// TISCALI

2020 Sustainability Report
Consolidated Non-Financial Statements
as per the Legislative Decree No. 254/2016

Tiscali Group

INDEX

Letter from the Chief Executive Officer to the Stakeholders

Dear All,

Today, the Sustainability Report takes on greater significance than in the past: the continuing emergency due to the COVID-19 pandemic has presented us all with a challenge on several levels – organisational, economic and social – to which Tiscali has been able to respond by holding firm to the principles that inspire its work and its mission and that we find in the five focal points of the Sustainability Report: **Technological Innovation**, **Environmental Sustainability**, **Customers**, **People** and **Governance**.

As a result of the increased demand for connectivity derived from travel restrictions, the telecommunications sector has taken on a crucial role in the Italian production system. The provision of fast connection services and the upgrading of Internet networks and infrastructures have become a priority for us: in keeping with our tradition as pioneers of **Technological Innovation**, we have confirmed our position as the Smart Telco with the greatest fibre coverage in Italy, further expanding existing coverage.

In addition, thanks to the implementation of supply agreements with wholesale operators, Tiscali has started, starting from the end of 2020, a process of migration to the Ultra Broadband network, with the aim of rationalising network infrastructure and significantly reducing costs.
This process will make it possible to increase the pool of users that can be reached directly by fibre, reduce fixed costs and traffic management costs, accelerate the migration to fibre and, as a result, improve the quality of service of internet access in Ultra Broadband mode (Fixed and Fixed Wireless) as well as the churn rate.

The savings deriving from this process will also be reflected in greater investment to support **Customer** service, with a positive impact, therefore, on the relationship of trust that is at the heart of our approach to customers.

Tiscali was also one of the first operators to participate in the Connectivity Voucher tender promoted by the Government to encourage the deployment of Ultra Broadband connectivity services and support less affluent families to overcome the current digital divide, with a particularly advantageous offer characterised, as always, by transparency and simplicity.

During 2020, our Company has continued and strengthened its commitment, established in the ISO 14001 certification obtained in December 2019, towards greater **environmental sustainability** in all its activities.

The progressive plastic substitution initiatives undertaken in recent years at our Sa Illetta site, which we have continued with determination this year, have meant that we are now a fully plastic-free company.

We have further reduced energy consumption and CO_2 emissions and reduced noise pollution, thanks to the insulation of the data centre and the replacement of the cooling system in all the buildings at our Sa Illetta site in Cagliari.

We have implemented a policy to discourage customers from requesting paper invoices, achieving significant savings in paper use.

In February 2021, we finished the construction of a photovoltaic system located on the roofs of the Sa Illetta buildings for the production of energy for self-consumption, which will reduce atmospheric emissions by 248,532 kg of CO_2 per year, equal to the CO_2 absorbed annually by 1,926 trees.

When fully operational, the photovoltaic system will meet approximately 6% of the annual energy needs of the Sa Illetta site.

Finally, we have appointed an Integrated Quality Management System manager, whose duties also include environmental management. This is a significant step towards ensuring continuity in the processes of improving our ecological footprint.

Since the first signs of the COVID-19 emergency onset, we have been working to **protect our people**: thanks to the timely and massive adoption of teleworking and the application of strict protocols for the prevention of contagion, we have ensured the safety and peace of mind of all staff, while preserving a high level of productivity as a prerequisite for maintaining jobs, in constant and fruitful discussions with the social partners.

The use of teleworking has also allowed us to limit recourse to the redundancy fund, which will be necessary from April 2020 to mitigate the negative effects of the pandemic, to a maximum of 20% reduction in weekly working hours.

Lastly, with regard to **Governance**, Tiscali reports on issues related to the fight against corruption, ethics and integrity, responsible procurement management and economic sustainability.

These are the main points of our Sustainability Report, which we invite you to read in detail in the following pages.

The Chief Executive Officer

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 2020 (from 1 January to 31 December).

This document represents the fourth 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 2020 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 2020 Sustainability Report is the same as that of the Tiscali Group 2020 Consolidated Financial Statements. It should be noted that, on 31 January 2020, the subsidiaries Veesible S.r.l. and Aria S.r.l. were merged

by incorporation into Tiscali Italia S.p.A., and the subsidiary Tiscali International Network BV was merged into Tiscali International BV. For further information, please refer to the Group's Report on Operations.

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 2020.
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.

Furthermore, 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 14 May 2021.

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 verification did not extend to comparative data.

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 199 million pageviews and about 11.3 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 2020, the Tiscali Group was structured as follows:
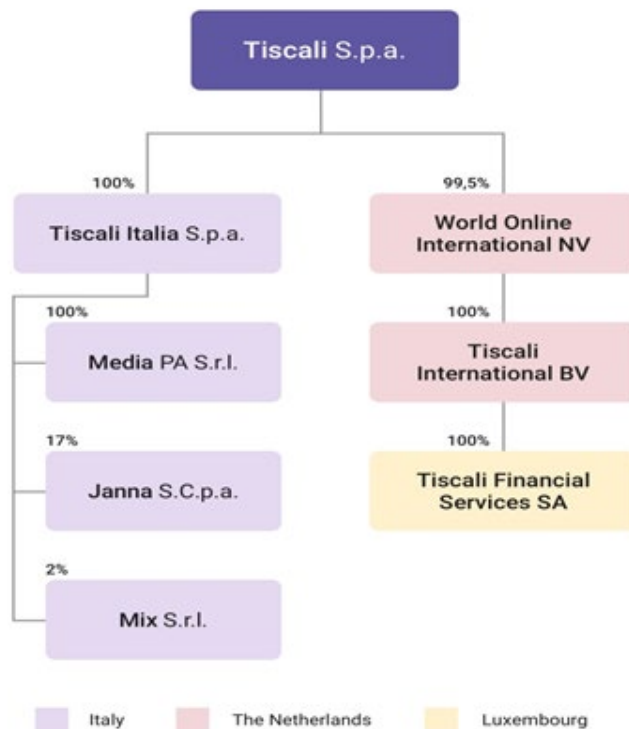
I.3 – Mission and values

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 29.8 billion[1]. In particular, Tiscali operates in the fixed and mobile broadband services market, and in the on-line advertising market.

Fixed Broadband Market

The Fixed Network Broadband and Ultra Broadband accesses, the main reference market for Tiscali, reached 17.9 million accesses in September 2020 (source: Authority for Communications Guarantees – AGCOM, latest data available for the market) with an annual increase of 2.1 million units.

The increase continues to be driven by Ultra Broadband access (in FTTH, FTTC and Fixed Wireless Access technology), which stood at 11.8 million units in September 2020, up 18.3% year-on-year and representing 66.3% of the total. Over the same period, the traditional DSL component declined significantly, with a loss of 1.5 million units (-19.5%). 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 2.4%, substantially stable year-on-year. Market leader TIM is at 42.1%, losing 1 p.p. on an annual basis, followed by Vodafone (16.7%), Fastweb (15.1%) and Wind Tre (14.0%).

The evolution of the market by technology shows a growth in the Ultra Broadband sector of FTTH access of 41.7%, FTTC of 16% and Fixed Wireless Access of 11.4%.

In the FTTH segment, which has the highest growth rate, in September 2020 Tiscali's market share stood at 5.5%, up 1.6 pp on September of the previous year, making it the second largest in the market after TIM.

The potential of the FTTH market is attracting new operators pursuing a convergence strategy. In June, SKY launched its FTTH fibre offering in 26 cities, and ILIAD and Poste Mobile announced their entry into the market in 2021.

Mobile Market

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

The mobile services market in September 2020 (source: AGCOM) shows a decline in the total number of lines of 0.2 million units year-on-year: 104.1 million sims in September 2020 compared to 104.3 million in September 2019, of which 26.3 million units are "M2M" (Machine To Machine) sims accounting for 25.3% of the total, with growth of 2.8 million year-on-year, and 77.8 million are "human" sims that carry "voice only" and "voice+data" traffic and are down by approximately 3 million units year-on-year (and down by 0.3 million units on a quarterly basis).

With reference to overall sims, Vodafone is the market leader with a market share of 29.1%, followed by Tim with 29% and Wind Tre with 26.1%, while Iliad represents 6.6% of the market. Considering only the "human" sim segment, i.e. excluding M2Ms, Iliad reaches 8.8%, while Wind Tre, despite a share decreasing by 2.5 percentage points on an annual basis, remains the main operator with 28.2%, followed by Tim (26.5%) and Vodafone with 24.1%. Tiscali operates in the MVNO market, which has around 9.6 million SIM cards (9.3% of the total and 12.3% of the human market).

