



Rai Way

**Non-financial disclosure pursuant to
Legislative Decree no. 254/2016**

Sustainability Report at 31 December 2019

Rai Way S.p.A.

Registered office: via Teulada, 66 00195 Rome Share

Capital: € 70.176.000 fully paid

Rome Chamber of Commerce R.E.A. no. 0925733

Registered in Rome Companies Register

Tax code and VAT no. 05820021003

Management and coordination: Rai - Radiotelevisione Italiana Spa with
registered office in V.le Mazzini 14, Rome, Italy

www.raiway.it

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Letter from the Chairperson

GRI (102-14) (102-15)

Dear Stakeholders,

during 2019, Rai Way continued to record an improvement of all its main economic and financial indicators, confirming its commitment to create long-term value also in terms of sustainability, monitoring its performance related to ESG (Environmental, Social, Governance) issues in order to highlight the progress made and better address future strategies.

These achievements were made possible by two fundamental assets that represent a distinctive element of the Company: its technological infrastructure, and its people, whose work, throughout the country, is based on a system of values focused on attention to quality, environment, safety, innovation and commitment to the community.

In the past year, Rai Way confirmed the ISO 9001:2015 certification it had obtained in 2016, concerning the provision of design services for plants and networks for the transmission and broadcasting of radio and television signals, the provision of coordination and planning services for the ordinary maintenance of plants and networks for the transmission and broadcasting of radio and television signals, and finally the provision of infrastructure and network services for telecommunications operators.

From the point of view of governance, during the year the Company adopted various measures, in particular updates on issues related to the protection of personal data and the prevention of corruption, continuing the monitoring activities launched in previous years.

In pursuing its objectives, Rai Way continued to take into account a proper balance between operational requirements and environmental sustainability issues, and in this respect, it should be noted that its overall electricity consumption was substantially stable despite the activation of new radio and television systems and that there was an increase from 67% in 2018 to 73% in 2019 of waste to be recovered/recycled out of the total waste produced.

Rai Way recognizes as a founding element of its business the utmost attention to excellence in the provision of services to its customers, excellence that has characterized its success in recent years, thanks to the contribution of solid professionalism. Accordingly, we invest heavily in training, with approximately 22,000 hours of training, to give our people concrete growth opportunities and tools to face future challenges; moreover, in order to better meet the needs of work-life balance, we also successfully introduced the Smart Working project in 2019.

We believe that incorporating sustainability objectives into company processes is a necessary factor in pursuing sustainable performance over time. Therefore, for the first time the Company's new business plan for the 2020-2023 period includes forecasts specifically and structurally aimed at including attention to ESG issues within the Company's strategies.

This is the approach we have followed, we are following and we are committed to pursue in the future, in the belief that a challenging and ambitious development path is truly such if it includes aspects and initiatives of continuous attention to sustainability.

On behalf of the Board of Directors
The Chairperson
Mario Orfeo

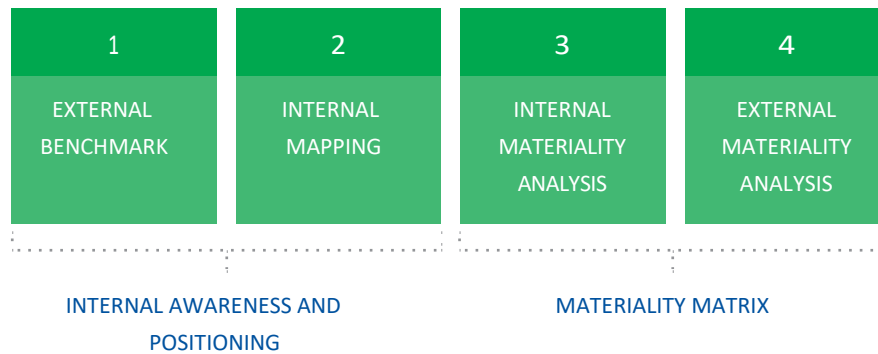
1. Introduction and methodology note

GRI (102-51)

Rai Way S.p.A. (“Rai Way” or the “Company”) is a leading provider of network infrastructure and services for broadcasters, telecommunications operators, private companies and the public sector. It provides broadcast services of television and radio content to the Italian public radio and television service and to other customers in Italy and abroad. Rai Way pays increasing attention to its economic performance and to the social and environmental impacts of its activities on the most relevant stakeholders and the community within which it operates. This has led the company to issue, for the third consecutive year, a Sustainability Report, which also represents the Non-financial Disclosure of Rai Way S.p.A., pursuant to Legislative Decree no. 254/2016.

In this spirit, Rai Way already during the first drafting of the NFD, carried out the preparatory activities for the identification of material issues, identifying those most relevant from the sustainability point of view, based on its business and the reference context described above, involving some of the most representative stakeholders, to hear their demands and perceptions and to obtain, over time, a more effective, inclusive and non-self-referential reporting. We have also assessed the state of the art and the evolution of the Corporate Social Responsibility (CSR) initiatives of the Company, identifying its positioning with respect to its competitors and external best practices.

A LISTENING STRATEGY, INSIDE AND OUTSIDE THE COMPANY



More specifically, we carried out benchmarking activities, analysing the sustainability policies of the main companies of our sector and similar sectors and the best practices, also by involving internal and external stakeholders.

1.1 The involvement of the Stakeholders

GRI (102-40) (102-42) (102-43) (102-44)

Rai Way started a structured path of sustainability and social reporting by involving the relevant corporate functions, both at the headquarters and at the regional offices, as well as some of the external stakeholders, chosen among the most important suppliers and customers.

MAP OF RAI WAY STAKEHOLDERS

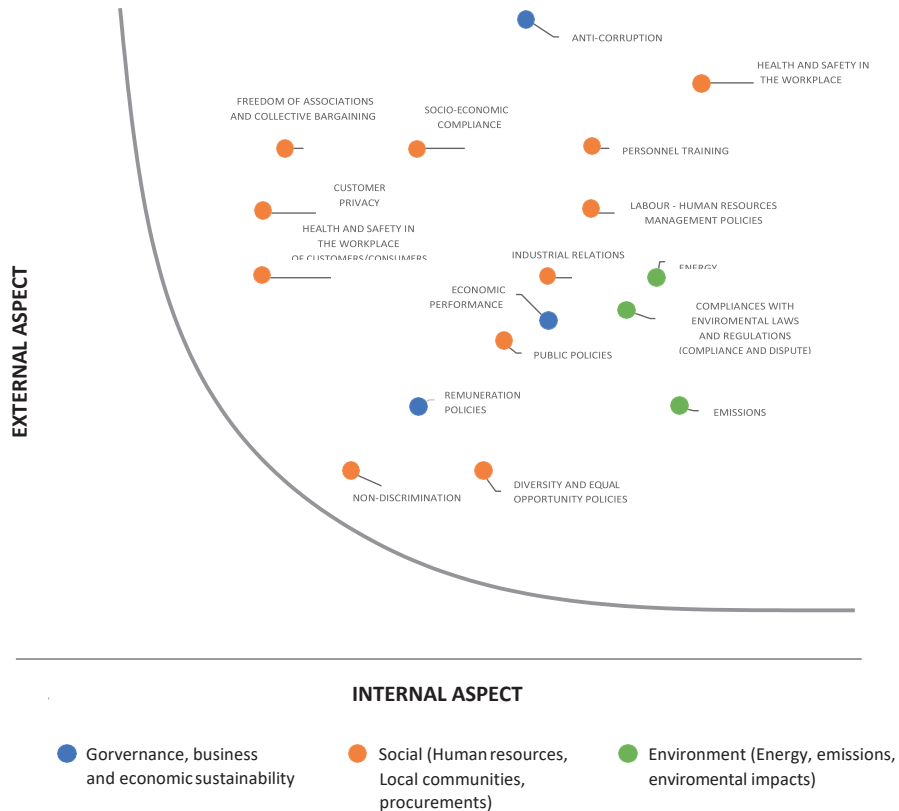
1	EMPLOYEES AND TRADE UNIONS	
2	INVESTORS AND FINANCIAL COMMUNITY	<ul style="list-style-type: none"> • Minority shareholders • Financial analysts
3	PUBLIC AND REGULATORY INSTITUTIONS	<ul style="list-style-type: none"> • Ministry of Economic Development • Italian Communications Authority • Other supervisory and control authorities
4	COMPETITORS	
5	COMMUNITY AND ENVIRONMENT	<ul style="list-style-type: none"> • Local authorities • Local communities
6	CUSTOMERS	<ul style="list-style-type: none"> • Rai - Radiotelevisione Italiana Spa • Broadcasters • MNOs
7	SUPPLIERS	<ul style="list-style-type: none"> • of services of new generation networks • of infrastructure services and networks

1.2 The materiality matrix

GRI (102-47)

The stakeholder engagement process has allowed Rai Way to gather their demands and elaborate them into a “materiality matrix”, verifying for each relevant issue the level of alignment or misalignment.

RAI WAY MATERIALITY MATRIX



The matrix shows three macro-areas, described in the following chapters and shown in the table below:

- issues related to the governance, the business and the economic sustainability of Rai Way;
- environmental issues, with a special attention to the impact of Rai Way business on the environment, in particular focusing on electro-magnetic radiations, energy consumption and compliance with laws and regulations;
- social issues, related to human resource management (health and safety in the workplace, training and industrial relations) and customer relations (health and safety and privacy).¹

¹ Note that the issue of respect for human rights, specified in Art. 3 of Legislative Decree no. 254/2016, does not appear to be material and substantial, taking into account the activities and characteristics of Rai Way.

PERIMETER OF MATERIAL ASPECTS (GRI 103-1)

Issue	Aspect	Standard indicator GRI	Perimeter of material aspects		
			Internal	External	
Economic Governance	Economic performance	201	Rai Way	Institutions and community	
	Anti-corruption	205	Rai Way		
	Remuneration policies	102 - 35/39	Rai Way		
Environment	Emissions	305	Rai Way	Environment and community	
	Energy	302	Rai Way		
	Compliance with environmental laws or regulations (compliance and disputes)	307	Rai Way		
	Water	303	Rai Way		
Social	Health and safety in the workplace	403	Rai Way		
	Labour - human resources management policies	401	Rai Way		
	Personnel training	404	Rai Way		
	Industrial relations	402	Rai Way		
	Public policies	415	Rai Way		Institutions
	Diversity and equal opportunity	405	Rai Way		
	Social-economic compliance	419	Rai Way		
	Non-discrimination policies	406	Rai Way		
	Freedom of association and collective bargaining	407	Rai Way		
	Health and safety of customers/consumers	416	Rai Way		Customers
	Customer privacy	418	Rai Way		Customers
	Human rights	412	Rai Way		

1.3 Methodology note: perimeter, scope and contents of the Sustainability Report

GRI (102-45) (102-46) (102-50) (102-52) (102-53)

This Sustainability Report represents the Non-financial Disclosure of Rai Way S.p.A. pursuant to Legislative Decree no. 254/2016 and complies with the GRI Standards (in accordance with the “Core” option) issued by the Global Reporting Initiative on non-financial reporting. For the 2019 financial year, Rai Way updated its reporting on health and safety and water consumption, in accordance with the respective GRI Standards to be reviewed in 2018.

The Report allows Rai Way to combine the socio-environmental reporting with the financial statements and presents the activities, projects and results obtained in 2019 in the economic, social and environmental area, as well as the initiatives carried out and the commitments taken towards the main stakeholders. The Sustainability Report presents, with regard to 2019, the relevant aspects according to the afore-mentioned materiality matrix, created in compliance with the GRI standards.

This Sustainability Report is divided in three main sections:

1. Rai Way presentation;
2. the governance of the Company also in the light of the applicable laws and regulations to the companies with listed shares on the Stock Exchange;
3. the commitment of Rai Way to local communities, environment, human resources and economic efficiency.

The document is completed by the letter to the stakeholders and, last, by the table that shows how the contents of this Non-financial Disclosure relate to the requirements of Legislative Decree no. 254/2016 and the summary table of the GRI Disclosure.

2. Rai Way

2.1 The Public Service guarantee

GRI (102-1) (102-2) (102-3) (102-4) (102-6)

Rai Way S.p.A. operates in the communications infrastructure sector, providing integrated services to its customers. More specifically, Rai Way is the Rai Group company that owns the infrastructure and equipment for television and radiosignal transmission and broadcasting.

Rai Way at a glance:

- Profits of 63.4 million euro (+6%)
- More than 600 employees
- 1 headquarters in Rome, 21 regional offices and 2 control centres
- More than 2,300 sites across the country
- Large sites in strategic positions
- Strong capillarity at the level of rural areas
- Coverage of more than 99% of the Italian population through the DTT platform

Rai Way was incorporated on 27 July 1999 and has been operational since 1st March 2000, following the transfer of the “Transmission and Broadcasting Division” business unit by its sole shareholder Rai - Radiotelevisione Italiana Spa.

The ownership of Rai’s television and radio transmission and broadcasting equipment was therefore transferred to Rai Way and, with it, the human capital - in particular, a cluster of technical excellence in the sector of the transmission and broadcasting of radio and television signals.

Rai Way has a capillary presence throughout Italy, with headquarters in Rome, 21 regional offices and more than 2,300 sites across Italy, which gives it an infrastructural leadership based on the uniqueness and capillarity of its network.

The National Control Centre in Rome has a key role in ensuring the high quality of the services offered, carrying out a key function in the configuration, management and monitoring of the transmission circuits. The Broadcasting National Control Centre in Milan has an equally important role, guaranteeing the good operation of the broadcasting plants across Italy.

Thanks to the high professional expertise, specialised training and constant professional development of its workforce, Rai Way is a leader in the broadcasting infrastructure sector.

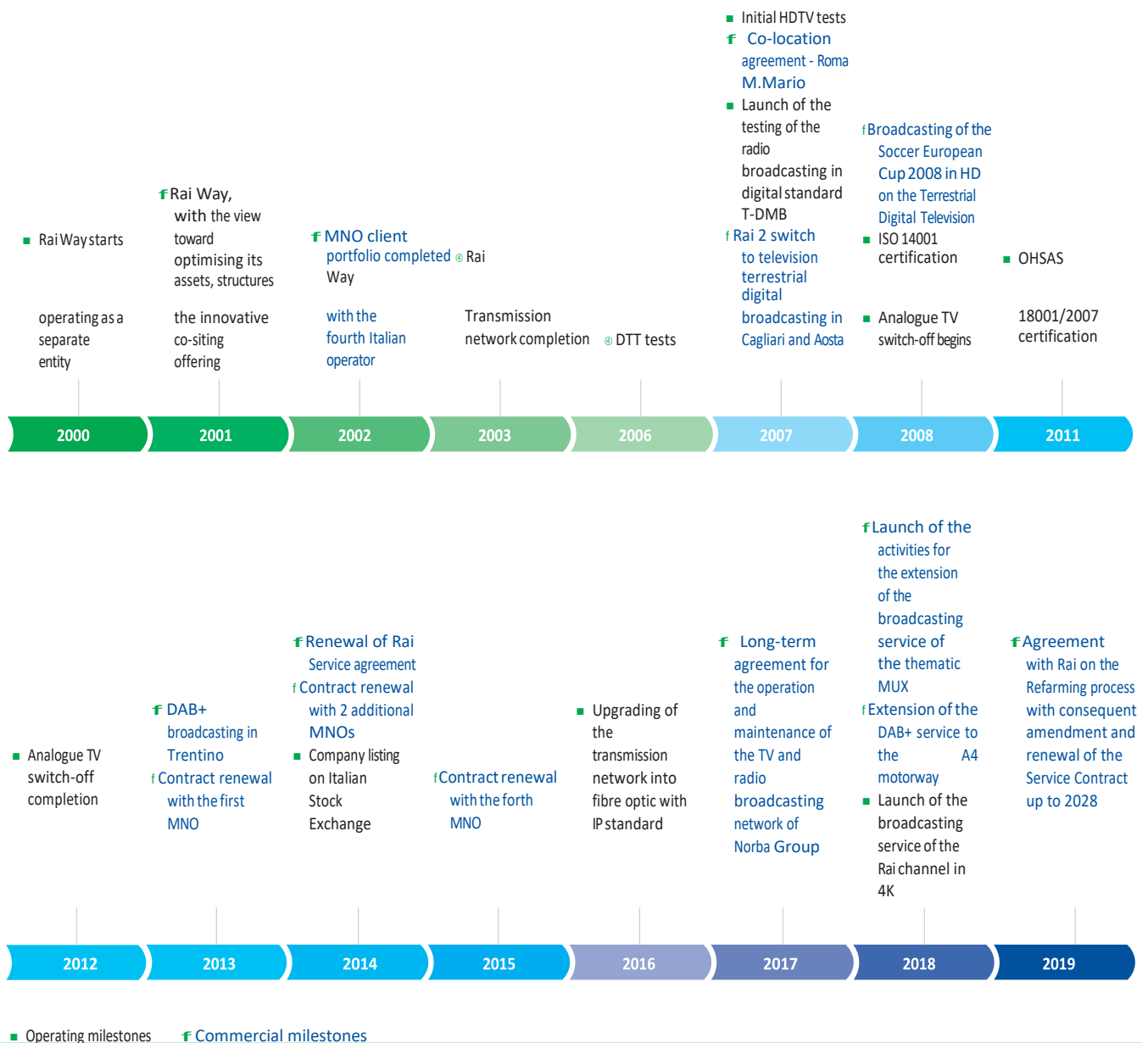
In terms of services provided by the Company, they can be divided into the following four categories: Broadcasting Services, Transmission Services, Tower Rental Services and Network Services. Building on its historical leadership in analogue transmission, Rai Way has been involved from the very beginning in the development of terrestrial digital broadcasting to provide Rai, as a public service broadcaster, with effective and reliable digital coverage and broadcasting.

The coordinated work of all its structures has allowed Rai Way to reach its regulatory targets (Law No. 112/04) in terms of terrestrial digital network coverage: 50% of the population at 31 December 2003, 70% at 31 December 2004, 85% at 31 December 2007 and completion of the switch-off in 2012.

Since 19 November 2014, as a result of the Global Sale Offer promoted by the Rai shareholder, the Rai Way shares have been traded on the Electronic Stock Market (MTA) of Borsa Italiana.

The next important challenge of the “digital” strategy concerns the introduction of new standards of compression of the television signals as well as the execution of the activities functional to the release of the 700 MHz band which are scheduled to end in 2022. At the end of this process, Rai Way will have a network configuration for terrestrial television broadcasting services that is more extensive in terms of equipment, more technologically advanced than the present one and more efficient with regard to its environmental impact.

RAI WAY'S MILESTONES



2.2 Corporate values

GRI (102-16)

The values of the Company can be traced back to the ongoing commitment in the activities related to the provision of its services. In this context, the following values take a special significance:

- 1. QUALITY:** meeting the quality requirements of its customers is key for Rai Way; the Company therefore pursues:
 - maximum geographic coverage in Italy;
 - maximum technical quality of infrastructures;
 - high reliability of the services provided;
 - operational efficiency.

In that context, Rai Way initially certified under ISO 9001:2015 in 2016 and during 2019 it renewed the certification with the following purpose: *“Provision of services for the design of systems and networks for broadcasting and transmission of radio and television signals. Provision of coordination and planning services for the routine maintenance of plants and networks for the transmission and broadcasting of radio and television signals. Provision of network infrastructure and services for telecommunications operators”*.

- 2. ENVIRONMENT:** in the pursuit of its objectives, Rai Way operates taking into account the proper balance between operational requirements and environmental sustainability issues. The Company therefore carries out its activities with a constant focus on environmental protection, in line with the Environment, Health and Safety Policy adopted by Rai Way and its Code of Ethics, in compliance with the applicable laws and regulations and environmental protection internal procedures. Rai Way follows appropriate rules to maintain channels of communication with the stakeholders for a better understanding of the management of environmental issues. Since 2008, the company has adopted an environmental management system certified to ISO 14001:2015, which has allowed and facilitated the identification and assessment of the environmental impacts of its operations. The significance of each environmental impact identified was assessed by analysing the different relevant factors and, where necessary, the resulting mitigation actions (see also Chapter 4.2 – Environment).

- 3. SAFETY:** in creating the development strategies dictated by its institutional mission, Rai Way pursues simultaneously objectives and values that are the foundation of its Safety Policy (see also Chapter 4.3 - Human Resources/ Health and Safety).

Rai Way quality policy

To remain a business leader, Rai Way strives to guarantee the supply of top-quality products and services and to ensure the maximum satisfaction of its customers, shareholders and, more in general, stakeholders. Rai Way has therefore acquired, and constantly improved, a quality management system based on the following principles:

- attention focused on the customers and on the parties involved
- approach by processes
- leadership
- assessment of risks and opportunities
- involvement of personnel and stakeholders
- improvement

Rai Way initially certified under ISO 9001:2015 in 2016 and during 2019 it renewed the certification with the following purpose: *“Provision of services for the design of systems and networks for broadcasting and transmission of radio and television signals. Provision of coordination and planning services for the routine maintenance of plants and networks for the transmission and broadcasting of radio and television signals. Provision of network infrastructure and services for telecommunications operators”*.

- 4. INNOVATION:** in the evolving scenario after the listing on the stock exchange, in response to the challenges of a constantly evolving and highly competitive market, innovation is a distinctive and systematic component of the corporate activity, which involves and feeds, in an ongoing process of research and development, the different sectors of the corporate organisation.

In line with the best market benchmarks, Rai Way pursues a capillary and multi-directional innovation strategy, involving, with a view to its broad application, the entire corporate activity, from technology and sales to management and organisational aspects (see also Chapter 2.5 – Company assets and innovation).

- 5. COMMITMENT TO THE COMMUNITY:** with a capillary presence across Italy, aware of its responsibilities not only in economic but also in social and environmental terms, Rai Way has strengthened over the years its commitment to the community, developing relations with different parties at the local level, also with a view to corporate social responsibility (see Chapter 4.1.1 – Relations with the community).

