

**GEDI Gruppo Editoriale**  
Società per azioni

Consolidated Non-Financial Statement  
pursuant to Italian Legislative Decree no. 254/2016  
Sustainability Report 2018





Consolidated Non-Financial Statement  
*pursuant to Italian Legislative Decree no. 254/2016*  
*Sustainability Report 2018*



## Contents

<b>Letter to Stakeholders.....</b>	<b>4</b>
<b>Introduction.....</b>	<b>5</b>
Methodology .....	5
Group companies .....	7
<b>The activities of GEDI Gruppo Editoriale.....</b>	<b>8</b>
Group Profile .....	8
Newspapers.....	9
Periodicals and Guides .....	12
Digital.....	13
Radio.....	14
Advertising.....	15
Key historical milestones.....	16
<b>Commitment to sustainability .....</b>	<b>18</b>
Stakeholders and stakeholder engagement activities .....	18
Materiality analysis.....	19
<b>Governance and integrity.....</b>	<b>22</b>
The Governance model .....	22
Internal control and risk management system .....	24
Model 231 and anti-corruption.....	26
Training provided on 231 and anti-corruption.....	27
The Code of Ethics and its distribution.....	27
<b>The media industry and the Group business model.....</b>	<b>28</b>
The business model and strategy .....	28
<b>Financial performance.....</b>	<b>31</b>
Financial highlights .....	31
Economic Value of the Group.....	33
Financial assistance received from government .....	35
<b>The Group's role as an information provider and responsibility to the community.....</b>	<b>36</b>
Content quality .....	36
Independence and editorial responsibility.....	36
The investment chain of GEDI SpA.....	38

Relations with the financial community.....	39
Responsible advertising and marketing .....	39
Privacy and data protection .....	41
Social role and participation in the community .....	43
<b>Focus on human resources .....</b>	<b>47</b>
Working conditions and practices .....	47
Diversity and equal opportunities .....	50
Enhancement and development of skills .....	51
Worker health and safety.....	52
<b>Environmental impacts .....</b>	<b>54</b>
Management of paper and other raw materials.....	54
Energy and emissions .....	56
Energy Consumption .....	56
Environmental impact of radio activities .....	59
Water consumption.....	60
Waste management .....	61
Environmental impact of distribution and logistics .....	63
<b>Annexes.....</b>	<b>64</b>
Annex 1 -Reconciliation of Material Topics, GRI and G4 Media Sector Standards and Italian Legislative Decree no. 254/16 .....	64
Annex 2 - Scope of Material Aspects of the GEDI Group .....	65
Annex 3 – Focus on Human Resources – Reporting Table .....	66
Annex 4 - Environmental impacts - Reporting Table.....	69
<b>GRI Content Index .....</b>	<b>71</b>
<b>Report of the Independent Auditor .....</b>	<b>77</b>

## Letter to Stakeholders



*Marco De Benedetti*  
Chairman  
GEDI Gruppo Editoriale S.p.A.

*Laura Cioli*  
Chief Executive Officer  
GEDI Gruppo Editoriale S.p.A.

GRI 102-14 GEDI Gruppo Editoriale is committed to offering information, culture, commentary and entertainment through its media in accordance with the principles of independence and freedom, with the awareness of the role that this activity plays in the formation of the citizen-reader's ethical and moral values.

The Group's mission is also to create value for all stakeholders by devoting the required attention to financial stability within an adverse market environment, while offering quality products based on highly socially and environmentally sustainable management decisions. In order to disclose our activities on the subject of sustainability, for the fifth year we are publishing a report prepared in accordance with the GRI international guidelines. This year the Group has adopted the updated version of the guidelines, the "Global Reporting Initiative Sustainability Reporting Standards", in line with the "Core" approach.

In this document, we adopt a format recognised at European level through which we address the various issues based on these themes: the Group's commitment to informing the citizen-reader and its responsibility to the general public; social role and participation in the community; focus on human resources; and environmental impacts.

The Group will always retain a keen focus on these aspects of corporate life, aware of their importance in the creation of value both in economic and systemic terms.

## Introduction

### Methodology

This document is the consolidated non-financial statement (the “Non-Financial Statement”, “NFS” or “Sustainability Report”) prepared to fulfil the obligations provided for by Articles 3 and 4 of Legislative Decree no. 254/16 (“the Decree”) by GEDI Gruppo Editoriale S.p.A. and its consolidated companies (“GEDI” or the “Group”), and aims to transparently describe the initiatives and main results achieved in terms of sustainability performance in the 2018 financial year (from 01 January to 31 December).

GRI 102-10  
GRI 102-45  
GRI 102-46  
GRI 102-48  
GRI 102-49

GRI 102-50  
GRI 102-51  
GRI 102-52  
GRI 102-53  
GRI 102-54

The NFS covers - to the extent necessary to provide a clear understanding of the activities, trends, results and impacts of the business - the environmental and social themes regarding employees, human rights and the fight against active and passive corruption which are relevant to the activities and characteristics of the Group defined in the materiality index provided in this document (the materiality analysis).

This NFS has been produced in accordance with the “Core” and the “Sector Disclosures - Media” options of the “Global Reporting Initiative Sustainability Reporting Standards”, defined respectively in 2016 and 2013 by the GRI (Global Reporting Initiative), considering the information deemed significant for stakeholders and based on the principles provided for by the reporting guidelines. The “GRI Content Index” with details of the content reported in accordance with the GRI Standards is annexed to this document. For certain aspects of the information reported in this document, as indicated by the aforementioned index, specific reference is made to other company documents (such as the Report on Corporate Governance and the Ownership Structure, the Annual Financial Statement, the Code of Ethics or the Organisational, Management and Control Model).

The data and information contained in the NFS refers to all companies of the GEDI Group as at 31 December 2018, consolidated according to the integral approach (any exceptions, in addition to the information provided below, are expressly indicated in the text).

The process to collect the data required for the preparation of the NFS involved various Group company departments and was carried out according to the principles of balance, comparability, accuracy, timeliness, clarity and reliability expressed in the GRI Guidelines.

In order to ensure the comparability of the data and information over time and to assess the trend of the Group’s activities over a certain period, wherever possible accounting data for the 2016 and 2017 reporting periods has been provided. Furthermore, the document includes information relative to previous reporting periods which is still of relevance at 31 December 2018.

Moreover, it is noted that any estimated quantitative data is duly identified as such. Estimates are based on the most accurate information available or on sample surveys.

In order to reconcile the information with the content indicated by the Decree, the relevance of the topic to the Group's activities is indicated for each field. Moreover, the risks associated with each topic referenced by the Decree and the management approaches adopted by the Group are duly identified.

The Board of Directors of GEDI Gruppo Editoriale S.p.A. approved the NFS on 01 March 2019.

This document has been subjected to a compliance review (“limited assurance engagement” according to the criteria of standard ISAE 3000 Revised) by KPMG S.p.A. . The review was carried out according to the procedures indicated in the “Report of the Independent Auditor” included in this document. The Consolidated Non-Financial Statement is produced on an annual basis. The previous Sustainability Report was published on 04 April 2018.