In the mobile market, Tiscali recorded growth in its customer portfolio, which stood at around 256,000 as at 31 December 2020, a 4.7% increase compared to 31 December 2019.

Total data traffic in the market, as of September 2020, continues to grow significantly: +52.4% year-on-year. There has been an increase since Q2 2020 as a result of the COVID-19 emergency. Sims with data traffic reached 73.1% of total human traffic with consumption of 9.23 GB/month (+48.1% year-on-year) driven by the consolidated use of video, streaming and on-demand applications.

Tiscali's mobile offering is available in 7,750 Italian municipalities (TIM network), representing 99% of national coverage, the most extensive in Italy.

Online Advertising Market

The online advertising market decreased by 0.8% in 2020. In the last months of the year, the decrease in the first half of the year due to the COVID-19 emergency was partially recovered. Looking at the detail by type of access device, it is noted that the only device that failed to grow is the Desktop with -4.5%, while Smartphone with 5.1% and Smart TV with + 89.6% positively ended the year (Smart TV has high growth percentages, but in absolute values is still under EUR 3 million annual advertising investment, reaching EUR 2.8 million in 2020 against EUR 1.5 million in 2019). The FCP (Federazione Concessionarie Pubblicitarie, *Federation of Advertising Dealers*) Monitoring Unit had already recorded the first signs of recovery in investments in July and the end of the year shows that, even in a health

emergency, the digital media sector remains crucial for advertising investors. Mobile advertising is confirmed as one of the main future drivers of market growth, in fact, if we look at the trend of investments per use, Apps grew by 12.9% in 2020.

With regard to the activities of the Tiscali portal, in FY 2020 the activity begun at the end of 2019 to search for potential publishing partners with which to activate collaborations on the creation of thematic content to enrich the editorial offer continued.

In September 2020, Tiscali signed a commercial agreement with the proptech Vivoqui, under which a platform was activated on the tiscali.it portal that makes services provided by Vivoqui in the field of property sales and purchases available to portal users.

In the second half of 2020, Tiscali launched the new Tiscali Shopping Channel, which now has around 100 merchants and generates around 500,000 visits per month. Every day, shopping tips are published on the best products on the market, with the aim of developing the shopping platform even further in the future.

As of 1 March 2021, advertising sales have been entrusted to IOL Advertising. This new partnership will allow the development of industrial synergies between two companies that have innovation at heart.

In addition, they will work together to address the challenges that the market will present, including the new scenario resulting from the decision by Google and other browsers to no longer allow tracking of users through cookies from third-party providers other than the sites visited by users. This new modality will give more importance to the data held by individual publishers, registrations, browsing interests, and semantic analysis of contents. This is a real revolution for the advertising market. In this new scenario, Tiscali will commit to maximize the internal data assets consisting of the registration data of Tiscali Mail users in compliance with the privacy policy in force.

I.5 – Highlights

Network coverage from the end of 2020:

Fixed wireless access network: 21.2 million households and businesses covered

Fibre: 22 million households and businesses covered

521 employees

of whom 513 in **Sardinia**

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1,505 active points of sale

throughout the country

of which 21 single-brand

672.7 thousand users, of which:

376.7 thousand with fixed broadband access (of which 223 thousand fibre)

40 thousand with fixed wireless access

245 thousand mobile MVNO customers

EUR 144 million*

total **revenue**

EUR 29,1 million*

Net **EBITDA**

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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 nation-wide, 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

2010

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

2012

The companies Veesible 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

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

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 fiber 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 Mbir/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).

Together with the aforementioned activities undertaken by the Group during 2020 (for more details on these activities, please refer to the 2020 Consolidated Financial Report), it is important to note that, as is known, from February 2020, the national and international context was characterised by the COVID-19 emergency and the consequent restrictive measures to contain it. These measures have led to the suspension of non-essential production and commercial activities and important restrictions on the movement of individuals. These circumstances, extraordinary in their nature and extent, had direct and indirect repercussions on the country's economic activity, weakening the reference economic framework at a national and global level, reducing consumers' spending power and creating a context of general uncertainty.

The Telecommunications sector has become one of the most important among the country's production activities, thanks to the greater demand for connectivity linked to the remote working environment (teleworking) and in general to the lockdown period, that has led to greater use of the service compared to previous periods.

From the Company's point of view, the economic and financial impacts recorded in 2020 mainly concerned advertising revenues, traffic costs and credit risk and were carefully monitored by the Directors. 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 the management of human resources and workplaces, it should be noted that the Company took immediate action since the end of February 2020 to contain the risks by adopting measures and provisions aimed at containing the possible spread of the virus and protecting the health of its employees, a top priority for the Company. In particular, teleworking was adopted on a massive scale, quickly introducing this measure for almost all the workforce. Further measures were taken during the year, such as taking out COVID-19 health insurance with Generali Italia for all employees.

I.7 – 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. In this sense, there is no specific corporate function in charge of controlling tax risk, but it falls within the duties of the Administration and Finance Department, which is assisted by an external tax consultancy firm.

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 fourth 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 2018 and 2019. Through this fourth document, the Group intends to demonstrate its commitment to all stakeholders and to the environment.

The initiatives implemented during 2020, 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 2020, 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 2019			As at 31 December 2020		
	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 5.3.2 of the Tiscali's Corporate Governance and Ownership Structure Report, contained in the 2020 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.

Since May 2018, the **diversity policy** has been in force, which describes the optimal characteristics of the composition of the Board of Directors and the Board of Statutory Auditors so that they can exercise their duties in the most effective way, taking decisions that can concretely benefit from the contribution of a plurality of qualified points of view, able to examine the issues under discussion from different perspectives.

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 function, in line with the principles and application criteria set forth in Article No. 8 of the Self-Governance Code of Borsa Italiana.

II.2 – Internal Control System and Risk

Internal Control System

The current internal control system is in line with what is established by the principles and application criteria of article 7 of the Code of Self-Governance of listed Companies. In this regard, Tiscali has early adopted the new version of the Corporate Governance Code definitively approved by the Corporate Governance Committee in January 2020, as extensively illustrated in the Corporate Governance and Ownership Structure Report included in the 2020 Annual Financial Report, to which reference should be made.

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 by the three independent Directors of Tiscali S.p.A., 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 **Executive in Charge** 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. It 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 function.

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 Statement.

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 different companies is being updated with the support of an external consultant and is expected to be approved by the Boards of Directors by the first half of 2021.

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 2020 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 2020, due to the ongoing COVID-19 pandemic and the difficulty of reaching the various people the Models are directed to, it was not possible to proceed with the provision of training according to the usual annual plans. However, information material was distributed and it was planned to deliver face-to-face training to relevant staff in the second half of 2021.

II.3 – 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 2020, the share capital amounted to EUR 51.6 million, corresponding to 5,061,255,582 shares with no par value; the yearly average market capitalization amounted to EUR 77,7, calculated on the value of EUR 0.0162 per share out of a total of 4,784,961,393 shares. The reference shareholder of Tiscali is Amsicora S.r.l., which owns 17.75% of the ordinary share capital and voting rights.

The composition of the share capital as at 31 December 2020 follows:

Fig. 1 Shareholding structure: % ordinary share capital and voting rights
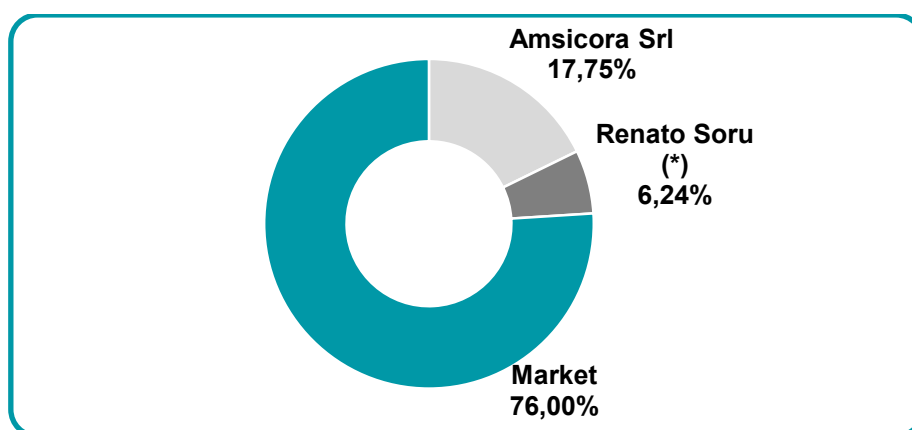
Source: Tiscali

(*) Directly for 5.24% and indirectly through the subsidiaries Monteverdi Srl (0.35%) and Cuccureddus Srl (0.65%).