2.3 Rai Way's activity and reference market

GRI (102-6)

Compared to the other European countries, Italy is characterized by a much wider diffusion of the digital terrestrial television (DTT) platform. The solid positioning of DTT in Italian broadcasting is further supported by the absence of cable TV and the still embryonic presence of IPTV, due, among other things, to the limited presence of fast broadband networks capable of supporting the related services; concerning the DTT platform, it should be noted that the new DVB-T2 standard is expected to be adopted in Italy in 2022. Regarding the Italian radio market, programs are transmitted in both analogue and digital format (DAB - Digital Audio Broadcasting) and no expiry dates have been set for the switch-off of the analogue signal, in line with many other European countries.

Through the characteristics of its network, Rai Way offers tower rental services also in the context of the sector of telecommunications towers.

Its technological assets and specialist know-how are the key resources for the Company not only for its present service offering but also for the development of new activities.

The services that the Company provides can be divided into the following four types of activity:

- Broadcasting services, meaning services for the terrestrial and satellite transmission of television and radio signals, through the network infrastructure, to the ultimate end users within a geographical area;
- Transmission services, for the transmission of radio and television signals via the connecting network (radio links, satellite systems, fibre optic) and in particular, the provision of Contribution Services, meaning the one-way transport of video/audio/data (i) via analogue or digital circuits between fixed sites and (ii) via radio frequency (RF) signals from the satellite within a geographical area of a given width (coverage), and connected services;
- Tower Rental Services, meaning (a) the hosting of transmission equipment at broadcasting sites of radio, television, mobile telephony and telecommunications signals and (b) services for the management and maintenance of the transmission equipment hosted and (c) complementary and connected services;
- Network services, which consist of a vast range of heterogeneous services which the Company is able to provide in relation to electronic and telecommunications networks in general (for example, planning, construction, installation, maintenance and management activities as well as consultancy, monitoring and radio protection services).

The type of customer that comes to Rai Way for the above-mentioned services can be conventionally classified as: Broadcasters (network operators, national and local radio/television broadcasters, including also Rai), Telecommunications Operators (mostly mobile network operators) or Public Administration and Corporate Entities.

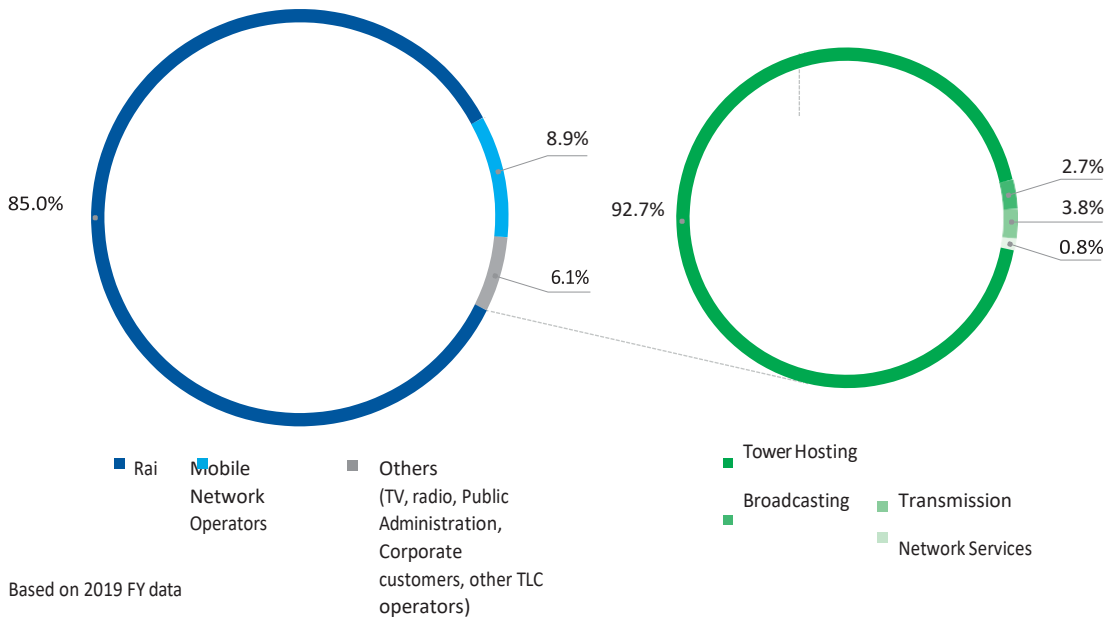
The table below compares the portfolio of the services provided to each of the three categories of customers. The services provided to Rai are shown separately with respect to those provided to other Broadcasters, in the light of the special activities carried out on behalf of Rai.

MATRIX OF SERVICES AND CUSTOMERS

		SERVIZI			
		Broadcasting services	Transmission services	Tower Rental services	Network services
CATEGORIES OF CUSTOMERS	Rai	●	●		
	Other Broadcasters	●	●	●	●
	TLC Operators		●	●	
	Public Administration and Corporate	●	●	●	●

At 31 December 2019, the business of Rai Way consisted for 85% of services to Rai. The MNOs that operate in the Italian market account for 8.9% of the revenue and the *Broadcasters* (television and radio), the public administration, the other TLC Operators and other *corporate* customers for the remaining 6.1% (see also Chapter 3 - Governance - Management of customer privacy and health and safety).

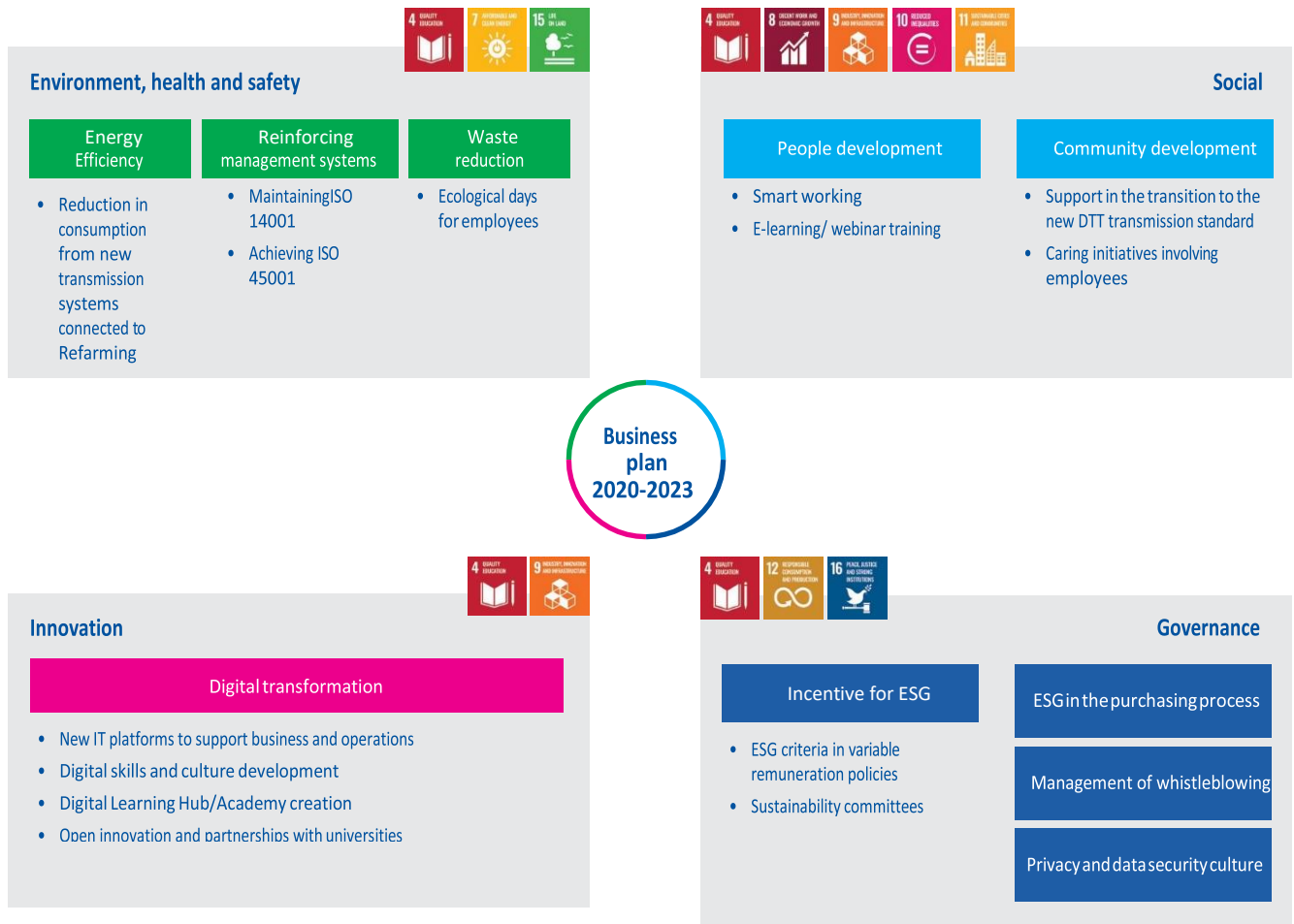
RAI WAY CUSTOMERS



For Rai Way, including sustainability objectives in its business processes is an essential element for pursuing sustainable performance over time. Therefore, the new business plan for the 2020-2023 period - which was approved by the Board of Directors on the same date as this document - includes for the first time a section dedicated to issues related to the ESG (Environmental, Social and Governance) pillars.

The chart below shows the main objectives for each of the relevant areas.

RAI WAY'S COMMITMENT TO SUSTAINABILITY: 2020-2023 ESG GOALS



2.4 The shareholders and the financial community

GRI (102-5)

As at 31 December 2019, approximately 64.97% of the share capital of Rai Way was held by Rai - Radiotelevisione Italiana Spa, while the rest was traded on the stock market.

RAI WAY'S SHARE CAPITAL



Rai Way is committed to ensuring an effective dialogue with its shareholders, institutional investors and the financial community in general (engagement), through its Investor Relations function. In 2019, the dialogue with the financial community was conducted through a multitude of communication tools and channels. The activity was characterized by the usual conference call to present the quarterly results, together with the final Shareholders' Meeting event which was attended by representatives of about 90% of the Company's share capital. In addition, engagement activities were further strengthened by several individual and group meetings and conference calls with investors and sell-side analysts, roadshows, the presentation of the Refarming agreement with Rai, and participation in the main institutional conferences organised by leading institutions in the industry, in Europe and in the United States.

In addition to this, the shareholder relations activity provided the ongoing updating of the Investor Relations section of the website, with detailed and complete information that also includes the interactive report of the annual corporate results (see also Chapter 4.1.3 - The communication activity).

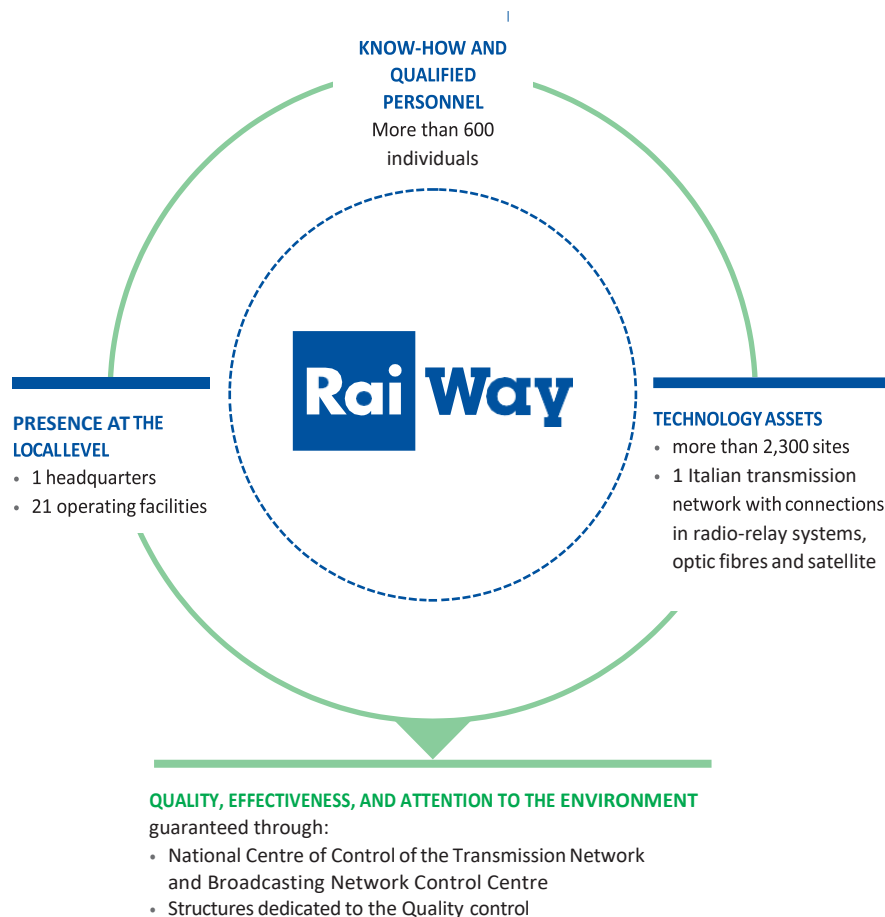
The outcomes of meetings and conference calls are monitored and the feedback received is analysed and evaluated in order to ensure an effective dialogue in line with the best standards in terms of usability, completeness and transparency.

2.5 Company assets

From the start of its activity in 2000, Rai Way operates in the sector of the transmission and broadcasting of radio and television signals. Today, it can rely on some assets that make it a reference point in the Italian market and abroad. Among these:

- know-how and qualified personnel, which represent a cluster of technical excellence, able to take on the challenges of the market and identify optimised solutions using the wealth of infrastructures of the company;
- widespread presence across Italy, with headquarters in Rome, 21 regional offices and more than 2,300 sites across Italy;
- network infrastructure, consisting of more than 2,300 sites dedicated to transmission and broadcasting, approximately 150 towers over 50 meters tall, and a transmission network spread throughout the national territory, integrating different technologies like radio, satellite and fibre optic links.

CORPORATE ASSETS AND THE CONTROL OF QUALITY AND EFFECTIVENESS



The reference market in which Rai Way operates is characterized by constant changes in the technology used for the transmission and broadcasting of television and radio signals, which requires:

- to develop the skills required for rapidly and fully understanding the needs of its customers, in order to develop its service offer on a timely basis with the aim of establishing a reputation on the market as a full-service provider;
- to maintain the proper operating condition of its infrastructure, which requires substantial amounts of capital and long-term investment, included that related to the technological renewal, optimization or improvement of its existing Network;
- to train its personnel on an ongoing basis.

Rai Way, therefore, leverages its technology assets and wealth of knowledge through a constant process of investment, innovation and training, through which it remains constantly projected towards the future of the technologies of the sector.

From the very beginning, Rai Way has adopted and developed innovations in the field of the technologies and services to maintain and improve its quality standards, traditionally already high, leverage its assets, increase the skills of its technicians and engineers and make more efficient the management of the processes.

2.6 Innovation and research

Rai Way's innovation and research activity, historically focused mainly on the media and broadcasting sector, has for some years now been extended to other sectors of the telecommunications world, also driven by the advent of "disruptive technologies", which tend to deeply innovate and merge previously distinct market sectors, generating new risks to be faced and opportunities to be seized. For this purpose, in order to make the approach to innovation more structured, pervasive and effective, the Company has set up a special department dedicated to innovation and research, to prepare the company for change in the medium-long term, acquire technological skills and foster new ideas in innovative projects, in order to develop new services and business skills, processes, organisational and business models with which to ensure a competitive advantage for the company to more effectively address the new challenges of coming years.

In particular, a process was started to create an eco-system, both inside and outside the company, functional to the innovation, channelling the internal creativity and making possible the dissemination of new ideas and skills. With reference to the external eco-system, we have gradually created a network involving:

- companies focused on innovation, with which we share experiences and skills that may lead to strategic agreements or partnership;
- start-ups, which may become suppliers of solutions or partners in specific projects, to which we have access directly or through university research centres, venture capital companies, consortia, other companies that manage start-up incubators and accelerators;
- research entities, agencies, consulting companies, which may provide support when testing new technologies and be partner when competing for Italian and international research contract;

- universities active in the research of innovative services and technologies;
- vendors, which may share an interest for specific technologies and the resulting experimental development, taking a share of risks and benefits.

Concerning the most significant initiatives of 2019, within the TIM, Fastweb and Huawei association, the activities supervised by the Ministry of Economic Development (MISE) for the experimentation of 5G technology in the 3.7-3.8 GHz band in the areas of Bari and Matera continued, consisting in the development and final presentation to the MISE of some use cases such as television contribution and crane monitoring and control services at the port of Bari using the 5G network and other innovative technologies such as 360° video shooting and playback systems, Virtual/Augmented reality systems, image recognition systems through “artificial intelligence”, in order to provide a concrete contribution to the development of the demand for innovative digital services.

In 2019, Rai Way also launched a Proof of Concept in order to test various types of digital services (video contribution, IoT) using virtualised core networks with “network slicing” functions that provide accessibility, capacity and availability requirements on a mobile network.

In the context of the scenario of a future logistics and radio infrastructure for BVLoS (Beyond Visual Line of Sight) or out-of-sight drones flying on Rai Way broadcasting sites, the Company also continued the development of testing activities in the field, together with leading operators in the industry, in order to analyse innovative technologies and services in this area, starting with VTOL (Vertical Take-Off and Landing) drones with long flight ranges and innovative high-performance terrestrial radio technology for command and control of out- of-sight drones.

3. Governance and procedures

3.1 Governance and the organisational structure of Rai Way

GRI (102-18) (102-22) (102-24)

The Corporate Governance System regulating the management and control of the Company, in place in 2019, is based on the so-called traditional management system, in line with what already reported for 2018. In such system, the Board of Directors is the management body, while the Board of Statutory Auditors is responsible for the control function. This is also consistent with the provisions of the Corporate Governance Code for listed companies (July 2018 edition) adopted by the Company (“Corporate Governance Code”) and with principles recognised as best practice. The system includes the controls aimed at managing the conflicts of interest, increasing the efficiency and effectiveness of the internal controls and ensuring transparency to the market.

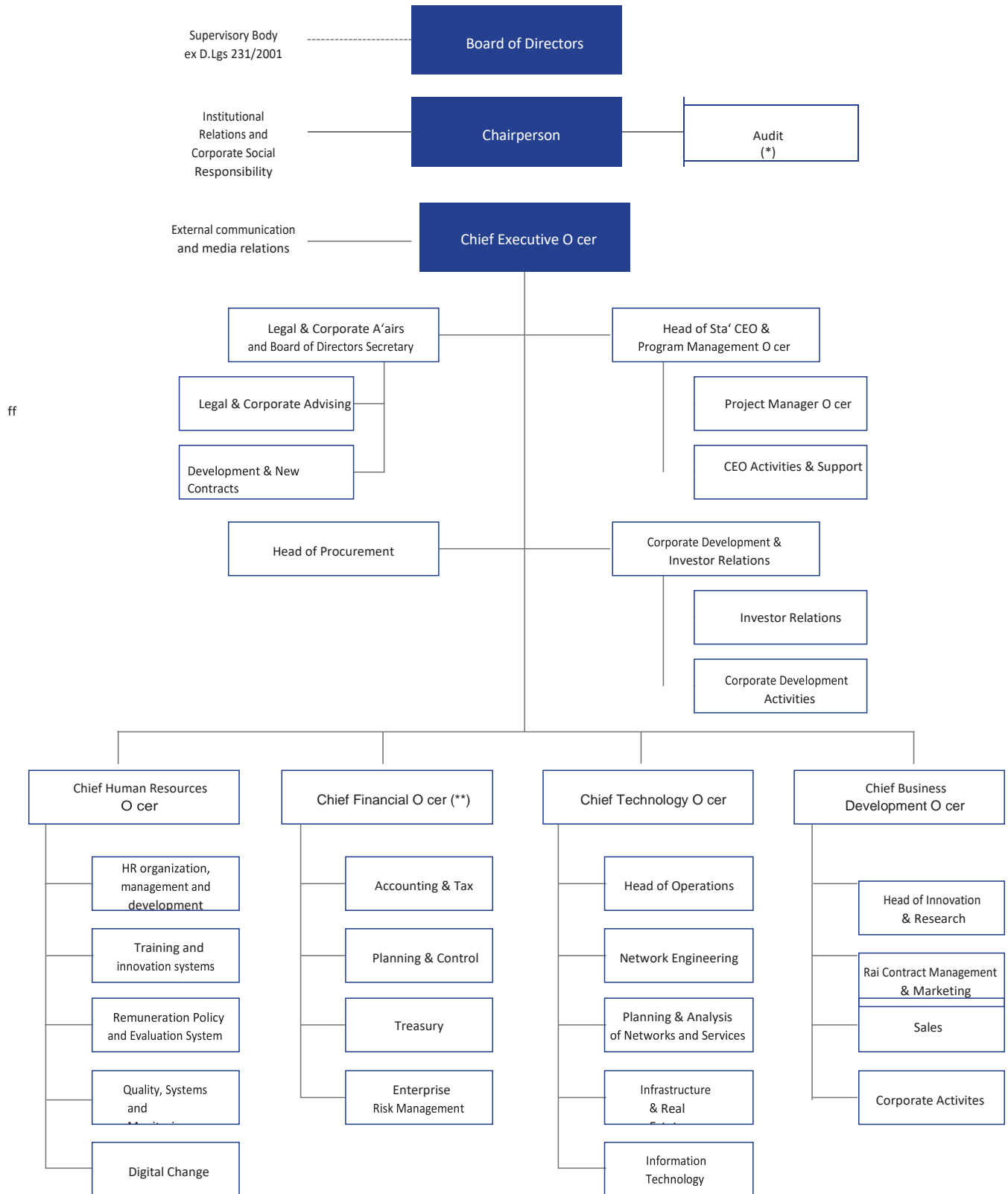
The corporate bodies are the Shareholders’ Meeting, the Board of Directors and the Board of Statutory Auditors. The powers and the operating methods of the corporate bodies are regulated by laws and By-laws, as well as by the internal procedural provisions approved, in compliance with the former, by the corporate bodies within their areas of competence.

