

# 2020 Sustainability Report



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# Letter to Stakeholders

The 2020 Sustainability Report of TCI Group represents the first, fundamental step to make our stakeholders aware of our daily commitment to make the business conduct fully sustainable.

**It is a path, that began some time ago without being reported on, made up of small but fundamental goals.**

As you all know, we have always loved challenges and we are skilled in turning them into opportunities, facing them with resourcefulness and always consistently with our founding values: integrity, quality, responsibility.

Just as in the development of our innovative solutions we go far beyond the existing standards to offer you products of superior quality and performance, also in sustainability we do not limit ourselves to the compliance with current regulations but we work to achieve greater goals, driven by our sense of social and environmental responsibility.

In this year, made particularly difficult by the Covid-19 pandemic, we have managed to guarantee full operational continuity, safeguarding not only our employees and their families but every single stakeholder, in the name of the solid relationship between us. Unfortunately, the difficulties are not over yet but we will go on taking all the necessary measures to fulfil our first duty: creating shared value.

In our approach to sustainability we keep the UN 2030 Agenda as a reference and we work to contribute to the achievement of its SDGs.



  
Gianfranco Librandi  
CEO



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# Company Profile of TCI



# Company Profile of TCI

TCI Group (hereinafter referred to as the “Group” or “TCI”) is an international leader in the production and distribution of electronic components for lighting.

For almost 40 years we have been developing and producing a wide range of products of the highest quality, 100% Made in Italy:

- **LED drivers**
- **IoT control systems**  
(Casambi, ZigBee, BLL, ZD Light, VLC and Li-Fi)
- **LED modules**
- **tailor-made solutions**

The business develops over an area of

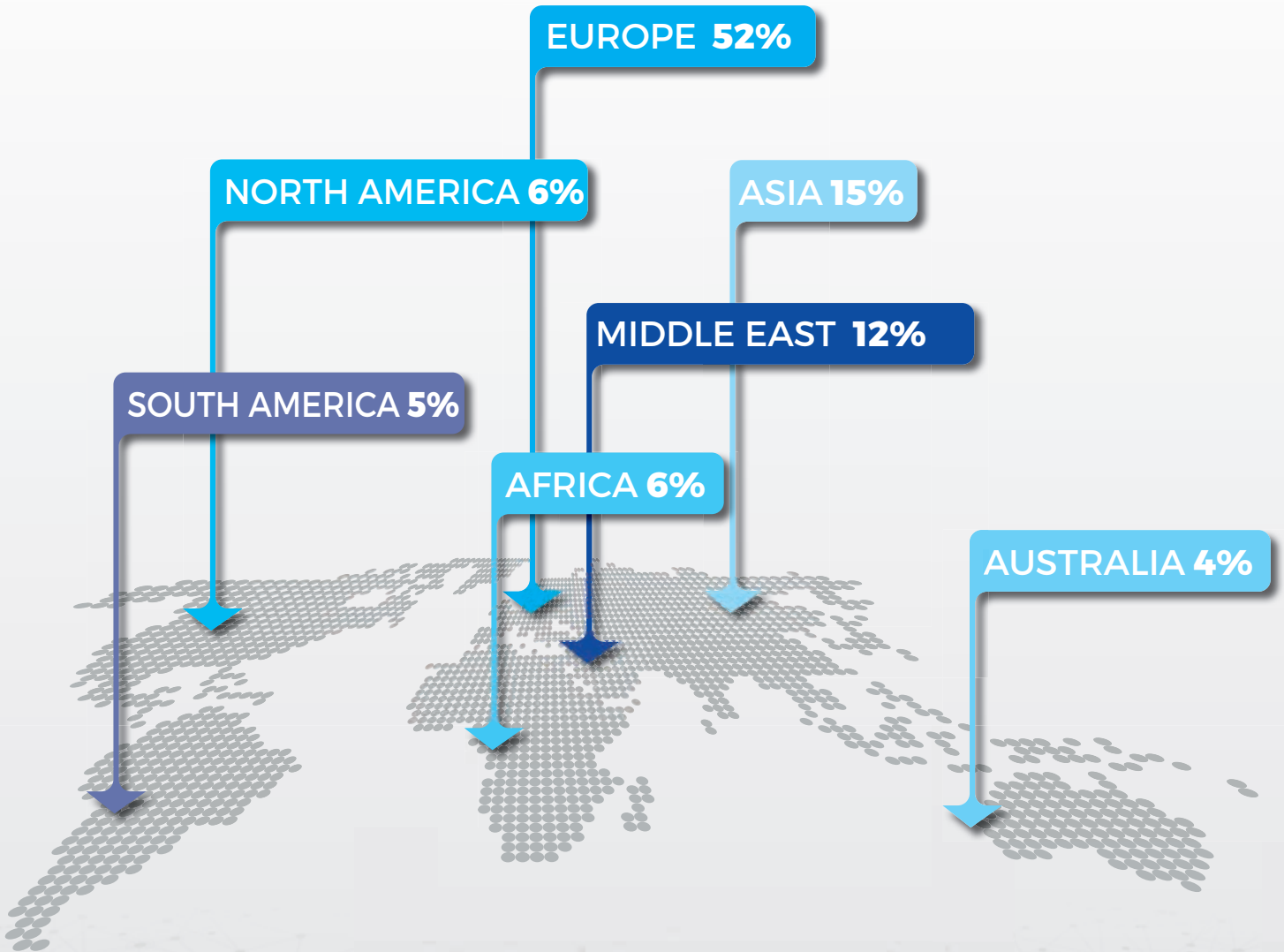
30,000 square meters, which includes commercial offices, two production units and three warehouses, two research and development laboratories, an approval department and the testing, quality control, financial, marketing departments as well as a patents office.

At the corporate level, TCI Group is made up of the holding company TCI Telecomunicazioni Italia S.r.l. and 2 directly controlled companies. The holding company also holds equity investments in 4 additional associated companies, operating in China and Italy.

The consolidation area as at 31 December 2020 is therefore as follows:

COMPANY NAME	% OF OWNERSHIP	OPERATIONAL OFFICES
TCI Telecomunicazioni Italia S.r.l.	-	Italy - Saronno
<b>Directly controlled companies:</b>		
TCI ELETTROMECCANICA S.r.l.	95%	Italy - Trezzo sull'Adda
TCI America Inc.	100%	USA
<b>Associated companies:</b>		
ICT Intelligent Components Technology Zhuhai Ltd.	26%	China
ITH International Technologies Holding Ltd.	40%	China
IGROX S.r.l.	20%	Italy - Milan
ALLIX S.r.l.	20%	Italy - Busto Arsizio





\* The percentages are based on TCI's 2020 turnover

# TCI in the word

## 2.1 Our **history**



**TCI Group** is a world leader in the production of electronic components for lighting, but what we are today is the result of a long path that began almost 40 years ago, made up of small and large goals.

**TCI Telecomunicazioni Italia S.r.l.** was established in 1982 as a telecommunication company, specialised in the production of antennas.

Over time, the production of mechanical and subsequently electronic transformers was added to the main one, and then

it took over entirely from the initial business.

Throughout the Nineties and up to **2006** we produced electronic ballasts and transformers for traditional lighting (fluorescent, halogen, HID lamps).

With the introduction and the rapid spread of the LED in lighting, we have decided to invest in the research and development of suitable solutions to support this technological evolution, focusing our R&D activities on it and adding a growing number of *ad hoc* production lines.

Since **2013** we have successfully started our



2006

2013

2016

own production of LED modules, which has grown exponentially to occupy a fully dedicated department, in just five years.

Starting from **2016** TCI set up a team of professionals for the development of IoT wireless solutions, thus further expanding our range of products, with the introduction of drivers and interfaces based on Bluetooth, ZigBee, Casambi, VLC and Li-Fi communication protocols.

**TCI has established itself as a reference leader, thanks to its forward-looking visions and its flexibility.**

Among the first companies to believe and invest in LED technologies, in the use of the DALI “*Digital Addressable Lighting Interface*” standard and then in wireless, we have always been able to offer innovative and competitive solutions, making some of our products real milestones in the lighting sector.



## 2.2 Our **business model**

Over the years, our passion for light has allowed us to constantly innovate by offering our customers products that fully meet their needs. All this has been possible thanks to our extremely dynamic and flexible business model, able to adapt to and guide the main changes in the sector.

Among the several initiatives we carried out over the years there are:

- Promotion of the development and implementation of new technologies through participation in working groups like DALI, ZHAGA and COMEX.
- Development and implementation of technical solutions related to health and safety, such as the reduction of the ripple wave, that causes a plurality of ailments from simple headaches to epilepsy in the most severe cases; the ability to continuously monitor the status of the installed lighting fixtures thus avoiding to leave areas not sufficiently illuminated in the event of a fault; the use of an APP for light modulation to support the circadian cycle, really useful especially in hospitals; etc.
- Participation in all the main fairs and events to understand market trends and evaluate potential new directions for development.

We strongly believe that having a highly defined corporate organisation represents an essential tool to realise our vision and to face present and future challenges:



es: all our branches, our departments and offices are independent but interconnected and collaborate closely to guarantee the full achievement of all our goals.

TCI Group is made up of the holding company TCI Telecomunicazioni Italia S.r.l. and from subsidiaries with which and thanks to which we are able to cover a broader market segment, with a complete technological offer. These include:

### **TCI Elettromeccanica S.r.l.**

TCI Elettromeccanica S.r.l. produces toroidal transformers for several uses, including civil automation (civilgate openers, opening systems for doors and windows) and industrial automation, wired transformers with different degrees of IP protection.

The evolution of the market and a different sensitivity towards the environment have led TCI Elettromeccanica S.r.l. to develop

multi-voltage electromechanical toroidal transformers, even of very high power, suitable for powering energy saving equipment, photovoltaic systems, inverters and LED systems.

To date, TCI Telecomunicazioni Italia S.r.l. holds 95% of the assets of TCI Elettromeccanica S.r.l, with which it collaborates closely.

TCI also owns shares of:

### Allix S.r.l.

Since 2019 Allix S.r.l. is a member of TCI Group, which controls it for 20%. It offers extremely advanced remote control and remote management systems, created using a native data communication platform that goes beyond the traditional Cloud.

Thanks to technologies such as MQTT and ZeroTier, together with proprietary technologies, Allix makes it possible to manage peripheral networks as a single global network: in this way you have all the advantages of a local network by eliminating the disadvantages of classic cloud-based networks, such as low bandwidth or lack of an internet connection.

The collaboration between Allix and TCI Group is focused on the development and maintenance of APPs and softwares for the wireless management of lighting.

### Igrox S.r.l.

Igrox S.r.l. is an Italian company, 20% controlled by TCI Group, specialised in the development and production of LED systems for plant growth within a controlled environment. Igrox mission is to help farmers to produce continuously and under any climatic condition, guaranteeing product quality and freshness.

Thanks to the partnership with Igrox S.r.l., TCI Group has extended its expertise also

to agriculture, with specific LED systems designed to support every stage of plant growth, from grafting to fruit production, to obtain better morphological characteristics and greater yield of the crop.

### ICT Intelligent Components Technology Zhuhai Ltd.

ICT was established in Zhuhai City in 1999. Together with Trilux-Lenze GmbH+Co.KG (Germany), TCI Telecomunicazioni Italia S.r.l. has strategically invested in ICT, acquiring 26%.

In line with the high standards of German technology, ICT specialised in the development and distribution of innovative components, transformers, coils, igniters and electronic devices for several application areas.

### ITH International Technologies Holding Ltd

20% controlled, ITH just as ICT, supplies components to the holding company.

## 2.3 Company mission and values

TCI runs its business according to the principles of reliability, trust and transparency, together with innovation, courage, dynamism and quality: all key elements of our success. Corporate decisions and daily activities are carried out under the banner of our values, which guide and support us in creating shared value.

### QUALITY AND RELIABILITY

TCI has always put quality first. Quality of our products: innovative, performing, reliable and compliant with the strictest international safety standards.

Quality of our service: customer focus, pre- and post-sales technical and commercial support, wide range of product certifications to allow the distribution in different countries.

Quality for TCI also means ethically re-

sponsible management of every aspect related to our business conduct, to truly guarantee the creation of shared value.

### TRUST AND TRANSPARENCY

Trust and transparency are the basis and the guarantee of the solid relationship between our stakeholders and us.

We are committed to establishing lasting and mutually beneficial partnerships based on daily dialogue with all our partners.

### INNOVATION AND DYNAMISM

Our propensity for continuous innovation allowed us to grow and establish ourselves in the lighting sector by competing internationally with the main market players. TCI is a dynamic, resourceful, flexible partner dedicated to ongoing improvement.

### BRAVERY

Without bravery, TCI wouldn't be where it is today. Thanks to this virtue, we have become pioneers in our sector, overcoming existing limits and putting ourselves to the test in highly challenging projects to obtain increasingly innovative products that support sustainability.



Passion  
**Bravery**

Curiosity

**Trust**

## 2.4 Our strategic partnerships

We strongly believe in the importance of establishing and maintaining solid relationships with our stakeholders over time.

The creation of strategic partnerships ensures stability, reliability and product quality, as well as flexibility and the ability to transform challenges into opportunities.

The continuous exchange of information

with our suppliers, business partners and customers allows us to always be at the forefront of market new trends and developments.

We strongly believe in the importance of collaborating with the academic world, a precious source of innovation and a place for discussion and exchange of ideas.

