



CAIROCOMMUNICATION

Cairo Communication S.p.A.

2019 Consolidated Non-Financial Statement

Prepared pursuant to Legislative Decree no. 254/2016

Cairo Communication S.p.A.
Head office: Corso Magenta 55, Milan
Share capital Euro 6,989,663.10

English translation for convenience of international readers. Only the Italian version is authentic

Table of Contents

Foreword	3
Methodological note	4
1. Business model of the Group	7
2. Group approach to relevant non-financial topics	15
3. Group governance and risk management model	20
4. Anticorruption.....	34
5. Human Rights	35
6. Commitment towards the Public.....	36
7. Management of personnel aspects	46
8. Creating value for the community	58
9. Responsible supply chain management	73
10. Environmental protection.....	80
11. GRI correlation table - materiality	89
12. Annexes	91
13. GRI Content Index	103

Foreword

The focus on "corporate social responsibility", associated with the request for the presentation of non-financial information, is a currently growing issue, as it is based on the notion that success over time also depends on a company's ability to generate value, on the one hand minimizing the use of natural resources and, on the other, maximizing the positive impacts in terms of job creation and the supply of products/services with high added value for customers and the community, in the specific case of publishing, ensuring media freedom, fairness and pluralism.

In order to demonstrate their value over a medium-long time horizon and attract investors, organizations are evolving their forms of communication with stakeholders (internal and external) to provide full disclosure of non-financial information to the market, including by preparing a Consolidated Non-Financial Statement.

With the acquisition of control of RCS MediaGroup in 2016, and as a result of the subsequent development activities, the Group has become a major multimedia publishing group, with a steady, independent leadership, ranking among the leading European groups in the publishing industry. Leveraging on the high quality and diversification of products in the field of multimedia communication, the Group is well-positioned to become one of the main players on the Italian market, with a strong international presence in Spain. It is, in fact, leader in newspapers in Italy and Spain and active in magazines, television (mainly through the La7 channels), books, radio and new media, and is one of the top names in the advertising sales market. The Group also organizes major world sporting events, including the Giro d'Italia and the Milano Marathon.

The Group has long pursued the achievement of its objectives in a sustainable manner: social responsibility is considered an integral part of its core business. The Group believes in the role and social relevance of the company first and foremost towards its employees and consultants, who are its internal stakeholders and play a pivotal role as the driving force behind sustainability in and outside the Group. At the same time, in carrying out its core business, the Group strives to guarantee external stakeholders culture, information, services and entertainment, in accordance with the principles of freedom, fairness and pluralism, also through the development and technological innovation of all communication platforms and an effective and efficient use of the distribution chain to reach its audience with top-of-the-range products and services.

The Group intends to continue being a point of reference and aggregation for civil society in its countries of operation, as well as the most authoritative, innovative and relevant source of inspiration and cultural enrichment for every reader and citizen. Its industrial and financial strategies and the consequent operational decisions aim at making the Group increasingly solid, and capable of preserving its independence in a sustainable manner and creating value for its shareholders.

Methodological note

This Consolidated Non-Financial Statement (hereinafter also referred to as the “Statement” or “NFS”) is prepared annually and presents the management models, company policies, results achieved and main risks, generated or incurred by Cairo Communication S.p.A. (hereinafter also referred to as the "Company") and its subsidiaries, with reference to the topics expressly referred to in articles 3 and 4 of Legislative Decree no. 254/16. The main economic, social and environmental results achieved and described in this document refer to the year ended 31 December 2019 (from 1 January to 31 December).

It should be noted that the listed company RCS MediaGroup S.p.A. - and its subsidiaries - (hereinafter also the "RCS Group") designs and defines its own governance model independently and provides for its implementation. In this context, the RCS Group has prepared its own Consolidated Non-Financial Statement, approved by its Board of Directors.

Accordingly, the term "Group" will be used in this report when referring to the Cairo Communication Group (which includes Cairo Communication S.p.A. and all its subsidiaries, including the RCS Group).

“Cairo Communication Group” is intended as Cairo Communication S.p.A. and its subsidiaries other than those belonging to the RCS Group, i.e. Cairo Pubblicità S.p.A., Cairo Editore S.p.A., Cairo Publishing S.r.l., La7 S.p.A., Cairo Network S.r.l. and Il Trovatore S.r.l.

As envisaged by article 5 of Legislative Decree no. 254/16, this document is a separate report marked with the appropriate wording in order to comply with the relevant law. It is prepared in accordance with the "Global Reporting Initiative Sustainability Reporting Standards", including the "Media Sector Disclosures", set out in 2016 and 2014 respectively by the Global Reporting Initiative (GRI), based on the "In accordance - Core" option. As an appendix to the document, the GRI Content Index shows GRI indicators associated with each material topic. Additionally, it should be noted that chapter 12 "Annexes" is an integral part of this NFS.

The performance indicators used are those envisaged by the adopted reporting standard; they represent the different areas and are consistent with the activities carried out by the Group and the relating impacts produced. Specifically, these indicators were selected on the basis of a materiality analysis, updated in 2019, that identified the most relevant sustainability topics for the Group and its stakeholders, the description of which is provided in chapter 2 "Group approach to material non-financial topics". The content of this document was selected, where appropriate, also on the basis of the European Commission's "Guidelines on Non-Financial Reporting".

The scope of the financial figures and information is the same as the consolidated financial statements of the Group at 31 December 2019. The scope of the figures and information contained in this NFS is defined as follows:

- with regard to human resources, it includes companies consolidated on a line-by-line basis in the consolidated financial statements of the Group, and excludes companies in liquidation or non-operational, as defined in chapter 12 “Annexes - Section 1 “Scope”;
- with regard to the environmental and social aspects, it includes companies consolidated on a line-by-line basis in the Group's consolidated financial statements and excludes companies in liquidation, non-operational or immaterial, as defined in the same chapter 12 "Annexes" - Section 1 “Scope”.

Any further exceptions to the reporting scope are duly explained in the Consolidated Non-Financial Statement.

In order to compare figures over time, where possible, figures for the previous two years were included. This document gives disclosure of the restatements of the figures published in the previous Consolidated Non-Financial Statement.

Additionally, to ensure the reliability of figures, the use of estimates has been restricted as much as possible, and, where used, are based on the best available and appropriately reported methods.

KPMG S.p.A. has been appointed to perform a limited assurance engagement of this NFS, which expresses, by means of a specific "Independent auditors' report", attached hereto, a conclusion about the compliance of the information provided pursuant to article 3.10 of Legislative decree no. 254/2016, according to the procedures indicated in the same report (this NFS is subject to a limited assurance engagement by KPMG S.p.A.).

This NFS was submitted for review by the Control, Risk and Sustainability Committee on 23 March 2020 and was subsequently approved by the Board of Directors of Cairo Communication S.p.A. on 26 March 2020.

In November 2019, the Group approved specific reporting procedures for the preparation of the NFS, which defined roles, responsibilities, information flows and related timelines for both the Group as a whole and the RCS Group.

Additionally, in 2019, the Group continued to develop its activity of involving internal and external stakeholders, also for updating and materiality analysis purposes, and with a view to the dissemination and awareness raising of sustainability culture and topics, and to the improvement of the data collection and consolidation system. Over the next few years, the Group will continue its commitment to gradually identify sustainability objectives.

For further information on the initiatives carried out by the Group, the main risks generated or incurred and the relating management procedures, reference should be made to the corresponding chapters of this document.

1. Business model of the Group

With the acquisition of RCS MediaGroup and its subsequent development, the Group has become a major multimedia publishing group, with a stable, independent leadership. Leveraging on the high quality and diversification of products in the dailies, magazines, television, web and sporting events segments, it is well-positioned to become one of the main player on the Italian market, with a strong international presence in Spain. The Group's activities are described below with regard to the Cairo Communication Group and the RCS Group.

The Cairo Communication Group operates, as a magazine publisher, through Cairo Editore and its division Editoriale Giorgio Mondadori, and as a book publisher, through Cairo Publishing. Specifically, Cairo Editore operates in the publishing segment through high quality magazines targeted to a wide audience.

As far as television communication is concerned, the Cairo Communication Group offers a top quality offer through La7 and La7d, and a well-structured digital platform through La7.it, Tgla7.it and Sedanoallegro.it (the website dedicated to the world of cooking), as well as an active presence on new media. In the television segment, the Cairo Communication Group also acts as a network operator through Cairo Network for the transmission of La7 channels.

Additionally, the Cairo Communication Group acts as a multimedia advertising broker, through Cairo Pubblicità, for the sale of advertising space on TV, in print media, on the Internet and in stadiums.



The RCS Group operates in Italy and Spain in three main areas: publishing (newspapers, magazines and books), sporting events and advertising.

With regard to publishing activities, in Italy, the RCS Group publishes *Corriere della Sera* and *La Gazzetta dello Sport*, leading names in national and sport dailies, as well as local editions and weekly and monthly magazines, including *Amica*, *Dove*, *Oggi* and *Abitare* and numerous supplements and inserts (weekly and monthly) associated with the two daily newspapers. These include *la Lettura*, *Corriere Salute*, *L'Economia*, *7*, *Buone Notizie - l'impresa del bene*, *Style Magazine*, *Living*, *Cook*, *Trovolavoro*, *Corriere Innovazione*, *IO Donna* for *Corriere della Sera*, and *SportWeek*, *Speciali G*, *Time Out* and *VcomeVolley* for *La Gazzetta dello Sport*. In Spain, it publishes *El Mundo*, Spain's second daily newspaper in terms of newsstand sales, *Marca*, leader in sports news, and *Expansion*, leader in business news, in addition to numerous magazines, including *Telva* and *Marca Motor*. The supplements (weekly and monthly) of these publications include *Actualidad Economica*, *Yo Dona*, *Fuera de Serie*, *El Cultural* and *Metropoli*. Through its *Sfera* operations hinged on a model focused on the early childhood segment, with printing and online activities, direct marketing and trade fairs, it is leader in Italy and Spain and is present in Mexico (with business models similar to Italy's); in France and Portugal, its offer is exclusively digital.

Mention should additionally be made in the book segment of *Solferino - i libri del Corriere della Sera* and *RCS Academy*, the new RCS Group business school launched in 2019 and boasting an innovative and qualified offer, focused on six areas of specialization: Journalism and Communication; Economy, Innovation and Marketing; Art, Culture and Tourism; Fashion, Luxury, and Design; Food & Beverage; and Sport.

The image displays a grid of logos for RCS Group's various divisions, organized into five categories on the left:

- Newspapers and Magazines:** Includes logos for Italian publications like *CORRIERE DELLA SERA*, *OGGI*, *IO*, *AMICA*, *7*, *ABITARE*, *DOVE*, *STYLE*, *La Gazzetta dello Sport*, *TELVA*, *YO*, *PAPPEL*, *fuera de Serie*, *ACTUALIDAD ECONOMICA*, *Expansion*, *MARCA motor*, and *MARCA*. It also features the Spanish publication *EL MUNDO*.
- Sport and Events:** Includes logos for *RCS Sport*, *100 Giro d'Italia*, and *LastLap*.
- Advertising:** Includes logos for *RCS PUBBLICITÀ* and *Unidad Editorial Publicidad*.
- Books:** Includes the logo for *SOLFERINO*.
- Education:** Includes the logo for *RCS ACADEMY BUSINESS SCHOOL*.

Through RCS Sport and RCS Sports & Events, the RCS Group organizes major world sporting events, including *Giro d'Italia*, *Milano-Sanremo*, *Il Lombardia*, *Tirreno Adriatico*, *UAE Tour*, *Milano Marathon* and *The Color Run*, and is well-positioned as a partner for the creation and organization of events through RCS Live.



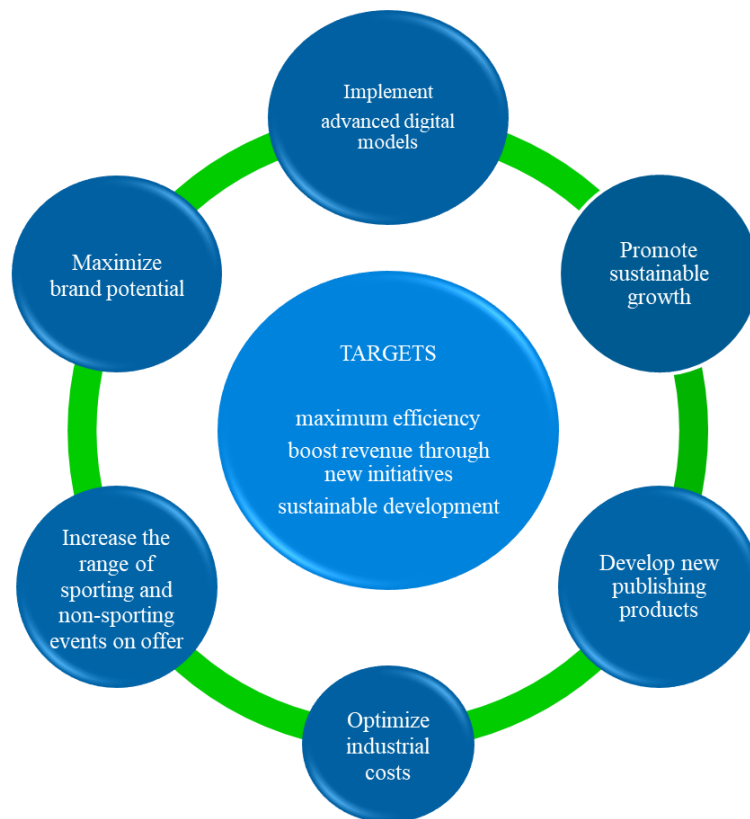
In Italy, the RCS Group operates in radio television communication through both Digicast S.p.A. with the satellite channels *Lei*, *Dove* and *Caccia & Pesca*, and via the web TV channels of *Corriere della Sera* and *La Gazzetta dello Sport*. In Spain, it is also present with the top Spanish national sports radio station *Radio Marca*, with the web TV channels of *El Mundo* and *Marca*, and broadcasts through the Veo multiplex two digital TV channels *Gol Television* and *Discovery Max*, managed by third parties.



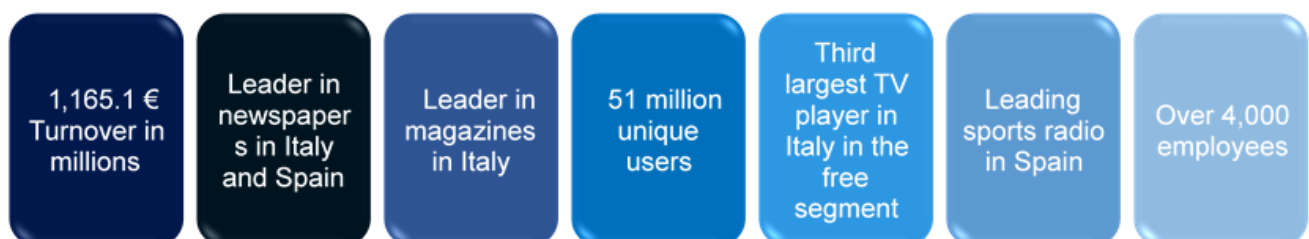
The RCS Group is also a leading operator in advertising sales in Italy and in Spain, capable of offering its customers a broad and diversified communication offer by the prestige of the Group's publications, including on innovative means of communication such as digital editions, web, mobile, and tablets, and leveraging on a wide range of consumer engagement services and solutions.

1.1 Group performance

The Group operates in accordance with the objectives of efficiency and revenue growth by developing new initiatives, while respecting business sustainability.



Despite the continued downtrend of the relevant print media market in 2019, thanks to editorial development activities and continuous efficiency gains, the Group retained its leadership position in the Italian newspaper market and confirmed its foothold on the Spanish newspaper market.



Circulation(*)



Total circulation 274k average
print and digital copies



Total circulation 154k average
print and digital copies



Total circulation 101k average
print and digital copies



Total circulation 108k average
print and digital copies



Total circulation 32k average
print and digital copies

(*) Source: for Italy ADS, for Spain OJD (January-December 2019)

CAIRO EDITORE **Circulation (**)**

CAIRO WEEKLIES

APPROXIMATELY 1.4 MILLION AVERAGE COPIES SOLD IN 2019

and

LEADING PUBLISHER FOR COPIES OF WEEKLIES SOLD ON NEWSSTANDS WITH
AN APPROXIMATE 30% MARKET SHARE

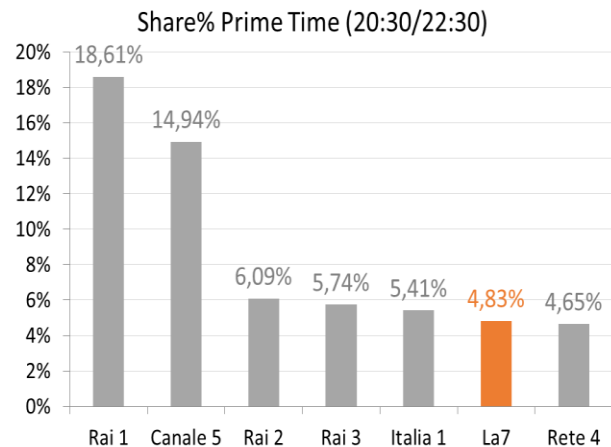
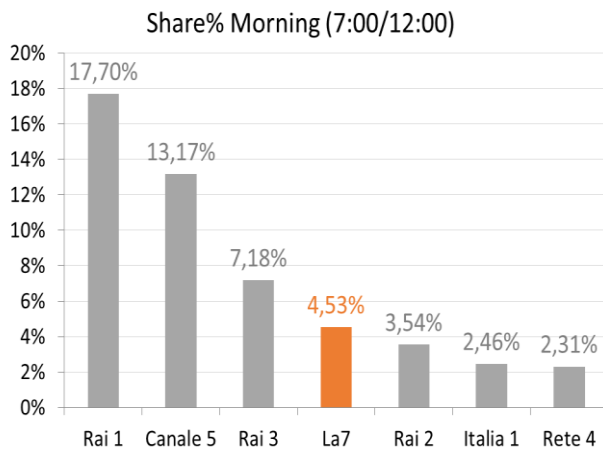
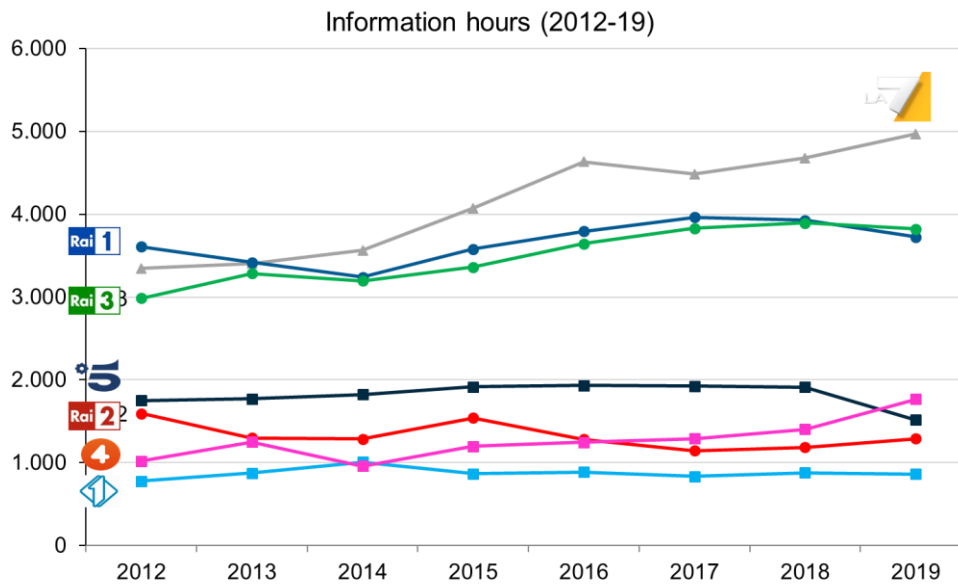


(**) ADS Newsstand Circulation. Including the average sales of titles out of the ADS survey, namely "Enigmistica Mia", "Enigmistica Più" and "Diva Cucina", average copies sold numbered approximately 1.5 million.

LA Share TV (***)

INFORMATION ON GENERALIST TV

La7 confirmed its leadership position among generalists in terms of hours of information broadcast throughout the day, with approximately 5,000 hours.



(***) Auditel figures and Nielsen survey

The fully paid-up and subscribed share capital of Cairo Communication amounts to Euro 6,989,663.10, and it comprises 134,416,598 shares, with no indication of their nominal amount.

	No. shares	% of share capital	Listed	Rights and obligations
Ordinary shares	134,416,598	100%	Borsa Italiana Star Segment	In accordance with the law and bylaws

The number of exercisable voting rights on the basis of the vesting of the increased voting right in accordance with article 13.7 of the Bylaws is shown in the table below:

	number of shares forming the share capital	number of voting rights
Total	134,416,598	202,162,007
of which ordinary shares on which the increased voting right has not vested	66,671,189	66,671,189
of which ordinary shares on which the increased voting right has vested	67,745,409	135,490,818

A number of shareholders became eligible for increased voting rights pursuant to article 13.7 of the Bylaws, as indicated on the website www.cairocommunication.it Corporate Governance section - *Increased voting right*.

1.2 Economic value

The Economic value is shown by reclassifying the Income Statement and represents the wealth produced and redistributed by the Group. Specifically, the table below shows, for the 2018-2019 period, the results of operations and the wealth distributed to subjects considered stakeholders for the Group, that is the organization's ability to create value for its stakeholders.

In 2019, the economic value directly generated by the Group was Euro 1,189.5 million, the economic value distributed was Euro 1,034.8 million, and the economic value retained by the Group Euro € 154.7 million.

Specifically, the change in the economic value directly generated by the Group is attributable mainly to revenue, which amounted to Euro 1,165.1 million in 2019 versus € 1,230.9 million in 2018. The distribution of the economic value in 2019 is broken down as follows:

- operating costs, which include payments to suppliers, costs to use third party assets and other operating costs and amounted to Euro 669.4 million;
- payments to staff amounted to Euro 329.1 million, in line with 2018;
- payments to lenders amounted to Euro 18.3 million;

- payments to shareholders represent the portion of profits earned, the distribution of which by way of dividend is proposed by the Board of Directors to the Shareholders, based on the number of shares outstanding at the date of the proposal;
- payments to public administration amounted to approximately Euro 12.0 million;
- the value of donations, membership fees and sponsorships paid to third parties amounted to Euro 0.6 million, in line with 2018.

The Profit for the year includes the profit attributable to the owners of the parent and non-controlling interests net of the proposed dividend, as shown in the 2019 Annual Report.

No significant contributions to the publishing industry were received during the reporting period in Italy or Spain.

(€ millions)	2019	2018
A) Directly generated economic value	1,189.5	1,265.0
Revenue (*)	1,165.1	1,230.9
Other income	22.8	25.9
Financial income and interest income	1.2	4.7
Profit/loss on equity investments	0.3	3.5
B) Economic value distributed	1,034.8	1,119.0
Payments to suppliers	622.8	656.4
Use of third party assets (**)	35.3	65.2
Payments to personnel	329.1	329.8
Payments to lenders (**)	18.3	19.2
Payments to shareholders	5.4	18.8
Payments to Public Administration	12.0	18.4
Other operating costs	11.3	10.6
Gifts, membership fees and sponsorships	0.6	0.6
C) Economic value retained by the Group C=A-B	154.7	146.0
Amortization, depreciation and write-downs (**)	71.9	46.4
Accruals to provisions	4.9	11.5
Deferred tax assets and computers	13.8	9.7
Profit (loss) from discontinued operations	-	-0.2
Profit for the year	64.1	78.6

(*): "Revenue" includes "Net operating revenue" and the reclassification of the "Publisher VAT" component, shown in the line "Payments to Public Administration", amounting to Euro 5.9 million in 2019 and to Euro 6.8 million in 2018 (as shown in the 2019 Annual Report).

(**): The adoption of IFRS 16 as from 1 January 2019, without restating the balances at 31 December 2018, led in 2019 to the reversal of lease payments classified under "Use of third party assets" of Euro 30.4 million, offset by higher depreciation of right-of-use assets of Euro 27.1 million and higher financial expense of Euro 4 million.

2. Group approach to non-financial material topics

Starting from the awareness of its role as an aggregator for civil society, in 2019, the Group continued its process of stakeholder identification and engagement - in line with the principles of the GRI Sustainability Reporting Standards - to gain a better understanding of their expectations and to carry out a materiality analysis. Understanding the impact that business has on the outside world and consequently defining the most material topics for the Group, is the groundwork for a sustainability process/path that is able to generate value for business and the community.

2.1 Stakeholder engagement

The relationship with stakeholders has long been considered by the Group as one of the key elements for the creation of shared value. The Group considers stakeholders to be all those holders of legitimate interests - whether implicit or explicit - affected by its activities.



The identification of stakeholders in relation to non-financial topics represents a crucial element in the more general path of sustainability undertaken by the Group; the process was conducted by involving representatives from the various company departments. The table below lists the stakeholders, both internal and external, identified by the Group and how they have been involved to date.

Stakeholder categories	Stakeholders	Ways and means of involvement and communication
Human resources	Employees, Journalists and Trade Unions	Diffusion of the Code of Ethics, training activities, company intranet, focus groups, interaction with the editorial committees and the trade union representatives
Shareholders, Market, Financial Community and Lenders	Financial analysts, lenders, financial institutions, competitors, trade associations	Regular financial reports, corporate governance report, shareholders' meeting, road shows, website, dedicated meetings
Institutions	National and European regulatory bodies, government bodies, local communities, PA, schools and universities, sports federations	Conferences, regular meetings with authorities and institutions
Business partners	Suppliers, consultants, sports associations, distribution chain	Supplier portal, dedicated meetings, partnerships
Public, retail and business customers	Advertising customers/sponsors, distributors, broadcasters, subscribers, buyers of our products, users, social media, sports audience, people making the news	Website, social networks, dedicated meetings, mailing lists, newsletters and advertising roadshows, and market research
Environment	Community and territory	Organization of events, dedicated meetings, partnerships with local authorities for the organization of sporting events

This Consolidated Non-Financial Statement provides stakeholders with an account of the results achieved and the improvement objectives to pursue in economic, social and environmental areas.

In 2019, the Group continued to gradually structure the way it listens to and involves both internal and external stakeholders through the following two important activities:

- focus groups with employees, structured at Cairo Communication Group and RCS Group level (Italy and Spain);
- questionnaire (sustainability survey) with readers of RCS Group publications (Italy and Spain).

These activities emphasized the clear perception that stakeholders have of the Group's growing attention to sustainability topics, with no critical areas being identified.

Employees

- In 2019, dedicated meetings were organized with all categories of employees in Italy and Spain. These meetings had the dual purpose of both continuing the process of spreading and raising awareness of culture and sustainability topics and of updating the materiality matrix.

- A total of 12 focus groups were organized with the participation of 93 employees representing the different areas and professional categories present in the Group.
- The matrix was built through an online voting system used for identifying the materiality assigned to the various topics, on a scale from 1 to 10, from the point of view of the “employee” stakeholder. This approach of sharing the path undertaken by the Group in the non-financial area facilitated the employees’ participation, sharing ideas and opinions on the possible actions that the Group could implement to contribute to sustainable development.