With reference to the Corporate Governance System of Rai Way, and the appointment/integration, composition and operation of the corporate bodies, without prejudice to what will be said in the rest of this chapter, we refer to the more detailed description provided in the Corporate Governance and Ownership Structure Report for 2019 (www.raiway.it, in the section Corporate Governance/ Shareholders’ Meeting/Meetings/Ordinary Shareholders’ Meeting - 2020).

3.1.1 Organisational Structure

The organisational structure of Rai Way – aimed at maximising the efficiency of management and creating more value for all Shareholders – is shown in the chart below.

ORGANISATION CHART AS AT 31 DECEMBER 2019



(*) The Manager in charge of «Audit» is Referent for Anti-Corruption Measures.

(**) Also acting as Manager in charge of preparing the corporate accounting documents pursuant to article 154-2 of the Consolidated Finance Act.

3.12 Shareholders' Meeting

The Shareholders' Meeting is the body that expresses in its resolutions the will of the Company. It operates according to the provisions of laws and By-laws as well as to the Meeting Regulations (www.raiway.it in the section Corporate Governance/Shareholder's Meeting).

The Shareholders' Meeting deliberates, in ordinary and extraordinary sessions, on matters assigned to it in accordance with the law and the By-laws.

In 2019, the Shareholders' Meeting met once, in ordinary session (see also Chapter 2 – Rai Way: The shareholders and the financial community), with approximately 90.06% of the share capital attending. During the Shareholders' Meeting, the Board of Directors, through the Chief Executive Officer, reported on the performance of the previous year and on the financial statements submitted to the approval of the Shareholders' Meeting.

3.13 Board of Directors

GRI (102-35) (102-36)

The Board of Directors has a central role in the governance system.

The Board of Directors has all powers of management of the Company and the right to carry out all actions considered necessary or advisable to implement the corporate purpose, with the sole exception of those actions that the By-laws reserve to the Shareholders' Meeting.

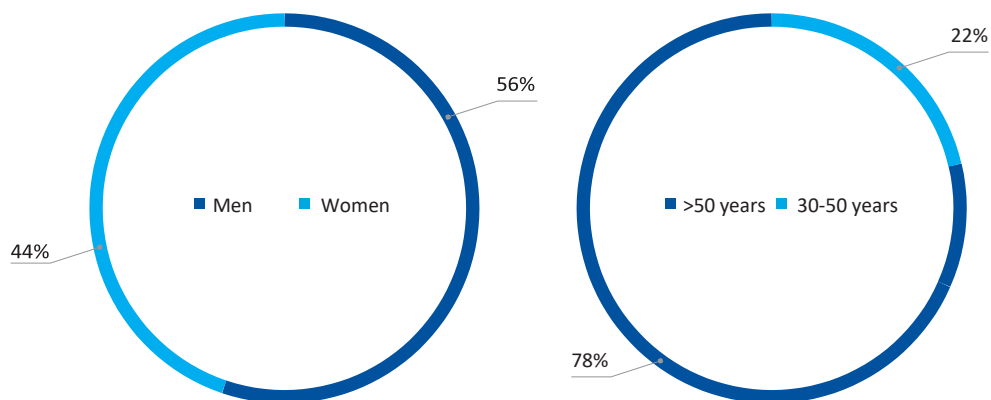
According to the By-laws, the Board of Directors must have no less than 5 and no more than 11 members: these must meet the requirements in terms of professional expertise, integrity and independence in accordance with the By-laws, and also with the law, stay in office up to three years and may be re-elected. The ordinary session of the Shareholders' Meeting determines the number of Directors and the term of office within the aforementioned limits; the term of office expires on the date of the Shareholders' Meeting called to approve the financial statements relating to the last year of their appointment.

The Board is appointed by the Shareholders' Meeting, based on lists presented by the Shareholders that, alone or with others, hold Rai Way shares representative of at least 2.5% of the share capital with voting rights or of the lower percentage specified by the applicable legal and regulatory provisions (currently 1%, as already at the date of approval of the 2018 Non-financial Disclosure). The composition of the Board must ensure gender balance at least to the minimum extent required by the applicable laws and regulations (that is, according to the regulations applicable to the Board in office, at least one-third of the members must belong to the less represented gender). It must also ensure the presence of an appropriate number of Independent Directors pursuant to the Corporate Governance Code and at least the minimum number of Independent Directors according to the applicable laws. If a Director leaves for any reason and new members must be added, the Board of Directors and the Shareholders' Meeting must ensure compliance with the independence and gender balance requirements set out in the applicable laws and regulations.

The Board of Directors, appointed at the Shareholders' Meeting held on 28 April 2017 for three years and therefore until the Shareholders' Meeting called to approve the 2019 Financial Statements – and in office for the entire 2019 financial period (as at the date of this document) except as regards the Chairperson of the Board of Directors, Mario Orfeo, appointed by the Shareholders' Meeting held on 18 April 2019 to replace Raffaele Agrusti, who resigned with effect from the Shareholders' Meeting (and in office at the date of this document) – complies with the legal and regulatory provisions on gender balance, and has six Independent Directors out of a total of nine members.

COMPOSITION OF THE BOARD OF DIRECTORS AS AT 31/12/2019,
BY GENDER AND AGE, AND PRESENCE OF INDEPENDENT DIRECTORS

Last Name	First Name	Position
ORFEO	Mario	Chairperson of the Board of Directors
MANCINO	Aldo	Chief Executive Officer
BIGIO	Joyce	Director (Independent) Member of the Remuneration and Appointments Committee
COLASANTI	Fabio	Director (Independent) Member of the Control and Risks Committee
GATTI	Anna	Director (Independent) Chairperson of the Remuneration and Appointments Committee
MOSETTI	Umberto	Director (Independent) Member of the Control and Risks Committee
SCIUTO	Donatella	Director (Independent) Member of the Remuneration and Appointments Committee
TAGLIAVIA	Gian Paolo	Director
TAGLIAVINI	Paola	Director (Independent) Chairperson of the Control and Risks Committee



In view of the renewal of the Board of Directors at the meeting to approve the 2019 financial statements, the Board, taking into account the results of the self-assessment on the size, composition and operation of the Board and Board Committees carried out pursuant to the Corporate Governance Code, has provided to the Shareholders, as recommended by the Code, [after hearing the opinion of the Remuneration and Appointments Committee], its own guidelines on the size of the Board and the appropriate managerial and professional profiles of Board members. It should be noted that, in accordance with the legislation on gender balance in force at the date of this document and again on the basis of the By-laws, at the time of the aforesaid renewal of the Board of Directors a quota equal to at least two fifths of the directors must be reserved for the least represented gender.

In 2019, the Board of Directors carried out the planned annual self-assessment process, also with reference to its own size and composition, and confirmed that in its current composition, it is in line with its previous recommendation and deemed overall appropriate.

The Board of Directors has created from among its members the **Control and Risks Committee**, which also carries out the functions of Related Party Committee, and the **Remuneration and Appointments Committee**. In this regard, we note that, to simplify and make more efficient the governance structure, in compliance with the Corporate Governance Code, Rai Way has decided to gather in one single committee the functions of the Appointments Committee and the Remuneration Committee. The composition, skills and operation of the Committees are regulated by provisions specified by the Board of Directors.

The Control and Risks Committee consists entirely of non-executive and independent Directors. It supports the Board of Directors, with functions of investigation, advice and proposal, on issues related to the internal control system and risk management policies as well as transactions with related parties as provided for in the related party procedure.

The Control and Risks Committee in office in 2019 included:

First Name	Last Name	Position
Paola	Tagliavini	Chairperson
Fabio	Colasanti	
Donatella	Sciuto	

The Remuneration and Appointments Committee consists entirely of non-executive and independent Directors. It supports the Board of Directors, with functions of investigation, advice and proposal, in the definition of general policies for the appointment and remuneration of the Directors and top management. The Remuneration and Appointments Committee in office in 2019 included:

First Name	Last Name	Position
Anna	Gatti	Chairperson
Joyce Victoria	Bigio	
Umberto	Mosetti	

3.14 Board of Statutory Auditors

The Board of Statutory Auditors is the supervisory body of Rai Way. It includes three standing auditors and two substitute auditors.

Under the applicable provisions of laws and By-laws, the Board of Statutory Auditors is elected by the Shareholders' Meeting, based on lists presented by the Shareholders that, alone or with others, hold shares with voting rights representing at least the share capital percentage set by the applicable laws and regulations (currently equal to 1% of the share capital, as it also was at the date of approval of the 2018 Non-financial Disclosure).

Each list includes candidates for the position of standing Auditor and candidates for the position of substitute Auditor and must present a number of candidates from the less represented gender sufficient to ensure compliance with gender balance rules, at least to the minimum extent required by the legal and regulatory provisions in force (currently at least one-third of standing and substitute members). Two standing Auditors and one substitute Auditor are taken from the list that obtained the highest number of the votes, in the progressive order with which they appear in the list, while the remaining standing Auditor (which takes the position of Chairperson) and the remaining substitute Auditor are taken from the list that obtained the second highest number of votes.

If a Statutory Auditor leaves for any reason, the Board of Statutory Auditors is integrated pursuant to the applicable provisions of laws and By-laws, in compliance, among other things, with the principle of gender balance.

All Statutory Auditors must meet the eligibility, professional competence, integrity, and independence requirements specified by the Corporate Governance Code, as well as by law.

During the 2019 financial year (as at the date of this document), the Board of Statutory Auditors – appointed at the Shareholders' Meeting held on 23 April 2018 and until the Shareholders' Meeting held to approve the 2020 financial statements – remained in office:

First Name	Last Name	Position
Silvia	Muzi	Chairperson
Maria Giovanna	Basile	Standing Auditor
Massimo	Porfiri	Standing Auditor
Nicoletta	Mazzitelli	Substitute Auditor
Paolo	Siniscalco	Substitute Auditor

The composition of the Board of Statutory Auditors is consistent with the applicable legal and regulatory provisions on gender balance, having one standing Auditor and one substitute Auditor taken from the less represented gender.

3.2 The internal control and risk management system

GRI (102-11) (102-12) (102-15)

The Company has adopted, also in line with the relevant provisions of the Corporate Governance Code, an internal control and risk management system.

The Internal Control and Risk Management System (ICRMS) of Rai Way consists of the tools, business rules and regulations - that the Company has adopted and is further developing. The objective of these instruments is to ensure that management of the company is sound, correct, transparent and consistent with the corporate objectives set by the Board of Directors, through an appropriate process of identification, measurement, management and monitoring of the main risk categories. Rai Way considers in its assessments all risks that may become relevant for the sustainability of the activity in the medium-long period. The ICRMS of Rai Way is integral to the organisational and corporate governance framework, as it is to key element of the entire corporate governance system and plays a central role in the organisation. The planning, implementation and maintenance of the ICRMS, as well as its periodic assessment, are based on the principles of the Corporate Governance Code and best practices, complying with the *CoSO Report Integrated Framework of 2013 (Committee of Sponsoring Organisations of the Treadway Commission, Internal Control, Integrated Framework)*, which represents the internationally accepted framework for integrated functioning, analysis and assessment of the ICRMS.

The implementation of an effective and efficient ICRMS promotes an informed decision-making process. It also contributes to ensuring the protection of corporate assets, the efficiency and effectiveness of corporate processes, the reliability of financial information, and compliance with laws and regulations, by-laws, including internal rules. Therefore, the corporate compliance models, structured and organised in accordance with applicable statutory provisions, are an integral part of the ICRMS.

321 Main risks to which Rai Way believes to be exposed

GRI (102-12) (102-15)

To monitor the performance and the risks to which the Company is exposed, Rai Way monitors regularly some Key Performance Indicators ("KPIs") and the risk factors originally identified in 2014 at the time of the listing and subsequently updated. At the end of 2017, Rai Way also created an Enterprise Risk Management (ERM) Area, reporting to the Chief Financial Officer, conferring to the pre-existing Risk Management department a cross-function significance in the corporate risk management.

The Company implemented an ERM system, taking as reference the risk mapping carried out in 2014 while drafting the prospectus for the public sale offer and its subsequent updates, preparing a risk assessment analysis with the corporate management and identifying possible mitigation mechanisms, if not already in place. Rai Way carried out these activities in compliance with the guidelines issued by international bodies and with the best practice of other companies to ensure greater transparency and information on the business risks and to respond effectively to the regulatory measures that require companies to acquire appropriate governance models.

The main risks to which Rai Way believes to be exposed at the time of preparation of this document are listed below, grouped by relevant issues (Governance, Environment, Social) in accordance with Legislative Decree no. 254/2016.

Concerning the remaining aspects, related to these issues but not specific to the business sector in which Rai Way operates, the Company implements all the actions required to ensure compliance with applicable laws and regulations, to avoid, as much as possible, penalties and/or reputational damage (for example update of the internal customer privacy management system, in compliance with the provisions of EU Regulation No. 2016/679).

Governance

Compliance risk concerning corporate governance

The Company is exposed to the risk of non-compliance with the laws and regulations on Administrative Liability of Entities (Legislative Decree no. 231/2001), including the risk of corruption. The organisational, management and control model pursuant to Legislative Decree no. 231/01 and the Anti-Corruption Policy (“Policy”) – approved by the Board of Directors on 28 January 2019 with effect from the following 31 January 2019 (replacing the previously adopted Plan) and in force for the remainder of the year (as at the date of this document) – detail the areas of application relevant to Rai Way, the risks associated with them and the measures to manage such risks.

In particular, the Anti-Corruption Policy specifies the possible risks of corruption potentially applicable in Rai Way, for each of the sensitive areas/activities. Concerning compliance issues, we also note the risk of violations of internal regulations (failure to comply with the Code of Ethics, breach of policies/procedures/powers and delegations granted) and/or unlawful conduct to the detriment of Rai Way.

The Company is also exposed to compliance risk concerning the General Data Protection Regulation (EU Regulation 2016/679): in this context, we note that, in 2019, monitoring and development of the internal privacy management system the development compliance with the provisions of the afore-mentioned EU Regulation continued.

Lastly, there is compliance risk concerning Market Abuse. The company monitors this risk by adopting a Code of Conduct on internal dealing which governs, in compliance with the legal and regulatory provisions in force, the management, processing and dissemination of the information related to transactions on financial instruments issued by Rai Way, or other financial instruments linked to them, carried out by “relevant parties” (the so-called “insiders”) and persons closely associated with them. For the dissemination of Regulated Information, Rai Way S.p.A. makes use of the circuit 1INFO-SDIR. The Company has also defined a procedure for the management of inside information, which includes the creation of a register of persons with access to inside information.

Environment

Risks related to environmental protection and electromagnetic radiation

Any breaches of the applicable environmental rules could have negative effects on the Company’s economic and financial position.

Rai Way is subject to wide-ranging regulation at both national and EU level on the protection of the environment and health that, inter alia, establishes limits of exposure to electromagnetic fields, making it obligatory to adopt suitable measures to deal with the harmful effects that could result to the health of the public and the workers from said exposure. Compliance with the law, however, represents one of the conditions for obtaining and maintaining the licenses and permits to install equipment that emits electromagnetism.

Although the Company strives to comply at all times with the relevant laws and regulations, as also proved by the certifications ISO 14001:2015 and OHSAS 18001:2007, violations of these laws and regulations could expose the Company to relevant costs, which have not been budgeted and also result in fines being imposed and damage claims being filed by third parties. Violations of the applicable laws and regulations could also involve restrictions on the activity of Rai Way, due to the temporary inactivation of the equipment, transfer of the sites or restrictions of various kinds to its activity.

In addition, if the public perception of health risks from exposure to electro-magnetic radiations were to increase, the activity of the Company, even if carried out in compliance with applicable laws and regulations, could be restricted as a result of measures adopted by the relevant authorities, which would result in higher costs to ensure the compliance of the network with the changes demanded. The occurrence of the risks described above could, therefore, have a negative effect on the activity and on the economic and financial situation of the company.

The activities of the Rai Way customers operating at its transmitting sites are also subject to articulated regulations at the Italian and EU level, with particular reference to those aimed at protecting individuals and the environment from exposure to electro-magnetic fields. The failure by the Rai Way customers to comply with the requirements of the relevant authorities could have an indirect impact on the activity of Rai Way.

This includes the interruption of the activity of transmission with negative effects on the Company's revenues and, as a consequence, on its economic and financial situation.

We refer to Paragraph. 4.2 for more information.

Social

Risks related to the health and safety of employees

The main risks to which some Rai Way employees are exposed are related to activities carried out at the transmitting sites and in particular:

- to the "mast climbing", that is, personnel climbing over the pylons or towers that represent the infrastructure for broadcasting and transmission masts for inspection, maintenance or installation purposes;
- to the exposure to electro-magnetic fields (NIR);
- work in the presence of electrical risk;
- environmental risks;
- to the travel by corporate vehicles to the transmitting sites, in the context of ordinary system maintenance activities.

The OHSAS 18001:2007 certification obtained by Rai Way and the corporate policies adopted in this area are mitigation instruments that the Company believes to be effective.

Risks related to personnel management

The company believes that it can rely on management and technical personnel with proven, extensive experience.

The results achieved by Rai Way depend also on the contribution of some employees who hold important positions within the Company: these have significant experience in the reference sector and, in some cases, have had a key role in its development.

Concerning personnel management, there is risk arising from the loss of key personnel and/or critical skills. In fact, the activity of the Company depends also on the ability of attracting, retaining and internally increasing qualified personnel, specialised in the technologies related to the transmission of radio and television signals. Although Rai Way pays significant attention to the training and professional growth of its personnel to develop internally the skills necessary to each corporate function, if the relation between the Company and the management, or specialised technical personnel, is terminated for any reason, there are no guarantees that the Company will be able to replace these employees with equally qualified ones or that the new employee will be able to give the same professional contribution in the short term. This could affect the ability of the Company to fulfill the agreements of which it is a party and have negative effects on its activities and its economic and financial situation.

Other risks arising from personnel management refer to potential difficulties of attracting new talents, being understood that the corporate policy provides for the signing of appropriate contractual forms and programs have been launched to encourage early retirement for an organic generational change. It is also possible that the skills of the human resources available may not be in line with expectations: the Company mitigates this category of risk through an intense training activity as described in Paragraph 4.3.3.

Risks related to industrial relations

Although Rai Way has normal relations with the trade union representatives, regulated by the set of rules on the issue, there is, even if minimal, a risk of strikes as typical consequence of actions adopted by the Company for the reorganisation of the work or for other cause.

Strikes, interruptions of the working activity or other forms of trade union action, even if carried out in compliance with the applicable legal and regulatory provisions, or any deterioration of the relations with the employees, causing an interruption of the activity, could affect the service offered to the customers and have negative effects on the activity and the economic and financial position of Rai Way.

Risks related to employee discrimination and human right violation

The risk of discrimination of the employees based on distinctions of age, gender, sexual orientation, race, language, religion, nationality, political opinions and trade union affiliations, personal and social conditions is mitigated by the obligation to comply with Code of Ethics, as well as by the existence of a Rai Way Equal Opportunity Committee created in application of the Collective Labour Agreement of the Rai Group and current Italian and EU laws and regulations.

The risk of human right violations at the expenses of employees or contractors by natural or legal parties that have with Rai Way business relations as suppliers, customers, or other parties is mitigated, within the area of competence of Rai Way, by the request to present documents to prove that these rights have been respected.

An example of this is the Certification of Social Security Contributions that Rai Way asks its suppliers to provide before issuing authorisation to the payment for the services provided/goods supplied.

322 Model 231 and anti-corruption monitoring GRI (205-1) (205-2) (205-3)

Rai Way has adopted a Management and Control Model pursuant to Legislative Decree no. 231/01 and a Code of Ethics, which is an integral part of said Model. The **Code of Ethics** contains the principles of ethics and conduct that are to underlie the work of those who operate or otherwise interact with Rai Way on an ongoing or temporary basis, taking account of their respective roles, the complexity of their functions, and the responsibilities assigned in order to pursue the goals of the Company. The principles contained in the Code of Ethics supplement the rules that the Company and those who work within or with the organisation are required to follow as defined by applicable laws and regulations. In view of the provisions carried in the original formulation of Law no. 190/2012, the Board of Directors of Rai Way has adopted in January 2015 a Three-year Corruption Prevention Plan inspired by the National Anti-corruption Plan principles, as far as this is applicable to the Company. As a result of subsequent changes in laws and regulations and the indications of the Guidelines issued by A.N.A.C. (in particular with reference to public listed companies), Rai Way, even in the absence of a specific regulatory obligation and, therefore, on a voluntary basis, has updated this Plan once a year (until the last update of the Board of Directors of Rai Way on 31 January 2018). As indicated above, on 28 January 2019 the Board of Directors approved, instead of updating the Plan and effective from 31 January 2019, an Anti-Corruption Policy – which remained in force for the remaining part of the 2019 financial year as at the date of this document – that contains measures in addition to its Organisation, Management and Control Model pursuant to Legislative Decree no. 231/2001 in relation to the matters covered by Law no. 190/2012. The Anti-corruption Policy adopts an approach of fundamental continuity with the Plan, increasing integration with the other instruments adopted by the Company (Model Legislative Decree no. 231/2001, Code of Ethics). It provides, in particular, for a direct involvement of the Supervisory Board pursuant to Legislative Decree no. 231/2001 and maintains in any case an internal organisational control by creating a corresponding corporate contact point. In continuity with the Plan, this contact point was identified in the Head of the Audit function, who, with the coordination of the Supervisory Board, pursuant to Legislative Decree no. 231/2001, verifies the suitability and actual application of the anti-corruption measures (since 2015 to 2018, the Head of Audit has also been in charge of the prevention of corruption).