The main universities with which we collaborate in exploring new technologies and their possible uses are Politecnico of Milan, University of Parma and Sant'Anna University of Pisa.

Strategic partnerships include the one with ASSIL, the National Lighting Manufacturers Association, of which we are members since 2008. ASSIL groups together manufacturers of electronic components and LED lighting systems operating on the Italian market.

ASSIL companies, with a global turnover of € 2.9 billion, represent over 65% of the total Italian turnover in the sector and employ over 8,000 people.

The Association mission is to represent, protect and support member companies to encourage the growth of a quality industry based on innovation and internationalisation.

ASSIL offers its members high added value services able to ensure constant and timely updating on the issues of greatest interest for lighting companies.

Source: [www.assil.it](http://www.assil.it)



# Strategic Partnership



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# **Our Commitment to Sustainability**





### 3.1 Our approach to sustainability: a new start for TCI

In 2020 we decided to share TCI Group’s path towards full sustainability with our stakeholders.

We chose a particular year to publish our first Sustainability Report, characterised by the Covid-19 pandemic currently underway, which has changed the habits of people and companies, showing them the need to face the changes constructively.

This Sustainability Report aims to show what has been done so far and what we

intend to do as part of a structured path aimed at integrating sustainability into all our company practices and daily activities, in order to improve our impact concerning sustainable development.

Reporting our performance in terms of economic, social and environmental responsibility will allow us to constantly monitor corporate sustainability performance and set ourselves increasingly challenging objectives, while standing competitive in the sector in which we operate. This document also represents an opportunity to improve



and strengthen the dialogue with all our stakeholders, to whom we transparently communicate our *performance* in economic, environmental, social and governance matters and the main objectives we set in order to fulfil their needs.

## OUR COMMITMENT

- **Always maintain our business integrity**, that is compliance with current national and international regulations.
- **Responsibly manage our supply chain**: we consider of vital importance the relationship with our suppliers, with whom we establish and maintain long-term relationships based on mutual trust, that allow us to guarantee products of the highest quality and safety as well as to ensure our business continuity and that of all our customers.
- **Ensuring people centrality** both at the company level, as it concerns the HR management, and at the community level in which we perform our business on a daily basis.



# Sustainability

## 3.2 Dialogue with our **stakeholders**

*“All our stakeholders are essential, from our employees to our partners and customers, to the communities in which we operate. Together we create value. Together we win”*

Gianfranco Librandi,  
CEO

Stakeholders are defined as the interested parties, that is, those who have interests, albeit very different from each other, in TCI Group and who for this reason influence the company’s strategic choices and decisions.

We are committed to listening to and protecting all our stakeholders in order to promote the creation of shared value. We carried out an internal analysis to define our main stakeholders:

- **Associates:**  
our associates are essential for the achievement of our objectives, they share success with us but also and above all the risks and therefore we are committed to protecting them in every way.
- **Customers:**  
customers represent the focus of all our daily activities, they are a valuable source of information and a window on the consumer market that contributes to the continuous redefinition of our strategies with the aim of improving ourselves and optimally satisfying the most varied needs.



- **Consumers:**  
we interact with consumers through our direct customers, who integrate our components into their lighting systems. We constantly strive to guarantee safety, efficiency and innovation in order to give added value to the finished products that are distributed on the market.
- **Human Resources:**  
human capital is a precious element for us in order to create long-term value. It is thanks to our people that we are able to successfully achieve increasingly challenging goals, which allow us to keep up with the continuous changes in our sector and even to guide them. For this reason we are committed to ensuring a healthy, safe and stimulating work environment.
- **Suppliers:**  
stable and quality relationships with suppliers are essential to guarantee excellent and innovative products and ensure operational continuity.

Dialogue with our stakeholders is essential as it allows us to constantly monitor their needs and generate value over time.

In order for dialogue to be truly **valuable, it must be based on the values of fairness, collaboration, loyalty and respect.**

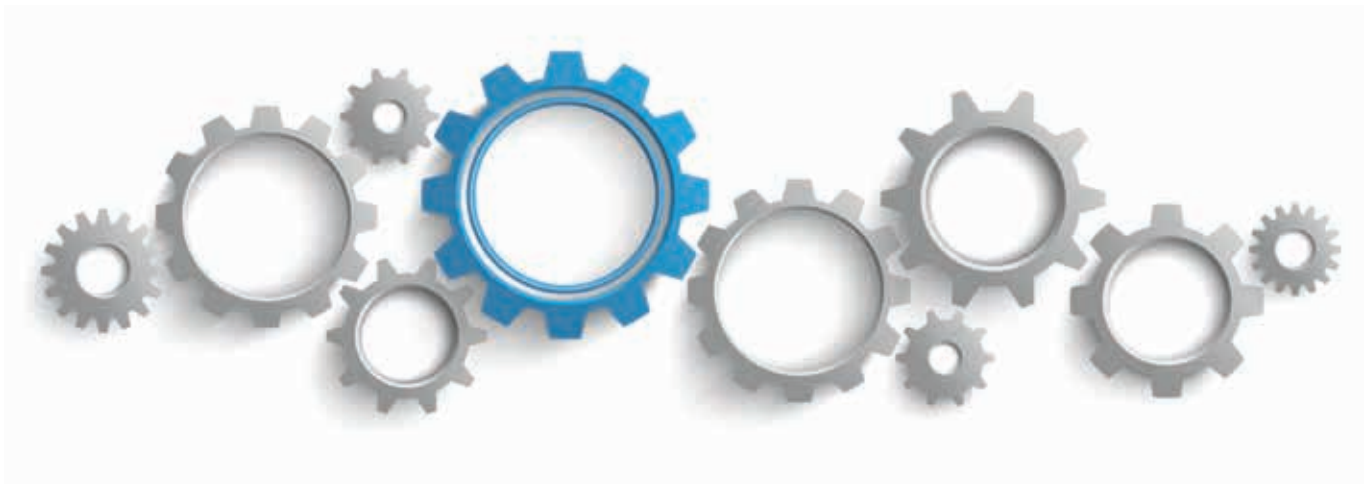
With this in mind we have decided to report on our commitment to sustainability,

communicating results and future goals to make our stakeholders aware of TCI's desire to become an increasingly sustainable company.

Over the years, we have implemented a plurality of communication channels and stakeholder engagement methods, which are summarised here below.

## STAKEHOLDERS INVOLVEMENT METHODS

Involved groups of stakeholders	Method of involvement
Associates	Direct dialogue with the top management
Customers	Direct dialogue with the commercial dept
Human Resources	Dialogue with the HR Responsible Training Company intranet
Suppliers	Direct dialogue with the Purchase dept Periodic meetings
Consumers	Indirect contact through direct customers



# Stakeholders

### 3.3 Materiality analysis

Identification of the aspects that matter most to TCI and our stakeholders

In order to identify the aspects that matter most to us and our stakeholders, that is the strategic priorities in the economic, social and environmental fields, we carried out a Materiality Analysis according to the reporting standard issued by the Global Sustainability Standard Board of the Global Reporting Initiative.

We have thus identified our “Material Topics”, those aspects of sustainability that significantly influence the choices and opinions of our stakeholders, as well as the strategic choices and performance of TCI Group.

The Materiality Analysis process developed along the following four phases:

**PHASE 1:**

A list of possible material issues considered to be of greatest importance for TCI was identified and completed by analysing the main sector trends and the regulatory environment as well as through a *benchmarking* analysis of the main competitors.

**PHASE 2:**

The list produced under phase 1 was ordered by importance with a vote by the Top Management with respect to the impact on the Group’s *performance*, attributed to each issue.

In order to include the external perception of TCI Group, in this first year of reporting, Top Management was asked to express an opinion on the issues also from the point of view of our stakeholders.

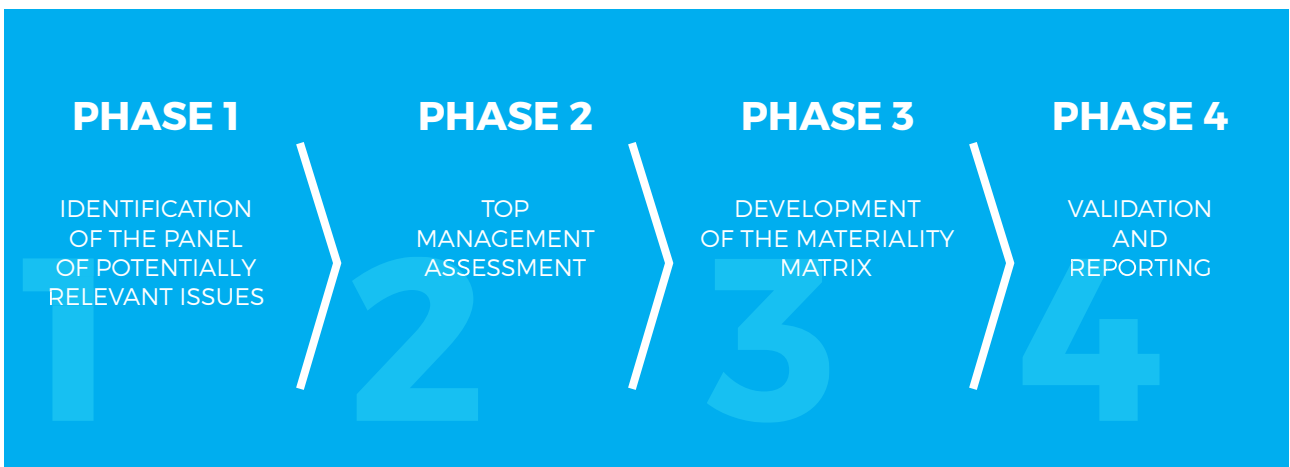
For future reports, it is planned to directly involve external stakeholders in the process of updating the Materiality Analysis.

**PHASE 3:**

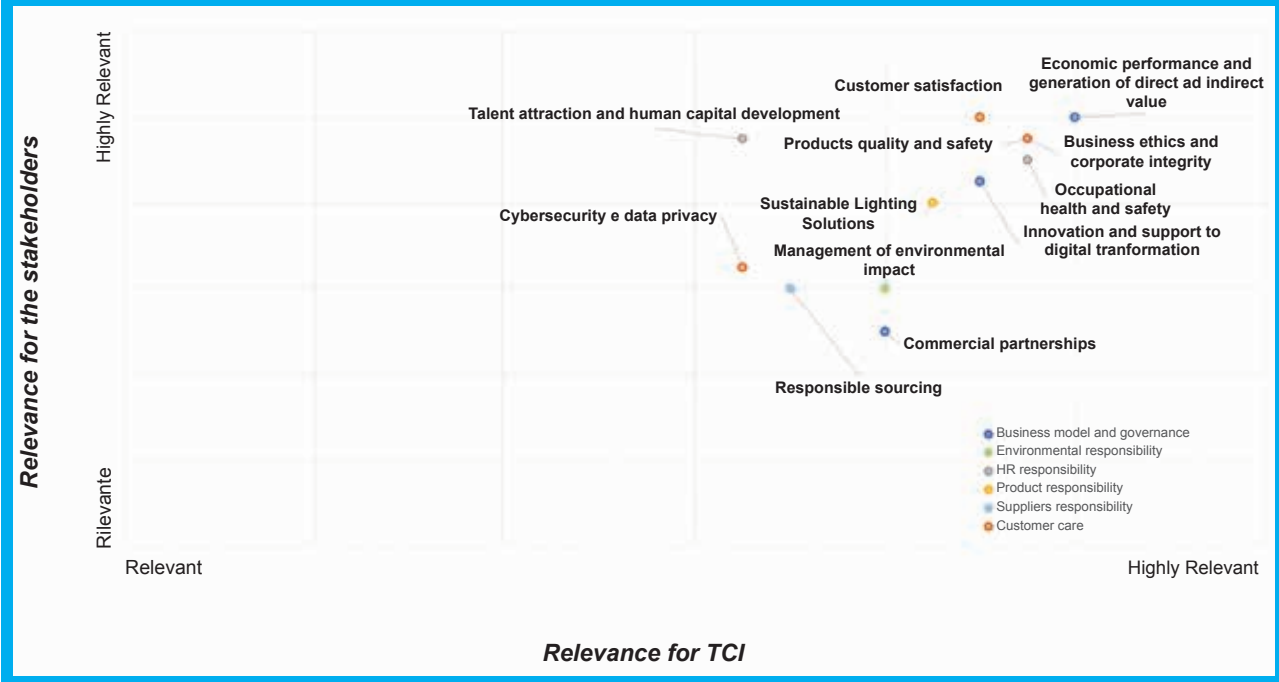
The votes were reworked to identify the issues with the highest score and, therefore, deemed most relevant.

**PHASE 4:**

The 2020 Materiality Matrix was developed, approved and communicated internally.



Here below please find our 2020 Materiality Matrix, which shows the relevance of the material issues for TCI on the abscissa axis and the relevance of the issues for the company's stakeholders on the ordinate axis.



From the analysis of the 2020 Materiality Matrix, emerge as most important issues the following ones:

- **Economic performance and creation of direct and indirect value**
- **Customer satisfaction**
- **Business Ethics and Integrity**





4

# Creation of Shared Value





# Generated and distributed value

We are aware of the important role that TCI Group has assumed over the years within the communities in which it operates, as a promoter of economic growth and improvement of living conditions. For this reason we are strongly oriented towards the creation of shared value with our stakeholders.

