person to whom they are obliged to report situations in which they may, directly or due to third parties, have interests (even only potentially) in conflict with those of the Mediaset Group. Addressees shall respect the decisions taken by the Mediaset Group on these matters. These decisions are communicated to the Supervisory and Control Bodies, where established by individual bodies, for the adoption of any measures by such Bodies."

¹¹ The Group undertakes to guarantee, in all possible circumstances, compliance with the Law of 20 July 2004 no. 215 "Requirements on the resolution of conflicts of interest", and with AGCOM ruling no. 417/04/CONS "Regulations on the resolution of conflicts of interest" (amended by ruling no. 392/05/CONS 682/11/CONS).

of a government office, who is already in a situation of incompatibility, adopts or participates in the adoption of an act or omits an act that is required, in the exercise of their governmental function.

The second hypothesis (conflict by reason of impact on assets) concerns the adoption or participation in the adoption of collegial acts, through which the holder of a government office favours himself, his spouse or his relatives up to the second degree, harming the public interest at the same time.

With respect to Inside Information, on 13 November 2018, with the favourable opinion of the Risk, Control and Sustainability Committee, an update to the corresponding Procedure¹² was approved, integrated with the Material Information management process, in keeping with the Consob guideline issued in October 2017, making official the existing practice already controlled by the relevant departments with respect to the Material Information.

The Inside Information Procedure governs the internal management and communication to the public of inside information concerning the parent company and its subsidiaries, as well as the operation of the “Register of persons with access to inside information”. The Inside Information Procedure is an essential component of the Mediaset internal control and risk management system and part of the rules and prescriptions adopted by Mediaset in accordance with Legislative Decree 231/01 for the purpose of preventing offences.

The Inside Information Procedure applies to the directors, statutory auditors and employees of the parent Company and Subsidiaries as well as the external persons/entities who act in the name of and on behalf of the companies and subsidiaries – with the exception of the listed subsidiary **Mediaset España Comunicación S.A.** – obliged to keep their own Insider Register, to fulfil related requirements and to notify the reference market.

Via its regulatory compliance department, the **Mediaset Group in Spain** works to detect and monitor potential conflicts of interest between the company and its directors. This matter is regulated by the Code of Ethics and by the Group’s internal code of conduct, which both provide mechanisms for identifying and resolving potential conflicts of interest, thereby preventing conduct liable to damage the company or its shareholders.

Under the regulations of the Board of Directors, related-party transactions between Mediaset España and its directors are subject to the authorisation of the Board of Directors.

To avoid potential conflicts of interest in the creation and dissemination of content, all related commissions are subject to the review, analysis and approval of the Group’s Acquisitions Committee or, if necessary, of the Board of Directors.

¹² The parent company has carried out the assessment, gap analysis and material information flow mapping activities with the aim of identifying any opportunities to improve the inside information management process. The analysis carried out identified effective control of the process of managing and communicating inside information, structured correctly and formalised in a process/procedure that clearly identifies roles and responsibilities, in observance of the EU Regulation and Consob Issuers’ Regulation.

3.3 THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

As an integral part of its Internal Control and Risk Management System, the Mediaset Group has adopted a Risk Management model, both in Italy and in Spain, in order to be able to respond better to the risks to which it is structurally exposed. The Group has adopted the Enterprise Risk Management (ERM) methodology, already identified as the benchmark methodology in the Guidelines for the Internal Control and Risk Management System issued by the Board of Directors, with effect from 2008 and regularly updated by the Board of Directors. It was last updated at the meeting of 20 December 2016.

The ERM model identifies the following types of risk factors which may be important from a perspective of sustainability over the medium and long terms:

1. External and industry sector risks, which are linked to the economic cycle, to the evolution of the intermediate and end markets of reference (consisting of the

demand for the consumption of audiovisual content and entertainment and demand for advertising slots) and to the evolution of the competition and regulatory environment;

2. The risks connected with the strategic approaches and policies adopted and the management of the main “operational” processes linked to the management, also on a progressive basis (for example through partnerships and alliances) of the broadcasting, commercial, technical and infrastructure models used to coordinate and manage production inputs and strategic assets (managerial personnel, content and distribution network) employed in the core business of producing and broadcasting the television offering, also in relation to aspects of risk linked to the Company’s reputation and social responsibility;
3. Financial risks connected to the management of financing needs and interest and exchange rate fluctuations;
4. Risks connected to the management of legal disputes;
5. Risks related to environmental policies;

6. Risks connected to Corporate Governance.

The principal sources of risk and uncertainty in the ESG (Environmental, Social and Governance) spheres and of relevance to the Group are indicated below, together with a description of their nature and the management/mitigation measures implemented by management.

Risks connected with reputation and relations with stakeholders

One of the Mediaset Group’s key strategic objectives is the ability to maintain and increase content innovation and brand value perception over time in keeping with the development of its business model. In relation to this objective, there is a risk of establishing broadcasting and communications strategies and initiatives aimed at the financial market and the public that could have an adverse impact on the perception of the Mediaset brand. This risk is primarily monitored via constant supervision designed to ensure full oversight of certain processes, and in particular:

- programme scheduling, monitored

through daily analysis of television viewer behaviour, both in terms of audience share and rating of broadcast programmes, and, consequently, of viewer perception of the editorial approach adopted by the networks, as well as through ongoing initiatives designed to ensure the protection and respect of minors and attention to issues of social responsibility;

- reporting processes to the financial market and to the public;
- production processes and their ability to generate high-quality innovative products.

Risks connected to the management of human resources

With regard to the risks associated with the management of human resources, the Group acknowledges the vital role played by human resources and the importance of cultivating transparent relations based on reciprocal loyalty and trust, and the application of the rules of conduct dictated by the Code of Ethics.

Management and cooperation in working relations is based on respect for the rights of employees and the full recognition of their contributions in a perspective of promoting their professional growth and development.

In particular, in the present competitive context characterised by profound change driven by digital transformation processes, triggered by advances in technology which are significantly impacting the sectors in which the Group conducts its business (creation and distribution of video content, sale of advertising space), the Group is increasingly focused on the aspects of recruiting, training and cultivation of human resources. Special emphasis is also placed on identifying talent and the need to create career development trajectories which reinforce expertise in areas of key importance to the Group, particularly technology and the conception and creation of broadcasting products, specific training, the definition and development of career trajectories and the definition of incentives plans.

In pursuit of these objectives, the Group implements systems for evaluating annual performances based on a clear definition of

shared objectives which can be measured in numeric, financial and economic terms as well as individually and qualitatively.

Also, to promote a positive corporate culture and climate, the Group constantly strives to improve internal communication flows via advanced, market-standard collaboration tools (new corporate intranet project, Office 365 and instant messaging services for all company employees), as well as introducing innovative and flexible ways of working (smart working).

Risks related to the policy on partnerships and alliances

Historically, the Group has pursued a strategy of external growth based on a policy centred on the establishment of highly targeted partnerships and alliances, with the objective of ensuring that the business integration and/or internationalisation opportunities identified are consistent with objectives of financial return on the initial investment. These types of operation expose the Group to approval risks relating to authorisations, the implementation of business models and associated business plans, as well as the risk of changes in the

political and regulatory scenarios in industry sectors and/or geographical areas other than the usual ones, and deterioration of the know-how of the participants in partnerships and alliances, with resulting potential risk of loss in value of the investments made.

Risks related to environmental policies

In Italy, exposure to electrical, magnetic and electromagnetic fields is governed by Italian Framework Law no. 36 of 2001 and Italian Presidential Decree of the Council of Ministers of 8/7/2003, which set limits on exposure of the population to electrical, magnetic and electromagnetic fields with a frequency ranging from between 100 kHz to 300 GHz.

The exposure limit is the value of the electrical, magnetic and electromagnetic field, regarded as the emission value, set to protect health against severe effects, which must not be exceeded under any condition of exposure of the population and workers.

In addition, this attention value must not be exceeded in residential areas, schools and places of extended stay.

The quality goals are:

- location criteria, urban planning standards, requirements and incentives for the use of the best available technologies, as indicated in regional laws;
- the electrical, magnetic and electromagnetic field values, set by the government for the progressive mitigation of exposure to those fields.

Despite widespread concerns among the population linked to the effects of electromagnetic fields, the World Health Organization and the latest scientific literature have concluded that current evidence provides no proof of health damage resulting from exposure to weak electromagnetic fields. Therefore compliance with the exposure limits recommended by domestic and international

guidelines enables monitoring of the risks of exposure to electromagnetic fields which may be harmful to health.

Moreover, the limits under Italian regulations are up to 100 times lower than those set by the International Commission on Non Ionizing Radiation Protection (ICNIRP) and applied in the rest of Europe.

The critical factors for constructing transmission equipment and adhering to legal limits are:

- the need to emit high power levels;
- the difficulty of erecting tall towers for the installation of transmission antennas;
- the proximity of housing to transmitters or the issue by municipalities of new building permits for the construction of

	2020		
	Intensity of electric field E (V/m)	Intensity of magnetic field H (A/m)	Power density D (W/m ²)
Exposure limit	20	0.050	1.0
Warning threshold	6	0.016	0.1
Quality objective	6	0.016	0.1

housing close to plants;

- the presence on the same site of other broadcasters (particularly radio broadcasters), which can result in the limits being exceeded when emissions are aggregated.

Mediaset's installations are designed, developed and operated in compliance with Italian law. In accordance with the Group's operating practices, all necessary measures are taken, when designing new sites or modifying existing ones, to keep the electromagnetic field levels within the parameters set by the regulations. In particular:

- the construction of tall towers for transmission antennas in order to keep them as far as possible from areas accessible to the population;
- improved orientation of transmission antennas, to concentrate the signal on the area to be served and use less power minimising the electromagnetic radiation detectable at ground level (areas accessible to the population);
- identification, where possible, of

installation sites far from residential areas;

- submission of the project for prior assessment and authorisation by local authorities and regional environmental protection agencies, as required by the Code of Electronic Communications (Italian Legislative Decree 259/03).

In addition, specific company departments are responsible for mapping installations with a risk of exceeding the electromagnetic field limits and establishing monitoring plans as well as, where necessary, the use of internal and external resources (certified external advisors).

Risks connected to Corporate Governance

The typical corporate governance-related risks, such as the risk of non-compliance with laws and regulations, improper assignment of powers and authorities, or inappropriate remuneration policies, are mitigated through the implementation of a strong system of Corporate Governance. Since 2000, Mediaset has adopted the provisions of the Corporate Governance Code for Listed Companies and, over the years, it has continued to bring its own Corporate Governance system into line with applicable domestic and international best practices, the recommendations of the Corporate Governance Code of the Italian Stock Exchange and applicable regulatory provisions.

Using the same risk management model, implemented in 2007 and regularly updated each year, the **Mediaset Group in Spain** implements an assessment process designed to identify risks in its own industrial context. Every year, the Board of Directors of Mediaset España assesses the risks the Mediaset Group in Spain is exposed to, and evaluates the internal control systems implemented, identifying possible areas for

improvement. In particular, the Internal Audit and Compliance departments evaluate the specific risks to which the Mediaset Group in Spain is exposed, assessing the likelihood of occurrence and extent of impact and directly involving the various corporate departments in the evaluation process. The Risk Committee, whose members are the managing directors of companies belonging to the Mediaset Group in Spain, is responsible for managing executive risk management functions in everyday business activities.

3.4 DATA PROTECTION AND PRIVACY

The protection of privacy and the data and personal information pertaining to clients and subscribers is one of the main priorities of the Mediaset Group.

The Group has prepared a special set of Organisational Guidelines on Information Security Policy, management of personal data and the protection of data. These activities observe the following principles:

- compliance with national and

international legal requirements, with particular reference to Legislative Decree 231/2001, L.262/2005 on the protection of savings and financial markets regulations, and the European Regulation (EU) 2016/679 on the processing of personal data.

- safeguards on adequate measures of protection of data against threats, including cybersecurity; these measures are identified in accordance with the level of risk associated with the loss of confidentiality, integrity and availability of information. This protection must also be guaranteed in regard to relations with third parties.
- protection of data against unauthorised access, while ensuring accessibility for legitimate purposes, with a suitable degree of traceability.

A cyber risk assessment process has also been implemented, and has recently identified the principal areas of IT risk for the Mediaset Group as well as the measures best suited to resisting threats and mitigating residual risk.

In particular, the cybersecurity strategy envisages the implementation of specific activities in the following areas:

- **RISK ASSESSMENT:** Since 2018, the risk assessment process has been an established operational practice involving annual activities concerning key IT assets, with the aim of identifying the level of cyber risk associated with a loss of confidentiality, integrity and availability.

These are the main activities completed during 2020:

- Risk assessment of the 25 biggest third-party IT service providers
- Risk assessment of Office 365

- **CYBER DEFENCE:** The most important activity within the cybersecurity strategy is cyber defence. This consists of identifying and mitigating vulnerabilities, threats and risks related to cyber attacks.

In particular, in 2020 we would highlight:

- Protection of smartphones provided to employees
- Extension of SOC services to protect IT services by adopting advanced

application firewall technologies

- Performance of vulnerability testing on the most relevant IT services exposed on the Internet.

- COMPLIANCE: GDPR compliance activities were completed in 2020 and operational practice is now well established.
- TRAINING: The cyber risk training plan for all employees has been completed. During the year, specific communications (snippets) were produced by e-mail and on the corporate intranet to draw attention to the main threats in the area of cybersecurity.

On 25 May 2018, European Regulation 679/2016 (a.k.a. the GDPR) on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (GDPR) took effect. The Mediaset Group – in observance of the regulations in force, especially the GDPR, Legislative Decree No. 196 of 30 June 2003 “Personal Data Protection Code” and national privacy regulations – has adopted a compliance programme for privacy management (“Privacy Compliance

Programme”) with the aim of optimising company processes linked to personal data protection.

Mediaset has also issued an Organisational Guideline on data breaches that accidentally or unlawfully result in destruction, loss, alteration, unauthorised disclosure or access to personal data. The data breach management plan was prepared in order to implement, where necessary, the action plan and any notification of the Supervisory Authority within 72 hours of identification of the breach and communicate the breach to the data subject should the rights and freedoms of the individual even potentially be highly at risk.

During 2020, 5 operational instructions were published on the Company Intranet concerning: Data Protection Impact Assessment, Notices and Consent, Appointment of External Processors, Management of Processing Register, Implementation of Privacy by Design and Privacy by Default Principles. “Instructions for correct data processing” were published, again on the intranet, including a specific focus on smart working due to the great expansion of this way of working, as well as a

Data Breach information leaflet outlining the main steps to take in the event of a personal data breach.

We would also like to point out that the current **pandemic situation** has added further obligations related to processing data from the health emergency (e.g. new information, new opinions, protocols, adaptation of the processing register).

We would point out that Mediaset’s Systems Department was already prepared for remote working, with over 80% of its staff smart-working. With the pandemic, this method was extended to all staff in the Department.

The main impact in terms of business continuity was the need to reschedule some projects requiring on-site presence or the intervention of third-party staff from abroad.

As provider of technology services to the company, the Systems Department extended the existing smart working arrangements by providing notebooks to replace desktops, enhancing the VPN infrastructure for remote access and promoting Microsoft Teams as a collaboration and communication platform.

The **Mediaset Group in Spain** is scrupulously implementing the protection of personal data and content in the sphere of corporate management. The primary instrument of implementation is the Code of Ethics, which addresses aspects relating to cybersecurity, data protection and confidentiality. Using the Code of Ethics as their guide, the data protection unit, the Internal Auditing Department and the technology division will develop other mechanisms determining the company's conduct in regard to data security.

The Group also implements a corporate security policy which imposes procedures and regulations for the processing of personal data and confidentiality within the organisation. These procedures regulate access to and the processing of personal data in all departments, areas and management units of companies belonging to the Group, while also defining the security measures to be applied during the compilation of personal data to ensure the confidentiality of the latter.

The Group has also implemented a series of operating procedures for managing initiatives requiring the use of personal data:

identification and authentication, remote access, access to applications and use of personal data files. These procedures are regularly updated to ensure their compliance with applicable legislation.

In 2016, the Group underwent conformity analysis in light of the General Data Protection Regulation on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, which came into effect on 25 May 2018.

This analysis revealed the need for more work to bring the current management model up to standard and for the introduction of specific measures of a technical, organisational and legal nature.

With regard to relations between company and citizens in terms of data protection, the Mediaset Group in Spain has defined and implemented an action protocol for guaranteeing the exercise of the rights of access, modification, cancellation and objection.

This protocol describes in detail the areas affected by such rights, the channels through

which Group users can exercise them, the procedure for replying to requests, special cases for the exercise of rights, and notification of users of the successful outcome of their requests.

The Technology Division is in charge of coordinating and managing the technical aspects of information system security, following the corporate security policy and the internal action procedures, which apply to all employees and managers.

As part of this policy, and as a method for guaranteeing control over access to corporate applications and services, a set of guidelines addressing specific topics such as the "Procedure for controlling access to applications" and "Procedure for managing media" has been prepared. The latter procedure defines the cases in which corporate data must be encrypted.

A procedure has also been developed for establishing mechanisms for managing and sending sensitive corporate data. A project for implementing an instrument for the management of access and information rights was developed in 2018 as a technological support for the procedure. This

solution involves the application of security rules and policies and the monitoring of the distribution of corporate data.

During 2020, the main procedures relating to information technology were reviewed and updated, with particular regard to:

- Access Control Procedure to application;
- Services and corporate reports Internet Domain Management Procedure;
- Application Management Procedure;
- Security incident management procedure;
- Business Contingency Plan.

Mediaset España constantly monitors its mission-critical information systems via periodic reviews and audits. Monitoring of the systems considered to be most vulnerable also covers the activities of users.

The purpose of information system security management is to ensure the availability, integrity and confidentiality of corporate data, to control access to it, and to ensure the data is adequately protected in conformity

with all laws, standards and regulations on data protection.

With respect to data protection, in 2020 Mediaset España organised privacy/cybersecurity training for all its employees.

Mediaset España has centralised data protection management in the *Data Protection Unit*, which reports directly to the Group's Senior Management and is responsible for data protection for all Group Companies. At the head of this unit is the Data Protection Officer, responsible for the relationship with the Data Protection Agency, as well as the areas of legal advice, internal control and IT security.

In 2019, the Personal Data Policy and the relevant internal procedures were updated in order to adapt them to the requirements introduced by the GDPR. In addition, two new protocols have been implemented to ensure compliance around the protection and guarantee of digital rights.

These reference documents establish the guidelines for optimal, responsible management of privacy and data protection

as well as the corrective actions to be taken in the event of violations relating to correct personal data processing by the Mediaset Group.

During 2020, there were 702 requests to exercise ARCO rights (access, rectification, cancellation and opposition) received and managed by the interested parties, relating to the cancellation of users registered on the Group's digital channels and the deletion of images published on the websites.

3.5 RELATIONS WITH THE PUBLIC ADMINISTRATION

When carrying out its business - one well-established throughout the entire Italian territory - the Mediaset Group in Italy entertains relationships with a great many private and public parties.

Precisely in the relations with the aforementioned parties the group has added an ad hoc article to its Code Of Ethics (also see par. 1.3 and 3.2) in order to govern the related activities.¹³

In addition to prohibiting any illicit conduct that may involve the Group in its relations with public bodies, the Code of Ethics also covers the activities that see the Group involved in partnerships with public institutions.

In this case, the Group may support programmes of public institutions or bodies aimed at creating public benefit as well as

projects of foundations and associations. These activities must be performed in full compliance with the applicable regulations, the principles set out in the Code of Ethics and the corporate procedures.

In this area, Mediaset Group is proactive through the company R.T.I., participating in European projects financed by the European Commission which include collaborations with international partner companies.

On December 22, 2017, the Mediaset Group adopted ad hoc Organisational Guidelines that govern the attainment and management of financial assistance issued by European public institutions to back the development of research and innovation projects (for example on the topic of emerging or future technologies, saving the environment, etc.).

In 2020, collaboration with the European Commission was renewed and gave rise to a series of evening programmes entitled “Giovane Europa”, broadcast on the TGCOM24 channel. The broadcasting rights for the format created were granted to the

European Commission for its own communication platforms.

In July 2020, R.T.I. S.p.A. also successfully participated in the CALL FOR PROPOSALS with a transnational broadcasting project of the General Information Division worth €246,997.00, for which the European Parliament granted 70% funding, amounting to €172,897.90, to be disbursed in 2021.

In 2020, R.T.I. received €14,000 for 8 on-air episodes of the GIOVANE EUROPA format, broadcast in 2020, from the Italian Representation Office to the European Parliament, following a public call for tenders, (and in the form of a service order bond).

During 2020, Publitalia received public grants for training.

In this respect, structural use has been made of resources from Fondi Paritetici Interprofessionali (Inter-professional Joint Funds).

Through the company Medusa, the Mediaset Group also operates in the cinema industry,

¹³ Art. 24 “Relations with Public Institutions” requires the Mediaset Group to maintain a collaborative and transparent relationship with the national, community and international public institutions to facilitate dialogue on topics of specific interest. The relations must be maintained fully in compliance with the current regulations, the principles in the Code of Ethics and the corporate procedures, on the basis of the general criteria of propriety, transparency and loyalty.

receiving grants through support instruments from public bodies, mainly national, and the rest from European bodies.

Within the framework of the cinema and audiovisual support instruments provided for by Law no. 220 of 14 November 2016, Medusa requests as a priority:

- Automatic grants for the production and distribution of Italian cinematographic works. The annual quantification of these grants, linked to the economic, cultural and artistic results achieved by individual cinematographic works generates a ceiling that must be reinvested over the following five years. To date, the Decrees issued by the Director-General of the Ministry of Artistic and Cultural Heritage have quantified the grants accrued in the years 2017 and 2018 and Medusa has already submitted a request for reinvestment in the production and distribution of new cinematographic works, while it is not yet possible to request the grants generated in the years 2019 and 2020.
- The tax credit for distribution.

For the distribution of films in cinemas and promoting them through advertising, the Ministry of Cultural Heritage allows a tax credit to be obtained by applying variable percentages to the costs incurred.

Financial assistance received from government [*]	Public body	€ millions	
		2020	2019
	Ministry for Culture and Tourism - Cinema Department	1.7	5.4
	Instituto de la cinematografía y de las artes audiovisuales[**]		0.0
Public contributions (collection of government contributions)	Fundación Tripartita	0.0	0.1
	Centre National du Cinéma et de l'Image animée (CNC)	0.4	
	Direction Générale des Finances Publiques		0.0
Ministerio de Asuntos Económicos y Transformación digital [***]		3.0	
Tax relief (Answer 1^ tax credit for distribution)	MIBACT	4.0	2.3
Local network contribution	MISE	0.6	0.3
Other public contribution	European Union	0.0	0.2
Assistance received from non-government bodies[***]			
Total		9.6	8.3

[*] Data reflect cashed-in amounts during the period
 [**] Subsidies received from Telecinco Cinema as assistance for amortization of film and feature productions.
 [***] Subsidies received from Fondazione Biodiversidad for promotion of environmental information.
 [****] Contribution received for the development of the new DTT technical protocol of transmission (digital dividend)

The company Publitalia'80, despite not having benefited from any public grants, decided to implement certain organisational guidelines in order to prevent offences under Legislative Decree 231/2001 as amended.

The **Mediaset Group in Spain**, through its public institutional relations, promotes and guarantees the representation of its legitimate interests before public authorities in general, and specifically, before both national and European parliaments and governments.

These activities are governed by the Mediaset España Code of Ethics and aim to guarantee that the legitimate interests of Mediaset España are represented before the Spanish Authorities.

Membership in the main media industry associations such as:

- Asociación para la autorregulación de la comunicación comercial (AUTOCONTROL)
- Comité de Autorregulación y Comisión Mixta de Seguimiento sobre contenidos televisivos e infancia

- Association of Commercial Television in Europe (ACT)
- Asociación Europea de Comercio de Marketing de Soluciones de Publicidad (EGTA)

allows the company to defend and represent the common interests of commercial television organisations nationally, in Europe and worldwide.

Thanks to membership of the Audit and Control of Information Systems Association (ISACA), Mediaset España is directly involved internationally in the development of standards, methods and certification for the audit and control of information systems.

Throughout the year, the Mediaset Group in Spain backed the following national and international projects, interacting with public bodies and institutions:

- Taking part in drawing up the Royal Decree regulating communication in the gaming sector;
- Consultation activities with Comisión

Nacional de los Mercados y la Competencia (CNMC) regarding regulations in the field of online advertising and audiovisual communication services through video sharing platforms (November 2020);

- Application of the General Law on Audiovisual Communication and its regulatory development, with particular emphasis on strengthening the protection of minors and proper implementation of the provisions applicable to TV commercials;
- Application of a new “system of classification by age range in relation to the use of audiovisual products” (signed by free-to-air TV operators in 2015 under the supervision of CNMC)¹⁴.

This rating system was launched with the aim to establish a more objective and systematic framework for classifying content, and as a tool that provides information to guardians, the children themselves and society on the whole, on potentially harmful content that a certain

audiovisual programme may contain;

- Application of the rules on gambling and responsible implementation of new online gambling games. Mediaset España is on the Board Of Directors of the Responsible Gambling Advisory, formed by the Office for the Regulation of Gambling and by the Code of Conduct Monitoring Committee on business communication for gambling.
- Defence of an open and transparent television service directed towards the public interest with control and compliance mechanisms, particularly with regard to the advertising market.
- Participation and consultation in the process of transposing EU Directive 2018/1808 of 14 November 2018 on audiovisual media services into national law.

¹⁴ Comisión Nacional de los Mercados y la Competencia

ANTI-CORRUPTION AND UNFAIR COMPETITION

The topic of active and passive corruption is first and foremost overseen within the scope of the Code of Ethics of the Mediaset Group through specific provisions that define general principles on the topic.¹⁵

Furthermore, considering the constant strengthening of the fight against public and private corruption, both internationally and nationally, in view of legislators' particular focus on combating corruptive practices, the Mediaset Group has decided to align itself with industry best practices to combat corruption, adopting a Group policy in Italy called "General Anti-corruption Guidelines" which is included in the Compliance Programmes pursuant to Legislative Decree 231 of the companies that have them.

This policy offers a systematic framework of reference on the topic of prohibition of corrupt practices for Mediaset group

companies, providing a summary of the ethical and conduct rules that must be strictly adhered to in order to keep illegitimate or incorrect conduct from occurring, and to follow the provisions set forth by the current regulations in the area of anti-corruption as well as the principles and values in the Code of Ethics, Compliance Programmes pursuant to Legislative Decree 231 and corporate procedures currently in effect.

In this policy, the Mediaset Group companies deplore and condemn any and all corrupt behaviour or activity including, without limitation, illegitimate favouritism, collusion, solicitations – made directly and/or through third parties – for personal benefits of any kind for themselves or for others.

Moreover, it is required that any party acting in the name or on behalf of Mediaset Group companies in business relationships with public or private entities must always and in all circumstances behave in an ethical

manner according to the law and in full compliance with the aforementioned principles.

Based on the results of the activities designed to identify risks within Mediaset Group companies, this policy identifies the main areas of remotely relevant activities identified as being "at risk", with specific reference to the possible commission of crimes of public and private corruption. This refers to the main areas (for example management of relations with public bodies and institutions, the purchase of goods and services, management of gifts, entertainment expenses, sponsorships and donations, selection and hiring of personnel, etc.) in the sphere where it is best to pay special attention to issues concerning corporate compliance, specifically in relation to prevention and fighting corrupt practices. Regarding these areas identified as being "at risk", each Mediaset Group company has defined designated controls (general and specific), adopting, when necessary,

¹⁵ The Group's Code of Ethics is implemented by all Group companies except for the Mediaset Group in Spain, which operates its own code based on the parent Company's.

The new Code of Ethics, adopted by Mediaset S.p.A. and its subsidiaries in 2019, has a specific new article dedicated to preventing corruption with the aim of setting out a systematic reference system for preventing corrupt practices for Mediaset Group companies. Specifically, it provides for a summary of the ethical and conduct rules that Addressees must strictly adhere to in order to follow the provisions set forth by the current regulations. Article 20 (Protection of competition) sets out: "The Mediaset Group recognises fair, free and honest competition as a decisive factor for market growth as well as constant improvement of the business. It therefore abstains from conduct that encourages dealings to its own advantage in violation of current regulations. The Mediaset Group promotes training activity to encourage competition, standards and regulations to protect competition and ensure that they are observed."

corporate Organisational Guidelines (“OGs”) which govern the processes in which corrupt practices may occur (both in relations with governments and among private parties).

As already highlighted above, the Internal Auditing Department periodically performs specific auditing activity to identify “areas of at-risk activity” with respect to crime, also for corrupt practices and also as instructed by the Supervisory and Control Bodies appointed by the Group companies in accordance with Legislative Decree 231/01. There is also constant monitoring on regulatory changes concerning corruption, also with a view to updating the Compliance Programmes adopted by Mediaset Group companies in accordance with Legislative Decree 231/01. With this in mind, the Internal Auditing Department carried out risk analysis activity in this reporting period concerning the predicate crime of influence peddling, introduced as part of Legislative Decree 231/01 by Law no. 3/2019.

Finally, the risk assessment activity carried out in 2020 took into account all new anti-corruption legislation.

Regarding the topic of competition, the Group Code of Ethics (See also par. 1.3 and 3.2) contains a specific provision¹⁶ which states that the Mediaset Group recognises fair, free and honest competition as a decisive factor for market growth as well as constant improvement of the business.

This is why the group abstains from behaviour that encourages deals which are in violation of current regulations.