II.4 – 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;
- Trade associations;
- Telecom Supervisory Body (SB);
- the European Commission.

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 (OLO), 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.

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 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.

Tiscali, which has adhered to the Plan, will actively interface with Infratel to resolve all issues relating to the implementation of the subsidised measure and make it available to its customers.

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. Moreover, Tiscali is an observer member of AIIP, the Italian Internet Provider Association, the organization representing small and medium sized Italian companies providing Internet Protocol and connectivity based services.

Relationships with the Telecom Supervisory Body

The Telecom Supervisory Body is an independent body, established in 2009 with the task of supervising the correct implementation of the obligations of the Commitments (ex Resolution No. 718/08/CONS) and all violations concerning the obligations of non-discrimination (ex Resolution No. 623/16/CONS). Tiscali interfaces with the SB (Supervisory Body) in the

context of full cooperation by participating in technical discussions and any corporate meetings.

Relationships with the European Commission

Tiscali collaborates with the European Commission, in particular with the Directorates that have competence in Communications, implementing the regulations in force and the updates provided, participating in open consultations, providing data and information requested by the EC through questionnaires. It also collaborates with DG Competition in proceedings concerning the Italian market by providing information and opinions on the request of DG Competition.

II.5 – 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.

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 1 March 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.6 – 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 Involvement

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	• Clients • Consumers' Associations	• Internet channels • Social Networks

		• Customer satisfaction surveys
Employees	• Employees • Collaborators • Trade unions	• Intranet • Performance Assessment • Internal Climate Survey
Suppliers	• Supplier of goods, products and services • Sub-suppliers • Sales network	• Code of Ethics
Public Administration and Institutions	• Public Administrations • Regulatory Bodies (Authority, Privacy, Antitrust, etc.) • Institutions of the National and Local Government • Judiciary • Judicial Authorities	• Public consultations and working Tables
Community	• Local Community • Universities and Research Centres • Media and opinion leaders	• Initiatives in favour of the territory and the community
Shareholders and Financial Community	• Shareholders • Banks • Investors • Financial Analysts • Rating Agencies	• 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 made in 2017. The analysis of materiality 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 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 14 May 2021 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 2019 and 2020, Tiscali has promoted and boosted a number of activities that go in the direction of increasing the environmental sustainability of Tiscali and its headquarters. These activities included: obtaining ISO 14001 certification (December 2019); appointing the Head of the Integrated Quality Management System (which includes environmental management activities) and the Security Manager, that took place in 2020; the signing of a contract for the implementation of a photovoltaic system at the Sa Illetta headquarters (in 2019) and its realisation in 2020 (commissioning has already started in early 2021); and the carpooling, separate collection and abolition of plastic at the headquarters itself (in 2020, Tiscali became totally plastic-free), are described in *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 CONTINUITY

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.

In 2020, the COVID-19 emergency meant that IT systems had to be quickly organised to allow employees to carry out their work activities from home.

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

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.7 – Generated and distributed economic value

The overall net value added generated by Tiscali in 2020 (net of depreciation, amortization and write-downs) amounted to EUR 107.8 million, down as compared to 2019 by about EUR 12.4 million. The decrease is mainly attributable to the reduction in non-recurring extraordinary items, compared to 2019, of approximately EUR 19.9 million. In fact, non-recurring items amounted to EUR 4.6 million in 2020, compared to EUR 24.5 million recognised at 31 December 2019.

For a detailed analysis of the nature and composition of non-recurring items, please refer to the Consolidated Financial Report as at 31 December 2020, under the note *Non-Recurring Transactions*.

In 2020, the Company distributed EUR 19.2 million to personnel in the form of remuneration for activities carried out during the year, while EUR 102.5 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 8.2 million. Finally, EUR 0.1 million was allocated to the remuneration of the Public Administration.

Distribution of the Added Value	2020	2019
	EUR million	EUR million
Remuneration of suppliers	102.5	102.0
Remuneration of personnel	19.2	22.4
Remuneration of the financial system	8.2	12.2
Remuneration of shareholders	0.0	0.0
Remuneration of the public administration	0.1	0.1
Remuneration of the company	-22.2	-16.5
Net Global Added Value	107.8	120.2
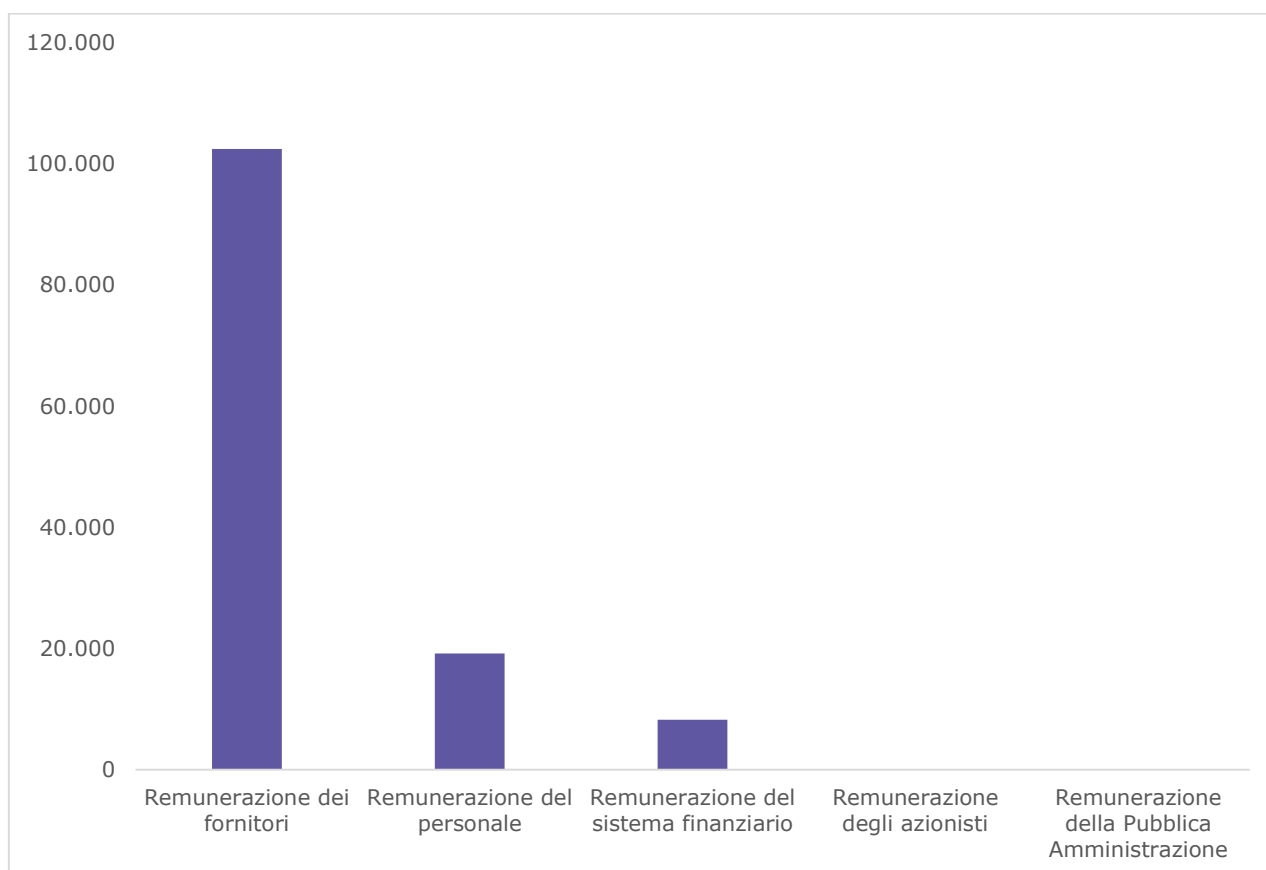
Remuneration of suppliers

Remuneration of personnel

Remuneration of the financial system

Remuneration of shareholders

Remuneration of the public administration

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 2020 of approximately EUR 22.2 million.

Conclusions on going 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 2020 Consolidated Financial Report, to which reference should be made for further details.