2020 was a special year, marked by the COVID-19 pandemic which strongly influenced the performance of the global economy.

TCI Group closed the 2020 financial year with a turnover of € 149,082,000, slightly lower compared to the previous year due to the pandemic crisis that forced many customers to completely or partially suspend their production activities and which led to the contraction in consumption worldwide.

The reclassification of the income statement shown below represents the value generated and distributed by TCI Group, in other words the economic impact of our activities on the stakeholders.

In 2020, the value generated directly was € 150,368,000, -3% compared to 2019. Over 91% of the generated value, equal to € 137,241,000, was distributed to our internal and external stakeholders.

In both 2019 and 2020, most of the distributed value, equal to approximately 90%, was allocated to the remuneration of suppliers, underlining the importance of our supply chain for the continuity of our business and for the quality of our products. The remaining part was allocated to the HR remuneration, equal to 7% and to the remuneration of the Public Administration, equal to 3%.

<b>Economic value directly generated and distributed</b>				
	<b>2019 (€)</b>	<b>%</b>	<b>2020 (€)</b>	<b>%</b>
Value distributed to Suppliers	134,978,000	92%	122,893,000	89.5%
HR remuneration	9,081,000	6.2%	9,562,000	7%
Lenders remuneration	247,000	0.2%	230,000	0.2%
P.A. remuneration	1,934,000	1.3%	4,389,000	3.2%
Community remuneration	410,000	0.3%	167,000	0.1%
<b>Directly generated economic value</b>	<b>155,042,000</b>	<b>100%</b>	<b>150,368,000</b>	<b>100%</b>
<b>Distributed economic value</b>	<b>146,650,000</b>	<b>94.6%</b>	<b>137,241,000</b>	<b>91.3%</b>
<b>Retained economic value</b>	<b>8,391,000</b>	<b>5.4%</b>	<b>13,126,000</b>	<b>8.7%</b>





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# **Etichs, Integrity and Transparency**

# **Etichs, Integrity and Transparency**

## in our business conduct

TCI Group runs its business ethically, transparently and honestly, in compliance with the regulations in force.

We have a Code of Ethics and Conduct containing a series of social and moral rules to which all the Group's members and our direct interlocutors are required to conform to. The Code states all the values that guide us in running our business and the ethical and social responsibilities (inwards and outwards) of all the company representatives.

We are working to optimise a Company Organisational Model in accordance with the Legislative Decree 231/2001 with the aim of preparing a structured system of prevention and control aimed at reducing the risk of crimes commission by people who operate on behalf of the Group (company representatives, agents, etc.).

We are also preparing a Whistleblowing system that allows all our stakeholders to anonymously report any violations of the Code of Ethics and Conduct as well as of the general regulations in force.

During 2020, there were no events of corruption or non-compliance with laws and regulations in the socio-economic field.



6

# Sustainable Lighting



## 6.1 Our products

We have been developing and manufacturing electronic components for lighting for almost 40 years.

Our wide range of products, 100% Made in Italy, includes:

- **LED drivers**
- **IoT control systems** (Casambi, Zig Bee, BLL, ZD Light, VLC e Li-Fi)
- **LED modules**
- **Lighting control systems**

We are partners of the most important lighting companies worldwide, for which we also develop *tailor-made* solutions and with which we realise structures and projects of global relevance.

Since 2006, our Approvals Department has been testing all of our products to ensure they comply with the strictest international standards for safety, perfor-

mance and electromagnetic compatibility. The implemented procedure, based on ISO/IEC 17025, is recognised by a plurality of certification bodies, both in Europe and outside Europe, such as DEKRA, VDE, UL, JET-PSE, SAA, CQC, SEMKO, NEMKO etc.

All our products are therefore approved and provided with several certifications that support their distribution all over the world. Thanks to the participation in ASSIL, the National Association of Lighting Manufacturers that monitors market trends and national and international regulatory changes, we are always able to quickly face the main sector changes.

We are committed to ongoing innovation: our products are developed by combining design and performance, product flexibility and cutting-edge technologies. We collaborate with suppliers and customers in a synergic way to create 360-degree solutions.

It is precisely in this connection that, in recent years, we have strategically acquired Allix S.r.l. and Igrox S.r.l.





## 6.2 Our contribution to the Circular Economy

In order to ensure a first-class product, the components we use are selected giving priority to their quality.

As our products are intended for professional use, both on the label, on the catalogue pages and in the technical specifications all the fundamental information for their correct use, storage and disposal are clearly stated.

The components of our products are not reusable so they can only be partially recycled or properly disposed of according to current regulations.

Our contribution to the circular economy is therefore given by the quality of our products which reduces the rate of waste and/or failure and by their long lifetime which considerably expands the replacement times and thus the amount of waste produced in the long term.

**LEDs** as a light source have a typical lifetime of more than 50,000 hours, therefore over time they generate less waste and scraps, both from production and disposal.

Furthermore, compared to traditional sources, their performance in terms of lm/W is higher: with the same luminous flux they absorb less energy.



Another important aspect is our orientation towards the products miniaturisation which not only fulfils the most recent design needs but also brings a great saving of raw materials.

In terms of contribution to the reduction of environmental impact and energy efficiency, the LED control systems developed and distributed by TCI Group allow a smart management (regulation of brightness levels based on time slots, lighting in case of movement, immediate detection of system inefficiencies, etc.), which leads to a net reduction in energy consumption and at the same time increases the product lifetime.

# 95%

of our products is specific for high energy saving LED lighting, also wireless.

## 6.3 Research and development, technological and digital innovation

**We believe that innovation represents the basis of the progress and the key to reconfirming our position as market leader over time.**

We always provide our customers with cutting-edge, high-quality and performing solutions. Our R&D Department (Research & Development) represents the real engine of the innovative drive that distinguishes us and for this reason we allocate important investments to it, in order to equip it with the most sophisticated and recent instrumentation.

**We have 60 engineers and 40 highly qualified technicians** who work daily on the development of new solutions and the improvement of existing ones while supporting our customers in all their choices by providing detailed technical and use information.

In collaboration with the associated company Allix S.r.l. specialised in APP and software development, we have added to our product range extremely innovative wireless *smart lighting* solutions.

This category includes all the so-called “intelligent” systems, that is, equipped with technologies that allow a better, immediate and more flexible management of lighting devices compared to traditional manual control. They are also able to interface with other devices connected to the network (IoT, Internet of Things).

Our *smart* solutions ensure the reduction of light pollution, the raising of safety levels, the net reduction of energy consumption and indirectly of emissions (operators’ exits for on-site checks are significantly reduced, replaced by remote monitoring).

At the same time, we contribute through our IoT products to the improvement of people’s health, for example by allowing light to be managed in such a way as to support the correct circadian cycle or to actively compensate for variations in natural brightness levels without human intervention.

# Focus

## Intellectual Property

Over the years, we have strengthened our IP (Intellectual Property) strategy in order to protect our innovations, increase our competitiveness and realise our vision.

Our first patent dates back to 1993: an electronic dimmer for halogen lamps controlled by a microprocessor.

Its innovative nature and quality made it, almost immediately, one of the most requested items on the market.

As evidence of the importance of our patent portfolio, in 2012 we created a dedicated internal office, responsible for the management of intellectual property which, among other things, provides specific advice to our partners on the management of any disputes.

In 2020, we have 21 approved patents.

# Focus

Smart Lighting

## 6.4 The well-being of society at the center of our priorities

**We are focused on the impact of products on the well-being of society and consumers.**

Artificial light does not only compensate the natural one but also represents a way to guarantee safety and improve people quality of life.

Over the years, our sector has become aware of the social responsibility of lighting and for this reason one of the targets of our development and research activities is the improvement of the performance of lighting systems in relation to its social implications.

**For example, we were the first to put ripple free products on the market**, with a percentage of *flicker* below 3% (flicker is not visible to the human eye but over time it can cause disorders of different severity levels, from simple headaches to epilepsy).

Our wireless systems allow to automatically compensate the variation of natural light to guarantee visual stability, create lighting effects to support the circadian cycle, illuminate certain areas when needed, combining energy efficiency and people safety.

In addition, the colour rendering index of the LEDs that we mount on our modules is increasingly close to 100 and thus to natural light.

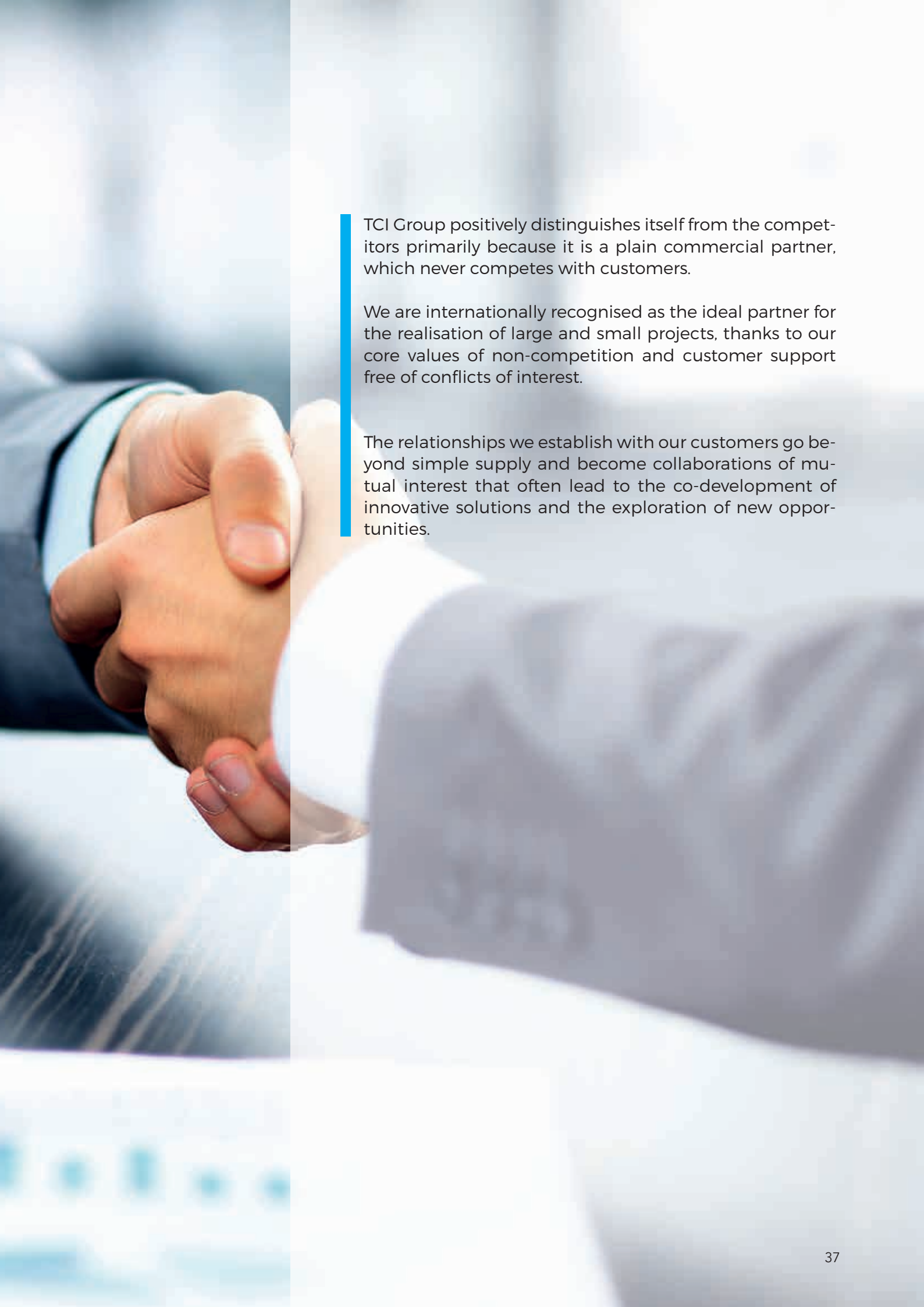
In this regard, **our solid partnership with Samsung ensures the use of the best selections of LEDs** while **the collaboration with global-renowned suppliers of lenses and accessories allows us to provide complete solutions of ensured quality.**





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# Customer Care



TCI Group positively distinguishes itself from the competitors primarily because it is a plain commercial partner, which never competes with customers.

We are internationally recognised as the ideal partner for the realisation of large and small projects, thanks to our core values of non-competition and customer support free of conflicts of interest.

The relationships we establish with our customers go beyond simple supply and become collaborations of mutual interest that often lead to the co-development of innovative solutions and the exploration of new opportunities.

# 7.1 Customer satisfaction: an ongoing dialogue with our customers

Our daily activities are aimed at fully satisfying the needs of all our customers.

We are committed to building and maintaining solid, transparent and lasting relationships based on ongoing dialogue.

We offer our customers professional, fast and reliable technical-commercial support that allows them to make informed choices and to make the best use of our products.

**< 0.01%**  
Annual failure rate  
of our products

TCI has a shared returns management policy. Our Quality Department performs analysis of the returned products with the aim of promptly identifying and isolating any potential manufacturing defects which, as the internal statistics show, stand below 0.01%. The returns

analysis system also allows to find out the most common installation and use mistakes that turn into additional indications when reviewing the information material.

We believe that a website must be clear, transparent and user-friendly for this reason we have built ours on this basis, preparing, among other things, a very useful search engine for LED drivers based on the needed technical characteristics.