We would also highlight the fact that, in 2019, Mediaset decided to initiate a process with the aim of adopting a specific antitrust compliance programme, understood as a system of rules predominantly directed towards preventing potentially significant conduct in terms of antitrust offences.

This activity is taking place following antitrust compliance Guidelines issued by the Antitrust Authority. The intent of the

Authority was to set out rules of conduct that companies must implement for effective compliance, confirming the advisability that they equip themselves with an Antitrust Compliance Programme.

The adoption of an adequate Compliance Programme is recognised as a mitigating circumstance in the event that penalties are determined for antitrust offences.

This process was completed during 2020.

Lastly, the foreign company Publieurope has also adopted an “anti-corruption policy” in order to prevent any corrupt practices, beyond the Group Code of Ethics, binding for all employees and those who have relations with the company. The document is posted on the Publieurope website. The main contracts make explicit reference to following both the Code of Ethics of Group and the “Bribery Act” (English law against corruption). The figure of the Compliance Officer has also been instated as the individual responsible for the corruption prevention system. Publieurope underwent a

¹⁶ Article 18 of the Group Code of Ethics. The Group’s Code of Ethics is implemented by all Group companies except for the Mediaset Group in Spain, which operates its own code based on the parent Company’s.

The new Code of Ethics adopted by Mediaset S.p.A. and its subsidiaries in 2019 has a specific new provision concerning competition. Article 20 (Protection of competition): “The Mediaset Group recognises fair, free and honest competition as a decisive factor for market growth as well as constant improvement of the business. It therefore abstains from conduct that encourages dealings to its own advantage in violation of current regulations. The Mediaset Group promotes training activity to encourage competition, standards and regulations to protect competition and ensure that they are observed.”

risk assessment conducted by the Group's Internal Auditing Department.

The Code of Ethics, as well as the control procedures implemented and the protocol for the identification and prevention of crimes adopted by the Spanish companies of the **Mediaset Group in Spain** establish measures to monitor and combat the risk of corrupt practices.

Every year, the audit function performs risk analyses linked to corruption within the most important business lines of the Group. These activities are an integral part of the Annual Audit Plan. To this regard, between 2019 and 2020 all the corporate structures of the Group were examined. Specifically, the Internal Audit function performed various audits on the most significant processes whose results did not reveal any issues. In 2020, just like in 2019, there were no episodes of corruption that involved the Group, and it was not therefore necessary to undertake any action in this field.

In 2020, specific anti-corruption clauses were added to contracts with third-party production companies, with whom Mediaset España is in partnership.

On the subject of competition, we would highlight that on 12 November 2019 the National Council for Free Competition and Markets identified Mediaset España conduct contrary to free competition with regard to certain commercial practices.

A penalty of 38.9 million euros was therefore imposed, against which the Mediaset Group immediately appealed.

Mediaset España has appealed to the National Assembly and the proceedings are currently suspended pending judgment.

At the same time, Mediaset España has modified its marketing policy and internal procedures in accordance with the ruling of the National Council for Free Competition and Markets in the Atresmedia/Mediaset case.

3.6 TAX COMPLIANCE

Mediaset Group companies manage the tax obligations to which they are subject in full compliance with the regulations in force in the various tax jurisdictions in which they operate, adhering to the principles and values, such as the completeness and transparency of information, legitimacy from a legal and substantial point of view and the clarity and veracity of the data presented, indicated in the Code of Ethics, in the 231 Compliance Programmes, where adopted, and in corporate procedures.

The determination of taxes due and the preparation of annual tax returns is carried out by a specifically identified and competent department of the company for each of the different tax jurisdictions in the countries where the Group companies operate, equipped with adequate competences, according to defined organisational and operating procedures, which make use, where necessary, of external specialist professionals, to support the process of monitoring current legislation, with the aim of identifying any changes in a timely manner and reflecting them accurately and completely in the process of

determining the taxes due.

The Mediaset Group's tax compliance is first and foremost inspired by respect for the general principles and values indicated in the Code of Ethics (a document published on the corporate website), which must guide operations, behaviour and relations, both inside and outside the Group, and which must be carried out within a framework of fair competition, in compliance with the laws and regulations in force in the legal systems in which they operate and in accordance with the ethical principles commonly recognised in the conduct of business, such as honesty, propriety, transparency and good faith. Mediaset Group companies consequently reject and deplore the use of illegitimate or incorrect behaviour to achieve their economic objectives.

Finally, the addressees who act in the name of or on behalf of the Mediaset Group in business relations of interest to it and in relations with the government (including, therefore, the tax authority), regardless of the competitiveness of the market or the importance of the business conducted, are required to behave ethically and in compliance with the laws and regulations in

force and to act in accordance with the principles of propriety, diligence and cost-effectiveness.

The extensive structure of internal control systems implemented by the Mediaset Group, together with the administrative and accounting organisational structure, represent important control mechanisms for preventing tax offences from being committed.

With regard to the Internal Control and Risk Management System, the Guidelines defined for the Group, which identify the Enterprise Risk Management (ERM) Framework as the reference methodology, are implemented in the "Enterprise Risk Management Policy", which defines the main methodological aspects related to the general risk management process as well as the roles, responsibilities and main activities related to risk management.

Adequate control mechanisms for administrative-accounting management directed towards guaranteeing truthful and accurate representation of the financial position of Mediaset Group Companies and the economic results for the year in the

financial statements are also found in the *Control System for Financial Disclosure (SCIIF) adopted by Mediaset S.p.A. in accordance with the provisions of Law no. 262 of 28 December 2005, of 28 December 2005, containing "Provisions for the protection of savings and the regulation of financial markets"* (the "Savings Law"), providing for robust, traceable and verified processes and controls, which are in themselves a guarantee of the reliability of the disclosure and of the data used to prepare tax returns.

The Mediaset Group is currently working, also following the recent introduction of tax offences as part of the administrative responsibility of entities pursuant to Legislative Decree 231/01, to strengthening its system of preventive controls aimed at mitigating tax risk in general, by consolidating its Tax Control Framework in order to arrive at a structured model of preventive controls that puts all company processes and transactions that may give rise to tax consequences under control, guaranteeing an internal control system to manage tax risk which is integrated with the company system and dedicated information

flows between the various company departments responsible for managing internal control. These figures certainly include the Supervisory and Control Bodies pursuant to Legislative Decree 231/01 which, in the performance of the tasks and verification activities assigned to them, may use these integrated control mechanisms to monitor the actual effectiveness and effective capacity of the 231 Compliance Programmes adopted by the Group Companies to prevent and impede tax crimes from being committed, with particular regard to the individual corporate structures involved in the management of tax obligations.

As part of the whistleblowing system adopted, the Group allows stakeholders to report violations of the Code of Ethics and/or the 231 Programme (and/or the company procedures that refer to them) or unlawful conduct relevant to Legislative Decree 231/01 (including tax matters), using the dedicated computer system (segnalazioni.mediaset.it) and according to the procedures and terms described in the current *"Organisational guidelines for reporting violations and unlawful conduct*

relevant to Legislative Decree 231/01".

The Group discloses its key tax data annually through submission by the holding company Fininvest S.p.A. of information on the payment of taxes applicable to all Group companies, in the various jurisdictions in which it operates, (country-by-country reporting) to the Italian Revenue Agency pursuant to Council Directive (EU) 2016/881 of 25 May 2016, which introduced provisions relating to the mandatory automatic exchange of information in the tax sector.

In accordance with GRI 207 - 4, the following disclosure contains key tax reporting data for the various tax jurisdictions in which the companies within the scope of consolidation operate with respect to the 2020 and 2019 financial year, the latest audited consolidated financial statements.

It should be noted that the reported "accrued income taxes" relate only to the current taxes allocated for each year. Therefore, the effective tax rate, which can be obtained from the ratio between the "accrued taxes" and "pre-tax result" data reported in the table, differs from the ordinary rates in force in the various jurisdictions (27.9% in Italy,

25% in Spain) because, in addition to being determined in the presence of non-deductible expenses, it does not take into account the components of deferred tax assets and liabilities recognised on temporary differences between corporate income and taxable income.

Furthermore, it should be noted that the taxes accrued and reported for the companies with tax residence in Italy, refer, in the two financial years, to IRAP tax (Regional Tax on Productive Activities - at an ordinary rate equal to 3.9%), which is based, however, on a taxable base different from the "pre-tax result", applying only in the presence of positive corporate taxable income, and to IRES tax (Corporate Income Tax - at an ordinary rate equal to 24%) of the Group companies in the tax consolidation regime, recorded as a reduction of the deferred tax assets allocated on previous tax losses that can be carried forward without limit. The reconciliation of the effective tax rate to the theoretical tax rate is shown in the Group's consolidated financial statements in the section on taxes.

31/12/2020								
Tax Jurisdictions	Revenues from third-party sales	Revenues from intra-group transactions with other tax jurisdictions	Profit/loss before tax	Corporate income tax paid on a cash basis	Corporate income tax accrued on profit/loss	Number of employees	Tangible assets other than cash and cash equivalents	
Italy	1,839.9	6.0	132.1	2.6	10.9	3,326	283.4	
Spain	843.0		196.8	37.8	33.8	1,555	49.9	
United Kingdom	7.4	5.1	2.5		0.5	24	3.2	
France	1.3		0.2			1		
intercompany dividends			-126.5					
consolidation eliminations/adjustments	-54.8		80.8		-7.1		-1.3	
Totale Gruppo	2,636.8	11.1	285.9	40.4	38.1	4,906	335.1	

31/12/2019								
Tax Jurisdictions	Revenues from third-party sales	Revenues from intra-group transactions with other tax jurisdictions	Profit/loss before tax	Corporate income tax paid on a cash basis	Corporate income tax accrued on profit/loss	Number of employees	Tangible assets other than cash and cash equivalents	
Italy	2,007.5	9.6	697.5	6.4	12.1	3,407	298.8	
Spain	953.2	0.5	228.7	40.7	37.0	1,551	55.4	
United Kingdom	12.9	7.2	3.2	0.4	0.7	25	3.7	
France	0.2		-0.2			1		
intercompany dividends			-606.4					
consolidation eliminations/adjustments	-48.1		58.8		-3.3		-1.4	
Totale Gruppo	2,925.7	17.2	381.7	47.5	46.4	4,984	356.5	

Revenues from third-party sales reported for every tax jurisdiction refers to Profit & Loss items of the consolidated Financial Report "Revenues from the sale of goods and services" and "Other revenues" as far as revenues are from counterparts which are not included in the scope of line-by-line consolidation.

The number of employees refers to permanent employees in force at the reference date of every reporting period for companies operating in each tax jurisdiction.

The 2019 data for the jurisdiction of Peru are included within the values of the tax jurisdiction of Spain, given the low relevance and the absence of this jurisdiction in 2020.



4 ■ People



4,906 Mediaset Group's workers



26,152 hours of training during the year



97% permanent contracts



48% of female workforce

4.1 PEOPLE IN THE MEDIASET GROUP

Group employees are mainly concentrated in Italy and Spain: approx. 68% in Italy while approx. 31% in Spain. A lower share of approx. 1% is employed in offices located in France, the United Kingdom, Germany and South America, hereinafter grouped under the "Other Countries"¹⁷ category.



NUMBER OF EMPLOYEES BY TYPE OF CONTRACT (PERMANENT AND TEMPORARY) BY GENDER AND GEOGRAPHIC AREA AS OF 31 DECEMBER

	2020			2019		
	Men	Women	Total	Men	Women	Total
ITALY						
Permanent contract	1,658	1,590	3,248	1,684	1,633	3,317
Temporary contract	49	29	78	70	20	90
Total	1,707	1,619	3,326	1,754	1,653	3,407
SPAIN						
Permanent contract	761	712	1,473	748	703	1,451
Temporary contract	49	33	82	62	34	96
Total	810	745	1,555	810	737	1,547
OTHER COUNTRIES						
Permanent contract	14	11	25	17	12	29
Temporary contract	-	-	-	1	-	1
Total	14	11	25	18	12	30

¹⁷ The 4 employees operating in the overseas branches of Netsonic in Mexico, Colombia and the United States are included in the 2019 figures for the "Other Countries" geographical area.

As at 31 December 2020, and in line with the previous year, 97% of employees had open-ended contracts: the high percentage in all Group offices is due to the Group’s ability to retain and guarantee a high level of employment stability, to meet the needs of the different business activities.

As at 31 December 2020, the Mediaset Group comprised 4,906 people, a slight decrease compared to 2019. The main organisational roles are held by employees: in fact, recourse is made to external contract workers¹⁸ only for the performance of specific activities of a professional or artistic nature or to meet temporary needs. As at 31 December 2020, there were 206 external collaborators in Italy, including 18 interns, and approximately 381¹⁹ in Spain.

NUMBER OF EMPLOYEES BY PROFESSIONAL CATEGORY AND GENDER AS OF 31 DECEMBER

MEDIASET GROUP	2020			2019		
	Men	Women	Total	Men	Women	Total
Executives	238	106	344	243	104	347
Journalists	316	306	622	332	322	654
Middle managers	392	407	799	405	414	819
Office workers	1,562	1,554	3,116	1,578	1,559	3,137
Industry workers	23	2	25	24	3	27
Total	2,531	2,375	4,906	2,582	2,402	4,984

4.2 COVID EMERGENCY MANAGEMENT

The Mediaset Group dealt with the Covid emergency as it arose immediately, from 21 February, when the first case was reported in Codogno, by focusing on two key objectives: **protecting the health and safety of its workers** and maintaining its own **continuous operation**.

The responsibility that comes with being the country’s leading Italian television broadcaster ensured that the schedule has been full of informative and in-depth programmes at every stage of the

emergency, produced in safety, thanks also to a **specific production protocol**, which now makes it possible to offer the usual entertainment programming as well.

In order to do so, a **series of very diverse initiatives** have been implemented, which have made it possible, and are still making it possible, to deal effectively with the crisis, and which have not only proved to be **consistent with all the protocols agreed by the government, companies and social partners**, but have also been at the **forefront compared to many other industrial concerns**, demonstrating attentive, timely and excellent management of the

¹⁸ The Group makes use of external collaborators such as: contract workers with VAT number, Temporary staff with fixed-term and open-ended contracts, interns. Most of these collaborators are employed in TV content production.

¹⁹ The figure for external workers in Spain is expressed as cumulative data for 2020.

emergency.

The result achieved is consistent with the **culture of great attention to the employee**, which has its **roots in the founding of the Group** and which during the months of the emergency was further confirmed by the numerous expressions of appreciation from all staff.

In the same way, great cooperation and satisfaction with the work carried out was recorded in discussions with **trade unions**, at all levels, from company representatives to local and national trade association representatives. This too was in keeping with a tradition of excellent industrial relations built up over time.

The main initiatives undertaken to manage the emergency are described below, under 3 main headings:

- **Reducing the attendance figures at the sites**, in order to protect employees and collaborators who must of necessity work at production sites;
- Increasing hygiene, health, logistical and organisational measures to ensure maximum workplace safety.

- **Monitoring and prevention of suspected or positive cases** through continuous and widespread screening of all staff.

ATTENDANCE REDUCTION

Since the end of February, **the path of adopting smart working** launched at the beginning of 2019 for the Group’s staff areas has been **accelerated** and progressively extended **structurally to around 1,700 people today**, almost half of the workforce.

At the same time, following the lockdown established by the government, in order to guarantee the safety of technicians, production staff and journalists who necessarily had to carry out their work from the group’s premises, **simplified and temporary forms of agile working** were also used to avoid crowding of the production sites.

At the same time, **access was restricted to suppliers and collaborators involved in TV content production or essential services** (cleaning, canteens, etc.) and **access control** was stepped up at all Group sites.

These measures combined, varied as appropriate month by month in accordance with the risk scenario, saw the number of employees and collaborators at the Group’s Milan offices reduce substantially, particularly in the lockdown and red-zone periods, demonstrating excellent organisational and operational flexibility achieved without any interruption to broadcasting.

ENSURING WORKPLACE SAFETY

The ability to adapt immediately to changing needs, guaranteeing maximum safety for staff called on to work from sites, was also demonstrated in the immediate updating of the health and safety protocols established within the production sites.

At the entrances, **body temperature checking** and daily distribution of **Personal Protective Equipment** (surgical masks, FFP2 and gloves) were provided immediately. More than **700,000 masks** have been distributed since the start of the emergency in 2020.

At the various sites, **special routes and**

safety measures have been defined for the use of shared services (reception, canteens, lifts, etc.), with dedicated signs and indications, which are particularly appreciated by all employees.

All areas were sanitised regularly in accordance with the most effective standards, increasing the number of locations and frequency for normal cleaning and placing hand sanitiser dispensers in the locations characterised by the greatest access. For technical and production areas and radio and television equipment, **specific sanitisation protocols, also with a daily frequency**, have been defined.

MONITORING AND PREVENTION

Alongside these initiatives, however, a fundamental and particularly significant effort was made to limit the possibility that asymptomatic but positive staff could contribute to the spread of infection by accessing production sites.

As soon as regional health regulations made it possible, a **screening protocol** was introduced, initially on a voluntary basis and

then made **compulsory** as the situation worsened, with **rapid antigen tests** for those accessing company premises, to be followed by a **molecular test** in the event of a positive result. Antibody tests (through venous or finger-prick blood samples) have been replaced by rapid antigen tests, which are able to intercept any contraction of the virus more quickly. These swabs are now compulsory on a weekly basis for those accessing company premises. Thanks to the 4 genuine medical centres located in the various production hubs (one of which has been present for years at the Cologno site), as at 31 December 2020 more than **35,000 diagnostic tests** had been administered at the Group’s sites, with a volume reaching more than 3,000 tests per week.

Lastly, to complement its screening initiatives, in December the Group also launched a **drive-through service** for its staff aimed at preventing typical flu virus symptoms from being associated with Covid infection. Those with these symptoms can go to the Group’s Milan and Rome offices and, by means of a double test – rapid antigen and molecular – administered inside the car, make sure that they are positive without

coming into contact with colleagues.

Since the introduction of these measures, the curve of verified company infections has decreased significantly, confirming the validity of the path taken.

In 2020, the Group also reinforced its **traditional flu vaccination service**, also offering the **pneumonia vaccine** to staff free of charge (with over 1,500 people voluntarily taking part in one or both campaigns).

In **Spain**, we would highlight that when the pandemic arrived and a national state of alert was declared, Mediaset España adopted effective measures to ensure business continuity as well as the safety and health of employees and workers in general.

These include, but are not limited to:

- the use of smart working for employees;
- the implementation of organisational procedures followed by specific protocols for managing collaborators and suppliers in the TV production area;
- limiting the presence of the public in the studio;

- the purchase of 5 surface disinfection systems;
- the installation of transparent partition panels (plastic or methacrylate) in technical operating stations;
- health checks for presenters, collaborators and production and broadcasting staff;
- the use of disposable and personalised material in the hairdressing and make-up service;
- the use of disinfection products for textiles in the tailoring and styling service.

4.3 DIVERSITY AND EQUAL OPPORTUNITIES

Through the Group Code of Ethics, which was updated in 2019, Mediaset promotes equality, non-discrimination and equal opportunities. The Mediaset Group rejects and excludes any form of exploitation of workers and discrimination based on gender, age, race, language, nationality or religion, promoting equal opportunities in terms of training, development and professional growth. Finally, the Group guarantees fair treatment and promotes constant dialogue with the social partners.

In applying the Group’s principles, therefore, any conduct or attitude that discriminates against or harms people as well as their convictions or preferences is opposed. The promotion of equal opportunities is encouraged with reference to work conditions and possibilities, training, development and professional growth, in full compliance with current legislation and the values which inspire the Group. Through the appropriate corporate structures, compliance with these principles is guaranteed and promoted in all areas of the

NUMBER OF EMPLOYEES BY PROFESSIONAL CATEGORY AND AGE AS OF 31 DECEMBER

MEDIASET GROUP	2020				2019			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Executives	-	127	217	344	-	135	212	347
Journalists	52	340	230	622	76	354	224	654
Middle managers	1	340	458	799	1	373	445	819
Office workers	165	1,424	1,527	3,116	175	1,527	1,435	3,137
Industry workers	-	19	6	25	-	19	8	27
Total	218	2,250	2,438	4,906	252	2,408	2,324	4,984

NUMBER OF EMPLOYEES IN PROTECTED CATEGORIES BY PROFESSIONAL CATEGORY AND GENDER AS OF 31 DECEMBER

MEDIASET GROUP	2020			2019		
	Men	Women	Total	Men	Women	Total
Executives	5	2	7	1	-	1
Journalists	2	1	3	1	1	2
Middle managers	9	6	15	7	5	12
Office workers	93	104	197	84	98	182
Total	109	113	222	93	104	197

organisation, implementing management policies aimed at guaranteeing a fair assessment of people already in the selection phase, constantly monitoring growth trajectories and designing professional and managerial training courses aimed at developing distinctive behaviours. These initiatives enhance and recognise the wealth deriving from diversity, promote integration and are an integral part of the Group's culture.

The data presented provides a traditional breakdown of employees by the various professional categories, including that of "Journalists", typical of the particular business. Around 64% of the Group's employees belong to the white collar category, in keeping with the 2019 figures, with a balanced gender distribution.

As can be seen from the tables above, approx. 46% of Group employees are between 30 and 50 years of age, approx. 50% are over 50 years of age, while approx. 4% are below 30 years of age.

Within the Group, 222 people belonging to protected categories are employed in various corporate roles, with an essentially equal distribution between men and women. These represent about 5% of employees.

4.4 PEOPLE MANAGEMENT, ATTRACTION AND DEVELOPMENT

The commitment and motivation of employees are fundamental elements for the Group's success. To this end, opportunities for professional growth are continually offered, exploiting the diversity of origin, experience and competence.

Internal company processes are aimed at ensuring a correct assessment of employees starting from both the selection phase and that of subsequent professional and managerial development, through constant monitoring of growth trajectories and the design of coherent training programmes.

Recruiting policies²⁰

The Group has always enjoyed great visibility on the job market and attractiveness, as demonstrated by more than 27,000 unsolicited applications received through the Working with Us section of the corporate

²⁰ Recruitment by the various Group companies, in Italy and abroad, is regulated by specific protocols drawn up in line with the Group's policies, in compliance with the provisions of Legislative Decree 231/01. These procedures also take into account the local legislation to which Group Companies are subjected, including provisions concerning termination of employment and provisions and regulations for specific remuneration treatment for "expats" in the event of secondment of personnel abroad.

website²¹, which was revamped in 2016 with links to the websites of Group companies.

In parallel, the use of modern digital recruiting tools and relationships with the leading recruitment companies make it possible to actively seek and identify the best profiles on the market in relation to specific needs.

Finally, the Group's constant and continuous collaboration with the leading Italian and Spanish universities makes it possible to contribute to the educational offering of numerous degree and master's courses, through the many lectures and company testimonies in the classroom by its managers and offering internships in the company to young undergraduates and graduates.

The selection process is in any case always preceded by a careful analysis of qualitative-quantitative coherence regarding the size of the workforce, with respect to the organisational needs of the companies and also evaluating, where possible, the professional development of internal resources.

In Italy, more than 400 interviews were carried out during 2020, for both profiles with professional experience and internships. The selection process was necessarily affected by the health emergency situation, which led to the suspension of activities for several months.

The selection process is aimed at identifying the most suitable candidates, from the point of view of both technical and professional skills as well as soft skills, with the aim of seeking the key skills that the company considers a critical success factor for achieving corporate goals.

In particular, over the years the Group has consolidated a set of key distinctive skills, relating to the cognitive and relational-emotional areas, to be sought in the selection processes of figures from the external market and to identify and evaluate in planning the development trajectories for internal resources.

These soft skills in fact represent a critical success factor, common to all areas but differentiated according to the role and

degree of seniority, for achievement of corporate objectives at both the group and individual growth levels and flank the professional skills necessary for the various roles in the organisation.

The observation and analysis of certain behaviours and attitudes that people tend to adopt during the selection or assessment phase allow us to estimate the following significant skills and abilities to be projected in the workplace:

- Leadership – cultivation of an appropriate style in interpersonal relationships in order to influence and involve others in the pursuit of the objectives of the group to which they belong, constituting a role model;
- Communication – ability to transmit and share ideas and information in a clear and concise manner; propensity for listening and effective discussion;
- Team working – willingness to work and collaborate with others, having the desire to build positive relationships aimed at accomplishing the assigned task;

²¹ Figure refers to the Group in Italy

- Social intelligence – ability to operate in a complex context taking into account one’s own attitudes and those of others, consciously and objectively reflecting on one’s own conduct and that of others;
- Emotional intelligence - ability to feel emotions, recognise them and experience them consciously, thus being able to be fully assertive and expressive in interpersonal relationships;
- Reliability – ability to carry out tasks scrupulously and with attention to content;
- Flexibility – ability to know how to adapt to changing working contexts, openness to innovation and willingness to collaborate with people with different points of view from one’s own. Adaptation to different situations and changes in context, showing interest in discussing ideas different from one’s own and willingness to reorganise one’s thinking on the basis of new information;
- Stress resistance / emotional stability - ability to react positively to work pressure while maintaining control, remaining focused on priorities and not transferring

one’s tensions to others. Ability to overcome defeats and failures; attention to the way in which one’s emotions are managed and impulses controlled in difficult situations;

- Self-confidence - awareness of one’s value, of one’s abilities and of one’s ideas irrespective of the opinions of others;
- Problem solving - ability to devise alternative solutions to a problem, estimating the implications for the expected results. This is the tendency to provide concrete solutions that optimise activities in response to the constraints present;
- Life-long learning – recognition of one’s deficiencies and areas of improvement, taking action to acquire and further improve knowledge and skills.

In order to guarantee new recruits an effective start-up of their work activity, the departments involved supervise all phases in the resource’s induction, from activation of the welcome and induction plan to tutoring and coaching.

In the Mediaset Group in Italy, 64 people were recruited with open-ended contracts in 2020, a decrease compared to the previous year, considering the decrease in normal turnover due to the uncertainty generated by the health emergency and the partial suspension of the selection process during the most critical period of the crisis. New staff were recruited particularly in the Technology and Operations area, where there is a significant generational transition and there is an ever more frequent need to recruit people with specific skills related to the implementation of new technologies, as well as in the commercial area.

With the acceleration of smart working to limit the crowding of company premises, there has also been experimentation with completely remote onboarding processes.

58% of those recruited in the year are aged between 30 and 50 and 36% are less than 30 years old.

There was also the opportunity for 141 young people to have an internship experience in Italy lasting around 3.3 months on average, a reduction compared to the past, again caused by the health emergency and

transition to remote working for the greater part of activities, less effective with respect to the educational purposes of internships.

In 2020, there was a recruitment rate of approx. 2% in Italy and approx. 2% in Spain, where 15 people were recruited below 30 years of age.

NUMBER AND RATE OF NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER BY AGE, GENDER AND GEOGRAPHIC AREA [*]

ITALY	2020			Total	% Turnover	2019			Total	% Turnover
	<30	30-50	>50			<30	30-50	>50		
NEW EMPLOYEE HIRES										
Men	16	27	2	45	2.6%	16	41	5	62	3.6%
Women	7	10	2	19	1.2%	12	19	1	32	2.0%
Total	23	37	4	64	1.9%	28	60	6	94	2.8%
New employee hires Rate %	24.2%	3.2%	0.2%	1.9%		43.8%	4.8%	0.3%	2.8%	
EMPLOYEE TURNOVER										
Men	2	10	64	76	4.4%	1	11	82	94	5.4%
Women	1	12	42	55	3.5%	5	12	29	46	2.9%
Total	3	22	106	131	4.0%	6	23	111	140	4.2%
Turnover rate %	3.2%	1.9%	5.2%	4.0%		9.4%	1.8%	5.5%	4.2%	

SPAIN	2020			Total	% Turnover	2019			Totale	Turnover %
	<30	30-50	>50			<30	30-50	>50		
NEW EMPLOYEE HIRES										
Men	10	12	2	24	2.9%	19	21	1	41	5.5%
Women	5	10	-	15	2.0%	7	9	1	17	2.4%
Total	15	22	2	39	2.5%	26	30	2	58	4.0%
New employee hires Rate %	12.0%	2.4%	0.4%	2.5%		34.1%	3.2%	0.5%	4.0%	
EMPLOYEE TURNOVER										
Men	7	12	10	29	3.5%	7	24	12	43	5.8%
Women	1	15	2	18	2.4%	4	20	4	28	3.9%
Total	8	27	12	47	3.0%	11	44	16	71	4.9%
Turnover rate %	6.4%	2.9%	2.4%	3.0%		14.4%	4.7%	3.7%	4.9%	

OTHER COUNTRIES	2020			Total	% Turnover	2019			Totale	Turnover %
	<30	30-50	>50			<30	30-50	>50		
NEW EMPLOYEE HIRES										
Men	1	-	-	1	6.8%	4	-	-	4	21.4%
Women	1	-	-	1	9.1%	2	4	-	6	31.2%
Total	2	-	-	2	7.8%	6	4	-	10	26.4%
New employee hires Rate %	33.3%	0.0%	0.0%	7.8%		63.8%	20.5%	0.0%	26.4%	
EMPLOYEE TURNOVER										
Men	2	3	-	5	34.2%	3	3	-	6	32.2%
Women	1	1	-	2	18.2%	3	11	-	14	72.7%
Total	3	4	-	7	27.3%	6	14	-	20	52.8%
Turnover rate %	50%	42%	0%	27.3%		64%	72%	0%	53%	

NOTE: In order to provide a realistic depiction of Mediaset's Group turnover rate, the calculation methodology includes only the permanent employees by age and gender in the numerator. New employee hire rates and turnover rates are calculated on the total of new hires and terminations of permanent employees for the same age groups. The total number of new hires and terminations does not take into account the variations of the perimeter due to acquisitions and terminations during the reporting period.