"In the circumstances described above, the Directors, after analysing the uncertainties and results of the period, as well as after receiving from each of the Senior Lenders a Communication confirming the status of the Investigation in relation to the approval process of the request for suspension of the remedies foreseen in favour of the Senior Lenders in the event of breach of the Covenants, have prepared a cash plan for a period of 12 months from the date of approval of this Report. On the basis of this cash plan, the Directors believe that the Group, assuming compliance with the 2021-2023 Business Plan and considering the injection of liquidity deriving from the Bond and the effects of the Senior Loan Amendment Agreement, can meet its obligations at a level of maturity substantially in line with the current one.

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.8 – Supply Chain

The suppliers with which Tiscali worked in 2020 were 1,820. In 97% of the cases, 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.

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

Product Category	As at 31 December 2019		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	39	124,907,773	32	117,136,692
Investments	74	22,431,812	62	7,572,274
Sale Partners	728	18,706,061	961	14,395,710
Marketing, Sales, Distribution	179	13,067,871	175	16,882,061
Leases	6	25,252,184	7	12,775,047
Other Network Services	361	20,407,523	60	2,298,949
Professional Services	130	4,496,668	124	13,931,532
Rental and Utilities	84	6,954,140	102	4,953,922
Maintenance	23	9,406,748	14	7,705,871
Other	48	491,951	283	1,801,655
TOTAL	**1,672**	**246,122,730**	**1,820**	**199,453,714**

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.

Table 3 – Composition of total expenditure per geographical area

Country/area of provenience	2019		2020	
	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	37	5,505,309	48	4,354,629
Italy	1,635	231,618,849	1,535	176,712,883
Of which Sardinia	191	8,998,571	237	18,386,202
Total	**1,672**	**246,122,730**	**1,820**	**199,453,714**

With regard to the geographical distribution of suppliers, it can be said that Tiscali operates substantially with national suppliers (98%), and with a portion of local suppliers[2] (11%) mostly used for the needs of the Cagliari offices.

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[2] 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.

In 2020, a year characterised by the Covid-19 emergency, the telecommunications sector became one of the most important among the country's productive activities, thanks to the greater demand for connectivity linked to the remotisation of work (teleworking) and in general to the lockdown periods that led to a greater use of the service than in previous periods.

The issue of digitisation of the country has become of strategic importance, playing a vital role in carrying out the normal daily activities of millions of families and thousands of businesses.

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.

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.

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 2019, Tiscali benefited 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.

A plan to activate new BS (Base Stations) in high-potential areas has also been launched, which will be developed during 2021, but which has already seen the activation of 2 new BS during 2020.

Secondly, the partnership agreement with Linkem (signed in July 2019) for the resale of the FWA service up to 30Mb will become fully operational by the first half of 2021, with the launch of the commercial offer up to 100 Mbps and therefore with a speed upgrade in line with the offer proposed by Tiscali on Fastweb network.

Thanks to the strategies implemented between the years 2018 and 2020, Tiscali can therefore reach 5.2 million households and businesses with FWA technology up to 100Mb and about 16 million households and businesses up to 100Mb thanks to Linkem coverage by the first half of 2021.

Fixed Ultra Broadband network and Fiber service coverage

During 2020, 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 Fiber, during 2020, Tiscali has almost tripled the number of Municipalities with FTTH coverage in zones C and D (extended digital divide), reaching 866 Municipalities as at 31 December 2020, compared to 321 municipalities reached as at 31 December 2019. Tiscali is the main operator in these so-called "white areas".

At the end of February 2021 Open Fiber in fact declared to have reached about 1.1 million households covered: there are 21,446 active customers in these areas, of which 10,464 are Tiscali customers, equal to 48.8% market share.

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 2020 is 5.5%, up 1.6 p.p. year-on-year (this is the second highest growth after TIM) (source: AGCOM, report as at 30 September 2020).

In addition, thanks to the strategic partnership signed with TIM, which has extended the Ultra Broadband coverage to the NGA Bitstream network, Tiscali has further expanded its Ultra Broadband coverage in Sardinia, thus reaching approximately 295 out of 377 Municipalities with UBB technology (up to 1 Gbps) at the end of 2020.

As per development plans, the completion of nationwide access to this network is expected in the first half of 2021, with an increase in the potential market of approximately 1.2 million households.

As at 31 December 2020, Tiscali can provide Fibre services to approximately 22 million households and businesses: in FTTC technology to approximately 14.5 million households and businesses and in FTTH technology to approximately 7.5 million households and businesses.

Thanks to the actions described above and the marketing actions focused on Fibre offers, Fibre customers grew by 36.3% in 2020, from 164 thousand units as at 31 December 2019 to 223 thousand units as at 31 December 2020.

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. These offers boosted the growth of mobile customers, which rose from 245 thousand units as at 31 December 2019 to 256 thousand units as at 31 December 2020, i.e. a 4.7% 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 2020, 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. During 2020, the offer positioning with no restrictions, bonds or penalties have been maintained and strengthened. All landline, wireless and mobile offers are simple, clear, transparent and intuitive.

All barriers to entry and exit barriers have been removed, thus removing minimum time restraints or obligations to return promotions, and the costs of decommissioning due to cessation or migration have been significantly reduced by complying, among the former, with the regulatory directives which provide for a maximum cost of 1 month's instalment. The customer is always informed in a correct, complete and exhaustive manner: all advertising materials and the sales site, the Assistance website, the MyTiscali Personal Customer Area and the post-sales materials contain information and in-depth analysis sections.

The Charter of Services

The Charter of Services[3], 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 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.

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[3] 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.

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 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.

Tiscali's services no longer have either a minimum duration or the return of promotional discounts: the customer is **free** to withdraw from the contract when he/she prefers, paying only the costs of deactivating the service supported by Tiscali, recently decreased to a one-month fee, where included.

This positioning was all the more confirmed in 2020, a year characterised by the COVID-19 emergency, which made telecommunications services even more essential in tackling 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 takes the form 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 make the voucher offer available on the launch date of the manoeuvre, i.e. 9 November 2020, 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 using 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 this is perfectly consistent with the company's values and, above all, with its mission to offer everyone equal and free access

to digital life. This measure, which will last for about a year, will soon be extended to FWA services.

In addition, from April 2020, in the midst of the COVID-19 emergency and the resulting lockdown restrictions, Tiscali has signed agreements with Sisal and Satispay for the implementation of a system for the payment of Tiscali bills via App, confirming Tiscali's strong focus on its customers, including in the provision of innovative solutions.

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

Correct 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 strengthened 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.

In 2020, a partnership was also launched with the FONDAZIONE EDOARDO GARRONE to facilitate access to Ultra Broadband for young entrepreneurs in the country's inland areas. The partnership is based on a shared vision of the strategic role played by connectivity services for business development and for the growth and redevelopment of marginal areas, which are often disadvantaged in terms of technological infrastructure. The agreement, which will run until 2025, will benefit start-ups launched in the Apennines and the Alps thanks to the temporary incubators ReStartApp and ReStartAlp, promoted by Fondazione Edoardo Garrone for the redevelopment of Italy's inland areas. Tiscali will provide them with a dedicated

connectivity offer on the Open Fiber network at favourable conditions, as well as a special "Starter Kit" intended in particular for the winners of the three start-up prizes, to facilitate the companies in the initial phase of their operations.

IV.2 – Customer satisfaction

The year 2020 saw the natural continuation of activities to strengthen the objectives of improving customer satisfaction and the Tiscali service quality planning and control system. The process was further refined at all stages of development, through analysis of feedback and correction of the events underlying negative customer assessments, both in terms of the timely assistance received and the overall level of satisfaction with Tiscali services.

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. Parameters measuring the different perception according to the contact channel used by the customer and the percentage of quality surveys collected in relation to the total number of interactions handled by customer support were introduced into the measurement system. The monitoring of these parameters revealed relevant insights in order to guide the best customer service strategy.

During the lockdown period, the Company, after the first month of difficulties in guaranteeing the telephone assistance service (because the staff had been placed on teleworking as a precautionary measure), managed to guarantee the assistance service through the digital channel anyway, on which the use of WhatsApp was expanded.

Subsequently, the Company continued to provide complete and continuous telephone assistance, while keeping its staff in teleworking mode.

The Customer Satisfaction surveys showed that customers were particularly inclined towards chat management, i.e. in real time, compared to "offline" management by means of deferred notification and response. The comparative analysis of the results of telephone and digital assistance, completed at the end of 2019, revealed differences in satisfaction between

different sectors depending on the contact channel used: while telephone assistance was the preferred means of contact for customers who requested technical assistance, digital assistance was widely appreciated by users who requested commercial assistance. Commercial support itself developed its skills and abilities in managing the digital chat channel to the fullest during 2020.