It is also possible to immediately download the information material, the 2D/3D drawings and the available certifications of each product. Similarly, for LED modules we give the possibility, thanks to a simulation tool, to calculate the luminous flux and the absorbed power by simply indicating the desired supply current.

We keep an ongoing dialogue with our customers, to whom we provide quick and top quality pre- and post-sales support.



# Customer Satisfaction

## 7.2 Product quality and safety at the center of our choices

### Our Quality, Environmental and Safety Policy

We are strongly oriented towards the development and sale of innovative and high quality products: for this reason we have a state-of-the-art research and development laboratory, an internal test laboratory and multiple dedicated production departments. We are also committed to providing a superior service, oriented towards the customer and his full satisfaction.

#### QUALITY

With its ISO 9001:2015 certified Quality Management System, TCI Telecomuni-

cazioni Italia S.r.l. constantly monitors its activities with the aim of optimising business processes in terms of efficiency and effectiveness. All company representatives are involved, guided and supervised by our Quality Manager.

We organise periodic training sessions and we keep all our people up to date with regard to their area of expertise.

We annually define a plan of clear and measurable objectives, approved internally and brought to the attention of all our staff through notices posted in accessible places and through periodic meetings.

Our Policy is subject to annual review.



## ENVIRONMENT

TCI Telecomunicazioni Italia S.r.l. has an ISO 14001:2015 certified Environmental Management System, mainly focused on the following aspects:

- waste production;
- management of dangerous substances;
- use of resources.

We are committed to spread the principles of our Environmental Policy within and outside our company in order to make our commitment to the environment known and promote sustainable behaviours that comply with current regulations.

In particular, we are committed to:

- Promote the use of sustainable resources and reduce the environmental impact of products and processes;
- Prevent and/or reduce pollution resulting from our production activities;
- Comply with all laws, regulations and provisions applicable to products, processes and waste management. Define internal standards, where there are no laws, regulations and/or provisions or they are not adequate for our needs;
- Reduce the general consumption of resources, especially of non-renewable ones.

On the basis of the principles expressed in our Policy, we develop plans to improve environmental performance with well-defined objectives, functions involved, methods and implementation times.

## HEALTH AND SAFETY

As it concerns Health and Safety TCI Telecomunicazioni Italia S.r.l. has adopted a Policy aimed at:

- 1.** preventing and containing the risks related to our staff safety;
- 2.** improving work conditions;
- 3.** ensuring a proper level of training and information of our people.

The duties of our employees are clear and defined and all the necessary information is provided to ensure that they are carried out safely.

Our Policy also includes product safety, to which we pay particular attention from the development to distribution.

Over 2020, no cases occurred of non-compliance concerning the safety of our products and services provided.



## 7.3 Data protection and security

Data security and protection are essential elements that contribute to defining the integrity and reliability of our partnerships with the stakeholders. We are committed to protecting and safeguarding the data processed through the implementation of a structured management system, characterised by confidentiality, integrity, availability and resilience. The servers installed within our network are protected by firewalls and our data protection and security service providers are all certified.

To oversee this topic, a Data Protection Officer (DPO) has been appointed, who constantly updates on regulatory developments, making use of the support of an external law firm with whom he plans improvement interventions to complete what has already been developed, and then monitors their implementation. Employees are adequately informed and involved in any changes to ensure the highest data protection.

During the Covid-19 pandemic, we have set up procedures for remote connection to the company server to further guarantee operational continuity.

As proof of the effectiveness of our data protection management system, no significant *data breach* episodes occurred in 2020.

In 2019, we acquired 20% of Allix S.r.l., a company that develops extremely advanced remote control and remote management systems in the IoT field.

Thanks to this collaboration we have been able to expand our offer by including the latest generation wireless solutions, high performance and reliable, compliant with current legislation on Cloud protection and security.

The data protection system of our solutions includes:

- ✓ encryption of personal data: the data stored in the database is encrypted;
- ✓ ability to ensure the confidentiality, integrity, availability and resilience of processing systems and services on a permanent basis: access to data requires a password and the entire system is protected by a properly configured *firewall*. Storage is redundant to ensure system resilience;
- ✓ ability to promptly restore the availability and access of personal data in the event of a physical or technical accident. *Disaster recovery* procedures have been set up to guarantee the system integrity and availability;
- ✓ procedure for testing, verifying and regularly evaluating the effectiveness of technical and organisational measures in order to ensure the security of the system.

**Allix will start the ISO 27001 certification process in 2022.**

**Focus**  
Allix S.r.l.

**Allix**



# Our People



We are not only the sum of the experience of each of our employees.

**We are a large family that shares passion and commitment, always ready to take every opportunity to improve and innovate, thus strengthening its ability to create value over time.**

The total workforce at 31 December 2020 counts 239 people, up 1% compared to 2019, of which 217 are employees (140 women and 77 men) and 22 are external collaborators (11 women and 11 men).

### TCI GROUP'S PEOPLE

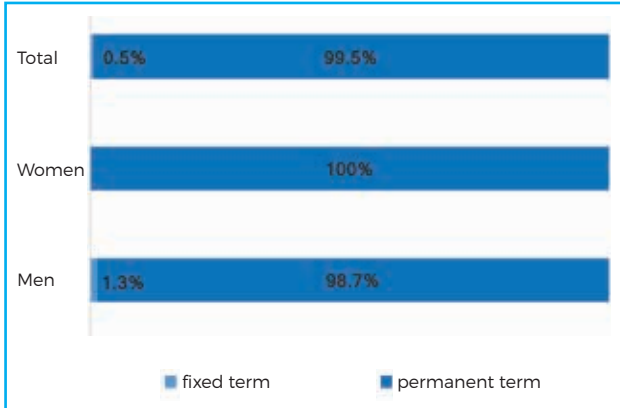
Company	2019			2020		
	Men	Women	Total	Men	Women	Total
TCI Telecomunicazioni Italia S.r.l.	75	138	<b>213</b>	74	140	<b>214</b>
TCI Elettromeccanica S.r.l.	3	-	<b>3</b>	3	-	<b>3</b>
Employees	78	138	<b>216</b>	77	140	<b>217</b>
TCI America	1	-	<b>1</b>	1	-	<b>1</b>
Temporary workers	10	9	<b>19</b>	10	11	<b>21</b>
Other collaborators	11	9	<b>20</b>	11	11	<b>22</b>
<b>Total</b>	<b>89</b>	<b>147</b>	<b>236</b>	<b>88</b>	<b>151</b>	<b>239</b>

### OUR SUBSIDIARIES' PEOPLE

Company	2020		
	Men	Women	Total
ICT Intelligent Components Technology Zhuhai Ltd	1210	790	<b>2000</b>
ITH International Technologies Holding Ltd	3	1	<b>4</b>
IGROX S.r.l.	1	-	<b>1</b>
ALLIX S.r.l.	8	-	<b>8</b>
<b>Total</b>	<b>1222</b>	<b>791</b>	<b>2013</b>

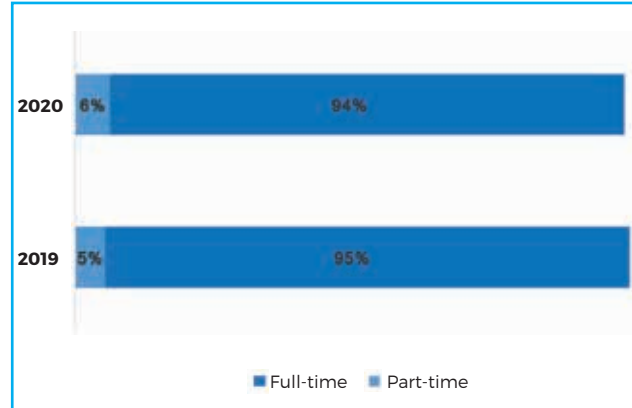
Our People

**TCI GROUP'S EMPLOYEES FOR TYPE OF CONTRACT (permanent and fixed term) AND GENDER AS OF 31.12.2020**



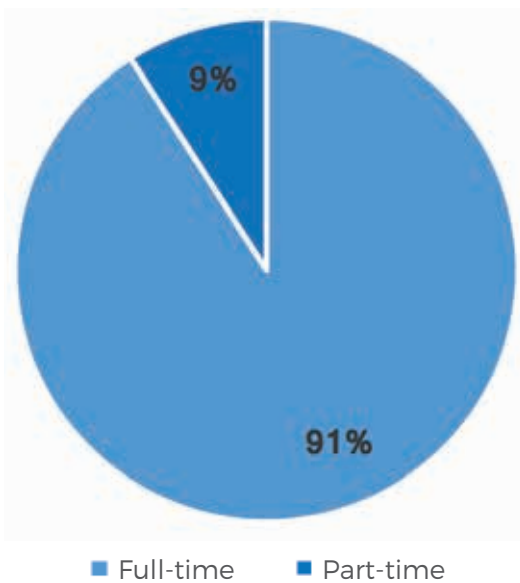
In 2020, 99.5% of TCI Group's employees was employed with a permanent contract.

**TCI GROUP'S MALE EMPLOYEES FOR EMPLOYMENT TYPOLOGY (part-time and full-time) AS OF 31.12.2020**

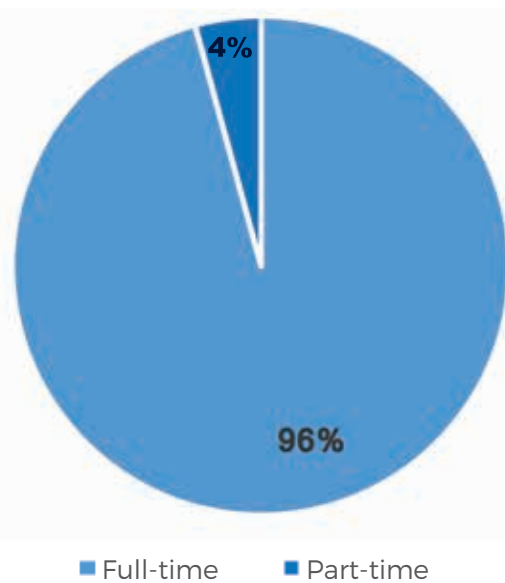


As of 31.12.2020, 13 employees, of which 7 men and 6 women, were employed with part-time contracts, increasing compared to 2019, demonstrating our commitment to guaranteeing a greater work-life balance.

**TCI GROUP'S MALE EMPLOYEES FOR EMPLOYMENT TYPOLOGY (part-time and full-time) AS OF 31.12.2020**



**TCI GROUP'S FEMALE EMPLOYEES FOR TYPE OF CONTRACT (part-time and full-time) AS OF 31.12.2020**



## 8.1 Talent attraction, training and development of our people

TCI Group is aware of the people centrality also at the HR management level and for this reason we are committed to supporting the professional and personal growth of all our people, transmitting our vision and contributing to the development and sharing of successful ideas.

**We believe in the importance of attracting and selecting talented people, as well as of responsible human resource management policies to integrate and expand existing skills and build an excellent team, essential element for the creation of value over time.**

For the *recruitment* we rely on temporary agencies with which we have been collaborating profitably for years, thus ensuring that we get competent resources aligned to our needs. As it concerns

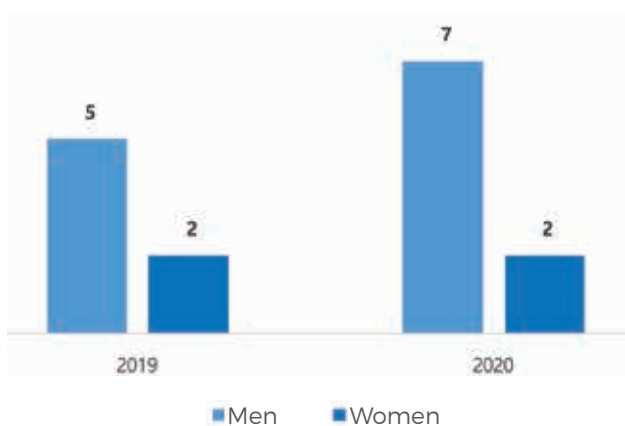
the attraction and selection of specialised technicians and office personnel, we mainly use platforms such as LinkedIn and we collaborate with universities.

We hire talented new graduates and encourage them to continue their studies by **alternating university attendance with work in the company**. We do not fail to offer scholarships to the most deserving students.

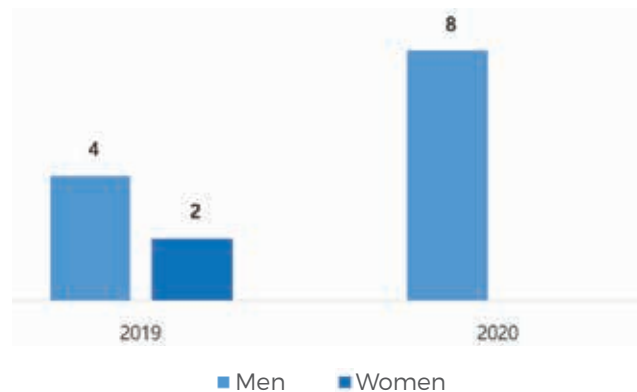
During 2020 we registered 9 entries (equal to an entry rate of 4.1%), of which 7 men under the age of 30 and 2 women in the 30 to 50 age range. We also recorded 8 departures (equal to a turnover rate of 3.7%), of which 2 men under the age of 30, 4 men in the age group from 30 to 50 and 2 men over the age of 50.

