



# 2023 Sustainability Report







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# ITALIAN

# TECHNOLOGY

## 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 development.

We in TCI understood the environmental drama decades 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 calibration 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  
CEO





1

OUR  
COMPANY



# SUSTAINABILITY HIGHLIGHTS

<div>THE GROUP</div> <div>TURNOVER 174 M €</div>	<div>THE GROUP</div> <div>COMPANIES 3 subsidiaries 5 associate</div>	<div>THE GROUP</div> <div>LEADER IN THE LIGHTING MARKET  52% Europe 48% rest of the world</div>
<div>THE GROUP</div> <div>INNOVATION  We focus on innovation as the key to revolutionary market success for the benefit of the Planet.</div>	<div>ENVIRONMENT</div> <div>RIDUCTION IN GHG EMISSIONS  Scope 1: - 9% Scope 2: - 25%</div>	<div>ENVIRONMENT</div> <div>RECYCLING MANAGEMENT  Management of waste, production waste and end-of-life products, reducing them by 10% by 2022</div>
<div>ENVIRONMENT</div> <div>CONSUMPTION REDUCTION  Electricity: -25%  Natural gas: -46%</div>	<div>ENVIRONMENT</div> <div>VERTICAL FARMING  Igrox designs highly effective and robust LED systems with adjustable spectrum to help farmers optimise crop quality, yield and cost.</div>	<div>ENVIRONMENT</div> <div>IOT  Allix designs software and applications for controlling and managing installations remotely.</div>

<div>ENVIRONMENT</div> <div>ECO-PACKAGING  In 2023 we introduced a machine that reuses old cardboard packaging and, by shredding it, makes it useful as inner packaging.</div>	<div>ENVIRONMENT</div> <div>LIGHT CONTROL  We have developed dimming systems to reduce waste and consumption.</div>	<div>ENVIRONMENT</div> <div>SOLAR PANELS  With the establishment of TCI Energy, we started designing components, such as inverters, for the operation of photovoltaic systems.</div>
<div>PEOPLE</div> <div>238 employees</div>	<div>PEOPLE</div> <div>2464 training hours 2023</div>	<div>PEOPLE</div> <div>New Code of Ethics and Business Conduct</div>
<div>PEOPLE</div> <div>Health and Safety  Corporate Welfare</div>	<div>GOVERNANCE</div> <div>SDGS GOALS  TCI pursues the Sustainable Development Goals by fully integrating them into business practice.</div>	<div>GOVERNANCE</div> <div>PRODUCT WARRANTIES AND CERTIFICATIONS  36 month warranty, extendable to 7 and 10 years depending on use  PEP (Product Environmental Profile)</div>
<div>GOVERNANCE</div> <div>MANAGEMENT SYSTEMS  for quality (ISO 9001:2015), environment (ISO 14001:2015), data (cyber security) and risk (risk management).</div>	<div>GOVERNANCE</div> <div>LCA (LIFE CYCLE ASSESSMENT)  TCI has initiated the LCA methodology in order to quantify the environmental impact of some of its product families throughout their life cycle: from production to distribution, from use to disposal.</div>	<div>GOVERNANCE</div> <div>ETHICAL BUSINESS MANAGEMENT  Compliance with regulations and tax</div>



# 1.1 THE COMPANY

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 2023 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.

To this purpose in 2023 TCI Energy was born, specializing in the design and installation of photovoltaic systems equipped with inverters, which represent energy savings on the part of the user, as well as a strong incentive for the use of renewable energy, aimed at reducing environmental impact.

TCI, through Igrox, has also specialized in the field of biotechnology, designing and producing LED technologies for cultivation in controlled environments: these solutions enable higher yield and quality of crops and ensure their sustainability through the use of state-of-the-art technologies.

The company, aware of the growing global digitization, in collaboration with Allix, has also been able




to enter the IOT (Internet of Things) sector, developing extremely advanced remote control and remote management systems that can be applied in a variety of areas, as well as in production and infrastructure, since they can provide real-time information for 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.

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 consists of the parent company TCI Telecomunicazioni Italia S.r.l. and three direct subsidiaries. The parent company also holds interests in five additional associated companies, operating in China and Italy.

The company's registered office is in Saronno - Via Parma No. 14. We are also present with sales offices in Rome and Milan.

		
CORPORATE NAME	% OF OWNERSHIP	OPERATING LOCATIONS
TCI Telecomunicazioni Italia S.r.l.	-	Italy - Saronno
<b>DIRECT SUBSIDIARIES:</b>		
TCI ELETTROMECCANICA S.r.l.	95%	Italy - Trezzo sull'Adda
TCI America Inc.	100%	USA
TCI Africa (Pty) Ltd	80%	South Africa
<b>ASSOCIATED COMPANIES:</b>		
ICT Intelligent Components Technology Zhuhai Ltd.	31%	China
ITH International Technologies Holding Ltd.	40%	China
IGROX S.r.l.	29%	Italy - Saronno
ALLIX S.r.l.	20%	Italy - Saronno
TCI Energy	41%	Italy - Saronno





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

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



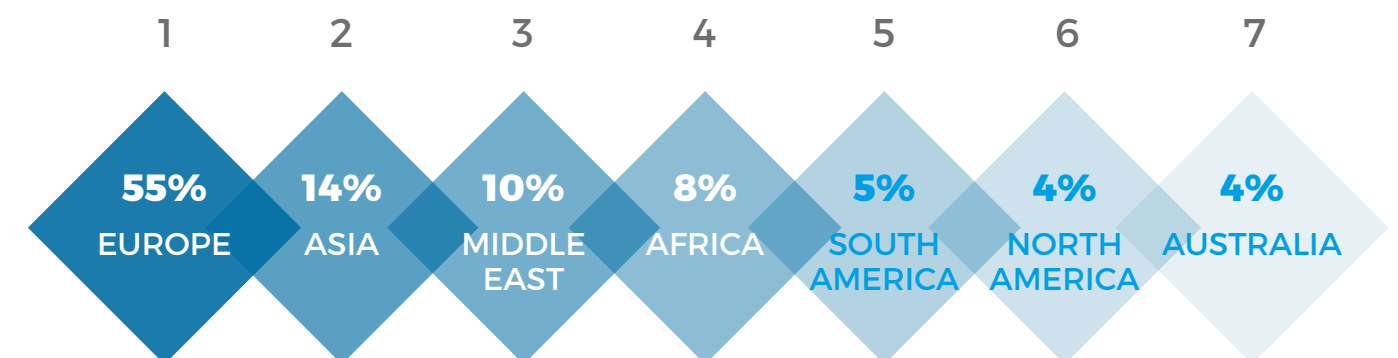
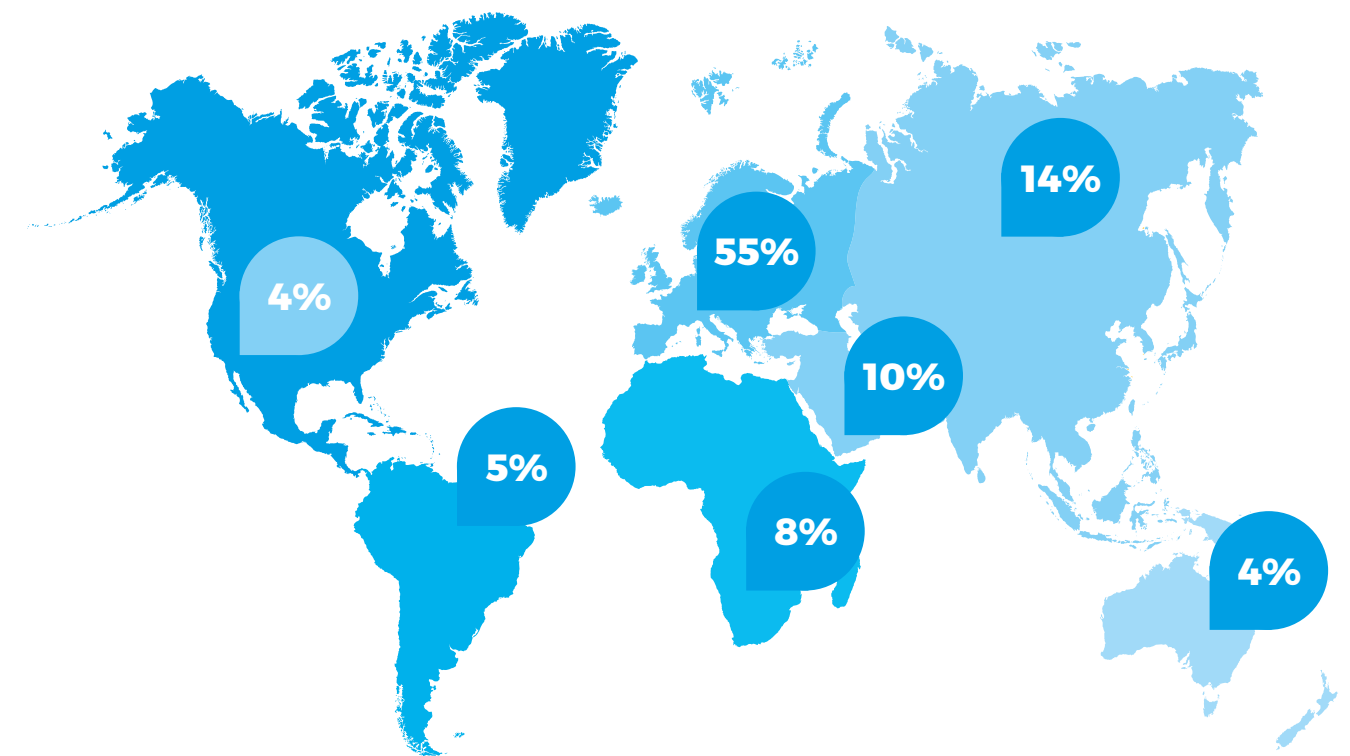
**TCI ENERGY** was founded to bring the experience of more than 40 years in manufacturing energy efficiency systems applied to the lighting industry to the photovoltaic industry as well. The range of products offered includes: inverters, storage batteries, optimizers, solar panels, protection interfaces, and UPS. The solutions offered are designed to meet all types of installations: residential, commercial, and large-scale systems.



**TCI Africa** TCI Africa is the result of a careful analysis of the needs of the African market and the desire to offer a widespread and highly specialized distribution service.

The main objective is to expand opportunities in the lighting sector in Africa, contributing to the expansion of the local and regional market by offering a diversified and constantly updated product portfolio capable of responding to the growing demand for innovative and quality solutions. The establishment of TCI Africa represents a technological bridge between the two continents.

## TCI AROUND THE WORLD



Percentages are based on TCI Groups' 2023 turnover.



## 1.2 OUR HISTORY

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, 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.

Our Company's commitment is to continue to grow especially by continuing to develop LED technology which, at a time of high energy cost the use of LED technology, which is highly sustainable due to its low impact on environmental pollution, will provide significant energy savings resulting in lower costs for the entire civil and industrial sector in the field of lighting and environmental sustainability.

IoT technology for years in continuous development and market demand now requires standardization. Currently, there are numerous IoT technologies on the market, based on the two main protocols (BLE, Wi-Fi) and with industry technical specifications and app development.

As far as the TCI (purely lighting) market is concerned to date there are proprietary applications, this implies that in a smart home or any application, even if the communication protocol used is the same, there is no interoperability between the various systems: the end user is bound to use different applications to fully manage the whole system.

The Matter protocol, developed on two protocols, namely, Wi-Fi and Thread was created to be able to provide interoperability between various systems without the use of proprietary apps, taking advantage of the apps and operating systems already available on our smart devices, such as Android and iOS.

It is clear that in the future IoT technology will definitely take a clear stand against wired systems, and that is why even the DALI protocol, which has been based for decades on a wired system and standardized according to vigorous standards has recently proposed its own wireless protocol DALI+, the latter of which exploits the Thread protocol and IP addressing for system management.

This new protocol is identical to the existing one, so all commands standardized in the past remain the same, with the only difference being that transmission will take place without a wired system, bus. By keeping the same controls without varying the commissioning protocol such a technology turns out to be an advantage for the installation companies, all the people trained and in charge of installations by their companies won't need any training. The advantage of this new technology lies in its versatility, in fact all existing and continuously developing wired DALI systems will still be able to coexist with the DALI+ protocol, conversely DALI+ systems can be integrated with wired DALI systems.

## 2023-2024 ▲

- Photovoltaic systems
- VLC (Visible Light Communication)
- Matter
- Dali +

## 2022-2023 ▲

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

## 2016-2022 ▲

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

## 2010-2016 ▲

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

## 1990-2010 ▲

- Mechanical, electronic transformers (halogen lamps)
- Electronic and mechanical ballasts (fluorescent lamps)
- HID reactors (iodide lamps)

## 1982-2002 ▲

VHF antennas, amplifiers, filters and controllers



# 1.3 OUR VALUES

TCI conducts its activities according to the principles of reliability, trust and transparency, complemented by innovation, courage, dynamism and quality: all key elements of our success. Business decisions and day-to-day activities are pursued under the banner of our values, which guide and support us in the creation of shared value, with a view to increasing “Stakeholder Engagement” and environmental sustainability.



RELIABILITY

*We are the company you can trust.*

TCI bases its credibility and success on the ethically responsible management of all its activities, in full compliance with the values of fairness, integrity and transparency.



QUALITY

*We put quality first.*

Quality of our products: innovative, high-performing, reliable and complying with the strictest international safety standards. Quality of our service: customer focus, pre- and post-sales technical and commercial support, wide range of product certifications for distribution in different countries.



TRUST AND  
TRANSPARENCY

*We establish strong relationships with our stakeholders.*

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



COURAGE

*Courage guides our actions.*

Thanks to this virtue, we have become trailblazers in our industry, overcoming existing limitations and challenging ourselves in highly challenging projects to achieve increasingly innovative products that support environmental sustainability.



RESPONSIBILITY

*We act for the well-being of people and the environment.*

We strive every day to design and develop more and more efficient, high-performance and eco-sustainable solutions to reduce consumption for the benefit of the environment and the community.



INNOVATION AND  
DYNAMISM

*We shape innovation.*

TCI is a dynamic, enterprising, flexible partner focused on continuous improvement to create ever more efficient and high-performance solutions.



PURSUIT  
OF EXCELLENCE

*We empower the light of the future.*

We are committed to continuous improvement, to be ready to meet the challenges of ever-changing markets.



COLLABORATION

*Together toward a common goal.*

We believe in teamwork, collective mindset, inclusion, sharing, and connecting different skills, aspirations, and competencies.





# 2

GOVERNANCE



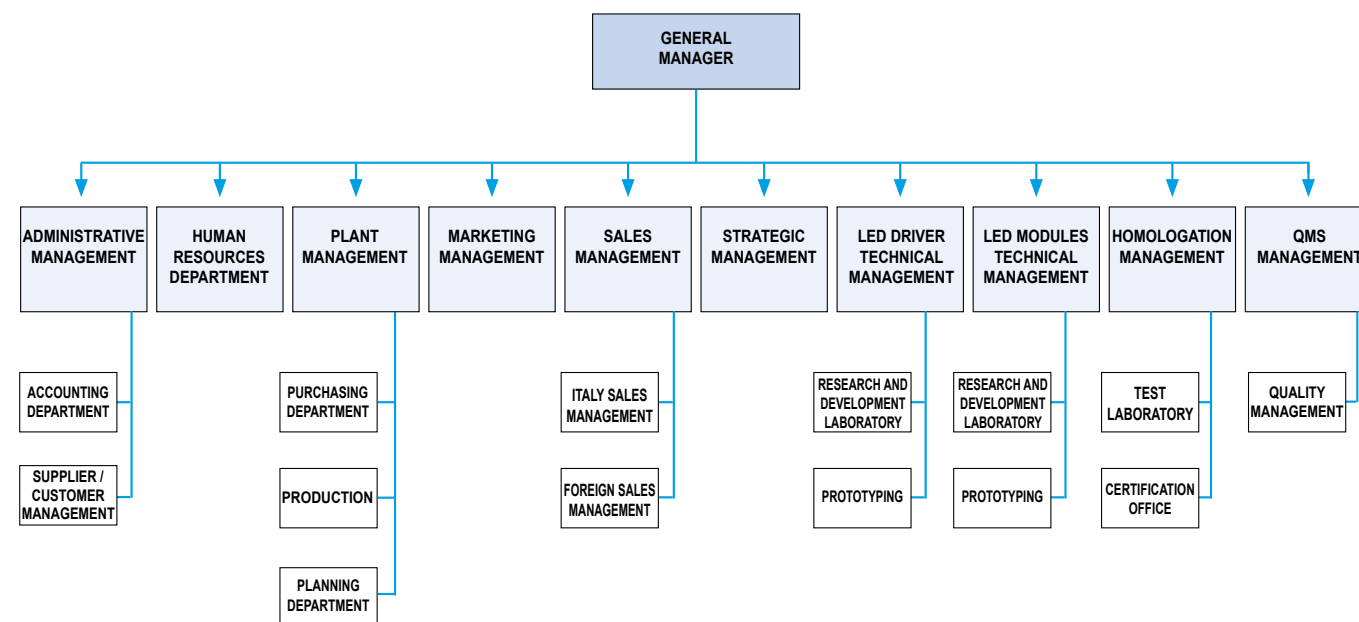
## 2.1 CORPORATE GOVERNANCE

The corporate governance structure is based on a traditional organizational model and consists of the following bodies:

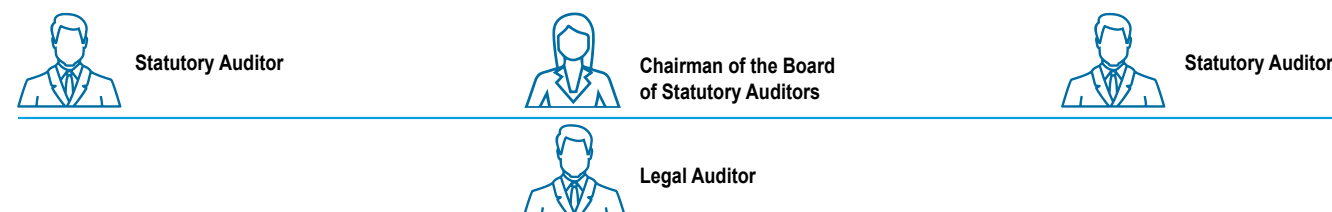
- shareholders' assembly, a body that represents the interest of the generality of the corporate body and is responsible for making the most important decisions for the life of the company, appointing the administrative body, approving the budget and amending the bylaws;
- sole director;

- board of directors;
- statutory auditor.

The sole director plays a central role in the company's organization. He or she has the functions and responsibilities for strategic and organizational guidelines and holds, within the scope of the corporate purpose, all the powers that by law or by the bylaws are not expressly reserved for the shareholders' meeting and this in order to provide for the ordinary and extraordinary administration of the company.



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.



TCI - Saronno



## 2.2 CREATION OF SHARED VALUE

We are aware of the important role that the TCI Group has assumed over the years within the communities in which it operates, as a promoter of economic growth and improved living conditions.

For this reason we are strongly oriented toward the creation of shared value with our stakeholders.

With them we establish relationships of trust based on the principles of good faith, fairness, integrity and transparency, in compliance with the law and regulations issued by the Supervisory Authorities, distributing the wealth generated among the main entities that have contributed to its production.

The TCI Group ended fiscal year 2023 with a turnover of € 174,861,230.