While, from a strategic point of view, the KPI survey led the Company to strengthen the channels requested by customers, the specific results, particularly the negative ones, continue to be subject to verification for targeted intervention on procedures or processes, and on operator training.

During the year, the "Digital Caring" course was successfully delivered, with an agenda focused on the overall improvement of the approach to digital caring and the adoption of operator behaviour appropriate to non-verbal communication methods, through the development of specific skills to support digitalisation. The course covered about 200 people.

Also from the KPI survey, by comparing the results obtained by the customer service managed by internal staff and external suppliers, it was possible to implement targeted improvement actions, which led to the exclusion of one of the suppliers in the technical assistance area, which had consistently lower values than those obtained by internal staff. As a result, the support of another supplier, which generates satisfaction levels in line with those obtained by internal staff, was increased. Overall, therefore, the level of customer satisfaction has increased, regardless of the operator (internal or external) managing the customer.

During the year, the trend showed an improvement in customer satisfaction, even after the period in which the aforementioned lockdown issues occurred, despite the sharp increase in demand for assistance from customers, resulting from greater needs due to teleworking and/or distance learning activities.

In particular, from January to December 2020 there was a significant increase in positive ratings for commercial assistance provided through digital channels:

- +17% in the assessment of courtesy
- +26% in the satisfaction of timely requests
- +14% in the overall perception of the Tiscali product

As far as technical assistance is concerned, Tiscali achieved remarkable results in telephone assistance and in particular

- +9% in the evaluation of courtesy
- +15% in the satisfaction of timely requests
- +5% in the overall perception of the Tiscali product

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 2020, the clauses of the Tiscali Contract Standards were specifically updated and the following procedures were adopted:

- "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 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 33 and 34 of Regulation (EU) 2016/679.

- "Privacy by design and by default" in compliance with the obligations of art. 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.

During 2020, the Register of Processing Operations was also updated, another important element required by the GDPR.

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 23301 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 2020, 3 reports on privacy were received by the Authority, of which:

- 1 procedure pursuant to Article 166, paragraph 5 of the Personal Data Protection Code;
- 1 communication of a decision to close the case (ref. Prot. No. 46214/2020) regarding the proceedings initiated on 17712/2019 (ref. Prot. No. 44259/2019);
- 1 communication of measure of fine (ref. Prot. N.47848/2020), at the end of the proceedings started on 23 July 2019.

All the above requests have been taken into account and solved within the time limits.

Assistance Channels and Litigations with Customers

Tiscali continues to develop its tools to make it easier for its customers to interact with the assistance through different channels, both interactive and non-interactive, providing answers in self-care and exploiting the potential of mobile apps such as WhatsApp has seen considerable success since it was extended to all Tiscali customers. A significant turning point was the adoption of chat as an alternative means of obtaining assistance to the telephone and off-line reports, with greater relief in waiting times for the end customer. The call-back option

available to customers at times of increased telephone traffic, analogous to the digital ticket instead of chat, was confirmed as a winning choice, i.e. the possibility of being contacted by telephone when operators are busy to avoid long queues and the perception of a better experience in terms of assistance.

The MyTiscali application for the provision of precise and timely automatic information, which does not require an operator, was also improved this year, developments that were also extended to the WhatsApp app and, although a minority, to Facebook's Messenger.

Through the proprietary automaton of Istella, a subsidiary company, and through AI algorithms interpreting the natural language of customers, responses are provided that are tailored to the needs proactively detected by Tiscali's management systems.

The call centre structure is still partially outsourced, with a trend of further internalisation, and remains divided into Mobile and Fixed network service support; the latter remains organised into technical and commercial support sectors. The structure is confirmed to be operational 7 days a week to support residential (consumer) and corporate (business) customers, both low-end and not. Within technical assistance in particular, a group of specialists has been identified and dedicated with the aim of reinforcing priority in the management of even more stringent service levels. The management of telephone traffic and back-office activities is monitored by Operations and Processes Management, a group that guarantees neutrality and balance, aimed at maximising the efficiency and timeliness of the interventions required by the operational structures.

The Tiscali Helpdesk portal, together with the Facebook Helpdesk page, contributes to the support with 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 the independent management of their services, such as the management of Routers also through the new videos for the configuration of internet connection, e-mail, and the configuration of additional parameters.

MyTiscali, also in web format, remains the main tool with which customers can manage their subscriptions: *(i)* subscribing to additional services; *(ii)* requesting changes to their data and services, such as password changes and relocation by way of non-limiting example; *(iii)* the possibility of viewing and paying their bills online.

The quality of support services, in addition to customer satisfaction surveys, is monitored through automatic real-time reports and not a large number of operational KPIs. Quality indicators are measured on an hourly, daily, weekly and monthly basis in order to check resource planning and to intervene on the organisation of future planning for a harmonious

management of the assistance service within the budget frames assigned by Management Control. Through these improvement procedures, a cost saving of about EUR 1 million was achieved compared to the previous year with a limited impact in terms of service level.

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 reference to the Coronavirus (COVID-19) outbreak, which has developed since the end of February 2020 and is currently ongoing, Tiscali has put in place various initiatives aimed at safeguarding the health and safety of its people, as well as protection and economic support

policies, in line with the requirements of the decrees-laws issued by the national government and regional ordinances.

These measures are listed below:

1. As of 23 February 2020, all travels of colleagues based in Milan and travelling weekly to the headquarters in Cagliari were stopped. These 6 resources were the first to be given the opportunity to work with the home-based teleworking tool. Similarly, meetings with outsiders were blocked and the access of suppliers from the Sa Illetta Campus was selected on a contingency basis.

2. On 19 March, the Joint Committee for the verification of the COVID-19 national safety protocol was set up in Tiscali Italia S.p.A. This body is made up of representatives of the RLS and the company RSU, as well as the RSU function and the head of the company's Prevention and Protection Services. Within this body there are all the actions of timely information on the management of the emergency and the resolution of any critical issues that may prevent the protection of the safety of all colleagues called to work on site.

3. Starting from the beginning of March 2020, there was a gradual mass application of **teleworking**, also facilitated by the simplified procedure introduced by the Government Decrees at the beginning of the month. The measure initially involved all the resources not engaged in the activities to guarantee the continuity of the service for which there was no immediate condition of securely remoting the work systems and platforms. In the initial phase (March-April 2020), teleworking was granted to approximately 350 resources out of a total of 526 staff members.

4. Subsequently, the teleworking measure was extended to Customer Management employees, thanks to the development, from the second half of March, of further actions that have in fact allowed a significant part of Customer Care activities to be remotised, involving the entire population of employees who, between 15 March and 2 April, saw the possibility of working from home gradually extend. The actions that enabled the extension of the use of teleworking in the Customer Care area were as follows:
   - Massive opening of digital channels with a dissuasive message on the IVR indicating operators busy and inviting customers to use WhatsApp, Facebook, My Tiscali.

- Insertion on IVR of call-back option: here as well, dissuasive message on IVR of busy operators and option to choose to be contacted by phone.

At the same time, activities were put in place to allow teleworking workers to be fully operational at home. In particular, the following tools/operational methods were assigned to workers:

- Company laptop with VPN activation
- Company desktop PC with VPN activation.
- Assignment of a VDI to be installed on their private device.
- Use of their own private device in a webmail environment.

Progressively, from March to December 2020, teleworking was extended to an increasing number of employees. Currently, as of 31 December 2020, out of a total of 521 employees, 498 (excluding 6 NOCs and reception employees) people are in teleworking.

5. From the point of view of the **hygiene** of the premises, since the end of February, the cleaning of the premises has been increased, with particular reference to the customer care areas and the toilets.
   In addition, individual equipment was personalised, a hygiene mini-kit was distributed to all staff, signs with the 10 rules issued by the Ministry of Health were put up throughout the campus, and all employees were given health bulletins prepared by the company doctor.
   The canteen was cleaned several times, metal cutlery was replaced with disposable plastic cutlery, and the safety distance for using the canteen service was checked. Within the spaces dedicated to the Call Centre, the workstations were reduced and the employees redistributed in a chessboard pattern so as to define a distance that is much greater than the limit set by Government Decrees, thanks to the recovery of space achieved as a result of teleworking.