---

---

## **CONTACTS**

For comments, requests, opinions and areas of improvement in the work performed as regards GEDI's corporate responsibility and on the information in the Sustainability Report, contact the following:

### **EXTERNAL RELATIONS HEAD OFFICE DIVISION**

**Stefano Mignanego**

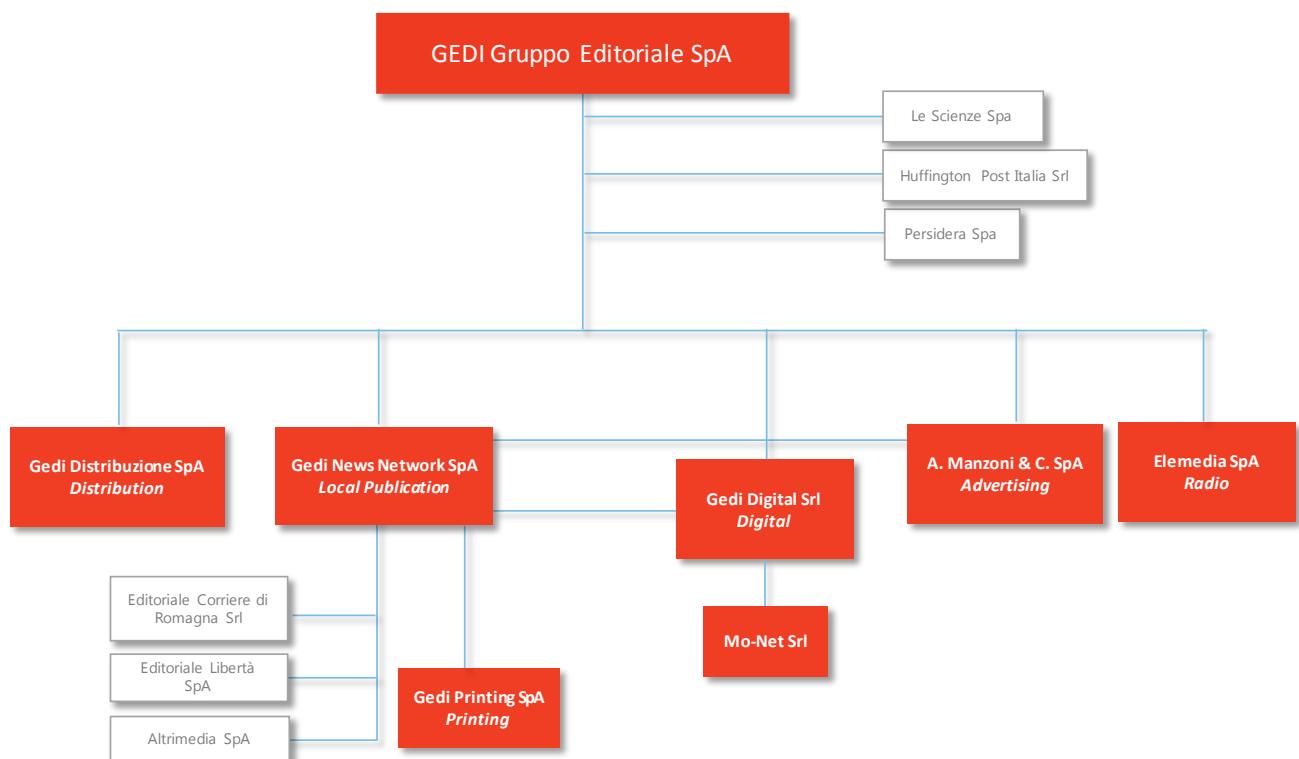
Information and Contact: [sostenibilita@gedi.it](mailto:sostenibilita@gedi.it)

## Group companies

GEDI Gruppo Editoriale Società per Azioni is listed on the Electronic Stock Market with shares eligible for trading on the STAR segment (segment for securities with strict requirements in terms of transparency of information, liquidity and corporate governance), pursuant to Provision no. GRI 102-1 8509, issued by Borsa Italiana S.p.A. on 7 November 2018, entering into force on 15 November GRI 102-3 2018.

GRI 102-4  
GRI 102-5  
GRI 102-10 The statement below shows shareholdings consolidated according to the global integration method  
GRI 102-45 and the shareholders' equity method, indicating in red the companies that, being fully consolidated,  
fall within the reporting boundary of this Consolidated Non-Financial Statement.

### GEDI Gruppo Editoriale – Ownership Structure as at 31.12.2018



## The activities of GEDI Gruppo Editoriale

### Group Profile

GEDI is one of the leading publishing groups in Italy. It operates in all sectors of communication, from the daily and periodical press and publishing sectors to radio, internet and advertising sales.

GRI 102-2

GRI 102-6 On 27 June 2017, the merger was completed into GEDI of the ITEDI Group, publisher of the newspapers *La Stampa* and *il Secolo XIX*. As a result of this transaction, GEDI acquired control of the ITEDI Group, which entered into the scope of consolidation on 30 June 2017.

GRI 102-7

### Quotidiani e Periodici



### Pubblicità



### Radio



### Digitale



Rep: LA STAMPA  
Le Scienze



IL SECOLO XIX

Rep tv D.  
.it



il mattino  
la Nuova  
mes



Messaggero Veneto



(m2o)



IL TIRRENO  
IL PICCOLO



la Nuova Ferrara



GAZZETTA DI MODENA



RADIO CAPITAL



GAZZETTA DI REGGIO



la Provincia Pavesi



topnews



## Newspapers



### ***la Repubblica***

GRI 102-2  
GRI 102-4  
GRI 102-6

*la Repubblica* is a leading Italian newspaper with an average circulation of 167,552 copies per day (ADS 2018) and a daily readership of 1.9 million (Audipress 2018/II).

The newspaper has a national section present in all versions and nine local editions (Rome, Milan, Turin, Bologna, Genoa, Florence, Naples, Palermo and Bari).



One national section  
and nine local  
editions.

167,552 thousand  
copies of the paper  
newspaper  
distributed in 2018

*la Repubblica* is a newspaper registered and printed in Rome, and is transmitted for printing at other printing facilities. It can contain up to 96 pages, all in colour (including advertisements).

Along with the *la Repubblica* daily newspaper, various supplements are also published and distributed, and, in particular:



GRI 102-2

GRI 102-6

**Affari e Finanza**  
 Launched in 1986 as a weekly supplement to respond to the sharp increase in demand for financial and economic information during that period. Affari & Finanza focuses on macro-economic and financial analysis and reports on leading national and international manufacturing businesses with reports and surveys. In 2018 the graphic design and editorial content of Affari & Finanza was redesigned.

### Il Venerdì

Launched in 1987 as a daily supplement. Over time, the publication has transformed from a predominantly image-based daily magazine to a weekly supplement that, while avoiding direct current affairs, focuses on foreign affairs, inquiries, politicians and celebrities, and culture. The publication of Il Venerdì coincides with the highest daily sales of *la Repubblica*.

### D – *la Repubblica*

The women's weekly supplement was launched in 1996. The publication hits the shelves every Saturday and features current affairs, culture, fashion and events, social trends and social change.

### Trova Roma - Tutto Milano

The weekly pocket guides of *Repubblica Milano* and *Repubblica Roma*. Available in newsagents every Thursday, the guides present the weekly highlights for each city, covering events, culture, entertainment, food and social activities.

In line with the previous reporting period, in 2018 the *la Repubblica* newspaper continued to be accompanied by the magazine *L'Espresso* every Sunday.

Furthermore, in 2018 new products relating to the title were launched or consolidated, including digital features, including:

**Rep:**

**Rep:**, a new mobile app designed to enable users to personalise editorial content in a highly innovative manner, with a selection of articles and news chosen by the app based on the user's browsing history/usage.