In order to favour the development of new

**GROUP'S ENTRIES FOR GENDER 2019 AND 2020**



**GROUP'S EXITS FOR GENDER 2019 AND 2020**

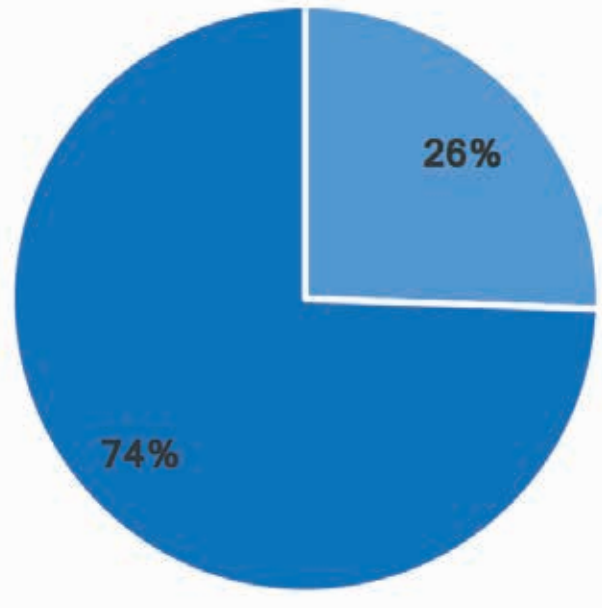


skills and the strengthening of the existing ones, we promote a **continuous training policy** for all our employees.

We offer the opportunity to participate in various kinds of courses, in relation to one's own duties. During 2020, the total training hours amounted to 47, a decrease of 87% compared to 2019. This decrease is mainly due to the Covid-19 pandemic which suspended training courses.

During 2020, 74% of the training hours provided concerned managerial courses while 26% was dedicated to health and safety topics.

**TYPES OF TRAINING COURSES FOR EMPLOYEES YEAR 2020**



- Training on health and safety
- Specific training



**TALENT**Attraction

## 8.2 Diversity, equal opportunities and non discrimination

We work to ensure a healthy and inclusive work environment, free from discrimination forms based on gender, ethnic origin, skin color, nationality, age, religion, political opinion, sexual orientation, civil status, trade union affiliation, physical or mental disability and any other personal characteristics or status.

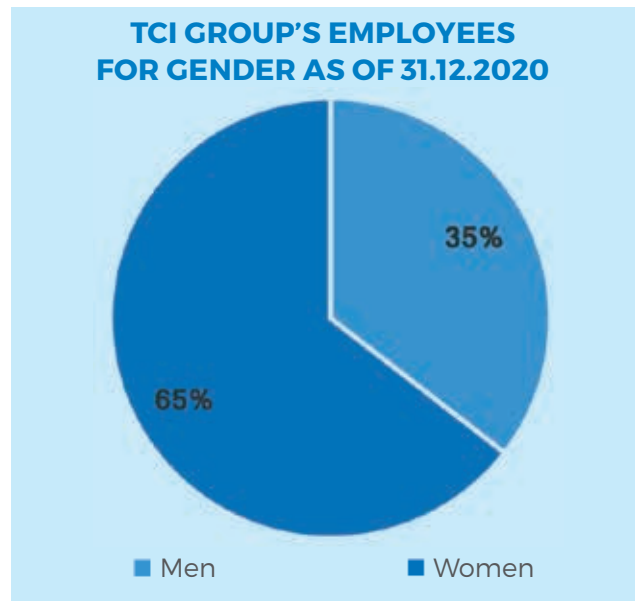
We believe in the values of equality, meritocracy and respect for diversity and for this reason we promote and enhance our human capital on a daily basis, made up of 65% women and 35% men.

69% of employees are in the age group from 30 to 50, 24% over 50 and 7% under 30.

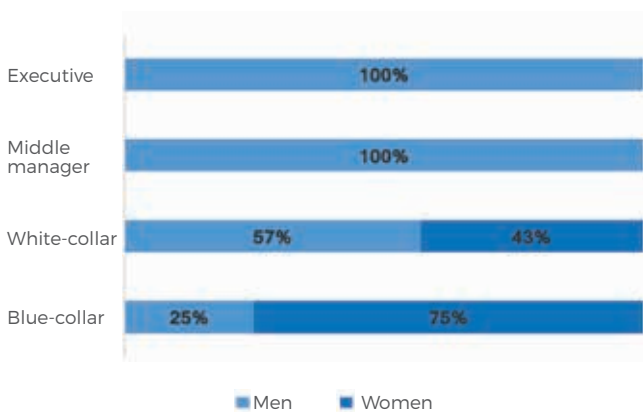
In particular, the total of executives belongs to the age group between 30 and 50, as well as the majority of office workers (74%) and blue-collar workers (67%).

For the year 2020 we reconfirm the presence of 12 female employees belonging to protected categories, a figure in line with 2019.

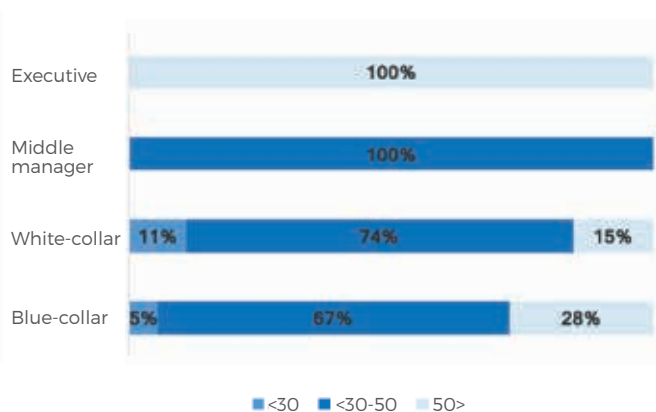
No episode of actual or alleged discrimination was detected or reported within TCI.



**TCI GROUP'S EMPLOYEES FOR CATEGORY AND GENDER AS OF 31/12/2020**



**TCI GROUP'S EMPLOYEES FOR CATEGORY AND AGE AS OF 31/12/2020**





## 8.3 Occupational health and safety

Aware of the crucial importance of protecting the health and safety of our employees and collaborators, we are committed to ensuring a safe and secure workplace, in line with international best practices and current legislation.

We adequately inform and train all our employees in order to minimise the risks associated with safety and promote responsible behaviours, in accordance with the current legislation. During 2020 we carried out, as usual, the assessment of the work-related stress risk with a low outcome.

We fill in the Risk Assessment Document (DVR) with the support of an external Prevention and Protection Service Manager (RSPP). This document, made accessible

to all our employees, provides a mapping and an analysis of the risks related to health and safety in the workplace and defines any corrective actions to be implemented in order to ensure and improve health conditions and physical integrity.

As it concerns the management of health and safety in our procurement relationships, we constantly produce and update the Single Document for the Assessment of Interference Risks (DUVRI) in accordance with current legislation on workplace safety. This document assesses the risks deriving from mutual interference due to the activities and indicates the measures adopted to eliminate and reduce the identified risks.

Training and information relating to health and safety risks of workers are tools of fundamental importance aimed at their prevention. We provide mandatory health and safety training in accordance with the timing of delivery and the methods required by current legislation.

As proof of our commitment to ensuring the health and safety of our people, in 2020 we did not record any injuries, either among staff or external collaborators.



Total worked hours\* of our employees amounted to 363,309 in 2020, increasing compared to 2019 (357,100).

Over 2020 we reacted proactively to the Covid-19 pandemic crisis by taking prompt action to ensure the health and safety of our people. We have set up the "Covid Committee" in line with the law to manage the implementation of all necessary precautionary measures, according to local, regional and national provisions.

We have updated the DVR, implementing a specific company protocol aimed at containing the spread of the Covid-19 virus in the workplace: we have arranged for the daily distribution of masks to all our employees, the installation of hand-gel dispensers and temperature detectors at the entrance. The working environments have been adapted to the new sanitary needs: plexi-glass separators have been installed in the

offices and in the production departments. Rules were introduced to avoid crowds and all the staff was invited to leave the workstations only out of necessity, preferring where possible the use of means of communication such as telephone, video call and our company chat.

\* Considered perimeter: TCI Telecomunicazioni Italia S.r.l. and TCI Elettromeccanica S.r.l.



## 8.4 Work conditions and welfare

**The well-being of our employees is at the heart of our business decisions.**

We are constantly striving to ensure a safe and stimulating work environment, in which everyone is able to express his or her own skills at the best.

As a demonstration of our orientation towards people and our willingness to satisfy their needs as much as possible, we offer a plurality of *welfare* tools: agreements with health facilities in collaboration with EBM and Biomedical Campus University Hospital, free cardiological and ophthalmological visits, tickets for events cultural and sporting.

We also have an internal gym and a relax area accessible to all our employees to promote their psychophysical well-being.



Finally, we are evaluating the possibility of reducing working days from 5 to 4 to promote a greater work-life balance for our people.

We believe that this project can have a decidedly positive impact on life and bring on greater efficiency and work *commitment*.

In compliance with the law in force, 100% of our employees are covered by national collective bargaining.





# *Supply Chain Responsibility*



## 9.1 Our supply chain profile

TCI product stands out on the market for quality, reliability and unique performance.

These features are the result of the combination of several variables: product development activities, production processes and the procurement of high-pro-

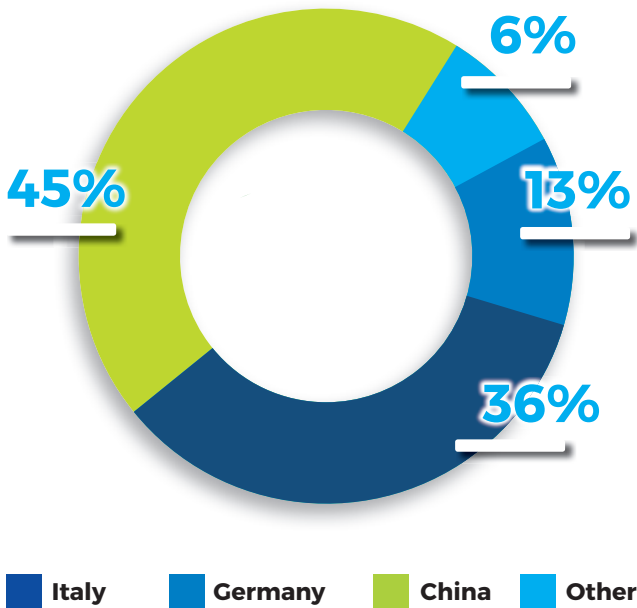
file materials. The solid and lasting relationships we have established with our suppliers ensure that the purchased components are top of the range.

Our products are equipped with hundreds of components, reason why we have a large number of suppliers, among which about 350 can be considered stable and therefore have a greater weight in terms of business relationships.

Our supply chain, based on official distribution channels only, ranges from raw materials to semi-finished products, packaging materials and finished marketing products.

During 2020, the number of suppliers and their geographical distribution slightly varied due to strategic decisions aimed at ensuring operational continuity during the pandemic, without affecting our quality and safety standards.

Total annual expenditure towards suppliers, by country (%)



The "Other" category includes Slovenia, Finland, Taiwan and the Netherlands.

### > JUST IN CASE

For years we have adopted the **"just in case"** philosophy by building and maintaining a huge stock of raw materials.

This choice, different from the trend of the more widespread philosophy of "just in time", proved to be successful during the pandemic, ensuring operational continuity where other competitors have begun to falter due to the shortage of raw materials.

In fact, we were one of the few companies to remain fully operational even during repeated lockdown periods and to record a limited change in turnover, where other companies made significant job cuts.

75%  
of our suppliers  
IS ITALIAN

## 9.2 Suppliers responsible management

In an economic and social environment that is increasingly globalised and oriented towards good sustainability practices, in order to meet the needs of our stakeholders we are constantly committed to making our supply chain management increasingly sustainable.

We have always paid great attention to the choice of our suppliers, favouring partners with a solid market position and a high level of quality reputation.

All our suppliers are focused on product quality and provide us with detailed reports of each supply, which allow us to monitor the incoming components that, due to their nature and quantity, could not be otherwise analysed.

An essential element for establishing a

lasting collaboration is the suppliers socially responsible business conduct and the Conflict Minerals declaration which ensures the use of materials that do not come from areas defined as having a high risk of violation of human rights.

With the legislative evolution and with the awareness on this subject, we are asking suppliers to provide a certified Sustainability Report, a clause contained in our purchase conditions.

We are currently realising a Suppliers Code of Conduct.

## 9.3 Responsible procurement (Conflict Minerals)

As a manufacturer of electronic equipment, we are committed to fight against the extraction of minerals that come from conflict zones, called *conflict minerals*. For this reason, we are particularly careful to trace the origin of purchased materials containing tantalum, tin, tungsten and gold.

We promptly ask our suppliers, both historical and new, to declare whether their products contain *conflict minerals* and, if so, we invite them to fill in the *Conflict Minerals Reporting Template*, a form developed by the *Responsible Minerals Initiative* to facilitate the circulation of information on the country of origin of minerals, smelters and refineries used in the supply chain.

A vibrant, sunlit forest floor with various green plants and ferns. The scene is bathed in warm, golden light, creating a soft, ethereal atmosphere. The foreground is filled with detailed greenery, including ferns and mosses, while the background is a soft, out-of-focus expanse of green foliage. The overall mood is peaceful and natural.

