



2021 Sustainability Report

**Consolidated Non-Financial Statements
as per the Legislative Decree No. 254/2016**

Tiscali Group

The Board of Directors of Tiscali S.p.A. authorised the publication of this document on 5 April 2022. This document is available on the Company's website at www.tiscali.it.

Tiscali S.p.A.

Registered Office in Cagliari, Località Sa Illetta, SS195 Km 2,3

Share Capital EUR 63.655.159,37

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Letter from the Chief Executive Officer to the Stakeholders

Dear All,

For the fifth year in a row, we present our Sustainability Report, with great pride for the results achieved despite the persistent COVID-19 emergency, which has led to a weakening of the economic framework and a reduction in consumer spending power.

Despite a general climate of uncertainty, the five focal points of our Sustainability Report, i.e. **Technological Innovation, Customers, Environmental Sustainability, People** and **Governance**, have in fact been substantiated by new initiatives that, in continuity with the policies launched in previous years, highlight the sense of responsibility that Tiscali has matured and is maturing towards sustainability issues.

Technological Innovation

In 2021, access to TIM's Bitstream NGA network was completed, thanks to which Tiscali now reaches around 28 million households and businesses using fibre services. With the increase in FTTH coverage by Open Fiber, the number of municipalities in digital divide areas benefiting from fast connection services has grown by 85%, while from June 2021 the agreement with Linkem for FWA services up to 100 Mbps has become fully operational.

All milestones that have confirmed Tiscali's positioning as the Smart Telco with the greatest fibre coverage available in Italy: a positioning set to strengthen in 2022, with the merger between Tiscali and Linkem Retail, announced in December 2021.

Moreover, in November 2021 we added another piece to our strategy of supporting the country's digital development: we signed a MoU with ALI - Autonomie Locali, an association of local authorities, and Leganet, ALI's service company, aimed at promoting specialised consulting activities and support services for digital development among local public authorities. The partnership aims to accompany the digital transition of local public administrations that do not benefit from significant market investments.

Customers

Tiscali 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, without neglecting the quality of services, as witnessed by the award as Italy's fastest fixed network operator assigned to Tiscali for both semesters of 2021 by Ookla®, a world leader in mobile and Broadband network intelligence and in the testing of related applications and technologies. In 2021, there was an increase in privacy and security risks for customers along with network usage, making the issue of protecting personal or sensitive data increasingly relevant. We were quick to take up the challenge, putting in place mechanisms to protect our customers' data,

always operating in strict compliance with current data protection and privacy regulations, and initiating some corrective actions suggested by vulnerability analyses conducted by a highly-qualified consultancy firm.

People

In 2021, we consolidated a hybrid organisational model that, through the adoption of smart working, provided for alternating on-site and remote work for all employees: we thus effectively responded to the dual need to protect the health of our people in view of the protracted state of emergency and to enhance informal professional relationships. People with frailty requirements have also been able to work from home throughout 2021.

We have further promoted a better work-life balance, also thanks to contractual flexibility that allows transitions from full-time to part-time contracts.

Finally, the employee training plan focused on the digital evolution of skills and skills related to 'distant management', which have become central in the new work dynamics.

Environmental Sustainability

During the past year, Tiscali continued to pursue activities in favour of increasing the environmental sustainability of its premises. Among these activities, we can mention the renewal in December 2021 of the ISO 14001 certification; the preparation, by a technician appointed in March 2021, of a Phonometric Report on noise input; the commissioning, in February 2021, of the photovoltaic system at our Sa Illetta site serving the Data Centre; the consolidation of good practices aimed at the abolition of plastic; the use of VDI with respect to local PCs with the reduction of electrical equipment to be disposed of.

In particular, thanks to the energy efficiency initiatives implemented and taking into account the self-produced energy thanks to the photovoltaic system, the reduction in energy consumption for the year 2021 was 8.8% compared to the previous year.

In December 2021, we joined a project close to our heart, "The Greenest", promoted by the Swiss Institute for Disruptive Innovation (SIDI), by purchasing a lot of 25,000 trees planted in Madagascar, thus creating Tiscali's *corporate forest*: one of the largest corporate forests so far created by companies around the world, which will allow us to lighten our ecological footprint, with a CO2 reduction of 750 tonnes per year and the involvement of 875 local workers.

In January 2022, a survey conducted by the research company Statista and published in the newspaper "Il Corriere della Sera" revealed that Tiscali ranks 30th among the 100 most climate-conscious Italian companies, selected on the basis of their ability to reduce their CO2 emissions in relation to turnover. A recognition that confirms the concrete value of our choices.

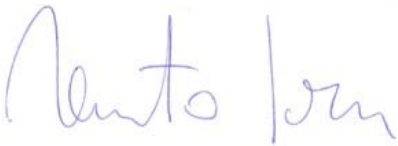
Governance

Finally, with regard to **Governance**, Tiscali reports on issues related to anti-corruption, ethics and integrity, responsible procurement management and economic sustainability.

These are the points we wanted to highlight in our Sustainability Report, the details of which you can explore on the following pages.

The CEO

Renato Soru



Methodological Note

Tiscali, as a public interest entity (pursuant to Article No. 16, paragraph 1 of the Legislative Decree dated 27 January 2010, No. 39) falls within the scope of Legislative Decree No. 254/2016, which transposes the 2014/95/EU Directive on non-financial information. For this reason, in order to fulfil the obligations as set out in Articles No. 3 and No. 4 of the aforementioned Decree, Tiscali must prepare a consolidated non-financial statement describing the initiatives and the main results in terms of sustainability performance achieved during FY 2021 (from 1 January to 31 December).

This document represents the fifth Consolidated Non-Financial Declaration (hereinafter referred to as "DNF" or "Sustainability Report") of the Tiscali Group (hereinafter referred also to as "Tiscali" or the "Group").

It should be noted that, following the analysis of the relevance of the topics as set out in Article No. 3 of Legislative Decree No. 254/2016, and in consideration of the specific characteristics of the business, human rights issues, water consumption and polluting emissions into the atmosphere, not included in the emissions of greenhouse gases, were not considered relevant in order to ensure the understanding of the activity of the Group, its performance, its results and the impact produced by the same; therefore, they are not dealt with in this document.

As per Article No. 5 of the Legislative Decree No. 254/2016, this document constitutes a separate report marked with a specific wording, in order to connect it to the consolidated non-financial statement required by law.

The 2021 DNF was prepared in accordance with the new "GRI Sustainability Reporting Standards" (2016) standards published by the Global Reporting Initiative (GRI), according to the "In accordance - Core" option. The table of reported GRI indicators is presented as an appendix to the document. The contents of the report were defined starting from the results of the first materiality analysis carried out in 2017 and continued in the following years, which made it possible to identify the material aspects for the Group and its stakeholders, and which is contained in the document.

Tiscali considers the Sustainability Report as a fundamental tool for dialogue with its stakeholders, to disseminate its work concerning CSR and to open a dialogue with them.

The scope of the economic, social and environmental data of the 2021 Sustainability Report is the same as that of the Tiscali Group 2021 Consolidated Financial Statements.

The data and information of the DNF refer, therefore, to all the subsidiaries consolidated on a line-by-line basis in the Group's Consolidated Financial Statements as at 31 December 2021. In order to allow the comparability of data and information and to assess the Group's performance over time, where possible, comparison with the previous year is proposed. In addition, any repositions of data published within the previous DNF are appropriately indicated in this document.

It should be noted that on 30 December 2021, the Boards of Directors of Tiscali S.p.A. and Linkem Retail S.r.l. – a company wholly owned by Linkem S.p.A. – have approved the project of merger by incorporation of Linkem Retail S.r.l. in Tiscali S.p.A.

The purpose of the Merger is to integrate in a single corporate and commercial reality the Tiscali Group and the retail branch of the Linkem Group in order to develop synergies, consolidate and strengthen the market position, as a result of which, Tiscali will be the fifth operator in the fixed market and the first in the segment of Ultra Broadband access in FWA+FTTH technologies – the most innovative and promising – with an overall market share of 19.4% (Source: AGCOM data), strategically positioned to exploit the potential of FTTH and 5G FWA technologies.

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

The Sustainability Report has been presented and approved by the Board of Directors of Tiscali S.p.A. held on 5 April 2022.

This document has been submitted to conformity assessment ("limited assurance engagement" according to the criteria indicated by 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 "Independent Auditing Firm Report" at the end of the document.

The periodicity of the publication of the Sustainability Report is annual.

This Sustainability Report is available on the Company's website at tiscali.com, in the "Documents" – "Financial Statements" section. Paper copies of the 2020 Sustainability Report are available at the Company site and can be requested via e-mail at the following address: iloi@tiscali.com (Investor Relator).

I – Tiscali Group: profile, mission and values

Founded in 1998, Tiscali is one of the leading alternative telecommunications providers in Italy. In March 1999, Tiscali was the first provider to promote the “free” Internet in Italy and Western Europe, with the launch of a completely free Internet connection service.

Over the years, Tiscali continued to stand out for its ability to offer its customers quality Internet connection services at competitive prices compared to Italian big players.

I.1 – Services Offered

Founded in 1998, Tiscali is one of the leading alternative telecommunications providers in Italy. Through a cutting-edge network based on IP technology, Tiscali provides its customers with a wide range of services: Internet access, in Broadband, Fixed Ultra Broadband and Fixed Wireless Ultra Broadband, voice services (voice and data), and value added digital services, B2B services, media activities through the Tiscali.it portal with sale of space through an external dealer and e-commerce activities.

The activity in the digital media and online advertising market takes place through the portal www.tiscali.it, one of the main Italian portals, which in 2020 had a total average monthly traffic of over 227 million pageviews and about 9.3 million average unique users.

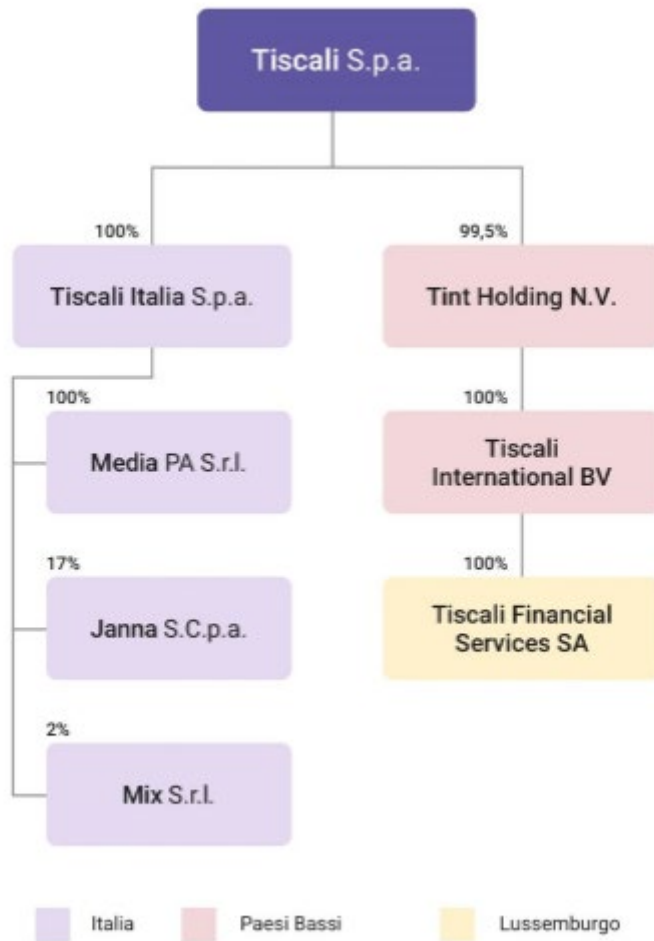
Tiscali offers its products and services dedicated to the residential and business market through the integration of different sales channels:

- *Pull-type* channels:
 - a. The web channel collects subscriptions through the promotion of services on the Tiscali Portal itself and thanks to online marketing initiatives conveyed through the main Italian portals and sites;
 - b. The inbound channel collects calls to the toll-free number, also promoted through periodic communication campaigns.
- *Physical* channels such as agencies and shops distributed throughout the country.

Tiscali distributes its business and wholesale products to other operators through different distribution channels and according to the type of service and customer. Basic access services are distributed both through the portal and through a network of direct agents.

I.2 – The Group’s Structure

As at 31 December 2021, the Tiscali Group was structured as follows:



I.3 – Mission and values

Thanks to the change in governance in May 2019, Tiscali is back to being an Italian-controlled company, and its founder is back at the helm of the Company.

Tiscali's **Mission** is to **offer everyone equal and free access to digital life**. The Company's values are as follows:

- We love our customers
- We value diversity
- We are passionate about innovation
- We work together to improve the world

Strengthened by more than twenty years of experience as Internet pioneers and first movers, Tiscali intends to continue as a protagonist of the digital revolution that will invest Italy with

increasing strength in the coming years. Freedom and transparency have always been at the heart of the commercial proposal of the Group, accompanied by simplicity and innovation.

For this reason, Tiscali is committed to offering every day an increasingly attentive and timely customer service, while promoting sustainable lifestyles and work, starting from the management of its headquarters in Sa Illetta (see **Chapter VI – Environmental Impact**).

I.4 – Tiscali’s Reference Markets

Tiscali operates in the Italian telecommunications service market, which has a total value, between fixed and mobile services, of about EUR 28.63 billion¹. In particular, Tiscali operates in the fixed and mobile broadband services market, and in the on-line advertising market.

The effects of the pandemic crisis also reverberated in the telecommunications sector, which showed a drop in total resources of 4.8%. The contraction appears most marked in the mobile network (-5.9%) with EUR 13.03 billion compared to EUR 13.85 billion in 2019, while the fixed network shows smaller reductions (-3.8%) with EUR 15.6 billion compared to EUR 16.22 billion in 2019.

Fixed Broadband Market

The Fixed Network Broadband and Ultra Broadband accesses, the main reference market for Tiscali, reached 18.52 million accesses in September 2021 (source: Authority for Communications Guarantees – AGCOM, latest data available for the market) with a year-on-year increase of 3.7%.

The increase continues to be driven by Ultra Broadband access (in FTTH, FTTC and Fixed Wireless Access technology), which stood at 14.08 million units in September 2021, up 18.1% year-on-year and representing 76% of the total. Over the same period, the traditional DSL component declined significantly, with a loss of 1.52 million units (-25.6%). The technological shift away from DSL offerings towards Ultra Broadband offerings, accelerated by the COVID-19 emergency, is therefore continuing.

Tiscali’s market share stands at 2.2% year-on-year. Market leader TIM is at 42.2%, followed by Vodafone (16.5%), Fastweb (14.9%) and Wind Tre (14.1%). Linkem (3.5%) and Eolo (3.1%) follow.

The evolution of the market by technology shows in the Ultra Broadband area a growth in FTTH accesses of 51.2% with a total of 2.44 million accesses, a growth in FTTC accesses of 12.7% with 9.95 million and growth in Fixed Wireless Access of 16.6% with 1.68 million total accesses.

¹ Source: Annual Report on Activities and Work Programmes, AGCOM 2019.

In the FTTH segment, which has the highest growth rate, in September 2021 Tiscali's market share stood at 5%. The potential of the FTTH market is attracting new operators pursuing a convergence strategy. After the entry of SKY in June 2020, it was the turn of Poste Italiane in May 2021. The operator Linkem launched its FTTH fibre service at the end of 2021 under the Just Speed brand, while Iliad announced the launch of its fibre offer on 25 January 2022.

The market, also due to the effects of the pandemic, recorded an increase in data consumption, recording an average daily consumption of 6.8 GB in the period January-September 2021, up 16.9% compared to the same period in 2020.

Mobile Market

The market for mobile services in September 2021 (source: AGCOM) recorded an increase in the total number of lines of 1.688 million units on an annual basis: 105.8 million SIMs in September 2021 compared to 104.2 million in September 2020, of which 27.9 million units are "M2M" (Machine-To-Machine) SIMs, accounting for 26.37% of the total, with growth of around 1.54 million on an annual basis, and 78 million are "human" SIMs carrying out "voice only" and "voice+data" traffic, which grew slightly year-on-year (147 thousand units).

With reference to overall SIMs, Tim is the market leader with a market share of 28.8% followed by Vodafone with 28.5% and Wind Tre with 24.8%, while Iliad represents 7.7% of the market with a growth of 1.1 percentage point on an annual basis. Considering only the "human" SIMs segment, i.e. excluding M2M, Iliad reaches 10.5% and gains 1.7 p.p. year-on-year, while Wind Tre, despite a 1.4 p.p. year-on-year drop in share, remains the leading operator with 26.8% followed by Tim with 25.7% and Vodafone with 23.3%.

Tiscali operates in the MVNO market, which has approximately 10.79 million SIMs (accounting for 10.2% of the total and 13.83% of the human market). The MVNO market leader is Poste Mobile with a 42% share, equal to 4.3% of the total mobile market and 5.7% of the total human SIMs.

On the mobile market, Tiscali recorded an increase in its customer portfolio, which at 31 December 2021 stood at approximately 259 thousand units with a 1% increase compared to 31 December 2020 (256 thousand units with a 2.4% share of the MVNO market).

Total data traffic in the market as at September 2021 continues to grow: +28.1% year-on-year. SIMs with data traffic reach 72.2% of the total human traffic with a consumption of 12.29 GB/month (+ 29.3% year-on-year) driven by the consolidated use of video, streaming and on-demand applications.

The Tiscali mobile offer is available in 7,792 Italian municipalities (TIM network) representing 99% of national coverage, the most extensive in Italy.

Online Advertising Market

The online advertising market grew by 17.6% in 2021 compared to 2020 to a value of EUR 524 million.

Looking at the detail by type of access device, we can see that, after the first two months of the year still lagging behind 2020, since March all devices show double-digit growth month on month. This leads to +17.3% for Desktops/Tablets and +18.2% for Smartphones in 2021. Entering into the details of the use of advertising content, growth continues this year through "App" (+44.1%), even if the use in "Browsing" mode grows in double figures (+16%), which remains in absolute value the most important use (486 million). In 2021, a positive trend can be seen for various product sectors, demonstrating that digital media is now an indispensable part of companies' media mix. In particular, the growth sectors are: Apparel, Housing, Distribution, Beverages, Professional Services and Personal Goods².

Internet penetration among the population continues to grow in 2021 by +8.2% on the average day from all devices (37.1 million Italians over the age of 2), if only smartphones are taken into account, the growth compared to 2020 is +12.8% (33.7 million Italians aged between 18 and 74³).

In 2021, the portal continued the development of activities related to transactional services. Tiscali Shopping increased the number of merchants subscribing to the platform (around 200) with a significant expansion of the product catalogue and recorded an average audience of 800,000 page views/month.

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May 2021 also saw the launch of Tiscali Tagliacosti with which the Company, in partnership with CloudCare, entered the online comparator market. Tagliacosti allows visitors to compare energy tariffs (electricity and gas), identifying the most convenient supplier in relation to their needs, and to sign the relevant contract. Tagliacosti can also compare third-party motor liability tariffs of leading insurance companies, offers for long-term car rental, and since the second half of the year, the valuation of real estate for sale has been added. The Tiscali Tagliacosti

² Source: Osservatorio FCP – Assointernet, December 2021

³ Source: Audiweb December 2021

comparator, launched in May 2021 in partnership with CloudCare, has rapidly expanded its services: it allows visitors to compare the best offers on energy (electricity and gas), to compare third-party motor liability policies of leading insurance companies, and to identify the most advantageous offers for long-term car rental. In the latter part of the year, real estate services were also added and it is possible to obtain a free valuation of a property for sale in just a few minutes. Tagliacosti registers an average audience of 50,000 visits/month.

I.5 – Highlights

Network coverage from the end of 2021:

Fixed Wireless Access Network: 22.2 million households and businesses covered

Fibre: 28 million households and business covered



1.700 active points of sale

throughout the country

13 of which are **single-brand**

642.6 thousand users, of whom

350.5 thousand with Fixed Broadband access (of which 281 thousand Fibre)

33 thousand with Fixed Wireless access

245 thousand mobile MVNO clients

502 employees

513 of whom in **Sardinia**

€ 144.2 million*

total **revenue**

€ 28 million*

net **EBITDA**

*Source: Tiscali Group 2021 Annual Financial Report

I.6 – Background and current business strategy

The history of the Group

1998

Tiscali was founded in Cagliari, after the liberalization of the Telecommunication market in Italy. The initial mission was the provision of telephone services regionally, in Sardinia.

1999

Tiscali was the first operator to promote the “free” Internet in Italy and western Europe. The Group obtained a license for the provision of telephone services nationwide, and launches its pan-European expansion plan after its IPO on the New Milan Stock Market, through the acquisition of several ISPs (internet service providers) in Europe.

2000

Tiscali acquires WorldOnline, a Netherlands-based group that carried out its ISP activity in Switzerland, Check Republic, Belgium, Netherlands, Denmark, Germany, Norway, Sweden, Spain, UK, Austria and South Africa.

The Tiscali Group additionally strengthened its position in the aforementioned countries through additional acquisitions of local ISPs.

2001

The Group acquired Liberty Surf, a major ISP in the French market, and simultaneously, it expands its position in the UK, Austria and Finland through new acquisitions and integrations of the previously acquired companies.

In the same year, it launches the ADSL service on all the markets it served.

2004

Tiscali reached 1.3 million ADSL users. The Group rethinks its business strategy, opting for refocusing its activities in Italy and UK. Consequently, the Group implemented a plan of progressive sale of its foreign activities.

2004-2007

The businesses in Austria, Switzerland, South Africa, Belgium, Norway, Sweden, France, Denmark, the Netherlands and Spain are sold. The Group concentrates its activities in the most significant and rapidly expanding markets: Italy and the United Kingdom.

2007

Tiscali increases its activity in the United Kingdom, through the acquisition of Video Network Internationals Ltd and the broadband and voice divisions of Pipex Ltd, thanks to which Tiscali launches the Internet Protocol television (IPTV) service throughout the United Kingdom, also launched in Italy. Tiscali proposes itself as the sole “Full-IP” operator of an innovative package of data, voice and video services.

2008

The Group strengthened its financial structure through a share capital increase in the amount of EUR 150 million and the conversion of a convertible bond loan signed by Management&Capitali.

2009

The Group chose to pursue a focused strategy in Italy and initiated the process of selling Ti Net (a company managing the international network) and the subsidiary Tiscali UK.

That year, the Company also launched a share capital increase with an option for approximately EUR 180 million.

2010

Tiscali joined the project "2010 Fiber for Italy", and finalizes the sale of the UK businesses and of Ti Net.

2012

The companies Vevisible S.r.l. are established. (a dealership that sells advertising space), Indoona S.r.l. (a company aimed at developing the application of the same name, which integrates voice and messaging to call, video call and send multimedia messages from smartphones and PCs), and Istella S.r.l. (a company aimed at developing a new search engine for the Italian web, created with the aim of systematising and disseminating the national cultural

2013

The Group launches the search engine Istella, which at the end of the year, reaches 4.5 billion pages indexed and 200 terabytes

2014

The Group reaches an agreement with Senior creditors for the restructuring and repayment of the Senior payables, for an amount of approximately EUR 140 million, thus strengthening its financial structure.

2015

The Tiscali Group the Tiscali Group performs an industrial grouping with the Aria Group, acquiring the license on 40MHz of spectrum on the 3.5Ghz "technology neutral" frequency and the fixed wireless proprietary network.

