

TESSELLA



TESSELLIS Group

# 2022 Sustainability Report

Consolidated Non-Financial Statement  
pursuant to Legislative Decree No.  
254/2016a

TESSELLIS

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Dear All,

2022 was a particularly significant year for us, following the merger of Linkem Retail Sr.L., the commercial unit of the Linkem Group (now OpNet), into Tiscali S.p.A., which was finalised on 1 August 2022. The purpose of the merger was to integrate the two companies into a single corporate and commercial entity so as to create synergies, consolidate and strengthen the market position.

The new name we have given to the merged Group, Tessellis, which means mosaic in Latin, well represents our values of inclusion and appreciation of diversity and our desire to harmoniously unite the pieces of the Group's various souls.

For each of the five fundamental pillars of our sixth social report – **technological innovation, customers, people, environmental impact, and governance** – I would like to briefly highlight a few initiatives that describe us more than others.

### **Technological Innovation**

In 2022, thanks to the agreements in place with the main wholesale operators and the recent merger with Linkem, Tessellis has expanded its coverage in the different Ultrabroadband technologies, strengthening its position and being able to offer the best connection technology available, anytime, and anywhere, at the same price for everyone without distinction of geographical areas.

With a view to actively contributing to the country's democratic digitalisation processes, we have started a path to accompany Italian schools towards the digital transition, proposing solutions for new learning environments dedicated to primary and secondary schools, based on the guidelines of the 'Scuola 4.0' ministerial plan.

The Group has also initiated a series of collaborations with a number of Italian municipalities for the transfer of technology in the smart city area and the digital transition of the local public administration. In particular, we took part, as a technology partner and provider of 5G solutions for the Municipalities of Pesaro and Campobasso, in MIMIT's call for tenders 2022 'Emerging Technology Houses': the two proposals promoted by our Group are among the seven initiatives that have received funding within the government's programme to support 5G technologies.

### **Customers**

Providing citizens with fast and quality connectivity services, as well as developing solutions that meet the specific needs of each customer, innovative and secure, are priorities in the Group's strategy. In the second half of the year, we created a caring team with a specific focus on prevention, retention, and migration of the customer base towards the best available technological profile, and from October 2022 we entrusted customer care exclusively to the Group's proprietary customer care, in order to make management processes even more efficient. In addition to this, to guarantee the Customer greater timeliness and autonomy in handling the simplest requests, in 2022 we introduced 2 new assistance channels: the VoiceBot and the Chatbot, systems based on artificial intelligence that, by interpreting natural language, can provide timely answers to requests made by Customers.

## People

The new Company resulting from the merger faces the challenge of integrating the experiences and cultural backgrounds of its people: we have therefore entrusted the Human Resources department, rebranded People Value, with the task of fostering the construction of a new corporate culture that gives each resource the opportunity to develop his or her skills, in line with the needs of the business.

A fixed point in our approach to personnel management was that of not envisaging any redundancies after the merger: not only were all resources absorbed within the new functional perimeters, but the internalisation of customer service activities carried out by outsourcers led to the hiring of 31 people who had permanent employment contracts with the outsourcers.

In addition, we ended the solidarity contract, which applied to 488 employees with an average reduction in working hours of 20%, in advance to 31 May 2022, thus enabling full payback.

In a Company context of strong focus on issues of plurality and inclusion, the 'Regenerated by Work' project fits in, offering job opportunities and consequent social reintegration to people serving prison sentences. Tessellis has set up three workshops for modern regeneration and in addition to the workshops already activated at the prisons of Lecce and Rebibbia, a third one will be opened at the Cagliari Uta prison in July 2022. The 10 inmates involved in Lecce and the 6 inmates involved in Rebibbia were thus joined by 8 inmates from Cagliari Uta, who were included in the Tessellis workforce with a fixed-term contract after an evaluation training course.

## Environmental Sustainability

In 2022, Tessellis was able to further improve its energy efficiency targets, despite the absence of new investments, by exploiting the contribution from the optimisation of interventions carried out in previous years.

In terms of sustainable mobility, the Company inherited an ambitious project undertaken by Linkem, aimed at optimising the Company car fleet through the replacement of diesel-powered vehicles with hybrid/electric vehicles, in order to significantly reduce CO2 emissions.

At the Cagliari site of Sa Illetta, which is located in an area of great naturalistic value, an awareness-raising campaign was launched for all personnel to maintain their vehicles in efficient working order, in order to avoid any contamination of the soil resulting from leaks of lubricating oil, fuel and other pollutants.

On the occasion of World Earth Day in April 2022, the Tiscali.it portal has launched an initiative aimed at spreading the message of the importance of environmental protection in a concrete way: in collaboration with 'The Greenest', a project of the Swiss Institute for Disruptive Innovation (Sidi), it has donated to its readers the possibility of planting a tree free of charge up to a maximum of 50,000 trees in total.

### **Governance**

Tessellis is constantly committed to ensuring conditions of fairness and transparency in the conduct of business and corporate activities, to protect its position and image and the expectations of all its stakeholders.

Among the various strategies put in place within the supply chain, in 2022 we have confirmed our commitment to use mainly national and, where possible, local suppliers. Starting next year, we will implement a new supplier evaluation process based on reliable criteria that include environmental sustainability.

Please, read more about the details of our sustainability report on the following pages.

Happy reading.

The Chief Executive Officer  
Davide Rota

## Methodological Note

Tessellis S.p.A. (hereinafter also referred to as “Tessellis”), as a public interest entity (pursuant to Article 16, paragraph 1, of Legislative Decree No. 39 of 27 January 2010) falls within the scope of Legislative Decree No. 254/2016, which transposes Directive 2014/95/EU on non-financial reporting. Hence, in order to comply with the obligations as set forth in Articles No. 3 and 4 of the aforementioned Legislative Decree, Tessellis is required to prepare a Consolidated Non-Financial Statement describing the initiatives and main results in terms of sustainability performance achieved during the financial year 2022. This document represents the first Consolidated Non-Financial Statement (hereinafter referred to as the “DNF” or “Sustainability Report”) of the Tessellis Group (hereinafter also referred to as “Tessellis” or the “Group”).

It should be noted that, following the analysis of the relevance of the issues provided for by Article No. 3 of Legislative No. 254/2016 and in consideration of the specific characteristics of the business, the issues concerning human rights, water consumption and polluting emissions into the atmosphere, not included in greenhouse gas emissions, were not considered relevant in order to ensure the understanding of the Group’s activity, its performance, its results and the impact it produces; therefore, they are not dealt with within this document.

As provided for in Article No. 5 of Legislative Decree No. 254/16, this document constitutes a separate report, marked with the appropriate wording, in order to relate it to the Consolidated Non-Financial Statement required by the regulations. The DNF 2022 was prepared in accordance with the GRI Sustainability Reporting Standards (2021) published by the Global Reporting Initiative (GRI). In the appendix to the document, a table of reported GRI indicators can be found. The reported contents have been defined from the results of a materiality analysis, carried out in 2022 following changes in the Group’s structure and at a regulatory level, which identified the material aspects for the Group and its stakeholders, and which is contained within the document.

Tessellis considers the Sustainability Report a fundamental tool for dialogue with its stakeholders, to disclose its work in the CSR field and to open a dialogue with them.

The DNF economic data and financial information refer (in particular the data in the sections “Directly generated and distributed economic value” and “EU Taxonomy of Sustainable Economic Activities”) to all subsidiaries and companies consolidated on a line-by-line basis in the Group’s Consolidated Financial Statements as at 31 December 2022. In particular, the Consolidated Financial Statements as at 31 December 2022 include the economic and financial results from the date of first consolidation, i.e., 1 August 2022. For further details, please refer to the 2022 Consolidated Financial Report.

The scope of information relating to social and environmental data in the 2022 Sustainability Report consists only of Tiscali Italia S.p.A. (hereinafter also referred to as “Tiscali”) and refers to the entire reporting period (1 January 2022 - 31 December 2022). Any variations with respect to what is stated are appropriately indicated in a note or within the text.



The Group has undergone substantial changes in the composition of its internal structure, starting from the incorporation, finalised on 1 August 2022, of the Linkem Retail S.r.l. unit of business into Tiscali Italia S.p.A. (hereinafter also referred to as the “Merger”). For further details, please refer to the 2022 Consolidated Financial Review. The purpose of the Merger was to integrate the Tessellis Group and the retail arm of the Linkem Group (now OpNet) into a single corporate and commercial entity in order to develop synergies, consolidate and strengthen its market position; as a result of the Merger, Tessellis has become the third largest operator in the fixed market and the first in the segment of Ultrabroadband access in FWA+FTTH technologies, consolidating its strategic positioning in the reference market.

The year 2022 saw a further enlargement of the consolidation scope following the acquisition of the companies listed below:

- Linkem Services S.r.l. and 3P Italia S.p.A. were contributed to the subsidiary Tiscali Italia S.p.A. on 1 August 2022 as a result of and as part of the Merger; with a subsequent transaction on 26 September 2022, the stake in 3P Italia S.p.A. was consolidated through the acquisition of a controlling stake;
- Vevisible S.r.l., the Tessellis Group’s advertising concessionaire, was incorporated on 27 October 2022 and is 75% owned by Tiscali Italia S.p.A..

The three companies mentioned above have not been included in the reporting of social and environmental data as they are not considered relevant to understanding the Tessellis Group’s activities, its performance, results, and impact.

For the purpose of a correct representation of performance and to ensure the reliability of the data, the use of estimates has been limited as much as possible and, if present, they are appropriately reported.

This Consolidated Non-Financial Statement has been presented and approved by the Board of Directors of Tessellis on 11 May 2023.

This document was subjected to a limited assurance engagement in accordance with the criteria set forth in the International Standard on Assurance Engagements ISAE 3000 Revised by the appointed auditor Deloitte & Touche S.p.A.. The audit was carried out according to the procedures indicated in the “Report of the Independent Auditor” which can be found at the end of this document.

The Consolidated Non-Financial Statement is published on an annual basis.

This Consolidated Non-Financial Statement is available on the Company’s website at [www.tessellis.it](http://www.tessellis.it), in the “Documents” - “Financial Statements and Reports” section. Hard copies are available at the Company’s premises and can be requested by e-mail at the following address: [ir@tiscali.com](mailto:ir@tiscali.com) (Investor Relations).

# 1. Tessellis Group: profile, mission, and values

Founded in 1998 as a small alternative telecommunications operator, Tessellis (formerly Tiscali S.p.A.) was the first operator, in 1999, to promote 'free' Internet in Italy and Western Europe, with the launch of an entirely free Internet connection service. Its listing on the stock exchange also dates back to 1999. Over the years, Tessellis has continued to distinguish itself for its ability to offer its customers quality internet connection services at competitive prices compared to the big Italian players.

In August 2022, the path that led to the merger between Tiscali S.p.A. and Linkem Retail S.r.l. was finalised, giving rise to a new industrial group that took the name Tessellis S.p.A.

Tessellis is a Smart Telco with one of the largest Fibre coverages available in Italy. Its business areas include Tiscali Italia, one of the leading national operators in the ultrabroadband segment in the most innovative and promising technologies: FWA (Fixed Wireless Access) and FTTH (Fibre To The Home).

There are three main areas of activity: Telco (fixed and mobile services), Media&Tech (tiscali.it portal and advertising concessionaire) and Future Communities (vertical platforms and services).

For Tessellis, the creation of value is a practice that involves the entire chain: from caring for people, an integral part of the Group's history, to supporting local communities, the relationship of trust with our customers, the passion for innovation, and the commitment to society in the broadest sense of the term.

## 1.1 Mission and values

Tessellis' Mission is to offer equal and free access to digital life for all. Thanks to our more than twenty years of experience as Internet pioneers and first movers, we want to continue to play a leading role in the digital revolution, with an ecosystem of projects, ideas, and business at the service of the growth of people and businesses.

Our values are as follows:

**INNOVATION:** We believe that technology can and should be a positive force and that innovation contributes to improving people's lives. We experience change as an opportunity for growth and are committed to creating value through industrial synergies. We operate with a long-term vision, each success for us is a piece in a mosaic of constantly evolving goals.

**INTEGRITY:** We take care of our employees and consumers. Our decisions and actions are guided by values such as transparency, honesty, and fairness. Always oriented towards a long-term perspective, we work with respect for customers, employees, suppliers, and shareholders and are and shareholders and are committed to the highest standards of quality, safety, and

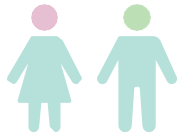
efficiency.

DIVERSITY AND INCLUSION: We value diversity. We bring together the experiences and strengths of our employees and customers to do our best and make things happen. We work with and for communities so that technology is the enabler to achieve goals. Each of us, regardless of level, role, or function, plays a key role in achieving our mission.

## 12 Highlights

To date, the Group has 1,130 employees, 56% of whom are women, 92% are employed in southern Italy and about half are based in Sardinia at the Group's headquarters in Sa Illetta (Cagliari).

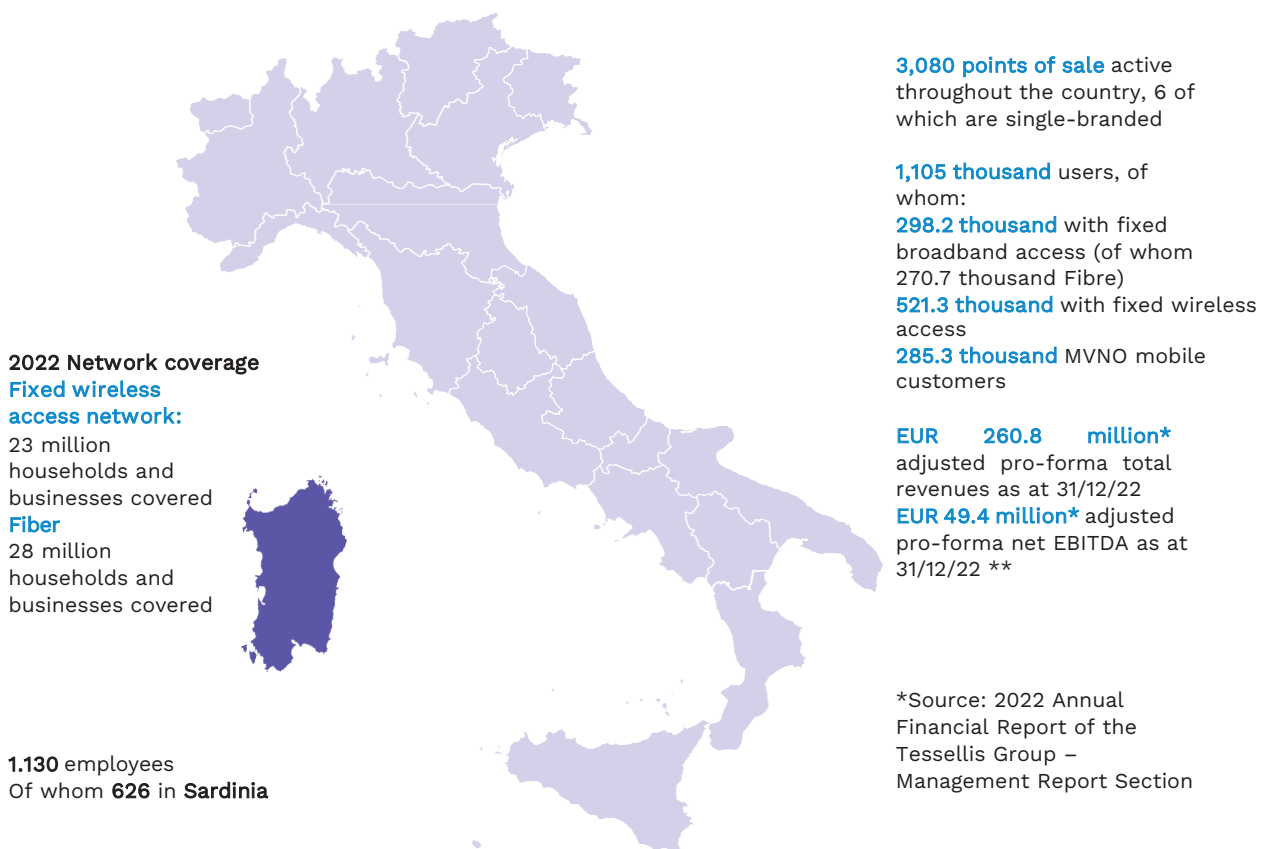
1,130



56%



92%



## 13 The Group's History

### 1998

Tiscali is founded in Cagliari.

### 2000 / 2001

Acquisition of WorldOnline and Liberty Surf.

### 1999

Tiscali is the first operator to promote 'free' internet in Italy and Western Europe.

### 2004 / 2007

Tiscali reaches 1.3 million ADSL users. Acquisition of Video Network Internationals Ltd and the broadband and voice divisions of Pipex Ltd.

### 2015

Through the industrial aggregation with the Aria Group, Tiscali acquires the licence on 40MHz of 'technology neutral' 3.5Ghz frequency spectrum and the network proprietary fixed wireless access network. It also enters into an agreement with Fastweb.

### 2010 / 2012

Tiscali joins the '2010 Fibre for Italy' project. Establishment of Vevisible Srl, Indoona Srl and Istella Srl.

### 2019

New agreements were signed with Linkem and Tim, which, together with the extension of the agreement with Open Fibre, enable Tiscali to achieve a significant increase in network coverage and offer new, higher-performance services to customers.

### 2021

Increased FTTH coverage in zones C and D in 1600 Municipalities. Agreement between Tiscali and ReeVo for cloud services, hybrid cloud cybersecurity. Through agreement with Linkem FWA fixed service up to 100Mbps. Converged fixed/mobile service and Fibre+Smart Home bundle in partnership with Enel X. Awarded by Ookla as the fastest fixed network operator in Italy. Integration agreement between the Tiscali Group and the retail unit of the Linkem Group.

### 2020

Focus on high-performance fibre offers (Ultrainet fixed Fibre to 1 Giga) and FTTH fixed to 1000 Mbps. Coverage in zones C and D through Open Fiber tripled as compared to 2019 (886 Municipalities covered at the end of 2020 compared to 321 Municipalities covered at the end of 2019).

On 1 August 2022, the new Tessellis Group was created following the merger of the Tiscali Group and the retail unit of the Linkem Group. The Group is confirmed as the third-largest operator in the fixed market and the largest in the Ultrabroadband access segment in

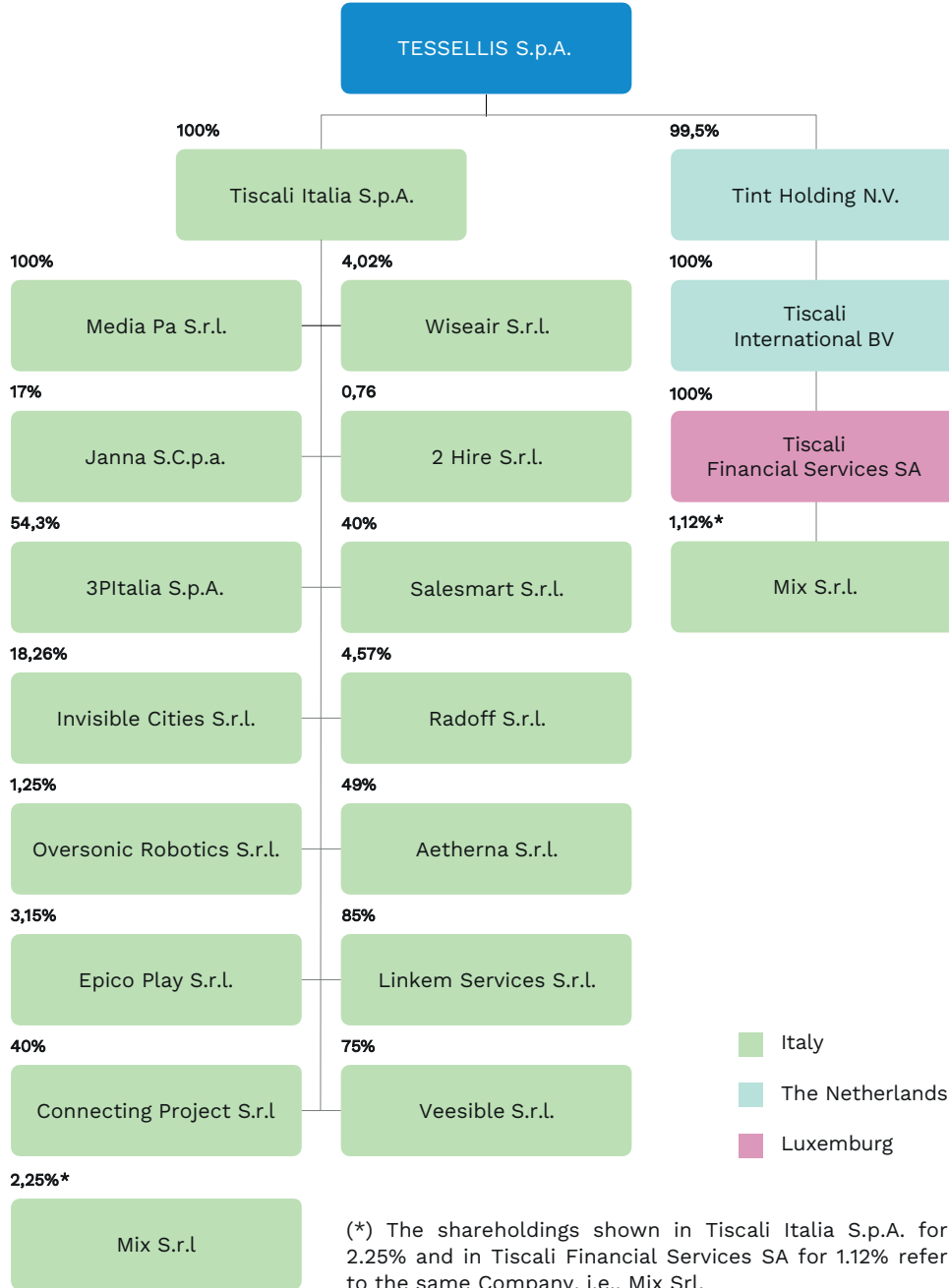
FWA+FTTH technologies, considered the most innovative and promising, with an overall market share of 13.9%.

In 2022, in the midst of a very complicated background, the Company was able to maintain its commitments to all stakeholders, actively contributing to finding a sustainable path to growth together with its employees, customers, suppliers and local communities.

For more details on the economic and financial impact of the Company, please refer to the 2022 Consolidated Financial Report, under the heading 'Going concern assessment'.