In order to ensure the comparability with previous data, 2019 data have been restated. As far as previously disclosed data, please make reference to the Sustainability Report 2019 that has been published into the "Corporate Social Responsibility" section of corporate.mediaset.it website.

Remuneration policies

In Mediaset, the remuneration levels of employees are determined through an assessment carried out by the Human Resources Department and by the Business Managers who, with the aim of ensuring the competitiveness of internal remuneration levels with respect to market benchmarks, take into account the area of responsibility, the task performed and the principles of internal equity irrespective of the sex of employees, as well as the need to maintain a level of attractiveness and retention for key resources. To this end, depending on the role, all modern remuneration instruments can be adopted to supplement fixed remuneration, such as: non-competition agreements, short and long-term variable incentives, as well as the welfare and benefit system that Group employees enjoy.²² To support the assessment of equity and the competitiveness of remuneration packages, Mediaset uses remuneration survey and benchmark tools provided by leading specialist consultancy companies.

During the toughest months of the emergency, the Group decided to reward the workers called upon to work at the production sites to guarantee broadcast of programmes through the payment of a special bonus in recognition of their decisive contribution to the continuity of the business.

Training

The Group is constantly committed to designing effective managerial and professional training activities, in addition to those related to legal compliance, in order to develop and increase the skills of its employees, considered a critical success factor to support the development of its businesses.

The design of training activities takes place in coherence with the need to align skills related to the technological evolution processes undertaken by the Group and the need to develop personal skills in line with

the new business context and new organisational models.

It is common practice to monitor training needs through the involvement of the department in the organisational development processes and in analysing the business development scenarios, in constant coordination with the requesting departments and heads of the various areas of the company. At the same time, monitoring the evolution of legislation makes it possible to effectively ensure the provision of training envisaged by the legal framework.

The training offering is provided through various tools, such as conferences, experiential modules, workshop activities and online courses, selected according to the specific objectives of the initiative, content and the specific requirements of the recipients in order to maximise the effectiveness and efficiency of the training activity.

²²In particular, the remuneration policy applied to the Group's top management is detailed in the 2020 Remuneration Report.

Training activity was particularly affected, from as early as the beginning of the year, by the health emergency that arose and dictated strict social distancing measures not very compatible with the classroom experience. The company immediately adopted a training protocol, consistent with Assolombarda instructions, Prime Ministerial Decrees and regional ordinances relating to in-person training, on the basis of which classrooms were organised until it was possible to operate at the company's premises. In keeping with the acceleration of the smart working deployment project, already launched in 2019 within the Group, the activities that had started in the classroom were transformed, where possible, into remote learning, accelerating the use of all possible means of online learning for almost all training projects.

The new context therefore led the Group to undertake many prompt activities in terms of training, in particular allowing:

- invention of new projects with content in keeping with the needs dictated by the particular social and business phase;

- acceleration in the adoption of digital training tools, in particular through the use of new technologies and broadening the deployment of digital training methods through remote learning service platforms;
- participation of all personnel in directly accessible and easy to use courses;
- implementation of methods of communicating training initiatives addressed to all employees via the company intranet.

Despite being forced to interrupt in-person activities, which certainly affected the possibility of delivering projects that by their nature require personal interaction or the use of on-site technical equipment, the activities undertaken brought significant training results, since the people were engaged and followed in activities that saw great participation and satisfaction. Due to their nature and ease of use, several activities were characterised by brevity and flexibility.

The most important initiatives implemented in Italy in 2020 are briefly described below:

- In terms of management, the development project which began in recent years, focused on identifying key managerial competencies, continued through one-on-one coaching sessions for a selected number of managers. The “Brain Lab” project aimed at managers that began in 2019, to combine modern discoveries in neuroscience with some specific leadership issues, came to an end. This was followed by a workshop course for managers responsible for resource groups, providing tools for exploring a leader's mindset in team management and new flexible and operational input for inspiring, influencing and managing teams. Given the widespread deployment of smart working, the content of the project was directed towards employee relations and management issues in remote work situations compared to the usual workplace. Next, a number of middle managers with responsibility for resources were selected and engaged in a leadership training project centred on

managing operational teams with a focus on improving leadership, delegation and monitoring skills and with particular attention to realigning personal skills with the operating methods introduced by smart working. Both projects, carried out in small groups, included individual interviews with the teacher with the aim of identifying specific personal needs and supporting people in the continuity of their work in the irregular and complex situation that is the health emergency.

- In relation to vocational activities, activities were carried out to increase technical and trade-specific skills. In defining projects involving all Group personnel, priority was given to developing digital competence and providing useful content to address not only the complex situation of the health emergency, but also the instances of change and challenges dictated by the business, focusing on some specific Digital Transformation issues. A completely online modular project, going by the metaphorical name of “Digital Journey”, was thus launched. Different

activities were, over a period of time, delivered in a modular fashion as part of this project. It started with the release of two collections of video testimonies on topics related to psychophysical well-being, in particular on resilience in dealing with potentially complex events and stress management. This was followed by the release of a Digital Innovation Survey on digital culture issues, where each respondent could test their awareness of digital issues that are part of economic and social daily life as well as their attitude to innovation. Following the survey, each respondent received a personalised report and access, subsequently extended to all personnel, to a library of short online digital training modules illustrating the main trends in digital innovation. At the same time, three webinars were offered on issues relating to developing personal skills, such as the ability to overcome habits that don't help in achieving professional goals, attention to personal relationships or human contact and flexibility in managing uncertain situations, adopting a positive attitude in the face of change. This was followed by access to a series of MIP

video courses, genuine university lectures, on the themes of innovation, digital culture and organisational behaviour. Finally, a workshop was organised for a selected number of young staff with specific content on the digital mindset, aiming towards reflection on innovation and their own approach to digital transformation. With a view to improving the use of IT tools available to all employees, provision of the E-Guide on office automation tools continued and two new courses on the use of corporate videoconferencing tools were designed and distributed, for both users and team administrators. For a group of new hires in the Operations Area, two courses were launched in relation to the need to use graphics and editing software. A project was delivered, customised for a limited number of staff needing to improve their written communication skills, especially with reference to writing synopses. Projects of a purely technical nature were provided for resources in the Operations Area working on typical television studio equipment, aiming in particular at learning how to use new IP technologies (control desks, audio mixers, new mobile control

rooms). Courses ran as usual to keep personnel up to date and informed on specialised matters in individual areas, with special attention to those that require constant adaptation to external situations or legislation. Finally, language training continued with dedicated courses, now delivered exclusively online, through a platform that offers the possibility of remote video lessons with teachers who are native speakers.

- With regard to statutory compliance, initiatives envisaged by legislation were carried out, paying attention to the specific issues of the company. In particular, Health and Safety training was delivered for new recruits and some people with roles envisaged by the Group’s Safety Management System. In compliance with Legislative Decree 231/01 and the GDPR in force, provision of the two courses dedicated to these areas continued for all people joining the company. In the privacy area, specific in-depth sessions with dedicated content for particular people continued, significant with respect to the Privacy compliance

programme adopted by the Group. Following the widespread deployment of smart working, an online course was designed and delivered to illustrate the model and practices adopted by the Group and to summarise the safety instructions that workers must adopt in order to operate in compliance with regulations and to safeguard their own safety when working outside of company premises.

With regard to trade union relations, within the context of an approach of discussion with workers’ representatives, a Bilateral Training Committee (consisting of company and trade union representatives) has been established for many years with the task of:

- contributing to monitoring training requirements related to the need to maintain levels of professionalism appropriate to the production evolution of the company;
- formulating indications on projects and means of professional updating of human resources, with particular reference to initiatives in the field of life-long training,

in relation to increasingly rapid technological developments and to issues concerning health and safety in the workplace;

- promoting, analysing and signing annual and periodic training projects/plans to be submitted to the inter-professional funds within the scope of funded training;
- carrying out periodic qualitative and quantitative analyses of the training activity carried out.

Structural use continued to be made of resources from Fondi Paritetici Interprofessionali (Inter-professional Joint Funds: Fondimpresa for the training of middle managers and employees, and Fondirigenti for executives) also in 2020, to fund a considerable portion of the Group’s training activities.

Publieurope provides professional development courses for the Administration and Finance Area and a training period at the parent company Publitalia for new resources

in the Sales Area.

In November 2020, all company employees attended a training session on the Bribery Act and the company's anti-bribery policy held by a lawyer from the UK firm Withers.

AVERAGE HOUR OF TRAINING PER YEAR PER EMPLOYEE BY PROFESSIONAL CATEGORY AND GENDER

MEDIASET GROUP	Men		Women		Total 2020		Men		Women		Total 2019	
	No. of hours	Hours per capita	No. of hours	Hours per capita	Total hours	Hours per capita	No. of hours	Hours per capita	No. of hours	Hours per capita	Total hours	Hours per capita
Executives	2,470	10	1,945	18	4,415	13	2,828	12	1,971	19	4,799	14
Journalists	609	2	528	2	1,136	2	1,537	5	2,721	8	4,258	6
Middle managers	2,946	7	2,634	7	5,580	7	5,768	14	5,290	13	11,058	13
Office and Industry workers	7,213	5	7,808	5	15,021	5	14,991	9	14,867	9	29,858	9
Total	13,238	5	12,915	6	26,152	5	25,124	10	24,849	10	49,973	10

NOTE: Hours of training per capita use the average of workers by category and gender as denominator. Moreover, the hours of training for industry workers have been included in the average hours of training for office workers.

In order to ensure the comparability with previous data, 2019 data have been restated. As far as previously disclosed data, please make reference to the Sustainability Report 2019 that has been published into the "Corporate Social Responsibility" section of corporate.mediaset.it website.

NUMBER OF HOURS OF ANTI-CORRUPTION TRAINING BY PROFESSIONAL CATEGORY

MEDIASET GROUP	2020	%	2019	%
Executives	112	32%	193	55%
Journalists	91	14%	287	44%
Middle managers	114	14%	718	88%
Office workers	298	10%	2172	69%
Industry workers	0	0%	0	0%
Total	615	13%	3,370	67%

In order to ensure the comparability with previous data, 2019 data have been restated. As far as previously disclosed data, please make reference to the Sustainability Report 2019 that has been published into the "Corporate Social Responsibility" section of corporate.mediaset.it website.

In 2020, training on issues related to **human rights** involved, throughout the Mediaset Group, 279 people in Italy and 511 hours of training were delivered.

Furthermore, in 2020, ad hoc training on anti-corruption practices was provided in Italy to the corporate structures considered most sensitive to risk. During the year, 296 people were involved in Italy.

The **Mediaset Group in Spain** provided training on anti-corruption issues to 295 people in 2020.

On issues related to regulatory compliance, and in particular on the subject of training and information on the Organisation, Management and Control Model established pursuant to Legislative Decree 231, privacy and security, specific training, usually through an online method, is provided upon recruitment of personnel. New recruits are also informed on how to consult the Code of Ethics of the Group and the compliance programme. Finally, all employees can access this documentation at any time on the company intranet.

Overall, the Group delivered approximately 26,152 hours of training during 2020, a decrease of 48% compared to 2019, mainly due to the effect of reduced activity resulting from the Covid-19 emergency.

People training and talent management are critical elements for the corporate strategy of the **Mediaset Group in Spain** since they allow a rapid adaptation to the dynamic needs of the environment in which it operates.

More than around 15,000 hours of training were provided in the course of 2020. Among the main initiatives were training courses on accidents and risk prevention with respect to health and safety, training courses on leadership development programmes, coaching for senior managers and managerial development courses dedicated exclusively to female personnel. Of particular note in 2020 are the Master's in the creation and management of Audiovisual Content and the Digital Marketing and Digital Advertising Sales courses.

Given the strategic role of innovation, the training plan dedicates more than 20% of training hours to IT courses and the use of

new software. In continuity with previous years, the Mediaset Group in Spain offers language and occupational risk prevention courses. Finally, 2020 saw the ninth edition of the Master's in Audiovisual Content Creation and Management, with 20 students taking part.

The Covid-19 pandemic had a major impact on the regular delivery of training courses during 2020, which were adapted (e.g. through virtual remote learning) to the circumstances.

In particular, it should be noted that the Development Management programme for high-potential young women was not held this year.

4.5 WELFARE AND WELL-BEING

All **Mediaset Group** companies have defined various corporate welfare systems in line with the policies on human resources that have always put people at the centre of the corporate system.

Services and agreements

For over ten years the Mediacyber has been active at the Milan and Rome offices, the result of an important project aimed at creating an optimal context to facilitate the best balance between professional and personal life. In particular, this is an area on company premises that includes a series of useful and concrete services for improving the quality of life of those working for the Group.

With an area of 3,000 square metres, Mediacyber is considered one of the most useful and welcoming welfare stores in Italy. The services offered, managed by external operators selected for their specific experience in the areas of reference, concern personal care and activities necessary for family management:

- medical centre, which provides the medical services of specialists from the San Raffaele Hospital to employees free of charge;
- fitness centre;
- mini market;
- laundry/tailoring repair services;
- bank;
- post office;
- bookshop;
- travel agency;
- parapharmacy;
- shopping area;
- catering (bar, sandwich bar and restaurant).

As well as this physical presence there is also a website offering up-to-date details of various deals negotiated by the company for its staff – with banks, insurance companies and over a hundred retailers active online or near the Mediaset Group's main offices.

The Group has also been working for many years, together with local public bodies, to offer its employees transport and mobility services through company shuttle buses that connect the Group's offices throughout the day (including public holidays for production centres) to the main nearby underground and/or railway stations. The service is the result of a detailed analysis of the home and work journeys of all Group personnel of the Milan and Rome offices, implemented in collaboration with the Department of Architecture and Planning (DIAP) of the Politecnico di Milano, aimed at optimising transport service routes and times and limiting personal inconvenience connected with reaching the workplace, both in terms of time optimisation and stress accumulation. The Group has put in place agreements with public and private entities for the use of parking spaces during working hours and has stipulated framework agreements with local public transport for discounted season tickets for employees with debit to the payroll.

In 2012, a company Campus was also set up at the Cologno site with specific architectural features aimed at connecting all the buildings and production sites of the Group's

headquarters with a more functional approach with respect to the use of work spaces and integration of company areas. With this in mind, an agreement was reached with the Municipality of Cologno Monzese, which transferred Via Cinelandia to the Group in exchange for redevelopment of Viale Europa, which the Mediaset headquarters overlook.

The Group safeguards maternity and return to work after the birth of children thanks to an important corporate initiative, the Nursery, which, since 2004, can accommodate the children of employees up to 3 years of age; this solution allows parents to entrust their children to specialised educators, at the workplace, during working hours, avoiding the need for employees to sacrifice time and money on the care and

As in the previous year, in 2020 Mediaset took part in the WHP (Workplace Health Promotion) programme promoted by the Lombardy Region, allowing the Group to obtain the workplace health promotion (ENWHP) certificate thanks to all the initiatives listed above.

In a scenario with many employees working remotely, communication with staff has been intensified, including through new communication channels, such as the new company intranet launched in May, which hosts and communicates all company regulations and organisational procedures, or the survey that staff could use to provide management with helpful indications on how best to manage the transition of many activities to remote working.

Benefits

The benefits envisaged for Mediaset Group employees in Italy are mainly of a social security and welfare nature. For all employees there is a supplementary health care plan, 24-hour accident insurance policy and the supplementary pension fund. The company also guarantees integration of the statutory remuneration provided for maternity for all its employees. For senior managers, in addition to these benefits, life and permanent disability insurance due to illness, as well as company cars depending on the role held, are also envisaged.

We would highlight the 2020-2022 renewal of the employee and family member healthcare policy with improved services and reimbursement of healthcare expenses.

In addition to the annual review of its employees' remuneration, **Publieurope** provides health and welfare benefits.

The **Mediaset Group in Spain** looks after its employees by guaranteeing a wide range of benefits aimed at facilitating a better balance between work and private life. These benefits

NUMBER OF EMPLOYEES WORKING FULL-TIME/PART-TIME BY GENDER AS OF 31 DECEMBER

MEDIASET GROUP	2020			2019		
	Men	Women	Total	Men	Women	Total
Full-time	2,473	2,118	4,591	2,534	2,129	4,663
Part-time	58	257	315	48	273	321
Total	2,531	2,375	4,906	2,582	2,402	4,984

custody of their children during the daytime.

range from the possibility of using a company shuttle or free parking at the workplace, to the company canteen, which benefits all workers, and health insurances for spouses and children (up to 25 years) and mandatory and/or optional medical check-ups.

There are also one-time bonuses linked to the Company's results.

Working hours

The Group has always identified and implemented specific tools that facilitate the reconciliation of time dedicated to private and professional life, facilitating the equilibrium between demand and supply of flexibility in the workplace, in line with the needs and opportunities that characterise the television business.

With this in mind, a variety of working hours has been contractually defined with the trade unions which flexibly meets the needs of both the company and its workers. Specifically and for most employees, with various specific exceptions for the operational needs of the various

organisational structures, it is possible to clock in flexibly between 9.00 and 10.30 am. The remaining workers, engaged in production activity, benefit from a 7-hour work day, rather than 8. In 2020, in order to facilitate site access outside of peak hours on public transport during the health emergency, in keeping with the needs of the various business areas, flexitime was extended further.

Moreover, from an operational point of view, reductions in working hours are generally granted to personnel requesting this in all the areas of the company, in the presence of the technical and organisational conditions and where the job permits so; to date, 315 people in the entire Mediaset Group benefit from a part-time contract, 82% of whom are women. Reductions in working hours are in fact used to a large extent by female workers who, in particular after returning from maternity leave, ask for a reorganisation of their working life, benefiting from a few hours more each day to dedicate to their private life.

Experimentation with the Smart Working project began in 2019 in Italy. It started with an initial 3-month pilot phase involving

around 175 people in Human Resources, Technology and Procurement. At the end of the pilot, the usage data collected and quality feedback from employees and managers led to institutional confirmation for all employees involved and the decision to extend the project. A second experimental phase for all remaining staff areas (around 215 employees) ended in February 2020. In the following months, the initiative was extended to more than 1,700 workers through an accelerated adoption process also due to the health emergency.

4.6 INDUSTRIAL RELATIONS

The Mediaset Group has established and built a consolidated and effective system of industrial and trade union relations at all levels of representation.

The topics typically subject to discussion and disclosure consist of work organisation in terms of jobs, levels and processes, the operating performance of the company, the evolution of the workforce and training issues, as well as the evolution of the business.

The companies in the Mediaset Group apply the relevant National Collective Agreements or Supplementary Company Agreements (AIA) to all of their employees, regulating all the typical situations of the employment relationship. In particular, for Italian companies, the following are applied: for Senior Managers, the National Collective Bargaining Agreement for Commercial Senior Managers and for Industrial Senior Managers; for Middle Managers and White-Collar Workers, the National Collective Bargaining Agreement for Private Radio and Television Companies, for Commercial Service Industries and for Engineering

Workers; and for Journalists, the FNSI National Collective Journalists Bargaining Agreement. In addition, a Supplementary Company Agreement applied to Middle Managers and White-Collar Workers and a Supplementary Company Agreement applied to Journalist staff that regulate and improve on the conditions provided for by the national agreements have been historically in force for the television area of the Group.

Specific provisions that further regulate and detail working conditions, working hours and ad hoc technical-production models for individual companies are usually managed via agreements with the trade union representatives of the workers concerned.

The Group manages any structural changes to the organisational, production and logistics structure that have a material impact on the employment relationship with employees by following the union discussion procedures governed by current legislation, national collective agreements and company agreements. These activities aim to guarantee a fruitful negotiation phase that limits the impact on workers and, where

possible, improves any contractual provisions.

An agreement was reached in 2018 with the Italian trade unions to renew the supplementary company agreement applied to Middle Managers and White-Collar Workers in the broadcasting area of the Group. In particular, this agreement introduced new provisions on the classification of personnel (introducing new professional figures to match technological development) and working hours (redefined for flexibility and greater simplicity) for a more competitive model of production. Dedicated Bilateral Committees were also established for meetings and exchange concerning the addition of new professional figures or updating of existing profiles, welfare and any extraordinary projects that may affect the scope of the Group. Finally, to promote generational transition, the Group undertook to bring in at least 100 new people during the effective period of the AIA.

Finally, the agreement signed incorporates the regulatory provisions established upon renewal of the National Private Radio and Television Work Contract (signed with the Trade Unions in December 2017 and

approved by the workers' meetings in January 2018), together with the Confindustria RadioTV delegation.

Due to the health emergency in 2020, there was an increase in the number of meetings and discussions with the trade unions. The well-established system of industrial relations has undoubtedly contributed to an effective and prompt response to the crisis, in all its phases, particularly with regard to all safety-related initiatives.

Coronavirus Emergency Committees have been established (for the Milan and Rome areas), as provided for by art. 13 of the shared protocol of 13/03/2020, composed of the company Health & Safety Representative, the Employer, the group Health & Safety Managers and Personnel Management, with periodic meetings at the initiative of the company and/or through input from the Health & Safety Representative. On these occasions, the measures taken were illustrated and shared, for example with reference to the various procedures and protocols issued, then published in a dedicated section of the company intranet, under the responsibility of the Prevention and Protection Department (Employer and

Health & Safety Managers), or to the initiatives for sanitising work environments.

An information flow was also configured, through a daily Bulletin on a territorial basis, containing the following information:

- Update on cases (positive, close contacts and mandatory self-quarantine) found in the company, with split between employees and collaborators;
- Daily attendances figures per Production Unit;
- Revision of the Schedule;
- Extraordinary sanitisation interventions;
- Logistical Interventions.

The following agreements were signed in 2020 on emergency management:

- Use of accrued holiday agreement;
- Agreement on Access to the FIS salary fulfilment fund (the first case of the Group turning to a social welfare support mechanism in its history, while safeguarding full salaries for all employees) and related extension

agreements;

- Illustration of the request for derogation from the provisions of paragraphs 1 to 7, Article 8 of the Prime Ministerial Decree of 3 December 2020 and the related Special Protocol.

The 2018-2021 renewal of the supplementary company agreement for the **Mediaset Group in Spain** was signed in 2018. This agreement improves on some of the regulatory conditions and governs aspects related to planning production requirements, internal mobility and notice periods.

Below are the collective agreements envisaged for the Mediaset Group in Spain:

- Mediaset España Collective Agreement (this was renewed in 2018, valid until 2021);
- Collective Agreement of the Advertising sector for employees of Publiespaña and Netsonic;
- Madrid Regional Collective Agreement for Telecinco Cinema employees;
- Madrid Regional Collective Agreement for Conecta 5 employees.

4.7 HEALTH AND SAFETY OF WORKERS

The Mediaset Group in Italy and Spain²³ has adopted, implemented and effectively deployed an Occupational Health and Safety Management System (OHSMS), compliant with the OHSAS 18001:2007 standard. After UNI ISO 45001:2018 came into force, in 2020 the Mediaset Group in Italy updated its Occupational Health and Safety Management System, obtaining Certification at Corporate level.

The certification of an OHSMS represents the recognition, by an accredited body, that:

- the management of health and safety issues in the workplace complies with the applicable provisions, regulations, etc;
- these issues are regulated, as well as adequately and continuously monitored, in order to reduce their impact on workers and pursue the prevention of occupational accidents and diseases, with

a view to continuous improvement.

The Certification is valid for Corporate and for all the 13 companies that have adopted this management model, including²⁴: Mediaset S.p.A., Mediaset Italia S.p.A., R.T.I. S.p.A., Elettronica Industriale S.p.A., Medusa Film S.p.A., Publitalia'80 S.p.A., Digitalia'08 S.r.l., R2, Radiomediaset S.p.A., Radio Studio 105 S.p.A, Virgin Radio Italy S.p.A., Monradio S.r.l., RMC Italia S.p.A, Radio Subasio S.r.l.

The application of the OHSMS concerns all workers operating in all offices of the above companies and their activity as well as management of contracted work.

With reference to the recent acquisitions, the Radio Aut company has not adopted the Mediaset OHSMS in view of its limited dimensions and logistic independence of other Group companies. Assessment of bringing this company under the OHSMS of Mediaset as well is underway.

²³ The occupational health and safety management system for the Mediaset Group in Spain does not cover employees in foreign offices. The foreign companies MedSet and Publieurope do not come under the Mediaset OHSMS either, but refer to local legislation.

²⁴ The Taodue company adopts a version similar to the Mediaset OHSMS and employs an external OH&S service.

The System envisages the development and adoption of specific types of documents including: Policies, General Procedures, Operating Procedures, Operating Instructions and Practical Solutions. Among these there are, of course, some specific ones aimed at identifying and preventing risks and training programmes on health and safety issues²⁵ (which are defined according to the assessment of the risks to which workers are exposed in the course of their work).

Furthermore, for the purposes of the systems and rules for recording and reporting of statistics, the Mediaset Group has recourse to specific supporting IT tools, such as the Simpledo.Net platform.

At least once a year, in compliance with the provisions of Art. 35 of Legislative Decree 81/08, for each certified company of the Mediaset Group, a "Meeting" is convened which constitutes the "Management Review" referred to in paragraph 9.3 of UNI ISO 45001:2018.

NUMBER OF INJURY, RATE AND INDICATORS ON HEALTH AND SAFETY OF WORKERS BY GEOGRAPHIC AREA AND GENDER

MEDIASET GROUP	2020 Total	2019 Total
Injuries (no.)	24	35
Fatal Injuries (no.)	-	-
High-consequence work-related injuries (excluding fatalities)	-	-
Working hours	7,697,196	8,114,900
Cases of occupational illness (no.)	-	-
Rate of recordable work-related injuries	3	4
Rate of fatalities as a result of work-related injury	-	-
Rate of high-consequence work-related injuries (excluding fatalities)	0.0%	0.0%

NOTE: The number of working hours is partly derived from estimates.

²⁵ The PG SIC procedure 05 "Information, education and training of workers in health and safety in the workplace" governs the process of informing, educating and training personnel on health and safety in the workplace.

The Workers' Health & Safety Representatives (WSR) represent all workers.

In the case of critical events that may involve employees during business trips abroad, the "Personnel Abroad Security Committee" has been established, consisting of:

- Central Personnel and Organisation Director
- Safety Director
- Personnel Director
- Company representative of the area to which the employee concerned belongs.

In order to guarantee safe working conditions, in May 2013 the Mediaset Group set up an "Operational Guideline" in order to guarantee the safety of its personnel on business trips in countries or areas considered "at risk".

Lastly, the Risk Management Department provides adequate insurance coverage for business trips abroad. It should be noted that no Mediaset Group employees are involved in activities with a high accident or health risk²⁶.

There are also specific clauses that cover health and safety issues in contracts²⁷ in which the parties agree that the protection of health and the physical integrity of workers is a primary and constant concern for companies; also, with regard to the occupational safety and health of workers, express reference is made to the provisions of Legislative Decree 81/2008, as amended and supplemented.²⁸

For 2020, confirming the Group's attention to the occupational health and safety of its employees, there were no serious injuries (duration of more than 6 months) nor cases of occupational illness or cases of injuries for external collaborators. There were four

accidents with a number of days' absence greater than 70 (80, 93, 114, and 173) according to INAIL, two of which occurred outside of the company workplace and were not caused by work (road accidents, etc.).

Occupational health and safety in **Spain** are regulated and guaranteed through the occupational risk prevention plan and the provisions of the individual national collective agreements. The plan is jointly defined by the Group Health and Safety Committee and by the Prevention Service ("Servicio de Prevención Mancomunado" or SPM), which is then approved by the Human Resources Department and Service Management and finally presented to the Risk Officer.

The occupational risk prevention plan ensures compliance of the company with the legislative provisions on the prevention of occupational risks and the requirements of

26 On 30 November 2018 (published on 5/12/2018) two Organisational Guidelines - O.G. MD/HO 105 and 106 - were issued, defining the organisational and operating models adopted by the Mediaset Group to manage any crisis situations (CRISIS Management Compliance Programme), in order to reduce negative impact on the business, limit damage to property and harm to persons and take advantage of any opportunities for the Group, contributing to improving company resilience and its value in time, also for the purposes of preventing the offences envisaged by Legislative Decree 231/2001 as amended.

The O.G. states that the "Group's priority goal" is to safeguard life and health for all in the company (covering employees, external staff, suppliers, guests...), protecting the company's reputation, supporting business continuity in areas and processes considered critical for the business in various safety and security risk scenarios.

27 Mention is made of Art. 20 - Protection of the health and physical integrity of the workers of the National Collective Bargaining Agreement of Employees of Private Radio and Television Companies,

28 Art. 7 - Environment and Health of the Supplementary Agreement for Mediaset Group Companies

OHSAS 18001:2007 for the prevention of standard occupational risks.

We would like to point out that in Spain all collective agreements include measures to protect the health and safety of workers.

Based on the objectives set out in the prevention plan, each year the SPM defines the activity plan. The Risk Officer has the task of approving and monitoring the plan on a quarterly basis together with the Health and Safety Committee. The Committee therefore does not carry out preventive activities but rather represents all employees: the committee consists of approx. ten people belonging to the different professional categories. Moreover, the SPM can perform extraordinary activities to meet or adapt to new regulatory needs or changes in business activities.

In the course of 2020, health and safety training for various categories of workers continued through online courses.

In 2020, there were seven non-serious accidents, three of which relating to commuting, among employees of Mediaset

España. There were no cases of accidents involving external staff.

In 2020, as in the two previous years, there were no cases of injuries or cases of occupational illness in other foreign Mediaset Group companies.