2018

The Tiscali Group signs a transfer agreement with Fastweb, for the transfer of the license acquired in 2015 from Aria, the sale of the FWA (Fixed Wireless Access) business line comprising the FWA infrastructure (836 towers) and 34 employees. Tiscali also stipulates with Fastweb a wholesale agreement pursuant to which the Company obtains full access to the Fastweb fibre network and the FWA infrastructure sold to it.

2019

In May 2019, the relative majority stake in the Company was acquired by Amisicora S.r.l. and Renato Soru, founder of Tiscali, returned to the Company as Chief Executive Officer. The main organizational functions are restructured, the new logo is launched and commercial and marketing activities are boosted. New agreements are signed with Linkem and Tim which, together with the extension of the agreement with Open Fiber, allow Tiscali to obtain a significant increase in network coverage and to offer new, more efficient services to customers. Tiscali strengthens its financial and asset structure, thanks to the collection of the consideration for the Fastweb Transaction, the signing of the Senior Debt and Sa Illetta Debt Restructuring Agreements and the issue of a EUR 10.6 million convertible bond.

Focus on high-performance Fibre offers (UltraInternet Fibre up to 1 Giga) and FTTH up to 1000 Mbit/s. Coverage in zones C and D through Open Fiber tripled compared to 2019 (886 Municipalities covered at the end of 2020 compared to 321 Municipalities covered at the end of 2019). Growth in Fibre customers of more than 36% compared to 2019. Focus on 4G mobile offers with speeds of up to 150 Mps, thanks to agreement with TIM at the end of 2019. Growth of around 5% in mobile customers compared to 2019. Launch, at the end of 2020, of the project to rationalise Tiscali's network infrastructure in order to reduce its costs. Intense marketing activity on all communication channels (radio, Sky, Web, social networks). Increase in the number of sponsorships (Cagliari Calcio and AS Roma football clubs). Diversification of portal activities, with particular focus on e-commerce. Signing of an agreement with Mediocredito Italiano and Unicredit Leasing for the reduction (and deferred payment) of fees for the period March-December 2020 (October 2020).

2021

Increase in FTTH coverage in zones C and D (extended digital divide) through Open Fiber in 1600 municipalities, compared to 866 in 2020 (+84.76%). Growth in Fibre customers of over 26%. A multi-year agreement was signed in April 2021 between Tiscali and ReeVo for the provision of cloud, hybrid cloud and cybersecurity services.

Fully operational agreement with Linkem from June 2021, with FWA service up to 100Mbps. Launch of the converged fixed-mobile service and the Fibre+Smart Home bundle in partnership with Enel X. Signing of agreement with ALI and Leganet to promote digital transition in Italian municipalities. The award as the fastest fixed network operator in Italy in 2021 was awarded by Ookla, a world leader in mobile and broadband network intelligence and in the testing of related applications and technologies. The sponsorship of Dinamo Basket as Gold sponsor was renewed and strengthened. The publishing partnership with SIDI (Swiss Institute for Disruptive Innovation) was strengthened with Tiscali's adhesion to "The Greenest" project, promoted by SIDI, by purchasing a lot of 25,000 trees planted in Madagascar, thus creating its own corporate forest. The Amendment Agreements to the Senior Loan was renegotiated, with rescheduling of repayments in 2026. Collected 6 tranches of the POC signed with Nice & Green for a total of EUR 18 million.

On 30 December 2021, the integration agreement between the Tiscali Group and the retail branch of the Linkem Group was signed (for further details please refer to the 2021 Consolidated Financial Report).

It should be noted that the national and international context is still characterised by the continuation of the COVID-19 emergency, which has had direct and indirect repercussions on the country's economic activity, generating a weakening of the economic reference framework at the national and global level, a reduction in consumer spending capacity, and creating a context of general uncertainty.

The telecommunications sector has become one of the most important among the country's productive activities, thanks to the greater demand for connectivity linked to the remote working (the so-called "smart working"), which has led to a greater use of the service than in previous periods.

The rapid recovery of the global economy, immediately after the end of the first wave, led to an increased demand for raw materials and components, whose scarcity fuelled the pressure on prices of raw materials, energy and transport, significantly affecting the production and sale of goods and services worldwide, resulting in longer production lead times. In fact, the microchip shortage suffocating global supply chains is penalising Broadband providers in particular by recording significant delays in the delivery of internet routers.

During 2021, Tiscali was affected by this issue, as the supplier TIM, which provides hardware for customers based on its network, suffered a stock outage that led to major slowdowns in the activation of services, effective in the second half of 2021. In order to contain the impact on customers, the emergency introduction of a new hardware model became necessary. A similar solution was also necessary for customers relying on the Open Fiber network (also in this case the wholesale connectivity provider provides the hardware for the customer), although there were no visible effects for subscribers of Tiscali services.

The advertising market was also affected by the critical supply chain issues at a global level. The economic impacts on advertising revenues in 2021 were particularly significant for two sectors. The Tourism sector that had always had its own distinct seasonality stopped investing in advertising in the pre-holiday periods, while the shortage in the semiconductor market brought entire production chains to a halt in 2021 with direct consequences on the Automotive sector. Car manufacturers all over the world had to cut production and delay vehicle deliveries with consequent cuts in advertising investments in one of the leading sectors of the advertising market in Italy.

For more details on the economic-financial impacts, please refer to the 2020 Consolidated Financial Report, in the section "Assessment of the business as an ongoing concern".

With reference to human resources management and workplaces, given the continuing outbreak of the Coronavirus epidemic (COVID-19), Tiscali has maintained a constant focus also for 2021, consolidating a hybrid organisational model that, through the adoption of smart working, has provided for alternating on-site work and remote work in the performance of services for all employees, with a presence on Company premises never exceeding the percentage of 50% of the total workforce of employees. In order to facilitate the work-life balance, the part-time incentive campaign (vertical, horizontal, mixed) was also renewed, as well as the possibility of joining fixed-term contracts (12, 24 and 36 months). In the training field, the focus is on the development of skills related to 'distant management', through the articulation of training interventions for the two-year period 2021-2022.

I.7 – The Company’s Tax Policy

In general terms, Tiscali’s tax governance is inspired by the principles contained in the Company’s Code of Ethics: Tiscali believes that full transparency towards financial administrations and full compliance with tax obligations are part of its unavoidable duties as a taxpayer and of its duty of social responsibility towards the country’s institutions.

Activities in the tax sector are included in the systems, and general risk control procedures, adopted by the Group. A new contract for the Group’s tax and administrative assistance was signed on 3 August 2021 with Studio Tributario Caria & Associati, which took over from the previous Studio Associato GLM. The contract also includes the appointment of the Tax Manager for the purposes of the provisions of the Organisation, Management and Control Model pursuant to Legislative Decree No. 231/01 of Tiscali S.p.A and Tiscali Italia S.p.A.

The Tax Risk Manager, an autonomous figure with respect to the corporate structure, is in charge of tax compliance and advice and, in particular, will have to identify, mitigate and control the tax risk, agreed as compliance risk, that is, of incorrect compliance with tax regulations. It will therefore be required to map the Company's tax risks arising from its business activities.

By means of an effective tax risk detection, measurement, management and control system, he will ensure constant monitoring of all corporate processes, and not only those of a tax nature, such as procedures for the purchase of goods and services, the treatment of items in the passive and active cycle, contractual clauses, etc., so as to ensure that the Company’s activities are conducted in compliance with tax regulations, and in accordance with the principles or purposes of the law.

Generally, it should be noted that Tiscali *(i)* operates according to principles of honesty, fairness and compliance with tax regulations; *(ii)* adopts behaviours based on prior dialogue with the

tax authorities and the maintenance of relations based on transparency, dialogue and cooperation; (iii) has not established companies located in tax havens; (iv) applies transfer pricing policies aimed at avoiding erosion of the tax base; (v) regularly indicates, in the annual financial statements, items and charges of a tax nature.

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



SUSTAINABILITY STRATEGY

For the fifth consecutive year, the Tiscali Group has drawn up its Sustainability Report, thus giving continuity to the sustainability strategy and the commitments defined in 2017 and to the further commitments undertaken in 2019 and 2020. Through this fifth document, the Group intends to demonstrate its commitment to all stakeholders and to the environment.

The initiatives implemented during 2021, at the economic, social and environmental level, want to underline the sense of responsibility that the Group has matured and is maturing towards sustainability issues, despite the period of strong instability.

To this end, Tiscali intends to monitor the impact of its business and define future objectives to continuously increase the Group's sustainability.

II – Governance and sustainability

II.1 – Governance

In order to ensure transparency in *operational management*, a correct market information approach and the protection of interests that are socially relevant, the corporate governance system adopted by Tiscali includes all the recommendations of the Self-Governance Code (the “Code”) approved by the *Corporate Governance* committee in March 2006, as subsequently updated.

The Company adopted procedures and code of conduct implemented through procedures and codes in line with the guidelines provided by Borsa Italiana S.p.A., CONSOB recommendations and the *best practices* identifiable at the national and international level; in addition, Tiscali has an adequate organizational setup that can manage, through appropriate methods, corporate risks and potential conflicts of interest that may occur between Directors and Shareholders, between majorities and minorities and among various Shareholders.

Tiscali’s Governance structure is characterized by the presence of the following bodies: Board of Directors, Shareholders’ Meeting and Board of Auditors.

Board of Directors

As of 31 December 2021, the Board of Directors is composed of seven members, four of whom are women; there are three independent Directors and only Renato Soru, Chief Executive Officer, has executive powers delegated by the Board.

Table 1 – % composition of the Board by gender and age group

No. of persons	As at 31 December 2020			As at 31 December 2021		
	30-50	>50	Total	30-50	>50	Total
Men	0%	43%	43%	0%	43%	43%
Woman	28%	29%	57%	28%	29%	57%
Total	28%	72%	100%	28%	72%	100%

The Board of Directors was elected on the basis of the only list submitted jointly by Renato Soru and Amsicora S.r.l. and will remain in office until the approval of the financial statements for 2021.

The members of the Board of Directors, the term of office, the position of Executive Director or Non-Executive Director, the number and nature of the other assignments are listed in paragraph 5.2.3 of the Tiscali's Corporate Governance and Ownership Structure Report, contained in the 2021 Consolidated Financial Report, to which reference should be made.

In addition, the Company publishes in a specific section of its website, called "Governance", the professional curricula of its directors, to allow shareholders and investors to assess the professional experience and authoritativeness of the members of the Board of Directors.

The presence of any **conflicts of interest** on the part of a Director must be promptly notified to the Board of Directors, in accordance with Article No. 2391 of the Civil Code. The Director concerned must specify the "nature, terms, origin and extent" of his/her interest, providing all useful information to enable the Directors and Auditors to assess the existence or otherwise of a conflict and, in general, the economic convenience of the operation for the Company.

The Board of Directors may request the Supervisory Board to carry out a specific or periodic check on the aspects subject to the conflict of interest.

Board of Statutory Auditors

The members of the Board of Statutory Auditors operate autonomously and independently, in constant connection with the Control and Risk Committee, whose meetings are regularly participated by them, and with the Internal Audit department, in line with the principles and application criteria set forth in Article No. 8 of the Self-Governance Code of Borsa Italiana.

II.2 – Diversity Policy

This diversity policy (hereinafter referred to as the "**Diversity Policy**" or the "**Policy**") 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 referred to as "**Tiscali**" or the "**Company**"). It was adopted on 10 May 2018 by the Board of Directors at the proposal of the Appointments and Remuneration Committee, and subsequently updated on 5 April 2022.

The purpose of this 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, including through the presence of persons 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 relating to the Company's business.

This Policy was drafted, considering the nature and complexity of the Company's business, the social and environmental context in which it operates, the Board's experience with the activities and modus operandi of the Board and of the internal Committees, as well as the results of the self-assessment processes conducted over time.

In particular, it refers to the persons involved in the process of selecting and appointing the members of the Company's Board of Directors, and therefore:

- To the shareholders who, pursuant to the law and the Articles of Association, intend to submit lists of candidates for the appointment of the Board of Directors;
- To the Shareholders' Meeting called to appoint the Board of Directors;
- To the Board of Directors of the Company, as well as to the shareholders, if – during the term of office – it becomes necessary to replace a member of the Board of Directors pursuant to Article No. 2386 of the Italian Civil Code.

In any case, the requirements of professionalism, honourableness and independence, as well as situations of incompatibility and/or disqualification, provided for by law, regulations and the Articles of Association, shall remain unchanged.

For the sake of completeness, this Policy also contains a summary of the provisions applicable in relation to the composition of the Company's Board of Statutory Auditors.

This Policy is adopted in implementation of the provisions of Article No. 123-*bis*, paragraph 2, letter d-*bis*) of Legislative Decree No. 58 of 24 February 1998 (the so-called "Consolidated Finance Act").

Guiding principles

The Board of Directors of the Company is aware that diversity and inclusion are two essential elements of the corporate culture. In particular, the valorisation of diversity as a founding element of sustainability in the medium-long term of the business activity represents a paradigm of reference both for the employees of Tiscali Group and for the members of Tiscali's management and control bodies.

The Board of Directors of Tiscali, respecting the prerogatives of the Shareholders in the designation and appointment of its members, hopes that an objective of integration of different managerial and professional profiles, also of international character, will be pursued in its composition, and that the importance of a balanced gender representation as well as the

benefits that may arise from the presence of different age and seniority of office will also be taken into account.

The Board of Statutory Auditors of Tiscali, while respecting the prerogatives of the Shareholders when designating and appointing its members, hopes that its composition will pursue an objective of integration of managerial, professional, academic or institutional profiles, also of an international nature, which are different from each other and which, due to their characteristics, may allow for an optimal performance of the supervisory functions entrusted to the Board of Statutory Auditors; it also hopes that the importance of a balanced gender representation is also taken into account, as well as the benefits that may derive from the presence of different age brackets and length of service of its members.

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

Types of diversity and related objectives for the Board of Directors

Also on the basis of the results of the board review carried out on an annual basis pursuant to Article No. 1.C.1, letter g) of the Corporate Self-Governance Code for Listed Companies (the so-called "Corporate Self-Governance Code"), to which the Company adheres, with regard to its own composition, the Board of Directors of Tiscali considers that:

- (i) The majority of the Directors should be non-executive and meet the independence requirements provided for by law and the Corporate Self-Governance Code. In particular, an optimal composition should be characterised by the presence of a majority of independent Directors;
- (ii) Even when the legal provisions on gender balance have ceased to have effect, it is important to continue to ensure that at least two-fifths of the Board of Directors, both at the time of appointment and during the term of office, is made up of Directors of the lesser represented gender, in compliance with the provisions of paragraph 1-ter of Article No. 147-ter of the Consolidated Law on Finance;
- (iii) In order to pursue a balance between the need for continuity and renewal in management, it would be necessary to ensure a balanced combination of different seniority – as well as age brackets – within the Board of Directors
- (iv) Non-executive directors should be represented by figures with a managerial and/or professional and/or academic and/or institutional profile such as to achieve a combination of different and complementary skills and experience. In particular:

- a. Managerial profiles should have gained experience in positions of responsibility within industrial groups of significant size and/or complexity, possess business judgement skills and a high orientation towards strategies and results;
 - b. The professional profiles should have gained experience in positions of responsibility within relevant professional firms, consulting firms or other public or private organisations and have carried out their professional activity with particular relevance to the activity of companies.
 - c. Academic or institutional profiles should possess skills that may be useful for the pursuit of the business of the Tiscali Group;
- (v) In view of the different roles carried out by the Chairman and the CEO, they are deemed to possess the most appropriate skills for the effective performance of their respective duties. In particular:
- a. The Chairman should be a person endowed with the authority to ensure, during his or her term of office, the correct and transparent management of the functioning of the Board of Directors, within which he/she has the task of creating a strong spirit of cohesion, while representing a figure of guarantee for all shareholders. He/she should also have an adequate background in corporate governance, accompanied by significant experience within – and preferably at the helm of – Boards of Directors of listed companies of significant size and/or complexity and characterised by an international projection of their activities. He/she should possess expertise in the economic-financial and legal fields, as well as experience in managing issues of strategic relevance, as well as specific business issues, within the Board;
 - b. the Chief Executive Officer should be a person endowed with authority, as well as a recognised strategic vision and in-depth knowledge of the telecommunications market and its evolution. He/she should have gained significant and successful experience at the helm of listed companies of significant size and/or complexity and characterised by international projection of the activities carried out, as well as having adequate expertise in the economic-financial field. He/she should also be endowed with recognised leadership and a management style oriented towards the ability to create team spirit among employees.

Whenever the various forms of diversity indicated above provide for quantitative objectives in terms of the composition of the Board of Directors, if the quota indicated corresponds to a fractional number, the latter shall be rounded up to the next higher unit.

In order for Tiscali's Board of Directors to be able to carry out its duties in the most effective manner, in addition to the requirements in terms of diversity indicated above, it is deemed

essential that all Directors guarantee sufficient time availability for the diligent performance of their duties, taking into account both the number and quality of the positions they hold in the administration and control bodies of other companies, and the commitment required of them by the additional work and professional activities they perform and by the positions they hold in associations; in this regard, Directors are required to comply with the specific Guidelines adopted by the Board of Directors.

Types of diversity and related objectives for the Board of Auditors

Also on the basis of the experience gained during its term of office, with regard to its composition, the Board of Statutory Auditors of Tiscali considers that:

- (i) Even when the legal provisions on gender balance have ceased to take effect, it is important to continue to ensure that at least one-third of the Board of Statutory Auditors, both at the time of appointment and during the term of office, consists of Statutory Auditors of the less represented gender. In addition to what is required by law, it is deemed appropriate to continue to ensure that at least two-fifths of the Alternate Auditors are made up of persons of the least represented gender, in compliance with the provisions of paragraph 1-ter of Article 147-ter of the Consolidated Law on Finance;
- (ii) In order to pursue a balance between the need for continuity and renewal in management, a balanced combination of different seniority – as well as age brackets – within the Board of Statutory Auditors should be ensured;
- (iii) The Statutory Auditors should, as a whole, be competent in the sector in which the Tiscali Group operates, i.e. the electricity and gas business. To this end, the Statutory Auditors are invited to participate in an appropriate induction programme organised by the Company;
- (iv) The Statutory Auditors should be represented by figures with a managerial and/or professional and/or academic and/or institutional profile such as to achieve a set of different and complementary skills and experiences. In particular, at least one of the Standing Auditors and at least one of the Substitute Auditors must be enrolled in the register of auditors and have exercised the activity of statutory auditing for a period of no less than three years. The additional requirements of professionalism set forth by law and by Tiscali's Articles of Association provide that Statutory Auditors who do not meet the above requirement must have at least three years' overall experience in the exercise of:
 - a. Administration or control activities or management tasks in corporations with a share capital of not less than EUR 2 million; and/or

- b. Professional activities or tenured university teaching in legal, economic, financial subjects; and/or
- c. Executive functions in public bodies or public administrations operating in the credit, financial and insurance sectors or in any case in sectors closely related to Tiscali's business, by which is meant the telecommunications sector;
- (v) The Chairman should be a person endowed with the authority to ensure adequate coordination of the work of the Board of Statutory Auditors with the activities carried out by the other parties involved in various capacities in the governance of the internal control and risk management system, in order to maximise the latter's efficiency and reduce duplication of activities. The Chairman also has the task of creating a spirit of cohesion within the Board of Statutory Auditors to ensure the effective performance of the supervisory functions entrusted to that body, while representing, like the other Statutory Auditors, a figure of guarantee for all Shareholders.

Whenever the various forms of diversity indicated above provide for quantitative objectives in terms of the composition of the Board of Statutory Auditors, if the quota indicated corresponds to a fractional number, the latter shall be rounded up to the next higher unit.

For the Board of Statutory Auditors of Tiscali to be able to perform its duties in the most effective manner, in addition to the requirements in terms of diversity indicated above, it is deemed essential that all Statutory Auditors guarantee sufficient time availability for the diligent performance of their duties, taking into account both the number and quality of positions held in the administration and control bodies of other companies (in compliance with the law), and the commitment required of them by the additional work and professional activities performed and by the positions held in associations.

How the Policy is implemented

This Policy intends first and foremost to guide the candidatures formulated by Shareholders when renewing the administration and control bodies, ensuring on that occasion an adequate consideration of the benefits that may derive from a harmonious composition of the same, aligned to the various diversity criteria indicated above.

The Appointments and Remuneration Committee shall also take into account the indications of this Policy when it is called upon to propose candidates for the office of Director to the Board of Directors, taking into account any recommendations received from Shareholders, in the following cases, indicated in its Rules of Procedure:

- (i) In case of co-optation, if it is necessary to replace independent Directors;

- (ii) If, in the event of renewal of the Board of Directors, it is foreseeable that it will not be possible to draw the required number of Directors from the lists submitted by the Shareholders, so that the outgoing Board can then make nominations to be submitted to the Shareholders' Meeting;
- (iii) If, in the event of renewal of the Board of Directors, the outgoing Board decides to avail itself of the right, provided for by the Articles of Association, to submit its own list;
- (iv) If, in the event of the early termination of the office of the Chief Executive Officer with respect to the ordinary term of office, the Appointments and Remuneration Committee is called upon to propose to the Board of Directors, in agreement with the Corporate Governance and Sustainability Committee, the identification of the new Chief Executive Officer, taking into account any indications received from the Shareholders from whose list the Chief Executive Officer who left office early was taken.

Monitoring the implementation of the Policy and its updating

This Policy is adopted by the Board of Directors, upon the proposal of the Appointments and Remuneration Committee. The Internal Committees are called upon to support the Board of Directors on the implementation of the Policy, as well as on the verification and evaluation of the methods of its implementation and results in the reference period, also for the purposes of the description of this Policy to be made annually in the report on corporate governance and ownership structure.

Any changes or revisions to the Diversity Policy are approved by the Board of Directors, on the proposal of the aforementioned Committees, also taking into account the results of the annual self-assessment by the Board of Directors.

II.3 – Internal Control System and Risk Management

Internal Control System

The current internal control system is in line with what is established by the principles and application criteria of Article No. The internal control and risk management system is constituted by the system of rules, procedures and organizational structures that allow, through an adequate identification, measuring, management and monitoring process of the main risks to have a healthy, correct and consistent operation of the business in line with the established goals.

The internal control system is implemented through the following bodies: Risk Control Committee, Executive in Charge (who took over the functions previously attributed to the Executive in Charge of the Internal Control System) and Internal Audit Department.

The **Risk Control Committee**, formed by the Board of Directors and currently consisting of the three non-executive Directors of Tiscali S.p.A, two of whom are independent, has consultation and recommendations functions with the objective of improving the functionality and ability to direct the internal control and risk management system of the Board of Directors.

The **Chief Executive Officer** implements the instructions provided by the Board of Directors in terms of internal control also identifying and managing the corporate risks by submitting them to the attention of the Board of Directors. He/she recommends to the Board of Directors the appointment of the Internal Audit Manager making use of his/her support in carrying out his/her functions.