**RLab**, a new extractable insert of *la Repubblica* devoted to technological innovation, scientific research and environmental sustainability; *la Repubblica* has become an advocate of the latter topic in Italy, running awareness-raising campaigns against plastic pollution in partnership with Legambiente.



**RFood**, a new insert dedicated to food and aimed at raising awareness of the importance of Italy's wine and food culture.

**Fuoricampo**  
**Fuoricampo**

**Fuoricampo**, a collection of articles from leading international newspapers (part of the *Leading European Newspapers Alliance*, of which *la Repubblica* is a member).

**SUPER 8**

**Super8**, photographic and journalist reports on national and international current affairs.

## News Network

GRI 102-2

GRI 102-4

GRI 102-6

Following the merger of the ITEDI Group, the News Network division currently comprises 15 publications (*La Stampa*, *il Secolo XIX*, *Gazzetta di Mantova*, *Gazzetta di Modena*, *Gazzetta di Reggio*, *Il Mattino di Padova*, *Il Piccolo*, *Messaggero Veneto*, *Corriere delle Alpi*, *La Nuova Ferrara*, *La Nuova Venezia*, *La Provincia Pavese*, *La Sentinella del Canavese*, *La Tribuna di Treviso* and *Il Tirreno*), with an average distribution of 354,000 copies per day (ADS 2018) and a readership of 3.3 million people (Audipress 2018/II).



## Periodicals and Guides

GRI 102-2

GRI 102-6 The National Press division includes the following periodicals and guides:



### L'Espresso

*L'Espresso* was founded in 1955, marking the start of the Group that bears its name. It is a weekly magazine covering culture and politics, representing a point of reference for widespread and important sectors of Italian public opinion.

### Mind

Launched in 2018 as the evolution of *Mente & Cervello*, the new psychology and neuroscience monthly magazine discusses life, conflicts, emotions and relationships. Affiliated with the German (*Gehirn und Geist*), US (*Scientific American Mind*) and French (*Cerveau et Psycho*) editions.

### National Geographic and

### National Geographic Traveler

Italian edition of the famous American magazine established in 1888, launched in February 1998. Focuses on geography in the broadest sense of the term, with a particular focus on high-quality photography. *Traveler* features journeys that readers could take, sometimes of a particularly adventurous nature, but always focused on the discovery of new experiences.

### Le Scienze

The Italian edition of **Scientific American** published its first issue in September 1968. It covers the most recent advances across all of the scientific disciplines, from physics and biology to medicine, environment science, geology and cosmology.

### MicroMega

Launched in 1986, *MicroMega* is the magazine of the democratic left and Italian liberalism. A cultural and political point of reference, it has long played an important role in Italian political debate with a strong anti-party politics, legalistic and secular identity.

### Limes

*Limes*, the Italian geopolitics magazine, was founded in 1993 to become one of the most influential and authoritative mouthpieces of geo-political reflection.

## LE GUIDE *la Repubblica*

Published each year, *le Guide di Repubblica* have a strong local focus and occupy a position on the market with a pronounced link to the region, describing local sights, sounds and smells in the *la Repubblica* style.

## Le Guide de *l'Espresso*

For more than 40 years, *la Guida dell'Espresso* has presented photographs of Italy's vibrant and varied restaurant culture, a sector that constantly consolidates and embellishes its strengths while diversifying and modernising.

## Digital

GRI 102-2

GRI 102-6

The Digital division oversees the management and digital development of the trademarks of the Group across all digital platforms (desktop, mobile, tablet, smart TV and latest generation devices), as well as the diversification of the activities of the Group into new digital operations outside the current perimeter. The distribution strategy is differentiated by platform and considers both free and premium models: the specificity of readers' information needs on the various platforms and the long-term optimisation of value are drivers for the choice of model.



With an average of 5.04 million unique visitors per day and 25.5 unique visitors per month (Audiweb), the Group was the sixth largest operator in the period between April and November 2018.

The Digital division is therefore responsible for the development and online management of all of the Group's main brands, particularly *Repubblica.it*, *Repubblica +*, the new premium product *Rep:*, the online edition of the 15 *News Network* titles, the standard and pure digital premium membership options (*Top News* and *Noi*), a broad collection of entertainment websites ranging from the Group's web radio stations to vertical film and television websites like *Mymovies* and *Tvzap*, as well as important international partnerships such as *Huffington Post Italia* and *Business Insider Italia*.

According to research by Audiweb, which introduced a new measurement and survey system in April 2018 in order to provide a better representation of mobile traffic and traffic that previously was not correctly attributed to publishers (so-called in-app browsing), in the period between April to November 2018 the GEDI Group was named the sixth largest operator in the Italian digital market (including international service and platform providers such as Google, Facebook and Amazon), with an average of 5.04 million unique visitors per day and 25.5 million unique visitors per month across all of its digital property.

## Radio

GRI 102-2

GRI 102-6

In the last thirty years, GEDI has developed its activities in the radio sector and the Radio division currently includes the Group's three national radio stations, *Radio Deejay*, *Radio Capital* and *m2o*. Based on the *RadioTer* data for 2018, the Group's three stations continue to record good listenership results: *Radio Deejay* confirmed its position among the leaders in the radio market, with 5 million listeners on an average day, while *Radio Capital* and *m2o* both reported an audience of 1.6 million listeners.



### Radio Deejay

Founded in 1982 by Claudio Cecchetto, the station was acquired by the Espresso Group in 1989. Linus has acted as artistic director since 1994. With an average of 5 million daily listeners (*RadioTer* survey for 2018), it is an established leader in the entertainment sector and offers a plethora of successful programmes presented by well-known personalities such as Linus, Nicola Savino, Fabio Volo, Alessandro Cattelan, il Trio Medusa, Albertino, La Pina, and Luciana Littizzetto, Rudy Zerbi, Fabio Caressa, Ivan Zazzaroni at the weekend. In January 2018, Fiorello returned to the airwaves of *Radio Deejay* after 26 years with the new daily show *Il Rosario della sera*. It is the radio station that drives musical trends, representing the launchpad for tracks that go on to become successful hits played by other radio stations. The station also has an active online presence and was the only Italian radio station to feature among Audiweb's top 100, with a strong presence on social media. As has always been the case, it has a strong relationship with the community thanks to events that place the radio station in direct contact with the audience. Source: *Radio Ter* survey, 2018

### Radio Capital

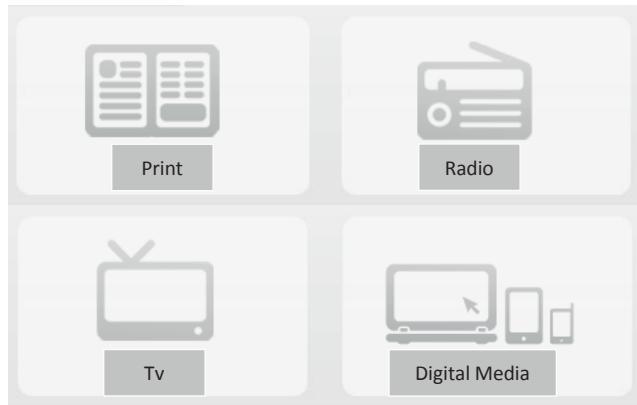
Launched in the mid-eighties and acquired by the Espresso Group in 1997, *Radio Capital* has an average global listenership of 1.6 million people per day (*RadioTer* survey, 2018). The station has long been a point of reference for music enthusiasts with a preference for the classic tracks of the seventies, eighties and nineties, and combines music with entertainment and news reports delivered live by Vittorio Zucconi. Since September 2018, under the management of the new director Massimo Giannini, long-established columnist of *la Repubblica* and TV pundit, the station has developed a new editorial approach aimed at optimising the news component - which has been expanded and is now also broadcast at weekends - balanced with a consistent focus on high-quality music as the broadcaster's key value.