## 14 The Group's Structure

As at 31 December 2022, the Tessellis Group was structured as follows:



## 15 Shareholding

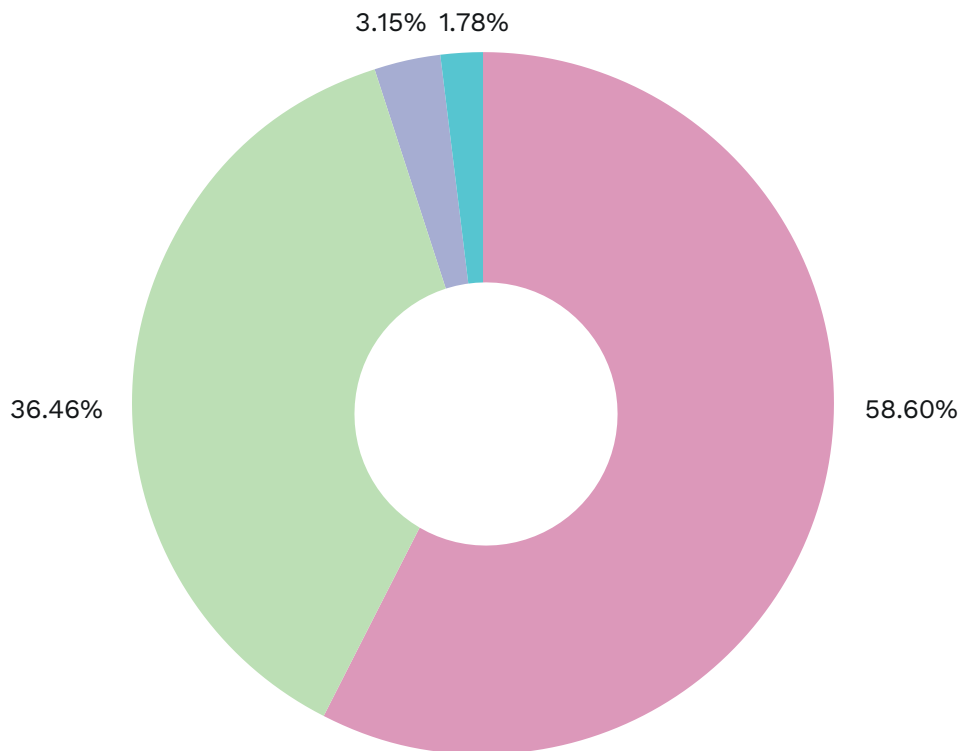
Tessellis S.p.A. is a joint-stock Company established under the laws of the Republic of Italy. Tessellis shares have been listed on the Italian Stock Exchange since October 1999. The shareholding structure of Tessellis as at 31 December 2022 is shown below.

**As at 31 December 2022:**

Share Capital: EUR 185,513,965.37 corresponding to 177,509,104 shares with no par value;

Average annual market capitalisation: EUR 130.1 million<sup>1</sup>

Figure No. 1 Shareholding structure: % ordinary share capital and voting rights



<sup>1</sup> Calculated on the average December 2022 value per share of 0.73266 on the number of shares as at 31 December 2022, for a total of 177,509,104 shares.

- Market
- Amsicora S.r.L.
- OpNet S.p.A.
- Renato Soru (\*)

Source: Tessellis. (\*) Directly for 1.49% and indirectly through the subsidiaries Monteverdi Srl (0.1%) and Cuccureddus Srl (0.19%)



## 2. Governance and Sustainability

### 2.1 Governance

#### Corporate Governance Structure

In order to ensure the transparency of the management's operations, correct information to the market, and the protection of socially relevant interests, the corporate governance system adopted by Tessellis largely incorporates the recommendations of the Corporate Governance Code (hereinafter referred to as the "Code") approved by the Corporate Governance Committee in March 2006, as subsequently updated. The Group follows practices and principles of conduct, formalised in procedures and codes, in line with the indications of the Italian Stock Exchange, CONSOB recommendations and national and international best practices. Tessellis has equipped itself with an organisational structure suited to properly manage business risks and potential conflicts of interest that may arise between Directors and Shareholders, between majorities and minorities and between different stakeholders. Tessellis' governance structure is characterised by the presence of the following entities:

#### Board of Directors

Shareholders' Meeting

Board of Auditors

Internal Committees

Supervisory Board

The Board of Directors is supported in its functions by the following committees:

Appointments and Remuneration Committee;

Audit, Risk and Sustainability Committee;

Related Parties Committee.

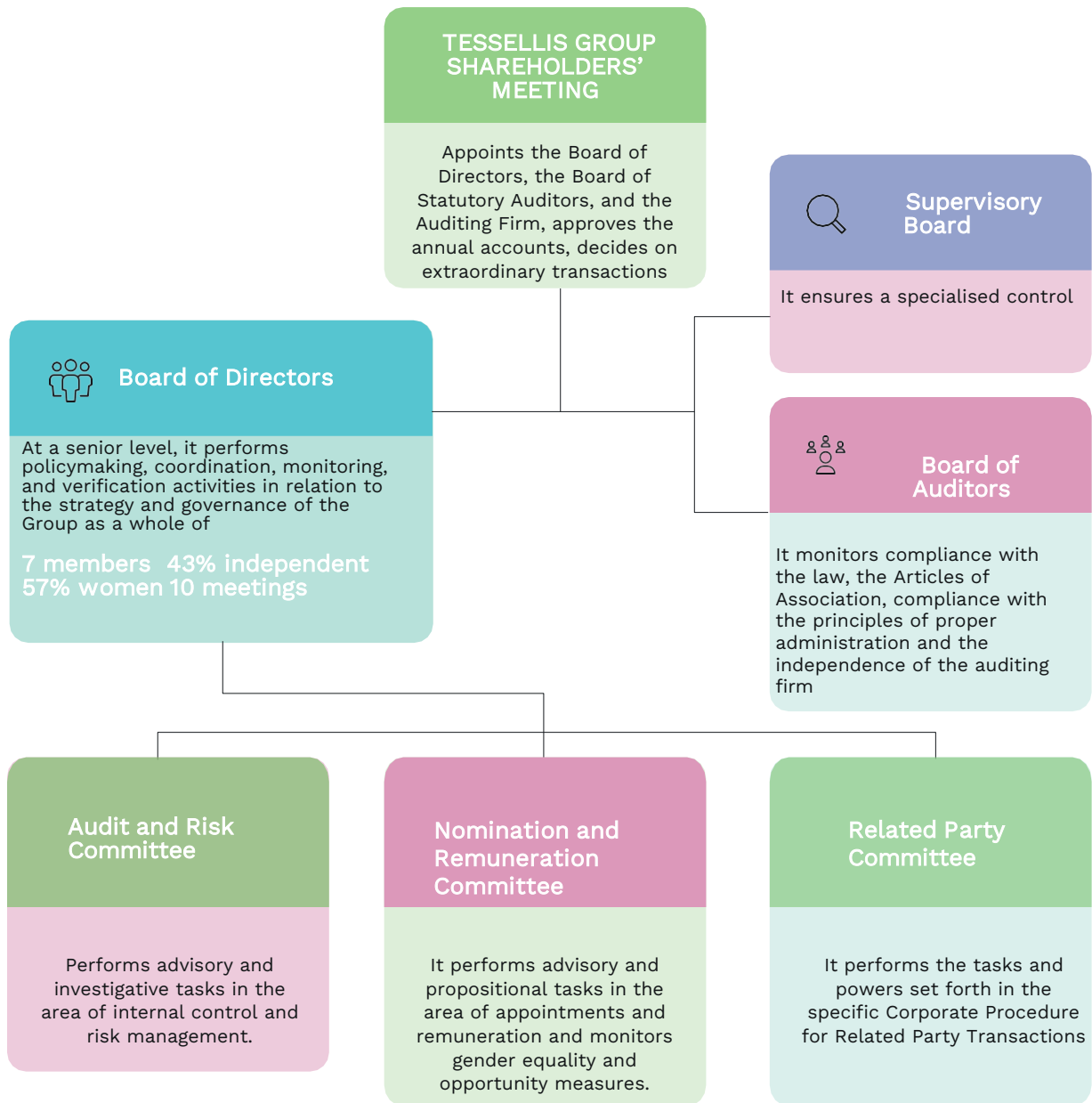
#### Board of Directors

As at 31 December 2022, the Board of Directors is composed of seven members<sup>2</sup>, four of whom are women and three of whom are non-executive and independent directors:

Table 1 – GRI 405-1a: Board composition by gender and age group (%)

Number of people	As at 31 December 2022			Total
	<30	30-50	>50	
Men	0%	0%	43%	43%
Women	0%	28%	29%	57%
Total	0%	28%	72%	100%

<sup>2</sup> For the sake of completeness, it is hereby acknowledged that on 31 January 2023, the directors Alberto Trondoli and Cristiana Procopio tendered their resignations and that the Board of Directors of Tessellis S.p.A. met on 26 April 2023 and co-opted the Directors Andrew Theodore Holt and Jeffrey Robert Libshutz



The Board was elected on the basis of the single list presented jointly by Renato Soru and Amsicora S.r.l. and will remain in office until the approval of the Financial Statements as at 31 December 2024<sup>3</sup>. With regard to the members of the Board, the Group regularly carries out induction and onboarding activities, especially with reference to processes and policies in place at a corporate level; in particular, it is a consolidated practice to share policies in place with particular regard to sustainability issues, such as the Diversity Policy, the Code of Ethics, the 231 Model, and others.

<sup>3</sup> With reference to the co-opted Directors, we await the decisions of the Shareholders' Meeting to be convened, inter alia, for the approval of the Financial Statements

All details on the Board of Directors (term of office, qualification, number, and nature of other offices) are indicated in Chapter 5 of the Tessellis Corporate Governance and Share Ownership Report, contained within the 2022 Consolidated Financial Report, to which we refer.

### Board of Auditors

The members of the Board of Statutory Auditors operate with autonomy and independence, in constant liaison with the Audit and Risk Committee and the Internal Audit Department, in line with the principles and application criteria set forth in Article No. 8 of the Italian Stock Exchange Corporate Governance Code.

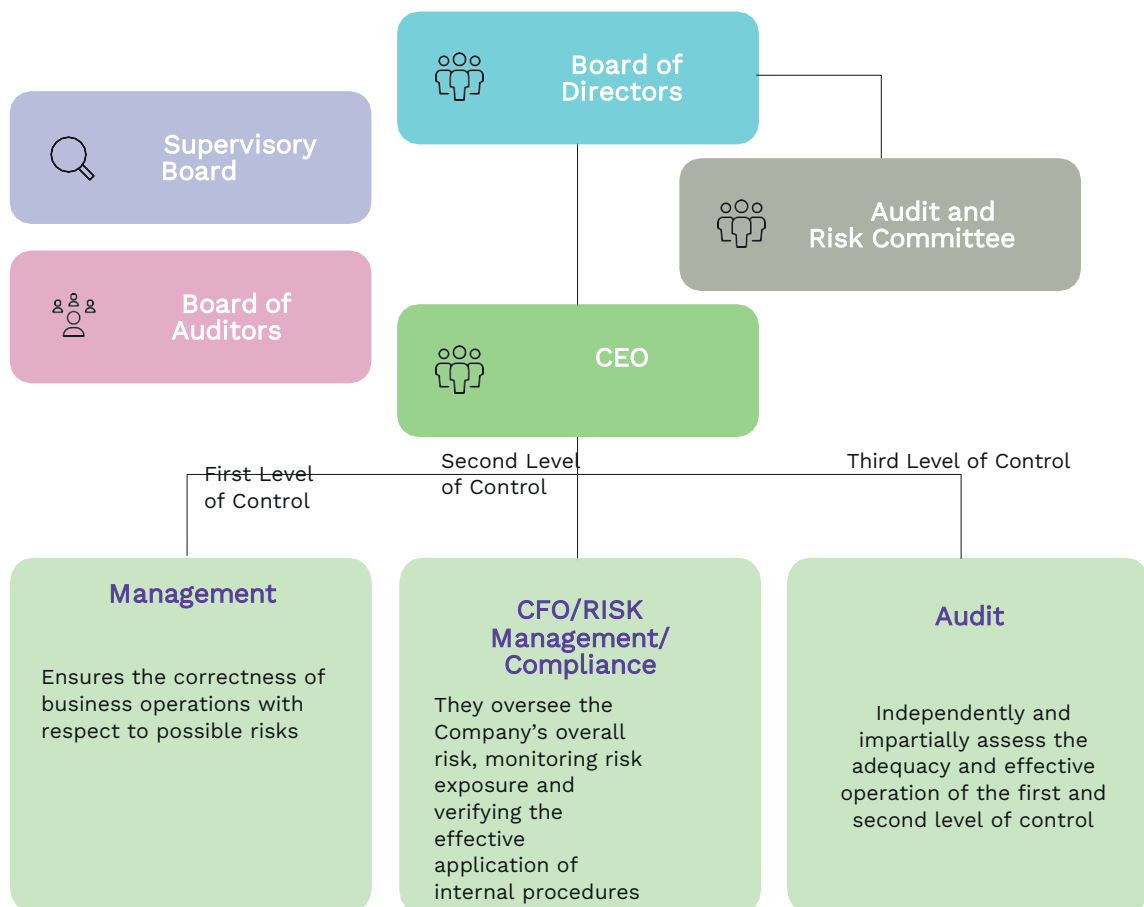
## 22 Internal Audit System and Risk Management

### Internal Audit System

The current internal control system is in line with the provisions of the principles and application criteria contained in Article No. 6 of the Corporate Governance Code for Listed Companies and consists of the set of rules, procedures and organisational structures aimed at enabling an adequate process of identification, measurement, management, and monitoring of the main risks, as well as sound, correct and consistent management of the business.

This system is applied through the activities of the following entities:

- Risk Control Committee;
- Chief Executive Officer;
- Internal Audit.



The **Audit and Risk Committee**, set up by the Board of Directors and currently composed of the three non-executive Directors of Tessellis S.p.A, two of whom are independent, has advisory and pre-positive functions with the aim of improving the functionality and steering capacity of the Board's Internal Audit System and risk management.

The **CEO** carries out operatively the indications of the Board of Directors regarding internal control. The Internal Audit Department is independent of the area managers and performs its tasks in line with the recommendations of the Code. The **Internal Audit** Department reports directly to the Chairman of the Board of Directors and administratively to the Chief Executive Officer.

#### **The Organisation, Management and Control Model pursuant to Legislative Decree No. 231/2001**

The Tessellis Group is constantly committed to ensuring conditions of fairness and transparency in the conduct of business and corporate activities, in order to protect its position and image and the expectations of all its stakeholders, first and foremost its shareholders and employees. To this end, since 2005 Tiscali Italia S.p.A. has adopted the Organisation, Management and Control Model pursuant to Legislative Decree No. 231/2001 (hereinafter referred to as the "231 Model").

All of the Group's legal entities with a 231 Model in place in 2022 have carried out activities to assess the risks of corruption towards the public administration and towards private parties.

The principles and rules of conduct contained in the Model are integrated with the Code of Ethics adopted by the Company and available on the Company's website in the 'Documents' section, <https://www.tessellis.it/codice-etico/>.

The Supervisory Board (hereinafter also referred to as the "SB") has the task of (i) Supervising the effectiveness and adequacy of the 231 Model, in relation to its effective capacity to prevent the commission of the offences referred to in Legislative Decree No. 231/2001, the observance of the 231 Model by all recipients and the updating of the 231 Model by management; as well as (ii) Intervening on the structure and/or content of the 231 Model where there is a need to adapt it in relation to changed organisational conditions and/or new legislation<sup>4</sup>.

On the basis of the provisions of the 231 Model, the Supervisory Board reports to the Board of Directors on its activities, at least every six months, and may report at any time any critical issues relating to the application of the Model.

#### **The risk assessment system on financial reporting**

The assessment of risks relating to financial reporting is conducted both at the overall corporate level and at the level of a specific process. At the former level, the risks of improper functioning of the main corporate governance tools or the corporate information system are included. At the process level, the risks associated with financial reporting (inaccuracy, completeness, competence of financial reporting, underestimation, overestimation of estimated items, etc.) are analysed in relation to the specific associated accounts and are made explicit through the creation of control objectives. With regard to further sustainability risks, please

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<sup>4</sup> At the date of drafting this Declaration, the 231 Model is being reviewed and updated in light of recent regulatory changes relevant to the Company (with particular regard to the new predicate offences concerning non-cash payment instruments and the protection of cultural heritage), as well as the organisational and structural changes that have affected the Tessellis Group in the 2022 financial year as part of the Merger transaction

refer to section “II. 2.6 - Main sustainability risks” of this Sustainability Report.

### **The fight against active and passive corruption**

In line with the Group’s commitment to combating active and passive corruption, the Internal Audit System has been strengthened through the adoption of specific behavioural protocols, set out in the Special Part of the 231 Model dedicated to offences against the Public Administration and corruption between private individuals. These protocols are divided into obligations and/or prohibitions that apply both internally and to external parties interacting with Tessellis. In order to enhance and maintain its integrity and reputation, the Company controls and monitors the most sensitive activities of the business, especially relations with public entities, suppliers, consultants, or partners and with employees. These activities, which are deemed ‘sensitive’ and therefore riskier, are identified following risk assessment operations performed internally. For this reason, the Group defines, implements, and disseminates specific Company policies governing the performance of activities considered sensitive, or in any case related. These policies also have the task of controlling and defining in detail the reporting system and information flows to the Supervisory Board.

In this regard, it should be noted that no episodes of corruption occurred in 2022.

As a general rule, the Group establishes the obligation to collect and keep documentation relating to any contact with the Public Administration and prohibits any activity that, even through a third party, could influence the independence of judgement or ensure any advantage to the Company. Furthermore, the Company undertakes to strictly comply, in addition to the applicable legal provisions, with the rules issued by the national and international market regulatory authorities, which are intended to ensure fair market conditions based on healthy and free competition.

Finally, it should be noted that during 2022 there were no cases of non-compliance with laws and regulations. Furthermore, during 2022, there were no reported cases of legal action regarding anti-competitive behaviour, violations of anti-trust laws and/or monopolistic practices.

### **The Whistleblowing Procedure**

Further communication tools (in addition to the mandatory ones) have been adopted in order to collect any reports from the persons concerned. Individuals who become aware of events to which corruption risks or offences are linked may in fact send an e-mail to the Supervisory Board ([organismodivigilanza@it.tiscali.com](mailto:organismodivigilanza@it.tiscali.com)), with a description of the possible offence, as well as to the appropriate contact details indicated in the whistleblowing procedure.

### **Company Tax Policy**

The Group’s tax governance is inspired by the principles contained in the Company’s Code of Ethics: Tessellis believes that full transparency vis-à-vis financial administrations and full compliance with tax obligations are part of its unavoidable duties as a taxpayer and its duty of social responsibility towards the Country’s institutions.

In general terms, it should be noted that Tessellis: (i) Operates according to principles of honesty,

fairness and observance of tax regulations; (ii) Adopts a behaviour based on prior dialogue with the tax authorities and maintaining relations based on transparency, dialogue and cooperation; (iii) Has not established companies located in so-called tax havens; (iv) Applies transfer pricing policies aimed at avoiding erosion of the tax base; (v) Regularly discloses tax items and charges in its annual financial statements.

It should also be noted that the Group has not, to date, received any solicitations from its stakeholders on taxation issues.

### **Diversity policy**

Among the policies implemented by the Tessellis Group in order to conduct its business activities by acting responsibly and transparently towards its stakeholders, the diversity policy (hereinafter also referred to as the “Diversity Policy”), adopted since 2018 by Tiscali S.p.A. and subsequently updated on April 5, 2022, provides non-binding indications regarding aspects such as, for example, the age, gender, geographical origin, educational and professional background of the members of the Board of Directors of Tiscali S.p.A. (hereinafter also referred to as “Tiscali” or the “Company”).

The purpose of the Policy is to identify the criteria for a qualitative-quantitative composition of the Board of Directors functional to an effective performance of the tasks and responsibilities entrusted to the management body, also through the presence of people who ensure a sufficient plurality of viewpoints and skills necessary for a good understanding of the market and current business, risks and long-term opportunities related to the Company’s business.

Among its inspiring principles, the valorisation of diversity emerges as a founding element of the sustainability in the medium-long term of the business activity, a pillar of reference both for the employees of the Tiscali Group and for the members of Tiscali's administration and control bodies.

The Board of Directors of Tiscali and the Board of Statutory Auditors of Tiscali, while respecting the prerogatives of the Shareholders in the nomination and appointment of its members, hopes that in its composition is pursued an objective of integration of different managerial and professional profiles, also of international character, and that it also takes into account the importance of a balanced gender representation as well as the benefits that may arise from the presence of different age groups and seniority of office.

Tiscali also considers it a priority that within its administration and control bodies a collaborative climate and an inclusive environment is created, in which each member is able to express his or her potential and maximise his or her contribution.

Please refer to the Diversity Policy for more details on the types of diversity and related objectives for the Board of Directors and the Board of Statutory Auditors, the ways in which the policy is implemented, its monitoring and related updates.

## 23 The regulatory and competitive background

Tessellis promotes fair competition, which is considered functional to its own interests and those of all market operators, customers, and stakeholders, favouring initiatives and projects in cooperation with competitors, and actively participating in technical tables set up by sector authorities or trade associations. In this context, the Group's main interlocutors are as follows:

- Other operators in the sector;
- The Communications Guarantee Authority (AGCOM);
- The Competition and Market Authority (AGCM);
- The Ministry for Economic Development (MiSE) – Communications Department;
- Infratel;
- The Trade Associations;
- The European Institutions.

In the following, the Group's relationship with the various stakeholders can be explored in more detail.

In addition, if the Authorities make requests for data or information of various kinds, Tessellis provides the due answers, guaranteeing the completeness and reliability of the contribution, as can be deduced from the summary of consultations carried out during the year, reported in the Annual Financial Report.

Similarly, in compliance with the Authorities' objective of protecting consumers, with particular regard to the quality of the services provided and the clarity and completeness of the information provided, Tessellis undertakes to communicate correct commercial information in a clear and comprehensible manner.

In particular, the regulatory measures in which Tiscali Italia S.p.A. has actively participated include the following:

- Resolutions No. 1/22/CONS and 385/22/CONS – both relating to the proposed commitments submitted by TIM pursuant to Articles No. 76 and 79 CCEE concerning co-investment in very high capacity networks;
- Resolution No. 251/22/CONS: initiation of a proceeding and public consultation concerning provisions on the quality and charters of mobile and personal communications services and Regulation of the 2022 broadband data service quality measurement campaign;
- Resolution No. 26/22/CIR: initiation of proceedings and public consultation concerning the technical and economic conditions of the procedure for the technical verification of interoperability between the Optical Network Termination (ONT) equipment of the OAOs and the Optical Line Termination (OLT) equipment of TIM;
- Discussion table on the transposition of the Electronic Communications Code on end-user protection, which was launched in March 2022;
- All the measures envisaged in Resolution no. 290/21/CONS to protect consumers with disabilities for fixed and mobile electronic communication services were implemented in 2022.