The Internal Audit Manager has the operational responsibility for coordinating the activities of the **Internal Audit Function**, as it does not hierarchically depend on any manager of the operational area and is in possession of the professional skills necessary to carry out the tasks for which he is responsible in line with the recommendations of the Code. In order to further strengthen the independence requirement, the Internal Audit function reports hierarchically to the Chairman of the Board of Directors while, from an administrative point of view, it reports to the Chief Executive Officer, whose powers include the provision of suitable means to the Head of Internal Audit and to the Internal Audit department.

Assessment of risks on financial reporting

The assessment of risks is carried out both at the overall corporate level and at each specific process level. In the first case, there are risks of improper operation of the main corporate governance instruments (for example, proxies and powers of attorney systems, reward systems etc.) or of the corporate information system. At process level, the risks related to financial reporting (underestimation, overestimation of the entries, inaccuracy of the report, etc.) are reviewed on the basis of the specific accounting entries and they are implemented through the creation of control objectives. With reference to further sustainability risks, please refer to paragraph "II.6.1 – Main risks of Sustainability" of this Sustainability Report.

Organization, Management and Control Model Pursuant to Law Decree No. 231/2001

The Tiscali Group is sensitive to the need to **ensure correctness and transparency** in carrying out the corporate business and activities to protect its market position and image and the interests of all its stakeholders, first of all its shareholders and employees.

Therefore, Tiscali is aware, also in consideration of the uniqueness of the business carried out, of the importance of adopting an adequate internal control system to prevent any offenses by its Directors, employees, agents, representatives, business partners and other external contractors.

To this end, Tiscali Italia S.p.A. has adopted since 2005 the "Organizational, Management and Control Model pursuant to Law Decree No. 231/2001" (hereinafter referred to as the "Model"). The Model establishes the main rules of conduct for all the Company's employees and defines processes and controls aimed at preventing the offenses established in the Law Decree No. 231/2001.

The Model of the various companies was recently updated with the support of an external consultant in order to incorporate some important legislative changes, with particular reference to the introduction of tax offences, and was again approved by the Boards of Directors.

The principles and rule of conduct contained in the Model integrate with what is specified in the Code of Ethics adopted by the Company: the document establishes the guidelines and the values that drive Tiscali and the conduct that is expected from all its Directors, employees, and associates. The Code of Ethics of the group is available on the Company's website in the "Documents" section.

The **Supervisory Body** has the duty of carrying out oversight activities on the effectiveness and adequacy of the Model based on the effective ability of preventing the offenses detailed in the Law Decree No. 231/01, on the observance of the Model by all the recipients, on the updating of the Model by Management, whenever it may be necessary to adjust it based on changes in organizational or regulatory conditions.

On the basis of the Model forecast, the Supervisory Body reports to the Board of Directors regarding its activities at least every six months and at any time it may notify of any critical issues emerged in the application of the Model.

FIGHT AGAINST PASSIVE AND ACTIVE CORRUPTION

In line with the Group's commitment to fight against active and passive corruption, the internal control system was strengthened thanks to the adoption of specific behavioural protocols, set out in the Special Part of Model 231 dedicated to crimes against the Public Administration and to corruption among individuals. These protocols are subdivided into obligations and/or prohibitions that apply both internally and to external parties that interact with Tiscali. In order to enhance and maintain its integrity and reputation, the Company controls and monitors the most sensitive activities of the business, especially the relations with public entities, with suppliers, with consultants or partners and with employees. These assets, considered as "sensitive" and therefore riskier, are identified following risk assessment operations performed internally. For this reason, the Company defines, implements, and disseminates specific corporate policies that govern the performance of activities considered sensitive or otherwise linked. These policies also have the task of checking and defining in detail the reporting system and the information flows to the Supervisory Body.

In this regard, additional communication tools have been adopted (in addition to the mandatory ones) in order to gather any reports from interested parties. Individuals who become aware of events with risks or corruption crimes can send an e-mail to the Supervisory Board (organismodivigilanza@it.tiscali.com), with a description of the possible offense, as well as the specific addresses indicated in the Whistleblowing procedure.

In general, the Group establishes the obligation to collect and store the documentation relating to any contact with the Public Administration and prohibits any activity which, even through a third party, may influence the independence of judgment or assure any advantage to the Company. Furthermore, the Company undertakes to strictly observe, in addition to the applicable provisions of the law, the rules issued by the national and international regulatory authorities of the market, which have the intent to guarantee fair market conditions based on a fair and free competition.

All the legal entities of the Group endowed with a 231/01 Model active in 2021 have carried out activities to assess the risks of corruption to the public administration and to private parties. The Model was distributed to all Group employees. During 2021, due to the ongoing COVID-19 pandemic and the difficulty of reaching the various people the Models are directed to, the provision of training according to the usual annual plans was partly curtailed, with classroom training being provided only in the second half of the year. However, information material was

distributed and it was planned to continue the provision of face-to-face training to relevant personnel during 2022.

II.4 – Shareholding structure

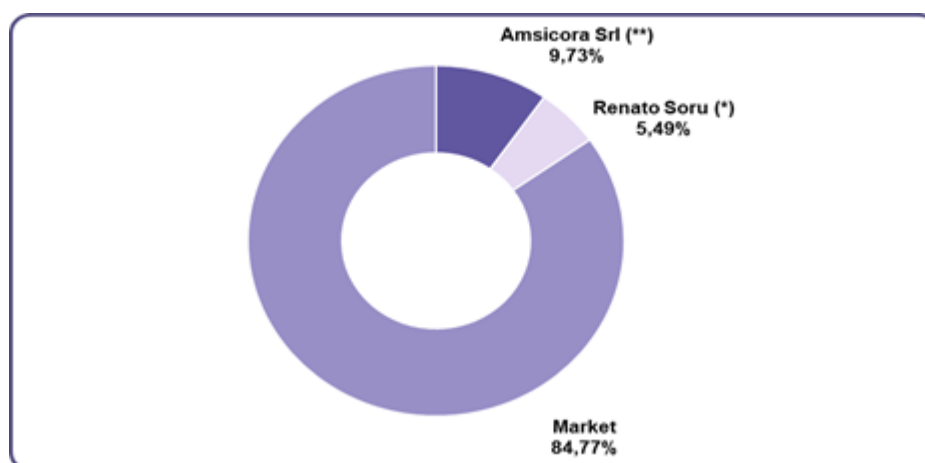
Tiscali S.p.A. is a public joint stock Company governed by the laws of the Republic of Italy. Tiscali shares are listed on the Italian Stock Exchange (Milan: TIS) since October 1999.

As at 31 December 2021, the share capital is equal to EUR 63.6 million corresponding to 5,751,767,311 shares with no par value; the average annual market capitalisation is equal to EUR 119.9 million, calculated on the average annual value per share equal to 0.0222 on an average annual number of shares equal to a total number of 5,406,496,447.

Tiscali’s reference shareholder is Amsicora S.r.l., which owns 9.73% of the ordinary share capital and voting rights.

The shareholding structure as at 31 December 2021 follows.

Fig. 1 Shareholding Structure: % ordinary share capital and of voting rights



Source: Tiscali

(*) Directly for 4.61% and indirectly through the subsidiaries Monteverdi S.r.l. (0.31%) and Cuccureddus S.r.l. (0.58%)

(**) of which 7.01% held directly, and 2.72% granted in the form of a securities loan to Nice&Green SA

II.5 – The regulatory and competition framework

Tiscali promotes fair competition, considered functional to its interests and to those of all the providers in the market as well as customers and stakeholders in general, encouraging initiatives and projects in cooperation with competitors, actively participating to the technical discussions established by the sector’s Authorities or the trade associations. In this context, the Tiscali’s main dialog parties are the following:

- Other providers;
- Communications Guarantee Authority (AGCOM);
- Italian Antitrust Authority (AGCM);
- Ministry for Economic Development (MiSE) – Department of Communications;
- Infratel;
- Trade Associations;
- The European Institutions.

Relationships with the Other Providers

Tiscali operates in the market of reference pursuing and promoting, in its relations with competitors, the principles of freedom, transparency and interoperability. In this way, Tiscali undertakes to guarantee the maximum level of innovation and competitiveness between operators in the sector and to allow operators in the sector to act in a context of *true level playing field*, regardless of the technical and commercial solutions adopted in the production processes.

In this perspective, Tiscali actively collaborates with both the incumbent and Other Licensed Operators (OLOs), participating in the technical discussions that are of common interest and sponsoring the amicable resolution of any disputes.

Relationships with AGCOM and AGCM

The electronic communications market is governed by rules mainly aimed at regulating the behaviour of operators in the supply of services and ensuring fair and transparent competition. In this context, Tiscali is subjected to the ex-ante regulation and supervision of the Italian Communications Authority (AGCOM) and the ex-post regulation of the Italian Antitrust (AGCM), established to guarantee the correct competition among the operators on the market and compliance with rules that prohibit anti-competitive agreements among companies, abuses of dominant position and concentrations such as to create or strengthen dominant positions detrimental to competition.

Tiscali interacts with the sector Authorities pursuing an open exchange of opinions and a continuous dialog in order to define a simple, effective, and symmetrical regulation, as well as one that is suitable for the growth of the Company value.

Furthermore, whenever the Authorities request data or information of various kinds, Tiscali provides the necessary answers, guaranteeing completeness and reliability of the contribution,

as can be seen in the summary of the consultations carried out during the year reported in the Annual Financial Report.

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

In particular, the regulatory measures in which Tiscali actively participated include the following:

- Resolution No. 637/20/CONS: *Launch of the coordinated analysis of the markets for fixed network access services and of the public consultation concerning TIM's planned voluntary legal separation of the Fixed Access Network;*
- Resolution No. 110/21/CONS: *Initiation of the preliminary investigation procedure and public consultation concerning the proposed commitments submitted by TIM pursuant to Articles 76 and 79 CCEE concerning co-investment in very high capacity networks;*
- Resolution No. 37/21/CIR: *Initiation of proceedings and public consultation concerning the approval of TIM's FWA wholesale offer and the procedures for migrating accesses attested on decommissioning power plants, pursuant to Article No. 51, paragraph 3 of Resolution No. 348/19/CONS;*
- Resolution No. 151/21/CONS: *Launch of the public consultation regarding the preliminary procedure aimed at identifying and analysing the markets for interconnection services in the fixed public telephone network;*
- Resolution No. 290/21/CONS: *Provisions on measures reserved for consumers with disabilities for fixed and mobile electronic communications services.*

Relationships with the MiSE

The Ministry of Economic Development has among its main competences the industrial, energy and communications development policies. In particular, in the latter sector, it has, among other things, the purpose of implementing the national plan for the allocation of frequencies, managing numbering resources, assigning authorizations to operators, implementing the Government program for the development of Broadband and Ultra Broadband.

Tiscali therefore interfaces with the Ministry for requesting authorizations and resources managed by it, first and foremost numberings and frequencies, providing the technical plans and the required updates in accordance with the regulations in force. Tiscali also collaborates with the Ministry by participating in the technical discussions for the definition of technical

specifications for which the Ministry is responsible and contributes to the establishment and updating of resource databases (numberings, infrastructures, etc.) by providing data according to specific requests.

Relationships with the MiTD

The MiTD is the Ministry in charge of developing key projects for the country's innovation and digital transformation.

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

Tiscali is interfacing and collaborating with the MiTD in the construction of a possible Important Project of Common European 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., *Infrastructure and Telecommunications for Italy*) is an in-house company of the Ministry of Economic Development and part of the Invitalia Group.

Operational since 2005, it is the entity responsible for implementing the measures defined in the National Strategy for Ultra Broadband with the aim of contributing to reducing the existing infrastructure and market gap by creating favourable conditions for the integrated development of telecommunications infrastructures by the MISE and is aimed at promoting the spread of Ultra Broadband connectivity services throughout the country and supporting less affluent households in overcoming the current digital divide. The connectivity voucher was intended, in phase 1, for citizens with an ISEE of less than EUR 20,000 and, in phase 2, for citizens with an ISEE of less than EUR 50,000 and companies.

Tiscali was one of the first operators to join the "Connectivity Voucher Plan". From November 2020, the month in which the measure was introduced, Tiscali made the voucher offer available, offering a bundle of connectivity in FTTC and FTTH technology and a tablet at an extremely competitive price for both new customers and its customer base still in Broadband technology. In this context, Tiscali has constantly interfaced with Infratel to resolve all issues relating to the implementation of the subsidised measure and provide timely feedback to requests for clarification on reports and complaints forwarded by its customers directly to Infratel. Tiscali also participates in the round table between Infratel and stakeholders regarding the launch of

the second phase of the broadband internet voucher plan for micro, small and medium-sized enterprises, which will be implemented in the first part of 2022.

Relationships with Trade Associations

Tiscali manages the association relationships and coordinates the representation activities towards Confindustria and other trade associations. Initiatives at national and local level consist of carrying out actions and meetings related to business development and safeguarding company interests on economic, trade union and labour issues. These initiatives are based on exchanges of views and dialog on the respective positions in order to identify, where possible, a common position to be represented in national official bodies.

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

- CD, Confindustria Digitale, and the Association of TLC Companies
- ASSTEL, the Association of Telecommunication Operators, which represents and protects the companies operating in the Telecommunication and Security sector. Within ASSTEL, Tiscali participates in the Regulatory and Institutional Working Group, which oversees the adoption process of legislative and regulatory measures of interest to the telecommunications sector. In particular, therein, the procedure of the following and most relevant measures was monitored:
 - ✓ Legislative Decree transposing the European Electronic Communications Code;
 - ✓ Competition Bill 2021;
 - ✓ Insights on Law No. 160/2019 "State Preliminary Budget for the 2020 Financial Year and Multiannual Budget for the 2020-2022 Three-Year Period" in which an extension of the new capital fee replacing TOSAP and COSAP is provided for (Article No. 831 and Article No. 831-*bis*) to be paid by providers of electronic communication networks and services.

Relations with the European Institutions

Tiscali cooperates with the European Commission, in particular with the Departments that have competence in the field of communications, and with the 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.

II.6 – Voluntary Standards: The Certification Policy

Tiscali Italia S.p.A. has the following two active and certified management systems in place:

- **Quality Management System in compliance with ISO 9001**, which underwent renewal through the Quaser certification body. The certification was renewed on 23 February 2021;
- **Information Security System in compliance with ISO 27001**. In addition to this certification, in November 2020 Tiscali acquired the new **ISO 27017** and **ISO 27018** extensions with the certification body Bureau Veritas.

With regard to renewals, the Company has decided to assign the audit activity, previously carried out by BSI, to Bureau Veritas, which is in charge of auditing all the Group's certifications with the exception of ISO 9001, in charge of Quaser, in order to be able to activate a single annual audit.

During 2020 and the beginning of 2021, all certification renewal activities were delayed by a few months due to the difficulties of carrying out audits (internal and external) due to the problems linked to the COVID-19 emergency.

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

- **ISO 22301-compliant Business Continuity Management System**, obtained in January 2020, was re-certified in 2020. Renewal of the certification was obtained on 17 March 2021;
- **IT service management system in accordance with the ISO 20000-1 standard**, obtained in January 2020, was re-certified in 2020. Renewal of the certification was obtained on 17 March 2021.

Specifically, **ISO 22301** certification is the declaration by the chosen certifying body that the system itself complies with the reference standard ("Company safety – 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 therefore aims to safeguard the Company from potential interruptions caused for example by extreme weather conditions, fires, floods, natural disasters, IT disruptions, terrorist attacks, pandemics, etc. Moreover, it allows to identify the relevant threats to the Company and to identify the critical functions that could be involved and consequently to plan in advance

the solutions to be implemented to ensure the continuity of its business and its 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 minimize the impact on the business in case of adverse events.

In short, obtaining the certification in question guarantees the protection of information and the security of systems with regard to technological, operational, procedural and environmental aspects. Thanks to the adoption and implementation of the ISO 22301 standard, Tiscali 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 services management and control system complies with the reference standard ("Information technology – Service Management system requirements and user guide") and that the service management procedures are constantly 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 the level of quality of the same. Tiscali certifies the business sales division, the ICT and Cloud Datacentre and the IP and Telephony services.

Obtaining the ISO 20000-1 certification improves 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 minimizing risks.

In order to manage a unitary audit process Tiscali has requested Bureau Veritas to align the dates for the annual audit for the 27000, 20000-1 and 22301 certifications. The audit was planned for 24, 26 and 27 January 2022.

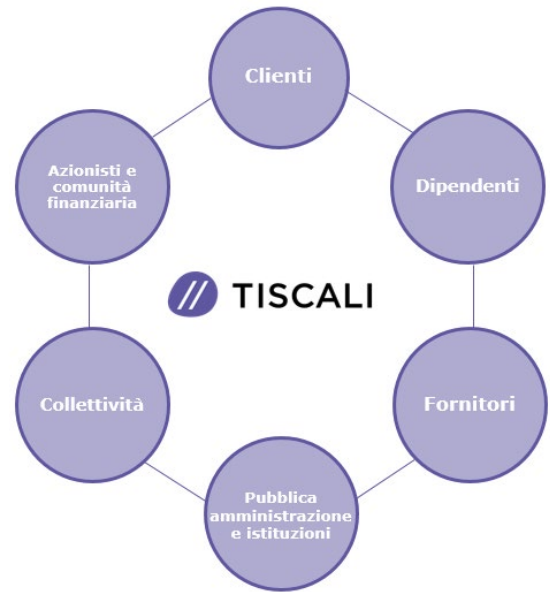
Furthermore, during 2019, Tiscali obtained the ISO 14001 certification, which certifies the adoption of an environmental management system in compliance with the standard in question. The certification, obtained on 16 December 2019, was subject to renewal in 2020. The renewal was obtained on 9 December 2021, confirming the Group's attention and sensitivity to environmental issues. For further details on this certification, please refer to paragraph "VI.1 – *ISO 14001 environmental certification*".

II.7 – Stakeholders’ Map and Materiality Analysis

Stakeholders’ Map

Tiscali is particularly careful towards its stakeholders, and in defining their involvement and the debate with them. These engagement activities are aimed at developing a relationship based on trust, transparency and sharing, allowing Tiscali to understand the needs and expectations of stakeholders.

Interacting with its stakeholders for Tiscali means strengthening the understanding of the needs and priorities with respect to the relevant issues of its strategy and collecting contributions on possible areas of development, in order to increase the ability to create shared value between the Company and stakeholders.



Methods of Engagement

Tiscali has defined methods of engagement aimed at interacting with its stakeholders, referring to different mechanisms of communication, listening and dialogue. For each stakeholder, the methods of engagement follow:

Stakeholder	Detail	Method of Engagement
Clients	<ul style="list-style-type: none"> • Clients • Consumers’ Associations 	<ul style="list-style-type: none"> • Internet channels • Social Networks • Customer satisfaction surveys
Employees	<ul style="list-style-type: none"> • Employees • Collaborators • Trade unions 	<ul style="list-style-type: none"> • Intranet • Performance Assessment • Internal Climate Survey
Suppliers	<ul style="list-style-type: none"> • Supplier of goods, products and services • Sub-suppliers • Sales network 	<ul style="list-style-type: none"> • Code of Ethics

Public Administration and Institutions	<ul style="list-style-type: none"> • Public Administrations • Regulatory Bodies (Authority, Privacy, Antitrust, etc.) • Institutions of the National and Local Government • Judiciary • Judicial Authorities 	<ul style="list-style-type: none"> • Public consultations and working Tables
Community	<ul style="list-style-type: none"> • Local Community • Universities and Research Centres • Media and opinion leaders 	<ul style="list-style-type: none"> • Initiatives in favour of the territory and the community
Shareholders and Financial Community	<ul style="list-style-type: none"> • Shareholders • Banks • Investors • Financial Analysts • Rating Agencies 	<ul style="list-style-type: none"> • Press Releases • Periodic Communications concerning the management of the Company

Materiality Analysis

In compliance with the *GRI Standards* and the provisions of the Legislative Decree No. 254/2016, Tiscali has focused the contents of the Sustainability Report on the basis of the results considered as significant after the materiality analysis. The materiality analysis makes it possible to identify the material aspects, that is, those aspects that express the organization's significant economic, social and environmental impacts, also considering the assessments of the stakeholders. The process of defining the materiality issues, which began in 2017, includes a review of the issues every two years.

The top management, in agreement with the CEO, has identified, through a scenario analysis and a recognition of the stakeholders' expectations, a series of key issues for the telecommunications sector and for the same stakeholders. During this analysis, international guidelines were also considered in the field of sustainability, the regulatory context, in addition to the reference sector and the main competitors. The validation of the material issues took place on the occasion of the approval of the Sustainability Report itself, on 5 April 2022 by the Group's Board of Directors.

Five pillars that define the Tiscali sustainability approach have been identified thanks to the materiality analysis:

- **Technologic innovation:** Coverage of the network and quality of the service; Digitalization

- **Customers:** Data privacy and security; Transparency, Reliability and Responsible Marketing
- **People:** Health and safety; Employment and valorisation of people; Diversity and equal opportunities; Relationships with the territory and the local communities
- **Environmental impact:** Power consumption and emissions
- **Economic and governance pillars:** Economic sustainability; Ethics and integrity; Fight against corruption; Responsible management of supplies.

The chapters of this Report have been defined on the basis of the pillars of sustainability and of the material issues identified, in such a way as to focus the reporting on the Tiscali approach and describe the most significant results achieved on the issues concerned.

During 2021, Tiscali continued to promote and support activities in the direction of increasing the environmental sustainability of its operations. These activities include the application of the EU Taxonomy for the identification of sustainable economic activities, the renewal of the ISO 14001 certification (December 2021), the preparation of a Phonometric Report by a competent technician (appointed in March 2021) on the noise input deriving from corporate activities, the commissioning of the photovoltaic plant at the Sa Illetta headquarters (February 2021) in exclusive self-consumption only on the Data Centre the consolidation of waste containment policies through the abolition of plastics, the use of VDI with respect to local PCs by reducing the electrical equipment to be disposed of, the improvement of the conditions of the waste storage area, raising the awareness of Business customers about the use and end-of-life of products through the preparation of the “WEEE Disposal Notice” to be included in the Welcome Pack, the adhesion to “The Greenest” project, promoted by SIDI, by purchasing a lot of 25. 000 trees planted in Madagascar, thus giving life to its own corporate forest. For more details please refer to “Chapter VI – Environmental Impact”.

II.6.1 – Main Sustainability Risks

CYBER RISK

Given the increase in the use of the network, the risks related to privacy and customer safety, and consequently the issues of protection of personal or sensitive data, are increasingly relevant.

[Risk management/mitigation methods](#)

Tiscali has implemented protection mechanisms for its customers' data, operating in strict compliance with the current legislation on data protection and privacy (see paragraph "IV.2 Customer Satisfaction").

BUSINESS AS AN ONGOING CONCERN

It includes risks related to the interruption of service and business operations caused by extreme environmental conditions (e.g. earthquakes) or extraordinary weather events due to climate change (e.g. flooding). These events, among other things, can significantly affect the integrity of the infrastructures necessary for the proper provision of communication services.

Risk management/mitigation methods

This risk, which constitutes a threat to Company operations, is carefully monitored through specific Business Continuity strategies. In particular, Tiscali implements preventive measures and controls aimed at maintaining the operation of its network and its information systems and, in particular, its continuity and security as well as its servers, hardware and software.

The Group invests adequate resources aimed at overseeing all the IT tools and processes on which the management of the business is based.