The measures to prevent corruption adopted by the Company, most recently with the aforementioned Anti-corruption Policy, specify an internal system for the control and prevention of the risk of corruption, integrated with the other “control governance” tools (Code of Ethics, Model 231), introducing additional measures or strengthening the existing ones, with a coordinated action for a more effective fight against corruption and illegality.

The Model 231, as well as the above mentioned documents on the prevention of corruption, were presented to the members of the Board of Directors for their approval at the first time and for any update of the same, again in the presence of the members of the Board of Statutory Auditors (for Model 231, also when a new edition was approved in January 2020, as specified below). These documents were circulated among the employees of the Company by making them available on the corporate intranet.

In 2018, a classroom-based training initiative was organised for Rai Way executives and managers in charge of 231 and anti-corruption issues. The training was focused on the information and reporting flows concerning the corporate

activities carried out in the context of the areas of risk also with a view to increase their integration. In addition, at the end of 2019, an e-learning course on the principles of the Code of Ethics and the Anti-corruption Policy was launched for all Rai Way personnel.

The communication of the Code of Ethics, the Model 231 and the anti-corruption measures to Rai Way suppliers, business partner and contractors is ensured by adding to the purchase, sale and consulting/co-operation agreements specific safeguard clauses which require the counterparties to state that they have reviewed these documents on the Rai Way website and have complied with them during the execution of the agreements. Compliance with these clauses is a contractual obligation pursuant to Art. 1456 of the Italian Civil Code. In 2019, there were no instances of corruption established or confirmed nor pending disputes or criminal proceedings concluded based on corruption offences involving the Company, its management or employees.

Organisation Model pursuant to Legislative Decree no. 231/2001

Rai Way adopts an Organisation, Management and Control Model pursuant to Legislative Decree 231/2001, which was approved by the Board of Directors in 2006 and updated over time according to the new provisions and the evolution of the organisation, and lastly, following an update and review developed in the second half of 2019, in January 2020

Rai Way's Model 231 conforms to:

- the indications in Legislative Decree no. 231/2001;
- the *"Guidelines for the Construction of Organisation, Management and Control Models pursuant to Legislative Decree no. 231/2001"* of Confindustria, and, in particular, to the components of a prevention system;
- the Code of Ethics adopted by Rai Way;
- its Corporate Governance model as well as to principles, also as a result of it belonging to the Rai Group, which the Company has decided to implement.

The recipients of the Model 231 are all those who:

- have representation, administration or management functions in the Company or one of its organisational units or staff area, or else who, without having a formal investiture, exercise, formally or de facto, the management and control thereof;
- are subject to the management or supervision of one of the parties mentioned above (all other Company employees operating in the organisational units or staff area);
- without being part of Rai Way, work to achieve the purposes and objectives of the Company (external associates, customers/suppliers, partners, etc.).

Rai Way's Model 231 sets organisational, technical and management measures, through the definition of specific protocols and organisational procedures, for all corporate areas exposed to the risk of committing the offences specified by the Decree.

As specified above, during 2019, an analysis project was launched and developed with a view to revising and updating the Model 231 in relation to both the relevant provisions that have taken place at the regulatory level and the Company's organisational structure, as well as in relation to the structuring and representation of the envisaged provisions related to company processes at risk (therefore indicating, in particular, with regard to each of them, elements and control measures designed to prevent the relevant crimes), which led to the approval of a new edition of the Model 231 in January 2020. More- over, in the first part of the 2020 financial year, analyses were started, aimed at mapping the relevant risks and possible specific management measures, in order to prepare a further update of the Model with regard to the types of offences that have become part of the scope of application of Legislative Decree no. 231/2001, on the basis of new regulatory interventions, in the last part of 2019.

The Supervisory Board of Rai Way, appointed by the Board of Directors, monitors the effectiveness, compliance and need for update of the Model. The Supervisory Board reports constantly on the results of its activity through regular reports (excluding emergencies) to the Board of Directors and the Board of Statutory Auditors. The Supervisory Body in office for the entire 2019 financial year, as at the date of this document, is constituted as follows:

First Name	Last Name	Position
Alberto	de Nigro	Chairperson, external member
Maria Giovanna	Basile	Standing Auditor of the Company
Angela	Pace	Head of the Audit Function of the Company

3.3 Management of privacy, health and safety of our customers

GRI (418-1) (416-1) (416-2)

The Rai Way policy on the protection of the privacy by the company and third parties customers complies with the applicable legal provisions, notably Regulation (EU) 2016/679 and Legislative Decree no. 193/2006 as amended by Legislative Decree no. 101/2018, both in terms of organisation and of compliance with safety measures. In particular, besides the appointment of some external data processors, the internal organisational system provides for the appointment by the Data Controller (confirmed to be the Chief Executive Officer, after an alignment of the corresponding delegated powers carried out during the year due to new relevant provisions) of the so called Designated individuals, which are provided with detailed operational instructions and recommendations for the compliance with laws and regulations and are required to regularly update the section of the processing log that refer to their own corporate unit.

During 2019, Rai Way further developed activities, already started in 2018, related to the continuous monitoring and updating of corporate processes in compliance with the provisions of Regulation (EU) 2016/679 and in general with the provisions on the protection of personal data, recalling the presence in this regard of a permanent Working Group established in 2018.

In particular, and inter alia without prejudice to the existence of relevant procedures for the protection of personal data, the following has been done:

- design and implementation of a training programme on the processing of personal data addressed to all Privacy designated subjects and to all subjects authorised thereby;
- update of the Register of Processing operations with resulting revision and updating of the Privacy Instructions to be provided to all subjects authorised to process the data.

In 2019, in line with the previous year, no complaints were made concerning the violation of customer privacy and the loss of personal data.

In terms of health and safety of the customers, given the nature of the services provided by Rai Way, there were no cases of non-compliance with voluntary regulations and codes concerning health and safety impacts of the services during their lifecycle, in line with what was already reported for the previous year.

3.4 Management of information with reference to “Market Abuse”

The Board of Directors has approved special provisions and procedures, also in force during 2019, to put in place the necessary organisational controls for the management of confidential and inside information and the maintenance of the register of the persons with access to inside information.

The objective of these provisions is, in particular, to take into account the legal and regulatory provisions on “market abuse” and to ensure that inside information is handled promptly, completely and appropriately, without causing information asymmetries among the public. More specifically, the disclosure of inside information according to the rules laid down in the Code helps protecting the market and investors by making sure these have sufficient knowledge of Rai Way’s relevant facts on which to base their investment decisions. The Code also aims to prevent certain persons or categories of persons from using inside information not already disclosed to the public to carry out speculative transactions on the markets to the detriment of investors, who are not privy to such information.

Pursuant to these regulations, the Company has also adopted a procedure (“Code of Conduct on internal dealing”) concerning the obligations deriving to members of the corporate bodies and key management personnel (“relevant parties”), as well as to the individuals “closely related” to them, in connection to the execution of transactions on shares or other financial instruments issued by the Company or related to this, with the purpose, in particular, of ensuring transparency of the information provided to the market. During the 2019 financial year, the aforementioned Code of Conduct already approved by the Board of Directors and last updated during the 2018 financial year, remained in force.

4. Rai Way's commitment to sustainability

4.1 The commitment of Rai Way towards the territory

GRI (102-7)

Rai Way operates over the whole national territory, with an articulated, extended and complex network, that to date, covers more than 99% of the population. It can provide services on terrestrial and satellite platforms, using both analogue technology and digital technology that allows for the contemporary distribution and broadcast of different content in different areas of the territory, fitting the necessary capacity to customer requirements.

The widespread presence in the territory is therefore an element that strongly characterises Rai Way.

As noted in paragraph 2.1, Rai Way now has:

- over 600 employees in all the Italian regions;
- over 2,300 sites in the territory;
- large sites in strategic positions;
- a wide reach at the level of rural areas;
- 1 general headquarters in Rome, 21 territorial branches and 2 control centres in Milan and Rome.

This widespread presence puts Rai Way at the centre of a network of relations with various national and local stakeholders such as territorial entities and institutions, local suppliers and companies, schools, citizens and the environment in the broad sense, with whom various types of dialogue, conversation and mutual growth have developed and consolidated over the years.

4.1.1 Relations with the community

GRI (413-1)

Given the widespread presence in the territory, and aware of its responsibility in economic, social and environmental terms, Rai Way has strengthened relations with the various players in the territory over the years, including in terms of corporate social responsibility. More specifically:

- it has consolidated relations with schools and universities to encourage young people to approach the world of work, and support growth through the school-work training programme and internships with the Company;
- it supported international events in order to promote the talent and employment of women as well as the activities of some non-profit associations in order to contribute to the promotion of social issues recognised as particularly relevant.

SCHOOLS AND UNIVERSITIES	THIRD SECTOR
<ul style="list-style-type: none"> • School - Work and Summer JOB experience and Summer CAMP • Curricular and extra-curricular internships • Agreements with the University network 	<ul style="list-style-type: none"> • Relations with the Caritas Roma charity for charitable projects

4.12 Sustainable procurement of supplies and procedures open to public scrutiny
GRI (102-9) (407-1)

The Rai Way purchase processes are aimed at meeting the requirements of the company in accordance with affordability, quality and efficiency, favouring contractual relations with economic operators who fulfill morality and reliability requirements pursuant to prevailing laws and internal instructions.

In 2019, the Company - in accordance with its nature as a listed company subject to special laws that apply to public companies who issue shares and operate on regulated markets under article 1, paragraph 5 and article 2, paragraph 1, letter p) of Legislative Decree no. 175/2016, and considering its qualification as a private contracting entity pursuant to article 3, paragraph 1, letter g) of the Public Contracts Code pursuant to Legislative Decree no. 50/2016, relating to Rai Way in the single register of contracting stations (Ausa) managed by ANAC - confirmed its determination, as a matter of principal, to apply the public scrutiny provisions pursuant to articles 4 and 15 of the above-mentioned Code, with reference to the activity relating to electronic communications carried out in the interest of Rai in fulfilment of a specifically stipulated contract, or for activities exclusively (or in any case to a prevalent extent) and directly related to the performance of such contract with Rai itself in relation to the public radio and television services it has been entrusted with, but operating on a private basis outside that area, and therefore, especially for activities aimed at the creation of commercial and industrial projects aimed at providing services to third parties, and for those aimed at meeting its own organisational and functioning requirements and within the Company, also as an issuer of listed shares on the stock market that operates on an entrepreneurial basis and assumes the risks of its own initiative.

To that end, in 2018 Rai Way adopted the specifications and detailed internal instructions governing the procurement of supplies related to contracts that are not open to public scrutiny, and for these, maintaining the basic principles of effectiveness, efficiency, competitiveness and transparency that characterise all the entrepreneurial activities of the Company.

There is an extended system of controls of suppliers that include their morality and reliability profiles and that can involve, in the most serious cases, decisions to exclude the companies from tenders, and if necessary, reporting them to the applicable Supervisory Authorities in relation to the type of procurement (ANAC and AGCM (Competition Authority)).

In 2019, there were no particularly significant negative corporate impacts, current or potential, in the supply chain, and there were no weaknesses regarding the correct exercise of freedom of association and collective contracts, incidents of underage or forced and/or obligatory work.

More specifically, the procurement procedures allow cooperation between small and medium enterprises to encourage association between them, either in the form of temporary groupings, consortiums, cooperatives between workers or in the form of local company networks.

There will not be disproportionate turnover requirements for whatever business combination these companies decide to use to take part in the procedures that would constitute unjustified barriers to taking part with regard to possession of the requirements for admission to the tenders. This should allow a number of different parties to take part through associations between operators that can be easily created in order to favour their participation. Similarly, collective contracts can be made by the offering parties, provided that the minimum bid or the amount set as the starting point of negotiations are estimated from the planning stage, with a specific assessment of the labour costs and the obligation to expressly indicate this amount to ensure fairness and exclude anomalous bids that do not comply with the minimum contractual standards established by the collective autonomy.

The territorial dimension of procurement is also evaluated in accordance with the local business realities, favouring their participation in negotiations and encouraging purchase procedures that protect small and medium sized enterprises.

Rai Way has also set up and rendered efficient its e-procurement system in 2019, which has made the procurement process fully traceable, shortening procedural and negotiating timescales, reducing the burden on suppliers and simplifying documents by means of electronic storage, eliminating most of the paperwork and the resulting filing and disposal.

Procurement in 2019

GRI (204-1)

The data on the procurement of supplies refers to:

- supplies governed by contract at a centralised level, mainly in relation to maintenance of the network infrastructure, the development of new projects for customers, services, utilities, rents and other costs;
- decentralised procurement of supplies managed directly by the territorial divisions, due to their strongly localised, definite and non-generalisable nature, and other residual purchases related to the immediate fulfilment of operating requirements for marginal amounts.

Types of procurement	Contract amounts Eur	% of the total	Num. of Suppliers
Centralised purchases	182,539,272	96%	265
Local purchases and other	6,865,341	4%	612
Total	189,404,613	100%	877
of which the leading 5 suppliers	113,126,503	60%	5

Rai Way suppliers in 2019

The total value of the contracts entered into in 2019 amounted to 189.4 million Euros, allocated among about 877 suppliers, mainly managed on a centralised basis by the Corporate Head of Procurement with 96% of the supplies.

As regards centralised purchasing, the suppliers contracted in 2019 are mainly Italian, in particular in the form of joint stock companies (S.r.l and S.p.A), and are mainly focused on the following activities:

- rental of satellite connection circuits and services;
- supply of transmitters, repeaters, radio bridges, antennas and telecommunication devices;
- electricity supplies;
- construction of building works, constructions and renovations;
- logistics services and general performance services.

The geographic distribution of the suppliers with contracts at centralised level ensures that all regions in the territory are covered. Starting from 2014, a Rai Way List of suppliers has been established, in addition to the Rai List, for specific performance categories falling within the scope of services related to architecture and engineering for truss towers, which is being updated, together with the creation of the list of business operators for awarding exclusive contracts in the electronic communications sector.

4.1.3 Communication activities

In order to encourage constant dialogue with the main stakeholders, Rai Way has developed and updated various instruments and content for communication purposes and awareness-raising. Communication is aimed at the following: shareholders, the financial community, employees, press and mass media, representative associations, business customers, end-users and local communities in general².

Some of the instruments and forms of dialogue adopted by Rai Way through the year are shown below.

The www.raiway.it website

www.raiway.it is the main instrument of communication of the Company, and is therefore aimed at a range of different stakeholders.

The content of the website meets obligatory communication requirements, in line with the law on listed companies, and also provides information on the strategic guidelines and other news from the Company.

During 2019, drawing on the best practices of corporate communication at a global level, Rai Way began a major effort to supplement its online content with a view to making its information increasingly accessible and relevant.

² With respect to communications to employees, see the chapter on Human Resources, towards shareholders and the financial community, see the Rai Way chapter - The shareholders and the financial community and for projects with schools and the local community, see the paragraph on "relations with the local community" in this chapter.

The results of this process are now available online at www.raiway.it.

The corporate portal has been enhanced with the results of the analysis of the company's communication assets, benchmarking against other important industrial players and a cross-company internal communication team made up of several corporate departments. In detail, it:

- updates the narrative of Who we are, highlighting the main project Rai Way is working on, and enriches the page with a corporate video;
- promotes transparency in the digital dialogue with our audience by reporting information on management, the reference market and the company mission;
- describes Sustainability at Rai Way in greater detail using metrics for a high level of reading and providing insight into initiatives and processes in the sub-pages;
- opens a window on the management of the relationship that Rai Way has with its collaborators and employees;
- simplifies and harmonizes the description of technological resources and services.

During the year, with regard to news and compulsory notifications, the publication of press releases and relevant financial documentation at quarterly closings, periodic and annual financial statements - the latter also in a browsable version - and all documentation relating to the Shareholders' Meeting have been made available on the website.

News on the staff hired during the year was also punctually and consistently updated.

Participation in associations and events

GRI (102-13)

Rai Way is registered with various trade associations and is a member of international representative bodies.

Below are the main bodies to which Rai Way belongs:

- UNINDUSTRIA (Unione Industriali e Imprese);
- ASSONIME (Associazione fra le Società Italiane per Azioni);
- ASSTEL - Assotelecomunicazioni;
- ITU (International Telecommunication Union);
- UNI (Ente Italiano di Normazione);
- AIRP (Associazione Italiana di Radio Protezione);
- AIDP (Associazione Italiana Direzione Personale)

In its capacity as an active member, reliable and core partner representing European broadcasters, Rai Way takes part at national and international events each year, and also hosts committee delegations.

The Company intends to continue to attend events, congresses and round table events in order to consolidate its market position and help find possible partnerships and networks of interest.

Communication to the media

The media are a significant interlocutor for Rai Way for its role as a mediator between the Company and some of its most important stakeholders, and is therefore of fundamental significance for the construction of the Company's reputation. Over time, Rai Way has consolidated its relations with the press and media to

increase its visibility and reputation, especially with respect to the market authorities, shareholders, financial interlocutors and not least, public opinion. To date, relations with the media mainly involve sending press releases, publishing news on the website and holding meetings with the press.

More in detail, during 2019 the ongoing management of relations with the Press led to the publication of articles that gave visibility to the activities carried out by Rai Way, with specific reference to the results for the period, the definition of the Refarming agreement and the simultaneous renewal of the Service Contract with Rai.

The most significant communication activities include the organisation of the Shareholders' Meeting of Rai Way, held on 18 April 2019 (see also Chapter 2 - Rai Way/The shareholders and the financial community), publication on the company website of the relevant financial documentation at the end of each quarter, and the update of the interactive annual report.

There were also specific activities carried out involving listening continuously to local media to monitor the ordinary management of activities in the territory and at events that required special attention.

4.2 Rai Way's commitment to the environment

In the pursuit of its objectives, Rai Way operates by considering the right balance between operational requirements and environmental sustainability, therefore operational activities are carried out with a constant eye towards safeguarding the environment. The corporate goals, in line with the internal policies, and the strategies and Code of Ethics of the Group, revolve around compliance with prevailing law and internal procedures on environmental protection.

The nature of the Rai Way activities is closely related to environmental protection with respect to health and safety. Rai Way is attentive towards protecting the environment, the health and safety of its workers and respect for the public who live near the areas where its stations are located, and constantly strives to improve. As a protection to the public and the workers, Rai Way also defined two processes that provide for the implementation of an Integrated Management System, added within the scope of the ISO 14001 environmental certification regarding the public and OHSAS 18001 regarding workplaces. The ISO 14001 standard represents the state of the art of the universally recognised organisational model for corporate environmental management and is applied by organisations operating in the private and public sectors.

Its certification in compliance with the ISO 14001 standard provides the market with evidence that Rai Way has implemented an environmental management system properly in accordance with regulatory requirements.

The 2015 revision of ISO 14001 reinforces the credibility it has gained over the years and further consolidates its status as a valid standard by supporting the concept of sustainable development, now a highly current issue, which aims to achieve a good balance between environment, society and economy.

ISO 14001 is a valid tool to ensure a systemic and systematic approach to proper environmental management in order to:

- protect the environment by preventing or reducing negative environmental impacts;
- mitigate the potential negative effect of environmental conditions on the organisation;
- improve environmental performance in the fulfilment of regulatory obligations;
- monitor the life cycle of products and services from design to disposal.

The main points of ISO 14001:2015 are:

- setting the standard according to the new ISO (High Level Structure) approach;
- orientation of the company towards the context in which it operates and the reference market in a "multidimensional" concept of company boundaries and environment;
- introduction of the concept of risk analysis;
- emphasis on leadership requirements;
- life Cycle Perspective in the environmental management of products and services, and more generally, in the environmental management of companies and the complex of relations with the partners in their supply chains;
- integration with system standards to meet the demands of sustainability-conscious organisations.

Rai Way has certified its management system to:

- Prove its sensitivity and commitment to environmental protection.
- Emphasize the commitment and responsibility of all personnel towards environmental protection.
- Demonstrate control and management of environmental risks.
- Increase competitive advantage in the marketplace by strengthening its reputation as a sustainable organization.

In 2019, Rai Way obtained the renewal of the certification of its environmental management system after a cycle of internal inspections carried out by internal staff, involving the entire territorial areas, along with sample checks carried out by an independent third party. More specifically, various surveillance visits were made by third parties at some of the regional offices, identified on the basis of criteria relating to geography, size, and environmental vulnerabilities. Systems with different sizes, characteristics and materiality of environmental impacts were analysed during the inspections.

Environmental issues of relevance for Rai Way are: energy consumption and energy efficiency, water consumption, waste management, non-ionising radiation (NIR), gases that harm the ozone layer and external noises.

The Company is subject to wide-ranging regulations at national and EU level for each of these aspects, and compliance with the law is one of the conditions to obtain and maintain the licenses and permits to install the equipment and systems.

Rai Way also generates an environmental impact in terms of occupation of the ground with consequent impacts on the views and the landscape.

With a view towards the protection of the environment and health and safety, Rai Way constantly works to reduce its environmental impact. More specifically, work is carried out to replace worn out transmission equipment with more efficient equipment and to improve electricity consumption and specific systems are introduced to reduce energy consumption from primary sources.

421 Energy consumption and energy efficiency GRI (302-1)

The energy efficiency of systems, especially electricity systems and signal broadcasting and transmission systems, is one of the environmental issues that the Company has paid most attention to in recent years.

The need to update the systems in the various technological areas led Rai Way towards making a precise assessment of the option to use energy efficient systems in order to progressively reduce consumption and operating expenses, and to recycle materials in order make the systems more sustainable and environmentally friendly.

Thanks to technological innovations, the main manufacturers of transmitter equipment nowadays provide systems that maximise energy efficiency to maintain the radioelectric characteristics unchanged using less electricity.

Direct and indirect energy consumption

Direct energy consumption mainly involves the following activities:

- **Mobility:** fuel for the use of company cars, including the amount relating to vehicles used for private and business purposes;
- **Heating:** the diesel fuel or natural gas, used for heating large sites where staff is frequently present;
- **Operation of the power generators:** the diesel to fuel the emergency power generators that start up in case of mains power failure, in order to guarantee the operational continuity of the equipment.