**Relationships with AGCOM and AGCM**

The electronic communications market is regulated by rules governing the behaviour of operators in offering services and ensuring fair and transparent competition. In this context, Tessellis is subject to the ex-ante regulation of the Communications Guarantee Authority (AGCOM) and to the ex-post regulation of the Antitrust Authority (AGCM), both established to ensure fair competition between operators in the market and compliance with the rules prohibiting anti-competitive agreements between companies, abuses of dominant positions and concentrations that create or strengthen dominant positions harmful to competition.

Tessellis interacts with the sector Authorities, pursuing a real dialogue and continuous confrontation in order to define simple, effective, and symmetrical regulations as well as functional to increasing the Company's value.

Finally, it should be noted that during 2022 there were no cases of anti-competitive behaviour and violations of antitrust laws or monopolistic practices by the Group.

**Relations with the Ministry of Enterprise and Made in Italy**

The Group interfaces with the Ministry of Business and the Made in Italy for the request of the authorisations and resources administered by it, first and foremost numbering, and frequencies, providing the technical plans and updates required according to the regulations in force. In addition, it participates in the technical tables aimed at defining the technical specifications for which the Ministry is responsible and contributes to the establishment and updating of the resource databases (numbering, infrastructure, etc.) by supplying data according to the required specifications.

**Relations with the DTD (Department for Digital Transformation)**

The DTD is the department of the Presidency of the Council of Ministers in charge of developing key projects for innovation and the digital transformation of the country.

Among other activities, the DTD represents Italy in the European project aimed at developing an EU solution to the problem of big data management.

In the area of digital technologies, the Group is engaged in the construction of a possible Important Project of European Common Interest (IPCEI) aimed, in particular, at promoting a "European Cloud Ecosystem" with the objective of building the next generation of cloud services for large companies and the public sector.

**Relationships with Infratel**

Infratel Italia (Infrastrutture e Telecomunicazioni per l'Italia S.p.A.) is an in-house Company of the Ministry of Enterprise and Made in Italy, under the coordination and direction of the Invitalia Group.

One of the main measures to promote the deployment of ultrabroadband connectivity services across the country is the "connectivity voucher". In this context, Tessellis constantly interfaces with Infratel to resolve all issues relating to the implementation of the subsidised measures and provide timely feedback to requests for clarification on reports and complaints forwarded by its clients directly to Infratel. The Group also participates in the discussion table between Infratel

and stakeholders concerning the launch of a further phase of the Voucher plan for families without income limits.

### Relations with Trade Associations

Tessellis manages association relations and coordinates representation activities vis-à-vis Confindustria and other national and local trade associations.

The Group is a member of the main trade associations, including:

- Confindustria Digitale (CD) and the Association of TLC Companies;
- ASSTEL, the Association of Telecommunication Operators; within ASSTEL, Tiscali participates in the Regulatory and Institutional Working Group, which oversees the process of adopting legislative and regulatory measures of interest to the telecommunications sector;
- Implementation of regulatory measures for the transposition of the Electronic Communications Code;
- Annual market and competition law;
- Insights on Law No. 160/2019 “State budget for the financial year 2020 and multi-year budget for the three-year period 2020-2022” in which an extension of the new capital fee replacing TOSAP and COSAP is envisaged (Article Nos. 831 and 831bis) to be borne by providers of electronic communication networks and services.

### Relations with European Institutions

Tessellis cooperates with the European Commission, in particular with the Departments that have competence in the field of communications, and with BEREC (Body of European Regulators for Electronic Communications) both by transposing directives that are immediately operational in the national territory and by providing data and information requested periodically through questionnaires.

## 24 Voluntary standards: certification policy

Tiscali Italia S.p.A. has implemented the following active and certified management systems:

- **ISO 9001-compliant Quality Management System**, which was submitted for renewal through the certification body Quaser. The certification was renewed on 14 February 2022;
- **Information Security System in accordance with ISO 27001**. In addition to this certification, Tiscali Italia S.p.A. acquired, in November 2020, the new **ISO 27017** and **ISO 27018** extensions, with the certifying body Bureau Veritas.

The Company, in connection with renewals, decided to assign the audit activity, previously carried out by BSI, to Bureau Veritas, which is in charge of auditing all of the Group's certifications with the exception of ISO 9001, which is in charge of Quaser, in order to be able to activate a single annual audit; the last one was carried out on 23 February 2022.

Alongside the ISO 9001 and ISO 27001 management systems mentioned above, in 2020 Tiscali introduced two new management systems into its organisation:

- **ISO 22301-compliant Business Continuity Management System**, obtained in January 2020, was re-certified in 2020. The certification was last renewed on 25 and 26 January 2022;
- **IT service management system in accordance with ISO 20000-1**, obtained in January 2020, was certified again in 2020. The last certification renewal was obtained on 10 January 2022.

Specifically, **ISO 22301** certification is the declaration, by the chosen certifying body, that the system itself complies with the reference standard ("Company Security – Business continuity management systems – Requirements and guidance for use") and that the business continuity management procedures are constantly applied by the Company. The standard adopted by Tiscali thus aims to safeguard the Company from potential interruptions caused by, for example, extreme weather conditions, fires, floods, natural disasters, IT disruptions, terrorist attacks, pandemics, and others. In addition, it allows you to identify the relevant threats to your business and identify the critical functions that could be affected, and consequently be able to plan in advance the solutions to be implemented to ensure your own business continuity and that of your business and consumer customers. Thanks to the ISO 22301 standard, Tiscali can identify and manage business threats with structured and tested processes and can therefore proactively minimise the impact on the business in the event of an adverse event.

Obtaining this certification, in short, guarantees the protection of information and the security of systems with regard to technological, operational, procedural, and environmental aspects. Tiscali thanks to the adoption and implementation of the ISO 22301 standard can thus demonstrate its resilience to customers, suppliers and when participating in tenders.

The **ISO 20000-1 certification** is the declaration, by the chosen certifying body, that the IT service management and control system complies with the reference standard (“Information technology - Service Management- Service management system requirements and user guide”) and that the service management procedures are consistently applied by the Company.

This certification is dedicated to the concept of “quality” in the IT field, guaranteeing the Company’s compliance with international requirements aimed at promoting the reliability of services and their level of quality. Tiscali certifies the business sales division, the ICT Data center and Cloud and IP and Telephony services. Obtaining ISO 20000-1 certification enhances Tiscali’s corporate identity and its reputation in the reference sector, thus ensuring its customers uniformity of processes and attention in the management of IT activities, as well as minimising risks.

The Tessellis Group’s scope also includes the subsidiary 3P Italia S.p.A. for the scope “Design, implementation and management of services under concession for the automation, innovation and digitalisation of public services”, which has obtained from the Axe Register Certification Body compliance with the requirements of ISO 9001:2015. The first issue date is 13 January 2020; on 11 January 2023 a renewal was obtained that extends the expiry date to 12 January 2026.

Tiscali Italia S.p.A. has held **ISO 14001** certification since 2019, attesting to the adoption of an Environmental Management System in compliance with the standard in question. The certification, obtained on 16 December 2019 and subject to annual review, was renewed in 2022, confirming the Group’s attention and sensitivity to environmental issues. For more details on this certification, please refer to section “6.2 - ISO 14001 Environmental Certification”.

As further confirmation of the commitment made by the Company in the constant integration of the broader scope of qualifications that can be pursued, on 24 October 2022 the ISO 45001 certificate was acquired concerning the “**Management Systems for Occupational Health and Safety - Requirements and Guidelines for Use**” in the area of development, sale and remote assistance of ICT and Cloud data centre systems and services, IP connectivity and telephony for Business and Public Administration Divisions.

Namely, rules have been adopted in order to identify and define the significant risks associated with the activities/tasks performed by the Company and to describe the operational controls.

Procedures have also been drawn up for the purpose of defining information management activities relating to accidents and incidents (near-misses) in order to research possible causes and plan possible improvement measures. In addition, the criteria with which the identification of dangers (safety and health), the assessment of risks and the determination of the necessary controls are carried out in accordance with the regulations in force, apply to all work carried out by the organisation’s employees (according to the definition of “worker” and pursuant to Article No. 3 of Legislative Decree no. 81/08 and subsequent amendments and integrations), both within the Company premises and in external workplaces.

They also apply to personnel who for any reason enter workplaces that are under the organisation’s control (visitors, contractors, etc.), considering:

- Ordinary and extraordinary activities, presence of external personnel, third parties in general;

- Risks of an environmental nature originating outside or close to the workplace;
- Risks related to changes in work areas, service delivery processes, installations, machinery, equipment, raw materials, substances, procedures, and work organisation;
- Changes in applicable legislation.

During the year 2022, compulsory training was completed for:

- Occupational Safety Officers (20 people);
- First Aid and BLS (40 people);
- Basic training + specific training for VDTs (for the 20 new employees at the Cagliari site).

For 2023, in agreement with the Bureau Veritas Certification Body, which supports the Company in its Continuous Improvement action in all areas subject to certification, a Training Plan has been planned to increase both the global and specific skills of the team operating in Business Processes & Compliance.

In particular, for the first half of 2023, the renewal of training on Safety at Work is planned for 550 people, including ex-ESA colleagues and ex-Linkem colleagues with an expired five-year renewal.

As far as the Business Processes & Compliance team is concerned, training sessions are being approved, starting from the third quarter of 2023, concerning the application of the ISO standard within the scope of the above-mentioned certifications.

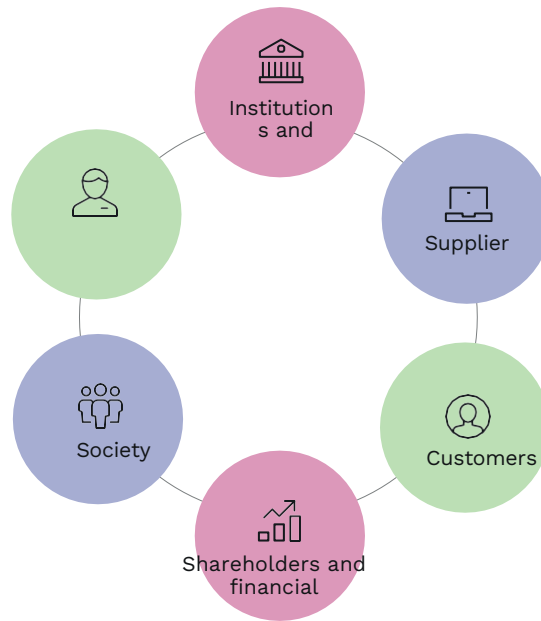
## 25 Stakeholder Mapping and Materiality Analysis

### Stakeholder Mapping

Tessellis cares about its stakeholders and devotes particular attention to defining the ways in which it engages and interacts with them. These involvement activities are aimed at developing a relationship based on trust, transparency and sharing, allowing Tessellis to understand what the stakeholders' needs and expectations are.

Interaction with its stakeholders enables Tessellis to strengthen its understanding of the needs and priorities with respect to the relevant issues of its strategy, and to gather input on possible areas for development, in order to increase the ability to create shared value between the Company and its stakeholders.

The main stakeholders identified by the Group following the materiality analysis conducted in the previous editions of the Sustainability Report and confirmed in 2022 following an update carried out when identifying the positive and negative impacts generated by the Group, which are further detailed in the following sections, are as follows.



### Involvement methods

Tessellis has defined ways of involvement aimed at interacting with its stakeholders, referring to different mechanisms of communication, listening and dialogue. Below are the different ways of involvement for each stakeholder category:

<p> <b>Customers</b></p> <ul style="list-style-type: none"> <li>• <b>Clients</b></li> <li>• <b>Consumers' Associations</b></li> <li>• Internet Channels</li> <li>• Social Media Channels</li> <li>• Customer</li> </ul>	<p> <b>Workforce</b></p> <ul style="list-style-type: none"> <li>• <b>Employees</b></li> <li>• <b>Associates</b></li> <li>• <b>Unions</b></li> <li>• Intranet</li> <li>• Performance evaluation</li> <li>• Corporate internal climate surveys</li> </ul>	<p> <b>Supplier</b></p> <ul style="list-style-type: none"> <li>• <b>Suppliers of goods, product and services</b></li> <li>• <b>Subcontractors</b></li> <li>• <b>Sales network</b></li> <li>• Code of Ethics</li> </ul>
<p> <b>Public Administration and Institutions</b></p> <ul style="list-style-type: none"> <li>• <b>Public Administration</b></li> <li>• <b>Regulatory bodies (Authority, Privacy, Antitrust, etc.)</b></li> <li>• <b>National and local government institutions</b></li> <li>• <b>Judiciary</b></li> <li>• <b>Judicial Authority Bodies</b></li> <li>• Public consultations and working tables</li> </ul>	<p> <b>Society</b></p> <ul style="list-style-type: none"> <li>• <b>Local Communities</b></li> <li>• <b>Universities and Research Centres</b></li> <li>• <b>Media and opinion leaders</b></li> <li>• Territorial and community</li> </ul>	<p> <b>Shareholders and Financial</b></p> <ul style="list-style-type: none"> <li>• <b>Shareholders</b></li> <li>• <b>Banks</b></li> <li>• <b>Investors</b></li> <li>• <b>Financial analysts</b></li> <li>• <b>Rating agencies</b></li> <li>• Press releasers</li> <li>• Periodic communications relating to Company</li> </ul>

## Materiality Analysis

In accordance with the new Global Reporting Initiative (hereinafter also referred to as “GRI”) Standards, updated in 2021, and with the requirements of Legislative Decree No. 254/2016, Tessellis has focused the contents of its Sustainability Report on the aspects found to be relevant following the materiality analysis.

The process of defining material issues, carried out in 2022 in compliance with the GRI Standards update that came into force for financial statements published as from 1 January 2023, has made it possible to define the relevant (so-called “material”) issues, i.e., those aspects that reflect the Group’s most significant impacts on the economy, the environment, and people, including their human rights, also considering the stakeholders’ assessments.

Therefore, in line with the main methodological evolutions, in 2022 the process of identifying relevant issues was carried out considering the impacts generated and most relevant for the Tessellis Group.

Through a scenario analysis and a reconnaissance of stakeholder expectations, the Management, together with the Chief Executive Officer, identified a series of relevant issues for the telecommunications sector and for the stakeholders themselves. In the course of this analysis, the international sustainability guidelines, the regulatory context, the reference sector, and the main competitors were also taken into consideration.

The validation of material issues took place through a process of prioritisation of material issues in relation to the most relevant impacts by the Group’s top management, which was subsequently validated when the Sustainability Report itself was approved on 11 May 2023 by the Group’s Board of Directors.

This update process in 2022 allowed the Management, together with the Chief Executive Officer, to determine the positive and negative impacts generated by the Tessellis Group (current and potential), associated with the 13 material issues and the 5 pillars that define the Tessellis approach to sustainability, summarised below:



### Technological Innovation

- Network coverage and service quality
- Digitalisation and technological innovation
- 



### Clients

- Transparency, reliability, and accessibility of product and services
- Privacy and data security



### People

- Protection of human and labour rights, diversity, and equal opportunities
- Health and safety
- Staff development and empowerment
- Relations with the territory and local communities



### Environmental Impact

- Energy consumption, climate change and other environmental impacts
- Sustainable waste management and circular economy



### Economic and governance impacts

- Sustainable success and economic performance
- Responsible supply chain management
- Integrity in business conduct

For a mapping of the main and most relevant impacts, see Chapter 7 - “Materiality Analysis – Definition of Impacts Related to Material Issues”.

The chapters of this Report have been defined on the basis of the sustainability pillars and Material Topics identified, in order to focus reporting on the relevant themes and describe in greater detail the current potential and actual impacts generated by the Group in relation to them.



## 2.6 Main Sustainability Risks

The details of the main sustainability risks, which have already been identified in past years, and how they are managed and mitigated, are presented below.

	<b>Cyber Risk</b>
<b>Risk management and mitigation methods</b>	Implementation of data protection mechanisms for its customers, operating in strict compliance with current data protection and privacy legislation (see section “IV.2 - Customer satisfaction”).
	<b>Business as a going concern</b>
<b>Identified Risks</b>	<p>Monitoring through appropriate strategies of risks related to disruption of service and business operations caused by</p> <ul style="list-style-type: none"> <li>• Extreme environmental conditions: (e.g., earthquakes);</li> <li>• Extraordinary weather events (e.g., floods);</li> <li>• Pandemics posing a threat to business operations.</li> </ul> <p>Such events, among others, may significantly affect the integrity of the infrastructure necessary for the proper delivery of communication services.</p>
<b>Risk management and mitigation methods: preventive measures</b>	<p>Preventive measures and controls aimed at maintaining:</p> <ul style="list-style-type: none"> <li>• The operability of its network,</li> <li>• The operability of its information systems,</li> <li>• The continuity and security of the operability and of its servers, hardware, and software.</li> </ul> <p>Investments to prevent damage or malfunctioning of the IT tools and processes on which business management is based.</p>
<b>Risk management and mitigation modes: Data Centre</b>	<p>The core business systems are all highly reliable; in particular, the Data Centre:</p> <ul style="list-style-type: none"> <li>• Is equipped with security systems such as fire and flood protection;</li> <li>• It makes back-up copies of data, made by the operating personnel, maintained in a different location from the DPC, and guarantees a good level of reliability.</li> </ul> <p>Furthermore, Group companies have specific insurance policies in place to cover damage to their infrastructure.</p>
<b>Risk management and mitigation modes: Infrastructure</b>	<p>Improvement of its security infrastructure; in particular, investments were made in risk management through the purchase of the following tools:</p> <ul style="list-style-type: none"> <li>• The XDR platform, a cloud-based system capable of automatically collecting and correlating data across multiple security layers (email, endpoint, server, cloud workload and network), thus detecting threats faster and improving investigation and response times;</li> <li>• The VDR platform, a Vulnerability Detection system that identifies, correlates, and prioritises any vulnerabilities detected in IT systems, suggesting actions to be taken to eliminate or minimise risks.</li> </ul>

Supply Chain	
<b>Risk management and mitigation modes</b>	Monitoring risks related to possible environmental damage outside of those related to supply chain management by selecting its suppliers on the basis of their technical skills and level of professionalism. The majority of Tessellis' suppliers are of high standing (big players in the telecommunications sector), both from a technical-professional point of view and in terms of the sustainability principles adopted. By maintaining stable and correct relations with these suppliers, the Group reduces the risk in question (see Section "2.8 - Supply Chain").

The merger deed with Linkem Retail S.r.l. highlighted important synergies on IT infrastructures and initiated the development phase starting in the second half of 2022, with consequences on both the relevance and priority of the identified corrective actions. With this in mind, Tessellis decided not to renew the current XDR and VDR solutions on expiry, preferring a solution that integrates both XDR functions and next-generation anti-malware protection, extending co-operation to systems excluded from the previous solution. The monitoring and operational management of the new solution will be entrusted to Sababa Security, which will support Tessellis in future security posture improvement activities.

For more details on the certification of the quality of business continuity services, please refer to section "2.4 - Voluntary standards: the certification policy".

## 27 Directly generated and distributed economic value

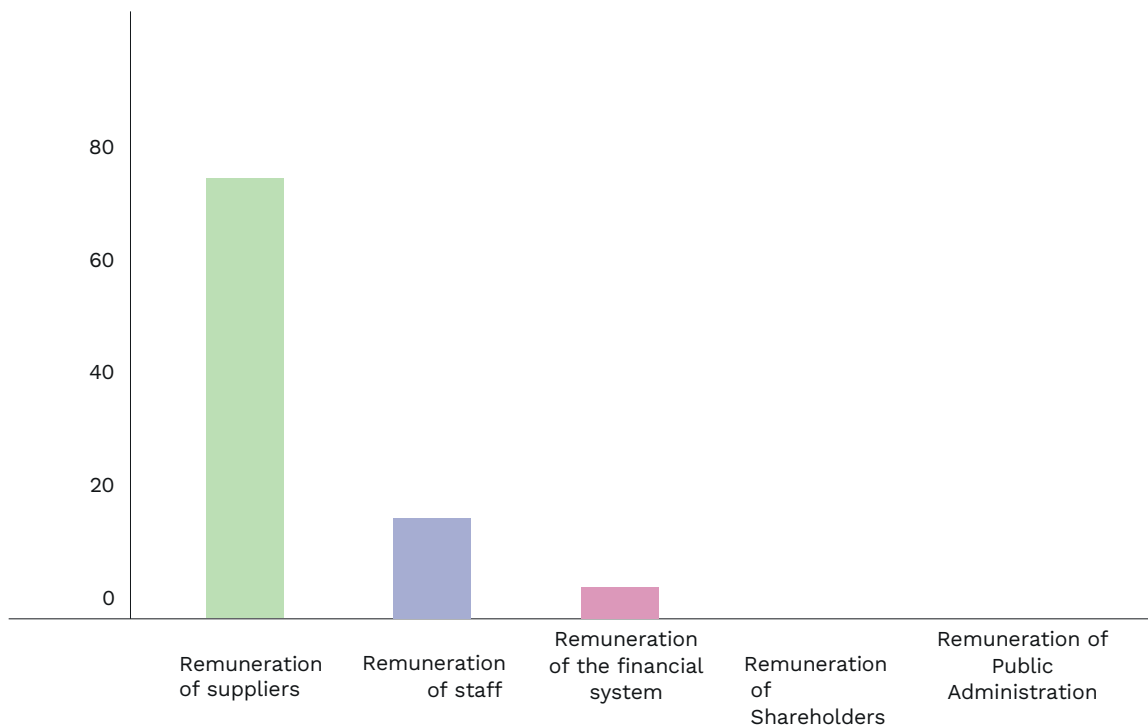
The economic value directly generated by Tessellis in 2022 (net of depreciation and amortisation) is EUR 59.2 million.

For a detailed analysis of the results, please refer to the Consolidated Financial Report as at 31 December 2022. In 2022, the Company distributed EUR 14.9 million to personnel in the form of remuneration for activities performed during the year, while EUR 74.8 million was allocated to suppliers to cover operating costs arising from the purchase of services, raw materials, consumables, and goods. In the form of payments for financial charges, taxes and donations, sponsorships and collaborations, the Company distributed EUR 4.2 million. No payments were earmarked for the remuneration of the public administration.

Value	2022
	EUR million
Remuneration of suppliers	74.8
Remuneration of staff	14.9
Remuneration of the financial system	4.2

Remuneration of Shareholders	0.0
Remuneration of the Public Administration	0.0
Economic value retained by the Company	-34.7
<b>Net Value</b>	<b>59.2</b>

EUR million



This value relates to:

- **Suppliers**, through the purchase of goods and services;
- **Staff**, through the payment of salaries and benefits;
- **Financial system**, through interest and commissions on loans granted;
- **Public Administration**, through tax charges.