### m2o

Acquired by the Espresso Group in 1998 under its former name *Italia Radio*, the station was restyled and relaunched as *m2o* in late 2002 to become a dance music station aimed exclusively at a young audience. Since 2010 it has expanded its musical range to include hit tracks while maintaining the high-energy appeal that has always characterised the station. With an average daily listenership of 1.6 million people (*RadioTer* survey, 2018) *m2o* boasts a unique identity in the radio industry and is the only station able to develop close affinities with young people while also appealing to older listeners. Since the end of 2018 the artistic director of *m2o* has been Albertino, one of radio's best-known personalities. His musical expertise, ability to spot trends and unique delivery, combined with his profound understanding of public opinion, affords the station an authoritative and respected voice while guaranteeing attention to detail, quality, creativity and innovation.

## Advertising

GRI 102-2 GRI 102-6 The company A. Manzoni & C. is the main advertising agency of the media outlets of GEDI and a selected group of third-party publishers. Manzoni is one of the top agencies on the Italian advertising market. Manzoni's strength lies in its top quality multimedia portfolio, with leading newspapers in the main market segments and a broad customer consultancy and support network. The experience of Manzoni's sales organisation, which is structured into specialist sales networks focused on the different media, guides and directs companies when choosing the commercial offers that best meet their communication objectives. Aside from its sales service and its flexible and structured advertising solutions, Manzoni provides its customers with a system of information, databases, case studies, analyses and original market research.



## Key historical milestones

50s and 60s	<b>1955</b> The L'Espresso publishing company, N.E.R. (Nuove Edizioni Romane), is founded.
	<b>1965</b> Colour is used for the first time for editorial photos and adverts.
	<b>1967</b> Colour supplements are introduced and the circulation of <i>L'Espresso</i> grows to over 100,000 copies per issue.
	<b>1970</b> The <i>I'Espresso Economia &amp; Finanza</i> insert is launched; the circulation of <i>L'Espresso</i> exceeds 130,000 copies; the Italian version of the monthly magazine <i>Le Scienze</i> is launched in joint venture with <i>Scientific American</i> .
70s	<b>1975</b> The company changes its name to "Editoriale L'Espresso"; circulation of the weekly grows to over 300,000 copies per issue.
	<b>1976</b> The daily newspaper <i>la Repubblica</i> is launched.
	<b>1977</b> Editoriale L'Espresso begins acquiring controlling interests in a number of local newspapers.
	<b>1979</b> Circulation of the newspaper <i>la Repubblica</i> grows to 180,000 copies per issue.
80s	<b>1984</b> Editoriale L'Espresso is listed on the Stock Exchange and Finegil, a holding company for the local newspapers, is created with a 50% stake sold to Mondadori.
	<b>1985/1989</b> The <i>Repubblica</i> supplements <i>Affari &amp; Finanza</i> (1986), <i>Il Venerdì</i> (1987) and the local newspaper <i>il Centro</i> are launched; the Espresso Group acquires a 50% stake in <i>Radio Deejay</i> (1989).
	<b>1989</b> Mondadori acquires control of Editoriale L'Espresso.
90s	<b>1991</b> The Espresso Group is founded with the CIR Group as its majority shareholder; Editoriale La Repubblica is listed on the Stock Exchange.
	<b>1992</b> The Group acquires the entire share capital of A.Manzoni & C..
	<b>1994</b> The Monday edition of <i>La Repubblica</i> is launched.
	<b>1995</b> Two new supplements ( <i>Musica, rock &amp; altro!</i> and <i>Salute</i> ) are launched together with the new women's magazine <i>D - la Repubblica delle Donne</i> . <i>Repubblica</i> introduces colour printing for the front page and advertisements.
	<b>1996</b> The website <i>Repubblica.it</i> is launched on a trial basis and from 1997 is online 24 hours a day.
	<b>1999</b> The Group adopts an investment strategy aimed at the online, digital TV and radio sectors.
2000 to present	<b>2000</b> The Group focuses on digital content and web solutions.
	<b>2004</b> <i>Repubblica</i> concludes the full color investment, enabling it to print the newspaper's 96 pages in colour.
	<b>2005</b> The Group completes its multimedia presence and is able to reach the public with its content via multiple platforms and through different methods of access.

2000 to present	
2007	Repubblica launches the new <i>R2</i> section with investigations, dossiers and reports; L'Espresso updates its cover and graphic design.
2010	The Group's digital offer is enriched with new products and the websites of L'Espresso and the local newspapers are redesigned.
2011	The sections of Repubblica.it dedicated to economics and finance are redesigned and the journalistic coverage of the website is extended to 24 hours a day; video production is increased; finally, specific products are created for tablets and smartphones.
2012	<i>Huffington Post Italia</i> is set up, a joint venture between AOL and the Group.
2014	The Group concludes the integration of digital terrestrial network operator activities with Telecom Italia Media and refinances the company through the placement of a five-year convertible bond.
2015	The Group strengthens its leadership at digital level and <i>Repubblica.it</i> consolidates its position as Italy's leading news site and one of the most authoritative at international level.
2016	The Espresso Group and ITEDI (publisher of <i>La Stampa</i> and <i>Secolo XIX</i> ) sign an agreement for the merger of the two companies, aimed at creating a leading Italian publishing group.
2017	The Group finalises the merger agreement between GEDI Gruppo Editoriale and ITEDI Italiana Editrice, the parent company of the newspapers <i>La Stampa</i> and <i>Il Secolo XIX</i> . Repubblica's new premium digital product, <i>Rep</i> , a subscription-based news website, is launched.
2018	Numerous projects are launched to strengthen and redevelop the online presence of the Group's brands. <i>Repubblica</i> ha lanciato una nuova app e ha sviluppato la produzione di contenuti esclusivi digitali. GNN expands the membership project to all of its local newspapers and all of the websites are redesigned. <i>La Stampa</i> launches <i>TopNews</i> , a new weekly subscription service to a selection of digital content. <i>Radio Capital</i> and <i>m2o</i> undergo significant transformations with respective new editorial and artistic directors. Infine, in corso d'anno è stato lanciato, in collaborazione con National Geographic, il nuovo trimestrale <i>Traveler</i> .

## Commitment to sustainability

For many years, GEDI has been committed to an important journey of sustainability with the aim of guaranteeing a balance between the different activities of the Group and their environmental, social and economic impacts on the environment and society.

The adopted approach is based on the development and maintenance of a relationship of mutual trust between the Group and its stakeholders, as well as considering the interests of stakeholders in order to reach the company objectives, observing the laws and the principles of honesty, impartiality, reliability, loyalty, correctness, transparency and good faith, always while respecting and protecting human life.

