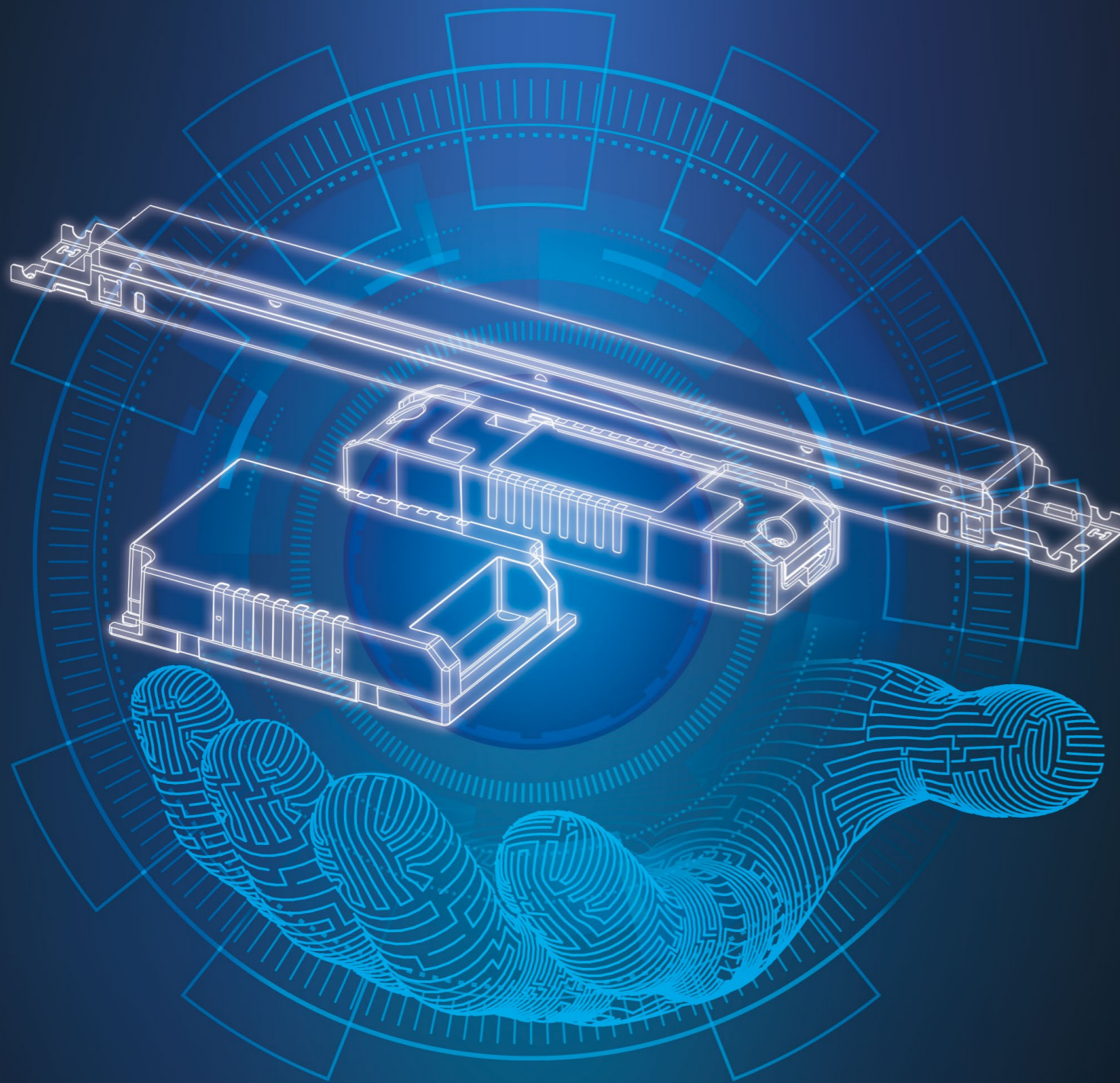




2022  
**Sustainability  
Report**

# Summary

<b>LETTER TO THE STAKEHOLDERS</b> .....	5
<b>1. TCI PROFILE</b> .....	7
Sustainability Highlights 2022 .....	8
1.1 The Company .....	10
1.2 Our history .....	13
1.3 Our Business model.....	16
1.4 Corporate governance.....	18
1.5 Mission and company values .....	20
1.6 Our strategic partnerships.....	22
<b>2. OUR COMMITMENT TO SUSTAINABILITY</b> .....	25
2.1 Our approach to sustainability .....	26
2.2 Dialogue with Stakeholders .....	30
2.3 Materiality analysis .....	32
<b>3. CREATION OF SHARED VALUE</b> .....	35
3.1 Generated and distributed value.....	36
3.2 Tax compliance of the group .....	39
<b>4. ETHICS, INTEGRITY AND TRANSPARENCY</b> .....	41
4.1 Ethics and philosophy of the group .....	42
<b>5. SUSTAINABLE LIGHTING</b> .....	45
5.1 Our products .....	46
5.2 Our contribution to the Circular Economy .....	48
5.3 Research and development, technological and digital innovation.....	51
5.4 People's wellbeing at the heart of our priorities.....	52
<b>6. TCI, PIONEER OF INNOVATION</b> .....	55
6.1 Innovation as a successful driver .....	56
6.2 Allix, an innovative way of seeing and living the future .....	58
6.3 Igrox and biotechnological innovation .....	62
6.4 Photovoltaic systems.....	64
6.5 Energy for movement: the new era of green hydrogen.....	66
<b>7. CUSTOMER CARE</b> .....	69
7.1 Customer satisfaction: in a continuous dialogue with our customers.....	70
7.2 Quality and product safety at the heart of our choices.....	71
7.3 Data protection and security .....	72
<b>8. OUR PEOPLE</b> .....	75
8.1 Talent attraction, training and growth of our people.....	78
8.2 Diversity, equal opportunities and non-discrimination .....	80
8.3 Health and safety in the workplace .....	82
8.4 The man and the light.....	84
8.5 Working conditions and welfare.....	85
<b>9. RESPONSIBILITY ALONG THE SUPPLY CHAIN</b> .....	87
9.1 The profile of our supply chain.....	88
9.2 Responsible sourcing.....	92
9.3 Conflict Minerals.....	92
<b>10. TCI AND RESPECT FOR THE ENVIRONMENT</b> .....	95
10.1 Our environmental footprint.....	96
10.2 Responsible management of energy resources and emissions .....	98
10.3 Responsible waste management.....	102
Methodological note .....	104
Correlation table between the material topics and their impacts.....	106
Performance indicators.....	108
GRI Content index .....	113
Independent Auditors' Report .....	116



## LETTER TO THE STAKEHOLDERS

Dear friends, employees, clients and suppliers.  
The challenge continues!

The World plagued by hurricanes, hail and cataclysms  
chases energy saving, sustainable and inclusive devel-  
opment.

We in TCI understood the environmental drama dec-  
ades ago and, against the tide, we focused on products  
with high efficiency and low consumption.

We fight on the lighting front as leaders around the  
world. Energy production systems see us as experts  
and innovative.

Our techno-digital analysts cross every day vertical  
farm, bridges, structures and hydrogen installations  
regulated by our sophisticated APP and energy cali-  
bration and lighting systems Made in Italy by TCI.

What a satisfaction to overcome difficulties and see the  
future in the present!  
Presumptuous? No, Visionaries!  
Thanks to all of us

*Gianfranco Librandi*  
Gianfranco Librandi  
CEO





# TCl profile

Sustainability Highlights 2022 .....	7
1.1 The Company.....	10
1.2 Our history.....	13
1.3. Our Business model .....	16
1.4. Corporate governance and risk management .....	18
1.5 Mission and company values .....	20
1.6 Our strategic partnerships.....	22



# SUSTAINABILITY HIGHLIGHTS 2022



## The Group

Revenue  
**290 M €**

Company  
**2 subsidiaries**  
**4 associates**



## Market

Europe  
**52 %**

Rest of the World  
**48 %**



## People

Total  
**241**

Hours of training 2022  
**1099**



## Environment

Packaging  
**100% recyclable cardboard**

Waste  
**- 3 %**

Electricity  
**- 7,10 kw/h**

Aim 2 (Market based)  
**1,428 tCO<sub>2</sub>**

## SDGS TARGETS

TCI pursues the objectives of Sustainable Development by fully integrating them into business practice.



## SOLAR PANELS

We have undertaken the design of components, such as inverters, for the operation of photovoltaic systems.



## GUARANTEE OF OUR PRODUCTS

Our products are covered by a 36 month warranty, which can be extended to 7 and 10 years depending on use.



## ECO-PACKAGING

In 2022 we introduced 100% recyclable cardboard packaging, paper scotch and reduced the plastic packaging.



## VERTICAL FARMING

Igrox designs highly effective and robust LED systems with adjustable spectrum to help farmers optimize crop quality, yield and cost.



## METAVESE

Allix has designed and developed the "digital twin", used both for staff training and to test new configurations difficult to implement on real prototypes.



## INNOVATION

We focus on innovation, as a key to the revolutionary success of the market, in favor of the Planet.



## REDUCTION IN CONSUMPTION AND EMISSIONS

In 2022 we reduced electricity consumption (-7.10 kw/h) and indirect greenhouse gas emissions (-7.5% tCO<sub>2</sub>).



## LIGHT ADJUSTMENT

We have developed light beam control systems to reduce waste and consumption.



## IOT

Allix designs software and applications for remote installation control and management.



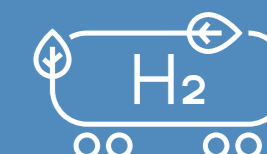
## MANAGEMENT OF RECYCLING

We have implemented an accurate waste management, as well as production waste and products at the end of their life-cycle, reducing them by 3% compared to 2021.



## HYDROGEN

We are geared towards sustainable mobility powered by clean fuel such as hydrogen.



# 1.1 THE COMPANY

**In more than forty years of activity we have been able to conduct our business in an extremely dynamic way**

TCI Group (hereinafter "Group" or "TCI") carries out the production and marketing of electrical and electronic equipment for industrial automation and digital communications and is an international leader in the production and sale of electronic components for lighting.

For 40 years we have been developing and producing a wide range of high quality products Made in Italy, addressing to the national, European and international market. We operate in a competitive and evolving market, reason why we are proud to have a dynamic and highly professional technical department that deals with the design and manufacture of new products always highly innovative and efficient.

TCI has always considered energy saving as an essential factor in protecting the environment. Since its productive inception in the eighties, when the world was not yet aware of the negative consequences resulting from the habits and behaviors of man towards the environment, the company gave evidence to its sustainable orientation.

In the following years, the growing social and natural challenges arising from factors such as globalization, climate change and attention to the welfare of workers and consumers that characterize the environment in which companies operate, have emphasized attention to environmental topic.

Thanks to our innovative and forward-looking vision, we have been able to grasp these critical issues, implementing a change of course in our business management, giving up the so-called "business as usual" and directing it more and more on the green path of sustainability.

During 2022 we invested in innovation, as a distinctive and successful key, implementing an important strategy of re-engineering of processes and products for the market in favor of the environment and society, always respecting our distinctive values: quality and reliability.

TCI has thus become a pioneer of this innovative and sustainable revolution, firstly in the Lighting market, where it holds a well-established leading position, developing technologically advanced systems for digital light control, which allows considerable savings in terms of electricity consumption and subsequently also entering the growing market of Photovoltaic Systems and Vertical Farming.

This important milestone represents the green breakthrough of the company, now oriented more than ever towards technological innovation as a means of safeguard of the environment and humanity.

The installation of photovoltaic systems represents an energy saving by the user, as well as a strong incentive to the use of renewable energy, aimed at reducing the environmental impact. For this purpose, TCI's research and development department is working on a project to build Photovoltaic Systems, equipped with inverters, of upcoming implementation.

TCI, through Igrox, has also specialized in the biotechnology field, designing and producing LED technologies for cultivation in controlled environments: these solutions allow a higher yield and quality of crops and ensure the sustainability of the same thanks to the use of cutting-edge technologies.

The company, aware of the growing global digitalization, in collaboration with Allix, has also been able to enter the IOT (Internet of Things) sector, developing highly advanced remote control and remote management systems, applicable in various fields, as well as in production and infrastructure, since it can provide real-time information for the management, control and optimization of processes, all aimed at reducing energy consumption and environmental impact.

The development of the "dynamic white" technology has allowed the increase of the efficiency of the productive functions of the human body, exploiting the cold light during daylight hours and hot light during the nighttime hours, respecting the natural Circadian Cycle.

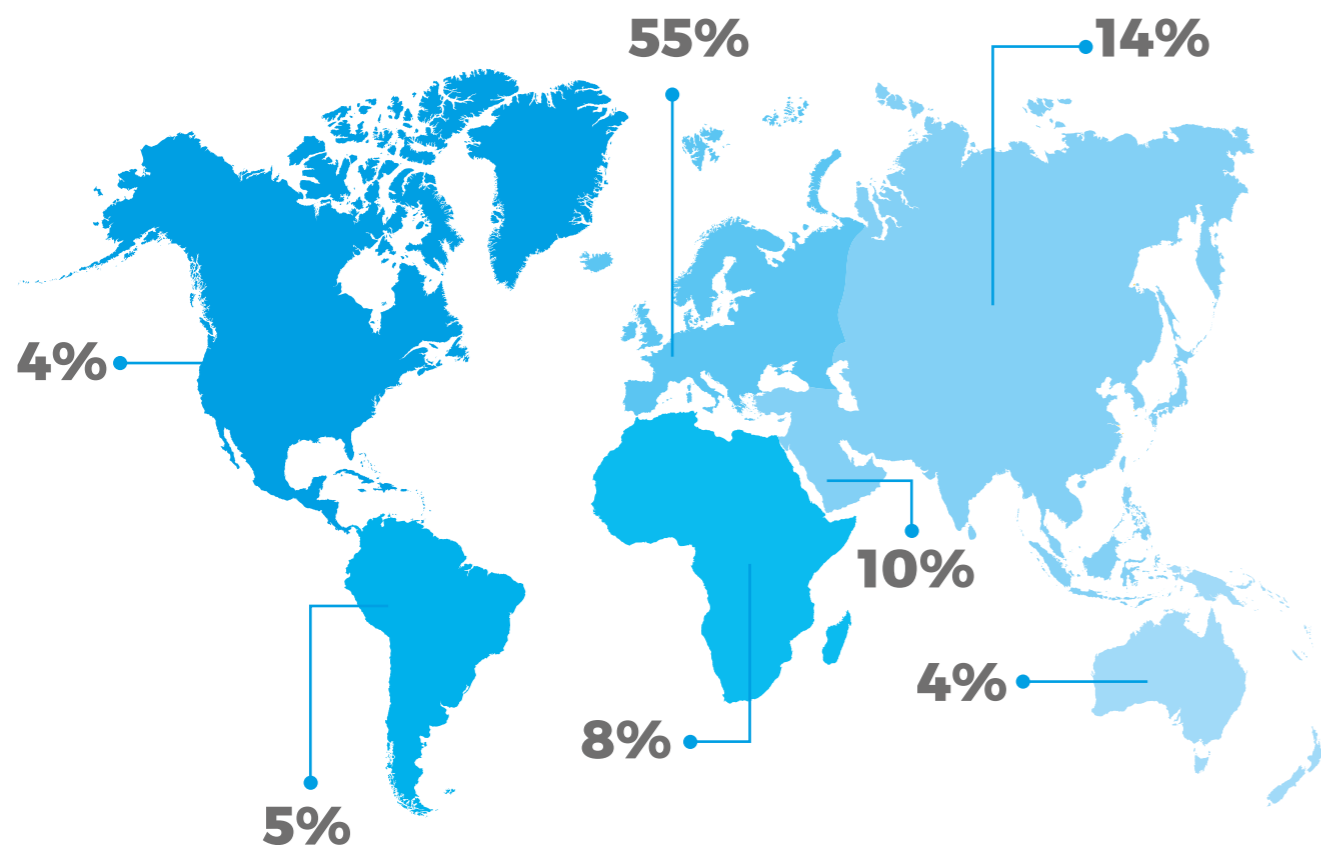
TCI, always a pioneer of innovation, has also been oriented in the mobility field, but with a look to the future: hydrogen. The latter, in fact, is establishing itself as a highly clean source, able to significantly reduce air pollution thanks to the deletion of emissions of pollutants and CO2 and that's why the company has launched the design and future installation of "fuel cell" to generate electricity in a clean and efficient way.

The continuous technological research represents the hub of our activity, aimed at offering an increasingly "clean" light, because **"Light is Freedom. Light is Life"**.

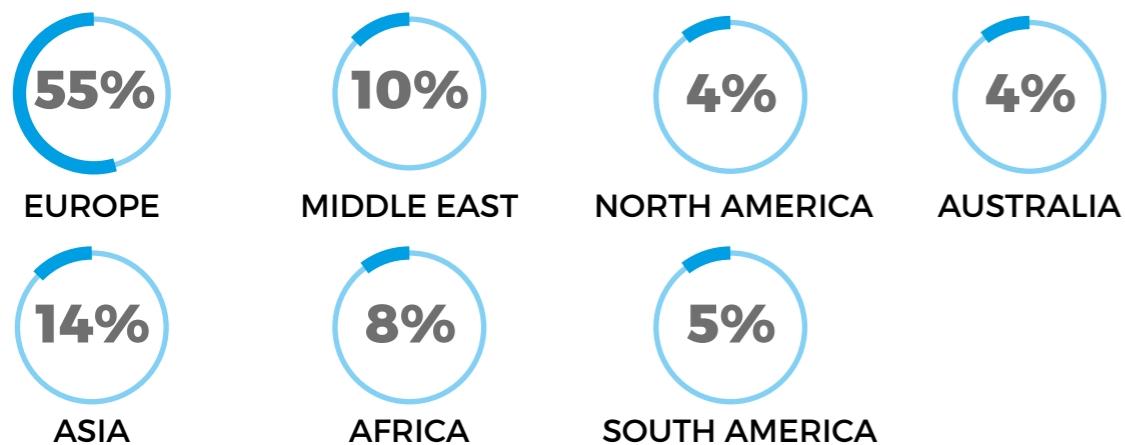
At the corporate level, the TCI Group is constituted by the parent company TCI Telecomunicazioni Italia S.r.l. and two subsidiaries.

The parent company also holds shares in four additional related companies operating in China and Italy. The registered office of the company is in Saronno - Via Parma n. 14. We are also present with commercial offices in Rome and Milan.

COMPANY NAME	% OWNERSHIP	OPERATIONAL OFFICES
TCI Telecomunicazioni Italia S.r.l.	-	Italy - Saronno
Directly controlled companies:		
TCI ELETTROMECCANICA S.r.l.	95%	Italy - Trezzo sull'Adda
TCI America Inc.	100%	USA
Associated companies::		
ICT Intelligent Components Technology Zhuhai Ltd.	26%	China
ITH International Technologies Holding Ltd.	40%	China
IGROX S.r.l.	29%	Italy - Saronno
ALLIX S.r.l.	20%	Italy - Saronno



## TCI AROUND THE WORLD



Percentages are based on TCI Groups' 2022 turnover.

## 1.2 OUR HISTORY

**The TCI Group is a world leader in the production of electronic lighting components**

The TCI Group is an international leader in the production and sale of electronic components for lighting and it's among the first companies to believe and invest in LED technologies, in the use of the DALI standard (Digital Addressable Lighting Interface) and then into wireless.

TCI Telecomunicazioni Italia S.r.l. was founded in 1982 as a telecommunications company specialized in the production of antennas and amplifiers whose activity continued until the 2000s.

In the years to come until 2010 TCI's business specialized in the production of components for traditional lighting such as mechanical, electronic and ballast transformers for fluorescent and HID lamps. At the same time, the introduction of LED components in the world of lighting has pushed the market towards a technological change.

TCI with its forward-looking vision has been able to invest in the development and production of technologies compatible with LED systems, offering innovative and competitive solutions and making some of our products real milestones in the lighting sector.

With the confirmation of the LED technology and the increase of the market demand, TCI considerably expanded its production lines until 2014 when another plant was inaugurated entirely dedicated to the production of LED modules.

The success of the TCI Group stems from the focus on the highest quality and product safety, but also from the strong innovative drive and flexibility of our business model.

In 40 years of activity we have been able to conduct our business in an extremely dynamic way, adapting to market developments and driving major changes in the lighting industry in order to fully meet the needs of our customers and provide a wide and comprehensive range of solutions.

We can offer cutting-edge remote control and management systems, realized using a native data communication platform that goes beyond the traditional Cloud. Thanks to technologies such as MQTT and ZeroTier, together with proprietary technologies, through group synergies we are able to manage peripheral networks as if they were a single global network, avoiding the disadvantages of classic cloud-based networks based, such as poor bandwidth or lack of internet connection. The collaboration between the other companies of the Group focuses on the development and maintenance of applications and software for wireless lighting management.

The TCI Group is also specializing in the design and production of LED systems for plant growth in a controlled environment with the aim of helping growers to produce continuously and in any climate condition, ensuring quality and freshness of product and low environmental impact.



The TCI Group has also extended its expertise to the agricultural sector, 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.

TCI is also developing its activities in the renewable energy field; in particular in the marketing, import-export of electrical products and its accessories with particular reference to those related to photovoltaic systems, sector that is experiencing considerable interest.

The commitment of our Company is to continue to grow especially continuing to develop LED technology. This technology, highly sustainable thanks to the low impact on environmental pollution, will allow significant energy savings and a reduction in related costs for the entire civil and industrial sector, especially in the current phase of high energy cost.