5 ▪ Effectiveness and sustainability of the broadcast and commercial offering

5.1 QUALITY OF THE PRODUCT AND SERVICE

FREE TV

Entertainment

The Mediaset Group's free-to-air offering currently consists of 17 channels covering all major targets for advertisers, including three long-standing generalist channels (Canale 5, Italia 1 and Rete 4), and the thematic and semi-generalist channels Boing, Boing Plus, Cartoonito, Iris, La5, Mediaset Extra, Mediaset Italia 2, Top Crime, Canale 20, Tgcom24, Focus, Mediaset Extra 2, R101TV and Virgin Radio TV.

As of 20 January 2020, Mediaset Extra 2 has been replaced by the Italian-cinema-only

channel CINE34.

The three main channels of the Group have always been:

- **Canale 5**, the Group's main general interest channel and targeted at the modern Italian family. It is a channel for TV viewers between 15 and 64 years of age, with programming covering all the main television genres from entertainment to drama to news.
- **Italia 1**, the leading Italian channel among younger viewers, with particular emphasis on American products, upcoming trends and fashion. It is a channel about innovation, where the most innovative programmes are aired.
- **Retequattro** targets its programme



schedule at a more mature audience in terms of age.

Great investment in self-production from R4 has been maintained also in 2020; original products were shown in prime time on no fewer than 5 evenings on the network. A different genre was presented every day of the week: from the politics and economics of **Quarta Repubblica** to the light entertainment of Piero Chiambretti with **La Repubblica Delle Donne**, current affairs of Paolo Del Debbio in **Dritto e Rovescio** and Mario Giordano in **Fuori dal Coro** and the crime reports of **Quarto Grado**, which has confirmed itself as an undisputed cornerstone of the schedule.

Barbara Palombelli hosted the pre-primetime

AUDIENCE SHARES (medium figures) ITALY 2020	24 hours	INDIVIDUAL		COMMERCIAL TARGET		
		Prime Time	Day Time	24 hours	Prime Time	Day Time
Canale 5	15.0%	14.8%	15.3%	15.8%	16.7%	15.9%
Italia 1	4.8%	5.3%	4.7%	6.6%	6.9%	6.6%
Retequattro	3.8%	4.7%	3.6%	2.9%	3.5%	2.7%
TOTAL GENERALISTIC CHANNELS	23.6%	24.8%	23.6%	25.3%	27.1%	25.2%
TOTAL MULTI CHANNEL, PREMIUM CINEMA CHANNELS AND TV SERIES	8.6%	8.5%	8.3%	9.3%	8.9%	9.1%
TOTAL MEDIASET ITALY	32.2%	33.3%	31.9%	34.6%	36.0%	34.3%

show that opens the network's early evening slot with current affairs and politics in **Stasera Italia**.

Rete4 believes that part of a TV channel's responsibility is to express a world view and build a community, above all by employing its own voice.

The Mediaset Group in Italy has managed to attract audiences from every age group – with a particular focus on the coming generation – and social class, thanks to its television programme scheduling and selection of programmes capable of meeting all TV viewers' demands.

The broadcasting strategies that have led to the success of Mediaset channels in Italy through the dissemination of products and content that the users like are the responsibility of the Programme Schedule and Distribution General Management in association with Content General Management.

These two departments together with the TV Committee approve the broadcasting projects.

Once the broadcasting lines on which to build the entertainment of Mediaset channels in Italy have been decided, the relevant Product Area – in this case, the Entertainment Department – proceeds to the selection of projects of interest through an analysis of the market of reference and monitoring to make sure they are in keeping with the broadcasting lines in the codified regulations “Manual of Audiovisual and Radiophonic Services”.

This manual guides the dissemination of content following the rules for programming, protection of minors, business communication, equal treatment, privacy and radiophonic regulations.

At the same time, both qualitative (broadcasting characteristics such as type of programme, positioning on the programme schedule, listener target and cast of artists) and quantitative (for example: duration, hours of product, hourly/total cost, etc.) television product guidelines and objectives are defined.

The Entertainment Department guarantees that the product is always in line with the

values the Group wishes to convey and the principles contained in its Code of Ethics.

Lastly, constant sharing of the project and shared selection of programming make sure that broadcast content meets the quality expectations of TV users.

To further demonstrate the quality of the entertainment product, some examples are programmes like “Striscia la Notizia”, “le Iene” and “Forum” which, still with the objective of entertaining their audience, at the same time address social and contemporary topics.

On the television production front, **the pandemic emergency** was managed in two successive phases.

In the initial general lockdown phase, in the face of strict emergency regulations and budget constraints imposed as a result of a decrease in revenues, most production activities were halted, opting for repeats of previously recorded products and renegotiating the most costly contracts.

In the second phase (from September 2020 onwards) it was possible to resume

production activities despite the continuing uncertainty.

As far as the safety of production sites is concerned, organisational procedures were published on the company intranet, followed by specific protocols for managing collaborators and suppliers (with specific clauses on Covid safety added to contracts).

A decision was taken to limit the presence of the public in the studio wherever possible and to use extras where the interaction assisted the programme's narrative.

In addition to the negative effects of halting studios which occurred in the initial phase of the pandemic, the need to adapt production activities to anti-Covid regulations and company and industry protocols required a major organisational and economic effort, which was necessary to prepare safety devices, sanitise the environments and hire qualified professionals, redo the sets and prepare the plexiglass panels, lights and LEDs.

Television series and films

Mediaset Group broadcasts TV series that appeal to all audiences. When it selects TV series the group adheres to the broadcasting guidelines set and shared with the company's top management, in addition to identifying products that have the potential to reach the established target audience.

When selecting products, the TV series department evaluates the products together with the Content Department and company top management working closely with product marketing in an attempt to find stories that continue to interest Mediaset's historic audience and at the same time try to broaden its user base.

Specifically, the TV series department chooses and develops stories that highlight the principles and positive values of the company today and consequently also reflect the ethical principles of the Group, never opposing them and thus guaranteeing a product that all audiences can enjoy.

The considerations on the choice of product also take into account the option to have content not suitable for an audience of minors; in this case, one opts for a shared

choice with the channel that must broadcast the product.

The Mediaset Group's TV series department in Italy constantly strives to improve the quality of content, broadening the selection of its suppliers and turning to an ever larger number of external production companies, not to mention various screenwriters.

This opening toward the market has led the Group to receive and assess about 400 original projects each year, a number that is deemed sufficient to fully satisfy Mediaset's needs.

The Mediaset Group also possesses the know-how and the organisation for selecting projects and developing the production of popular drama series. These products are commissioned from major national partners and, in some cases, are sold abroad or leveraged via the web channel, thus contributing to covering production costs.

Co-financing agreements with SVOD operators (Amazon and Netflix) on original productions continued in 2020. Specifically, the agreements involved partial financing by the Mediaset Group and availability of the

product after an exclusive initial window for the SVOD operators.

Through its subsidiaries Medusa, Taodue and Medset, the Group ensures production and distribution of films and TV series.

For the creative line of Taodue and Medset, this is conceived by the Chief Executive Officers of each company, who through continuous exchange with Mediaset Group broadcasting line managers, guarantee the alignment of content creation activities with the values and policies established by the organisation itself.

Likewise, the alignment of the Mediaset Group's ethical principles and the quality of content are guaranteed through the Company Leaders' and Mediaset Group broadcasting line managers' constant monitoring of the production and creation of artistic content. Even if not official, this process is expressed in the *modus operandi* employed for products created both internally and externally.

The distribution of the multimedia and television content produced by TAODUE is managed by a third-party company, as well

as through the Group's internal channels, through specific distribution licences that satisfy the legal requirements (e.g. film classification).

The direct and immediate impact of the 2020 **lockdown** meant, as far as the TV series sector is concerned, an initial immediate halt to production activities. The industry quickly reorganised, defining a protocol together with all social partners and the relevant government departments to ensure that production could begin again while guaranteeing the safety of the workers involved. It was more difficult to estimate the indirect impact of adopting safety measures in terms of production time frames, especially in view of uncertainty regarding the risk of blocking the set due to clusters of positive cases. In all, there were in any case no significant deviations compared to the planned time line for TV series produced from July 2020.

2020 got off to a very promising start in any case, with the cinema release of Checco Zalone's 5th film produced by Taodue, which proved to be yet another success, taking third place in the overall Italian cinema box office ranking.

Medusa Film is in charge of the distribution of (mainly Italian) cinematographic works. The company produces and purchases films exploiting the entire life cycle of the product: from the programming in cinema releases to the sale of television broadcasting rights in all their various forms.

Medusa's line-up, constantly agreed upon with Mediaset Group in order to meet programming requirements, focuses on the Italian product in the "comedy" genre. Actors and directors like Paolo Genovese and Checco Zalone – who in the past few years have helped to redefine the contemporary concept of Italian comedy – demonstrate the extreme emphasis on a type of film that has always shaped the history of our cinema.

The thread that runs through all of them remains Medusa's mission for Italian cinema, which simultaneously means guaranteed selection, production and distribution of the best products, in an attempt to promote national and local artistic and professional excellence. In order to face up to the competition of foreign products, this commitment must always be ensured according to top industry standards.

The 2020 **pandemic** has had a major impact on the film industry, which is certainly among those most affected. Cinemas were closed from 8 March to 14 June and from 25 October to 31 December 2020.

Revenue was reduced by 71% compared to 2019.

To date, no real prospect of reopening is foreseeable.

The beginning of 2020 in any case looked very promising for Medusa as well, with distribution of the films from Checco Zalone and Aldo, Giovanni and Giacomo which proved to be two major cinematic successes. The pandemic led to postponement of the productions with cinema distribution scheduled for the second half of 2020, due to the closure of film sets. With regards to the films that had already been completed, Medusa decided, in agreement with Mediaset, to begin negotiations with leading OTT operators in order to present the premiere of 3 films on the platforms directly, rather than in cinemas. This proved a winning strategy in that, on the one hand, it allowed the economic targets for the year to be met and, on the other, it made it possible to

market already completed products that couldn't have waited for the cinemas to reopen (including a Christmas film).

With regard to the **Medset** Company, the health crisis situation in France and the related lockdown measures adopted by central government had a significant impact on the entire film production chain, with filming of audiovisual content suspended from March to June 2020 and cinemas closed over the same period and from the end of October. The Company was however able to participate in the co-production of a feature film, the shooting of which was successfully completed in December 2020.

Faced with reduced activity, the company turned to the partial paid furlough fund for its only employee as of April. The Company has also adopted all the necessary recommendations for the safe use of workplaces by employees.

News and Sports

In 2020, Mediaset developed and consolidated its integrated system model for

News and Sports across its networks and multimedia platforms.

The system is based on several elements.

The first of these is the three national news networks: Tg5, Tg4, Studio Aperto and the Sport Mediaset agency; each of them has specific characteristics and is geared towards a certain type of audience:

- *Tg5* is characterised by its leading position, completeness and impartiality in its way of making news across the board;
- *Studio Aperto* is a news network for young people, agile and brief which emphasises the main stories and current events;
- *Tg4*, with a complete restyling of the evening news as of September 2018, attracts Rete 4's typical audience (older viewers).
- *Sport Mediaset* covers sports events and commentary and was set up in August 2018 after the Premium Sport offer came to an end.

Studio Aperto, Tg4 and Sport Mediaset all reference the News Mediaset agency for

supply of content. The agency was set up in March 2010 and guarantees uniformity and completeness of information.

A new transition began in 2019: six agencies (TG4, Studio Aperto, Tgcom24, Sport Mediaset, Pagina 101 and RMC) were closed and converted into brands. The Agency ceased merely to be a provider of reports for the agencies and became a producer and distributor of multi-platform content through its brands, and in 2020 this transformation in the production hub was consolidated through the creation of dedicated specials for thematic networks and agencies.

The infotainment and in-depth news analysis productions from the *Videonews* agency represent the second key element in the Mediaset network information structure. *Videonews* is a real factory in terms of output, which creates, develops and produces content for the generalist networks, contributing to the daytime and prime-time schedule 7 days a week.

The main infotainment and journalistic analysis productions from 2020 are indicated below:

- Canale 5 daytime with Mattino 5, Pomeriggio 5, Verissimo and Domenica Live, leaders for their own commercial target audiences;
- in the early evening slot on the flagship channel, “Live - Non è la D’Urso”;
- Rete 4’s pre-primetime “Stasera Italia” show, a reference point for information in both its weekday and “Stasera Italia Weekend” versions;
- Rete 4 in prime time, a strategic challenge in terms of Group Information, which continued with many successful programmes – “Quarta repubblica”, “CR4 - La repubblica delle donne”, “Dritto e Rovescio”, “Fuori dal coro”, as well as the evergreen “Quarto grado” and the new “Stasera Italia Speciale” primetime show – ensuring 6 early evening information slots a week with the outbreak of the health emergency;
- late evening on Canale 5 with the productive partnership of “X-style”, “Confessione Reporter” and “Pensa in Grande” on Rete 4.

The *Meteo.it* Mediaset brand represents a significant presence in multimedia content. It’s the leading Italian weather forecasting system, spread across TV, the web, mobile and radio, and is completely free of charge.

Meteo.it is a highly renowned and authoritative national scientific leader, made up of a staff of specialists, journalists and meteorologists, as shown by over 10 million users who follow the Mediaset brand’s forecasts each day across the various multimedia platforms.

The service offers 25 different television productions per day, 365 days a year, to meet all the needs of the different TV channels in the Mediaset Group broadcast offering.

In particular, special live reports are broadcast during exceptional bad weather events, providing a public service:

- around 8 million²⁹ viewers every day (unique users, unique contacts) receive the TV information from meteo.it;
- daily radio broadcasts, including Mediaset group radio and other national and regional radio stations;
- the digital traffic³⁰ for meteo.it on web and mobile in 2020 was 181,633 unique daily users with 450,000 daily page views, making a total of 24.5 million unique users between web and app³¹;

As far as social media traffic is concerned, there are more than 1,188,000 active fans on Facebook, 37,000 on Twitter and 119,000 on Instagram, representing growth compared to the previous year.

With respect to sports news, starting in 2019 and during 2020, football events in the international UEFA Nations League and European Qualifiers were broadcast, and Mediaset's offering was enhanced with the most prestigious event: the UEFA Champions League. Broadcasting rights were acquired

for a weekly match thanks to an agreement with Sky: the new formula, with four Italian teams qualifying, means that the most important matches can be broadcast. All the main events related to the world of football were monitored, processed and analysed by Mediaset's news, commentary and in-depth programmes. Football is also joined by a great deal of content related to the motoring world, in particular Formula E, broadcast once again on Mediaset networks.

We would also highlight all the different forms assumed by the TGCOM24 all-news system: the TV network, breaking news on generalist and thematic free-to-air networks; breaking news on the RadioMediaset radio network and the main national private radio stations; the TGCOM24.it website, apps for smartphones and tablets, official accounts on social media networks (Facebook, Twitter and Instagram) and a dedicated channel on the YouTube platform.

The multimedia performance of News and Sports information should be noted, indicated by the video views (VOD) for

TGCOM24.it on web and mobile (806 million in 2020, +153% compared to 2019). The multimedia offering of TGCOM24 is followed by approximately 36 million unique browsers per month.

In relation to mobile use, there were a total of over 3,4 million downloads of the TGCOM24 app, with an increase of 21% compared to the previous year; SportMediaset app downloads reached 2.3 million with an increase of 8% compared to 2019.

The Group assures the quality of the information spread through its general interest and non-general interest channels, since on its own it produces about 90% of the news product disseminated and broadcast live.

The genuineness and quality of the content is guaranteed by the immediacy and contemporary quality of the news itself, thanks to the live broadcast of the content for the All-News (programming exclusively for the broadcast of the news) and the news channels, but also for the world of

29: cumulated data derived from the meteo.it windows on Mediaset networks

30: daily average on a monthly basis - source: Audiweb -

31: source: Webtrekk

infotainment. These products also fall under the Videonews agency.

This structure of the Information Area allows for a continual and necessary care in the research and development of a news story. This is guaranteed by verification of reliable and true sources while constantly keeping an eye on contemporary events, all in order to guarantee the audience a useful and up-to-date service.

To this end, Mediaset as a company encourages the fight against the phenomenon of fake news and celebrates International Fact-Checking Day, which was held on 2 April in 2020.

The creation of the services follows all the regulations in the area of occupational health and safety. This is first and foremost to guarantee the safety of all employees and collaborators of the Mediaset Group, and in the specific case of news, to ensure current, true and complete information.

Specifically, the field reporters in war zones or areas of high risk are guaranteed modulated integrative coverage based on the specific characteristics of the mission.

These needs are monitored through a constant dialogue with the public institutions set in place in different countries (or bodies associated to them) that may channel and provide the information needed to fully guarantee the safety of the field reporters.

By striving for an objective and effective debate on the arguments addressed in the different TV programmes, there is an attempt to develop a settlement that may be representative of freedom of expression (in any case guaranteed by the professionalism of the Editors of agencies, who have a trust relationship with the Broadcaster), of the plurality of voices and the completeness of the news. To pursue these objectives and improve the qualitative performance of the products, it proved fundamental to implement a convergence between television and the different online media.

The agency editors have a function of coordination, but with absolute respect for the freedom and autonomy of the individual broadcasts, written, conducted and organised by independent and autonomous writing and editorial working groups. The broadcasts deal with current events, but always with attention, which is also ensured

by the coordination of the General Information Division, to the following: issues of social inclusion of the most vulnerable (at the centre of public, and televisual, debate as never before), protecting the environment, the risks of climate change and the opportunities offered by a transition to a green economy.

Plus, some programmes like Quarto Grado, Mattino 5 or Pomeriggio 5 perform an ongoing support activity for social and awareness campaigns (for example, against the abuse of women or against fraud perpetrated against society's more vulnerable categories like the elderly or the disabled). In particular, the show Quarto Grado is capable of channelling important and necessary messages for the development of legal investigations. All these activities have led to active audience participation, at the same time demonstrating a broad consensus and a growing awareness of these topics.

In 2020, collaboration with the European Commission that has now continued for a number of years did so through a procurement contract that renewed the successful GIOVANE EUROPA series,

broadcast on the all-news TGC0M24 channel.

In terms of partnership, the involvement of the European Parliament in Italy in the GIOVANE EUROPA series is worthy of note.

In 2020, R.T.I. received €14,000 for 8 on-air episodes of the GIOVANE EUROPA format, broadcast in 2020, from the Italian Representation Office to the European Parliament, following a public call for tenders, (and in the form of a service order bond).

In July 2020, R.T.I. S.p.A. also successfully participated in the “CALL FOR PROPOSALS” with a transnational broadcasting project of the General Information Division worth €246,997, for which the European Parliament granted 70% funding, amounting to €172,898, to be disbursed in 2021.

To allow its services to be used, the Mediaset Group monitors and makes an effort to ensure that every single one of its viewers is placed in the optimal condition to be able to receive the news and stay informed of what is going on in the world. Specifically, TG5, in its main edition at 8 PM provides a subtitling

service for the hearing impaired in order to make accessing the content easier.

During 2020, the project to implement the new version of the Dalet Galaxy Five system continued, with the study of new workflows for even more effective and efficient collaboration between news structures.

At the same time, a project was launched to introduce CORTEX, Dalet’s artificial intelligence system, which provides speech-to-text, automatic translation of agency scripts and recommendation, suggesting images for editing based on the journalist’s text and tags entered automatically. Both solutions will be implemented in 2021 following appropriate training of both journalists and production staff. In the early months of 2020, the FLOW application entered production, allowing users to view, comment on and authorise the broadcast of reports edited in post-production, both internally and externally, directly from mobile phones. The app was developed entirely in-house by Mediaset, to specifications from the information department.

With the onset of the **pandemic**, mass use of smart working became necessary, which

enabled production of all news and sports and infotainment programmes via remote connections, without interruption. All production staff and about 200 journalists were enabled to use this. In studio 15 in Cologno Monzese, the graphic formats of the various hard news brands (TG5, Studio Aperto and TG4) were uploaded, in order to be prepared for a possible closure of the TV production control rooms due to the pandemic. At the same time, all correspondents in the regional and foreign offices, as well as some regular guests on broadcasts, were equipped with high-quality audio/video connections using PCs, tablets and mobile phones. This type of connection has made it possible to raise the quality of the signal so that the difference between a connection made with a backpack or a mobile phone is indistinguishable. Currently, most connections from the United States are made in this way. In studio 6, a version of ZOOM was installed to allow interaction between people connected by audio/video from home and the presenter, so as to simulate the presence of the audience in the studio, displayed on the screens of the set. As of September, all desktop PCs (about 600) for all production and journalistic staff were

replaced and production staff were provided with laptops (about 200). Both actions represent a move towards more effective remote working.

Finally, we would like to highlight that during the 2020 **pandemic period**, the General Information Division self-produced over 10,000 hours of material (2,886 hours of news programmes, 2,429 hours of infotainment programmes and 4,745 hours of original programming on the Tgcom24 channel).

At the height of the crisis, Mediaset's news coverage – i.e. the number of viewers reached on an average day – increased by 5 million compared to 2019: from 24 to 29 million people.

All the main news programmes and all the political information programmes (Mattino 5, Stasera Italia, Quarta Repubblica, Fuori dal coro, Stasera Italia Speciale, Dritto e Rovescio, Live Speciale Coronavirus) grew compared to the previous year.

To ensure business continuity and at the same time cope with the pandemic, a number of changes were made to production:

- decrease in the number of guests in the studio and consequent increase in external connections (audio/video, Skype, etc.). The few guests present in the studio always had to present self-certification of a negative test result (valid for one week);
- limited presence, and in some cases total absence, of hostesses in the studio during live broadcast;
- elimination of studio audiences and resulting related activities (studio animator);
- to limit access of studio staff, decrease in number of cameras used during live broadcast;
- limited number of people in the control room during the live broadcast.

Radio

The Mediaset Group's commercial radio division includes R101, Radio 105, Virgin Radio Italy, RadioMontecarlo and Radio Subasio.

Each of these stations is characterised by its own line expressed through radio programmes/formats (for example radio of young target programmes -Radio105-; "flow" (like format) radio -R101-, "vertical" radio - Virgin Radio; "elite" radio with high-profile target-RMC; "family" radio with distinctive elements from Italian tradition-Radio Subasio).

In relation to this line, maximum independence and plurality of expression is guaranteed following the industry regulations (Radio Television Consolidated Act) and the current company guidelines that require daily monitoring of the activity carried out by the artistic resources (radio speakers and guests), the topics addressed in the relative sources as well as the advertising content aired.

The Mediaset Group undertakes to maximise enjoyment of the radio product with a widespread dissemination both in

geographical and target audience terms, also through systematic maintenance and enhancement activity on the radio broadcast networks, particularly safeguarding minors by working on the language used on air and following the Radio Television Consolidated Act and the Group Code of Ethics.

Also to guarantee maximum enjoyment and access for today's listeners and with the objective to acquire new ones, not to mention to maximise the benefits arising from using advertising, the radiophonic department undertakes to constantly and progressively develop the multimedia activities, creating services and content employable through the main digital platforms and media, like smartphones, tablets and smart TV, carrying out specific control activities for these purposes.

The content to be posted on websites, including that provided directly by the listeners, is supervised in order to make sure it is suitable to be issued; with respect to the content users make themselves, a disclaimer is filled out, which for minors must be signed by the individual with custody over them.

To guarantee users' privacy, the messaging systems used hide the mobile telephone numbers of listeners, who can only be contacted by the people employed in the company for that purpose.

We would point out that the current **pandemic situation** has led to a nearly complete cessation of all radio programme promotion activities throughout the country. This has led to a halt in all artistic activities related to the radio industry, whether linked to partnerships or independent (concerts, theatres, events). The negative impact on advertising revenue was also significant.

To ensure business continuity, the company organised itself to allow speakers to broadcast from their own homes, thus enabling the end user to continue consuming the service.

Digital activities were boosted to partially compensate for the suspension of activities on the ground.

In line with company directives, the Radio Group has extended and reinforced smart working, adopting it for most workers. Social distancing was introduced in order to protect

those on company premises to ensure that activities could continue. In line with the rest of the Group, Radio also systematically introduced staff health monitoring, first by carrying out finger-prick tests (September–October) and then introducing weekly rapid antigen tests for all staff on site, so as to allow gradual return to the company and guarantee business continuity.

Innovation in defining and disseminating content

In the consolidated context of multimedia video offering, the Mediaset Group is working through a dedicated organisational structure to create services and content deployable across all the main connected digital platforms (desktop devices, mobile and wearable devices, tablets, smart TVs, etc.) and to promote digital extension initiatives for free-to-air programmes (TV and Radio), as well as to make its broadcasting products, like news and entertainment, accessible across all digital platforms, consequently improving advertising revenue.

The Mediaset digital product range is divided into two main thematic areas:

- **Video Hub:** the chosen location for video content consumption is the revamped **Mediaset Play** platform.

Online since June 2018, the platform has been completely redesigned and is available on its own website, through its mobile apps (iOS and Android) and through an innovative TV app for hbbtv/mhp devices. The offering allows live streaming of TV channels, including the possibility to watch live programmes from the start (the Live Restart function), and catch-up on demand for most free-to-air television programming. Users can watch entire episodes or choose from hundreds of clips taken daily from TV programmes and ad hoc content created for mobile use. The integration of the Digital Content Factory with editorial programme offices has made it possible to achieve a wide range of various formats on the different digital platforms, fully in line with the editorial approach.

Total Mediaset Properties Video content consumption amounted to around 3.15 billion over the year, representing 131% growth on the previous year, with 314 million hours of video generated in total,

representing 47% growth on the previous year (Source Webtrekk).

The Mediaset Play app achieved 11 million downloads in 2020, representing growth of 60% on the previous year.

- **Information Hub:** the Information hub, under the **TGCOM24** brand, is internally divided into News (under the *TGCOM24* agency), Sports Information (under the *Sportmediaset* agency) and Weather Information (under the *Meteo.it* brand).

During the year, the Information hub audience saw significant growth, reaching an average Total Audience of 2,863,000 unique daily users in 2020 (Source Audiweb 2.0, overall perimeter with TAL), positioning itself under the TGCOM24 brand in third place in the Italian digital information market.

Together, the information hub’s free apps saw around 13.1 million downloads by the end of 2020, representing 13% growth compared to the base at the end of 2019. In this context, the TGCOM24 app achieved a total of 3.4 million downloads, with the base of installations increasing by 21% compared to the previous year (as of December 2020); in

2020 alone, there were 585,000 downloads, an increase of 168% compared to 2019. The weather forecasting service (Meteo.it) achieved 6.3 million downloads, with a growth of 9%. Downloads of the SportMediaset app reached 2.3 million (+8% compared to 2019); in 2020 alone, there were 173,000 downloads, an increase of 31% compared to 2019. The TG5 app achieved 1.1 million downloads in 2020, growth of 28%. (Source: App Annie at 31 December 2020. The base of app installations considered refers only to the active versions distributed in the stores.)

TGCom24 is constantly upgrading social media activity by agency staff. In particular, in 2020 TGCom24 consolidated its presence on social platforms with its Instagram, Facebook, LinkedIn and Twitter accounts and constantly updated its dedicated channel on the YouTube platform.

Distribution agreements were confirmed with all main partners in 2020: IOL (which combines the top 2 portals Libero and Virgilio), with Microsoft (msn.it) Citynews (Today.it and all vertical websites), Fanpage (Ciaopeople publishing group) and SuperguidaTV, the most important Italian

digital TV guide.

These agreements make the best use of and promote the content chosen by R.T.I., allowing another audience to be reached, available according to the different needs of the broadcaster or sales house. Taking external distribution into account as well, the video view total exceeds 3.3 billion for the year.

Note that Auditel measurement of digital audience on different devices continued in 2020, with the aim of estimating online user activity related to text and video content via PC, smartphone and/or tablet, net of overlap between the various devices detected.

Together, **Mediaset Radio's set of free apps** saw around 1.3 million downloads by the end of 2020, representing 161% growth compared to the base at the end of 2019.

In relation to **Social Media Network** presence, Mediaset confirmed itself as one of the leading European media companies in creating engagement with its communities: 41 million total likes on Mediaset network Facebook pages, over 8 million followers on

Twitter accounts and more than 12 million followers on Instagram accounts.

Social Media Network activity allows the attention of the active audience to be captured on various channels, differing by age and composition.

The distribution of exclusive content, previews and live streaming promotes the TV schedule and expands programme awareness to a digital audience, creating interaction opportunities. Short programme extracts accompanied by a direct link to our websites attract traffic to Mediaset Play, increasing the viewing numbers of videos on the platform.

2020 saw the first results of joint activities between Mediaset Play's AVOD and Infinity's SVOD. Especially in the period of the pandemic, marketing and commercial activities were developed to assist end users, ranging from targeted communications at various points in the journey of single customers to commercial free offers on the pay service and use of AVOD broadcasting rights on the free-to-air service. In particular, the increasing focus on identifying a single user customer journey (both free-to-air and

AUDIENCE SHARES (medium figures) SPAIN 2020	INDIVIDUAL			COMMERCIAL TARGET		
	24 hours	Prime Time	Day Time	24 hours	Prime Time	Day Time
Telecinco	14.6%	13.8%	14.9%	14.3%	13.6%	14.5%
Cuatro	5.4%	5.8%	5.3%	6.1%	6.7%	5.8%
TOTAL GENERALISTIC CHANNELS	20.0%	19.6%	20.2%	20.4%	20.3%	20.4%
TOTAL SEMI-GENERALISTIC AND THEME CHANNELS	8.4%	7.5%	8.8%	9.3%	8.0%	9.8%
TOTAL MEDIASET ESPAÑA	28.4%	27.2%	29.0%	29.6%	28.3%	30.2%

pay) has led to increased consumption of content on both platforms, which are still separate destinations (two separate apps) but which in the coming months will be channelled towards a single destination. In this context, the Infinity app achieved 4.1 million downloads, representing growth of 60% on the previous year.