The adopted approach is expressed through the development of a trusting relationship between the Group and its stakeholders, in which it pursues its objectives by seeking to reconcile the interests involved in compliance with the law and the principles of honesty, impartiality, reliability, fairness, integrity, transparency and good faith, while guaranteeing the full respect and protection of human life.

## Stakeholders and stakeholder engagement activities

GRI 102-40    GEDI maintains an open dialogue with its numerous reference stakeholders who operate within the scope of its activities, using the various communications tools at its disposal.  
 GRI 102-42  
 GRI 102-43

In 2018, the Group updated the map of its stakeholders, identifying their degree of influence/dependence and analysing how relevant the specific sustainability issues relating to the sector and the reference context are to them. The following graph shows the map with the ten clusters of identified stakeholders, in relation to which the stakeholder "the Public" is represented by various categories of users who can be subdivided into: buyers of the newspapers, subscribers, radio listeners, online users, TV viewers and satellite subscribers.

*GEDI - Stakeholder Map 2018*



To pursue the company's objectives, it is fundamental to develop forms of dialogue and ongoing interaction with internal and external stakeholders in order to understand and take into consideration their various requirements, interests and expectations. In particular, within the dynamic and competitive scenario of intense change pervading the publishing industry and the

media, being capable of anticipating change and identifying emerging trends through stakeholder engagement enables the Group to generate shared, ongoing added value over the long term.

GEDI constantly monitors its relations with stakeholders in order to receive suggestions to enable it to better pursue its sustainability strategy. This is why GEDI works every day to establish trusting relationships with its stakeholders, based on the principles of transparency, openness and dialogue. The Group's stakeholder communications approach has evolved continuously over time, giving rise to a range of initiatives aimed at making the best use of the multiple channels available.

The summary below shows the main stakeholder engagement activities carried out by the Group.



One example of this structured and continuous stakeholder engagement process is the series of activities carried out by the External Affairs Head Office Division, which is responsible for managing relationships between the Group and the media primarily as regards corporate communications and handling relationships with other Group stakeholders.

### Materiality analysis

In 2018, GEDI carried out a materiality analysis to identify sustainability topics of relevance to the Group and its stakeholders. The table in Annex 2 shows the boundaries of the material topics identified and the relative impact of such topics on the Group and/or its stakeholders.

The materiality analysis is updated through various phases. The analysis initially considered the various reports published by competitors and companies representing best practices operating in

the publishing sector, relevant studies and publications and the topics covered by Legislative Decree no. 254/16. Following this analysis, modifications to the topics identified in the previous table were put forward.

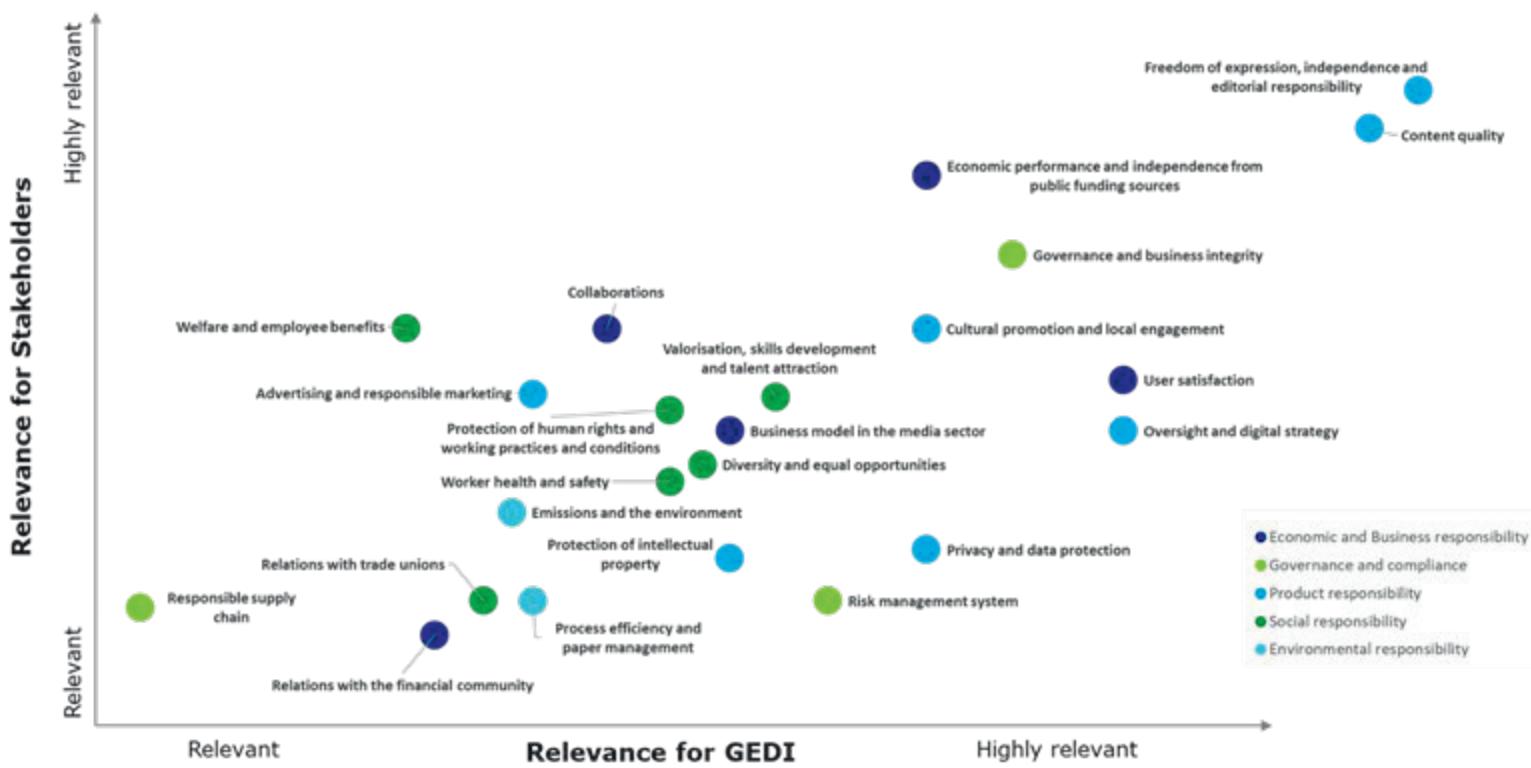
The identified topics were then evaluated by the management team during an internal workshop aimed at understanding the Group's position in relation to each topic.

In order to further develop stakeholder engagement, in 2018 a specific stakeholder engagement initiative was launched to collect opinions on issues of sustainability relative to the Group. As part of this initiative, an ad hoc questionnaire was sent to the public, aiming to stimulate debate on the Group's approach to sustainability and identify stakeholder expectations regarding GEDI's activities. The participants made a significant contribution to identifying the main impacts that the Group's activities have on the various stages of the value chain.

These internal and external analyses made it possible to identify the material aspects, namely those that have significant impacts for the organisation from an economic, environmental and social perspective, and which substantially influence stakeholder assessments and decisions. Indeed, combining a strategic business approach with stakeholder expectations is key to enabling the Group to continue to generate shared value in the short, medium and long term. The analysis was carried out in compliance with the criteria defined by the Global Reporting Initiative (GRI Standards). For more details on the reconciliation of GEDI's materiality aspects to the GRI Standards, refer to the table in Annex 1.