2022

- Complete systems for horticulture
- Metaverse (for marketing, product promotion, catalog presentations and trade fairs)
- Human Centric Lighting technology
- Photovoltaic systems

2022  
2016

- LED drivers and IoT solutions
- Wireless remote management for industrial / road installations
- Dynamic White Technology (Tunable White)

2016  
2010

- LED drivers
- LED modules (2014: opening production only LED modules)

2010  
1990

- Magnetic and electronic transformers (halogen lamps)
- Magnetic and electronic ballasts (fluorescent lamps)
- HID ballast (metal halide / sodium lamps)

2002  
1982

VHF antennas, amplifiers, filters and controllers



# 1.3 OUR BUSINESS MODEL

## Innovation and quality: our business

The success of TCI stems from the orientation to the highest quality and product safety, but also from the strong innovative thrust and flexibility of our business model. In more than 40 years of activity we have been able to conduct our business in an extremely dynamic way, adapting to market developments and driving major changes in the lighting industry.

In order to fully meet the needs of our customers and provide a wide and comprehensive range of solutions, we have acquired stakes in other companies similar to ours: today the TCI Group is composed of the parent company TCI Telecommunications Italia S.r.l. which holds 100% of the capital of TCI America, 95% of TCI Elettromeccanica s.r.l., 20% of Allix S.r.l., 29% of Igrox S.r.l. and 40% of ITH International Technologies Holding Ltd as well as 26% of ICT Intelligent Components Technology Zhuhai Ltd.

### TCI Elettromeccanica S.r.l.

TCI Elettromeccanica S.r.l. produces toroidal transformers for multiple uses, including civil and industrial automation.

The evolution of the market and the increased sensitivity towards the environment have led TCI Elettromeccanica S.r.l. to develop multi-voltage solutions, including very high power, to power energy saving equipment, photovoltaic systems, inverters and LED systems.

### Allix S.r.l.

Allix S.r.l. offers advanced remote control and management systems, realized 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 S.r.l. allows you to manage peripheral networks as if they were a single global network, eliminating the disadvantages of classic cloud-based networks, such as poor bandwidth or lack of internet connection.

### Igrox S.r.l.

The collaboration between Allix S.r.l. and the other Group companies focuses on the development and maintenance of applications and software for wireless lighting management.

Igrox S.r.l. is an Italian company specialized in the design and production of LED systems for plant growth in a controlled environment. The aim of Igrox S.r.l. is to help growers to produce continuously and in any climatic condition, ensuring product quality and freshness.

Thanks to the partnership with Igrox S.r.l., the TCI Group has extended its expertise to the agricultural sector, with specific LED systems to support every stage of plant growth, from grafting to fruit production, to obtain better morphological characteristics and greater yield of the harvest.

### ICT Intelligent Component Technology Zhuhai Ltd.

ICT Intelligent Components Technology Zhuhai Ltd is specialized in the development and distribution of innovative components, transformers, coils, igniters and electronic devices for different types of application. The presence of ICT within the Group brings greater stability to supplies.

### ITH International Technologies Holding Ltd

ITH International Technologies Holding Ltd as ICT Intelligent Components Technology Zhuhai Ltd, ITH International Technologies Holding Ltd supplies components to the Group.

# 1.4 CORPORATE GOVERNANCE

## TCI: the result of an illuminated vision

The corporate governance structure is structured around a traditional organisational model and consists of the following relevant bodies:

- shareholders' meeting, a body that represents the general interest of the company and that has the task of taking the most important decisions for the life of the company, appointing the administrative body, approving the budget and amending the statute;
- sole administrator;
- board of auditors;
- statutory auditor.

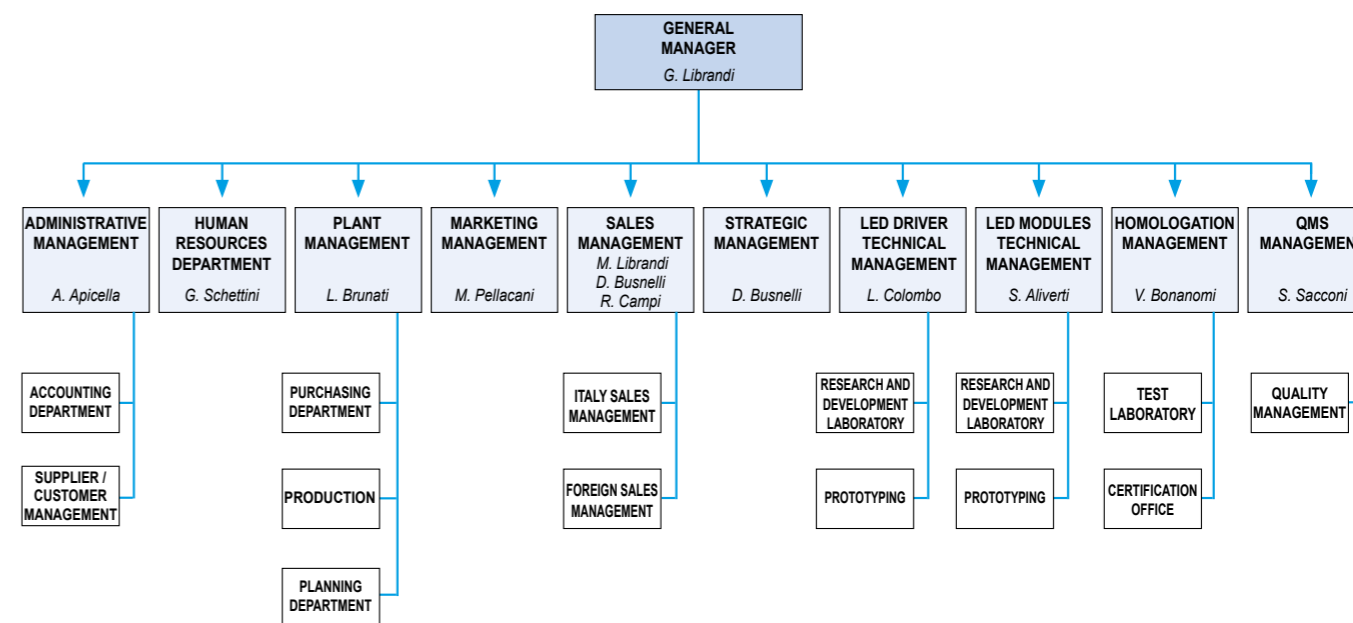
The CEO, Dr. Gianfranco Librandi, plays a central role in the corporate organization, enclosing in his figure the "core" of corporate governance. He is responsible for the functions and responsibilities of the strategic and organizational guidelines and holds, within the scope of the corporate object, all the powers that by law or by statute are not expressly reserved to the assembly, in order to provide for the ordinary and extraordinary administration of the company. Corporate governance is apparently "lean", but the highest governing body relies, in the performance of its duties, on internal corporate figures to whom powers and responsibilities consistent with their duties are attributed.

Each business decision is shared with the highest governing body, which carries out a careful analysis of the impact of the organization on the economy, the environment and people by confirming or reviewing strategies.

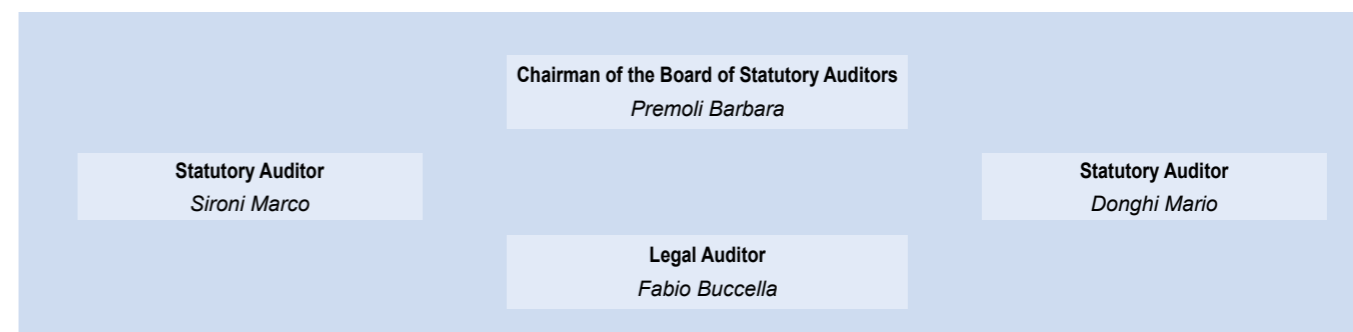


The reference figure in sustainability reporting is the Sole Administrator, who with constant periodicity, through direct meetings with his collaborators, shall define and manage the impacts of the organisation and, with the help of the latter, analyse their criticalities and intervention manoeuvres.

The company structure is summarized as follows:



Pursuant to the Company Statute, the Board of Statutory Auditors consists of three Statutory Auditors and two Alternate Auditors; the appointment took place with the Shareholders' Meeting of 16 July 2021.



# 1.5 MISSION AND COMPANY VALUES

## We want to make the world a brighter place

More and more people wish for a different world, a better world, more environmentally friendly, healthy and efficient. TCI wants to contribute to this brighter world, combining sustainability and added value.

Our vision is the guiding thread of the shared path towards achieving our goals. It's because of our daily actions that, step by step, we want to leave our sustainable footprint for the environment and the community.



## Vision

The goal of TCI is to illuminate the world of light in a sustainable way, saving energy, in full respect of biodiversity: a world illuminated by clean light.

Our cities will be safer and more breathable.

TCI designs sustainable, renewable, circular and more efficient lighting systems to reduce consumption and improve the well-being of the community.

## Mission

TCI conducts its activities according to the principles of reliability, trust and transparency, which are accompanied by innovation, courage, dynamism and quality: all key elements of our success.

Business decisions and daily activities are pursued in the spirit 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 most stringent international safety standards. Quality of our service: customer care, technical and commercial support pre and after-sales, wide range of product certifications for distribution in different countries. Quality for TCI also means ethically responsible management of every aspect related to the conduct of its activities, to really ensure the creation of shared value.

### TRUST AND TRANSPARENCY

Trust and transparency are the basis and guarantee of the solid relationship that binds us to our stakeholders. 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 has allowed us to grow and to establish ourselves in the lighting sector, competing internationally with the major players in the market. TCI is a dynamic, enterprising, flexible and continuously improving partner.

### COURAGE

Without courage TCI wouldn't have arrived where it is today. Thanks to this virtue, we have become pioneers in our industry, overcoming existing limits and testing ourselves in highly challenging projects to obtain increasingly innovative products and support environmental sustainability.

# Company Values

## 1.6 OUR STRATEGIC PARTNERSHIPS

**Always at the forefront of new trends and market developments**

We consider it essential to establish and maintain strong relationships with all our stakeholders, which are based on maximum collaboration and transparency. This ensures the stability and reliability of the TCI Group and its ability to create value over time. The continuous flow of information between us and our suppliers, business partners and customers allows us to be always at the forefront of new trends and market developments.

Progress is born from collaboration, from the encounter of ideas and intuitions, that's why we have fruitful exchanges with the academic world and actively participate in initiatives and industry associations such as ASSIL, National Association of Lighting Manufacturers, of which we have been part since 2008.



## ASSIL

ASSIL regroups companies producing electronic components and 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 employees.

The mission of the association is to represent, protect and support the associated companies to foster the growth of a quality industry, based on innovation and internationalization.

ASSIL offers its members high value-added services to ensure a constant and timely update on the issues of greatest interest to companies in the sector.

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



# Our commitment to sustainability

2.1 Our approach to sustainability.....	26
2.2 Dialogue with Stakeholders.....	30
2.3 Materiality analysis.....	32

# 2.1 OUR APPROACH TO SUSTAINABILITY

## TCI recognizes the importance of the UN Sustainable Development Goals

The logic of ESG (Environmental, Social, Governance) is based on an important guideline of the "history of sustainability": **the 2030 Agenda**.

It's a program signed on September 25, 2015 by the members of the UN General Assembly, and it is set out in 17 global goals for sustainable development.

The qualifying factors of this plan represent the starting point of a path of greater awareness of topics related to sustainable development, inspiring the strategies and ways in which sustainability is taking shape in the States, in the organizations, in enterprises.

TCI, in keeping with **the 2030 Agenda**, has decided to strengthen its commitment to safeguarding the planet, society and prosperity, through the full integration of the Sustainable Development Goals (SDGs) in its business strategy and their application throughout the supply chain.

Through the Sustainability Report we want to show what we have done so far and what we intend to do as part of a structured path aimed at integrating sustainability in all business practices and daily activities, in order to contribute to a sustainable development.

This document is also an opportunity to improve and strengthen the dialogue with all our stakeholders to whom we communicate our performance in a transparent way, actions and objectives, since we are aware that the implementation of **the 2030 Agenda** is an overall commitment of all parts of society.

Only through an integrated approach and concrete measures can we sustainably develop economic growth, social inclusion and environmental protection.



### SDG 3: GOOD HEALTH AND WELL-BEING

TCI guarantees health and safety in the workplace through a program aimed at preventing accidents and madness also through the provision of periodic medical examinations.



### SDG 4: QUALITY EDUCATION

TCI guarantees the training and continuous updating of its employees through technical, legislative and linguistic training courses.



### SDG 5: GENDER EQUALITY

TCI, through its Code of Ethics and Conduct, guarantees and promotes the pursuit of the principles of equality and social equity.



### SDG 6: CLEAN WATER AND HYGENE

TCI, in carrying out its activities, is committed to respect global water resources and prevent the release of chemicals underground.



### SDG 7: CLEAN AND AFFORDABLE ENERGY

TCI pursues the objective of energy efficiency through the adoption of corporate lighting control systems and with the aim of installing photovoltaic systems.



### SDG 8: WORTHY WORK AND ECONOMIC GROWTH

TCI guarantees full compliance with laws, internal regulations, as well as the Code of Ethics and Conduct by internal and external stakeholders.



### SDG 9: INDUSTRY, INNOVATION AND INFRASTRUCTURE

TCI, thanks to a pool of engineers, invests in the development of innovative products with ever better performance, to offer greater quality and reliability to its customers. TCI has implemented insulation works of the entire structure and the installation of insulating windows to improve energy efficiency.



### SDG 11: SUSTAINABLE CITIES AND COMMUNITIES

TCI guarantees the reduction of its environmental impact through waste management in compliance with current regulations and sustainable mobility thanks to the possibility of electric charging. TCI is ISO 14001:2015 and ISO 9001:2015 certified.



### SDG 12: SUSTAINABLE CONSUMPTION AND PRODUCTION

TCI is committed to reducing consumption resulting from the production activity, thanks to the use of advanced technologies, recyclable packaging and an efficient waste management plan.



### SDG 13: ACT FOR THE CLIMATE

TCI is committed to reducing consumption, emissions and waste through a strategic plan aimed at optimizing energy efficiency and recycling of packaging. Thanks to constant research, TCI develops products and solutions to help its customers to reduce energy consumption.



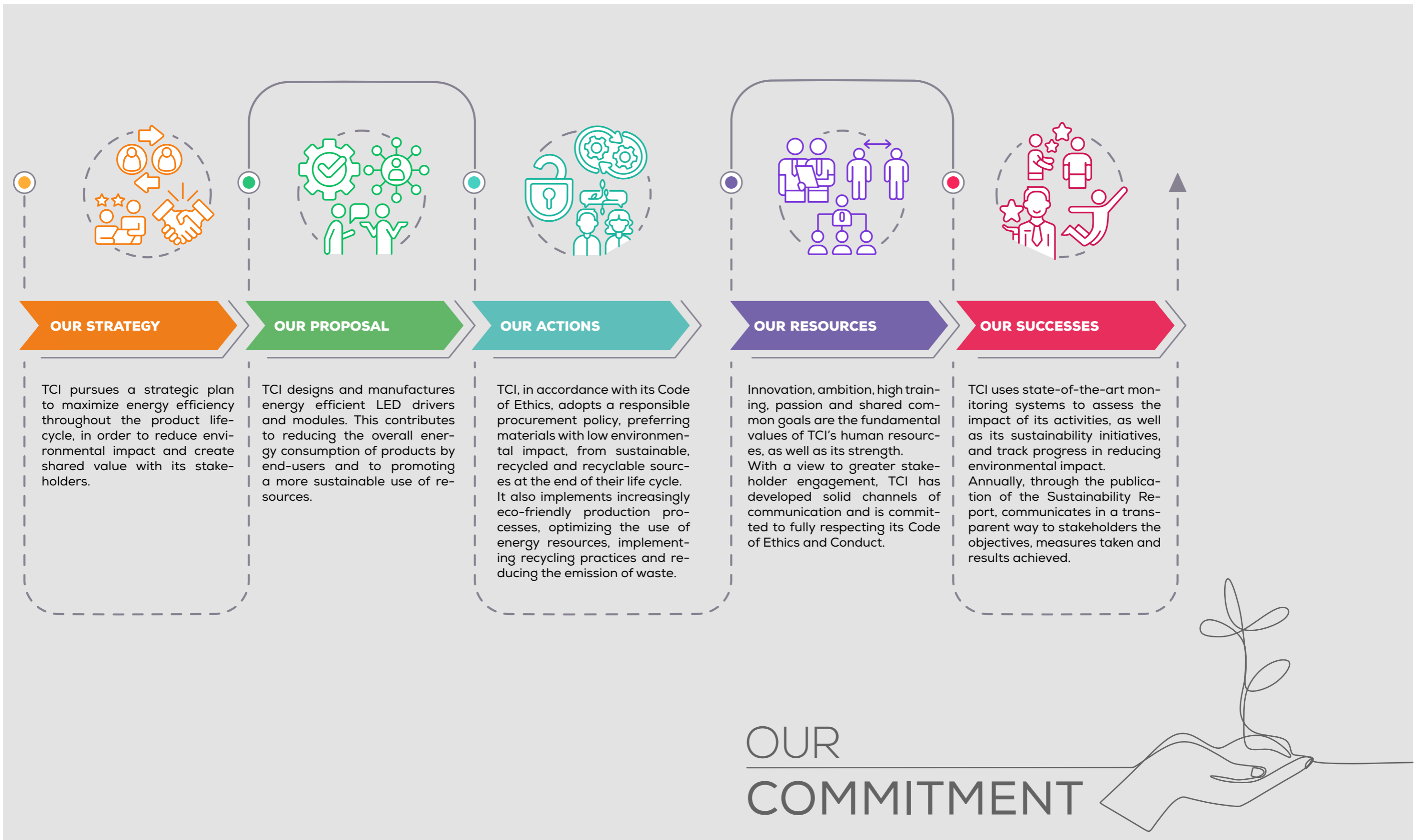
### SDG 16: PEACE, JUSTICE AND STRONG INSTITUTIONS

TCI is committed to the full respect of its Code of Ethics, in order to combat all forms of abuse and violence and to promote equity, transparency and clarity in the business.



### SDG 17: PARTNERSHIP FOR THE OBJECTIVES

TCI cooperates with national and international institutions and organizations to pursue economic, social and environmental goals.



# 2.2 DIALOGUE WITH STAKEHOLDERS

**We are committed to listening to and protecting all of 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 subjects with interests, whereby all individuals, groups or organizations that have various interests in the TCI Group and in its present and future activities and whose contribution is essential for the achievement of a specific business objective, influencing company strategic decisions and choices.

We actively involve our stakeholders, such as employees, customers and suppliers in the decision-making process and in the definition of our sustainability strategies. We are committed to listening to their opinions, needs and concerns through the continuous development of channels of dialogue and involvement aimed at fostering communication and information sharing among all stakeholders and we work together to develop sustainable solutions that meet their expectations, in order to support the creation of shared value with a view to greater Stakeholder Engagement.

Communicating clearly and transparently our actions and progress in the sustainability field is fundamental, so we publish our Sustainability Report annually, in which we highlight our ecological and environmental footprint.



Stakeholder involved	Ways to engage	Main expectations towards TCI
<b>General Management</b>	<ul style="list-style-type: none"> <li>• Direct dialogue with company management</li> <li>• Comparison tables</li> <li>• Report to Management</li> </ul>	<ul style="list-style-type: none"> <li>• Continuity and profitability</li> <li>• Business performance in achieving goals</li> <li>• Medium and long-term economic, social and environmental business strategies</li> </ul>
<b>Financial Operators</b>	<ul style="list-style-type: none"> <li>• Direct dialogue with the Financial and Administrative Director</li> <li>• Annual and consolidated financial statements</li> <li>• Financial Reporting</li> </ul>	<ul style="list-style-type: none"> <li>• Transparency and clarity of information</li> <li>• Compliance with regulations and legal deadlines</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Dialogue with the Human Resources dep.</li> <li>• Corporate welfare</li> <li>• Whistleblowing</li> <li>• Internal/External training and audits</li> <li>• Corporate intranet and information systems</li> </ul>	<ul style="list-style-type: none"> <li>• Health and safety at work</li> <li>• Adequacy of workloads</li> <li>• Appropriate training</li> <li>• Professional development</li> <li>• Clarity and transparency in the roles, procedures to be implemented and objectives to be achieved</li> </ul>
<b>Trade Unions</b>	<ul style="list-style-type: none"> <li>• Regular ODG comparison meetings</li> <li>• Bulletin board</li> </ul>	<ul style="list-style-type: none"> <li>• Protection of workers and safety at the workplace</li> <li>• Compliance with contractual conditions</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>• Direct dialogue with the Purchasing Office</li> <li>• Periodic meetings on site and through online platforms</li> <li>• Trade fairs and events</li> </ul>	<ul style="list-style-type: none"> <li>• Respect of contractual terms</li> <li>• Transparency and clarity of information</li> <li>• Continuity and profitability of the business</li> </ul>
<b>Clients</b>	<ul style="list-style-type: none"> <li>• Direct dialogue with the commercial department</li> <li>• Technical support</li> <li>• Periodic meetings on site and through online platforms</li> <li>• Trade fairs</li> </ul>	<ul style="list-style-type: none"> <li>• Continuity of the business</li> <li>• Innovative and quality products</li> <li>• Effective technical support service</li> <li>• Corporate transparency and reliability</li> </ul>
<b>Local community and territory</b>	<ul style="list-style-type: none"> <li>• Support for cultural and sporting events</li> <li>• Publications in the main lighting magazines</li> </ul>	<ul style="list-style-type: none"> <li>• Promoting social and economic development</li> <li>• Procedures to reduce the environmental impacts of business</li> <li>• Action plans for the containment of environmental emergencies</li> </ul>
<b>Trade associations</b>	<ul style="list-style-type: none"> <li>• Direct dialogue</li> <li>• Periodic meetings</li> <li>• Comparison tables</li> </ul>	<ul style="list-style-type: none"> <li>• Expertise and professionalism</li> <li>• Active participation</li> <li>• Compliance with participation requirements</li> </ul>
<b>Media</b>	<ul style="list-style-type: none"> <li>• Articles in major lighting magazines</li> <li>• Social Media</li> <li>• Website</li> <li>• Online shop</li> <li>• Recruitment activities</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate image and reputation</li> <li>• Presentation of news and new products</li> <li>• Business updates</li> <li>• Ad of open positions</li> </ul>



## 2.3 MATERIALITY ANALYSIS

**To identify strategic priorities in the economic, social and environmental fields**

Materiality analysis is an important factor in the implementation of the sustainability process in TCI's business. It enables to identify the priority issues, the so-called material issues linked to ESG factors, namely environmental, social and good governance of organisations, on which to focus our strategies and actions to increase the company's ability to create shared and lasting value.