Readers

- As far as the reader category is concerned, in 2019, RCS developed an important listening initiative. Italian and Spanish readers of RCS Group publications were involved in a survey, developed by the dedicated department, in order to understand their level of knowledge and awareness of the RCS Group's attention and commitment to social responsibility issues.
- The survey was carried out through a CAWI (Computer Assisted Web Interviewing) questionnaire to a sample of approximately 390,000 people. 6,100 questionnaires were found to be suitable for the development of the materiality analysis.

2.2 Material topics

In 2019, the Group continued to improve and fine-tune its non-financial reporting processes by involving various categories of internal and external stakeholders, as described above, in order to identify, in line with its business strategy, the material topics in the social and environmental fields that form the basis for structuring its non-financial reporting.

Consistent with the adopted Reporting Standard (GRI), material topics are those aspects that have a significant impact on the Group’s economic, social and environmental performance and that could greatly affect the evaluations and decisions of stakeholders. The materiality analysis performed by the Group takes account, therefore, not only of the point of view of the organization, but also of that of the stakeholders.

The process involved an initial round of updating the topics potentially relevant to the Group, starting with those already identified in the past, in line with the guidelines of Legislative Decree no. 254/2016, the Sustainability policies as the Group's internal strategic policy documents, and the sector supplement for "Media Sector Disclosures". This first step confirmed for 2019 the 17 topics considered material in prior years.

These topics were then presented during stakeholder engagement activities with employees and readers, who were asked to vote based on the materiality assigned to each topic. Based on the results of the stakeholder engagement initiatives described above and carried out in the year, the Group drew up its materiality matrix, which provides an overall view of their materiality from the following two points of view:

- relevance for the Group/Organization, in terms of current and potential impacts that each topic may have on the Group's ability to create value in the long term;
- relevance for Stakeholders, in terms of the influence that each topic has on their decision-making processes.

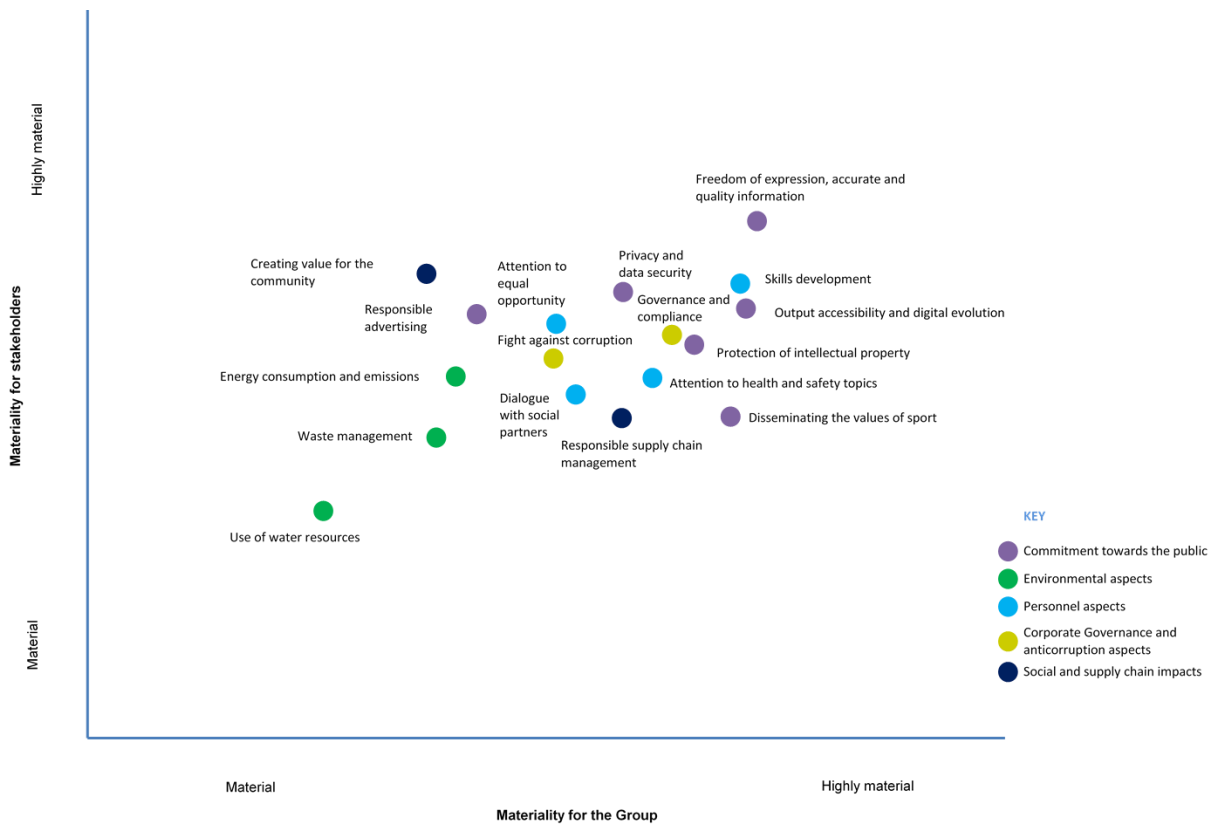
The results of the materiality analysis, and the resulting materiality matrix, were then validated and approved by the Group's top management and submitted to the Control, Risk and Sustainability Committee at the meeting held on 28 February 2020.

The materiality matrix, shown below, is in line with the prior year, highlighting among the eight most material topics, 5 relating to the commitment to the public, 2 to personnel and 1 to governance and compliance. Specifically, the main topics that emerged regard:

- freedom of expression, accurate and quality information;
- skills development;
- output accessibility and digital evolution;
- privacy and data security;
- the protection of intellectual property;
- the governance and compliance system,
- disseminating the values of sport;
- attention to health and safety topics.

Chapter 11 "GRI Correlation table - materiality" shows the correlation table between the material topics, the topics covered by the GRI Standards and their scope.

It should be noted that human rights topics are considered in the context of personnel management and supply chain management, particularly in countries or activities considered at higher risk. Additionally, in line with other media companies, the Group attaches great importance to respect for human rights, including freedom of expression, responsible advertising, protection of intellectual property and the right to privacy.



3. Group governance and risk management model

The Group adopts a management model based on a system of principles and management and control tools aimed at monitoring material topics, including those of a non-financial nature, in line with the regulations applicable in the various countries of operation, as well as with the main international standards and guidelines.

As indicated below, the Group has equipped itself with a series of tools distributed to internal and external stakeholders in order to communicate and disseminate its values and norms of behavior on sustainability topics considered material.

3.1 Code of Ethics

Company management has deemed it appropriate to clearly outline and communicate the set of values and norms of behavior that the Group recognizes, accepts and shares, to follow in carrying out its business activities and in its relations with all its stakeholders.

Two Codes of Ethics were prepared and adopted at Group level, respectively by the Cairo Communication Group and the RCS Group. Both these Codes of Ethics contain the set of principles and rules, compliance with which by the recipients is crucial for the good operation, reliability and reputation of the Group. The Codes of Ethics aim to ensure correctness, fairness, integrity, loyalty and professionalism in operations, conduct and “modus operandi” both within the Group and with external parties, with great emphasis on the compliance with applicable laws and regulations.

The Codes of Ethics are published on the intranet and on the following websites www.cairocommunication.it and www.rcsmediagroup.it.

Lastly, it should be noted that:

- the Cairo Communication Group is refreshing its Code of Ethics in order to bring it into line with the relevant best practices (with the breakdown, for example, by recipient/stakeholder) and the changed context of the Group;
- the Code of Ethics of the RCS Group was distributed to the Italian and Spanish companies of the Unidad Editorial Group. In 2019, it was distributed to the employees of the foreign companies Sfera Editores Espana S.L. and RCS Sports and Events DMCC. In 2020, it will also be provided to the employees of Sfera Editores Mexico S.A.

3.2 Sustainability policies

To further assert the importance of social and environmental topics, two specific "Sustainability Policies" were issued, respectively, by the Cairo Communication Group and the RCS Group, which, in an integrated manner, supplement the existing tools (e.g., Codes of Ethics, Organizational Models 231, etc.). These Policies outline the policies applied by the Group in relation to the "material corporate social responsibility topics" in terms of their impact on human resources, respect for diversity, health and safety, human rights, the fight against corruption, focus on the communities where the Group operates and attention to the environment.

The Policies were formally adopted by the Boards of Directors of the listed group companies, Cairo Communication S.p.A. and RCS MediaGroup S.p.A.. For further details on the Sustainability Policies, reference is made to the version available on the websites of the two companies.

3.3 Compliance with codes and membership of associations

The Group, as a multimedia publishing group, complies with many self-regulatory codes related both to corporate governance topics and to the different and specific areas of the media industry (specifically newspapers/magazines/books publishing, TV/Radio/Internet publishing, multimedia advertising agency and event organizer), in order to align itself with national and international best practices.

With regard to corporate governance topics, the two listed group companies (Cairo Communication S.p.A. and RCS MediaGroup S.p.A.) adopt the Corporate Governance Code of Borsa Italiana S.p.A. (current version of July 2018).

With regard to specific business areas, the Group applies numerous self-regulatory codes in order to guarantee a high level of service to the community while respecting the rights of all stakeholders, including in Italy:

- Consolidated Act on Journalist Duties (2016), which incorporates the content of the following documents: Charter of journalist duties; Charter of journalist duties of press offices; Charter of economic information duties; Charter of Florence; Charter of Milan; Charter of Perugia; Charter of Rome; Charter of Treviso; Charter of information and advertising; Code of ethics relating to journalistic activities; Code on the presentation of court cases in radio and television broadcasts; Decalogue of sports journalism. The Consolidated Act covers matters such as responsibility, reply and correction, presumption of innocence in criminal investigations and during trials, sources, information and publicity, incompatibility, minors and vulnerable subjects, processing of personal data in the exercise of journalism in accordance with the privacy laws in force in Italy, as well as the regulations governing the protection of minors;
- Media and Minor Self-Regulation Code, to protect the rights and psychological and moral integrity of minors in television programming;

- Media and Sport Self-Regulation Code, to disseminate the positive values of sport and condemn violence associated with sporting events;
- Marketing Communication Self-Regulation Code of Istituto per l'Autodisciplina Pubblicitaria (Italy's advertising standards authority), to ensure that marketing communication is created as a service to the public, with special attention to how it influences consumers;
- the Charter for Information and Surveying (1995), which outlines the methods and techniques for presenting opinion polls;
- the Self-Regulation Code on the presentation of court cases in radio and television programmes, to ensure respect for the inviolable rights of the human being through the observance of the principles of objectivity, completeness and impartiality of information;
- the Self-Regulatory Principles and Procedures on product placement and branded content in programmes;
- the Self-Regulation Code on the use of secondary rights by independent producers.

A further point worth mentioning is the Group's membership of several associations and sector companies, including in Italy, by way of example but not limited to:

- FIEG (Federazione Italiana Editori Giornali - Italian Federation of Newspaper Publishers), whose objectives are the freedom of information, the economic independence of publishing companies, a greater penetration of the media as information tools and advertising vehicles, the protection of the rights and moral and material interests of its members;
- Confindustria Radio Televisioni (CRTV), the trade association of Italian television and radio media, founded in June 2013, with La7 as one of its founding members. The members include the leading national radio and television players (including Rai, Mediaset, Discovery Italia and Viacom), as well as the main local broadcasters and major network operators. CRTV represents all the main components of the industry: public and private, national and local radio and television broadcasters, and network and platform operators;
- Leading European Newspaper Alliance (LENA), founded in March 2015 and focused on developing appropriate answers to the changes affecting journalism;
- World Association of Newspapers and News Publishers, WAN-IFRA, the global press organization that protects the rights of journalists and provides professional services to help journalism grow in the digital world;
- Valore D, the first association of large-scale enterprises established in Italy to advocate women leadership, supporting and increasing the presence of female talent in top company positions;
- IAB (Interactive Advertising Bureau) Italia, the main trade association representing over 600 communication and advertising companies in the USA and the European Union;

- ASSONIME, an association of Italian joint-stock companies that researches and deals with issues affecting the interests and development of the Italian economy;
- ASSOLOMBARDA, association of companies operating in Milan and in the provinces of Lodi, Monza and Brianza, which protects the interests of member companies in their dealings with institutional stakeholders;
- Federciclismo, set up to develop, promote, organize and regulate the cycling sport across the country, in all its forms and manifestations;
- UCI Union Cycliste Internationale;
- OPA Europe, Online Publishers Association Europe.

As far as Spain is concerned, the Group complies with the following industry codes and is a member of the following associations:

- OPA Europe, Online Publishers Association Europe;
- ARI, Asociación de Revistas de Información;
- Autocontrol, independent self-regulatory body of the advertising industry;
- AMI (Asociación de Medios de Información);
- IAB (Interactive Advertising Bureau) España;
- UTECA (Unión de Televisiones Comerciales en Abierto);
- UDNE (Union de Distribuidores Nacionales de Ediciones);
- Asociación Española de TDT Privadas.

The Group operates in compliance with the laws governing publishing and journalism, both in Italy and Spain, as detailed below.

Main laws governing publishing and journalism in Italy:

- *Law no. 47/1948 (" Press provisions ")*
- *Legislative Decree no. 177 of 31 July 2005 - Consolidated act on audiovisual and radio media services*
- *Legislative Decree no. 259 of 1 August 2003 - Code of Electronic Communications*
- *Law no. 416/1981, as amended ("Rules governing publishing companies and publishing aid")*
- *Law establishing the Order of Journalists of 1963*
- *Law no. 28/2002 on "Provisions for equal access to the media during election campaigns and referendums for political communication" on the so-called "par condicio" of 2000*
- *Law no. 633 of 22 April 1941 as subsequently amended and supplemented (Copyright Law)*

- *Legislative Decree no. 101 of 10 August 2018 - 29 November 2018 - concerning the processing of personal data in the course of journalistic activity*
- *Legislative Decree no. 145 of 2 August 2007 - implementation of article 14 of Directive 2005/29/EC amending Directive 84/450/EEC concerning misleading advertising*
- *Legislative Decree no. 219 of 24 April 2006 - implementation of Directive 2001/83/EC (and subsequent amending directives) on the Community code relating to medicinal products for human use, and Directive 2003/94/EC*
- *Legislative Decree no. 206 of 6 September 2005 - Consumer Code pursuant to article 7 of Law no. 229 of 29 July 2003, which also contains provisions on commercial practices and advertising*
- *Legislative Decree no. 300 of 16 December 2004 - implementation of Directive 2003/33/EC on advertising and sponsorship of tobacco products*
- *Law no. 125 of 30 March 2001 - Framework law on alcohol and alcohol-related problems (article 13. Advertising provisions)*
- *Law no. 165 of 10 April 1962 - Prohibition of sales promotion of smoking products*
- *Law no. 220 of 14 November 2016, regulating cinema and audiovisual media, reforming the legislative provisions on the promotion of European and Italian works by audiovisual media service providers*
- *Budget Law 2018 (Law 205/2017, article 1, chapters 1026 to 1046 of article 1 - Refarming band 700), as amended by Budget Law 2019 (Law 145/2018, chapters 1101 to 1110 of article 1), which regulates the transfer of frequencies in 700 band from digital terrestrial television operators to mobile operators for the provision of 5G mobile broadband services, as well as the consequent reorganization of the remaining frequencies to be continued for digital terrestrial broadcasting services*
- *Decree Law no. 87 of 12 July 2018, Urgent provisions on the dignity of workers and enterprises, converted with amendments by Law no. 96 of 9 August 2018, (“Dignity Decree”), laying down the rules on measures to combat ludopathy (specifically the prohibition of advertising of games and bets with cash winnings)*
- *Law no. 249 of 31 July 1997 - Establishment of the Regulatory Authority for communications and regulations on telecommunications and radio and television systems*

Main laws governing publishing and journalism in Spain:

- *Ley 14/1966, on press provisions*
- *Ley General de Publicidad, Ley 34/1988 (General Advertising Law 34/1988);*
- *Ley 3/1991, de Competencia Desleal (Unfair Competition Law)*
- *Ley General de Comunicación Audiovisual, articles 7 and 18 of Law 7/2010 (General Law on Audiovisual Communication for Radio and TV)*

- *El Código de Conducta sobre las Comunicaciones Comerciales de las Actividades Juego y el régimen de publicidad, Law 13/2011 of 27 May on Gambling Regulation (articles 7 and 8)*
- *Real Decreto Legislativo 1/2007, on the protection of Consumers and Users*
- *Ley Organica 3/2018 de proteccion de datos personales y garantía de derechos digitales (Law on the processing of personal data and digital rights)*
- *Real Decreto Legislativo 1/1996 on the approval of the Ley de Propiedad Intelectual*

3.4 Governance structure of Cairo Communication S.p.A.

Cairo Communication S.p.A., as a company listed in the STAR segment, complies with the Corporate Governance Code of Borsa Italiana S.p.A., approved by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI, ANIA, Assogestioni, Assonime and Confindustria.

The Company's corporate governance system is hinged on the traditional administration and control model, the composition and operation of which are summarized below. These topics are thoroughly discussed in the "Report on Corporate Governance and Ownership Structure" available in the Corporate Governance section of the website www.cairocommunication.it, to which reference is made.

The Shareholders' Meeting is the corporate body that expresses the will of the shareholders through its resolutions. It typically appoints the Chairman.

The Board of Directors has the broadest management powers to achieve corporate objects, within the rules, including self-regulatory rules, that apply. Elected every three years at the Shareholders' Meeting, it appoints one or more Chief Executive Officers and determines their powers, and those of the Chairman.

In accordance with the principles and criteria of the Corporate Governance Code relating to the "Internal Control and Risk Management System", the "Remuneration and Appointments Committee" and the "Control, Risk and Sustainability Committee" are established within the Board and provide consulting support and proposals to the Board. The bodies now also include the Related Parties Committee, as required by the procedure for transactions with related parties adopted in 2010 and updated in March 2019.

In December 2019, the Board of Directors of Cairo Communication informed the subsidiary RCS MediaGroup that it will direct and coordinate advertising sales at Group level. The strategic and operational coordination between Cairo Pubblicità and the Advertising Department of RCS MediaGroup will also enable it to offer customers a broad, diversified and multimedia portfolio of publishing solutions, offering "all-round" advertising plans that cover most of the population through various channels and fully meet advertisers' needs.

The Board of Statutory Auditors is the body with the functions of overseeing observance of the law and the company Bylaws and management control.

At the date of this Statement, the Group has not adopted a specific diversity policy for the Board of Directors and the Board of Statutory Auditors, considering it sufficient, for an adequate composition of these bodies, with particular regard to gender diversity, to comply with the requirements of the legal and regulatory provisions and the provisions of the Bylaws, as presented in the "Report on Corporate Governance and Ownership Structure".

Specifically, with regard to the different composition of the Board of Directors relating to other aspects such as managerial and professional skills, also of an international nature, and the presence of different age groups and length of service, no ad hoc policies were adopted, without prejudice to compliance with the integrity requirements envisaged by law and the convenience that certain directors be adequately skilled in accounting and financial matters or in risk management, or in finance or remuneration policies, to allow for a proper composition of the Board's internal committees.

Also with regard to the Board of Statutory Auditors, the Company did not adopt any diversity policies, without prejudice to the compliance with the integrity and professionalism requirements envisaged by law or regulations currently in force.

Lastly, it should be noted that during the year, the Company did not adopt specific measures for promoting equal treatment and opportunities between genders within the company. That said, the Company believes that the current corporate setup, which is constantly monitored by the Company itself, allows for the achievement of these objectives.

Auditing is entrusted to Independent Auditors registered in the relevant professional roll, who are the Company's external supervisory body. The Independent Auditors verify, throughout the year, that the company's accounts are kept properly and that accounting entries accurately reflect its operations. It is also their responsibility to ensure that the separate and consolidated financial statements match the accounting entries and audits performed, and that these accounting documents conform to the governing rules.

The duties and methods of operation of these corporate bodies are governed by law and regulations, by the company Bylaws and by the decisions adopted by relevant bodies, in compliance with the regulations set forth in the Corporate Governance Code of Borsa Italiana S.p.A.. The company Bylaws are available at the registered office and in the corporate governance section on the Company's website www.cairocommunication.it.

With specific regard to the governance of the topics covered by this Consolidated Non-Financial Statement, the Control and Risk Committee was assigned the role of supervising sustainability issues related

to the conduct of the company's business and its engagement with all stakeholders, as suggested by the Corporate Governance Code only for those for companies belonging to the FTSE-Mib index.

The coordination of sustainability activities for the Cairo Communication Group was assigned to the Risk, Compliance, Internal Audit & Sustainability function of Cairo Communication S.p.A.. In order to prepare this Statement, a cross-functional work group was set up involving the Group's corporate structures responsible for the various areas of the Statement.

It should be noted that this Consolidated Non-Financial Statement does not illustrate the governance of the subsidiary RCS MediaGroup S.p.A., as this company sees independently to the determination and definition of its own governance and actual realization, as shown in the report prepared and distributed by RCS MediaGroup S.p.A. within the time limits and according to the procedures of law.

3.5 Risk management system

Internal control and risk management systems

Cairo Communication S.p.A. adopts an internal control and risk management system (hereinafter also referred to as "ICRMS") formed of a set of rules, procedures and organizational structures aimed, through the identification, measurement, management and monitoring of the main risks, at a correct and consistent management of the undertaking, in line with the targets set, in a medium-long perspective of the sustainability of the Group's activities.

The internal control and risk management system has the following characteristics:

- it is integrated in the more general organizational and corporate governance structures;
- it contributes to aligning the management of the company to the targets set by the Board of Directors, enabling the adoption of informed decisions;
- by safeguarding corporate assets, it contributes to ensuring the efficiency and effectiveness of company processes ("operational" objectives of the ICRMS), the reliability of the information provided to corporate bodies and the market ("financial" objectives of the System), compliance with laws and regulations as well as the company's Bylaws and internal procedures ("compliance" objectives of the System);
- it is aligned with existing national and international reference models and best practices;
- it is consistent with the indications of the rules and regulations that Cairo Communication S.p.A. is required to comply with as a company listed on a regulated market, such as, in particular, Law 262/2005 and consequent articles 154-bis and 123-bis of the TUF and Legislative Decree 195/07 ("Transparency Decree") as well as the Corporate Governance Code of Borsa Italiana, which the Company complies with;

- it is designed and implemented following the guidelines issued by a number of trade bodies regarding the activities of the manager charged with preparing the company's financial reports (such as, for example, ANDAF).

According to a model hinged on "three lines of management and control" and aligned with international leading practices, the components of the ICRMS can be summed up as:

- line (or "first level") controls by area managers;
- "second-level" controls entrusted to company functions aimed at monitoring and managing typical company risks;
- internal audit, that is the global assurance on design and functioning of internal controls ("third level" controls).

More specifically, the Corporate Bodies and corporate functions of the Company, which are currently involved according to their respective areas in the ICRMS, are:

- the Board of Directors, that provides strategic guidance and evaluation on the overall adequacy of the ICRMS; specifically, with regard to the non-financial topics covered by this Statement, it should be noted that the Board is responsible for setting the guidelines of the ICRMS, in line with its strategic objectives and risk profile, with a view to the medium-long term sustainability of corporate activities;
- the Director in charge of the establishment and maintenance of an effective internal control and risk management system;
- the Control, Risk and Sustainability Committee, in charge of supporting, on the basis of an adequate control process, the evaluations and decisions to be made by the Board of Directors in relation to the ICRMS, as well as to the approval of the periodical financial reports;
- the roles and corporate functions with specific internal control and risk management tasks ("second-level" controls), such as, for example, the management control function, the risk management, compliance & sustainability function, assigned to the head of Internal Audit, and the manager charged with preparing the company's financial reports, who is responsible, pursuant to the law, for putting in place adequate administrative and accounting procedures for the preparation of financial information documents;
- the head of Internal Audit, entrusted with the task to verify the functioning and adequacy of the ICRMS ("third level" controls);
- the Board of Statutory Auditors, which also acts as the "Audit Committee", which is responsible for oversight of the ICRMS and is at the top of the ICRMS.

Within the company, the abovementioned subjects work together in order to enhance the efficiency of the ICRMS, reducing the overlapping of activities. In this logic of synergy and maximization of its effectiveness, the ICRMS is managed in an "integrated" way so that its components are coordinated and interdependent.

For further information on the ICRMS' features of Cairo Communication S.p.A., reference is made to the "Report on Corporate Governance and Ownership Structure" available on the Company's website.

These core features of the ICRMS, as set forth in the Corporate Governance Code, are also adopted by RCS MediaGroup S.p.A., listed too on the Milan Stock Exchange.

Risk analysis and management

The Group pays the utmost attention to the proper identification and management of risks arising from the performance of its business activities.

In this context, it continued the annual updating process with the following activities:

- at the level of the Cairo Communication Group, an update was made of the mapping and assessment of risks for Cairo Communication S.p.A., Cairo Pubblicità, Cairo Editore, La7 and Cairo Network;
- at the RCS Group level, an update was made of the mapping of risks by involving the managers of the most important business areas and corporate functions of the Italian and Spanish companies.

For both projects, the assessment provided by each manager covered the subset of risks potentially present in their areas of responsibility and was carried out using the parameters of probability and impact of the risk event.

In addition to risks of a predominantly financial and strategic nature (also mapped in the Annual Report), the Group also identified and assessed risks of a non-financial nature, specifically those related to the environment, personnel, local communities, corruption and commitment towards the public, etc.. The following chapters contain an in-depth analysis of these risks as well as the policies and activities adopted by the Group for their handling.

As part of these risk self-assessment projects, the managers of the various business areas also assessed the risks that could impact on sustainability topics. Among these, significant risks related to technological developments in the face of new media and changes in consumer experience of information content, the gradual reduction in the market for newspaper sales and related advertising, difficulty in distribution by local distributors and newsstands, increase in supply and competition on unencrypted digital terrestrial channels, changes in the legislative and regulatory framework (particularly in the television segment), dependence on

"key figures" in management, professional development of employees and protection of privacy. The projects also gathered the action plans that management intends to implement to mitigate the effect of these risks and turn them into opportunities for the Group.

A number of non-financial risks are also mapped in the Organization, Management and Control Model pursuant to Legislative Decree no. 231/01. These include, in particular, risks relating to corruption, health and safety of workers, the environment, copyright infringement, use of content relating to minors, racism and xenophobia and the exploitation of workers.

These risks are mitigated by operating procedures and other control protocols that are subject to regular checks by Internal Audit as the "operating arm" of the 231 Supervisory Bodies, as described below.

Organization, Management and Control Model pursuant to Legislative Decree no. 231/01

The Boards of Directors of the group companies, which have embarked on the implementation of compliance with Legislative decree no. 231, adopted their own Organization, Management and Control Model pursuant to the decree. Specific 231 Models were adopted according to the following approach:

- the Model was first adopted by the Parent Cairo Communication S.p.A., then the subsidiaries Cairo Pubblicità S.p.A., Cairo Editore S.p.A. and La7 S.p.A. adopted their own Model 231 following the relevant guidelines of the Parent and adapting it to their own characteristics;
- likewise, RCS MediaGroup S.p.A. adopted its own Organization, Management and Control Model pursuant to Legislative Decree no. 231/01. The adoption of Model 231 was gradually extended to other RCS Group companies. In 2019, all the Italian companies of the RCS Group had a Model, except for Consorzio Milano Marathon S.r.l.. Abroad, Unidad Editorial adopted an Organization, Management and Control Model in accordance with Ley Organica 2015/1 of 30 March 2015, approved by the Board of Directors in 2017. The Model *ex Ley Organica* is expected to be adopted by the other companies of the Unidad Group in the near future.