In line with previous years, the material topics relate to five key areas: Economic and Business Responsibility, Governance and Compliance, Product Responsibility, Responsibility to Employees and Environmental Responsibility. The priorities expressed both by the GEDI Group and by stakeholders are processed and represented in the Materiality Index below:

**GEDI – Materiality Index 2018**



## Governance and integrity

GRI 102-18 **The Governance model<sup>1</sup>**

GRI 103-1

GRI 103-2 The GEDI Gruppo Editoriale S.p.A. corporate governance system makes it possible to achieve

GRI 103-3 strategic objectives by ensuring effective governance that complies with institutions and laws, and which is efficient and fair towards all stakeholders. This system is based on the principles and criteria expressed by the Code of Best Practice published in 2006 by the Borsa Italiana Corporate Governance Committee and of which GEDI Gruppo Editoriale S.p.A. drafted its own version, published in the Report on Corporate Governance and the Ownership Structure. The company adopted this model on 21 February 2007. At that time, among other decisions made, the positions of Executive Director in charge of the internal audit system, head of internal auditing and lead independent director were established. The extraordinary shareholders' meeting held on 18 April 2007 amended the Articles of Association so as to acknowledge the legislative innovations regarding company law.

The various changes included the introduction of list voting for the appointment of the Board of Directors, minimum thresholds for the presentation of the lists and the position of the executive appointed to draw up the company accounting documents. Subsequently, the extraordinary shareholders' meeting of 20 April 2011 adopted the necessary resolutions to complete the adjustment of the Articles of Association to Italian Legislative Decree no. 27 of 27 January 2010, a process undertaken by the Board of Directors on 20 October 2010. On this occasion, the Articles of Association were amended in order to incorporate the required provisions as well as to eliminate all regulatory references superseded by the Shareholders' Rights regulation, also with reference to the company's adoption of the Procedure for Related-Party Transactions. Furthermore, due to the amendments introduced to the Consolidated Law on Finance by Italian Law no. 120 of 12 July 2011 ("Gender Balance") concerning equal access to the boards of directors and internal audit bodies of companies listed on regulated markets, on 18 April 2013 the Board of Directors made the required amendments to the Articles of Association in order to bring them into line with regulations in force.

Subsequently, the Extraordinary Shareholders' Meeting of 27 April 2017 resolved, among other things, to change the Group name from Gruppo Editoriale L'Espresso S.p.A. to GEDI Gruppo Editoriale S.p.A. (GEDI S.p.A.). Finally, the Extraordinary Shareholders' Meeting held on 26 April 2018, considering meetings with the relevant offices of CONSOB, resolved to remove the section of Article 15 of the Articles of Association that stated that Shareholders who, individually or jointly, represent less than 20% of the share capital with the right to vote in the Ordinary Shareholders' Meeting, may only present lists containing three candidates or fewer.

GEDI's governance system consists of the following corporate boards and committees: the Board of Directors, the Board of Statutory Auditors, the Internal Committees and the Shareholders' Meeting.

The Board of Directors was appointed on 26 April 2018; directors serve for a period of time established by the Shareholders' Meeting when appointed and in any case for no longer than three years. They can also be reappointed. The mandate of the current Board will expire with the approval of the Financial Statements as at 31 December 2020, with the exception of Laura Cioli, co-opted (following a resignation) by the Board of Directors of the Company on 26 April 2018, whose appointment will be confirmed at the next Shareholders' Meeting.

---

<sup>1</sup>For more information please refer to the "Report on Corporate Governance and the Ownership Structure".

GRI 405-1

At the same meeting, the Board of Directors also appointed Monica Mondardini and John Elkann as Vice Chairs of the Company. It is noted that the Board of Directors, at the meeting of 23 June 2017, appointed Carlo De Benedetti as Honorary Chairman of the Company.

Name	Position	Executive	Non-executive	Independent
Marco De Benedetti	<i>Chairman</i>	√		
Laura Cioli	<i>Chief Executive Office</i>	√		
John Elkann	<i>Vice Chair</i>		√	
Monica Mondardini	<i>Vice Chair</i>		√	
Agar Brugiajvini	<i>Director</i>		√	√
Giacaranda M. Caracciolo di Melito Falck	<i>Director</i>		√	√
Elena Ciallie	<i>Director</i>		√	√
Alberto Clò	<i>Director</i>		√	√
Rodolfo De Benedetti	<i>Director</i>		√	
Francesco Dini	<i>Director</i>		√	
Silvia Merlo	<i>Director</i>		√	√
Elisabetta Oliveri	<i>Director</i>		√	√
Luca Paravicini Crespi	<i>Director</i>		√	√
Carlo Perrone	<i>Director</i>		√	
Michael Zaoui	<i>Director</i>		√	√

At the end of the year to which this Sustainability Report refers, the Board of Directors had fifteen members and was composed of 53% men and 47% women.

#### **GEDI SpA - Composition of the Board of Directors as at 31.12.2018**

The Independent Directors represent the majority of the Board of Directors and the number and authoritativeness of the same is such that it guarantees that their opinion may have a significant influence on the adoption of board decisions, contributing to the formation of balanced decisions especially in the event of potential conflicts of interest. Most GEDI directors are over 50 years old.

Gender	%
Men	53%
Women	47%
Age	%
<30	-
30-50	20%
>50	80%

**GRI 102-11 Internal control and risk management system**

GRI 103-1

GRI 103-2

GRI 103-3

The internal control and risk management system is the set of rules, measures and organisational structures that, beginning with the adequate identification and evaluation of the risks to which the Company and its operating sectors are exposed, enables risks to be managed and monitored in an efficient and timely manner.

This system, as outlined in the Report on Corporate Governance and the Ownership Structure that can be consulted in the Governance section of the Group's website, is based on the general principles and guidelines approved by the Board of Directors and subdivided as follows:

- Control and Risk System which, in addition to the principles expressed in the guidelines, includes the provisions of the Articles of Association and internal regulations in the area of the allocation and delegation of responsibilities, the system of delegation, procedures and risk areas mapped by the Organisational Model and, finally, risk assessment goals and methods;
- Tasks of the bodies and functions of the Control and Risk System, which defines the functions responsible for the Control and Risk System in terms of their roles and expertise and in accordance with the indications in the guidelines and in the applicable legislative, regulatory and internal provisions;
- Risk management, which is structured into three different levels of control distinguishing between internal departments, which identify risks and carry out management actions, risk management departments, which carry out constant analysis and monitoring, and the Internal Audit department, which oversees the functioning of the System and provides independent assessments.

The definition of the nature and the level of risk compatible with the company's goals is the responsibility of the Board of Directors, following the opinion of the Control and Risk Committee; to this end, the suitability of the internal control and risk management system with respect to the characteristics of the business and the risk management profile assumed is assessed at least once a year.

The review, discussion and definition among the Board of Directors of the nature and level of risk compatible with the Group's business objectives is implemented through a critical analysis of the assessment of probability/impact performed by the Risk Manager and previously established by the Control and Risk Committee in consideration of risk parameters connected to different analysis perimeters.

The Risk Manager works in close collaboration with process managers and the Internal Audit Department Manager, carrying out a complete review and constantly monitoring the risks, and considering any changes to the boundaries made in the course of the year at organisational and corporate level.