All core business systems are all highly reliable: the *datacentre*, for instance, located in the Cagliari office, is equipped with security systems such as fire prevention and anti-flooding. Furthermore, back-up copies of data, made by the operating staff, are kept in different locations from where the datacentre is located, guaranteeing a good level of reliability. Lastly, it should be noted that the Group companies have specific insurance policies in place to cover the damages that their infrastructures could suffer as a result of the aforementioned events.

The COVID-19 emergency quickly required the organisation of computer systems to allow employees to carry out their work activities from home.

This increased the area exposed to possible cyber-attacks, to prevent which the Company had to adopt specific protections and behavioural procedures.

To improve its security infrastructure, Tiscali purchased a Managed XDR service, and a VDR service. The XDR platform is a cloud-based system capable of automatically collecting and correlating data between multiple layers of security (email, endpoints, servers, cloud workloads and network), so that threats can be detected more quickly and thus improve investigation and response times. The VDR platform is 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.

Since July 2021, intrusions have been detected in the IT system, resulting in a cyber-attack on 29 July, which mainly involved the infrastructure that provides services for Tiscali employees. The prompt reaction of the cyber security team, supported by expert consultants, allowed the malicious action to be contained before it could result in access to the infrastructure that is crucial for the provision of services to customers or to administrative and financial information. Therefore, Tiscali did not experience any interruption of operations or blackmail attempts.

With the aim of improving its IT security posture, Tiscali started a consultancy with DiGi International, which, in addition to supporting Tiscali during the July 2021 cyber-attack, conducted vulnerability assessments related to the services exposed on the public network, and carried out an assessment of security management practices in IT systems and indicated some improvement actions, such as the introduction of a commercial Privileged Access Management platform and the adoption of next-generation firewalls.

As a result, Tiscali has initiated corrective actions to reduce the risks identified by the vulnerability assessment, and begun vendor assessments of the necessary platforms.

Furthermore, for further details regarding the certifications of the quality of business continuity services obtained by Tiscali, please refer to paragraph "II.5 – Voluntary standards: certification policy".

SUPPLY CHAIN

Companies that offer communication services do not present particular risks related to possible environmental damage outside of those connected to the management of the supply chain. These risks are closely related to the selection of suppliers, with particular reference to energy supplies and the purchase and disposal of technological products.

Risk management/mitigation methods

Tiscali monitors this risk by carefully selecting its suppliers on the basis of their technical skills and level of professionalism. The majority of Tiscali suppliers consists of high-standing suppliers (big players in the telecommunications sector), both from a technical-professional point of view, and from the point of view of the sustainability principles adopted. By maintaining stable and correct relations with these suppliers, the Group thus reduces the risk in question (see Paragraph "II.8 – Supply Chain").

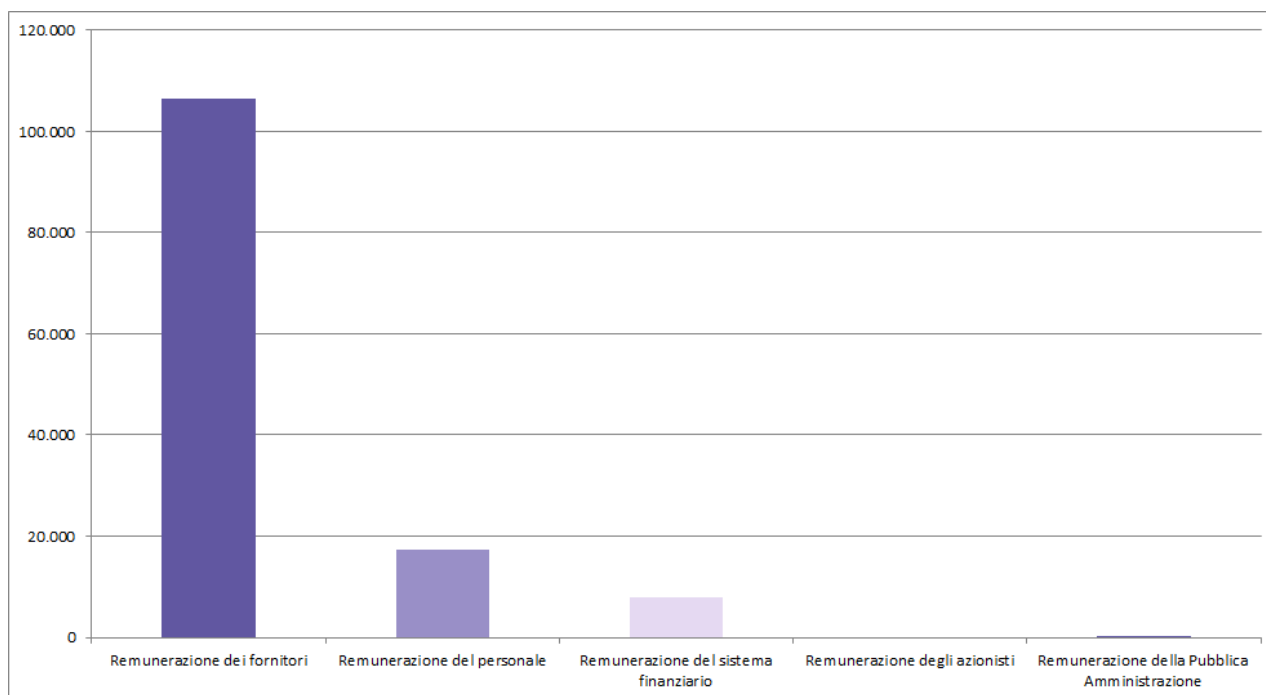
II.8 – Generated and distributed economic value

The overall net added value generated by Tiscali in 2021 (net of depreciation, amortisation and impairment) is EUR 111.4 million, an increase compared to 2020 of approximately EUR 3.6 million.

For a detailed analysis of the results, please refer to the Consolidated Financial Report as at 31 December 2021.

In 2021, the Company distributed EUR 17.4 million to personnel in the form of remuneration for activities performed during the year, while EUR 106.4 million was allocated to suppliers to cover operating costs arising from the purchase of services, raw materials, consumables, and goods. In the form of payment of financial charges, taxes and donations, sponsorships and collaborations, the Company distributed EUR 7.9 million. Finally, EUR 0.3 million was allocated to the remuneration of the public administration.

Distribution of the Added Value	2021	2020
	<i>EUR million</i>	<i>EUR million</i>
Remuneration of suppliers	106.4	102.5
Remuneration of personnel	17.4	19.2
Remuneration of the financial system	7.9	8.2
Remuneration of shareholders	0.0	0.0
Remuneration of the public administration	0.3	0.1
Remuneration of the Company	-20.6	-22.2
Net Global Added Value	111.4	107.8



Remuneration of personnel
 Remuneration of the financial system
 Remuneration of shareholders
 Remuneration of the public administration
 Remuneration of the Company

This value refers to:

- **Suppliers**, through the purchase of goods and services;
- **Employees**, 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 2021 of approximately EUR 20.6 million.

Conclusions on the business as an ongoing concern

Below are the conclusions on going concern reported at the end of *Note 6.9 "Assessment of the Business as an ongoing concern"* included in the 2021 Consolidated Financial Report, to which reference should be made for further details.

"In the circumstances outlined in the preceding paragraphs, the Directors believe, after analysing the uncertainties and results of the period, that the Group can meet its obligations

by maintaining a level of past due amounts substantially in line with the current level in both the stand-alone and combined assumptions.

It is therefore on this basis that the Directors have a reasonable expectation that the Company will continue as a going concern over the next 12 months and that the Group will be able to use the accounting principles of a going concern in the preparation of this Report.

This determination is, of course, the result of a subjective opinion, which compared the degree of probability of their occurrence with the opposite situation to the events listed above.

It should be stressed that the prognostic judgement underlying the Board of Directors' determination could be contradicted by further developments. Precisely because it is aware of the intrinsic limits of its determination, the Board of Directors will maintain constant monitoring of the evolution of the factors taken into consideration (as well as of any further circumstances that may acquire importance), so that it can promptly take the necessary measures."

II.9 – Supply Chain

The Tiscali Group had 1,461 suppliers in 2021. Mainly, these are companies governed by Italian law, mainly concentrated in the sectors of network infrastructures and professional services. To guarantee the best possible quality and the full satisfaction of client expectations, Tiscali requires its suppliers commitment, reliability and flexibility, establishing long-term relationships based on integrity, transparency and objectivity.

The selection of the supply offer is based on the concept of the best purchase at the best possible conditions, according to the mandatory principles of transparency, economic efficiency and compliance with current regulations.

As part of supplier management, the Company is implementing the process of selecting and evaluating suppliers of products and/or services that are critical to the quality of the production process, and the Company's environmental performance, by verifying their ability and reliability to provide products/services that comply with contractual requirements, and to control the environmental aspects and impacts associated with their activities

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 Company can exert influence by applying controls on the activities provided through the following actions:

- The Company has almost total power/competence on the environmental aspect, albeit mediated by the supplier (e.g., subcontractors, companies that carry out technical interventions or maintenance or that carry out works at the Company site);
- The Company has the possibility of allowing or encouraging suppliers to adopt environmentally correct choices or behaviour (e.g., through supply specifications/contracts, requesting suppliers to obtain environmental certifications, choice of eco-sustainable or low environmental impact products);
- The Company has the possibility of directing correct supplier behaviour (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 for suppliers).

Table 2 – Breakdown of the Group overall annual expenditure by product category

Product Category	As at 31 December 2020		As at 31 December 2020	
	No. Of Suppliers per Category	Value of the annual expenditure by category (EUR)	No. Of Suppliers per Category	Value of the annual expenditure by category (EUR)
Network Infrastructure	32	117,136,692	32	127,423,985.64
sale and lease of business units				
Investments	62	7,572,274	36	8,396,368
Sale Partners	961	14,395,710	840	8,671,171
Marketing, Sales, Distribution	175	16,882,061	154	8,540,429
Leases	7	12,775,047	7	7,539,929
Other Network Services	60	2,298,949	34	3,191,808
Professional Services	124	13,931,532	87	14,907,487
Rental and Utilities	102	4,953,922	48	4,199,664
Maintenance	14	7,705,871	15	8,217,927
Other	283	1,801,655	208	2,959,978
TOTAL	1,820	199,453,714	1,461	194,057,746

As indicated, a significant portion of the expenditure is incurred for the category “Network infrastructure” and, specifically, towards Telecom Italia, which is Tiscali’s main supplier, followed by Open Fiber and Fastweb.

During the financial year 2021, the Company optimised the total number of suppliers relating to investments and other network services and, at the same time, increased spending on

established suppliers, the latter also influenced by higher costs in the procurement of goods and services.

As far as the product categories Sales Partners, Marketing, Sales and Distribution are concerned, there was a decrease in expenditure and in the number of suppliers, as a result of the economic contractions due to the COVID-19 pandemic.

Table 3 – Composition of total expenditure per geographical area

Suppliers				
Country/area of provenience	2020		2021	
	No. Of suppliers per country	Value of the annual expenditure by country (EUR)	No. Of suppliers per country	Value of the annual expenditure by country (EUR)
Abroad	48	4,354,629	50	4,170,722
Italy	1,535	176,712,883	1,219	170,980,386
Of which Sardinia	237	18,386,202	192	18,906,638
Total	1,820	199,453,714	1,461	194,057,746

With regard to the geographical distribution of suppliers, it can be said that Tiscali operates substantially with national suppliers (84%), and with a portion of local suppliers⁴ (13%) mostly used for the needs of the Cagliari offices.

⁴ The term local refers to suppliers from Sardinia.

III – Technological Innovation

III.1 – Development of the fixed-mobile network – coverage and accessibility to the Ultra Broadband network

Digital agenda and Digitalization of the Country

Telecommunications are a driving force for economic growth and social development. Digital represents the new factor in collective progress. Digital and mobile technologies are changing the way we work and live, a change that affects the entire economic and production, as well as social, system.

Access to new technologies depends largely on the development of the Country system, and access means not only infrastructure but also digital skills for their effective use. Developing a telecommunications infrastructure means creating positive impacts on Households, Businesses and Entities belonging to its own production chain (direct contributions) and to the supply chains of its sector (indirect contributions), as well as with impacts on the entire economic system (induced contributions). For all these reasons, European and national policy-makers have identified strategies aimed at digitization for several years.

As the COVID-19 emergency has continued, the telecommunications sector has increasingly become one of the most important among the country's productive activities, due to the increased demand for connectivity linked to the remotisation of work (the so-called “smart working”) and in general to the lockdown that has led to a greater use of service than in previous periods. This has necessitated the need for increasingly modern and efficient data transmission networks and digital services and interconnection on a global scale.

Therefore, the issue of digitisation has become of strategic importance for our country, playing a vital role in the normal daily activities of millions of families and thousands of businesses. Moreover, the European Commission has amply demonstrated its attention by allocating an important part of the Recovery Fund to the promotion of digital administration in each state.

In particular, the Digital Europe programme (2021-2027), is a multi-year EU funding programme aimed at supporting the new priorities: making Europe greener and more digital, bringing digital services to all citizens, public administrations and businesses in the European Union.

Digital Europe, with a budget of EUR 7.5 billion, will support investments in projects related to five strategic areas of intervention:

- *High performance computing, i.e. strengthening supercomputing and data processing capabilities by developing a global supercomputer and data infrastructure;*

- *Artificial intelligence, extending the use of AI in different domains, strengthening and integrating existing networks and developing new systems of publicly accessible data structures and algorithms;*
- *Cyber security, support Member States in the procurement of cybersecurity tools and systems to protect the digital economy;*
- *Digital skills, strengthen the digital skills of students, workers and entrepreneurs through on-the-job training systems;*
- *Digital capability development and interoperability, expand the use of digital technologies throughout the economy and society, especially in those areas considered particularly important for the public sector such as justice, health and education.*

The Digital Europe programme is part of a much broader European strategy characterised by a strong synergy between different funds and instruments made available by the Commission (at European, regional and national level) such as Horizon Europe, InvestEU, Connecting Europe Facility, Cohesion Policy Structural Funds, Creative Europe, EU4Health and the Recovery and Resilient Facility (RRF) instruments.

Tiscali's contribution to the digitisation of the country

Consistently with national and European policy, Tiscali intends to continue working to play a role of facilitator in digital development processes at the national level.

In line with this objective, in 2020 Tiscali continued to focus on the dissemination of Broadband and Ultra Broadband solutions, as follows:

- Tiscali continued to provide **quality Ultra Broadband services** (up to 100 Mbps) in the "Digital Divide" areas, e.g. not reached by the ADSL service or where only poor quality services are available. These are large areas of the Italian territory where currently it is technically impossible (and/or economically non-convenient) to provide a cable service. In these areas, the use of Tiscali's LTE Fixed Wireless technology becomes an essential tool for their progressive digitization. Tiscali, thanks to the implementation of the LTE fixed wireless technology in these areas, can therefore offer families and businesses residing there the opportunity to access the internet;
- Tiscali has continued to disseminate very high capacity Fiber offers (up to 1Gbps) to an ever-increasing share of the population: this allowed to offer a higher quality of service (higher speed), full access to all present and future applications based on high

bandwidth consumption (i.e. HD video-streaming, high-speed secure data exchange) and an overall improved browsing experience.

- Tiscali has adhered to the Voucher Plan promoted by the Ministry for Economic Development in favour of less affluent families (ISEE less than EUR 20,000) to support demand for Ultra Broadband connectivity services, which consists of a financial contribution of EUR 500 to be paid as a discount on connectivity services with speeds above 30 Mbit/s and personal computers or tablets. Tiscali was one of the first operators to make the voucher offer available on the launch date of the measure, i.e. 9 November, offering a bundle of connectivity in FTTC and FTTH technology and a tablet at an extremely competitive price both for new customers and for its customer base still using Broadband technology. This phase ended in November 2021.
- In addition, Tiscali is preparing for phase 2 of the voucher intended exclusively for businesses, confirmed by the MISE at the end of 2021 and scheduled to start on 1 March 2022. This measure envisages an economic contribution ranging from EUR 300 to EUR 2,500 for the activation of a connectivity service higher than 30Mbit/s and better than the one owned and dedicated to VAT numbers and Public Medium Enterprises registered with the REA and with less than 250 employees.

In order to achieve these objectives, during the two-year 2018-2020 period, Tiscali entered into major agreements with the main network operators enabling this strategy, such as Fastweb, Open Fiber and Linkem and TIM, as described below:

- The partnership agreement signed with Fastweb at the end of 2018 has brought significant benefits, such as:
 - The expansion of LTE coverage areas, including also areas that until the end of 2018 could only benefit from Fixed Wireless services on obsolete and lower quality WiMax technology;
 - The significant expansion of the areas in which Tiscali can distribute very high-capacity fibre offers up to 1Gbps;
- The extension of the agreement entered into with Open Fiber in July 2019 has allowed Tiscali to have access to Open Fiber's FTTH network and to have the possibility to launch services to end customers with capacity of up to 1Gbps. By the end of 2020, Open Fiber's coverage had reached more than 1,000 Municipalities with around 7 million households covered;
- The agreement signed with Linkem in July 2019 for the resale of the FWA service, which will become operational in 2021;

- The commercial agreement with TIM, finalised in November 2020, which, in addition to allowing a rationalisation of the network, brings an increase in Ultra Broadband coverage through access to the NGA Bitstream network.

These agreements currently allow Tiscali to be the Italian telecommunications operator with the widest Ultra Broadband coverage available.

Furthermore, in July 2021, Tiscali received from Ookla, a world leader in mobile and broadband network intelligence and in the testing of applications and related technologies, the award as the fastest fixed network operator in Italy in 2021 (based on Speedtest Intelligence Ookla in the first half of 2021). This is an important acknowledgement of the performance of Tiscali's services, obtained precisely at a time when the market is most demanding in terms of quality and reliability, partly as a result of the new way of enjoying football content via streaming.

This award was also conferred for the second half of 2021, confirming the Company's constant commitment to the quality of its services.

Current coverage

Fixed Wireless Network:

Fixed wireless network coverage focuses in particular on the Digital Divide areas where the availability of alternative infrastructures suitable for the provision of Broadband and UltraBroadband services is most lacking. Currently, the Fixed Wireless Network supports the **LTE technology** which, as already described above, enables Ultra BroadBand ultra-high-capacity services up to 100Mbps, bringing services that are similar to Fiber in areas where it is technically not possible and/or economically not advantageous to bring Broadband cable services. During 2020, the migration from the **WiMax technology** (which represented the previous wireless access technology that enables the provision of services up to 7/10Mbps, similar to ADSL) to the LTE technology has been fully implemented.

In addition, during the two-year period 2019-2020, Tiscali significantly increased the pool of potential customers reachable with the Fixed Wireless Network, thanks to the implementation of the following strategies.

Firstly, the Group followed up the agreement signed with Fastweb at the end of 2018, which also provided for the development of the new LTE technology up to 100Mb, replacing the now obsolete WiMAX technology on almost the entire remaining network. In the course of 2020,

Tiscali continued to benefit from Fastweb's commitment in the Agreement signed to migrate the remaining antennas from WiMax to LTE at its own expense. In July 2020, the technological upgrade of antennas was completed, with the swap of the last tranche of 21 antennas migrated to LTE during the year.

Secondly, the partnership agreement with Linkem (signed in July 2019) for the resale of the FWA service became fully operational in June 2021, with the launch of the commercial offer up to 100 Mbps and thus with speeds in line with the offer proposed by Tiscali on the Fastweb network.

Thanks to the strategies described above implemented in previous years, Tiscali has been able to reach 5.2 million households and businesses with FWA technology up to 100Mb on Fastweb network. Moreover, as of June 2021, thanks to the launch of FWA service up to 100Mb on Linkem network, Tiscali is able to offer Ultra Broadband connectivity to approximately 17 million households and businesses.

Fixed Ultra Broadband network and Fiber service coverage

During 2021, Tiscali continued the consolidation of its Fiber offering portfolio, now available with FTTC solutions up to 200Mbps on Tim and Fastweb networks, as well as FTTH solutions with capacity up to 1Gbps on TIM, Open Fiber and Fastweb networks. These services allow a significant increase in the quality of service and capacity available to the user compared to traditional xDSL solutions and guarantee full accessibility to all innovative applications that require high bandwidth availability for their full use.

Through Open Fibre, during 2021, FTTH coverage in zones C and D (extended digital divide) reached approximately 1,600 municipalities, compared to the 866 municipalities reached by 31 December 2020.

With reference to FTTH technology throughout the country, thanks to the increase in coverage, Tiscali's market share in this technology segment as at 30 September 2021 is 5%.

By the end of 2021, thanks to the completion of access to TIM's Bitstream NGA network, Tiscali will be able to provide Fibre services to approximately 28 million households and businesses: in mixed copper Fibre technology to approximately 19 million households and businesses and in FTTH technology to approximately 9 million households and businesses.

Thanks to the actions described above and the marketing actions focused on Fibre offers, Fibre customers grew by 26.1% in 2021, from 223,000 at 31 December 2020 to 281,000 at 31 December 2021.

Mobile Network and services

With regard to Mobile, thanks to the agreement with TIM, signed at the end of 2019, Tiscali can propose 4G mobile offers with speeds of up to 150 Mbps, differentiating itself from low-cost mobile operators that offer “Basic” 4G technology with speeds of up to 30 Mbps. Mobile customers increased from 256 thousand units as at 31 December 2020 to 259 thousand units as at 31 December 2021, i.e. a 1% increase.

IV – Customers

IV.1 – Commercial Offer and Responsible Marketing

The satisfaction of customers' needs is a key element of Tiscali's strategy and a founding value of its entire work. This aspect is even more important in a phase characterized by strong competitive pressures, where understanding, anticipating, and meeting the needs of citizens, households and businesses is the fundamental lever on which the long-term competitiveness of the Company is strengthened.

For Tiscali, "Customer centricity" means placing customers at the core of its value chain, addressing them every action and decision, responding quickly to their service requests and anticipating their needs and desires in an innovative and proactive way.

Providing citizens with connectivity services, allowing them to watch high-quality videos, quickly browse and download data, are a priority in the Group's strategy, as well as developing innovative and secure solutions that meet the specific needs of each client.

Even in 2021, Tiscali confirmed its strategy of expanding its traditional internet and voice offering, in favour of an increasingly customer-oriented range of Ultra Broadband services, also thanks to the decisive growth in the coverage of Fiber, FTTC and FWA services.

A transparent Commercial Offer, compliant to the provisions of the law

Tiscali's commercial offers reflect the historical Company values: clarity, transparency, simplicity. All landline, wireless and mobile offers are simple, clear, transparent and intuitive.

Deactivation costs for termination or migration have been significantly reduced, complying, among the first, with regulatory directives that provide for a maximum cost of 1 month's fee. The customer is always informed in a correct, complete and exhaustive manner: all advertising materials and the sales site, the Assistance site, the MyTiscali personal Customer Area and post-sales materials contain informative and in-depth sections.

The Charter of Services

The Charter of Services⁵, which aims to simplify and make the relationship with customers more direct, shows the principles of behaviour and the commitments made by Tiscali on the

⁵ Drafted according to the outline of the President of the Council of Ministers' Directive dated January 27, 1994, and according to the Directives referred to as in the Resolution of the Authority for Communications No. 179/03/CSP, No. 254/04/CSP and No. 131/06/CSP and No. 244/08/CSP. Latest updated of The Charter of Services: 10 June 2019.

quality of services offered, and also provides indications regarding the improvement of quality standards and contact channels available to customers.