In the preparation of Models 231, the indications contained in the Confindustria Guidelines, as well as the best practices regarding the internal control system, were taken into consideration. Models 231 are composed of a general section and specific special sections relating to the categories of crimes covered by Legislative Decree no. 231/01 and considered relevant to each of the companies. As indicated above, the crimes considered potentially applicable are, by way of example, corruption crimes both in relations with the Public Administration and between private individuals (suppliers, customers and third parties), corporate and "market abuse" crimes, copyright infringement crimes, violation of occupational health and safety regulations, environmental crimes and the use of content relating to minors, racism and xenophobia.

231 Organizational Models are regularly updated, taking account of organizational changes, changes in the regulatory framework, case law and doctrine or as a result of the outcome of supervisory activities. The following activities were carried out in 2019:

- at the Cairo Communication Group level, work continued on gradually updating all the 231 Organizational Models in place, which had begun in the prior year, namely:
 - for La7, completion of the approval and adoption of the new version of 231 Organizational Model by the Board of Directors at the end of 2019;
 - for Cairo Pubblicità S.p.A., updating of the mapping of 231 sensitive processes/activities and the related 231 Organizational Model, also approved by the Board of Directors at the end of 2019;
 - for the listed company Cairo Communication S.p.A., updating of the mapping of 231 sensitive processes/activities and the related 231 Organizational Model, which is currently in progress;
- at the RCS Group level, a new update was made of the mapping of the areas at risk, while an update was made of the Models of the RCS Group's Italian companies in order to incorporate the recently introduced regulatory changes (e.g., racism and xenophobia, whistleblowing) and the organizational changes that have affected the company of late.

The Group set out the whistleblowing management procedures, aligning them with the new legislation, which also provides for clear guarantees for the safeguard of confidentiality and protection of the whistleblower. The key points of the new process are: incorporation of the above whistleblowing management procedures in the new versions of the 231 Organizational Models; creation of a new communication channel; establishment of a procedure that regulates whistleblowing management activities and aims to promote a culture of transparency, encouraging the reporting of conduct that clashes with company ethics (a procedure already disseminated by the RCS Group and currently being issued by the companies of the Cairo Communication Group in accordance with the updates gradually made to the respective 231 Organizational Models); amendment of the disciplinary system, also within the 231 Organizational Models, in order to introduce sanctions in the event of violations of the whistleblower's right to confidentiality.

The 231 Organizational Models adopted by the various companies are available on the company intranet to employees, while the Code of Ethics is published on the corporate websites of the Cairo Communication Group and the RCS Group, and are available to all interested stakeholders. Moreover, in order to make 231 Organizational Model effective, the Group ensures, for both current and future resources of the company included, a correct knowledge of the rules of conduct contained therein, with a different degree of detail in relation to the different involvement of such resources in the areas at risk.

At the level of the Cairo Communication Group, as part of the plans to update 231 Organizational Models, numerous 231 risk analysis meetings were held in 2019 with the management of Cairo Pubblicità S.p.A. and

Cairo Communication S.p.A.. Additionally, an e-learning training course was prepared and will be delivered in the coming months to all employees on the topics of Legislative Decree no. 231/01, the 231 Organization Model and the Code of Ethics for La7 S.p.A., Cairo Pubblicità S.p.A. and Cairo Communication S.p.A..

At the RCS Group level, in 2018, basic training was provided to all employees on the regulations and the 231 Organizational Model of RCS, through the online platform, which makes it possible to track and monitor the use of content by recipients, as well as to assess learning through a final test. In 2019, completion of the work on updating the Model was followed by classroom training sessions for upper-level executives. The 231 Organizational Model and the Code of Ethics are distributed to third parties who have collaborative, consulting, agency, and commercial agency relationships with the Group and other relationships that result in a professional service.

Additionally, the Group's contractual standards contain specific clauses on the acknowledgement of the 231 Organizational Model and the Code of Ethics.

With regard to the operation, effectiveness and observance of the 231 Organizational Model, a 231 Supervisory Body (“Organismo di Vigilanza” or “OdV”) was set up for each group company that has a 231 Model in place, reporting directly to the Board of Directors, whose composition meets the independence requirements set out in the Confindustria guidelines and best practices in the field. The OdV is responsible for supervising the operation of and compliance with the 231 Organizational Model, through audits that may be both regular and one-off, and for providing suggestions for its updating. The OdV sees to the regular preparation of a written report on its activities, which is submitted to the Board of Directors, the Control, Risk and Sustainability Committee and the Board of Statutory Auditors. For its regular audits, the ODV relies on the support of the Internal Audit Departments of the listed companies Cairo Communication S.p.A. and RCS MediaGroup S.p.A., respectively, for the regular audits under its responsibility. In 2019, the two Internal Audit Departments performed numerous audits of various company processes in the areas under their responsibility, verifying, among other things, compliance 231 aspects without identifying any significant findings.

As indicated above, any reports on the incorrect application of the Model may be forwarded to the OdV of the company concerned. The OdV assesses the reports received while respecting the confidentiality of the whistleblower, and may decide to launch an internal investigation. The OdV acts in such a way as to protect the whistleblower from any form of retaliation, discrimination or penalty, also ensuring the confidentiality of the identity of the whistleblower, without prejudice to legal obligations and the safeguard of the rights of the company or of persons accused erroneously and/or in bad faith.

In this regard, in 2019, no cases of alleged violations of the 231 Organizational Model were reported to the 231 Supervisory Bodies of the group companies.

At the level of the Cairo Communication Group, specific methods for managing information flows pursuant to Legislative Decree no. 231 were defined by the various 231 Supervisory Bodies and the Control,

Risk and Sustainability Committee (the relating corporate procedure is currently being issued by the companies of the Cairo Communication Group in accordance with the updates gradually made to the respective 231 Organizational Models).

The RCS Group has a specific procedure in place that regulates the process of communication to the OdV by the company functions, which applies to all the Italian companies managed and coordinated by RCS MediaGroup S.p.A..

4. Anticorruption

The rejection of corruption and bribery in the management of business, in whatever form it takes, is the cornerstone of the decisions that steer the activity of the Group. In accordance with the provisions of the Codes of Ethics and the Sustainability Policies, the conduct of those who bribe, attempt to bribe or accept the attempt to bribe is condemned.

With regard to anticorruption, the group companies that adopted the Organizational, Management and Control Model pursuant to Legislative Decree no. 231/01, have a fundamental tool to prevent the possible offences envisaged in the Decree, which are related, among others, to bribery and corruption, committed by persons belonging to the Group or by third parties on behalf of the Group, through the application of specific internal controls.

The Group implements numerous initiatives and activities to combat corruption on an ongoing basis and at all levels of the organization. The key objective is to ensure compliance with anticorruption regulations, both at the national level (in particular Legislative Decree no. 231/01 on the administrative liability of entities/companies) and at the international level (e.g. *Ley Organica 5/2010* in Spain).

The adoption of an anticorruption system at group level, besides being a reason for exempting companies from liability, is also an act of social responsibility towards all the stakeholders, i.e. shareholders, employees, customers, suppliers as well as the community.

Lastly, the introduction of this system of entrepreneurial action, together with the establishment and diffusion of ethical principles and the definition of specific company procedures, helps to regulate the conduct and decisions of those who, on a daily basis, are called upon to operate in the name or on behalf of the Group with the aim, therefore, of complying not only with the law, but also with the best ethical rules and conduct.

Reports of anomalous situations may be forwarded either by members of the various company functions or by third parties, in accordance with the procedures set out in 231 Models, the Codes of Ethics and/or specific procedures.

During the period covered by this Consolidated Non-Financial Statement, no episodes of corruption or bribery were reported, either through the above specific activities carried out by Internal Audit or through the reporting channels in place.

5. Human Rights

Human rights are a key issue for the Group. Respect for human rights is not only considered in personnel management, but also in supply chain management, especially in countries or activities considered potentially at risk. In line with other media companies, the Group attaches great importance to respect for human rights, including freedom of expression, responsible advertising, protection of intellectual property and the right to privacy.

5.1 Policies pursued by the organization

As described in the Sustainability Policies, in all its activities and in its dealings with third parties, whether suppliers, business partners, customers or employees, the Group is committed to respecting and promoting the protection of fundamental human rights. It also opposes all forms of exploitation of workers, including child labor, forced or compulsory labor, as well as any form of psychological or physical abuse or coercion against both its own workers and workers employed along the supply chain. The Group firmly condemns the trafficking and exploitation of human beings in all its forms.

In the performance of their editorial activities, in line with the provisions of the Charter of journalist duties and the code of ethics relating to the processing of personal data in the exercise of journalistic activities, employed and freelance journalists, in the diffusion of information and news to the public, are required to act in respect of human rights and ensure the necessary protection of minors.

5.2 Main risks and management procedures

The type of business and the management procedures chosen by the Group, including the countries where most of its activities are carried out, are not considered to make human rights risks particularly significant in personnel management, for which reference is made to chapter 7 of this NFS. There are a number of potential risks associated with the distribution chain and the supply of collateral products from foreign countries, managed by sharing with suppliers the principles and policies that guide the Group, as described in chapter 9 of this NFS.

For the human rights risks that potentially concern the Group as a publisher (freedom of expression, protection of intellectual property, responsible advertising and the right to privacy), the Group has adopted appropriate organizational and procedural tools to control these risks, as described in chapter 6 of this NFS.

6. Commitment towards the Public

2020 marked not only the start of a year, but also of a decade. The catchword of this new path is Sustainability. This new culture will be the precondition to become actors and drivers of change.

6.1 Freedom of expression, accurate and quality information

The key objectives of the Group have always been the production and dissemination of culture, information, services and entertainment, in compliance with the principles of freedom, fairness and pluralism of information, including through the development and technological innovation of all communication platforms.

In its publishing activities, the Group adopts the principles on freedom of expression and information issued by the Italian Constitution and by the relevant laws in Italy and Spain. It also complies with the principles held in the Charter of journalist duties, which emphasizes how the right to information of every citizen and respect for truth in news reporting go hand in hand with respect for the rights of the people covered, first and foremost the right to confidentiality.

In the age of Greta Thunberg and of Europe now led by Ursula von der Leyen, content must meet the challenge of a future that is not only green, but one that also revolves around society and all its variables: gender equality, CO₂ emissions, the right to decent work and technological changes that require upskilling. In this new landscape, those who have been offering information since 1876 have the tools and antibodies needed to meet the challenge.

Quality information is constantly pursued by the Group's publications, through the work of high-profile journalists and consultants, due regard for their competences and the meticulous verification of news and sources, in particular on the websites of the publications and on the social network pages. In this context, source reliability and publisher credibility gain increasing importance in order to preserve the right that the reader always has to correct information. As stated in the Charter of journalist duties, journalists must always verify the information they obtain from their sources, to ascertain its reliability and to control the origin of what is disclosed to the public, constantly safeguarding the substantive truth of the facts.

The Group's journalists seek with the same precision and professional integrity the correctness and quality of information in every editorial project at the service of different media and audiences.

In this context, the distinctive quality of the Group's editorial offer in Italy and Spain, through newspapers, magazines and TV channels (available also across the various communication platforms) represents the hallmarks of brands that are recognized and appreciated by the public as reliable and authoritative sources of information.

6.2 Disseminating the values of sport

The Group produces and distributes sports-related content at all levels, long inspired by the founding values of the Olympics such as fair play and dialogue between cultures through sport, both in Italy, with *La Gazzetta dello Sport*, and in Spain, with *Marca* and *Radio Marca*.

These titles have given their constant contribution, through fair and unbiased information, to disseminating the ethical values of sport, aware of their social responsibility. Initiatives such as "*Gazzetta Sports Awards*" (the fifth edition held in 2019, also broadcast by La7) and "Festival dello Sport", in its second edition, aim to identify, narrate and celebrate the excellence of Italian sport, enhancing the ethical and human content of sporting activity. *La Gazzetta dello Sport* also plays an active role in supporting Fondazione Candido Cannavò Foundation per lo Sport, which is committed to many areas of social solidarity. The RCS Group's sports titles participate with ideas and content in social initiatives (not only sports-related) and are particularly close to Paralympic sport.

Competence, rigor and credibility (and therefore authority) are the values that journalists in the RCS Group's sports publications are inspired by every day, including for online publications: *La Gazzetta dello Sport* and *Marca*, like all the other titles of the Group, have also adopted a code of conduct governing what to post on social networks.

The RCS Group also organizes sports events promoted and propagated at national and international level, particularly in the cycling and marathon fields, such as, for instance, the Giro d'Italia and the Milano Marathon. The values of sport represent an integral part of each of the events organized: values such as respect for the opponent, the sense of knowing how to win and lose, the fight for a clean and fair sport that becomes a daily lifestyle are upheld whenever these events are communicated. As for mass events, the RCS Group also organizes amateur competitions related to wellness and a healthy lifestyle, promoting initiatives and information campaigns aimed at disseminating the culture of female wellness and safety.

GIRO D'ITALIA

The Giro d'Italia is one of the greatest cycling events in the world, long a promoter of the sporting values of cycling such as fair play, respect for the opponent, and self-sacrifice. The Giro d'Italia, however, is not only a sporting event: it is also an important mouthpiece of all the values it stands for. RCS Sport is committed to social responsibility issues, with numerous projects tied to Giro d'Italia implemented throughout the year, not only during the period of the event.

In 2019, the Giro d'Italia collaborated with Save The Children, Charity Partner of the event that celebrated the Centenary of the organization. Together, they developed the communication campaign "stop the war on children" to raise public awareness of this important social issue. Ambassador of the campaign was Tiziano Ferro.

The Giro d'Italia is also a powerful opportunity of visibility for the territory, an unparalleled media showcase to promote tourism for the stage cities and the local specialties, through worldwide TV coverage, the media on the spot and exposure on the digital platform of the Giro.

MILANO MARATHON 2019

Ever since the first edition in December 2000, the Milano Marathon has been one of the most coveted events for runners worldwide. Included in the calendar of the International Association of Athletics Federation (IAAF), the event celebrates its 20th edition in 2020.

A sporting event that has grown significantly over the years, as its bond with Milan, involving not only sportsmen and women, but also the general public thanks to the great many parallel events. A success that makes this competition a great event and a solid communication platform for everyone involved.

The Milano Marathon is part of the division of mass-participation sporting events, like other formats that RCS Sport - RCS Sports & Events (The Color Run, Beauty Run, Urban Obstacle Race, etc.) has spread of late, contributing to the growth of the running movement today that is the foundation of a healthy lifestyle.

The Marathon goes hand in hand with the Relay Marathon, the relay open to teams of 4 participants who divide the race course into 4 legs. This relay race is closely tied to the Charity Program, the solidarity project launched in 2010, which allows athletes to run for a non-profit organization of their choice, helping it collect donations for individual projects and becoming its ambassadors. The project was launched in 2010, inspired by the Anglo-Saxon model of the London Marathon, which adds the pleasure of running to the pleasure of doing good. Registrations to the relay race are made exclusively through the Milano Charity Program. Over Euro 1.3 million in fundraising linked to the 2019 Charity Program and approximately 14,000 runners (+12% versus the previous edition).

A further initiative that has enriched the Milano Marathon for years now is the School Marathon, a non-competitive race stretching for approximately 3 km organized in partnership with OPES (Organization for Sports Education) open to children and involving approximately 13,000 participants including children and their companions.

2019 also marked the year of the first edition of the Milano Running Festival, the three-day event dedicated to running and wellness organized in April at MiCo in Fiera Milano City, with a schedule packed with events that attracted over 50,000 visitors including industry professionals and the public. A major Running Show that offered, during the week of the competition in Milan, an all-round picture of the world of running through meetings, workshops, training sessions and product presentations.

6.3 Responsible advertising

The Group has adopted the rules envisaged by the Marketing Communication Self-Regulation Code and the *Codigo de Conducta Publicitaria* in Spain, which include, inter alia, rules of conduct in advertising communication designed to prevent messages from being contrary to the dignity of individuals, taking advantage of public superstition and gullibility, messages that encourage physical and/or moral violence, that glorify racism, that offend the moral, religious or civil beliefs of citizens, or contain elements that may harm minors psychologically, morally or physically, or messages that contain false advertising information relating to commercial products. The same codes contain rules governing and restricting advertising messages relating to certain sensitive product categories, including alcoholic beverages, medicinal products, financial products, toys and games involving cash winnings.

The Group also strives to comply with specific local regulations on responsible advertising, such as:

- in Italy:
 - ✓ Legislative Decree no. 145/07 on misleading and comparative advertising;
 - ✓ Decree Law no. 158/12 (converted with amendments into Law 189/12) in the area of health protection (article 7 - provisions on the sale of tobacco products, preventive measures to combat ludopathy and for non-competitive sports activities);
 - ✓ Decree Law 87/18, (converted with amendments by Law no. 96/18 - Dignity Decree) laying down the rules on measures to combat ludopathy (specifically the prohibition of advertising of games and bets with cash winnings);
- in Spain, Law no. 13/2011 of 27 May on the regulation of gambling.

The Group's operating procedures for each advertising content to be published envisages the possibility of requesting a specific assessment on legality and compliance with the code and the above rules, as well as an assessment on the compatibility with the editorial policy of the publication involved.

In order to avoid the publication of messages that clash with the Group's rules and in compliance with the above rules, specific categories of advertisements have been identified by type, subject, product, and commercial practice, which are subject to even more preventive in-depth assessment by the Department in charge of advertising sales.

Thanks to the system of policies and procedures adopted, the Group also integrated aspects relating to corporate social responsibility into its advertising management, which it is committed to applying correctly. In 2019, the *Istituto di Autodisciplina Pubblicitaria* (Italy's advertising standards authority) requested the discontinuance only of certain limited customer advertising content in line with prior years conveyed by the Group.

6.4 Output Accessibility and Digital Evolution

The Group believes in a future where culture, quality information and communication will be increasingly relevant for each individual and decisive for the development of civil society, thanks to constant digital evolution, which will enhance its dynamism, sharing and usability.

The Group is active across the many facets of publishing, from newspapers to magazines, from TV to new media, ensuring content accessibility to a broad population of citizens. The main titles also have a digital edition, with dedicated pages on websites and social networks, with a constant quest for the innovation and quality of dissemination tools used. Content is delivered through more than 130 websites, 350 blogs, 150 webapps and 15 mobile apps, for an outgoing traffic of approximately 4,000 Terabytes/month.

The digitization of communication is increasingly facilitating the conveying of messages, content and values, making them more immediate. This very immediateness, as highlighted in major world discussions on the responsibilities of Internet platforms, requires a counterbalance with those who provide information as a profession, such as the Group publications.

For years now, the Group has embarked on a strong path of digital transformation, in a marketplace marked by growing content consumption, including video content, especially on the mobile channel, and by greater advertising investments on the online channel.

Specifically, the RCS Group is pushing towards the digital through changes made to its product range, organization and editorial processes; the aim is to become a "digital first" media company, capable of producing content usable on digital and print platforms, reaching readers on desktops, tablets, mobile phones, apps and social media.

In order to address the continuing market demand for new ways of consuming content, the RCS Group focused on the following points:

- introduction of new digital products on desktop and mobile channels to expand the digital offer to its customers (e.g. Corriere Economia and App news);
- review of the editorial processes to speed up the production of digital content and increase its quantity and quality, in order to further develop and enrich the "digital edition" of newspapers;
- acceleration of print-web integration and verticalization and production of multimedia content (texts, photos, videos and social contributions);
- introduction of new skills and training and development of those already in the company for their digital conversion;
- reviewing of the purchase flow of Corriere's digital products;

- focus on digital advertising through new formats, performance pricing and the use of big data for the targeting of advertising campaigns;
- introduction in Spain and Italy, respectively on the El Mundo and Gazzetta websites, of new forms of payment with the freemium model;
- digital innovation and development of technology platforms;
- total revamp (experience, product, technology) of the desktop and mobile website of Corriere and Gazzetta;
- inclusion in the Group's products of the first forms of content customization (e.g. MyGazzetta).

The platform that creates editorial content is able to make it available both on the print and the digital channel (web, mobile, app), with a final definition of content that varies depending on the channel chosen. The daily publication of newspapers is guaranteed by service levels; sites-wise, a 99.95% system running time with no service interruption is ensured.

As in Italy, the migration of the web farm to the Public Cloud was completed also in Spain.

Technological measures are also in place - applications or infrastructure - that respond in the event of malfunctions or deterioration of product performance, supported by monitoring systems. The IT service management area works side by side with the company contact center that assists customers/readers.

Digital content is consumed in different ways based on the type of offer:

- *Free* (free access to content);
- *Metered* (a certain amount of content that can be consumed free of charge);
- By subscription;
- *Freemium*.

In its plan to expand the systems of providing the editorial offer to an increasingly demanding public, in the face of changes in the way content is experienced, La7 continued in 2019 to pursue the path of growing articulation of the manners for delivering the service, through increasingly innovative channels and platforms.

In this context, La7's digital offering was further enhanced to include:

- the websites:
 - La7.it, the website featuring the entire TV schedule offering of La7 and La7d;
 - Tgla7.it, the Tgla7 information website;
 - Sedanoallegro.it, the new and innovative website dedicated to the world of cooking;
- the TGla7 app, like the Tgla7.it website, fully focused on information;
- the recently introduced La7 app;

- the La7 channels on the YouTube platform where La7 and La7d schedules are available with a 72-hour publishing delay;
- the Facebook fan pages, from the channel’s corporate page to those of the main programmes in the schedule;
- the Twitter profiles, from the channel’s corporate profile to those of the main programmes in the schedule;
- the La7, La7d, TGla7 Instagram profiles and a number of programmes such as piazzapulitala7, ariachetirala7 and tagadala7, which were recently introduced.

Currently expanding is the project launched by Cairo Pubblicità and Cairo Editore with “That’s Fab!”, a 100% social platform dedicated to women that develops on Facebook and Instagram, featuring a generous editorial plan taken from Magazine F, plus innovative and trendy advertising formats, which were enthusiastically welcomed by users.

6.5 Privacy and Data Security

With regard to privacy, the Group continued to ensure that all companies maintained their efforts to guarantee full compliance with Regulation (EU) 2016/679 of the European Parliament and the Council on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (the “General Data Protection Regulation” or GDPR), directly applicable in all EU countries from 25 May 2018.

Privacy and personal data protection have long been a relevant issue for the Group and, especially in the publishing industry, play an even more important role in the relationship of trust with readers and users.

The issue requires stringent rules and policies, complemented with a corporate culture that needs to be aligned with the latest regulations that have extended and consolidated the protection of data subjects’ rights.

The protection of privacy and personal data have an impact on Group activities both in the production of information content and in the performance of journalistic activities, as well as in the implementation of marketing and communication policies.

In this regard, journalists in Italy comply, in the performance of their profession, with the provisions of their specific code of ethics, with the observations and measures issued by the relevant Authorities and, with regard to the processing of personal data of minors, also with the provisions of the Charter of Treviso of 2006.

Big data and information, often collected surreptitiously, are a new playground where the user-citizen cannot be left alone. A deep and broad discussion is needed on how to convert this transformation into an advantage for people and not a constraint on the future. For this reason, the Group has set data protection as its priority.

In carrying out its activities, the Group has procedures and tools in place to ensure compliance with the European Regulation (EU) 2016/679 on the protection of personal data, with Legislative Decree no. 196/2003 as amended by Legislative Decree no. 101/2018 in Italy, and with Ley Orgánica 3/2018, de Protección de Datos Personales y Garantía de los Derechos Digitales in Spain.

The group companies, as data controllers of personal data, set up a consistent and widespread organization to ensure the correctness and adequacy of the processing of personal data and their protection, in line with the requirements of the law.

Specifically, both Groups identified their own Data Protection Officer (DPO), appointed Internal Data Processors, System Operators and Administrators and - where justified by the contractual relationship with third parties - external data processors. Given the specific nature of the activities carried out in the digital field, the RCS Group set up an internal Privacy Office.

Each company of the Group also drew up a special data processing register, previously notified to the data subjects before any acquisition of personal data, in an open and transparent manner through appropriate disclosure, regarding the purposes of collection. In Spain, Unidad Editorial S.A., as parent of the Unidad Editorial Group, implemented a series of actions aimed at regulating and adapting its ordinary business in accordance with the regulations on personal data protection, in addition to having established a DPO.

The Group organizes on-line and classroom refresher courses for Data Controllers, as well as regular Audit activities on data processing methods.

The data regarding users, who are promptly informed about the processing methods, subject to the issue of free, specific, informed and unequivocal consent, are also processed for commercial purposes to the benefit of group companies or of third parties where the consent received permits so.

Such data may be profiled in accordance with the provision dated 8 May 2014 of the Data Protection Authority and subsequent regulatory provisions, which contain provisions for identifying the methods for informing and acquiring consent for the use of cookies.

The Group manages the risks associated with the breach of privacy through prior analysis of the risks, incorporating into its products and services the tools, methods and procedures required to remove or mitigate such risks, and minimizing the amount of data collected in relation to the purposes, in full compliance with the principles of Privacy by Design and Privacy by Default introduced by European Regulation (EU) 2016/679. With regard to the risks that may arise in the performance of journalistic activities, the group companies impacted by these issues set up a function dedicated, *inter alia*, to the evaluation and execution of requests for the right to be forgotten (Judgment dated 13 May 2014 of the European Court of Justice and measures of the Data Protection Authority).

The Group put in place a formalized data breach management process aimed at ensuring the timeliness of remedial action, the collection of related information and notification to the Authorities and data subjects, where required and if necessary or appropriate. Through this corporate function, it sets out the guidelines for the processing of personal data, carries out checks, receives reports, requests for rectification and reports of abuse from users/customers through the dedicated mailbox, letters or by direct telephone contact.

The Group acts to improve the protection of personal data in compliance with current legislation, also with a view to increasing user attention to these topics, pursuing ongoing implementation and updating of models, processes and procedures aimed at carefully monitoring and managing complaints received concerning, in particular, the right to be forgotten and the use of personal data for commercial purposes.

With regard to the RCS Group, mention should be made that for complaints received and brought before the Data Protection Authority, 12 complaints were recorded in 2019 by external parties following the request to exercise the right to be forgotten which, however, did not result in leaks, thefts or loss of customer data. In this regard, the Authority expressed itself for most of the cases, rejecting the appeal, while the remaining cases are awaiting the decision by the Authority.

Additionally, a technical incident was reported in 2019 involving a minor data breach, with no impact on the data subjects, promptly handled to protect users and reported to the Authority as required by law. The Group has put in place specific procedures to prevent the re-occurrence of such incidents and has adopted technical solutions to detect anomalies vis-à-vis expected outcomes. With regard to the Unidad Editorial Group, no security breaches or any other incident involving personal data were reported.

The Cairo Communication Group did not register any complaints in 2019 about privacy infringements by the Data Protection Authority. Only 3 data deletion requests received by Cairo Editore were registered and were readily handled internally, without involving the Authority.