Specifically, the activities of the Risk Manager consist of the following actions:

- Mapping of company processes and implementation of the relative updates, when necessary;
- Annual identification of internal and external risks in reference to individual processes;
- Measurement of risks in terms of probability/impact and assessment of the effect on different affected perimeters;

- Analysis of risk mitigation factors and consequently the residual risks to which the Company is exposed;
- Presentation of the results of these actions to the Control and Risk Committee for review and preliminary discussion, prior to the presentation of the same to the Board of Directors.

The aforementioned activities are carried out according to the guidelines of the ERM - Enterprise Risk Management framework published by the Committee of Sponsoring Organisations of the Treadway Commission (COSO report).

In addition to the risks identified in the Group's "Annual Financial Report", with regard to the topics covered by Articles 3 and 4 of Italian Legislative Decree no. 254/16 such as environmental, social and staff-related topics, human rights and the fight against active and passive corruption, GEDI has also identified the following critical topics:

- **Topics relating to staff.** Following the tightening of the market, the reorganisation of corporate and organisational structures and changes to the scale of the workforce, the risk of strained relations between the company and trade unions has emerged, resulting in strikes and/or negatively impacting the work organisation. In order to maintain an open and transparent dialogue with employees and freelance associates, develop relations and support employees and journalists, the Group has implemented various concrete actions regarding the planning and management of resources, such as solidarity programmes and welfare policies.

Risks related to staff management were also identified, particularly as regards the selection process, regional distribution, and the lack of flexibility and mobility of resources. To mitigate these risks, the Human Resources Department has taken steps to improve the recruitment criteria and provide the necessary training to its employees to promote mobility.

- **Social topics and human rights.** One of the main risks identified was the possibility of non-compliance or inadequate observance of legislation regarding occupational health and safety, with specific reference to training and equipment. To mitigate this risk, the Group has developed specific action plans to periodically monitors training and health check activities. Two specific operating protocols in line with Model 231/2001 were also defined.

Furthermore, the risk of non-compliance with legal provisions regarding privacy and the processing of personal data, advertising regulations and copyright, which could expose the Group to the risk of sanctions and civil or criminal liability, was also evaluated. As well as appointing the Group Data Protection Officer (DPO), GEDI has defined actions and plans to constantly monitor regulations and reference case law, formulating guidelines and codes of conduct and providing specific training to employees.

- **Fight against active and passive corruption.** To avoid the risk that the control systems for the management of conflicts of interest (Related Parties) are inadequate and to continually monitor the Group's management of this issue, GEDI has adopted a specific procedure for the management of related party transactions.
- **Environmental topics.** The risk of non-compliance with environmental protection laws is mitigated by the presence of an internal structure and the appointment of external

companies with expertise in the sector, with annual audits carried out at printing facilities with the consequent assessment of any necessary action.

### **Model 231 and anti-corruption**

In order to ensure correctness and transparency in the performance of its business and company activities and to prevent the crimes envisaged by Legislative Decree no. 231/2001, the Company and its subsidiaries have adopted an “Organisational, Management and Control Model” that is periodically updated in order to ensure the continuous correspondence of the same with any changes to legislation or the company structure. The document is composed of a “General Part” which, as well as referencing the principles of Legislative Decree no. 231/01 and the guidelines issued by Confindustria, illustrates the key content, employee training methods and the dissemination of the same within the company. It is followed by a “Special Part” which includes the map of the sensitive areas, the Code of Ethics, the code of conduct, the general principles of the internal control system and the control protocols developed for all at-risk company processes. In particular, the protocols highlight the crimes that can be committed in relation to individual processes, provide guidance on conduct and outline specific control activities to largely eliminate the relative risks of crime. An extract from the Model can be viewed in the “Governance” section of the corporate website.

On 05 March 2018, the company's Board of Directors approved the revision of the Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/01, proposed in agreement with the Supervisory Body and based on prior approval by said entity.

The amendments made were assessed as part of and following a wider process of revision and updating of the organisational models of all subsidiaries and/or associates and were introduced, including with reference to its general implementation, in order to align with recent changes to Legislative Decree no. 231/01, as defined below:

- Legislative Decree no. 38/2017 amending the regulations regarding corruption among private entities; Incitement to corruption among private entities (Article 2635-bis, Italian Civil Code);
- Italian Law no. 199/2016: Illicit brokering and exploitation of labour (Article 603-bis);
- Italian Law no. 161/2017: Provisions against illegal immigration (Article 12, paragraph 3, 3-bis, 3-ter and paragraph 5 of Italian Legislative Decree no. 268/1998);
- Italian Law no. 167/2017: introduction of the crime of Racism and Xenophobia (Article 25-terdecies of Italian Legislative Decree no. 231/2001) - International Convention on the elimination of all forms of racial discrimination (Article 3, paragraph 3-bis of Law no. 654/1075);
- Italian Law no. 179/2017: amendment of Article 6 of Italian Legislative Decree no. 231/2001 “Provisions for the protection of persons disclosing crimes or irregularities which have come to their knowledge during a public or private working relationship”.

Similarly, during the year other Group companies approved the revision of the current Organisational Models, in line with the resolutions taken by the Parent Company.

## Training provided on 231 and anti-corruption

GRI 205-2 The Group provides general training on issues pertaining to the 231 Model for its employees and more specific training for employees that work in specific risk areas, the supervisory body and those responsible for the internal audit. The content and frequency of the training courses are defined on a case by case basis, and checks are also carried out on attendance levels and the quality of the content of the courses. Participation in training courses is compulsory. In 2018, a total of 2,550 hours of anti-corruption training were provided, involving 36 executives and 814 workers.

Specifically, in 2018 the Group implemented a specific online training programme for 231 topics, including in view of the amendments made to the Organisational Models of Group companies.

Topics regarding the updates to the 231 Model and the appointment of the Supervisory Bodies of Group companies were subject to specific resolutions by the relevant administrative bodies and were notified to employees.

<i>Number and percentage of employees who have received anti-corruption training</i>	
<b>Employees</b>	<b>2018</b>
Executives	36
% Executives	51%
Office workers	814
% Office workers	82%

The Group promotes the awareness and observance of the Model among consultants, various types of freelance associates, business contractors and their employees, self-employed workers who work for the Group, customers and suppliers.

GRI 102-16 **The Code of Ethics and its distribution**

GRI 103-1

GRI 103-2

GRI 103-3

The Code of Ethics is the set of ethics/behavioural rules that are transmitted to all employees on an ongoing basis, the consistent application of which is continuously monitored, which clearly and transparently defines the set of values that inspire the Group for the achievement of its objectives. Therefore, the activities of all Group companies must comply with the principles expressed by the Code. GEDI Gruppo Editoriale S.p.A. recognises the importance of ethical and social responsibility in the management of its business affairs and activities, and is committed to respecting the legitimate interests of its stakeholders and the general public. At the same time, it asks its employees and those who work within the Group companies to comply with the company's rules and the tenets established in this Code.

The Group has made a formal commitment to promoting awareness of the content of the Code of Ethics and the applicable company processes amongst all employees: all new employees are given a copy of the Code of Ethics. A similar awareness-raising activity on the values and principles expressed in the Code of Ethics is carried out among freelance associates, suppliers and customers of all types.