Tiscali, in the framework of a program based on transparency in the relationships with its customers, and the quality of services offered, with the Charter of Services, provides its customers with useful information to forward reports, proposals, requests for clarification and complaints. Likewise, the Group guarantees its Customers the standards of the Services – as required by the current legislation on telecommunications – such as the continuity, the regularity of supply and the timeliness of its restoration in case of disruption (to be considered valid under normal operating conditions).

The Charter of Services must be read in conjunction with the Contractual Conditions of each individual Service and is available at the following website: <http://info.tiscali.it/cartaservizi/>. The Charter of Services is periodically updated if the legislation on the matter is subject to regulatory changes, as well as in cases of changes in technological, organizational and procedural solutions.

The document aims at transparently inform Customers about their rights and the quality commitments undertaken by the Company in relation to the supply. For example, the activation time of the service and the time for repairing any faults are included in the main objectives of the Charter of Services.

Transparency concerning Contractual Conditions

On the Tiscali website, in the “Help” section, one can read and download the general conditions of all Tiscali contracts, internet and voice, both for households and businesses.

Tariff Transparency

In compliance with the provisions of Annex 1 of the AGCOM Resolution No. 252/16/CONS on “Measures to protect users, aimed to promote transparency and comparison of the economic conditions of the offer for electronic communications services” all the characteristics of all Tiscali offers are reported on Tiscali’s website, in the “Tariff Transparency” section.

Transparency – Other Contractual Elements

In the “Help” section of Tiscali’s website, customers can also consult and download a lot of information regarding Tiscali offers, such as:

- Cost of deactivation of services;

- Code of conduct for the supply of business messaging services containing alphanumeric codes (Alias) as senders and for the protection of users;
- Right of Withdrawal pursuant to Article No. 52 of the Consumer Code;
- Penalties for failure to return the Modem.

Innovative, competitive commercial offer aimed at reducing the digital gap in Italy, in a year characterised by the continuation of the COVID-19 emergency

Tiscali has chosen the “value for money” positioning: at the same price, it offers more than the competing operators, or it offers the same service at a lower price than its competitors.

This strategic orientation characterises the Ultra Broadband services at the core of the fixed network product portfolio.

This position has been all the more confirmed in 2021, which, with the continuation of the COVID-19 emergency, has made telecommunications services even more essential in facing and coping with the pandemic.

Tiscali promptly joined the Voucher Plan promoted by the Ministry for Economic Development in favour of less affluent families (ISEE less than EUR 20,000) to support demand for ultra-wideband connectivity services, which consists of an economic contribution of EUR 500 to be paid as a discount on connectivity services with speeds above 30 Mbit/s and personal computers or tablets.

Tiscali was one of the first operators to have made the voucher offer available, as early as the launch date of the measure on 9 November 2020, offering the bundle of connectivity in FTTC and FTTH technology and a tablet at an extremely competitive price for both new customers and its customer base still in broadband technology.

This made it possible to meet the needs of the market in a highly critical period and to benefit from the boost in demand that this measure generated. All in perfect coherence with the Company's values and above all with its mission to offer everyone equal and free access to digital life. This measure ended in November 2021.

In the last months of 2021, the MiSE announced that phase 2 of the voucher was confirmed, reserving it for businesses. This initiative was designed for VAT numbers and Public Medium Enterprises (SMEs) registered with the REA, which do not exceed 250 employees and which want to activate an Ultra Broadband connectivity service >30Mbit/s that is better than any service already active on its premises. The financial contribution under this measure ranges from EUR 300 to EUR 2,500, depending on the type of connectivity chosen. This measure became operational as of 1 March 2022 and Tiscali is already preparing to make available a set of voucher offers for new customers and the Customer Base.

With regard to the mobile offering, mobile offers with performance up to 150 Mbps (4G) were launched at the end of 2019. The launch of this technology allowed Tiscali to close the performance gap, effectively making its offers even more competitive. 4G technology has been made available completely free of charge to the entire customer base in line with the increased performance requirements that this period in particular has demanded and as the growth in data consumption on this network has shown.

In the course of 2021, the mobile services portfolio was enriched with offer packages with content more in line with the growing consumption needs: up to 100 GB of data traffic and unlimited voice minutes.

With the aim of enriching its offer, also with a view to reducing the churn rate, in July 2021 Tiscali launched the fixed-mobile convergent service and the Fibra+Smart Home bundle in partnership with Enel X. This strategic collaboration aims to make the Smart Home increasingly accessible, allowing families to manage their homes remotely through a single device: the modem. Home automation also represents a market with a high growth rate and therefore an extremely interesting area of differentiation.

Fair and transparent advertising information

All communication campaigns of the Company are previously assessed by the Legal Affairs Department, which verifies their compliance with the relevant regulations and with internal self-regulation codes.

The assessment takes place on a continuous basis, and the effectiveness of the process is shown by the positive results obtained. Each advertising message is subject to a preliminary assessment that includes, among other things, the verification of the absence of deceptive or misleading terms.

Co-Marketing Initiatives

During 2020, Tiscali continued its partnership with Infinity. As a follow-up to the partnership started in 2017, Tiscali has delivered exclusive offers that include promotional periods of free viewing of films, TV series and documentaries, enriching the connectivity offer with Streaming Video On Demand services.

With the aim of increasing the offer of Cloud and Cyber Security services for its customers, in April 2021, Tiscali signed a multi-year agreement with ReeVo S.p.A. PMI Innovativa (AIM:Reevo) - Full Stack Cloud & Cyber Security Italian provider specialising in Cloud solutions and services that for over 15 years has been offering a complete range of Cloud services (Cyber Security, Cloud, Multi Cloud & Hybrid Cloud) and listed on the AIM Italia market - for the

provision of Cloud, Hybrid Cloud and Cybersecurity services to business customers and Local Public Administrations, as well as the inclusion of the Cagliari Data Centre in the network of data centres used by ReeVo for the provision of its services. The agreement signed provides on the one hand the partnership between Reevo and Tiscali for the provision of Cloud, Hybrid Cloud and Cyber Security solutions, and on the other hand the use of the Cagliari Data Center, owned by Tiscali, by Reevo for the provision of services.

In the area of services for Public Administration, in November 2021, Tiscali signed a memorandum of understanding with ALI - Autonomie Locali, Association of Local Authorities, and Leganet, ALI's service company, aimed at promoting specialist consulting activities and support services for digital development among local public entities (municipalities and aggregations of municipalities). The aim of the partnership is to accompany the digital transition of local Public Administrations that do not benefit from significant market investments, favouring the digital infrastructure process, especially in peripheral centres and small municipalities with a wide and innovative range of services specifically designed for Public Administration and that will take advantage of the experience of ALI and Leganet in the field of public bodies.

In December 2021, Tiscali and SIDI (Swiss Institute for Disruptive Innovation), a Swiss organisation that identifies, studies and explores opportunities and risks associated with innovations for businesses, institutions and public administrations, renewed and expanded their publishing partnership. As part of the collaboration, which focuses on content related to innovation issues in the round, Tiscali has joined "**The Greenest**" project, promoted by SIDI, by purchasing a batch of 25,000 trees planted in Madagascar, thus creating its own corporate forest: one of the largest corporate forests so far created by companies around the world, which will enable Tiscali to make its ecological footprint even more sustainable, with a reduction in CO2 of 750 tonnes per year and the involvement of 875 local workers. The project fits perfectly with the values of the Company, which has decided to act in the front line for the respect and safeguard of the planet's well-being, certain of being able to contribute in a positive, real and long-term way to the construction of an eco-sustainable economy.

IV.2 – Customer satisfaction

In 2021, customer satisfaction improvement objectives have been confirmed as the focus of Tiscali's service quality planning and control activities. The process is now fully implemented.

The monitoring system provides for weekly sharing of results, with reports also being sent to the top management of the organisation. The results of this activity have become part of the objectives of the staff assessment system for entire operating groups, particularly within the area that directly operates customer service, in order to increase awareness of the importance and incisiveness of their work aimed at customer satisfaction. Parameters were introduced into the measurement system to measure the different perception according to the contact channel used by the customer and the percentage of quality surveys collected compared to the total number of interactions managed by customer service. The monitoring of a number of parameters revealed an improvement in defining a better customer-friendly service strategy. In fact, it was found that customers who contact support via a digital channel are more satisfied when served in a chat session managed by an operator in real time, compared to customers who get a response after contact, whose dialogue is protracted due to the response time of both the operator and the customer.

After the experience started in 2020, the ability of operators to handle this type of channel has improved over the past year. Most of the operators are able to handle more than one chat at the same time, contributing to an increase in overall productivity for the same number of FTEs available for service activity. Also due to this popularity, assistance via digital channel is an important percentage of all activities (32%) despite the fact that telephone assistance has been continuously available during the last year. This activity is a natural fit with the smart working approach adopted for operators.

As in 2020, differences remained between the technical and commercial sectors in the contact channel used, but the latter part of the year saw an organisational effort to equalise the customer experience across the board, with the aim of bringing the level of adoption of chat by the technical sector to that of the commercial sector.

The punctual negative results of the Customer Satisfaction survey are always subject to verification in order to intervene in a targeted manner on procedures or processes, on the training of operators and on the behaviour of supplier operators in the field of technical and commercial assistance.

The annual trend showed substantial maintenance of the main customer satisfaction KPIs, regardless of events related to customer management operations (technological changes) and despite the demand for assistance from customers that continues to derive from the increased needs induced by smart working and/or distance learning activities.

In particular, during 2021, there was a significant increase in customer surveys and positive ratings:

- +15% in the number of ratings compared to the total number of contacts handled;
- +20% in the rating of courtesy;
- +10% in the satisfaction of timely requests;
- +20% in the overall perception of the Tiscali product.

In the coming year, one of the objectives on which the company intends to focus its attention is to build an even stronger relationship with its customers, to better understand their needs and meet their expectations in an effective and immediate manner. In particular, it intends to increase the number of surveys acquired, by re-contacting, through an automatic system, precisely those customers who have interacted with the telephone helpline but who have not completed the survey, with the explicit consent of those concerned.

Customers' Data Protection

The increase in Internet usage and the digital transition are leading to the proliferation of potentially relevant data and information released by users as they are associated with them, especially through the use of smartphones and mobile devices.

The new European General Data Protection Regulation (GDPR) has become definitively applicable directly in all European Union Member States as of May 2018. The Regulation is part of the so-called Data Protection Package, the set of regulations defining a new common framework for the protection of personal data for all EU Member States.

The New European Regulation on Privacy

20 years from the entry into force of the first Italian Law on Privacy, on 4 May 2016, the EU regulation No. 2016/679, i.e., the "European Data Protection Package", was published into the EU Official Journal.

The changes introduced with the Regulation concern both companies that "own" the processing of personal data – that is to say, all those which process personal data in the EU – and the individuals (the so-called "interested parties"). Among the main points of innovation, it is possible to mention, for owners, the establishment of a new official, the independent Data Protection Officer ("DPO") responsible for data protection in all public companies and in all those companies where the processing present specific risks, including the Telco sector. The DPO will have to inform, verify and also coordinate with the National Guarantor with the aim to apply the Regulation.

An additional requirement for companies is the introduction of the obligation for each data controller company to keep a record of the processing activity carried out under their own responsibility, as well as to carry out a data protection impact assessment, in relation to automated treatments such as profiling, to large-scale processing of particular categories of sensitive data, as well as data obtained from systematic surveillance, always on large scale, of areas accessible to the public.

With regard to natural persons, moreover, the Regulation expressly recognizes the “Right to be Forgotten”, i.e. the possibility for the data subject to have their personal data, no longer necessary for the purposes for which have been collected, cancelled and no longer subjected to processing, and establishes the right to the portability of data, by virtue of which the interested party has the right to receive, in a structured format, commonly used and readable by an automatic device, the data concerning him/her, provided to an owner of the processing, and has the right to transmit such data to another data controller without impediments.

Finally, the new text establishes two further principles: the principle of accountability for which the holder must demonstrate the adoption of privacy policies and appropriate measures in accordance with the Regulation, and the principle of “Privacy by Default”, which incorporates the principle of necessity, establishing that the data are treated solely for the intended purposes and for the period strictly necessary for these purposes.

Tiscali has maintained an internal project, also with the support of third-party consultants and its own DPO, to integrate the changes made necessary by the changes introduced by the European regulation into its privacy management model. This project is part of a process of complete redefinition of the process of managing compliance with privacy legislation, which involves numerous business processes.

During the previous year, the following procedures were updated:

- “Procedure for the exercise of the rights of the interested party”, which defines the procedures and measures for the management of the requests for the exercise of the rights of the interested parties, and specifically: Right of Access to Data, Right of Correction, Right of Deletion (Right to Be Forgotten), Right of Limitation of Processing, Right to Data Portability, Right of Opposition pursuant to Articles No. 15, 16, 17, 18, 20, 21 of Regulation (EU) 2016/679;
- “Procedure for the management of personal data breaches”, which defines the methods of conduct, responsibilities and actions to be taken in the event of breaches of confidentiality, integrity and availability of personal data, in compliance with the

obligations relating to notification to the Privacy Guarantor and communication to the data subject, in compliance with the provisions of Articles No. 33 and 34 of Regulation (EU) 2016/679.

- “Privacy by design and by default” in compliance with the obligations of Article No. 25 of Regulation (EU) 2016/679, which imposes the need to configure the processing by providing, from its very design, the implementation of guarantees to meet the requirements of the GDPR to protect the rights of data subjects, in view of the overall context of the processing and the risks to the rights and freedoms of data subjects.

In 2021, the Data Processing Register of the Controller pursuant to Article No. 30, paragraph 2 of the GDPR was prepared and privacy notices and consent collection procedures were reviewed and updated.

Tiscali in fact carries out a continuous action on its own processes, to ensure the protection of customers’ personal data. Attentive to the processing of customers, employees and all interested parties’ data and information, the Group has deployed all the protection mechanisms and activities to respond to mandatory requirements and voluntary standards. Furthermore, Tiscali – in order to guarantee its customers the highest reliability of the security and data retention system – has voluntarily submitted to ISO 9001, ISO 27001, ISO 9001, ISO 27001 and extensions ISO 27017 ISO 27018, ISO 22301 and ISO 20000-1 certifications. For further details on these certification, please refer to paragraph: “II.5 – *Voluntary Standards: The Certification policy*”)

Relationships with the Italian Personal Data Protection Authority

At national level, Tiscali is subject to the regulation and supervision of the Italian Personal Data Protection Authority, which intervenes in all sectors, being they public or private, in which it is necessary to ensure the correct processing of data and the respect for the fundamental rights of persons in relation to the use of personal information. The company undertakes to respond to reports made by interested parties. The reports or requests for deletion of data must be sent to Tiscali Italia S.p.A, Loc. Sa Illetta, 2.300 km Cagliari 09123 – Ufficio gestione reclami.

In 2021, t the Data Protection Supervisor sent the following notices:

1. Fine order No. 79 dated 25 February 2021 closing proceedings No. 7840/2020;
2. Requests for acknowledgement of complaint submitted pursuant to Article No. 77 of Regulation (EU) 2016/679:
 - Ref. DLMPC/VG/152997;

- Ref. DRTM/AB/157689;
- Ref. DRTM/SP/157355;
- Ref. DRTM/LCN/173167.

The requests under item 2 were met within the prescribed time limits.

Assistance Channels and Litigations with Customers

T Tiscali continued to develop Mytiscali as a proprietary tool that facilitates customers' access to assistance, alongside WhatsApp.

In particular, the instructions of the chatbot – the proprietary automaton of Istella, a subsidiary company, which manages dialogues through artificial intelligence algorithms by interpreting the natural language of customers in order to better understand the context of requests, identifying the most appropriate self-care responses within the knowledge base and, when necessary, routing the conversation to an agent in the sector in charge of the type of request received – have been improved.

Thanks to these changes, which will also be the subject of development activities on the digital channel in 2022, it has been possible to reduce the number of contacts with the wrong service sector, resulting in savings in terms of response and resolution time.

The call centre structure is outsourced to a minimum and remains divided into mobile and fixed network assistance. Fixed-network assistance remains organised into technical and commercial assistance sectors, operating 7 days a week to support residential (consumer) and corporate (business) customers, both low-end and not. In the latter part of the year, a dedicated business support group was set up, both for delivery and assurance, of medium-high level services, with the aim of reinforcing priority in the management of even more stringent service levels. The management of telephone traffic, digital traffic automation and back office activities is monitored by Operations and Processes Management, to ensure neutrality and balance, and to maximise the efficiency and timeliness of interventions required by the operational structures.



Over the past year, the Helpdesk Facebook page has been closed as it was a minority channel and a source of reports often linked to spam and trolls, and therefore of little use to customers themselves. The Tiscali Helpdesk portal continues to provide a valuable contribution to support, containing the most relevant information in the foreground and the most frequently asked

questions (FAQ) by customers. The notice board provides all the information and procedures necessary for customers to manage their services independently, such as router management, including via the new Internet connection configuration videos, e-mail, and the configuration of further parameters. The portal is often linked to knowledge base answers provided by the chatbot.

MyTiscali, in both app and web format, remains the main tool with which customers can manage their subscriptions: (i) subscribe to additional services; (ii) request changes to their data and services, such as password changes and relocation as a non-limiting example; (iii) view and pay their bills online. This year, the application saw the introduction of a new feature that allows users to monitor the status of a fixed network fault, without having to contact support.

The quality of support services, in addition to customer satisfaction surveys, is monitored through automatic reports in real time and not a large number of operational KPIs. Quality indicators are measured hourly, daily, weekly and monthly in order to verify resource planning and to intervene on the organisation of future planning for a harmonious service management within the budget allocated by Management Control.

Relationships with Customers' Associations

Tiscali is aware that, in designing its offers, it is increasingly crucial to listen to the world of associations, which interprets and represents the needs of customers.

Consequently, Tiscali maintains excellent relations with Consumers' Associations and has always responded promptly, clearly and transparently to the very rare reports or requests made by the Associations.

As already described above, Tiscali is often quoted by Associations and by the sector Authorities as the reference operator, for its virtuous behaviour and best practices in terms of fairness and transparency.

V – The People

Tiscali considers its employees to be a fundamental element of its identity: people play a central role in the development of the Group and in carrying out its business activities.



Tiscali is constantly committed to guaranteeing respect for workers' rights, through their full valorisation, development and professional growth, in such a difficult time from an employment point of view. Likewise, Tiscali is always attentive to issues related to the health and safety of its employees through training initiatives on safety and the development of risk awareness.

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

COVID-19 emergency – Strategies to contain and limit the spread of the Coronavirus pandemic – Economic policies to protect and support workers

With regard to the Coronavirus outbreak (COVID-19), which has been developing since the end of February 2020 and is currently ongoing, Tiscali has maintained a constant focus on 2021 as well.

In this regard, the hybrid organisational model was consolidated, which, through the adoption of smart working, envisages alternating on-site and remote work in the performance of duties for all employees. This has meant that, through defined rotations, the presence on company premises has never exceeded 50% of the total workforce of employees, with deviations in the percentage varying geometrically according to the certified risk of the external context due to the alternation of more or less aggressive phases of the pandemic. As of 15 October 2021, the existing health safety protocol was supplemented by the green pass entry control procedure with daily and systematic verification at entry to all employees and suppliers.

In 2021, further recourse was made to the COVID-19 redundancy fund, in line with the facilities granted by the succession of different government Decrees to combat the health emergency. In particular, by continuing to use it in an inertial manner with respect to 2020, the measure was applied from 1 January until 23 July 2021, both for employees covered by the Telecommunications Contract, and for the journalists of the Tiscali Notizie editorial staff who benefited from the Cassa Integrazione in Deroga (CIGD, redundancy fund on an exceptional basis).

The Company continues to follow the evolution of the epidemiological situation in Sardinia and throughout the country with great attention, and to promptly update the protocols and measures for the containment and spread of COVID-19, in line with the provisions of the decrees-laws issued by the national government and the regional ordinances, while also continuing to guarantee workers, in addition to health protection, the protections and measures granted at an economic level in this emergency phase.

V.1 – Corporate Restructuring and Employment Protection

In recent years, Tiscali has gone through a profound phase of corporate restructuring and rationalisation of the portfolio of activities managed, which has resulted in a focus on the core business combined with the need to drastically reduce all operating costs, a necessary condition for remaining competitive within the reference industrial sector. Tiscali has therefore carried out a number of extraordinary operations, which have led to significant staff reductions. Trying to reduce the impact of these operations, Tiscali has privileged the reallocation of resources to other employers rather than the systematic and shared use of social cushioning tools.

The rationalisation of the workforce has always been pursued through the adoption of regulatory instruments agreed with the social partners.

In December 2020, in line with the path started in 2018 and continued in 2019, the Company launched, in agreement with the Trade Unions, a Redundancy Incentive Plan (mobility with non-opposition ex Law No. 223/91), also providing for access to the institution of the Monthly Unemployment Indemnity (NASPI). From January 2021 to June 2021, the Plan led to the exit of 5 employees through the instrument of consensual termination of employment. In this regard, the agreement was reiterated on 23 July 2021 for the second half of 2021, therefore expiring on 31 December 2021. The effect in the September-December period was the acquisition of a further 7 leavers, always with the formula of consensual termination of employment against a redundancy incentive.

This was in line with the industrial relations model based on sharing in the search for solutions to contain labour costs that did not call into question the value of safeguarding employment models. The solutions adopted were therefore consequent. As a complement to the agreement on redundancy incentives, in fact, as a tool for the bloodless management of corporate restructuring processes, a defensive solidarity contract was stipulated on 22 July 2021, which provided for an average reduction in working hours of 20% on a weekly basis, effective from 1 September 2021 until 31 December 2022.

V.2 – Diversity and Inclusion

Tiscali believes that diversity and plurality are values that contribute to create an open and stimulating working environment and to ensure perspectives and points of view that favour innovative ideas and effective and correct behaviour. Therefore, it has developed an organisational framework that supports the inclusion and enhancement of diversity.

Tiscali guarantees equal dignity and opportunities to all people regardless of their country of origin, culture and religion, gender, sexual orientation, political opinions and any other personal characteristic and style.

Tiscali is therefore committed daily to:

- Disseminate 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
- Create 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
- Apply 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;

- Support the development and professional growth of its human resources, inspiring employees to reach their full potential and ensuring that best practices are shared throughout the organisation.

V.3 – Personnel Composition

As at 31 December 2021, Tiscali has a total of 502 employees, a decrease by 19 units as compared to 2020. The majority of employees are resident in Sardinia, confirming the strong territorial rooting that has always characterized Tiscali.

Table 4 – Tiscali Group’s Total Workforce

No. of Persons	As at 31 December 2020	As at 31 December 2021
	Total	Total
Employees	521	502
Other Collaborators	0	0
Total	521	502

Table 5 – Tiscali Groups’ Workforce broken down by Gender

No. of Persons	As at 31 December 2020			As at 31 December 2021		
	Men	Women	Total	Men	Women	Total
Employees	237	284	521	229	273	502
Other Collaborators	0	0	0	0	0	0
Total	237	284	521	229	273	502

At Tiscali, 54.4 per cent of employees are women (i.e. 273), despite the general decrease in the Group’s headcount.