6.6 Protection of intellectual property

As also set out in its Codes of Ethics, the Group attaches the utmost importance to intellectual or industrial property, in all its forms, whether copyrights, trademarks, patents or other intangible assets, and requires compliance with the relevant laws.

Specifically, the Group expressly prohibits:

- that intellectual property protected by copyright, whether belonging to the Group or to third parties, be reproduced without the necessary authorizations;
- the use or alteration, in any form and/or manner and for any purpose, goods or objects protected by an industrial property right, without the consent of the owners of the right and/or those who have the legitimate availability.

In order to correctly regulate the use of third-party intellectual property, the Group operates through specific policies and practices, carrying out training activities for those company functions exposed to such risk.

The offence of intellectual property infringement is also mapped within 231 Organizational Models of group companies, where applicable, and, to safeguard against such offence, a series of conduct and control protocols are in place. Additionally, the Group is exposed to the risk that third parties, either voluntarily or involuntarily, may infringe its intellectual property rights. It regularly protects its intellectual property rights by filing applications for trademark registration for its journalistic titles and TV channels, TV programmes and formats, and by constantly monitoring to identify any infringements in order to promptly activate the safeguard, including in court and/or regulatory proceedings, of its rights.

7. Management of personnel aspects

People play a key role in achieving company results, therefore the main objective of the Group is to continually enhance human capital, overseeing and developing the necessary skills from a process perspective, with a view to developing professional qualities and trades, and building a workplace hinged on collaboration and participation.

7.1 Policies pursued by the organization

In addition to the Sustainability Policies, the personnel management policies are also set out in the Codes of Ethics of the Group, and aim to guarantee all its employees and consultants respect for human dignity and to ensure working conditions that do not involve exploitation or danger.

Discriminatory attitudes on the grounds of race, religious beliefs, political opinions, nationality, gender, sexual orientation, health status or any other unjustified reason on the basis of an objective and reasonable criterion are condemned and countered. In its decisions regarding the selection, evaluation and enhancement of its employees and consultants, the Group is led solely by the consideration of the professional and personal qualities of the individual. The Group maintains correct relations with trade unions, free from discrimination and influence.

As far as the remuneration policies of the Group are concerned, they generally pursue the following objectives:

- the set of policies used and applied must be consistent with the company values;
- direction of organizational behavior: remuneration is a tool for influencing organizational behavior, directing it towards the aims and objectives of the company strategy;
- consistency with the level of professional expertise, in order to meet the needs of internal equity;
- connection with the realities of the labor market, in order to align remuneration, as much as possible, with the market trend and to balance it with the level of peer companies.

The remuneration of human resources may consist of a fixed and a variable component, the amount of which is determined based on the relevance of the management and organizational role of the position held by the employee and the skills acquired.

In view of the rise in payroll costs, of the RCS Group in particular, resulting, *inter alia*, from the conclusion in Italy, between the second half of 2017 and 2018 of the crisis situations and the use of social safety nets and/or solidarity contracts, of the objective of retaining employment levels and of the adverse situation of the

target markets, during the reporting period, as in prior periods, pay freezes were applied to both fixed and variable remuneration.

Group personnel management is governed by management systems, procedures and operating practices aimed at ensuring that operations are carried out in compliance with the principles set out in the Codes of Ethics and with the laws and regulations applicable in the Group's countries of operation.

The human resources management strategy implemented in the reporting period followed the main lines below:

- *productivity optimization*, to ensure the safety and competitiveness of the Group in all its markets of operation;
- *safeguarding and development of skills*, a prerequisite for guaranteeing the achievement of business objectives and the high quality level of the products and services offered by the Group;
- *development of relations with social partners*, for guaranteeing the necessary internal social cohesion and the focus on the economic and business objectives of the Group.

With regard to the Cairo Communication Group, the organization stabilized in the period under review, as the skills are identified and the roles adequately filled, with no significant changes from the prior year. The size of the workforce and the "lean" organizational setup allow information and changes to circulate quickly and to optimize operational requirements, also by exploiting job rotation opportunities within the Group itself.

With regard to the RCS Group, the management of human resources in Italy was implemented through a range of activities carried out by the Human Resources and Organization Department and all the managers at the head of organizational structures, such as the reshaping of a more agile and flexible organization, a streamlined organizational structure and hierarchical levels, and the redefinition of the activities of the various units (also following the insourcing of activities that were previously carried externally). In Spain, these corporate reorganization objectives were achieved through initiatives to motivate and involve employees, such as the provision of specific training programmes to develop an increasingly digital business model. Additionally, Unidad Editorial focused on a range of streamlining actions, also by negotiating with the trade unions on building the most appropriate organizational setup for the corporate strategy.

Specifically, the RCS Group implemented in Italy internal mobility policies aimed at addressing the needs of insourcing, from organizational and/or process changes to staff turnover. Internal mobility has encouraged voluntary transfer: employees learn of open positions through job posting on the company Intranet. In 2019, no trade union agreements were signed on the management of social safety nets. The dynamics of industrial

relations was marked by the management of ordinary business and the finalization of work organizations more functional to product changes, especially to the digital developments that are affecting the publishing markets. Management then continued its organizational fine-tuning activities, in relation to the new publishing projects, in order to optimize resources and funnel them into the digital operations.

With regard to Law no. 160/2019 on the "2020 State Budget and multi-year budget for the three-year period 2019-2021", as from February 2020, RCS has taken the administrative steps for the recognition by the Ministry of Labor of the "crisis-related corporate reorganization" for RCS MediaGroup S.p.A. journalists and for graphic designers and print workers.

Following prior notice to the trade union representatives, the RCS MediaGroup S.p.A. reorganization plan was submitted to the Ministry of Labor, the implementation of which will result in redundancies for a total of 240 employees, to manage through an extraordinary redundancy fund (C.I.G.S.) and early retirement expressly provided for.

The reorganization will be managed with the trade unions, and specific union agreements are being jointly drawn up regarding in particular the management of redundancies; the reorganization will begin after the internal trade union agreements have been finalized at the Ministry of Labor and the competent bodies have received authorization to use the required social safety nets.

The early retirement plans are part of the ongoing reorganization process, including the editorial processes aimed at digital development, and are functional to the achievement of greater flexibility as well as the entry of new skills.

7.2 Main risks

The insourcing of activities and organizational reorganization imply the need for a heightened internal mobility which, on the one hand, brings risks associated with professional retraining within the organization and, on the other, may produce problems of a contractual nature from a personnel management viewpoint (administrative time vs. time on shifts, second-tier agreements, etc.). To this end, training and information activities were carried out to develop the skills required for business development and to support internal mobility, through necessary professional retraining.

The emphasis on efficient company processes and the attention to labor cost topics are the groundwork for ongoing discussion with trade unions, and may involve risks related to any actions that, as part of the

bargaining process, union representatives believe they should take. Broadly speaking, in order to deal with such issues, the Group considers it crucial to lay down specific trade union agreements on the use of social safety nets, the redefinition of aspects relating to the bargaining agreements signed by the employer and trade unions and/or aimed at sharing actions for rationalizing the processes identified.

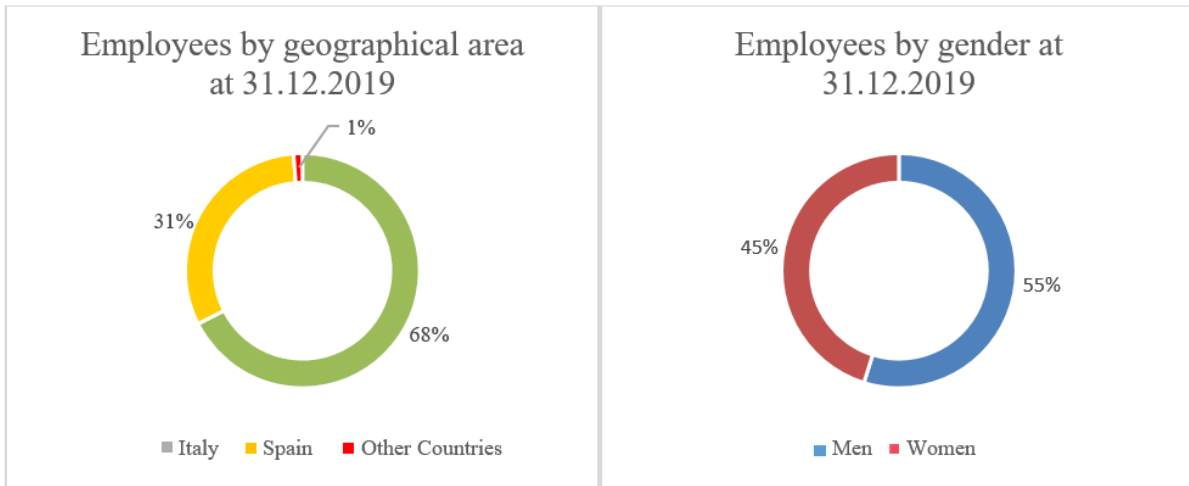
Lastly, in the area of journalism and information, there are circumstances where company personnel may find themselves operating in geographical areas where their physical safety is at risk, or which expose them to health risks. In such cases, risk assessment and management measures are adopted, which are laid down by specific company regulations that define the process of assessing, authorizing and managing the continued stay of personnel in these hazardous areas, or the use of appropriate protective measures. The company structures, if the case assisted by specialized external suppliers and the use of appropriate operational and insurance tools, follow the personnel throughout the secondment. Training and information actions are also envisaged to provide personnel with all the information required to carry out their activities in the safest conditions.

7.3 Management procedures

As part of personnel management activities, the relevant national labor laws and collective labor agreements are applied. From an internal point of view, the Code of Ethics, the Sustainability Policies and policies applied, the corporate procedures and all the negotiations with trade unions represent a crucial point of reference in personnel management.

In order for workers to receive reports on the application of company provisions, the Code of Ethics envisages specific channels of communication with top management or, where applicable, with the 231 Supervisory Body. No specific reports emerged for the current reporting year.

Personnel management activities revolve around regular meetings held with managers, individual workers and trade union representatives, which become formal occasions for collecting information and various kinds of reports (management, organizational, process, administrative, skills development and training).



In 2019, employees amounted to 4,027¹ units, down by 17 units versus the prior year, as a result, on the one hand, of reorganization and efficiency measures and, on the other, of a policy to develop digital assets and diversify revenue (i.e. RCS Academy and Solferino publishing house), in addition to operations to stabilize and manage turnover.

Almost all employees (97%) are on an open-ended contract; in 2019, the number of fixed-term employees was cut further, as a result of their conversion into open-ended contracts.

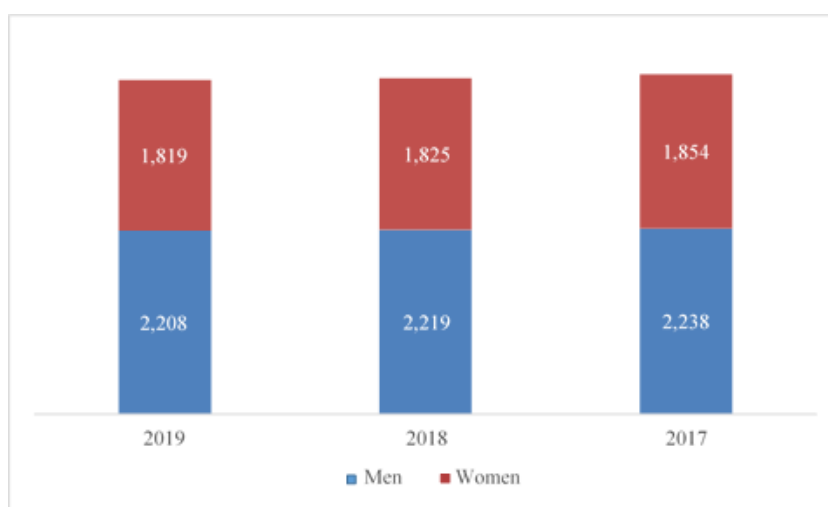
During the reporting period, the outgoing turnover rate² decreased slightly to 4% (5% in 2018), while the incoming turnover rate increased slightly to 4% (3% in 2018)³.

¹ The headcount indicated refers to the exact number of employees in service at the end of the reporting period in question, considering that any employees assigned to other locations/business units are counted in the company they administratively belong to and not in the company they are assigned to. Specifically, the exact number refers to the number of heads at 31/12.

² The turnover includes employees with an open-ended contract only and is calculated by considering the total number of employees at 31/12 of the same year, divided by gender, as the denominator.

³ The Group also makes use of self-employed persons, such as agents (273) and consultants (400).

The following is the trend of employees by gender in the three-year period 2019 - 2017.



The initiatives for improving corporate welfare services and work-life balance included:

- the in-house creche in Via Rizzoli, inaugurated in 2004 and open to employees with children aged from 3 to 36 months; the creche is managed by a non-profit social cooperative, thanks to RCS's aid to fixed costs, for fees paid by employees and for the provision of meals;
- the various services available at the headquarters in Via Rizzoli, such as the spaces used for the canteen service, the bank branch with cash dispenser, the Cral/After-work, a space dedicated to temporary shop hospitality, etc..
- a series of agreements in La7 with various players such as banking, insurance, business and wellness establishments, highly affordable degree courses with Lumsa University, etc.

Over the years, the Group has also fostered a range of initiatives for its employees: specifically, in 2019 the 2019 Campagna Nastro Rosa of the Milan-based Italian League for the Fight against Cancer (LILT), with free breast exams for RCS employees and two blood donations promoted by AVIS Milano at the HQ in Via Rizzoli. La7 also hosted the AVIS blood donation vehicles and organized "The Diabetes Prevention Day", inviting all its employees.

7.4 Equal opportunities

The Group believes that workers are a crucial asset and a key success factor in its relevant market, where diversity of gender and thought is deemed an element to enhance as a source of cultural and professional enrichment.

There are no clear significant risks in the area of equal opportunities at this time. The Group believes, however, that it must maintain a permanent and high level of attention to issues concerning diversity, constantly pursuing the objective of spreading a corporate culture that combats every possible form of discrimination (including, but not limited to: age, gender, sexual orientation, marital status, religion, language, ethnic or national origin, physical or mental disabilities, pregnancy, maternity or paternity, political opinions, trade union activities), in order to prevent any episodes that clash with corporate principles. To this end, all discriminatory attitudes are condemned and opposed in the Code of Ethics and the Sustainability Policy.

Specifically, in selection, remuneration determination, and development of professional growth opportunities, the Group works consistently with the skills, capabilities and professional experience of its people, ensuring the application of the principle of equal opportunities. At end 2019, 45% of the Group's employees were women, in line with prior years.

Employees by qualification (no.)	2019			2018			2017		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	92	23	115	90	22	112	88	20	108
Middle managers	184	140	324	190	140	330	193	145	338
White collars	853	1,010	1,863	835	1,006	1,841	847	1,032	1,879
Editors	34	14	48	35	15	50	38	14	52
Journalists	835	611	1,446	857	620	1,477	858	621	1,479
Blue collars	210	21	231	212	22	234	214	22	236
Total	2,208	1,819	4,027	2,219	1,825	4,044	2,238	1,854	4,092

Mention should be made that no episodes of discrimination were reported in the reporting period either to the 231 Supervisory Body or to the Human Resources Department of each group company.

7.5 Skills development

Skills development is the key issue for the Group for ensuring that employees are continuously aligned with the company's business objectives. As a Group hinged mainly on the professional contribution (intellectual and immaterial) of its staff, skills development is a key ingredient in the evolution of the activities and products and services offered, especially in today's age of gradual digitization.

The company promotes the actions needed to support such development, with the aim of aligning the management and technical-professional skills of its resources with the business objectives, and of enhancing the value of its staff to meet the need for evolving corporate structures and the challenges of the external market. Developing solid business skills helps in advance to manage the risks arising from the loss of know-how and management capabilities, seizing the business opportunities for the Group.

During the reporting period, mandatory health and safety courses and refresher courses on the relevant regulations were delivered; the number of training hours decreased, however, versus the prior year, attributable mainly to the temporary suspension of managerial training activities at RCS to focus on the new processes and investment strategies for human resource development.

La7 continued with its previously launched training programs, complying, on the one hand, with health and safety regulations and, on the other, delivering specialized managerial training (coaching, distance learning on economy/globalization, sustainability, etc.). These courses were accompanied by training programs that supported and developed technical skills on post-production and programming systems, ERP, regulatory updating for Personnel Administration and updating on the regulations on libel for legal and production functions.

In 2019, the Group also received grants amounting to Euro 114,080 for employee training programs.

The table below shows the training hours by type of course delivered:

Hours of training by type of course (no.)	2019	2018	2017
Management training	1,178	1,007	790
Specialist training in journalism and art	1,239	8,401	3,183
Foreign language training	1,424	12,579	17,568
Induction for new hires	10	168	10
Health and Safety (mandatory)	5,176	8,929	2,451
Anticorruption (Model 231)	349	776	78
Other (specific technical training by function)	5,214	3,001	3,794
Total	14,590	34,861	27,874

7.6 Dialogue with social partners

The general objectives that are pursued in safeguarding skills development regard the need to promote a corporate and managerial culture inspired by the ability to create quality and innovative products, with a view to greater efficiency and overall cost recovery. In such a context, the dialogue with social partners is an inspirational element for finding fitting answers to complex issues that often need to be addressed and solved in a matter of hours in order not to slow down operations.

The dialogue with social partners enables the company and its workers to partake in the negotiation and consultation rights established by law. The dialogue takes place with the ongoing participation of workers through representative bodies such as works committees. The dialogue with social partners has its greatest impact on collective bargaining, establishing working conditions in the company that are binding on both sides. In the current scenario, daily relations with trade unions play a rather significant role, in order to constantly and preemptively communicate those business issues that may impact on workers. The various collective bargaining agreements envisage stringent notice periods in the event of significant operational changes that may produce a significant impact on employees. These terms vary from 72 hours in the case of the National Labor Contract for Journalists, to 15 days in the case of contracts for graphic designers and print workers⁴ and national collective agreements in Spain.

The percentage of employees covered by collective agreements is 96%⁵.

In Spain, the dialogue with the representative bodies of the social partners resulted in the drafting of an Equality Plan aimed at governing the principles of non-discrimination and equal opportunities, spreading a corporate culture committed to equality by seeking a balance between family, work and personal life. To this end, a company commission for equal opportunities was set up, made up jointly of worker and company representatives, also involving the area for the prevention of occupational risks.

7.7 Health and Safety

The Group has long placed the integrity of the health and well-being of its employees, consultants and all business partners among its priorities. It shows ongoing commitment to comply with and enforce the mandatory regulations and specific procedures regarding health and safety in the workplace.

⁴ Based on the most similar contractual provision in this collective agreement: this is the provision contained in Article 8 - part one - which regulates, in the case of changes of a technological nature, the completion of the procedure 15 days before operational introduction

⁵ The employees of Sfera France SAS, RCS Sports and Events DMCC, Sfera Editores Mexico S.A., 89% of the employees of Sfera Editores Espana S.L. and 7% of the employees of the Unidad Editorial group are excluded from the collective agreements

The production processes, the activities carried out by employees/journalists, and the organization of sporting events/shows, are constantly monitored by the roles in charge, in order to identify and promptly implement the required structural and organizational prevention and protection actions. The following priority objectives contribute to spreading the "Safety Culture" that the Group has long promoted:

- keep workplaces healthy and safe;
- identify and reduce the use of materials and/or processes that may have negative impacts on people's health and safety;
- plan and implement specific training programs;
- incorporate health and safety aspects into the planning of strategies and activities at every level of the corporate decision-making process;
- raise awareness and involve employees in the Group's efforts to best protect people's health and safety and to propagate its policy, objectives and efforts to the outside world;
- comply with all health and safety laws, policies and standards;
- promote awareness of people's health and safety.

The potential risks associated with the Group's activities, which may impact on occupational health and safety, can be divided into two types: risks that can potentially give rise to work-related accidents (use of equipment, handling of loads, driving of vehicles, etc.) and risks that can give rise to occupational diseases (exposure to chemicals and chemical products, electromagnetic fields, noise, incorrect postures, microclimate, display screen work, etc.). On top of these are risks of a different nature related to commuting, which can give rise to so-called "accidents from work-related travel", which are not directly related to work activities.

The Group complies with local regulations that also envisage the identification, mapping and management of existing risks and the establishment of safety officers in accordance with the respective regulations in force. Prevention and Protection of Workplace Risks Services envisaged by the respective local laws were set up, with the task of identifying risks related to worker health and safety (especially those most at risk), carrying out, together with the other relevant company functions (Human Resources, Facility Management and Operations), the actions aimed at eliminating or significantly reducing such risks. There are three types of actions: structural, organizational and training. Again with a view to eliminating and reducing the number of accidents, investigations into the causes that may have generated work-related accidents prove to be crucial, as they provide relevant information to implement the required remedies.

The Group also makes use of internal policies on the management of safety aspects with regard to the management of contracting and organization of sporting and cultural events, especially in the areas of the RCS Group.

With regard to the organization of external events, the Group cooperates with field professionals and companies who assist in the planning and execution of activities to guarantee correct safety conditions, in compliance with company guidelines and relevant regulations.

The number of accidents in 2019 was lower overall than the prior year. There were, however, a number of accidents attributable to accidental causes (impacts, falls, sprains) not directly work-related. No occupational illnesses were reported in the year.

The following table shows the number of accidents by type, gender and country in 2019 and the two previous years:

Number of accidents	2019			2018			2017		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
At work	16	1	17	15	4	19	7	3	10
<i>Italy</i>	8	1	9	4	1	5	3	-	3
<i>Spain</i>	8	-	8	11	3	14	4	3	7
<i>Other Countries</i>	-	-	-	-	-	-	-	-	-
Work-related travel	11	7	18	7	16	23	18	15	33
<i>Italy</i>	6	5	11	4	7	11	9	8	17
<i>Spain</i>	5	1	6	3	9	12	9	7	16
<i>Other Countries</i>	-	1	1	-	-	-	-	-	-
Total	27	8	35	22	20	42	25	18	43

It should also be noted that, since January 2020, the national and international landscape has been affected by the outbreak of the Coronavirus (COVID-19) and the ensuing restrictions for its containment adopted by the governments of the countries involved. Since the second half of February, the virus has spread significantly across Italy, affecting Lombardy in particular, in terms of number of cases and speed of the infection. The containment measures adopted by the Italian Government are having a direct impact on work organization and timing and on the Group's activities. In Spain too, the infection has accelerated from the second half of March and the Government has adopted containment measures similar to those put in place in Italy. The current health emergency, besides its severe social impacts, is having direct and indirect repercussions on the general performance of the economy, leading to a climate of general uncertainty.

The COVID-19 health emergency has sparked a series of actions to address the risk of the coronavirus. In Italy, an internal Committee was set up at RCS, which coordinates with the Group's offices in Italy (Milan, Rome, etc.), and in Spain, the Health Commission was set up to tackle the current emergency-related problems. Similar committees were set up in the other group companies (La7, Cairo Editore, etc.). Below is a summary of the measures implemented from the onset of the emergency to date:

- notices to employees and consultants with information on the COVID-19 emergency, measures implemented and recommendations on how to contain the spread;
- significant step up in workplace cleaning and sanitization, using specific products in accordance with ministerial rules, and dispensers of specific hand hygiene products installed in every location;

- start of "remote working" for most of the staff involving all the Italian and Spanish locations;
- physical staff presence in the workplace cut to a bare minimum, rather than the access of guests to the television studios, where public access has been banned;
- implementation for staff whose presence in the workplace is required of all prevention measures, in implementation of the provisions of law and according to protocol 14.03.2020, i.e.: create safety interpersonal distance workstations, increase sanitization of company spaces and workstations, provide the protective devices to use in the cases covered (gloves, masks and individual microphone covers), provide workers with specific materials and products for the sanitization of objects for personal use (telephone, keyboard, mouse, etc.);
- given the highly limited possibility of supply at the moment, the distribution/resupply of protective devices is being provided for the editorial offices, press centers, TV studios and offices whose operation must be guaranteed.

The internal committees in Italy and local health units coordinate with the competent medical officers to adopt the measures to take in the event of emergency situations in the various workplaces or in sites/TV studios dealing with critical issues, in accordance with the provisions of law and the rules of the local health authorities (staggered entrances, body temperature measurement, access of guests and the public to the TV studios, etc.). The Health Commission in Spain prepared an "alert protocol" and meets to monitor the progress in the implementation of "remote working" and share the contingency measures to apply (cleaning, canteen, etc.).

The Group is monitoring developments on a daily basis to minimize the impacts in terms of health and safety in the workplace and on the operating and financial front, by defining and implementing flexible and timely action plans.

8. Creating value for the community

The Group contributes to the creation of value for the community in which it operates, through initiatives addressing the third sector, young people, and the weakest members of society, leveraging on the various platforms at its disposal. The projects deal with topics relevant to citizens, including health, innovation, culture, diversity, attention to the environment, enhancement of the Italian territory, and disability. The initiatives promoted by the Group during the year that had a positive impact on the community are illustrated below.



CHARITY AND EMERGENCIES

Buone Notizie – l’impresa del bene is Corriere della Sera’s weekly insert dedicated to the third sector, on newsstands free of charge on Tuesdays from 19 September 2017. The strength, energy, creativeness and professionalism of the Third Sector can show new perspectives and offer a new cultural, economic and social approach to our Country. The new web column of the insert, flanked by social media, tells the stories of women and men, volunteers, cooperatives and social enterprises, foundations and businesses, exploring the issues of innovation, sustainability, new economies, new professions, crafts and agriculture. The aim is to enhance the value of organizations both large and small, highlighting their problems and advocating their battles with the aid of a highly qualified technical panel and the contributors from the editorial staff of Corriere. Buone Notizie

is the only newspaper distributed on 1 January across Italy and available in a digital format, in a special issue on the good things that happened in the past year.

Il Festival delle Valli Reatine: from 3 to 4 August 2019, *Dove*, in association with the Lazio Region, planned and produced the first Festival delle Valli Reatine, an event that cast a spotlight on the 15 municipalities in the province of Rieti affected by the earthquake in 2016. Amatrice's "Polo del Gusto, della Tradizione e della Solidarietà" set the stage for meetings and interviews with the leading local players who shared their stories of rebirth and resilience. The public partook in the many activities organized on the ground, from trekking along the ancient transhumance paths to cooking lessons to learn the true "pasta all'amatriciana" recipe. The whole event was anticipated, told and dissected by *Dove*, both on newsstands and online through the dedicated website, dovefestival.it, with a total audience of 7,915,000 people (Audipress). The project became a golden opportunity to promote a new model of sustainable tourism capable of enhancing the beauty of the places and producing economy and well-being to the exclusive benefit of the resident communities and the natural landscape.

Un Aiuto Subito: Two days after the devastating events of the high tides and rising water levels in Venice, *Corriere della Sera* and *TgLa7* launched the initiative "Un aiuto subito per Venezia", a fundraising initiative that is just one of the many promoted by the daily and the newscast: in 2012, for example, they had mobilized for the earthquake in Emilia, a year later for the flood in Sardinia, in 2016 for the earthquake in Central Italy. Over Euro 900 thousand was raised, and on 4 February, Luciano Fontana, editor of *Corriere della Sera*, and Enrico Mentana, director of *TgLa7*, handed the amount over to the mayor of Venice Luigi Brugnaro. The funds were used to purchase 10 new pumps and 16 generators to allow technicians and workers to clear the houses and the streets on the island of Pellestrina, in case of other high water events.