The Group therefore did not retain any value, presenting a negative result for the year of approximately EUR 34.7 million.

## 28 Supply Chain

The suppliers of Tiscali Italia S.p.A. numbered 1,868 in 2022. They are mainly companies under Italian law focused essentially on the provision of network-related services and infrastructure. To guarantee the best possible quality and full satisfaction of customers' expectations, Tiscali requires commitment, reliability, and flexibility from its suppliers, establishing long-term relationships with them based on integrity, transparency, and objectivity.

The selection criteria used follow:

- The best purchase at the best possible conditions;
- Mandatory principles of transparency;
- Economic efficiency;
- Compliance with regulations in force.

Suppliers of products and/or services that have a direct impact on service quality, Information Security, Business Continuity, and Information Technology Service Management, must be qualified through evaluation criteria and hold ISO certifications.

In addition, for supplies with significant environmental aspects, the Group exerts influence by applying controls on the activities provided through the following actions:

- The Company has almost total power/competence over the environmental aspect, albeit mediated by the supplier (e.g., sub-contractors, companies that carry out technical work or maintenance, or carry out works at the Company site);
- The Company has the possibility of allowing or incentivising suppliers to adopt environmentally correct choices or behaviour (e.g., through supply specifications/contracts, requiring suppliers to obtain environmental certifications, choosing eco-sustainable or low environmental impact products);
- The Company has the possibility to direct the correct behaviour of suppliers (e.g., through the delivery of Instructions or Procedures);
- The Company has the possibility of making suppliers aware of and informing them about environmental aspects (e.g., delivery of special information leaflets for suppliers).

In the area of supplier management, Tiscali Italia S.p.A. intends to implement, starting next year, a new supplier evaluation process based on reliable criteria, which also include sustainability, in order to improve supply chain management.

The selection and evaluation of suppliers will focus on manufacturers and service providers critical to the quality of the production process and the environmental performance of the Company. In particular, this process requires potential suppliers to register with the Suppliers Portal, providing the necessary information for their identification as economic actors and the documentation certifying their technical and professional suitability, as well as the technical characteristics required to work with the Company.

Once registered, suppliers can access their reserved area in the Suppliers Portal to complete the qualification process by entering the required documentation.

The assessment of the suitability of potential suppliers will be based on their financial soundness, technical-operational organisation and the rules of engagement envisaged for the product classes for which the supplier has applied.

With this initiative, we intend to ensure that our suppliers comply with Tiscali Italia sustainability requirements, through a system of verification of their capacity and reliability in

supplying products/services that comply with contractual requirements and control of the environmental aspects and impacts associated with their activities.

Table 2 - Breakdown of total annual expenditure by item

Trade category	31 December 2022	
	Number of suppliers per item	Total annual expenditure per item (EUR)

Network Infrastructure	20	175,766,453
Investments	66	11,476,931
Sale Partners	1,163	13,378,101
Marketing, Sales, Distribution	178	7,638,899
Leasing	11	4,100,542
Other network services	19	2,198,818
Professional Services	108	26,709,061
Rent and utilities	48	8,344,053
Maintenance	29	8,677,647
Other	226	2,733,662
<b>Total</b>	<b>1,868</b>	<b>261,024,167</b>

As indicated, a significant portion of the expense is incurred for the item “Network infrastructure” and, specifically, towards Telecom Italia, which is the main supplier of Tiscali Italia S.p.A., followed by Opnet S.p.A., Open Fiber and Fastweb.

During the year 2022, the Company optimised the total number of suppliers relating to investments and other network services and, at the same time, increased spending towards consolidated suppliers, the latter also influenced by higher costs in the procurement of goods and services.

With regard to the items Sales Partners, Marketing, Sales and Distribution, there was an increase in expenditure and in the number of suppliers, as a result of the integration process of the Linkem retail branch.

Table 3 - GRI 204-1: Composition of Total Annual Expenditure by Geographical Area

Geographical area of origin	No. Suppliers	Annual expenditure per Country (€)	%
Abroad	49	5,239,238	2%
Italy	1,588	229,499,404	88%
Of which Sardinia	231	26,285,525	10%
<b>Total</b>	<b>1,868</b>	<b>261,024,167</b>	<b>100%</b>

In relation to the geographic distribution of suppliers, it can be stated that Tiscali operates substantially with national suppliers (88%) and with a share of local suppliers<sup>5</sup> (10%), subservient to the needs of the Cagliari site.

<sup>5</sup> The term “local” refers to suppliers from Sardinia.

## 3. Technological Innovation

### 3.1 Expanded network coverage and product accessibility

#### Tessellis' contribution to the digitisation of the Country

Consistent with national and European policy, Tessellis intends to continue to play a role as a facilitator of digital development processes on a national level.

Consistent with this objective, Tessellis is focused on the deployment of broadband and Ultrabroadband solutions in the following ways during 2022:

- **NETWORK COVERAGE EXPANSION:** thanks to the merger with Linkem, Tiscali Italia has expanded both its network coverage in the various access technologies and its offer of quality Ultra Broadband services (with capacity up to 1 Gbps) in “Digital Divide” areas (areas not reached by ADSL service or where only poor quality services are available). These are extensive areas of the Italian territory where it is currently not technically possible (and/or economically viable) to provide cable service. In such areas, the use of LTE fixed wireless technology becomes a fundamental tool for their progressive digitisation. Tessellis has continued to distribute very high-capacity fibre offerings to an ever-increasing share of the population: this has made it possible to offer
  - Higher quality of service (higher speed);
  - Full access to all applications, present and future, which rely on high bandwidth (e.g., HD video streaming);
  - Secure data exchange at very high speed and an enhanced surfing experience: by the end of 2022, it had extended the offer to 2.5 Gbps in the areas covered by the Open Fibre network for the small business and residential market in the cities of Milan, Turin, and Bologna.
- **VOUCHER PLAN:** in March 2022, Tiscali Italia also joined phase 2 of the “Connectivity Voucher Plan” (a measure promoted by the MiSE aimed at promoting the spread of Ultrabroadband connectivity services throughout the country to bridge the gap) reserved for businesses. This initiative is intended for VAT numbers and Public Medium Enterprises (SMEs), which do not have more than 250 employees and want to activate an Ultrabroadband connectivity service >30Mbit/s that improves on any service already active on their premises. The economic contribution under this measure ranges from EUR 300 to EUR 2,500, depending on the type of connectivity chosen;
- In September 2022, Tiscali Italia S.p.A. extended the availability of the business voucher also to the type intended for connections of up to 2.5 Gigabit/s, with the possibility of taking advantage of the EUR 2,500 grant.

Furthermore, during 2022 the Group began an important journey to accompany the digital transition

of Italian schools, supporting the transformation of classrooms previously dedicated to frontal teaching processes into innovative, connected, and digital learning environments. In this context, the Group has also launched a series of collaborations with some Italian municipalities to support the digitalisation of the country, technology transfer in the Smart City sphere and supporting the digital transition of local PA on a national scale. Finally, it should be noted that, with reference to initiatives with a social and environmental impact, Tiscali, together with other public and private partners, has presented the AISAC project, which has as its overall objective the use of ICT technologies, Industry 4.0 of machine learning algorithms, for the analysis and engineering of complex food systems for the management and increase in profitability of small/medium-scale agri-food production processes. For further details on the development of the fixed-mobile network, coverage, and accessibility to the Ultrabroadband network, please refer to the 2022 Consolidated Financial Report, in particular “Section 4”.

### **Current Coverage**

Thanks to the agreements in place with the main wholesale operators such as TIM, Open Fiber, and the recent merger with Linkem, Tessellis has been able to expand its coverage in the different Ultrabroadband technologies, strengthening its positioning and being able to offer the best connection technology available, anytime, and anywhere, at an equal price for all without distinction of geographic areas.

The available connection coverage is as follows

- FTTH for about 10 million local Households and Businesses (up to 2.5Gbps in areas A and B on Open Fiber network);
- FTTC for about 28 million Households and local businesses (up to 200Mbps);
- FWA for about 23 million local Households and Businesses (up to 1Gbps).

In addition, by the end of 2022, it has been possible to offer services in 5G technology to 26% of Italian households.



## 4. Clients

### 4.1 Sales offer and responsible marketing

Satisfying customers' needs is a cornerstone of Tessellis' strategy and a founding value of its operations.

For Tessellis, "Customer centricity" means placing the customer at the centre of the value chain, directing every action and decision towards them, responding quickly to their service requests, and anticipating their needs and desires in an innovative and proactive manner.

Providing citizens with fast and quality connectivity services, as well as developing solutions that meet the specific needs of each customer, innovative and secure, are priority elements in the Group's strategy.

#### **Charter of Services**

Tiscali, with the aim of increasing the transparency and quality of the services offered, through the Charter of Services provides its customers with useful information to submit reports, proposals, requests for clarification and complaints.

The Charter of Services<sup>6</sup> is intended to simplify and make more direct the relationship with customers, sets out the principles of conduct and the commitments made by Tiscali regarding the quality of services offered, also providing indications regarding the improvement of quality standards and contact channels available to customers.

The Charter of Services must be read in conjunction with the contractual conditions of the individual services and is available on the Company's website at <http://info.tiscali.it/cartaservizi/>. The Charter is periodically updated.

#### **Innovative, competitive commercial offer aimed at reducing the digital divide in Italy.**

Tessellis has chosen a "value for money" positioning: for the same price it offers more than competing operators or the same service at a lower price than competitors.

This strategic orientation characterises the Ultrabroadband services that are the core of the fixed network product portfolio.

Also, in the Ultrabroadband market, strengthened by the merger with Linkem, it is able to offer the best connection everywhere at the same price for everyone regardless of geographic area.

#### **Fair and transparent advertising information**

All the Company's communication campaigns are screened in advance by the Legal Affairs

<sup>6</sup> Drawn up in accordance with the outline of the Directive of the President of the Council of Ministers of 27 January 1994 and in accordance with the directives set out in Resolution No. 179/03/CSP, 254/04/CSP, 131/06/CSP and 244/08/CSP of the Communications Guarantee Authority. Last Update of the Charter of Services: 10 June 2019

Department, which verifies their compliance with the relevant regulations and self-regulatory codes. The assessment is carried out on an ongoing basis and the effectiveness of the process is demonstrated by the positive results obtained. Each advertising message is subjected to a preliminary assessment that involves, among other things, checking for the absence of misleading or deceptive terms.

## 42 Customer satisfaction

In 2022, Tiscali's service quality control activities focused on the growth and consolidation of Customer Satisfaction. The process is now fully implemented.

Customer Satisfaction results are subject to constant monitoring and are shared weekly with Customer Care operational managers and with the top management of all other functions.

The sharing of results is one of the tools available to those working in Customer Care to confirm the importance of their work in handling customer requests with quality.

Thus, any Customer Satisfaction findings that are not in line with the expected standards are always subject to verification in order to intervene in a targeted manner on procedures or processes, as well as on the training of operators and their behaviour.

The Customer Satisfaction monitoring system measures customer satisfaction in a specific way according to the contact channel used for reporting. The main indicators surveyed are courtesy and competence.

The results of the surveys over the past few years have shown a certain degree of customer satisfaction in receiving assistance using alternative channels to the telephone. These include chat and the reserved area.

The annual trend confirmed the maintenance of the main Customer Satisfaction KPIs, despite the reorganisation of Customer Care in the second half of the year and the ongoing technology change operations on the customer base:

- Satisfaction in terms of courtesy: 95%,
- Competence 5%.

The Company's objectives for 2023 include continuing to focus on the path, already started in previous years, of building a stronger relationship with its customers.

## 43 Customer Data Protection and the European Privacy Regulation

Tessellis takes continuous action on its processes to ensure the protection of customers' personal data. Attentive to the handling of data and information of customers, staff and all interested parties, the Group has put in place all the necessary protection mechanisms and activities to comply with mandatory requirements and voluntary standards.

The extraordinary transaction of the Merger, finalised on 1 August 2022, has entailed, among other things, the takeover of Tiscali Italia S.p.A. in the ownership of all the activities included in the retail branch of Linkem S.p.A, among which the processing of personal data of active customers as at 31

July 2022.

The Group has also prepared the use of the management software “GoPrivacy” for the fulfilments related to the keeping of the Registers of data processing pursuant to Article No. 30 GDPR and the Risk Analysis.

With respect to its suppliers and business partners, Tessellis provides for updating contracts, intervening, in case of appointment of the same as Data Processors, on the verification processes of their privacy system. Tiscali Italia has also appointed a Data Protection Officer (also referred to as “DPO”), in compliance with Article No. 37 of the Regulation.

Tessellis also prepares Company training plans on a scheduled basis on the subject of personal data processing.

With regard to the extraordinary operation, Tessellis has started an internal analysis aimed at a complete mixing of the databases previously in the ownership of Linkem S.p.A. within its own systems. In view of the appointment of the new Data Protection Officer (“DPO”) of Tiscali Italia S.p.A. last December 2022, in 2023:

- A due diligence & Gap Analysis activity will be started by the same DPO, aimed at updating and adjusting the privacy organisational model of Tiscali Italia S.p.A., which will involve the various relevant areas and corporate functions;
- Tiscali Italia S.p.A. will schedule training on the processing of personal data addressed to Tiscali Italia S.p.A. staff and, in particular, to the staff in charge of handling requests from data subjects.

Furthermore, in order to guarantee its customers, the maximum reliability of its data security, protection and storage system, the Group has voluntarily submitted to the certifications ISO 9001, ISO 27001 and extensions ISO 27017, ISO 27018, ISO 22301, and ISO 20000-1. For further details on these certifications, please refer to section “2.4 - Voluntary standards: certification policy”.

#### **Relations with the Data Protection Authority**

At the national level, Tiscali is subject to the regulation and control of the Authority for the Protection of Personal Data, which intervenes in all sectors, public and private, in which it is necessary to ensure the proper processing of data and respect for the fundamental rights of persons in relation to the use of personal information. The Company undertakes to respond to reports submitted by interested parties and to any remarks made by the Supervisory Authority itself. Reports or requests for deletion of data should be addressed to Tiscali Italia S.p.A., Loc Sa Illetta, km 2,300 Cagliari 09123 - Ufficio Privacy.

Finally, it should be noted that during 2022 no justified complaints were received from third parties and/or regulatory bodies regarding breaches of customer privacy, and that there were also no episodes of leakage, theft, or loss of customer data.

## **4.4 Assistance Channels**

Tiscali has developed two Self-Care tools, making them available to the entire Customer Base: MyTiscali for active Customers with fixed and mobile technology, and MyLinkem for active Customers with FWA technology. These are areas reserved for the Customer that allow access to assistance independently and easily. In addition to the assistance portals on the official websites, the Reserved Area, which can be used through the website and APP, remains the main tool with which Customers can manage their subscriptions and

- Subscribe to additional services
- Request changes to their data and services, such as password changes and relocation by way of non-limiting example;
- View and pay their invoices online.

Additionally, new features have been introduced this year that allow you to independently create a service request and monitor the processing status of your open file, without the need to contact support.

The two portals complement the classic telephone assistance and digital channels such as WhatsApp, Chatbot and VoiceBot.

A detailed description of the main assistance channels follows:

#### **Telephone Support**

The Customer Care structure is divided into assistance for mobile and fixed network services. Fixed network assistance remains organised into technical and commercial assistance sectors, operating 7 days a week to support residential (consumer) and corporate (business) customers. As of October 2022, customer care will be carried out exclusively by the proprietary Customer Care as Tiscali Italia has internalised the resources that used to work for external companies, leaving their tasks unchanged. In the second half of the year, a Caring team was created with a specific focus on Prevention, Retention and Migration of the Customer Base to the best available technology profile.

### Digital Channel Support

With the aim of offering the customer greater timeliness and autonomy in handling the simplest requests, two more assistance channels were introduced in 2022: the VoiceBot and **the** Chatbot. AI-based systems that, by interpreting natural language, can provide timely answers to customer requests.

Lastly, it should be noted that in designing its offers, Tiscali constantly consults the world of associations, which advocate the customers' needs.

The Company maintains relations with Consumer Associations and, when necessary, responds promptly and transparently to reports forwarded by them.

Tiscali Italia S.p.A., moreover, is often cited by Associations and sector Authorities for its virtuous behaviour and practices of fairness and transparency towards its customers.

## 5. People

Tessellis considers its staff a cornerstone of its identity: people play a central role in the development of the Group and in carrying out its business activities.



Tessellis is consistently committed to ensuring respect for workers' rights, through the full enhancement, development, and professional growth of workers in a difficult employment context. Similarly, Tiscali is ever attentive to issues relating to the health and safety of its employees, through training initiatives on safety and the development of risk awareness.

In order to foster the success of the business and increase the sense of belonging to the Group, staff are also personally involved in the corporate culture, so that they feel part of it and share the same values.

## 5.1 Corporate restructuring and employment protection

The new Company resulting from the merger between Tiscali Italia S.p.A. and Linkem Retails has continued to pay the utmost attention to the adoption of labour cost management criteria such as not to determine or minimise impacts on employment levels. This also with specific reference to the socio-economic contexts within which the various production sites are located.

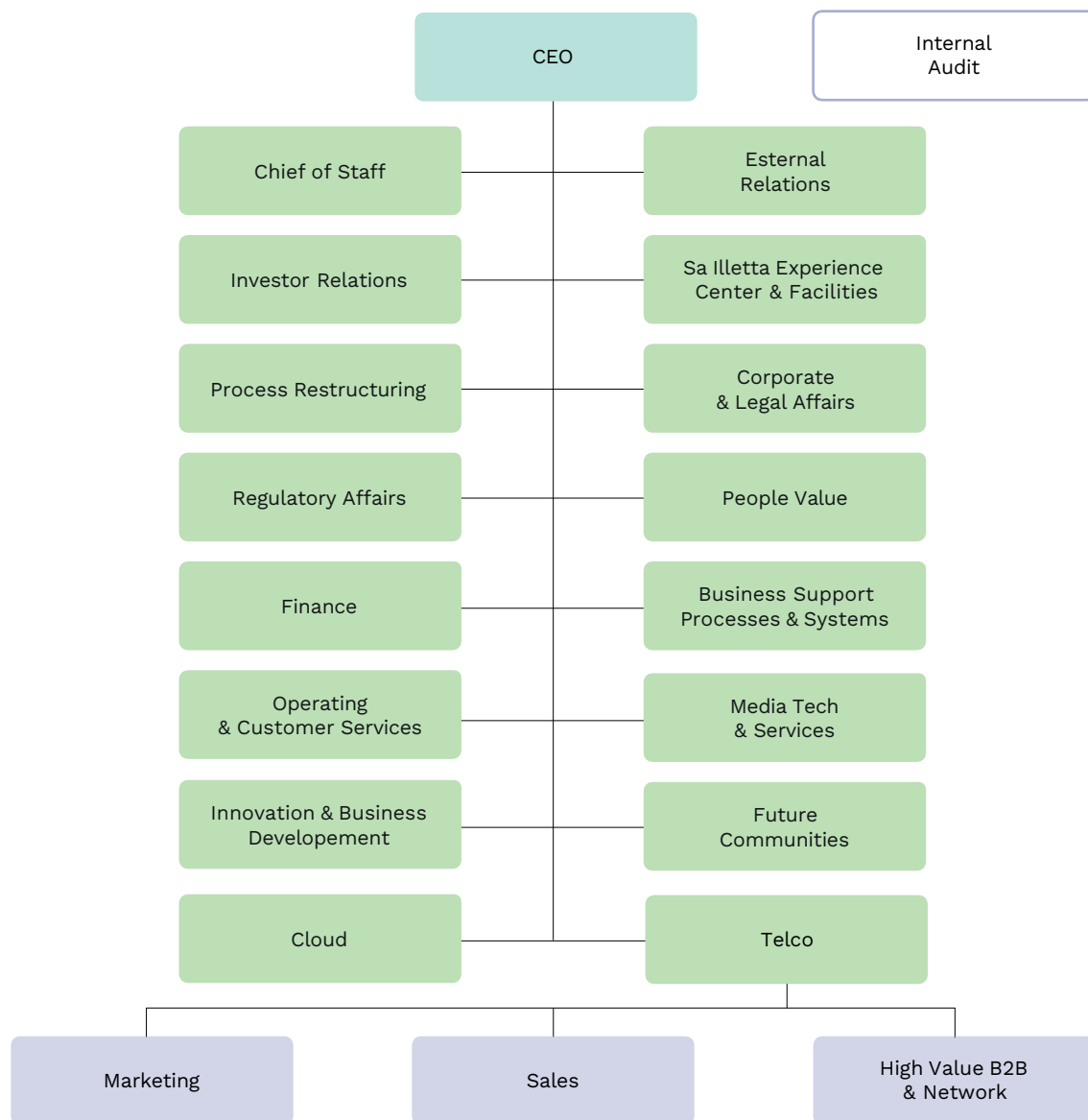
This assumption represents a fixed point in the vision of the Company's top management, guiding all the management choices supporting the industrial plan.

In particular, the choices of:

- An organisational model following the merger that did not contemplate the assessment of redundancies: the organisational design, in fact, had the mandate to absorb and optimise all resources within the new functional perimeters;
- An early termination on 31 May 2022 of the Solidarity contract, applied to 488 employees with an average reduction in working hours of 20%, and thus a recovery of full pay for all concerned;
- Internalising all technical and commercial support activities carried out through external outsourcers, with all related orders to be completed by 28 September 2022. In the logic of attention to the possible economic and social impacts derived from this strategic decision, the internalisation entailed the hiring, as of 1 October 2022, of 31 resources who had a permanent employment contract with the outsourcers and who had been employed for at least 6 months exclusively on Tessellis orders.

Consistently with this vision, the Group has adopted an organisational model that features, on the one hand, the traditional oversight of the telecommunications business, and on the other, the development of organisational units whose mission is to seize all opportunities for the development of innovative businesses, complementary to the traditional voice and data access services, through the synergic valorisation of the network infrastructure, domains and platforms in use by the two companies. The centrality of Customer Services, whose activities are carried out completely in-house, is also reaffirmed, while Staff Departments are assigned the task of overseeing all key transversal processes for the implementation and consolidation of the new organisational culture, in a One Company perspective.