10

**Our Commitment  
to Environment**





## 10.1 **Our footprint:** reduction of the environmental impact

We work every day to promote the principles of our environmental policy outside TCI and promote behaviours that are environmentally friendly and compliant with current regulations.

In addition to developing technological solutions for responsible and sustainable lighting, compliant with the requirements of EU 2019/2015 and EU/2019/2020 regulations for ECO-DESIGN, we constantly strive to promote the reduction of our footprint in several ways:

- making production processes more efficient
- reducing waste and use of resources
- choosing partners who have an eco-sustainable approach
- promoting the culture of reuse and recycling
- sponsoring green initiatives and collaborating with eco-design companies
- collaborating with important Italian universities to develop new eco-efficient solutions

Within corporate sustainability, it is not possible to avoid to carry out a check of the business environmental impact in order to implement strategies of improvement in line with the objectives of the 2030 Agenda for Sustainable Development approved by UN General Assembly. In fact, we believe in the need to contribute to the affirmation of the sustainable development model, respecting the en-

vironment and using those resources that nature makes available, in a responsible manner.

Convinced that it is fundamental to trace the evolution over time of the relationship between production-turnover and consumption-waste-recycled material, every year we produce a document called “*Management Review*” which reports current consumption and future objectives, allowing us to constantly monitor all data relating to consumption, emissions and waste.

The highest responsibility for managing environmental impacts and fighting climate change belongs to our CEO.

TCI Telecomunicazioni Italia S.r.l. has an ISO 14001 certified Environmental Management System. TCI Group did not report any cases of environmental non-compliance during 2020.

**80%**  
of our **packaging**  
materials is  
**ECO-friendly**

**“We want to give present and future generations a healthier world”**

Gianfranco Librandi  
CEO

## 10.2 Responsible management of energy and emissions

As a particularly energy-intensive business, we pay great attention to the energy costs of our operations.

We try to compensate and reduce energy consumption with initiatives such as the replacement of the existing lighting system with LED solutions as well as the use of intelligent control systems for switching on the lights in certain areas only in the presence of people: in 2016 we replaced 1.006 lamps at our headquarters in Via Parma 14, obtaining a saving of 58%.

We are currently evaluating the possibility of purchasing electricity from 100% renewable sources and covered by guar-

antee certificates of origin.

In 2020, as a supplier, at the request of our major customers, we also filled in the questionnaire prepared by the Climate Disclosure Program (CDP) for a voluntary assessment of the environmental impact of our business.

The energy sources of TCI are represented by electricity, natural gas for heating, petrol and diesel.

It should be noted that, for this first year of reporting, the petrol and diesel consumption of the car fleet of the holding company TCI Telecomunicazioni I S.r.l. was not considered, as not particularly relevant, given the substantial immobility linked to the pandemic crisis.

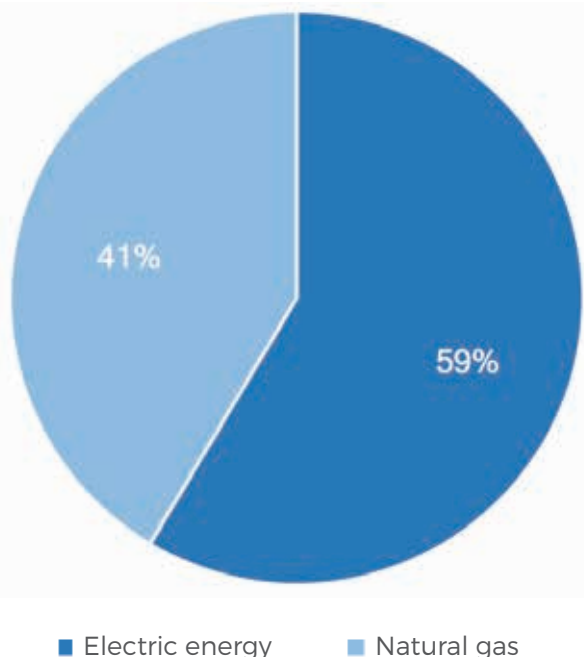
### CDP

CDP is an international non-profit organisation that provides businesses, local authorities, governments and investors with a global system of environmental measurement and reporting on a voluntary basis.

There are four programs supported by CDP: Climate Change Program, Water Program, Forests Program and Supply Chain Program, plus a specific program dedicated to cities and regions, the Cities, States and Regions Program.

Of these, in 2020 we completed the Climate Change Program Questionnaire in order to monitor and reduce emissions and address the risks associated with climate change.

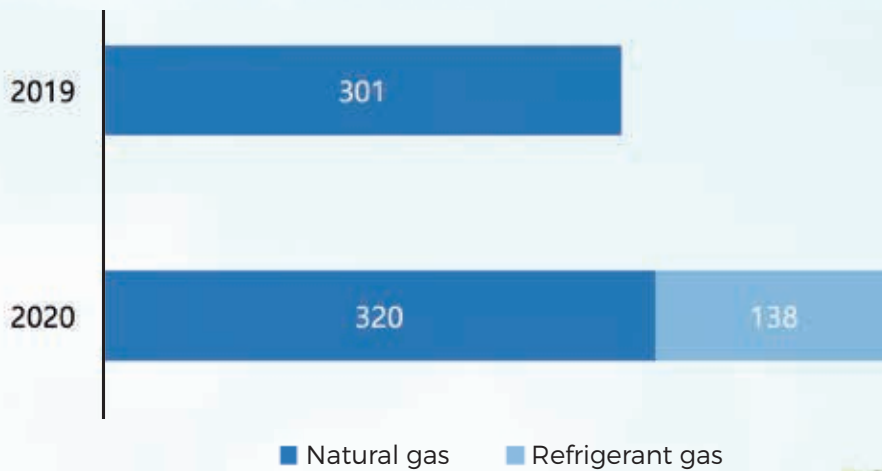
**TCI GROUP'S ENERGY CONSUMPTION FOR ENERGY SOURCE AS OF 31.12.2020 (%)**



In 2020 TCI Telecomunicazioni Italia S.r.l. consumed a total of 18,946 GJ of energy, of which 60% is attributable to the consumption of purchased electricity and a minority is attributable to purchased natural gas to cover the offices heating.

The CO<sub>2</sub> emissions of TCI Group for 2020 therefore refer to the energy sources mentioned above and to the losses of refrigerant gases used for the operation of the cooling systems. In particular, the holding company TCI Telecomunicazioni Italia S.r.l. is responsible for the emission of about 1500 tCO<sub>2</sub>eq (indirect emissions were calculated according to the “Location Based” approach). Out of the total, direct emissions, attributable to energy sources purchased by the Group, are equal to 458 tCO<sub>2</sub>eq; the indirect ones, attributable to the purchase of electricity, are equal to 1,036 tCO<sub>2</sub>eq according to a location-based approach and 1,436 tCO<sub>2</sub>eq according to a market-based approach.

**DIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 1) OF TCI GROUP  
IN tCO<sub>2</sub>eq**



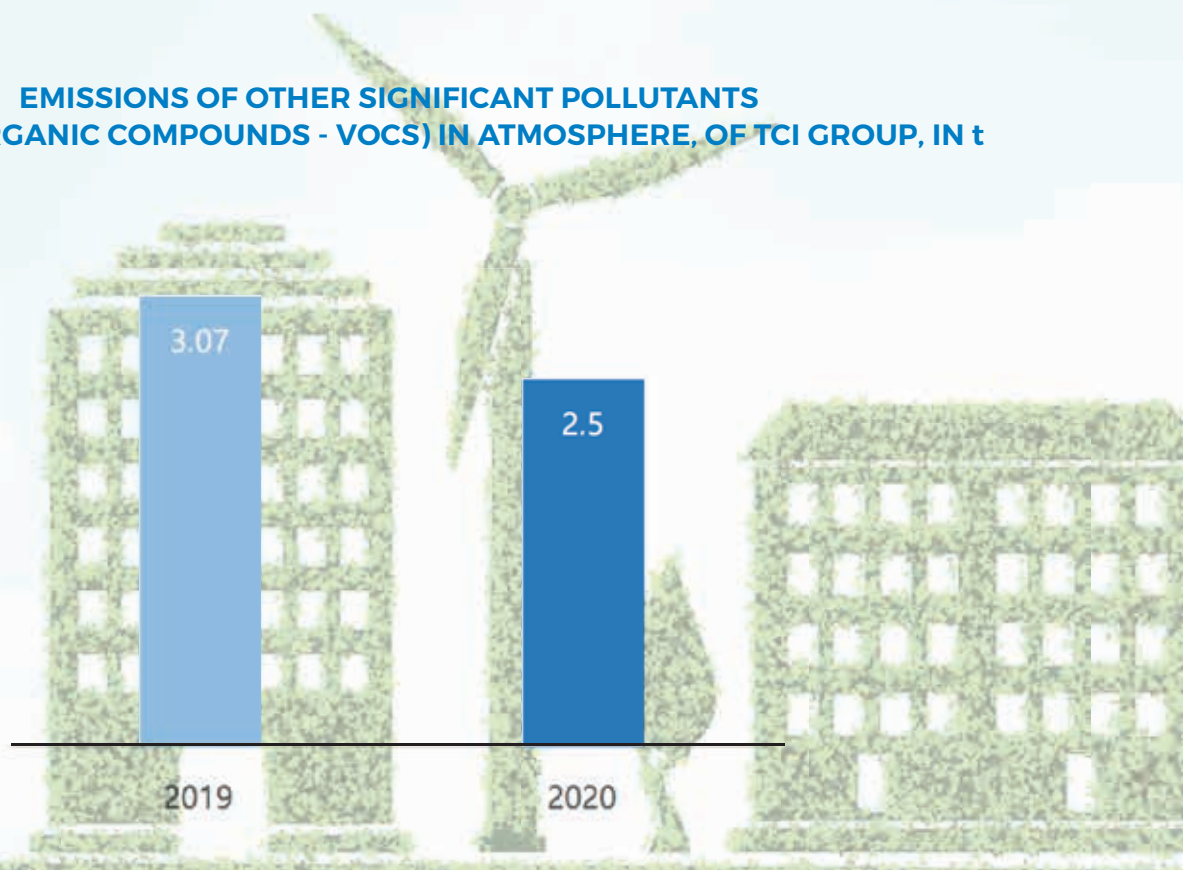
**INDIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 2) OF TCI GROUP,  
CALCULATED ACCORDING TO THE LOCATION-BASED APPROACH, IN tCO<sub>2</sub>eq**



**INDIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 2) OF TCI GROUP, CALCULATED ACCORDING TO THE MARKET-BASED APPROACH, IN tCO<sub>2</sub>eq**



**EMISSIONS OF OTHER SIGNIFICANT POLLUTANTS (VOLATILE ORGANIC COMPOUNDS - VOCs) IN ATMOSPHERE, OF TCI GROUP, IN t**



## 10.3 Waste responsible management

With reference to waste management, whose disposal takes place in compliance with current legislation, we have provided each company area with bins for differentiated waste disposal, making available an information leaflet by waste category, on the basis of the provisions of the Municipality of Saronno.

All employees received an email containing a link to the website of the municipality where they can find further information in case of uncertainty about the waste disposal that may not be present on the leaflet and a contact of the responsible person for any clarification. All staff was informed about the correct sorting of waste and responded positively and collaboratively.

Waste data are collected, presented annually to Top Management and properly filed. Analysing the current situation we have identified several areas for possible improvement:

- waste reduction in favour of a greater reuse of some materials such as cardboard
- reduction of paper consumption in offices;
- 100% ecosustainable packaging.

The waste produced by our business is di-

vided into special waste, deriving from production activities, managed and disposed of by authorised companies and, to a lesser extent, from WEEE (waste from electrical and electronic equipment).

The special waste produced by us in 2020 includes a small percentage of hazardous waste and 98% of non-hazardous waste, the totality of which requires a recovery process.

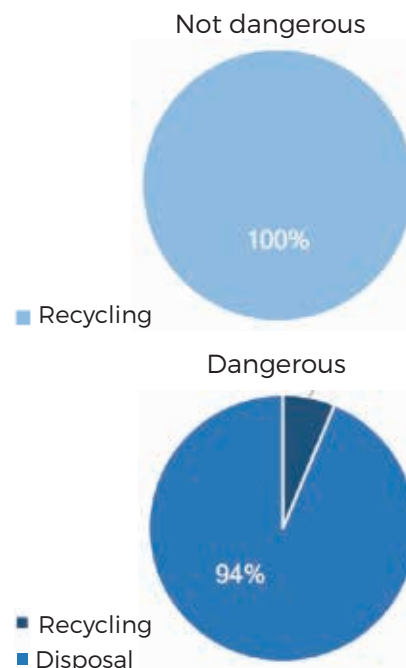
The main categories of produced waste include:

- Mixed material packaging;
- Paper and cardboard packaging;
- Plastic packaging;
- Wooden packaging

**SPECIAL WASTE PRODUCED BY TCI GROUP DIVIDED BY DISPOSAL METHOD AS OF 31/12/20**



**SPECIAL WASTE PRODUCED BY TCI GROUP DIVIDED BY TYPOLOGY AS OF 31/12/20**



98% of waste is recycled

Waste reduction compared to 2019 **13%\***

\* Data refer only to the holding company TCI Telecomunicazioni Italia S.r.l. as the contribution of its associated companies is negligible.