The group's offering in Spain

The Mediaset Group in Spain carefully and meticulously oversees the production and distribution of its content to offer a qualitatively valid product capable of representing excellence on the market.

Both the entertainment and news content refer to “Ley 7/2010, de 31 de marzo, General

de la Comunicación Audiovisual” which regulates the audiovisual sector, internal procedures and regulations as well as the Group Code of Ethics.

Indeed, constantly living up to principles like plurality and diversity of information sources, freedom of expression and journalistic independence, impartiality, non-discrimination and accurate information, creation of content in line with corporate values as well as the application of ethical rules that pervade all company activities is ensured. This way, independent broadcasting is guaranteed, also through internal mechanisms so as not to meet with any external interference in the generation of content.

Moreover, thanks to the plurality and diversity of the sources of information as well as involvement of individuals from various sectors of the company, Mediaset España integrates various tendencies and opinion into its information and entertainment programmes to offer quality audiovisual services that are representative of all TV viewers.

In any event, quality in creation of content is guaranteed by the Broadcasting Committee that defines the broadcasting strategy together with the management of the Content Department. The broadcasting strategy is then sent to the executive producers who are responsible for monitoring and implementing it.

On a weekly basis the Content Commission sees to and monitors the content of the programmes distributed on the group's different channels. Live programming is evaluated and monitored daily in meetings attended by the directors of the specific channel and executive producers of the programmes. Later, once the programmes have been created and presented by the producers, they are evaluated on the basis of compliance with guidelines, Code of Ethics

and respect for human rights, the rights of minors and the right to privacy. Once this evaluation has been made, the results are sent to the production companies so that they adjust the content. For children's programmes, in addition to the checks mentioned above, the programme is sent to the Child Protection Authority for approval prior to its broadcast.

Innovation in creation of content is yet another fundamental factor for maintaining leadership in the audiovisual industry. That's why the New Project Area is always in contact with the producers and distributors to stay abreast of what's new nationally and internationally.

To evaluate new projects, meetings are held where the content production team attend as well as the Production area Director and General Content Director of Mediaset in Spain. During the meetings the different market trends are taken into consideration in order to identify quality products and services in which all subjects representative of the audience are shown.

Once the project has been approved, the Antenna Division takes action to develop

programming strategies: identifying the best premiere dates, establishing the content marketing strategy, defining the launch campaigns, setting up the communication activity being broadcast and more generally defining all the activities linked to positioning of the programme in order to get the best performances.

To ensure the creation of content is in line with company values and the Code of Ethics, Mediaset in Spain has defined and implemented a pyramid control system where the content generated is evaluated and monitored constantly.

To improve the dissemination of the content, the Mediaset Group in Spain has renewed its platforms, thus managing to disseminate its products also on Smart TVs, supporting all advanced DRM formats and optimising performance for mobile devices, guaranteeing high-definition use and allowing multi-device use.

More generally, the Mediaset Group in Spain can broadcast and transmit its signal with a coverage of 98% of the Spanish population through 2,916 transmission or broadcasting centres.

Furthermore, programming is made available to the audience through the web platform, a tool that promotes access to audiovisual content and allows interaction and monitoring of ratings for the programmes and series offered through analysis of comments.

Finally, given the immediacy of the information delivered with increasing frequency through social networking sites, the Mediaset España agency checks its sources thoroughly. For this purpose, the following activities have been put in place:

- weekly broadcasting committee with the company's top managers to check the news.
- daily broadcasting meetings to review the content to be broadcast as well as the content already broadcast, analysing that which had not been adapted to the set broadcasting approach in advance.
- ongoing dialogue among journalists and area managers to update the information.
- daily check of the broadcast of content subject to intellectual property.
- citations of sources when they are public

and allowed to quote them.

- confidentiality of sources when required.

For accessibility to content, Mediaset España has maintained its commitment year after year to render its programming accessible to individuals with visual or hearing disabilities, as a tool for the social and cultural integration of these groups.

We would highlight that, in 2020, Mediaset España broadcast 44,581 hours of subtitled programmes, about 1,458 hours of broadcast translated with sign language and 2,265 hours with audio description.

5.2 RESPONSIBLE ADVERTISING AND MARKETING

The Mediaset Group operates through two fully-owned advertising sales agencies in Italy: Publitalia '80, the sales house that exclusively serves the free-to-air Mediaset networks; and Digitalia '08, the sales house specialised in selling advertising space on the pay-TV distribution platform.

The Group also owns a 50% interest in Mediamond, a joint-venture with Mondadori, which sells advertising space on the Mediaset Group websites and radio, on Mondadori websites, and via third-party publishers.

The Group's advertising is based on the strategies and commercial policies from various periods of the year which define the sales methods to investors for all advertising spaces on Mediaset television channels (general-interest and specific).

Advertising sales take place through different formats:

- Display advertising: commercials during advertising breaks within or adjacent to programmes;
- Sponsored programmes (such as weather forecasts);
- Long video: 40-60-90-second videos created for the client and aiming to explain the product in greater depth than a classic commercial;
- Short format characterised by the prestigious position and the graphics frame (Top, Best last position, Brand

video);

- Animated overlays in programmes (inlogo).

The main forms of display advertising sales are organised by programme and by sets of commercials (target modules), while a relative price list is created for special positions within commercial breaks (very first, first, second and last).

Another way of advertising and selling products via television is product placement. This form of advertising sales takes place through the definition and creation of projects in collaboration with the client. There are two forms available: product insertion in programmes or the construction of programmes fully financed by the client.

From an internal control point of view, the Group takes special care to select which advertising campaigns are broadcast. To this end, the main criterion is compliance with current legislation on advertising.

Compliance verification is applied in full respect for the advertiser's autonomy in creative and communication choices and is aimed at protecting the company (as well as

the advertiser) with respect to the legal status of the communication to be broadcast. This is expressed in the preliminary assessment of what might be the "critical" elements of the message (as well as in the identification, where possible, of the actions necessary to ensure that the advertising complies with the rules).

These control procedures aim to avoid any complaints that could lead to the early termination of the campaign, as well as fines and civil/penal sanctions against (also) the broadcaster.

Refusal to broadcast the advertising message can only occur in cases where obvious critical issues in the communication of a legal nature cannot be avoided.

Another assessment criterion that would affect an advertising campaign being broadcast on Mediaset networks is the conformity of the message to the broadcasting policy of the networks.

With respect to its target audience, the Mediaset Group applies strict selection on advertising that relates to or belongs to certain product sectors which - even if lawful

and legitimately publishable - could be considered as not compliant with the broadcasting policy (e.g. the Group does not advertise weapons, funeral services, legal cannabis, dating sites for sexual purposes) or in relation to the content of the message itself (e.g. vulgarity, violence, etc.).

This editorial judgement varies depending on the characteristics of the medium and therefore also of the target audience for which the advertising is intended.

In 2020, AGCOM did not initiate any investigations to verify breaches of advertising regulations in accordance with the Audiovisual Media Services Directive.

The Mediaset Group is committed to broadcasting messages that have more than just a commercial purpose. To that effect, Mediaset is a founding member of the *Fondazione Pubblicità Progresso*, represented by *Publitalia 80* along with the major players in communication in Italy. This foundation aims to contribute to solving the civil, educational and moral problems of the community by placing communication at the service of society.

Pubblicità Progresso promotes training initiatives on social communication at leading Italian universities; it sponsors events, exhibitions and initiatives dedicated to important social issues; it sponsors social communication campaigns carried out by non-profit organisations; and it holds the *Festival of Social Communication* for training and public educational purposes. In addition to paying a membership fee, the sponsoring members provide their work free of charge for the implementation of the Foundation's activities.

Every year, *Pubblicità Progresso* draws the attention of the authorities and public opinion to create greater awareness on a specific theme by implementing communication campaigns using contributions from promoting partners; by way of example, past themes have included campaigns on anti-smoking, organ donation, gender equality, anti-racism, sustainability and volunteer work.

In terms of product innovation, *Publitalia '80* has created a new internal structure for the research and development of exploiting internet-connected TVs to offer the market new advertising products.

The most significant developments are based on the analysis and use of Big Data; this activity offers increasingly targeted and effective advertising products.

An example of this is the new ADD+PLUS and ADD+OVER formats which allow the segmentation of the audience and more in-depth content depending on the product advertised through mini-websites accessible via interaction with internet-connected TV; these cases enable a report revealing the results of the campaigns in detail.

In addition to greater profiling and more effective communication, internet-connected TV also allows specific interactivity with advertising content, which can be accessed through TV-sites created specifically to meet the needs of clients. When the advertising campaign has ended, the client is provided with a report containing the main KPIs achieved through scheduling on internet-connected TVs.

These forms of innovative advertising are enabled through a TV application that can be accessed through internet-connected televisions: Mediaset Play. This product extends the potential for contact with the

public by providing a range of on-demand services. Mediaset Play makes it possible to watch content that has already been aired again, restart a programme that has already begun, consume exclusive live content, consult and view content from the catalogue of films and TV series available free of charge or access other information services connected with Mediaset. The service already has several million effective and potential users, with rapid take-up of new TV sets featuring interactive technology expected. Thanks to this TV application, Publitalia has increased its portfolio and can propose pre-roll and mid-roll video advertising within the content available on Mediaset Play. Video formats can also be addressed with the same technologies that support the addressable advertising of ADD+plus products. In 2020, Publitalia launched the first ADSubstitution service, extending the possibility of more targeted addressing of commercials also on linear TV.

The **Mediaset Group in Spain** believes that the responsible emission and management of advertising are both fundamental elements of the business and has therefore

implemented specific management and control mechanisms.

Publiespaña S.A.U. manages the Group's advertising activities in strict compliance with the applicable legislation and with the specific guidelines defined by the Association for the Self-Regulation of Commercial Communication, which the company has been part of since 1995.

New rules for the advertising industry were approved in 2020. In particular, we would highlight the Royal Decree regulating advertising for companies operating in the gambling and betting sector as well as the new regulations issued by the Bank of Spain governing advertising for banking services and products addressed to the public and the transposition in 2020 of the European Directive on Audiovisual Communication Services.

Also in 2020, changes were made to some advertising Codes of Conduct in the field of self-regulation. We would highlight the Food Supplement Advertising Code, the Public Pharmaceutical Advertising Code and the Wine Advertising Code. New advertising codes of conduct have also been developed

in response to the expansion of the digital sector, such as the Code of Conduct on Influencers in Advertising and the Code of Conduct for Personal Data Processing in Advertising Activity (issued by the AEPD Data Protection Authority on 3 November 2020).

In recent years, Publiespaña S.A.U. undertook an internal reorganisation process to create as uniform a structure as possible with the Directorate-General for Contents; the central figure in this reorganisation is the Director-General, who is responsible for the management and sale of advertising and constantly works in close liaison with the Chief Executive Officer.

For the purposes of the internal supervisory system, a commercial policy has been implemented which allows improved monitoring of the advertising content prepared. This is examined and monitored weekly by three Directorates General (Sales, Digital Media, Marketing, Operation and Sale services), who monitor the correct broadcasting of the content.

These Directorates work in close collaboration with the Group Legal Department.

In order to avoid any proceedings for misleading advertising, Mediaset España voluntarily submits any doubtful case in advance to the Association for the Self-Regulation of Commercial Communication (Autocontrol). In 2020, 1,718 requests were submitted to Autocontrol for an advance opinion and 60 requests for legal and ethical advice before the commercial was aired.

The internal monitoring process of advertising content also provides further verification, in collaboration with the Legal Department, even after airing (in the event of disputes or claims for compensation).

The Mediaset Group in Spain performs further internal reviews to regulate televised content for children; this monitoring and control includes issues regarding the advertisement of certain food products (to prevent obesity), messages on the environment, advertising toys, and the promotion of medicinal products or alcoholic beverages.

Further compliance checks are carried out with regard to advertising spots for the gambling and betting sector (see above - New advertising Codes of Conduct).

From the perspective of new strategic advertising communication models, we note that Mediaset España, during 2020 and following the acquisition of the Be a Lion company, a leader in the digital communication sector, has proposed new initiatives for investors that tend to maximise return in terms of brand awareness thanks to a cross-media system of advertising that combines the force of TV content with the innovation of the digital world.

5.3 PROTECTION OF MINORS

The Mediaset Group has always been attentive to the protection of minors. For this purpose, the company continuously assesses transmissions and pays close attention to the impact that these can have during a child's developmental years.

Below are a few of the commitments that the Mediaset Group has undertaken to protect minors:

- compliance with all applicable regulations, including the Self-Regulation Code Concerning Television and Minors signed in November 2002, which commits the Group's networks to the monitoring of programmes offered to make sure it observes the constraints in place to protect young viewers. Through the application of art. 34 of the Audiovisual Media Services Directive, the Mediaset Group has implemented a series of organisational processes aimed at assessing, identifying and adequately indicating any programmes "that may damage the physical, mental or moral development of minors", providing users with detailed information;

- notification of the nature and contents of the transmission, linear and non-linear, free of charge and pay per view, using coloured dots at the beginning of each fiction programme (film, series, TV movie, etc.) and after each advertising break (green dot: suitable for everyone; yellow dot: recommended for children accompanied by an adult; flashing red dot: recommended for adults; fixed red dot: potentially harmful for minors or prohibited for children under 14). Further information on the programmes - useful for directing users' choices also in relation to the protection of minors - is provided through information tools accompanying the content (e.g. EPG for digital terrestrial, program information on the web and apps);
- the offering dedicated specifically to minors, thanks to 24-hour programming of the three free-to-air channels Boing (from 2004), Cartoonito (from 2011) and Boing Plus (from 2019).

The Mediaset Group is also committed to promoting responsible TV consumption by users, planning periodic campaigns on the use of parental control, in which the viewer is

reminded of the possibility of activating the blocking device through the set-top box settings to prevent the viewing of V.M.14 content potentially harmful to minors (the latest was broadcast on all networks between June and August 2020).

There is also a link that takes users straight to the parental control feature - and to the Committee for the Application of the Media and Minors Code web pages and Internet Works Regulation - available to users on the Mediaset Group website (www.mediasetplay.mediaset.it).

Appropriate corporate structures (Directorate for Documentation and Institutional Analysis and Directorate for Regulation and Institutional Requirements) are responsible within the Mediaset Group for the dissemination and compliance with legislation for the protection of minors.

From the date of signing the Self-Regulation Code Concerning Television and Minors (November 2002), the Mediaset Group has always participated via its own representative (as Vice Chairman) to help the Committee implement the Code.

In 2020, the Committee initiated proceedings against Mediaset's programming in 6 cases, including a resolution of infringement for the transfer of the "Nuvenia-Libera di osare" commercial to the protected time slot (4-7 p.m.). Proceedings regarding "Pomeriggio Cinque", which began in 2019, closed with acknowledgement of infringement in January 2020.

Mediaset has also been part of the technical working party that drafted the new Self-Regulation Code for Media and Minors, which aims to reformulate requests to safeguard minors in the complex reality of current mass media (the proposal to revise the Code was submitted to the Italian Ministry of Economic Development, to initiate the procedure envisaged in Article 34 paragraph 6 of Legislative Decree No. 177/2005 as amended and is awaiting definitive approval).

In 2020 Mediaset continued the operational discussion with the other national broadcasters concerning definition of TV content classification criteria, as envisaged in

the draft of the new Code: this process resulted in a proposal for a new programme evaluation system, which is currently being examined by an internal working group within the Media and Minors Committee.

Following the AGCOM communications regulator's approval of the guidelines on classification of audiovisual works for the web and video games, within the co-regulation monitoring body, in February 2020 Mediaset fine-tuned and adopted the new classification system applicable to audiovisual works primarily intended for distribution on electronic communication networks or services, evaluating the content available on its digital platforms based on these criteria.

In 2020, AGCOM did not initiate any proceedings concerning the protection of minors according to Article 34 of the Audiovisual and Radio Media Services Directive.

In addition to the general principles, Mediaset and the Italian subsidiaries within the Group

Code of Ethics (see also paragraph 1.3 and 3.2) have also adopted a provision explicitly on the protection of minors³².

On 23 December 2020, R.T.I. OG 029 entitled "Preliminary checks for the issue and publication of content" was issued, replacing R.T.I. OG 018 of 6 June 2014. This procedure is aimed at regulating preliminary checking activities prior to the issue/publication of broadcasting content not suitable for minors.

Lastly, the Group has confirmed its commitment to make the web a safer place for minors, also at European level. The "YouRatelt" system was successfully tested on Mediaset's 16mm.it platform. "YouRatelt" is a classification tool for user-generated content produced between 2013 and 2015, in collaboration with the British BBFC and Dutch Nicam (two of the leading organisations assessing audiovisual content in Europe). Following this testing, the European Commission decided to introduce content classification tools – Art. 28 ter 3. letter g) – among the measures in the proposed revision of the Audiovisual Media

³² The Group's Code of Ethics is implemented by all Group companies except for the Mediaset Group in Spain, which operates its own code based on the parent Company's. The new Code of Ethics adopted by Mediaset S.p.A. and its subsidiaries in 2019 retains a specific article (Article 8 "Integrity and protection of the person") with provisions dedicated to protecting minors. It states: "The Mediaset Group rejects child labour and assigns primary importance to protecting minors and suppressing their exploitation in any form whatsoever, including through electronic and computer systems."

Services Directive (Directive (EU) 2018/1808 of 14 November 2018, effective from 19 December 2018). These measures, deemed appropriate for the protection of minors on video sharing platforms, may include the mechanisms applied by “YouRateIt”. The European Commission explicitly cited the experience of the “YouRateIt” pilot in Mediaset among the interventions to protect minors from harmful content on Internet platforms, as part of the Impact Assessment document which accompanied the proposal to revise the Directive.

The Group has also kept its role on the Advisory Board of the Safer Internet Centre for the Italia-Generazioni Connesse project, coordinated by the Ministry of Education, University and Research.

Finally, as part of the “Mediaset ha a cuore il futuro” social interest institutional initiatives, the Company conceived a cross-media campaign to raise social awareness connected to national Anti-Bullying and Cyberbullying Day on 7 February 2020 called “Pensa, prima di scrivere”. It then (November–December 2020) broadcast a series of spots on the importance of play in childhood called “Il gioco è una cosa seria”.

Regarding commercial communication, the advertising sales house Publitalia ‘80 also supervises compliance with the provisions contained in the Self-Regulatory Code of Commercial Communication.

As for product placement, with specific reference to the betting sector, the contents are shared internally with the Mediaset S.p.A. legal office before each televised broadcast.

Regarding the participation of minors in the content produced, the **Mediaset Group in Spain**, in addition to following the procedures issued by the Community of Madrid Labour Department, has drawn up a manual in which all necessary information concerning the rights of minors is collected to ensure children’s activities on television are suitable and to ensure that their right to education and enjoyment of their leisure is not violated. This manual is available on the intranet and is provided to all production companies who employ minors to implement the measures presented.

Furthermore, the Code of Ethics of Mediaset España states that, as a basic principle, “no

one should behave in such a way as to induce, promote, favour, permit or allow acts or attitudes that could be characterised as prostitution or corruption of minors”.

As for the impact of the content transmitted to minors, the Spanish regulation requires the classification of the audiovisual content to be transmitted, defined in the framework of content self-regulation, signed by the operators of free-to-air television in 2015 and under the supervision of the Spanish National Commission on Markets and Competition (CNMC). According to this self-regulation framework, all televised content must be classified, except for news and events broadcasting (sport, music, culture, politics, bullfights and bull runs).

For these purposes, the Department of Institutional Relations works continuously in close contact with the Antenna Department in order to clarify and qualify any content that may have an impact on regulations for minors.

The age classification established determines the time slot in which each programme may be broadcast.

Furthermore, prior to the transmission of programmes involving children, a preliminary approval by the Child Protection Authority is required in addition to the aforementioned verification.

Finally, thanks to the Parental Control system, the Group ensures a safe browsing environment for registered users on the Mitele platform and on all devices. On websites with specific content aimed at children and young people, the advertising used is segmented to avoid the risk of promoting unsuitable products or services that do not comply with the rules described above.

We would note that there were no sentences from the CNCM on marketing communications during 2020.

5.4 PROTECTION OF INTELLECTUAL PROPERTY

The Mediaset Group considers respect for and protection of intellectual property to be of strategic importance and, to protect its audiovisual rights, prosecutes those responsible for pirated transmission of its content, regardless of the medium.

We start with careful monitoring using specialised companies and, once we have identified pirated content, we proceed to caution the pirates, with the help of external legal firms where required, and in the event of repeat offences file administrative actions with AGCOM via civil and criminal lawsuits, both to prevent offences and to obtain compensation.

These actions have resulted in judges taking measures with significant compensatory obligations which, although pending further stages, confirm the legal direction of copyright protection. Particular attention

was also paid to anti-piracy activity for Group-owned films in cinemas.

The same level of attention for intellectual property is also recommended to internal production facilities, for which the Collective Management of Copyright and Related Rights provides preventative advice on request.

The Group is also present in all national and European institutions that deal with copyright legislation.

As evidence of the importance and care that Mediaset dedicates to the protection of intellectual property, the Code of Ethics of the Group³³ has a specific article on this subject stating that anyone processing data, information or documents regarding intellectual and/or industrial property rights within Mediaset Group companies must do so with the utmost diligence, accuracy and confidentiality.

In the case of foreign subsidiaries such as Medset, external legal firms meeting the local regulatory requirements act to protect intellectual property and copyright.

For R.T.I., there is a specific O.G. in place which regulates this case: "Procurement of television productions and purchase of formats and licences".

The reporting activity already undertaken by our group from 2014 in accordance with AGCOM ruling 680/13/cons "Regulation on protecting copyright within electronic communication networks", for shutting down pirate websites who transmit cinema and TV series content to which we hold the usage rights, continues.

At present, AGCOM is reviewing this Regulation through public consultation (ruling no. 540/20/Cons of 23.10.2020). This new Regulation, submitted for consultation, implements the provisions of the "Relaunch Decree". These provisions extend the

³³ The Group's Code of Ethics is implemented by all Group companies except for the Mediaset Group in Spain, which operates its own code based on the parent Company's. The new Code of Ethics adopted by Mediaset S.p.A. and its subsidiaries in 2019 contains Article 12 (Intellectual property), which states: "1. The Mediaset Group holds important intellectual and industrial property rights, deeming their correct management fundamental. All Addressees whose activities, duties or functions in any way involve processing data, information or documents regarding intellectual and/or industrial property rights within Mediaset Group companies are therefore obliged to protect them with the utmost diligence, accuracy and confidentiality. 2. The intellectual and/or industrial property rights to products, works and/or knowledge developed in the context of work belong to Mediaset Group companies, who have the right to make use of them, according to the methods and time frames deemed most suitable, in compliance with the regulations applicable in each instance. 3. At the same time, the Mediaset Group respects and protects the intellectual and industrial property rights of others, ensuring that company activities (in both production and commerce) use solely original products and works, regularly licensed by the legitimate owners and used in compliance with the authorisation received."

Authority's jurisdiction in cases of unlawful dissemination of content on networks through instant messaging services that use, also indirectly, telephone numbers, and restore the possibility for AGCOM to impose penalties of up to 2% of turnover on those who do not comply with orders to remove unlawfully disseminated content.

We reported only one portal for these purposes in 2020. The case was dismissed because the portal itself took action spontaneously.

The **Mediaset Group in Spain** has defined procedures to control the flow of content to various platforms to guarantee the exercise of its intellectual property rights, while carrying out technical audits to review their correct application.

Mediaset España has always been at the forefront of all initiatives aimed at combating piracy and protecting intellectual property.

In addition, Mediaset España has an external content monitoring service on YouTube which tracks and removes all content owned by Mediaset España from this channel.

The intellectual property rights of programmes broadcast live and on-demand via online platforms are protected by specific internal control systems that the company applies before the programmes are aired. The Group examines and defines the different contractual clauses of all the contents produced and transmitted on the various channels with the support of the Legal Department.

The management of the Multi-Platform Department ensures that all content offered via various websites has the appropriate broadcasting rights in the contract with the producer in question.

Mediaset España has adopted a contractual monitoring system for films produced by Telecinco Cinema which combats illegal access to content produced while the film is shown in cinemas (from film release until viewing on DVD/Blu-ray).

It should be noted that the Mediaset España Code of Ethics also regulates all aspects relating to the defence of intellectual property.

5.5 AUDIENCE INTERACTION AND CUSTOMER SATISFACTION

FREE TV

The Group continuously monitors customer satisfaction to improve its services and allow its viewers to enjoy excellent products. It's thanks to the Auditel panel that the Mediaset Group can track the behaviour of the television audience continuously throughout the day; it is also able to detect the number of people watching television in each time slot, which channel/programme is viewed and for how long. Each viewer is classified according to socio-demographic variables such as sex, age, geographical area and level of education.

Consequently, both the quantitative and qualitative appreciation of each individual transmission are known. This analysis also allows the individual items of content offered to be assessed at a quantitative level.

Additionally, the Group is active on social media to maintain a relationship with its users, via Facebook, Twitter and Instagram and on network sites and radio and television

programmes, thus establishing direct dialogue with the public to collect comments or reports, also in the event of any sudden changes to the programming schedule or sudden cancellations.

As for the world of **News**, each production has a social media activity that is managed by a dedicated company structure, which constantly interfaces with the programme lines for sharing content to be published. Every individual Videonews programme has an inbox to which viewers can send reports.

TGCom24 is constantly upgrading social media activity by agency staff. In particular, in 2020 TGCom24 consolidated its presence on social platforms with its Instagram, Facebook, LinkedIn and Twitter accounts and constantly updated its dedicated channel on the YouTube platform. The Brand also has a live inbox (tgcom24@mediaset.it) available to viewers and users for reports and requests for clarification.

Interaction with TGCom24 readers/viewers takes place on 2 levels:

- Website: readers can comment on the news published after logging in to the

Mediaset Community. Comments are moderated and inserted at the bottom of the articles; the most interesting comments are shown on the site home page. Note that TgCom24 is the only news site that puts readers' contributions on its home page.

- Social media: readers can comment on posts in relation to news, videos and photo galleries on TgCom24; agency staff moderate the comments. From January 1 to December 31, 2020, there was a significant increase in traffic on TgCom24 social media platforms. Specifically, the official Facebook page has over 2.3 million followers (up 7.8% compared to 2019. Data source: Facebook Insights), the official Twitter profile has 1.1 million followers and 426.000 Instagram followers (Data source: Twitter Insights).

The LinkedIn profile has also been active since the end of 2019.

Finally, note that Auditel measurement of digital audience on different devices already began in 2019. This measurement will lead to Auditel identifying the Total Audience in 2021.

The main television ratings are analysed to determine the visibility and following of news products.

These quantitative research instruments permit analysis of their reception, which in turn allows the handling of the content on offer to be optimised and assessment of different deviations from the broadcasting objectives. Quantitative analysis is a valid tool on which to lay the foundations for wide-ranging investigations as well, enhanced by qualitative assessments and assessments of the competitive context, with the aim of offering the best product to the end user.

The same reporting is also used on a B2B level as a valid tool for advertising investors; the investors are thus able to understand the true potential of a product and its ability to speak to the target audience of the advertisers.

The Group radio channels collect feedback and comments from listeners via messaging (SMS and WhatsApp, Facebook, Instagram, Twitter, voice mail, direct contact via the radio channel phone number) and in some cases users are even contacted to give their opinions live on air. The feedback collected

may concern topics discussed on the air, the selection of music tracks, or guest speaker interventions during live broadcasts. To guarantee users' privacy, the messaging systems hide the mobile telephone numbers of listeners, who can only be contacted by the people employed in the company for that purpose.

Social managers and moderators constantly monitor the content published spontaneously by users and censor any material that is discriminatory, presents risk of child pornography, is offensive to public sensibilities or that could be harmful to an audience of minors. Any content uploaded to the sites by users is subject to disclaimers, again to guarantee privacy and protect minors.

The radio sector also has surveys on public appreciation, through TER (Tavolo editori radio) and in collaboration with Gfk, Ipsos and Doxa. The surveys consider the listening figures (on an average day, seven days and average quarter of an hour).

ADVERTISING SALES HOUSE

Publitalia '80 and the Group's other sales houses implement many types of survey to monitor customer satisfaction.

One of the main ways is to monitor listeners and this takes place via:

- The daily submission of an e-mail to the entire sales force with the most significant data of the television day and a summary of the weekly listeners;
- The weekly submission to more than 10 thousand customers of the Top of the Week on Mediaset networks, which collects the best audience results of programmes broadcast via the Group's broadcast companies.

Analysis of the effectiveness of advertising campaigns is carried out through:

Marketing analysis with:

- Investment analysis
- Listener trends
- Post campaign assessment

Complete analysis of the Mediaset offering with:

- Target analysis
- Multimedia plan development
- Performance measurement

Ad hoc research, with:

- Efficiency and effectiveness of the medium
- Awareness monitoring: phone surveys to monitor what people remember, whether spontaneously or with assistance, about campaigns/products/companies. These surveys are carried out pre-campaign and post-campaign.
- Qualitative assessment of the audience

TECHNOLOGICAL INNOVATION FOR USER INTERACTION

The Mediaset Group has always been in line with the most recent technological developments; it has adopted one of the leading and most innovative B2C interaction

tools, Zendesk, and the Mapp and Accengage solutions for handling outbound communication.

The tool was already active on Infinity from the launch of the service itself, and has enabled a relationship with users that both enhances the experience of using the services and allows the reporting and management of technical issues.

It allows various touchpoints to be activated, including live chat, e-mail and SMS. These channels are already active on Infinity and will soon be extended to the other platforms as well.