Photo 1: Representation of the Tessellis macro-organisational model



## 52 Diversity and Inclusion

In Tessellis' view, diversity and plurality are values that contribute to creating an open and stimulating work environment, and to ensuring perspectives and points of view that foster innovative ideas and effective and correct behaviour. Therefore, the Company has developed an organisational framework that supports the inclusion and enhancement of diversity. Tessellis guarantees equal dignity and opportunities to all people regardless of their country of origin, their culture and religion, gender, sexual orientation, political opinions and any other personal characteristic and style. Tessellis is therefore committed on a daily basis to:

- Disseminating a culture of diversity and equal opportunities among employees and collaborators, ensuring that everyone is treated, at all times, with dignity, respect, and fairness, demonstrating behaviour that is inclusive and upholds the Company's values
- Creating a welcoming work environment, free from any direct or indirect discrimination and



any kind of harmful behaviour based on personal, social, political, and cultural diversity;

- Applying specific HR policies and metrics to ensure fairness throughout the employer-employee relationship, from the people selection process to role assignment, from performance appraisal to professional development, from compensation to termination of employment;
- Supporting the professional development and growth of its human resources, inspiring employees to reach their full potential and ensuring the sharing of best practices throughout the organisation.

This is the context for the “Rigenerati dal Lavoro” (Regenerated by Work) Project, an inclusion initiative aimed at offering job opportunities to people in detention institutions, giving them a purpose to better cope with a difficult time in their lives, through real work, giving them visibility and dignity so that they also have the opportunity to be reintegrated through the professionalism acquired once they are returned to civil society. Tessellis has set up three workshops in which the process of regenerating modems to be reintroduced into the market for new customers is imported. These laboratories, originally located at the Lecce and Rebibbia prisons, were joined by the one opened at the Cagliari UTA prison on 4 July 2022. Since that date, in addition to the 10 inmates involved in Lecce and the 6 inmates involved in Rebibbia, 8 inmates hired with a fixed-term contract on the Cagliari UTA site and included in the Tessellis workforce after a training assessment, which awarded the Linkem-Tiscali electronic equipment remanufacturing certificate.



Photo 2:  
The laboratory and the new colleagues at the Uta prison.

It is also worth noting that two resources, once they regained their freedom, were hired with open-ended employment contracts on the Rome site.

## 53 Staff composition and equal opportunities

Tessellis considers people as a heritage of skills, experience, and talents to be enhanced and strengthened. The new Company, resulting from the Merger of 1 August 2022, goes beyond the regional dimension typical of the previous structure, assuming a national configuration given the importance in terms of consistency and numerical distribution of the offices in Bari, Taranto, and Rome, in addition to Cagliari. The integration of different experiences and cultural backgrounds within the new organisational model represents one of the main challenges for the 2023-2024 period. Within this framework, the Human Resources department, renamed People Value, aims to contribute to the implementation of the One Company model, fostering the construction of a new corporate culture that offers each resource the opportunity to develop their skills, in line with the needs induced by the evolution of the business in a context in which people, with the complex of their internal and external interactions, are the main engine for generating value and social enrichment.

For People Value, being an agent of change means starting out on a path with a time horizon of three years 2022-2024 to complete the following goals:

- Definition of the new organisational model;
- Definition of the corporate values and managerial model;
- Redesigning the internal communication process with a focus on the development of a new corporate Intranet;
- Implementation of a development model based on job posting and performance management tools.

Looking at the overall sustainability of the Group, Tessellis renews its commitment to creating the best conditions for a collaborative and motivating work environment, capable of grasping the needs of each individual and enhancing the different professional profiles. As at 31 December 2022, Tiscali Italia S.p.A. had a total workforce of 1,130 employees, an increase following the merger described above in five locations:

Total number of employees broken down by location	
Location	Units
Cagliari	626
Bari	248
Taranto	166
Roma	85
Milano	5
<b>Total</b>	<b>1,130</b>

The Group's deep-rooted presence in the territory of Sardinia (55%), and similarly in the South of the

country (92%), is clearly evident. It should also be noted that, as at 31 December 2022, the Group's total workforce did not include any external workers.

Table 4 – GRI 2-7: Breakdown of staff by type of contract and gender

Contract type	As at 31 December 2022		
	Men	Women	Total
Fixed-term contract	21	4	25
Open-ended contract	478	627	1,105
<b>Total</b>	<b>499</b>	<b>631</b>	<b>1,130</b>

The figures in the table confirm the substantial majority of open-ended contracts (98%) out of the total Company population.

Table 5 – GRI 2-7: Breakdown of staff by professional type (part-time/full-time) and gender

Contract type	As at 31 December 2022		
	Men	Women	Total
Full-time	375	286	661
Part-time	124	345	469
<b>Total</b>	<b>499</b>	<b>631</b>	<b>1,130</b>

More than 42% of workers (469 units) benefit from a part-time contract. The significant percentage in the use of this type of employment relationship responds to the many organisational needs connected to shift work schedules in the customer care sector, as well as the work-life balance needs typical of many families.

In 2022, limited to the employees of the Cagliari office, the part-time incentive campaign was still in effect, which made it possible to opt for all types of part-time work (vertical, horizontal, mixed) for a fixed term (12 months). The persons concerned, who voluntarily adhered to the proposal to reduce working hours, received compensation equal to 25% of the difference between the original salary and the new salary, subject to the compatibility of the reduction with organisational needs. This incentive programme concerned 29 people until 31 December 2022.

Table 6 – GRI 405-1: Breakdown of personnel by professional category and gender

Professional Category	As at 31 December 2022		
	Men	Women	Total
Managers	19	4	23
Middle Managers	40	19	59
Employees	421	605	1,026
Workers	19	3	22
<b>Total</b>	<b>499</b>	<b>631</b>	<b>1,130</b>

Table 7 – GRI 405-1: Breakdown of staff by professional category and age group

No. of persons	As at 31 December 2022			Total
	<30	30-50	>50	
Managers	0	9	14	23
Middle Managers	0	21	38	59
Employees	45	801	180	1,026
Workers	4	16	2	22
<b>Total</b>	<b>49</b>	<b>847</b>	<b>234</b>	<b>1,130</b>

The majority of the Group’s staff is in the age group of 30-50 years (75 per cent), in continuity with previous years.

% composition of the workforce by gender and age group

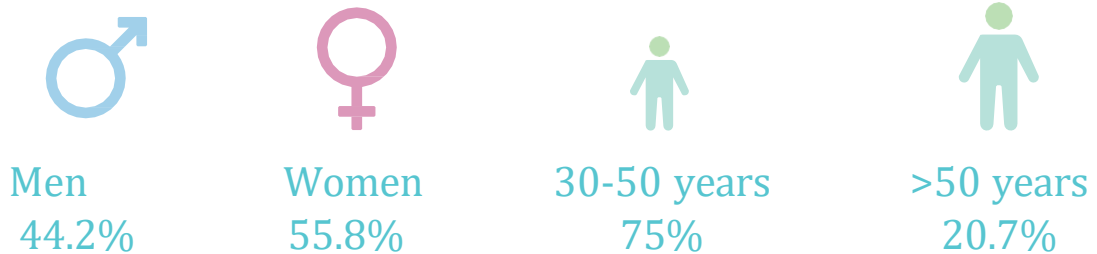


Table 8 – GRI 405-1: Protected categories

No. of persons	As at 31 December 2022		
	Men	Women	Total
Managers	0	0	0
Middle Managers	0	0	0
Employees	18	37	55
Workers	0	0	0
<b>Total</b>	<b>18</b>	<b>37</b>	<b>55</b>

Table 9 – GRI 401-1: Inbound turnover by gender and age group<sup>7</sup>

No. of persons	As at 31 December 2022				% Turnover
	<30	30-50	>50	Total	
Men	4	22	6	32	6.41%
Women	5	13	0	18	2.85%
<b>Total</b>	<b>9</b>	<b>35</b>	<b>6</b>	<b>50</b>	<b>4.42%</b>

Table 10 – GRI 401-1: Outbound turnover by gender and age group

No. of persons	As at 31 December 2022				% Turnover
	<30	30-50	>50	Total	
Men	1	26	2	19	3.81%
Women	2	14	1	17	2.69%
<b>Total</b>	<b>3</b>	<b>30</b>	<b>3</b>	<b>36</b>	<b>3.19%</b>

The outbound turnover in 2022 was physiological, in particular the exits were in all cases an effect of voluntary resignations. The phenomenon had a revival compared to the last few years, also in the light of a labour market made particularly dynamic by the use of teleworking, which has made external job offers unrelated to actual territorial mobility convenient, and, for the Cagliari site, by an increased job offer for technical specialists, an effect of the implementation of regional infrastructure digitisation projects related to the PNRR. On the other hand, the termination of the solidarity contract made it possible to restart the hiring process, which in the latter part of the year was mainly concentrated on stabilising workers employed by external outsourcers.

2. The inbound and outbound turnover in the following table represents the ratio between the number of new hires (terminations), south divided by gender, during 2022 and the total number of employees as at 31 December 2022 by gender.

**CCNL**

Tiscali Italia S.p.A. confirms the application of the National Collective Labour Agreement (“CCNL”) for Telecommunications, as well as the National Collective Labour Agreement for Industry Managers and the National Collective Labour Agreement for Journalists, the latter with specific reference to editorial offices employing 13 journalists.

In addition to the reference CCNL, the agreement between the Company and the RSU and territorial trade union representatives of 4 March 2022 redefined all the supplementary regulatory institutes of the second level of bargaining, with the aim of pre-establishing a common regulatory platform that would harmonise the different treatment regimes in force within the two merging companies.



*100% of employees are covered by collective labour agreements*

The Group is committed to safeguarding employees’ right to freedom of association and collective bargaining. In 2022, 100% of employees were covered by collective labour agreements.

In particular, the aforementioned agreement confirmed for all of 2022 the granting of a 2-day leave of absence to the father due to the birth of a child, as well as the possibility for the working mother to request temporary part time during the first three years of the child’s life.

The recognition of 5 days of paid leave that can be taken alternately by both parents for the child’s attendance at nursery school, as well as the integration of pay of up to 100% in the case of absences due to illness of the child up to the age of 3 years, also remain. From 3 to 6 years of age, the possibility of using 20 hours per year is recognised, recoverable in extension to normal working hours within periods agreed with the Company.

In addition, 8 hours of paid leave are recognised per year, to cover the needs related to specialist medical check-ups.

Linkem's practice, which for the event of the birth of a child provides 15 days of leave for the father, as well as a one-off EUR 1,000 allowance for the mother, continued to be implemented throughout 2022.

All employees in the Tiscali Italia workforce can take parental leave, if the conditions are met, which for women consists of a period of compulsory abstention from work and one of optional abstention, while for men this is always optional.

Table 11 – GRI 401-3: Parental leave<sup>7</sup>

	As at 31 December 2022		
	Men	Women	Total
Total parental leave during the year	15	126	141
Of which	As at 31 December 2022		
Total employees returned to work at the end of parental leave	15	117	132
Total employees on leave on the date indicated	0	9	9
Total employees returned to work at the end of parental leave and still employed 12 months after the return to work	11	129	140
Total employees returned to work at the end of parental leave and still employed 12 months after the return to work			
	As at 31 December 2022		
Return-to-work rate <sup>8</sup>	100%	93%	94%
Retention rate	73%	102%	99%

### Equal treatment and remuneration

Tessellis believes that diversity represents an added value for its business, and therefore categorically rejects any form of discrimination based on gender, sexual orientation, nationality, physical or mental disability, ethnic origin, religious faith, marital status, language, or social and economic status, political or trade union opinions. Diversity is not considered as such by the Company, which applies the same management tools and policies to all staff.

Interpersonal relations and working relations between colleagues and collaborators, as well as towards customers and suppliers, are marked by mutual respect, so as not to harm the dignity of people and not to engage in any kind of physical, verbal, or psychological harassment.

Tessellis does not tolerate intimidating and mobbing attitudes towards colleagues and collaborators, or individual pressure applied to condition the behaviour and working activities of individuals or groups of people.

With the aim of ensuring proper communication and management of any episodes of discrimination, Tessellis has introduced rules of conduct and *ad hoc* tools.

<sup>7</sup> Parental leave refers to compulsory and optional leave.

<sup>8</sup> The Return-to-work rate is calculated as the percentage ratio of the total number of employees who actually returned to work after parental leave to the total number of employees who should have returned to work after parental leave. The Retention rate is calculated as the percentage ratio of the total number of employees who remained for 12 months after returning to work after parental leave to the total number of employees who returned from parental leave in the previous reporting periods.

Tiscali employees are obliged to report any episodes, either to their manager, to the HR function, to a third party body (which may also collect reports from external sources) or directly to the Supervisory Board. The persons or entities involved are responsible for assessing the information received and identifying the appropriate management methods, while the HR function is responsible for ensuring that there are no repercussions of any kind against the person who makes a report in good faith, regardless of whether the report is not followed up after the investigation process.

Furthermore, Tessellis considers fair and equal remuneration for men and women in its workforce to be important. For this reason, the management and remuneration system of Tessellis is inspired by the principles of meritocracy and transparency; individual performance, managerial skills and professional competences are the main drivers that guide the remuneration policies.

This assumption is substantiated by the definition of two guidelines that standardise the management process, namely:

- Internal resources must be favoured for all new professional opportunities over recruiting on the external labour market, which is always seen as a residual and necessary choice;
- All processes of horizontal and vertical mobility are managed with the job posting tool in a key of absolute transparency and meritocracy of choices.

### **Attention to people**

Tiscali is a promoter of management practices in favour of people: in the Group, all regulatory institutes safeguarding maternity, leave and leave aimed at the need to reconcile professional and family life are applied.

The Company is committed to safeguarding work-life balance needs, also thanks to contractual flexibility that allows transitions from full-time to part-time contracts.

With reference to colleagues with particular forms of disability requiring special protection, by accessing the technological possibilities enabling virtualisation of the workstation, during 2019 two employees were allowed on an experimental basis to work directly from their own residence for one year. This protection was also extended for the year 2022.

It is also worth reiterating that, due to the regulations against the Covid-19 infection, 25 people meeting the frailty requirements set out in the Legislative Decree Cura Italia and subsequent extensions were allowed to work from home for the whole of 2022.

Tiscali has a partnership with Mindwork to offer a psychological e-counselling service to all employees who require support in reconciling work with their psychological well-being.

In addition, on the Campus in Cagliari, there is a nursery that welcomes pre-school-age children of employees of both Tiscali and other companies hosted on the site.

### **The rewarding model**

Tiscali pursues the principles of fairness and meritocracy in the management and development of people, from the analysis and assessment of skills to the definition of rewards, to the identification of career paths and professional development.



During 2022, the implementation of the Company rewarding model had to consider the substantial organisational discontinuity consisting in the merger with Linkem, which did not allow for a complete deployment of objectives aimed at embracing the entire year structured according to functional connotations.

In 2022, therefore, 30 resources had access to the MBO incentive system with a common target defined, due to the above-mentioned specificity, on the EBITDA target value.

## 5.4 Training

In 2022, the 2021-2022 training plan of Tiscali Italia S.p.A. for the part planned for the year 2022.

### 2022 Training Plan

Professional settings and resources concerned

#### Objectives of the training plan

Maintain focus on the digital evolution of core competences, focus on the development of managerial skills related to Distance Management



#### Objectives

1. Improving the overall approach to digital and digital-related behaviour.
2. Develop specific skills to support the digitisation of processes.

#### Resources Concerned



188 participants



#### Methodology

1. FADR (close distance learning)
2. Classroom (laboratories)
3. Action Learning (simulation of virtual environments and situations)
4. Testimonials

#### Tools



1. Role dynamics
2. Use of IT
3. Slides
4. Group discussions

Course title	Editions	Days	Resources involved	Professional settings
Customer Caring	9	1	119	Customer Activation and Management
Distant Management for Managers	2	1 (2 meetings, 4 hours each)	41	All corporate positions
Distant Management for TLs	2	1 (2 meetings 4 hours each)	14	Customer Management Customer Activation Support Channels

Training is provided both in the classroom and through e-learning; in particular, targeted actions were carried out on an important target of commercial and technical Customer Service resources, to support the ability to manage customers online and on social channels, as well as to strengthen the remote management skills of coordinated groups, consistent with the use of teleworking.

A total of 188 resources in the Cagliari office were involved in the training modules, held with external teachers. In addition, 13 executives undertook a day of managerial training as part of the Ambrosetti seminars.

With specific reference to the training pursuant to Legislative Decree No. 81/08, in the last quarter of 2022, training courses were held for first aid and BLS, which involved 23 resources, in addition to the training of 19 Supervisors and 3 Workers' Representatives.

Table 12 – GRI 404-1: Average hours of training by professional category and gender

Average hours of training by professional category and gender	As at 31 December 2022		
	Men	Women	Total
Manager	0.84	0.00	0.70
Middle Manager	5.40	2.95	4.61
Employee	1.96	1.87	1.91
Worker	0.00	0.00	0.00
<b>Total</b>	<b>2.12</b>	<b>1.88</b>	<b>1.99</b>

## 55 Tiscali's welfare system

In addition to what has been described in the previous paragraphs, Tiscali's welfare system includes assistance, health, and pension initiatives. Tiscali has taken out insurance policies to cover non-occupational risk for all employees.

### Severance Pay Advances

Tessellis allows the advance on severance pay to be used for the purchase and renovation of a first home (for the employee himself or his children) and for extraordinary medical expenses, subject to the legal requirements for accessing it.

### Insurances

The death, permanent disability and accident insurance scheme was introduced in 2012 and covers 44 employees, including middle managers and managers.

### FASI

FASI (Fondo Assistenza Sanitaria Integrativa - Supplementary Healthcare Fund) provides executives, who are voluntarily enrolled, and their families with supplementary benefits to the assistance provided by the National Health Service, directly, on the basis of administrative agreements with healthcare facilities that agree with FASI on favourable economic conditions compared to those normally applied.

### Unisalute

The Unisalute health policy was introduced in 2009 and is a form of health care supplement to the National Health Service. It has a membership of 828 employees, including white-collar and middle management staff.

### Pension Plans

With regard to the pension plan, in accordance with the CCNL, employees pay monthly contributions to the State Treasury managed by INPS, or they can join (even partially) the category fund (Telemaco).

As provided for by the relevant regulations, if the employee (office worker or middle manager) joins the Telemaco item fund and pays, in addition to the severance pay, an additional contribution (minimum of 1%), the Company in turn pays a fixed contribution of 1.2% on the remuneration used to determine the severance pay. Executives, on the other hand, join the Previndai Fund, with a minimum contribution of 4%, to which the Company adds a fixed contribution of 4% on the salary used to determine the severance pay ("TFR").

## 56 Staff's health and safety

Tessellis pays the utmost attention to the issue of safety at work, seeking management solutions suitable for reducing the risk of accidents in the Company and providing safe locations for both its own employees and external suppliers operating in Tiscali offices, technological premises, and shops.

The activities of Tiscali Italia S.p.A. are conducted in full compliance with current legislation and Company directives on health and safety through prevention and protection. In 2022, the Company implemented all fulfilments relating to the prevention of risks on health and safety in the workplace, as provided for by Legislative Decree No. 81/2008. In particular, the Risk Assessment Document consists of a general part and a specific part for each of the Cagliari, Sa Illetta, Bari, Taranto, Rome, Milan, and Florence sites.

All initiatives were promoted with regard to training programmes on occupational health and safety prevention issues.

In addition, the role of the Company's Prevention and Protection Service was strengthened by creating a specific sector in the organisation chart with competence in the field and by increasing the number of employees within the Service, with the identification of a resource dedicated exclusively to occupational health and safety issues.

The monitoring of issues relating to safety, health and risk prevention in the workplace environment is delegated:

- To the People Value Department with regard to verifying the application of all relevant regulations and compliance with Company protocols on health and safety in the workplace;
- to the Company Prevention and Protection Services Manager;
- to the Company doctor.

Worker participation, consultation and communication on occupational health issues is routinely carried out through the qualified representatives of the RLS occupational safety officers, in close relation with Human Resources, the Company SPPA Service Manager and the Company RSU representation.

Within the framework of the preventive services of health protection against the specific risks related to professional duties, the Company has followed up both the programme of periodic surveillance visits, and the visits requested on the initiative of individual workers, for the verification of the full subsistence of the capacity to work.

In addition, Tiscali Italia S.p.A. workers, with a few exceptions, are subject to health surveillance (Legislative Decree 81/08 art. 176) for the systematic use of Video-Terminals. The health protocol provides for examinations usually every five years for workers under 50 years of age, and every two years for workers over 50 years of age or who have been found fit with prescriptions. The health data concerning the individual worker are protected by privacy and therefore accessible only by the competent doctor, who is however obliged to provide the collective anonymous results to the employer, the RSPP and the RLS (Workers' Safety Representative) during the yearly periodic meeting (Legislative Decree No. 81/08, Article No. 35, paragraph 1, letter *i*)). In general, at Tiscali, there are no employees involved in work activities with a high rate or risk of specific diseases.

Table 13 – GRI 403-9: Occupational accidents suffered by employees<sup>9</sup>

Occupational accidents suffered by employees	Year 2022
Total number of deaths due to occupational accidents	0
Total number of serious occupational accidents (excluding fatalities)	0
Total number of recordable occupational accidents	6
Of which at the workplace	0
Of which <i>en route</i>	6
Accident indices	
Hours worked	578,426
Multiplier for calculation	200,000
Rate of deaths due to occupational accidents	0.00
Rate of serious occupational accidents (excluding fatalities)	0.00
Recordable occupational accident rate	2.07

Occupational accidents were recorded *en route*, i.e., when travelling to or from customers. This again confirms that the health and safety practices implemented within Tiscali are valid and effective in preventing accidents at operating sites attributable to failures in worker safety protection attributable to the practices and procedures in place.

With regard to occupational diseases, it should be noted that no cases occurred in the Company during 2022.

<sup>9</sup> Accident indices are calculated exclusively for employees using the following methodology:

- Rate of deaths resulting from occupational accidents:  $\text{number of deaths resulting from occupational accidents} / \text{number of hours worked} * 200,000$
- Rate of occupational accidents with serious consequences (excluding deaths):  $(\text{number of occupational accidents with serious consequences (excluding deaths)} / \text{number of hours worked} * 200,000)$
- Recordable occupational accident rate:  $\text{number of recordable occupational accidents} / \text{number of hours worked} * 200,000$

*Recordable accidents: all accidents (whether or not resulting in death), days of absence from work, restriction of work duties or transfer to another job, medical treatment beyond first aid or unconsciousness, significant injury or illness diagnosed by a doctor or other licensed health care provider, even if not resulting in death, days of absence from work, restriction of work duties or transfer to another job, medical treatment beyond first aid or unconsciousness.*

*Recordable accidents with serious consequences: Accidents that lead to an injury from which the worker (employee) cannot recover, does not recover or it is unrealistic to expect that he/she will fully recover to his/her pre-accident state of health within 6 months (excluding deaths).*

## 6. The environmental impact

During 2022, Tessellis supported activities in the direction of increasing the environmental sustainability of its site. Some of the key activities implemented during 2022 are summarised below, and are taken up and further detailed in the following paragraphs:

- The application of the EU Taxonomy for the identification of sustainable economic activities;
- The consolidation of waste containment policies, the use of VDI with respect to local PCs by reducing electrical equipment to be disposed of by Tiscali Italia S.p.A;
- The improvement of the conditions of the waste storage area, raising awareness among Business customers about the use and end-of-life of products through the preparation of the "WEEE Disposal Communication" to be included in the Welcome Pack by Tiscali Italia S.p.A;

Tiscali Italia S.p.A.'s adhesion to "The Greenest" project, promoted by SIDI, by purchasing a batch of 25,000 trees planted in Madagascar, thus giving life to its own corporate forest. On the occasion of World Earth Day in April 2022, the Tiscali.it portal launched an initiative to make a tangible contribution to environmental protection: in collaboration with "The Greenest", it offered its readers the opportunity to plant a tree free of charge up to a maximum of 50,000 trees in total.