TELVA Solidarity Awards: the prizes are awarded, in collaboration with the sponsors, to small Spanish NGOs that handle low volumes of cash. This year's awards funded research projects on early diseases in children, care for women at risk of exclusion due to gender-based violence, disability and drug addiction, water supply in Uganda, bicycle supply in Burkina Faso and vocational training projects for rural and indigenous women in Paraguay.

PRODUCTION AND DISSEMINATION OF CULTURE AND INFORMATION

Premio Cairo: the 20th Cairo Prize was awarded on 20 November in the exclusive halls of Palazzo Reale in Milan by the editorial staff of the monthly magazine "Arte" by Cairo Editore S.p.A., the top Italian magazine leader in the field in terms of circulation and prestige. The Premio Cairo is an initiative dedicated to under-40 artists who take part with original works. This year's 20th edition saw the participation of twenty international artists picked by the "Arte" editorial staff and the awarding of a cash prize, a plaque of merit and the cover of

the January 2020 issue of "Arte", as well as generous coverage in the magazine. Since 2000, young artists have been given the opportunity of showcasing their works - before a jury of seven personalities from the world of contemporary art, in addition to the Editor of "Arte" - in exclusive settings; the event has gradually turned into a highly coveted moment for collectors, gallery owners, journalists and artists.

Premio Arte: established in 1991, the event is dedicated to artists and students of academies who have not displayed their work in major solo exhibitions. The initiative also provides scholarships for students from art academies and schools. The works of the finalists are on display at Palazzo Reale throughout the event. The finalists of the 2019 Premio Arte showed great maturity and quality. Seven winners among the forty finalists on display, in the different categories of painting, sculpture, graphics and photography.

Fondazione Corriere della Sera: to grasp the signs of socio-cultural change in society; to encourage the debate between different points of view while respecting a culture of democracy; to enhance the huge heritage that Corriere della Sera and the other newspapers of the RCS Group have made available to our country for an increasingly informed, free and knowledgeable world through the custody of the historical archives. 19 years on, Fondazione Corriere della Sera has become a reference point for the public in and beyond Milan, thanks to its generous schedule of events, readings and lectures, with approximately 1,700 meetings, 3,500 Italian and foreign speakers and an audience of over 650,000 people. It has also organized over 60 exhibitions, dedicated especially to the graphical heritage of Corriere della Sera and the Sunday supplement "La Lettura" (the latest called "La Poesia è di tutti", explained below). The Foundation is also a publishing house, which publishes three series of books that look back on the key moments of Italian cultural, political and social history through the rich documentary material kept in the historical archives of *Corriere*. The catalogue counts over 40 titles, the latest, released in 2019, is "*Programmi e commiati. Gli editoriali dei direttori del Corriere 1876 - 2015*". The Foundation's commitment is expressed by the wide range of these activities, which reflects, every day, its great civil passion for safeguarding the freedom of ideas.

La Lettura: the cultural insert of Corriere della Sera, whose hallmark is openness and contamination, brings into the real-world discussions on new languages, books and fiction, and art, organizing exhibitions and events for the public. The latest, "La poesia è di tutti", hosted in 2019 at the Milan Triennale and a great success with the public, dedicated to the different languages used by the supplement to delve into this form of expression. The title has a major impact also on the main Italian cultural events and organizes meetings on the occasion of events dedicated to books.

The Awards: Corriere della Sera fosters rigorous, qualified, passionate and investigative journalism with the Roberto Stracca Prize for journalists under 30 from the Walter Tobagi School of Journalism and the Maria Grazia Cutuli International Award. Mention must be made this year of the institution of the Cook Awards, the

event that pays tribute to Italian and international food personalities who act, as the monthly magazine *Cook*, as ambassadors of food and cooking in an innovative way, not only in the sense of nutrition, but also as storytelling, tradition, sharing and so forth. *La Gazzetta dello Sport* contributes to the spreading of values such as fair play and good sportsmanship, thanks also to the creation of the Facchetti - Il Bello del Calcio Award, now in its thirteenth edition, awarded this year to Gianluca Vialli, who donated the Euro 10,000 prize to Fondazione Vialli e Mauro per la ricerca e lo sport Onlus.

Gazzetta Sports Awards: the awards celebrate the champions who stood out for their sporting performance and fair play, awarded by *La Gazzetta dello Sport* under the patronage of CONI and the Italian Paralympic Committee, through a quality jury that takes account of readers' votes and selects the champions from the various deserving categories, including Paralympic athletes, won this year by Simone Barlaam. Handing him the prize was Paralympic champion Bebe Vio. The Sportweek Prize, instead, at its debut this year, was awarded, in the name of the values of sport, to the women's national football team, which stands as a shining example of equality in the field of sport. This event was also broadcast on La7.

BiciScuola: a project linked to the Giro d'Italia with the aim of spreading the world and the values of the Giro to primary schools, bringing young people closer to cycling, fair play, environmental and food education, safety and road safety issues. Every year 2,000 classes, with approximately 50,000 children involved, are made more aware of such important issues for their education, making the most deserving classes experience a day at the Giro d'Italia.

Museo El Prado 200th Anniversary: the Museo Nacional del Prado hosted the awarding ceremony of the XVIII edition of the International Journalism Awards of *El Mundo*, which uphold the core values of journalism and the opportunities offered by technology as a guarantee of the future to a profession that is crucial for the safeguarding of democracy and freedom.

Atlantide: With the programme hosted by Andrea Purgatori, La7 dedicated a schedule of films and documentaries to chronicle recent events in Italian culture and history: terrorism (Piazza Fontana massacre and Prima Linea group cases), the Ambrosoli case, the 2009 earthquake in L'Aquila, the Emanuela Orlandi case, the Thyssenkrupp affair and job insecurity, the fight against the mafia (Capaci massacre and Borsellino murder), Fascism, Ustica, Tangentopoli, the Cermis massacre, and Mafia Capitale. The program also covered topics of international relevance such as The Walls (Berlin 1989 and Mexico 2019), the Kashoggi murder, the salvation of our Planet, and the Chernobyl disaster. Two evenings were dedicated to the memory of Ilaria Alpi and Miran Hrovatin and to the Grande Torino.

L'Unione fa la forza: In the second half of the year, La7 broadcast four "docufilms" produced with EU funding that cast a spotlight on the realities in which the cooperation between member countries tackled a number of emergencies (such as the wildfires in Campania, which saw Italian, Belgian and Slovenian firefighters join forces).

Day of Remembrance: La7 dedicated an entire afternoon to the anniversary, broadcasting inside the slot “La7 ricorda” a Special hosted by Andrea Purgatori and the films “La tregua” and “L’onda”.

ENHANCEMENT OF THE COUNTRY SYSTEM

L’Economia: Corriere della Sera's weekly title, on newsstands free of charge on Mondays, explores the world of business and finance, spinning a story on the productivity and excellence of Italian districts, with a well-structured multimedia editorial project that directly involves the local areas, businesses and universities. Starting with the setup of a vantage point open in each of the leading regions and involving local businesses, L’Economia gathers stories, projects, ideas for development, creating theme specials that enhance the weekly title. To cap it all, L’Economia organizes a round of events to give voice to the lead players and visibility to Made in Italy production of regional businesses, enhancing their peculiarities and quality: a tour with round tables and open dialogues, moderated and embellished by the voices of Corriere della Sera journalists.

L’Italia genera futuro?: ever since inception, L’Economia has celebrated its anniversary with an event and a special, crowning a long editorial project dedicated to Italian SMEs. Through five focuses by theme clusters, the project picks the best 500 Italian SMEs that have stood out in the last six years for constant growth, ability to generate profits and cash.

TrovoLavoro: supplement of Corriere della Sera and L’Economia. At the heart of the publication serviceable content, advice, information, instructions and a careful selection of offers available, to best guide readers in the job world.

Cibo a regola d’Arte: a path of meetings, workshops and tastings in the culture of food, to discover tastes, chefs and territories. Live public events take place in a number of Italian cities, graced by top chefs and centered on education on healthy nutrition, debates, performances and cultural talk where food becomes the medium to convey the Mediterranean culture, starting from a food heritage that stays true to traditions but with an eye on innovation.

Corriere Innovazione: speaking of innovation today - especially in a country like Italy that lags behind when it comes to recognizing the need to change - means doing exactly the opposite: recovering the pivotal role of Man to describe not technological change, but what the social, economic and cultural effects of digitization are. This is why Corriere Innovazione is a monthly that delves into the culture of innovation, with emphasis on the first term and underscoring that in order to grasp the speed of change today, there is even more need for the "slowness" of a monthly, a moment of reflection that helps put the pieces together.

Today, nothing influences us directly or indirectly like digital change. Corriere Innovazione explores all the facets of change to provide tools for understanding and to enable readers to form their own opinion, as in the longstanding tradition of Corriere della Sera. Corriere Innovazione's editorial chronicle comes from the pages of the publication and propagates across different channels: the website, the social pages, the newsletter and the numerous events organized on the ground.

Innovatori 2020 has become the annual event involving all the leading personalities from the world of science, economy, industry and art. A moment of sharing to give substance to the agenda of an Italy eager to renew itself and not be merely a follower of change.

Il Bello dell'Italia: a major project by Corriere della Sera that tells the story of our country through its beauty: a heritage of reality, projects and perspectives. Il Bello dell'Italia unfolds on the pages and on the website of the Daily, crossing all the territories - cities, manufacturing districts, protected sites, towns and rural areas. The notion of beauty comes into focus in its broadest sense: from natural and cultural heritage to the challenge of biodiversity, from research centers to craftsmen's workshops, with the utmost attention to businesses that focus on the creation and protection of Italian beauty.

Il calcio che amiamo: 24 May at the Vatican was a day of celebration of the genuine values of the game. Over five thousand children and youngsters listened to the words of Pope Francis: "Football is the most beautiful game in the world". The event, organized by La Gazzetta dello Sport in association with the Ministry of Education, University and Research, the Italian Football Federation and Lega Serie A, was graced by the presence of outstanding champions, coaches and top management of Italian sports institutions to talk about football as education, inclusion and fun.

"Gol!": The wide range of add-on series launched in 2019 by La Gazzetta dello Sport includes "Gol!", which stands out for its ability to make children fall in love with reading, also conveying important values of fair play and team spirit. Created in collaboration with "Battello a Vapore", circulated on newsstands also by Corriere della Sera, the successful series of books written by Gazzetta journalist Luigi Garlando narrates the challenges, triumphs and adventures of a group of boys and girls sharing a passion for football. The stars of "Gol!" are the Cipolline, the team that every girl and boy can join, to play and have fun. Their motto is: "Who has fun, never loses".

Il Festival dello Sport: 2019 saw the second edition of this grand event, one of its aims being to bring celebrities and the values of sport closer to the general public. Under the title "Il fenomeno, i fenomeni", from 10 to 13 October, Il Festival dello Sport gathered in Trento the best of national and international sport in over 140 events in which more than 350 guests were interviewed by the journalists of the editorial staff, building a great story that the audience - no less than 65,000 people - followed enthusiastically. Il Festival dello Sport was also an opportunity to bring people closer to practiced sport, thanks to the fields set up in the city squares and with the contribution of top-class professional coaches. Five magical, vibrant days where, by walking

through the streets of Trento, you could breathe the authentic spirit of sport, made of friendship, brotherhood and sharing of values.

El Mundo Zen Adecco: for the fourth consecutive year, the Welfare section of the newspaper *El Mundo* and Adecco joined forces to reward those companies and managers committed to the development of business plans to promote healthy habits, creativity, solidarity and entrepreneurship, seeking to promote the happiness of their people.

Foros Inserta Expansion de Empleo y Diversidad: in 2019, Fundacion Once e Inserta Empleo, in association with the magazine *Expansion*, organized a series of conferences in different autonomous communities. A platform for networking and social innovation that allowed the sharing of practices, tools and experiences to encourage the effective development of recruitment policies for people with disabilities, as well as the promotion of talent management.

La Jornada de los niños en Marca: up-and-comers in sports journalism are sought through the media of the *Marca* magazine by selecting videos sent by children aged from 11 to 14 years, where they demonstrate their passion for the players and their team. The selected youngsters, with the aid of *Marca* journalists, will be able to experience a unique opportunity by interviewing the players as real sports journalists.

MARCA Sport Weekend: the first edition of a major event, *Marca Sport Weekend*, was held in Marbella (Malaga). One of its aims is to bring the public closer to sport celebrities, as well as promoting the values of sport. From 15 November for 3 days, *Marca* turned Marbella into the capital of sport and filled its streets with over 50 sports activities and experiences through meetings, conferences, interviews, master classes, and exhibitions, involving institutions and over 80 national and international athletes. The first edition was a remarkable success both in terms of public and participants, and had a strong impact on national and international media.

Lasette Italia: Lasette Italia is an Italian language channel, original and different from La7, dedicated to both Italians living abroad and to Italians temporarily residing abroad for work or personal reasons. Active since the end of 2015, the channel broadcasts today across the United States, Canada, Brazil, Australia and New Zealand. The channel is part of ethnic Pay TV packages and is distributed via satellite, cable or IPTV. Lasette Italia offers a partly simulcast schedule with the flagship channel La7 and a profile of original and in-depth content that tells the stories of modern Italian society, staying true to its history while interpreting change. Even abroad, Lasette Italia confirms a clear-cut and recognizable identity.

Porte Aperte a La7: In the return of value to the community - with special regard to young people - La7 offered in 2019 the opportunity of making its activities known through the following philanthropic initiatives. The agreements with the University of Teramo were confirmed: La7 opened the doors of its TV studios to

students from the Journalism and Mass Media course of the Faculty of Communication Sciences. The meetings were prepared by internal La7 employees with the holder of the University Chair. The topics dealt with for the occasion, in keeping with the previous edition, were the differences in style, length and writing of a journalistic text intended for publication on television compared to a text for the web. A new series of meetings is scheduled to focus on the new professions created thanks to "transmedia narration".

According to Henry Jenkins, theorist of the new frontiers of multimedia, in the ideal model of transmedial storytelling, each medium involved is called upon for what it does best. Every single product thus becomes a piece of the overall experience and pushes towards the search for other media. This gives rise to the figure of the "Social Media Manager", introduced in La7's main broadcasts, which provides different pieces of a mosaic that strives for the utmost completeness of information. Students will be able to watch how a Social Media Manager works, interacting with the story live on TV and integrating the contents on the Web platform, in real time, with particular features and trivia. The university students will then visit the TV studios at full capacity, discovering places, technologies and professionals to broaden their knowledge and allow them to make more informed choices.

EQUAL OPPORTUNITIES

La 27esima Ora: the female blog of the Corriere della Sera. It tells the stories and ideas of those who seek a balance between work (whether in the office or at home), family and themselves. The name comes from a survey suggesting that a woman's day in Italy lasts 27 hours on a public-private line that becomes increasingly flexible and often blurred. Multitasking times, a question of choice and/or love. The blog is edited by Corriere journalists and gathers contributions and ideas from the entire staff, but is mostly a space open to readers who wish to share daily adventures and misadventures.

Tempo delle Donne: the happening/festival organized in Milan by Corriere della Sera from an idea of La 27esima Ora and in association with iO Donna, Fondazione Corriere della Sera and ValoreD. A collective moment for sparking ideas, experimentation, debate, which transcends the newspaper to become real life, exploration and proposal. It started out in 2014 with surveys on Labor, and then continued with the topics of Maternity in 2015, Sex&Love in 2016, Men&Change in 2017, Happiness in 2018, and Bodies in 2019. Il Tempo delle Donne is built around several moments: a survey on a sample of Italians, publication of the results of the survey and the actual investigation, several warm-up meetings with the aim of opening up the conversation to the whole city. It ends in autumn with the three-day live: a generous schedule of shows, meetings, surveys, workshops, interviews, performances, installations, breathing life into hundreds of events, joined in the 2019 edition by the events on the ground. Events, but also citizen journalism with the great Live-Investigation open to grown-ups, youngsters and children of both sexes: a space for interaction, meeting, training, dialogue, fun, play and thought. Hundreds of guests to weave a polyphonic story on happiness,

through the accounts from the male and female protagonists of our time, accompanied by male and female journalists from Corriere della Sera.

Progetto 99ELODE: promoted by iO Donna with Fastweb Digital Academy and Cariplo Factory, with the aim of enhancing the most deserving young graduates in Italy by offering them a week of training and guidance on digital skills. The project was conceived to give a tangible sign to the good female graduates of Italy at a time when work systems evolve, especially from a digital viewpoint, and to contribute to increasing the presence of women in every line of work.

Fondazione Candido Cannavò: now in its eleventh year, Fondazione Candido Cannavò per lo Sport, created on the initiative of RCS and supported by the management and editorial staff of La Gazzetta dello Sport, is a non-profit and highly active institution, in the wake of the work of the legendary editor of the pink newspaper, through tangible commitments in many areas of social solidarity. Sport, in this case, is a way of asserting values to the benefit of the weakest and most excluded groups. There are many areas of interest, as proven by the over 90 projects conceived and implemented since 2009, with contributions made available by RCS, sponsors and numerous donors, many of whom acquired this year thanks to the successful online campaigns launched together with the Wishraiser platform.

The Foundation has always been highly active in prisons, where it builds and renovates facilities such as gyms and sports fields. In 2019, the sports courses for prisoners and prison police held within the maximum security structure were named after Ottavio Missoni. Additionally, inside the prison, the room named after Candido Cannavò was made available to Attorneys Emanuela Romano and Ilaria Commis, who will provide their services free of charge to prison inmates and prison police.

A further elective field of interest of the Foundation is the support to sports activities for disabled athletes, for whom over the years a good number of competitive and recreational opportunities have been organized, promoted and supported, in a spirit of genuine solidarity.

This year, Fondazione Candido Cannavò per lo Sport also returned to Africa, where it supported the Gucci rural school, inaugurated by Father Bernardo, who has been serving in Ethiopia for many years now. An institution that provides school-sports activities, and also gives food to the young Ethiopians in that area.

Furthermore, the Foundation according to its bylaws, has taken to heart the fight against the negative values regrettably present in the vast national sports audience, starting from the affirmation and strict defense of the rules of sport itself, against every form of racism, violence and barbarity: in this regard, mention should be made of the support to major educational projects for the civil enjoyment of sport (such as "Io tifo positivo") and the extraordinary initiatives in favor of the young in the lands of the mafia. Great importance is also attached to the initiatives in favor of the movement of women in sport, intended as the historical enhancement of their activity in our Country, and the launch of national campaigns against gender discrimination and

preconceptions. Exhibitions, displays and publications over the years have helped assert the basic values of sports culture.

Sportweek: Saturday 6 April, Sportweek, the magazine of La Gazzetta dello Sport, came out in a special edition, dedicated entirely to women's sport. Sportweek Women paid tribute to the athletes with beautiful shots, interviews, original and engaging stories about their lives, their sporting careers, media and social presence, and the great lengths taken to reconcile with family commitments.

The InVisibili blog of Corriere della Sera: it casts a harsh spotlight on the conditions often experienced by people with a disability. The aim of the blog is to change this situation: first of all by shedding a light on it, as brightly as possible. Discussing ideas, proposals, projects to put disabled people in a position to live and compete as equals. At the same time, to provide society with the resources of the disabled. The aim is to condemn wrong behavior and find solutions grounded upon respect for the individual but also upon common sense. Those who are not used to dealing usually with people with physical or mental disabilities cannot understand the daily hardships they face and the enormous efforts of those who help and support them. Perhaps it's not a matter of heartlessness, it's simply ignorance. Just like the Disability Channel of Corriere Salute, the blog has the features to "connect" with the software that disabled people can use to overcome their specific limitations. Accessibility for people with disabilities is not necessarily synonymous with complication.

Femenino Singular: the radio programme of *Radio Marca* fully dedicated to the achievements of women in the world of sport, where the stories of the stars are told together with the strategies to follow to achieve greater equality in the world of sport.

Conquistando la Igualdad: the project, which Unidad Editorial is a part of, aims to mobilize the main players of society, through collaborative intelligence, to promote change in order to achieve effective and tangible equality between men and women.

YO DONA working women day: on the occasion of the International Women's Day (8 March), Yo Dona organizes a conference of presentations and round tables where the speakers share their perspective with the public and the role of women in the business world.

HEALTH AND NUTRITION

Cook: Corriere della Sera's free monthly on food; a world that is told through original pictures, photo reports and superb storytellers, glorifying the aspects related to culture. Each issue features not only recipes, but also insights and surveys, education on healthy nutrition, objects, books, personalities and travel. The covers are works by ad-hoc artists: illustrating the front page of the Christmas special issue, the artist Quentin Blake.

Corriere Salute: a family guide to health-related issues in a useful and practical way, ensuring a more than exhaustive coverage of the topics by the most authoritative sources. The content covers scientific news, breakthroughs and clinical trials of drugs, practical medicine, fitness and nutrition. All treated with a straightforward, not technical, yet rigorous language. There are many important forums where specially selected experts answer readers' questions and the Tables of Corriere Salute, a vast medical encyclopedia for the whole family.

Il Tempo della Salute: launched in November, the Festival is dedicated to the theme of feeling good. These are days that unfold through forums, talks, academies, exhibition areas, exhibitions and so forth, together with the main players from the world of health and medicine, the journalists from Corriere della Sera, the experts from Corriere Salute and many personalities, to provide useful advice and comparisons on whatever can contribute to our well-being.

Cancer Desk: in collaboration with Fondazione Umberto Veronesi, a well-structured section of the Corriere dedicated to the prevention and treatment of different forms of cancer.

Canale Alimentazione: set up two years ago on the La Gazzetta dello Sport.it website, the Food Channel provides all the information needed for amateur athletes, with tips on how to eat properly, and the new trends and techniques of food preparation. The section also contains detailed descriptions on the variety of food, aimed at both those who want to lose weight, and those who want to keep their figure trim, and especially those who want to live a healthy lifestyle. Since 2019, following the launch of the Gazzetta Active section, Canale Alimentazione has upped its visibility.

Pink is Good: on 8 March, on the occasion of Women's Day, La7d broadcast the special "Pink is good – la mia nuova vita", again with the collaboration of Fondazione Umberto Veronesi. It tells the story of four women who fight and defeat breast cancer, and then become part of the project to race for the Foundation's "Pink is good Running Team".

L'Ora della Salute: a new edition of the programme promoted by the Fondazione Umberto Veronesi and Teva was broadcast by La7 to provide valuable information on science and research.

CuidatePlus: carried out in association with the Ministry of Education of the Community of Madrid, the programme was created to raise awareness among primary school students to take care of themselves in a responsible manner and improve healthy habits at all stages of their life.

GREEN

Eden - Un pianeta da salvare: with a single episode Special, on air in October 2019 and with a new series on air from January 2020, La7 has started broadcasting a new prime time, hosted by Licia Colò, that tells the

story of the beauties of our planet, but also of its fragility; for this reason, it draws attention to the urgency to move towards an approach of protection and safeguard, offering alternatives already adopted by those who have realized the urgency.

Riciclo di classe: Buone Notizie placed its signature on the initiative "Riciclo di Classe 2019" as the reference title. A project for primary schools developed jointly with CONAI, which saw the creation in 2019 of a show named "Dipenda da noi" for primary school students. The project intends to encourage responsible behavior and a watchful eye on the environment from an early age, through an environmental education programme for primary schools across Italy, to make students aware of the correct sorting and recycling of packaging materials. During a school year, 4,500 classes took part, approximately 16,000 students were involved, and 1,600 projects were carried out with the recovery and recycling of materials.

Economia del futuro: a serial investigation and a major event of the weekly magazine L'Economia, to foster a multi-voiced debate on the sustainable future of our cities and our planet, starting from the development, regeneration and growth prospects of the sectors most involved. Since October, every week the Corriere's business supplement has been covering the main topic areas relating to sustainability, dealing with recycling, mobility, food, investments, housing and energy.

L'Economia also organizes annual meetings gathering six experts at the Milan Triennale to expound on each topic, in an open dialogue to share guidelines and first-hand experiences to direct our cities towards a sustainable future.

Ride Green: the Giro d'Italia project dedicated to environmental protection. With the help of local businesses, it ensured that separately collected waste was sent for recycling and then processed into raw materials. Citizens, insiders and the media involved were made aware of environmental topics. The project, a one-of-a-kind, aims to convey an important message through the media channels that follow the Giro on the ground at national and international level: the protection of the environment and the landscape.

During all the stages of the Giro, the waste produced in the areas covered by the event was all separately collected, trying to minimize non-recoverable waste. In 2019, separate collection reached 92% (+1% versus 2018, +3% versus 2017).

La hora del pianeta: Unidad Editorial, as a symbolic act against climate change and in favor of nature preservation initiatives, switches off the lights at its headquarters between 8:30 pm and 9:30 pm. This initiative joins the call for everyone's involvement in the fight for the environment.

Car sharing" mobility pilot project: in 2019, Unidad Editorial launched a sustainable mobility project for employees by providing electric cars supplied by its business partner. Employees were given greater freedom of movement by being able to park in any area of the city as well as helping to reduce CO₂ emissions into the atmosphere.

Expansion Especial Energia: in February 2019, *Expansion* published a special report on the gradual electrification of the planet to reduce emissions into the atmosphere, which has forced hydrocarbon businesses to reinvent themselves. This initiative was complemented by several events involving industry players, tackling issues such as "The role of investors in the energy transition model" and "Women and energy, challenges in energy transition".

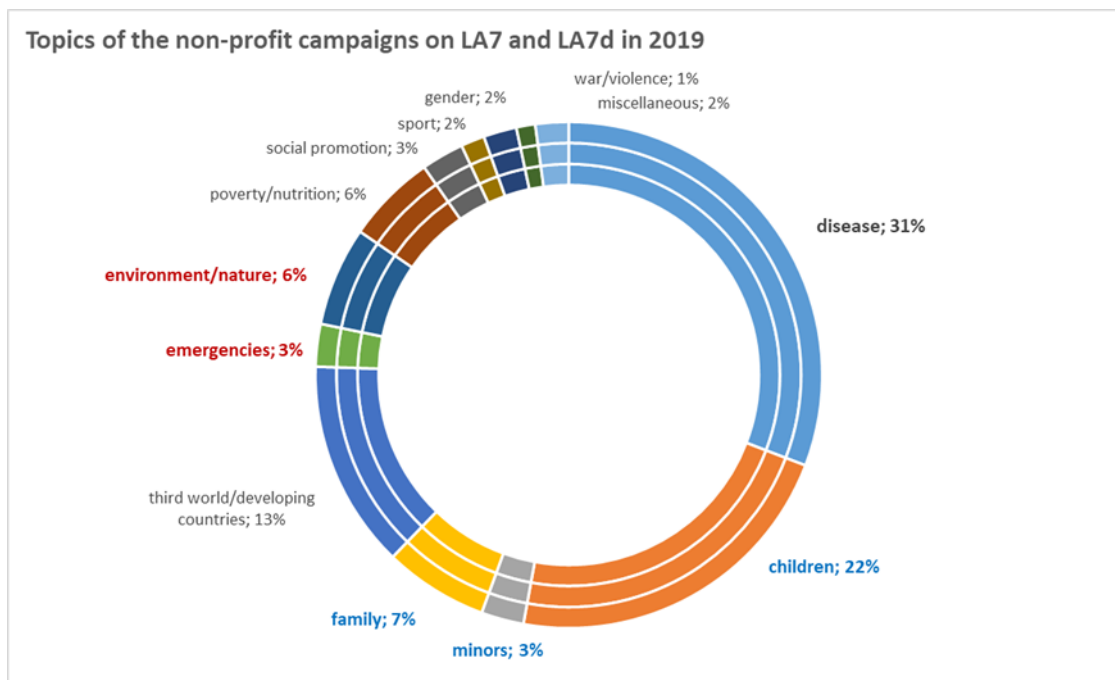
Expansion Especial Reciclaje: on 9 April 2019, on the occasion of the World Recycling Day, *Expansion* published a special report on the progress in waste reduction and reuse.