Interaction with customers is therefore an important and effective tool, as user reports in several cases have helped solve significant problems in a short time.

Interaction with users also takes place through application modules within the apps which allow, for example, the expression of approval towards participants in a programme or live televoting.

The Digital Business department monitors the consumption behaviour of digital users to measure the performance of individual

content items and brands, as well as to improve the usability of digital destinations. This monitoring is performed using tools such as Webtrekk.

Optimised presentation of property offerings is also achieved through the use of Recommendation Engines with the ability to offer the content most consistent with users' interests and address them with content-related marketing communications.

With particular reference to paid services, Mediaset constantly monitors customer satisfaction through such tools as NPS (Net Promoter Score) and surveys of the entire customer and ex-customer base, aiming to identify the main actions for correcting and developing the service and ensuring the highest standards of quality for customers.

In line with the Italian companies of the Mediaset Group, **Mediaset España** is in constant contact with its users via various applications, as well as through the standard

audimetric³⁴ measurement methodologies. In this way users can take part in the programmes broadcast and make their voices heard, thus influencing and making major decisions for programmes in the early evening slot. Moreover, the use of dedicated spaces on the web platform has led to the launch of competitions or initiatives to collect possible content offerings from the public such as photos or videos. All content is viewed before publication. In the same way, users can send their opinions, complaints, suggestions or questions to the various addresses of Mediaset España S.A., through the applications created for specific individual programmes or through the new PlayBuzz platform which allows users to interact anonymously. On each website, there's also a contact form through which users can provide a further indication of their opinions, complaints or suggestions. A team from the Management of the Multiplatform area assesses all the comments received, responses to surveys and the ratings expressed in the different channels. Depending on the type of comment, the

team decides on the replies in coordination with the producers of each item of content.

In 2019 and 2020 dedicated working groups were created, under the supervision of the Antenna Director, in collaboration with the Self-Promotion Department and Marketing and Programming Department, in order to develop cross-sectional product promotion strategies for all Mediaset España media.

In particular, during 2020, 4 qualitative studies (3 focus groups and 1 online marketing study) were carried out on the Mediaset España audience, involving 1,154 people.

³⁴ We would also highlight that targeted qualitative audience studies were carried out in 2020 in collaboration with leading research and measurement companies.



6 - Community and territory

6.1 RESPONSIBLE MANAGEMENT OF THE SUPPLY CHAIN

In carrying out its own characteristic activities, the Group interacts with a multiplicity of suppliers for the acquisition of current goods and services as well as for investments in tangible and intangible assets, the latter consisting mainly of multi-year rights to use audiovisual content.³⁵

Given the peculiarities of their products and services, all Group companies use Italian and Spanish suppliers where possible to promote local business in the areas in which they operate.



PERCENTAGE EXPENDITURE BY TYPE OF GOOD - LOCAL SUPPLIERS ^(*)

(values in € million)

ITALY	2020			2019		
	Tot	Italy	Other countries	Tot	Italy	Other countries
Purchasing costs for goods and services	966	938	28	1,091	1,062	29
Investments in movie and TV rights ^(**)	303	201	102	355	245	111
Investments in other fixed assets ^(**)	50	50	0	63	63	0

SPAIN	2020			2019		
	Tot	Spain	Other countries	Tot	Spain	Other countries
Purchasing costs for goods and services	316	305	11	387	358	29
Investments in movie and TV rights ^(**)	88	48	40	173	85	88
Investments in other fixed assets ^(**)	11	10	1	15	14	1

(*) Local suppliers are identified on the basis of their country of origin. Expenditure with local suppliers for Group companies operating in Italy is distinguished from analogous expenditure in Spain for relevance reasons.

(**) Item refers to the increase of the relevant categories of tangible and intangible assets.

³⁵ This item refers to operating costs (costs for acquisitions, services rendered, leasing and rentals and other management charges) reported on the income statement on an accrual basis, net of inventory changes, increases of internal work capitalised and provision for risk.

As for the purchase of multi-year broadcasting rights, it is necessary to underline the high incidence of expenses towards the main American majors and towards the holders of sports broadcasting rights in the total investments of the Group. As can be seen from the tables, in 2020, about 97% of Mediaset Group purchases of goods and services in Italy were from Italian suppliers, while 96% of Mediaset Group purchases of goods and services in Spain were from Spanish suppliers.

FAIRNESS IN SUPPLIER RELATIONSHIPS

Collaboration, supply and contracts regarding third-party business relationships with Mediaset Group companies in general contain an explicit reference to the Code of Ethics (see also paragraphs 1.3 and 3.2 and the Corporate 231 Compliance Programmes) and state that failure to comply with the rules set forth therein may constitute a breach of the contractual obligations assumed, with the consequent option of cancelling any contracts made with any company in the group.

Furthermore, Mediaset S.p.A. have joined the initiative promoted by Assolombarda (extended to the main Italian companies of the Group), which started on 27 May 2014, signing up to the Italian Responsible Payment Code, the first-ever code in Italy for responsible payments. In taking this step, Mediaset has committed to meeting the payment times agreed on with its suppliers and in general to promoting a culture of prompt, transparent payments.

Mediaset is part of the first group of Italian and multinational companies founding the Code and, in compliance with its provisions, it has declared that average payment times contractually defined with its suppliers for 2020 were 60–90 days and relative payment dates were duly complied with.

Note that the selection³⁶ of suppliers and the goods or services to be acquired is based on the evaluation of various parameters, such as the quality and price of the good or service, guarantees of after-sales services, as well as promptness and efficiency. When selecting suppliers, great attention goes into verifying their reliability and seriousness in terms of

compliance with current legislation and regulations governing their activity. Purchasing processes are governed by specific company procedures (OGs), which ensure the timely identification of suppliers and the traceability of supply channels, which thus helps guarantee the quality and legitimacy of the goods and services purchased.

Furthermore, all purchasing processes are based on the search for the maximum competitive advantage for the Mediaset Group as well as impartiality and the granting of equal opportunities towards each supplier who meets requirements.

The preparation of standard contractual texts or those with specific legal issues is assured by the Group's legal department, and by external lawyers where necessary.

In a bid to make the procurement process more efficient and standardised towards third parties, the Mediaset Group in Italy operates via specialised purchasing centres, whose processes are described in the following paragraphs.

³⁶ Art.19 of the Group Code of Ethics.

In addition, the Group aims to oversee the certification activities of the various categories of suppliers with a single organisational unit, thus facilitating the identification of any factors that influence the selection and management of the portfolio.

Given the particular business of the companies in the Group, the main purchase activities of all companies fall into three macro areas:

- Acquisition of broadcasting rights (films, series and sporting events);
- Acquisition of content (entertainment, news, drama) for the various distribution platforms;
- Acquisition of goods and services to support televised production and cross-production.

The related procurement processes for each of these areas are described below with evidence of their main purchase poles.

The **pandemic situation** has had a significant impact on the activities of the Procurement Department, which was called upon to

comply with and implement new preventive measures.

In particular, it was necessary to identify – in advance and in conjunction with the requesting lines – which suppliers had active contracts for services to be performed at Mediaset Group sites and how many and which third-party employees therefore needed access.

In order to optimise and reduce the risk of contact with potentially positive people and protect its own employees, the company established the requirement to obtain appropriate self-certification prior to the date of access (to provide on a weekly basis in the case of continuous activities) in which the supplier declares – assuming full responsibility for the issue of false declarations – that all staff employed to perform the services (including any subcontractors where present) have had antibody tests with negative results.

Failure to obtain this document will result in access being forbidden and prevented.

Acquisition of Rights

The Mediaset Group acquires the following through **R.T.I. S.p.A.**: serial content (TV series), films (also through the subsidiary **Medusa**), as well as documentaries and sports, depending on the programming needs of free-to-air and pay TV.

These acquisitions are negotiated directly with the owners of the contents or their broadcasting rights.

The Vendor list for the selection of suppliers is prepared, updated and submitted to the Risk, Control and Sustainability Committee every six months, and annually to the Executive Committee and the Board of Directors of Mediaset S.p.a., in compliance with the corporate organisational guidelines.

The assessment includes the verification of any ongoing proceedings, such as liquidation, bankruptcy and mergers, and also includes the transparency of the corporate chain.

Furthermore, suppliers resident in countries with preferential taxation entered on the Black List are not considered for the purposes of this selection.

The selection of suppliers of broadcasting rights takes place through the widespread coverage of the national and international content distribution market - while also participating in major sector events - giving preference to companies with consolidated experience and expertise: North American majors and minimajors, European studios, leading Italian and international independent distributors.

Special attention is paid to Italian works and is aimed at both current and library works, through the acquisition by a Group company of cinematographic works from independent producers, and through commercial agreements with companies outside the Group who are specifically dedicated to domestic production.

The Purchasing Rights Department maintains commercial relations with all the major Italian film distributors, through multi-annual volume agreements and prompt procurement.

With regard to multi-annual agreements, the Purchasing Department envisages the purchase not just of individual contents, but stipulates "volume" agreements that include

varied product categories, based on the annual production of the supplier. For this reason, the selection and acquisition of individual contents are conditioned by the contractual terms of the multi-year agreement which define the minimum volumes by product type and the methods for selection. There are currently two volume deals, one with Warner and a second with Universal.

As for ad hoc acquisitions, selection is carried out based on the approval of the product by the market, or based on the interest stirred by content in countries that are continuously monitored, via information that the suppliers send to the Purchasing Department and by assessing the product directly through the monitoring of satisfaction ratings in cinemas, paid channels and streaming networks.

Once interest has been established for that particular product, rights acquisition usually takes place in order to ensure that this is available on different platforms (e.g. Infinity, pay TV and free TV). Given the different needs of the platforms, a percentage of the budget is then allocated to exclusive purchases for each of these.

The following key events occurred in 2020:

- the Group's commitment to sports broadcasting rights was confirmed, with the second year of the current agreement for the UEFA Champions League, the renewal of which was also negotiated for the period 2021-2024 period. In addition to football, the sports offering was enhanced by the purchase of the broadcasting rights for the Rugby Nations Cup and the agreement for the Italian Open tennis tournament for 2021-2024.
- with regard to films and TV series, the portfolio of content provider partners has been expanded, both with respect to US majors and to European and Italian operators.

In particular, in the Major segment, the transactions with SONY and CBS for the purchase of the Lincoln and FBI: *Most Wanted* series, respectively, are worthy of note.

Of particular note is the beginning of the partnership with CBS, also for the constant supply of volumes of classic library, such as the seasons of the CSI franchise in 2020.

Commercial relationships were confirmed with all studios, with the continuation of multi-annual agreements with Universal, Warner and Fox/Disney.

- the focus on recent Italian cinema was confirmed, both with respect to films produced within the Group and those made by third-party partners; in particular, we highlight the acquisition of the broadcasting rights for works distributed in the 2018 and 2019 seasons by the Medusa Film and Vision Distribution subsidiaries respectively. As for the library, we would highlight the renewal of the evergreen films from the Aldo, Giovanni and Giacomo trio.

This commitment towards focusing on national products is justified by their greater appeal, especially in prime time, compared to international series and films.

Part of the investment in film production is made by the subsidiary Medusa Film through purchases from producers (both cinema and television) that supply the Company with the “product/movie” with the whole broadcasting rights chain, starting with cinemas.

The latter is the starting point for the exploitation of the product life cycle, as well as foundation for the creation of value through subsequent exploitation that can be managed by the Group “non-exclusively” (for example from market practice, TV on demand, pay per view) or “exclusively” (SVOD, free).

Also, constant market monitoring is carried out on film content to identify the main provider trends and products of interest (at international and local level) and to gather useful information in general to guide the broadcast offering.

The movie rights acquired in 2020 come from Italian producers, since the publishing line established by the Group for Medusa envisages a focus on Italian cinema, typically comedy. In 2020, given the strategic business objective of Medusa, the “core” suppliers were predominantly Italian. These suppliers, as executive producers or original producers, have an almost entirely Italian supply chain. Film shooting and all subsequent post-production processes take place in Italy.

The close relations between Medusa Film and

Italian cinema is a guarantee for the selection, production and dissemination of the best product, given the constant commitment of the Medusa Film and its suppliers to enhancing local artistic and professional excellence. This commitment must always be guaranteed to the highest standards in the industry in order to withstand competition from foreign products.

Lastly, note that the Organisational Guideline on “Planning, acquisition and management of movie rights” states that supply contracts for the purchase of film rights from Italian counterparties must contain clauses that demand suppliers obtain approval for public programming. In the event of non-fulfilment of this clause, Medusa Film has the right to withdraw from the existing contract without jeopardy to any possible claims for damages or, alternatively, to apply further specific clauses (for example the reduction of the fee).

In the event of acquisition of movie rights by foreign counterparties, the contracts drawn up must contain clauses that provide for Medusa Film’s right to make the cuts necessary to obtain approval for public

programming, with prior approval of the supplier.

Acquisition of content

Entertainment - The creation of entertainment programmes requires the acquisition of formats, the signing of executive contracts and the contracting of artistic resources and collaborators.

Providers are selected on the basis of the television broadcasting guidelines and the purchasing requirements plan defined by Programme Schedule and Distribution General Management in collaboration with Content General Management.

The Entertainment Department selects broadcasting projects of interest and manages negotiations with the provider. At the same time, the Legal Affairs Department carries out preliminary checks to ascertain the effective ownership of the broadcasting rights (brand/titles) granted by the selected provider and the usability of the proposed titles.

The Provider Certification Department of the Procurement Division is responsible for carrying out the accreditation and preliminary qualification of providers.

The management of the process of contracting out television productions and acquiring formats and licences must be carried out in compliance with applicable national, European and/or international rules and regulations in force, with particular reference to offences remotely relevant for the purposes of Legislative Decree 231/01.

In contracting out television productions and purchasing formats and licences, the Entertainment Department operates according to the principles of lawfulness, fairness and propriety expressed in the Code of Ethics, paying particular attention to the provisions on conflicts of interest contained therein.

When commencing collaboration with a new provider, the accreditation and certification process is managed by the Procurement Division through the dedicated department.

The Entertainment Department informs the relevant Purchasing Hub of the qualitative

and quantitative targets for the television product to be purchased/produced.

At contractual level:

- there is a specific clause on guarantees and adherence to the Code of Ethics and compliance programme;
- there is a general ban on subcontracting, and where subcontracting takes place, certification of subcontractors is required.

The following obligations in terms of contractual clauses are also provided for:

- compliance with the provisions of the law in force on contributions and health and safety in the workplace pursuant to Legislative Decree 81/2008, as well as an indemnity in favour of R.T.I. with regard to all the obligations necessary for this purpose;
- compliance with the obligations laid down in current legislation on the employment of staff who are non-EU nationals;
- compliance with current environmental regulations.

Providers are always chosen with analysis of sourcing models that make best use of internal structures and skills.

About half of the suppliers/collaborators dedicated to entertainment content production are studios and/or agencies from across Italy, particularly around Rome and Milan, which ensure the services of actors, documentalists, directors, costume designers, set designers, directors of photography, choreographers, commentators, hosts or guests. The Entertainment Purchasing Department (for non-VIPs) and Artistic Resources Department (for VIPs) provide for the research and stipulation of contracts with the various artistic resources employed by the various Group companies. In 2020, the Entertainment Purchasing Department managed 412 contracts relating to procurement, licensing and supply of services. With regard to artistic collaborations in the entertainment area, it finalised 14,917 contracts, plus 650 in the music sector.

In 2020 the Artistic Resources Department managed 40 long-term contracts with artistic resources (hosts and commentators,

including the news, sport, digital and radio areas) linked to the most important broadcasting products in the programme schedule. Also in 2020, the Artistic Resources Department concluded 6,633 contracts for a total of 937 collaborators.

News - The journalism and infotainment area of the Mediaset Group refers to the Videonews agency, whose supply chain mainly consists of collaborations (about 90%) with the following professional skills:

- Journalists;
- Documentary makers;
- Directors and authors;
- Casting organiser;
- Costume designers, second costume designers, make-up artists, hairdressers;
- Graphic designers;
- Speakers, graphic designers and studio animators;
- Supply of public, participants, hostesses and stewards;
- Contracts to companies for various

supplies such as graphic support, translation services and surveys.

In addition to these collaborations, the News area purchases licences for various types of technical materials, as well as regional suppliers of materials and lastly part of the purchases goes to press and video agencies.

Videonews has also developed a partnership with *Mercati che Fare*, a company specialising in the provision of sector content broadcast on the TgCom24 programming schedule.

The suppliers of goods and services in the news area, in 2020, are almost entirely Italian or European, with some exceptions for international press and video agencies.

Selection of suppliers, both for content and collaboration, is determined based on the broadcast needs of the programme while also assessing the professional characteristics and experience of the collaborator.

Drama - The drama products featured in the Mediaset Group's broadcast offering are created through the activities of the subsidiary **Taodue** and through the use of

independent third-party productions; this activity generated around 100 hours of finished product over the whole of 2020, mainly for early evening slot programming on Canale 5.

The selection of independent producers is fundamentally based on the projects selected by the broadcaster. The broadcaster decides based on the broadcasting potential of the identified product, or on the congruence between the project examined and the broadcasting line of the Group.

Historically, drama productions are solely Italian in origin.

Co-financing agreements with SVOD operators (Amazon and Netflix) on original productions continued in 2020. The innovative arrangement specifically involves partial financing by the Group and availability of the product after an exclusive initial window for the SVOD operators.

Furthermore, remaining on the topic of changes in the supply chain, it should be noted that the contractual template predominantly used in the past, or the

contracting templates, have gradually been replaced by co-production and pre-purchase templates due to the new legislation on tax credits for audiovisual production, thus entering a residual category.

Almost all Taodue suppliers are Italian. In general, the main categories of suppliers used by Taodue for the creation of their drama include: actors, screenwriters, directors and copyrights, all selected thanks to continuous scouting in the reference market which makes use of the experience of the Taodue founder, as well as technical production personnel and companies supplying goods and services.

In cases where the use of minors is expected in the production, the company, which is required to comply with specific provisions of the law that regulate its employment, has set up adequate organisational procedures and contractual models shared with the Group's legal support.

Digital - Acquisitions and investments provided by the Digital area of the Group focus on the following macro-areas:

- acquisitions in the development of

technological products;

- investments in the production of contents;
- investments to promote the distribution of content produced internally by Mediaset agencies and productions.

The total number of suppliers involved throughout the year for the various activities is about 139, mainly resident in Italy, while some are from the United States.

Given the speed of changes the digital sector is particularly prone to, selection of suppliers is always up to whichever partner companies demonstrate a marked predisposition to technological and product innovation.

Radio - The core activity of the Mediaset Group's **radio hub** consists in the production and issue of entertainment content and musical flows aimed at Italian radio listeners.

For the conduct of its business, it mainly relies on the service provided by speakers, hosts and authors employed for the creation and management of the programming schedule on broadcasters 105, Virgin Radio, R101, RMC and Radio Subasio. These include

157 Italian freelancers, most of whom are known within the radio and television scene. Most collaborators are Italian, but a limited number of foreign resources are also contracted.

The main radio content is Italian and foreign music, which is indirectly acquired from the record companies, with repayment of broadcasting rights via collecting companies specifically appointed for this purpose (Siae, SCF, ...).

The programming schedule produced and distributed by the broadcasters is "marketed" by the advertising sales house Mediamond S.p.a., appointed on a national level by virtue of specific advertising concession agreements through the sale of space (commercials, mentions, etc.) to third-party investors.

The actual selection of suppliers takes place, first of all, through constant market monitoring and careful assessment of company needs, and their reliability is certified through a continuous accreditation process¹.

Offers are made, suppliers selected and services contracted according to the needs identified.

In the artistic field (mainly speakers, hosts, guests), where each broadcaster uses different resources depending on the specificity of the radio business, target listeners and audience response, the main factors for the selection are the individual characteristics of each artist. More generally, the direction followed would be to make the selection both using the criteria for the dynamics of the competitive scenarios in which broadcasters act, and also via the parameters of adequacy and consistency of remuneration/contribution with the market prices of that particular professional category.

In addition to broadcasting and creative activities, there are also technical activities (low frequency and control room, carried out by employees) and the distribution of the national signal (high frequency) through stations (equipment and pylons) and radio relays spread over all regions of Italy. The maintenance of the stations (1,778 between Radio Studio 105 spa, Virgin Radio Italy Spa, RMC Italia Spa, Monradio Srl, Radio Subasio

Srl and Radio Aut Srl) and of the transmission equipment is entrusted to external professional maintenance technicians (local suppliers), a total of 87 maintenance companies. In addition to these maintenance service providers there are lessors who lease out the stations, a total of 286 lessors.

Procurement of goods and services

The procurement processes of products and services supporting cross-operational activities refer to the following supply categories:

- Systems and technologies
- General services - facility / cross-functional
- TV production

The Group operates exclusively with accredited third party suppliers registered on the Vendor list, checking preliminary personal data (company name, country of residence, address, etc.), overall corporate transparency (identification of the final beneficial owner) and the level of concentration of revenues (monitoring whether this exceeds 50% threshold for a single customer).

In 2020 – despite the critical issues and difficulties related to the state of emergency that has arisen – efforts continued to improve the efficiency of the supplier accreditation process, which now includes a greater

number of more in-depth checks on active suppliers.

In order to better manage its suppliers, the Group has carried out a review and rationalisation of supplier data also in 2020 in order to identify subjects with whom the Group has no longer had dealings for over a year.

In 2020, the functionality implemented in the Synertrade supplier management platform was consolidated and improvements were made regarding automatic data updates from Synertrade to SAP (accounting system).

Further rationalisation of the supply chain was carried out based on critical issues linked to expenditure, the regulatory complexity of the merchandise sector involved in the commercial relationship (e.g. suppliers that provide additional legal obligations), the type of contract (e.g. subcontract) and according to the employment of personnel (employees or direct contractors of the supplier or staff of third parties to whom the service is subcontracted).

Also in 2020, the Vendor Rating was set up; this qualitative assessment of the supplier was used to select the parties to be invited to tender for the renewal of some contracts of significant amounts.

It became a requirement to obtain self-certification on a monthly basis from the supplier for contracts involving work services (contracts), signed by the legal representative, stating that the personnel employed in rendering the services are regularly hired, paid and insured, and ensuring compliance and correct fulfilment of all legal obligations regarding worker protection.

Lastly, the management of these processes aims to implement a gradual turnover of suppliers in order to diversify total expenditure over several parties, thus reducing their concentration.

Mediaset has also established that all suppliers must complete all registration phases including the approval and acceptance of the terms and conditions of the contract, the privacy rules, the Code of Ethics of the Group and the Compliance

Programme in order to be classified in the portal dedicated to them.

In the management of its supply chain, the **Mediaset Group in Spain** promotes responsible practices within its sphere of influence by transmitting environmental, social and ethical standards to its supply chain. Since 2010, contracts with Mediaset España suppliers have contained a clause that establishes their commitment to carry out sustainable activities, namely: respecting workers' rights and union membership, refraining from using child labour, refusing any kind of slave labour, prohibiting any kind of discrimination, complying with the legislation on the prevention of risks at work, ensuring the safety of employees during working hours and prohibiting any conduct involving corruption, blackmail or extortion.

The contractors also declare that they comply with environmental regulations and promote the efficient use of limited resources such as energy, water and raw materials in the course of their activities. In this way, suppliers declare their commitment to ethical and responsible management.

With regard to the types of suppliers and the main items of expenditure relating to the Mediaset Group in Spain, there is a greater concentration in the purchase of television broadcasting rights and content, 75%, followed by technological, professional and production services, which together account for around 25%.

Technological services contracted are linked to the purchase of technical materials (essentially hardware, software, cameras, mixers, matrices, audio and video equipment).

Professional services consist mainly of maintenance and development of computer applications and consultancy and audit services.

Production services mainly refer to services of set design, lighting and subtitles.

Contracts with national suppliers cover the vast majority of goods and services purchases, where international suppliers correspond mainly to the negotiation of technological services.

6.2 THE SOCIAL IMPACT OF THE GROUP

ADVANCED TRAINING INITIATIVES

The Mediaset Group education programmes for non-employees, designed to develop skills linked with the world of commercial TV, continued in 2020 as in earlier years.

There was further consolidation of the collaboration between IULM University and the Mediaset Group, in order to develop and improve the organisation and management of the Master's in Journalism.

Thanks to careful selection and excellent training, the Master's introduces students to a career as a professional journalist. IULM and Mediaset combine their respective expertise in the world of communication and information.

The professional training course is recognised by the National Association of Journalists for the purposes of an apprenticeship.

The Master's course aims to equip young journalists with the professional skills that will

enable them to access all broadcasting markets and produce multimedia content for the various platforms. The effectiveness of the courses is validated by the Joint Scientific Committee.

There is also a technology workshop run using professionals made available by Mediaset. It stands out among Italian journalism courses as the only one of its kind.

In 2020, 12 students from the IULM Master's in Journalism were hosted on internships in Mediaset's agencies (TV, web, mobile and radio), between September and November.

The Mediaset Group also offers its experience and professionalism via the Master's in Marketing, Digital Communication and Sales Management, which was established in 1988 by Publitalia'80.

The Master's in Marketing, Digital Communication and Sales Management is a 13-month postgraduate course with lectures and internship and limited admission, targeted at graduates who have decided to start their professional future in the field of marketing, trade marketing, sales and digital communications.

Through the two editions launched in 2020 (January-April and September-December), the Master's offered its **67** participants **166** course days for a total of **1162** hours of training; with reference to the January-April 2020 edition, the **36** participants were able to approach the world of work through participation in a total of **140** days of internship, a total of **1,120** hours. At the end of this internship period, all graduates were able to find a stable job.

The companies that collaborate on this initiative contribute with teaching and practical sessions and provide a reference point for the labour market as an employer, as well as elements that enable the ongoing updating of the training programme. As a result, the Master's course always acts as an up-to-date "bridge" between Universities and the Company.

This takes place thanks to teaching staff from leading Italian and international universities and contributions from managers in key roles within Italian and multinational companies.

The Master's is the most long-lasting experiment in collaboration among the universities of Milan. From the beginning of

the initiative, the Rectors of six Milanese universities signed up to it, taking part in the Chairpersons' Committee:

- Università Commerciale L. Bocconi
- Università Cattolica del Sacro Cuore
- IULM Libera Università di Lingue e Comunicazione
- Politecnico di Milano
- Università degli Studi di Milano
- Università degli Studi di Milano-Bicocca

They were joined by the main local associations and representatives of the financial and business world.

The Master's, now in its **thirty-third** edition, has to date educated more than 1,000 graduates, many of whom now hold top management positions.

The course is accredited by ASFOR, the Italian Association for Management Education, as a specialist Master's course.

Furthermore, the Mediaset Group has had ongoing collaborations with leading Italian universities for some years now, offering

students of the main faculties opportunities for integrated curricular internships to complete their studies. During their internship experience, the young undergraduates are given the opportunity to experience the world of work while building professional relationships, interfacing with the organisational dynamics of the company and using the knowledge acquired during their studies to further hone the skills and experiences that will facilitate their entry into the labour market.

INITIATIVES AIMED AT THE COMMUNITY

Mediaset agencies receive daily information on philanthropic activities, events and initiatives by non-profit organisations and charitable associations for the protection and support of ethnic minorities, voluntary groups, and institutions of medical research.

The “Mediaset ha a cuore il futuro” (Mediaset cares about the future) initiative is a concrete way of putting Mediaset’s skills and communicative power at the service of society.

Social communication campaigns that operate according to an integrated multimedia scheme featuring TV and radio advertising as well as digital and social media coverage address issues of national importance. These may relate to national emergencies or problems that are sometimes neglected. This lends continuity and power to the commitment that the company already expresses through its programmes.

The project began in September 2019 with a campaign to raise awareness of school leavers, with more than 750 TV broadcasts on all of the Group’s generalist and thematic networks, 23 million web impressions, reports on the subject by TG4, Studio Aperto and an in-depth report on Tgcom24. A documentary on the subject is also being produced, by the InfinityLab team.

October is traditionally dedicated to prevention, and this October saw a campaign to raise awareness of breast cancer prevention. There were a total of 800 TV broadcasts and 9 million web impressions, as well as mentions on Forum and Mattino Cinque, with in-depth reports on the topic and guests linked to the campaign, and reports on Studio Aperto and Tgcom24. The

Mediaset Tower turned pink for the occasion, to symbolise life and prevention, and sculptor Stefano Rossetti produced a dedicated artwork which was on display for a week in Piazza Leonardo da Vinci, Milan.

Mention must also be made of the satirical programme *Striscia la notizia*, which always follows the issue of sustainability closely. The sustainable development goals are discussed in the weekly **Occhio al futuro** slot, by TV journalist Cristina Gabetti.

The programme also promotes initiatives to protect the environment, through the reports in the **Ambiente Giovani** slot (in which very young ‘scientific advisors’ deal with activities or associations dedicated to protecting the environment) and food production, artisanal and organic, in the “**Paesi, paesaggi...**” and **Speranza Verde** slots by Davide Rampello and Luca Sardella respectively, as well as exposé, such as the reports of the correspondent Pinuccio on cases of industrial pollution.

Finally, the consolidated partnership between *Striscia la Notizia* and the **F.A.I.** (Italian National Trust) in protecting, safeguarding and promoting Italy’s artistic

and natural heritage is extremely significant.

Radio too plays an important role in social initiatives directed towards the community.

We would highlight over 2,400 radio spots broadcast in 2020 by the various Mediaset Group radio stations to support social initiatives. Examples include information initiatives concerning the coronavirus pandemic, supporting the Italian Red Cross; the campaign against cyberbullying; the “Mediaset ha a cuore il tuo futuro” campaigns on child protection and against violence against women; the “A fianco del coraggio” campaign; the campaign to support the Lega Italiana Difesa Animali e Ambiente.