Since 2020 TCI conducts annually the Materiality Analysis according to the reporting standard issued by the Global Sustainability Standard Board of the Global Reporting Initiative (GRI), through which it identifies its "Material Issues" that impact the most relevant environmental and social dynamics for its stakeholders, since they influence their opinions and choices and, consequently, influence the strategies choices and performance of the TCI Group.

In line with the update of the latest GRI Universal Standards 2021, TCI has adopted a new methodological approach in conducting the materiality analysis that includes the concept of due diligence and reinforces the impact concept, specified as the company's positive or negative, actual or potential impact, in order to provide a comprehensive picture of business risks and long-term value creation.

In particular, the new GRI 3 - Material Topics 2021 focuses on the need for companies to identify the most significant impacts that the company has or could have on the economy, the environment and people, including impacts on human rights.

Through this new approach, considering the context, activities and business relationships of TCI, the most significant material issues have been identified and evaluated, which reflect the actual and potential impacts of the company in relation to ESG factors, including impacts on human rights (impact materiality).

The process of materiality analysis in relation to the 2022 financial year was divided into four phases, defined by GRI 3 - Material Topics 2021:

- 1) Analysis of the context in which TCI operates, identifying market trends, current regulations, main competitors (benchmarking analysis), business relationships and reference stakeholders, in order to identify possible material issues considered to be of greater relevance to TCI.

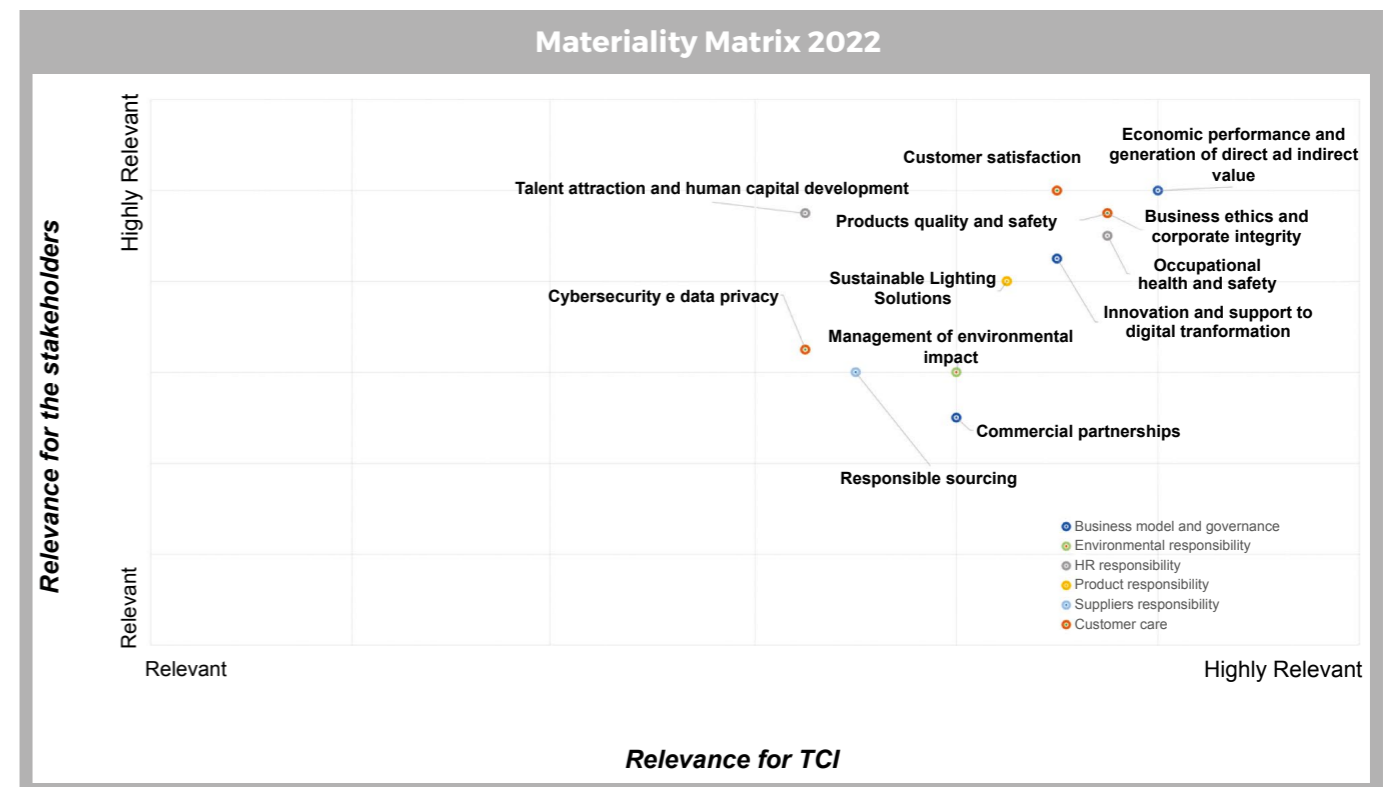
At this stage, the nature of the actual and potential, negative and positive, short- and long-term, foreseeable and not-reversible and irreversible impacts on the economy, the environment and people, including impacts on human rights, shall be identified, arising from the activities of TCI and its business relationships established throughout the supply chain.

- 2) The list identified during Phase 1 was sorted by importance through a quantitative and qualitative

analysis through one-to-one interviews with top management members, who were asked to evaluate the combination of the severity of the potential impact with the probability of occurrence of the risk in question and to express their opinion on the issues also from the point of view of their stakeholders.

- 3) The results of the evaluations have been revised to identify the issues with the highest score and considered most relevant.

- 4) The list of material topics 2022 has been elaborated, approved and communicated internally.



From the analysis of Materiality 2022, the following issues emerged as most important:

- Economic performance and direct and indirect value creation
- Customer satisfaction
- Business ethics and business integrity
- Product quality and safety
- Health and safety at work

The correlation table between the material topics and their identified impacts is shown on page 106



# Creation of shared value

3.1 Generated and distributed value.....	36
3.2 Tax compliance of the group.....	39

# 3.1 GENERATED AND DISTRIBUTED VALUE

**The orientation towards sustainability guides us in our daily activities, aware that the real wealth is shared with all our stakeholders**

We are aware of the important role that the TCI Group has played 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 to the creation of shared value with our stakeholders.

The TCI Group closed the year 2022 with a turnover of € 258,038,741, recording a significant increase compared to the previous year.

This excellent result has been achieved thanks to an effective purchasing and production management strategy, which has enabled us to cope with the exponential increase in demand for our products.

The operating performance during 2022 was positive in terms of turnover, continuing the same trend of previous years. The positive trend in turnover during 2022 is linked to the introduction and expansion of the product range in the world of LED lighting and LED lighting regulation, that are spreading in the lighting field at the expense of the mechanical product. This has generated a sudden change in the demand for electronic products compared to mechanical ones which is why our society has been due and is adapting the new market demands. In addition to this, our Company is working on new projects related to lighting without wires – wireless, that will be the future in the electronics world.

ECONOMIC VALUE DIRECTLY GENERATED AND DISTRIBUTED							
	2020	%	2021	%	2022	%	Variation 2021-2022
Value distributed to suppliers	122.893	89,5%	185.747	92,1%	253.755	93,6%	37%
Remuneration of employees	9.562	7,0%	10.447	5,2%	11.409	4,2%	9%
Remuneration of investors	230	0,17%	186	0,1%	2.227	0,8%	1097%
Remuneration of the Public Administration	4.389	3,2%	5.107	2,5%	3.295	1,2%	-35%
Remuneration of the Community	167	0,12%	142	0,1%	345	0,1%	143%
<b>Economic value distributed</b>	<b>137.241</b>	<b>91,3%</b>	<b>201.629</b>	<b>90,1%</b>	<b>271.031</b>	<b>91,1%</b>	<b>34%</b>
<b>Retained economic value</b>	<b>13.126</b>	<b>8,7%</b>	<b>22.145</b>	<b>9,9%</b>	<b>26.471</b>	<b>8,9%</b>	<b>20%</b>
<b>Economic value directly generated</b>	<b>150.368</b>	<b>100,0%</b>	<b>223.774</b>	<b>100,0%</b>	<b>297.502</b>	<b>100,0%</b>	<b>33%</b>

This innovation in lighting technology will bring strong energy savings, ensuring greater environmental sustainability.

The reclassification of the income statement below represents the value generated and distributed by the TCI Group, which expresses in monetary terms the relationships between TCI and the socio-economic system of reference, measuring the economic impact and the ability to create and share wealth among the main categories of stakeholders.

In 2022, the directly generated value was €297,502,000, up by 33% over 2021. Over 90% of the generated value, amounting to € 271,031,000, has been distributed to our internal and external stakeholders.

Also in the year 2022, as in the previous ones, the greater part of the distributed value, equal to the 93,6%, is destined to the remuneration of the suppliers, stressing the importance of our supply chain for the continuity of our business and the quality of our products.

The remaining part was devoted to the remuneration of staff, equal to 4,2%, and to the remuneration of the Public Administration, equal to 1,2%.



## 3.2 TAX COMPLIANCE OF THE GROUP

### Social commitment drives our ethics

An organization's fiscal approach defines how the organization balances fiscal compliance with business activities and the ethical, social and sustainable development expectations of its stakeholders.

TCI's compliance and fiscal approach has always been driven by transparency and legality.

TCI carries out its business activities in full compliance with the tax legislation in force to adequately meet the expectations of its stakeholders, also contributing, always in compliance with the law, the processes of sustainable development of the countries and communities in which it operates.



# Ethics, integrity and transparency

4.1 Ethics and philosophy of the group.....42

# 4.1 ETHICS AND PHILOSOPHY OF THE GROUP

**TCI pursues a strong, proactive work ethic as key to release the potential of its employees and ensure their success**

The TCI Group, in accordance with its Sustainability, Quality, Environment and Safety Policy and its Code of Ethics, undertakes to conduct its activities in an ethical and transparent manner, in full compliance with all current regulations, establishing a proper relationship with the environment, adopting policies that respect the individual and more generally, playing a positive role in the economic and social context in which it operates.

Aware of the importance of an integral conduct of business for the stability and health of the economic system, we have adopted a Code of Ethics and Conduct that all those who work in our name and on our behalf are called to respect, making explicit reference to issues such as respect for fundamental human rights, equity and diversity, prevention of child exploitation and forced labour, harassment at the workplace, corruption, ensuring health and safety at work and protecting sensitive data.








As a confirmation of TCI's commitment to non-discrimination, the personnel selection process is conducted by objectively evaluating the candidate's skills regardless of his or her strictly personal characteristics. The recruitment process is regulated by the current internal policy, as well as the processes of evaluation, training and staff reward.

The TCI Group works constantly to ensure that its employees, collaborators and people working in the Group's plants and offices have fair and non-discriminatory safe workplaces.

The TCI Group is implementing the Whistleblowing system, which will become operational during next December. It is however possible to make reports, truthful and detailed, to your direct superior or to the Human Resources Office. In any case, TCI guarantees full respect for the privacy of the complainant and the absence of retaliation against him.

We share the importance of combating corruption to ensure the health of the economic system in which we all operate. Not only do we address the topic in our Code of Ethics but we have also adopted a number of supportive practices, such as double signing on purchase orders of considerable amounts.

In 2022, there were no incidents of corruption or non-compliance with socio-economic laws and regulations.

Principle	Meaning	Our actions
 <b>RESPECT OF HUMAN RIGHTS</b>	Commitment to respect universal human rights, such as dignity, equality, freedom of expression and the prohibition of discrimination.	<ul style="list-style-type: none"> <li>Whistleblowing</li> <li>Individual training (language and technical courses)</li> </ul>
 <b>FAIR TREATMENT AND RESPECT FOR DIVERSITY</b>	Promoting an inclusive and diverse working environment, adopting policies to combat all forms of discrimination.	<ul style="list-style-type: none"> <li>Office Employees (82) Men: 62% - Women: 38%</li> <li>Manual workers (156) Men: 33% - Women: 67%</li> <li>Protected categories (12)</li> <li>Aid for young workers/workers (part-time working, 10 days of parental leave)</li> </ul>
 <b>INTEGRITY AND ETHICAL BEHAVIOUR</b>	Promotion of a corporate ethical culture, based on honesty, integrity and transparency and on the prohibition of illegal behaviour, such as corruption, theft and fraud.	Our values are as follows: professionalism, responsibility, legality, relationship of trust with stakeholders, fairness in business and business activities, reciprocity and cooperation, protection and enhancement of human resources (training courses), protection of company information (cyber security and internal IT course)
 <b>HEALTH AND SAFETY AT WORK</b>	Ensuring a safe and healthy workplace. Promoting procedures to reduce occupational accidents and diseases.	<ul style="list-style-type: none"> <li>Adoption of security protocols (DVR Dlgs 81/08)</li> <li>Periodic medical examinations</li> <li>Agreements with health facilities</li> <li>Safety at work courses (118 hours in 2022)</li> <li>Hazard warning signs</li> <li>No. accidents at work: 3 in 2022</li> </ul>
 <b>SOCIAL AND SUSTAINABLE RESPONSIBILITY</b>	Commitment to reducing environmental impact through sustainable practices.	<ul style="list-style-type: none"> <li>Reduction of electricity, natural gas and heating consumption</li> <li>Waste reduction</li> <li>Packaging reduction and reuse</li> <li>More efficient lighting</li> <li>FSC certified recycled paper</li> </ul>
 <b>LEGAL AND ADMINISTRATIVE CONFORMITY</b>	Compliance with applicable laws, regulations and regulations in the areas in which we operate.	Activities carried out in compliance with national and European laws
 <b>PRIVACY AND DATA PROTECTION</b>	Protection of the confidentiality of company and personal data of employees and customers and prevention of unauthorized disclosure of sensitive information.	<ul style="list-style-type: none"> <li>IT internal</li> <li>Access with two-factor authentication</li> <li>Cyber Security course</li> <li>Privacy</li> </ul>



# Sustainable lighting

5.1 Our products.....	46
5.2 Our contribution to the Circular Economy.....	48
5.3 Research and development, technological and digital innovation.....	51
5.4 People's wellbeing at the heart of our priorities.....	52

## 5.1 OUR PRODUCTS

### Quality and reliability as a guarantee of our products

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

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

- LED drivers
- Wireless control systems (Casambi, ZigBee Matter, BLL, ZD Light, VLC and Li-Fi)
- LED modules
- Light control systems (sensors)

All the products within TCI range provide the market with entire technological solutions that are used in synergy to create intelligent systems that can optimize and exploit the potential of products, avoiding energy waste where possible.

A common example is the market for sensors in combination with LED drivers.

In many plants, especially civil, industrial and road, sensors and intrinsic technologies of LED drivers are used to adjust the luminous flux when necessary.



By adjusting ignitions and shutdowns only in the presence of people within a specific area or by maintaining a minimum luminous flux and then increasing it only in the passage of physical bodies, it is possible to guarantee the reduction of the energy consumption of the equipment and consequently a saving in economic and environmental terms.

As for street lighting in the current situation where the increase in electricity costs rises day by day, European governments are pushing municipalities to renew themselves, removing traditional technologies to make way for LED technology.

In the various invitations to tender and in the existing specifications are imposed certain technical characteristics that the apparatus must meet, in the first point we find efficiency.

All following points refer to intrinsic power supply technologies, which, thanks to the DALI-2 standard, must guarantee certain characteristics to the end user (municipality):

- Part 251: Luminaire Data (Memory Bank 1 Extension)
- Part 252: Energy Data
- Part 253: Diagnostic & Maintenance Data

These features offer many advantages to the end user, the latter can monitor consumption and equipment status (diagnostics) in case of any fault or anomaly in the installation, this provides a prediction to the municipality, which may draw up a preventive maintenance plan to ensure road service.

All this goes far beyond the single concept of lighting. Indirectly through the light you can monitor in real time our system ensuring energy savings.

All our products are approved and equipped with a plurality of certifications that favor sales worldwide.

Since 2006, our Certification and Standard Department has been testing all of our products to ensure they comply with the strictest international standards in terms of safety, performance and electromagnetic compatibility.

The implemented procedure, based on ISO/IEC 17025, is recognized by multiple certification institutions both European and non-European including, but not just, DEKRA, VDE, UL, JET-PSE, SAA, CQC, SEMKO and NEMKO.

We are committed to continuous innovation: our products are designed combining design (ECO DESIGN) and performance, flexibility and innovation.

We quickly face the main changes in the sector thanks to the participation in ASSIL, National Association of Lighting Manufacturers, which keeps track of market trends and regulatory evolution both national and international.

We work synergistically with suppliers and customers to create 360-degree solutions: it is precisely in this regard that, over the years, we have finalized the strategic acquisitions of Allix S.r.l. and Igrox S.r.l.

We are partners of the most important lighting companies with which we realize projects of global importance.



## 5.2 OUR CONTRIBUTION TO THE CIRCULAR ECONOMY

**We want to give value and quality to the environment to offer people the opportunity to live in harmony with the territory**

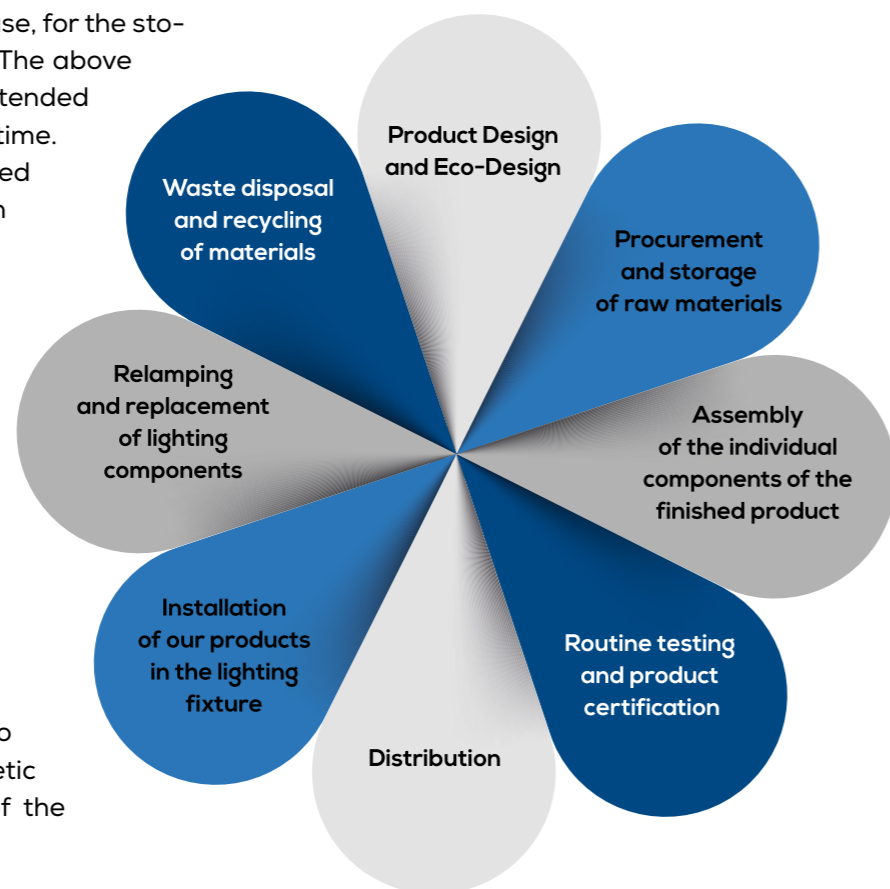
Overcoming the linear economic model is essential to ensure fully sustainable development. For this purpose, it is important to promote a culture of saving and re-use and to combat the forms of consumerism that bring price to the forefront at the expense of quality.

In the field of Circular Economy, the TCI Group continues its commitment throughout its value chain. TCI operates a careful selection of components upstream of the production process, in order to ensure high quality and efficiency downstream of the supply chain.

In line with the principles of Eco-Design, we pursue the miniaturization of the product, developing solutions of ever smaller dimensions, contributing to a decisive saving of material used and the consequent waste.

Given that our customers are purely professional, both on the label and on the catalog pages and in the technical specifications are clearly indicated all the information essential for the correct use, for the storage and disposal of our products. The above is crucial in order to ensure their extended lifetime and thus extend the spare time. Moreover, since the components used are not by nature reusable, it can still be partially recycled and properly disposed according to current regulations.

TCI also develops control systems for LED systems that allow smart lighting management. In fact, thanks to the modulation of the brightness levels according to the time slots, the lighting in the presence of movement through specific sensors and the immediate detection of system inefficiencies, it is possible to obtain a net reduction of the energetic consumptions and consequently of the generated environmental impact.