### 6.1 EU Taxonomy of Sustainable Economic Activities

Regulation (EU) 2020/852, also known as the Taxonomy Regulation, was adopted by the Council and the European Parliament in June 2020, and is designed to harmonise and support organisations in identifying economic activities that can be considered environmentally sustainable. This means that the regulation should help companies to become more climate and environmentally friendly, mitigate market fragmentation and help target investments.

To qualify as environmentally sustainable, an economic activity must contribute substantially to one or more of the six environmental objectives set out in Article 9 of the Taxonomy Regulation. Such objectives include climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems.

In summary, the Taxonomy Regulation represents an effort by the European Union to promote sustainable investments and to encourage companies to adopt more environmentally responsible practices. The European Taxonomy provides a solid basis for the classification of sustainable assets, helping to prevent greenwashing and protect investors.

A delegated act, Delegated Regulation (EU) No. 2021/2139, was adopted on 4 June 2021, which specifies the application and content of the technical screening criteria that specific economic

activities must fulfil for the first two environmental, climate-related targets. At this stage, a final delegated act has not yet been adopted for the other four environmental objectives. The Tessellis Group, as it is included in the scope of application of the Non-financial Reporting Directive (or “NFRD”), is subject to disclosure obligations relating to the reporting of its economic activities falling within those considered eco-sustainable according to the taxonomy classification, as provided for by the Taxonomy Regulation (EU) No. 2020/852, the Delegated Regulation (EU) No. 2021/2139 (the so-called “Delegated Act on Climate”) and the Delegated Regulation (EU) No. 2021/2178 (the so-called “Delegated Regulation on Disclosure”) on the content of the information and the manner in which it is represented.

Given the 2022 updates of the Regulation, in this document the disclosure under the EU Taxonomy of the Tessellis Group only concerns the eligibility and alignment to the first two objectives, i.e., climate change mitigation and climate change adaptation, giving an indication of the percentage of eligible and aligned economic activities with reference to turnover, CapEx and OpEx.

Finally, considering the recent entry into force of the Regulation and the technical complexity posed by the requirements, the Tessellis Group’s approach in identifying eligible and aligned activities has been based on strict compliance with the guidelines of the regulation, resulting in the exclusion of projects not included in the Delegated Acts of the Regulation.

The Tessellis Group has structured a methodology for determining eligible and aligned activities to the Taxonomy, including identification of eligible activities, analysis of the substantial contribution to the objectives through the technical screening criteria, verification of the principle of no significant harm to other objectives, verification of compliance with minimum safeguards, and calculation of KPIs and financial metrics.

The process of determining permissible and aligned activities was conducted by involving various departments of the Group, with the aim of bringing together skills and experience in the analyses performed and the determination of results. In particular, the Group’s management control dealt with the quantification of the turnover, CapEx and OpEx shares for each activity and the collection of the underlying detail, while other functions of the Group were involved in the analysis and in-depth analysis of the technical screening criteria, DNSH principles and compliance with the minimum safeguards.

The Group concluded that the percentage of Turnover, CapEx and OpEx aligned to the Taxonomy is 0%, thus excluding activities that do not meet the criteria set by the EU regulations. More details on the methodology used by the Group will be provided in the following paragraphs.

### Eligible Activities

An economic activity is eligible under the European Taxonomy if there is a corresponding description in the Delegated Acts, regardless of whether or not this activity meets the technical screening criteria in the Delegated Acts.

In order to determine which activities are permissible under the Taxonomy, preliminary analyses were carried out with the aid of the NACE codes and screening analyses of the activities in question, in cooperation with the various corporate functions involved. In view of the elements outlined in the previous paragraphs, the analyses conducted led to the identification of the following eligible activities<sup>10</sup>:

Economic activities	Description	Objective
8.1 Data processing, hosting, and related activities	Storage, manipulation, management, movement, control, display, switching, interchange, transmission, or processing of data through data centres, including edge computing.	Mitigation
4.1 Power Generation by Photovoltaic Solar Technology	Programming and broadcasting activities include the creation of content and the acquisition of the rights to distribute it, with subsequent broadcasting in radio and television entertainment programmes, news programmes, talk shows and the like. Also included is the transmission of texts, typically related to radio or television broadcasts. Transmission may take place through the use of different technologies, via repeater, satellite, cable, or the Internet. Also included is the production of programmes intended by their nature for a restricted audience (e.g., news, sports programmes, educational programmes, programmes aimed at a young audience) available by subscription or for a fee to third parties, for subsequent transmission to the public.	Mitigation
8.3 Programming and transmission	Construction or operation of power generation plants using photovoltaic solar technology.	Adaptation

As indicated by the Regulations, in carrying out this exercise the Tessellis Group has taken into consideration the climate objectives it intends to pursue from the identified economic activities. In particular, this criterion has significant value for activities such as 8.1 (*Data processing, hosting, and related activities*) and 4.1. which, having the same description within the two delegated acts, can contribute to both objectives.

<sup>10</sup> Come spiegato più avanti, le attività ammissibili elencate sono relative solamente ai KPI di fatturato e di OpEx.



### **Analysis of the substantive contribution to the objectives through the technical screening criteria and verification of the DNSH principle**

The activities assessed as eligible were subjected to an initial alignment analysis, verifying compliance with the technical screening criteria, considering that, based on the nature of the activities identified as eligible, the examination of compliance with the technical screening criteria also depends in part on information held by the suppliers of products and services. The Group has started a process of defining the information flows necessary to collect the information to ensure the verifiability of the turnover, capex and OpEx data aligned to the Taxonomy, which will be strengthened and improved over the next few years, also in light of regulatory developments. For the relevant activities identified, the Group carried out an initial assessment of the DNSH for which the same considerations expressed in relation to the technical screening criteria are valid.

### **Verifying compliance with minimum safeguards**

The European Taxonomy stipulates that an economic activity, in order to qualify as environmentally sustainable, must be carried out in compliance with minimum safeguards, as expressed in Article No. 18 of the EU Taxonomy Regulation 2020/852. Under this circumstance, the EU objective is to ensure that entities carrying out environmentally sustainable activities, labelled as aligned with the Taxonomy, comply with certain minimum governance standards, and do not violate social norms, including human rights and labour rights. In other words, the aim is to prevent green investments from being labelled and considered “sustainable” even when they involve corrupt practices, including tax laws, anti-competitive practices, and negative impacts on human rights, including labour rights. In order to meet the requirements for minimum safeguards, the Platform on Sustainable Finance produced a Report<sup>11</sup> which summarises the main requirements of the principles of the international organisations mentioned in Article No. 18 of European Regulation 2020/852, analysing overlaps, and excluding principles that are outside the context of the European Taxonomy. The Group has based its analysis on the indications of this Report<sup>11</sup>, assessing compliance with requirements in four key areas: Human Rights, Corruption, Taxation, Fair Competition.

### **KPIs calculation**

On the basis of the previous steps, the percentage of eligible and aligned economic activities was calculated, associating to each activity the financial metrics required by the Regulation: Turnover, CapEx and OpEx. The percentage of the Group’s economic activities eligible and aligned to the Taxonomy with respect to Turnover, CapEx and OpEx was calculated in accordance with the legal requirements and according to the accounting criteria specified in Annex I of the Delegated Regulation related to Article 8. However, the Tessellis Group, in order to carry out a correct valuation of the economic activities and calculation of the KPIs, had the need to develop and use appropriate estimates for the identification of the correct percentage of eligible and aligned economic activities, as specified in the sections on each activity.

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<sup>11</sup> Source:  
[https://finance.ec.europa.eu/system/files/2022-10/221011-sustainable-finance-platform-finance-report-minimum-safeguards\\_en.pdf](https://finance.ec.europa.eu/system/files/2022-10/221011-sustainable-finance-platform-finance-report-minimum-safeguards_en.pdf)

Based on the analyses performed, the summary of the overall results obtained is as follows:

KPI	Non eligible activities	Eligible activities	Aligned activities
Turnover	99.4%	0.60%	0%
CapEx	100%	0%	0%
OpEx	90.4%	9.6%	0%

The KPI refers to the increase in tangible and intangible assets during 2022 before depreciation, amortisation, impairment, and revaluation, including those arising from impairment or the application of the fair value criterion. The Group did not record any Capex related to assets eligible under the Taxonomy Regulation for 2022.

## Climate Change Adaptation Target

### Activity 8.1 Data processing, hosting, and related activities

Since activity 8.1 (Data processing, hosting, and related activities) has the same description for both climate objectives, the Tessellis Group has decided to carry out the analysis related only to the climate change mitigation objective, considering the nature of its activities to be more related to this objective and in order to avoid the risk of double counting. This item included the activities carried out by the Sa Illetta data center, mainly related to housing and hosting services of IT facilities for storage and processing. The Group proceeded to identify the share of turnover related to these activities, while the OpEx share was determined using the % weight of turnover related to activity 8.1 on total turnover. This criterion appears to be the least random in order to identify the total OpEx/OpEx component. Based on the verification of the technical screening criteria, DNSH compliance and minimum safeguards, turnover and OpEx related to this activity cannot yet be defined as aligned to the Taxonomy.

Please refer to the summary of the results obtained from the eligibility and alignment phases in Chapter 8.

### Activity 4.1 Production of electricity using photovoltaic solar technology

Since activity 4.1 (Production of electrical energy by means of photovoltaic solar technology) has the same description for both climate objectives, the Tessellis Group has decided to carry out the analysis related only to the climate change mitigation objective, considering the nature of its activities to be more related to this objective and in order to avoid the risk of double counting. This item includes operating expenses related to the photovoltaic system installed at the Sa Illetta site.

Based on the verification of technical screening criteria, compliance with DNSH and minimum safeguards, the OpEx related to this activity cannot yet be defined as aligned with the Taxonomy. Please refer to the summary of the results obtained from the eligibility and alignment phases in Chapter 8.

## Climate Change Adaptation Target

### Activity 8.3 Programming and transmission activities

This item includes the editorial management activities of the Group's portals and other proprietary platforms.

In particular, the Group offers programming consisting of its own content and/or content purchased from third parties, playing a potential role in disseminating and raising awareness of climate change issues and its consequences. Specifically, the Group offers various packages that include films, TV series, cartoons, and entertainment of various kinds for the viewer.

In particular, the Group has identified the share of operating expenses related to this activity.

Based on the verification of the technical screening criteria, DNSH compliance and minimum safeguards, the OpEx related to this activity cannot yet be defined as aligned to the Taxonomy.

Please refer to the summary of the results of the eligibility and alignment phases in Chapter 8.

### Assessment of the impact of climate change on Tiscali's production facilities

Tessellis, as part of its long-term business continuity assessment, estimated the effects of climate change and their possible economic and financial impacts on the Company's operations. The analysis was conducted focusing particular attention on certain physical risks resulting from climate change that could compromise the Data Centre infrastructure.

#### Rising global average ambient temperatures

The rise in ambient temperatures was assessed

- On the Data Centre of Tiscali Italia S.p.A. in Sa Illetta (Cagliari);
- On the production facilities located on the national territory;
- On the interconnection devices allocated at the end customer's home.

#### *Effect of rising temperatures on the Cagliari-Sa Illetta data centre*

The Data Centre of Tiscali Italia S.p.A. is equipped with cooling machines that can cope with a rise in external temperature of up to 55 °C. The operating range of the equipment used for cooling the Data Centre, in fact, goes from -17.5 °C to 55 °C. The maximum temperature recorded in the Data Centre's geographical area in the year 2022 is 40.1 °C. Therefore, even assuming a ten-year increase in the global average temperature of 1.5 °C, the current systems are able to meet the cooling needs for a period longer than the expected useful life of the systems themselves.

#### *Effect of rising temperatures on production facilities across the country*

In addition to the main Data Centre of Sa Illetta, Tiscali italia S.p.A. has more than 29 POPs active throughout the country, some located at the facilities of other operators and others in co-location, hosting equipment (routers/servers) with technical characteristics similar to those

present in the data centre. The same considerations applied to the data centre with regard to the hypothesis of higher environmental temperatures apply to them. It should be borne in mind that over the last few years a process of replacing the air-conditioning systems on these POPs has been initiated and will be completed in the next few years, thus making it possible to cope with potential increases in external temperatures.

*Effect of higher temperatures on the interconnection devices supplied and installed at the customer's premises to perform the service*

Climate change caused by global warming may adversely affect internet service, affecting its availability, quality, security, and cost.

According to a UK Government Report, it has emerged that high temperatures lead to a reduction in the range of internet communication, while frequent storms impact signal reliability, and this undoubtedly represents a critical issue especially in emergency situations where efficient communications systems are required.

With regard to the Company's modems, in particular, these are assets that are installed in customers' homes, during contract activation. These devices fall into two categories:

- Indoor devices: Modems related to fibre services (FTTH/FTTC) and FWA services;
- Outdoor devices: Modems related to FWA services.

Technicians assessed the effects of climate change on these devices are able to withstand outdoor temperature rises of up to 56°C, without impacting device operation.

**Sea level rise – Effect on production facilities located in Sa Illetta - Cagliari**

Global warming is the main cause of melting polar glaciers and warming oceans, which in turn affect sea levels, affecting their density and salinity.

IPPC 8<sup>12</sup> studies predict sea level rise by 2100 of about 43 cm in the case of very high emission reductions, and about 84 cm in the case of high emissions.

The offices and Data Centre of Tiscali Italia S.p.A. are located in the Sa Illetta locality, about 2 km from the town of Cagliari. It is one of the largest wetlands in Europe and is of particular environmental importance as it is populated by protected animal and plant species.

Tiscali Italia S.p.A.'s Data Centre is about 90 metres from the pond on the north side. The servers are located on the second floor of the building, while the generators, electrical substations and uninterruptible power supply systems are located on the ground floor.

The engineers believe that in the event of a 30 cm rise in sea level over the next 12 months (a highly improbable hypothesis, however), the waters of the lagoon could not in any case lap the building housing the Data Centre, nor reach any equipment intended for the Company's production activities because this rise would not reach the ground level of the Data Center (about 2 metres above sea level) anyway. There is also a guard channel around the area for the outflow of water towards the sea that would protect the existing structures even for higher water level rises. Hence, the technicians believe that there is no reasonable risk of having to make investments to protect the Data Centre's machinery or other machinery used for production activities.

Similarly, the technicians believe that the servers will not suffer any damage related to this

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<sup>12</sup> Source: Technical summary of the IPCC Special Report on the Ocean and Cryosphere in a Changing Climate (SROCC), 2019.

climatic event that could compromise their ability to function.

Should the sea level rise by more than 2 metres over a 10-year period, an event that is, however, highly unlikely, this would not lead to the need for an investment in upgrading part of the DPC infrastructure, for the reasons explained above.

Considering the climate changes hypothesised for the next 10 years, it is not expected that there will be a significant change in the useful life of the equipment and systems of the Data center as a result of the rise in average temperatures and water levels.

With reference to the evaluations carried out on the consequences that would derive from the two potential climatic events outlined above (i.e., rising global temperatures and rising sea levels), the technicians believe that the assets will maintain their physical integrity and, therefore, their production capacity unchanged over the 12 months.

That being said, it is reasonably believed that it will not be necessary to relocate the Company's headquarters in the next 10 years. Similarly, no specific insurance policy for damages is deemed necessary.

## 62 The ISO 14001 environmental certification

The Tessellis Group has always considered controlling the environmental impact of its activities one of its main areas of commitment.

activities one of the main areas of its commitment.

The Company considers it fundamental to be committed to the promotion of environmental sustainability, to monitor the risks for the environment and the local community deriving from the performance of its activities and, for the most significant impacts, to implement policies and projects for the improvement and mitigation of such risks, in a continuous search for balance between infrastructure development and environmental protection.

In order to enable a continuous improvement of its environmental strategies, Tiscali Italia S.p.A. began, during 2019, a virtuous path, which allowed it to obtain, on 16 December 2019, ISO 14001 certification for an Environmental Management System consisting of policies, processes, plans, practices, and records that define the rules of the Company's interaction with the environment.

The ISO 14001 Standard represents the regulatory reference point for companies and organisations that have, or intend to have, an Environmental Management System, aimed at managing environmental aspects, meeting legislative compliance obligations, and addressing and assessing risks and opportunities.

Tiscali Italia S.p.A. has continued to implement the indications dictated by the ISO 14001 standard, appointing both a Manager of the Integrated Quality Management System, whose duties also include environmental management, and a Security Manager, with specific expertise in IT security issues, and defining an annual environmental management plan, broken down into a series of objectives with evidence of what has been achieved for the current year and what is to be achieved for the following year.

The ISO 14001 certification was audited again in 2020, 2021 and on 30 November 2022 its renewal was certified, confirming the Company's attention and sensitivity to environmental issues. The perimeter also includes the subsidiary 3P Italia S.p.A. for the field of application 'Design, implementation and management of services under concession for the increase, innovation and digitalisation of public services', which has obtained from the Certification Body Axe Register compliance with the requirements of the ISO 14001:2015 standard. The first issue date is 14/10/2020; the deadline is 13/10/2023.

Please refer to the following paragraphs for a detailed description of the objectives achieved by the Company in 2022.

## 6.3 Energy consumption and CO<sub>2</sub> emissions

Human activities are having an increasing impact on the Earth's climate and temperature due to the greenhouse effect and global warming. Information and communication technology (ICT) companies generate significant electricity consumption, which makes the issue of climate change particularly relevant for this sector.

Tessellis is committed to reconciling infrastructure development with environmental protection, through a constant balance in the planning of activities. The Group takes specific actions to reduce its environmental impact and propose inclusive and sustainable technological solutions, to contribute to the creation of a better digital society for people and businesses.

### Energy Consumption

Energy consumption represents Tiscali's main environmental impact. During 2022, energy efficiency measures have been put in place, with the aim of reducing environmental impacts and investing economic and organisational resources aimed at reducing energy consumption.

**Electricity consumption** at Tiscali is mainly determined by the consumption of Tiscali Italia S.p.A.'s **network infrastructure and data centre** for the provision of services. These include servers, equipment and auxiliary systems located in technological premises and wireless sites throughout Italy. However, thanks to the energy efficiency projects implemented in the Cagliari Data Centre, there has been a significant reduction in the consumption of technological equipment in the technical sites. For further details, please refer to section "6.4 - Energy Efficiency Initiatives".

Table 14 – GRI 302-1: Total energy consumption by source (GJ)

Energy Sources (GJ)	Year 2022
Electricity (GJ)	45,653
of which purchased	43,646
of which from photovoltaics	2,007

Due to the occasional nature of operation, the consumption of diesel for the operation of generator sets at technical sites, which are necessary to guarantee continuity of service on the network in the event of a temporary interruption in the supply of electricity, can be considered negligible.

Tiscali records a consumption of diesel for automotive use, which is related to the activities of managers and employees who need to travel to meet external entities, using Company cars. After the merger with the Linkem Retail branch in 2022, the number of Company cars increased significantly from 4 to 54. These cars are mainly intended for sales activities throughout the country, including the islands. At the end of 2022, the number of 54 Company cars is confirmed, of which 22 are hybrids and 2 are plug-in hybrids. Hybrid cars are vehicles that combine an electric motor and a combustion engine, while plug-in hybrids have a greater capacity to travel distances in all-electric mode, as they can be recharged via an electric socket.

Fuel consumption for diesel- and petrol-powered cars for the year 2022 are summarised in the table below:

Table 15 – Vehicle fuel consumption

Fuel Consumption	As at 31 December 2022			
	Units of Measurement	Total	Units of Measurement	Total
For leasing/long-term rental vehicles				
Diesel	Litres	14,513	GJ	521,73
Petrol	Litres	14,795	GJ	490,07

## Emissions

Emissions to the environment fall into the following categories:

- Direct emissions (Scope 1): Direct emissions due to activities of Tiscali or controlled by it (e.g., the use of heating/cooling and transport fuels);
- Indirect energy emissions (Scope 2): Indirect emissions resulting from the purchase of electricity.

Table 16 – Total direct emissions (Scope 1) [TCO<sub>2</sub>-equivalent] and indirect emissions (Scope 2) Location based [TCO<sub>2</sub>] and Market based<sup>13</sup> [TCO<sub>2</sub>]

Category	Unit of Measurement	2022
Scope 1	TCO <sub>2</sub> -equivalent	192
Scope 2 – Location Based	TCO <sub>2</sub>	3.150
Scop 2 – Market Based	TCO <sub>2</sub>	5.541

<sup>13</sup> For the purpose of the calculation of Scope 2 Location based emissions, the conversion factors reported in the ISPRA document 2021 - Atmospheric Emission Factors of Greenhouse Gases in the National Electricity Sector and the Main European Countries were used, while for the purpose of the calculation of Scope 2 Market based emissions, the conversion factors reported in the 2021 AIB document European Residual Mixes were used.

Emission factors used				
Scope 1	R407C	1774	kg CO <sub>2</sub> eq/kg	Defra 2021
	R410A	2088	kg CO <sub>2</sub> eq/kg	Defra 2021
	HFC-134a	1430	kg CO <sub>2</sub> eq/kg	Defra 2021
Scop2 2	Electricity Market based method	0,457	kg CO <sub>2</sub> e/kWh	AIB - European Residual Mixes 2021
	Electricity Location based method	0,2598	kg CO <sub>2</sub> e/kWh	ISPRA 2021

Table 17 – Refrigerant gases by type (kg)

Refrigerant Gases	Units of measurement	As at 31 December 2022
R-407C	Kg	21
R-410A	Kg	36
R-134A	Kg	–
Other [specify] R422D	Kg	2
<b>Total</b>	<b>Kg</b>	<b>59.15</b>

As a demonstration of its efforts to manage the transition towards a reduction in CO<sub>2</sub> emissions, Tiscali Italia S.p.A. obtained an important recognition in January 2022 by appearing in the ranking of the **“100 most climate-conscious companies 2022”**, according to a survey conducted by Statista and Pianeta 2030 of the Italian newspaper Il Corriere della Sera.