COMMUNICATION ADVERTS AND SOCIAL INITIATIVES

La7 “television” communication adverts and social initiatives:

In 2019, La7's channels offered visibility to approximately 120 Non-Profit Associations/Organizations. This equates to 300 “showings” that La7 offered not only through adverts, but also through interviews with their delegates, announcements by the anchor or the airing of “boards” summarizing campaign information.

In addition to the longstanding bond with institutions such as Fondazione Umberto Veronesi, AIL and AIRC, FAI-Fondo Ambiente Italia and Save the Children, in 2019 La7 gave space to 50 other non-profit organizations (e.g. the new Associazione Familiari Vittime 29 Giugno Viareggio - Il Mondo che Vorrei), dealing with the following issues.



Approximately one third of the campaigns focused on research, prevention and treatment of diseases. A further 32% raised awareness on issues related to children and minors and family relations: from the

construction of foster homes to children care and the social hardships of minors. Particularly important the 9% that focused on awareness raising and fundraising campaigns related to environmental and natural emergencies.

La7 "digital" communication adverts and social initiatives:

Period	Sustainable projects in 2019 in the digital spheres of La7	Activities in the digital spheres of La7
2019	Atlantide	Dedicated property on La7.it
		Social launches on La7 fanpage
2019	L'ora della salute	Dedicated property on La7.it
		Social launches on La7 fanpage
Jan-July19	Banco dell'Energia	Campaign in the La7 Consiglia space on La7.it (homepage, rivedila7, live streaming and tv guide)
Apr-19	AIL Uova di Pasqua	Campaign in the La7 Consiglia space on La7.it (homepage, rivedila7, live streaming and tv guide) plus dedicated page on La7.it
May-19	AIL 5x1000	Campaign in the La7 Consiglia space on La7.it (homepage, rivedila7, live streaming and tv guide) plus dedicated page on La7.it
June-19	AIL National Day for the fight against Leukaemia, Lymphoma and Myeloma	Campaign in the La7 Consiglia space on La7.it (homepage, rivedila7, live streaming and tv guide) plus dedicated page on La7.it
July-19	La7 on the Moon for the 50th anniversary of the first moon landing in 1969	Dedicated page on La7.it
Sept.-Dec19	Eden	Dedicated property on La7.it
		Social launches on La7 fanpage
Oct-19	FAI - Ricordati di salvare l'Italia	Visibility to FAI autumn days with a property dedicated to all the initiatives
Nov-Dec19	TGla7 - Immediate help for Venice	Launch of the initiative from the Tgla7.it pages
Dec-19	AIL Stelle di Natale	Campaign in the La7 Consiglia space on La7.it (homepage, rivedila7, live streaming and tv guide) plus dedicated page on La7.it
Dec-19	#inricordodipietroterracina	Dedicated page on La7.it

Other social initiatives:

In keeping with the ethical principles of solidarity, the employees of the various companies contribute each year to various solidarity projects through fundraising in favor of associations and/or charities. In 2019, Cairo Group employees participated in the fundraising initiative in favor of Associazione Genitori e Amici del Bambino Leucemico (AGAL) of the Pavia Hospital and of Associazione U.n.a. Carmine Longo of Pontecagnano Faiano. Every Christmas season, the Group hosts a number of non-profit organizations that raise funds, through solidarity markets, to support initiatives for the neediest.

9. Responsible supply chain management

The Group considers the management of its supply chain a fundamental factor, as certain services that are particularly "core" for the Group's business are outsourced to third parties, thus making close collaboration with these suppliers all the more crucial. This refers specifically to the outsourcing of part of the printing process, and to the distribution process.

The utmost importance is attached to the purchase of raw materials related to the production process (in particular paper, inks and plates) and the technical management of the "mux" for television purposes. Additionally, the Group makes use of advertising sales agents and consultants in the editorial area and of the organization of sporting events.

9.1 Policies pursued by the organization

The Group adopts the principles of fairness and transparency in its dealings with suppliers, adopting unbiased policies based on rules that include quality checks, technical and professional competence, compliance with applicable regulatory standards (such as occupational health and safety, contribution aspects, ethical-behavioral aspects, etc.) and the cost-effectiveness of the supply.

Suppliers are selected, therefore, on the basis of technical and economic criteria that currently only partly consider the social and environmental aspects of supplies. In this context, for certain categories of suppliers such as paper producers and producers of add-on goods, further assessments and measures were introduced in the ESG (Environmental, Social and Governance) area with regard to the RCS Group.

In particular, with regard to the paper mills that supply paper used in the printing of newspapers, the main supplier in terms of volumes used, obtained "Ecolabel" recertification notwithstanding the most stringent standards introduced last year (EU Ecolabel FR/011/013). The certification includes, *inter alia*, the recognition of virgin fibres from sustainably managed forests, the requirement of the absence of fibres deriving from genetically modified species, alignment with other rules and criteria relating to hazardous substances, the requirement of a waste management plan and related targets. Additionally, the main supplier of paper used for printing books is a producer from Northern Europe whose paper mill reduced CO₂ emission levels.

On the other hand, with regard to RCS's suppliers of add-on goods operating in non-EU countries, the measures adopted to ensure they operate according to sustainability criteria were to include in the agreements, in addition to the Group's Code of Ethics, also "Ethic Principles", an attached document that regulates in greater detail the sustainability aspects, such as the exploitation of child and forced labor, abuse and discrimination, health and safety of the facilities managed and attention to environmental impact, and so forth.

The supplier is required to respect these provisions, both directly and indirectly, in order to be selected, identified and maintained among the suppliers of the RCS Group.

Furthermore, in order to qualify on the Supplier Portal, RCS MediaGroup Italy suppliers are required to formally accept the Code of Ethics and 231 Model of the contracting group company.

In Spain, regardless of the category of goods supplied and in accordance with Unidad Editorial's purchasing policy, suppliers, selected through tenders, are called to comply with the principles of the Group's Code of Ethics.

At a general level, the contractual standards used in the Group's strategic supplies require suppliers to comply with Decree no. 231/01 and the Group's ethical principles.

Over the coming years, the Group will continue to improve the supplier selection process by integrating further criteria based on environmental and social sustainability standards.

9.2 Main risks

The risks associated with the supply chain are mainly of an external nature: any negative impacts caused by suppliers with regard to social and environmental aspects are not directly controllable by the Group, except through careful choice and meticulous management of the supply chain.

Moreover, on some types of supplies, such as paper in particular, the main risk is tied to the oligopolistic market: by reducing the profitability margins of paper mills, the macroeconomic trend has brought about the closure of some of these mills, increasing concentration and generating supply difficulties, as well as supplier dependence. The reduction in demand has led to a drop in the production of publishing paper and to the partial conversion of plant production to packaging.

The risk of the Group influencing and determining the industrial or operational processes of suppliers, whether multinationals or small or medium-sized Italian or foreign companies, is restrained and in any case managed: when choosing suppliers, in fact, the relevance of the supply required in relation to supplier turnover is also weighed, in order to assess the Group's economic impact on the counterparty's business, thus avoiding the exploitation of any dependence or weakness of its suppliers.

In 2019, the distribution process was managed for RCS MediaGroup in Italy through the associate M-Dis Distribuzione Media S.p.A. and in Spain through the subsidiary Logintegral, while for Cairo Editore by the national distributor SO.D.I.P. S.p.A. (from April 2020, following expiry of the existing agreement, the distributor SO.D.I.P. S.p.A. will be replaced by M-Dis Distribuzione Media S.p.A.).

The main environmental risks are linked to CO₂ emissions from the means of transport used for distribution, while social risks could arise from the use of irregular labor or failure to comply with working hours, which are in any case carefully managed by the distribution chain.

9.3 Management procedures

The Group has put in place a series of procedures to manage the procurement process of goods and services that define the roles, responsibilities and controls to implement in order to ensure that operations comply with applicable laws and regulations, the Code of Ethics and 231 Model, where present.

Supplier selection is articulated and involves various company departments. It is governed by an internal procedure or practice, envisaging that suppliers of goods/services must be selected on the basis of an overall assessment that takes account not only of the ability to properly meet obligations and of the quality/price ratio, but also of the degree of reliability of the counterparty. The latter must be assessed objectively on the basis of indicators such as, for instance, financial health, compliance with laws and regulations, and the ability to ensure the security of data processed. Additionally, relations with suppliers are, for the most part, managed according to contractual standards, based on which:

- the supplier declares it operates in accordance with the relevant regulations, with particular regard to health and safety topics;
- the supplier certifies the regular payment of employee contributions (Single Insurance Contribution Payment Certificate);
- the supplier declares it has the economic and technical requirements for carrying out the activity covered by the contract;
- the supplier undertakes to view and comply with the provisions of the Codes of Ethics and, where applicable, of the 231 Model in Italy, and of ethical standards of conduct in Spain.

The Group may request, for the awarding of the supply, in addition to the normal documentation envisaged in the selection of suppliers, also sector-specific documentation in order to minimize the risk of environmental and social impact which, by way of example, includes:

- authorization for the transport, brokering and recovery of waste;
- non-mandatory qualifying certifications (such as ISO 9001 for the quality management system, ISO 14001 for the environmental management system and the international standard OHSAS 18001 for the health and safety management system);
- the anti-mafia certification (white list) or the request made to the relevant municipality.

The following table shows the overall weight of purchases made from local suppliers in the reporting period in terms of volume. Local suppliers are understood as all those located in the country of origin of the purchasing group company.

Percentage of expenditure from local suppliers -
2019



At group level, the weight of purchases made from local suppliers is 88%, with the share of other suppliers at 12%:

- in Italy, the weight of purchases from local/Italian suppliers is 87%, and 13% from foreign suppliers;
- in Spain, the share of local suppliers is 92% and 8% of other suppliers/foreign suppliers⁶.

As indicated above, purchases take place mainly within the same country where the group company operates. For purchases from foreign countries, mention should be made of the use of specialist intermediaries that interact with countries exposed to greater social and environmental risks. The Group requires such intermediaries to sign additional contractual clauses in compliance with ethical principles, such as the prohibition to exploit forced labor and child labor.

The main types of purchases made by the Group and the operational criteria in social and environmental terms are outlined below. Additionally, details on the types and quantities of materials used in production are found in chapter 10 “Environmental protection” of this NFS.

Purchase of paper

The most common raw material used by the Group is paper, which is purchased centrally both for its own production sites and for third-party production sites, in Italy and Spain.

The paper industry in Europe has traditionally been one of the most environmentally friendly, as it uses renewable resources that generate recyclable products: paper mills must undergo stringent regulations in order

⁶ Esfera dos Livros S.L.U. figures are also included. Last Lap Organização de eventos S.L. and Informacion Estadio Deportivo S.A. figures are excluded, as they are not centrally managed by the Parent Unidad Editorial and are not significant.

to minimize the environmental impacts, and the procedures adopted by various multinationals at plants located in different countries must comply with strict European and national laws.

The Group uses the main Italian and European paper suppliers such as Burgo Group, Cartiera del Garda (Lecta Group), Norske, Holmen, UPM, Stora Enso, and Papresa Oficinas, who are prominent players of international standing in an industry with a small number of counterparts. These suppliers show their commitment to the environment through certifications of an eco-friendly production process (such as, for instance, ISO 14001 certification and/or EMAS - Eco Management and Audit Scheme registration) and a detailed disclosure of their commitment to the environment, as previously shown in the section "Policies implemented by the organization".

Purchase of inks

With regard to the risks associated with group operations, another main product category is printing inks. The Group purchases ink from Sun Chemical, the world's leading supplier of printing inks. Sun Chemical has drawn up a sustainability report that bears witness to its great focus on the constant reduction of environmental impacts resulting from its production. Sun Chemical uses state-of-the-art tools to steer the choice of production materials in order to reduce environmental impacts. In any case, there is a constant commitment to comply with local legislation and to work together with the government and industry associations.

Distribution chain

The traditional press distribution channel involves four subjects: the publisher, the national distributor, the local distributor and the resellers. The distribution process is divided into four phases:

- definition of the print run and the primary circulation plan of each title;
- transport of publications carried out by the national distributor to local distributors;
- supply of publications to resellers/newsstands by local distributors;
- collection of returns from local distributors.

Transport to local distributors (primary transport) is carried out by the national distributor in different ways depending on the issue frequency of the publication.

In the case of national newspapers, local distributors are supplied at nighttime by vehicles that leave the press centers covering the specific circulation area and based on a time sequence planned on the distance of the press center and, in some cases, on the edition assigned. The daily newspaper, which must be printed in the space of a few hours, is in fact printed at the same time in several printing centers located across the country.

The newspapers published by the RCS Group are produced in Italy at its own printing centers - Pessano con Bornago, Padua and Rome - or at third-party printing centers - Bari, Catania and Cagliari -, while in Spain production is carried out only at third-party printing centers (Bermont is the main printer).

As for magazines and add-on products, which have longer printing times, the Group uses third-party printing centers. Primary transport is carried out with large vehicles and always shared with other publishers. In this regard, no estimate can be given of mileage covered specifically for the Group's publications.

As mentioned above, in 2019 primary transport was carried out for Cairo Editore by the national distributor SO.D.I.P. S.p.A., for RCS MediaGroup in Italy by the associate M-Dis Distribuzione Media S.p.A., and in Spain by the subsidiary Logintegral. These companies act as national distributors.

Under the agreements concluded by the distributors and the transport carriers, the latter ensure clients that the vehicles used respect the laws in force, committing themselves to following the maintenance plans established by the vehicles manufacturer, and to use own or third-party tools and equipment. Distributors require carriers to be aware of all the applicable regulations on the transport of goods on behalf of third parties, and to hold the necessary permits to carry out such activities. Similarly, the carriers ensure that their direct and/or indirect staff employees possess the aptitude characteristics and certificates of competence required by the competent authorities in order to carry out their tasks, and undertake to respect and fulfil, with regard to their own employees or auxiliary staff, all the contractual and collective rules of the industry deriving from national and supplementary employment contracts.

Carriers are required to provide all the documentation certifying the effective fulfillment of the above rules, upon signing the contract, and whenever it is requested in writing.

The transport of publications to resellers/newsstands and collection of returns is carried out by local distributors subsequent to the definition of the secondary distribution plan. Local distributors supply the points of sale operating in the area covered by the secondary circulation plan, which takes account of the copies sent by the publisher and the needs of resellers/newsstands.

Concurrent to the delivery round to newsstands of the copies of the day, local distributors collect the return copies of previous issues. Unsold copies are handled in two ways, i.e. under a certified return system (unsold copies are weighed, placed in boxes and then collected by the appointed macerator according to the reference weight of each publisher) and under a physical return system (unsold copies are counted, sorted by title/issue and placed on pallets to be sent to collection centers and then collected by the appointed macerator).

Technical management of the “mux”

Cairo Network, as a network operator, chose to entrust the construction and management of the network in complete "full service" mode to a top player in the field, EI Towers S.p.A.. The supplier signed a long-term agreement on the construction of the Mux (hospitality, assistance and maintenance, use of the transmission infrastructure, etc..), providing commitments and guarantees to ensure compliance with industry regulations.

Reference is be made to the "2019 Annual Report" of Cairo Communication S.p.A. for a detailed description of the current developments in the legislative and regulatory framework regarding the rights of use of television frequencies, following the provisions of the 2018 and 2019 Budget Laws, and of Cairo Network's distinctive position against this backdrop.

With regard to Spain for Radio Marca and Veo multiplex activities, the transmission service is managed by the national distributor Cellnex.

10. Environmental protection

Environmental protection is a core issue for the Group, which focuses its activities on respecting the balance between business and environmental needs, taking account of the rights of future generations. The Group's environmental impact is partly attributable to the printing processes directly managed by the Group, partly to supply chain management, with particular regard to printing processes at third-party sites, the distribution process and the purchase of raw materials with "high environmental impact" such as paper as well as the transmission of the La7 television signal.

10.1 Policies pursued by the organization

Nowadays, the environment seems to have become almost a trendy thing to talk about. That may be the case for many, but what matters most is the result. Whether it's belief, a fad or convenience, there's not much difference really. What matters most is not to lose sight of the goal that involves each one of us without distinction: to care for the environment that hosts us. The media should play their part beyond convenience. To date, few on TV have given these issues the proper space in prime time, as if by just giving a few tidbits every now and then to tell how badly mankind is treating our planet suffices to clean their conscience.

We all know this is not an easy task, and it is equally certain that it may not be economically comfortable, but it is for the good of the community and this should not be underestimated. We have been seeing the first results of late, because many people are starting to change their lifestyles.

In 2020, we had the chance to talk about the value of healthy nature in a La7 prime time slot. A tough, yet incredibly fulfilling challenge. A small step, of course, on a path that should increasingly be taken together, where media today are like the ships for the explorers of yesterday. (Licia Colò)

Attention to environmental topics, and the Group's commitment to managing its impacts, has grown over the years mainly through:

- the use of innovative technologies to make the best use of energy and natural resources;
- attention to and encouragement of a culture of environmental sustainability, also through internal communication initiatives;
- the promotion of sensitive purchasing policies that are consistent with environmental topics.

The Group's commitment to comply with the broad legislation in force on environmental protection and to reduce the environmental impact of its activities is governed by internal procedures and practices, and primarily by the Codes of Ethics and Sustainability Policies. The processes involved in these policies were not only those more closely related to production, but also those found in "non-core" areas, such as those related to office space management.

10.2 Main risks

The Group continuously monitors environmental risks to prevent and mitigate potential impacts. The environmental risks, the Group is exposed to, include not only risks associated with directly-managed production processes, but also mainly risks generated indirectly through third parties, on which the Group does not have direct tools in place to direct its energy efficiency policies. Examples include the "strategic" supply of paper, printing processes and offices where the Group rents out "multitenant" buildings. In such cases, it can only act indirectly, by carefully choosing suppliers and sharing its environmental policies.

For risks related to the supply chain and relating management methods, reference is made to chapter 9 of this NFS. On the other hand, in cases of production carried out internally, the Group may adopt policies to reduce its environmental impact, monitoring specific performance indicators to assess the achievement of set targets.

Environmental impact risks associated with offices, while lower than the risks from production sites, are constantly monitored by the relevant departments and mitigated by operational procedures aimed at constantly reducing the Group's environmental footprint.

In the coming years, the Group will consider supplementing its analyses - and its disclosure - with the impact generated and endured by the Group in the area of Climate Change, based also on the regulatory developments in the field, with particular regard to the indications of the European Commission (Communication 2019/C 209/01 "Guidelines on non-financial reporting: Supplement on reporting climate-related information").

10.3 Management procedures

The initiatives and activities developed in 2019 were aimed at consolidating the actions taken in prior years, renewing its commitment with a view to optimizing all business processes, both with regard to consumption and waste materials from production processes, and with regard to energy consumption in the locations and offices.

Production sites

The Group's production processes regard printing processes managed directly by the subsidiary RCS MediaGroup S.p.A. in its three plants in Rome, Pessano con Bornago (MI) and Padua. The materials used for printing are mainly paper, inks and plates, the consumption of which depends on the production volumes. The significant environmental impacts of the printing process are attributable to the use of additives, solvents and other chemicals: the use of these substances is now increasingly focused on choosing components with lower environmental impact. Mention should be made that the paper used in the production processes is recycled-

based paper and wood pulp. However, as indicated in chapter 9 "Responsible supply chain management" of this NFS, the Group avails itself of suppliers who place great emphasis on environmental aspects.

The table below also shows the amount of paper and inks used for outsourced printing processes, since the Group also purchases these raw materials centrally for third-party printing centers⁷; additionally, chapter "12. Annexes" provides greater details of the products used at the production sites.

As shown in the table below, paper, plates, inks, additives and all materials closely related to production saw a decrease in consumption, due to lower production volumes versus 2018; specifically, the period saw a sharp drop in the consumption of cellophane, as in 2019 the Group significantly reduced the use of cellophane in the packaging of newspaper packages, limiting it to cases that are really essential as protection of copies against the weather and high volumes of transport on vehicles.

Materials used – Production sites⁸	u.m.	2019	2018	2017	Change 19/18	% Change 19/19
Paper	Kg	138,486,510	152,768,249	153,178,457	(14,281,739)	-9%
Inks	Kg	827,138	890,388	830,707	(63,251)	-7%
Plates	No	1,026,298	1,094,417	1,037,712	(68,119)	-6%
Additives	Kg	54,050	67,200	52,600	(13,150)	-20%
Solvents	L	38,231	41,601	46,082	(3,371)	-8%
Other chemicals	L	17,170	13,427	14,311	3,743	28%
Cellophane	Kg	51,253	78,657	81,829	(27,404)	-35%

The energy consumption of the plants is marked by: direct consumption of natural gas and indirect consumption of electricity, mainly from non-renewable sources. A photovoltaic system is in operation in Rome, installed a few years ago for office heating, shown in the table below as consumption from renewable sources.

Electricity consumption decreased, affected mostly by production volumes, with the consequent lower use of presses versus the prior year. This decrease was partly offset by the slight increase in gas consumption versus 2018, due to a greater use of heating systems. For further details on energy consumption and conversion factors used, see chapter "12. Annexes" to this document.

⁷ In addition to the Group's Italian production sites, the figure on the use of paper includes third-party printing centers in Italy (Bari, Catania and Cagliari) and Spain (of which Bermont is the main printer). Ink usage also includes the consumption of third-party Italian printing centers (Bari, Catania and Cagliari)

⁸ Following a process to improve the reporting system, the 2018 and 2017 figures were restated versus those published in the previous Non-Financial Statement. For previously published figures, reference is made to the 2018 Statement, published on the website www.cairocommunication.it

Energy consumption within the organization - Production sites (GJ)	2019	2018	2017	Change 19/18	% Change 19/18
Consumption from non-renewable sources	96,745	100,180	103,381	(3,435)	-3%
Consumption from renewable sources	153	153	153	-	0%
Total consumption	96,898	100,333	103,534	(3,435)	-3%

The consumption of water is equally decreasing, which is drawn directly from the local water utility. For the Milan and Padua production sites, consumption was basically in line with 2018, while the Padua production site recorded a reduction in water consumption, due to the work on setting up the plant and solving the leakages.

Water consumption - Production sites (KLitres)	2019	2018	2017	Change 19/18	% Change 19/18
Water from the waterworks	31,614	34,651	39,254	(3,037)	-9%
Total	31,614	34,651	39,254	(3,037)	-9%

Another important aspect in production site activity is waste management. The Group is committed to operating in accordance with local regulations and to ensuring the traceability of waste, which allows the volumes of waste produced to be monitored in a timely manner, acting at once, if necessary, with appropriate action aimed at reducing any waste. The Group delivers waste to firms that are specialized in and authorized for recovery or disposal. The disposal method is determined by the disposal firm and the EWC waste code, in accordance with the relevant regulations.

Hazardous waste, which includes mainly ink sludge and chemical material for plate development, was down slightly versus 2018. The decrease in production, on the other hand, resulted in a reduction in materials intended for recycling (mainly paper). Production waste is recovered and managed within the maceration process, through the sale to specialized macerators, which are selected from the main players on the market.

Waste Produced - Production Sites (Tonnes)	2019	2018	2017	Change 19/18	% Change 19/18
Hazardous waste	52.7	54.7	54.9	(2.0)	-4%
Non-hazardous waste	6,211.8	7,043.3	6,109.5	(831.5)	-12%
Total	6,264.5	7,098.0	6,164.4	(833.5)	-12%

Locations and offices⁹

With regard to offices, the Group's commitment, in line with the provisions of the Codes of Ethics and Sustainability Policies, focuses on pursuing the dematerialization of processes and activities to raise

⁹ For the RCS Group, Last Lap Organizaçao de eventos S.L. and Last Lap S.L. figures are excluded.

employees' awareness of the use of photocopiers and printers. These actions are corroborated by the figures on paper consumption, which dropped in Italy, especially A4 paper, used mostly in offices.

Materials used - Offices and locations (Kg)	2019	2018	2017	Change 19/18	% Change 19/18
Office paper	76,515	86,373	88,973	(9,858)	-11%

Waste management is another important aspect in Group activities. Figures on waste production and disposal for Italy refer to the Group's main locations¹⁰ where the Group handles waste directly.

Figures on hazardous waste show highly insignificant amounts. As far as non-hazardous waste is concerned, paper recovery, dealt with in this section, regards both office paper and copies unsold by newsstands, therefore returned to the publisher. This paper too is entirely recovered through the sale to specialized macerators.

Additionally, where recycling is unviable, the Group's main Italian locations provide separate waste collection services.

Sensitivity to the issue of reducing the use of plastic led La7 to install the first 3 micro-filtered water dispensers at its Rome offices, made available free of charge to employees and visitors to the offices. The first dispensers were installed in July 2019 and were a great success, resulting in additional dispensing devices being installed. In the second half of 2019 alone, approximately 23,000 litres of water were dispensed, a strong reduction in the consumption of bottled water with a consequent reduction in the use of plastic. Concurrently, the presence of separate collection containers was further improved in order to make employees aware of the need to dispose of sortable and recyclable waste in a responsible manner.

Waste generated - Offices and Locations (Tonnes)	2019	2018	2017	Change 19/18	% Change 19/18
Hazardous waste	2.5	11.6	7.5	(9.1)	-78%
Non-hazardous waste	31,317.5	32,913.8	35,798.7	(1,596.3)	-5%
Total	31,320.0	32,925.4	35,806.2	(1,605.5)	-5%

Most of the actions on electricity consumption optimization have already been implemented and more significant actions of a structural nature are being considered which, for clearly technical reasons, have a greater scope with longer implementation times. Since air conditioning in the RCS Group's main locations operates through heat pumps, the differences in consumption versus 2018 are due largely to weather conditions. Added to that, albeit with reduced impact, was a malfunction of a refrigerating unit at Rizzoli; in order to

¹⁰ The figures of the peripheral offices of Cairo Communication and Cairo Pubblicità (Bologna, Florence, Turin, Verona) are not included in the waste figures (totaling only 450 m2). The figure on waste paper from Spain has not been included as it is managed directly by the distributor.

remedy the problem, for a short period of time, alternative lower-efficiency options had to be adopted, with a consequent increase in electricity consumption.