This excellent result was achieved thanks to an effective purchasing and production management strategy, which made it possible to cope with the exponential increase in demand for our products. The management performance during 2023 was in terms of turnover positive returning to the levels of returns and results achieved in the pre-pandemic period in line with what was also the performance of previous years.

The positive turnover achieved during 2023 is relat-

ed to the introduction and expansion of the product range in the world of LED lighting and LED lighting control, which are having a decisive diffusion in the field of lighting at the expense of the mechanical product this has generated a sudden change in the demand for electronic products over mechanical ones reason why our company has had to and is adapting to the new market demands. In addition to this, our Company is working on new projects related to rowless-wireless lighting which will be the future in the world of electronics.

The reclassification of the income statement below represents the value generated and distributed by the TCI Group, which expresses in monetary terms the relationship between TCI and the relevant socio-economic system, measuring the economic impact and the ability to create and distribute wealth among the main categories of stakeholders. In 2023, the directly generated value is €189,197,000.

More than 90% of the generated value, amounting to € 173,011,000, was distributed to our internal and external stakeholders.

Also in the year 2023, as in previous years, the largest part of the distributed value, amounting to 57%, was allocated to the remuneration of suppliers, emphasizing the importance of our supply chain for the continuity of our business and the quality of our products.

The remaining part was allocated to staff remuneration of 4 percent, lenders' remuneration of 2 percent, and public administration remuneration of 1 percent.

DIRECTLY GENERATED  
AND DISTRIBUTED  
ECONOMIC VALUE\*



■ Suppliers  
■ Employees  
■ Lenders  
■ Public Administration  
■ Community

DISTRIBUTED  
AND RETAINED  
ECONOMIC VALUE\*



■ Distributed economic value  
■ Retained economic value

\* Data updated to 31.12.2023

thousand euro	2021	%	2022	%	2023	%	Variation 2022-2023
Value distributed to suppliers	185.747	92,1%	253.755	93,6%	153.675	56,7%	-39%
Remuneration of employees	10.447	5,2%	11.409	4,2%	11.506	4,2%	1%
Remuneration of investors	186	0,1%	2.227	0,8%	4.433	1,6%	99%
Remuneration of the Public Administration	5.107	2,5%	3.295	1,2%	2.722	1,0%	-17%
Remuneration of the Community	142	0,1%	345	0,1%	675	0,2%	96%
Economic value distributed	201.629	90,1%	271.031	91,1%	173.011	91,4%	-36%
Retained economic value	22.145	9,9%	26.471	8,9%	16.186	8,6%	-39%
Economic value directly generated	223.774	100,0%	297.502	100,0%	189.197	100,0%	-36%



## 2.3 BUSINESS ETHICS AND COMPLIANCE

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



### REGULATORY COMPLIANCE

Aware of how important integrity in business conduct is to 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 expected to abide by, which explicitly refers to issues such as respect for fundamental human rights, equity and diversity, prevention of child exploitation and forced labor, harassment in the workplace, corruption, ensuring health and safety in the workplace, and protection of sensitive data.

Confirming TCI's commitment to non-discrimination, the personnel selection process is conducted by objectively assessing the candidate's competencies without regard to his or her strictly personal characteristics. The recruiting process is governed by the current Internal Policy, as are the personnel evaluation, training and reward processes. In fact, the company constantly works to ensure that its employees, collaborators and people working in

the Group's plants and offices have fair and non-discriminatory safe workplaces.

TCI promotes the spread of the culture of legality and fairness of behavior as indispensable elements for the proper function of the company and compliance with the principles of business ethics, which include anti-corruption. The TCI Group rejects and combats all forms of corruption, adopting a zero-tolerance approach to it and conducting its activities in accordance with the highest professional and ethical standards in the international context in which it operates. To better define the principles adopted in the fight against active and passive corruption to ensure the health of the economic system in which we all operate, TCI has a Code of Ethics and Conduct and a number of supporting practices, such as dual signatures on purchase orders of substantial amounts.

The Group provides several channels through which one can report, confidentially and confidentially, potentially inappropriate conduct, misconduct or alleged violations of the principles expressed in the Code of Ethics and Conduct, company policies and procedures, and, in general, potential violations of laws or regulations, always guaranteeing full respect for the privacy of the reporter and the absence of retaliation against him or her. In addition to ordinary mail and/or verbal reports to one's direct supervisor or the Human Resources Department, since 2022 the TCI Group has introduced a whistleblowing system, which can be accessed through a digital platform, flanked by a dedicated policy. In 2023, no cases of the Group's non-compliance with laws or regulations were found.



### TAX COMPLIANCE

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

tax compliance and approach has always been guided by transparency and legality. TCI conducts its business activities in full compliance with applicable tax laws in order to adequately meet the expectations of its stakeholders, while also contributing, always in compliance with the law, to the sustainable development processes of the countries and communities in which it operates.

RESPECT OF HUMAN RIGHTS	Commitment to respect universal human rights, such as dignity, equality, freedom of expression and the prohibition of discrimination.	Whistleblowing Individual training (language and technical courses)
FAIR TREATMENT AND RESPECT FOR DIVERSITY	Promoting an inclusive and diverse working environment, adopting policies to combat all forms of discrimination	<b>Office Employees (79)</b> - Men: 60% - Women: 40% <b>Manual workers (156)</b> - Men: 33% - Women: 67% <b>Protected categories (11)</b> Aid for young workers/workers (part-time working, 10 days of parental leave)
INTEGRITY AND ETHICAL BEHAVIOUR	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)
HEALTH AND SAFETY AT WORK	Ensuring a safe and healthy workplace. Promoting procedures to reduce occupational accidents and diseases.	Adoption of security protocols (DVR Dlgs 81/08). Periodic medical examinations Agreements with health facilities Safety at work courses (2464 hours in 2023) Hazard warning signs No. accidents at work: 1 in 2023
SOCIAL AND SUSTAINABLE RESPONSIBILITY	Commitment to reducing environmental impact through sustainable practices	Reduction of electricity, natural gas and heating consumption. Waste reduction. Packaging reduction and reuse. More efficient lighting. EFC certified recycled paper
LEGAL AND ADMINISTRATIVE CONFORMITY	Compliance with applicable laws, regulations and regulations in the areas in which we operate.	Activities carried out in compliance with national and European laws
PRIVACY AND DATA PROTECTION	Protection of the confidentiality of company and personal data of employees and customers and prevention of unauthorized disclosure of sensitive information.	IT internal Access with two-factor uthentication Cyber Security course Privacy



## 2.4 THE NEW CODE OF ETHICS AND CONDUCT

The TCI Group explicates its values through an ongoing dialogue with stakeholders and through a series of formal policies and documents.

The Code of Ethics aims to outline the fundamental principles, standards of behavior, and responsibility that the Group recognizes, respects, and embraces as core values of its business activities. It relates to the conduct of and by employees, third parties and, in general, all of the company's stakeholders, offer-

ing guidelines that can effectively establish what the TCI Group expects globally in the context of labor, collaborative and business relationships.

In 2023, revision work was carried out that resulted in the publication of the new Code of Ethics and Conduct, edited by a working table composed of internal company resources and approved by the bodies having legal representation of TCI Telecomunicazioni Italia Srl.

The new Code of Ethics and Conduct, in Section II, defines the objectives and recipients of the document, and outlines the Group's core values in various principles and general rules of conduct, and then highlights how violations and reporting mechanisms are handled, through the application of a system of sanctions.

In Section III it outlines the criteria for conduct with all its stakeholders, regulating their relationships, and especially with employees, customers and suppliers, but also with the public administration, the judicial authority, the market and the community. The purpose of this document is to invite people in the company not only to think about an ethically responsible future but also to outline it in accordance with the Group's values, tradition and identity, helping to make daily choices with unity of purpose. Particular attention is paid to the recognition

and promotion of fundamental human rights, such as freedom of individuals, equality, dignity, protection of labor, health and safety, as well as the set of values and principles related to environmental and sustainable development. In this regard, the Group operates in compliance with the provisions established by institutions and set out in international declarations and expects its employees, customers, suppliers, partners and all other stakeholders to act in accordance with these principles: compliance with the Code of Ethics and Conduct depends on people's behavior.

Code of  
**ETHICS**





## 2.5 MANAGEMENT SYSTEMS

TCI adopts management systems to improve business performance in relation to the topics:

### QUALITY

TCI adopts the quality management system certified according to UNI EN ISO 9001:2015. The system is applied and focused on continuous improvement of products, processes and service quality, resulting in improved productivity, performance and customer satisfaction level. This results in obtaining a competitive advantage in the market.

### ENVIRONMENT

TCI adopts the quality management system certified according to UNI EN ISO 14001:2015. The environmental management system in addition to facilitating proper compliance with environmental regulations by providing companies with useful tools for the constant maintenance of legislative compliance, improvement and reduction of environmental impacts identified in the environmental analysis and the drafting of a specific Environmental Policy. This results in greater efficiency and in the face of lower direct and indirect environmental costs and a consequent competitive advantage.

### DATA SECURITY

TCI considers data security and protection to be essential elements that help define the integrity and reliability of its partnerships with stakeholders. Therefore, it is committed to protecting and safeguarding the data it processes through a structured management system characterised by confidentiality, integrity, availability and resilience. All data stored on its servers are backed up on a daily basis to ensure their continuous availability and to minimise the system recovery time in case

of failure. The backup is carried out on two different Data Processing Centres, using both hard disks and magnetic disks, to guarantee maximum security and reliability.

The company's servers are also protected by firewalls and the providers of data protection and security services are all certified. Storage facilities are redundant in order to guarantee system resilience.

A Data Protection Officer (DPO) has been appointed to oversee this issue. He keeps abreast of regulatory developments, drawing on the support of an external law firm with which he plans improvements to complement what has already been developed, and then monitors its implementation. TCI's Disaster Recovery Plan is constantly updated and procedures are also in place to regularly test, verify and assess the effectiveness of the technical and organisational measures adopted to ensure the optimal functioning of the company's data protection and security system. Employees are adequately informed and involved in any changes to ensure optimal data protection.

During 2023, there were no incidents of data breaches and infections with viruses or malware, thanks to the effective integration of authentication and authorisation policies, the careful monitoring of the company network perimeter, the thorough and real-time monitoring of internal data flow and application activity, and the active participation of all office staff in a Cyber Security Course held at TCI headquarters. During the reporting period, there were no substantiated complaints regarding breaches of customer privacy and loss of customer data.





## 2.6 RISK MANAGEMENT

Due to the profile of its business, the TCI Group is potentially exposed to different types of risks and mainly to competitive-regulatory risks, risks from natural events and climatic variations, financial market risks, operational and environmental risks, Information Technology and Human Resources risks. In order to preserve value creation and ensure the achievement of objectives, the TCI Group adopts an organisational structure that appropriately and consciously manages the exposure and propensity to risk arising from its business. Top management plays a fundamental role in risk management activities and is called upon to set out the medium-long term vision of the Group's risk profile, defining the areas of intervention and actions to mitigate the main risks to its business.

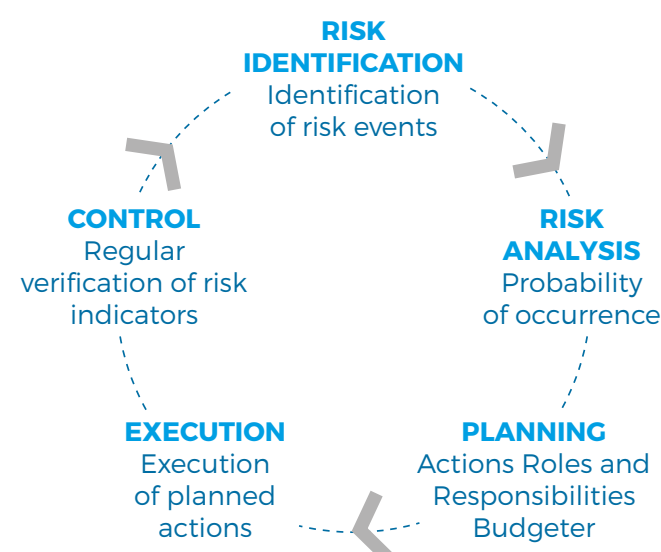
Corporate risk management is carried out through three fundamental pillars:

- 1) a governance system that, through the definition of roles and responsibilities, approves risk limits and risk management policy;




- 2) a methodology for measuring risk exposure and setting risk limits; and
- 3) a process for monitoring and managing risks and actions to mitigate their impacts.

In fact, the Group has put in place a series of analysis and monitoring activities, carried out by each corporate function, with the aim of assessing and dealing with the risks of the entire organisation in an integrated logic, in order to guarantee management the necessary information to make the most appropriate decisions for the achievement of strategic and business objectives, for the safeguarding, growth and creation of corporate value.

TCI, in defining its management system, considers internal and external factors relevant to its goals and strategies and binding for stakeholders, taking them into account when identifying risks. Managing risks in a systematic way allows management to reduce the probability of negative impacts and increase the likelihood of seizing opportunities that otherwise would not have been identified.



Below the types of risks assessed by TCI:

<b>BUSINESS ACTIVITIES</b> 	<p>While carrying out typical business activities, one may incur risks that may impair their proper functioning:</p> <ul style="list-style-type: none"> <li>- operational risks: related to the efficiency of processes and the quality of products offered;</li> <li>- strategic risks: related to the degree of success of business strategies;</li> <li>- financial risks: liquidity, credit and market risks;</li> <li>- compliance risks: related to non-compliance with laws and regulations, with economic and image repercussions.</li> </ul>
<b>SUSTAINABLE SUPPLY CHAIN</b> 	<p>Risks along the supply chain have different impacts:</p> <ul style="list-style-type: none"> <li>- country risk: socio-economic context of the countries where the various stages of the production process take place (economic and geopolitical situation);</li> <li>- financial risk: financial soundness of the supplier;</li> <li>- supplier risk: level, quality and solidity of the relationships established;</li> <li>- natural risk: disastrous natural events to the supplier's detriment that may interrupt business activities;</li> <li>- compliance risk: compliance with European regulations and new regulations on sustainability.</li> </ul>
<b>PEOPLE DEVELOPMENT, WELFARE AND RETENTION</b> 	<p>The risk linked to the social sphere consists of two dimensions interconnected with each other:</p> <ul style="list-style-type: none"> <li>- attractiveness to new candidates and turnover, particularly among the new generations, which are increasingly demanding in terms of work-life balance;</li> <li>- reputational risk linked to a limited number of women in managerial positions, which could indicate a low propensity for diversity and inclusion</li> </ul>
<b>HEALTH AND SAFETY</b> 	<p>Health and safety risks are those that can have the greatest operational, economic and reputational impact on a company. They originate from issues related to the healthiness of the working environment and the health and safety of employees, in order to avoid the occurrence of accidents and illnesses.</p>
<b>CLIMATE CHANGE</b> 	<p>Climate change is a source of risk for several types of impact, both generated by the company on the environment and suffered. Extreme weather events, which are becoming more and more frequent, result in physical damage to property, with the consequent slowdown or stoppage of production, also along the supply chain, and infrastructural damage, with the consequent slowdown of the logistics chain. The demand for concrete actions by companies to mitigate these impacts is reflected in increased regulations on reporting and reducing emissions.</p>
<b>TECHNOLOGICAL DEVELOPMENT</b> 	<p>Increasing R&amp;D and product and process innovation have driven companies and consumers to seek ever higher technological standards, which are also correlated with increasing complexity. This translates into the risk of technological obsolescence (planned and perceived), which could result in a loss of competitive advantage and market position for the manufacturing company.</p>



## 2.6 OUR STRATEGIC PARTNERSHIPS

We consider it of fundamental importance to establish and maintain solid relations with all our stakeholders, which are characterised by maximum co-operation and transparency. In this way, we ensure the stability and reliability of the TCI Group, as well as 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 at the forefront of new trends and market developments.

Progress comes from collaboration, from the coming together of ideas and insights, which is why we maintain fruitful exchanges with the academic world and actively participate in industry initiatives and associations such as ASSIL, the National Association of Lighting Manufacturers, of which we have been a member since 2008.

### ASSIL

ASSIL - Associazione Nazionale Produttori Illuminazione (National Association of Lighting Manufacturers) - groups together companies manufacturing luminaires, electrical components for lighting, light sources and LEDs, operating on the Italian market. ASSIL companies, with a global turnover of 2.9 billion €, represent over 65% of the total Italian turnover in the sector and employ over 8,000 people.

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

Through training and technical dissemination activities, assistance and advice on the regulations and

legislation governing the sector, ASSIL creates and promotes a culturally advanced ecosystem for a membership base of companies and professionals prepared first and foremost in terms of knowledge, in order to support a process of qualitative and performance improvement of the products placed on the market.

In carrying out its mission, ASSIL offers its member companies high added value services capable of ensuring constant and punctual updates on the issues of greatest interest to companies in the sector. Considerable attention is dedicated to regulatory and legislative evolution, which the Association, thanks to a totally dedicated Technical Area, follows at national and international level throughout the various stages of development, enactment, transposition and application.

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







3

OUR COMMITMENT  
TO SUSTAINABILITY



## 3.1 TCI FOR A BRIGHTER WORLD

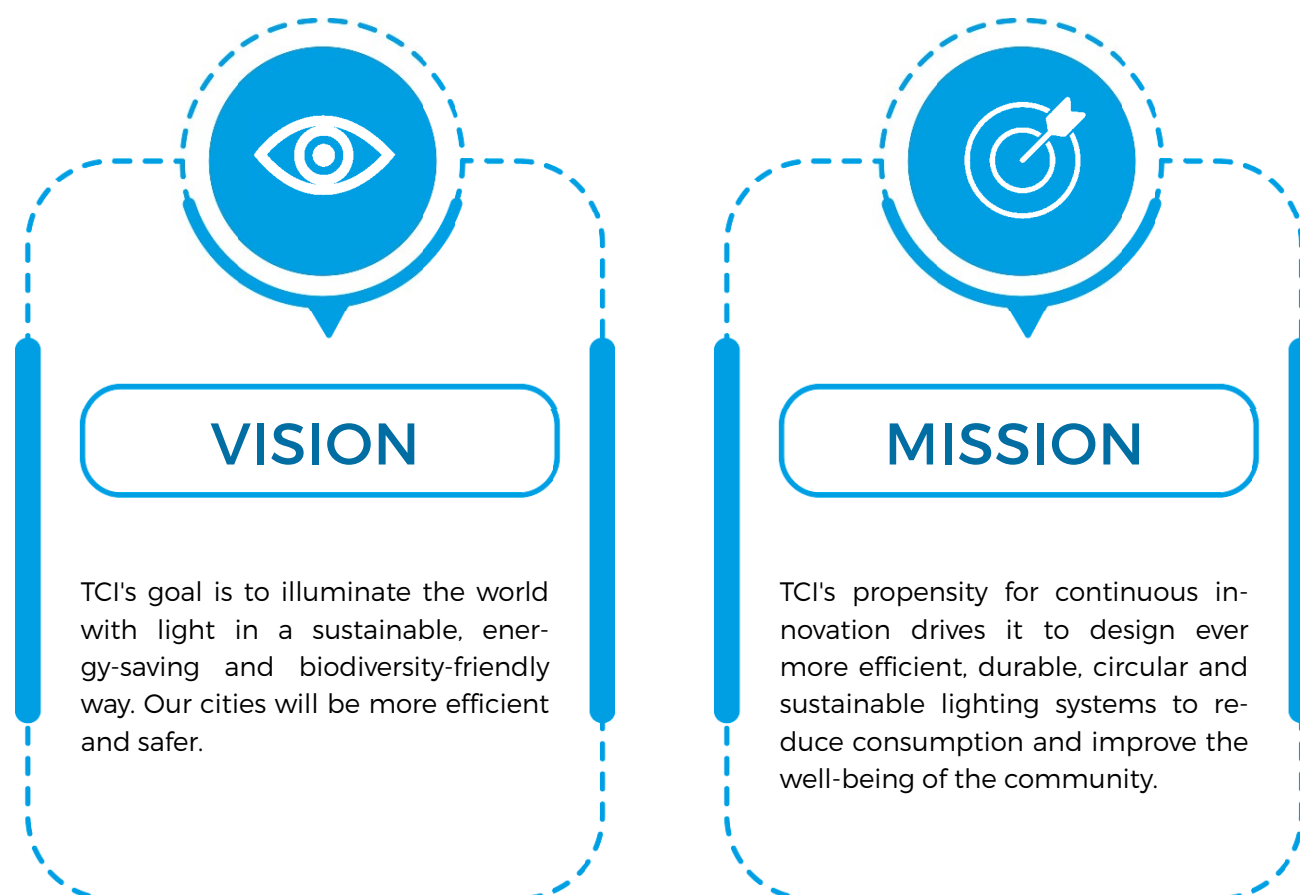
More and more people want a different world, a better, more environmentally friendly, healthy and efficient world. TCI wants to contribute to this 'green' turn, combining sustainability with innovation and economic growth.