6. Starting in March, on the basis of Law Decree No. 18, on "Measures to strengthen the National Health Service and economic support for families, workers and businesses related to the epidemiological emergency from COVID-19", certain **benefits granted by INPS** were made available to employees, such as extraordinary parental leave, the extension of paid leave under Law No. 104/1992 and bonuses for baby-sitting services;

7. As of April 2020, the Company made use of the instrument of the "COVID-19 emergency" **Cassa Integrazione Guadagni Ordinaria** (ordinary redundancy fund), an instrument provided for by Legislative Decree No. 18 /2020 to deal with the COVID-19 emergency that affected the entire country. In this regard, two separate minutes of agreement were signed: the first with the Regional Press Federation and the Editorial Board of Tiscali, which agreed on a 40% reduction in working hours on a weekly basis, and the second with the TLC trade unions, which agreed on the use of the redundancy fund with an average percentage reduction in working hours of 20-25% (subject to specific management or organisational requirements).

   The redundancy fund, which started on 6 April 2020, was subsequently extended (on the basis of Decrees issued by the national Government) until 27 March 2021. From April 2020 to 31 December 2020, an average of 300 Tiscali employees benefited from it. The overall savings on labour costs amounted to approximately EUR 1.2 million.

8. Since April, **insurance** has been taken out with Generali Italia for all employees against the risk of contracting COVID-19 infection. The insurance provides for a financial supplement to the treatment defined in relation to the days of hospitalisation and the seriousness of the pathology contracted;

9. Since May, the Company has formalised and forwarded to all employees the updated **Protocol** of measures adopted to prevent the risks of COVID-19 infection at the Sa Illetta site. These measures incorporated the indications of the Government Social Partners Protocol of 24 April 2020 as well as the legislative developments of the Government Decrees on environmental prevention and safety that have followed since February, together with the Company Doctor's prescriptions. The content of these Regulations was also shared with the Joint Committee of Tiscali Italia S.p.A. for the application of measures to combat and contain the spread of COVID-19 in the workplace.

   This protocol, which is subject to continuous and constant updating, contains the company's prescriptions concerning the following issues

   - How to enter the company;
   - Access of external suppliers;
   - Cleaning and sanitation of premises;
   - Personal hygiene precautions;
   - Use of PPEs (masks, gloves, cleaning fluids, etc.);
   - Management of common areas (canteen, changing rooms, areas for distributing drinks and/or snacks, smoking areas);

- Company organisation (shifts, transfers, teleworking, rescheduling of production levels);
- Management of employee entry and exit;
- Internal travel, meetings, events, training;
- Managing a symptomatic person in the company;
- Health surveillance/competent doctor/ RLS;
- Use of office space and office presence arrangements.

10. As of 15 June, the Company activated a **thermoscan**, located at the reception of the Sa Illetta premises, to measure the body temperature of people entering the Sa Illetta company premises.

In September, after the summer period in which the spread of the virus was drastically reduced, the Company defined a protocol for a gradual return to the company, assuming a gradual return, starting from 21 September, which would have involved for the following weeks no more than 25% of the colleagues compared to the total number of employees, according to a logic of weekly alternation defined within each sector on the basis of specific organisational needs with the aim of ensuring, in terms of effectiveness and efficiency, the best productive balance between work at home and work from home. However, following the occurrence of the second wave of the virus, as of mid-October, this plan could not be implemented. The canteen, which had been reopened in early October, was also closed again from the third week of October.

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). The Plan started in January 2021 and will end in June 2021. To date, 4 employees have declared their intention to join the Plan.

V.2 – Personnel Composition and Gender Equality

Tiscali considers people as a wealth of skills, experiences and attitudes to be valorised and strengthened. The company has chosen to equip itself with heterogeneous personnel from the point of view of training experiences and cultural backgrounds.

Furthermore, in order to look at the overall sustainability of the company, Tiscali is committed to creating the best conditions for a collaborative and motivating work environment, capable of grasping the needs of each individual and enhancing the different professional profiles.

As at 31 December 2020, Tiscali has a total of 521 employees, a decrease by 15 units as compared to 2019. 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 2019	As at 31 December 2020
	Total	Total
Employees	536	521
Other Collaborators	3	0
Total	**536**	**521**

Table 5 – Tiscali Groups' Workforce broken down by Gender

No. of Persons	As at 31 December 2019			As at 31 December 2020		
	Men	Women	Total	Men	Women	Total
Employees	249	287	**536**	237	284	**521**
Other Collaborators	0	0	**0**	0	0	**0**
Total	**249**	**287**	**536**	**237**	**284**	**521**

At Tiscali, 54.5% of employees are women (i.e. 284), despite the general decrease in the Group's workforce.

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

No. of Persons	As at 31 December 2019			As at 31 December 2020		
	Men	Women	Total	Men	Women	Total
Italy	249	287	**536**	237	284	**521**
Of whom from Sardinia	244	284	**528**	232	281	**513**
Abroad	-	-	**-**	-	-	**-**
Total	**249**	**287**	**536**	**237**	**284**	**521**

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 2019			As at 31 December 2020		
	Men	Women	Total	Men	Women	Total
Fixed-term	1	-	**1**	1	-	**1**
Open-ended	248	287	**535**	236	284	**520**
Total	**249**	**287**	**536**	**237**	**284**	**521**

The entire company population has an open-ended 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 2019			As at 31 December 2020		
	Men	Women	Total	Men	Women	Total
Full-time	231	168	**399**	211	160	**371**
Part-time	18	119	**137**	26	124	**150**
Total	**249**	**287**	**536**	**237**	**284**	**521**

Over 28.7% of workers, equal to about 137 units (119 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 2020, the Company, wanting to encourage this modulation of working hours aimed at the best possible balance between working life and personal needs, launched a campaign to encourage part-time work, which allows the possibility of opting for all types of part-time (vertical, horizontal, mixed) in addition to the possibility of joining for a fixed period (12, 24 and 36 months). The people concerned, who voluntarily adhere to the proposal to reduce working hours, receive compensation equal to 25% of the difference between the original and the new salary, provided that the reduction in working hours is compatible with organizational needs.

% Workforce broken down by Age Group and Gender

Men
45.5%

Women
54.5%

30-50 y.o.
86.2%

>50 y.o.
13.8%

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

No. of persons	As at 31 December 2019			As at 31 December 2020		
	Men	Women	Total	Men	Women	Total
Senior Managers	11	2	**13**	10	2	**12**
Middle Managers	26	9	**35**	24	10	**34**
Employees	211	276	**487**	202	272	**474**
Workers	1	-	**1**	1	-	**1**
Total	**249**	**287**	**536**	**237**	**284**	**521**

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

No. of persons	As at 31 December 2019				As at 31 December 2020			
	<30	30-50	50>	Total	<30	30-50	50>	Total
Senior Managers	-	7	6	13	-	6	6	12
Middle Managers	-	22	13	35	-	18	16	34
Employees	-	432	55	487	-	400	74	474
Workers	-	1	-	1	-	1	-	1
Total	**-**	**462**	**74**	**536**	**-**	**425**	**96**	**521**

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 2019			As at 31 December 2020		
	Men	Women	Total	Men	Women	Total
Senior Managers	-	-	-	-	-	-
Middle Managers	-	-	-	-	-	-
Employees	8	14	22	7	13	20
Workers	-	-	-	-	-	-
Total	**8**	**14**	**22**	**7**	**11**	**18**

As compared to 2019, the share of protected categories has slightly decreased, in line with the general reduction in the workforce. 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 [4]

No. of Persons	As at 31 December 2019					As at 31 December 2020				
	<30	30-50	>50	Total	% Turnover	<30	30-50	>50	Total	% Turnover
Men	-	3	1	4	**1.61%**	-	-	-	-	
Women	-	1	-	1	**0.35%**	-	-	-	-	
Total	**-**	**4**	**1**	**5**	**0.93%**	**-**	**-**	**-**	**-**	

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[4] 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 2020 by gender.

Table 13 - Outgoing Turnover for gender and age group[5]

No. of Persons	As at 31 December 2019					As at 31 December 2020				
	<30	30-50	>50	Total	% Turnover	<30	30-50	>50	Total	% Turnover
Men	-	46	10	56	**22.49%**	-	10	2	12	**5.06%**
Women	-	32	9	41	**14.29%**	-	3	-	3	**1.06%**
Total	**-**	**78**	**19**	**97**	**18.10%**	**-**	**13**	**2**	**15**	**2.88%**

The decrease in the workforce in 2020 as compared to 2019 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. In 2020, No. 74 workers benefited from parental leave (56 women and 18 men) with a 100% return to work rate.

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[5] 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 2020 by gender.