The ranking is based on the CARR (Compound Annual Reduction Rate) ratio between CO<sub>2</sub> emissions intensity, divided into Scope 1 and Scope2, and turnover for the years 2018-2020. For the research, 700 companies operating in Italy and belonging to the companies with the highest turnover or listed on the Italian stock exchange were identified.

## 64 Energy Efficiency Initiatives

Tessellis monitors risks to the environment and the local community arising from the conduct of its business and, for the most significant impacts, has put in place policies and projects to improve and mitigate these risks.

### Data Centre Energy Efficiency Projects

Tiscali Italia S.p.A. has implemented a project to modernise, make efficient and rationalise its Data Centre equipment, starting in 2017. Thanks also to the massive adoption of virtualisation solutions, this project has allowed the shutdown of a large number of old-generation equipment, bringing significant improvements in the efficiency of the Data Centre.

### Energy efficiency projects on air conditioning systems

In the course of 2022, Tiscali Italia S.p.A. managed to further improve its energy efficiency targets, without making new investments but by exploiting the contribution deriving from the optimisation of the interventions carried out in previous years, which had envisaged the replacement of some highly energy-intensive elements of the cooling systems with new-



generation technologies characterised by higher energy efficiency. This entailed a special focus on the air-conditioning systems, UPS voltage continuity systems and the photovoltaic production system. In addition, the rationalisation of energy consumption has helped to mitigate the operating costs of the Data Centre system.

Efficiency measures in the data centre premises, including the adoption of solar radiation shielding and thermal insulation solutions, are relevant in reducing the need for electricity used in the air-conditioning systems.

In the context of reducing energy consumption, the Company is proceeding with the energy diagnosis as required by Legislative Decree 102/2014, in order to identify any further opportunities for improvement. The energy diagnosis is to be completed by December 2023. Currently, the Group is defining the scope of activities based on the corporate structure following the integration with the Linkem Group, after which an order will be formalised towards the selected supplier.

During 2022, the collaboration started with some of the leading companies in the supply of hardware, software, and services to maximise availability, power and efficiency in data centres was continued. The main objective was to conduct a feasibility study to replace part of the room air-conditioning units (air/water heat exchangers) in order to further improve the energy efficiency of the Company. The preliminary study was mainly conducted with STULZ and VERTIV for the hardware and software part, while SIEMENS took care of the software part. This study returned an estimate of hypothetical energy savings of approximately 200,000 kWh/year (ROI < 3 years) for the VERTIV case, envisaging the replacement of indoor units and possibly the reconfiguration of the air-conditioning system from fixed to variable flow mode. Specifically, it is planned to replace eight units (6.2 kW by 63 kWf each) with seven units (2.1 kW by 72 kWf each). The revamping project of the data centre's CRAH systems is still in progress, with a cost-benefit and overall feasibility analysis. The drastic reduction in consumption and thus the higher overall efficiency of the new CRAH system result from higher efficiency in the air ventilation unit (frequency-controlled fan), higher efficiency in air-water heat exchange and higher efficiency in temperature feedback control.

**Overall energy consumption**

It should be noted that for the year 2022, Tiscali Italia S.p.A. has focused its efforts on mitigating energy consumption through the optimisation of energy efficiency activities relating to other plants and production sites, in addition to the data centre.

At an overall level, the consumption of electricity purchased for the year 2022 tends to be in line with the figures for the previous year, as shown in the table below:

Table 18 – GRI 302-1: Electricity consumption (kW/h)

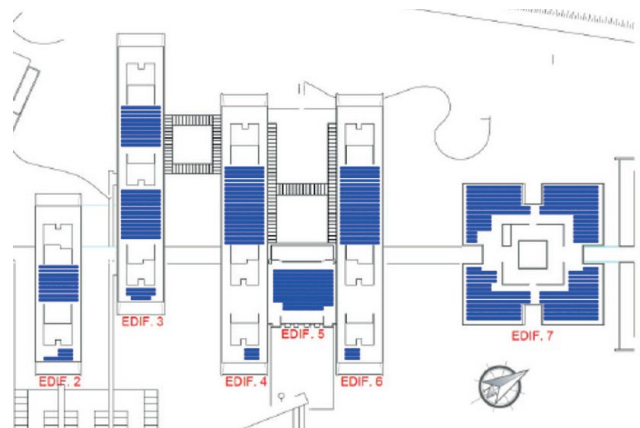
Energy Sources (kW/h)	Year 2022
Electricity (kW/h)	12,681,451
of which purchased	12,123,810

of which from photovoltaics

### Construction of a photovoltaic system at the Sa Illetta site

Since 2020, Tiscali Italia S.p.A. has signed an agreement with a significant Italian Company to build a photovoltaic plant on the roofs of the Sa Illetta Campus. Photovoltaic systems represent a sustainable source of electricity that does not generate negative impacts on the ecosystem, thanks to the use of the inexhaustible and clean energy provided by the sun. Furthermore, they contribute to the reduction of the demand for energy from traditional sources, favouring the decrease of climate-altering emissions.

In particular, the photovoltaic plant built by Tiscali Italia S.p.A. is able to reduce atmospheric emissions by 248,532 kg of CO<sub>2</sub> per year, equivalent to the amount of CO<sub>2</sub> absorbed annually by 1,926 trees. The estimated productivity of the photovoltaic system, based on the prevailing exposure conditions of the building, is 557,872 kWh/year, with a final peak power of 398.48 kWp, equal to about 6% of the annual energy needs of the Sa Illetta site.





The image on the left illustrates the floor plan of the Sa Illetta site showing the positioning of the photovoltaic modules (yellow coloured area). In the image above, the positioned photovoltaic modules are highlighted in blue.

The investment for the construction of the photovoltaic plant was entirely covered by the supplier, who took responsibility for the design, construction, commissioning, and testing of the entire plant, as well as the management of administrative and bureaucratic activities vis-à-vis the various control bodies. Tiscali Italia S.p.A. did not acquire ownership of the plant, but leases it for a 10-year period, during which it will continue to benefit from the energy produced.

At the end of the lease period, Tiscali Italia S.p.A. will have the opportunity to acquire ownership of the plant without incurring any additional costs.

The estimated duration of the plant is 25 years and throughout the contractual period, the supplier will guarantee a minimum annual electricity production. In the event that the actual energy production is lower than the guaranteed production, the supplier will be obliged to pay a balance in favour of the Company.

Thanks to the solar power generation plant, Tiscali Italia S.p.A. will be able to contribute more significantly to achieving the goal of maximising energy efficiency to preserve the environment. For the year 2022, the energy generated by photovoltaics, in exclusive self-consumption only on the Data Centre, amounted to 557.64 MWh. The monthly production can be deduced from the following table:

Table 19 – Total energy generated by photovoltaics

Energy generated by PV during 2022 (MWh/month)												
JAN 22	FEB 22	MAR 22	APR 22	MAY 22	JUN 22	JUL 22	AUG 22	SEP 22	OCT 22	NOV 22	DEC 22	TOT
26.9	34.9	41.3	52.2	61.3	68.0	74.1	62.5	49.3	43.3	25.2	18.0	<b>557</b>

The mitigation of the Data Centre's energy requirements was achieved not only thanks to the photovoltaic power generation plant, but also thanks to the energy efficiency measures started in 2020 and continued over the following years. These interventions made it possible to optimise the cooling systems (chillers) and UPSs (uninterruptible power supply systems). A comparison of the energy consumption of the Sa Illetta site for the year 2022 is presented below:

Table 20 – Total Sa Illetta energy consumption

	TOT. SA ILLETTA	DATA CENTER	OFFICES	PV PRODUCTION
	MWh	MWh	MWh	MWh
2022	<b>7,806</b>	5,393	2,413	558

## Mobility Management

Tessellis has confirmed its commitment to promoting and spreading the culture of sustainable mobility, with the aim of identifying innovative solutions that can facilitate the adoption of increasingly environmentally friendly modes of transport, as well as optimising the home-work journeys of its employees.

Following the merger with the Linkem Retail Unit, Tiscali has experienced a significant increase in the number of vehicles in the Company's fleet, which has been mainly allocated to the Sales Department, operating throughout the country, including the islands. Specifically, as of 1 August 2022, the number of Company cars has been increased from 4 to 54 units, of which 22 are hybrids and 2 are plug-in hybrids.

In the coming months, with the aim of focusing on the core business, there are plans to allocate about 15 additional cars to employees in the Sales High Value B2B & Network Department.

Despite the increase in the number of cars, the Company's focus on sustainability remains high. Tiscali Italia S.p.A. has, in fact, inherited an ambitious project undertaken by Linkem, aimed at optimising the Company car fleet with a strong commitment to sustainability, through a considerable modification of the vehicles by replacing those powered by diesel with hybrid/electric vehicles, in order to significantly reduce CO2 emissions.

Thanks to the adoption of a well-defined sustainable strategy, the Company has successfully reduced the use of diesel-powered vehicles, replacing them with petrol-powered vehicles, leading to the representation of 44% of the entire car fleet by the end of 2022.

The achievement of this milestone represents a major success for the Company, as it has delivered important environmental and economic benefits, significantly reducing pollutant emissions to the benefit of the environment and community health, while improving energy efficiency and operating costs, contributing to long-term sustainability.

The goal for the coming years will be to optimise the car fleet even more, aiming to reach 50% petrol/electric vehicles at the end of long-term leasing contracts. Moreover, in order to promote sustainable mobility among its workers and preserve the environment, the Company has made carpooling systems available to employees for local travel between the Company's offices in Bari, Rome, Taranto, and Cagliari. In addition, there is a car sharing station at the Sa Illetta Campus in Cagliari.

The benefits of the rational use of vehicles, which translate into a reduction in the number of cars per capita and in emissions of carbon dioxide, the main gas responsible for the greenhouse effect, are the main advantages of the shared mobility system, with positive effects on the environment and urban space and with favourable economic effects for the entire community. In this way, we hope to reduce the environmental impact of our activities and encourage an ever-increasing focus on the protection of our planet.

## 65 Actions undertaken in 2022 with an impact on environmental sustainability and new perspectives

As described in section “6.2 - ISO 14001 environmental certification”, during 2019 Tiscali Italia S.p.A. introduced an ISO 14001-compliant Environmental Management system. Environmental management in accordance with ISO 14001 represents the transition from mere compliance with laws to an integrated management of activities aimed at preventing and improving everything related to environmental impact.

Tessellis has set itself the goal of raising its resources’ awareness of environmental protection. The initiatives taken in 2022 are as follows:

### Waste containment

- Tiscali Italia S.p.A. has accomplished a key action, starting in October 2019, to phase out the use of disposable plastic in its offices on the Sa Illetta campus. Through the installation of drinking water fountains and the simultaneous elimination of plastic bottles and cups, both from automatic food and beverage dispensers and from the Company canteen and cafeterias, the Company has demonstrated a strong commitment to adopting sustainable practices and reducing its environmental impact;
- The Company has implemented a separate waste collection system that guarantees the reuse or proper recycling of all waste produced. In addition, electronic equipment and waste generated daily in the offices is disposed of correctly, in compliance with current regulations. The amount of undifferentiated material produced was 25,510 kg, as was the production of paper waste, which amounted to 10,980 kg in the year 2022. The gradual resumption of on-site work by most employees after the smart working period led to an increase in waste production. With reference to the former Linkem sites of Bari, Rome, and Taranto, in the period between 1 August and 31 December 2022, no waste was disposed of.
- Furthermore, with a view to limiting waste production, the Company continued to use desktop virtualisation systems (VDI) during the year 2022, compared to the purchase of local PCs, and the consequent reduction of electrical equipment to be disposed of;
- In order to improve the conditions of the waste storage area at the Sa Illetta site, special protective tarpaulins were used to prevent particulate leakage and protect the soil.

### Control and reduction of atmospheric emissions (dust, air pollutants)

During 2022, Tiscali Italia S.p.A. performed routine maintenance and transmitted data to the FGAS database, in accordance with legal frequencies, regarding leakage checks on equipment containing fluorinated greenhouse gases. In addition, the maintenance of the qualification requirements of the Company SIGIT SRL, which was entrusted with the management of equipment containing FGAS, was verified.

As per the exhaust gas emissions of the Company's vehicles in the year 2022, it should be noted that, despite the increase in the number of cars following the merger with the Linkem Retail Unit (from 4 to 54 units), the Company has taken steps to reduce the use of diesel-powered vehicles by replacing them with petrol-powered vehicles, helping to offset the increase in exhaust gas emissions and thus demonstrating its commitment to promoting sustainable practices.

#### **Containment of noise immissions**

With regard to Tiscali Italia S.p.A.'s phonometric report, it should be noted that no changes were found with respect to the previous year's report. The report, prepared by a competent technician (appointed in March 2021), showed a sound immission level below the limits set by the regulations for the area in which the Sa Illetta Campus is located, which is classified as Class II for areas of predominantly residential use. It is worth emphasising that the impact of the sound source on receptors has been further mitigated thanks to the installation of the new chillers.

#### **Containment of releases to soil from farm activities**

During the year 2022, there were no incidents of spillage of pollutants from the tanks used for the gensets, thanks to the implementation of daily checks and the training of personnel on the correct use of the "Anti-spill emergency kit". In addition, the list of hazardous substances and preparations in use in the Company was updated by collecting the corresponding safety data sheets.

#### **Containment of water consumption**

With regard to the use of water resources, in 2022 Tiscali Italia S.p.A.'s industrial water consumption amounted to 6,390 cubic metres, while drinking water consumption stood at 12300 cubic metres.

Water consumption levels are constantly monitored through readings from supplier bills. With regard to the former Linkem offices in Taranto and Bari, in the months from August to December 2022, water consumption amounted to 649 cubic metres and 769 cubic metres, respectively.

#### **Product distribution, use and end-of-life**

In order to raise awareness among its customers on the issue of sustainability, Tiscali Italia S.p.A. has drawn up a communication concerning the disposal of WEEE to be included in the Welcome Pack intended for Business customers. This communication aims to provide information on the potential environmental impacts related to the use and end-of-life of products, providing for the return of modems in components in the event of contract termination or replacement, as well as the proper disposal of products in accordance with municipal waste management regulations. In order to raise awareness among its customers on the issue of sustainability, Tiscali Italia S.p.A. has drawn up a Communication on WEEE disposal to be included in the Welcome Pack for Business customers. This communication aims to

provide information on the potential environmental impacts related to the use and end-of-life of products, providing for the return of components in the event of contract termination or replacement, as well as the proper disposal of products in accordance with municipal waste management regulations.

### **Protection of environmental impact with regard to the use of indoor parking spaces**

Aware that human activities have an increasing influence on the Earth's climate and temperature, fuelling the greenhouse effect and global warming, and also considering the great naturalistic value of the area in which Cagliari's head office is located, the Company takes special care of the Sa Illetta wetland, implementing all precautions and actions aimed at preserving its beauty and ecosystem. In this perspective, Tiscali Italia S.p.A. is committed to safeguarding the environment by planning its activities in a continuous search for balance between infrastructure development and environmental protection. This is linked to its commitment to promoting environmental sustainability, monitoring the risks to the environment and the local community arising from the performance of its activities and, for the most significant impacts, implementing policies and projects to improve and mitigate these risks.

An Environmental Analysis was carried out to identify and assess the direct and indirect environmental impacts arising from its activities, which led to the definition of organisational rules for the reduction and control of these impacts. This analysis considered both direct aspects, i.e., those over which the Company exercises total management control, and indirect aspects, i.e., aspects originating from activities over which Tiscali cannot implement complete management control. Indirect environmental aspects and impacts include certain staff activities, in particular impacts on soil and subsoil deriving from possible leaks of oil, fuel and other pollutants that may be conveyed into the soil and therefore into the subsoil by private staff cars parked in parking areas in natural soil, not protected by cement screed or bituminous conglomerate. To this end, an awareness-raising campaign has been launched, aimed at all personnel so that they pay attention to maintaining their cars in good working order, with particular attention to ensuring that any contamination of the soil resulting from leaks of lubricating oil, fuel and any polluting substance deriving from them is avoided.

The Company has set as its goal for 2023 the consolidation of the results achieved in the field of environmental sustainability, guaranteeing constant compliance with the procedures aimed at mitigating the environmental impact generated by its activities. To this end, the investment possibility and sustainability of some initiatives are being assessed, such as the revamping of the CRAH system for air-conditioning the data centre, the replacement of traditional lighting with LED elements and the optimisation of the IT infrastructure through the decommissioning of obsolete equipment, virtualisation, and the adoption of new technologies with lower energy consumption, as well as the replacement of UPSs serving the office system.

## 7. Materiality Analysis

### Definition of impacts related to Material Topics

Material Theme Mapping current and	Mapping current and potential generated positive impacts	Mapping current and potential generated negative impacts
INTEGRITY IN BUSINESS CONDUCT	<ul style="list-style-type: none"> <li>Increased awareness and culture of ethics and anti-corruption among management, employees, business partners and other stakeholders;</li> <li>Increased compliance with current anti-corruption regulations, resulting in reduced penalties and improved reputational capital for the organisation</li> </ul>	<ul style="list-style-type: none"> <li>Loss of reputation and repercussions on economic stability as a result of possible episodes of corruption (both with regard to the public administration and public authorities and between private individuals)</li> <li>Deterioration of relations with institutions (e.g., caused by non-compliance) as a result of episodes characterised by a lack of transparency.</li> </ul>
SUSTAINABLE SUCCESS AND ECONOMIC PERFORMANCE	<ul style="list-style-type: none"> <li>Reduction of the risk of negative environmental, social, and economic impacts generated by the Group and on decision-making, business operations and value distribution processes</li> <li>Direct generation of economic value, protection of business continuity and related distribution of value to stakeholders (e.g., employees, suppliers, and shareholders)</li> <li>Management of negative risks/opportunities for mitigation of negative externalities and maximisation of positive externalities</li> </ul>	<ul style="list-style-type: none"> <li>Potential non-compliance with applicable laws, regulations, internal and external standards in the area of sustainability in the sector, with consequences</li> <li>Reduced awareness of business risks, including ESG, with consequent impacts along the supply chain, with indirect benefits for employees and related social / environmental / economic communities</li> </ul>
RESPONSIBLE SUPPLY CHAIN MANAGEMENT	<ul style="list-style-type: none"> <li>Promotion of innovation and research and development along the value chain for sustainability in the sector</li> <li>Potential improvement of the</li> </ul>	<ul style="list-style-type: none"> <li>Potential human rights violations along the value chain (e.g., child labour, forced labour, discrimination, other labour rights, etc.) with impacts on human dignity and community development</li> </ul>



	<p>ESG performance of suppliers and their success, including through social/environmental screening and assessment activities</p> <ul style="list-style-type: none"> <li>• Contribution to the development of the local area in which one operates through redistribution of value along the supply chain</li> </ul>	<ul style="list-style-type: none"> <li>• Increased direct impacts associated with the supply chain, with particular reference to energy consumption and related greenhouse gas emissions (Scope 3)</li> <li>• Funding to suppliers that do not adopt sustainable practices and do not comply with environmental requirements</li> </ul>
<p>ENERGY CONSUMPTION, CLIMATE CHANGE AND OTHER ENVIRONMENTAL IMPACTS</p>	<ul style="list-style-type: none"> <li>• Promotion of energy efficiency initiatives/use of energy from renewable sources within the organisation, and associated decrease in greenhouse gas emissions (direct and indirect Scope 1/Scope 2 emissions)</li> <li>• Decrease in associated greenhouse gas emissions (Scope 3 indirect emissions) through the promotion of energy efficiency initiatives/use of energy from renewable sources along the Company's value chain</li> <li>• Optimisation and streamlining of energy consumption from business operations</li> </ul>	<ul style="list-style-type: none"> <li>• Increased energy consumption (within the organisation and along the organisation's value chain) and related greenhouse gas emissions (Scope 1 / Scope 2)</li> <li>• Negative impacts associated with non-compliance with industry regulations, including electromagnetic waves</li> <li>• Depletion of available resources caused by consumption of non-renewable energy (non-renewable fuels) for business operations</li> </ul>
<p>SUSTAINABLE WASTE MANAGEMENT AND CIRCULAR ECONOMY</p>	<ul style="list-style-type: none"> <li>• Increased reuse/recycling practices, reduction of waste and proper disposal of materials (also with reference to regulations on high-tech products)</li> </ul>	<ul style="list-style-type: none"> <li>• Impacts related to potential non-compliance with regulations on disposal of waste and other hazardous substances and/or environmental protection</li> </ul>
<p>HEALTH AND SAFETY</p>	<ul style="list-style-type: none"> <li>• Lower incidence of accidents and occupational diseases within the organisation (and/or along the value chain)</li> <li>• Increased awareness, through health and safety promotion activities, dedicated training, and accurate risk management</li> </ul>	<ul style="list-style-type: none"> <li>• Potential for an increase in occupational accidents and diseases, also due to the failure to monitor and enforce safety systems</li> <li>• Potential economic losses related to compensation for damages</li> </ul>
<p>STAFF DEVELOPMENT AND EMPOWERMENT</p>	<ul style="list-style-type: none"> <li>• Increasing workers' skills through staff training and dissemination of corporate culture to the younger generation</li> <li>• Staff career development and</li> </ul>	<ul style="list-style-type: none"> <li>• Potential implementation of discriminatory practices, with particular reference to liability, compensation, and career advancement</li> <li>• Direct and indirect negative</li> </ul>