Gas consumption, linked to the heating of the Group's smaller locations, was basically in line with 2018. For further details on energy consumption and conversion factors used, reference is made to chapter "12. Annexes" to this document¹¹.

Energy consumption within the organization - Offices and Locations (GJ)¹²	2019	2018	2017	Change 19/18	% Change 19/18
Consumption from non-renewable sources	138,365	137,401	125,352	964	1%
Consumption from renewable sources	-	-	-	-	-
Total consumption	138,365	137,401	125,352	964	1%

Following ongoing improvement in the reporting process, the 2018 and 2017 figures on water resources were restated to include the consumption figures of the Sports Center in Via Cefalù in Milan, and a more accurate calculation method was adopted, starting from 2018 figures, which helped measure water consumption with greater accuracy. The value of water from the waterworks dropped significantly, proof of the RCS Group's attention also in this field. The consumption of water taken from the waterworks of the Group's Italian locations is partly the result of estimates (2% of total consumption of the locations and offices). Figures are estimated on the basis of average consumption per m² of similar locations.

It should be noted that the consumption of groundwater refers to the Via Solferino office only and is linked not only to sanitary use, but also to the technological use that allows the operation of heating and cooling systems.

Water consumption - Offices and locations (KLitres)¹³	2019	2018	2017	Change 19/18	% Change 19/18
Groundwater	211,289	152,000	228,457	59,289	39%
Water from the waterworks ¹⁴	74,481	83,615	80,611	(9,134)	-11%
Total	285,770	235,615	309,068	50,155	21%

¹¹ Since 2018, the RCS Group's locations and offices based as follows have been included in the report: Fano (PU) Corso Giacomo Matteotti, Milan (MI) Via Cefalù, Treviso (TV) Via Calmaggioro, Venice (VE) Sestriere Dorsoduro, Bolzano (BZ) Via Dante, and Florence (FI) Lungarno delle Grazie.

¹² 2019 and 2018 include the consumption of the entire car fleet, which in 2017 was partly included in the total energy consumption and entirely in the calculation of direct emissions (scope 1).

¹³ 2018 and 2017 figures were restated. For previously published figures, reference is made to the 2018 NFS, published on the website www.cairocommunication.it.

¹⁴ The consumption of water from the waterworks at the Via Pineta Sacchetti headquarters of La7 S.p.A. is not available as it is part of the existing lease contract with the owners of the building.

In accordance with the provisions of the Greenhouse Gas Protocol, the Group has undertaken to reclassify its emissions into three categories: direct emissions (Scope 1), indirect emissions (Scope 2), and other indirect emissions (Scope 3), both at the locations and offices level and at the production sites level. For information on the conversion factors used, see chapter "12. Annexes" of this document.

Direct emissions (Scope 1) are emissions from sources owned or controlled by the Group. These are mainly emissions from the combustion process to produce thermal energy for heating within the Group's operating scope and from the company fleet.

Indirect emissions (Scope 2) are the result of the Group's activities but generated by sources owned by third parties. Specifically, in this case, they refer to greenhouse gas emissions from the production of electricity.

Total emissions for 2019 are in line with 2018.

Direct and indirect emissions (Tonnes of CO₂)	2019	2018	2017	Change 19/18	% Change 19/18
Direct emissions (scope 1)	3,163	3,213	3,182	(50)	-2%
Indirect emissions (scope 2)					
<i>Indirect location-based emissions</i>	17,349	17,329	17,152	(21)	0%
<i>Indirect market-based emissions</i>	23,815	23,715	22,612	100	0%

It should be noted that in 2019, the Group implemented for the first time ever the Scope 3 data collection system for the Group's Italian companies, recording CO₂ emissions as shown in the table.

With regard to the "distribution chain", emissions refer to the so-called "primary" transport, relating to the journey of vehicles from the production center to the local distributor, only for daily newspaper products of the RCS Group. For all other products of the Group, as explained in the chapter "Supply chain management" in the section "Distribution chain", the relevant emissions cannot be measured since transport is shared with other publishers.

"Business travel" refers to Cairo Communication Group and RCS Group employees, while "Travel for sporting events" refers to emissions produced by vehicles used during events as part of the RCS Group's sporting activities.

With a view to continuously improving the reporting system, further figures to include in Scope 3 will be assessed and monitored over the next few years.

Scope 3 emissions (Tonnes of CO₂)	2019
Scope 3 emissions	4,340
Distribution chain ("first mile")	3,146
Business travel	935
Travel for sporting events	259

In 2019, La7 further implemented the network of videoconferencing systems based on Skype systems usable both internally and on the Internet. By increasing the use of videoconferencing, the aim is to reduce the need to travel between the Rome and Milan offices and thus minimize the environmental impact of meetings and gatherings both internally and with external suppliers/partners.

Lastly, with regard to the management of the company car fleet, the Group started adding hybrid cars to car lists where company car assignees can select their vehicles.

Radio and TV studios

With regard to the environmental risks arising from the production of electromagnetic waves for the transmission of radio (radio Marca in Spain) and television signals (the Cairo Network mux used for La7 and La7d in Italy and the management of the Veo multiplex in Spain), the Group continues to manage these risks differently, depending on the local peculiarities, through the provision of services by leading national players.

In 2019, La7 continued the technological updating of its IT infrastructure, focusing on the virtualization of physical equipment and the upgrading of the infrastructure. The indirect consequence of technological updating was the reduction in physical equipment, with a consequent reduction in direct and indirect electricity consumption (generated by air conditioning systems). In the specific case of the activities on the Data Center of the Via Novaro studios in Rome, the new infrastructure has a power consumption equal to approximately 50% of the previous one.

In 2019, the traditional lighting systems with LED-based systems continued to be replaced.

At the TV studios in Via Novaro, 75% of LED lighting fixtures were installed in all office areas. Additionally, systems were implemented for the automatic switch-off of lighting in empty rooms and at night.

The adoption of cutting-edge technologies has also helped expand the internal storage system (which currently exceeds a Petabyte); this has allowed, on the one hand, to greatly increase the transfer of audio-video content on files among our locations and/or from/to the outside (e.g. film majors, distribution companies, television production companies, etc..) and, on the other, to reduce the use of magnetic media almost to zero.

For the Board of Directors
Chairman Urbano Cairo

11. GRI correlation table - materiality

Material Topic	GRI Topic	Scope of material aspects	
		Where the impact occurs	Type of impact
Freedom of expression, accurate and quality information	Freedom of expression (M*)	Group and Business Partners	Generated by the Group and related to its activities
Disseminating the values of sport	Right to cultural participation (M*)	Group and Business Partners	Generated by the Group and related to its activities
Responsible advertising	Marketing and labelling (GRI 417)	Group and Business Partners	Generated by the Group and related to its activities
Output accessibility and digital evolution	Content distribution (M*)	Group and Business Partners	Generated by the Group and related to its activities
Privacy and data security	Customer privacy (GRI 418)	Group and Business Partners	Generated by the Group and related to its activities
	Privacy Protection (M*)		Generated by the Group and related to its activities
Protection of intellectual property	Intellectual property (M*)	Group and Business Partners	Generated by the Group and related to its activities
Skills development	Training and education (GRI 404)	Group	Generated by the Group
Dialogue with social partners	Labour/management relations (GRI 402)	Group	Generated by the Group
Attention to health and safety topics	Occupational health and safety (GRI 403 ¹⁵)	Employees	Generated by the Group
Attention to equal opportunity topics	Employment (GRI 401)	Group	Generated by the Group
	Diversity and equal opportunity (GRI 405)		
	Non-discrimination (GRI 406)		
Creating value for the community	Economic performance (GRI 201)	Group and Institutions	Generated by the Group and related to its activities
Energy consumption and emissions	Energy (GRI 302)	Group and Suppliers	Generated by the Group and related to its activities
	Emissions (GRI 305)		
Waste management	Effluents and waste (GRI 306)	Group	Generated by the Group
Use of water resources	Water and effluents (GRI 303)	Group	Generated by the Group

¹⁵ The topic of "attention to health and safety" was relevant only to group employees and not to other categories of workers at the organization's locations. The Group will evaluate the possibility of further analyzing the relevance of other non-staff workers, over whom it does not exercise direct control.

Fight against corruption	Anti-corruption (GRI 205)	Group	Generated by the Group
Responsible management of the supply chain	Procurement practices (GRI 204)	Group and Suppliers	Generated by the Group and related to its activities
	Materials (GRI 301)		
Governance and compliance	Anti-corruption (GRI 205)	Group	Generated by the Group Direct
	Environmental compliance (GRI 307)		

Key: (*) GRI G4 Media Sector Disclosure

12. Annexes

Section 1: Scope

Table 1: Companies included in and excluded from the reporting scope

Companies included in the scope (Italy)	Companies included in the scope (Unidad Editorial group)	Companies excluded as in liquidation/non-operational	Companies excluded as not relevant ¹⁶
Cairo Communication S.p.A. Cairo Editore S.p.A. La7 S.p.A. Cairo Pubblicità S.p.A. Cairo Network S.r.l. Cairo Publishing S.r.l. Il Trovatore S.r.l. RCS MediaGroup S.p.A. ¹⁷ MyBeautyBox S.r.l. RCS Produzioni S.p.A. RCS Produzioni Milano S.p.A. RCS Produzioni Padova S.p.A. Consorzio Milano Marathon S.r.l. RCS Sport S.p.A. RCS Sports & Events S.r.l. Società Sportiva Dilettantistica RCS Active Team a r.l. Digital Factory S.r.l. Sfera Service S.r.l. Trovolavoro S.r.l. RCS Edizioni Locali S.r.l. ¹⁸	Corporación Radiofónica Informacion y Deporte S.L.U. Ediciones Cónica S.A. Ediservicios Madrid 2000 S.L.U. Unidad Editorial Ediciones Locales, S.L. ¹⁹ La Esfera de los Libros S.L. Información Estadio Deportivo S.A. Last Lap S.L. Last Lap Organizaçao de eventos S.L. Logintegral 2000 S.A.U. Unedisa Comunicaciones S.L.U. Unedisa Telecomunicaciones S.L.U. Unedisa Telecomunicaciones de Levante S.L. Unidad Editorial S.A. Unidad de Medios Digitales S.L. Unidad Editorial Informaciòn Deportiva S.L.U. Unidad Editorial Informaciòn Economica S.L.U. Unidad Editorial Formacion S.L.U. Unidad Editorial Informaciòn General S.L.U. Unidad Editorial Juegos S.A. Unidad Editorial Revistas S.L.U. Veo Television S.A.	Diellesei S.r.l. in liquidation Blei S.r.l. in liquidation RCS Factor S.r.l. in liquidation Canal Mundo Radio Cataluna S.L. Madrid Deportes y Espectáculos S.A.	Edizioni Anabasi S.r.l. Sfera Editores Mexico S.A. Sfera France SAS Hotelyo S.A. RCS Sports and Events DMCC Feria Bebe S.L. Sfera Direct S.L. Sfera Editores Espana S.L. A Esfera dos Livros S.L.U.

¹⁶ These companies, following a specific assessment, were considered non-relevant as, although consolidated on a line-by-line basis, they do not contribute to an understanding of the Group's core business and, most importantly, to the impact produced by the Group on the areas envisaged by the Decree and on the material topics identified.

¹⁷ Mention should be made of the signing on 28 November 2019 of the deed on the merger of Digicast S.p.A. and RCS Digital Ventures S.r.l. into RCS MediaGroup S.p.A..

¹⁸ Mention should be made of the signing on 12 December 2019 of the deed of merger of Editoriale del Mezzogiorno S.r.l. into RCS Edizioni Locali S.r.l.

¹⁹ In June 2019, Editora De Medios De Valencia Alicante Y Castellon S.L. changed its name to Unidad Editorial Ediciones Locales S.L.

Section 2: Personnel

Table 1: Employees by type of contract and gender; employees by type of employment and gender (GRI 102-8)²⁰

Employees by type of contract (1/2) (Number)	m.u..	2019			2018			2017		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Fixed-term contract	No°	57	45	102	78	76	154	87	89	176
<i>Italy</i>		33	31	64	53	55	108	55	61	116
<i>Spain</i>		20	9	29	22	18	40	28	25	53
<i>Other Countries</i>		4	5	9	3	3	6	4	3	7
Open-ended contract		2,151	1,774	3,925	2,141	1,749	3,890	2,151	1,765	3,916
<i>Italy</i>		1,488	1,167	2,655	1,478	1,145	2,623	1,473	1,149	2,622
<i>Spain</i>		652	578	1,230	653	570	1,223	664	582	1,246
<i>Other Countries</i>		11	29	40	10	34	44	14	34	48
Total		2,208	1,819	4,027	2,219	1,825	4,044	2,238	1,854	4,092
<i>Italy</i>		1,521	1,198	2,719	1,531	1,200	2,731	1,528	1,210	2,738
<i>Spain</i>		672	587	1,259	675	588	1,263	692	607	1,299
<i>Other Countries</i>		15	34	49	13	37	50	18	37	55

Table 2: Employees by type of employment and gender (GRI 102-8)

Employees by type of contract (2/2) (Number)	m.u..	2019			2018			2017		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Full-time employees	No°	2,187	1,623	3,810	2,200	1,634	3,834	2,219	1,666	3,885
<i>Italy</i>		1,515	1,105	2,620	1,527	1,113	2,640	1,524	1,133	2,657
<i>Spain</i>		657	486	1,143	660	485	1,145	677	497	1,174
<i>Other Countries</i>		15	32	47	13	36	49	18	36	54
Part-time employees		21	196	217	19	191	210	19	188	207
<i>Italy</i>		6	93	99	4	87	91	4	77	81
<i>Spain</i>		15	101	116	15	103	118	15	110	125
<i>Other Countries</i>		-	2	2	-	1	1	-	1	1
Total		2,208	1,819	4,027	2,219	1,825	4,044	2,238	1,854	4,092
<i>Italy</i>		1,521	1,198	2,719	1,531	1,200	2,731	1,528	1,210	2,738
<i>Spain</i>		672	587	1,259	675	588	1,263	692	607	1,299
<i>Other Countries</i>		15	34	49	13	37	50	18	37	55

²⁰ The headcount indicated refers to the exact number of employees in service at the end of the reporting period, considering that any employees assigned to other locations/business units are counted in the company they administratively belong to and not in the company they are assigned to. Specifically, the exact number refers to heads.

Table 3: Number of new hires by age group, gender and geographical area (GRI 401-1)²¹

Number of new hires	m.u.	2019			2018			2017		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Italy	No°	44	35	79	35	41	76	28	16	44
<i>aged below 30</i>		4	7	11	3	8	11	1	1	2
<i>aged between 30 and 50</i>		31	25	56	27	21	48	14	14	28
<i>aged over 50</i>		9	3	12	5	12	17	13	1	14
Spain		38	43	81	26	16	42	30	59	89
<i>aged below 30</i>		5	10	15	6	1	7	1	6	7
<i>aged between 30 and 50</i>		33	30	63	19	12	31	26	52	78
<i>aged over 50</i>		-	3	3	1	3	4	3	1	4
Other countries		2	1	3	2	5	7	3	1	4
<i>aged below 30</i>		1	-	1	1	2	3	-	1	1
<i>aged between 30 and 50</i>		1	1	2	1	3	4	1	-	1
<i>aged over 50</i>		-	-	-	-	-	-	2	-	2
Total		84	79	163	63	62	125	61	76	137
<i>aged below 30</i>		10	17	27	10	11	21	2	8	10
<i>aged between 30 and 50</i>		65	56	121	47	36	83	41	66	107
<i>aged over 50</i>		9	6	15	6	15	21	18	2	20

Table 4: Number of employees who left the company²², by age group, gender and geographical area (GRI 401-1)

Number of employees who left the company	u.m.	2019			2018			2017		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Italy	No°	35	21	56	41	49	90	67	33	100
<i>aged below 30</i>		-	-	-	2	8	10	3	4	7
<i>aged between 30 and 50</i>		14	17	31	19	23	42	35	21	56
<i>aged over 50</i>		21	4	25	20	18	38	29	8	37
Spain		44	39	83	43	34	77	54	62	116
<i>aged below 30</i>		2	1	3	-	2	2	4	7	11
<i>aged between 30 and 50</i>		31	31	62	34	28	62	43	53	96
<i>aged over 50</i>		11	7	18	9	4	13	7	2	9
Other countries		1	6	7	6	5	11	6	3	9
<i>aged below 30</i>		-	1	1	-	1	1	1	1	2
<i>aged between 30 and 50</i>		1	3	4	4	4	8	4	1	5
<i>aged over 50</i>		-	2	2	2	-	2	1	1	2
Total		80	66	146	90	88	178	127	98	225
<i>aged below 30</i>		2	2	4	2	11	13	8	12	20
<i>aged between 30 and 50</i>		46	51	97	57	55	112	82	75	157
<i>aged over 50</i>		32	13	45	31	22	53	37	11	48

²¹ Only employees with an open-ended contract are considered.

²² Only employees with an open-ended contract are considered

Table 5: Turnover²³ rate (GRI 401-1)

Incoming turnover (%)	u.m.	2019			2018			2017		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Italy	%	3%	3%	3%	2%	4%	3%	2%	1%	2%
<i>aged below 30</i>		0%	1%	0%	0%	1%	0%	0%	0%	0%
<i>aged between 30 and 50</i>		2%	2%	2%	2%	2%	2%	1%	1%	1%
<i>aged over 50</i>		1%	0%	0%	0%	1%	1%	1%	0%	1%
Spain		6%	7%	7%	4%	3%	3%	5%	10%	7%
<i>aged below 30</i>		1%	2%	1%	1%	0%	1%	0%	1%	1%
<i>aged between 30 and 50</i>		5%	5%	5%	3%	2%	3%	4%	9%	6%
<i>aged over 50</i>		-	1%	0%	0%	1%	0%	0%	0%	0%
Other countries		18%	3%	8%	20%	15%	16%	21%	3%	8%
<i>aged below 30</i>		9%	-	3%	10%	6%	7%	-	3%	2%
<i>aged between 30 and 50</i>		9%	3%	5%	10%	9%	9%	7%	-	2%
<i>aged over 50</i>		-	-	0%	-	-	0%	14%	-	4%
Total		4%	4%	4%	3%	4%	3%	3%	4%	3%
<i>aged below 30</i>		0%	1%	1%	0%	1%	1%	0%	0%	0%
<i>aged between 30 and 50</i>		3%	3%	3%	2%	2%	2%	2%	4%	3%
<i>aged over 50</i>	0%	0%	0%	0%	1%	1%	1%	0%	1%	

Outgoing turnover (%)	u.m.	2019			2018			2017		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Italy	%	2%	2%	2%	3%	4%	3%	5%	3%	4%
<i>aged below 30</i>		-	-	0%	0%	1%	0%	0%	0%	0%
<i>aged between 30 and 50</i>		1%	1%	1%	1%	2%	2%	2%	2%	2%
<i>aged over 50</i>		1%	0%	1%	1%	2%	1%	2%	1%	1%
Spain		7%	7%	7%	7%	6%	6%	8%	11%	9%
<i>aged below 30</i>		0%	0%	0%	-	0%	0%	1%	1%	1%
<i>aged between 30 and 50</i>		5%	5%	5%	5%	5%	5%	6%	9%	8%
<i>aged over 50</i>		2%	1%	1%	1%	1%	1%	1%	0%	1%
Other countries		9%	21%	18%	60%	15%	25%	43%	9%	19%
<i>aged below 30</i>		-	3%	3%	-	3%	2%	7%	3%	4%
<i>aged between 30 and 50</i>		9%	10%	10%	40%	12%	18%	29%	3%	10%
<i>aged over 50</i>		-	7%	5%	20%	0%	5%	7%	3%	4%
Total		4%	4%	4%	4%	5%	5%	6%	6%	6%
<i>aged below 30</i>		0%	0%	0%	0%	1%	0%	0%	1%	1%
<i>aged between 30 and 50</i>		2%	3%	2%	3%	3%	3%	4%	4%	4%
<i>aged over 50</i>	1%	1%	1%	1%	1%	1%	2%	1%	1%	

²³ The turnover includes employees with an open-ended contract only and is calculated by considering the total number of employees at 31.12, divided by gender, as the denominator.

Table 6: Total number of employees by age group, gender and qualification (GRI 405-1)

Employees (number)	u.m.	2019			2018			2017		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	No°	92	23	115	90	22	112	88	20	108
<i>aged below 30</i>		-	-	-	-	-	-	-	-	-
<i>aged between 30 and 50</i>		41	5	46	42	5	47	41	6	47
<i>aged over 50</i>		51	18	69	48	17	65	47	14	61
Middle managers		184	140	324	190	140	330	193	145	338
<i>aged below 30</i>		1	-	1	-	-	-	-	-	-
<i>aged between 30 and 50</i>		88	75	163	103	79	182	111	92	203
<i>aged over 50</i>		95	65	160	87	61	148	82	53	135
White collars		853	1,010	1,863	835	1,006	1,841	847	1,032	1,879
<i>aged below 30</i>		26	44	70	18	32	50	16	41	57
<i>aged between 30 and 50</i>		515	635	1,150	535	675	1,210	569	721	1,290
<i>aged over 50</i>		312	331	643	282	299	581	262	270	532
Editors		34	14	48	35	15	50	38	14	52
<i>aged below 30</i>		-	-	-	-	-	-	-	-	-
<i>aged between 30 and 50</i>		6	2	8	6	3	9	6	4	10
<i>aged over 50</i>		28	12	40	29	12	41	32	10	42
Journalists		835	611	1,446	857	620	1,477	858	621	1,479
<i>aged below 30</i>		16	9	25	19	17	36	17	18	35
<i>aged between 30 and 50</i>		415	351	766	444	366	810	475	376	851
<i>aged over 50</i>		404	251	655	394	237	631	366	227	593
Blue collars		210	21	231	212	22	234	214	22	236
<i>aged below 30</i>	3	1	4	3	1	4	6	1	7	
<i>aged between 30 and 50</i>	102	10	112	123	14	137	137	15	152	
<i>aged over 50</i>	105	10	115	86	7	93	71	6	77	
Total	2,208	1,819	4,027	2,219	1,825	4,044	2,238	1,854	4,092	
<i>aged below 30</i>	46	54	100	40	50	90	39	60	99	
<i>aged between 30 and 50</i>	1,167	1,078	2,245	1,253	1,142	2,395	1,339	1,214	2,553	
<i>aged over 50</i>	995	687	1,682	926	633	1,559	860	580	1,440	

Table 7: Ratio of the average basic salary and the total remuneration of women to men²⁴ (GRI 405-2)

Ratio of the average basic salary of women to men (%)	2019	2018	2017
Italy			
Executives and Editors	92%	96%	92%
Middle managers	95%	97%	98%
White collars	93%	94%	95%
Journalists	81%	81%	81%
Blue collars	95%	93%	96%
Spain			
Executives and Editors	104%	96%	95%
Middle managers	86%	86%	87%
White collars	90%	89%	84%
Journalists	85%	84%	85%
Blue collars	71%	71%	91%
Other countries			
White collars	40%	41%	55%
Journalists	35%	49%	55%

Ratio of total remuneration of women to men (%)	2019	2018	2017
Italy			
Executives and Editors	87%	92%	84%
Middle managers	95%	95%	96%
White collars	88%	89%	90%
Journalists	77%	76%	76%
Blue collars	84%	81%	89%
Spain			
Executives and Editors	100%	96%	92%
Middle managers	91%	88%	87%
White collars	92%	91%	85%
Journalists	85%	83%	84%
Blue collars	66%	67%	86%
Other countries			
White collars	42%	40%	37%
Journalists	34%	49%	49%

²⁴ The percentage indicates the ratio between the average fixed remuneration of group women to men, broken down by qualification. The second table shows the ratio of fixed remuneration including the variable component provided for each qualification. The variable component, as the fixed component used to determine the percentages, excludes social security charges and post-employment benefits; it includes the variable salary items pertaining to the year. The absence of the professional category means that there are no employees of either sex in that specific geographical area. Following ongoing improvement in the figure reporting process, the figures on Executives and Title Editors Italy for 2018 and 2017 were restated in the table "Ratio of average remuneration of women to men". For previously published figures, reference is made to the 2018 NFS, published on the website www.cairocommunication.it.

Table 8: Average hours of training per capita by gender and qualification²⁵ (GRI 404-1)

Average hours of training (number)	2019			2018			2017		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	6	9	6	7	16	9	5	13	6
Middle managers	6	4	5	8	10	9	5	11	7
White collars	4	4	4	9	11	10	8	8	8
Editors	1	6	2	4	9	5	2	16	6
Journalists	2	2	2	7	10	8	5	7	6
Blue collars	7	4	7	2	1	2	6	3	6
Employees (total)	4	3	4	7	10	9	6	8	7

Table 9: Number of employees covered by collective bargaining agreements (GRI 102-41)

Employees covered by collective bargaining agreements	m.u.	2019	2018	2017
Number of employees covered by collective bargaining agreements	No°	3,870	3,879	3,923
Total employees		4,027	4,044	4,092
Percentage of employees covered	%	96%	96%	96%

²⁵ Training hours are calculated as the ratio of total training hours delivered by category of employee, compared to the workforce at 31/12.

Table 10: Types of injuries, injury rate (IR), occupational disease rate (ODR), lost day rate (LDR), absenteeism rate (AR) and work-related fatalities, for all employees (GRI 403-2)²⁶

Accident rates	u.m.	2019			2018			2017		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Severity Index	No°	0.63	0.17	0.43	0.34	0.68	0.49	0.83	0.40	0.64
<i>Italy</i>		0.67	0.09	0.42	0.44	0.66	0.53	0.90	0.45	0.71
<i>Spain</i>		0.57	0.21	0.40	0.13	0.77	0.42	0.71	0.35	0.54
<i>Other Countries</i>		-	1.79	1.24	-	-	-	-	-	-
Occupational disease rate (ODR)		-	-	-	-	-	-	-	-	-
<i>Italy</i>		-	-	-	-	-	-	-	-	-
<i>Spain</i>		-	-	-	-	-	-	-	-	-
<i>Other Countries</i>		-	-	-	-	-	-	-	-	-
Injury rate (IR)		7.76	2.84	5.56	6.29	6.96	6.59	7.79	6.60	7.26
<i>Italy</i>		5.96	3.34	4.82	3.37	4.34	3.80	5.98	4.81	5.47
<i>Spain</i>		11.80	1.04	6.79	12.67	12.49	12.59	11.53	10.08	10.85
<i>Other Countries</i>		-	16.00	11.07	-	-	-	-	-	-
Absenteeism rate		2%	3%	3%	2%	3%	3%	2%	3%	2%
<i>Italy</i>		3%	3%	3%	3%	3%	3%	3%	3%	3%
<i>Spain</i>	1%	2%	2%	2%	4%	3%	1%	2%	2%	
<i>Other Countries</i>	0%	0%	0%	0%	0%	0%	0%	1%	1%	

No deaths were recorded in 2019 and 2018; instead, in 2017 an event was reported that resulted in the death of a worker as a result of work-related travel not attributable to ordinary work activities.