### SUSTAINABILITY OF OUR PRODUCTS

#### MATERIALS

We use materials and components from suppliers that comply with the principles of sustainability and mineral conflict, with a view to greater circularity.

#### ECO-DESIGN AND MINIATURIZATION

We design and manufacture products in line with the 3 principles of eco-design, which are applied in all phases of the life cycle of our products:

- 1) we use sustainable, recycled and recyclable materials, which have been produced sustainably and with clean energy;
- 2) we manage production processes with technologies that guarantee us energy savings and reduced consumption;
- 3) we produce quality and long-lasting products to reduce waste production.

#### ASSEMBLY AND INSTALLATION

Our products are assembled internally, minimizing component waste. We provide technical support to our customers during installation and testing.

#### CERTIFICATIONS, APPROVALS AND PRODUCT GUARANTEES

Since 2006, TCI has been testing our products under WMT IECEE (Witnessed Manufacturer's Testing) and SMT IECEE (Supervised Manufacturers' Testing) to obtain safety, performance and electromagnetic compatibility certifications.

Since 2016, our laboratory can operate in phase CTF 3 of the CB and/or CB-FCS scheme for SAFE and LITE standards. Since it is based on ISO/IEC 17025, the implemented procedure is recognised by several non-European approval bodies operating under the CB procedure. The equipment used to carry out the measurements shall have a valid calibration certificate and relevant metrological confirmation.

TCI guarantees its products for 36 months from the date of manufacture indicated on the products themselves. The warranty can be extended.

#### PERFORMANCE

Our LED modules and the continuous technological and productive advancement of individual LED chips offer efficiencies over 230 lm/W.

Our LED drivers and modules are developed and manufactured using only selected components from our trusted suppliers. Thanks to the quality of the components and our production process, all TCI products offer a duration of more than 100,000 hours.

Our LED drivers are also suitable for use with nominal values that differ from the standard supplies that the local authority arranges (AC = Alternate current). Our drivers can also be powered in DC (Direct current) or via batteries/ UPS when the normal voltage fails. These drivers are used in all those systems (hospitals) where it is vital to ensure operation throughout the day and especially in precarious situations.

## SUSTAINABILITY OF OUR PRODUCTS

### EFFICIENCY

We develop control systems that collect information about the consumption of installations. This data allows the user to monitor consumption and manage it according to demand.

In specific systems dedicated to street lighting, the change in the luminous flux is determined following the change of the seasons (summer/winter) and as a result of day and night hours. This avoids the waste of energy when not needed and the reduction of the luminous flux in the hours where the traffic or the passage of vehicles is reduced.

In specific systems dedicated to indoor lighting and public buildings it is vital to ensure the performance of luminous flux and efficiency on the work surfaces throughout the life of the components themselves. TCI drivers are developed to be able to consider the normal decay in terms of performance of individual led chips going to compensate hourly, ensuring the nominal characteristics until the end of life.

### DISTRIBUTION

Recycled and recyclable packaging, thanks to the use of 100% recyclable cardboard and the replacement of traditional scotch tape with paper scotch tape.

### RELAMPING

TCI as a company focused on the development and production of only LED components indirectly participates in the relamping of existing installations.

This activity can take place through different channels:

Through direct customers (OEM - B2B) with the complete replacement of equipment containing our solutions;

Through a distribution network (indirect - B2C), TCI not only supplies its components to lighting manufacturers but also supplies the material to the distribution market (electricians, design studios, installers). The latter, by replacing traditional technology with modern one, implement indirectly a relamping activity.

## 5.3 RESEARCH AND DEVELOPMENT, TECHNOLOGICAL AND DIGITAL INNOVATION

**We provide our customers with cutting edge, high-quality and high-tech solutions**

We believe that innovation is the essence of progress and the key to reconfirming our position as market leader over time. We provide our customers with cutting edge, high-quality, high-tech solutions.

Our R&D Department (Research and Development) in close collaboration with the Marketing Department, is the real engine of the innovative thrust that characterizes us and for this we allocate important investments, in order to keep it equipped with the most sophisticated and recent instrumentation.

We have a worldwide sales and marketing network (EU and non-EU), all the team present in the various territories is constantly engaged in customer visits and market study outside the company, and then return the necessary information to the headquarters in Saronno.

Once all information is collected, a team of highly qualified engineers and technicians working daily to develop new solutions and improve existing ones, provides hardware development (PCB, housing), firmware and software of the product, supporting our customers in all their choices and needs; finally all technical and employment information will be shared with the market.

In collaboration with the subsidiary Allix S.r.l. specialized in the development of APP and software, we have added extremely innovative wireless solutions for intelligent lighting to our range of products. This category includes all so-called "intelligent" plants, namely, equipped with technologies that allow better, immediate and more flexible management of lighting devices than traditional manual controls and that are 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 sharp reduction of energy consumption and, indirectly, emissions (operators' exits for on-the-spot checks are significantly reduced, replaced by remote monitoring).

At the same time, we contribute through our IoT products to improving people's health, allowing, for example, to manage the light to support the correct circadian cycle or to actively and without human intervention compensate for variations in natural light levels.

# 5.4 PEOPLE'S WELLBEING AT THE HEART OF OUR PRIORITIES

## The man: our priority

We pay close attention to the impact of our products on the welfare of society and consumers.

Artificial light is not only used to compensate for natural light, but it is also an instrument to guarantee the safety and improvement of people's quality of life.

Over the years, our sector has been raising awareness of the social responsibility of lighting and for this reason one of the focus of our development and research activities is precisely the improvement of the performance of lighting systems in relation to its social implications.

For example, we were the first to put on the market products without ripple wave, with a percentage of flicker below 3% (flicker not visible by the human eye but that over time can cause disorders of different severity, from simple headaches to epilepsy).

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

Furthermore, the colour rendering index of the LEDs that we assemble on our modules is increasingly close to 100 and therefore to natural light.

In this regard, our solid partnership with Samsung ensures the use of the best selections of LEDs while the collaboration with world-famous lens and accessory suppliers allows us to provide complete and quality guaranteed solutions.



# TCl, pioneer of innovation

6.1 Innovation as a successful driver.....	56
6.2 Allix, an innovative way of seeing and living the future.....	58
6.3 Igrox and biotechnological innovation.....	62
6.4 Photovoltaic systems.....	64
6.5 Energy for movement the new era of green hydrogen.....	66




# 6.1 INNOVATION AS A SUCCESSFUL DRIVER

## Innovation as a driver of success, safeguarding the environment and humanity

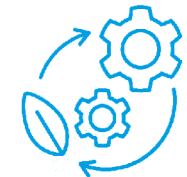
Sustainable innovation is the continuous improvement of products, processes and workforce for a brighter and more sustainable future for our employees, customers and the environment.

It also supports growth and profitability, facilitating product reuse and circularity, and making business operations more efficient and secure. Innovation has always been for us in TCI, the key element on which to focus our business strategy and the fulcrum around which the main choices made by our highest decision-making body regarding:




### SUSTAINABLE PRODUCTS

Our engineers design and develop high-tech, durable and circular products that meet the needs of our increasingly sustainability-oriented customers and thus represent an important competitive advantage within the market.




### OPERATIONAL EFFICIENCY

We have installed cutting edge and automated machines, able to optimize processes, reducing production waste, waste, energy consumption and operating costs.



### GREEN SUPPLIERS

Our production chain is based on an accurate analysis of the supply chain, in which values such as transparency and traceability play a crucial and distinctive role.




### CIRCULAR ECONOMY

Over the years TCI has been able to re-engineer itself, adopting circular economy models, in which products and materials are reused, recycled or repaired instead of being eliminated. This reduces resource consumption and waste generation.



### COMPLY WITH ENVIRONMENTAL REGULATIONS

We are committed to compliance with increasingly stringent environmental regulations, constantly monitoring the parameters that give evidence of our environmental impact, as well as certifying our products to European and international standards.




### REDUCTION OF THE ENVIRONMENTAL IMPACT

Thanks to the adoption of technologically advanced machinery, motion sensors in lighting management and the insulation of the entire company structure, we have reduced our consumption.




### GREEN TECHNOLOGY

TCI is moving towards the development of cleaner, renewable and low-emission technologies.



### DIGITALIZATION

TCI follows the wave of growing global digitalization, offering technologically advanced IoT solutions with diverse application fields.



### BUSINESS RESILIENCE

We at TCI, ambitious and enterprising, face the ever-growing challenges of the market on a daily basis, adapting quickly to changes in the environment and regulation, including changes in our planet's environment.

## 6.2 ALLIX, AN INNOVATIVE WAY OF SEEING AND LIVING THE FUTURE

### Specialize in solving everyday problems of your future

Allix, always active on the research and development front, develops and offers wireless remote control systems in IoT, using the latest technologies.

### REMOTE CONTROL OF PUBLIC LIGHTING FOR SUSTAINABILITY

A public lighting remote control system is a technological system designed to manage and monitor lighting in public areas of municipalities. These systems are designed to improve energy efficiency, reduce operating costs and ensure safety and comfort for citizens.

Allix offers extremely advanced remote control and remote management systems, using its own native

form of data communication that goes beyond the normal Cloud. With technologies like MQTT and ZeroTier, combined with proprietary Allix technologies, peripheral networks can be managed as a single global network. This way you have all the advantages of a local network by eliminating the disadvantages of classic cloud-based networks (for example, the low bandwidth or lack of internet network).

Currently the main activity is focused on the development of IoT solutions by creating a low-power wireless network infrastructure through which it is possible to convey various information, including data from sensors and/or gateways. Not only that, thanks to such distributed network you can send commands to various IoT objects.

Recently, the new Luma platform has been designed, which consists of a field device that can be retrofitted to the lamps in order to be able to remotely control the light intensity and have accurate diagnostics. Allix currently manages over 130,000 light points divided into the municipalities of Parma, Varese, Lecco and Domodossola.

Public lighting can represent 30% of municipal energy bills in Italy. A study by the Catholic University of the Sacred Heart of Milan shows that the total cost of public lighting in Italy is about 1.7 billion euros per year. As for electricity consumption, Italy consumes 6,000 GWh per year, even double the European average.

Focusing on individual municipalities, we can take as an example the city of Parma, which has about 50,000 light points. Every single light point with the new LEDs consumes 0.04 kW, so assuming that all the light points are turned on during 12 hours at night, we will have in one day a total energy consumption of  $50,000 \times 0.04 \times 12 = 24,000 \text{ kWh} \times 0.65$ . In one year, therefore, considering 2021 as an example, consumption would be  $8.76 \times 10^6 \text{ kWh}$ . If the price is about 0.06 €/kWh, the cost of energy consumption of the public lighting system would be about 525,600 € in a year.



Usually, the 8% reduction in consumption is achieved immediately by adjusting the light intensity of the lamps according to the specifications of the lighting design. Lamps are usually oversized because there are no perfect lamp cuts for the lighting project. The Municipality may decide to intervene in certain situations to further lower the light intensity up to a reduction of 10% (accurate night dimming).

So, in our installations, applying these two criteria, the savings are typically 20% on average. Considering that the CO2 emission to produce 1 kwh is about 0.65 kg of carbon dioxide, it follows that a city like Parma will have a daily emission of:  $24,000 \times 0.65 = 15,600\text{kg}$  of CO2. Of these we save 20% or 3120kg, that is for a year over 1 million.

The Cloud platform developed by us allows you to make a forecast of the consumption of individual lamps, a certain area, or the entire system; this is essential to prevent excessive and unnecessary energy consumption, trying to reduce ignition times and consequently maintenance costs. By assigning certain light points or specific areas of the planned lighting schedules, it is possible to program energy consumption only when it is actually needed, greatly reducing operating costs, energy waste, and reducing environmental impacts.

## THE METAVERSE, A NEW FRONTIER FOR HUMANITY

Defining the concept of metaverse is not easy, since the topic is dotted with many subcategories, such as Web 3.0, the new decentralized internet and Artificial Intelligence. In simple words it can be said that the metaverse is a virtual reality shared through the internet where individuals are represented by a 3D avatar.

Even more curious is the origin of the term. Many may think that the term was coined in 2022, but it is not so. Neal Stephenson used the term metaverse as early as 1992 in his cyberpunk science fiction book. With this term the writer wanted to indicate an immense black sphere crossed by a road at its center. In every part of the sphere you could create what you wanted in three-dimensional and make everything visible to other users.

But come to the present, what is it and will it become of the metaverse? Currently the metaverse seems to be a real-world digital twin - a technological reality within which user avatars interact thanks to the use of voice and Virtual Reality headsets with dynamics almost similar to those of the real world.

In the near future each of us can find our friends in the metaverse, go to the cinema, have an aperitif, but also start activities and develop interests: there are many promises, especially from the point of view of sustainability.

Since we are only at the beginning of this virtual world, predicting its impact on the environment is not easy. However, there are promises of the metaverse at the environmental level that focus on alleviating the impact that human activities have on the environment.

In fact, thanks to this digital world it will be possible to implement several activities that now weigh on climate change and global warming. For example, thanks to the metaverse we could reach our friends without using the car, or travel to a European city without taking the plane. These solutions will surely have a positive impact on our planet.

Finally, the metaverse can also be used as a laboratory for digital twin, so you can develop and test products without the need to make real prototypes in order to eliminate the waste of resources and combat climate change in the long term.

Currently the attention of Allix and TCI is focused on digital twins and in particular digital twins of lighting remote control systems that allow to avoid the development of expensive (both environmental and economic) prototypes. In particular, digital twins are used both for staff training and to test new configurations difficult to implement on real prototypes.



## 6.3 IGROX AND BIOTECHNOLOGICAL INNOVATION

### Light is Life

In 2020 TCI joined Igrox, a company that designs and produces LED technology for cultivation in a controlled environment since 2018, contributing to its growth with a strategic industrial synergy.

TCI strongly believes in the value of scientific and technological research, fully shared by Igrox. The LED technology developed is in fact the result of the constant research and development of the team of biologists, agronomists and engineers that are part of Igrox and, in collaboration with researchers and PhD students in the field, are responsible for the daily experimental activity.



With professionalism and tenacity they contribute to increase the knowledge and skills of the company, taking part in the advancement in the field of biotechnology applied to cultivation. Science and technology are the focal points of Igrox's activity, thanks to which we develop innovative and sustainable solutions that improve crop yield and quality, while ensuring sustainability through our cutting-edge technology.

We are at the forefront in the study and application of specific spectra to monitor morphology, vegetative or generative growth, rooting, brachization, in order to transform agricultural productions, dependent on uncontrolled variables, in stable productions, completely controlled, similar to the industrial ones.

Our spectra are therefore designed to optimize crop morphology, to achieve fast growth and to improve crop yield in different environments, such as technological greenhouses, indoor and vertical farms and in many applications as additional artificial light or as a single light source.

In the first case, in applications with sunlight, the function of artificial lighting is essentially photosynthetic recall when sunlight is not enough. In the second case, however, in the absence of sunlight, the spectrum used for cultivation has the function of stimulating all photosynthetic pigments, essential for the proper development of the plant.

Igrox has also developed wireless solutions for controlling its LED systems:



### IGROX CONNECT

App through which you can set the dimming level of the connected LED devices and manage even groups of luminaires of small installations.



### IGROX CULTIMATE

System that allows the automation and control of all the parameters of small cultivation environments. Consisting of a software, hardware, dosing pumps, pH and EC controls, it can be connected to lights, HVAC systems, humidifiers, dehumidifiers, fans, water tank, nutritional solution components and controlled via a mobile app.



### IGROX LIGHTMESH

System that allows you to set the time on and off, create automation dimming programs, manage multi-channel devices to divide the spectrum and constantly monitor large plants such as greenhouses or vertical farms.



## 6.4 PHOTOVOLTAIC SYSTEMS

### The Sun: an inexhaustible source of energy

The experience of over 40 years in the production of energy efficiency systems applied to the lighting industry and the need to look to the future with a green perspective, has aroused in TCI the ambition to enter the photovoltaic industry.

We at TCI are committed to promoting the use of renewable energy and contributing to the reduction of environmental impact. We are convinced that investing in solar energy is an opportunity for the future and we want to stand by our customers in this challenge.

It is in this perspective that this year we have launched a remarkable work of innovation and research, which will allow us to acquire the skills and technical know-how of experts in energy, information technology and system and plant digitalization.

This evolution will allow us to propose ourselves to utilities and national electrical and thermal material specialists as ideal partners for the installation of photovoltaic systems and energy systems of lighting regulated in a cutting edge digital way.

Our goal will be consolidated with the creation of a new company, TCI Energy, which will represent a technical-systemic pole of design and installation of highly qualified energy and lighting systems, designed to adapt to residential installations, commercial and large plants.

Our engineers are working in the study of the best solutions to offer a range of customized products, including solar panels, inverters and storage systems, with particular attention to optimizers, protection interfaces and UPS, that will be produced internally, ensuring the quality and reliability of Made in Italy. They will represent a valid response to the evolving needs of the market.

We will face this new challenge always pursuing our distinctive values of quality, reliability and transparency, as well as continuous research and innovation, offering "clean" energy to humanity to live in harmony with our Planet.

# 6.5 ENERGY FOR MOVEMENT: THE NEW ERA OF GREEN HYDROGEN

## A “bridge” to the renewable world

The attention to environmental issues, together with the ambition and resourcefulness that distinguish us, has aroused in TCI a revolutionary and re-engineering movement aimed at embracing the so-called “energy transition”.

We believe that it is essential to implement a transition from the old “fossil world” to the new “renewable world”, that is, to abandon a model of energy production based on the use of fossil sources such as oil, natural gas and coal, in favor of a new model focused on renewable energy sources such as wind and photovoltaics.



This shift is motivated not only by the fact that fossil fuels are exhaustible resources, but above all by the need to reduce the environmental impact and carbon dioxide (CO<sub>2</sub>) emissions produced by their use. In fact, the increase of this gas in the atmosphere is the main cause of global warming, responsible for the main natural cataclysms, such as melting glaciers, rising sea levels, desertification and the increase of phenomena such as hurricanes and floods.

It is in this scenario that the growing interest of TCI towards hydrogen must be seen: an energy carrier that could represent the strategic element to face the climate challenge and decarbonise industry, transport and energy production.

The ability of hydrogen to generate energy without CO<sub>2</sub> emissions is in fact watched with enormous confidence at a global level, as well as by our technicians and engineers, committed every day to a more sustainable world and to a cleaner energy production for the environment.

Nowadays there are various modes for the production of hydrogen, not all properly “carbon neutral”, depending on which a color attribute is assigned (gray, blue, purple, green...).

It is the latter, the “green hydrogen”, the subject of study by TCI, because it can offer a concrete source of sustainable energy, being produced through electrolysis from renewable sources such as photovoltaic or wind, totally de-carbonized and without CO<sub>2</sub> emissions, because the waste product from the separation of molecules is water.

Believing strongly in the possibilities of hydrogen energy, TCI pursues the goal of a future design and installation of devices called fuel cells powered by hydrogen, which allow to generate electricity and hot water, starting with hydrogen and oxygen.

The process that takes place inside them is exactly contrary to electrolysis: when water is split into hydrogen and oxygen it is necessary to provide current and reversing the process produces current and water.

Thanks to the increasingly advanced scientific and technological research, we think it will be possible, in the foreseeable future, to provide the Planet with clean energy, reducing greenhouse gas emissions and related environmental impacts, thus ensuring the protection and welfare of humanity, with a view to future generations.

# Customer care

7.1 Customer satisfaction: in a continuous dialogue with our customers.....	70
7.2 Quality and product safety at the heart of our choices.....	71
7.3 Data protection and security.....	72

## 7.1 CUSTOMER SATISFACTION: IN A CONTINUOUS DIALOGUE WITH OUR CUSTOMERS

### A satisfied customer is our best result

The TCI Group distinguishes itself positively from its competitors above all for its nature as a pure commercial partner, which never competes with its customers. We are internationally recognized as the ideal partner for the realization of large and small projects, thanks to our core values of non-competitive and customer support without conflicts of interest.

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

Our daily activities are oriented to the full satisfaction of the needs of all our customers. We are committed to building and maintaining strong, transparent and lasting relationships based on continuous dialogue.

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

TCI has a shared return management policy, which is also available on the website, from which you can fill in the appropriate form (RMA) and submit your return request. Our Quality Department analyzes the returned products with the aim of promptly identifying and isolating any potential defect in production that, as internal statistics show, is below 0.01%. The return analysis system also makes it possible to identify the most common installation and use errors that result in additional indications when reviewing the information material.

We believe that a website should be clear, transparent and user-friendly so we have structured our following these guidelines and providing, among others, a very useful tool to search for LED power supplies according to the desired 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 power consumption simply indicating the desired power current.

We maintain an open dialogue with our customers, to whom we provide fast and top quality after-sales support.

## 7.2 QUALITY AND PRODUCT SAFETY AT THE HEART OF OUR CHOICES

### Our product is TCI image warranty

The TCI Group has built and consolidated over the years its position as an international leader in the field of electronic components for lighting thanks to the strong innovative thrust and the high quality of the products offered.

Safety is an essential and important element for us, which is why we only choose top-of-the-range and certified components.

### QUALITY

TCI Telecomunicazioni Italia S.r.l. has an ISO 9001:2015 certified Quality Management System, which allows to work on the optimization of business processes in terms of efficiency and effectiveness through their continuous monitoring, actively involving all corporate representatives under the supervision of the Quality Manager. We organise regular training sessions and keep all our people up to date on their area of expertise.

We define annually a clear and measurable target plan, approved internally and brought to the attention of all staff through notices posted at locations accessible to all through regular meetings.

Our complaints and returns management system is highly efficient and allows us not only to identify opportunities for improvement of our products but also, and above all, to identify the most common installation and use errors by customers in order to translate them into recommendations for use within our technical-information material.