The **indirect consumption** of energy basically involves industrial scale electricity used to power the transceiver equipment.

Electricity consumption accounts for the most significant share of overall energy consumption and is attributable to the operation of the signal transmission and diffusion equipment and systems.

In 2019, electricity consumption was substantially in line with the previous year, although there was a slight increase, due to development projects to improve coverage which led to the installation of new television and radio equipment.

Fuel consumption for automotive purposes³ increased due to greater on-site activities due to the projects designed to extend TV signal coverage.

The energy consumption for the air conditioning, heating and lighting services of the regional offices, related to the activities carried out by Rai Way, is low compared to the consumption of the signal broadcasting equipment, and takes place in the premises owned by the controlling shareholder Rai S.p.A.⁴.

The production of electricity from renewable sources, by using solar panels in some of the transmission and broadcasting sites is limited.

³The quantities of automotive fuel for mixed-use vehicles start from 1/7/2018.

⁴This consumption is not included in the data in this document since it is not very significant and would have to be reported on the basis of estimates and not in accordance with precise monitoring figures.

THE SOURCES, MAIN RECIPIENTS AND CONSUMPTION OF ENERGY
AND NATURAL RESOURCES OF RAI WA

Consumption	u.m.	2019	2018	GJ	
				2019	2018
Diesel for heating systems and fuelling power generators	litres	116,239	119,503	4,184	4,302
Diesel to fuel the service cars used by the employees	litres	502,582	461,652	18,092	16,619
Unleaded petrol to fuel the service cars used by the employees	litres	57,109	49,757	1,828	1,593
Electricity to fuel the equipment	KWh	83,878,303	82,953,572	301,888	298,560
Natural gas for heating systems and regional plant	Sm3	10,685	-	373	-
Total consumption				326,368	321,075

Greenhouse effect, carbon dioxide and GHGs

Greenhouse gases (GHG) are created naturally and by human activities, remaining in the upper strata of the atmosphere. Their common property is that they absorb and emit, at specific wavelengths in the spectrum, infrared radiation, emitted by the terrestrial surfaces, the atmosphere and the clouds. Their properties cause the “greenhouse” effect.

Carbon dioxide (CO₂), like a one-way filter, lets the energy of the sun pass through, but absorbs the radiation emitted by the Earth, as it has a longer wavelength, thereby creating a type of atmospheric greenhouse around the planet.

The main greenhouse gases are methane, water vapour, nitrogen oxides, chlorofluoro-carbons and carbon dioxide (CO₂). In recent years, there has been an increase and subsequent excessive presence of these gases in the atmosphere.

One of the main factors triggering the greenhouse effect is carbon dioxide which is produced in all combustion caused by man. The emission of CO₂ is mainly due to the production and consumption of energy. The main factors include: the production of electricity, the use of electric equipment and means of transport, industrial activities and housing activities in general.

In normal proportions, carbon dioxide and the other GHGs carry out an essential role in maintaining average temperatures on earth at current values, making it possible for life on Earth. The strong build-up of carbon dioxide in the atmosphere may result in maintaining excessive quantities of heat on the planet and turning it into a huge “greenhouse”.

4.2.2. The emission of greenhouse gases into the atmosphere⁵

GRI (305-1) (305-2)

The combustion of fossil fuels is the main reason behind the emission of greenhouse gases, including carbon dioxide (CO₂) which is also one of the factors behind climate warming. Rai Way is committed to obtaining increasingly high levels of energy efficiency, by reducing the consumption of energy that influences the emissions. The CO₂ emissions are mainly due to direct energy consumption, since for 2019 Rai Way, following the Consip convention for the supply of electricity, has purchased energy from renewable sources with certificates of guarantee of renewable origin, for a share equal to 98.1% of its electricity consumption.⁶

Direct Emissions ¹	2019	2018
	tonnes of CO ₂ eq	tonnes of CO ₂ eq
Diesel (heating systems, fuelling power generators)	307.9	316.6
Diesel (fuelling cars)	1,331.2	1,222.8
Petrol (fuelling cars)	121.9	106.2
Natural Gas	21.1	-
Refrigerant gases*	97.9	14.6
Total Direct Emissions	1,880.0	1,660.2

Indirect Emissions	2019		2018	
	Consumption (MWh)	CO ₂ emissions (tonnes) -	Consumption (MWh)	CO ₂ emissions (tonnes)
Electricity from renewable sources (fuel for the stations)	82,273	0	79,793	0
Electricity from non-renewable sources (fuel for the stations)	1,604	601	3,160	1,185
Total Indirect Emissions	83,878	601	82,953	1,185

⁵ Greenhouse gas emissions (reported in tonnes of CO_{2eq}) have been calculated based on: diesel consumption for the generating sets based on the quantities purchased during the year (reported in GJ and multiplied by the emission factor 73.578 t of CO₂/TJ from the UNFCCC national inventory of CO₂ emissions); diesel fuel consumption of company cars calculated on the basis of the quantities purchased during the year (reported in GJ and multiplied by the emission factor 73.578 t of CO₂/TJ from the UNFCCC national inventory of CO₂ emissions); petrol consumption of company cars calculated on the basis of the quantities purchased during the year (multiplied by the emission factor 3.14 t CO₂/tonne from the UNFCCC national inventory of CO₂ emissions); refrigerant gas refills (HFC) recorded in the station books (reported in CO_{2eq} on the basis of the factors reported in the European F-Gas Regulation 517 of 2014).

⁶ The GRI Sustainability Reporting Standards provide for two methods to calculate Scope 2 emissions, the "location-based method" and the "market-based method". The "market-based method" (the method used by Rai Way) is based on CO₂ emissions emitted by energy suppliers that the organisation purchases electricity from through contracts (in this case certificates guaranteeing that the electricity originates from renewable sources). On the other hand, the location-based method is based on average emission factors relating to regional, sub-national or national power generation. (the emission factor used is: 0.375 kg CO₂/kWh Source: Terna). The supply of electricity with the Consip EE15 convention, effective from 01/04/2018 to 31/03/2019) was ensured through the signing of orders with various suppliers. Although the option to purchase energy from renewable sources was requested for all lots, for one lot (with activation period 01/05/2018 and end 30/04/2019) there was no such availability. The supply of electricity with Consip EE16 agreement effective from 01/04/2019 to 31/03/2020 was ensured by signing an order with a single supplier, with the option to purchase energy from renewable sources.

Emissions of ozone-depleting substances

GRI (305-6)

The stations and offices have air-conditioning units that use refrigerant gases. In order to monitor the presence of gases that harm the ozone layer, a detailed map was drawn up, at regional level, of the stations installed with reference to the refrigerant gases they contained.

All the air-conditioning systems were subject to regular maintenance by external qualified companies with specific f-gas qualifications in order to prevent any leaks and if necessary, intervene quickly to deal with any problems.

The new regulations on refrigerant gases require maintenance companies to record all the work carried out on the machines in the F-Gas portal set up by ISPRA (Istituto Superiore per la Protezione e la Ricerca Ambientale).

Below a table summarising the quantities of the various refrigerants and any leaks due to maintenance/refills carried out in 2019:

Type of refrigerant	Total in kg	Refill in kg	t CO ₂ eq
R 407 C	414.5	18.67	33.12
R 410 A	57.12	6.32	13.20
R 422 A	48.4	18.9	51.58
R 407 A	5.3	0	0
R 427 A	4.8	0	0
Total refill		43.89	97.90

All the repairs were carried out by personnel who had specific training and checks were carried out to ensure the effectiveness of the work done.

Stations containing R22 are being progressively phased out and the emissions reported in this paragraph do not have ozone-reducing potential.

Non-ionising radiation

Broadcasting services are provided by transmitting electromagnetic waves in Medium Frequency bands (MF, Medium Wave) for amplitude modulated radios, Very High Frequency (VHF) and Ultra High Frequency (UHF) for analogue radio services in frequency modulation (FM), the digital service (DAB, Digital Audio Broadcasting), and the television service (DVB-T). In the radio spectrum, these frequencies are defined as non-ionising radiation since their energy is not enough to ionise materials as opposed to ionising radiations (X-rays, gamma rays, etc.).

Rai Way's experience on electromagnetic impact

Up until the 1970s, since there were no national references, the evaluation of the exposure to electromagnetic fields produced by the Rai stations, now Rai Way, was carried out within the scope of an international reference, more specifically to the guidelines of ICNIRP (International Committee on Non-Ionizing Radiation Protection) issued in 1998⁷ by the WHO (World Health Organization). This document, based on the results of a number of studies, established the limits of exposure for workers and the population, considering

⁷The new version will be published in 2020. The public enquiry came to an end in October 2018.

that the interaction between electromagnetic emissions and the human body depended on the frequency. The limits established, which were valid for acute effects, are highly conservative, and vary in accordance with the situations; i.e. there are limits for work environments where informed people operate, who are adult, trained, and with their health being monitored, and limits for exposure that people are not aware of and that include potentially weaker parties (children, old people, sick people). At European level, this document is considered to be the reference point for the protection against exposure to radio frequency fields both for the public, as provided by the Council of Europe Recommendation of 1999 (Recommendation 1999/519/EC), and for workers in accordance with the Directive of the European Parliament and Council (Directive 2013/35/EC).

The legislation followed a different path in Italy: while the European laws that refer to the limits suggested by the ICNIRP were fully incorporated for workers, even though applied in a more detailed way, for the general public Italian law imposed its own more restrictive exposure limits for some sources among which radio broadcasting, and introduced the concepts of attention thresholds (the same for all frequency bands and which must be honoured in places with more than 4 hours per day of continuous presence) and quality objectives (the same for all frequency bands, and which must be applied “in areas with high footfall” such as hospitals, schools, etc.). If the exposure limit or the attention threshold/quality goals is exceeded, each contribution will have to be evaluated independently and reduced in accordance with a procedure and timeframe defined by the law.

The Italian laws established for the general public created the need to measure extremely low values and forced the interested parties to equip themselves with adequate measuring instruments for the purpose.

Rai Way had a leading role in this process, and also took part in developing that instrumentation and defining the operational conditions and measurement methods through studies, experiments and taking part in working groups to define the measurement standards at national and international level (CEI; Cenelec).

In more than thirty years of experience, it acquired excellent know-how on measurement techniques, especially with respect to measuring what is known as the derived quantities that Italian makes exclusive reference to for the general population (electrical field, magnetic field and density of power). The above, in addition to awareness of international laws on broadcasting systems (ITU-R) and the daily operations in the stations that are in service, helped it develop a special awareness of how to evaluate the impact of broadcasting systems on the environment.

As already noted, Rai Way is therefore subject to wide-ranging regulation at both national and EU level on the protection of the environment and health that, inter alia, establishes limits of exposure to electromagnetic fields, making it obligatory to adopt suitable measures to deal with the effects that could result from said exposure. Compliance with the law however represents one of the conditions for obtaining and maintaining the licenses and permits to install equipment that emits electromagnetism. Rai Way has always very carefully checked the electromagnetic emissions from its broadcasting systems in order to ensure compliance with prevailing laws and protect the public and the workers from the possible negative effects resulting from exposure to the electromagnetic fields. To that end, it implemented actions and continues to operate in a way that strictly complies with prevailing limits, attempting to optimise the solutions identified with respect to the commitments resulting from its corporate mission to guarantee

the service to the entire national territory.

In order to correctly and systematically monitor the impact of electromagnetic emissions produced by its systems to ensure compliance with current legislation for the population and workers, Rai Way monitors the issue at various levels. Among the tools used are the definition of ad hoc procedures for the surveillance of emissions, the management of related risks and any critical issues, which are respectively included in the Environmental Management System (ISO 14001:2015 Certification) and in the Workers' Safety Management System (OHSAS18001 Certification) and which are kept up to date with regulatory developments. In 2019, the section on "*workplace zoning*" was revised and the new procedure was published. This allows Rai Way to operate its systems in accordance with the provisions of the Ministerial Permits, while respecting the levels of electromagnetic emissions (NIR) required by law.

If there are reports or findings that show that the legal limits have been exceeded, Rai Way acts quickly to check, and if necessary, to act, and even taking precautionary measures to ensure compliance with the limits provided by applicable laws.

The actions taken to reduce electromagnetic impact

The actions to reduce electromagnetic emissions are implemented at various levels:

- assessment of the NIR impact when designing the stations and making checks when they are being started up;
- systematic monitoring by the Regions of the emissions of broadcasting installations, concerning the exposure of the population, involving the specialist area of Rai Way to inspect the most complex situations;
- management of the NIR issues reported by the designated Entities;
- remediation measures where necessary;
- mapping the workplaces to zone them according to International Regulations⁸ incorporated in the T.U.S. 81/2008, as amended by Italian Legislative Decree no. 159/2016;
- as an additional precautionary measure, dosimeters were purchased during 2019 to be supplied to staff who are subject to occupational exposure due to their specific duties.

⁸ Directive of the European Parliament and Council 2013/35/EC

The design of the broadcasting equipment

Rai Way has instruments with a high technological value to design radio broadcasting stations. It is supported by specialised software developed on the basis of specifications defined by Rai Way, in addition to commercial software that is normally used by other operators in the industry.

The software defines the size of the station (station power, number of antennas, cables, etc.) and synthesizes the diagram of the broadcasting antenna (environmentally-friendly design). This will make it possible to guarantee, including to assess the environmental impact, the correct value of the electromagnetic fields (CEM) both in the far field where the signal is directed, and in the near field close to the transmitting stations.

In any case, the availability of sophisticated software will not mean that the real situation will not have to be checked before and after taking these actions.

Monitoring of electromagnetic emissions

The electromagnetic emissions of the Rai Way stations are measured using appropriate measurement equipment.

Rai Way takes the measurements and makes the NIR analyses by coordinating the work of its centralised divisions with its facilities throughout Italy, as defined in the company's mandates and rules that also have to be applied using the ISO14001 and OHSAS 18001 Management System procedures.

With the experience acquired in that area, and the capacity of its staff, Rai Way can operate as the reference player in the measurement process, for remediation of the sites and to reduce the electromagnetic emissions in the broadcasting sector for the entire country.

- In 2019, in addition to the systematic monitoring by technicians of the Regions on the territory, the Company carried out the following: 9 measurement interventions to check the compliance of Rai Way's emissions with regulations for the exposure of the population to electromagnetic fields (Framework Law 36/2001 and Prime Ministerial Decree of 08/07/2003); 34 measurement interventions to activate new DVB-T equipment or DAB+ and post-activation; 31 *zoning* interventions in workplaces, in compliance with the provisions of the CEI EN 50496 standard, at Rai Way broadcasting sites including interventions to verify workers' exposure to electromagnetic fields in offices.
- The zoning interventions were carried out according to the provisions of the applicable law, Legislative Decree no. 159/2016, which came into force on 2 September 2016 to implement European Directive 35/2013/EC and are in addition to the 23 carried out in 2017 and 2018, again including interventions in offices.
- In previous years, even without prevailing laws in the area (since the entry into effect of Directive 2004/40/EC was postponed on a number of occasions but never implemented) Rai Way had already started to zone its workplaces according to CEI EN 50499 and CEI EN 50496 (for a total of more than 30 settlements).

4.2.3 Water consumption

GRI (303-3)

Water is procured from various sources depending on where the stations are. Some stations do not have independent water supplies, others are connected directly to the public waterworks, and others are provided with water from wells or springs, and in a few cases, the stations are supplied by tankers or rain water collection.

The water is essentially consumed for civil uses - mainly for toilet facilities, the heating system and for safety devices (for example, eyewashes).

Water consumption was around 3,457 cubic metres in 2019, and decreased by about 36.7% compared to 2018. Fluctuations may be due to maintenance activities involving staff in the large broadcasting centres.

WATER CONSUMPTION BY SUPPLY SOURCE. THE DATA REFERS TO 31/12/2019

Water consumption by supply source (m ³)	2019	2018	% Change
Water consumption from public waterworks	3,154	5,016	-37%
Water consumption from streams/wells	303	449	-33%
Total water consumption	3,457	5,465	-36.7%

Water discharges

There are certain cases of discharges from stations: they relate exclusively to civil discharges from toilet facilities, and no chemical pollutants were found in the discharges. Some of the rainwater and runoff water is collected in sewage systems, but it normally seeps into the ground. Therefore, there is no danger of contamination with hazardous substances since, generally, materials are not stored, and there is no temporary storage of hazardous waste in the open. To save the water resources, in some stations, the rainwater is collected for use as flush water for the toilet facilities.

The data on discharge waters that come from the stations and company plants cannot currently be measured and is therefore unavailable since it is combined with the data of the Parent Company Rai.

4.2.4 Waste management

GRI (306-2)

In carrying out business in its offices and managing its transmission and broad-casting systems, Rai Way generates and produces waste that falls into the following categories:

- special hazardous waste;
- special non-hazardous waste;
- similar-to-municipal waste.

The similar-to-municipal waste produced in the stations and offices is delivered to the public collection services, and separated according to the criteria of each Municipality.

Applicable regulations and management and certification systems adopted

- Legislative Decree no. 152/2006 – Consolidated Environmental Law which replaces previous laws and rules on the environment. More specifically, the 4th part of the decree that sets out the law on the management of waste and the clean-up of polluted sites.
- Ministerial Decree of 17 December 2009 - Establishment of the waste tracking control system, according to article 189 of Legislative Decree no. 152/2006 and article 14-bis of decree law no. 78 of 2009, converted, with amendments, by law no. 102 of 2009.
- Ministerial Decree no. 120 of 3 June 2014 ‘Regulation to define the powers and organisational procedures for the national register of environmental managers, the technical and financial requirements of the enterprises and the technical managers, the terms and procedures for registration and the relative annual fees’.
- Ministerial Decree no. 78 of 30 March 2016 - Regulation containing provisions relating to the function and optimisation of the waste tracking system (SISTRI) implementing article 188-bis, paragraph 4-bis of legislative decree no. 152 of 3 April 2006.

The hazardous waste produced by office activities is essentially toner and fluorescent lamps that, for the Rai Way’s offices that are leased by Rai, is disposed of by Rai itself, leaving to Rai Way only the proper transfer to the temporary storage place. On the other hand, where Rai Way owns the premises, the type of waste produced is essentially similar-to-municipal waste. With regard to the residual production of ink cartridges or toner from the printers, they can be sent for recycling and reused or put into the right containers, that will be brought to the supplier for disposal. If waste is managed properly, it can be recovered and recycled.

The special waste generated by industrial activities mainly includes the disposal of station equipment.

Guidelines were introduced to manage the waste produced by third parties at the stations and after installation and maintenance work in order to correctly identify the waste producers.

Additionally, more widespread monitoring of the disposal activities was obtained thanks to the internalisation of the waste collection and delivery of the MUD declarations (Unified Environmental Declaration Form).

Starting from 2012, the year of the highest production of waste due to the switch-off for which the transmission and broadcasting radio television signal was completely changed, there has been a constant fall off in the production of general waste in the internal maintenance carried out.

The orders given to manage waste resulting from maintenance, entrusted to outside companies, contribute to a constant reduction in the waste produced by Rai Way since

they establish by contract that the outside companies will be in charge of disposing of any waste.

WASTE PRODUCED BY CATEGORY. THE DATA REFERS TO 31/12/2019

Waste by category (kg)	2019	2018	% Change
Similar-to-municipal waste	48,586	41,770	16%
Special non-hazardous waste	94,127	74,475	26%
Special hazardous waste	30,006	10,054	198%
Total waste produced	172,719	126,299	37%

As a result of cleaning and reclamation activities at some stations, we disposed of metal structures and electrical and electronic equipment that are no longer used, increasing the disposal of iron and steel and a slight increase in the production of waste, most of which was sent for recovery.

During 2019, the quantity of lead batteries disposed increased. This is due to the modernisation of the existing battery inventory, in conjunction with the merging of the disposal of the material removed in the previous year. 26.5% of the waste that Rai Way is responsible for is linked to the maintenance of septic tanks, that have to be periodically emptied and the waste disposed of (EWC 20.03.04 - muds from septic tanks) that cannot be recovered / recycled.

RECOVERED AND RECYCLED WASTE. THE DATA REFERS TO 31/12/2019 AND RELATES TO CENTRAL AND TERRITORIAL OFFICES

Recovered and recycled waste (kg)	2019	2018
Total waste sent for recovery/recycling	126,047	84,442
Total waste produced	172,719	126,299
Percentage of waste sent for recovery/recycling on total waste produced	73%	67%

Materials like mixed packaging, filters, cables, inert materials, oils and mixed waste, generated through third party maintenance, that was previously left at the stations, is now correctly disposed of by the third party who produced the waste.

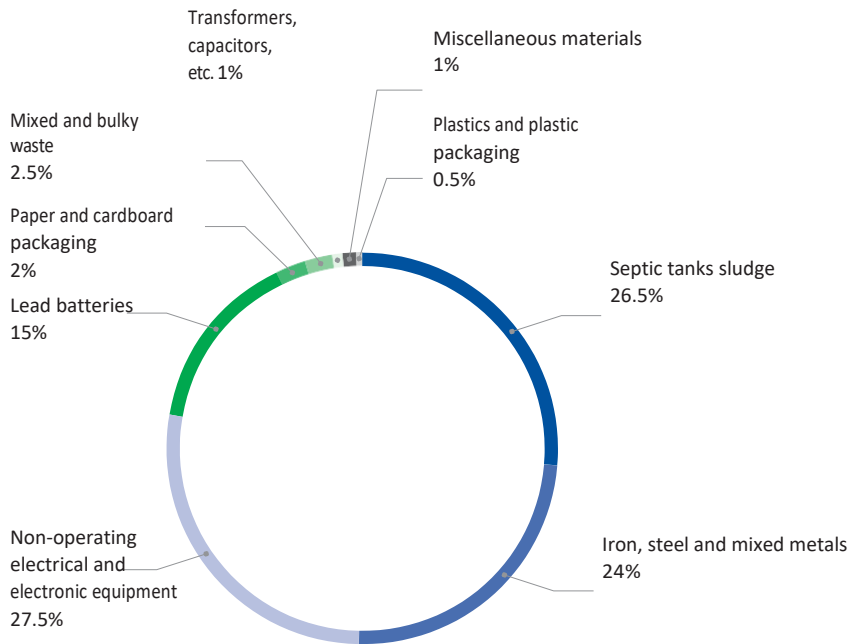
Additionally, the gradual reduction of the waste for disposal was encouraged by continuous training and informing internal staff how to manage waste, its classification and subsequent management and encouraging the reuse/recycling of recoverable material.