TCI's commitment is aimed at guaranteeing, with a concrete and constant commitment, the reduction of the impact of its activity on the environment, promoting and developing sustainability through virtuous behaviour. Only through full respect for the environment can value be created and sustained in

the long term.

All our activities are aligned with our clear and far-sighted goals, mirroring our vision, are integrated into our medium- and long-term plans, and set the guideline for our increasingly 'green' operations. It is through our daily actions that, step by step, we want to leave our sustainable footprint for the benefit of the environment and the community.

We will continue to invest in a better, more sustainable future, using state-of-the-art technology to safeguard the planet.... for a brighter world ...



## 3.2 OUR ESG STRATEGY

In 2023, the TCI Group has pursued and implemented an ambitious medium- to long-term business plan that is strongly rooted in the centrality of ESG issues, thus focusing on environmental, social and corporate governance aspects. Through this plan, TCI aims at an integrated and sustainable corporate approach that generates growth and innovation.

Environmental and social sustainability and good governance issues guide the company and its daily operations. In fact, ESG principles are consistent with the value system of the corporate governance structure and the management team and are based on an ethical motivation characterised by respect for the environment, people, territory and regulations. The Group intends to seize the new "sustainable

business" opportunities that have emerged in the dynamic market context in which it operates, such as the creation of 'eco-friendly' products capable of guaranteeing an efficient use of electrical resources, reducing consumption, and the design and diffusion of photovoltaic systems and solar panels capable of transforming solar energy into electrical energy, which will be one of the main drivers of market growth in the coming years.

The Group is also aware that redefining its business model from a sustainable perspective necessarily requires a push for innovation in several areas, in order to include all ESG issues in its activities. In fact, TCI's commitment is to confirm itself as a market leader by increasing the value of the company in a secure and lasting way.



### ETHICS

The ESG principles are consistent with the value system of the corporate governance and management team. These guide decisions, daily actions and the entire business activity.



### INNOVATION

Innovation is the distinctive key to the 'green' turn: it enables the development of more efficient solutions with less impact on the environment, for real "eco-sustainability".



### MARKET

The ESG strategy represents a competitive advantage in the market, which is increasingly oriented towards environmental and social sustainability and good governance.



### VALUE

Acting according to ESG principles, in a sustainable manner, involves the creation of shared value. Economic value, but above all value to the environment and to people.



# TCI RECOGNISES THE IMPORTANCE OF THE UN SUSTAINABLE DEVELOPMENT GOALS

ESG (Environmental, Social, Governance) logics are grounded in an important guideline of the 'sustainability story': **the 2030 Agenda**.

It is a programme signed on 25 September 2015 by the members of the UN General Assembly, which is expressed in 17 global goals for sustainable development.

The qualifying factors of this plan represent the starting point of a path towards greater awareness of sustainable development issues, inspiring the strategies and ways in which sustainability is being implemented in states, organisations and companies.

TCI, in line with **the Agenda 2030** programme, 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 corporate 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 aim to do as part of a structured path to integrate sustainability into all business practices and daily activities, in order to contribute to sustainable development.

This document is also an opportunity to improve and strengthen the dialogue with all our stakeholders to whom we transparently communicate our performance, actions and goals, as we are aware that the implementation of **the 2030**

**Agenda** is a comprehensive commitment of all parts of society. Only through an integrated approach and concrete measures will we be able to sustainably develop economic growth, social inclusion and environmental protection.

	TOPIC	SDGs	TCI COMMITMENT
ENVIRONMENT	CLIMATE ACTION		TCI is committed to reducing consumption, emissions and waste through a strategic plan to optimise energy efficiency and recycling. Through constant research, TCI develops products and solutions to help its customers reduce energy consumption.
	CLEAN AND AFFORDABLE ENERGY		TCI pursues the goal of energy efficiency through the adoption of company lighting control systems and the installation of photovoltaic systems.
	CLEAN WATER AND HYGIENE		TCI, in carrying out its activities, is committed to respecting global water resources and preventing the release of chemicals into the subsoil.
	SUSTAINABLE CONSUMPTION AND PRODUCTION		TCI is committed to reducing consumption from its production activities through the use of advanced technology, state-of-the-art machinery, recyclable packaging and an efficient waste management plan.
	INDUSTRY, INNOVATION AND INFRASTRUCTURE		TCI invests in the development of innovative, high-performance, quality and reliable products for its customers. TCI has implemented insulation works in the entire building and the installation of insulating windows to improve energy efficiency.
SOCIAL	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 recharging. TCI is ISO 14001:2015 and ISO 9001:2015 certified.
	GOOD HEALTH AND WELL-BEING		TCI ensures health and safety in the workplace through a programme aimed at preventing accidents and illness, including by offering regular medical examinations.
	QUALITY EDUCATION		TCI ensures the training and continuing education of its employees through technical, legislative and language training courses.
GOVERNANCE	GENDER EQUALITY		TCI, through its Code of Ethics and Conduct, guarantees and promotes the pursuit of the principles of equality and social equity.
	WORK DIGNITY AND ECONOMIC GROWTH		TCI guarantees full compliance with the law, the relevant CCNL, internal regulations and the Code of Ethics and Conduct by internal and external stakeholders.
	PEACE, JUSTICE AND STRONG INSTITUTIONS		TCI is committed to full compliance with its Code of Ethics and Conduct in order to counter all forms of abuse, violence and malfeasance and to promote fairness, transparency and clarity in business.
	PARTNERSHIP FOR THE GOALS		TCI cooperates with national and international institutions and organisations in the pursuit of economic, social and environmental objectives.





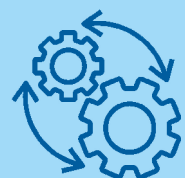
## OUR STRATEGY

TCI pursues a strategic plan to maximise energy efficiency throughout the product life cycle, according to the LCA methodology, in order to reduce environmental impact and create shared value with its stakeholders.



## OUR OFFER

TCI designs and manufactures quality, reliable, durable, efficient and certified energy-efficient LED drivers and modules. This helps reduce the overall energy consumption of products by end-users and promote a more sustainable use of resources.



## OUR ACTIONS

TCI adopts a responsible sourcing policy, preferring materials that have a low environmental impact, are sustainably sourced, recycled and recyclable at the end of their life cycle.

Material consumption is reduced through ecodesign and product miniaturisation and increasingly eco-friendly production processes.

TCI constantly monitors its consumption, emissions and waste, with the aim of optimising the use of energy resources and recycling practices.



## OUR RESOURCES

Innovation and dynamism, courage and ambition, high training, passion and sharing of common goals are the core values of TCI's human resources, as well as its strength. Trust and transparency constitute the basis and guarantee of solidity of the relationship with its stakeholders, with whom TCI has established solid channels of communication, in full compliance with its Code of Ethics and Conduct.



## OUR SUCCESSES

TCI adopts state-of-the-art monitoring systems to assess the impact of its activities, as well as that of its sustainability initiatives, and to track progress in reducing its environmental impact.

Annually, through the publication of the Sustainability Report, it transparently communicates its objectives, measures taken and results achieved to stakeholders.



TCI - Saronno



## 3.3 MATERIALITY ANALYSIS

Materiality analysis is an important factor in implementing the sustainability process in TCI's business operations.

It allows us to identify priority issues, so-called material issues related to ESG factors, i.e. environmental, social and related to 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 has been conducting an annual 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 Themes' that impact on the environmental and social dynamics most relevant to its stakeholders, as they influence their opinions and choices and, consequently, affect the TCI Group's strategic choices and performance.

In conducting the materiality analysis, TCI, as in the previous year, adopted a methodological approach in line with the latest GRI Universal Standards 021, which includes the concept of due diligence and reinforces the concept of impact, specified as positive or negative, actual or potential business impact, in order to paint a complete picture of business risks and long-term value creation. TCI, as outlined by GRI 3 - Material Topics 2021, has identified the most significant impacts that its business has or could have on the economy, the environment and people, including impacts on human rights.

Through this approach and taking into consideration the context, activities carried out and TCI's business relationships, the most significant material top-

ics have been identified and assessed, which reflect the company's actual and potential impacts in relation to ESG factors, including impacts on human rights (impact materiality).






The materiality analysis process in relation to the 2023 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 the possible material topics considered to be of greatest importance for TCI. In this phase we proceed with the identification of the nature of actual and potential, negative and positive, short and long term, predictable and non-predictable, reversible and irreversible impacts on the economy, environment and people, including impacts on human rights, deriving from TCI's activities and its business relations established throughout the supply chain.
- 2) The list identified during phase 1 was sorted by importance through a quantitative and qualitative analysis by means of one-to-one interviews with members of top management, who were asked to assess the combination of the severity of the potential impact with the likelihood of occurrence of the risk in question and to express their judgement on the issues also from the perspective of their stakeholders.
- 3) The results of the evaluations were processed to identify the issues with the highest score and deemed most relevant.
- 4) The 2023 Materiality Matrix was drawn up, approved and communicated internally.

## MATERIALITY MATRIX

From the analysis of the 2023 Materiality Matrix, the following themes emerged as most relevant:

1. Environmental sustainability
2. Innovation
3. Product quality and safety
4. Occupational health and safety
5. Business ethics and integrity

SDG	Material topic	Impact	Type of impact	Significance of the impact	Group actions
	Environmental sustainability	- Greenhouse gas emissions - Resource consumption - Waste	Current negative	■■■	- ISO 14001:2015 - process efficiency - building insulation - waste disposal - recycled and recyclable packaging
	Innovation	Trade in products made from non-recyclable materials	Current negative	■■■	- circular economy and LCA - ecodesign and miniaturisation - use of recycled/recyclable materials - end-of-life product recyclability
	Product quality and safety	Trade in products that do not comply with safety standards	Current negative	■■■	- continuous research and development - EPD-PEP ecopassport certificate - 7/10-year warranty - after-sales service
	Health and safety at work	Improved quality of work of employees	Current positive	■■■	- dedicated training courses - safety devices - DVR (Risk Assessment Document) - stress risk assessment - regular medical examinations
	Business ethics and integrity	Transparency, trust, loyalty and fairness	Current positive	■■■	- compliance with laws, regulations and human rights - Code of Ethics and Conduct - corporate welfare - whistleblowing





OUR ENVIRONMENTAL  
COMMITMENT



## 4.1

# WE ACT TO LIGHT UP THE WORLD WITH CLEAN ENERGY

We at TCI affirm a strong environmental culture in the absolute conviction that respect for the environment and its resources is an essential value to orient everyone's lifestyle towards a more sustainable future and is an indispensable condition for giving future generations the chance to live in a clean world.

We are aware that in order to act, it is first of all necessary to identify and assess the impacts generated and suffered by our activities on the environment and society, and this is our mission: to act to guarantee society clean energy.

TCI Telecomunicazioni Italia S.r.l. has always complied with all current environmental regulations and collects and monitors data on consumption, emissions, production waste, waste and materials used. In fact, we are committed to safeguarding the environment through various activities, such as the increasingly rational use of resources, reduction of waste and attention to solutions that can guarantee energy savings.

Thanks to this vision, we have undertaken a series of initiatives aimed at preventing and mitigating the negative effects of our activities.

We have an ISO 14001-certified Environmental Management System, and every year we prepare a document called the 'Report to the Management', which lists current consumption and future targets and is submitted for approval by our CEO, who has the highest responsibility for managing environmental impacts and combating climate change.

In addition to monitoring and data collection, we strive to reduce the actual and potential negative effects of our organisation on the environment by focusing on

- **DEVELOPING NEW, INCREASINGLY ECO-EFFICIENT SOLUTIONS**
- **MAKING PRODUCTION PROCESSES MORE EFFICIENT**
- **REDUCING ENERGY CONSUMPTION**
- **REDUCING WASTE AND SCRAP**

All of our products are designed in accordance with the requirements of the EU 2019/2015 and EU/2019/2020 regulations for ECO-DESIGN and, with a view to meeting the broadest design requirements but also reducing the use of materials, providing ever smaller solutions, in accordance with the principle of miniaturisation, without compromising on high quality and safety.

During 2023, the TCI Group reported no instances of environmental non-compliance.





# 4.2

## OUR ENVIRONMENTAL FOOTPRINT

The environmental impacts of the TCI Group can be traced back to the following aspects:



Electricity consumption for lighting company buildings in production, offices and warehouses and for the operation of production machinery



Natural gas consumption for heating company buildings



CO2 emissions related to the different stages of the supply chain



Raw materials used for the production of products and in compliance with the main regulations such as: REACH Regulation, RoHS Conformity Declaration, Extended Mineral Reporting Template, TSCA (Toxic Substances Control Act), Conflict Mineral Reporting Template, POP (Protocol on Persistent Organic Pollutants) and Proposition 65 Declaration



Recyclable cardboard packaging and use of scotch paper, reducing plastic



Waste generated by production, office and warehouse scraps, which are disposed of by the company in various methods, partly recycled and partly disposed

### CDP

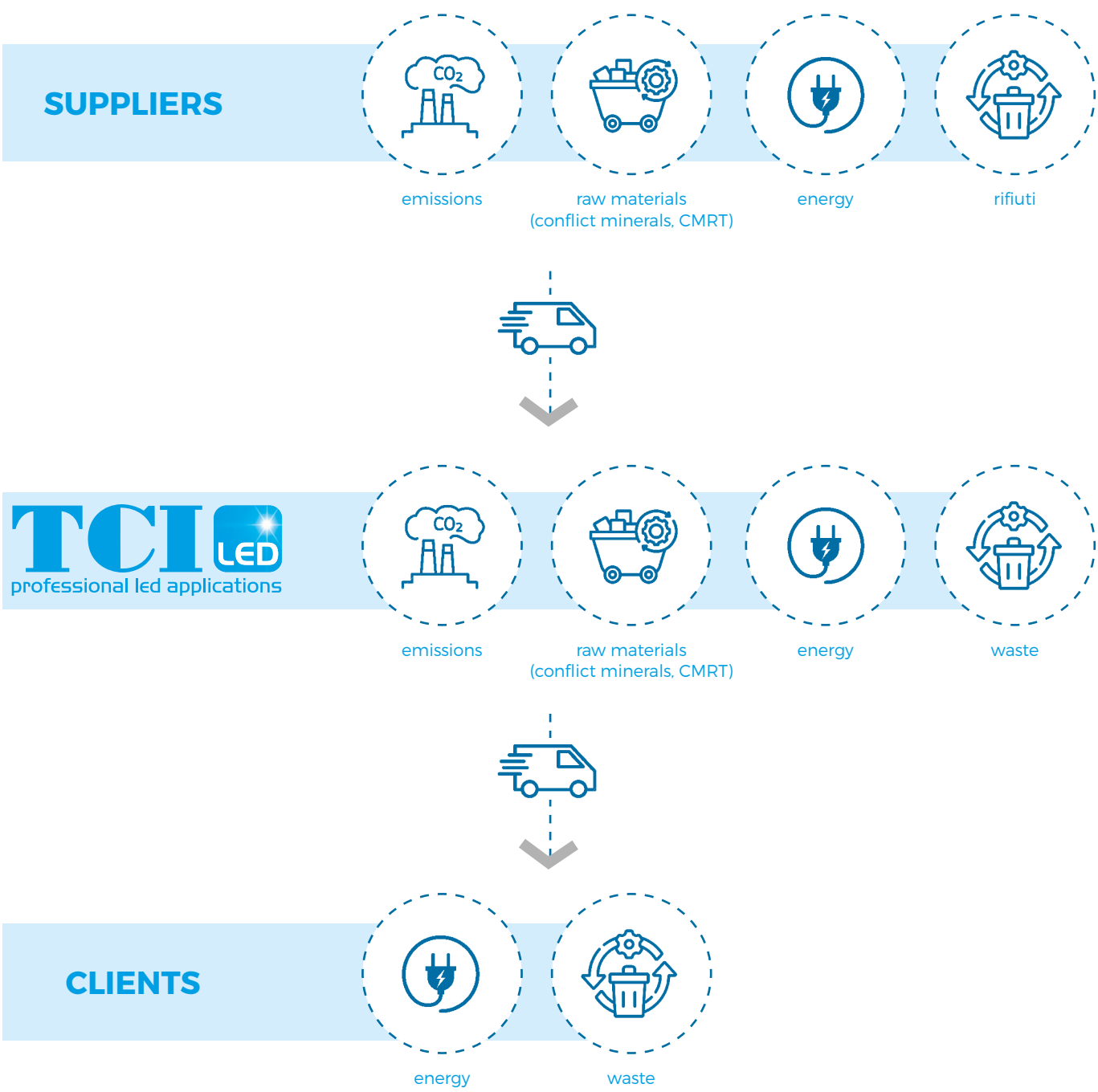
Also in 2023, in continuity with previous years, we completed upon request the questionnaire prepared by the Climate Disclosure Program (CDP) for a voluntary assessment of the environmental impact of our business.

**CDP** is an international non-profit organisation that provides companies, local authorities, governments and investors with a global system of voluntary environmental measurement and reporting. There are four programmes supported by CDP: Climate Change Program, Water Program, Forests Program and Supply Chain Program, plus a specific programme dedicated to cities and regions, the Cities, States and Regions Program. Of these, we compiled the Climate Change Programme Questionnaire for emissions monitoring and management in 2023.





4.3  
OUR VALUE  
CHAIN



4.4  
RESPONSIBLE MANAGEMENT OF  
RESOURCES AND EMISSIONS

We keep a close eye on the energy consumption resulting from our activities and increasingly try to make our operations more efficient, both by choosing the latest generation of systems and by promoting an energy-saving culture.

The TCI Group's energy sources are electricity, natural gas for heating, petrol and diesel.

ELECTRICITY CONSUMPTION

In 2023, the total electricity consumption of TCI Telecomunicazioni Italia Srl reached 8,438 GJ, a decrease of 25 % compared to 2022.

This reduction is mainly influenced by the decrease in energy consumption due to the optimisation of consumption management and the use of dedicated energy-saving equipment.

In fact, all TCI Telecomunicazioni Italia S.r.l.'s warehouses are equipped with a LED lighting system with motion and twilight sensors that allow the light to be switched on when people are actually physically present, guaranteeing a reduction in energy consumption of around 25 % compared to traditional systems.