In 2020, the Group’s Broadcasters (Radio 105, Virgin Radio, Radio 101, RadioMontecarlo and Radio Subasio), in addition to airing radio spots of a social character, also reserved space for in-depth analysis, with contributions from many presenters in the various programmes, on the following main topics, among others: the impact of the Covid-19 pandemic, supporting information campaigns on behaviour and compliance with the rules issued by the authorities to combat the epidemic; solidarity and

sympathy at the most critical and painful times for health workers; promotion of fundraising for intensive care.

Campaigns were also run to support AIL, the Italian leukaemia, lymphoma and myeloma association, promoting fundraising and solidarity events as well as breast cancer prevention and bone marrow donation campaigns.

A series of radio activities were undertaken to raise awareness among listeners for the International Day for the Elimination of Violence against Women.

Campaigns were also run to support the McDonald’s Foundation Food Bank.

On the web, a page dedicated to these projects was developed within the MediasetPlay site. In addition to gathering together all the material produced for the campaigns in chronological order, the aim of the dedicated space is to publicise brand-new contributions and in-depth information produced specifically for every topic focused on. It’s a genuine archive, always up to date and open to consultation at any time, so that

the contemporary nature of the problems addressed remains present.

These last projects attracted institutional attention and interest. In particular, the campaigns produced were presented to the relevant Ministries (the Ministry of Education, University and Research and Ministry of Health), which expressed a great deal of appreciation for the initiative and its quality of execution.

But “Mediaset ha a cuore il futuro” is more than a system for raising awareness of broad-ranging national issues. It also involves concrete action for sustainability within the company. In productions with third parties, for example, all plastic material was eliminated from sets and replaced with branded metal flasks and compostable items.

This is because “caring about the future” isn’t merely a catchphrase but a way of existing, thinking and acting.

We wish to highlight a new cross-media campaign from Mediaset called “Pensa, prima di scrivere” to raise social awareness in connection with the national Anti-Bullying

and Cyberbullying Day. It began in the early months of 2020.

We also wish to stress that sponsorship of fundraisers for public and private bodies (recognised by the state) is all certified by government associations (Civil Protection for Italy and AGIRE for the world). Many of these activities are also carried out through the support of Mediafriends, a non-profit organisation founded in 2003 as a tangible expression of Mediaset's vision of corporate social responsibility.

It is within this scenario that the Group takes to the field alongside Mediafriends and Fabbrica del Sorriso through its own agencies, in daytime packages on generalist networks or on TGCOM24. Particular visibility is given to the projects to which Fabbrica del Sorriso is committed, not only upon presentation and during fundraising but also when the project is run and for the results from the initiative.

One example of this is the production of a specific television product: "FABBRICA DEL SORRISO, UNA STORIA SPECIALE", illustrating the individual projects funded and testimonials for the results achieved. The "Tg

dei Ragazzi", in collaboration with "la Città dei Bambini e dei Ragazzi" in Genoa, is another educational partnership initiative to have been given visibility.

Publitalia'80 contributes to the social activities of the Mediaset Group through Mediafriends, providing advertising space that is used to promote fundraising mainly to support the identified charity initiatives. In addition to this, Publitalia'80 reserves some advertising space to initiatives that support scientific research, training and cultural activities.

Around 6,200 spots were broadcast in the year, with contributions free of charge from some of the main faces in the Group's artistic landscape.

Publitalia 80 is a founding member of the Fondazione Pubblicità Progresso, along with the major players in communication in Italy. This foundation aims to contribute to solving the civil, educational and moral problems of the community by placing communication at the service of society.

In addition to paying a membership fee, the sponsoring members provide their work free

of charge for the implementation of the Foundation's activities.

Pubblicità Progresso promotes training initiatives on social communication at leading Italian universities; it promotes events, exhibitions and initiatives dedicated to important social issues; it sponsors social communication campaigns carried out by non-profit organisations; and it holds the festival of social communication for training and public educational purposes.

Every year, Pubblicità Progresso draws the attention of the authorities and public opinion to create greater awareness on a specific theme by implementing communication campaigns using contributions from promoting partners: campaigns on anti-smoking, organ donation, gender equality, anti-racism, sustainability, volunteer work, etc. Specifically, and due to the pandemic, in 2020 Pubblicità Progresso deemed it appropriate to suspend these activities.

The Group's radio stations broadcast socially themed spots free of charge. This activity comes under the sub-concession contract in

force between Radiomediaset, Monradio and Subasio and the Mediamond sales house.

Activities to support youth entrepreneurship

With regard to promoting youth entrepreneurship and supporting the world of work and promoting the territory in general, we would highlight the activities carried out by **AD4Ventures**.

This Mediaset venture capital project involves investing in shares in start-ups, mainly digital in the medium-sized consumer and retail area with high growth and development potential, through advertising campaigns in Italy and Spain.

The investment portfolio also extends beyond national borders, while remaining within Europe.

The business model of AD4Ventures contributes to the growth of the companies in which investments are made, providing a great boost to potential excellence and all those young entrepreneurs still unable to access the big world of television media.

Since the beginning of its activity, AD4Ventures has invested in 13 European start-ups, 7 of which have offices or operations in Italy.

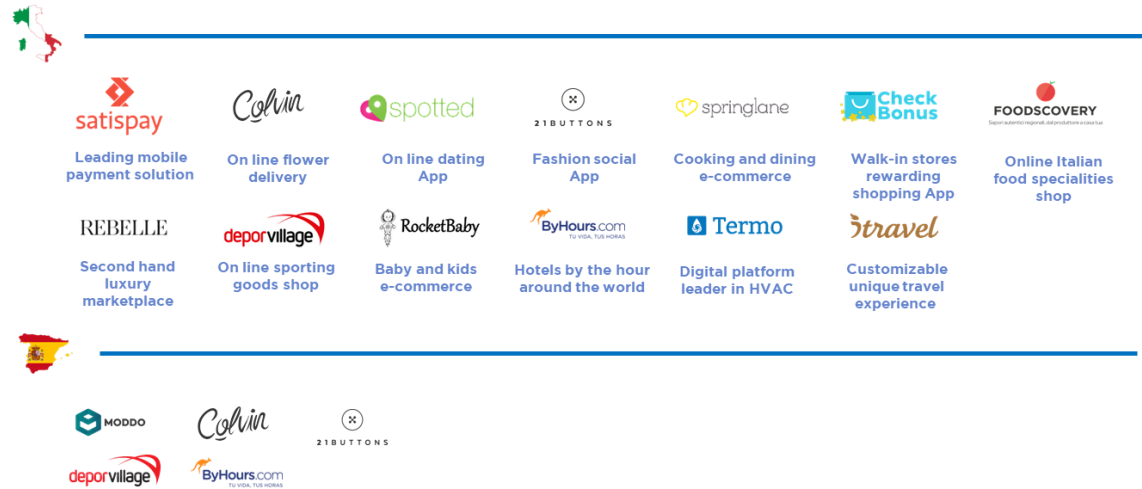
The average age of the founders is around 34, while the average number of employees at the companies in which investment is made is 35.

The start-ups included in the AD4Ventures portfolio were founded between 2010 and 2016.

The investment decisions made by AD4 Ventures’ management are increasingly based not only on the analysis and validation of the start-up’s business, but also on considerations relating to the sustainability aspects of the companies analysed.

The recent investment in Terno, an operator in the green tech sector and in energy efficiency improvements for families and blocks of flats, fits perfectly into this context, as does the acquisition of shares in Foodscovery, an online shop where you can

AD4VENTURES INVESTMENT PORTFOLIO AT 31 DECEMBER 2020



find the finest Italian food specialities from small independent producers in all regions.

In 2020, extremely significant investment was also made in Satispay, a leading company in the field of digitalising payments.

The commitment of **Mediaset in Spain** to social issues can be summed up by the 12 Meses project, which in 2020 mostly saw activities linked to the crisis provoked by the **Covid-19** pandemic.

In particular, Mediaset España implemented a schedule of programmes from March to June 2020 dedicated to information on the progress of the pandemic and to themes around the prevention and management of the current pandemic situation (7,708 spots broadcast for Covid-19 prevention purposes).

This prevention and information activity was also made possible thanks to the continuous exchange of ideas and opinions with various associations and non-profit organisations that contributed to handling the multiple aspects (health, social and economic) of this situation.

We would also highlight the creation of the “Valor Mediaset” brand in 2020, which aims to involve the most important advertising investors in Corporate Social Responsibility campaigns.

Mention must also be made of the “For a Future with Water” project to give future generations adequate water resources, which is a part of this.

Finally, in 2020 Mediaset España guaranteed free advertising space for NGOs amounting to an estimated value of 40.3 million euros.

6.3 SOCIAL UTILITY INITIATIVES

MEDIAFRIENDS

Mediafriends Onlus, a Non-Profit Organisation (NPO), was established on June 18, 2003 by Reti Televisive italiane S.p.A., Arnoldo Mondadori Editore S.p.A. and Medusa Film S.p.A.

We would highlight that in compliance with Legislative Decree no. 117 of 3 July 2017, which implements the delegation for the reform of the third sector contained in Law no. 106 of 6 June 2016, Mediafriends has undertaken the revision of its Bylaws in order to implement the provisions of the Third Sector Code updated with the amendments made by the corrective Legislative Decree 105/2018.

Mediafriends will enrol in the Single Third Sector Register (RUNTS) and will register the changes to its Bylaws (change of name to Mediafriends Ente Filantropico and changes to bylaws in accordance with the provisions issued) in accordance with the provisions in force, that is, after the effective operation of the RUNTS and, as permitted for non-profit

organisations, with effect from the fiscal year following the EC authorisation pursuant to art. 101 paragraph 10 of the CTS, with maintenance up until that point of enrolment in the register of non-profit organisations and the tax consequences thereof.

Mediafriends is a tangible expression of Mediaset's vision of corporate social responsibility. The association focuses exclusively on achieving social solidarity and does not distribute, even indirectly, profits and advances or any funds, savings and capital throughout the duration of the Company's existence, unless the destination or distribution are required by law or in favour of other non-profit organisations which, by bylaws or regulations, are part of the same unitary structure; it uses profits or advances to perform institutional activities and anything else directly connected to them.

Mediafriends Onlus carries out the conception, planning, realisation and promotion of events, especially television, aimed at collecting resources for the charity and financing of targeted projects in the following sectors:

- Social, health and socio-health assistance;
- Charities;
- Education and training;
- Protection, promotion and enhancement of culture, art and things of artistic and historical interest;
- Protection and enhancement of the environment;
- International cooperation.

Mediafriends is responsible for identifying and promoting opportunities for exchange between the world of business and the third sector, in order to promote mutual growth and the well-being of society. It also aims to better coordinate communication skills and deepen relations in the world of entertainment and culture in order to raise public awareness and solicit donations to fund targeted projects by third sector NGOs.

The process of identifying the Associations and projects to be supported through fundraising activities includes a series of steps, starting from the identification of a theme chosen among those envisaged by the Bylaws and of one or more Associations that

have projects in progress and meet the budget, diligence and transparency requirements, verified through Mediaset's Supplier Certification Office.

The second step involves analysis of the project estimates provided by the Association through adequacy analysis of the costs presented. At this point, if the evaluation criteria are positive, a contract is drafted between the Association and Mediafriends, which regulates the mutual obligations during the fundraising period and afterwards when Mediafriends checks the implementation of the project, in accordance with the provisions of the contract itself. Starting from 2018, with the advent of the new "Self-regulation code for the management of numbers used for telephone fundraising for socially beneficial purposes", which provides for fixed and variable costs for each campaign, Mediafriends has redesigned the way it operates in fundraising campaigns and has introduced a new method, in addition to the one just described, whereby when fundraising for an Association, the latter collects the money directly, while Mediafriends only provides support and communication campaigns.

The Association is in any case obliged to provide Mediafriends with due notification and reporting of the proceeds.

In the first case, usually followed over the years, the Bylaws state that the money raised by Mediafriends will be allocated to the Association through the Mediafriends Advisory Committee, with three positions expressed by the Members of Mediafriends, by Mediafriends and by a representative of the Association. The Advisory Committee distributes the funds raised, indicating the time frames and methods.

Mediafriends then checks the reports from the Association and monitors the progress of the project funded. However, according to the above-mentioned new method, Mediafriends still maintains the obligations of the beneficiary Association to report the proceeds as described above.

Over the years, Mediafriends has supported numerous TV and other events to raise funds for the projects of non-profit associations. The most notable of these is Fabbrica del sorriso (the smile factory). At 31 December 2020, over 75 million euros have been raised and distributed, allowing 172 associations to

implement 298 charity projects in Italy and around the world.

To do this, Mediafriends called on the close collaboration of Mediaset. Firstly, Mediafriends relies on the continuous work of five Mediaset employees, who design events and coordinate with both external bodies (third sector, institutions, etc.) and the departments within the company.

Fundraising initiatives and activities follow one after another throughout the year: fundraising events including through SMS donations, field initiatives in collaboration with recipient groups and editorial events such as the "Ulysses: art and myth" exhibition at the San Domenico museums in Forlì.

These events were promoted on television and on the web, with the collaboration of the various structures of the Mediaset Group: the presentation of programme projects with services created by journalists in the News Department, fundraising spaces with commercials created by the Creative Department, presence in programmes with the collaboration of the production structures of the Entertainment, News, Sport and Publitalia'80 Departments. In particular,

we would mention the “Enjoy – Ridere fa bene” programme, hosted by Diana Del Bufalo and Diego Abatantuono, aired on Italia1, the prize money of which went to fundraising.

Together with Publitalia'80, Mediafriends manages a pool of social communications, offering space, free of charge, for the broadcasting of social infomercials and creating times dedicated to social issues within its programme schedule.

Lastly, the Mediafriends site and Mediafriends slot on the TGCOM24 site, as well as and the Facebook Page of Fabbrica del Sorriso, hosted campaigns for charities and numerous videos produced on some of the most important social issues.

Unlike in the past, the pandemic that has deeply affected the country's social and productive fabric since the end of February prevented development of the projects planned for 2020 and has required a major review of objectives, in the context of the health crisis that Italy has had to face from March onwards, leading to the development of new intervention methods that excluded the possibility of operating on the ground,

entrusting operations to remote working.

On 19 March, the “AIUTIAMO CHI CI AIUTA” TV fundraiser was launched, dedicated entirely to the Italian Civil Protection Department for the purchase of medical and surgical equipment needed to combat the coronavirus in the intensive care units of hospitals throughout Italy, in particular, respirators and ventilators as well as the new protective equipment needed by medical staff and paramedics. The national emergency prompted the decision not to wait until the end of the collection to give the funds donated to Mediafriends to the Civil Protection Department. On 30 March, an initial instalment of €1,721,947 was therefore transferred to the Civil Protection Department, representing the total amount collected on 27 March. The fundraising campaign, which ended on 26 April, raised a total of more than €2,300,000.

Among the many problems created by the pandemic, one of the most painful and difficult to manage was that of the elderly, who, even if not affected by the virus, often found themselves in situations of extreme loneliness and hardship. The lockdown highlighted two aspects relating to this more

vulnerable group that need to be addressed:

1. The need for practical help especially for those who live alone;
2. The search for volunteers to respond to a sudden increase in demand for practical and psychological support.

Mediafriends committed to working on both fronts, first with a joint initiative with AUSER, then with another joint operation with the RED CROSS.

More specifically, in May Mediafriends and AUSER launched a TV communication campaign with the aim of drawing public attention to the need for volunteers to help more vulnerable groups within the population. The 30” spot, planned for whole of May on Mediaset networks, promoted an Auser telephone number that people could call for information or to indicate their willingness to offer time to help others. More than 11,000 people contacted Auser.

From 28 June to 12 September, together with the ITALIAN RED CROSS, Mediafriends promoted a freephone telephone number that anyone in distress could call to request psychological support or a response to

practical requests such as home delivery of groceries or medicines. Nearly 30,000 phone calls were received. Of these, 57% related to food aid, which was met with the response of distributing food parcels, while other calls ranged from psychological support to telephone companionship, requests for medication and home delivery of groceries.

In the first half of the year, from 26 April to 9 May, Mediafriends supported the AIRC “Azalea della Ricerca” fundraiser with a campaign of spots and appearances on the main Mediaset TV programmes and on its social media. Due to the lockdown, the fundraising event could not be held in Italian town squares, but developed through online purchases, the only kind allowed. The communication campaign to explain the new ways to take part and donate resulted in the purchase of more than 300,000 azaleas.

Improved health conditions at the beginning of the summer saw the partial resumption of work in person and the projects planned for 2020. This made it possible to organise a new edition of Fabbrica del Sorriso over the summer months, dedicated to research into women’s cancers together with AIRC. The initiative, launched on 4 October on Mediaset

networks, with the involvement of news agencies and entertainment programmes, saw the production of a planned spot on the Group’s networks and closed on 31 October, recording funds raised of around €300,000 that will be allocated to one or more innovative multi-annual research projects with the aim of finding increasingly effective treatments for the most aggressive forms of breast cancer.

One of the most devastating aspects of the pandemic has undoubtedly been that it has obscured all the major issues that have driven the third sector in recent years. These issues have not disappeared; on the contrary, in many cases they have worsened due to a lack of continuous awareness-raising, including on the part of the media. With this in mind, Mediafriends resumed its efforts to raise awareness of the painful issue of violence against women, which has risen precisely during the lockdown period. With the collaboration of the Creative Department, which handled the production of the television communication, and together with Mediaset’s Institutional, Legal and Strategic Analysis Department, Mediafriends developed a campaign to raise awareness of the issue of violence against

women and promoted the 1522 freephone number of the Prime Minister’s Office – Department for Equal Opportunities. The campaign ran from 14 to 28 November on the group’s generalist channels.

Also in November, Mediafriends supported the Associazione Italiana Editori “#Io leggo perché” campaign, which saw, in a terrible year, the purchase and donation of more than 300,000 books to Italian school libraries by the public and publishers.

The economic crisis, which as a result of the pandemic in the autumn saw a new wave of infections, has highlighted still more the dramatic effects on large sections of the population, who found themselves unable to meet their normal food needs in the space of a few months. In the last months of 2020, the number of aid requests increased by an average of 40% across the country, with peaks of 70% in the southern regions. In response to this, Mediafriends launched a fundraising campaign on 6 December together with BANCO ALIMENTARE that will end on 6 January 2021. Thanks to a TV spot produced specifically for this initiative, the launch of appeals on Mediaset programmes and radio support from the Group’s stations,

which dedicated their New Year's Eve special to this initiative, as of 31 December €54,233 had been collected, which will enable Banco Alimentare to distribute food amounting to over 760,000 meals to people in need.

Activities in local areas, particularly in connection with the "A Regola d'Arte" (ARdA) project addressed to disadvantaged Italian and foreign children living in the suburbs of Italian cities and seeking to promote integration and social development through music and rugby, were drastically reduced due to the pandemic and the restrictions introduced over the months to contain the spread of the virus. In accordance with the Prime Ministerial Decree issued on 23 February, the activities that began in January for around 400 children in the seven centres in Milan were suspended on the same day. In June and July, marked by a great reduction in the force of the pandemic, the decision was taken to organise three summer activities, two in Milan and one in Naples, with the aim of facilitating socialisation and helping families through play activities and remedial teaching support for about 100 children. All activities took place with fewer young people than in previous years and in accordance with Covid regulations. In the

autumn, activity resumed in the Neapolitan centre, only interrupted in the 15/30 December period.

On 19 August, Mediafriends, in collaboration with FONDAZIONE AURORA and AMREF, presented the short film "MASHAA - EVENTUALLY WE GROW" at the Giffoni Film Festival. It was made entirely in Kenya, at the Dagoretti Film Centre in Nairobi, and features children living in the shantytowns on the outskirts of the city. The film is part of a wider project that Mediafriends supported with its 2018 Fabbrica del Sorriso fundraiser. The film was then broadcast on the Mediaset networks.

In September, the "Orchestra giovanile" project featured in the 2020 budget was launched, with the aim of creating an orchestra over a four-year period to bring together young people in the difficult area of zone 4 in Milan, thanks to the teaching and training efforts of the EUTERPE ASSOCIATION, which operates locally.

In 2020 too, Mediafriends appointed Dr Andrea Franzoso, already an internal auditor for major companies and author and web content producer, to check the projects

financed by Fabbrica del Sorriso in 2018. Dr Franzoso went to the non-profits financed and drew up a written report afterwards plus four videos demonstrating the genuine social impact of the FONDAZIONE MISSION BAMBINI ONLUS, AMREF HEALTH AFRICA ONLUS, A REGOLA D'ARTE and COMUNITÀ DI SANT'EGIDIO projects. The Mediaset News Department also used the footage to produce the "Fabbrica del Sorriso. Una storia speciale" programme, broadcast by Rete 4 on 24 December. This analysis of the results of the project financed performed by people outside the structure and the company provides a guarantee of the impartiality and independence of the findings. The "Fabbrica del Sorriso, Una storia speciale" episode allowed viewers to see the real impact and situations in which the money donated was used.

There was also intense publishing activity developed by Mediafriends independently for both the digital platforms and for Mediaset's thematic channels and TV networks. On average, more than one post a day was published to report not only the activity of Mediafriends, but also the most significant initiatives of the third sector, on Instagram, Twitter, Facebook and LinkedIn.

Lastly, on 26 October, the President of the Republic gave Mediaset and its Chairman the “Airc-Credere nella ricerca” award. The award results from a recommendation by the “Fondazione Airc per la Ricerca sul Cancro”, which highlighted Mediaset’s twenty years of support for cancer research through Mediafriends to the President of the Republic.



7 ■ The environment

7.1 COMMITMENT TO ENVIRONMENTAL PROTECTION

The Group's commitment to the environment is also referred to within the Group's Code of Ethics³⁷, with special reference to the conduct and provisions on environmental protection, which highlight the central role of environmental protection as a key factor in the company.

The Mediaset Group is inspired by the principles of respect and protection of the environment and the local territory, and their impact on the health of humans and other living species. To achieve this goal, all Mediaset business activity complies with the highest standards of compatibility and environmental safety.

As proof of this commitment, the Group has adopted a specific Corporate Organisational

Guideline (O.G. "Requirements for environmental protection") which describes the activities carried out for the collection and disposal of waste produced, which is treated according to the principles of selective separation and recycling of waste wherever possible and as required by current laws and best operating practices.

7.2 MANAGEMENT OF ELECTROMAGNETIC EMISSIONS

The Mediaset Group Italia³⁸ has always been committed to respecting the sector legislation on electromagnetic emissions.

Elettronica Industriale S.p.A., a subsidiary of the Mediaset Group, is required to present documentation to the local authorities certifying compliance with the field limits of



plants for the installation of new plants or for the modification of existing plants.

In 2020, 119 requests were made to modify plants, 100% of which were approved as compliant with current regulations, including compliance with the population exposure limits for electromagnetic fields.

These activities allow the Group to monitor the impact produced by any changes made to the plants throughout the area and ensure the non-existence of any negative effects due to radio-television signal emissions. The applications must obligatorily contain all

³⁷ The specific provision has been confirmed in the new Code of Ethics adopted by Mediaset S.p.A. and its subsidiaries in 2019: Art. 26 (Environmental protection) "1. The Mediaset Group considers protecting the environment to be a key factor in the company and is inspired by the principles of respect for and protection of the environment and the local territory, due both to their intrinsic value and their impact on the health of humans and other living species. To this end, the Mediaset Group is committed to observing the regulations in force and works so that all its business activity complies with the highest standards of environmental safety and compatibility.

2. Particular attention is dedicated to the collection and disposal of waste produced by the company, which wherever possible is treated according to the principles of selective separation and recycling of waste, to reduce the impact on the environment to a minimum and as required by current laws and best operating practices."

³⁸ The issue of electromagnetism is taken into consideration only in Italy as the Mediaset Group in Spain does not directly manage the signal transmission network.

electromagnetic impact assessments of the plants subject to the authorisation request.

The Electromagnetic Impact Analysis (EIA) for larger plants are extremely thorough and include “pre-existing electromagnetic background” levels and the impact of that individual plant.³⁹The reference standards for the Electromagnetic Impact Analysis are those reported in Law 36/2001 and include the maximum permitted levels to which the population can be subjected.

Furthermore, while complying with regulatory limits, Elettronica Industriale S.p.A. continuously assesses any specific provisions set by individual municipalities as well as any indications of any provincial, state and international location plans for transmission sites.

As regards the assessment of the overall impact of the transmission sites (within which Elettronica Industriale S.p.A. plants also operate), the role of the ARPA departmental agencies (Regional Agency for

Environment Protection) must also be taken into consideration, which is responsible for monitoring activities through periodic analysis and sampling of the plants, with particular attention to more prone units of the company.

As part of managing relations with public bodies, Elettronica Industriale S.p.A. always provides absolute availability for inspections and collaborates with the ARPA, even in a preventive manner, using comparison activities during meetings with those public bodies.

The most sensitive plants have been monitored in recent years by the regional agencies (ARPAs) without penalties being imposed on Mediaset.

In 2020, the Regional Environmental Protection Agencies performed 16 checks, 2 of which on critical stations in terms of high power transmission or the proximity of housing to the transmission equipment. In both cases, the Group’s plants proved

compliant with the current regulations on protecting the population from electromagnetic fields.

In the coming years, following the transition to new frequencies caused by the release of the ‘700 band for telephone companies, new applications must be made to authorise all plants, which will have to comply with the new frequency allocation plan. This may result in further analysis of the electromagnetic fields envisaged by the applicants and the Regional Environmental Protection Agencies. The total number of plants envisaged by the new PNAF (national frequency allocation plan) will be lower compared to the current number of plants in operation, with a resulting decrease in the electromagnetic impact.

The reduction will also involve Mediaset’s plants, which will therefore have an overall electromagnetic impact even more comfortably within the legal limits in future.

³⁹ The maximum exposure limits allowed by current legislation are 6 V/m in homes and related outbuildings and 20 V/m in public places (see also par. 3.3).

With respect to the impact of the **Covid-19 pandemic** on our activities and the main initiatives to ensure business continuity, we would point out that the main effect concerned the organisation of work and relations with organisations throughout Italy.

In particular, priority was given to web-based communication (encouraging the use of e-mail, telephone contacts and also the use of online videoconferencing software).

At a second stage, contact was resumed, including face-to-face contact and in some cases inspections of installations.

In general, through the use of smart working, it was possible to safeguard business continuity and the maintenance of operations.

The equipment managed by the RadioMediaset company is generally housed at stations that it does not own.

The appointed RadioMediaset Office independently, or with the support of specialist companies and/or the tower

operator itself, provided with the technical documentation necessary, draws up the applications to present to the local authorities for authorisation to change existing equipment and/or activate new equipment.

The procedure adopted by the Group for the radio station in order to monitor electromagnetic pollution and safeguard the community is divided into the following activities:

- Execution of an Electromagnetic Impact Analysis (EIA) for each plant it intends to install ex novo or whose emission characteristics are to be modified by specialised third-party companies and personnel in possession of the qualifications required by current legislation, in order to ensure compliance with the exposure limits, attention thresholds and quality objectives for electromagnetic emissions as required by current legislation;
- Selection and contracting of the

forementioned counterparties in line with the provisions of the current company guidelines;

- Submission of the request for installation and operation of radio equipment (including the aforementioned EIA) to the Single Contact Point for Productive Activity (SUAP) of the municipality responsible for that area by a company lawyer or by the company/professional who carried out the aforementioned analysis, by delegation of a company representative;
- Assessment of the EIA by the Regional Agency for Environmental Protection (ARPA) for that area. Issue of the authorisation for installation and operation of radio equipment by the competent Municipality, subject to obtaining permission from the local ARPA;
- Continuous monitoring of the operation of Group radio equipment by dedicated department via verification of the data acquired by the equipment through

telemetry. Where anomalies are detected that could cause the equipment to operate at higher energy levels than those envisaged, the department will promptly alert the competent maintenance companies in order to resolve any anomalies found;

- Periodic check on the operation of the systems by specifically contracted companies (in 2018, transmission equipment maintenance was entrusted to 85 external companies, with a total of 1,783 stations for Radio Studio 105 s.p.a., Virgin Radio Italy S.p.a., RMC Italia S.p.a., Monradio S.r.l., Radio Subasio S.r.l. and Radio Aut S.r.l.);
- In recent years, a complete mapping of all the radio equipment managed by the Mediaset Group in Italy was performed by a specialised third-party company, aimed at assessing the risks pertaining to individual systems and preparing the related RADs (Risk Assessment Documents). Measurements were carried out on the overall level of electromagnetic

emissions from the stations where radio equipment operated by the Group is installed in Italy (these were cumulative measurements, bearing in mind that there may be several systems belonging to various radio companies at a single location) and, where necessary, measurements on the emissions level of the Group's systems (narrow measurements), in order to ensure compliance with the electromagnetic emission threshold imposed by current legislation. Where anomalies were detected, installers/maintenance technicians were promptly alerted to resolve them.

In the 2020 reporting period, 79 applications for authorisation were made together with 71 assessments (EIAs). These were joined by 6 inspections (post-activation checks requested by the authority) and 29 installations monitored by ARPA (periodic checks in the area). During the reporting year (2020), financial penalties were not imposed for exceeding legal values and a compliance

reduction (following orders/notices) was implemented at a site for which ARPA identified non-compliance with the required attention thresholds due to multiple exposures. This involved a managed system and others belonging to third parties.