RECOVERED AND RECYCLED WASTE. THE DATA REFERS TO 31/12/2019

Recovered and recycled waste (kg)	2019	2018
Paper	960	3,220
Plastic	80	60
Wood	0	600
Metals	41,285	47,590
Mixed packaging	2,510	4,300
End-of-life equipment	47,475	19,778
Lead batteries	25,525	6,645
Various materials (filters, cables, inert materials, oils, mixed waste, etc.)	8,212	2,249
Total waste to be recovered	126,047	84,442

RECOVERED AND RECYCLED WASTE. THE DATA REFERS TO 31/12/2019

2019 WASTE CATEGORY



The chart shows the different percentage of waste produced and the different types of waste.

4.2.5 Noise control in the outside environment

Noise is mainly due to the presence of condensation units in the air conditioning and ventilation systems and in the emergency power generators. The main source of noise that is projected into the external environment is the cooling system for the equipment at the stations. This system functions through the exchange of air, through axial fans or centrifugal aspirators with direct air expulsion, positioned on one of the side walls of the brick buildings or on the sheet metal in the shelters.

Given the territorial extension of the Company, since it is not possible to implement an inspection of the acoustic impact at all the sites of the organisation, it was considered appropriate to use a “sample” method, which used suitable minimum and relevant criteria to allow the data on sound emissions to be acquired. The organisation acquired the elements needed to plan and implement the following through the samples taken:

- a plan for the detection of the acoustic impact for the most significant situations;
- a plan to monitor situations that are significant for noise purposes;
- an adjustment plan where required that will be prepared and updated on the basis of the results of the noise findings.

The criteria followed to establish the plans for detection, monitoring and adjustment, which aims to safeguard aspects relating to:

- the territorial context (potential presence of municipal acoustic zoning);
- environmental sampling (closeness of the stations to “sensitive” places such as homes, schools, offices, protected areas);
- sizes of the stations (big, medium, small);
- territorial cover of the sampling.

Rai Way then classified the stations on the basis of acoustic shortcomings according to precise criteria relating to the closeness to receivers, municipal acoustic zoning, the position in urban centres and changes of the surrounding areas over time.

The following assessment criteria were used to characterise the findings of the stations with respect to acoustic impact:

1. situations of primary importance: stations that are close or <100 m from homes and/or public places in Class I areas with reference to the Municipal Acoustic Zoning;
2. situations of secondary importance: stations that are close or <100 m from homes and/or public places in Class II areas with reference to the Municipal Acoustic Zoning;
3. situations of tertiary importance: stations that are in the same territorial framework as the previous ones but in Class III or in Municipalities that have not adopted acoustic zoning. For the purpose of the acoustic impact, those situations, in the absence of zoning, could have weaknesses that are similar to situations of secondary importance;
4. situations of quaternary importance: situations at distances of more than 100 m and less than 200 m from homes and/or public places, regardless of what Class they belong to;
5. irrelevant situations: stations situated in isolated areas, at more than 200 m, close to houses inhabited occasionally or used for seasonal purposes (agricultural).

Additionally, regardless of the situation of importance, if any claims and/or complaints are made, the station will be inspected.

Rai Way periodically monitors the more significant stations (classified as Third importance; sampling criteria: 100% of big and medium and some small stations chosen on a “sample” basis and adopt specific reduction measures following

both internal and external reports. The actions are carried out by staff with specific training and who fulfill the necessary requirements.

The actions taken to reduce acoustic pollution begun in 2019 mainly involved replacing fans with quieter units.

4.2.6 Environmental compliance

GRI (307-1)

The activities of the Company are subject to rigorous environmental laws.

Rai Way carries out its activities in accordance with the environmental laws that apply to the company and has all the necessary authorisations.

No environmental damage or emergencies caused by Rai Way were registered in 2019.

4.3 The commitment of Rai Way to human resources

The distinctive features of HR's actions are set out in a strategic framework of valuing the human capital and the development of open and collaborative leadership models, supported by a further emphasis, in 2019, on training courses related to technical skills/soft skills for staff and the development of virtual organisation models as factors to help company growth and sustainability of the results.

The following areas of action were consistently monitored:

- safeguarding optimal sizing in line with the scope of the workforce;
- the development of the corporate organisational model to meet technological and business challenges within the framework of the competitive scenario;
- the constant evaluation of the results and behaviour expressed by the staff, enriched with instruments to reconcile the wellbeing requirements of workers;
- the implementation of smart working organisational solutions and work-life balance options;
- the activation of pathways that are in line with best practices in the area of HR in terms of talent strategy, on-boarding, salary and benefits;
- qualified investment in both technical and managerial training;
- the ongoing process of industrial relations at national and local level, in order to identify appropriate and agreed solutions, which has been translated, moreover, into the agreement on the discipline of a performance bonus in favour of company personnel, replacing the one envisaged for the Rai Group;
- opening up of the social corporate dimension by integration and strengthening of the pathways with Universities in order to encourage experience aimed at internships and work-school programmes.

In addition, the Company has launched a project for the assessment and evolutionary redesign of business processes that are relevant to digital transformation and the management model of internal sources, with a view to rationalising the overall reference system and simplifying activities, as well as constant attention to innovation, compliance and prevention/management of business risks. Rai Way has confirmed its *Top Employers Italia* certification, as *Employer of Choice*, consolidating a process of attention and innovative implementation of HR policies and processes that once again confirms the Company's ability to provide the best working conditions, reconciling the needs of competitiveness and well-being of the organisation. The *Top Employers Institute*, that annually certifies, at global level, the excellence of work conditions put in place by companies for their employees, carried out an in-depth audit on the corporate practices in the area of human resources, confirming the distinctive character of the commitment of the Company and the HR function particularly concerning the areas of investigation relating to *Workforce Planning and Talent Strategy*.

4.3.1 Rai Way employees

GRI (102-7) (102-8)

Since its establishment in 1999, the Company inherited from Rai and now fully independently manages a legacy of technological, engineering and management know-how, in addition to its infrastructure, of absolute excellence in the field of the radio and television signal transmission and broadcasting in Italy. The high professional competence, specialised training and ongoing development

of the staff, along with the above-mentioned cultural legacy and know-how are distinctive features that can give Rai Way the skills and competitiveness needed to meet the specific requirements of its customers and successfully deal with any issues related to company activities and the frequent changes and developments in the technological and regulatory framework, as occurred for example during the transition to digital terrestrial or the recent commitment in the digitalisation process for the transmission of radio signals. Therefore, the Rai Way human resources are a strategic asset that can help the Company achieve its goals. In this context, the Company has always encouraged actions aimed at improving its capacity to efficiently manage human resources, also supporting the social aspects both through school-work programmes and projects to enhance the value of and have young talents grow in the world of technology.

As at 31 December 2019, Rai Way employed 615 people, unchanged compared to 2018. This includes 53.33% of staff working in offices all over Italy, with a majority of men (81.95%), aged between 30 and 50 (47.48%) and an average age of 46.8.

THE RAI WAY WORKFORCE AS AT 31/12/2019 IN TERMS OF GENDER AND AGE

Rai Way workforce	2019	2018	% Change

Rai Way employees and business partners	615	615	0.00%
Who belong to protected categories	14	15	-6.67%
Disabled	37	35	5.71%
Age			
Younger than 30	50	50	0%
Between 30 and 50	292	296	-1.35%
Older than 50	273	269	1.49%
Gender			
Men	504	506	-0.40%
Women	111	109	1.83%

Most Rai Way employees were employed on permanent contracts (98.05%). Very few fixed-term contracts were used (1.95%), with the number substantially not changing in 2019 compared to the previous year due to the turnover of staff who left early on a voluntary basis. As in the past, in 2019 Rai Way also hired resources under apprenticeship contracts and, for the first time, included a resource funder a fixed-term work supply contract.

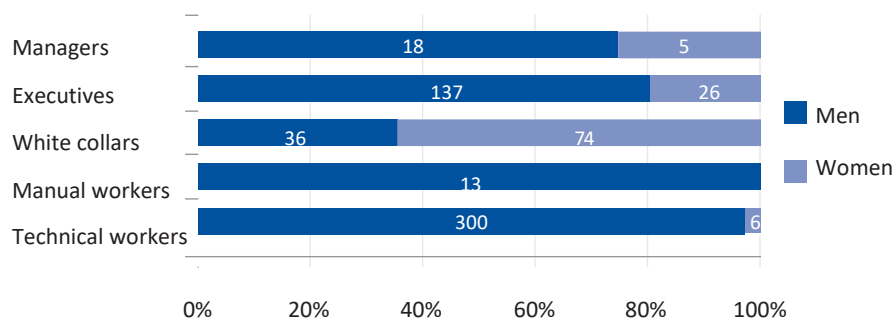
97.89% of employees are full time, while 2.11% are part-time.

THE RAI WAY WORKFORCE BY CONTRACT TYPE

Contract types	Total		Men		Women	
	2019	2018	2019	2018	2019	2018
Permanent	579	585	473	480	106	105
Fixed-term	12	13	8	10	4	3
Apprenticeship	24	17	23	16	1	1
Full time	602	604	502	505	100	99
Part time	13	11	2	1	11	10

The Rai Way workforce mainly comprises technical workers (49.76%) who work in the territorial offices, executives (26.50%) and white-collar employees (17.89%). With regard to the percentage of females, there are more in the white-collar employee category, less in the technical category (1.96%) and none in the manual category.

RAI WAY'S WORKFORCE IN TERMS OF CLASSIFICATION AND GENDER



The average years of service in Rai Way is 18 (19 for the men and 14 for the women). Over 56% of employees have been with the Company for over 15 years.

432 The recruitment, selection and turnover process in Rai Way
GRI (401-1)

Within the scope of developing the economic and business scenario, the strategy to focus on the value generation is the main criteria used to strengthen the competitiveness of the Company, including through consistent recruitment processes.

Rai Way - which is independent in its hiring practices - operates on the basis of transparency, meritocracy, disclosure and impartiality according to applicable laws and internal rules. The main way the Company hires people is by recruitment once it has been acknowledged internally that it is necessary, resulting in the selection of candidates by qualification and/or after a trial period according to the types of jobs available.

To this end, in 2019 recruitment projects aimed at encouraging generational turnover, with the parallel implementation of selection processes aimed at digital and soft skills for

network intelligence, adding specialised personnel to reinforce the affected areas, with particular reference to the Regions.

There were 36 new hires in total in 2019, including 80.56% men and 19.44% women, mainly under 30 (55.56%), with classification as employee (27.78%) and technical staff (66.67%), at the central headquarters (63.89%).

Employment relationships can be terminated in two ways: a) on a voluntary

THE NEW RAI WAY HIRES IN TERMS OF GENDER, AGE AND JOB TITLE

New hires in the year (from 1 January to 31 December)	Total		Men		Women	
	2019	2018	2019	2018	2019	2018
Total	36	49	29	37	7	12
of whom younger than 30	20	28	16	25	4	3
of whom between 30 and 50	16	20	13	11	3	9
of whom over 50	0	1	0	1	0	0
of whom Manager	0	0	0	0	0	0
of whom Executive	2	3	2	2	0	1
of whom Employee	10	19	5	9	5	10
of whom Manual worker	0	0	0	0	0	0
of whom Technician	24	27	22	26	2	1

basis, and to this end, specific internal provisions were issued in order to implement them with the aim of encouraging generational turnover and updating skills; b) once the required age has been reached and the minimum contributory requirements have been met.

36 people terminated their employment contracts in 2019, mainly men (88.89%), personnel working in the territorial offices (61.11%), over 50 (44.44%), working as executives (22.22%) or technicians (58.33%).

The incoming and outgoing turnover rate (including the effects of encouraging voluntary redundancy) is illustrated in the table below.

PEOPLE LEAVING RAI WAY EMPLOYMENT IN TERMS OF GENDER, AGE AND JOB TITLE

Terminations during the year (from 1 January to 31 December)	Total		Men		Women	
	2019	2018	2019	2018	2019	2018
Total	36	35	32	26	4	9
of whom younger than 30	9	3	9	2	0	1
of whom between 30 and 50	11	12	7	5	4	7
of whom over 50	16	20	16	19	0	1
of whom Manager	0	2	0	1	0	1
of whom Executive	8	9	7	9	1	0
of whom Employee	6	9	4	3	2	6
of whom Manual worker	1	4	1	4	0	0
of whom Technician	21	11	20	9	1	2

OVERALL INCOMING AND OUTGOING TURNOVER IN TERMS OF GENDER,
AGE AND GEOGRAPHIC AREA

Turnover	2019	2018
Total turnover rate (number of employees)	11.71%	13.65%
Incoming turnover rate	5.85%	7.96%
Incoming turnover rate - women	1.14%	1.95%
Incoming turnover rate - men	4.72%	6.01%
Incoming turnover rate - age under 30	3.25%	4.55%
Incoming turnover rate - age between 30 and 50	2.60%	3.25%
Incoming turnover rate - age over 50	0.00%	0.16%
Outgoing turnover rate	5.85%	5.69%
Outgoing turnover rate - women	0.65%	1.46%
Outgoing turnover rate - men	5.20%	4.22%
Outgoing turnover rate - age under 30	1.46%	0.48%
Outgoing turnover rate - age between 30 and 50	1.79%	1.95%
Outgoing turnover rate - age over 50	2.60%	3.25%

433 The development and training of human capital

GRI (404-1) (404-2) (403-5)

Rai Way considers that enhancing the value of its internal resources and the consolidation and development of their skills are a distinctive characteristic of its policies, and a factor that will help the company to grow and sustain its results.

The staff training process is devised and implemented according to lifelong learning principles, in order to continuously enrich the technical and managerial excellence of Rai Way in association with the business strategies and the scope of the Industrial Plan.

During 2019, the development and training plan to support the digital transformation continued, focusing on strengthening the digital culture, as an enabling factor of a deeper change in business and operational models, in the face of new technological and business challenges. In particular, the implementation of the “Soft Skill” Project – which is part of the company’s Digital Learning Plan and is a pillar of it, encouraging the expansion of professional insight and role awareness, as well as inclusive and proactive orientations in the context of digital modernisation – has involved about 220 technical-engineering resources, mainly in distance learning mode with learning communities that have harnessed the interactive potential of social platforms.

The training programmes have been digitally oriented thanks to two further initiatives:

- organisation of the first corporate webinar, in collaboration with the Presidency of the Council of Ministers, National School of Administration, to support cultural change and the dissemination of knowledge necessary to introduce agile work in Rai Way;

- launch of the e-learning training course on the Anti-corruption Policy adopted by Rai Way, aimed at upgrading all company staff on the issues of legality and prevention of corruption.

The strategic management training plan also continued, mainly based on the implementation of customised programmes dedicated to all management staff, focused on key values, strengthening leadership and strategic and market vision, opening up to external and networking experiences. In addition to these initiatives, the Company has also implemented targeted coaching and mentoring programmes, in order to channel individual skills into the broader goal of developing the company's business, aiming to innovate.

A total of 21,983 hours of training were provided in 2019 - an increase of 3.77% compared to the ambitious result achieved in 2018.

HOURS OF ANNUAL TRAINING IN TERMS OF GENDER AND QUALIFICATIONS

Training hours	Total			Average amounts	Men			Average amounts (gender: men)	Women			Average amounts (gender: women)
	2019	2018	2017		2019	2018	2017		2019	2018	2017	
Managers	1,076	994	1,004	46.78	802	676	613	44.56	274	318	391	54.8
Executives	4,240	2,051	2,465	26.01	3,548	1,721	2,146	25.90	692	330	319	26.62
Employees	2,765	1,494	3,108	25.14	1,388	484	2,117	38.56	1,377	1,010	991	18.61
Manual workers	16	295	384	1.23	16	295	384	1.23	0	0	0	0
Technicians in the territorial offices	13,886	16,350	9,418	45.38	13,462	16,157	9,402	45	424	193	16	71
Total	21,983	21,184	16,379	35.74	19,216	19,333	14,662	38.13	2,767	1,851	1,717	24.93

In terms of funded training, during 2019 we launched a new Training Plan defining a framework agreement, signed with the Trade Unions, focused on the priority issues of Health and Safety for 2019/2020, involving a total of 307 resources - mainly in the technical field - and 292 hours of training.

In addition, the "Train the trainer" initiative was designed and implemented to enrich the skills of internal resources, called upon to perform teaching roles in house, through advanced communication and classroom management techniques.

The commitment to training has also been constant with regard to the development of specialist/linguistic knowledge, in line with the objectives of excellence and best practices on the market.

434 The protection of Occupational Health and Safety GRI (403-1) (403-4) (403-5) (403-9)

In order to guarantee the health and safety of its employees, Rai Way has drawn up an "Environmental, Health and Safety Policy" (see also Chapter 4.2 - Commitment towards the environment) and sets up and gives training courses to all staff according to prevailing law. Procedures and policies on health and safety at work have also been adopted, in association with the applicable company departments, in line with the applicable provisions and best applicable standards. The Human Resources department ensures the consistency and adequacy of the corporate organisational profile and coverage of the relevant positions in this area. Health and Safety matters are also dealt with during national and local meetings with the trade unions, and in the periodic meetings that deal with the specific matters pursuant to Decree 81/2008.

Health and safety issues are included in the formal agreements with the trade unions and are given priority in the periodic safety meetings that are carried out, pursuant to the law, every year, and also with reference to multi-region areas. Other meetings with the trade unions raise separate issues which generally include various requests relating to the organisation of the work, training or the workforce for example.

The number of work representatives for the safety of the production units amounted to 17 units in 2019.

In terms of types of duties carried out, in 2019, the workers involved in professional activities that are associated with a high level of risk of accident, who work at height in electrical systems, drive the company vehicles or subject to occupational disease amounted to 273 (operating technicians).

The tables below show the number and rate of injuries which occurred to employees during 2019*:

OCCUPATIONAL INJURIES

Number	from 1 January to 31 December 2018		from 1 January to 31 December 2019	
	Men	Women	Men	Women
Total number of deaths due to occupational injuries	-	-	-	-
Total number of serious occupational injuries (excluding deaths)	-	-	-	-
Total number of recordable occupational injuries (including deaths)	5	1	9	1

MAIN TYPES OF OCCUPATIONAL INJURIES

Type	from 1 January to 31 December 2018		from 1 January to 31 December 2019	
	Men	Women	Men	Women
Sprains, contusions and traumas	3	1	6	1
Bruised lacerated wounds	1	-	2	-
Bone fractures and lesions	1	-	1	-

TIME DATA

Hours worked	from 1 January to 31 December 2018		from 1 January to 31 December 2019	
	Men	Women	Men	Women
Number of hours worked	792,644	162,525	809,928	162,819

RATE

Rate	from 1 January to 31 December 2018		from 1 January to 31 December 2019	
	Men	Women	Men	Women
Rate of deaths due to occupational injuries	-	-	-	-
Rate of serious occupational injuries (excluding deaths)	-	-	-	-
Rate of recordable occupational injuries	6	6	11	6

*A reassessment of the 2018 figure indicated in the previous report was necessary as a result of the update of the GRI Standard 403: Occupational Health and Safety (2018).

The figure includes only injuries recognised by INAIL except for:

1. communications < or = to 3 days
2. commuting accidents, if not related to events organised by the Company.

The following table shows the days and hours of absence for work on trade union business and strikes:

Days of absence for work on trade union business and strikes	2019	2018	2017
Days of absence for work on trade union business	355 d + 167 h	231.5 d + 60 h	284 d + 85 h
- men	352 d + 167 h	229 d + 60 h	282 d + 85 h
- women	3 d	2,5 d	2 d
Days of absence for strikes	0	0	0
- men	0	0	0
- women	0	0	0

The increase shown above, compared to 2018, is due to the broad involvement of national and local trade union representatives required for the negotiation and signing of the agreements mentioned in point 4.3.9.

435 Rai Way company welfare GRI (401-2) (401-3)

Rai Way takes part in the “corporate welfare” and “benefit” systems adopted by the Group. It is also particularly sensitive to issues that reconcile private life and working life, and the support of initiatives aimed at enhancing the value and involving its employees.

Parental leave

Parental leave is an optional period that is given to parents to take care of children in their first years of life, and meet their emotional and relational requirements.

There were 24 employees in 2019 who benefited from parental leave: in 62.5% of the cases it involved requests by mothers and the remaining 37.5% by fathers. 100% of the employees who benefited from parental leave returned to work and were still employed by the Company 12 months later.

Welfare, Work-Life balance and company benefits

Rai Way is active in the area of achieving a good work-life balance with many different initiatives: allowing leave and part-time work, allowing extra paid time for special events or for specific family requirements. In 2019, testing of agile work in the Company was also started, within the framework of the digital innovation processes of the operating models and in line with the provisions of Law no. 81 of 22 May 2017 on “Measures for the protection of non-entrepreneurial self-employment and measures aimed at encouraging flexibility in the times and places of employment”, with the objective of:

- strengthening measures to reconcile life and work time;
- promoting eco-sustainable mobility by reducing home-work trips;
- experimenting with new organisational solutions that encourage the development of a managerial culture focused on work in terms of objectives and results and, at the same time, aimed at increasing productivity.