Table 6 – Tiscali Group’s Workforce broken down by Geographical Area and Gender

No. of Persons	As at 31 December 2020			As at 31 December 2021		
	Men	Women	Total	Men	Women	Total
Italy	237	284	521	229	273	502
<i>Of whom from Sardinia</i>	232	281	513	229	271	500
Abroad			-			-
Total	237	284	521	229	273	502

Data reported in Table 6 confirm the strong rooting of the company in Sardinia.

Table 7 – Tiscali Group’s Workforce broken down by Type of Contract (fixed-term vs open-ended) and Gender

No. of Persons	As at 31 December 2020			As at 31 December 2021		
	Men	Women	Total	Men	Women	Total
Fixed-term	1		1	1		1
Open-ended	236	284	520	228	273	501
Total	237	284	521	229	273	502

The entire company workforce has an open-ended contract except for one employee who has a fixed-term contract.

Table 8 – Tiscali Group’s Workforce broken down by Professional Type (full-time vs part-time) and Gender

No. of Persons	As at 31 December 2020			As at 31 December 2021		
	Men	Women	Total	Men	Women	Total
Full-time	211	160	371	207	156	363
Part-time	26	124	150	22	117	139
Total	237	284	521	229	273	502

Over 27.7% of workers, equal to about 139 units (117 of whom are women), have a part-time work. The significant percentage in the use of part-time work responds as much to organizational needs related to working hours divided by shift in the areas of Customer Care, as to the needs of reconciling work and life, typical of many families.

In 2021, the part-time incentive campaign, which allowed people to opt for all types of part-time (vertical, horizontal, mixed) in addition to the possibility of joining fixed-term contracts (12, 24 and 36 months), is still effective. The people concerned, who voluntarily adhere to the proposed reduction in working hours, receive a payment equal to 25% of the difference between the original salary and the new salary, provided that the reduction in hours is compatible with organisational needs. There are currently 29 people benefiting from this option, which will expire on 31 December 2022.

% Workforce broken down by Age Group and Gender

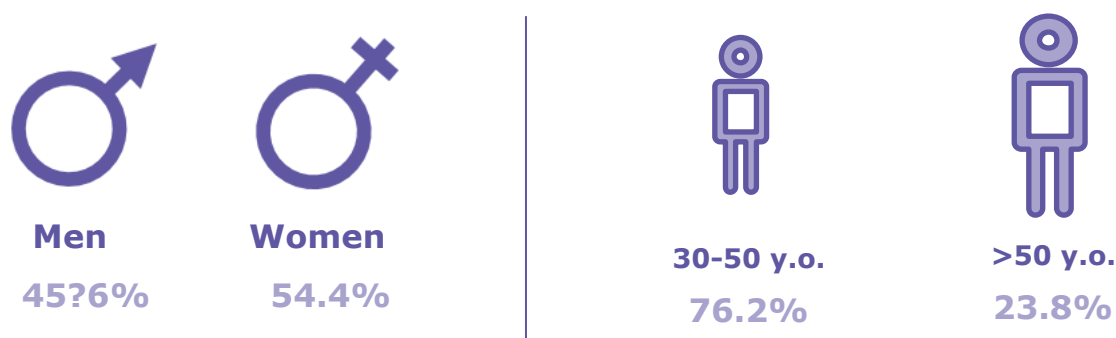


Table 9 – Tiscali Group’s Workforce broken down by Employment Level and Gender

No. of persons	As at 31 December 2020			As at 31 December 2021		
	Men	Women	Total	Men	Women	Total
Senior Managers	10	2	12	8	4	12
Middle Managers	24	10	34	25	7	32
Employees	202	272	474	195	262	457
Workers	1	-	1	1	-	1
Total	237	284	521	229	273	502

Table 10 – Tiscali Group’s Workforce broken down by Employment Level and Age Group

No. of persons	As at 31 December 2020				As at 31 December 2021			
	<30	30-50	50>	Totale	<30	30-50	50>	Total
Senior Managers	-	6	6	12	-	6	6	12
Middle Managers	-	18	16	34	-	15	17	32
Employees	-	400	74	474	1	360	96	457
Workers	-	1	-	1	-	1	-	1
Total	-	425	96	521	1	382	119	502

The majority of the Group’s units belong to the age group between 35 and 50 years, with an average age of 43, in line with the previous year.

Table 11 – Protected Categories

No. of persons	As at 31 December 2020			As at 31 December 2021		
	Men	Women	Total	Men	Women	Total
Senior Managers	-	-	-	-	-	-
Middle Managers	-	-	-	-	-	-
Employees	7	13	20	7	13	20
Workers	-	-	-	-	-	-
Total	7	13	20	7	13	20

At the beginning of 2020, the Company signed an agreement with the competent Regional Employment Agency for the progressive realignment of the number of protected categories under contract to the legal percentages.

Table 12 - Entry Turnover for gender and age group ⁶

No. of persons	As at 31 December 2020					Al 31 December 2021				
	<30	30-50	>50	Total	% Turnover	<30	30-50	>50	Total	% Turnover
Men		-	-	-	-	1	2	1	4	1.75%
Women		-	-	-	-	1	-	-	1	0.37%
Total	-	-	-	-	-	2	2	1	5	1.00%

⁶ The Entry Turnover represents the ratio between the number of new hires, broken down by gender, during 2020 and the total number of employees as at 31 December 2021 by gender.

Table 13 - Outgoing Turnover for gender and age group⁷

No. of persons	As at 31 December 2020					As at 31 December 2021				
	<30	30-50	>50	Total	% Turnover	<30	30-50	>50	Total	% Turnover
Men	-	10	2	12	5.06%	1	8	3	12	5.24%
Women	-	3		3	1.06%	-	10	2	12	4.40%
Total	-	13	2	15	2.88%	1	18	5	24	4.78%

The decrease in the workforce in 2021 as compared to 2020 was determined on the basis of the policies described in the introductory part of this paragraph, in line with the Business Plan. The flow of exits responded to the need to make the company's cost structure (of which labour costs are one of the major components) more competitive and flexible, and to meet the challenges of the market and the growing competition among operators.

CCNL

Tiscali operates in the telecommunications sector and refers to two collective labour agreements: the CCNL Telecommunications for employees and middle managers, and the CCNL Executive Managers for Executives. Moreover, as Tiscali has an editorial staff with 13 journalists, the National Journalists' Contract is applied to this segment of staff. Each employee is represented in one of these categories, therefore falls within one of the collective labour agreements in accordance with the provisions of national employment law.

From an economic point of view, the renewal of the contract resulted in the payment of a one-off sum of EUR 450 for level 3-7Q employees, re-proportioned for part-timers, paid in a single instalment with February 2021, as well as an overall increase for the entire duration of the contract (expiring in 2022) of EUR 70 gross, non-absorbable, based on level 5.

In addition to the CCNL of reference, a second level bargaining is established for agreements that may concern the regulation of work shifts, the usability of paid leave and the accessibility to other measures of welfare or improvement of people's well-being. According to the CCNL, all employees of the Tiscali staff can take advantage of **parental leave**, provided for women by a period of compulsory leave from work and one of optional leave, if the conditions are met; for men, leave is always optional. During 2021, 55 workers took parental leave (45 women and 10 men) with a return rate of 100 per cent overall.

⁷ The Outgoing turnover represents the ratio between the number of exits, broken down by gender, during 2020 and the total number of employees as at 31 December 2021 by gender.

The agreement that governed the teleworking scheme of 23 December 2020 provided for, in addition to the minimum safety conditions of the domestic working environment, the right to disconnection, the modalities for exercising the right to disconnection, the regulation on the modalities for monitoring productivity in compliance with the current legislation on remote control (CRR Article No. 4 Law No. 300 1970 and subsequent integrations), the extension of an economic recognition equal to the daily canteen allowance for each day worked remotely to all those entitled to it, based on the company integrative measure of July 2008.

This agreement took full effect in 2021, allowing for an orderly rotation between on-site and remote work throughout the year, with 50% of the workforce still working remotely.

Table 14 – Parental Leaves⁸

	As at 31 December 2020			As at 31 December 2021		
	Men	Women	Total	Men	Women	Total
Total No. of Parental Leaves in the Year	18	56	74	10	45	55
Of whom:	As at 31 December 2020			As at 31 December 2021		
No. of Employees who returned to work after the end of the Parental Leave	18	51	69	10	45	55
No. of Employees still on Parental Leave as at the above indicated date		5	5			
No. of Employees who returned to work after the end of the Parental Leave and who were still employed 12 months after their return to work	17	55	72	10	44	54

Table 15 – Return to Work and Retention Rates

%	As at 31 December 2020			As at 31 December 2021		
	Men	Women	Total	Men	Women	Total
Return to Work Rate	100%	100%	100%	100%	100%	100%
Retention Rate	142	96	104	56	79	73

⁸ Parental leave refers to compulsory and optional leave.

Equal Treatment and Remuneration

Tiscali is convinced that diversities represent an added value for its business, and therefore categorically rejects any form of discrimination based on gender, 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. Diversities are not considered as such by the company, which applies the same management tools and policies to all staff.

The interpersonal relationships and the working relationships between colleagues and collaborators, as well as towards customers and suppliers, are marked by mutual respect, paying attention not to affect the dignity of people and not to exercise any form of physical, verbal or psychological harassment.

Therefore, Tiscali does not tolerate by intimidating and bullying attitudes towards colleagues and collaborators, as well as individual pressure applied to influence the behaviour and work activities of individuals or groups of people.

With the aim of guaranteeing a correct communication and management of possible discrimination episodes, Tiscali has introduced *ad hoc* rules of behaviour and tools. Tiscali employees are obliged to report any incidents, alternatively, to their manager, to the HR function, to a third-party entity (which may collect reports from external sources) or directly to the Supervisory Body. The persons or entities involved have the task of evaluating the information received and identifying the appropriate management methods, HR is responsible for ensuring that there are no repercussions whatsoever against those making a report in good faith, regardless from the fact that the report finds no support after the investigation process.

Tiscali also considers **fair and equal remuneration** for men and women of its staff as crucial. Therefore, Tiscali's management and remuneration system is inspired by the principles of meritocracy and transparency: individual performance, managerial skills and professional expertise are the main drivers driving remuneration policies.

Attention to People

Tiscali is a promoter of management practices in favour of people: The Group applies all the regulatory institutions that safeguard maternity leave and all type of leaves aimed at reconciling professional and family life.

The Group is committed to safeguarding the needs of work-life balance, also thanks to a contractual flexibility that allows for changes 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 the virtualization of the workstation, during 2019 two employees were granted on an experimental basis to work directly from their place of residence for one year. This protection has also been extended for the year 2020 and 2021. It is also worth mentioning that due to the legislation against the COVID-19 pandemic, 30 persons meeting the “poor health” requirements of Law Decree No. of 2021 had the possibility of working from home for the whole of 2021.

In addition, there is a kindergarten on the Tiscali Campus that welcomes the pre-school children of employees.



The rewarding model

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

During 2021, the company continued to implement its rewarding model, which provides for a process of assigning rewards for individual merit, both in terms of compensation and career advancement. In 2021, depending on the achievement of company objectives, 11 executives had access to the managerial MBO and 30 non-executives had access to the MBO light objective-based incentive system, with regulations entirely similar to the so-called managerial system envisaged for executive personnel. In fact, both systems envisage as a threshold objective the achievement of the set EBITDA value of 2020 and a programme of 3/5 objectives appropriately mixed between corporate and functional aimed at expressing the main goals that give substance to Tiscali's business plan for the period.

V.3 – Training

Tiscali's 2021-2022 training plan maintains the focus on the digital evolution of key skills with a particular attention to the development of skills related to "distant management". The objective is to improve the overall approach to digital, both in the declination of behaviour and in the growth of knowledge related to some specific and characterising professions. The breakdown of the training measures, also approved by Fondimpresa, is as shown in the table below:

2021/2022 Training Plan's Objectives

Maintaining the focus on the digital evolution of core competences, focus on the development of managerial skills related to distance management.

Targets

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

Methodology

1. FADR (Distance Learning);
2. Classroom (Workshops);
3. Action Learning - simulation of virtual environments and situations;
4. Testimonials

Staff Involved

For digital transformation training: **360 participants** (5% Managers, 95% Employees).

Tools

- Role dynamics
- Slides
- Use of information technology
- Group discussions

The Tiscali 2021 training plan

Professional environments and resources concerned

Course Title	Editions	Days	Resources concerned	Professional environments
Customer Care	9	1	194	168 Customer Management 26 Customer Activations
Distant Management for Managers	2	1 (2 meetings; 4 hours each)	42	All corporate departments
Distant Management for TL	2	1 (2 meetings; 4 hours each)	24	14 Customer Management 4 Customer Activation 3 Channel Support 1 Legal 2 Purchase and General Services
Digital Leadership	2	2 hours	60 (30 persons for each edition)	All corporate departments
Social Media Marketing	1	12 hours (3 meetings, 4 hours each)	16	6 Digital Sale 4 Business Sale 4 Channel Support 2 Marketing
Direct Email Marketing	1	8 hours (2 meetings; 4 hours each)	14	6 Digital Sale 4 Business Sale 4 Channel Support
Affiliation Marketing	1	8 hours (2 meetings; 4 hours each)	11	Portal

The plan provides for a total of 2150 hours of training in both classroom and distance learning modes, involving 300 resources. Two in-person courses, "Direct Email Marketing" and "Social Media Marketing", were activated in November and December 2021, aimed at marketing and business sales resources, and will end in 2022. Also during the 2021 financial year, training and refresher courses for fire prevention team members lasting a total of 8 hours were held.

Table 16 - Average hours of training by gender and professional area

Professional Category	As at 31 December 2020 (*)			As at 31 December 2021		
	Men	Women	Total	Men	Women	Total
Senior Managers	18	20	18.3	-	-	-
Middle Managers	3.2	4.4	3.5	1.6	1.1	1.5
Employees	7.1	7.5	7.3	0.9	0.6	0.8
Workers	-	-	-	-	-	-
TOTAL	7.1	7.4	7.3	1.0	0.6	0.8

() Following a process of improving the reporting system, the data on average training hours have been restated from those published in the previous Sustainability Report. For previously published data, please refer to the 2020 Sustainability Report.*

The table shows a decrease in the number of training hours carried out during the year 2021 compared to the previous year, as the Training Plan essentially refers to the two-year period 2021-2022 and most of the training hours will be implemented in the following year.

V.4 – Tiscali’s Welfare System

With regard to assistance, health and welfare initiatives, Tiscali has stipulated insurance policies to cover the extra-professional risk for all employees. In addition, in April 2020 the Company took out insurance for all employees against the risk of COVID-19 infection. The insurance provides for the economic integration of medical-hospital treatments, which will be defined in relation to the days of hospitalization and the severity of the pathology eventually contracted.

Life insurance in the event of death, permanent disability and accident for middle and top managers

The life insurance policy in case of death, permanent disability and accidents was introduced in 2012 and concerns No. 44 employees, including top and middle managers.

Unisalute

The Unisalute health insurance policy was introduced in 2009 and is a form of health care supplementary to the SSN (Italian Health Service). No. 373 employees adhered to it, including workers, employees and middle managers.

Employees can take advantage of the health policy either directly (no cash disbursement – without prejudice to the deductibles provided for in the plan), or indirectly (pay and be reimbursed – without prejudice to the deductibles provided for in the plan). The plan provides coverage of hospitalization services for major surgery, extra-hospital household hospitalization as a result of illness and injury, highly specialized diagnostic services, specialist visits, pregnancy packages, dental care, conservative therapies, dental prostheses.

FASI

FASI is a Fund that provides to top managers who voluntarily subscribed and their families with supplementary services of the assistance provided by the Italian Health Service, in direct form, on the basis of administrative agreements with health structures that agree with FASI favourable economic conditions compared to those normally applied (in this case, the part of expenditure reimbursed by FASI is not paid in advance by the customer) and in the indirect form, in relation to the expenses actually incurred in any structure, in Italy and abroad, and

within the limits set by the rates indicated in the specific nomenclator/price list. No. 10 top managers have joined FASI.

TFR Advances

Tiscali allows its employees to use the advance of their severance pay, for the purchase and renovation of the first house (for themselves or for their children), and for extraordinary medical expenses, subject to the legal requirements to access them.

Pension Plans

With reference to the pension plan, in agreement with the CCNL, employees pay monthly contributions to the State Treasury managed by the INPS, or they can participate, even partially, their sector fund (Telemaco).

As required by the relevant legislation, if the employee (employee or middle manager) joins the Telemaco category fund and pays, in addition to the TFR, an additional contribution (1% minimum), the company will in turn pay a 1.2% fixed contribution on the salary used to determine the severance pay. Top managers, on the other hand, adhere to the Previndai Fund, and the minimum contribution is 4%, to which the company adds a fixed 4% contribution on the remuneration useful for determining the severance pay.

V.5 – Performance Assessment

In 2017, Tiscali started a process of assessing its employees' performance, addressed to all the resources (except top managers). This process has been divided into a series of steps that have been carried out in the course of 2018 (on an experimental basis on about 70 units, i.e. about 15% of the Group's employees, about 18% of whom men and about 13% of whom women) and will be completed in 2020, with the extension to the entire workforce of Tiscali Italia S.p.A. except top managers.

The steps of the process follow:

- **assignment of company objectives:** in this phase, a form has been filled in for each employee in which behaviours to be implemented in order to achieve set objectives have been defined. This phase lasted until November 2020 and involved 509 employees;

- **certification of objectives and performance assessment:** the results achieved individually by each employee were assessed and certified. Exceptions to this are the management team specifically incentivised and assessed under the MBO programme;
- **feedback:** during 2020, the performance assessment for the 2019 financial year was returned and shared with the employee through a head/staff interview.

This model was also confirmed and applied for the year 2021.

Employees receiving performance reviews by gender and professional category (*)			
No. of persons	As at 31 December 2021		
	Men	Women	Total
Senior Managers	13%	25%	17%
Middle Managers	64%	86%	69%
Employees	95%	96%	96%
Workers	100%	-	100%
TOTAL	89%	95%	92%

(*) As a result of a reporting system improvement process, data on employee performance review by gender and job category (GRI 404-3) were shown for the first time in the 2021 Sustainability Report.

V.6 – Workers’ Health and Safety

Tiscali pays the utmost attention to the issue of safety at work, looking for management solutions suitable to reduce the risk of accidents in the company and providing safe locations for both its employees and for external suppliers operating in Tiscali’s offices, technological premises and stores.

Tiscali’s activities are carried out in full compliance with both current legislation and company directives on health and safety, through interventions of prevention and protection against risks. In 2021, the company has implemented all the obligations relating to the prevention of risks to health and safety in the workplace as set out in Legislative Decree No. 81/2008. In particular, the risk assessment document consists of a general part and two annexes referring to the specific conditions of the Sa Illetta site in Cagliari.

All initiatives were promoted with regard to training programmes on occupational health and safety prevention issues. In this regard, it is specified that 8 resources (4 in refresher and 4 in total training) participated in the fire-fighting service training courses for a total commitment of 48 hours.

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

- To the Human Resources and Organisation Department as regards verification of the application of all relevant regulations and compliance with company protocols on health and safety in the workplace. Ref: Paolo Faieta;
- To the Company Prevention and Protection Services Manager identified in the person of Anna Barbato, engineer, manager of Tiscali Italia;
- To the company doctor identified in the person of Gianfranco Murgia, MD, of the Medilav Institute.

In 2020, worker participation, consultation and communication on occupational health issues took place not only through the qualified worker safety representatives RLSL, but also through the Joint Committee implementing the national COVID-19 protocol set up in Tiscali on 19 March 2020 and composed of a qualified Human Resources representative, the Head of the Company SPPA Service, the entire representation of the Company RSU.

Within the framework of the prevention services of health protection against the specific risks related to the professional duties, the Company has followed up on the programme of periodic surveillance visits and visits requested on the initiative of individual workers to verify the full existence of the working capacity.

In addition, Tiscali workers, with a few exceptions, are subject to health surveillance (Legislative Decree No. 81/08 Art. No 176) for the systematic use of equipment with video terminals.

The health protocol provides for medical exams 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 to be suitable with prescriptions. The health data concerning the individual worker are protected by privacy and therefore only accessible by the competent doctor, who is however obliged to provide the employer, the RSPP and the RLS (Workers' Safety Representative) with the collective anonymous results during the annual periodic meeting (Legislative Decree No. 81/08 Art. No. 35 c. 1 Letter i).

Safety Indicators⁹

⁹ Accident indices are calculated exclusively for employees using the following methodology:

- Rate of deaths resulting from accidents at work: number of deaths resulting from accidents at work/number of hours worked * 200,000

The indicators concerning health and safety follow:

No. of Accidents at work (Employees)		
No. of cases	2020 (1 January – 31 December)	2021 (1 January – 31 December)
Total No. of accidents at work recorded	1	2
Of which: Total No. of serious accidents at work (deaths excluded)		
Of which: Total No. of deaths due to accidents at work		

Main type of Accidents at work (Employees)		
Type of Accident	2020 (1 January – 31 December)	2021 (1 January – 31 December)
Type 1): at the workplace		
Type 2): during commuting	1	2

Accident and death rate due to accidents at work		
Rate	2020 (1 January – 31 December)	2021 (1 January – 31 December)
Rate of recordable occupational accidents	0,240	0,583
Rate of recordable occupational (deaths excluded)	0	0
Total deaths due to accidents at work	0	0

- Rate of accidents at work with serious consequences (excluding deaths): (number of accidents at work with serious consequences (excluding deaths) / number of hours worked * 200,000

- Recordable work accident rate: number of recordable work accidents / 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, major injury or illness diagnosed by a doctor or other authorised 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 leading 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).

In 2021, Tiscali recorded 2 commuting accidents, in line with the previous year and confirming the significant reduction compared to 2019.

It should be noted that Tiscali has no external workers and that the number of hours worked for employees is 686,120 for the year 2021 and 833,438 for the year 2020.

In the 2019-2018 period, the most significant accidents in terms of severity were recorded during the commute, when travelling to or from customers' premises, confirming that the health and safety practices implemented within Tiscali are valid and effective. The accidents recorded at Tiscali sites are in fact attributable to inattention or minor incidents that cannot be attributed to any failure by the company to protect worker safety.

In general, in Tiscali, there is no presence of employees involved in work activities with a high rate or risk of specific diseases.

With regard to occupational diseases, it should be noted that no cases occurred in the company in the three-year period 2019-2021.

In order to carry out a further prevention activity with regard to occupational diseases, the Company joined an initiative promoted by the University of Cagliari, submitting to its employees, on a voluntary basis, the completion of an information questionnaire on muscular and skeletal disorders.

VI – The Environmental Impact

VI.1 – THE EU TAXONOMY OF SUSTAINABLE ECONOMIC ACTIVITIES

A key priority of the European agenda and policies is to counter the growing impact of climate change. Becoming a global leader in the sustainable transition process is the ambitious project the European Union has been working on for several years now, to become the first “climate neutral” continent by 2050, reducing greenhouse gas emissions as much as possible, halting the loss of biodiversity and strengthening resilience and adaptation to climate change. The future of Europe and the world depends on the ability to mobilise substantial public and private financial resources, in environmentally sustainable activities and businesses, contributing significantly to safeguarding the planet.