Our Quality, Environment and Safety Policy is subject to annual review.

### SAFETY

The Health and Safety Policy of TCI Telecomunicazioni Italia S.r.l. also addresses product safety, to which we reserve particular attention from the development phase to the distribution of products.

Electromagnetic compatibility, burn-in and temperature analyses are carried out in our laboratory. Our products also have a variety of certifications for distribution on international markets and are therefore also subjected to external checks by third parties.

The extreme safety of our products is one of the factors that determine their success and that confirm us as a trusted partner of the major market players.

During 2022, there were no instances of non-compliance with the safety of products and services provided.

## 7.3 DATA PROTECTION AND SECURITY

### Safety is synonymous of seriousness

Data protection and security are essential elements that help define the integrity and reliability of our partnerships with stakeholders.

We are committed to protecting and safeguarding the data processed through a structured management system, characterized by confidentiality, integrity, availability and resilience.

All data stored on our servers are backed up daily to ensure their continued availability and to minimize system recovery time in case of failure. The backup is carried out on two different Data Processing Centers, using both hard disk and magnetic disk, to guarantee maximum security and reliability.

Our servers are protected by firewalls, and our data protection and security service providers are all certified. Storage is redundant to ensure system resilience.

To oversee this issue, a Data Protection Officer (DPO) has been appointed who keeps up to date on the evolution of legislation, using the support of an external law firm with which he plans improvements to complement what has already been developed, and then monitor its implementation.

Our Disaster Recovery Plan is constantly updated and there are also procedures to test, verify and evaluate regularly the effectiveness of the technical and organizational measures taken to ensure the optimal functioning of our data protection and security system.

Employees are properly informed and involved in any changes in order to ensure optimal data protection.

During 2022, there were no episodes of data breach and virus or malware infections, thanks to the effective integration of authentication and authorization policies, the accurate surveillance of the perimeter of the corporate network, to the capillary and real-time monitoring of the internal activity of the data flow and of the applications and to the active participation of all the staff of office to a Course on the Cyber Security held near our center.

During the reporting period, there were no proven complaints concerning breaches of customer privacy and loss of customer data.



# Our people

8.1 Talent attraction, training and growth of our people.....	78
8.2 Diversity, equal opportunities and non-discrimination.....	80
8.3 Health and safety in the workplace.....	82
8.4 The man and the light.....	84
8.4 Working conditions and welfare.....	85

The Group recognizes the centrality of human resources in the belief that the main factor of success of every company is the professional contribution of people operating in a framework of loyalty and mutual trust. For this reason, the Group is committed to protecting and enhancing the human resources relied upon by itself and, moreover, to encouraging professional growth in order to “increase the wealth of skills it owns”. Over the employment relationship, the Company bases its personnel management policy on the principles that are part of the company values such as the enhancement of skills, respect for moral integrity in all its aspects, protection against any discriminatory practice. The aim of the company, in fact, is to enhance human resources by constantly seeking the necessary synergies not only within the Group, but also with suppliers, companies and customers involved in the activities of TCI. At 31 December 2022, the Group had 241 employees, 44% of whom were men and 56% women. TCI applies to its staff the National Collective Labour Agreement (CCNL) for the metalworking industry, in full compliance with the relevant regulations and industry standards, regarding contractual levels, salary, welfare and retirement. In particular, employees are classified according to the classification provided by the CCNL based on various levels, whose degree of responsibility, specialisation and remuneration increases in order. The remuneration is calculated for each level in accordance with the minimum wage system tabulated by the contract. There are also supplementary pension funds and supplementary health care to protect workers. The contractual category most present in the TCI Group is the one classified in the 4th level of the CCNL of the metalworking sector, applying the relevant remuneration schemes.

#### TCI GROUP PEOPLE

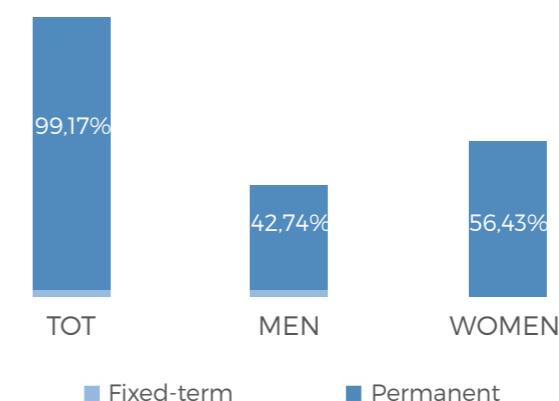
Company	2020			2021 <sup>1</sup>			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
TCI Telecomunicazioni Italia S.r.l.	74	140	214	103	139	242	102	136	238
TCI Elettromeccanica S.r.l.	3	-	3	3	-	3	3	-	3
<b>Employees</b>	77	140	217	106	139	245	105	136	241
TCI America	1	-	1	1	-	1	1	-	1
TCI Telecomunicazioni Italia S.r.l.	10	11	21	19	32	51	14	31	45
<b>Other collaborators</b>	11	11	22	20	32	52	15	31	46
<b>Total</b>	<b>88</b>	<b>151</b>	<b>239</b>	<b>126</b>	<b>171</b>	<b>297</b>	<b>120</b>	<b>167</b>	<b>287</b>

<sup>1</sup> Due to a refinement in the information collection process, the data for 2021 were re-exported compared to those published in the 2021 Sustainability Report.

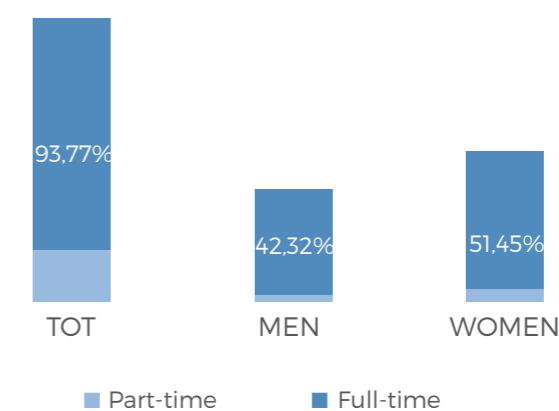
#### OUR ASSOCIATED COMPANIES PEOPLE

Company	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
ICT Intelligent Components Technology Zhuhai Ltd	1210	790	2000	840	772	1.612	934	900	1.834
ITH International Technologies Holding Ltd	3	1	4	3	1	4	3	1	4
IGROX S.r.l.	1	-	1	1	-	1	1	-	1
ALLIX S.r.l.	8	-	8	6	1	7	6	1	7
<b>Total</b>	<b>1222</b>	<b>791</b>	<b>2013</b>	<b>850</b>	<b>774</b>	<b>1.624</b>	<b>944</b>	<b>902</b>	<b>1.846</b>

#### TCI GROUP EMPLOYEES FOR KIND OF CONTRACT AND GENDER \*



#### TCI GROUP EMPLOYEES FOR KIND OF EMPLOYMENT AND GENDER \*



\* Data updated to 31.12.2022

# 8.1 TALENT ATTRACTION, TRAINING AND GROWTH OF OUR PEOPLE

**The training and growth of our employees is the key to our success**

The TCI Group considers the offer of a stable and lasting employment relationship an important requirement both as a motivational force for its employees and as an indispensable element for the growth and economic development of the Group itself.

For this reason, almost all of the staff at 31 December 2022 is employed on an indefinite contract.

The number of employees in 2022 decreased by 1,6 % compared to 2021.

46% of employees are in the age group from 30 to 50, 37% over 50 and the remaining part under 30. Women represent 56% of the total employees of the TCI Group.

The centrality of people also translates into the enhancement of HR resources and their responsible management throughout the employee lifecycle, that is, the life cycle of employees within a workplace.

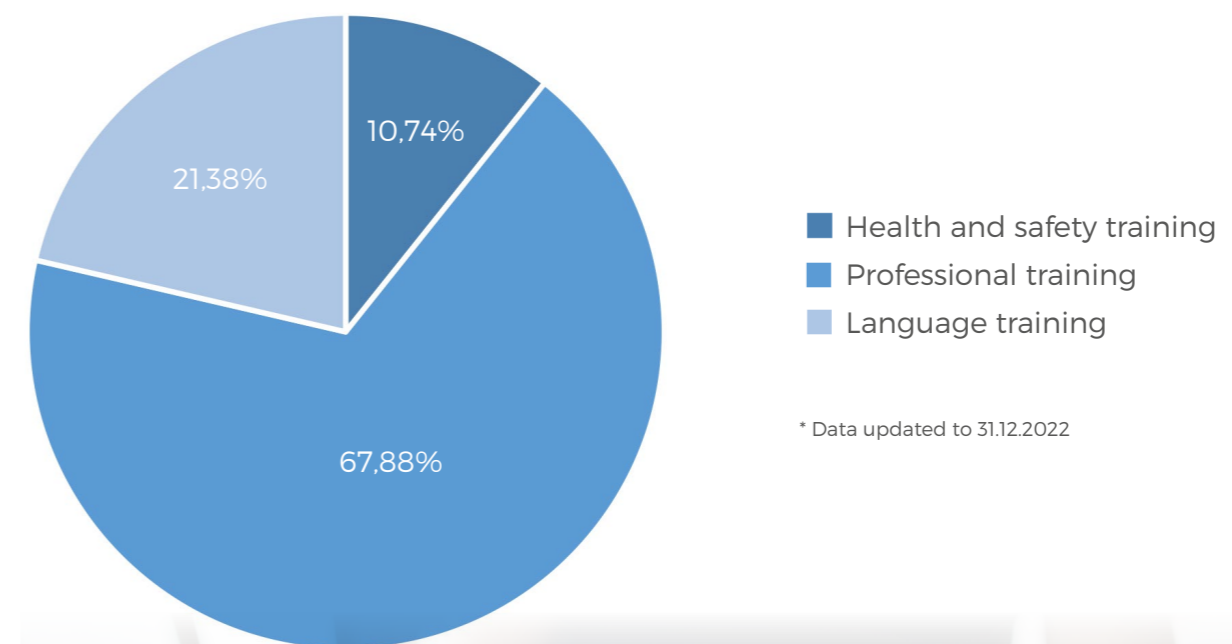
The TCI Group is aware of the importance of its people and is committed to supporting their professional and personal growth based on their vision and the desire to create value over time.

Our priority is that our people consolidate and expand their skills and for this reason we encourage continuing education and support those who want to continue their studies by alternating university attendance with work in the company.

We also offer scholarships to the most deserving students. In 2022, 1099 hours of training were provided, an increase over 2021.

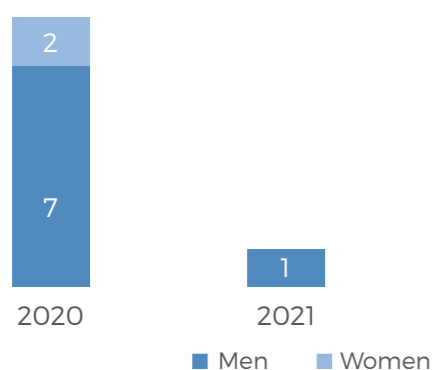
The attraction and acquisition of talented people is fundamental to build a successful team, able to combine tradition and innovation. For this reason, we have relied on professional recruiters and university platforms for years.

**TYPES OF TRAINING COURSES FOR EMPLOYEES \***

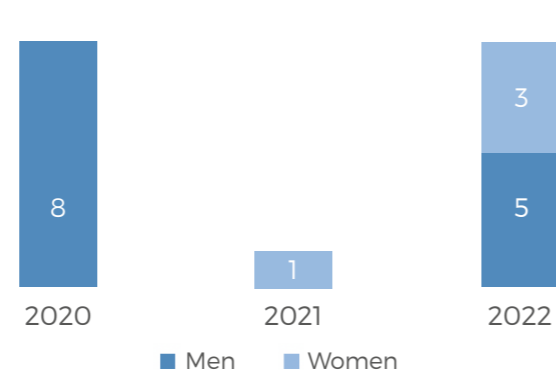


\* Data updated to 31.12.2022

**TCI GROUP ENTRIES FOR GENDER \***



**TCI GROUP EXITS FOR GENDER \***



\* Data updated to 31.12.2022

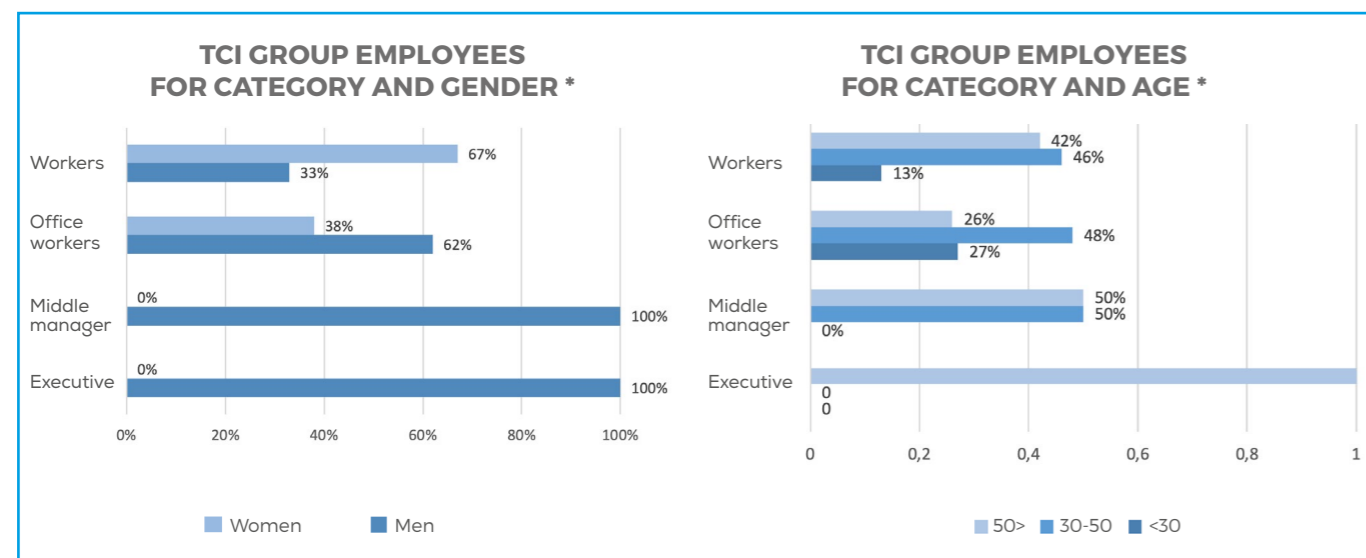
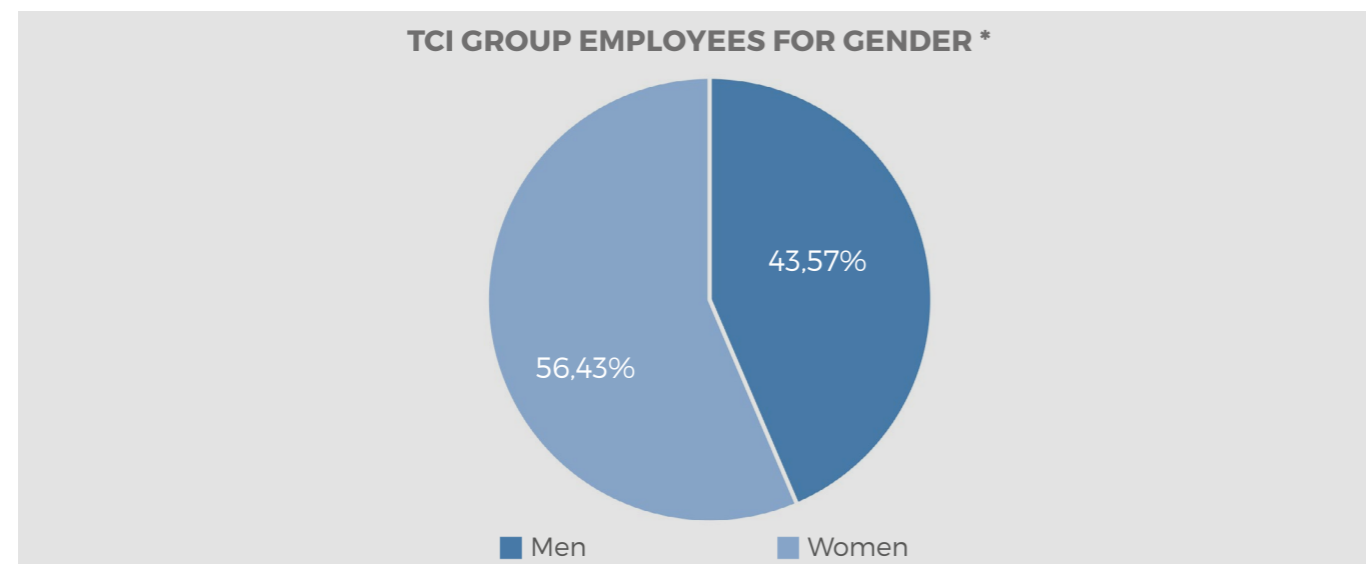




# 8.2 DIVERSITY, EQUAL OPPORTUNITIES AND NON-DISCRIMINATION

**Man is energy, without distinction**

TCI believes that the focus on Diversity, Equity and Inclusion (DE&I) issues increases a company's value. It is proven that inclusive companies attract more talent, improve economic performance, innovate better



\* Dati aggiornati al 31.12.2022

and faster.

TCI is committed to avoiding any form of discrimination against its employees by promoting moral integrity and respect for the dignity of the person.

The path undertaken in 2022 by the Group concerns the various aspects of diversity: gender, generational, culture/ethnicity, sexual orientation, as well as diversity resulting from disability. The Group is committed to protecting all those who are at a psycho-physical disadvantage, monitoring any problems reported and constantly evaluating the best solutions, so that these resources can feel permanently included in business life.

TCI, already in the selection stage, is committed to ensuring equal opportunities for all candidates by implementing a process that eliminates discrimination.

We promote dialogue and collaboration between all our people and between them and management because we believe that this is the key to continuous growth and improvement.

For the year 2022 we reconfirm the presence of 12 female employees belonging to protected categories and the absence of incidents of actual or alleged discrimination within the TCI Group.



## 8.3 HEALTH AND SAFETY IN THE WORKPLACE

Security means  
peace of mind

The TCI Group recognises occupational health and safety prevention as an important priority and responsibility. In particular, the Group is committed to promoting initiatives aimed at preventing occupational accidents and diseases, minimising the risks and causes that may endanger the safety and health of employees and other workers.

The activities are carried out in compliance with the current provisions on prevention and protection, with the objective of continuously improving the conditions of safety and health at work.

TCI considers health and safety in the workplace not only as a commitment to its employees, but also as a corporate culture to apply to all its customers and suppliers.

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.

During 2022, as usual, we monitored the health of our employees in relation to their duties. The service was carried out at our facility by qualified professionals. In full respect of the privacy of each person, we confirm that we have only received of-



ficial notification from the doctor of the work about the suitability or not of the activities. For the year 2022, the most recent assessment of the risk of work-related stress (carried out in the year 2020), which gave low results, remains valid.

Always on the subject of the health of our people, we give all workers the opportunity to carry out affiliated medical examinations through the UniSalute service and we provide a free annual check-up service for about 13% of the staff.

Training and information on health and safety at work are essential tools for the prevention of occupational risks. We provide compulsory health and safety training in accordance with current legislation. 118 hours of dedicated training were provided during 2022.

We draft the Risk Assessment Document (DVR) tanks to the support of an external Prevention and Protection Service Manager (RSPP).

This document, accessible to all employees, maps and analyses health and safety risks in the workplace and defines corrective actions to be implemented in order to ensure optimal health and physical integrity. At the request of our customers, we draw up the Single Document for the Risk Assessment from Interference (DUVRI) in accordance with current legislation.

Every worker has the opportunity and the duty to report to his safety officer any dangerous situations so that he can intervene and then report to the management the measures taken to eliminate the identified risks. In 2022 we recorded 3 cases of minor injuries resulting from a collision occurred as a result of driving distraction.

Total working hours for 2022 are 390,611 for employees, up 2% from 2021.

# 8.4 THE MAN AND THE LIGHT

## Man: the highest source of light

Photobiological safety refers to the photobiological risk due to the potential damage that exposure to light sources can cause to the human eye.

Law 81/08 (or Single Text on Safety) regulates the safety and health protection of workers in the workplace, taking up these limits and applying them to the workplace.

With the obligation of risk assessment by ROA (Artificial Optical Radiation) introduced by the same decree, it emerged the need to obtain from lighting manufacturers emission data suitable for the protection of the risk of exposure to workers, in order to ensure an adequate level of optical security and to standardise the information to be provided to the user.

This decree provides the main criteria to be complied in risk assessments by lighting systems.

Limit values are calculated according to exposure time: lamps and lighting systems are classified into 4 groups (4 risk classes) highlighted in the table



## GROUP ESTIMATION OF RISK

<b>EXEMPT</b>	No photobiological risk
<b>GROUP 1</b>	No photobiological risk under normal conditions of use
<b>GROUP 2</b>	No risk under conditions of natural reflection of aversion to light or thermal effects
<b>GROUP 3</b>	Dangerous even for temporary exhibitions

TCI, as a manufacturer of LED technology, carries out a risk assessment regarding the danger of “blue light” (mainly produced by visible blue-violet radiation) since the use of this type of lighting is now extremely widespread. The potential risk from light radiation may affect our eyes, which are sensitive to such wavelengths.

In full compliance with current legislation in Italy and Europe, the EN 62471 “Photobiological safety of lamps and lamp systems” providing guidelines for the assessment and control of the photobiological risks arising from all light sources emitting optical radiation, TCI produces and markets products that comply with safety standards to protect health and safety at work and to protect the community.