It should be recalled that on 23 December an agreement was reached between Tiscali and the regional representatives of the trade unions that are signatories to the contract, supplemented by the company's RSUs, to regulate the **remote work** that is characterising this extraordinary period brought about by the COVID-19 health emergency. This agreement provided for, in addition to the minimum safety conditions of the domestic work environment, the right to disconnect, the procedures for exercising the right to disconnect, the rules on the procedures for monitoring productivity in compliance with current legislation on remote control (CRR Art. No. 4 Law No. 300/1970 and subsequent additions), the extension of an economic recognition equal to the daily canteen allowance for each day worked remotely to all those entitled, based on the company supplementary of July 2008.

Table 14 – Parental Leaves[6]

	As at 31 December 2019			As at 31 December 2020		
	Men	Women	Total	Men	Women	Total
Total No. of Parental Leaves in the Year	12	57	**69**	18	56	**74**
Of whom:	As at 31 December 2019			As at 31 December 2020		
No. of Employees who returned to work after the end of the Parental Leave	10	42	**52**	18	51	**69**
No. of Employees still on Parental Leave as at the above indicated date	2	15	**17**		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	9	61	**70**	17	55	**72**

Table 15 – Return to Work and Retention Rates

%	As at 31 December 2019			As at 31 December 2020		
	Men	Women	Total	Men	Women	Total
Return to Work Rate	100%	100%	100%	100%	100%	100%
Retention Rate	47	95	84	142	96	104

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[6] 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.

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 2020, continuity was given to the implementation of the company's rewarding model, consolidated in 2019, despite the difficulties and changes faced during the year. The model, as in the previous year, provides for a process of awarding awards for reasons of individual merit, both in terms of compensation and career advancement.

V.3 – Training

In 2020, the Group provided over 4,000 hours of training, mainly for top management. In particular, time management, problem solving, technical-specialist training (LTE technologies, network world) and specific courses for employees working in customer care were held.

Table 16 - Average hours of training by gender and professional area[7]

Professional Category	As at 31 December 2019			As at 31 December 2020		
	Men	Women	Total	Men	Women	Total
Senior Managers	152	16	168	180	40	220
Middle Managers	208	56	264	76	44	120
Employees	1,192	1,744	2,936	1,428	2,028	3,356
Workers	0	0	0	0	0	0
TOTAL	**1,552**	**1,816**	**3,368**	**1,684**	**2,112**	**3,796**

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. 62 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.

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[7] The breakdown of data relating to the average hours of training by gender provided by the Tiscali Group in 2018 is partly the result of estimates made using the best available methods.

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. 11 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.

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 2020, 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 regarding training programmes on health and safety prevention in the workplace for both non-managerial and managerial staff. In this regard, it should be noted that 300 non-executives and 12 executives participated in the 8-hour daily training courses.

The training programmes covered:

- General part: introduction to safety, concept of risk, damage, prevention, protection, rights, duties and sanctions for company subjects, organisation of company prevention, supervisory and assistance body.
- Special part: accident risks, general mechanical risks, electrical risks, equipment, microclimate, lighting, organisation of work and work environment, stress and related work, risks associated with the use of video terminals, loads, safety signs, escape and emergency procedures in the event of fire, organisational procedure for first aid, accidents and near misses, obligations and responsibilities of supervisors.

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 envisages visits 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 Indicators

The indicators concerning health and safety follow:

No. of Accidents at work (Employees)			
No. of cases	2018 (1 January – 31 December)	2019 (1 January – 31 December)	2020 (1 January – 31 December)
Total No. of accidents at work recorded	12	7	1
Of which: Total No. of serious accidents at work (deaths excluded)		1	
Of which: Total No. of deaths due to accidents at work			

Main type of Accidents at work (Employees)			
Type of Accident	2018 (1 January – 31 December)	2019 (1 January – 31 December)	2020 (1 January – 31 December)
Type 1): at the workplace	3	2	
Type 2): during commuting	9	5	1

Accident and death rate due to accidents at work			
Rate	2018 (1 January – 31 December)	2019 (1 January – 31 December)	2020 (1 January – 31 December)
Rate of recordable occupational accidents	2,658719783	1,703404084	0,23996986
rate of recordable occupational (deaths excluded)	0	0,243343441	0
Total deaths due to accidents at work	0	0	0

In 2020, Tiscali recorded 1 commuting accident, recording a significant reduction compared to 2019.

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 2018 -2020.

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 – 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.

In 2020, Tiscali continued to implement the guidelines dictated by the ISO 14001 standard, and in particular:
- In November 2020, it appointed a manager of the Integrated Quality Management System, whose duties also include environmental management;
- Appointed, in November 2020, a Security Manager with specific expertise in environmental safety issues;
- Defined an Environmental Management Plan, set out in a series of objectives for 2020, which were implemented during the year. At the end of the year, the company also started to outline some objectives for the year 2021.

The ISO 14001 certification was again reviewed during 2020, and early 2021. The renewal was certified on 1 March 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 2020, and the objectives for 2021.

VI.2 – Energy Consumption and CO_2 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 2020, 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 2019.

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 one car, compared to 2019, is a hybrid. This car has a petrol engine and an electric engine: when used in electric mode, emissions are reduced to zero.

The consumption of automotive diesel during 2020 is negligible, both because of the limited number of cars and, above all, because of their very low use during the year, due to the restriction on mobility imposed at national level by government decrees issued, as of February 2020, as a result of the COVID-19 emergency.

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

Energy Source (GJ)	As at 31 December 2019	As at 31 December 2020
	Total	Total
Automotive Diesel[8]	2,203	n.a.
Electricity	62,617	50,134
Of which acquired	62,617	50,134
Total	**64,920**	**50,134**

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.

Thanks to the energy efficiency initiatives implemented by the Group during 2019 and 2020, CO_2 emissions (Scope 1) in 2020 were 100% lower than the previous year[9]. Similarly, indirect emissions (Scope 2), applying the location-based calculation method, fell by more than 30%, from 5,503 to 3,866 tonnes of CO_2, while with the market-based method[10] they stood at 6,490 tonnes of CO_2 equivalent (about -23% compared to 2020).

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[8] The figure for diesel consumption is estimated. In particular, mileage reimbursements for Group company cars were considered, with an average cost per litre of diesel fuel in 2019 of EUR 1,479.46/1,000 litres. Source: *Ministry of Economic Development - Average monthly fuel and fuel prices*.

[9] For the purpose of calculating the 2019 and 2020 Scope 1 emissions, the conversion factors reported in the 2019 ABI Lab and ISPRA 2020 documents were used.

[10] For the purpose of calculating the Scope 2 market-based emissions, the conversion factors reported within the 2019 AIB European Residual Mixes document were used.

Total direct (Scope 1) and indirect (Scope 2) emissions [11]
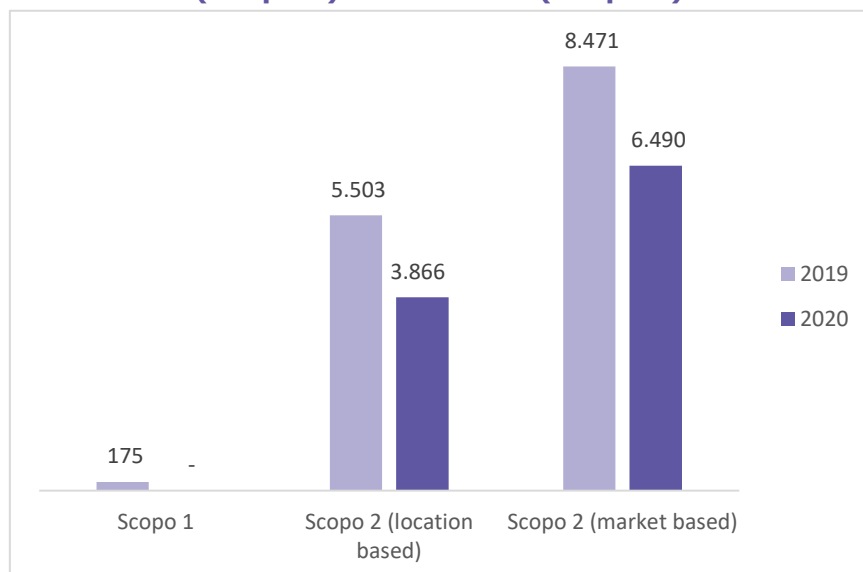
Emission Factors Used			
Electricity (location-based)	gCO$_2$/kWh	277.60	Source: ISPRA 2020
Electricity (market-based)	gCO$_2$e/kWh	466.00	Source: AIB – European Residual Mixes, 2019

VI.3 – 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 2020, Tiscali concluded the works, started in 2019, on the air conditioning systems of the Data Centre and the offices of the Sa Illetta headquarters, with the aim of increasing overall energy efficiency through a series of targeted actions such as the analysis of room temperatures, of cold air flow distribution and of the systems' operating parameters.