In line with the indications of the European Green Deal, the European Commission has therefore defined a homogeneous and unambiguous system of classification of economic activities that can be considered sustainable, i.e. an EU taxonomy (Regulation No. 2020/852) with the aim of: *(i)* Providing the EU, Member States, market actors and consumers with a common understanding of which economic activities can be considered environmentally sustainable; *(ii)* Protecting private investors and consumers by avoiding greenwashing (i.e. preventing organisations from claiming that their products, targets or policies are environmentally friendly and resilient when in fact they are not); *(iii)* Facilitating cross-border investments and avoid market fragmentation by providing a single classification system; and *(iv)* Providing a solid basis to help redirect capital flows towards sustainable investments, manage financial risks arising from climate change, environmental degradation and social issues, and promote transparency and establish a long-term view of financial and economic activity.

The current Covid-19 pandemic has exposed the urgency of making the economy, companies and enterprises, and especially health systems, as resilient as possible to environmental and climate risks. In this respect, the Taxonomy Regulation is a valuable tool to guide investors, policymakers and companies in the transition towards sustainability.

Regulation No. 2020/852 defined four criteria that economic activities must comply with in order to qualify as environmentally sustainable:

- 1) Contribute substantially to one or more of the six environmental objectives below:
 - Climate change mitigation
 - Climate change adaptation

- Protection of water and marine resources
- Transition to a circular economy
- Pollution prevention
- Protection and restoration of biodiversity and ecosystems.

2) Do no “significant harm” to any of the other environmental objectives (Do No Significant Harm – DNSH);

3) Comply with sound, science-based technical screening criteria, i.e. meet the minimum requirements necessary to avoid significant harm to other objectives;

4) Respect minimum social and governance safeguards.

According to Article No. 8 of the EU Regulation 2020/852, organisations subject to the Non-Financial Reporting Directive (NFRD) and, subsequently, the new Corporate Sustainability Reporting Directive (CSRD) are obliged to disclose information on the shares of turnover, capital expenditure (Capex) and operating expenditure (opex) related to products or services associated with economic activities that are qualified as environmentally sustainable.

The criteria for certifying environmentally sustainable activities have been laid down in two EU regulations supplementing Regulation (EU) No. 2020/852 of the European Parliament and of the Council, and in particular:

- Commission Delegated Regulation EU No. 2021/2139 of 4 June 2021, which define the technical criteria according to which specific economic activities contribute substantially to the first two of the environmental objectives, i.e. to climate change mitigation and adaptation, and whether those economic activities cause significant damage to any other relevant environmental objective.
- Commission Delegated Regulation EU No. 2021/2178 of 6 July 2021, specifying the modalities for the content and presentation of the information to be reported by companies on environmentally sustainable economic activities, as well as specifying the KPIs (key performance indicators) and the methodology for complying with this reporting obligation.

With regard to the timing of implementation, the Delegated Acts stipulate that, already starting in 2022 with reference to the financial year 2021, both financial and non-financial companies covered by the regulations must disclose in their Non-Financial Statements their Eligible Activities (but not yet their alignment) with respect to the environmental targets set so far. Regarding the reporting of aligned activities, the obligations differ depending on whether the

company is a non-financial or a financial company. While the former will be required to provide this information starting in 2023 (referring to the financial year 2022), the latter starting in 2024 (referring to the financial year 2023).

The Delegated Acts also provide specific guidance on the content, methodologies and presentation of the information that organisations (financial and non-financial) are required to publish with regard to the proportion of eco-friendly economic activities in relation to their total assets, investments or loans.

As far as the regulation envisaged for non-financial companies is concerned, and therefore the one directly applicable to Tiscali's business, Article No. 8 paragraph 2 of Regulation No. 2020/852 requires the use of three key performance indicators relating to the percentage of turnover (turnover), investment expenditure (capex) and operating expenditure (opex) referred to environmentally sustainable economic activities. Qualitative information must also be provided to help explain the relevant calculations. These indicators are more specifically defined as follows:

- **Turnover:** percentage of net turnover from products or services related to eco-friendly activities compared to total net turnover;
- **Capex:** Percentage of capital expenditures related to taxonomy-aligned economic activities; that are part of an Investment Plan to expand already aligned economic activities or to facilitate the transition of economic activities from eligible to aligned; related to the purchase of products derived from taxon-aligned economic activities that can facilitate the reduction of carbon or greenhouse gas emissions for specific activities;
- **Opex:** the percentage of operating expenses related to taxonomy-aligned economic activities and non-capitalised direct research and development costs; that are part of an Investment Plan to expand economic activities that are already aligned or to facilitate the transition of economic activities from eligible to aligned; related to the purchase of products that derive from taxonomy-aligned economic activities that can facilitate the reduction of carbon or greenhouse gas emissions for specific activities.

A summary of the deadlines and reporting requirements for non-financial companies is given below:

**1 JANUARY 2022 TO
31 DECEMBER 2022**

They are required to report only the share of economic activities that are eligible (i.e. "Taxonomy Eligible") and ineligible (i.e. "Taxonomy Ineligible") as per the Taxonomy within their turnover, their capital expenditure and their total operating expenditure and qualitative information (as per Section 1.2 Annex I Delegated Act, Article No. 8 EU Regulation No. 2020/852).

FROM 1 JANUARY 2023

They will also communicate the performance indicators (KPIs) provided for in Annexes I and II of Regulation No. 2021/2178.

Application of the taxonomy

The European Commission has set up a Technical Expert Group on Sustainable Finance (“TEG”) with the task of defining guidelines for identifying whether an economic activity contributes substantially to defined environmental objectives. The process consists of the following steps:

- 1. Eligibility Verification:** “Taxonomy Eligible” activities, defined by the Delegated Regulation as per Article No. 8 EU Regulation No. 2020/853, are those that are potentially sustainable, since they fall within the list of activities listed by the Taxonomy in the Delegated Acts issued.

ELIGIBLE ACTIVITIES

Economic activity described in the delegated acts (“Climate Delegated Act” and “Environmental Delegated Act”), regardless of whether it meets the technical screening criteria specified in those documents.

- 2. Alignment Verification:** “Taxonomy Aligned” activities are defined as those that are eligible, provided they meet all the requirements of the Regulations.

ALIGNED ACTIVITIES

Activities that not only qualify as “Eligible” but also meet all the requirements of Article No. 3 of EU Regulation No. 2020/852, according to the criteria set out in the delegated acts (“Climate Delegated Act” and “Environmental Delegated Act”).

- 3. Compliance with technical requirements:** for each eligible activity, the substantial contribution to at least one of the environmental objectives is assessed through screening tests to verify the technical screening criteria set by the Delegated Acts and foreseen for each specific activity. At present, the European Commission has only

defined technical criteria in relation to two environmental objectives, those of mitigation and adaptation to climate change;

4. **Verification of the DNSH criteria:** it must be demonstrated that the eligible economic activity does not cause significant damage to any of the environmental objectives, taking into account both long-term and short-term impacts;
5. **Compliance with minimum safeguards:** eligible activities must comply with the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Human and Business Rights, including the principles and rights defined by the ILO, by conducting due diligence to avoid any violation of minimum social safeguards;
6. **Calculation of financial metrics** to align investments with the taxonomy and preparation of qualitative disclosures.

It is important to emphasise that European legislation on the taxonomy of environmentally sustainable activities is still being finalised, as not all the required Delegated Acts and Regulations have yet been published.

Analysis by Tiscali

Tiscali carried out a technical assessment to verify which activities carried out were considered **Eligible** according to the criteria described above and therefore whether they were explicitly included in the European taxonomy regulation because they were able to contribute substantially to climate change mitigation or adaptation.

The first step in determining whether a measure could be considered environmentally sustainable was therefore to check whether it was attributable to an economic activity within the taxonomy for sustainable finance.

The analysis carried out identified as an eligible activity carried out by Tiscali, that identified in item No. 8.1 of Annex No. 1 of EU Delegated Regulation No. 2021/2139 (supplementing EU Regulation No. 2020/852) relating to climate change mitigation, whose objective consists in reducing the quantity of greenhouse gases in the atmosphere, to be pursued by avoiding or reducing emissions, or by absorbing greenhouse gases from the atmosphere.

This economic activity is described as follows:

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.

These are “Transitional” activities, i.e. activities that pollute, for which no technologically and economically feasible low-carbon alternatives exist to date, and in the long run will have to do everything possible to become carbon neutral, and/or mitigation-enabling activities.

With reference to the reporting requirements foreseen for the financial year 2021, on the communication of the proportion of “Taxonomy – eligible” and “Taxonomy – non-eligible” economic activities with respect to the total turnover, investments and operating expenses, the Company declares that 3.8% of its revenues, 3.8% of its ordinary operating expenses (Opex) – a percentage estimated to be equal to the same percentage applied to revenues - and 2.3% of its investments (Capex) come from economic activities eligible for the European taxonomy, as they are entirely attributable to business activities that contribute significantly to climate change mitigation objectives.

DATA CENTER		
8.1. DATA PROCESSING, HOSTING AND RELATED ACTIVITIES		
% ELIGIBLE economic activity		
% Revenues	% Capex	% Opex
3.8%	2.3%	3.8%

Assessment of the impact of climate change on Tiscali’s production facilities

Tiscali, as part of its assessment of its long-term business continuity, has estimated the effects of climate change and their possible economic and financial impact on its business.

The analysis was conducted with a particular focus on certain physical risks arising from climate change that could compromise the Datacentre infrastructure:

(i) Rise in global environmental average temperatures

The increase in environmental temperatures was assessed both on the Datacentre (located at Tiscali’s headquarters in Sa Illetta – Cagliari) and on the production facilities located throughout the country, as well as on the interconnection devices allocated at the end customer’s premises

- Effect of rising temperatures on the Cagliari – Sa Illetta Data Center

According to the Fifth Special Report of the IPPC (AR5)¹⁰ , the global surface temperature in the 2011-2020 period was 1.09°C higher than in the 1850-1900 period, and it is estimated that by 2040 it could reach 1.5°C above pre-industrial levels.

The Tiscali Datacentre, thanks to the energy efficiency measures described under "*1. Energy Efficiency Initiatives Concerning the Datacentre*", 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 Datacentre area in the year 2021 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 requirements for a period longer than the expected life of the systems themselves.

The technicians in charge of the Datacentre have estimated that, given that it is extremely unlikely for the global average temperature to rise by a value that would compromise the utilisation capacity of the systems, there will be no impact on the cooling capacity of the chillers. Likewise, the technicians believe that the servers will not suffer any damage in the event of a temperature rise, maintaining their capacity intact.

The temperature increase assumption of a constant 10-year increase of 1.5°C is, however, overestimated compared to the global average recorded in 2021 and 0.85°C compared to the historical average since the end of 1800.

Obviously, over the long term, a rise in environmental temperatures could lead to the need to make greater use of the cooling capacity of the Datacentre's air conditioning systems. This would have an impact on energy consumption with a consequent increase in indirect CO₂ emissions. At present, this impact cannot be estimated with certainty, but engineers believe it is not significant. This effect would in any case be mitigated by the self-production of electricity from the photovoltaic system.

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

Tiscali, in addition to the main Datacentre of Sa Illetta, operates over 29 POPs throughout the country, some located in 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 Datacentre in relation to the hypothesis of higher environmental temperatures apply

¹⁰ Source: AR5 Synthesis Report: Climate Change 2014 - IPCC Intergovernmental Panel on climate change.

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*

The Internet is the largest man-made infrastructure of enormous importance not only in the daily lives of individuals but, more generally, for the progress of mankind, science and information.

Climate change, caused by global warming, could negatively affect the Internet service, compromising its availability, quality, security and cost. According to a UK Government Report, Wi-Fi internet connections and other telecommunication tools will be increasingly exposed to the risk of overheating as global temperatures rise and disruptions occur. Studies have shown that high temperatures lead to a reduction in the range of internet communication, while frequent thunderstorms impact signal reliability, and this undoubtedly represents a critical issue especially in emergency situations where efficient communication systems are required.

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

- (a) Indoor placement devices: these are modems related to fibre services (FTTH/FTTC) and modems related to FWA services;
- (b) Outdoor placement devices: these are modems related to FWA services, used where radio signal coverage requires antenna placement outside the building;

The technicians assessed the effects of climate change on these devices. The devices referred to under *b*) have a thermal resistance, as they are able to withstand external temperature rises of up to 56°C, without impacting on the functioning of the device. The temperature rise also has no impact on the service life of such devices if the normal operating temperature remains below 40°C and if the 56°C threshold is not reached for more than 72 consecutive hours per year.

(ii) 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, compromising their density and salinity.

Since the early 1900s, sea levels have risen by about 21 cm, and only one-third of this has occurred in the last 30 years. According to IPCC studies¹¹, the projected sea level rise by 2100 will be about 43 cm in the case of very low emissions, and about 84 cm in the case of high emissions. The world's coastal cities are at risk of being flooded due to their vulnerability to sea-level rise, flooding and erosion.

Tiscali's offices and Datacentre are located in Sa Illetta, a hamlet about 2 km from the municipality of Cagliari. It is one of the largest wetlands in Europe and is particularly regarded not only for its historical importance, but also for its environmental relevance, as it is populated by protected animal and plant species.

Tiscali's Datacentre is located in building No. 6, which 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.

According to the experts, if the sea level were to rise by 30 cm in 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 of the equipment used for the Company's production activities, as this rise would not reach the ground level of the Datacentre (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. Therefore, according to the technicians, there is no reasonable risk of having to make investments to protect the Datacentre's machinery or other production machinery.

Similarly, technicians believe that the servers will not suffer any damage, related to this climatic event, that could compromise their ability to function.

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

Considering the climatic changes hypothesised for the next 10 years, a significant change in the useful life of the Datacentre's equipment and systems is not expected as a result of the rise in average temperatures and water levels.

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

¹¹ Source: Technical Summary of the IPCC Special Report on Ocean and Cryosphere in a Changing Climate (SROCC), 2019.

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.

VI.2 – ISO 14001 environmental certification

Tiscali has always considered the control of the environmental impacts of its activities one of the main areas of its commitment.

The Company believes it is essential to commit itself to the promotion of environmental sustainability, to monitor the risks for the environment and the local community arising from the performance of its activities and, for the most significant impacts, to implement policies and projects to improve and mitigate the risks themselves, in a continuous search for a balance between infrastructure development and environmental protection.

In order to allow a continuous improvement of its environmental strategies, Tiscali started a virtuous path during 2019, which allowed it to obtain, **on 16 December 2019, the ISO 14001 certification** for an **Environmental Management System** consisting of policies, processes, plans, practices and records that define the rules of interaction of the company with the environment.

The ISO 14001 Standard represents the regulatory reference point for companies and organizations 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 has continued to implement the indications dictated by the ISO 14001 standard, appointing, in November 2020, 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 annually defining an 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 reviewed again during 2020, and at the beginning of 2021. The renewal was certified on 9 December 2021, confirming the Company's attention and sensitivity to environmental issues.

Please refer to the following paragraphs for a detailed description of the objectives achieved by the Company in 2021, and the objectives for 2022.

VI.3 – Energy Consumption and CO₂ Emissions

Anthropic activities have a growing influence on the climate and the earth’s temperature, fuelling the greenhouse effect and global warming. As ICT and Telecommunications companies generate very high electricity consumption, the topic of climate change is very relevant for the sector.

Tiscali is committed to safeguarding the environment by planning its activities in a continuous search for balance between infrastructure development and environmental needs.

The specific actions implemented are aimed at reducing environmental impacts and proposing technological solutions aimed at people and businesses for the creation of a more inclusive and liveable digital society.



Energy Consumption

The main environmental impact of Tiscali is due to energy consumption.

In 2021, the Group has implemented an efficiency plan in terms of economic and organizational resources to continue to reduce its impact in this area which was started in 2018 and continued in the following years.

Tiscali's consumption of **electricity** is mainly determined by the consumption of the **network infrastructure and the Data Centre** for the provision of services: servers, equipment and auxiliary systems located in technological rooms and wireless sites located throughout the Italian territory. The consumption of the technological equipment of the technical sites has recorded a significant reduction thanks to the efficiency improvement projects implemented at the Cagliari Data Centre. For further details, please refer to paragraph "*VI.3 - Energy efficiency initiatives*".

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

The Group's energy consumption also includes a limited consumption of diesel for automotive purposes, linked to the activities of managers and employees whose role involves direct contacts with external entities with the consequent use of company cars.

The number of company cars was drastically reduced during 2019, from 29 to 4 cars, thanks to the impetus given by the company to sustainable mobility (agreement signed with Playcar in November 2018) and the end of the rental contracts held by company executives and employees, with the exception of executives and employees in the commercial function. At the end of 2020, the number of 4 company cars is confirmed, of which two cars are hybrid. These cars have a petrol engine and an electric engine: when used in electric mode, emissions are reduced to zero.

The consumption of automotive diesel during 2021 is negligible, both because of the limited number of cars and, above all, because of their very low use during the year.

Table 20 – Tiscali Group's Total Energy Consumption by Source (GJ)

Total Energy Consumption		
Energy Source (GJ)	2021	2020
Electricity (GJ)	46,105	49,685
<i>Of which purchased</i>	44,246	49,685
<i>Of which from photovoltaics</i>	1,859	0.0

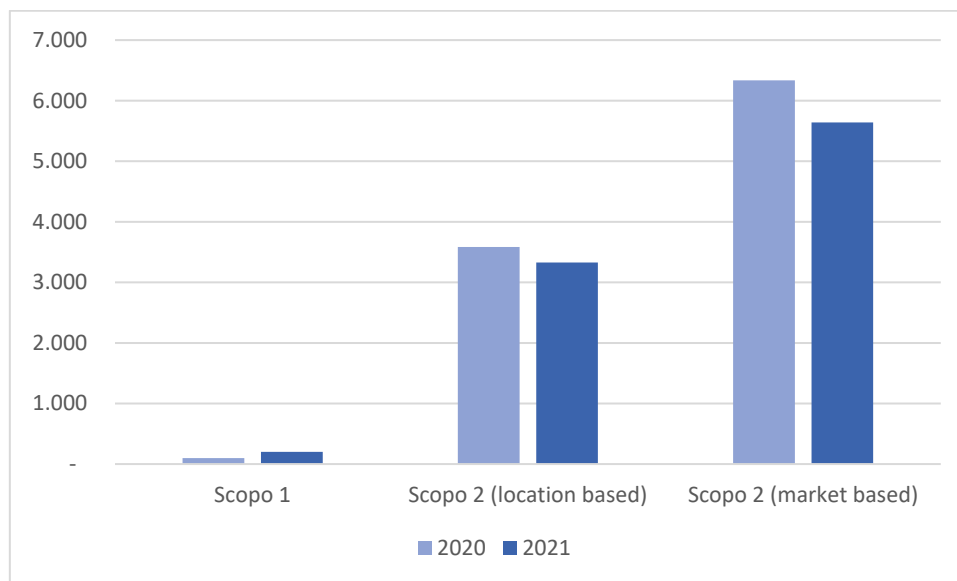
Emissions

Emissions into the environment can be represented in the following categories:

- **Direct emissions (Purpose 1):** direct emissions due to activities of Tiscali or its subsidiaries (e.g. the use of fuels for heating/cooling and transport);
- **Indirect energy emissions (Scope 2):** indirect emissions from the purchase of electricity.

CO₂ emissions (Scope 1) in 2021 increased by 108% year-on-year¹². This change is due to the restatement of the data compared to those published in the previous year, including emissions of fluorinated gases used as refrigerants for air conditioning systems. Indirect emissions (Scope 2), applying the location-based calculation method, decreased by 7%, from 3,586 to 3,327 tonnes of CO₂, while with the market-based method¹³ stand at 5,641 tonnes of CO₂ equivalent (-11% compared to 2020).

Total direct (Scope 1) and indirect (Scope 2) emissions Location based [T CO₂] and Market based [T CO₂ equivalent].



Following a process of improvement of the reporting system, the data on Scope 1 emissions have been restated from those published in the previous Sustainability Report.

¹² The Defra 2021 conversion factors were used to calculate the 2020 and 2021 Scope 1 emissions

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

Emission factors used				
Scope 1	R407C	1774	kg CO2eq/kg	Defra 2021
	R410A	2088	kg CO2eq/kg	Defra 2021
	HFC-134a	1430	kg CO2eq/kg	Defra 2021
Scope 2	Electricity – Market based method	0.459	kg CO2eq/kWh	AIB – European Residual Mixes 2021
	Electricity – Location based method	0.2598	kg CO2eq/kWh	ISPRA 2021

As evidence of the efforts undertaken in the management of the transition towards the reduction of CO2 emissions, in January 2022 the Company obtained an important recognition by appearing in the ranking of the “**2022 100 most climate-conscious companies**”, according to a survey conducted by Statista and Pianeta 2030 of Corriere della Sera.

The ranking was structured on the basis of the CARR (Compound Annual Reduction Rate) ratio between CO2 emissions intensity, divided into Scope 1 and Scope 2, 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.

For Tiscali, the reduction in CO2 emissions intensity (Scope 1 + Scope 2) over the two-year period 2018-2020, stood at 18.56%, ranking 30th.

VI.4 – Energy Efficiency Initiatives

Tiscali monitors the risks for the environment and the local community deriving from the performance of its business, and, for significant impacting impacts, it has implemented policies/projects to improve and mitigate those risks.

Energy efficiency projects on the Data Centre

Since 2017, Tiscali has carried out a project of modernization, efficiency and rationalization of the Data Centre equipment that has allowed, thanks to the massive adoption of virtualization solutions, the shutdown of a large number of old generation devices.

Energy efficiency projects on air conditioning systems

During 2021, Tiscali was able to improve its energy efficiency objectives, thanks to the contribution of a series of interventions finalised the previous year, which involved the replacement of some highly energy-intensive elements of the cooling systems with new-generation technologies characterised by higher energy efficiency. In particular, chillers, cold vector fluid circulating systems (water cooling pumps) and UPSs (uninterruptible power supply systems) were replaced, and targeted analyses of room temperatures, cold air flow distribution and system operating parameters were conducted.

Table 21 – Reduction of the Data Centre power consumption¹⁴

Initiative	As at 31 December 2020				
	Unit of Measurement	2021 Consumption	2020 Baseline (consumption)	Reduction Obtained	Reduction Obtained (%)
Data Centre Project & Air Conditioning Project/UPS	kWh	8,502,684	9,325,994	823,310	8.8%
	GJ	34,607	33,571	2,964	8.8%

Thanks to the energy efficiency initiatives on the Data Centre and air-conditioning systems implemented by the Group, and taking into account the self-produced energy through the photovoltaic system, the reduction in energy consumption for the year 2021 was 8.8% compared to the previous year.

Significant work has also been done to improve the efficiency of the data processing centre's premises, with the adoption of solar radiation shielding and thermal insulation solutions, aimed at reducing the need for electricity used in air-conditioning systems.

With a view to energy saving, Tiscali is also carrying out the energy diagnosis as prescribed by Legislative Decree No. 102/2014 in order to identify further lines of action.

During 2021, a study was also carried out with the collaboration of some of the major leaders in the supply of hardware, software and services aimed at maximising availability, power and efficiency in data centres, in order to carry out a feasibility study for the replacement of part of the room air-conditioning units (air/water heat exchangers), with the aim of further improving Tiscali's energy efficiency.