The six-monthly trial of agile work was preceded by training and information sessions for management and all company personnel as well as trade union organisations, structured with the involvement of the Prime Minister's Office National School of Administration.

The initiative involved **29 employees**, who worked outside their normal workplace **for a maximum of 4 days per month**, in line with standard working hours and with **adequate agile work tools** connected to the company network and provided by the Company.

Rai Way **has guaranteed the health and safety** of employees consistently with agile working, providing adequate training and information on general and specific risks as well as useful guidelines to make an informed choice of the place to work. The implementation of the "Time Bonus" continued, - an initiative that supplements the company's purely economic bonus system in an innovative way with an additional non-monetary reward that gives back the valuable time given to the Company by the worker. With respect to the overall compensation, the "Time Bonus" entails giving workers who have permanent contracts and who have distinguished themselves in terms of value and quality of the performance, hours of extra paid leave to be used, in a certain time frame, for personal life requirements.

The Rai Collective Labour Contract (CCL) for executives, white collar and manual workers of Rai Way (excluding executives), provides benefits for healthcare assistance, supplementary social security and insurance guarantees covering professional and non-professional accidents. The above-mentioned protections are given to workers with permanent and fixed term contracts in the cases provided for, with the additional healthcare benefit also extended to the family units⁹.

In order to increase the personal and professional well-being of workers, thus contributing to growth and improving competitiveness, productivity and business efficiency, during 2019 Rai Way made available to non-managerial staff a sum equal to 250.00 euros per capita as fringe benefits, in compliance with the relevant regulations set out in the TUIR.

The other actions listed in the table below form part of the overall framework (for example financial contributions for nurseries and/or for school and educational purposes).

Financial contributions and specific projects are provided for to support recreational, cultural and welfare activities promoted and financed annually by ARCAL - RAI, for the exclusive benefit of workers with permanent contracts and their family members, and former employees who are now pensioners, not including fixed-term business partners and certain categories of services, apart from workers in managerial capacities.

⁹ According to contractual provisions, the regulations that refer to social security and company assistance do not apply to workers with fixed-term contracts, apart from the provisions of trade union agreements regarding fixed-term contract recruitment categories.

Supporting employee activities

In addition to the RAI Sports Club, agreements for recreational activities and cultural and recreational projects relating to the ARCAL - RAI, the association RAI-SENIOR is active for employees who work with and are retired from Rai and the Group companies. It was established to develop cohesion and solidarity among the members by promoting the following:

- occasions for the members to meet;
- charitable and active voluntary work projects, encouraging the cooperation with public and private entities who operate in the healthcare, welfare, social security, voluntary work and leisure areas;
- projects protecting the interests of workers in the social security and welfare area.

In addition to the association fees paid by the members, the Association receives a top up from the Company.

Finally, there are company agreements that support the purchasing power of employees for services offered at subsidised prices.

With respect to the managers, the non-monetary benefits include the use of the company car and insurance policies that can be valued according to the tax criterion. The Company managers (and therefore also benefiting the Chief Executive Officer according to his/her managerial relationship with the Company in the role of General Manager) is also given the right to subscribe, in particular, to a supplementary benefit fund, governed by the applicable national collective contracts and additional company agreements. The non-monetary benefits given to managers comprise:

- the use of company cars and reimbursement of fuel costs incurred up to a maximum of 2,000 litres per year¹⁰;
- insurance policies;
- additional pension fund.

¹⁰ As part of its commitment to seeking ever greater energy efficiency and reducing energy consumption that affects emissions, in 2019 the Rai Group adopted an incentive plan for using cars with a low environmental impact, which includes a monthly contribution in addition to what is normally envisaged, if a hybrid or plug-in car is chosen.

THE RAI WAY BENEFITS

BENEFIT	DESCRIPTION
HEALTHCARE ASSISTANCE	The Fasi, Fasdir and Assidai funds guarantee coverage for their members for healthcare expenses on a direct basis with the participating facilities or reimbursement of medical-healthcare services carried out, also to top up the National Healthcare Service. The Funds are increased by the Company and by contributions by the employees.
COMPLEMENTARY SOCIAL SECURITY	The Craipi and Fipdrai Funds give their members pension benefits additional to the obligatory National Social Welfare Institute (INPS) pension, and are topped up by the Company and by employee contributions.
ACCIDENT POLICY FOR WORK-RELATED ACCIDENTS AND NON-WORK-RELATED ACCIDENTS	In addition to the obligatory insurance, there is also insurance to protect workers against the risk of work-related accidents and non-work-related accidents that result in the death or total/partial permanent invalidity.
SMART WORKING	Experimental activation of agile work mode for employees on a voluntary basis.
SCHOLARSHIPS (ARCAL – RAI)	In favour of student employees and/or children of employees, assignment of scholarships, of varying amounts, to support the personal and/or family education applications for students who attend educational establishments (primary schools, middle schools, secondary schools) and/or academic institutions (Universities, Conservatories).
STUDENT EMPLOYEE PRIZES (ARCAL – RAI)	For student employees, money prizes, for varying amounts, for achieving secondary school diplomas or equivalent diplomas or university degrees (bachelor's or master's degrees).
SCHOLARSHIPS TO STUDY ABROAD (ARCAL – RAI)	Contributions/scholarships to study abroad to learn foreign languages
NURSERY CONTRIBUTIONS (ARCAL – RAI)	Monthly allowances, for different amounts, for public or private nurseries.
CONTRIBUTIONS TOWARDS SUMMER CAMPS (ARCAL – RAI)	Contributions, for varying amounts, to take part in summer camps for children between 7 and 18 years.
CHRISTMAS PROJECTS (ARCAL – RAI)	Financial contributions to the children at Christmastime.
AGREEMENTS SUPPORTING FAMILIES AND PURCHASING POWER	These agreements include but are not limited to: <ul style="list-style-type: none"> • subsidised purchases in commercial centres/gyms; • enrolments in selected nurseries; • opening bank accounts and/or purchase accounts with prepaid cards on favourable terms with participating banks; • recreational and cultural activities (for example gyms, promotions and discounts on theatre/event subscriptions); • holidays and leisure (for example tourist trips on favourable terms at subsidies terms with participating hotels/campsites).
MOBILITY SERVICES	Subscriptions on favourable terms with public transport services.
COMPANY CANTEEN/ PARTICIPATING RESTAURANTS	For all workers.
COMPANY BAR	At the main company offices (for example Rome, Milan).
MEDICAL ASSISTANCE	At the main company offices (for example Rome, Milan).
BANK COUNTER	At the main company offices (for example Rome, Milan).
LIBRARY	At the Rome office.
SPORTS CLUB	For all employees (Rome office).
MARRIAGE CHEQUE	For all employees.

Enhancing the value of employees and involving them

Rai Way invests time and resources every year to plan and create projects aimed at enhancing the value and involvement of employees and outside stakeholders, within the scope of corporate social responsibility (see also Chapter 4.1 - The Commitment of Rai Way towards the territory). In 2019, with a view towards continuing the cooperation started up with schools and universities, the school-work programme and internships continued, both as part of the curriculum and on an extra-curricular basis.

School-work programme

According to Law 107/2015 on "Good Schools" ("Buona Scuola") and pursuant to the annual agreement plan with six schools spread throughout Italy, the third year of the project "Alternanza scuola lavoro: The Way to the future" began, involving 174 students. Thanks to co-planning of didactic plan with the schools, Masters of the Trade provide 30 hours of training each year, and the best students are given the chance to work on the Summer JOB programme (shadowing the Masters of the Trade at work for a period of at least 1 week). There are also Summer CAMPs (work camps where the students can experiment with real problems from the world of work through simulations and activities in the company laboratories, and they are given the chance to see how well they work in teams).

Internships

Within the scope of the Agreements already in place with the Universities, 5 internship contracts were signed during 2019, including 3 curricular and 2 extra-curricular.

Rai Way believes that enhancing the value of its professional competence is a central element within the framework of company policies, and is convinced that fostering internal talent, including through instruments that can show the real capacity of the individual or the group, is an essential driving force for growth and essential for growth and to drive the evolving processes of change.

436 Diversity, equal opportunity and non-discrimination¹¹ GRI (405-1) (405-2)

Rai Way's Code of Ethics confirms the principle of non-discrimination against diversity, giving the designated company departments the duty to contribute to the creation of a work environment in which "personal characteristics cannot constitute a prerequisite and give the right to discriminate on the grounds of age, gender, race, language, nationality, political and trade union opinions and religious beliefs".

In line with this principle, Rai Way ensures respect for diversity and equal opportunities, by developing the use of procedures and staff research and recruitment, training, remuneration and management systems that prevent forms of discrimination and seek to ensure the pluralism of professionalism and compliance with criteria based on merit and competence.

Concerning gender equality, the respect of equal opportunities is ensured, first and foremost, in the make-up of the Company's administrative and control bodies (see also Chapter 3 - Governance). Female management roles are also present in the organisational structure in auditing, staff, human resources and business development.

¹¹ See the final correlation table for more information on "Human Rights". In view of the scope of its activities and its national reach, Rai Way does not have a human rights policy since it does not consider it to be necessary.

In terms of disability management within the Company, in addition to complying with regulations on obligatory placements and fulfilling hiring obligations according to Law 68/99, the Rai collective labour contract and internal provisions govern multiple support requirements for the rights of disabled people. According to this framework, maximum attention is paid to managing specific situations brought to the attention of the Human Resources department, with adequate measures being taken according to the requirements of the actual case (for example setting up internal parking spots at the offices, extraordinary permission for medical visits, etc.).

Also, in order to support non-discrimination policies, the Equal Opportunity Commission was set up in 2015 and is still in operation today. It is in charge of contributing towards the implementation of the principles of equality and equal opportunity between male and female workers in the Company.

A table showing the ratio of wages between male and female employees is shown below.

THE RATIO OF BASIC WAGES AND REMUNERATION BETWEEN MEN AND WOMEN

Annual gross basic salary Men/Women	2019	2018
Managers	1.08	1.11
Executives	0.95	0.99
Employees	1.00	1.01
Manual workers	n.a.	n.a.
Technicians	0.99	0.92

437 Internal communications

Internal communication is the instrument that Rai Way uses to monitor relations with its business partners, including through dialogue and mutual growth. This is done as follows:

- sharing information and creating a sense of belonging and identity;
- training, including developing soft skills in particular both digital and social (see paragraph Chapter 4.3.3 - Development and training);
- setting up specific projects aimed at giving employees the incentive to get involved in innovation and company business development (see also Chapter 2.5 Rai Way - The company assets and innovation).

Internal communication was aimed at all employees, including management, in 2019. In particular, events were held in the presence or in streaming also with the Top Management in order to increase identification with the Company and the sense of belonging, and the first webinar aimed at the entire company population was implemented in preparation for the activation of the smart working path.

438 **The remuneration and bonus system**
GRI (102-35) (102-36)

With reference to the financial year 2019, the Rai Way remuneration and incentive system is aimed at reflecting and supporting consistency and equality at a corporate organisational level, and rewarding merit in terms of appreciating the results achieved, the quality of the performance and the competitiveness with respect to best market practices. Additionally, it uses a “talent management” model to rise to the challenge to attract, reward and motivate the key resources who can give key contributions according to the developments set out under the Industrial Plan. They relate to consolidation of its leadership position on the market, expansion of the services given to the Rai Group, diversification of the services on offer and improvement of operating efficiency. The remuneration and bonus system is different for management and the other departments. The key elements for the management remuneration policies are the following:

- selectivity of the beneficiaries and internal consistency with respect to the positions, the areas of responsibility and the roles carried out;
- competitiveness with the salary levels of the outside market, through an analysis of the policies and practices of the main peers at national and international level, to guide and inform the corporate choices in this area;
- correlation with company strategies and principles, with the variable remuneration linked to both proof of generation of added value with respect to the goal levels expected and approved by the Board of Directors of the Company; and defined according to a “pay for performance” criteria, where the performance is evaluated according to a number of different indicators that take into account the economic-financial aspects, the competitive environment the efficiency and innovation of the internal process, and the social dimension;
- compliance with the regulatory scope and reference to the best market practices.

The Company considers the operational valorisation of its resources as a characteristic trait for the other employees (executives, employees, manual workers), using a reward policy that entails fixed actions being taken and one-off payments given at the annual management planning, or following efficiency-improving processes, upon the review of labour organisational models, or to underscore non-standard contributions (for example when assigning professional services). In general terms, the progression of the careers of non-management staff, with consequent salary benefits, is governed by the applicable national collective labour contract, including on an automatic basis that varies according to the professional figures. Production bonuses and results bonuses are also given.

With regard to the remuneration policies of the governing and control bodies and key management for 2019, the following applies:

- the Board of Directors: each member of the Board of Directors receives a fixed fee for the position: they are also given further fixed compensation if they are part (as the chairperson or a member) of the consultation board committees. These payments are decided by the Board of Directors, dividing the amount established as a whole by the Shareholders’ Meeting according to Rai Way’s articles of association. The Directors are not given attendance fees to take part at the board meetings, and are entitled to reimbursement for their food, lodging and travelling expenses to carry out their board duties.

No variable remuneration components are given to the Directors besides the Chief Executive Officer. There are no contracts between Rai Way and members of the Board of Directors involving post-service payments on top of those provided for by law and/or any applicable collective labour contract;

- the Board of Statutory Auditors: each member of the Board of Statutory Auditors receives a fixed fee, as set by the Shareholder's Meeting according to the law and Rai Way's articles of association. No variable components of the remuneration, bonuses, attendance fees or other incentives or non-monetary benefits are given. The Statutory Auditors are reimbursed for food, lodging and travel expenses to carry out their duties;
- key management: managers with key responsibilities for the Company receive a global compensation package that includes a fixed component (that reflects the complexity of their role, the level of the position and the distinctive knowledge/skills held) and a short-term variable component (with regard to the short-term incentive scheme) on an annual basis, and non-monetary benefits. The remuneration policies are defined according to the law and the provisions of the articles of association, in addition to the provisions of the Code of Corporate Governance of listed Companies as adopted by the Company, and are approved by the Board of Directors upon proposal by the Remuneration and Appointment Committee, and therefore subject to non-binding vote by the Ordinary Shareholders' Meeting under article 123-ter, paragraph 6 of Legislative Decree no. 58/1998 ("TUF").

Concerning the above, please refer to the more detailed information in the first section of the Remuneration Report submitted to the Shareholders' Meeting during 2019 ([www.rairway.it/section Corporate Governance/Shareholders' Meeting/Ordinary Meeting of 18 April 2019](http://www.rairway.it/section%20Corporate%20Governance/Shareholders%20Meeting/Ordinary%20Meeting%20of%2018%20April%202019)).

439 Industrial Relations GRI (102-41) (402-1)

The involvement of trade union organisations at a national and local level is of fundamental importance for Rai Way for both efficiency and valorisation. New guidelines were drawn up with respect to the trade unions that led to consolidation of the industrial relations, also to ensure that the labour organisation models in the territory confirmed by the Agreements signed at national and local level were fully operational.

With this in mind, during 2019, important agreements were negotiated and signed at Italian national level. The agreement on the Company's Result Award for the three-year period 2019-2021 is of particular importance, since for the first time it will allow non-executive personnel of the Company to benefit from a collective economic incentive linked to Rai Way's results, capable of striving towards objectives based on the Company's technical, production and competitive positioning, and as such not linked to the consolidated results of the Rai Group. Upon reaching the profitability parameters, a further innovative aspect of the Agreement is added, which enhances the increase in training hours provided digitally to personnel. This Agreement includes mechanisms dedicated to corporate welfare by providing fringe benefits as mentioned in point 4.3.5 above. An agreement has also been reached that ensures the exchange of the staff's technical knowledge as well as an enhancement of the work carried out internally by the resources directly employed by Rai Way. The Agreement, which lasts three years, is an important organizational flexibility tool to provide greater

efficiency and effectiveness of all activities related to the extension and renewal of digital networks as well as to national or macro-regional projects with extraordinary and specialized features compared to ordinary maintenance levels.

Rai Way also further developed the exchange and dialogue, at local level, with the Unitary Trade Union Representatives, in order to ensure constructive dialogue and aimed at an improved understanding of the specific nature of the territories and respective requirements.

100% of the Company employees are covered by collective contractual agreements.

At the end of 2019, there were 322 employees registered with trade union organisations, equal to about 52% of the workforce.

Regarding the management of labour law disputes, which are extremely limited, including in 2019, it is managed by the legal department of the Company in co-ordination with the Chief Human Resources Officer's office.

4.4 Rai Way's Commitment to Economic Efficiency

GRI (201-1)

The economic and financial results achieved by Rai Way in 2019 are based on the strategies outlined in the Company's Industrial plan, which ended last year. The new business plan for the 2020-2023 period - which was approved by the Board of Directors on the same date as this document - includes for the first time a section on issues related to the ESG (Environmental, Social and Governance) pillars in order to more effectively integrate sustainability objectives within company processes, in the conviction that this is an essential factor in pursuing sustainable performance over time.

4.4.1 2019 at a glance

In 2019, Rai Way continued to consolidate its activities on the Italian radio and television transmission infrastructure market and in the other reference markets. Below is the summary financial information of Rai Way as at 31 December 2019, compared with the results as at 31 December 2018. In order to facilitate comparison with the results for the same period of the previous year, it was deemed appropriate to provide the economic data as at 31 December 2018 on a pro-forma basis, simulating the effectiveness of the application of IFRS 16 as from 1 January 2018, as they are more representative for the analysis of the Company's economic performance.

In particular, the accounting representation of the effects of the application of IFRS 16 on the pro-forma income statement as at 31 December 2018 resulted, among other things, in higher Adjusted EBITDA by 9.4 million Euros, higher EBIT by 0.3 million Euros, lower Pre-tax profits by 0.3 million Euros and Net Profit by 0.2 million Euros.

Revenues for the Company in 2019 amounted to 221.4 million Euros, up on the previous year (in 2018, they amounted to 217.7 million Euros) due to the increase in revenues from the new services offered to Rai.

The adjusted EBITDA amounted to 131.2 million Euros, an increase of 3.5 million Euros compared to 31 December 2018. The increase is mainly due to 3.7 million Euros higher core revenues, partially offset by operating costs which increased by 1 million Euros.

EBIT amounted to 90.1 million Euros, up 6 million Euros compared to 31 December 2018, while the Net Profit amounted to 63.4 million Euros, up 6.4% compared to 31 December 2018.

The Net Capital Invested amounted to 193.7 million Euros, with a Net Financial Position of 9.5 million Euros and equity of 184.2 million Euros.

Financial performance

- core revenue stood at 221,4 million Euros, with a 1.7% increase over the amount recorded on 31 December 2018;
- the operating result (EBIT) was 90.1 million Euros, 6 million Euros more than at 31 December 2018;
- the net profit was 63.4 million Euros, up 6.4% compared to the amount recorded on 31 December 2018;
- investments stood at 35.3 million Euros and refer to maintenance of the network infra-structure and development projects.

4.4.2 The economic value directly generated and distributed

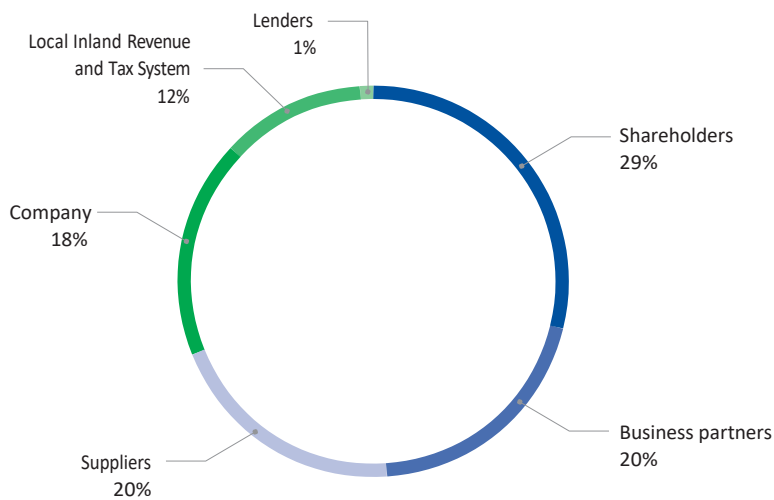
The following reclassified income statement shows the economic value directly generated by Rai Way and distributed in various forms to internal and external stakeholders, especially to: Suppliers, Business partners, Lenders, Shareholders, the Public Administration and the Community.

The remaining part, equal to the profit for the year, net of the amount distributed to shareholders as dividends, to which amortisation/depreciation and provisions must be added, shows the value generated in the year and held back by the Company.

THE ECONOMIC VALUE DIRECTLY GENERATED AND DISTRIBUTED

	2019	2018
Economic value generated	222,340,947	217,877,003
Economic value held back	40,979,465	33,322,067
Economic value distributed	181,361,482	184,554,936
Suppliers	43,827,821	52,087,435
Business Partners	45,326,405	46,070,318
Lenders	1,262,068	1,240,582
Shareholders	63,360,973	59,745,563
Inland revenue and local taxes	27,584,215	25,411,038
Company	40,979,465	33,322,067

THE ECONOMIC VALUE DISTRIBUTED TO INTERNAL AND EXTERNAL STAKEHOLDERS (82% OF THE TOTAL ECONOMIC VALUE GENERATED)



4.4.3 The investments

Investments of 35.3 million Euros were made in 2019 (27.0 million Euros in the same period of 2018), relating to maintenance of the Company network infrastructure for 18.1 million Euros (19.4 million Euros in the same period of 2018) and the development of new projects for 17.2 million Euros.

Rai Way investments (Eur/mm)	2019	2018
Maintenance investments	18.1	19.4
Development investments	17.2	7.6
Total operating investments	35.3	27.0

Continuing on from the previous year, the most significant maintenance investments related to renewal of the transmission equipment and radiant equipment for the radio services, in order to ensure the highest levels of reliability and availability of service; investments also continued to be made to strengthen and improve the IP control network and virtualise the management system to meet all the connectivity requirements between apparatus, systems and users.