# 8.5 WORKING CONDITIONS AND WELFARE

## The well-being of our employees is our priority

The well-being of our employees is highly valued and for this reason that in addition to ensuring a healthy and stimulating workplace, we provide a plurality of welfare tools:

- Agreements with health facilities, in collaboration with EBM and University Hospital Biomedical Campus of Rome;
- Free internal cardiological and ophthalmologic examinations;
- Tickets for cultural and sporting events;
- Indoor fitness area and courses accessible to all employees.

In accordance with current legislation, 100% of the employees of the TCI Group are covered by national collective bargaining provided by the CCNL for the metal industry, respecting the relevant regulations and industry standards, with regard to issues such as contractual levels, remuneration and the guarantee of corporate welfare and supplementary pension funds and health care.

# Responsibility along the supply chain

9.1 The profile of our supply chain.....	88
9.2 Responsible sourcing .....	92
9.3 Conflict Minerals.....	92



# 9.1 THE PROFILE OF OUR SUPPLY CHAIN

## Quality and reliability: the keys of success

TCI products stand out for their unique quality, reliability and performance.

These characteristics are the result of the combination of several factors: careful design, the use in the production processes of latest-generation machinery and procurement practices oriented to quality excellence and maximum safety.



## JUST IN CASE

For years we have been adopting the philosophy of “just-in-case”, building and maintaining an important stock of raw materials.

This choice, in contrast to the more diffused philosophy of the “just-in-time”, turned out to be successful assuring us to operate continuity where our competitors find greater difficulties.

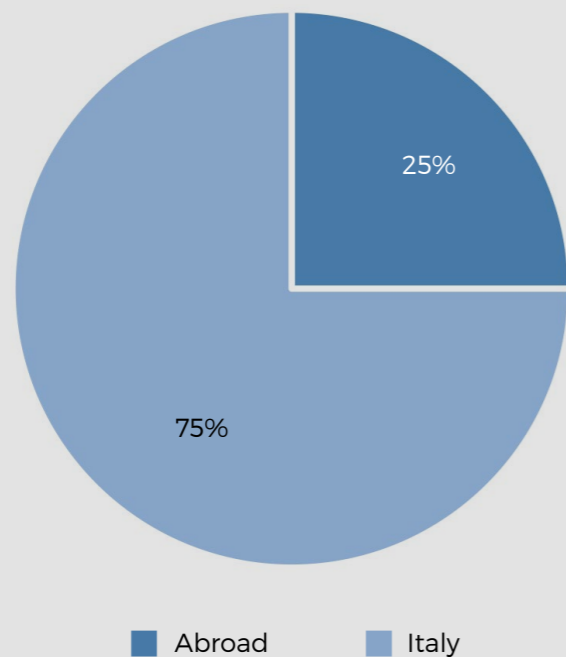
During 2022 the tightening of the lack of components and the parallel increase of the market demand, have unavoidably produced an extension of the times of evasion of the orders but, also in this case, thanks to a wise management of the production and purchasing processes and the continuous dialogue with our customers we have been able to provide confirmation where several competitors have failed.

Our supply chain, made up of partners with a strong market position and a recognized quality reputation in the production sector, ranges from raw materials to semi-finished products, packaging materials and finished products.

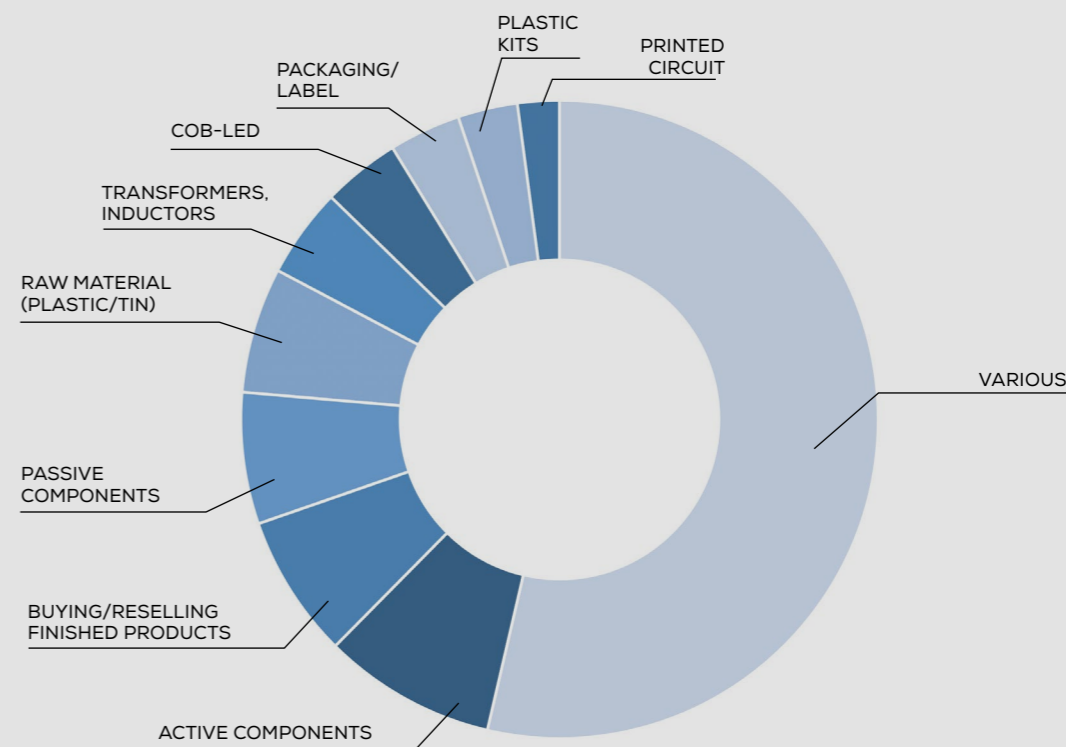
We believe that the diversification of the supply chain is fundamental in order to guarantee the stability of supplyings as much as the establishment and the maintenance of solid relationships with our suppliers: thanks to this approach we have been able to ensure the business continuity not only of TCI but also of all our customers in a period characterized by a strong shortage of materials and by extreme fluctuation in prices.

The number of suppliers of which we employ and their geographic distribution allows us to avoid every possible variation in the supplyings related to the strategic decisions, to the socio-political situations that can be found in the countries of their belonging, enabling us to ensure business continuity without compromising our quality and safety standards.

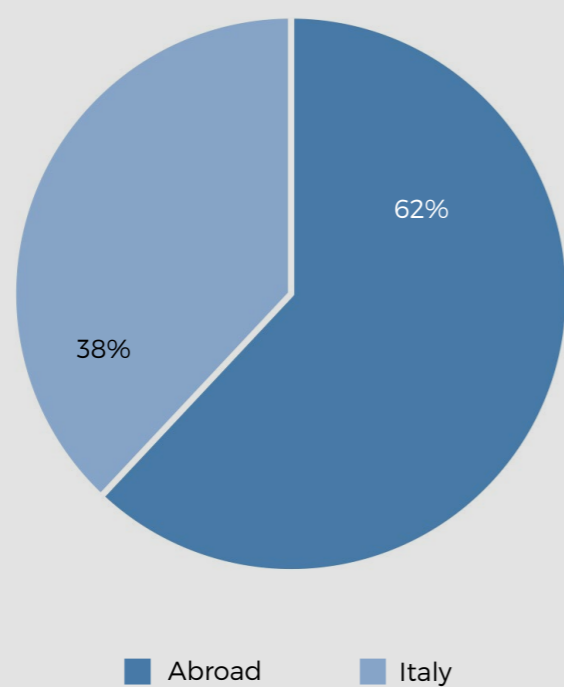
### SUPPLIERS BY COUNTRY



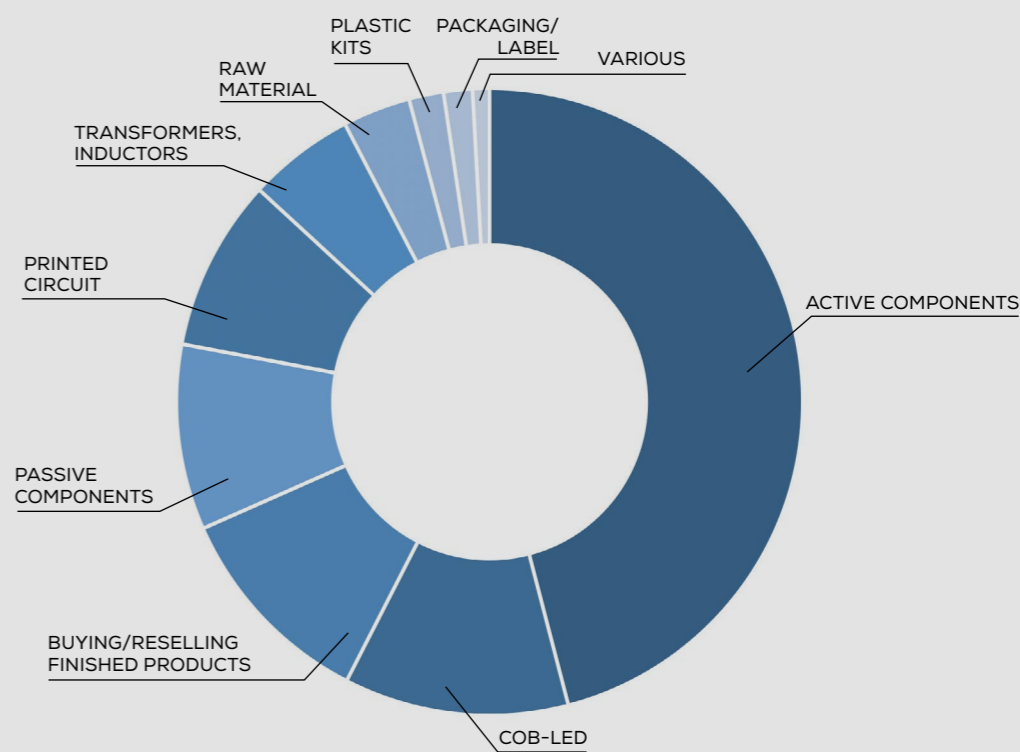
### GROUP SUPPLIERS BY PRODUCT CATEGORY



### ANNUAL EXPENDITURE BY COUNTRY



### GROUP SUPPLIERS BY PRODUCT CATEGORY AND VALUE



## 9.2 RESPONSIBLE SOURCING

### We ensure sustainability throughout the value chain

In the area of corporate social responsibility, it is essential to ensure that the supply chain respects the values and ethical principles that guide the business.

We carry out our activities in full compliance with the applicable regulations in the various countries of operation and we are committed to managing environmental and social impacts with a view to continuous improvement. To this end, we have incorporated ESG clauses into our General Conditions of Purchase.

Quality and safety are always at the top of our list of priorities when it deals with sourcing; therefore, we require suppliers to provide detailed reports of each delivery, allowing us to monitor incoming components that, by their nature and quantity, could not be otherwise analysed.

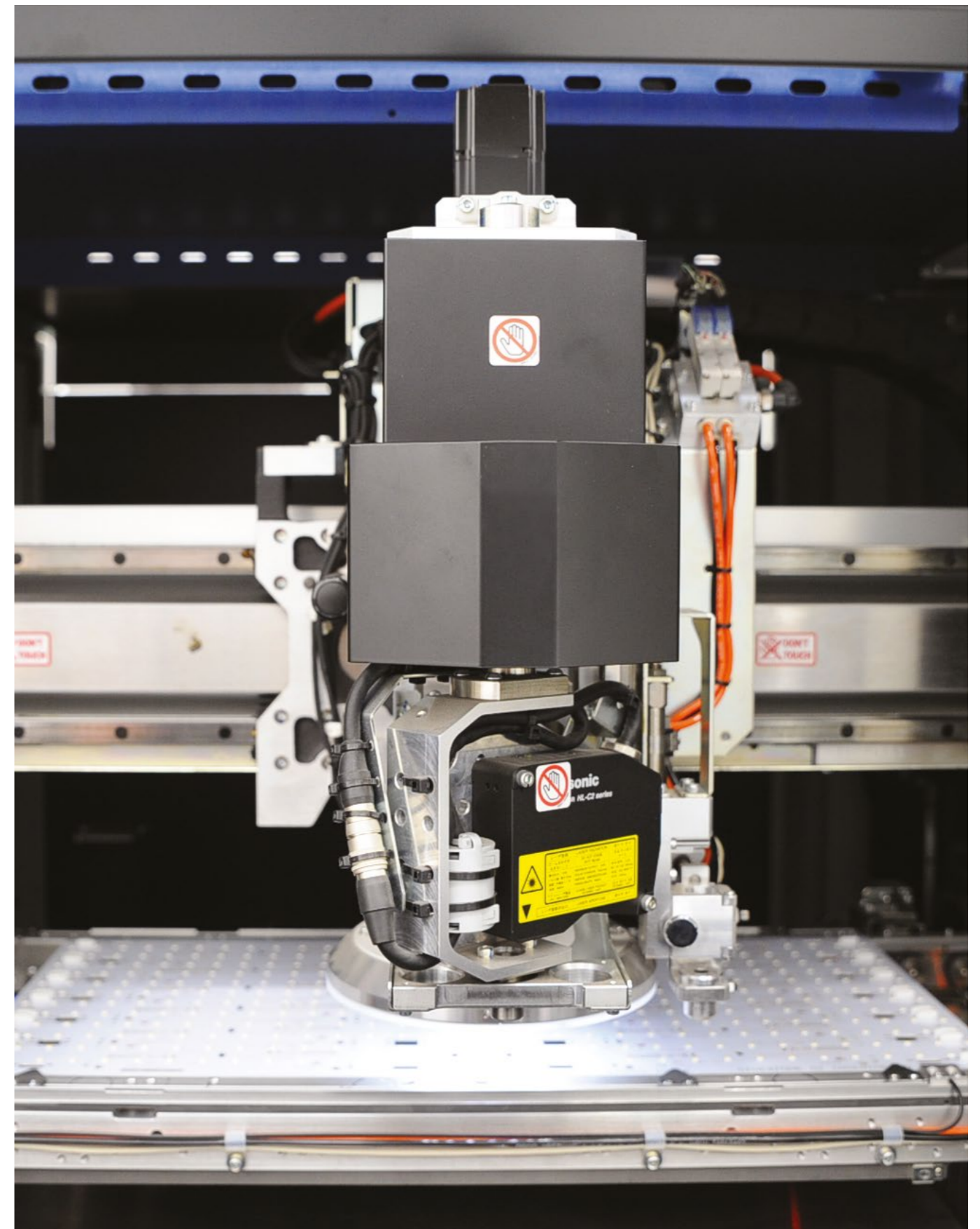
We plan to equip ourselves with an automated system for collecting certifications of conformity to international standards of environmental and social character as well as declarations of a technical nature and related to the possible use of dangerous substances, through a dedicated software platform.

## 9.3 CONFLICT MINERALS

As a socially responsible producer, we are committed to counter the use of conflict minerals.

For this reason, we are particularly careful to trace the origin of the materials purchased containing tantalum, tin, tungsten and gold: we ask suppliers to promptly declare if their products contain them and, in this case, we invite them to fill in the appropriate form developed by the Responsible Minerals Initiative to facilitate the dissemination of information on the country of origin of minerals, foundries and refineries used along the supply chain.

The modules are then verified and in case the supplier is not able to give evidence of what declared, we require corrective actions and eventually suspend the supply relationships.



*TCl's commitment is aimed at ensuring, with a concrete and constant commitment, the reduction of the impact of its activity on the environment, promoting and developing sustainability with virtuous behaviours.*

*Only through full respect for the environment value can be created and sustained in the long term.*

*All our activities are aligned with the objectives, integrated into our medium- and long-term plans and set the direction for all sustainability actions.*

*We will continue to invest in a better and more sustainable future, using cutting-edge technologies in order to safeguard the Planet.*

# TCl and respect for the environment

10.1 Our environmental footprint.....	96
10.2 Responsible management of energy resources and emissions.....	98
10.3 Responsible waste management.....	102

# 10





# 10.1 OUR ENVIRONMENTAL FOOTPRINT

**We act to illuminate the world with clean energy**

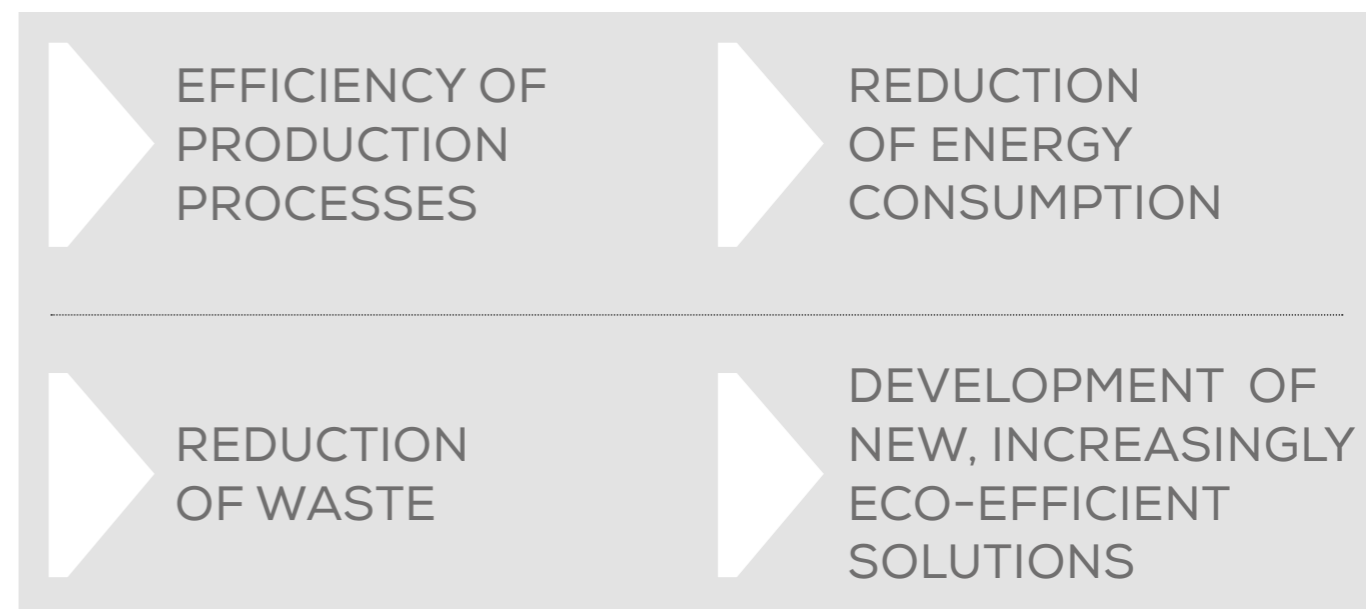
We share the importance of respecting, restoring and preserving the environment and its resources to give future generations the chance to live in a clean world.

We are aware that in order to act it's first necessary to identify and evaluate the impacts generated and suffered by their activities on the environment and society and this is our mission: act to ensure clean energy to the society.

TCI Telecomunicazioni Italia S.r.l. has always complied with all environmental regulations and collects and monitors data about consumption, emissions, production waste, waste and used materials.

We have an ISO 14001 certified Environmental Management System and every year we draw up a document called "Report to the Management" that reports current consumption and future objectives submitted for approval by our CEO, with the highest responsibility for managing environmental impacts and combating climate change.

In addition to monitoring and data collection, we are committed to reducing the actual and potential negative effects of our organization on the environment by focusing on:



All our products are designed in compliance with the requirements of EU 2019/2015 and EU/2019/2020 for ECO-DESIGN and, in order to meet the wider design needs but also to reduce the use of materials, we provide smaller and smaller solutions, in accordance with the principle of miniaturization, without compromising the high quality and safety.

During 2022, the TCI Group reported no non-compliance in environmental matters.

INDICATOR	2021	2022	Trend %	Short-term actions	Target	Timing	Medium to long-term actions	Target	Timing	Long-term actions	Target	Timing
<b>Total annual weight of mixed and similar waste (RIMA Mixed packaging)</b>	91,11	91,98	0,95	Better separation of waste materials; reduction, reuse and recycling of packaging	10% reduction in packaging	2023	Request of recyclable and environmentally friendly packaging to our suppliers	10% reduction in plastic material	2024	Significant reduction of plastic in packaging	Packaging almost exclusively of recycled cardboard	5 Years
<b>Total annual weight of waste board (FADN Packaging Board)</b>	73,86	76,81	3,99									
<b>Total weight of carton ordered per year (CCA Carton ordered)</b>	168,673	171,583	1,73	Use of recycled and recyclable cardboard boxes; reduction/replacement of plastic packaging tape	100% recyclable cardboard packaging; 80% replacement of plastic scotch with paper	2023	Implementation of FROMM's Packmate Pro for innovative and quality packaging	reduction of plastic bubble wrap	2025			
<b>Electricity consumption (CEA kwh)</b>	3.363.966	3.125.103	-7,1	1) Change in working hours in the production department	1) Da: 8.00-12.00 / 13.30-17.30 a: 7.00-12.00 / 13.30-16.30 (flexible break)	1) September 2022	Insulation of the structure, both of the roof and of the external walls; replacement of the fixtures	10% reduction in consumption	end 2022	Solar panels installation	20% increase in energy savings	2025
<b>Natural gas consumption (CMA gas Kmc)</b>	153,806	162,207	5,46	2) Replacement of luminaires in the production department with new luminaires equipped with motion sensors	2) Reduction of 15.000 KW/h per month	2) November 2022						

# 10.2 RESPONSIBLE MANAGEMENT OF ENERGY RESOURCES AND EMISSIONS

**A responsible management of resources guarantees us a balance with the Planet**

We pay great attention to the energy consumption coming from our activities and we try to increase the efficiency of our operations, both through the choice of latest generation systems and through the promotion of the energy-saving culture.

All the halls of TCI Telecomunicazioni Italia S.r.l. have an LED lighting system with motion sensors and twilight that allow the power-on of the light in case of presence of people, ensuring a reduction in energy consumption of about 25% compared to traditional plants.