In addition, wireless control and monitoring solutions have been installed in various areas of the company, allowing constant supervision of consumption and prompt identification of any system inefficiencies.

Purchased electricity	Unit of measure	2021	2022	2023
	Gj	12.110	11.250	8.438

NATURAL GAS CONSUMPTION

In 2023, TCI Telecomunicazioni Italia Srl's total natural gas consumption reached 3,100 GJ, a decrease of

46 % compared to 2022. This reduction is attributable to the insulation works on the structure and part of its warehouses (external walls, roofs and windows) started in 2022 and continued in 2023.

Natural gas	Unit of measure	2021	2022	2023
	Gj	5.426	5.723	3.100

FUEL CONSUMPTION

Most of TCI's cars and vehicles are diesel-powered, in order to cope with long distances travelled for business trips and freight transport.

TCI is also committed to sustainable mobility by supplementing its car fleet with energy-powered vehicles and equipping itself with charging stations.

WATER CONSUMPTION

TCI does not use water during production processes. Water consumption is attributable to internal employee use of toilets, coffee machines and water dispensers and the operation of the irrigation system.

EMISSIONS

The current market environment has raised attention to the phenomenon of global warming, or global warming, due to the frequency of occurrence of the resulting climate change and violent weather phenomena, which the scientific community has largely attributed to man. This gives rise to one of the greatest challenges facing countries and companies: the reduction of emissions, to limit greenhouse gas (GHG) concentrations in the atmosphere. The programmes adopted to reduce emissions can be distinguished between mandatory (Kyoto Proto-



col, EU-ETS, Carbon Tax) and voluntary, such as the Carbon Footprint. These programmes involve assessment, monitoring, reporting and verification of GHG emission estimates and possible mitigation measures.

Annually, TCI calculates its carbon footprint, i.e. the contribution that human activities make to the greenhouse effect (Greenhouse gas effect), expressed in tonnes of carbon dioxide equivalent (tonne CO<sub>2</sub> eq).

### Direct greenhouse gas (GHG) emissions - Scope 1

The CO<sub>2</sub> emissions produced by the TCI Group in the course of its business therefore refer to the energy sources mentioned above and to the loss of refrigerant gases used for the operation of cooling systems.

In 2023, there was a sharp drop in emissions from the use of natural gas: 174 tCO<sub>2</sub> compared to 322 tCO<sub>2</sub> in 2022, a drop of 54%. Instead, there was an

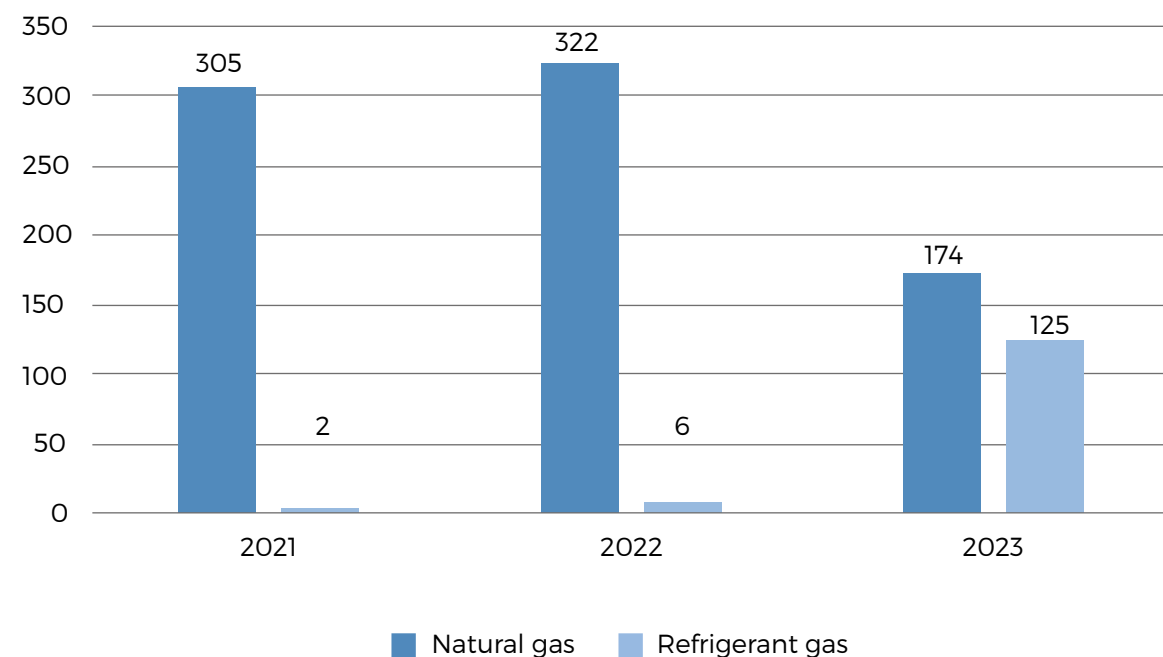
increase in refrigerant gases: 10 tCO<sub>2</sub> against 6 tCO<sub>2</sub> in 2022.

### Indirect greenhouse gas (GHG) emissions - Scope 2

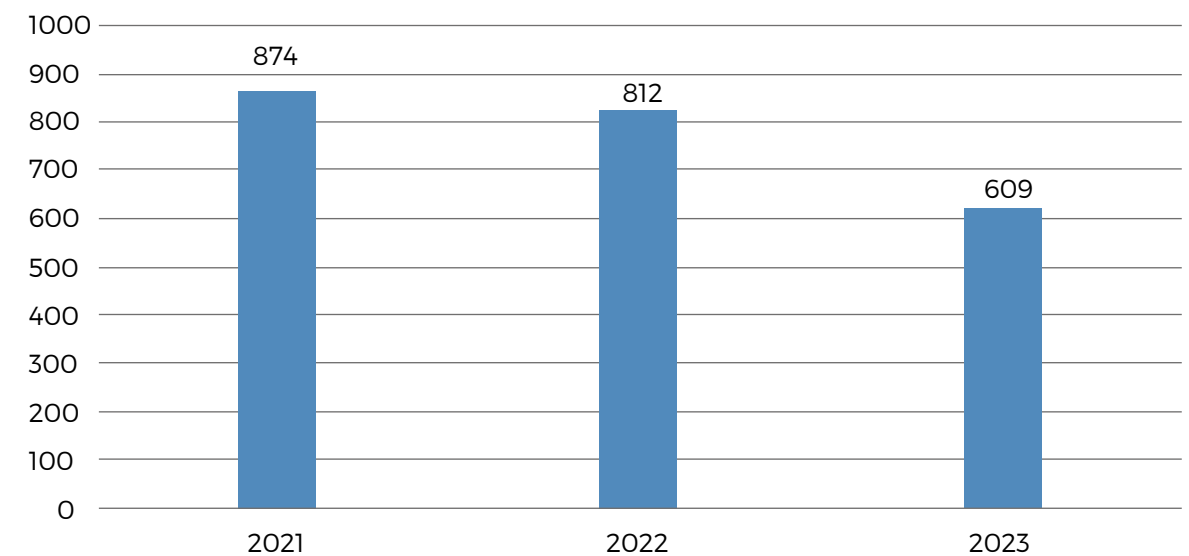
With regard to indirect SCOPE 2 emissions, i.e. indirect emissions from the generation of electricity purchased and consumed by the company, it should be noted that the calculation was conducted in two different ways, both defined by the GHG Protocol:

1. The market-based calculation method takes into account the amount of energy from renewable sources purchased directly by the company.
2. The location based calculation method takes into account an average emission factor (kg CO<sub>2</sub> eq emitted per kWh consumed) for the electricity consumed, calculated on the basis of the national energy mix with respect to the country in which the company operates.

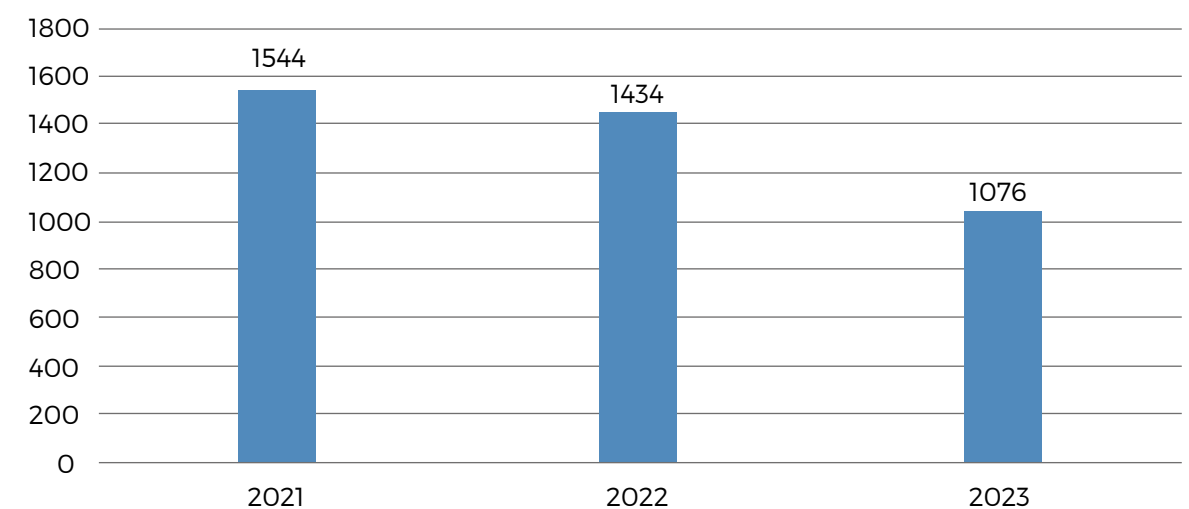
DIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 1) OF THE TCI GROUP \*



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



TCI GROUP GREENHOUSE GAS (GHG) EMISSIONS, CALCULATED ACCORDING TO MARKET-BASED APPROACH \*



\* Values as of 31.12.2023, expressed in tCO<sub>2</sub>



# 4.5 RESPONSIBLE WASTE MANAGEMENT

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

The special waste we produce in 2023 has a small percentage of hazardous waste and 98% of non-hazardous waste, almost entirely destined for recovery. Below are the main categories of waste

Type of business waste	Process	Recovery %	Quantity (KG) 2021	no. mov	Quantity (KG) 2022	no. mov	Quantity (KG) 2023	no. mov	%
Packaging of mixed materials	R13 recovery	100	91.110	77	91.980	64	85.530	56	-7,0
Paper and cardboard packaging	R13 recovery	100	73.860	42	76.810	30	52.040	26	-32,2
Plastic packaging	R13 recovery	100	15.787	48	14.061	48	9.452	44	-32,8
Wood packaging (pallets)	R13 recovery	100	20.920	5	11.600	3	4.140	1	-64,3
Wood waste	R13 recovery	100			3.440	2	200	1	-94,2
Raee waste - Components (electronic equipment)	raee R13 recovery	96	52.639	49	34.731	48	28.868	45	-16,9
Raee waste - Fluorescent tubes containing Hg	raee R13 recovery		949	1			160	1	
Spent printing toners	R13 recovery		100	1	110	2	80	1	-27,3

generated:

- MIXED-MATERIAL PACKAGING;
- PAPER AND CARDBOARD PACKAGING;
- PLASTIC PACKAGING;
- WOOD PACKAGING;
- WEEE WASTE.

The management and disposal of waste produced is carried out in full compliance with current legislation, implementing a careful policy of material diversification. Recovery, recycling and disposal are entrusted to specialised suppliers who, at the end of the year, provide us with declarations on the total amount of waste received, how it is sorted and broken down, and the relevant recovery, recycling and disposal rates.

Data on waste materials are reported annually to the CEO, as part of the 'Report to the Management', with the aim of identifying increasingly green disposal solutions.

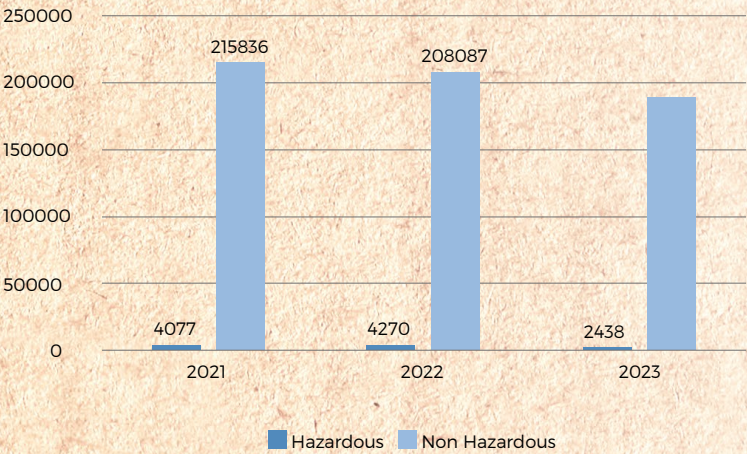
In 2023, a net decrease in waste was recorded thanks to a careful packaging policy, which includes optimising the use of packaging materials: reuse of cardboard boxes; use of filler cardboard (produced through a machine that uses recycled boxes and cardboard, also thrown away) in place of bubble wrap; replacement of plastic with paper for the packaging of some components; reuse of wooden pallets. In addition, the streamlining of the machinery and equipment used for the production process has led to a reduction in production material waste.



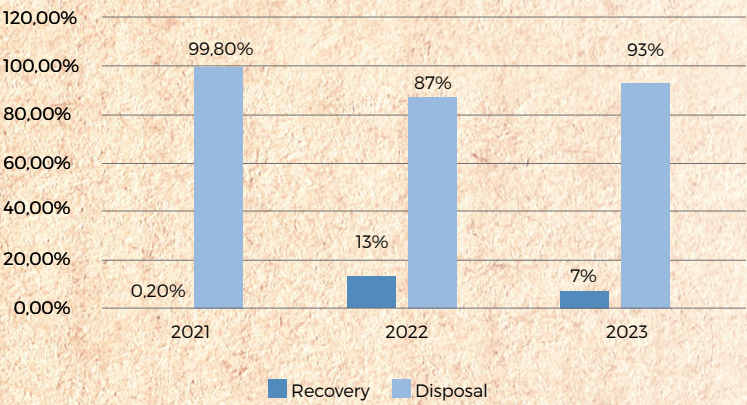




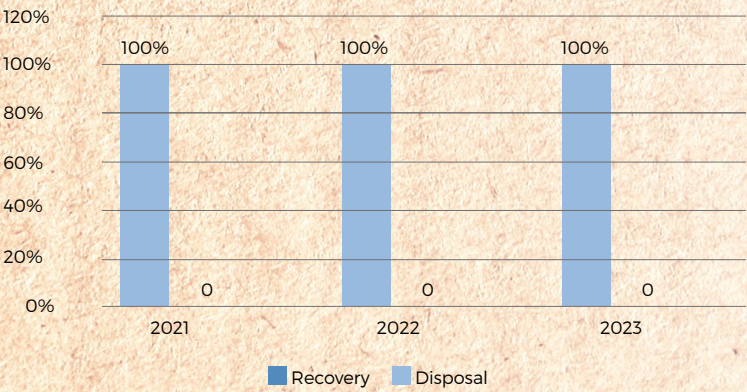
**SPECIAL WASTE PRODUCED  
BY THE TCI GROUP BY TYPE \***



**SPECIAL WASTE FROM THE TCI GROUP  
BY DISPOSAL METHOD \***



**NON-HAZARDOUS \***



\* Values updated to 31.12.2023



## 4.6 RESPONSIBLE SUPPLY-CHAIN MANAGEMENT

TCI products are characterised by quality, reliability and unique performance.

These characteristics are the result of a combination of several factors: careful design, the use of state-of-the-art machinery in production processes, and procurement practices geared towards quality excellence and maximum safety.

TCI's supply chain management is based on responsible sourcing, granting equal opportunities to suppliers, fairness and impartiality: the selection of suppliers and business partners and the determination of purchasing conditions are based on an objective assessment of raw materials, as well as guarantees of service and timeliness. TCI is also inspired by meritocratic criteria based on professionalism, soundness and cost-effectiveness, applying internal procedures aimed at ensuring the best traceability and transparency.

Our supply chain, consisting of partners with a solid market position and recognised quality reputation in their production sector, ranges from raw materials to semi-finished products, packaging materials and finished products for marketing.

We believe that diversification of the supply chain is as fundamental to guaranteeing the stability of supplies as the establishment and maintenance of solid

relationships with our suppliers. Thanks to this approach, we have been able to ensure business continuity not only for TCI but also for all our customers in a period characterised by severe material shortages and extreme upward price fluctuations.

The number of suppliers we use and their geographic distribution allow us to avoid any possible variation in procurement related to strategic decisions and socio-political situations in their countries, enabling us to ensure business continuity without compromising our quality and safety standards.

Relations with our suppliers are periodically monitored and the documentation exchanged must be appropriately archived: in particular, documents of an accounting nature must be retained for the periods laid down by the regulations in force.

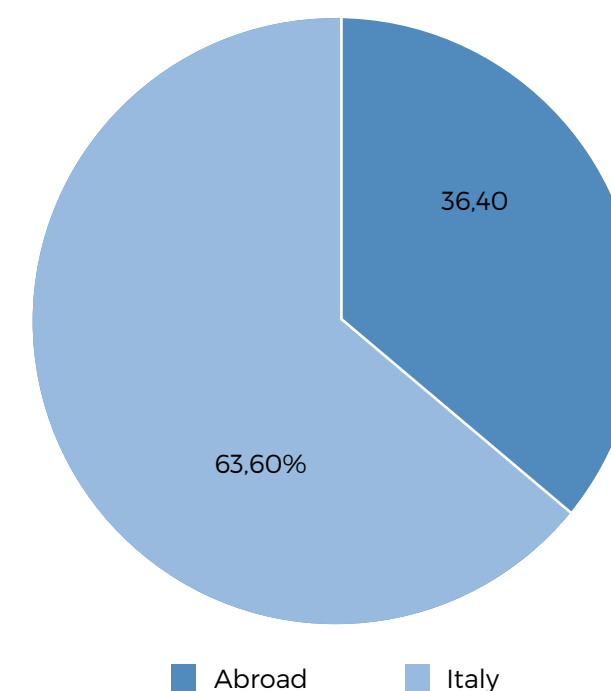
The conclusion of a contract with a supplier must always be based on relationships of clarity, loyalty and transparency, in full compliance with our "General Purchasing Conditions" and the principles and values set out in our "Code of Ethics and Conduct"

### Just in case

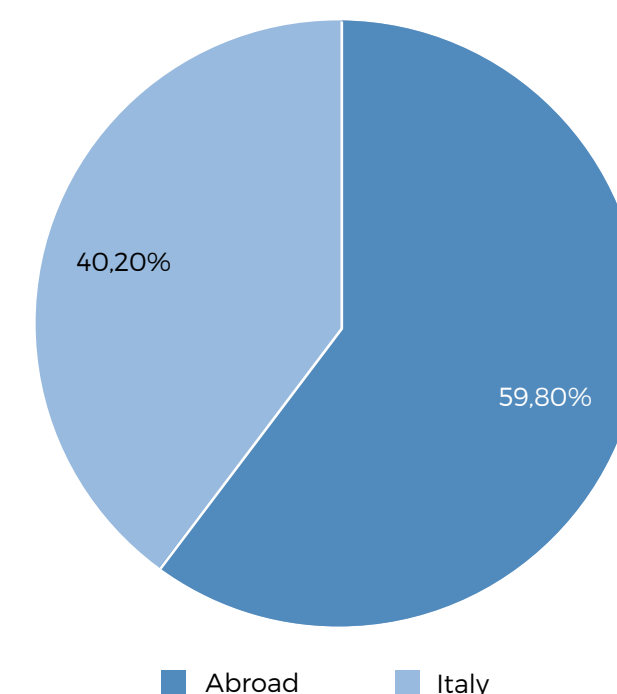
For years we have adopted a 'just-in-case' philosophy by building and maintaining a large stock of raw materials.