The preliminary study was mainly carried out with STULZ and VERTIV (for the hardware and software part) and SIEMENES for the software part and returned an estimate of hypothetical energy savings of about (VERTIV case) 200,000 kWh/year (ROI < 3 years) considering the replacement of up to 8 of the 8 indoor units (and possibly the reconfiguration of the air-conditioning system from FIXED to VARIABLE flow rate).

¹⁴ The values shown in the table refer to the actual energy consumption of the Sa Illetta site. The Data Centre accounts for approximately 80% of the total consumption, while the remaining buildings account for 20%.

Overall energy savings

It should be noted that the company implemented an energy efficiency process during 2021 for other plants and production sites, in addition to the data centre.

Overall, the reduction in purchased electricity for the year 2021 was 10.9% compared to the previous year.

Energy Consumption (GJ)			
Energy Sources (GJ)	2021 (1)	2020 (1)	Delta
	Total	Total	
Electricity (kWh)	12,806,990.00	13,801,501.00	-7.2%
<i>Of which purchased</i>	<i>12,290,480.00</i>	<i>13,801,501.00</i>	<i>-10.9%</i>
<i>Of which from photovoltaics</i>	<i>516,510.00</i>	-	
<i>fed into the grid by photovoltaics</i>	-	-	

Construction of a photovoltaic system at the Sa Illetta site

At the beginning of 2020, Tiscali signed an agreement with a major Italian company for the construction of a **photovoltaic plant** on the roofs of the Sa Illetta Campus.

Photovoltaic systems provide electricity without harming the ecosystem, through the inexhaustible and clean resource of the sun. They reduce the demand for energy from other traditional sources while participating in the reduction of climate-altering emissions.

In particular, the system built at Tiscali will be able to reduce atmospheric emissions by 248,532 kg of CO₂ per year, equal to the CO₂ absorbed annually by 1,926 trees.

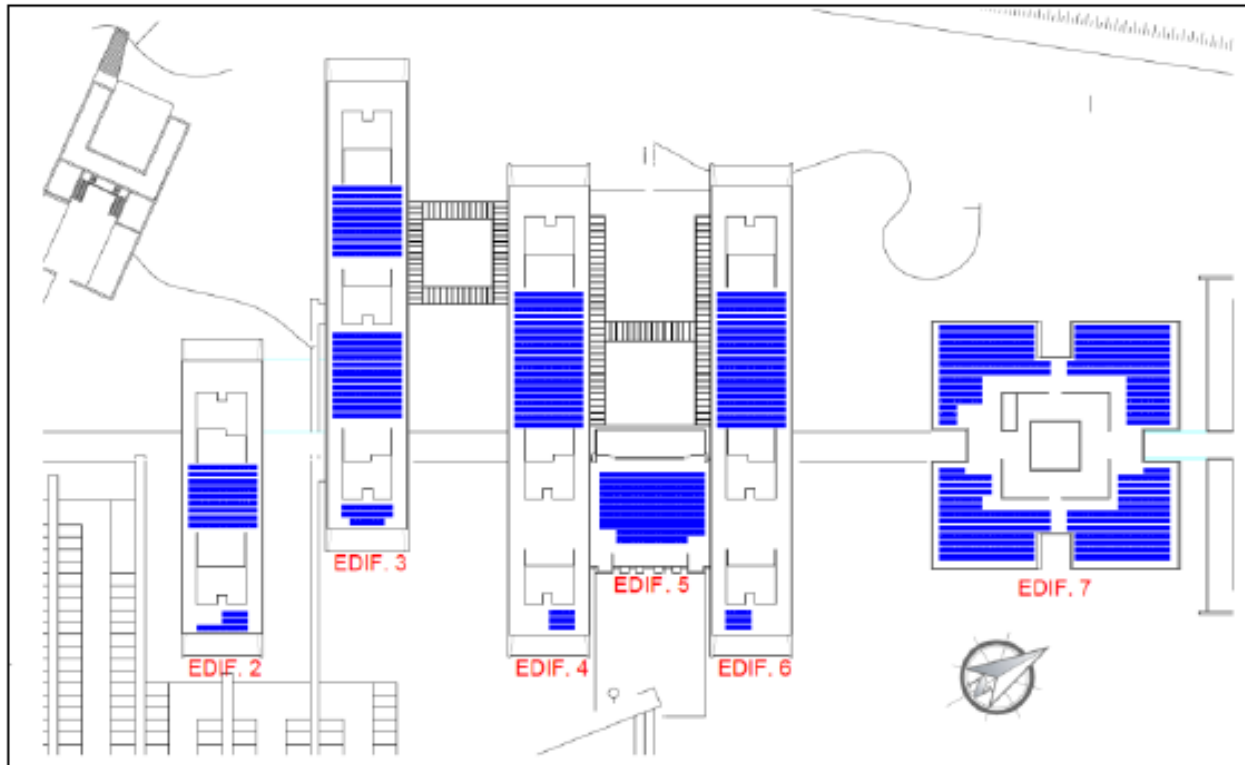
The estimated productivity of the photovoltaic plant, considering the prevailing exposure conditions of the building, is 557,872 kWh/year with a final peak power of 398.48 kWp, equal to approximately 6% of the annual energy needs of the Sa Illetta headquarters.

The construction of the plant began in mid-December 2020 and was completed at the beginning of February 2021. In the second week of February 2021, the plant was tested.

On 15 February 2021, the testing of the plant was completed, with a positive outcome, with the following authorisation from Enel to switch on the plant.

The following image shows the draft plan of the Sa Illetta site with the indication of the positioning of the photovoltaic modules (yellow-coloured area). In the second image, the photovoltaic modules positioned are highlighted in blue.





The investment for the construction of the plant was made by the supplier, which is responsible for the design, construction, commissioning and testing of the plant itself, for ordinary and extraordinary maintenance and for the management of administrative and bureaucratic activities in relation to the various control bodies.

Tiscali does not own the plant but operates it on a 10-year lease.

At the end of the 10 years, Tiscali will be able to acquire ownership of the plant, without paying any redemption price. The Company will continue to use the plant, which has an estimated useful life of 25 years.

The supplier guarantees a minimum annual electricity production for the duration of the contract. In case the energy actually produced by the plant is lower than the guaranteed energy in the reference period, the supplier will have to pay a balance in favour of Tiscali.

Thanks to the solar power generation plant, Tiscali will be able to contribute more significantly to achieving its goal of maximising energy efficiency to preserve the environment. As of 16 February 2021 (date of authorisation to switch on by Enel) and for the entire 2021 financial year, the energy generated by photovoltaics, in exclusive self-consumption only on the Data Centre, amounted to 516,099 kWh. The monthly production can be deduced from the following table:

Table 22 – Total energy generated by photovoltaics

Energy generated by PV during 2021 (KWh/month)											
Feb21	Mar21	Apr21	May21	Jun21	Jul21	Aug21	Sep21	Oct21	Nov21	Dec21	Total
20,880	53,940	56,760	67,843	65,440	60,719	61,255	48,989	39,906	20,142	20,226	516,099

Contributing to the reduction of the Data Centre's energy requirements were not only the photovoltaic power generation plant, but also the energy efficiency measures that began in the year 2020 and continued throughout 2021, such as the replacement of chillers and UPSs (uninterruptible power supply systems). A comparison of the energy consumption of the Sa Illetta site for the year 2021 compared to the previous year is shown below:

Table 23 – Total energy consumption Sa Illetta

	SA ILLETTA TOTAL MWh	DATA CENTER MWh	OFFICES MWh	FV PRODUCTION MWh
2020	9,180	7,298	1,883	0
2021	7,937	5,726	2,212	517

Management of Mobility

Tiscali has confirmed its commitment to spreading the culture of sustainable mobility, identifying solutions that allow the adoption of travel methods that are increasingly sensitive to and capable of optimizing employees' journeys home and work.

The Company has reduced the number of cars in the Company fleet, allowing a significant decrease in fuel consumption and CO₂ emissions. Specifically, in 2019 the Company car fleet was reduced from 29 to 4 units. As at 31 December 2021, there are 4 Company cars, two of which are hybrid.

In addition, the Company, in order to raise awareness among employees about sustainable mobility, with a view to greater environmental protection, has made carpooling systems available to its employees for travel from headquarters to the local area.

In fact, as of mid-November 2018, Tiscali has set up two carsharing stations as part of the Tiscali Campus. The advantages of carsharing derive from greater rationality in the use of

vehicles, allowing a reduction in the number of cars per capita and less air pollution, thanks to the limitation of carbon dioxide emissions, the main gas responsible for the greenhouse effect. These advantages in terms of the environment and saved urban space therefore produce economic benefits for the community.

Furthermore, as the mobility restriction measures resulting from the COVID-19 emergence continue, the Company has further promoted and significantly increased the use of remote interaction systems such as video conferencing for meetings and training activities, significantly reducing the number of trips and travels.

VI.5 – Actions taken in 2021 having an impact on environmental sustainability and new perspectives

As described in Paragraph "VI.1 – ISO 14001 environmental certification", during 2019 the Company introduced an Environmental Management System in accordance with **ISO 14001**. Environmental management, according to ISO 14001, represents the transition from just respecting the law to an integrated management of activities aimed at preventing and improving everything related to environmental impact.

Tiscali has set itself the objective of raising awareness of environmental protection. The initiatives adopted in 2021 are as follows:

Waste containment

- 1) Since October 2019, Tiscali set itself the target to progressively eliminate the use of disposable plastic in offices through the installation of drinking water fountains and at the same time removed plastic bottles and glasses from automatic food and drink dispensers and from the Company canteen and cafés. This objective was fully realised in 2020, the year in which Tiscali became a *de facto* plastic-free Company;
- ✓ Full implementation in all the sites of a separate collection system, through which all waste produced is reused or correctly recycled. Electronic equipment and waste produced daily in the offices are also correctly disposed of according to the directives. The production of undifferentiated material in the year 2021 was 13,760 kg compared to 21,400 kg produced in the year 2020 (-35.70%);
- ✓ In addition, with a view to limiting waste production, to the continuing mitigation measures resulting from the COVID-19 emergency, Tiscali continued to use desktop

virtualisation (VDI) systems during the year 2021, with respect to the purchase of local PCs, and the consequent reduction of electrical equipment to be disposed of.

- ✓ In FY 2021, paper waste production decreased significantly (-67%), from 16,910 kg of waste produced in FY 2020 to 5,500 kg in FY 2021, thanks to the following measures implemented: 1) reduction in the number of printers (shifting from a system of widespread printers to a centralised network with a limited number of elements), which allowed rationalisation of printing access methods and a reduction in paper waste, as well as savings in toner and electricity. It should also be noted that, in April 2021, a contract was signed with Canon Italia S.p.A. for the supply of the toner collection and disposal service; 2) promotion of activities to discourage customers from requesting paper invoices, in order to reduce paper consumption to a minimum.
- ✓ In order to improve the conditions of the waste storage area, the soil was protected through the use of special protective cloths for possible particulate leakage.

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

During the year 2021, maintenance and related data transmission to the FGAS database was carried out, according to legal frequencies, regarding leakage checks on equipment containing fluorinated greenhouse gases. The maintenance of the qualification requirements of SIGIT SRL, the company in charge of managing equipment containing FGAS, was also verified.

As far as Company vehicles are concerned, exhaust gas emissions during the year 2021 are to be considered negligible, considering the small number of Company cars, equal to three rental cars of Environmental Compatibility Class Euro6.

Containment of noise immissions

With reference to noise immissions, both daytime and night-time, deriving from Company activities, the Phonometric Report prepared by the competent technician (appointed in March 2021) showed a sound immission level lower than the limits set by the regulations for the area in which the Tiscali Campus is located (Class II for areas destined for predominantly residential use). The impact of the sound source towards receptors was mitigated thanks to the installation of the new chillers.

Containment of releases to soil from farm activities

During the 2021 financial year, there were no spillages of pollutants on the tanks serving the gensets, thanks to the execution of daily checks and the adoption of personnel training policies on the use of a suitable "Anti-spill emergency kit". The list of hazardous substances and preparations in use in the Company was also updated by collecting the relevant safety data sheets.

Containment of water consumption

As far as the use of water resources is concerned, there has been a significant reduction in water consumption, and in particular: during the year 2021, industrial water consumption amounted to 5,230 cubic metres (-43.3% compared to 9,220 cubic metres in 2020), while drinking water consumption stood at 7,840 cubic metres (-3.7% compared to 8,140 cubic metres in 2020). Water consumption levels are constantly monitored through readings from supplier bills.

Product distribution, use and end of life

With a view to raising its customers' awareness of Tiscali's commitment to a sustainable future, a 'WEEE Disposal Notice' has been prepared, to be included in the Welcome Pack sent to Business customers, in order to provide information on the potential environmental impacts associated with the use and end-of-life treatment of the product, providing for the return of the modem on loan, either in the event of contract termination or replacement, or the return of the product in compliance 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. With this in mind, Tiscali 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 a commitment to promoting environmental sustainability, monitoring 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 Organisation exercises total management control, and indirect aspects, i.e. those 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 the soil and subsoil deriving from possible leaks of oil, fuel and other pollutants that may be conveyed into the soil and then 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 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 deriving from leaks of lubricating oil, fuel and any polluting substance deriving from them is avoided.

Consistent with its vocation for environmental sustainability, the Company has set itself the goal for 2022 of consolidating the results obtained to date, constantly verifying compliance with the procedures implemented and aimed at limiting the environmental impact of its business activities. In particular:

- Targeted analysis will continue for the process of replacing the lamps in the headquarters, which would further reduce energy consumption;
- The canopies covering the tanks will be repaired, thus preventing rainwater from falling into the containment tanks, in order to contain the spillage of pollutants on the tanks serving the gensets.

VII – Materiality Analysis – Definition of material topics

Material Topic	Scope	Main Stakeholder Concerned	Boundary	Reconciliation with GRI Standards
Network coverage and quality of service	Technologic Innovation	Customers	All companies within the perimeter	GRI 103: Management's Approach GRI 203: Indirect Economic Impacts
Digitalization	Technologic Innovation	Customers	All companies within the perimeter	GRI 103: Management's Approach
Data Privacy and Security	Customers	Customers	All companies within the perimeter	GRI 103: Management's Approach GRI 418: Consumers' Privacy
Transparency, Reliability and Responsible Marketing	Customers	Customers	All companies within the perimeter	GRI 103: Management's Approach
Health and Safety	People	Employee	All companies within the perimeter	GRI 103: Management's Approach GRI 403: Health and Safety at the Workplace
Employment and Valorisation of People	People	Employees	All companies within the perimeter	GRI 103: Management's Approach GRI 401: Employment GRI 404: Training and Education
Diversity and Equal Treatment	People	Employees	All companies within the perimeter	GRI 103: Management's Approach GRI 405: Diversity and Equal Treatment
Relationships with the Territory and Local Communities	People	Employees	All companies within the perimeter	GRI 103: Management's Approach GRI 203: Indirect Economic Impacts

Energy Consumption and Emissions	Environmental Impact	Community, Public Administration and Institutions	All companies within the perimeter	GRI 103: Management's Approach GRI 302: Energy GRI 305: Emissions
Economic Sustainability	Economic and of Governance	Shareholders and Financial Community	All companies within the perimeter	GRI 103: Management's Approach GRI 201: Economic Performance
Ethics and Integrity	Economic and of Governance	All	All companies within the perimeter	GRI 103: Management's Approach GRI 205: Anticorruption GRI 419: Socio-economic compliance
Fight against Corruption	Economic and of Governance	All	All companies within the perimeter	GRI 103: Management's Approach GRI 205: Anticorruption
Responsible Management of Suppliers	Economic and of Governance	Suppliers	All companies within the perimeter / suppliers, business partners	GRI 103: Management's Approach GRI 204: Procurement Practices

VIII – GRI Content Index

GENERAL STANDARD DISCLOSURE			
GRI STANDARDS	DESCRIPTION	PAGE	NOTES/REASONS TO OMIT
Organization Profile			
102-1	Name of the Organization	1	
102-2	Primary brands, products, and services	9-10	
102-3	Location of the organization's headquarters	1	
102-4	Number of countries where the organization operates	12-15	
102-5	Nature of ownership and legal form	1,10,32	
102-6	Markets Served	9-11	
102-7	Scale of the Organization	8,12-16,32	
102-8	Characteristics of the Workforce	62-63	
102-9	Organization's Supply Chain	44-45	
102-10	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	7-8,19-26	
102-11	Application of the precautionary approach or principle	40-42	
102-12	External Initiatives		None
102-13	Memberships of Associations	33-35, 62	
Strategy			
102-14	Statement from the most senior decision-maker of the organization	4-6	
Ethics and Integrity			
102-16	Organization's values, principles, standards and norms	11-12	
Governance			
102-18	Governance structure and its composition	24-25, 27-29	
Stakeholder engagement			
102-40	List of Stakeholders	37-38	
102-41	Collective Bargaining Agreements		All employees are covered by collective bargaining agreements
102-42	Identification and selection of stakeholders with whom to engage	37-38	
102-43	Approach to stakeholder engagement	37-38	
102-44	Key topics and concerns that have been raised through stakeholder engagement	37-38	

Report Profile			
102-45	Entities included in the Consolidated Financial Statements	7-8	
102-46	Definition of the contents of the report and of the scope of material topics	7-8	
102-47	List of material topics	39-40	
102-48	Changes to information contained in previous reports	7-8	
102-49	Significant changes in terms of material topics and their scope	7-8, 39-40	
102-50	Reporting Period of the Sustainability Report	7-8	
102-51	Date of most recent previous Sustainability Report	7-8	
102-52	Reporting Cycle	7-8	
102-53	Contact point for questions regarding the report or its contents	7-8	
102-54	Indication of the "in accordance" option the organization has chosen	7-8	
102-55	GRI Content Index	87-90	
102-56	External Assurance Report	92-94	
TOPIC-SPECIFIC STANDARD			
GRI 200: ECONOMIC SERIES (2016)			
Topic: Economic Performance			
GRI-103: Management's Approach (2016)			
103-1	Explanation of the material topic and its Boundary	42-43, 85-86	
103-2	The management approach and its components	42-43	
103-3	Evaluation of the management approach	8, 42-43	
GRI-201: Economic Performance (2016)			
201-1	Direct economic value generated and distributed	42	
Topic: Indirect Economic Impacts			
GRI-103: Management Approach (2016)			
103-1	Explanation of the material topic and its Boundary	46-50, 85-86	
103-2	The management approach and its components	46-50	
103-3	Evaluation of the management approach	8, 46-50	
GRI-203: Indirect Economic Impacts (2016)			
203-2	Significant indirect economic impacts	46-50	
Topic: Procurement Practices			
GRI-103: Management's Approach (2016)			
103-1	Explanation of the material topic and its Boundary	44-45, 85-86	

103-2	The management approach and its components	44-45	
103-3	Evaluation of the management approach	8, 44-45	
GRI-204: Procurement Practices (2016)			
204-1	Proportion of spending on local suppliers	45	
Topic: Anti-Corruption			
GRI-103: Management's Approach (2016)			
103-1	Explanation of the material topic and its Boundary	30-32, 85-86	
103-2	The management approach and its components	30-32	
103-3	Evaluation of the management approach	8, 30-32	
GRI-205: Anti-corruption (2016)			
205-3	Confirmed incidents of corruption and actions taken		There were no incidents of corruption during 2019.
GRI 300: ENVIRONMENTAL SERIES (2016)			
Topic: Energy			
GRI-103: Management's Approach (2016)			
103-1	Explanation of the material topic and its Boundary	75-84, 85-86	
103-2	The management approach and its components	75-84	
103-3	Evaluation of the management approach	8, 75-84	
GRI-302: Energy (2017)			
302-1	Energy consumption within the organization	79	
302-4	Reduction of energy consumption	81-84	
Topic: Emissions			
GRI-103: Management's Approach (2016)			
103-1	Explanation of the material topic and its Boundary	78-80, 85-86	
103-2	The management approach and its components	78-80	
103-3	Evaluation of the management approach	8, 78-80	
GRI-305: Emissions (2016)			
305-1	Direct (Scope 1) GHG emissions	80	
305-2	Energy indirect (Scope 2) GHG emissions	80	
GRI 400: SOCIAL SERIES (2016)			
Topic: Employment			
GRI-103: Management's Approach (2016)			
103-1	Explanation of the material topic and its Boundary	60-67, 85-86	
103-2	The management approach and its components	60-67	
103-3	Evaluation of the management approach	8, 60-67	

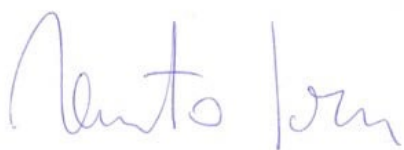
GRI-401: Employment (2016)			
401-1	Explanation of the material topic and its Boundary	66	
401-3	Parental Leave	67	
Topic: Occupational Health and Safety			
GRI-103: Management's Approach (2016)			
103-1	Explanation of the material topic and its Boundary	60-61, 72-74, 85-86	
103-2	The management approach and its components	72-74	
103-3	Evaluation of the management approach	8, 72-74	
403-1	Occupational health and safety management system	85-86	
403-2	Hazard identification, risk assessment, and incident investigation	85-86	
403-3	Occupational health services	85-86	
403-4	Worker participation, consultation, and communication on occupational health and safety	85-86	
403-5	Worker training on occupational health and safety	85-86	
403-6	Promotion of worker health	85-86	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	85-86	
GRI-403: Occupational Health and Safety (2016)			
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	73-74	
Topic: Training and Education			
GRI-103: Management's Approach (2016)			
103-1	Explanation of the material topic and its Boundary	69-72, 85-86	
103-2	The management approach and its components	69-72	
103-3	Evaluation of the management approach	8, 68-72	
GRI-404: Training and Education (2016)			
404-1	Average hours of training per year per employee	70	
404-3	Percentage of employees receiving a regular evaluation of their performance and professional development	71	
Topic: Diversity and Equal Opportunity			
GRI-103: Management's Approach (2016)			
103-1	Explanation of the material topic and its Boundary	27, 62-65, 85-86	
103-2	The management approach and its components	27, 62-65	

103-3	Evaluation of the management approach	8, 27, 62-65	
GRI-405: Diversity and Equal Opportunity (2016)			
405-1	Diversity of governance bodies and employees	27, 64-65	
Topic: Consumers' Privacy (2016)			
GRI-103: Management's Approach (2016)			
103-1	Explanation of the material topic and its Boundary	55-58, 85-86	
103-2	The management approach and its components	55-58	
103-3	Evaluation of the management approach	8, 55-58	
GRI-418: Consumer's Privacy (2016)			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	57-58	
Topic: Socioeconomic Compliance (2016)			
GRI-103: Management's Approach (2016)			
103-1	Explanation of the material topic and its Boundary	33-37,85-86	
103-2	The management approach and its components	33-37	
103-3	Evaluation of the management approach	8, 33-37	
GRI 419-1: Socioeconomic Compliance (2016)			
419-1	Non-compliance with laws and regulations in the social and economic area		In 2019, no significant sanctions due to non-compliance with laws and regulations in the social and economic area have been reported.

Cagliari, 5 April 2022

The CEO

The Officer in charge of Preparing the Company's Accounting Documents



Renato Soru



Silvia Marchesoli

IX – Report of the Auditing Firm