Furthermore, in various business areas, we have installed wireless control and monitoring solutions that allow us to constantly supervise consumption and promptly identify any system inefficiencies.

During 2022, TCI, in a perspective of constant reduction of energy consumption, implemented insulation works for its structure and its buildings (exterior walls, roofs and windows).

Also in the year 2022, in continuity with previous years, we filled out the questionnaire prepared by the Climate Disclosure Program (CDP) for a voluntary assessment of the environmental impact of our business. TCI Group's energy sources are electricity, natural gas for heating, petrol and diesel.

TCI is also committed to sustainable mobility by integrating its car fleet with energy-powered vehicles, equipped with charging columns.

In 2022 the TCI Group consumed a total of 16,013 GJ of energy, of which about 70% is attributable to the consumption of purchased electricity and the remaining to purchased natural gas.

TCI Group's CO<sub>2</sub> emissions for 2022 therefore refer to the energy sources mentioned above and to the refrigerant gas losses used for the operation of cooling systems.

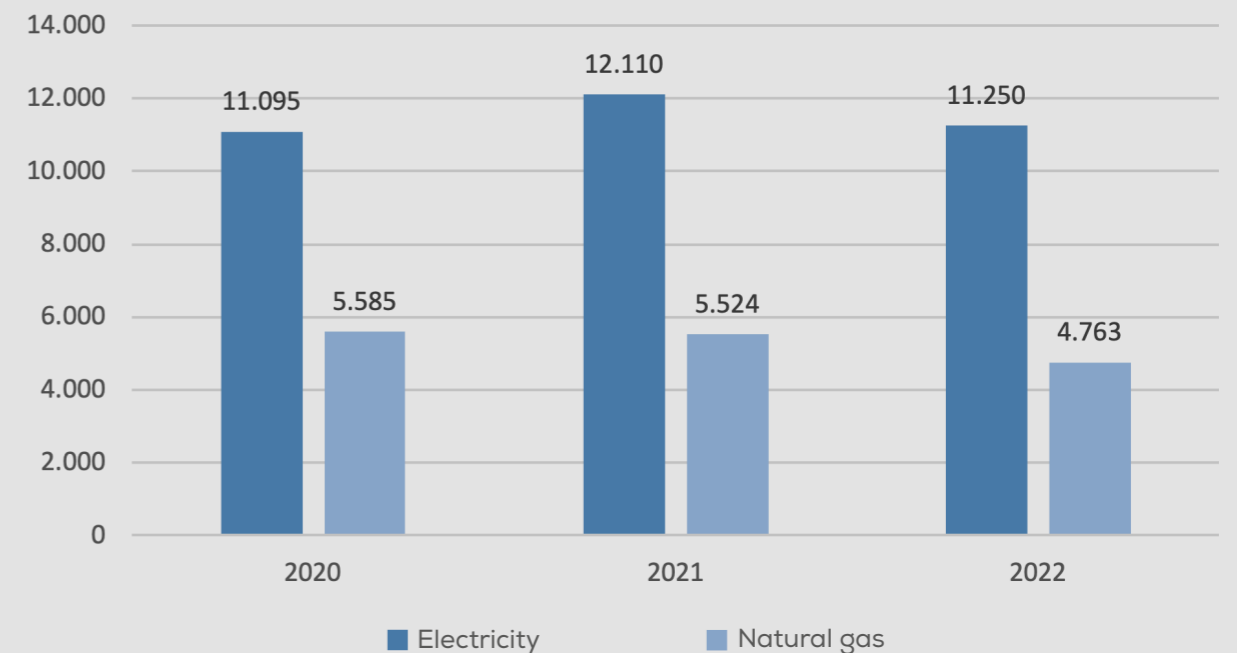
Of the total, direct emissions, attributable to energy sources purchased by the Group, are equal to 275

tCO<sub>2</sub>; indirect emissions, attributable to the purchase of electricity are 812 tCO<sub>2</sub> according to a location-based approach, 1,428 tCO<sub>2</sub> according to a market-based approach.

## CDP

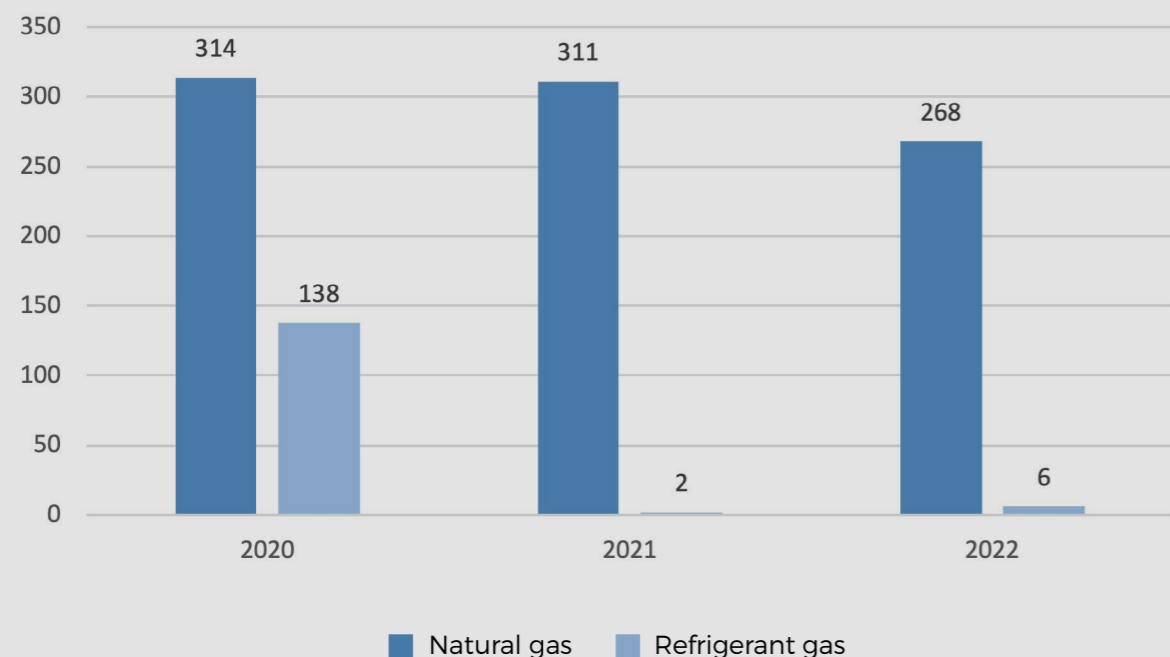
CDP is an international non-profit organization that provides businesses, local authorities, governments and investors with a global system of voluntary environmental measurement and reporting. CDP supports four programs: Climate Change Program, Water Program, Forests Program and Supply Chain Program, plus a specific program dedicated to cities and regions, the Cities, States and Regions Program. Of these, we compiled the 2022 Climate Change Program Questionnaire for monitoring and managing emissions.

TCI GROUP ENERGY CONSUMPTION FOR ENERGY SOURCE \*

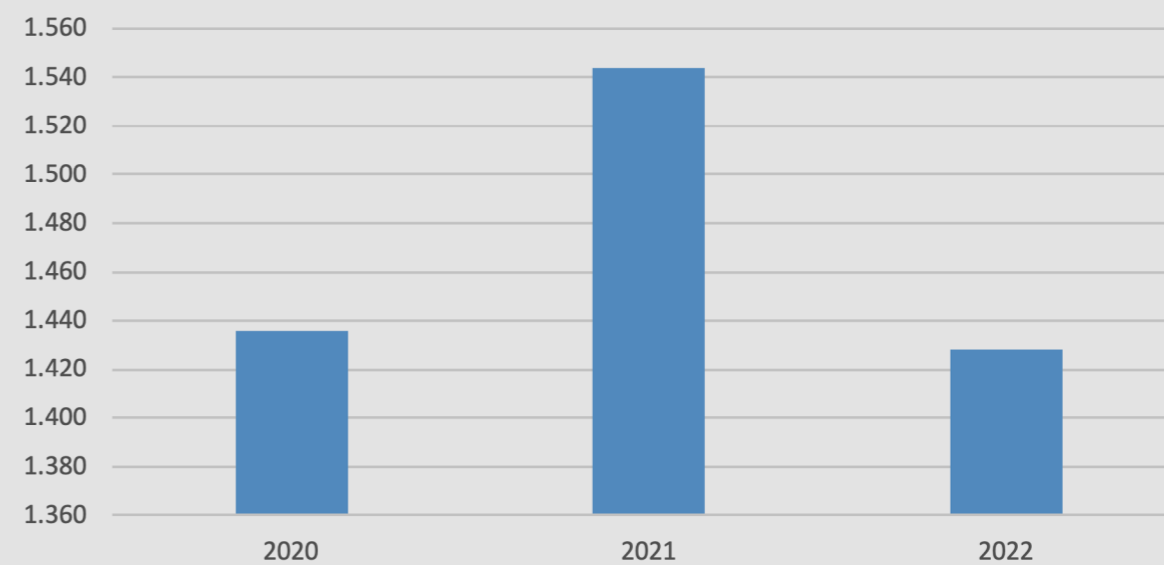


\* Data updated to 31.12.2022

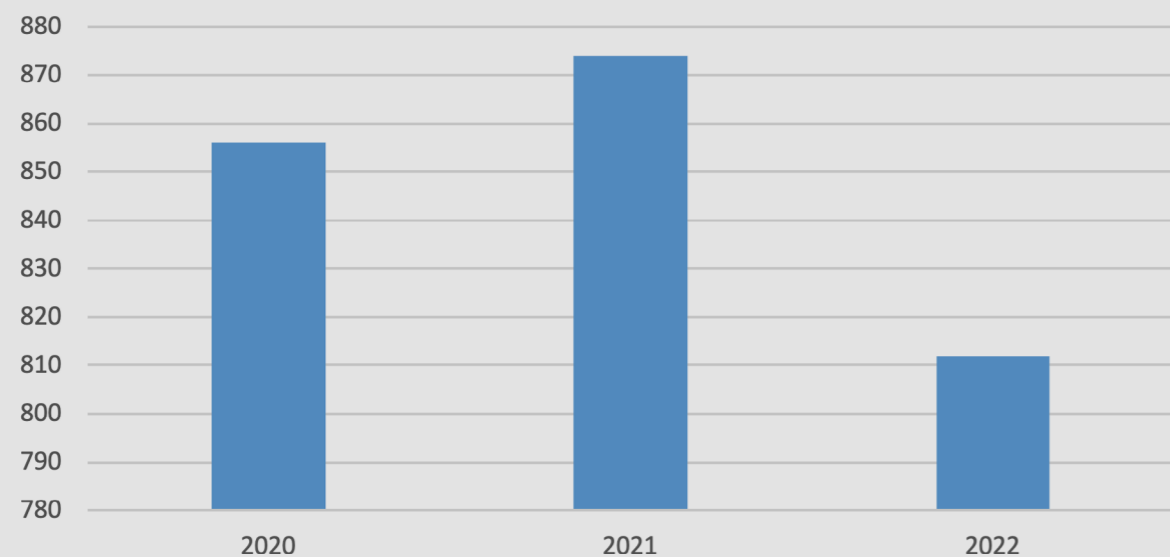
**DIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 1) OF TCI GROUP \***



**INDIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 2) OF TCI GROUP, CALCULATED ACCORDING THE MARKET-BASED APPROACH \***



**INDIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 2) OF TCI GROUP, CALCULATED ACCORDING THE LOCATION-BASED APPROACH \***



\* Data updated to 31.12.2021, expressed in tCO<sub>2</sub>

**GAS EMISSIONS**



# 10.3 RESPONSIBLE WASTE MANAGEMENT

## Waste management: a necessary condition for a sustainable world

The waste produced by the TCI Group is divided into special waste, resulting from production activities, managed and disposed by companies authorized for disposal and, to a lesser extent, by WEEE (waste from electrical and electronic equipment).

The special waste produced by TCI in 2022 accounts for a small percentage of hazardous waste and 98% of non-hazardous waste, almost entirely for recovery.

The main categories of waste produced are:

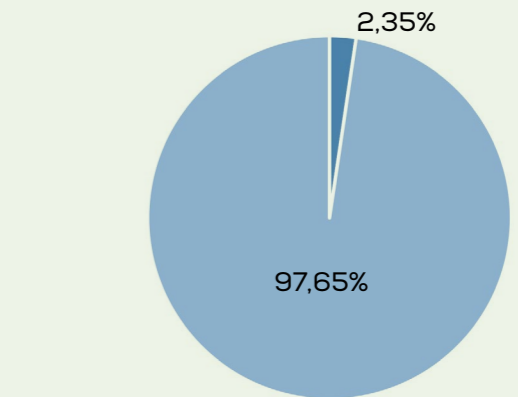
- PACKAGES OF MIXED MATERIALS;
- 100% RECYCLABLE PAPER AND CARDBOARD PACKAGING;
- PLASTIC PACKAGING;
- WOOD PACKAGING;
- WEEE WASTE.

Waste management and disposal takes place in full compliance with current legislation, implementing a careful policy of diversification of materials.

The data relating to waste materials are reported annually to the CEO, as part of the drafting of the "Report to the Management", in order to identify increasingly green disposal solutions.

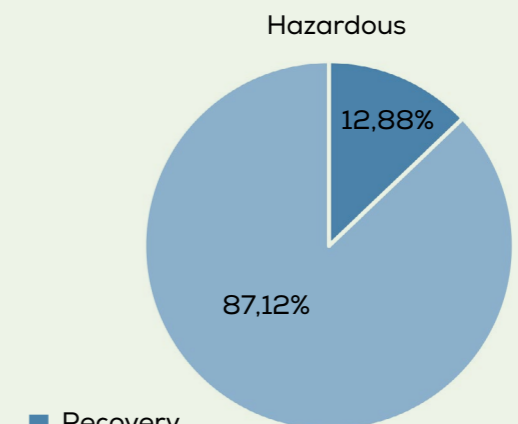


SPECIAL WASTE PRODUCED BY TCI GROUP FOR TYPOLOGY \*

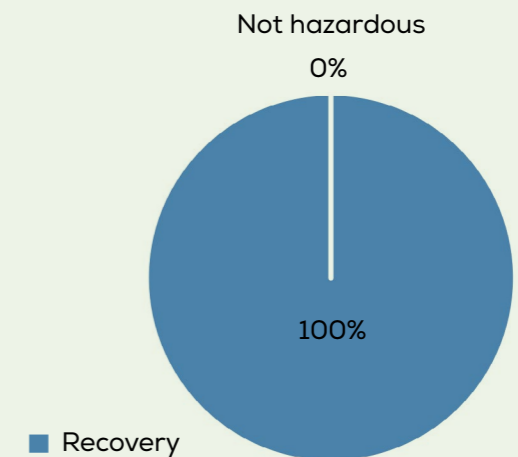


■ Hazardous  
■ Not hazardous

SPECIAL WASTE PRODUCED BY TCI GROUP FOR DISPOSAL METHOD \*



■ Recovery  
■ Disposal 100%



■ Recovery  
■ Disposal 100%

\* Data updated to 31.12.2022

# METHODOLOGICAL NOTE

This document (hereinafter also "Financial Statements") represents the third Sustainability Report of TCI Telecomunicazioni Italia S.r.l. and its subsidiaries (hereinafter the "TCI Group" or "Group") with reference to the financial year 2022 (from 1 January 2022 to 31 December 2022).

Taking into account the expectations of its stakeholders, the Report provides a description of the main economic results and the social and environmental impacts generated.

In order to report and communicate in a comparable and transparent manner the environmental, social and governance (ESG) performance of the TCI Group, the 2022 Sustainability Report was drawn up in accordance with reporting standards "Global Reporting Initiative Sustainability Reporting Standards 2021" (hereinafter GRI Standards) updated in 2021 by the Global Reporting Initiative (GRI), as reported in Chapter 2 "Our commitment to sustainability".

Aligned with the recent GRI Universal Standards 2021, the TCI Group has adopted a new methodological approach in carrying out the materiality analysis that includes the concept of due diligence and reinforces the impact concept, specified as positive or negative impact, the company's actual or potential, in order to provide a comprehensive picture of business risks and long-term value creation.

In particular, the new GRI 3 - Material Topics 2021 focuses on the need for companies to identify the most significant impacts that the company itself has or could have on the economy, the environment and people, including impacts on human rights.

Through this new approach, considering the context, activities and business relationships of TCI, the "Material Issues" have been identified and evaluated, which reflect the actual and potential impacts of the company in relation to ESG factors, including impacts on human rights (impact materiality) and, consequently, influence the strategic choices and performance of the TCI Group.

In the appendix to the document it is possible to consult the GRI Content Index where the GRI indicators associated with each material theme are shown.

The scope of the economic data, as well as the social information, is the same as the 2022 Consolidated Financial Statements of the TCI Group, which includes companies consolidated with the integral method, namely TCI Telecomunicazioni Italia S.r.l., TCI ELETTRMECCANICA S.r.l., TCI AMERICA Inc. Regarding the scope of environmental issues, it should be noted that the companies TCI AMERICA Inc. and TCI ELETTRMECCANICA S.r.l. were excluded due to the small size and negligible environmental impacts.

In order to ensure a precise representation of the impacts of the activities of the TCI Group throughout its value chain, this document contains some data concerning the subsidiaries Intelligent Components Technology Zhuhai Ltd. (ICT), International Technologies Holding Ltd (ITH), IGROX S.r.l. and Allix S.r.l. Further exceptions to the above reporting scope are detailed in the relevant sections of this document.

In order to make the document easier to read, the following definitions have been used in the text:

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

The information for the reference period shall be compared with the one related to the previous financial year. In order to ensure the reliability of the data, the use of estimates has been limited as much as possible, which, if any, are properly reported and based on the best available methodologies.

The Sustainability Report is subject to a limited examination ("limited assurance engagement" according to the criteria indicated by the ISAE 3000 Revised principle) by Deloitte & Touche S.p.A., in accordance with the procedures set out in the Report of the independent audit firm included in this document. This publication is published annually.

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

AREA	MATERIAL TOPICS	RELATED IMPACTS	DESCRIPTION OF THE IMPACT	IMPACT TYPE	ACTUAL / POTENTIAL	
<b>Governance</b>	Economic performance and direct and indirect value creation	Creation of shared value	The generation of economic value and the balanced distribution to the interested parties (e.g. employees, suppliers, customers) determines favorable implications for all the related activities and a better stability and continuity of business.	Positive	Actual	
	Business ethics and integrity	Anticompetitive practices	Engaging in anticompetitive behaviour, monopolistic practices and unethical and non-transparent behaviour would undermine TCI's reputation, would hinder the achievement of positive economic results for shareholders and would have negative effects on the economy and markets.	Negative	Potential	
<b>Social</b>	Health and safety at work	Accidents at work	Injuries or other accidents at work, with negative consequences for the health of direct workers or external collaborators, could generate a negative operational, economic and reputational impact on the company	Negative	Potential	
	Innovation and support for digital transformation	Increased use of digital technologies	Integrate and leverage digital technologies to change or produce new business practices and improve customer and other stakeholder experiences	Positive	Actual	
	Customer satisfaction	Establishment of a relationship of trust with the final consumer	Establishment of a relationship of trust due to the development and supply of quality services that meet the company needs.	Positive	Actual	
	Quality and safety of products	Supply of products that aren't complaint with safety standards	Risk to the health and safety of end users due to production inefficiencies and ineffective controls on product quality/compliance (e.g. ineffective product testing)	Negative	Potential	
	Commercial partnerships	Creation of lasting business relationships	The creation of lasting business relationships ensures the business continuity and the establishment of relationships of trust	Positive	Potential	
	Responsible management of suppliers	Human rights violations along the supply chain	Violation of human rights along the value chain (e.g. Right to freedom of association and collective bargaining, child labour, forced or compulsory labour)	Negative	Potential	
	Attrazione talenti e sviluppo del capitale umano	Job creation	Job creation and development of resources	Job creation and development of resources	Positive	Actual
		Development of employee skills	Improving workers' skills through training and professional development activities, also linked to growth objectives and personalized evaluation	Improving workers' skills through training and professional development activities, also linked to growth objectives and personalized evaluation	Positive	Potential
		Incidents of discrimination / abuse	Negative impacts on employee satisfaction and motivation due to discrimination (e.g. gender, age, ethnicity, pay, etc.) or other non-exclusive practices	Negative impacts on employee satisfaction and motivation due to discrimination (e.g. gender, age, ethnicity, pay, etc.) or other non-exclusive practices	Negative	Potential
		Increased turnover and loss of know-how due to ineffective employee management and engagement	Ineffective management and lacking employee involvement would negatively affect their work performance and contribute to the phenomenon of Great Resignation	Ineffective management and lacking employee involvement would negatively affect their work performance and contribute to the phenomenon of Great Resignation	Negative	Potential
Cybersecurity e data privacy	Loss of customer data	Security breaches regarding customer privacy and data loss (e.g. as a result of cyber attacks)	Negative	Potential		
<b>Environmental</b>	Sustainable Lighting Solutions (Sustainable Lighting)	Innovation of products and services	An effective approach to product and service innovation accelerates the management of internal processes and promotes the development of the offer of TCI	Positive	Potential	
	Management of environmental impacts	Generation of climate-altering emissions	Negative impacts on the environment in terms of greenhouse gas emissions produced through the consumption of non-renewable energy (non-renewable fuels and electricity)	Negative	Actual	

# PERFORMANCE INDICATORS

## Employees and turnover

All the data in the tables are updated to 31.12.2022

GRI 2-7 TCI Group employees by type of contract and gender

	2020			2021 <sup>1</sup>			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Temporary	1	-	1	-	1	1	2	-	2
Permanent	76	140	216	106	138	244	103	136	239
<b>Total</b>	<b>77</b>	<b>140</b>	<b>217</b>	<b>106</b>	<b>139</b>	<b>245</b>	<b>105</b>	<b>136</b>	<b>241</b>
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Full-time	70	134	204	104	130	234	102	124	226
Part-time	7	6	13	2	9	11	3	12	15
<b>Total</b>	<b>77</b>	<b>140</b>	<b>217</b>	<b>106</b>	<b>139</b>	<b>245</b>	<b>105</b>	<b>136</b>	<b>241</b>

2-8 External workers

	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Temporary workers	16	28	46	20	32	52	15	31	46
Trainees	-	-	-	-	-	-	-	-	-
Employees hired through external agencies	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>16</b>	<b>28</b>	<b>46</b>	<b>20</b>	<b>32</b>	<b>52</b>	<b>15</b>	<b>31</b>	<b>46</b>

GRI 405-1 TCI Group employees for professional category and gender

	2020			2021 <sup>1</sup>			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	100%	-	0,5%	100%	-	0,5%	100%	-	0,5%
Middle managers	100%	-	0,5%	100%	0%	0,5%	100%	0	0,5%
Office workers	57%	43%	30%	68%	32%	32%	62%	38%	34%
Workers	25%	75%	69%	30%	70%	67%	33%	67%	65%
<b>Total</b>	<b>35%</b>	<b>65%</b>	<b>100%</b>	<b>43%</b>	<b>57%</b>	<b>100%</b>	<b>44%</b>	<b>56%</b>	<b>100%</b>

GRI 405-1 TCI Group employees for professional category and age

	2020				2021 <sup>1</sup>				2022			
	<30	30-50	50>	Totale	<30	30-50	50>	Total	<30	30-50	50>	Total
Executives	-	-	100%	0,5%	-	-	100%	0,5%	-	-	100%	0,5%
Middle managers	-	100%	-	0,5%	0%	50%	50%	0,5%	0%	50%	50%	0,5%
Office workers	11%	74%	15%	30%	29%	42%	29%	32%	27%	48%	26%	34%
Workers	5%	67%	28%	69%	11%	49%	40%	67%	13%	46%	42%	65%
<b>Total</b>	<b>8%</b>	<b>69%</b>	<b>23%</b>	<b>100%</b>	<b>17%</b>	<b>47%</b>	<b>37%</b>	<b>100%</b>	<b>17%</b>	<b>46%</b>	<b>37%</b>	<b>100%</b>

<sup>1</sup> Due to a refinement in the information collection process, the data for 2021 were re-exported compared to those published in the 2021 Sustainability Report.