This choice, in contrast to the more widespread 'just-in-time' philosophy, has proven to be a winning one, ensuring us business continuity where our competitors have more difficulties.

SUPPLIERS PER COUNTRY \*



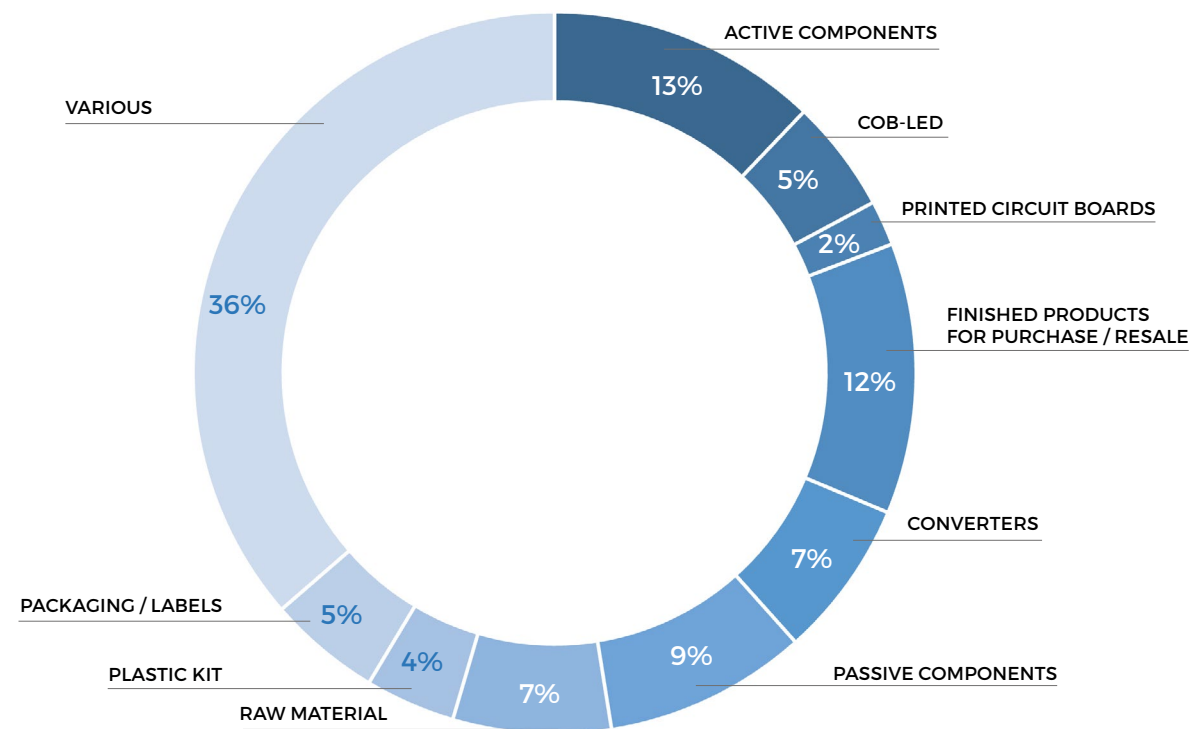
ANNUAL EXPENDITURE PER COUNTRY \*



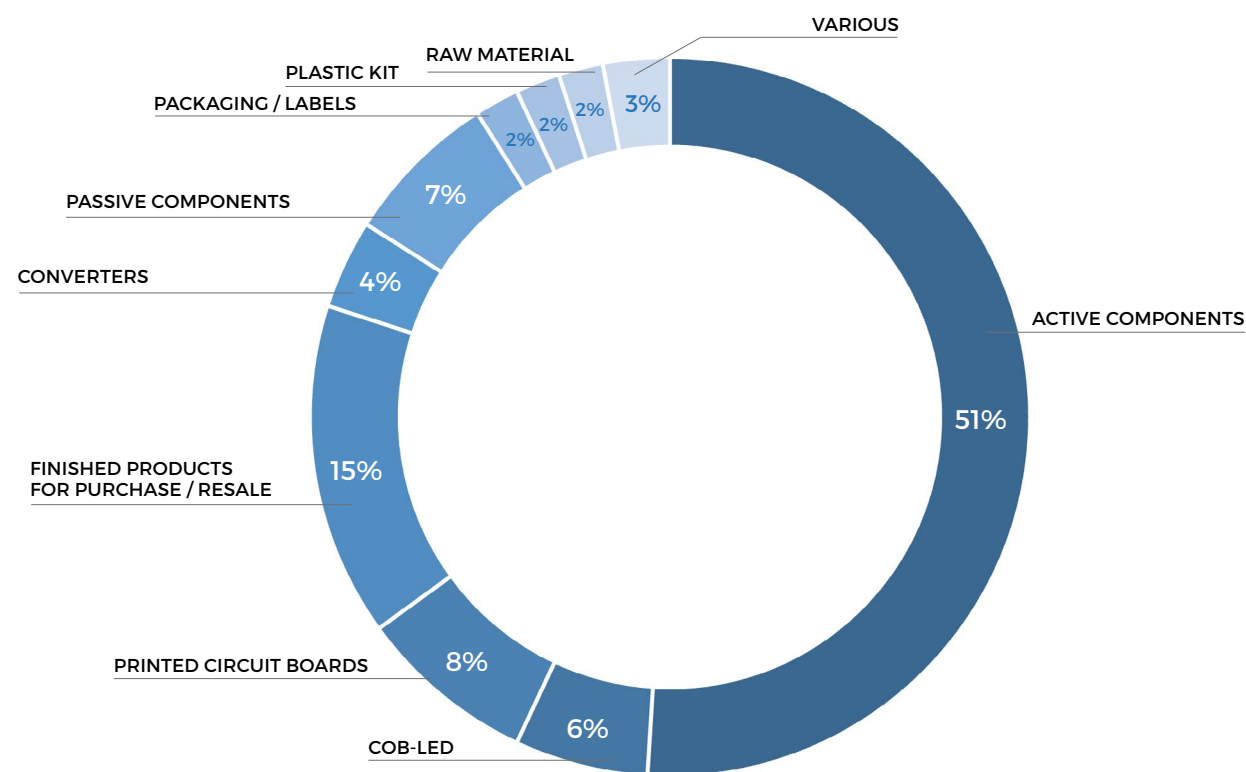
\* Values updated to 31.12.2023



**GROUP SUPPLIERS BY PRODUCT CATEGORY \***



**GROUP SUPPLIERS BY PRODUCT CATEGORY AND VALUE \***



\* Values updated to 31.12.2023

## RESPONSIBLE PROCUREMENT

As part of corporate social responsibility, it is crucial to ensure that the supply chain respects the values and ethical principles that guide the company's business.

To this end, with a view to bringing procurement activities into line with adopted ethical principles, we at TCI are committed to verifying our partners' compliance with our "Code of Ethics and Conduct" and the "General Terms and Conditions of Sale and Purchase", supplemented with ESG criteria. A system of sanctions in the event of violation is also in place. We conduct our business in full compliance with the regulations in force in the various countries of operation and are committed to managing environmental and social impacts with a view to continuous improvement. In fact, we have introduced environmental and social requirements in the selection of our business partners, such as the presence of an environmental management system or worker protection, implementing control and audit actions in order to verify the fulfilment of these requirements. Quality and safety are always at the top of our list of priorities when it comes to procurement; there-

fore, we require suppliers to provide detailed reports of each delivery, enabling us to monitor incoming components that, due to their nature and quantity, could not otherwise be analysed.

## CONFLICT MINERALS

As a socially responsible producer, we strive to counter the use of minerals that come from conflict zones.

For this reason, we are particularly careful about tracing the origin of purchased materials containing tantalum, tin, tungsten and gold: we regularly ask suppliers to declare whether their products contain them and, if so, we invite them to fill out the form developed by the Responsible Minerals Initiative to facilitate the dissemination of information on the country of origin of the minerals, smelters and refineries used along the supply chain.

The forms are then verified and if the supplier is unable to provide evidence of what has been declared, we intervene by requesting corrective action and possibly suspending the supply relationship.





## 4.7 OUR “GREEN” COMMITMENT

The adoption of a sustainable strategy requires careful planning, resulting in the definition of short, medium and long-term objectives to guide actions and monitor progress.

This time division allows objectives to be organised according to their time scale, helping to keep the focus on immediate results, intermediate progress and long-term changes.

Furthermore, it is crucial to ensure that actions taken are effective, measurable and aligned with an overall sustainability vision.

Short-term goals focus on immediate and easily implemented actions and provide quick and tangible results, which are essential to keep motivation high and gain initial support.

Medium-term goals are a bridge between immediate actions and long-term transformations, requiring more time and coordination, a larger commitment and often collaboration between several parties.

Finally, long-term objectives are geared towards achieving deep structural and/or systemic changes, ensuring a lasting impact on environmental, social and economic sustainability.

This timeframe allows for a clear roadmap towards an increasingly ‘green’ commitment. It allows the challenges of sustainability to be addressed gradually but decisively, ensuring that each stage of the process is covered and that progress is constantly monitored and adapted to emerging needs, contributing to the realisation of a more sustainable future.

INDICATOR	2021	2022	2023	Trend %	Short-term actions	Target	Timing		Medium to long-term actions	Target	Tempistica	Long-term actions	Target	Timing
Total annual weight of mixed and similar waste (RIMA Mixed packaging)	91,11	91,98	85,53	-7,01%	better separation of waste materials; reduction, reuse and recycling of packaging	10% reduction in packaging	2023		1) request of recyclable and environmentally friendly packaging to our suppliers  2) end-of-life analysis of waste to reduce its environmental impact	1) 10% reduction in plastic material  2) Increased material recovery	2025	1) significant reduction of plastic in packaging  2) decisive reduction in the use of material that generates non-recoverable waste	1) packaging almost exclusively of recycled cardboard  2) selection and use of recoverable materials	5 years
Total annual weight of waste board (FADN Packaging Board)	73,86	76,81	52,04	-32,25%										
Total weight of carton ordered per year (CCA Carton ordered)	168,673	171,583	103,001	-39,97%	use of recycled and recyclable cardboard boxes; reduction/replacement of plastic packaging tape and plastic bubble wrap as filler	100% recyclable cardboard packaging; replacement of plastic bubble wrap with cardboard recycled through our machine and used as a filler	2023		implementation of FROMM's Packmate Pro for innovative and quality packaging	reduction of plastic bubble wrap	2025	study of the reduction of general paper use	reduction of paper use in offices and expansion of digital archives	5 years
Electricity consumption (CEA kwh)	3.363.890	3.125.103	2.359.303	-24,50%	1) change in working hours in the production department	1) from: 8.00-12.00 / 13.30-17.30 to: 7.00-12.00 / 13.30-16.30 (flexible break)	2023		extension of the insulation of the structure, both roof and external walls, and replacement of window frames in the other buildings	10% reduction in consumption	2025	solar panels installation	20% increase in energy savings	2027
Natural gas consumption (CMA gas Kmc)	153.806	169.207	87.852	-48,08%	2) replacement of luminaires in the production department with new luminaires equipped with motion sensors	2) reduction of 15.000 KW/h per month								
GHG emissions (scope 1)	307	328	299	-8,67%	1) reduction of emissions related to heating gas consumption	1) 5% reduction	2023		analysis and quantification of consumption throughout our value chain	scope 3 calculation	2025	consumption monitor and reduction along the entire value chain	scope 3 reduction	2027
GHG emissions (scope 2_location based)	874	812	609	-25,00%	2) reduction of energy consumption related to purchased electricity consumption	2) 10% reduction								
GHG emissions (scope 2_market based)	1.544	1.434	1.076	-25,00%										



## 4.8

# OUR CONTRIBUTION TO THE CIRCULAR ECONOMY

Overcoming the linear economic model is essential to ensure development that is fully sustainable. To this end, it is important to promote a culture of saving and reuse, and to counter forms of consumerism that focus on price to the detriment of quality.

With regard to the Circular Economy, the TCI Group pursues its commitment along its entire value chain. TCI carefully selects components upstream in the production process to ensure high quality and efficiency downstream in the supply chain and promotes the use of recyclable materials.

In line with the principles of Eco-Design, we design durable products that can be recycled at the end of their life cycle and we pursue product miniaturisation, developing ever smaller solutions, contributing to a marked saving in material used and the resulting waste.

We pay close attention to and carefully analyse each stage of the production process in order to optimise the use of resources during production, minimising their use and waste.

Since our customer base is purely professional, all the fundamental information on the correct use, storage and disposal of our products is clearly stated both on the label and in the catalogue pages and technical specifications. This is essential in order to ensure their longest lifetime and thus extend replacement times. Furthermore, although the components used are by nature not reusable, they can still be partially recycled and correctly disposed of according to current regulations.

TCI indirectly participates in relamping, i.e. the process of replacing old lamps or lighting systems with

new, more efficient and sustainable lighting technologies, such as LEDs. Relamping promotes greater energy efficiency by reducing consumption and related costs; increased durability by reducing the need for frequent replacement; reduced CO2 emissions due to reduced energy consumption; and improved light quality by offering the possibility to adjust light intensity and colour.

TCI also develops control systems for LED installations, which enable smart luminaire management.

In fact, thanks to the modulation of brightness levels according to time slots, lighting in the presence of movement through specific sensors, and the immediate detection of system inefficiencies, it is possible to achieve a clear reduction in energy consumption and consequently in the environmental impact generated.

### LCA (Life Cycle Assessment)

TCI in 2023 adopted the LCA methodology to assess the environmental impact of its products throughout the entire life cycle, in order to identify the stages with the greatest impact on the environment and implement corrective actions.

### PEP (Product Environmental Profile)

TCI in 2023 started the analysis for the PEP environmental declaration of the Ecopassport PEP Programme for electrical, electronic and HVAC-R products. The PEP provides reliable information on the environmental impact of products through quantified, multi-criteria environmental data obtained from Life Cycle Assessment calculations and in accordance with international standards. Independent verification is provided to ensure compliance with the requirements of the ecopassport PEP.

### CIRCULAR ECONOMY

TCI pursues an economic model that aims to eliminate waste and pollution by keeping products and materials in use for as long as possible. This means designing products that are durable, repairable, recyclable and require fewer natural resources to produce.

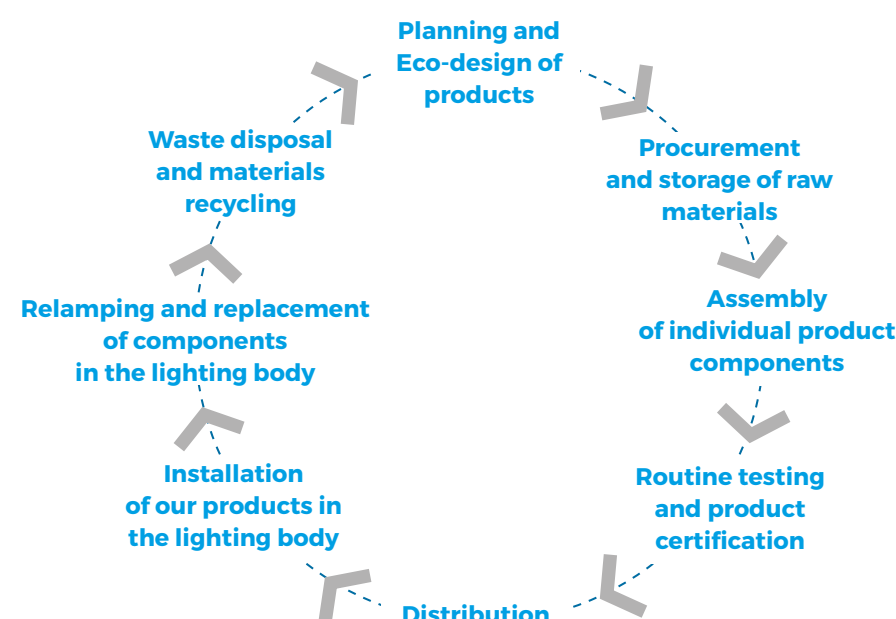
### MATERIALS

we use materials and components from suppliers who respect the principles of sustainability and conflict mineral, with a view to greater circularity.

### ECO-DESIGN AND MINIATURISATION

we design and manufacture products in line with the 3 principles of eco-design, which are applied at all stages of our products' life cycle:

- 1) we use sustainable, recycled and recyclable materials that have been produced sustainably and with clean energy.
- 2) We manage production processes with technologies that guarantee energy savings and reduce consumption.
- 3) We produce quality products that are durable in the long term, reducing waste production.





## ASSEMBLY AND INSTALLATION

- Our products are assembled in-house, minimising component waste.
- We provide technical support to our customers during installation and testing.

## CERTIFICATIONS, APPROVALS AND PRODUCT GUARANTEES

Since 2006, TCI has been performing tests under WMT IECEE (Witnessed Manufacturer's Testing) and SMT IECEE (Supervised Manufacturers' Testing) on our products to obtain safety, performance and EMC certifications. Since 2016, our laboratory can operate in CTF Phase 3 of the CB and/or CB-FCS Scheme for SAFE and LITE standards. As it is based on the ISO/IEC 17025 standard, the implemented procedure is recognised by several non-European approval bodies operating under the BC procedure. The equipment used to perform measurements is provided with a valid calibration certificate and relevant metrological confirmation.

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



## PERFORMANCE

Our LED modules and the continuous technological and production advancement of the individual LED chips offer high efficiencies 230 lm/W (100 lm/W if we consider the technology of the past).

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

Our LED drivers are also suitable for use with nominal voltages that differ from the standard supply provided by the local authority (AC = alternating current).

Our drivers can also be powered in DC (direct current), i.e. 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.

## EFFICIENCY

We develop control systems capable of collecting information on 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 of luminous flux is determined according to the change of seasons (summer/winter) and consequently of daylight hours and night. T

his avoids wasting energy when not needed and reducing luminous flux at times when traffic or vehicle passage is reduced.

In specific interior lighting systems and public buildings, it is vital to ensure the same luminous flux performance and efficiency on working surfaces throughout the life of the components.

TCI drivers are developed to take into account the normal decay in performance of individual LED chips and compensate for this in hours on hours, guaranteeing the nominal characteristics until the end of life.

## DISTRIBUTION

More recyclable packaging, thanks to the use of 100% recyclable cardboard and paper tape.

## RELAMPING

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

This activity can take place through different channels.

- 1) Via direct customers (OEM - B2B) with the complete replacement of equipment containing our solutions;
- 2) Via distribution network (indirect - B2C), TCI not only supplies its components to luminaire manufacturers but also supplies the distribution market (electricians, design studios, installers). The latter indirectly replace traditional technology with modern technology.





5

SUSTAINABLE  
LIGHTING



# 5.1

## INNOVATION AS A DRIVER OF SUCCESS TO PROTECT 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, our customers and the environment. It also supports growth and profitability by facilitating the reuse and circularity of products and making business operations more efficient and safer.