# Methodological Note

This document (hereinafter also the “Report”) represents the first Sustainability Report of the company TCI Telecomunicazioni Italia S.r.l. and its subsidiaries (hereinafter the “TCI Group” or “Group”) with reference to the financial year 2020 (from 1 January to 31 December).

Taking into account the expectations of our stakeholders, the Report offers a description of the main economic results and the generated social and environmental impacts. In order to report and communicate the sustainability performance of TCI Group in a comparable and transparent way, the 2020 Sustainability Report was made in compliance with the reporting standards “Global Reporting Initiative Sustainability Reporting Standards” (hereinafter GRI Standards) issued in 2016 by the Global Reporting Initiative (GRI), according to the “in accordance - Core” option.

The definition of material topics for the Group and our stakeholders and the selection of the relevant indicators to be reported on took place following a materiality analysis process, in line with the GRI Standards and with industry best practices, as reported within the chapter “Our commitment to sustainability”. In the appendix to the document, it is possible to consult the GRI Content Index which shows the GRI indicators associated with each material topic.

The perimeter of the economic data, as well as the social and environmental information, is the same as the 2020 Consolidated Financial Statements of the TCI Group, which includes the companies consolidated using the line-by-line method, i.e. TCI Telecomunicazioni Italia S.r.l., TCI ELETTROMECCANICA S.r.l., TCI AMERICA Inc. In particular, it should be noted that the companies TCI AMERICA Inc. and TCI ELETTROMECCANICA S.r.l. were excluded from the perimeter of environmental issues due to their modest size and negligible environmental impacts.

In order to be able to guarantee a better and more precise representation of the impacts of the TCI Group’s activities along our entire value chain, we have reported some data concerning the subsidiaries Intelligent Components Technology Zhuhai Ltd. (ICT), International Technologies Holding Ltd (ITH), IGROX Srl and Allix S.r.l.

Further exceptions to the reporting scope indicated above are promptly reported in the relevant sections of this document.

To facilitate the reading of the document the following definitions have been used within the text:

- TCI Group, representing the following companies: TCI Telecomunicazioni Italia S.r.l., TCI ELETTROMECCANICA S.r.l., TCI AMERICA Inc.;
- ICT, representing Intelligent Components Technology Zhuhai Ltd;
- ITH, representing the company International Technologies Holding Ltd;
- IGROX, representing the company IGROX S.r.l.;
- ALLIX, representing the company Allix S.r.l.

The information of the reference period is compared with that of the previous year. To ensure the reliability of the data, the use of estimates has been limited as much as possible and where used they have been appropriately reported and based on the best available methodologies.

The Sustainability Report is subjected to a limited examination (“limited assurance engagement” according to the criteria indicated by the ISAE 3000 Revised standard) by Deloitte & Touche S.p.A., according to the procedures indicated in the Independent Auditors’ Report included in this document.

The periodicity of this publication is set on an annual basis.

For more information on TCI Group Sustainability Report, send an email to [sustainability@tci.it](mailto:sustainability@tci.it)

The Sustainability Report is available on the website of TCI Telecomunicazioni Italia S.r.l. [www.tci.it](http://www.tci.it)



# Performance Indicators

## Employees and Turnover

GRI 102-8 TCI Group's employees for type of contract and gender						
	2019			2020		
	Men	Women	Total	Men	Women	Total
Temporary	1	-	<b>1</b>	1	-	<b>1</b>
Permanent	77	138	<b>215</b>	76	140	<b>216</b>
<b>Total</b>	<b>78</b>	<b>138</b>	<b>216</b>	<b>77</b>	<b>140</b>	<b>217</b>
Full-time	75	130	<b>205</b>	70	134	<b>204</b>
Part-time	3	8	<b>11</b>	7	6	<b>13</b>
<b>Total</b>	<b>78</b>	<b>138</b>	<b>216</b>	<b>77</b>	<b>140</b>	<b>217</b>

GRI 405-1 TCI Group's employees for professional category and gender (%)						
	2019			2020		
	Men	Women	Totale	Men	Women	Total
Executive	100%	-	<b>0.5%</b>	100%	-	<b>0.5%</b>
Middle manager	100%	-	<b>1.5%</b>	100%	-	<b>0.5%</b>
White-collar	55%	45%	<b>25%</b>	57%	43%	<b>30%</b>
Blue-collar	28%	72%	<b>73%</b>	25%	75%	<b>69%</b>
<b>Total</b>	<b>36%</b>	<b>64%</b>	<b>100%</b>	<b>35%</b>	<b>65%</b>	<b>100%</b>

GRI 405-1 TCI Group's employees for professional category and age (%)								
	2019				2020			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Executive	-	-	100%	<b>0.5%</b>	-	-	100%	<b>0.5%</b>
Middle manager	-	100%	-	<b>1.5%</b>	-	100%	-	<b>0.5%</b>
White-collar	-	78%	22%	<b>25%</b>	11%	74%	15%	<b>30%</b>
Blue-collar	6%	63%	30%	<b>73%</b>	5%	67%	28%	<b>69%</b>
<b>Total</b>	<b>5%</b>	<b>67%</b>	<b>28%</b>	<b>100%</b>	<b>7%</b>	<b>69%</b>	<b>24%</b>	<b>100%</b>

GRI 401-1 TCI Group's entries										
	2019					2020				
	<30	30-50	>50	Total	Turnover	<30	30-50	>50	Total	Turnover
Men	2	2	1	<b>5</b>	6.4%	7	-	-	<b>7</b>	9%
Women	1	1	-	<b>2</b>	1.4%	-	2	-	<b>2</b>	1.40%
<b>Total</b>	<b>3</b>	<b>3</b>	<b>1</b>	<b>7</b>	3.2%	<b>7</b>	<b>2</b>	-	<b>9</b>	4.10%
Turnover	30%	2.1%	1.6%	3.2%		46.7%	1.3%	0%	4.1%	

GRI 401-1 TCI Group's exits										
	2019					2020				
	<30	30-50	>50	Total	Turnover	<30	30-50	>50	Total	Turnover
Men	2	-	2	<b>4</b>	5.1%	2	4	2	<b>8</b>	10.4%
Women	2	-	-	<b>2</b>	1.4%	-	-	-	-	-
<b>Total</b>	<b>4</b>	-	<b>2</b>	<b>6</b>	2.8%	<b>2</b>	<b>4</b>	<b>2</b>	<b>8</b>	3.7%
Turnover	40%	-	3.3%	2.8%	-	13.3%	2.7%	3.8%	3.7%	-

## Health and Safety

GRI 403-9 TCI Group's work-related injuries		
TCI Group [1]	Worked hours (2019)	Worked hours (2020)
TCI Telecomunicazioni Italia S.r.l.	351,710	357,941
TCI Elettromeccanica S.r.l.	5,390	5,367
<b>Total worked hours</b>	<b>357,100</b>	<b>363,309</b>
Recordable work-related injury rate	-	-
Death rate due to accidents at work	-	-
Work-related serious injury rate	-	-

<sup>[1]</sup> The boundary of the data relating to TCI Group Health and Safety issue refers to the parent company TCI Telecomunicazioni Italia S.r.l. and to its subsidiary TCI Elettromeccanica S.r.l.

## Training

GRI 404-1 - TCI Group employees' average hours of training						
	2019			2020		
	Men	Women	Total	Men	Women	Total
Executive	-	-	-	-	-	-
Middle manager	12	-	<b>12</b>	-	-	-
White-collar	5	1.2	<b>3.3</b>	1.2	0.1	<b>0.7</b>
Blue-collar	3.4	0.1	<b>1</b>	-	-	-
<b>Total</b>	<b>4.2</b>	<b>0.3</b>	<b>1.7</b>	<b>0.6</b>	<b>0.02</b>	<b>0.2</b>

Typology of training provided to TCI Group's employees				
	2019		2020	
	no. participants	Total hours	no. participants	Total hours
Training on health and security	6	72	1	12
Managerial training	1	12	5	35
Professional training	37	282	-	-
<b>Total training</b>	<b>44</b>	<b>366</b>	<b>6</b>	<b>47</b>

## Energy and Emissions

GRI 302-1 Energy consumption for kind of source, GJ <sup>2</sup>			
	Unit of measure	2019	2020
TCI Telecomunicazioni Italia S.r.l.			
Purchased electricity	GJ	11,391	11,095
<i>of which renewable and certified with GO (Guarantee of Origin)</i>	GJ	-	-
Natural Gas	GJ	7,377	7,851 <sup>3</sup>
<b>Total</b>	<b>GJ</b>	<b>18,768</b>	<b>18,946</b>
Associated companies (ALLIX S.r.l. and ICT Intelligent Components Technology Zhuhai Ltd.)			
Purchased electricity	GJ	36,972	40,917
<i>of which renewable and certified with GO (Guarantee of Origin)</i>	GJ	-	-
<i>Natural Gas</i>	GJ	7,377	7,851
Gasoline (for transport)	GJ	860	630
Diesel oil (for transport)	GJ	24	12
<b>Total</b>	<b>GJ</b>	<b>45,233</b>	<b>49,410</b>

<sup>2</sup> For the calculation of energy consumption in GJ, the following source was used: defra, UK Government - GHG Conversion Factors for Company Reporting 2020 and 2019.

<sup>3</sup> Part of the 2020 natural gas consumption was estimated on the basis of the indication reported in the summary invoice from December 2019 to August 2020 issued by the energy provider.

GRI 305-1 Direct Greenhouse Gas (GHG) Emissions (Scope 1), tCO <sub>2</sub> eq <sup>4</sup>			
	Unit of measure	2019	2020
TCI Telecomunicazioni Italia S.r.l.			
Natural Gas	tCO <sub>2</sub> eq	301	320
Gasoline (for transport)	tCO <sub>2</sub> eq	-	-
Diesel oil (for transport)	tCO <sub>2</sub> eq	-	-
Refrigerant gas	tCO <sub>2</sub> eq	-	138
<b>Scope 1 Total</b>	<b>tCO<sub>2</sub>eq</b>	<b>301</b>	<b>458</b>
Associated companies (ALLIX S.r.l. e ICT Intelligent Components Technology Zhuhai Ltd.)			
Natural Gas	tCO <sub>2</sub> eq	-	-
Gasoline (for transport)	tCO <sub>2</sub> eq	61	44
Diesel oil (for transport)	tCO <sub>2</sub> eq	1.52	0.78
Refrigerant gas <sup>5</sup>	tCO <sub>2</sub> eq	-	154
<b>Total Scope 1</b>	<b>tCO<sub>2</sub>eq</b>	<b>62</b>	<b>200</b>

<sup>4</sup> Purpose 1: emissions from sources owned or controlled by the organisation fall into this category. Scope 1 emissions are expressed in tons of CO<sub>2</sub> equivalent. The source of the emission coefficients for fossil fuel sources used is DEFRA, UK Government - GHG Conversion Factors for Company Reporting 2020.

<sup>5</sup> Leaks include R410A refrigerant gas leaks.

<sup>6</sup> Leaks include R22 refrigerant gas leaks.

<b>GRI 305-2 Indirect Greenhouse Gas (GHG) Emissions (Scope 2), in tCO<sub>2</sub> eq<sup>7</sup> Calculated according to <i>location-based and market-based</i> approaches</b>			
	Unit of measure	2019	2020
TCI Telecomunicazioni Italia S.r.l.			
<b>Total Scope 2 <i>location-based</i></b>	tCO <sub>2</sub> eq	1,136	1,036
<b>Total Scope 2 <i>market-based</i></b>	tCO <sub>2</sub> eq	1,528	1,436
Associated companies (ALLIX S.r.l. e ICT Intelligent Components Technology Zhuhai Ltd.)			
<b>Total Scope 2 <i>location-based</i></b>	tCO <sub>2</sub> eq	6,489	7,091
<b>Total Scope 2 <i>market-based</i></b>	tCO <sub>2</sub> eq	6,490	7,092

<sup>7</sup> Scope 2: this category includes emissions (expressed in kg of CO<sub>2</sub>eq) deriving from the consumption of electricity. The reporting standard used (GRI Sustainability Reporting Standards 2016) provides two different methods of calculating Scope 2 emissions: "Location-based" and "Market-based". The "Location-based" approach involves the use of a national average emission factor relating to the specific national energy mix for the production of electricity (source of emission factors for Italy: ISPRA - National Inventory Report 2019; source of the for other countries: TERNA, International Comparisons, 2018). The "Market-based" approach involves the use of an emission factor defined on a contractual basis with the electricity supplier and that the purchase of renewable electricity with GO Certificates does not involve greenhouse gas emissions calculated according to this approach. For all the plants, given the absence of specific contractual agreements with electricity suppliers, the emission factors relating to the national "residual mix" were used (source of the residual mix: AIB European Residual Mixes 2020 (Version 1.1, 2020/09/08) where possible. For countries whose "residual mix is not available, the national average emission factors relating to the specific national energy mix were used (TERNA, International Comparisons, 2018).

<b>GRI 305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions<sup>8</sup></b>			
	Unit of measure	2019	2020
TCI Telecomunicazioni Italia S.r.l.			
Volatile organic compounds (VOC)	t	3.07	2.50
ICT Intelligent Components Technology Zhuhai Ltd.			
Volatile organic compounds (VOC)	t	18.72	8.24

<sup>8</sup> Allix S.r.l. was not included in the boundary of the data relating to significant emissions since it has a single office.