	<p>talent attraction and retention from a staff development perspective</p> <ul style="list-style-type: none"> <li>• Promotion of staff health and well-being, including through a proper work-life balance</li> <li>• Competitive remuneration of staff</li> </ul>	<p>impacts on business operations and stakeholder expectations due to potentially high turnover rates, loss of know-how and key competencies</p> <ul style="list-style-type: none"> <li>• Unattractive remuneration for new generations with direct and indirect negative impacts on business continuity and the fulfilment of stakeholders' expectations</li> </ul>
<p>PROTECTION OF HUMAN RIGHTS HUMAN AND WORKERS, OF DIVERSITY AND EQUAL OPPORTUNITIES</p>	<ul style="list-style-type: none"> <li>• Promoting an inclusive culture that fosters diversity, equity, and inclusion at all levels within the Group, and facilitates the expression of everyone's talent and uniqueness</li> <li>• Promotion of activities aimed at avoiding cases of child or forced labour within the Group</li> <li>• Diversity of staff with direct and indirect impacts on the affirmation of equality</li> <li>• Guarantee of the right to free association of the Group's staff</li> </ul>	<ul style="list-style-type: none"> <li>• Potential incidents of discrimination/harassment/abuse</li> <li>• Violation of human rights within the Group and its portfolios, including cases of child or forced labour</li> <li>• Incidents of discrimination/harassment/abuse within the</li> <li>• Company operations</li> <li>• Conflicts with trade unions and failure to respect the right to free association within the Group or along its value chain</li> </ul>
<p>RELATIONS WITH THE TERRITORY AND LOCAL COMMUNITIES</p>	<ul style="list-style-type: none"> <li>• Contribution to the development of the communities in which the Group operates through compliance with applicable tax regulations</li> <li>• Investments in infrastructure and services supported locally, as well as in social and cultural events and initiatives that foster inclusiveness</li> <li>• Direct/indirect economic impacts on families and local communities through the generation of professional opportunities (recruitment) and support, in the selection of suppliers, to local businesses</li> </ul>	<ul style="list-style-type: none"> <li>• Projects and activities with actual and/or potential negative impacts on community development and the local business fabric (e.g., environmental, social)</li> </ul>
<p>NETWORK COVERAGE AND SERVICE QUALITY</p>	<ul style="list-style-type: none"> <li>• Impacts related to fair and inclusive social development, also with regard to the most vulnerable categories, through the accessibility of its products</li> </ul>	<ul style="list-style-type: none"> <li>• Impacts related to lack of network accessibility, with negative impacts on communities and territorial development</li> </ul>

	<p>or services</p> <ul style="list-style-type: none"> <li>• Growth in market share and enhancement of corporate reputation with customers</li> </ul>
<p>DIGITISATION AND TECHNOLOGICAL INNOVATION</p>	<ul style="list-style-type: none"> <li>• Expansion of all-round strategic opportunities, including in the ESG area</li> <li>• Greater development of the start-up ecosystem and entrepreneurship in the sector through business support and the development of innovation programmes</li> <li>• Increased product accessibility and adaptation to evolving sector trends through the creation, conception and development of innovative products and processes (including digitisation)</li> </ul> <ul style="list-style-type: none"> <li>• Impacts related to product/service evolution less responsive to market changes and industry trends, obsolescence of products and research and development activities</li> </ul>
<p>PRIVACY AND DATA SECURITY</p>	<ul style="list-style-type: none"> <li>• Secure and conscious management of information and data, in line with the needs and expectations of stakeholders, and in compliance with applicable regulations</li> </ul> <ul style="list-style-type: none"> <li>• Exposure to cyber-attacks, unauthorised access aimed at extracting or corrupting Group information, which may damage customers' businesses</li> <li>• Potential breaches of customer privacy and loss of customer and/or other stakeholder data</li> <li>• Possible malfunctioning of IT systems (including infrastructure and software), with consequent impact on loss of data and information</li> </ul>
<p>TRANSPARENCY, RELIABILITY AND ACCESSIBILITY OF PRODUCTS AND SERVICES</p>	<ul style="list-style-type: none"> <li>• Increasing the number of customers through greater proximity to customers and developing effective and timely responses to their requests, including through operational simplification</li> <li>• Compliance with current regulations in the area of transparency in the telecommunications sector</li> <li>• Satisfaction and improved reputation with customers</li> </ul> <ul style="list-style-type: none"> <li>• Reduction in sales volume of individual products due to a failure to recognise customer expectations, resulting in a loss of customers served</li> <li>• Increase in complaints and/or poor complaint and customer relationship management</li> <li>• Dissemination of inaccurate, misleading, or deceptive information about the Group or its products</li> </ul>

through constant dialogue and the provision of products and services that meet their needs

- Fair dissemination of quality, reliable and accessible content, including in relation to the needs of disabled people and/or vulnerable categories
- Contribution to plurality, freedom of expression and publishing, through the development of a wide range of product content, capable of representing the multiplicity of cultures, perspectives, and opinions of stakeholders

## 8. European Taxonomy Tables

Share of turnover derived from products or services associated with economic activities aligned with the taxonomy – Disclosure for the year 2022

Economic activities	Code(s)	Absolute turnover €/000	Share of turnover %	Criteria for substantial contribution						Criteria for “no significant harm”						Minimum Safeguards	Share of rate-aligned turnover, year 2022 Percentage	Category (enabling activity) A	Category (Transition activity) T
				Climate Change Mitigation	Climate Change Adaptation	Marine Waters and Resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate Change Mitigation	Climate Change Adaptation	Marine Waters and Resources	Circular economy	Pollution	Biodiversity and ecosystems				
<b>A. ACTIVITIES ELIGIBLE FOR TAXONOMY</b>																			
<b>A.1 Environmentally sustainable activities (aligned with the Taxonomy)</b>																			
Generation of electricity using solar photovoltaic technology	4.1	0	0%	0%	0%	N/A	N/A	N/A	N/A	N	N	N	N	N	N	N	0%		
Data processing, hosting, and related activities	8.1	0	0%	0%	0%	N/A	N/A	N/A	N/A	N	N	N	N	N	N	N	0%		
Programming and transmission activities	8.3	0	0%	N/A	0%	N/A	N/A	N/A	N/A	N	N	N	N	N	N	N	0%	A	
Turnover of environmentally sustainable activities (aligned to taxonomy) (A.1)		0	0%	0%	0%	N/A	N/A	N/A	N/A	N	N	N	N	N	N	N	0%		
<b>A.2 Activities eligible for the Taxonomy but not environmentally sustainable (activities not aligned with the Taxonomy)</b>																			
Generation of electricity using solar photovoltaic technology	4.1	0	0%																
Data processing, hosting, and related activities	8.1	636.4	0.86%																
Programming and transmission activities	8.3	0	0%																
Turnover from activities eligible for the Taxonomy but not environmentally sustainable (activities not aligned with the Taxonomy) (A.2)		636.4	0.86%																
<b>Total (A.1+A.2)</b>		<b>636.4</b>	<b>0.86%</b>																
<b>B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY</b>																			
Turnover from activities not eligible for Taxonomy (B)		99,424	99%																
<b>Total (A + B)</b>		<b>100,060</b>	<b>100%</b>																

Share of capital expenditure (CapEx) arising from products or services associated with economic activities aligned with the taxonomy - Disclosure for the year 2022

Economic activities	Code(s)	Absolute turnover €/000	Share of turnover %	Criteria for substantial contribution						Criteria for "no significant harm"						Minimum Safeguards	Share of rate-aligned turnover, year 2022 Percentage	Category (enabling activity) A	Category (Transition activity) T
				Climate Change Mitigation	Climate Change Adaptation	Marine Waters and Resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate Change Mitigation	Climate Change Adaptation	Marine Waters and Resources	Circular economy	Pollution	Biodiversity and ecosystems				
<b>A. ACTIVITIES ELIGIBLE FOR TAXONOMY</b>																			
<b>A.1 Environmentally sustainable activities (aligned with the Taxonomy)</b>																			
Generation of electricity using solar photovoltaic technology	4.1	0	0%	0%	0%	N/A	N/A	N/A	N/A	N	N	N	N	N	N	N	0%		
Data processing, hosting, and related activities	8.1	0	0%	0%	0%	N/A	N/A	N/A	N/A	N	N	N	N	N	N	N	0%		
Programming and transmission activities	8.3	0	0%	N/A	0%	N/A	N/A	N/A	N/A	N	N	N	N	N	N	N	0%	A	
Turnover of environmentally sustainable activities (aligned to taxonomy) (A.1)		0	0%	0%	0%	N/A	N/A	N/A	N/A	N	N	N	N	N	N	N	0%		
<b>A.2 Activities eligible for the Taxonomy but not environmentally sustainable (activities not aligned with the Taxonomy)</b>																			
Generation of electricity using solar photovoltaic technology	4.1	0	0%																
Data processing, hosting, and related activities	8.1	636.4	0.86%																
Programming and transmission activities	8.3	0	0%																
Turnover from activities eligible for the Taxonomy but not environmentally sustainable (activities not aligned with the Taxonomy) (A.2)		636.4	0.86%																
<b>Total (A.1+A.2)</b>		<b>636.4</b>	<b>0.86%</b>																
<b>B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY</b>																			
Turnover from activities not eligible for Taxonomy (B)		99,424	99%																
<b>Total (A + B)</b>		<b>100,060</b>	<b>100%</b>																

Share of operating expenses (OpEx) from products or services associated with economic activities aligned with the taxonomy - Disclosure for the year 2022

Economic activities	Code(s)	Absolute turnover		Criteria for substantial contribution						Criteria for "no significant harm"						Share of rate-aligned turnover, year 2022	Category (enabling activity)	Category (Transition activity)	
		€ /000	%	Climate Change Mitigation	Climate Change Adaptation	Marine Waters and Resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate Change Mitigation	Climate Change Adaptation	Marine Waters and Resources	Circular economy	Pollution	Biodiversity and ecosystems				
				%	%	%	%	%	%	S/N	S/N	S/N	S/N	S/N	S/N				S/N
<b>A. ACTIVITIES ELIGIBLE FOR TAXONOMY</b>																			
<b>A.1 Environmentally sustainable activities (aligned with the Taxonomy)</b>																			
Generation of electricity using solar photovoltaic technology	4.1	0	0%	0%	0%	N/A	N/A	N/A	N/A	N	N	N	N	N	N	N	0%		
Data processing, hosting, and related activities	8.1	0	0%	0%	0%	N/A	N/A	N/A	N/A	N	N	N	N	N	N	N	0%		
Programming and transmission activities	8.3	0	0%	N/A	0%	N/A	N/A	N/A	N/A	N	N	N	N	N	N	N	0%	A	
Turnover of environmentally sustainable activities (aligned to taxonomy) (A.1)		0	0%	0%	0%	N/A	N/A	N/A	N/A	N	N	N	N	N	N	N	0%		
<b>A.2 Activities eligible for the Taxonomy but not environmentally sustainable (activities not aligned with the Taxonomy)</b>																			
Generation of electricity using solar photovoltaic technology	4.1	0	0%																
Data processing, hosting, and related activities	8.1	636.4	0.86%																
Programming and transmission activities	8.3	0	0%																
Turnover from activities eligible for the Taxonomy but not environmentally sustainable (activities not aligned with the Taxonomy) (A.2)		636.4	0.86%																
<b>Total (A.1+A.2)</b>		<b>636.4</b>	<b>0.86%</b>																
<b>B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY</b>																			
Turnover from activities not eligible for Taxonomy (B)		99,424	99%																
<b>Total (A + B)</b>		<b>100,060</b>	<b>100%</b>																

## 9. GRI Content Index

Statement of Use	The Tessellis Group has prepared this Sustainability Report in accordance with GRI Standards for the period from 01/01/2022 to 31/12/2022 with the exclusion of indicator 201-1 which refers to data included in the Group's Consolidated Financial Statements as at 31 December 2022, which includes economic and financial results from the date of first consolidation, i.e., 1 August 2022.
GRI 1 used	GRI 1: Reporting Principles (2021)
Standard GRI Applicable sectors	N/A

GRI Standard	Information	Chapter and/or paragraph of reference	Page	Omission	GRI SECTOR STANDARD No.	
				Omitted requirement	Reason	Explanation
GENERAL DISCLOSURES						
GRI 2: General Disclosure (2021)	2-1 Organisational Details	Methodological Note Annual Financial Report 2022	Pag. 8			
	2-2 Entities included in the organisation's sustainability reporting	Methodological note	Pag. 8			
	2-3 Reporting Period, Frequency and Contacts	Methodological note	Pag. 8-9			
	2-4 Review of Information	Methodological note	Pag. 8-9			
	2-5 External Assurance	Methodological note 10. - Auditor's Report	Pag. 9			
	2-6 Activities, Value Chain and Other Business Relationships	1 - Tessellis Group: profile, mission, and values	Pag. 10-14			
	2-7 Staff	5.3. - Staff composition and equal opportunities	Pag. 11, 45-46			
	2-8 Non-employed staff	5.3. - Staff composition and equal opportunities	Pag. 45			
	2-9 Governance structure and composition	2.1 - Governance  The additional information required is published in the document "Report on Corporate Governance and Ownership Structure 2022", in section 1.1 Issuer's Profile	Pag. 15-17			
	2-10 Appointment and selection of the highest governing body	The required information is published in the document "Report on Corporate Governance and Ownership Structure 2022", in section 1.2 Information on Ownership Structure as at 31 December 2022, under Appointment of the Board of Directors				



2-11 Chairman of the highest governing body	The required information is published in the document "Report on Corporate Governance and Ownership Structure 2022", in section 1.2 Information on Ownership Structure as at 31 December 2022				
2-12 Role of the highest governing body in impact management control	<p>21 Governance</p> <p>22 Internal Audit System and Risk Management</p> <p>23 The additional information required is published in the document "Report on Corporate Governance and Ownership Structure 2022", in section 1.4 Board of Directors, under Role and Functioning of the Board of Directors</p>	Pag. 15, 17			
2-13 Delegation of Responsibility for Impact Management	The required information is published in the document "Report on Corporate Governance and Ownership 2022", in section 1.4 Board of Directors, under the heading Role and Functioning of the Board of Directors and in section 1.9 Internal Audit and Risk Management System - Audit and Risk Committee				
2-14 Role of the Highest Governance Body in Sustainability Reporting	<p>2.5 - Stakeholder mapping and materiality analysis</p> <p>The additional information required is published in the document "Report on Corporate Governance and Ownership 2022", in section 1.4 Board of Directors, under Role and Functioning of the Board of Directors</p>	Pag. 26-29			
2-15 Conflict of Interest	The required information is published in the document "Report on Corporate Governance and Shareholder Structure 2022", in section 1.4 Board of Directors, under the heading Role and Functioning of the Board of Directors and section 1.10 Directors' Interests and Related Party Transactions.				
2-16 Communication of Critical Issues	<p>2.2 - Internal Audit System and Risk Management</p> <p>Organisation, management, and control model pursuant to Legislative Decree 231/2001</p>	Pag. 17-19			
2-17 Collective knowledge of the highest governing body	2.1 - Governance, under the heading "Board of Directors" section	Pag. 16			

2-18 Performance evaluation of the highest governing body	The required information is published in the document "Report on Corporate Governance and Ownership 2022", in section 1.7 Composition and functioning of the Appointments and Remuneration Committee				
2-19 Remuneration Policies	The required information is published in the document "Report on Corporate Governance and Share Ownership 2022", in section 1.7 Composition and Functioning of the Nomination and Remuneration Committee, and in the document "Report on Remuneration Policy and Remuneration Paid 2022" in section 4.				
2-20 Process for determining remuneration	The required information is published in the document "Report on Remuneration Policy and Compensation Paid 2022" in section 4.				
2-21 Total annual salary ratio	-		2-21 a. 2-21 b. 2-21 c.	Information not available/incomplete	Structural changes during the 2022 reporting year did not facilitate the systematisation of the calculation. The Tessellis Group is committed to reporting on these requirements in relation to the reporting year 2023.
2-22 Strategy Statement on sustainable development	Letter from the CEO to the stakeholders	Pag. 5			
2-23 Policy Commitments	2.2 - Internal Audit System and Risk Management, the Diversity Policy section  The additional information required is published in the Engagement Policy towards shareholders and stakeholders, the Code of Ethics, and the Organisational Model	Pag. 18-21			

	2-24 Integration of policy commitments	The required information is published in the document "Report on Corporate Governance and Ownership 2022", in section 1.4 Board of Directors, under the heading Role and Functioning of the Board of Directors and in section 1.9 Internal Audit and Risk Management System - Audit and Risk Committee			
	2-25 Processes to Remedy Negative Impacts	2.5 - Stakeholder mapping and materiality analysis  7 - Materiality analysis - Definition of impacts related to material issues  2. 2 - Internal Audit System and Risk Management  2.6 - Main sustainability risks The additional information required is published in the document "Report on Corporate Governance and Ownership Structure 2022", in paragraph 1.9 Internal Audit and Risk Management System under the heading Committee Control and Risk	Pag. 17-18, 26-29, 30-31, 76-80		
	2-26 Mechanisms for requesting clarification and raising concerns	2.2 - Internal Audit System and Risk Management  Organisation, management, and control model pursuant to Legislative Decree No. 231/2001	Pag. 17-19		
	2-27 Compliance with Laws and Regulations	2.2 - Internal Audit System and Risk Management, under "Combating Active and Passive Corruption"	Pag. 19		
	2.2 - Internal Audit System and Risk Management, under "Combating Active and Passive Corruption"	2.3 - The Regulatory and Competitive Environment, under the paragraph "Relations with Items"	Pag. 21-23		
	2-29 Approach to stakeholder engagement	2.5 - Stakeholder Mapping and Materiality Analysis	Pag. 26-27		
	2-30 Collective Bargaining Agreements	5.3 - Staff Composition and Equal Opportunities, under "CCNL"	Pag. 49		
MATERIAL TOPICS					
GRI 3: Material Topics (2021)	3-1 Process for Determining Material Topics	2.5 - Stakeholder Mapping and Materiality Analysis	Pag. 26-29		
	3-2 List of Material Topics	2.5 - Stakeholder mapping and materiality analysis  7 - Materiality analysis - Definition of impacts related to material issues	Pag.29, 76-80		
Material topic: Sustainable success and economic performance					

GRI 3: Material Topics (2021)	3-3 Management of Material Topics	7 - Materiality Analysis - Definition of impacts related to material topics  2.7 - Directly generated and distributed economic value	Pag. 26-29, 31-32, 76-80			
GRI 201 - Economic Performances 2016	201-1 Economic value directly generated and distributed (2016)	2.7 - Economic value directly generated and distributed	Pag. 31-32			
Material topic: Relations with the territory and local communities						
GRI 3: Material Topics (2021)	3-3 Management of Material Topics	7 - Materiality Analysis - Definition of impacts related to material topics  3.1 - Expansion of Network Coverage and Product Accessibility	Pag. 26-29, 35-36, 76-80			
GRI 203 - Indirect economic impacts (2016)	203-2 Significant Indirect Economic Impacts	3.1 - Expanding Network Coverage and Product Accessibility	Pag. 35-36			
Material Topic: Responsible Supply Chain Management						
GRI 3: Material Topics (2021)	3-3 Management of Material Topics	7 - Materiality Analysis - Definition of impacts related to material topics  2.8 - Supply Chain	Pag. 26-29, 23-35, 76-80			
GRI 204 - Procurement Practices (2016)	204-1 Proportion of expenditure to local suppliers	2.8 - Supply Chain	Pag. 32-35			
Material topic: Integrity in business conduct						
GRI 3: Material Topics (2021)	3-3 Management of Material Topics	7 - Materiality Analysis - Definition of materiality-related impacts  2.2 - Internal Audit System and Risk Management	Pag. 17-21, 26-29, 76-80			
GRI 205 - Anti-Corruption (2016)	205-3 Established incidents of corruption and actions taken	2.2 - Internal Audit System and Risk Management, under "Combating Active and Passive Corruption"	Pag. 19			
GRI 206 - Anticompetitive behaviour (2016)	206-1 Anticompetitive Behaviour	2.3 - The Regulatory and Competitive Environment under the paragraph "Relations with AGCOM and AGCM"	Pag. 22			
GRI 207 - Taxes (2019)	207-1 Approach to Taxes	2.2 - Internal Audit System and Risk Management, under "Company Tax Policy"	Pag. 19-20			
Topic: Energy consumption, climate change and other environmental impacts						
GRI 3: Material Topics (2021)	3-3 Management of Material Topics	7 - Materiality analysis - Definition of impacts related to material topics  6.3 - Energy consumption and CO2 emissions  6 - The environmental impact  6.5 - Actions undertaken in 2022 impacting on environmental sustainability and new perspectives	Pag. 26-29, 57, 64-68, 73-75, 76-80			
GRI 302 - Energy (2016)	302-1 Energy consumed within the organisation	6.3 - Energy consumption and CO2 emissions  6.4 - Energy Efficiency Initiatives	Pag. 65-66, 68-72			

GRI 305 - Emissions (2016)	305-1 Indirect GHG emissions (Scope 1)	6.3 - Energy consumption and CO2 emissions	Pag. 67-68			
	305-2 Indirect GHG emissions from Energy consumption (Scope 2)	6.3 - Energy consumption and CO2 emissions	Pag. 67-68			
Material topic: Staff development and empowerment						
GRI 3: Material Topics (2021)	3-3 Management of Material Topics	7 - Materiality analysis - Definition of impacts related to material topics 5 - People	Pag. 26-29, 42-45, 50-52, 54, 76-80			
GRI 401 - Employment (2016)	401-1 New recruitments and turnover	5.3 - Staff composition and equal opportunities	Pag.48			
	401-3 Parental Leave	5.3 - Staff composition and equal opportunities	Pag. 50			
GRI 404 - Training and education	404-1 Average hours of training per employee per year	5.4 - Training	Pag. 52-53			
Material topic: Health and safety						
GRI 3: Material Topics (2021)	3-3 Management of Material Topics	7 - Materiality Analysis - Definition of impacts related to material issues 5.6 Staff health and safety	Pag. 26-29, 54-55, 76-80			
GRI 403 - Health and Safety at Work (2018)	403-1 - Management System for Health and safety at work	5.6 - Staff health and safety	Pag. 24-26, 54-56			
	403-2 - Hazard Identification, Risk Assessment and Accident Investigation	5.6 - Staff health and safety	Pag. 24-26, 54-56			
	403-3 - Occupational health services	5.6 - Staff health and safety	Pag. 54-56			
	403-4 - Staff participation and consultation and communication on health and safety at work	5.6 - Staff health and safety	Pag. 54-56			
	403-5 - Staff health and safety training	5.6 - Staff health and safety	Pag. 53			
	403-6 - Health Promotion of staff	5.6 - Staff health and safety	Pag. 24-26, 54-56			
	403-7 - Prevention and mitigation of occupational health and safety impacts within business relationships	5.6 - Staff health and safety	Pag. 24-26, 54-56			
	403-9 Accidents at work	5.6 - Staff health and safety	Pag. 56			
	403-10 Occupational Diseases	5.6 - Staff health and safety	Pag. 56			
Material topic: Protection of human and labour rights, diversity, and equal opportunities						
GRI 3: Material Topics (2021)	3-3 Management of Material Topics	7 - Materiality analysis - Definition of impacts related to material issues  2.2 - Internal Audit System and Risk Management, under "Diversity Policy"	Pag. 20-21, 26-29, 76-80			
GRI 405 - Diversity and Equal Opportunities (2016)	405-1 Diversity in governing bodies and among staff	2.1 - Governance, under the heading "Board of Directors" section  5.2 - Diversity and inclusion  5.3 - Staff composition and equal opportunities	Pag. 15, 42, 43-48			
	Material topic: Data privacy and security					

Cagliari, 11 May 2023

The CEO

Davide Rota

The Officer in Charge of the Preparation  
of Corporate Accounting Documents

Fabio Bartoloni