For us at TCI, innovation has always been the key element on which we focus our business strategy and the fulcrum around which we position the main choices made by our highest decision-making body with regard to:

### 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 state-of-the-art, automated machinery that optimises processes, reducing production waste, energy consumption and operating costs.

### GREEN SUPPLIERS

Our production chain is based on a careful 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 discarded. This reduces resource consumption and waste generation.

### ADHERENCE TO ENVIRONMENTAL REGULATIONS

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

### REDUCING 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 TECHNOLOGIES

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

### DIGITISATION

TCI is following the wave of increasing global digitisation, offering technologically advanced IOT solutions with various fields of application.

### CORPORATE RESILIENCE

Ambitious and enterprising, we at TCI face the ever-increasing challenges of the market on a daily basis, adapting quickly to changes in our environment and regulations, including changes in our planet's environment.

We believe that innovation is the essence of progress and the key to reconfirming our position as market leader.

We always provide our customers with state-of-the-art, top-quality, high-tech solutions.

Our R&D (Research and Development) department, in close collaboration with the Marketing department, is the real driving force behind our innovative drive, and we invest heavily in it to keep it equipped with the latest and most sophisticated equipment. We have a sales and marketing network throughout the world (EU and extra-EU), the entire team present in the various territories is constantly busy visiting customers and studying the market outside the company, and then reporting the necessary information back to the headquarters in Saronno.

Once all the information is collated, a team of highly qualified engineers and technicians working daily on the development of new solutions and the improvement of existing ones, takes care of the hardware (PCB, housing), firmware and software development of the product, supporting our customers in their every choice and need; finally, all the technical and deployment information is shared with the market.

In cooperation with our subsidiary Allix S.r.l., which specialises in APP and software development, we have added highly innovative wireless solutions for intelligent lighting to our product range.

This category includes all so-called 'smart' systems, i.e. systems equipped with technologies that enable better, more immediate and more flexible management of lighting devices than traditional manual controls and that are able to interface with other networked devices (IoT, Internet of Things).

Our smart solutions guarantee the reduction of light pollution, the raising of safety levels, the net reduction of energy consumption and, indirectly, of emissions (the number of outgoing operators for on-site checks is significantly reduced, replaced by remote monitoring).

At the same time, we contribute through our IoT products to improving people's health, for example by allowing light to be managed in a way that supports the correct circadian cycle or to actively compensate for variations in natural light levels without human intervention.



## 5.2

# OUR PRODUCTS

We have been developing and producing electronic components for lighting 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
- Lighting control systems (sensors)

All products within the TCI portfolio provide the market with entire technological solutions that when used in synergy result in intelligent systems that optimise and exploit the potential of the products to the fullest, while also avoiding energy waste wherever possible.

A common example of this is the market for sensors in combination with LED ballasts.

Many installations, especially civil, industrial and street lighting, make use of the sensors and technologies inherent in LED ballasts to regulate luminous flux when necessary.

By regulating switching on and off only when people are present within a specific area, or by maintaining a minimum luminous flux and then only increasing it when physical bodies pass by, it is possible to guarantee a reduction in the energy consumption of the equipment and consequently savings in economic and environmental terms.

As far as street lighting is concerned, in the current situation where electricity costs are rising day by day, European governments are pushing municipalities to innovate by removing traditional technologies to make way for LED technology.

In the various invitations to tender and existing specifications, certain technical characteristics are imposed that the luminaire must meet, with efficiency being the first point.

All of the following points refer to intrinsic technologies of power supplies, which due to the DALI-2 standard must guarantee the end user (municipality)

certain characteristics:

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

These features offer numerous advantages to the end user, the latter being able to monitor consumption and the status of the equipment (diagnostics) in the event of any faults or anomalies in the installation, which offers a forecast to the municipality, which will be able to set up a preventive maintenance plan to guarantee the service of the streets. This goes far beyond the single concept of lighting. Indirectly through the light, it is possible to monitor our system in real time, guaranteeing energy savings.

All of our products are type-approved and have a multitude of certifications that facilitate their worldwide sale. Since 2006, our Certification and Standards Department has been testing all our products to ensure that they comply with the strictest international standards for safety, performance and electromagnetic compatibility.

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

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

We face the main changes in the sector quickly, also thanks to our participation in ASSIL, the National Association of Lighting Manufacturers, which monitors market trends and regulatory developments both nationally and internationally.

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

We are partners of the most important lighting companies with whom we realise world-class structures and projects.



TCI - Saronno



## 5.3 PRODUCT QUALITY AND SAFETY AT THE CORE OF OUR CHOICES

Over the years, the TCI Group has built and consolidated its position as an international leader in electronic lighting components thanks to its strong innovative drive and the high quality of its products. Safety is of utmost importance to 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 us to work on optimising company processes in terms of efficiency and effectiveness through their continuous monitoring, actively involving all company representatives under the supervision of the Quality Manager.

We organise regular training sessions and keep all our people up-to-date in their area of competence. We define an annual plan of clear and measurable objectives, approved internally and brought to the attention of all personnel through notices posted in places accessible to all and 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 errors in installation and use by customers so as to translate them into recommendations for use with-

in our technical information material. Our Quality, Environment and Safety Policy is subject to annual review.



### SAFETY

TCI Telecomunicazioni Italia S.r.l.'s Health and Safety Policy also addresses product safety, to which we pay particular attention from the development phase to product distribution.

Electromagnetic compatibility, burn-in and temperature analyses are carried out in our laboratory. Our products also have multiple certifications for distribution in international markets and are therefore also externally tested by third parties.

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

During 2023, there were no cases of non-conformity regarding the safety of products and services provided.



## 5.4 CUSTOMER SATISFACTION

The TCI Group is positively distinguished from its competitors first and foremost by its nature as a pure business partner, never competing with its customers. We are internationally recognised as an ideal partner for the realisation of large and small projects, thanks to our core values of non-competitiveness and conflict-free customer support.

The relationships we establish with our customers go beyond mere supply, proving to be mutually beneficial collaborations that often lead to the co-development of innovative solutions and the exploration of new possibilities. Our daily activities are geared towards fully satisfying the needs of all our customers.

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

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

TCI has a shared returns management policy, which can also be found on the website where you can fill in the appropriate form (RMA) and submit your return request.

Our Quality Department analyses returned products with the aim of promptly identifying and isolating any potential production defects, which, as internal statistics show, are below 0.01%. The returns analysis system also makes it possible to identify the most common installation and usage errors that result in additional indications when reviewing information material.

We believe that a website should be clear, transparent and user-friendly, which is why we have structured ours along these lines and provided, among other things, a very useful tool to search for LED ballasts according to the desired technical characteristics.

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

We maintain an open dialogue with our customers, to whom we provide rapid and first-class after-sales support.

## 5.5 MAN AND LIGHT

We are very sensitive to the impact of our products on the well-being of society and consumers.

Artificial light is not only instrumental in compensating for natural light but also represents a tool for ensuring safety and improving people's quality of life.

Over the years, our industry has become more aware of the social responsibility of lighting, and one of the focuses of our development and research activities is precisely on improving the performance of lighting systems in relation to its social implications.

We were, for example, the first to bring ripple-free products onto the market, with a flicker rate below 3% (flicker not visible to the human eye, but which over time can cause disturbances of varying severity, from simple headaches to epilepsy).

Our wireless systems automatically compensate for variations in natural light to ensure visual stability, create lighting effects to support the circadian cycle, and illuminate certain areas as needed, combining energy efficiency and human safety.

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

In this regard, our strong partnership with Samsung ensures the use of the best LED selections, while our collaboration with world-renowned lens and accessory suppliers enables us to provide complete solutions of guaranteed quality.







ALLIX



## 5.6 ALLIX ▲

Allix continues to lead innovation in wireless remote control, IoT and artificial intelligence. Allix's technology solutions not only improve energy efficiency and reduce operating costs, but also contribute to a more sustainable future for communities.

### Innovation and Sustainability in Telecontrol

The Luma project marked a turning point in Allix's technology offering, introducing an innovative platform for the remote control of public lighting. The device, which can be retrofitted on lighting points, allows a complete diagnosis of each individual lamp. Thanks to an advanced Cloud platform, it is possible to visualise the lighting points on an interactive map, monitor their parameters and programme optimised lighting scenarios.

Allix continued to optimise the platform, identifying opportunities for improvement, especially in the device testing process. A new project was born, focusing on digitising the prototyping phase through digital twin technology.

### Digital Twin: Toward Sustainable Prototyping

The project involves the creation of digital twins of Luma devices, i.e. highly accurate digital representations of physical assets. These digital models not only replicate the geometry and physical characteristics of the device, but also capture its real-world behaviour, interactions and operational dynamics. The use of digital twins offers significant advantages, starting with material and cost reductions. By replacing physical prototypes with virtual models, the use of materials and energy resources can be drastically reduced, minimising waste. Using digital twins, an estimated 25% reduction in the use of plastics, electronics and other resources can be predicted.

Digital twins also make it possible to simulate different scenarios and varying operating conditions, predicting results and identifying critical issues even before going into physical production. This not only speeds up the development process, but

also improves the quality of the final product. In addition, digital models offer a valuable support tool for training engineers, who can learn and experiment in a virtual environment.

For the creation of digital twins, advanced tools such as computer modelling software, including Blender, 3Ds Max and Rhino, are used. These tools allow complex objects to be digitally reproduced with extreme precision, capturing every detail, from proportions to structure, from materials to texture. The adoption of digital twins represents a significant step forward in terms of sustainability. By reducing the need for physical prototypes, the environmental impact of production processes is reduced, reducing material use and energy consumption.

### Generative Artificial Intelligence: A Technological Revolution

Generative artificial intelligence and large language models (LLM) are revolutionising the way digital technologies interact with humans. These models, trained on textual data, have the ability to understand and generate natural language with an unprecedented degree of accuracy and fluency.

Their impact extends to a number of sectors, from service automation to content creation, offering new opportunities for innovation.

Allix has taken on this innovative challenge, designing and implementing advanced architectures that combine LLM with Retrieval-Augmented Ge-

neration (RAG). This architecture makes it possible to combine the content generation capability of LLM with the efficiency of retrieving data from specific databases. The data is in fact stored in a vector database, and when the user asks a question, the system retrieves the relevant information and uses the LLM to generate a detailed and contextualised answer. This process ensures accurate and up-to-date answers, optimising the efficiency of communication.

Thanks to this architecture, Allix is able to provide customised solutions according to the needs of different customers, creating virtual assistants tailored to their specific requirements.

From a sustainability point of view, RAG-based artificial intelligence solutions offer significant advantages. The use of local servers reduces the need for large-scale data transfers, limiting the energy consumption typical of cloud infrastructures. In addition, the ability to retrieve and utilise only the necessary information from an optimised vector database avoids wasting computational resources.





IGROX



## 5.7 IGROX

In 2020, TCI joins Igrox, a company that has been designing and manufacturing LED technology for controlled environment growing since 2018, contributing to its growth with a strategic industrial synergy.

TCI strongly believes in the value of scientific and technological research, which is fully shared by Igrox.

The LED technology developed is in fact the result of the constant research and development activity of the team of biologists, agronomists and engineers who are part of Igrox and, in collaboration with researchers and PhD students in the field, are responsible for the experimental activity carried out on a daily basis.

With professionalism and tenacity, they contribute to increasing the company's knowledge and skills, contributing to the advancement of the field of biotechnology applied to cultivation.

Science and technology are the focal points of Igrox's activities, thanks to which we develop innovative and sustainable solutions that improve crop yield and quality, while ensuring sustainability through our state-of-the-art technology.

We are at the forefront in the study and application of specific spectra to monitor morphology, vegetative or generative growth, rooting, brachiation, in order to transform agricultural production, dependent on uncontrolled variables, into stable, fully controlled, industrial-like production.

Our spectra are therefore designed to optimise crop morphology, to achieve fast growth and to improve crop yields in different environments, such as technological greenhouses, indoor and vertical

farms, and in a variety of applications as supplementary artificial light or as the only light source.

In the first case, in sunlight applications, the artificial lighting function is essentially a photosynthetic booster when there is insufficient sunlight. In the second case, on the other hand, in the absence of sunlight, the spectrum used for cultivation has the function of stimulating all photosynthetic pigments, which are essential for proper plant development.

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

### Igrox CONNECT

App through which it is possible to set the dimming level of connected LED devices and manage even groups of luminaires in small installations.

### Igrox CULTIMATE

System allowing automation and control of all parameters of small growing environments. Consisting of software, hardware, metering pumps, pH and EC controls, it can be connected to lights, HVAC systems, humidifiers, dehumidifiers, fans, water reservoirs, nutrient solution components and controlled via a mobile app.

### Igrox LIGHTMESH

A system that allows you to set on/off times, create automation dimming programmes, manage multi-channel luminaires to split the spectrum and constantly monitor large installations such as greenhouses or vertical farms.

## KILOMETRO VERDE

IGROX collaborated in the realisation of the **'Kilometro Verde'** project: thanks to its technical-scientific knowledge in the field of vertical farming and its intensive research and development activity, it was able to provide them with the best solutions for growing in a controlled environment.

**'Kilometro Verde'** is the brainchild of Giuseppe Battagliola, a successful entrepreneur and forerunner of the IV gamma segment, strongly tied to the territory and tradition, but who now expresses the desire to reinvent himself, giving life to a new and innovative agricultural entrepreneurial reality.

And so it is that in June 2021, with the desire to revolutionise the entire sector and following intense research and development, he founded the project in Kilometro Verde, in order to combine innovation, tradition, sustainability and a strong focus on consumer needs.

*«The way we achieve our mission is not a detail: we do not generate waste, we recover urban areas, our product must be natural and uncontaminated»*

*Giuseppe Battagliola*

The **'Kilometro Verde'** project stands out for its strong innovative drive in the field of technology applied to cultivation in a controlled environment. Over three years spent on research have enabled the company to develop proprietary solutions that make up its vertical production system. Hence, IGROX's commitment to designing and manufacturing the best LED lighting equipment for growing the various salad varieties.

The innovative character of the project is evident on all production levels:

### Varietal research

Selection of seeds that express high quality salad varieties, functional to changing market needs and, at the same time, have a good yield to ensure profitability.

## Cultivation system

The cultivation system was completely designed in-house and adapted to the specific requirements of vertical cultivation. Recreating the ideal microclimate for the growth of our salads is of paramount importance to obtain the special characteristics of our product the work of the engineering department has made this possible.

## Product innovation

**'The salad that wasn't there'**: the result of our process is a distinctive, quality salad with a long shelf life due to the reduced bacterial load. Packaging was not underestimated either. A lengthy marketing study produced customised bagging machines for the production of compostable paper and stand-up pouches that communicate the company's values.

## KILOMETRO VERDE IN NUMBERS

- **Zero land consumption**
- **We absorb CO2 equivalent to 5.000 medium-sized trees**
- **85.000.000 plants per year**
- **Zero water consumption**
- **60,000 litres of condensed water recovered**
- **10 megawatt agro photovoltaic field**
- **15.000.000 LEDs**





TCI ENERGY



## 5.7 TCI ENERGY

The global challenges of climate change and dependence on traditional energy sources impose a necessary change of course in the growing production of energy in response to evolving market needs, increasingly orienting towards renewable energy sources, such as solar energy.

Hence the partnership between TCI Telecomunicazioni Italia and TCI Energy, consolidated in September 2023 with the birth of a new technical-systemic pole for the design and installation of highly qualified energy and lighting systems.

After a long period of innovation and research in order to acquire the skills and know-how of experts in energy, information technology and systemic digitisation of systems, and having thus equipped themselves with the appropriate technical skills, TCI Telecomunicazioni Italia and TCI Energy Srl, together with leading financial operators, have proposed themselves to the main multi-utilities and national electrical and thermal material specialists as ideal partners for the installation of state-of-the-art photovoltaic systems and digitally regulated lighting energy systems.

TCI Energy was established to bring to the photovoltaic sector the experience of over 40 years in the production of energy-efficient systems applied to the lighting sector and, thanks to continuous research and development, has immediately established itself as a leading company in the sector.

TCI Energy is able to provide customised solutions for every need, from the design to the supply of material, right through to the installation of the system.

The range of products on offer includes inverters, storage systems, optimisers, solar panels, protection interfaces and UPSs, and are designed to suit every type of installation: residential, commercial and large installations.

TCI Energy's mission is ambitious: to stimulate the use of renewable energy by making it accessible to all, to contribute to the reduction of environmental impact and to promote a sustainable growth model. To this end, it is deeply committed to reducing its ecological footprint and contributing to a greener world and the well-being of communities, and is enthusiastic about working together with strategic partners to make a difference.

Looking ahead, TCI Energy is determined to constantly grow and innovate, aiming to expand its global market presence and introduce new technologies that will make solar energy even more efficient and affordable... for a brighter and more sustainable future.

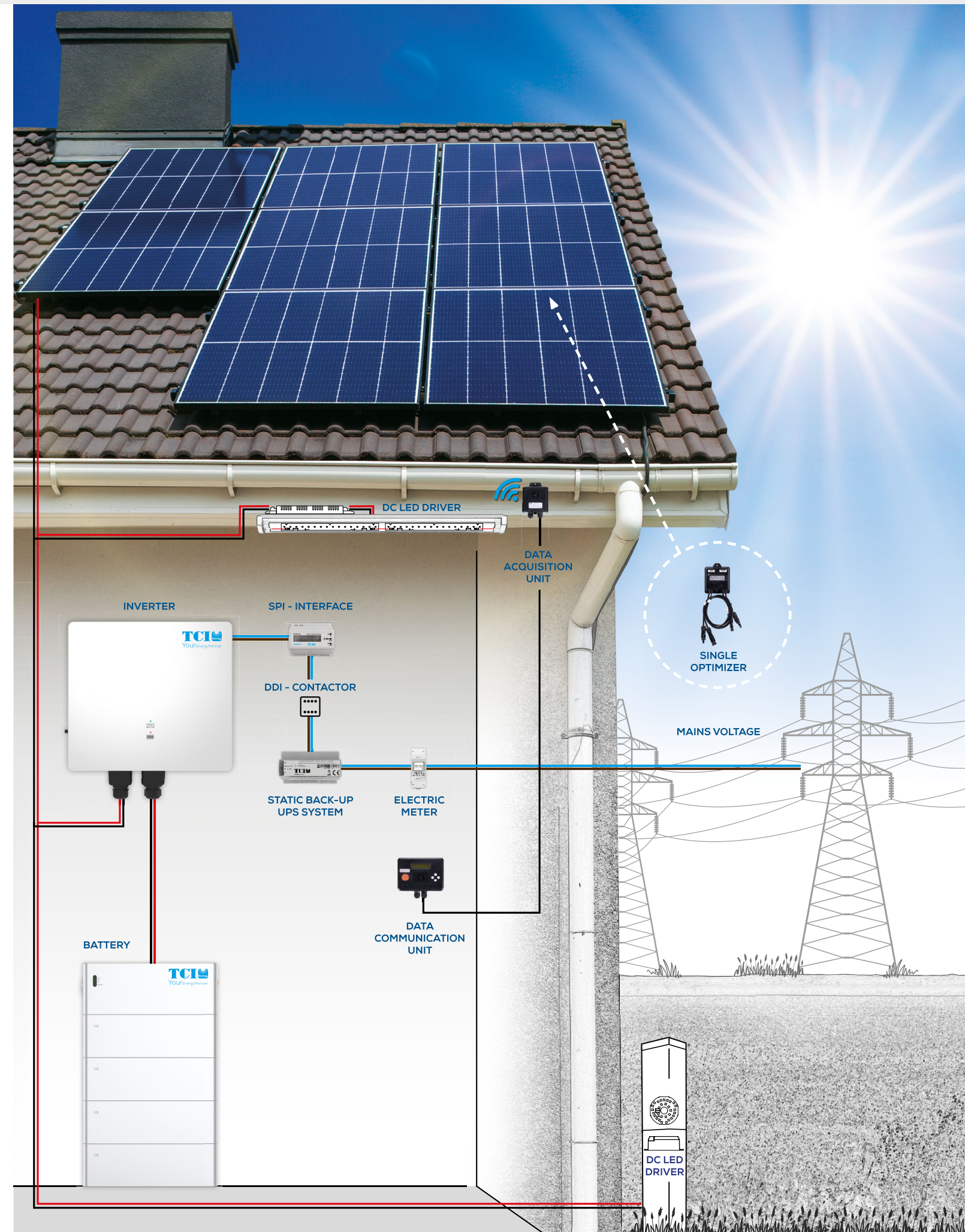


### RELIABILITY

We test the products ourselves in our test facility in order to have first-hand experience of the product and thus select the most efficient and valid one.