## Waste

<b>GRI 306-2 Special waste for typology and disposal method, in t</b>						
	2019			2020		
	Dangerous	Not dangerous	Total	Dangerous	Not dangerous	Total
TCI Telecomunicazioni Italia S.r.l.						
Recovery (including the energy recovery)	-	238	238	0.28	204	205
Disposal/ Grinding	2	-	2	4	-	4
<b>Total</b>	<b>2</b>	<b>238</b>	<b>240</b>	<b>4</b>	<b>205</b>	<b>209</b>
Associated companies (ALLIX S.r.l. e ICT Intelligent Components Technology Zhuhai Ltd.)						
Reuse	-	60	60	-	70	70
Landfill	-	100	100	-	100	100
Disposal/ Grinding	3	-	3	9	-	9
<b>Total</b>	<b>3</b>	<b>160</b>	<b>163</b>	<b>9</b>	<b>170</b>	<b>179</b>

GRI 306-2 RAEE waste for typology and disposal method, in t						
	2019			2020		
	Dangerous	Not dangerous	Total	Dangerous	Not dangerous	Total
TCI Telecomunicazioni Italia S.r.l.						
Recovery (including the energy recovery)	0.1	33	<b>33</b>	-	35	<b>35</b>
Associated companies (ALLIX S.r.l. e ICT Intelligent Components Technology Zhuhai Ltd.)						
Recycle	8	83	<b>91</b>	3	129	<b>132</b>
On-site treatment	-	100	<b>100</b>	-	-	-
<b>Total</b>	<b>8</b>	<b>183</b>	<b>191</b>	<b>3</b>	<b>129</b>	<b>132</b>

## Suppliers

GRI 204-1 TCI Group's local suppliers and total annual expenditure towards them (%)				
	2019		2020	
Geographical area	Suppliers	Annual expenditure	Suppliers	Annual expenditure
Abroad	22%	58%	25%	64%
Italy	78%	42%	75%	36%

## Boundary of material topics and reconciliation with the related GRI topics

Material topics	Reconciliation with the related GRI Topics	Pirimeter of material topics	
		Where the impact occurs	Type of impact
Responsible sourcing	GRI 204: Procurement practices (2016)	TCI Group, suppliers and commercial partners	Caused by TCI Group and related to its activities through its business relations
Cybersecurity and data privacy	GRI 418: Customers privacy(2016)	TCI Group, commercial partners	Caused by TCI Group and related to its activities through its business relations
Customer Satisfaction	n/a	TCI Group	Caused by TCI Group
Economic performance and generation of direct ad indirect value	GRI 201: Economic performance (2016)	TCI Group	Caused by TCI Group
Innovation and support to digital tranformation	n/a	TCI Group	Caused by TCI Group
Products quality and safety	GRI 416: Customers health and safety (2016)	TCI Group	Caused by TCI Group
Occupational health and safety	GRI 403: Health and safety at work (2018)	Employees of TCI Group <sup>1</sup>	Caused by TCI Group
Talent attraction and human capital development	GRI 401: Employment (2016) GRI 404: Training (2016) GRI 405: Diversity and equal opportunities (2016) GRI 406: Non discrimination (2016)	TCI Group	Caused by TCI Group
Management of environmental impact	GRI 302: Energy (2016) GRI 305: Emissions (2016) GRI 306: Water discharges and waste (2016)	TCI Group, energy suppliers	Caused by TCI Group and related to its activities through its business relations
Business ethics and corporate integrity	GRI 205: Anti-corruption (2016) GRI 307: Environmental compliance (2016) GRI 419: Socioeconomic compliance (2016)	TCI Group	Caused by TCI Group
Sustainable Lighting Solutions	n/a	TCI Group	Caused by TCI Group
Commercial partnerships	n/a	TCI Group	Caused by TCI Group

<sup>1</sup> The Group will deepen the analysis with respect to the significance of other non-employee workers, in order to assess the need to collect data from the employers of external collaborators and suppliers who operate at the Group's offices and/or under the Group's control, evaluating the quality and accuracy of such data over which it does not exercise direct control.

## GRI Content Index

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<b>GRI-201: Economic performance (2016)</b>			
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<b>GRI-103: Management approach (2016)</b>			
103-1	Explanation of the material topic and its boundary	70	
103-2	The management approach and its components	54-55	
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<b>GRI-204: Procurement practices (2016)</b>			
204-1	Proportion of spending on local suppliers	54	
<b>Topic: Prevention and fight against corruption</b>			
<b>GRI-103: Management approach (2016)</b>			
103-1	Explanation of the material topic and its boundary	70	
103-2	The management approach and its components	29	
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<b>GRI-205: Anti-corruption (2016)</b>			
205-3	Confirmed incidents of corruption and actions taken	No episodes of corruption occurred over 2020.	



GRI Standards	Disclosure	Page / Link	Notes and omissions
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<b>Topic: Energy</b>			
<b>GRI-103: Management approach (2016)</b>			
103-1	Explanation of the material topic and its boundary	70	
103-2	The management approach and its components	39-40; 58-59	
103-3	Evaluation of the management approach	39-40; 58-59	
<b>GRI-302: Energy (2016)</b>			
302-1	Energy consumption within the organisation	58-59; 67	
<b>Topic: Emissions</b>			
<b>GRI-103: Management approach (2016)</b>			
103-1	Explanation of the material topic and its boundary	70	
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<b>GRI-305: Emissions (2016)</b>			
305-1	Direct (Scope 1) GHG emissions	60; 67	
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103-1	Explanation of the material topic and its boundary	70	
103-2	The management approach and its components	39-40; 62	
103-3	Evaluation of the management approach	39-40; 62	
<b>GRI-306: Water discharges and waste (2016)</b>			
306-2	Management of significant waste-related impacts	62; 68	
<b>Topic: Environmental compliance</b>			
<b>GRI-103: Management approach (2016)</b>			
103-1	Explanation of the material topic and its boundary	70	
103-2	The management approach and its components	29; 39-40; 58-59	
103-3	Evaluation of the management approach	29; 39-40; 58-59	
<b>GRI 307: Environmental compliance (2016)</b>			
307-1	Non-compliance with environmental laws and regulations	No episodes of non-compliance with environmental laws and regulations occurred over 2020.	

GRI Standards	Disclosure	Page / Link	Notes and omissions
<b>GRI 400: SOCIAL SERIES (2016)</b>			
<b>Topic: Employees welfare</b>			
<b>GRI-103: Management approach (2016)</b>			
103-1	Explanation of the material topic and its boundary	70	
103-2	The management approach and its components	51	
103-3	Evaluation of the management approach	51	
<b>GRI-401: Employment (2016)</b>			
401-1	New employee hires and employee turnover	46; 65-66	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	51	
<b>Topic: Occupational health and safety</b>			
<b>GRI-103: Management approach (2016)</b>			
103-1	Explanation of the material topic and its boundary	70	
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<b>GRI-403: Occupational health and safety (2018)</b>			
403-1	Occupational health and safety management system	49-50	
403-2	Hazard identification, risk assessment, and incident investigation	49-50	
403-3	Occupational health services	49-50	
403-4	Worker participation, consultation, and communication on occupational health and safety	49-50	
403-5	Worker training on occupational health and safety	49-50	
403-6	Promotion of worker health	49-50	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	49-50	
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<b>Topic: Training and education</b>			
<b>GRI-103: Management approach (2016)</b>			
103-1	Explanation of the material topic and its boundary	70	
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103-3	Evaluation of the management approach	46-47	

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GRI-404: Training and education (2016)			
404-1	Average hours of training per year per employee	46-47; 66	
Topic: Development and enhancement of human resources			
GRI-103: Diversity and equal opportunity (2016)			
103-1	Explanation of the material topic and its boundary	70	
103-2	The management approach and its components	48	
103-3	Evaluation of the management approach	48	
GRI-405: Diversity and equal opportunity (2016)			
405-1	Diversity of governance bodies and employees	48; 65	
Topic: Non-Discrimination			
GRI-103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	70	
103-2	The management approach and its components	29; 48	
103-3	Evaluation of the management approach	29; 48	
GRI-406: Non-Discrimination (2016)			
406-1	Incidents of discrimination and corrective actions taken	During the reporting period, no episodes linked to discriminatory practices were detected.	
Topic: Customer health and safety			
GRI-103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	70	
103-2	The management approach and its components	32-33; 35;39	
103-3	Evaluation of the management approach	32-33; 35;39	
GRI-416: Customer health and safety (2016)			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	During the reporting period, there were no episodes of non-compliance concerning the impact on the health and safety of products and services.	
Topic: Customer Privacy			
GRI-103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	70	
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103-3	Evaluation of the management approach	41	

GRI Standards	Disclosure	Page / Link	Notes and omissions
GRI-418: Privacy dei clienti (2016)			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	During the reporting period, there were no substantiated complaints regarding violations of customer privacy and loss of customer data	
Socioeconomic compliance (2016)			
GRI-103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	70	
103-2	The management approach and its components	29	
103-3	Evaluation of the management approach	29	
GRI 419-1 Socioeconomic compliance (2016)			
419-1	Non-compliance with laws and regulations in the social and economic area	During the reporting period, no non-compliance with laws and regulations on social and economic matters were noted	
<b>MATERIAL TOPICS [NOT RELATED TO A TOPIC-SPECIFIC STANDARD GRI]</b>			
Innovation and support for digital transformation			
GRI-103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	70	
103-2	The management approach and its components	34	
103-3	Evaluation of the management approach	34	
Commercial partnerships			
GRI-103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	70	
103-2	The management approach and its components	12-13; 54-55	
103-3	Evaluation of the management approach	12-13; 54-55	
Sustainable Lighting Solutions			
GRI-103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	70	
103-2	The management approach and its components	30-35	
103-3	Evaluation of the management approach	30-35	
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## INDEPENDENT AUDITOR'S REPORT ON THE SUSTAINABILITY REPORT

To the Sole Director of  
TCI Telecomunicazioni Italia S.r.l.

We have carried out a limited assurance engagement on the Sustainability Report of TCI Group (hereinafter the "Group") as of December 31, 2020.

### Responsibility of the Sole Director for the Sustainability Report

The Sole Director of TCI Telecomunicazioni Italia S.r.l. is responsible for the preparation of the Sustainability Report in accordance with the "*Global Reporting Initiative Sustainability Reporting Standards*" established by GRI – *Global Reporting Initiative* ("GRI Standards"), as stated in the paragraph "Methodological Note" of the Sustainability Report.

The Sole Director is also responsible, for such internal control as he determines is necessary to enable the preparation of the Sustainability Report that is free from material misstatement, whether due to fraud or error.

The Sole Director is also responsible for the definition of the Company's objectives in relation to the sustainability performance, for the identification of the stakeholders and the significant aspects to report.

### Auditor's Independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the *International Ethics Standards Board for Accountants*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our auditing firm applies *International Standard on Quality Control 1 (ISQC Italia 1)* and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Auditor's responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the Sustainability Report with the GRI Standards. We conducted our work in accordance with the criteria established in the "*International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information*" (hereinafter "*ISAE 3000 Revised*"), issued by the *International Auditing and Assurance Standards Board* (IAASB) for limited assurance engagements. The standard requires that we plan and perform the engagement to obtain limited assurance whether the Sustainability Report is free from material misstatement.

Therefore, the procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with *ISAE 3000 Revised*, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures performed on the Sustainability Report are based on our professional judgement and included inquiries, primarily with Company personnel responsible for the preparation of information included in the Sustainability Report, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically, we carried out the following procedures:

- 1) analysis of the process relating to the definition of material aspects disclosed in the Sustainability Report, with reference to the methods used for the identification and prioritization of material aspects for stakeholders and to the internal validation of the process results;
- 2) comparison between the economic and financial data and information included in the chapter "Creation of shared value" of the Sustainability Report with those included in the Group's Financial Statements;
- 3) understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the Sustainability Report.

In particular, we carried out interviews and discussions with the employees of TCI Telecomunicazioni Italia S.r.l. and we carried out limited documentary verifications, in order to gather information about the processes and procedures, which support the collection, aggregation, elaboration and transmittal of Sustainability data and information to the department responsible for the preparation of the Sustainability Report.

In addition, for material information, taking into consideration the Company's activities and characteristics:

- at the Group's level:
  - a) with regards to qualitative information included in the Sustainability Report, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;
  - b) with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data.



- for TCI Telecomunicazioni Italia S.r.l. and TCI Elettromeccanica S.r.l., which we selected based on their activities, their contribution to the performance indicators at the consolidated level, we carried remote meetings, during which we met the management and have gathered supporting documentation with reference to the correct application of procedures and calculation methods used for the indicators.

### **Conclusion**

Based on the work performed, nothing has come to our attention that causes us to believe that the Sustainability Report of the Company as of December 31, 2020 is not prepared, in all material aspects, in accordance with the GRI Standards as stated in the paragraph “Methodological Note” of the Sustainability Report.

### **Other matters**

The comparative data presented in the Sustainability Report of the Company as of December 31, 2019 have not been subjected to the above-mentioned limited assurance procedures.

DELOITTE & TOUCHE S.p.A.

Signed by  
**Franco Amelio**  
Partner

Milan, Italy  
October 8, 2021

*This report has been translated into the English language  
solely for the convenience of international readers.*



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