²⁶ The accident rates refer to employees only and are calculated as follows:

Severity Index: (total number of hours lost from injuries/total hours worked) *1,000 - Calculation method suggested by the GRI Standard;

Occupational disease rate (ODR): (total number of cases of occupational diseases / total hours worked) *200.000 - Calculation method indicated by the GRI Standard;

Injury rate (IR): (total number of injuries + total number of deaths) / total number of hours worked) *1,000,000 - Calculation method from UNI 7249:2007;

Absenteeism rate (AR): (total number of days lost in the period/total number of working days in the period) - Calculation method indicated by the GRI Standard.

Section 3: Responsible supply chain management

Table 11: Proportion of spending on local suppliers (GRI 204-1)²⁷

Purchases from local suppliers (€ millions)	2019	2018	2017
Purchases from local suppliers	575	594	678
Total purchases	653	681	767
Spending from local suppliers (%)	88%	87%	88%

Section 4: Environment²⁸

Table 12: Materials used by the production sites (GRI 301-1)²⁹

Material consumption - Productive sites	u.m.	2019	2018	2017	Change	% Change
Materials						
<i>Paper</i>	<i>Kg</i>	138,486,510	152,768,249	153,178,457	(14,281,739)	-9%
<i>Inks</i>	<i>Kg</i>	827,138	890,388	830,707	(63,251)	-7%
<i>Plates</i>	<i>Kg</i>	1,026,298	1,094,417	1,037,712	(68,119)	-6%
<i>Additives</i>	<i>Kg</i>	54,050	67,200	52,600	(13,150)	-20%
<i>Solvents</i>	<i>L</i>	38,231	41,601	46,082	(3,371)	-8%
<i>Other chemicals</i>	<i>L</i>	17,170	13,427	14,311	3743	28%
<i>Rubber</i>	<i>No.</i>	1,030	1,039	996	(9)	-1%
<i>Blanket washers</i>	<i>No.</i>	81	85	60	(4)	-5%
<i>Metal wire</i>	<i>Kg</i>	8,029	8,127	5,110	(98)	-1%
<i>Adhesive tape</i>	<i>Kg</i>	6,490	7,752	5,561	(1,262)	-16%
<i>Pallets</i>	<i>Kg</i>	250	-	-		
Packaging						
<i>Plastic strap</i>	<i>Kg</i>	19,789	22,924	32,095	(2,504)	-11%
<i>Thermal paper</i>	<i>sheets</i>	5,645,000	5,942,500	5,592,500	(297,500)	-5%
<i>Cellophane</i>	<i>Kg</i>	51,253	78,657	81,829	(27,404)	-35%
<i>Inkjet marking</i>	<i>No.</i>	162	198	157	(36)	-18%

²⁷ Local suppliers are understood as being all those located in the country of origin of the purchasing group company. The percentage is calculated as the ratio of invoices recorded in the relevant year gross of VAT. The suppliers included in the scope of the indicator include only active suppliers with at least one invoice recorded in the relevant year. A Esfera dos Livros S.L.U. figures are also included. Last Lap organização de eventos S.L. and Informacion Estadio deportivo S.A. figures are excluded, as they are not centrally managed by the parent and are not significant.

²⁸ With regard to the RCS Group, Last Lap Organização de eventos S.L. and Last Lap S.L. figures are excluded.

²⁹ In addition to the Group's Italian production sites, the figure on the use of paper includes the third-party printing centers of the RCS Group (Bari, Catania and Cagliari), of Cairo Editore (Melzo and Pozzo d'Adda, Cernusco sul Naviglio, Treviglio, Bergamo and Salerno) and Unidad Editorial in Spain (of which Bermont is the main printer). Ink usage also includes the consumption of third-party Italian printing centers (Bari, Catania and Cagliari). Following a process to improve the reporting system, the 2018 and 2017 figures on paper and packaging (specifically, the values of plastic strapping were converted from Km to Kg) were restated versus those published in the previous Consolidated Non-Financial Statement. For previously published figures, reference is made to the 2018 NFS, published on the website www.cairocommunication.it.

Table 13: Energy consumption within and outside the organization, broken down by “production sites” and “offices and locations” (GRI 302-1)³⁰

Energy consumption - Production sites (GJ)	2019	2018	2017	Change	% Change
From non-renewable sources					
<i>Natural gas</i>	33,361	34,770	38,003	(1,409)	-4%
From renewable sources					
<i>Photovoltaic</i>	153	153	153	-	0%
Electricity purchased					
<i>Electricity</i>	63,384	65,410	65,378	(2,026)	-3%
Total consumption	96,898	100,333	103,534	(3,435)	-3%
<i>Of which from non-renewable sources</i>	96,745	100,180	103,381	(3,435)	-3%
<i>Of which from renewable sources</i>	153	153	153	-	0%

Energy consumption - Offices and locations (GJ)	2019	2018	2017	Change	% Change
From non-renewable sources					
<i>Natural gas</i>	10,884	10,315	5,355	569	6%
<i>From company-owned vehicles - Diesel</i>	12,955	12,866	8,868	89	1%
<i>From company-owned vehicles - Petrol</i>	305	345	324	(40)	-12%
<i>From company-owned vehicles - Hybrid</i>	53	25	-	28	114%
From renewable sources					
<i>Photovoltaic</i>	-	-	-	-	
Electricity purchased					
<i>Electricity</i>	114,168	113,851	110,805	318	0%
Total consumption	138,365	137,401	125,352	964	1%
<i>Of which from non-renewable sources</i>	138,365	137,401	125,352	964	1%
<i>Of which from renewable sources</i>	-	-	-	-	

³⁰ It should be noted that energy consumption of the production sites comes from renewable sources from a small photovoltaic system installed at the production site in Rome. Additionally, with regard to the energy consumption of offices and locations deriving from vehicles owned by the company (diesel), mention should be made that the amount of consumption relating to the entire car fleet has been included since 2018; regarding 2017, it had been partly included in total energy consumption and entirely in the calculation of direct emissions (Scope 1). The figures relating to Scope 3 emissions refer to the scope of the Group's Italian companies. The factors used for energy conversions were published by the Department for Business, Energy & Industrial Strategy (BEIS) in the 2017, 2018 and 2019 editions respectively. To calculate the consumption in litres of petrol and diesel for the car fleet, use was made of the average consumption values of the models shown in the car makers' data sheets.

Table 14: Direct and indirect emissions by "locations and offices" and "production sites" (GRI 305-1 and GRI 305-2)³¹

Direct and indirect CO ₂ emissions Production sites and offices and locations (Tonnes of CO ₂)	2019	2018	2017	Change	% Change
Direct emissions (scope 1)	3,163	3,213	3,182	(50)	-2%
<i>From energy consumption (natural gas)</i>	2,259	2,304	2,146	(45)	-2%
<i>From company owned vehicles (diesel, petrol, hybrid)</i>	904	909	1,037	(5)	-1%
Indirect emissions (scope 2)					
<i>Indirect location-based emissions</i>	17,349	17,329	17,152	(21)	0%
<i>Indirect market-based emissions</i>	23,815	23,715	22,612	100	0%

Table 15: Scope 3 emissions (GRI 305-3)³²

Scope 3 emissions of CO ₂ (Tonnes of CO ₂ e)	2019
Distribution chain ("first mile")	3,146
Business travel	935
Travel for sporting events	259
Total	4,340

Table 16: Energy intensity (GRI 302-3)³³

Energy intensity	m.u.	2019	2018	2017	Change	% Change
Energy consumption	kWh	61,652,873	62,318,317	60,983,714	(665,444)	-1%
Total surface area of company structures	m ²	154,970	155,570	154,514	(600)	0%
Total	kWh/m ²	398	401	395	(3)	-1%

³¹ The factors used in the calculation of Scope 1 direct emissions were published by the Department for Business, Energy & Industrial Strategy (BEIS) in the 2017, 2018 and 2019 editions respectively. Scope 2 emissions are measured through two methods: Location-based and Market-based. The "Location-based" approach involves the use of average emission factors relating to the specific national energy mix for the production of electricity (source of emission factors for the calculation of 2019 and 2018 figures: TERNA 2017; for 2018 emission factors: TERNA 2016; source of emission factors for the calculation of 2017 figures: TERNA 2015). Location-based scope 2 emissions are shown in tonnes of CO₂; the percentage of methane and nitrous oxide has a negligible effect on the total greenhouse gas emissions (CO₂eq), as inferred from the technical reference literature. The "Market-based" approach, on the other hand, involves the use of emission factors defined on a contractual basis with the electricity supplier. Given the absence of specific contractual agreements (e.g. purchase of Guarantee of Origin certificates), use was made of the emission factors relating to national residual mixes (source of residual mixes: AIB European Residual Mixes 2016, 2017 and 2018.)

³² The factors used in the calculation of Scope 3 indirect emissions refer to the tables published by the Department for Business, Energy & Industrial Strategy (BEIS) in the 2019 edition.

³³ Energy intensity is calculated as the ratio of the Group's energy consumption of natural gas and electricity to the total surface area of the corporate facilities. Total gross area was considered for the production sites, while for locations and offices, the area was re-proportioned based on actual use.

Table 17: Waste generated internally by disposal method, broken down by “production sites” and “offices and locations” (GRI 306-2)³⁴

Waste Methods of Disposal – Production sites (Tonnes)	2019	2018	2017	Change	% Change
Hazardous waste	52.7	54.7	54.9	(2)	-4%
<i>Recovery, including energy recovered</i>	27.0	21.9	27.4	5	24%
<i>Landfill disposal</i>	25.7	32.8	26.2	(7)	-22%
<i>Other</i>	-	-	1.3		
Non-hazardous waste	6,211.8	7,043.3	6,109.5	(831)	-12%
<i>Recycling</i>	5,799.3	6,472.5	5,583.7	(673)	-10%
<i>Recovery, including energy recovered</i>	55.6	99.4	102.3	(44)	-44%
<i>Landfill disposal</i>	357.0	471.4	411.5	(114)	-24%
<i>Other</i>	-	-	12.0		
Total	6,264.5	7,098.0	6,164.4	(833)	-12%

Waste Methods of Disposal – Locations and Offices (Tonnes)	2019	2018	2017	Change	% Change
Hazardous waste	2.5	11.6	7.5	(9)	-79%
<i>Recycling</i>	2.1	9.8	4.4	(8)	-78%
<i>Recovery, including energy recovered</i>	0.0	0.9	2.1	(1)	-96%
<i>Landfill disposal</i>	0.3	0.9	1.1	(1)	
Non-hazardous waste	31,317.5	32,913.8	35,798.7	(1,596)	-5%
<i>Recycling</i>	31,014.2	32,546.1	35,454.4	(1,532)	-5%
<i>Composting</i>	0.9	9.3	10.5	(8)	-90%
<i>Recovery, including energy recovered</i>	297.1	333.7	319.5	(37)	-11%
<i>Incineration</i>	-	4.7	7.0	(5)	-100%
<i>Landfill disposal</i>	5.3	20.0	7.3		
Total	31,320.0	32,925.4	35,806.2	(1,606)	-5%

³⁴ Figures on waste production and disposal for Italy refer to the Group's main locations where the Group handles waste directly. The figures of the peripheral offices of Cairo Communication and Cairo Pubblicità (Bologna, Florence, Turin, Verona) are not included in the waste figures.

13. GRI Content Index

GRI Standard	Description	Page reference / external doc
General Standards		
GRI 102: General Disclosures 2016		
Organizational Profile		
102-1	Name of the organization	Cairo Communication Group
102-2	Main brands, products or services (Programs for compliance with laws and voluntary codes relating to marketing activities)	Pages 7-9
102-3	Location of headquarters	Via Angelo Rizzoli, 8 – 20132 Milan
102-4	Location of operations	Pages 7-9
102-5	Ownership and legal form	Page 13
102-6	Markets served	Pages 7-9
102-7	Scale of the organization	Pages 10-12, page 50, Annual Report
102-8	Employees by type of contract, gender, geographical area, professional level	Page 50, page 92
102-9	Supply chain	Pages 73-79
102-10	Significant changes to the organization and its supply chain	Page 91 Annual Report Sect. “Consolidation scope”
102-11	Precautionary principle or approach	Pages 27-33, page 81
102-12	Adoption of external economic, social and environmental codes and norms	Pages 21-25
102-13	Membership of associations	Pages 21-25
Strategy		
102-14	Chairman’s Statement	Page 3
102-15	Key impacts, risks and opportunities	Pages 27-33, pages 48-49, pages 74-75, page 81
Ethics and Integrity		
102-16	Values, principles, standards and norms of behavior	Pages 20-21, pages 30-33
Governance		
102-18	Governance structure	Pages 25-27, Report on Corporate Governance
102-22	Composition of the highest governance body and its committees	Report on Corporate Governance The curricula vitae of the Directors, containing exhaustive information on their personal and professional characteristics, are available on the Company's website.
Stakeholder Engagement		
102-40	List of stakeholder groups	Pages 15-17

GRI Standard	Description	Page reference / external doc
General Standards		
GRI 102: General Disclosures 2016		
Organizational Profile		
102-41	Collective bargaining agreements	Page 54, page 97
102-42	Identifying and selecting stakeholders	Pages 15-17
102-43	Approach to stakeholder engagement	Pages 15-17
102-44	Key aspects and concerns arising from stakeholder involvement and related actions	Pages 15-19
Reporting Practice		
102-45	Entities included in the consolidated financial statements and those not included in the Sustainability Report	Page 91
102-46	Defining report content and topic Boundaries	Pages 4-6, pages 17-19
102-47	List of material topics	Pages 17-19, pages 89-90
102-48	Restatements of information	Page 4-6, page 82, page 96, page 99
102-49	Changes in reporting	Page 91
102-50	Reporting period	Pages 4-6
102-51	Date of most recent report	March 2019
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	g.brizzi@cairocommunication.it
102-54	GRI content index and choice of "in accordance" option	Pages 4-6
102-55	GRI content index	Pages 103-109
102-56	External assurance	Page 110

GRI Standard	Description	Page reference / external doc
GRI 200 Economic Standard Series		
GRI Standard 201: Economic Performance 2016		
103-1	Explanation of the material topic and its boundary	Pages 17-19, pages 89-90
103-2	The management approach and its components	Pages 13-14, pages 58-72
103-3	Evaluation of the management approach	Pages 13-14, pages 58-72
201-1	Direct economic value generated and distributed	Pages 13-14
M1*	Significant funding and other subsidies received from private entities	Pag.13-14

GRI Standard	Description	Page reference / external doc	
GRI Standard 204: Procurement practices 2016			
103-1	Explanation of the material topic and its boundary	Pages 17-19, pages 89-90	
103-2	The management approach and its components	Pages 73-79	
103-3	Evaluation of the management approach	Pages 73-79	
204-1	Proportion of spending on local suppliers	Pages 75-76, page 99	
GRI Standard 205: Anti-corruption 2016			
103-1	Explanation of the material topic and its boundary	Pages 17-19, pages 89-90	
103-2	The management approach and its components	Pages 30-33, page 34	
103-3	Evaluation of the management approach	Pages 30-33, page 34	
205-3	Actions taken in response to cases of corruption	Page 34	
GRI 300 Environmental Standards Series			
GRI Standard 301: Materials 2016			
103-1	Explanation of the material topic and its boundary	Pages 17-19, pages 89-90	
103-2	The management approach and its components	Pages 80-82, pages 83-84	
103-3	Evaluation of the management approach	Pages 80-82, pages 83-84	
301-1	Materials used by weight or volume	Page 82, page 84, page 99	
GRI Standard 302: Energy 2016			
103-1	Explanation of the material topic and its boundary	Pages 17-19, pages 89-90	
103-2	The management approach and its components	Pages 80-83, pages 84-85	
103-3	Evaluation of the management approach	Pages 80-83, pages 84-85	
302-1	Energy consumption within the organization	Page 83, page 85, page 100	
302-3	Energy intensity	Page 101	
GRI Standard 303: Water 2016			
103-1	Explanation of the material topic and its boundary	Pages 17-19, pages 89-90	
103-2	The management approach and its components	Pages 80-81, page 83, page 85	
103-3	Evaluation of the management approach	Pages 80-81, page 83, page 85	
303-1	Water abstraction of offices and facilities	Page 83, page 85	
GRI Standard 305: Emissions 2016			
103-1	Explanation of the material topic and its boundary	Pages 17-19, pages 89-90	
103-2	The management approach and its components	Pages 80-81, pages 86-87	

GRI Standard	Description	Page reference / external doc	
103-3	Evaluation of the management approach	Pages 80-81, pages 86-87	
305-1	Direct (Scope 1) GHG emissions	Pages 86-87, page 101	
305-2	Energy indirect (Scope 2) GHG emissions	Pages 86-87, page 101	
305-3	Other indirect (Scope 3) GHG emissions	Pages 86-87, page 101	
305-6	Emissions of ozone-depleting substances (ODS)	In 2019, the Group reported no significant emissions of ozone-depleting substances.	
305-7	Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant air emissions	In 2019, the Group reported no significant emissions of nitrogen oxides (NOx), sulphur oxides (SOx) or other emissions	
GRI Standard 306: Effluents and waste 2016			
103-1	Explanation of the material topic and its boundary	Pages 17-19, pages 89-90	
103-2	The management approach and its components	Pages 80-81, page 83, page 84	
103-3	Evaluation of the management approach	Pages 80-81, page 83, page 84	
306-2	Waste by type and disposal method	Page 83, page 84, page 102	
GRI Standard 307: Environmental Compliance 2016			
103-1	Explanation of the material topic and its boundary	Pages 17-19, pages 89-90	
103-2	The management approach and its components	Page 21, pages 27-33	
103-3	Evaluation of the management approach	Page 21, pages 27-33	
307-1	Non-compliance with environmental laws and regulations	No significant fines or penalties were reported in 2019	
GRI 400 Social Standards Series			
GRI Standard 401: Employment 2016			
103-1	Explanation of the material topic and its boundary	Pages 17-19, pages 89-90	
103-2	The management approach and its components	Pages 46-51	
103-3	Evaluation of the management approach	Pages 46-51	
401-1	Total number and percentage of new hires and turnover, by age, gender and region	Pages 50-51, pages 93-94	
GRI Standard 402: Labor/management relations 2016			
103-1	Explanation of the material topic and its boundary	Pages 17-19, pages 89-90	
103-2	The management approach and its components	Pages 46-49, page 54	

GRI Standard	Description	Page reference / external doc	
103-3	Evaluation of the management approach	Page 54	
402-1	Minimum period of notice for significant operational changes (organizational changes) indicating whether these conditions are included in collective bargaining or not	Page 54	
GRI Standard 403: Occupational Health and Safety 2016			
103-1	Explanation of the material topic and its boundary	Pages 17-19, pages 89-90	
103-2	The management approach and its components	Page 21, pages 29-33, pages 54-57	
103-3	Evaluation of the management approach	Pages 54-57	
403-2	Types of accidents, accident rate, occupational diseases, lost days and absentee rate and number of work-related fatalities by region and gender	Page 56, page 98	
GRI Standard 404: Training and Education 2016			
103-1	Explanation of the material topic and its boundary	Pages 17-19, pages 89-90	
103-2	The management approach and its components	Pages 46-49, page 53	
103-3	Evaluation of the management approach	Pages 46-49, page 53	
404-1	Average hours of training per year per employee	Page 53, page 97	
GRI Standard 405: Diversity and Equal Opportunity 2016			
103-1	Explanation of the material topic and its boundary	Pages 17-19, pages 89-90	
103-2	The management approach and its components	Page 20, pages 46-51, page 52	
103-3	Evaluation of the management approach	Page 20, pages 46-51, page 52	
405-1	Composition of governance bodies and breakdown of personnel by employee category, gender, age, protected group membership and other indicators of diversity	Pages 25-27, page 52, page 95 Report on Corporate Governance	
405-2	Ratio of basic salary and remuneration of women to men by employee category	Page 96	
GRI Standard 406: Non-discrimination 2016			
103-1	Explanation of the material topic and its boundary	Pages 17-19, pages 89-90	
103-2	The management approach and its components	P. 20, p. 27-33, p. 46-51, p. 52	
103-3	Evaluation of the management approach	P. 20, p. 27-33, p. 46-51, p. 52	

GRI Standard	Description	Page reference / external doc	
406-1	Incidents of discrimination and corrective actions taken	Page 52	
GRI Standard 417: Marketing and labeling 2016			
103-1	Explanation of the material topic and its boundary	Pages 17-19, pages 89-90	
103-2	The management approach and its components	Pages 39-40	
103-3	Evaluation of the management approach	Pages 39-40	
417-3	Incidents of non-compliance concerning marketing communications	Pages 39-40	
GRI Standard 418: Customer privacy 2016			
103-1	Explanation of the material topic and its boundary	Pages 17-19, pages 89-90	
103-2	The management approach and its components	Pages 42-44	
103-3	Evaluation of the management approach	Pages 42-44	
418-1	Substantiated complaints regarding breaches of customer privacy and losses of customer data	Pages 42-44	
Freedom of expression (M)*			
103-1	Explanation of the material topic and its boundary	Pages 17-19, pages 89-90	
103-2	The management approach and its components	Page 36	
103-3	Evaluation of the management approach	Page 36	
Cultural rights (M)*			
103-1	Explanation of the material topic and its boundary	Pages 17-19, pages 89-90	
103-2	The management approach and its components	Pages 40-42, pages 58-72	
103-3	Evaluation of the management approach	Pages 40-42, pages 58-72	
Protection of privacy (M)*			
103-1	Explanation of the material topic and its boundary	Pages 17-19, pages 89-90	
103-2	The management approach and its components	Pages 42-44	
103-3	Evaluation of the management approach	Pages 42-44	
Intellectual property (M)*			
103-1	Explanation of the material topic and its boundary	Pages 17-19, pages 89-90	
103-2	The management approach and its components	Pages 44-45	
103-3	Evaluation of the management approach	Pages 44-45	
Content dissemination (M)*			
103-1	Explanation of the material topic and its boundary	Pages 17-19, pages 89-90	

GRI Standard	Description	Page reference / external doc	
103-2	The management approach and its components	Pages 37-38, pages 40-42	
103-3	Evaluation of the management approach	Pages 37-38, pages 40-42	
M4	Actions taken to improve performance in relation to content dissemination issues (accessibility and protection of vulnerable audiences and informed decision making) and results obtained.	Pages 37-38, pages 40-42	

**GRI G4 Media Sector Disclosure*

Independent auditors' report on the consolidated non-financial statement pursuant to article 3.10 chapter of Legislative decree no. 254 of 30 December 2016 and article 5 of the Consob Regulation no. adopted with Resolution no. 20267 of 18 January 2018



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(Translation from the Italian original which remains the definitive version)

Independent auditors' report on the consolidated non-financial statement pursuant to article 3.10 of Legislative decree no. 254 of 30 December 2016 and article 5 of the Consob Regulation adopted with Resolution no. 20267 of 18 January 2018

*To the board of directors of
Cairo Communication S.p.A.*

Pursuant to article 3.10 of Legislative decree no. 254 of 30 December 2016 (the "Decree") and article 5 of the Consob (the Italian Commission for listed companies and the stock exchange) Regulation adopted with Resolution no. 20267 of 18 January 2018, we have been engaged to perform a limited assurance engagement on the 2019 consolidated non-financial statement of the Cairo Communication Group (the "Group") prepared in accordance with article 4 of the Decree and approved by the board of directors on 26 March 2020 (the "NFS").

Responsibilities of the directors and board of statutory auditors ("Collegio Sindacale") of Cairo Communication S.p.A. (the "parent") for the NFS

The directors are responsible for the preparation of an NFS in accordance with articles 3 and 4 of the Decree and the "Global Reporting Initiative Sustainability Reporting Standards", including the "Media Sector Disclosures", issued by GRI - Global Reporting Initiative (the "GRI Standards").

The directors are also responsible, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of an NFS that is free from material misstatement, whether due to fraud or error.

Moreover, the directors are responsible for the identification of the content of the NFS, considering the aspects indicated in article 3.1 of the Decree and the Group's business and characteristics, to the extent necessary to enable an understanding of the Group's business, performance, results and the impacts it generates.



The directors' responsibility also includes the design of an internal model for the management and organisation of the Group's activities, as well as, with reference to the aspects identified and disclosed in the NFS, the Group's policies and the identification and management of the risks generated or borne.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, compliance with the Decree's provisions.

Auditors' independence and quality control

We are independent in compliance with the independence and all other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Our company applies International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains a system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditors' responsibility

Our responsibility is to express a conclusion, based on the procedures performed, about the compliance of the NFS with the requirements of the Decree and the GRI Standards. We carried out our work in accordance with the criteria established by "International Standard on Assurance Engagements 3000 (revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000 revised"), issued by the International Auditing and Assurance Standards Board applicable to limited assurance engagements. This standard requires that we plan and perform the engagement to obtain limited assurance about whether the NFS is free from material misstatement. A limited assurance engagement is less in scope than a reasonable assurance engagement carried out in accordance with ISAE 3000 revised, and consequently does not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures we performed on the NFS are based on our professional judgement and include inquiries, primarily of the parent's personnel responsible for the preparation of the information presented in the NFS, documental analyses, recalculations and other evidence gathering procedures, as appropriate.

Specifically, we carried out the following procedures:

1. Analysing the material aspects based on the Group's business and characteristics disclosed in the NFS, in order to assess the reasonableness of the identification process adopted on the basis of the provisions of article 3 of the Decree and taking into account the reporting standards applied.



2. Analysing and assessing the identification criteria for the reporting scope, in order to check their compliance with the Decree.
3. Comparing the financial disclosures presented in the NFS with those included in the Group's consolidated financial statements.
4. Gaining an understanding of the following:
 - the Group's business management and organisational model, with reference to the management of the aspects set out in article 3 of the Decree;
 - the entity's policies in connection with the aspects set out in article 3 of the Decree, the achieved results and the related key performance indicators;
 - the main risks generated or borne in connection with the aspects set out in article 3 of the Decree.

Moreover, we checked the above against the disclosures presented in the NFS and carried out the procedures described in point 5.a).

5. Understanding the processes underlying the generation, recording and management of the significant qualitative and quantitative information disclosed in the NFS.

Specifically, we held interviews and discussions with the parent's management personnel and personnel of Cairo Editore S.p.A., La7 S.p.A. and RCS MediaGroup S.p.A.. We also performed selected procedures on documentation to gather information on the processes and procedures used to gather, combine, process and transmit non-financial data and information to the office that prepares the NFS.

Furthermore, with respect to significant information, considering the Group's business and characteristics:

- at parent and subsidiaries level
 - a) we held interviews and obtained supporting documentation to check the qualitative information presented in the NFS and, specifically, the business model, the policies applied and main risks for consistency with available evidence,
 - b) we carried out analytical and limited procedures to check, on a sample basis, the correct aggregation of data in the quantitative information;
- we visited Cairo Editore S.p.A., La7 S.p.A. and RCS MediaGroup S.p.A., which we have selected on the basis of their business, contribution to the key performance indicators at consolidated level and location, to meet their management and obtain documentary evidence supporting the correct application of the procedures and methods used to calculate the indicators;



Cairo Communication Group
Independent auditors' report
31 December 2019

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2019 consolidated non-financial statement of the Cairo Communication Group has not been prepared, in all material respects, in accordance with the requirements of articles 3 and 4 of the Decree and the GRI Standards.

Milan, 30 March 2020

KPMG S.p.A.

(signed on the original)

Francesco Cuzzola
Director of Audit