### STUDY AND INNOVATION

We are focused on the continuous study of proprietary devices. We have therefore developed our own pure sine wave Static Back UPS system and have projects in the pipeline that are being studied and others being finalised.







6

OUR PEOPLE



# 6.1 DIALOGUE WITH 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 all individuals, groups or organisations that have various interests in the TCI Group and its present and future activities and whose contribution is essential to the achievement of a specific business objective, influencing strategic business choices and decisions.

We actively involve our stakeholders, such as employees, customers and suppliers in the decision-making process and in defining our sustaina-

bility strategies.

We are committed to listening to their opinions, needs and concerns through the continuous development of dialogue and engagement channels 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 enhancing stakeholder engagement.

Communicating our sustainability actions and progress in a clear and transparent way is essential, which is why we publish our annual Sustainability Report, in which we highlight our ecological and environmental footprint.



Stakeholder involved	Ways of involvement	Main expectations towards TCI
GENERAL MANAGEMENT	<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>
FINANCIAL OPERATORS	<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>
EMPLOYEES	<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>
TRADE UNIONS	<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>
SUPPLIERS	<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>
CLIENTS	<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>
LOCAL COMMUNITY AND TERRITORY	<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>
TRADE ASSOCIATIONS	<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>
MEDIA	<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>



The Group recognises the centrality of human resources in the conviction that the main success factor of any business is the professional contribution of people working in a framework of loyalty and mutual trust. For this reason, the Group is committed to protecting and enhancing the human resources it employs by additionally incentivising their professional growth in order to 'increase the wealth of skills possessed'.

In the course of the employment relationship, the company bases its personnel management policy on principles that are part of the company values such as the enhancement of skills, respect for mo-

ral integrity in all its aspects, and protection against any discriminatory practice.

In fact, the company's objective 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 TCI's activities. The Group's workforce as at 31 December 2023 consisted of 238 employees, of whom 43% were men and the remaining 57% women.

TCI applies the National Collective Bargaining Agreement (CCNL) for the engineering sector to its staff,

in full compliance with the relevant regulations and industry standards on contractual levels, remuneration, welfare and social security. In particular, employees are classified in the classification provided by the CCNL based on various levels, whose degree of responsibility, specialisation and remuneration increases in ascending order. Remuneration is calculated for each level in compliance with the minimum pay scale provided by the contract. There are

also supplementary pension and supplementary health care funds to protect employees. The most common contractual category in the TCI Group is the 4th level of the CCNL for the metalworking sector, applying the relevant pay regimes.

#### TCI GROUP PEOPLE

Company	2021 <sup>1</sup>			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
TCI Telecomunicazioni Italia S.r.l.	103	139	242	102	136	238	102	136	238
TCI Elettromeccanica S.r.l.	3	-	3	3	-	3	3	-	3
Employees	106	139	245	105	136	241	105	136	241
Administered	19	32	51	14	31	45	18	16	34
TCI America	1	-	1	1	-	1	1	-	1
Other collaborators	20	32	52	15	31	46	15	28	43
<b>Total</b>	<b>126</b>	<b>171</b>	<b>297</b>	<b>120</b>	<b>167</b>	<b>287</b>	<b>120</b>	<b>164</b>	<b>284</b>

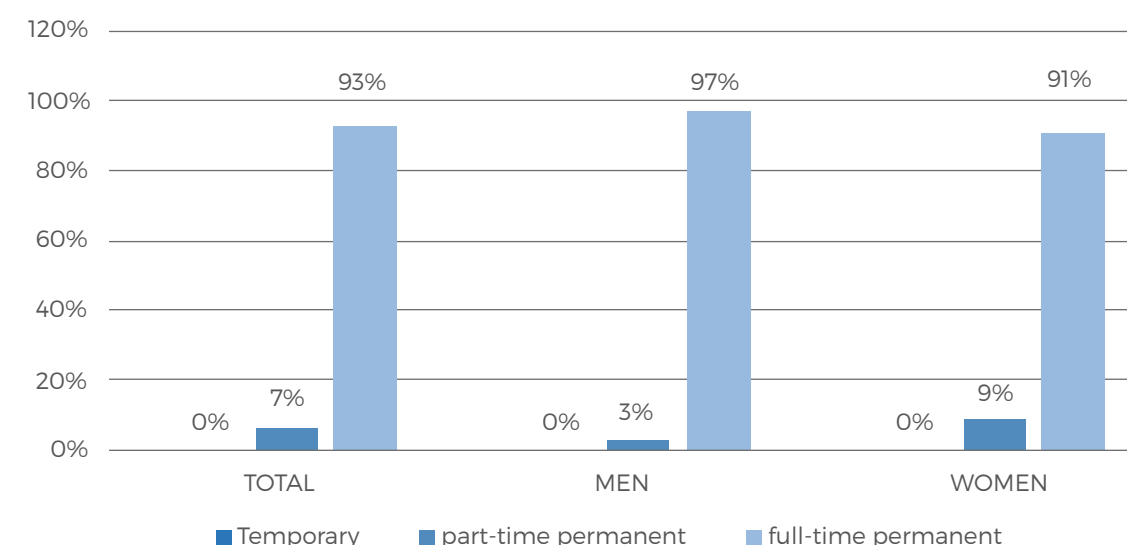
<sup>1</sup> Due to a refinement in the information collection process, the data for 2021 were re-exported compared to those published in the 2021 Sustainability Report.

#### OUR ASSOCIATED COMPANIES PEOPLE

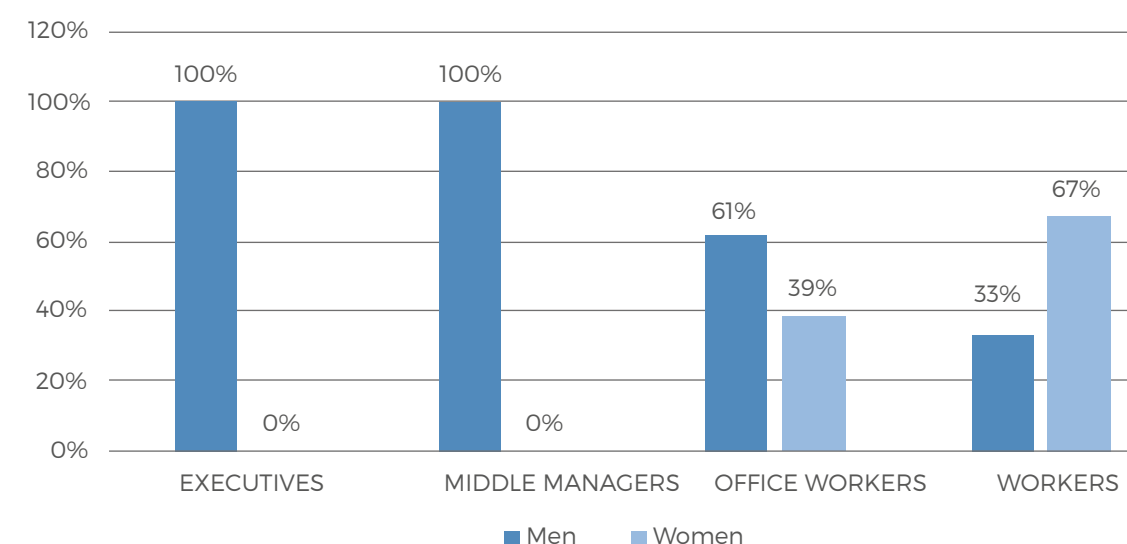
Company	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
ICT Intelligent Components Technology Zhuhai Ltd	840	772	1.612	934	900	1.834	595	613	1208
ITH International Technologies Holding Ltd	3	1	4	3	1	4	3	1	4
IGROX S.r.l.	1	-	1	1	-	1	1	-	1
ALLIX S.r.l.	6	1	7	6	1	7	6	1	7
TCI ENERGY	-	-	-	-	-	-	3	-	3
<b>Total</b>	<b>850</b>	<b>774</b>	<b>1.624</b>	<b>944</b>	<b>902</b>	<b>1.846</b>	<b>608</b>	<b>615</b>	<b>1223</b>

\* Values updated to 31.12.2023

#### TCI GROUP EMPLOYEES BY CONTRACT TYPE AND GENDER \*



#### PERCENTAGE OF TCI GROUP EMPLOYEES BY JOB CATEGORY AND GENDER \*



\* Values updated to 31.12.2023



## 6.2 TALENT ATTRACTION, TRAINING AND GROWTH OF OUR PEOPLE

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 the entire workforce as at 31 December 2023 is employed under an open-ended contract.

The number of employees in the year 2023 is unchanged from that of 2022.

Forty per cent of the employees are in the age group of 30 to 50, 41% over 50 and the remainder

under 30. Women represent 57% of the total TCI Group employees.

The centrality of people also translates into the enhancement of HR resources and their responsible management throughout the entire employee lifecycle.

The TCI Group is aware of the importance of its people and is therefore committed to supporting their professional and personal growth in accordance with its vision and desire to create value over time. Our priority is for our people to consolidate and expand their skills, which is why we not only en-

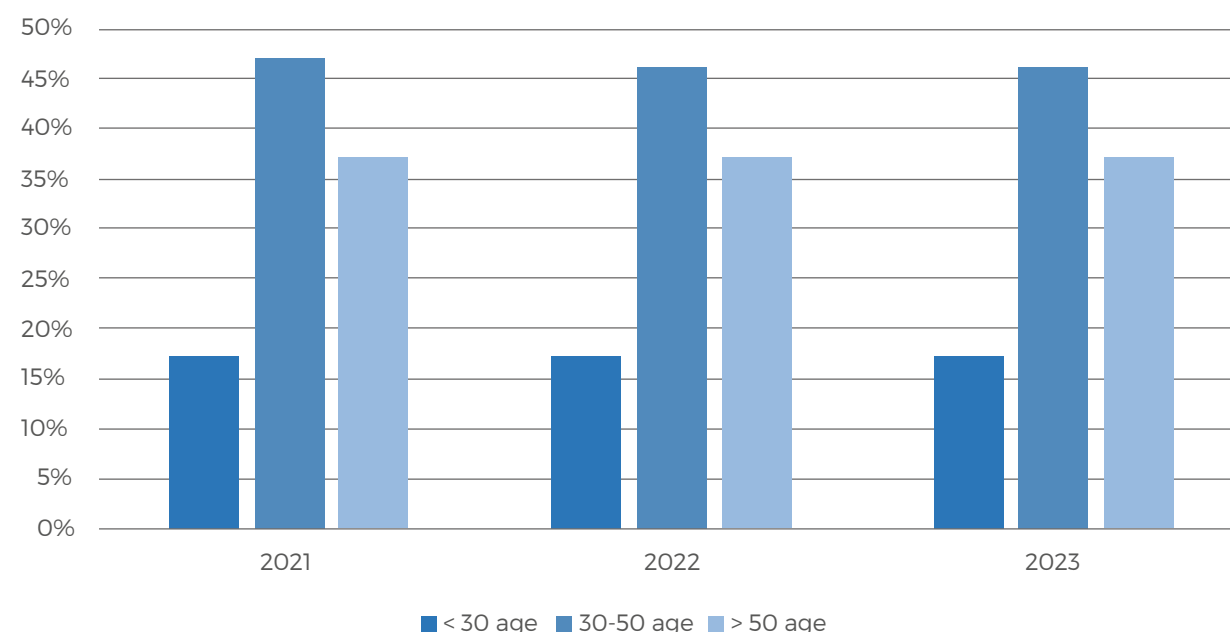
courage continuous training but also support those who wish to continue their studies by alternating university attendance with work in the company. We also offer scholarships to the most deserving students.

In 2023, 2464 hours of training were provided, of which 1628 were health and safety, 416 administra-

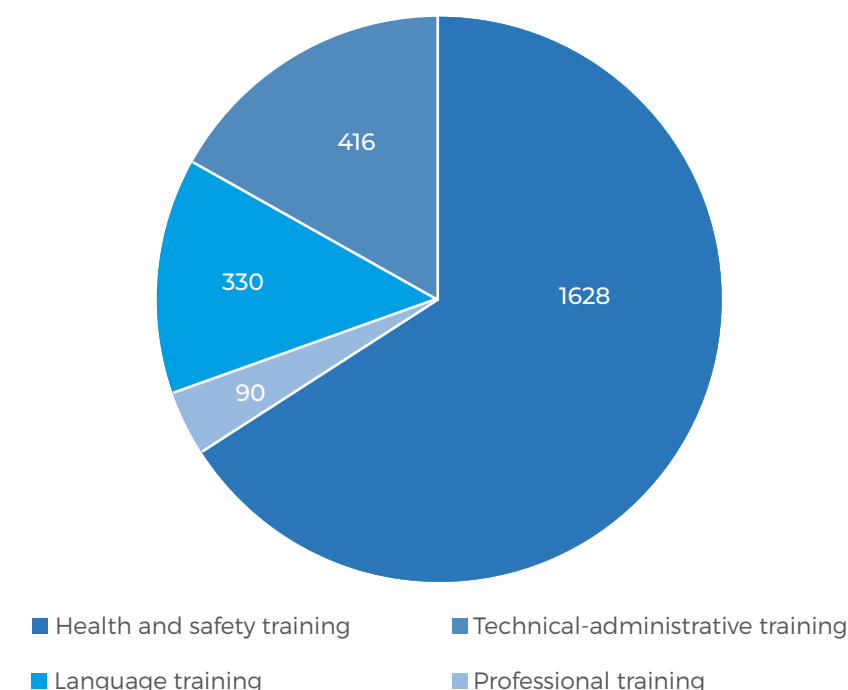
tive and technical, 90 professional and 330 linguistic.

Attracting and acquiring talented people is key to building a successful team, capable of combining tradition and innovation. This is why we have been relying on professional recruiters and university platforms for years.

COMPANY POPULATION BY AGE GROUP



TYPE OF EMPLOYEE TRAINING COURSES





## 6.3 HEALTH AND SAFETY AT WORK

The TCI Group recognises prevention in the field of workers' health and safety as an important priority and responsibility. In particular, the Group is committed to promoting initiatives aimed at preventing accidents and illness at work, minimising the risks and causes that may jeopardise the safety and health of staff and other workers.

Activities are carried out in compliance with current prevention and protection provisions, aiming at continuous improvement of health and safety conditions 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 be applied to all its customers and suppliers.

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

During 2023, health monitoring of our employees in relation to their duties was carried out as usual. The service was carried out at our facility by qualified professionals. With full respect for each person's privacy, we confirm that we have only received official notification from the occupational physician as to whether or not they are fit to perform their duties.

For the year 2023, the most recent work-related stress risk assessment (carried out in the year 2020) remains valid, with low results. Still on the subject of the health of our people, we

give all workers the possibility of having medical examinations in agreement through the UniSalute service and provide a free annual check-up service for part of our staff.

Training and information on health and safety in the workplace are fundamental tools for the prevention of related risks. We provide compulsory health and safety training as required by current legislation. During 2023, 1628 hours of dedicated training were provided.

We draw up the Risk Assessment Document (DVR) through the support of an external Prevention and Protection Service Manager (RSPP). This document, made accessible to all employees, maps and analyses health and safety risks in the workplace and defines any corrective actions to be implemented in order to ensure optimal health and safety conditions. At the request of our clients, we draw up the Single Document for the Evaluation of Interference Risks (DUVRI) in accordance with current legislation.

Every worker has the opportunity and the duty to report any dangerous situations to his or her safety officer so that he or she can intervene and then report back to the owner on the measures taken to eliminate the risks identified.

## 6.4 PHOTOBIOLOGICAL SAFETY

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 Safety Consolidation Act), regulates the safety and health protection of workers in the workplace, taking these limits and applying them to working environments.

With the obligation to assess the risk from ROA (Artificial Optical Radiation) introduced by the same decree, the need has arisen to obtain suitable emission data from lighting manufacturers in order to safeguard the risk of exposure for workers, in order to guarantee an adequate level of optical safety and to standardise the information to be provided to the user.

This decree provides the main criteria to be followed in risk assessments of lighting systems. The limit values are calculated on the basis of exposure time: lamps and lighting systems are classified into 4 groups (4 risk classes) shown in the table

TCI, as a manufacturer of LED technology, carries out a risk assessment with regard to the danger of 'blue light' (mainly produced by visible blue-violet radiation), as the use of this type of lighting is extremely widespread today. The potential risk from light radiation can affect our eyes that are sensitive to these wavelengths.

In full compliance with the regulations in force in Italy and in Europe, EN 62471 'Photobiological safety of lamps and lamp systems', which provides guidelines for the evaluation and control of photobiological risks deriving from all light sources that emit optical radiation, TCI manufactures and markets products that comply with safety standards to protect health and safety in the workplace and to protect the community.

### RISK ASSESSMENT GROUP

- **EXEMPT**  
No photobiological risk
- **GROUP 1**  
No photobiological risk under normal conditions of use
- **GROUP 2**  
No risk under conditions of natural light aversion reflex or thermal effects
- **GROUP 3**  
Hazardous even for momentary exposure



# 6.5 MAN IS ENERGY, WITHOUT DISTINCTION

TCI believes that a focus on Diversity, Equity and Inclusion (DE&I) issues increases a company's value. Indeed, inclusive companies have been shown to attract more talent, improve economic performance and innovate better and faster.

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

In 2023, in continuity with previous years, the Group has strengthened its commitment to protecting diversity in all its aspects: gender, generational, culture/ethnicity, sexual orientation, as well as diversity resulting from disability. In fact, the Group is committed to protecting all those who find themselves in a condition of psycho-physical disadvantage, monitoring any problems reported and constantly assessing the best solutions, so that these resources can feel permanently included in company life. Already in the selection phase, TCI is committed to guaranteeing equal opportunities for all candidates, implementing a process that eliminates discrimination.

For the year 2023, we confirm the presence of 11 female employees belonging to protected categories and the absence of any episodes of actual or alleged discrimination within the TCI Group.