The appointed RadioMediaset Office also gathers the data for drawing up the Risk Assessment Document, including the electromagnetic field levels, which allow appropriate interventions for remedying the most important issues to be identified and developed. 2020 saw 313 monitoring operations, 475 Plant Risk Assessment Documents prepared and 18 RADs for owned sites for these purposes.

There were no risks to station workers since the electromagnetic levels detected are completely within the thresholds prescribed by law.

In any case, in an effort to further reduce risk, the power of the transmitting plants is reduced during any work at height on the pylon/pole, thus keeping the exposure of

workers to electromagnetic fields to a minimum.

As far as the impact of the **Covid-19** pandemic is concerned, it should be noted that work was always carried out continuously, taking the appropriate and necessary health precautions, even if that work was slowed by the relevant national and regional regulations.

When carrying out activities externally and with the presence of other staff, measures were adopted to preserve personal health, such as the temporary assignment of the same vehicle always to the same worker and the instruction to coordinate with other site users during checks in order to limit presence to a few people. The compulsory use of masks and gloves was always observed, even in the most isolated locations. Finally, the standard information sheet on Risks to Workers at Technological Sites and Interference Risks was supplemented with a section on Risk Assessment of COVID-19 infection and related Prevention and Protection Measures.

7.3 WASTE MANAGEMENT

In order to minimise its impact on the local territory, the Mediaset Group, including foreign investee companies, constantly monitors its consumption of raw materials and the waste produced by its activities.

The Group mainly produces waste connected to its specific activity, such as mixed packaging materials, toner, electrical and electronic equipment and bulky waste (e.g. sets), and hazardous waste composed of materials from ordinary maintenance activities (e.g. neon lights and batteries). Lastly, it is worth mentioning the possible production of hazardous waste due to the hospital service.

All refuse produced is managed in compliance with current regulations on the environment (Legislative Decree 152/2006) and waste collection is managed using appropriate bins that have been approved for hazardous waste.

The Mediaset Group also adopts oversight activities on the correct administrative and legal management of the refuse through the supervision of the transport process, in close

coordination with the suppliers and in compliance with the law.

The verification of the authorisations and the administrative management of the waste for all premises that are part of the Cologno Monzese headquarters are carried out using specific software (ECOSWEB).

It should also be noted that the separate collection of urban waste has always been present within the company.

The Group produced approximately 1,770 tonnes of waste in 2020. In particular, hazardous waste represents less than 1% of

the total waste produced, with the rest non-hazardous. During the year there was a decrease in hazardous and non-hazardous waste compared to 2019, due to the significant decrease in activity related to staff presence in offices due to the Covid-19 emergency.

The **Mediaset Group in Spain** monitors the consumption of paper, CDs and toners in all its offices. This monitoring focuses specifically on the Fuencarral and Villaviciosa offices in Madrid, where all activities related

WASTE BY TYPE AND METHOD OF DISPOSAL (TONNES) MEDIASET GROUP

	2020			2019		
	Hazardous	Non-hazardous	Total	Hazardous	Non-hazardous	Total
Recycle	4.50	44.40	48.90	7.63	64.97	72.60
Composting	-	0.08	0.08	-	0.12	0.12
Recovery[*]	1.80	1,635.30	1,637.10	10.11	1,610.54	1,620.64
Dump[**]	0.10	84.50	84.60	0.14	115.89	116.03
Other	0.53	-	0.53	0.23	0.75	0.98
Total	6.93	1,764.28	1,771.21	18.10	1,792.27	1,810.37

[*] Includes recovery via energy production) R-13 – R-5.

[**] Preliminary dumping pending one of the operations indicated in points D1 to D14 (not including temporary dumping, pending collection, in the place of production)

to audiovisual production are concentrated, and involves around 99% of the workforce.

In 2020, all waste generated by the Mediaset Group in Spain was managed appropriately, promoting recycling activities according to national legislation.

In 2020, Mediaset España continued with work to eliminate non-biodegradable plastic waste in the canteen and adjoining bar.

In compliance with the regulations governing hazardous and non-hazardous waste, the Group has appointed a specialised third party company for its management.

Waste electrical and electronic equipment is managed by technical warehouse workers, while organic waste produced by the canteen is collected and separated by kitchen personnel according to the type of material.

Hazardous waste included batteries, fluorescent tubes and printer material.

In general, during 2020, there was a significant increase in biomedical waste due to the pandemic emergency and also, due to the renovation of an entire building in the

production centre, an increase in steel and iron waste. On the other hand, the remaining waste decreased significantly compared to 2019, due to the major decrease in activity related to staff presence in offices due to the Covid-19 emergency.

7.4 MANAGEMENT OF ENERGY CONSUMPTION AND EMISSIONS

The main energy sources used by the Mediaset Group, in Italy and Spain and in the other foreign investee companies, for the performance of its activities are divided into four types: electricity, natural gas, diesel and petrol.

The highest percentage of energy consumption is for electricity, used in all offices for lighting, both internal and external, and to power office equipment and air-conditioning machinery. Replacement of printers in Group offices due to obsolescence continued in 2020. Products were selected favouring models that provide the same performance with a lower environmental impact.

In some locations, electricity is also used to power the heating and cooling units and for powering data centres. In 2020, around 330 TJ of electricity was consumed, approximately 4% less compared to 2019. This substantial decrease in energy consumption is also due to the effect of the

ENERGY CONSUMPTION BY GROUP BY SOURCE (TJ)[*]

	2020	2019
Electricity purchased	330	344
Natural gas	31	30
Diesel	26	29
Petrol	2	2
Total	388	406

[*] Source: Lower heating value of natural gas 0.034 GJ/m³, average density of diesel 0.840 kg/litre. Lower heating value of petrol 42.82 GJ/ton, average density of petrol 0.74 kg/litre. Lower heating value of diesel 42,78 GJ/ton, average density of diesel 0.84 kg/litre (Sources: NIR: Italian Greenhouse Gas Inventory 1990-2017 - National Inventory Report 2019).

In order to provide a more meaningful representation of Mediaset Group's energy consumption, conversion factors used for the calculation have been updated during the year. As far as previously disclosed data, please make reference to the Sustainability Report 2019 that has been published into the "Corporate Social Responsibility" section of corporate.mediaset.it website.

EMISSIONS OF GREENHOUSE GASES (TONNES OF CO₂) BY THE GROUP[*]

	2020	2019
Scope 1[**]	3,828	4,116
Scope 2[***]		
Location-based approach	30,393	33,249
Market-based approach	35,477	37,949

[*] Scope 1 emissions are expressed in tons of CO₂ equivalent. Scope 2 emissions are expressed in tons of CO₂, nevertheless the percentage of methane and nitrous oxid have a negligible impact on total emissions of greenhouse gases (in terms of CO₂ equivalent) as we can infer from technical reference bibliography.

[**] 2020 data: Natural gas emission coefficient of 2.02266 kgCO₂/Sm³, diesel emission coefficient 2.54603 kgCO₂/ton, petrol emission coefficient 2.16802 kgCO₂/ton (source: DEFRA 2020. UK Government - GHG Conversion Factors for Company Reporting).

2019 data: Natural gas emission coefficient of 2.0268 kgCO₂/Sm³, diesel emission coefficient 2.5596 kgCO₂/ton, petrol emission coefficient 2.1959 kgCO₂/ton (source: DEFRA 2019. UK Government - GHG Conversion Factors for Company Reporting).

In order to provide a more meaningful representation of Mediaset Group's emissions of greenhouse gases, emission factors used for the calculation have been updated during the year. As far as previously disclosed data, please make reference to the Sustainability Report 2019 that has been published into the "Corporate Social Responsibility" section of corporate.mediaset.it website.

pandemic situation and the consequent decrease in activity related to the presence of staff in offices.

In particular, it should be noted that all electricity purchased by the **Mediaset Group in Spain** (equal to about 15.53 GWh in 2020) is certified and comes from renewable sources through Guarantees of Origin. This consumption is mainly due to the technical equipment of the studios, including recording, transmission and post-production equipment, as well as computer equipment and air conditioning in IT rooms.

Activity to achieve greater efficiency in terms of the above consumption continued in 2020, above all by replacing the above equipment which is most energy inefficient and obsolete.

In particular, work continued on:

- replacing high-consumption lights with more energy-efficient models;
- replacement of the most obsolete computers;
- installation of new solar panels on buildings.

Natural gas is used to heat offices, laboratories and warehouses only, comprising around 8% of total energy consumption. It saw a 4% increase compared to 2019.

However, the consumption of diesel and petrol in 2020 amounted to about 28 TJ, mainly due to the company car fleet and the operation of a few generators.

The Mediaset Group company fleet consists of cars for long-term hire and a car fleet specifically owned for the Mediaset Group in Spain.

In 2020, the Group's activities generated greenhouse gas emissions due to direct energy consumption (natural gas, petrol and diesel) and indirect energy consumption (electricity) of the Group itself. In particular, a high proportion of the greenhouse gas emissions are due to Scope 2 emissions, for which Mediaset is indirectly responsible, as it derives from the electricity supply purchased externally. However, the zero contribution of the Mediaset Group in Spain to these type of emissions (according to the Market-based approach) is noteworthy, since all electricity

of the Group is covered by certificates of guarantee of origin.

The reporting standard used (GRI Sustainability Reporting Standards 2016) provides for two different approaches to calculating Scope 2 emissions: "location-based" and "market-based". The "location-based" approach envisages the use of a national average emission factor related to the specific national energy mix for the production of electricity (emission coefficient used for Italy of 336 gCO₂/kWh and for France of 56 gCO₂/kWh - Source: TERNA, International Comparisons 2020). The "Market-based" approach envisages the use of an emission factor defined on a contractual basis with the electricity supplier. Given the absence of specific contractual agreements between Mediaset Group companies in Italy and the electricity supplier (e.g. purchase of Guarantees of Origin), the emission factor relating to the national "residual mix" was used for this approach (emission coefficient used in Italy of 466 gCO₂/kWh and for France of 43 gCO₂/kWh - Source: Association of Issuing Bodies, European Residual Mixes 2018, 2019). Note too that the companies of the Mediaset

Group in Spain do not use Scope 2 emissions for the "market-based" approach since they purchase electricity from renewable sources certified with Guarantees of Origin.

However, the direct emissions of Scope 1 generated directly within the Group due to the use of fuels for heating, generators and the car fleet amount to approximately 3,828 tCO₂eq. For the latter, there is a significant reduction compared to 2019, mainly due to the pandemic period.

In reference to the sustainable management of greenhouse gas emissions, it should be noted that the **Mediaset Group in Spain** identifies, measures and manages its emissions and establishes appropriate measures for their reduction. In addition to quantifying the emissions generated, the company also makes this information public, which demonstrates its degree of awareness and transparency in this sector. The commitment of the Mediaset Group in Spain to transparency is reflected in its participation in the Carbon Disclosure Project (CDP) initiative since 2009, with which the Group agrees to publicise its objectives and the methods implemented to reduce greenhouse gas emissions.

Furthermore, it should be noted that in order to reduce greenhouse gas emissions as much as possible and raise awareness among its employees, the Mediaset Group offers its staff a shuttle service linking the company's premises with metro stations over a wide range of hours in order to encourage greater use of public transport.

In this context, we would highlight the fact that the car fleet owned by Mediaset España includes 1 minibus for transporting employees and a fleet of cars for long-term hire, used exclusively by the group's senior managers, comprising 33 diesel cars, 10 petrol, 10 petrol and 10 hybrid.



GRI Content Index

GRI-STANDARDS		SECTION /REFERENCES TO OTHER DOCUMENTS
GRI 102: GENERAL STANDARD DISCLOSURE (2016)		
ORGANIZATIONAL PROFILE		
102-1	Name of the organization	15; 51
102-2	Activities; brands; products; and services	16-17
102-3	Location of headquarters	15
102-4	Location of operations	15
102-5	Ownership and legal form	15
102-6	Markets served	15-17
102-7	Scale of the organization	15; 43-47; 79
102-8	Information on employees and other workers	79-105
102-9	Supply chain	141-151
102-10	Significant changes to the organization and its supply chain	11; 22-23; 30-31; 141-151
102-11	Precautionary Principle or approach	58-62; 70-72; 96
102-12	External initiatives	30-35; 151-163
102-13	Membership of associations	55
STRATEGY AND ANALYSIS		
102-14	Statement from senior decision-maker	3-5
102-15	Key impacts; risks; and opportunities	58-62; 70-72
ETHICS AND INTEGRITY		
102-16 + M	Values; principles; standards; and norms of behavior	24; 53-55
GOVERNANCE		
102-18	Governance structure	51-53
STAKEHOLDER ENGAGEMENT		
102-40	List of stakeholder groups	32; 35
102-41	Collective bargaining agreements	100-101
102-42	Identifying and selecting stakeholders	32; 35
102-43	Approach to stakeholder engagement	32-35; 46-47; 134-137
102-44	Key topics and concerns raised	9-12; 25-29; 32-40

REPORTING PRACTICES		
102-45	Entities included in the consolidated financial statements	9-12
102-46	Defining report content and topic Boundaries	9-12; 36-38
102-47	List of material topics	32-40
102-48	Restatements of information	9 - 12; 89; 95
102-49	Changes in reporting	32-40
102-50	Reporting period	9
102-51	Date of most recent report	The previous version of the NFS (Non-Financial Statement) was published in April 2020
102-52	Reporting cycle	12
102-53	Contact point for questions regarding the report	12
102-54	Claims of reporting in accordance with the GRI Standards	9
102-55	GRI Content Index	179-185
102-56	External assurance	189-190
[1] The indicators marked with "+M" report specific requirements of the "Media Sector Disclosures" (2014); issued by the Global Reporting Initiative (GRI).		
SPECIFIC STANDARD DISCLOSURES		
ECONOMIC SERIES		
GRI-STANDARDS	SECTION /REFERENCES TO OTHER DOCUMENTS	OMISSIONS
ECONOMIC PERFORMANCE		
GRI 103: Management Approach (2016)		
103-1	Explanation of the material topic and its Boundary	36-38
103-2	The management approach and its components	44-47; 66-76
103-3	Evaluation of the management approach	43-47; 66-76
GRI 201: Performance economica (2016)		
201-1	Direct economic value generated and distributed	44-45
201-4 + M	Financial assistance received from government	66-69
INDIRECT ECONOMIC IMPACT		
GRI 103: Management Approach (2016)		
103-1	Explanation of the material topic and its Boundary	36-38
103-2	The management approach and its components	151-163
103-3	Evaluation of the management approach	151-163
GRI 203: Impatti economici indiretti (2016)		
203-2	Significant indirect economic impacts	141; 151-163

PROCUREMENT PRACTICES		
GRI 103: Management Approach (2016)		
103-1	Explanation of the material topic and its Boundary	36-38
103-2	The management approach and its components	141-151
103-3	Evaluation of the management approach	141-151
GRI 204: Procurement practices (2016)		
204-1	Proportion of spending on local suppliers	141
ANTI-CORRUPTION		
GRI 103: Management Approach (2016)		
103-1 + M	Explanation of the material topic and its Boundary	36-38
103-2 + M	The management approach and its components	54-55; 70-72; 96
103-3 + M	Evaluation of the management approach	54-55; 70-72; 96
GRI 205: Anti-corruption (2016)		
205-3	Confirmed incidents of corruption and actions taken	During the reporting year (2020); no confirmed cases of corruption have been registered
ANTI-COMPETITIVE BEHAVIOR		
GRI 103: Management Approach (2016)		
103-1	Explanation of the material topic and its Boundary	36-38
103-2	The management approach and its components	24; 53-57; 70-72
103-3	Evaluation of the management approach	24; 53-57; 70-72
GRI 206: Anti-competitive behavior (2016)		
206-1	Legal actions for anti-competitive behavior; anti-trust; and monopoly practices	70-72
IMPOSTE		
GRI 103: Management Approach (2016)		
103-1	Explanation of the material topic and its Boundary	36-38
103-2	The management approach and its components	73-75
103-3	Evaluation of the management approach	73-75
GRI-207: Tax (2019)		
207-1	Approach to tax	73-75
207-2	Tax governance; control; and risk management	73-75
207-3	Stakeholder engagement and management of concerns related to tax	73-75
207-4	Country-by-country reporting	76
ENVIRONMENTAL SERIES		
ENERGY		
GRI 103: Management Approach (2016)		
103-1	Explanation of the material topic and its Boundary	36-38
103-2	The management approach and its components	167; 172-174
103-3	Evaluation of the management approach	167; 172-174
GRI 302: Energy (2016)		
302-1	Energy consumption within the organization	172-174

EMISSIONS		
GRI 103: Management Approach (2016)		
103-1	Explanation of the material topic and its Boundary	36-38
103-2	The management approach and its components	167; 172-174
103-3	Evaluation of the management approach	167; 172-174
GRI 305: Emissions (2016)		
305-1	Direct greenhouse gas (GHG) emissions (Scope 1)	172-174
305-2	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	172-174
EFFLUENTS AND WASTE		
GRI 103: Management Approach (2016)		
103-1	Explanation of the material topic and its Boundary	36-38
103-2	The management approach and its components	167; 172-174
103-3	Evaluation of the management approach	167; 172-174
GRI 306: Effluents and waste (2016)		
306-2	Total weight of waste by type and disposal method	172-173
ENVIRONMENTAL COMPLIANCE		
GRI 103: Management Approach (2016)		
103-1	Explanation of the material topic and its Boundary	36-38
103-2	The management approach and its components	167
103-3	Evaluation of the management approach	167
GRI 307: Environmental compliance (2016)		
307-1	Non-compliance with environmental laws and regulations	167-171
SOCIAL SERIES		
EMPLOYMENT		
GRI 103: Management Approach (2016)		
103-1	Explanation of the material topic and its Boundary	36-38
103-2	The management approach and its components	79-80; 85-88
103-3	Evaluation of the management approach	79-80; 85-89
GRI 401: Employment (2016)		
401-1	New employee hires and employee turnover	89
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	90; 98-99
LABOUR/MANAGEMENT RELATIONS		
GRI 103: Management Approach (2016)		
103-1	Explanation of the material topic and its Boundary	36-38
103-2	The management approach and its components	100-101
103-3	Evaluation of the management approach	100-101

GRI 402: Labour/Management Relations (2016)

402-1	Minimum notice periods regarding operational changes	Salaries and legal aspects refer to the existent National Collective Contracts of Employment and laws which apply to the Group. The Mediaset Group's Supplementary Company Agreement; applied to 70% of Group personnel; defines the following notice terms for dismissal or resignation according to the contract level: 30 days for the 3rd level; 60 days for 4 th , 5th and 6th level; 90 days for 7th level and 150 days for 8th and 9th level.
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OCCUPATIONAL HEALTH AND SAFETY

GRI 103: Management Approach (2016)

103-1	Explanation of the material topic and its Boundary	36-38
103-2	The management approach and its components	102-105
103-3	Evaluation of the management approach	102-105

GRI 403: Occupational Health and Safety (2018)

403-1	Occupational health and safety management system	102-105
403-2	Hazard identification; risk assessment; and incident investigation	102-105
403-3	Occupational health services	104
403-4	Worker participation; consultation; and communication on occupational health and safety	103-104
403-5	Worker training on occupational health and safety	102-103; 105
403-6	Promotion of worker health	104-105
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	104-105
403-8	Workers covered by an occupational health and safety management system	102; 104
403-9	Work-related injuries	103-104
403-10	Work-related ill health	104-105

TRAINING AND EDUCATION

GRI 103: Management Approach (2016)

103-1	Explanation of the material topic and its Boundary	36-38
103-2	The management approach and its components	90-94
103-3	Evaluation of the management approach	90-94

GRI 404: Training and education (2016)

404-1	Average hours of training per year per employee	95
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DIVERSITY AND EQUAL OPPORTUNITY		
GRI 103: Management Approach (2016)		
103-1	Explanation of the material topic and its Boundary	36-38
103-2	The management approach and its components	84-85
103-3	Evaluation of the management approach	84-85
GRI 405: Diversity and equal opportunity (2016)		
405-1	Diversity of governance bodies and employees	52; 84-85
NON-DISCRIMINATION		
GRI 103: Management Approach (2016)		
103-1	Explanation of the material topic and its Boundary	36-38
103-2	The management approach and its components	53-54; 84; 151
103-3	Evaluation of the management approach	53-54; 84; 151
GRI 406: Non-discrimination (2016)		
406-1	Incidents of discrimination and corrective actions taken	During the reporting year (2020); no cases of discrimination have been registered
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING		
GRI 103: Management Approach (2016)		
103-1	Explanation of the material topic and its Boundary	36-38
103-2	The management approach and its components	100-101
103-3	Evaluation of the management approach	100-101
GRI 407-1 Freedom of Association and Collective Bargaining (2016)		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	
HUMAN RIGHTS ASSESSMENT		
GRI 103: Management Approach (2016)		
103-1	Explanation of the material topic and its Boundary	36-38
103-2	The management approach and its components	53-55; 96
103-3	Evaluation of the management approach	53-55; 96
GRI 412: Human rights assessment (2016)		
412-2	Employee training on human rights policies or procedures	96
FREEDOM OF EXPRESSION		
GRI 103: Management Approach (2016)		
103-1 + M	Explanation of the material topic and its Boundary	36-38
103-2 + M	The management approach and its components	109-123
103-3 + M	Evaluation of the management approach	109-123

INTELLECTUAL PROPERTY		
GRI 103: Management Approach (2016)		
103-1 + M	Explanation of the material topic and its Boundary	36-38
103-2 + M	The management approach and its components	132-133
103-3 + M	Evaluation of the management approach	132-133
MARKETING AND LABELING		
GRI 103: Management Approach (2016)		
103-1 + M	Explanation of the material topic and its Boundary	36-38
103-2 + M	The management approach and its components	124-127
103-3 + M	Evaluation of the management approach	124-127
GRI 417: Marketing and labeling (2016)		
417-2	Incidents of non-compliance concerning product and service information and labeling	124-127
417-3	Incidents of non-compliance concerning marketing communications	124-127
CUSTOMER PRIVACY		
GRI 103: Management Approach (2016)		
103-1 + M	Explanation of the material topic and its Boundary	36-38
103-2 + M	The management approach and its components	62-65
103-3 + M	Evaluation of the management approach	62-65
GRI 418: Customer privacy (2016)		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	During the reporting year (2020); there have been 5 complaints and 2 penalties received from regulatory bodies concerning violation of privacy for a total amount of Eur 30,000 (one of these penalties; for a total amount of Eur 10,000; has been contested). Finally; 28 cases of customer data loss or theft have been identified (28 cases also during 2019).
SOCIOECONOMIC COMPLIANCE		
GRI 103: Management Approach (2016)		
103-1	Explanation of the material topic and its Boundary	36-38
103-2	The management approach and its components	54-55; 124-128
103-3	Evaluation of the management approach	54-55; 124-128
GRI 419: Socioeconomic compliance (2016)		
419-1	Non-compliance with laws and regulations in the social and economic area	
GRI MEDIA SECTOR DISCLOSURE		
CONTENT CREATION		
GRI 103: Management Approach (2016)		
103-1 + M	Explanation of the material topic and its Boundary	36-38
103-2 + M	The management approach and its components	109-124
103-3 + M	Evaluation of the management approach	109-124
Media Indicators - Content creation (2014)		
M2	Methodology for assessing and monitoring adherence to content creation values	109-124
M3	Actions taken to improve adherence to content creation values; and results obtained	25-29; 109-124

CONTENT DISSEMINATION		
GRI 103: Management Approach (2016)		
103-1 + M	Explanation of the material topic and its Boundary	36-38
103-2 + M	The management approach and its components	109-127
103-3 + M	Evaluation of the management approach	109-127
Media Indicators - Content dissemination (2014)		
M4	Actions taken to improve performance in relation to content dissemination issues (accessibility and protection of vulnerable audiences and informed decision making) and results obtained	109-127
M5	Number and nature of responses (feedback/complaints) related to content dissemination; including protection of vulnerable audiences and informed decision making and accessibility; and processes for addressing these responses	109-127
AUDIENCE INTERACTION		
GRI 103: Management Approach (2016)		
103-1 + M	Explanation of the material topic and its Boundary	36-38
103-2 + M	The management approach and its components	134-137
103-3 + M	Evaluation of the management approach	134-137
Media Indicators - Audience interaction (2014)		
M6	Methods to interact with audiences and results	134-137
ELECTROMAGNETIC EMISSION		
GRI 103: Management Approach (2016)		
103-1	Explanation of the material topic and its Boundary	36-38
103-2	The management approach and its components	167-171
103-3	Evaluation of the management approach	167-171
RISK MANAGEMET		
GRI 103: Management Approach (2016)		
103-1	Explanation of the material topic and its Boundary	36-38
103-2	The management approach and its components	58-62; 70-73; 96
103-3	Evaluation of the management approach	58-62; 70-73; 96
CORPORATE GOVERNANCE		
GRI 103: Management Approach (2016)		
103-1	Explanation of the material topic and its Boundary	36-38
103-2	The management approach and its components	51-53
103-3	Evaluation of the management approach	51-53



Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT
ON THE CONSOLIDATED NON-FINANCIAL STATEMENT PURSUANT TO ARTICLE 3,
PARAGRAPH 10 OF LEGISLATIVE DECREE No. 254 OF DECEMBER 30, 2016 AND
ART. 5 OF CONSOB REGULATION N. 20267/2018

To the Board of Directors of
Mediaset S.p.A.

Pursuant to article 3, paragraph 10, of the Legislative Decree no. 254 of December 30, 2016 (hereinafter "Decree") and to article 5 of the CONSOB Regulation n. 20267/2018, we have carried out a limited assurance engagement on the Consolidated Non-Financial Statement of Mediaset S.p.A. and its subsidiaries (hereinafter the "Group" or "Mediaset Group") as of December 31, 2020 prepared on the basis of art. 4 of the Decree, and approved by the Board of Directors on April 26, 2021 (hereinafter the "NFS").

Responsibility of the Directors and the Board of Statutory Auditors for the NFS

The Directors are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree and *Global Reporting Initiative Sustainability Reporting Standards*" (hereinafter "GRI Standards") established by *Global Reporting Initiative* (GRI), which they have identified as reporting framework.

The Directors are also responsible, within the terms established by law, for such internal control as they determine is necessary to enable the preparation of NFS that is free from material misstatement, whether due to fraud or error.

The Directors are moreover responsible for defining the contents of the NFS, within the topics specified in article 3, paragraph 1, of the Decree, taking into account the activities and characteristics of the Group, and to the extent necessary in order to ensure the understanding of the Group's activities, its trends, performance and the related impacts.

Finally, the Directors are responsible for defining the business management model and the organisation of the Group's activities as well as, with reference to the topics detected and reported in the NFS, for the policies pursued by the Group and for identifying and managing the risks generated or undertaken by the Group.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the compliance with the provisions set out in the Decree.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

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Auditor's Independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the *International Ethics Standards Board for Accountants*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Our auditing firm applies *International Standard on Quality Control 1* (ISQC Italia 1) and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the NFS with the Decree and the GRI Standards. We conducted our work in accordance with the criteria established in the "*International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information*" (hereinafter "*ISAE 3000 Revised*"), issued by the *International Auditing and Assurance Standards Board* (IAASB) for limited assurance engagements. The standard requires that we plan and perform the engagement to obtain limited assurance whether the NFS is free from material misstatement. Therefore, the procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures performed on NFS are based on our professional judgement and included inquiries, primarily with company personnel responsible for the preparation of information included in the NFS, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically we carried out the following procedures:

1. analysis of relevant topics with reference to the Group's activities and characteristics disclosed in the NFS, in order to assess the reasonableness of the selection process in place in light of the provisions of art. 3 of the Decree and taking into account the adopted reporting standard;
2. analysis and assessment of the identification criteria of the consolidation area, in order to assess its compliance with the Decree;
3. comparison between the financial data and information included in the NFS with those included in the consolidated financial statements of the Mediaset Group;
4. understanding of the following matters:
 - business management model of the Group's activities, with reference to the management of the topics specified by article 3 of the Decree;
 - policies adopted by the entity in connection with the topics specified by article 3 of the Decree, achieved results and related fundamental performance indicators;
 - main risks, generated and/or undertaken, in connection with the topics specified by article 3 of the Decree.

Moreover, with reference to these matters, we carried out a comparison with the information contained in the NFS and the verifications described in the subsequent point 5, letter a) of this report.

5. Understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the NFS.

In particular, we carried out interviews and discussions with the management of Mediaset S.p.A. and with the employees of Mediaset España Comunicación S.A., Publitalia '80 S.p.A., Radio Mediaset S.p.A., R.T.I. S.p.A., and we carried out limited documentary verifications, in order to gather information about the processes and procedures which support the collection, aggregation, elaboration and transmittal of non-financial data and information to the department responsible for the preparation of the NFS.

In addition, for material information, taking into consideration the Group's activities and characteristics:

- at the parent company's and subsidiaries' level:
 - a) with regards to qualitative information included in the NFS, and specifically with reference to the business management model, policies applied and main risks, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;
 - b) with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data;
- for the following companies, Mediaset S.p.A., Mediaset España Comunicación S.A., Publitalia '80 S.p.A., Radio Mediaset S.p.A., R.T.I. S.p.A., which we selected based on their activities, their contribution to the performance indicators at the consolidated level and their location, we carried out remote meetings, during which we have met their management and have gathered supporting documentation with reference to the correct application of procedures and calculation methods used for the indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of the Mediaset Group as of December 31, 2020 is not prepared, in all material aspects, in accordance with articles 3 and 4 of the Decree and the GRI Standards.

DELOITTE & TOUCHE S.p.A.

Signed by
Franco Amelio
Partner

Milan, Italy
April 29, 2021

This report has been translated into the English language solely for the convenience of international readers.