GRI 401-1 TCI Group entries

	2020					2021 <sup>1</sup>					2022				
	<30	30-50	>50	Total	Turnover	<30	30-50	>50	Total	Turnover	<30	30-50	>50	Total	Turnover
Men	7			7	9%	-	1	-	1	0,9%	2	-	2	4	3,8%
Women	-	2	-	2	1,4%	-	-	-	-	0,0%	-	-	-	-	-
<b>Total</b>	<b>7</b>	<b>2</b>	<b>-</b>	<b>9</b>	<b>4,1%</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>0,4%</b>	<b>2</b>	<b>-</b>	<b>2</b>	<b>4</b>	<b>1,7%</b>
<b>Turnover</b>	<b>46,7%</b>	<b>1,3%</b>	<b>0,0%</b>	<b>4,1%</b>		<b>0,00%</b>	<b>0,9%</b>	<b>0,00%</b>	<b>0,41%</b>		<b>4,8%</b>	<b>0,00%</b>	<b>2,3%</b>	<b>1,7%</b>	

GRI 401-1 TCI Group exits

	2020					2021					2022				
	<30	30-50	>50	Total	Turnover	<30	30-50	>50	Total	Turnover	<30	30-50	>50	Total	Turnover
Men	2	4	2	8	10,4%	-	-	-	-	-	1	-	4	5	4,8%
Women	-	-	-	-	0,0%	-	1	-	1	0,7%	-	3	-	3	2,2%
<b>Total</b>	<b>2</b>	<b>4</b>	<b>2</b>	<b>8</b>	<b>3,7%</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>0,5%</b>	<b>1</b>	<b>3</b>	<b>4</b>	<b>8</b>	<b>3,3%</b>
<b>Turnover</b>	<b>13,3%</b>	<b>2,7%</b>	<b>3,8%</b>	<b>3,7%</b>		<b>0,00%</b>	<b>0,88%</b>	<b>0,00%</b>	<b>0,41%</b>		<b>2,4%</b>	<b>2,7%</b>	<b>4,5%</b>	<b>3,3%</b>	

## Health and safety

All the data in the tables are updated to 31.12.2022

GRI 403-9 TCI Group<sup>2</sup> work-related injuries

TCI Group	2020	2021	2022
Number of work-related injuries	0	1	3
Of which, number of deaths as a result of accidents at work	0	0	0
Of which, accidents with serious consequences (excluding death)	0	0	0
TCI Telecomunicazioni Italia S.r.l. worked hours	357.941	375.394	-
TCI Elettromeccanica S.r.l. worked hours	5.367	6.231	-
<b>Total worked hours</b>	<b>363.309</b>	<b>381.625</b>	<b>390.611</b>
Rate of work-related injuries	-	0,52	1,54
Rate of death as a consequence of work-related injuries	-	-	-
Rate of serious work-related injuries	-	-	-

<sup>2</sup> The scope of the data relating to the Health and Safety of the TCI Group refers to the employees of the parent company TCI Telecomunicazioni Italia S.r.l. and the subsidiary TCI Elettromeccanica S.r.l.

## Training

All the data in the tables are updated to 31.12.2022

GRI 404-1 - TCI Group employees average training hours

	2020			2021 <sup>1</sup>			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	-	-	-	-	-	-	-	-	-
Middle managers	-	-	-	-	-	-	-	-	-
Office workers	1,9	0,1	0,7	1,9	3,4	2,4	11,7	7,7	10,2
Workers	7,8	-	-	7,8	1,5	3,4	4,2	0,5	1,7
<b>Total</b>	<b>0,6</b>	<b>0,02</b>	<b>0,2</b>	<b>4,6</b>	<b>1,9</b>	<b>3,0</b>	<b>2</b>	<b>1,8</b>	<b>4,6</b>

<sup>1</sup> Due to a refinement in the information collection process, the data for 2021 were re-exported compared to those published in the 2021 Sustainability Report.

Typology of training provided to TCI Group employees						
	2020		2021		2022	
	n. of attendees	Total hours	n. of attendees	Total hours	n. of attendees	Total hours
Health and safety training	1	12	67	401	16	118
Management training	5	35	-	-	-	-
Professional training	-	-	24	216	150	746
Language training	-	-	1	30	7	235
Technical-administrative training	-	-	18	99	-	-
<b>Total</b>	<b>6</b>	<b>47</b>	<b>110</b>	<b>746</b>	<b>173</b>	<b>1.099</b>

## Energy and Emissions

All the data in the tables are updated to 31.12.2022

GRI 302-1 Energy consumption for kind of source <sup>3</sup>				
	u.m.	2020	2021	2022
<b>TCI Telecomunicazioni Italia S.r.l.</b>				
Purchased electricity	GJ	11.095	12.110	11.250
<i>of which renewable and certified with GO (Guarantee of Origin)</i>	GJ	-	-	-
Natural gas	GJ	5.585	5.524	4.763
<b>Total</b>	<b>GJ</b>	<b>16.680</b>	<b>17.634</b>	<b>16.013</b>
<b>Participated companies (ALLIX S.r.l. and ICT Intelligent Components Technology Zhuhai Ltd.)</b>				
Purchased electricity	GJ	40.917	47.022	51.563
<i>of which renewable and certified with GO (Guarantee of Origin)</i>	GJ	-	-	-
Natural gas	GJ	-	-	-
Gasoline (for transport)	GJ	658	623	579
Diesel (for transport)	GJ	18	14	14
<b>Total</b>	<b>GJ</b>	<b>41.592</b>	<b>47.659</b>	<b>52.157</b>

<sup>3</sup> The following source was used for the calculation of energy consumption in GJ: DEFRA, UK Government - GHG Conversion Factors for Company Reporting 2020, 2021 and 2022.

GRI 305-1 Direct Greenhouse Gas (GHG) Emissions (Scope 1) <sup>4</sup>				
	u.m.	2020	2021	2022
<b>TCI Telecomunicazioni Italia S.r.l.</b>				
Natural gas	tCO <sub>2</sub>	314	311	268
Gasoline (for transport)	tCO <sub>2</sub>	-	-	-
Diesel (for transport)	tCO <sub>2</sub>	-	-	-
Refrigerant Gas <sup>5</sup>	tCO <sub>2</sub>	138	2	6
<b>Total Scope 1</b>	<b>tCO<sub>2</sub></b>	<b>452</b>	<b>313</b>	<b>275</b>

<sup>4</sup> Scope 1: This category includes emissions from sources owned or controlled by the organisation. Scope 1 emissions are expressed in tonnes of CO<sub>2</sub>. The sources of the emission coefficients for fossil fuels used are: the Ministry of the Environment - national standard parameters 2020, 2021 and 2022.

<sup>5</sup> With regard to R410A refrigerant gas losses, reference was made to the source DEFRA, UK Government - GHG Conversion Factors for Company Reporting 2020, 2021 and 2022, which expresses its emission factor in terms of tco<sub>2eq</sub>. The difference between CO<sub>2</sub> and co<sub>2eq</sub> is minimal, since carbon dioxide is the majority of greenhouse gases. Other substances that contribute to the greenhouse effect, such as methane and nitrous oxide, are therefore negligible. Therefore, by expressing this value in tCO<sub>2</sub>, the error committed is minimal.

GRI 305-1 Direct Greenhouse Gas (GHG) Emissions (Scope 1) <sup>4</sup>				
	u.m.	2020	2021	2022
<b>Participated companies (ALLIX S.r.l. and ICT Intelligent Components Technology Zhuhai Ltd.)</b>				
Natural gas	tCO <sub>2</sub>	-	-	-
Gasoline (for transport)	tCO <sub>2</sub>	42	39	37
Diesel (for transport)	tCO <sub>2</sub>	1	1	1
Refrigerant Gas <sup>6</sup>	tCO <sub>2</sub>	154	81	-
<b>Total Scope 1</b>	<b>tCO<sub>2</sub></b>	<b>197</b>	<b>121</b>	<b>38</b>

<sup>6</sup> Leaks include R22 refrigerant gas leaks and reference has been made to the source DEFRA, UK Government - GHG Conversion Factors for Company Reporting 2020, 2021 and 2022, which expresses its emission factor in terms of tco<sub>2eq</sub>. The difference between CO<sub>2</sub> and co<sub>2eq</sub> is minimal, since carbon dioxide makes up the majority of greenhouse gases; therefore, its value has been approximated.

GRI 305-2 Indirect Greenhouse Gas (GHG) Emissions (Scope 2), calculated according to location-based and market-based approaches <sup>7</sup>				
	u.m.	2020	2021	2022
<b>TCI Telecomunicazioni Italia S.r.l.</b>				
<b>Total Scope 2 location-based</b>	tCO <sub>2</sub>	856	874	812
<b>Total Scope 2 market-based</b>	tCO <sub>2</sub>	1.436	1.544	1.428
<b>Participated companies (ALLIX S.r.l. e ICT Intelligent Components Technology Zhuhai Ltd.)</b>				
<b>Total Scope 2 location-based</b>	tCO <sub>2</sub>	7.091	7.953	8.722
<b>Total Scope 2 market-based</b>	tCO <sub>2</sub>	7.092	7.954	8.722

<sup>7</sup> Scope 2: this category includes emissions (expressed in t of CO<sub>2</sub>) from electricity consumption. The reporting standard used (GRI Sustainability Reporting Standards 2016) provides for two different ways of calculating Scope 2 emissions: "Location-based" and "Market based". The "Location-based" approach provides for the use of a national average emission factor related to the specific national energy mix for the production of electricity (source of emission factors for Italy: ISPRA - National Inventory Report 2019, 2020 and 2021; source of emission factors for other countries: TERNA, International Comparisons, 2018 and 2019). The "Market-based" approach provides for the use of an emission factor defined on a contractual basis with the electricity supplier and that the purchase of renewable electricity with Guarantee of Origin Certificates does not result in greenhouse gas emissions calculated according to this approach. For all plants, due to the absence of specific contractual agreements with electricity suppliers, emission factors related to national "residual mixes" were used (source of residual mixes: AIB European Residual Mixes 2019, 2021 and 2022) where possible. For countries whose "residual mix is not available, the national average emission factors related to the specific national energy mix (TERNA, International Comparisons, 2018 and 2019) were used.

## Waste

All the data in the tables are updated to 31.12.2022

GRI 306-2 Special waste produced by the Organization divided by type and method of disposal, in tonnes									
	2020			2021			2022		
	Hazardous	Not hazardous	Total	Hazardous	Not hazardous	Total	Hazardous	Not hazardous	Total
<b>TCI Telecomunicazioni Italia S.r.l.</b>									
Recovery (including the energy recovery)	0,28	204	205	0,01	215	215	0,55	208	209
Disposal/Shredding	4	-	4	4	-	4	3,72	-	4
<b>Total</b>	<b>4</b>	<b>205</b>	<b>209</b>	<b>4</b>	<b>215</b>	<b>219</b>	<b>4,27</b>	<b>208</b>	<b>213</b>
<b>Participated companies (ALLIX S.r.l. and ICT Intelligent Components Technology Zhuhai Ltd.)</b>									
Reuse	0	70	70	0	0	0	0	0	0
Landfill	-	100	100	-	-	-	0	0	0
Recycle	-	-	-	-	0,076	0,076	0	0,297	0,297
Disposal/Shredding	9	-	9	31	-	31	0,046	0,297	0,343
<b>Total</b>	<b>9</b>	<b>170</b>	<b>179</b>	<b>31</b>	<b>0,076</b>	<b>32</b>	<b>0,92</b>	<b>0,594</b>	<b>0,686</b>



GRI 306-2 Waste WEEE produced by the Organization divided by type and method of disposal, in tons									
	2020			2021			2022		
	Hazardous	Not hazardous	Total	Hazardous	Not hazardous	Total	Hazardous	Not hazardous	Total
<b>TCI Telecomunicazioni Italia S.r.l.</b>									
Recovery (including energy recovery)	-	35	35	0,9	53	54	0	35	35
<b>Participated companies (ALLIX S.r.l. e ICT Intelligent Components Technology Zhuhai Ltd.)</b>									
Recycling	3	129	132	-	158	158	-	206	206
On-site transfer	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3</b>	<b>129</b>	<b>132</b>	<b>-</b>	<b>158</b>	<b>158</b>	<b>-</b>	<b>206</b>	<b>206</b>

### Suppliers

All the data in the tables are updated to 31.12.2022

204-1 Percentage of local suppliers and total annual expenditure towards local suppliers of the TCI Group						
Country/area of provenance	2020		2021		2022	
	% suppliers by Country	% total annual expenditure per country in euro	% suppliers by Country	% total annual expenditure per country in euro	% suppliers by Country	% total annual expenditure per country in euro
Abroad	25%	64%	25%	63%	25%	62%
Italy	75%	36%	75%	37%	75%	38%

## GRI Content index

Statement	Location	Omission
<b>GENERAL DISCLOSURES</b>		
GRI 2: GENERAL DISCLOSURES 2021		
2-1 Organizational details	10-12	
2-2 Entities included in the sustainability reporting of the organization	16-17	
2-3 Period of reporting, frequency and contact	104-105	
2-4 Restatement of information	106	
2-5 External assurance	19; 114-115	
2-6 Activities, value chain and other commercial relationships	22-23 ; 28-29; 36-37; 46-47; 88-89	
2-7 Employees	76 - 85	
2-8 Non-employee workers	106	
2-9 Governance structure and composition	18-19	
2-10 Appointment and selection of the highest governing body	18-19	
2-11 Chairman of the highest governing body	18-19	
2-12 Role of the highest governing body in monitoring impact management	18-19	
2-13 Delegation of responsibility for managing impacts	18-19	
2-14 Role of the highest governing body in sustainability reporting	18-19	
2-15 Conflicts of interest		N/A
2-16 Criticality communication	18-19	
2-17 Collective knowledge of the highest governing body		N/A
2-18 Performance assessment of the highest governing body		N/A
2-19 Rules concerning remuneration	36-37; 76; 85	
2-20 Procedure for determining remuneration	36-37; 76; 85	
2-21 Annual total earnings ratio		Disclosure 2-21 was not reported for confidentiality reasons. The Group has no public disclosure regarding remuneration and is not subject to any regulatory obligation.
2-22 Declaration on the sustainable development strategy	10-11; 26-29; 48-50; 96-103	
2-23 Commitment in terms of policy	42-43; 96-103	
2-24 Integration of policy commitments	26-29; 42-43; 96-97	
2-25 Processes to remedy negative impacts		N/A

Statement	Location	Omission
2-26 Mechanisms to request clarification and raise concerns	96-103	
2-27 Compliance with laws and regulations	38-39; 46-47; 76; 82-83	
2-28 Membership in associations	23; 31	
2-29 Approach to stakeholder engagement	30-31; 70; 78-79	
2-30 Collective bargaining agreements	37; 76; 85	
<b>MATERIAL TOPICS</b>		
GRI 3: MATERIAL TOPICS 2021		
3-1 Process of defining material topics	32-33	
3-2 List of material topics	33	
<b>ECONOMIC ASPECTS</b>		
GRI-200: ECONOMIC ASPECTS		
<b>ECONOMIC PERFORMANCE</b>		
3-3 Management of material topics	32-33	
GRI-201: ECONOMIC PERFORMANCE (2016)		
201-1 Directly generated and distributed economic value	36-37	
<b>SUPPLIER MANAGEMENT</b>		
3-3 Management of material topics	32-33	
GRI-204: SOURCING PRACTICES (2016)		
204-1 Proportion of expenditure to local suppliers	88-91; 110	
<b>ANTICORRUPTION</b>		
3-3 Management of material topics	32-33	
GRI-205: ANTICORRUPTION (2016)		
205-1 Transactions assessed for corruption risks	42-43	
205-2 Communication and training on anticorruption policies and procedures	42-43	
<b>ENVIRONMENTAL ASPECTS</b>		
<b>MATERIALS</b>		
GRI-300: ENVIRONMENTAL ASPECTS		
3-3 Management of material topics	32-33	
<b>ENERGY</b>		
3-3 Management of material topics	32-33	
GRI-302: ENERGY (2016)		
302-1 Energy consumed within the organization	96-101; 108-109	
<b>EMISSIONS</b>		
3-3 Management of material topics	32-33	
GRI-305: EMISSIONS (2016)		
305-1 Direct GHG emissions (Scope 1)	96-97; 100; 108-109	
305-2 Indirect GHG emissions from energy consumption (Scope 2)	96-97; 101; 108-109	

Statement	Location	Omission
<b>WASTE AND EXHAUSTS</b>		
3-3 Management of material topics	32-33	
GRI-306: WASTE (2016)		
306-2 Waste by type and disposal method	96-97; 102-103; 109-110	
<b>SOCIAL ASPECTS</b>		
GRI-400: SOCIAL ASPECTS		
<b>EMPLOYMENT</b>		
3-3 Management of material topics	32-33	
GRI-401: EMPLOYMENT (2016)		
401-1 New recruitment and turnover	78-79; 107	
<b>HEALTH AND SAFETY AT WORK</b>		
3-3 Management of material topics	32-33	
GRI-403: HEALTH AND SAFETY AT WORK (2018)		
403-1 Occupational health and safety management system	43; 82-83	
403-2 Hazard identification, risk assessment and accident investigation	82-85	
403-3 Occupational health services	43; 82-85	
403-5 Workers' health and safety training	43; 78-79; 82-85; 107	
403-8 Workers covered by an occupational health and safety management system	82-85	
403-9 Accidents at work	43; 83; 107	
<b>TRAINING</b>		
3-3 Management of material topics	32-33	
GRI-404: TRAINING AND EDUCATION (2016)		
404-1 Average annual training hours per employee	107-108	
<b>DIVERSITY AND EQUAL OPPORTUNITIES</b>		
3-3 Management of material topics	32-33	
GRI-405: DIVERSITY AND EQUAL OPPORTUNITIES (2016)		
405-1 Diversity in government bodies and among employees	18-19; 30-31; 42-43	
406-1 Discrimination and corrective measures adopted	80	
<b>QUALITY AND SAFETY OF PRODUCTS</b>		
3-3 Management of material topics	32-33	
GRI-417: MARKETING AND LABELLING (2016)		
417-1 Information and labelling requirements for products and services	47; 49; 71	
<b>RESPECT FOR PRIVACY</b>		
3-3 Management of material topics	32-33	
GRI-418: CUSTOMER PRIVACY (2016)		
418-1 Proven complaints about customer privacy breaches and customer data loss	72	

## 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 also the "Group") as of December 31, 2022.

### 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 the GRI – Global Reporting Initiative ("GRI Standards"), as stated in the paragraph "Reading guidance" of the Sustainability Report.

The Sole Director is also responsible, for such internal control as they determine 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 identification of the objectives related to the sustainability performance and for 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 financial data and information included in the chapter "Creation of shared value" of the Sustainability Report with those included in the Group consolidated 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 management 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 data and information to the department responsible for the preparation of the Sustainability Report.

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

- at the parent company's and subsidiaries' 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 evidences;
  - 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.
- with regards to TCI Telecomunicazioni Italia S.r.l. and TCI Elettromeccanica S.r.l., which we selected based on their activity, their contribution to the performance indicators at the consolidated level and their location, we carried out remote call conferences, during which we have met their 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 TCI Group as of December 31, 2022 is not prepared, in all material aspects, in accordance with the GRI Standards as stated in the paragraph "Reading guidance" of the Sustainability Report.

DELOITTE & TOUCHE S.p.A.

Signed by  
**Franco Amelio**  
Partner

Milan, Italy  
October 31, 2023

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

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