# 6.6 CORPORATE DIALOGUE

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

In this regard, in 2023, we made changes and im-

plemented our internal document on corporate dialogue, emphasising that internal communication is fundamental to our collective success and to the creation of a positive working environment. Our guiding principles for effective business dialogue:

<b>TRANSPARENCY AND CLARITY</b> <ul style="list-style-type: none"><li>• Regular updates on company progress, strategies and objectives.</li><li>• Ideas expressed clearly, through language accessible to all and appropriate communication channels.</li></ul>	<b>RESPECT</b> <ul style="list-style-type: none"><li>• Respect for the ideas and opinions of others, fostering diversity, free expression, creativity and innovation.</li></ul>	<b>PERSONAL RESPONSIBILITY</b> <ul style="list-style-type: none"><li>• Taking responsibility for one's own actions and contributions.</li><li>• Acknowledge mistakes, learn from them and work towards continuous improvement.</li></ul>
<b>ACTIVE PARTICIPATION</b> <ul style="list-style-type: none"><li>• Active involvement of all team members in discussions and decisions, encouraging participation in decision-making processes.</li></ul>	<b>FLEXIBILITY AND ADAPTABILITY</b> <ul style="list-style-type: none"><li>• Openness to change and different ideas.</li><li>• Adaptation to changing situations and information.</li></ul>	<b>EMOTIONAL AWARENESS</b> <ul style="list-style-type: none"><li>• Management of personal and others' emotions during interactions, developing active empathy.</li></ul>
<b>COLLABORATION</b> <ul style="list-style-type: none"><li>• Collaboration between employees and departments, exploiting synergies to achieve common goals</li><li>• Group projects and sharing of expertise</li></ul>	<b>ACTIVE LISTENING</b> <ul style="list-style-type: none"><li>• Attention to the needs, ideas and concerns of others, showing genuine interest.</li><li>• Mutual understanding, listening and seeking clarification, to reduce misunderstandings</li></ul>	<b>PERIODIC FEEDBACK</b> <ul style="list-style-type: none"><li>• Periodic verification of the effectiveness of a healthy business dialogue and request for feedback, in order to make continuous improvements.</li></ul>



## 6.7 CORPORATE WELFARE

TCI recognises that the well-being of our employees is crucial to the long-term success of the company, which is why, in addition to ensuring a healthy and stimulating environment, we provide a variety of welfare tools to support work-life balance:

### 1. FLEXIBLE WORKING HOURS

- Flexible working hours, compatible with employees' needs.
- Part-time or reduced hours contracts, mainly when returning from maternity leave, in case of health problems or for study leave granted to student-workers.

### 2. LEAVE AND HOLIDAY PROGRAMMES

- Maternity and paternity leave

- Parental leave
- Sick leave
- Flexibility in leave and paid holidays.

### 3. ASSISTANCE IN MANAGING DAILY LIFE

- Support and facilities for employees caring for elderly or disabled family members.

### 4. WELLNESS AND CULTURE

- Medical check-ups: agreements with health facilities, in collaboration with EBM and Policlinico Universitario Campus Biomedico in Rome; free in-house cardiological and ophthalmological check-ups.
- Corporate wellness programmes: fitness sessions

with a personal trainer in the company gym, large canteen, tickets for access to sports facilities and cultural events.

- Support for employees attending training courses and universities, offering flexible working hours and study leave.

### 5. FAVOURABLE CORPORATE CULTURE

- Promozione di una cultura aziendale che valorizza e rispetta l'equilibrio tra lavoro e vita privata.

### 6. WORKLOAD MONITORING

- Periodic assessment of workload to ensure that employees are not overloaded, minimising perceived stress situations (see 'Document for the Assessment of Work-Related Stress Risk - Art. 28 paragraph 1 Legislative Decree 81/08')

### 7. EMPLOYEE PARTICIPATION

- Active involvement of employees in the definition of policies, providing their personal feedback and exposing any problems and suggestions for improvement.

stions for improvement.

- Periodic evaluations and collection of feedback through questionnaires to continuously improve company policies.





# METHODOLOGICAL NOTE

This document (hereinafter also referred to as the 'Report') represents the fourth Sustainability Report of the company TCI Telecomunicazioni Italia S.r.l. and its subsidiaries (hereinafter referred to as the "TCI Group" or the "Group") with reference to the financial year 2023 (from 1 January 2023 to 31 December 2023).

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 the environmental, social and governance (ESG) performance of the TCI Group in a comparable and transparent manner, the Sustainability Report 2023 has been prepared in accordance with the Global Reporting Initiative Sustainability Reporting Standards 2021 (hereinafter GRI Standards) updated in 2021 by the Global Reporting Initiative (GRI), as reported in chapter 3 'Our Commitment to Sustainability', under section 3.3 'Materiality Analysis'.

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

In particular, GRI 3 - Material Topics 2021 emphasises 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 approach, considering TCI's context, activities and business relations, the most significant 'Material Issues' have been identified and assessed, 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 issue are shown.

The perimeter of the economic data, as well as the social information, is the same as that of the TCI Group's Consolidated Financial Statements 2022, which includes the companies consolidated on a line-by-line basis, i.e. TCI Telecomunicazioni Italia S.r.l., TCI ELETTROMECCANICA S.r.l., TCI AMERICA Inc, with the addition, however, of the new directly controlled company TCI Africa (Pty) Ltd.

With regard to the scope of environmental issues, it should be noted that the companies TCI AMERICA Inc. and TCI ELETTROMECCANICA S.r.l. were excluded due to their modest size and negligible environmental impacts.

In order to ensure an accurate representation of the impacts of the TCI Group's activities along its entire value chain, 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. have been reported herein. Further exceptions to the reporting boundary indicated above are punctually reported in the relevant sections of this document.

To facilitate the reading of the document, it should be noted that the following definitions have been used throughout the text:

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

The information for the reporting period is compared with that of the previous year.

In order to ensure the reliability of the data, the use of estimates has been limited as much as possible, which, if present, are appropriately reported and based on the best available methodologies.

The Sustainability Report is subjected to a limited review ('limited assurance engagement' according to the criteria indicated by the ISAE 3000 Revised standard) by Deloitte & Touche S.p.A., according to the procedures indicated in the Report of the independent auditors included in this document.

The periodicity of this publication is set according to an annual frequency.

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
	Attracting talent and developing human capital	Job creation	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	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	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	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 31.12.2023

GRI 2-7 TCI Group employees by type of contract and gender									
	2021 <sup>1</sup>			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Temporary	-	1	1	2	-	2	-	-	0
Permanent	106	138	244	103	136	239	105	136	241
<b>Total</b>	<b>106</b>	<b>139</b>	<b>245</b>	<b>105</b>	<b>136</b>	<b>241</b>	<b>105</b>	<b>136</b>	<b>241</b>
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Full-time	104	130	234	102	124	226	102	124	226
Part-time	2	9	11	3	12	15	3	12	15
<b>Total</b>	<b>106</b>	<b>139</b>	<b>245</b>	<b>105</b>	<b>136</b>	<b>241</b>	<b>105</b>	<b>136</b>	<b>241</b>

2-8 External workers									
	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Temporary workers	20	32	52	15	31	46	15	28	43
Trainees	-	-	-	-	-	-	-	-	-
Employees hired through external agencies	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>20</b>	<b>32</b>	<b>52</b>	<b>15</b>	<b>31</b>	<b>46</b>	<b>15</b>	<b>28</b>	<b>43</b>

GRI 405-1 Percentage of TCI Group employees by professional category and gender									
	2021 <sup>1</sup>			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	100%	-	0,5%	100%	-	0,5%	100%	0%	0,5%
Middle managers	100%	0%	0,5%	100%	0	0,5%	100%	0%	0,5%
Office workers	68%	32%	32%	62%	38%	34%	61%	39%	34%
Workers	30%	70%	67%	33%	67%	65%	33%	67%	65%
<b>Total</b>	<b>43%</b>	<b>57%</b>	<b>100%</b>	<b>44%</b>	<b>56%</b>	<b>100%</b>	<b>44%</b>	<b>56%</b>	<b>100%</b>

GRI 405-1 Percentage of TCI Group employees by category and age group												
	2021 <sup>1</sup>				2022				2023			
	<30	30-50	50>	Total	<30	30-50	50>	Total	<30	30-50	50>	Total
Executives	-	-	100%	0,5%	-	-	100%	0,5%	-	-	100%	0,5%
Middle managers	0%	50%	50%	0,5%	0%	50%	50%	0,5%	0%	50%	50%	0,5%
Office workers	29%	42%	29%	32%	27%	48%	26%	34%	27%	48%	26%	34%
Workers	11%	49%	40%	67%	13%	46%	42%	65%	13%	46%	42%	65%
<b>Total</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>	<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 Entries of the TCI Group															
	2021 <sup>1</sup>					2022					2023				
	<30	30-50	>50	Total	Turnover	<30	30-50	>50	Total	Turnover	<30	30-50	>50	Total	Turnover
Men	-	1	-	1	0,9%	2	-	2	4	3,8%	1	1	-	2	2,6%
Women	-	-	-	-	0,0%	-	-	-	-	-	-	-	-	-	0%
<b>Total</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>1</b>	<b>1</b>	<b>-</b>	<b>2</b>	<b>0,9%</b>
Turnover	0,00%	0,9%	0,00%	0,41%		4,8%	0,00%	2,3%	1,7%		1,02%	0,42%	0%	0,48%	

GRI 401-1 TCI Group exits															
	2021					2022					2023				
	<30	30-50	>50	Total	Turnover	<30	30-50	>50	Total	Turnover	<30	30-50	>50	Total	Turnover
Men	-	-	-	-	-	1	-	4	5	4,8%	4	2	2	8	10,4%
Women	-	1	-	1	0,7%	-	3	-	3	2,2%	-	1	-	1	0,7%
Total	-	1	-	1	0,5%	1	3	4	8	3,3%	4	3	2	9	6,5%
Turnover	0,00%	0,88%	0,00%	0,41%		2,4%	2,7%	4,5%	3,3%		4,2%	3%	0,8%	2,6%	

## Health and Safety

All the data in the tables are updated to 31.12.2023

GRI 403-9 Group accidents at work <sup>2</sup>			
TCI Group	2021	2022	2023
Number of accidents at work	1	3	1
Of which, number of deaths as a result of accidents at work	0	0	0
Of which, accidents at work with serious consequences (excluding deaths)	0	0	0
Hours worked TCI S.r.l.	375.394	-	380.653
Hours worked TCI Elettromeccanica	6.231	-	5433
Total hours worked	381.625	390.611	386.086
Adjustable rate of injuries at work	0,52	1,54	0,51
Rate of injuries at work	-	-	-
Rate of serious injuries at work	-	-	-

<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 31.12.2023

GRI 404-1 - Average hours of employee training of the TCI Group									
	2021 <sup>1</sup>			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	-	-	-	-	-	-	-	-	-
Middle managers	-	-	-	-	-	-	6	-	3
Office workers	1,9	3,4	2,4	11,7	7,7	10,2	10	15	12
Workers	7,8	1,5	3,4	4,2	0,5	1,7	11	9	10
<b>Total</b>	<b>4,6</b>	<b>1,9</b>	<b>3,0</b>	<b>2</b>	<b>1,8</b>	<b>4,6</b>	<b>7</b>	<b>6</b>	<b>6,5</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.



Type of training provided to TCI Group employees						
	2021		2022		2023	
	n. of attendees	Total hours	n. of attendees	Total hours	n. of attendees	Total hours
Health and safety training	67	401	16	118	276	1628
Management training	-	-	-	-	-	-
Professional training	24	216	150	746	5	90
Language training	1	30	7	235	11	330
Administrative and technical training	18	99	-	-	39	416
<b>Total</b>	<b>110</b>	<b>746</b>	<b>173</b>	<b>1.099</b>	<b>331</b>	<b>2464</b>

## Energy and Emissions

All the data in the tables are updated to 31.12.2023

GRI 302-1 Energy consumption within the organization by energy source, in GJ <sup>3</sup>				
	u.m.	2021	2022	2023
<b>TCI Telecomunicazioni Italia S.r.l.</b>				
Purchased electricity	GJ	12.110	11.250	8.438
<i>of which renewable and certified with GO (Guarantee of Origin)</i>	GJ	-	-	-
Natural Gas	GJ	5.524	4.763	3.100
<b>Totale</b>	<b>GJ</b>	<b>17.634</b>	<b>16.013</b>	<b>11.538</b>
<b>Associated companies (ALLIX S.r.l. e ICT Intelligent Components Technology Zhuhai Ltd.)</b>				
Purchased electricity	GJ	47.022	51.563	44.005
<i>of which renewable and certified with GO (Guarantee of Origin)</i>	GJ	-	-	-
Natural Gas	GJ	-	-	-
Petrol (for motor vehicles)	GJ	623	579	544
Diesel fuel (for transport)	GJ	14	14	14
<b>Total</b>	<b>GJ</b>	<b>47.659</b>	<b>52.157</b>	<b>44.563</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, 2022 and 2023.

GRI 305-1 Direct greenhouse gas (GHG) emissions (Scope 1) <sup>4</sup>				
	u.m.	2021	2022	2023
<b>TCI Telecomunicazioni Italia S.r.l.</b>				
Natural Gas	tCO <sub>2</sub>	311	268	174
Petrol (for motor vehicles)	tCO <sub>2</sub>	-	-	-
Diesel fuel (for transport)	tCO <sub>2</sub>	-	-	-
Refrigerant Gas <sup>5</sup>	tCO <sub>2</sub>	2	6	125
<b>Total Scope 1</b>	<b>tCO<sub>2</sub></b>	<b>313</b>	<b>275</b>	<b>299</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, 2022 and 2023.

<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, 2022 and 2023, 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 emissions (GHG) (Scope 1) <sup>4</sup>				
	u.m.	2021	2022	2023
<b>Associated companies (ALLIX S.r.l. e ICT Intelligent Components Technology Zhuhai Ltd.)</b>				
Natural Gas	tCO <sub>2</sub>	-	-	-
Petrol (for motor vehicles)	tCO <sub>2</sub>	39	37	41
Diesel fuel (for transport)	tCO <sub>2</sub>	1	1	1
Refrigerant Gas <sup>6</sup>	tCO <sub>2</sub>	81	-	-
<b>Total Scope 1</b>	<b>tCO<sub>2</sub></b>	<b>121</b>	<b>38</b>	<b>42</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, 2022 and 2023, 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 the approach location-based e market-based <sup>7</sup>				
	u.m.	2021	2022	2023
<b>TCI Telecomunicazioni Italia S.r.l.</b>				
Total Scope 2 <i>location-based</i>	tCO <sub>2</sub>	874	812	609
Total Scope 2 <i>market-based</i>	tCO <sub>2</sub>	1.544	1.428	1.076
<b>Associated companies (ALLIX S.r.l. e ICT Intelligent Components Technology Zhuhai Ltd.)</b>				
Total Scope 2 <i>location-based</i>	tCO <sub>2</sub>	7.953	8.722	3.392
Total Scope 2 <i>market-based</i>	tCO <sub>2</sub>	7.954	8.722	5.695

<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, 2022 and 2023) 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 31.12.2023

GRI 306-2 Special waste produced by the Organization divided by type and method of disposal, in tons									
	2021			2022			2023		
	hazardous	non hazardous	Total	hazardous	non hazardous	Total	hazardous	non hazardous	Total
<b>TCI Telecomunicazioni Italia S.r.l.</b>									
Recovery (including energy recovery)	0,01	215	215	0,55	208	209	0,17	189	189,17
Disposal / Shredding	4	-	4	3,72	-	4	2,27	-	2,27
<b>Total</b>	<b>4</b>	<b>215</b>	<b>219</b>	<b>4,27</b>	<b>208</b>	<b>213</b>	<b>2,44</b>	<b>189</b>	<b>191,44</b>
<b>Società collegate (ALLIX S.r.l. e ICT Intelligent Components Technology Zhuhai Ltd.)</b>									
Reuse	0	0	0	0	0	0	-	-	-
Landfill	-	-	-	0	0	0	-	-	-
Recycling	-	0,076	0,076	0	0,297	0,297	-	0,242	0,242
Disposal / Shredding	31	-	31	0,046	0,297	0,343	0,055	-	0,055
<b>Total</b>	<b>31</b>	<b>0,076</b>	<b>32</b>	<b>0,92</b>	<b>0,594</b>	<b>0,686</b>	<b>0,055</b>	<b>0,242</b>	<b>0,297</b>



## GRI 306-2 Waste WEEE produced by the Organization divided by type and method of disposal, in tons

	2021			2022			2023		
	hazardous	non hazardous	Total	hazardous	non hazardous	Total	hazardous	non hazardous	Total
<b>TCI Telecomunicazioni Italia S.r.l.</b>									
Recovery (including energy recovery)	0,9	53	54	0	35	35	0,1	29	29,1
<b>Società collegate (ALLIX S.r.l. e ICT Intelligent Components Technology Zhuhai Ltd.)</b>									
Recycling	-	158	158	-	206	206	-	124,25	124,25
On-site transfer	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>158</b>	<b>158</b>	<b>-</b>	<b>206</b>	<b>206</b>	<b>-</b>	<b>124,25</b>	<b>124,25</b>

## Supplieres

All the data in the tables are updated to 31.12.2023

## GRI 204-1 Percentage of local suppliers and total annual expenditure towards local suppliers of the TCI Group

Country / area of origin	2021		2022		2023	
	% 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%	63%	25%	62%	36,4%	59,8%
Italy	75%	37%	75%	38%	63,6%	40,2%

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3-3 Management of material topics	44-45	
GRI-305: EMISSIONS (2016)		
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305-2 Indirect GHG emissions from energy consumption (Scope 2)	55; 64-65; 113	
<b>WASTE AND EXHAUSTS</b>		
3-3 Management of material topics	44-45	

Statement	Location	Omission
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306-2 Waste by type and disposal method	56-59; 64-65; 113-114	
<b>SOCIAL ASPECTS</b>		
GRI-400: SOCIAL ASPECTS		
<b>EMPLOYMENT</b>		
3-3 Management of material topics	44-45	
GRI-401: EMPLOYMENT (2016)		
401-1 New recruitment and turnover	98-99; 111	
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3-3 Management of material topics	44-45	
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403-1 Occupational health and safety management system	27; 33; 76; 100-101; 104-105; 111	
403-2 Hazard identification, risk assessment and accident investigation	27; 32-33; 78; 100-101	
403-3 Occupational health services	27; 100-101; 104-105	
403-5 Workers' health and safety training	98-100; 111-112	
403-8 Workers covered by an occupational health and safety management system	98-101; 104-105	
403-9 Accidents at work	27; 33; 100; 111	
<b>TRAINING</b>		
3-3 Management of material topics	44-45	
GRI-404: TRAINING AND EDUCATION (2016)		
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405-1 Diversity in government bodies and among employees	22; 27-29; 94-95; 102	
406-1 Discrimination and corrective measures adopted	26-29; 94-95; 102	
<b>QUALITY AND SAFETY OF PRODUCTS</b>		
3-3 Management of material topics	44-45	
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417-1 Information and labelling requirements for products and services	68-69; 72-76	
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3-3 Management of material topics	44-45	
GRI-418: CUSTOMER PRIVACY (2016)		
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INDEPENDENT AUDITOR’S REPORT  
ON THE SUSTAINABILITY REPORT

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

We have carried out a limited assurance engagement on the Sustainability Report of TCI Group (hereinafter also the “Group”) as of December 31, 2023.

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**

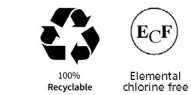
Based on the work performed, nothing has come to our attention that causes us to believe that the Sustainability Report of TCI Group as of December 31, 2023 is not prepared, in all material aspects, in accordance with the GRI Standards as stated in the paragraph “Reading guidance” of the Sustainability Report.

DELOITTE & TOUCHE S.p.A.

Signed by  
**GIUSEPPE MILICI**  
Partner

Milan, Italy  
November 13, 2024

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



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