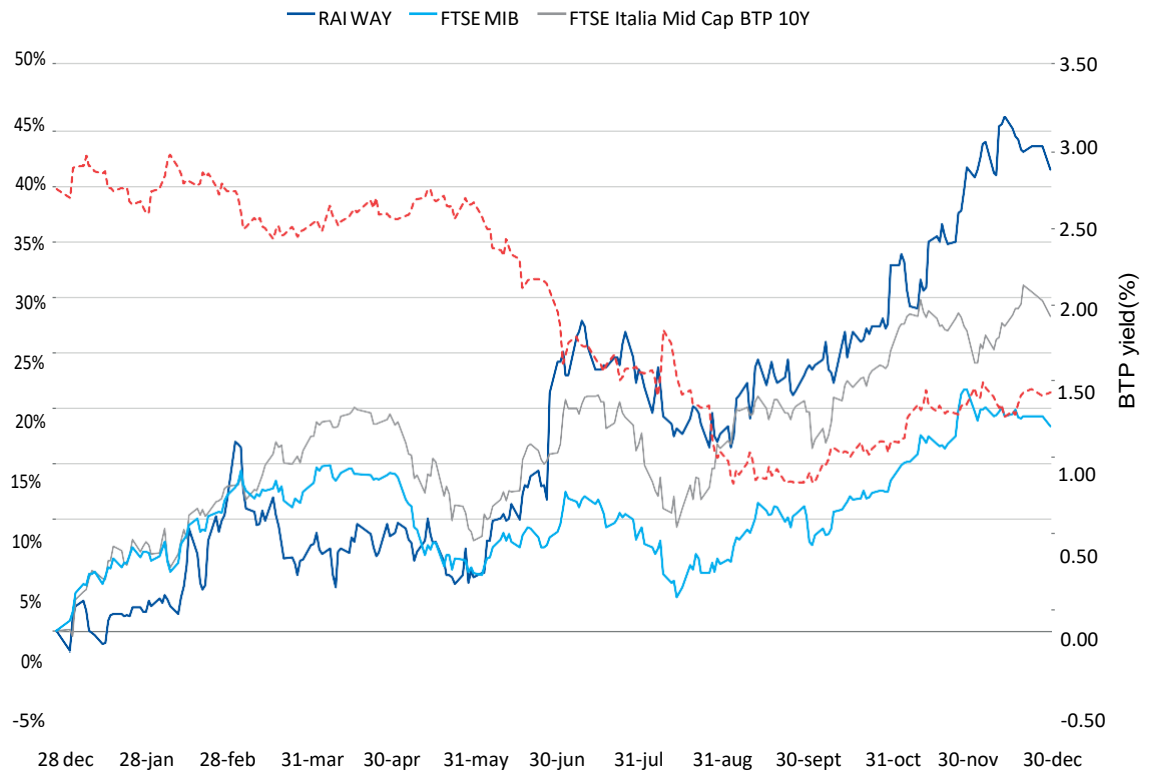
Development investments mainly concerned extending the networks for the digital terrestrial television broadcasting service, replacing transmission links operating in the 3695 MHz -3800 MHz frequency band and extending the DAB+ service with the construction of new stations along the motorway network.

444 Rai Way on the financial markets

After a negative 2018, especially in the last quarter, 2019 was a year of growth for international financial markets. The positive performance was also boosted by the continuing easing policies of the ECB and other central banks, which also offset geopolitical and commercial tensions and the slowdown in global growth. The Italian stock market also benefited from a narrowing of the spread due to a lower perception of country risk. The FTSE Italia All Share Index grew by 27.2% in 2019. The Mid Cap Index improved by 18.3%, also driven by the reform of individual savings plans (PIR), which made Italian small and mid cap stocks more attractive to investors.

In 2019, the value of Rai Way's shares, listed on the Italian Stock Exchange, increased by 41.4% (46.5% including the value of dividends distributed). The performance, decidedly better than the reference indices, incorporates the company's positive financial results, the favourable reception of the Refarming agreement signed with Rai in December, the positive impact of rates and the consolidation trends in the TowerCo sector.

Rai Way ended 2019 with a capitalisation of about 1,667 million euros.



The main market information is shown below:

MAIN MARKET INFORMATION

	ISIN	IT0005054967
General figures	Number of shares	272,000,000
	Floating	35.03%
Price (Eur, %)	Placement price (19/11/2014)	2.95
	Price as at 31/12/2018	4.335
	Price as at 31/12/2019	6.13
	Performance as at 31/12/2019 compared to placement price	+107.80%
	Performance as at 31/12/2019 compared to 31/12/2018	41.41%
	Maximum price (closing) in 2019	6.34
	Minimum price (closing) in 2019	4.255
Volumes ('000)	Average volumes in 2019	101.000
	Maximum volumes in 2019	664,866
	Minimum volumes in 2019	5.777
Capitalisation (millions of Euros)	Capitalisation at placement (19/11/2014)	802.4
	Capitalisation as at 31/12/2018	1,179.1
	Capitalisation as at 31/12/2019	1,667.4

5. Annex

5.1. Legislative Decree no.254/2016 correlation table and the contents of the document

The table below shows the correlation between the disclosure request provided under Legislative Decree no. 254/2016 and the contents of the document, and the correlation between the issues provided for under Legislative Decree no. 254/2016 and the relevant topics identified by Rai Way on the basis of the GRI standards.

Areas of Legislative Decree no. 254/2016	GRI Disclosure			
	The company management and organisation model for company business activities	Name of the organisation	102-1	
		Business activity, brands, products and services	102-2	
		Location of the main office	102-3	
		Location of the operations	102-4	
		Ownership structure and company legal status	102-5	
		Markets served	102-6	
		Extent of the organisation	102-7	
		Information on the employees and other workers	102-8	
		Values, principles, standards and rules of behaviour	102-16	
		Mechanisms for advice and concerns about ethics	102-17	
Governance structure	102-18			
	GRI topic	Policies adopted	Risks identified and management methods	
Environmental	Emissions	See Chapter 4.2 for Rai Way's commitment to the environment	See Chapter 3.2 for the internal control system and risk management and Chapter 4.2 for Rai Way's commitment to the environment	
	Energy			
	Compliance with environmental laws and regulations			
Social	Public policies	See Chapter 3.3 Management of privacy, health and safety of the customers The related policies are set out in Model 231 whose text was approved by the Board of Directors. Additionally, as reported in the Code of Ethics, the Company is fully committed to complying with the law, professional ethics and regulations in effect in all the countries it operates in. The recipients of the Code will therefore undertake to comply with this principle within the scope of their working activities. According to internal rules (Model 231 and the Code of Ethics) and Italian and international laws that the Company is subject to, it was not considered necessary to adopt a specific formalised policy for that purpose.	See Chapter 3.2 The internal control system and risk management, and Chapter 3.3 Management of privacy, health, and safety for customers	
	Socio-economic compliance			
	Health and safety of the customers/consumers			
	Customer privacy			

	GRI topic	Policies adopted	Risks identified and management methods
Areas of Legislative Decree no. 254/2016	<p>Relating to staff</p> <p>Work policies to manage human resources</p> <p>Staff training</p> <p>Remuneration policies</p> <p>Industrial relations</p> <p>Diversity and equal opportunities</p> <p>Occupational Health and Safety</p> <p>Non-Discrimination policies</p> <p>Freedom of association and right to collective bargaining</p>	<p>See Chapter 4.3 Rai Way's Commitment to Human Resources</p>	<p>See Chapter 3.2 for the internal control system and risk management, Chapter 4.2 for Rai Way's commitment to the environment and Chapter 4.3 Rai Way's Commitment to Human Resources</p>
	Human Rights	<p>Considering the area of business activity of the organisation, the compliance of the company with the laws of the country it operates in and its support of international laws on human rights, the issues is not considered material and there are no specific risks linked to respecting said rights.</p>	
	Anti-corruption	Anti-corruption	See Chapter 3.2.2 - Model 231 and Anti-corruption monitoring

5.2 GRI Content Index

GENERAL DISCLOSURES			
Standard		Paragraph	Notes
Profile of the organisation			
102-1	Name of the organisation	2.1 The Guarantee of Public Service	
102-2	Main brands, product and/or services	2.1 The Guarantee of Public Service	
102-3	Location of the general headquarters of the organisation	2.1 The Guarantee of Public Service	
102-4	Number of countries that the organisation operates in	2.1 The Guarantee of Public Service	
102-5	Ownership structure and legal status	2.4 The shareholders and financial community	
102-6	Markets served	2.1 The guarantee of public service; 2.3 The activities of Rai Way and the applicable market	
102-7	Sizes of the organisation (for example employees, net revenue, etc.)	4.1 Rai Way's Commitment to Local Communities; 4.3.1 Rai Way Employees	
102-8	Number of employees by type of contract, geographic area and gender	4.3.1 Rai Way Employees	
102-9	Description of the supply chain (no. of suppliers, type, provenance, etc.)	4.1.2 Sustainable Procurement of Supplies and Procedures Open to Public Scrutiny	
102-11	Explanation of the application of the prudential approach	3.2 The Internal Control System and Risk Management	
102-12	Agreement of codes of conduct, standards and charters developed by external entities/associations	3.2 The Internal Control System and Risk Management	
102-13	Membership of associations	4.1.3 Communication Activities	
Strategy			
102-14	Statement by the Chief Executive Officer regarding the importance of sustainability for the organisation and its strategy	Letter from the Chairperson	
102-15	Description of the main impacts, risks and opportunities in economic, social and environmental terms (e.g. impacts on stakeholders, expectations and company approach to seizing opportunities, etc.)	Letter from the Chairperson	
Ethics and Integrity			
102-16	Mission, values, codes of conduct and standards	2.1 The guarantee of public service; 2.2 The Company values	
Governance			
102-18	Governance structure of the organisation	3.1 Governance and the Organisational Structure of Rai Way	
102-22	Composition of the top governance body	3.1 Governance and the Organisational Structure of Rai Way	
102-24	Description of the processes and criteria to select and appoint the members of the top governance body	3.1 Governance and the Organisational Structure of Rai Way	

Standard		Paragraph	Notes
Remuneration policies			
102-35	Description of salary policies	3.1.3 The Board of Directors; 4.3.8 The Remuneration and Bonus System	
102-36	Description of the remuneration determination process	3.1.3 The Board of Directors; 4.3.8 The Remuneration and Bonus System	
Stakeholder engagement			
102-40	List of stakeholder groups with whom the organisation is involved	1.1 The Involvement of Stakeholders	
102-41	Percentage of employees covered by collective contractual agreements	4.3.9 Industrial Relations and Dispute Management	
102-42	Standards to identify and select the main stakeholders with whom to undertake the involvement activities	1.1 The Involvement of Stakeholders	
102-43	Approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group	1.1 The Involvement of Stakeholders	
102-44	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those concerns, including through reference to what is stated in the report	1.1 The Involvement of Stakeholders	
Reporting practice			
102-45	List of the companies included in the consolidated financial statements and indication of the companies not included in the report	1.3 Methodological Note	
102-46	Process defining the contents of the financial statements	1.3 Methodological Note	
102-47	List of the aspects identified as material	1.2 The Materiality Matrix	
102-48	Explanation of the effects of changes in the calculations	4.3.1 Rai Way employees 4.3.2 The research, selection and turnover process at Rai Way 4.3.4. Protection of health and safety at work	Following the update of the GRI Standard 403: Health and Safety at Work (2018), a reassessment of the 2018 figure indicated in the previous report was necessary. It should also be noted that, following the revision of the age brackets for the breakdown of personnel, a restatement of the data for 2018 relating to the composition of personnel and turnover was necessary.
102-49	Significant changes compared to the previous reporting period	-	There were no significant changes
102-50	Reporting period	1.3 Methodological Note	
102-51	Publication Date of the most recent financial statements		Second year of report
102-52	Frequency of Reporting	1.3 Methodological Note	
102-53	Useful contacts and addresses to ask for information on the financial statements and their content	http://www.rairway.it/contatti-utili	
102-55	GRI Table	<i>GRI Content Index</i>	

SPECIFIC DISCLOSURES

Standard		Paragraph	Notes
Corporate category			
Policies for human resource management			
103-1 103-2 103-3	Explain how the organisation manages the material aspects (for example, strategic choices, actions undertaken, procedures and policies adopted, etc.), the associated impacts, reasonable expectations and stakeholder interests	4.3 Rai Way's Commitment to Human Resources	
401-1	Total number of hires and turnover rate by age, gender and geographic area groups	4.3.2 The Recruitment, Selection and Turnover Process in Rai Way	
401-2	Benefits provided to employees	4.3.5 Rai Way company Welfare	
401-3	Return to work and return rights following parental leave	4.3.5 Rai Way company welfare	
Industrial relations management			
103-1 103-2 103-3	Explain how the organisation manages the material aspects (for example, strategic choices, actions undertaken, procedures and policies adopted, etc.), the associated impacts, reasonable expectations and stakeholder interests	4.3.9 Industrial Relations	
402-1	Minimum notice period for operational changes, including whether this notice period is specified in the collective labour contracts	4.3.9 Industrial Relations	The Agreement of 22 November 2001 governs the management of work conflicts and strikes. In broader terms, information is provided on the organisational models, productivity and in general the main indicators that regard the work factor as part of the industrial relations system, without any minimum notice periods.
Occupational Health and Safety			
103-1 103-2 103-3	Explain how the organisation manages the material aspects (for example, strategic choices, actions undertaken, procedures and policies adopted, etc.), the associated impacts, reasonable expectations and stakeholder interests	3.2.1 Main risks to which Rai Way believes it is exposed 4.3.4 Protection of health and safety in the workplace	
403-1	Occupational health and safety management system	3.2.1 Main risks to which Rai Way believes it is exposed 4.2.2 Greenhouse gas emissions into the atmosphere 4.3.4 Occupational health and safety protection	
403-4	Worker participation and consultation and communication on health and safety at work	4.3.4 Protection of health and safety in the workplace	
403-5	Training of workers in health and safety at work	4.3.3 The development and training of human capital	
403-9	Accidents at work	4.3.4 Protection of health and safety in the workplace	

Standard		Paragraph	Notes
Staff training			
103-1 103-2 103-3	Explain how the organisation manages the material aspects (for example strategic choices, actions undertaken, procedures and policies adopted, etc.), the associated impacts, reasonable expectations and stakeholder interests	4.3.3 The Development and Training of Human Capital	
404-1	Average number of training hours per employee per year, by gender and employee category	4.3.3 The Development and Training of Human Capital	
404-2	Programmes to manage skills and continuous learning that support the continuous employability of employees and help them to manage the end of their careers	4.3.3 The Development and Training of Human Capital	
Protection of diversity and equal opportunities			
103-1 103-2 103-3	Explain how the organisation manages the material aspects (for example strategic choices, actions undertaken, procedures and policies adopted, etc.), the associated impacts, reasonable expectations and stakeholder interests	4.3.6 Diversity, Equal Opportunity and Non-Discrimination	
405-1	Composition of the governance bodies and break down of the employees by gender category, age groups, whether they belong to minority groups or other diversity indicators	4.3.6 Diversity, Equal Opportunity and Non-Discrimination	
405-2	Ratio between basic male salary and basic female salary by category and by operational qualification	4.3.6 Diversity, Equal Opportunity and Non-Discrimination	
Non-Discrimination policies			
103-1 103-2 103-3	Explain how the organisation manages the material aspects (for example strategic choices, actions undertaken, procedures and policies adopted, etc.), the associated impacts, reasonable expectations and stakeholder interests	4.3.6 Diversity, Equal Opportunity and Non-Discrimination	
406-1	Total number of episodes linked to discriminatory practices and actions taken	GRI Table	There were no incidents of discrimination in the period under consideration
Freedom of association and right to collective bargaining			
103-1 103-2 103-3	Explain how the organisation manages the material aspects (for example, strategic choices, actions undertaken, procedures and policies adopted, etc.), the associated impacts, reasonable expectations and stakeholder interests	4.1.2 Sustainable Procurement of Supplies and Procedures Open to Public Scrutiny	
407-1	Identification of the activities and main suppliers where the freedom of association and collective bargaining may be exposed to significant risks and actions undertaken to defend those rights	4.1.2 Sustainable Procurement of Supplies and Procedures Open to Public Scrutiny	

Standard		Paragraph	Notes
Public policies			
103-1 103-2 103-3	Explain how the organisation manages the material aspects (for example strategic choices, actions undertaken, procedures and policies adopted, etc.), the associated impacts, reasonable expectations and stakeholder interests	<i>GRI Content Index</i>	No disbursements were made to public institutions in general during the year (as provided by the Code of Ethics)
415-1	Total value of political contributions, by country and beneficiary	<i>GRI Content Index</i>	
Management of the Health And Safety of the Customers			
103-1 103-2 103-3	Explain how the organisation manages the material aspects (for example strategic choices, actions undertaken, procedures and policies adopted, etc.), the associated impacts, reasonable expectations and stakeholder interests	3.3 Management of Privacy, Health and Safety of the Customers	
416-1	Percentage of the product and service categories where the impacts on health and safety are assessed for improvement	3.3 Management of Privacy, Health and Safety of the Customers 4.2.2 (see The actions taken to reduce electromagnetic impact)	
416-2	Total number of cases of non-compliance with regulations and voluntary codes regarding the impact on the health and safety of the products and services during their life cycle	3.3 Management of Privacy, Health and Safety of the Customers	
Respecting customer privacy			
103-1 103-2 103-3	Explain how the organisation manages the material aspects (for example, strategic choices, actions undertaken, procedures and policies adopted, etc.), the associated impacts, reasonable expectations and stakeholder interests	3.3 Management of Privacy, Health and Safety of the Customers	
418-1	Justified complaints regarding privacy infringement of customers and loss of their data	3.3 Management of Privacy, Health and Safety of the Customers	
Socio-economic compliance			
103-1 103-2 103-3	Explain how the organisation manages the material aspects (for example strategic choices, actions undertaken, procedures and policies adopted, etc.), the associated impacts, reasonable expectations and stakeholder interests	Letter by the Chief Executive Officer	
419-1	Monetary value of any significant fines and total number of non-monetary sanctions imposed due to breach of laws or regulations	<i>GRI Content Index</i>	In the period considered, there were no significant fines issued relating to the breach of laws and/or regulations in the socio-economic area. Penalty proceedings against Rai Way and related court-based and out-of-court proceedings concerned different administrative issues for an overall amount that was insignificant

Standard		Paragraph	Notes
Economic category			
Economic performance			
103-1 103-2 103-3	Explain how the organisation manages the material aspects (for example, strategic choices, actions undertaken, procedures and policies adopted, etc.), the associated impacts, reasonable expectations and stakeholder interests	4.4 Rai Way's Commitment to Economic Efficiency	
201-1	Direct economic value generated and distributed	4.4 Rai Way's Commitment to Economic Efficiency	
Procurement practices (non-material theme)			
103-1 103-2 103-3	Explain how the organisation manages the material aspects (for example, strategic choices, actions undertaken, procedures and policies adopted, etc.), the associated impacts, reasonable expectations and stakeholder interests	4.1.2 Sustainable Procurement of Supplies and Procedures Open to Public Scrutiny	
204-1	Proportion of expenditure towards local suppliers	4.1.2 Sustainable Procurement of Supplies and Procedures Open to Public Scrutiny	
Anti-corruption			
103-1 103-2 103-3	Explain how the organisation manages the material aspects (for example, strategic choices, actions undertaken, procedures and policies adopted, etc.), the associated impacts, reasonable expectations and stakeholder interests	3.2.2 Model 231 and Anti-corruption Monitoring	
205-1	Activities assessed in relation to the risks of corruption and the main risks identified	3.2.2 Model 231 and Anti-corruption Monitoring	
205-2	Communication and training on anti-corruption policies and procedures of the organisation	3.2.2 Model 231 and Anti-corruption Monitoring	
205-3	Any corruption found and actions taken	3.2.2 Model 231 and Anti-corruption Monitoring	
Environmental category			
Energy			
103-1 103-2 103-3	Explain how the organisation manages the material aspects (for example strategic choices, actions undertaken, procedures and policies adopted, etc.), the associated impacts, reasonable expectations and stakeholder interests	4.2.1 Energy Consumption and Energy Efficiency	
302-1	Energy consumption in the organisation	4.2.1 Energy Consumption and Energy Efficiency	
Water			
103-1 103-2 103-3	Explain how the organisation manages the material aspects (for example, strategic choices, actions undertaken, procedures and policies adopted, etc.), the associated impacts, reasonable expectations and stakeholder interests	4.2.3 Water Consumption	
303-1	Total water used by source of procurement	4.2.3 Water Consumption	

Standard		Paragraph	Notes
Emissions			
103-1 103-2 103-3	Explain how the organisation manages the material aspects (for example strategic choices, actions undertaken, procedures and policies adopted, etc.), the associated impacts, reasonable expectations and stakeholder interests	4.2.2 Atmospheric Emissions	
305-1	Emissions of direct greenhouse gases (Scope 1)	4.2.2 (see The Emission of Greenhouse Gases into the Atmosphere)	
305-2	Emissions of greenhouse gases generated by energy consumption (Scope 2)	4.2.2 (see The Emission of Greenhouse Gases into the Atmosphere)	
305-6	Emissions of ozone-depleting substances (ODS)	4.2.2. (see Emissions of ozone-depleting substances)	
Compliance with environmental laws and regulations			
103-1 103-2 103-3	Explain how the organisation manages the material aspects (for example, strategic choices, actions undertaken, procedures and policies adopted, etc.), the associated impacts, reasonable expectations and stakeholder interests	4.2.6 Environmental compliance and the management of environmental disputes	
307-1	Failure to comply with environmental laws and regulations	4.2.6 Environmental compliance and the management of environmental disputes	

Rome, 12 March 2020

On behalf of the Board of Directors
The Chairperson
Mario Orfeo