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[11] Please note that, within the graph, the values for Scope 1 and Scope 2 Location-based are expressed in tonnes of CO$_2$, while for Scope 2 Market-based they are expressed in tonnes of CO$_2$ equivalent.

The project, started in 2019, was completed in early 2020 with the replacement of some highly energy-intensive elements of the cooling systems with new generation technologies, characterized by higher energy efficiency. In particular, chillers, cold carrier fluid circulating systems (water cooling pumps) and UPSs (equipment uninterruptible power supply systems) were replaced.

Table 21 – Reduction of the Data Centre power consumption[12]

Initiative	As at 31 December 2020				
	Unit of Measurement	2019 Consumption	2018 Baseline (consumption)	Reduction Obtained	Reduction Obtained (%)
Data Centre Project & Air Conditioning Project	kWh	9,448,372	12,823,679	**3,375,307**	**26.30%**
	GJ	34,014	46,165	12,151	

The efficiency improvements of the data centre premises are also of great importance, 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 an energy diagnosis as required by Legislative Decree No. 102/2014 in order to identify further lines of action.

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 CO_2 emissions. Specifically, in 2019 the company car fleet was reduced from 29 to 4 units. As at 31 December 2020, there are 4 company cars, one of which is a 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.

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[12] The values shown in the table refer to the energy consumption of the Sa Illetta headquarters. The Data Centre impacts on the total consumption for about 83%, while the remaining buildings for 17%.

In fact, since mid-November 2018, Tiscali and **Playcar** have signed a **car sharing** agreement within the Tiscali Campus, which provides for facilitated conditions for employees. The advantages of carsharing stem from the more rational use of vehicles, allowing a reduction in the number of cars per capita and less air pollution, thanks to the limitation of emissions of carbon dioxide, 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.

In addition, from the beginning of 2020 and particularly as a consequence of the limitation of mobility resulting from the COVID-19 emergency, the company has promoted and significantly increased the use of remote interaction systems e.g. video conferencing for meetings and training activities, significantly reducing the number of trips and travels.

VI.4 – Actions taken in 2020 having an impact on environmental sustainability

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 2020 are as follows:

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;

2) 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;

3) In addition, with a view to limiting the production of waste, the following should be noted:
   - Increasing use of desktop virtualization systems (VDI) as compared to the purchase of local PCs, and the consequent reduction of electrical equipment to be

disposed of. The use of VDI was given a significant boost following the COVID-19 emergency, as a means of providing teleworking employees with a more flexible mode of operation.

- Reduction in paper consumption, thanks to the following actions: *1)* reduction in the number of printers (passage from a system of widespread printers to a centralised network with a limited number of elements), which has allowed rationalisation of the methods of access to printing and a reduction in paper waste, as well as savings on toner and electricity; and *2)* promotion of activities to discourage customers from requesting paper invoices, in order to reduce paper consumption to a minimum.

The company, in line with its vocation for environmental sustainability, has set itself further objectives to be achieved by 2021.

One of these objectives is to improve the conditions of the waste storage area by identifying and implementing the most suitable form of soil protection. The company is carrying out an analysis to identify the most suitable protection measure and will carry out this measure in the first quarter of 2021.

A further objective for 2021 is the targeted analysis of the process of replacing the lamps in the headquarters with LED lamps, which would further reduce energy consumption.

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 CO_2 per year, equal to the CO_2 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.

Following the acceptance test, the Company is waiting for 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.

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	
102-6	Markets Served	11-13	
102-7	Scale of the Organization	7,8,10-15,32	
102-8	Characteristics of the Workforce	62-67	
102-9	Organization's Supply Chain	34-40	
102-10	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	7-8,10, 39-40	
102-11	Application of the precautionary approach or principle	22-23	
102-12	External Initiatives		None
102-13	Memberships of Associations	27-29	
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	10-11	
Governance			
102-18	Governance structure and its composition	26-27	
Stakeholder engagement			
102-40	List of Stakeholders	32-33	
102-41	Collective Bargaining Agreements		All employees are covered by collective bargaining agreements
102-42	Identification and selection of stakeholders with whom to engage	32-33	
102-43	Approach to stakeholder engagement	32-33	
102-44	Key topics and concerns that have been raised through stakeholder engagement	32-33	

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	34-35	
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, 34-35	
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	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	34-35, 87-88	
103-2	The management approach and its components	34-35	
103-3	Evaluation of the management approach	7-8, 34-35, 38	
GRI-201: Economic Performance (2016)			
201-1	Direct economic value generated and distributed	36-38	
Topic: Indirect Economic Impacts			
GRI-103: Management Approach (2016)			
103-1	Explanation of the material topic and its Boundary	34-35, 87-88	
103-2	The management approach and its components	34-35	
103-3	Evaluation of the management approach	7-8, 34-35	
GRI-203: Indirect Economic Impacts (2016)			
203-2	Significant indirect economic impacts	41-45	
Topic: Procurement Practices			
GRI-103: Management's Approach (2016)			
103-1	Explanation of the material topic and its Boundary	34-36, 87-88	

103-2	The management approach and its components	34-36	
103-3	Evaluation of the management approach	7-8, 34-36	
GRI-204: Procurement Practices (2016)			
204-1	Proportion of spending on local suppliers	39	
Topic: Anti-Corruption			
GRI-103: Management's Approach (2016)			
103-1	Explanation of the material topic and its Boundary	25-26, 87-88	
103-2	The management approach and its components	25-26	
103-3	Evaluation of the management approach	7-8, 25-26	
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	77-78, 87-88	
103-2	The management approach and its components	77-86	
103-3	Evaluation of the management approach	7-8, 77-86	
GRI-302: Energy (2017)			
302-1	Energy consumption within the organization	77-78	
302-4	Reduction of energy consumption	81-86	
Topic: Emissions			
GRI-103: Management's Approach (2016)			
103-1	Explanation of the material topic and its Boundary	79-80, 87-88	
103-2	The management approach and its components	79-80	
103-3	Evaluation of the management approach	7-8, 79-80	
GRI-305: Emissions (2016)			
305-1	Direct (Scope 1) GHG emissions	79	
305-2	Energy indirect (Scope 2) GHG emissions	79	
GRI 400: SOCIAL SERIES (2016)			
Topic: Employment			
GRI-103: Management's Approach (2016)			
103-1	Explanation of the material topic and its Boundary	57-67, 87-88	
103-2	The management approach and its components	57-67	
103-3	Evaluation of the management approach	7-8, 57-67	

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	57-60, 72-75, 87-88	
103-2	The management approach and its components	72-75	
103-3	Evaluation of the management approach	7-8, 72-75	
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	74-75	
Topic: Training and Education			
GRI-103: Management's Approach (2016)			
103-1	Explanation of the material topic and its Boundary	70-71, 87-88	
103-2	The management approach and its components	70-71	
103-3	Evaluation of the management approach	7-8, 70-71	
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	72	
Topic: Diversity and Equal Opportunity			
GRI-103: Management's Approach (2016)			
103-1	Explanation of the material topic and its Boundary	62-66, 87-88	
103-2	The management approach and its components	62-66	
103-3	Evaluation of the management approach	7-8, 62-66	
GRI-405: Diversity and Equal Opportunity (2016)			
405-1	Diversity of governance bodies and employees	68, 62-66	
Topic: Consumers' Privacy (2016)			
GRI-103: Management's Approach (2016)			
103-1	Explanation of the material topic and its Boundary	50-56, 87-88	
103-2	The management approach and its components	50-56	
103-3	Evaluation of the management approach	7-8, 50-56	
GRI-418: Consumer's Privacy (2016)			
418-1	Substantiated complaints concerning	50-55	

	breaches of customer privacy and losses of customer data		
Topic: Socioeconomic Compliance (2016)			
GRI-103: Management's Approach (2016)			
103-1	Explanation of the material topic and its Boundary	23-25,87-88	
103-2	The management approach and its components	23-25	
103-3	Evaluation of the management approach	7-8, 23-25	
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, 27 April 2020

The CEO   **The Officer in charge of Preparing the**

Company's Accounting Documents

Renato Soru   Roberto Lai