## The media industry and the Group business model

### The business model and strategy

GEDI has decided to concentrate its efforts on a strategy developed around four main points:

- focus on development by strengthening the traditional business with ongoing revisions of its publishing products, but also taking advantage of all new opportunities that the market may offer;
- expanding and improving the content offering of its brands on new digital platforms, taking the industry's ongoing evolution towards digital into close consideration;
- affirming its position within the advertising market in accordance with the guidelines put in place by the internal agency;
- maintaining the company's profitability within the context of a global recession which has negatively impacted turnover, focusing on costs and corporate reorganisation;
- delivering additional benefits resulting from the merger with the ITEDI Group, leveraging scale, unparalleled local presence and Group synergies;
- consolidating/strengthening the Group's presence in the radio sector.

### ***The digital evolution***

G4 M6

In recent years the media industry has experienced a pronounced shift towards digitalisation. In response to this and to meet the new requirements of its users in the most effective way, since the 2000s GEDI has gradually embarked on a digital evolution that encompasses the development of new products, company processes and the organisation's day-to-day activities.

In 2018, GEDI's Digital Division structured research and development activities into five main projects:

1. **Digital products and platforms.** In the context of its activities on the new digital platforms, in 2018 the development phase was completed and the new native digital product Rep: was launched, reaching 30 thousand subscribers in the first 12 months. Furthermore, a new Repubblica app was launched, Cubo, bringing together the subscription-based real-time news update site *Rep:*, *R+* and the Video section. The Premium sites of the local newspapers were completed redesigned and optimised for smartphones, with the launch of the subscription-based platform *Membership Noi* and TopNews on *La Stampa*.
2. **Video.** In terms of video, GEDI has continued to distribute and monetize the Group's video content on YouTube and Facebook. Furthermore, a centralised management approach was adopted for the video content of *La Stampa* and the local newspapers of the GEDI News Network (GNN).
3. **Technological projects and funding.** From a technological standpoint, GEDI's Digital Division has approved the funding by Google/YouTube for the GNI project (Google News Initiative) for live video streaming. In partnership with LENA (the Leading European Newspaper Alliance), the Group has also been granted access to funding from the European

- Parliament for journalistic activities aimed at discovering how the Union impacts our everyday lives and exploring its presence in Member States.
4. **Innovative payment methods.** The new payment system SWG (Subscribe with Google has been implemented to provide a simplified payment platform for Premium content in addition to the existing platform with Facebook.
  5. **Data Lake.** In partnership with the advertising concessionaire Manzoni, GEDI has launched a project to implement a Group Data Lake to enable integrated data management for advertising and editorial purposes.

To combat disinformation and “fake news”, *la Repubblica* and *La Stampa* have joined other international newspapers in applying the criteria of the **Trust Project** to promote fact-checking and offer objective criteria to help readers assess the quality of information.

### Digital: significant results achieved in 2018

Number of Users	App use
<p>With an average of 5.04 million unique users on an average day and 25.5 million unique users a month on its sites (new Audiweb survey, average figures for April-November 2018), GEDI is the sixth biggest operator on the entire Italian digital market (including service providers and platforms like Google, Facebook, WhatsApp, Amazon, etc.).</p> <p>The digital editions of the Group's publications, including <i>la Stampa</i> and <i>Il Secolo XIX</i>, had an average total of 63.1 thousand subscribers in 2018.</p> <p><i>Repubblica.it</i> confirmed its position as the leading Italian news website with 2.94 million unique users on an average day, representing a lead of 26 % on the second biggest news website (new Audiweb survey, average figures for April-November 2018).</p> <p>The websites <i>La Stampa.it</i> and <i>Il Secolo XIX.it</i> of the GEDI News Network recorded an average Total Digital Audience of 997,200 unique users on an average day (Audiweb average for April-November 2018). With regard to the brands of the Local Newspapers of the GEDI News Network, the sites collectively recorded an average Total Digital Audience of 607,000 unique users on an average day, predominantly composed of mobile traffic (Audiweb average for April-November 2018).</p>	<p>GEDI continues to pursue innovation and technological development. In this regard, the new <i>Repubblica</i> App was launched, uniting all of <i>Repubblica</i>'s “free” and “premium” content (<i>Repubblica.it</i>, <i>Rep.;</i>, <i>Rep TV</i>, <i>R+</i>) in a single place and complementing <i>Repubblica</i>'s smartphone functionality which receives an average of 1.9 million users per day and 15.6 million users per month (new Audiweb survey, average for April-November 2018). GEDI has also renewed its aim to reach more readers across multiple platforms.</p>
	<h3>Social media use</h3> <p><i>Repubblica</i> is still the leading Italian daily in number of followers on Facebook (3.7 million), Twitter (2.8 million) and Instagram (500,000) and is a global leader in reader engagement.</p> <p>The year 2018 saw further reinforcement of the positions of the Group's brands on social media networks: currently the pages of GEDI have over 32 million followers on Facebook, Twitter and Instagram.</p> <p><i>Deejay</i> has 2.2 million fans on Facebook and 2.3 million followers on Twitter.</p>

In 2018, many new experimental, innovative and social publishing initiatives were successfully launched on *Repubblica.it*, including:

- **Web series**, such as “Cronache di un sequestro”, 10 episodes about the kidnapping and murder of Aldo Moro; the audio series “Veleno”, a podcast about the children of Bassa Modenes who were

taken from their parents twenty years ago following accusations of paedophilia and Satanism; and “The Daphne Project”, 5 episodes in which the children of Daphne Caruana Galizia, the Maltese journalist who was murdered because of her work, talk about their mother (produced by 42 parallel), etc.

- **Reportage**, investigative reports into current affairs, such as “La droga dei ragazzini”, an investigation into teenage drug use with various videos and interviews with communities, rehab centres and street unit services; “Ragazzi fuori. Vite tra carcere e comunità”, a report on the lives of teenage prisoners in Italy, and “Se la nave Usa ci avesse visti prima poteva evitare 76 morti”, an investigation about the migrants rescued by the Trenton after their ship was destroyed in the Mediterranean, etc.

- **live broadcasts and studio productions:** in 2018, following the merger with ITEDI, news and feature coverage was enhanced through the integration of regional news broadcasts of all of the local papers and the digital technologies and video production offered by the Visual Desk. In this regard, the live broadcasts following the collapse of Ponte Marondi in Genoa are of particular note, ranking among the top ten most followed and commented-on broadcasts of the year. In 2018 significant presence was given to the various political elections both in Italy and abroad, such as the March elections in Italy or the US Midterms in November, with new interview models and live broadcasting formats, extending the innovative format across the Group's various newspapers and La Stampa in particular. Furthermore, several studio productions were broadcast, such as the interview with Steven Spielberg with *Repubblica* director Mario Calabresi, the special exposé about the Mafia with Attilio Bolzoni and the special programme about cancer prevention with Emma Marrone., as well as **columns, new formats, initiatives, “live” streams and mini documentaries**, developing and experimenting with the content and range offered by the network's various sites.

### Digital - awards and recognition 2018

“Best Documentary” at Roma Web Fest, the international festival of Web-Native content, for “**Cronache di un sequestro**”;

“Investigation & Forensic Award 2018” for the audio series “**Veleno**”, awarded the prize for the best forensic investigation inquiry of the year;

Premio Speciale Signis, Prix Italia 2018 for “Un unico destino – tre padri e il naufragio che ha cambiato la nostra storia” (produced in 2017) and Special Commendation for “**The Daphne Project**”;

- The Drum Online Media Awards for “**Borg-McEnroe**”;

- Teletopi award and recognition at “Capodarco, L’altro Festival” for “**Vite Ricostruite**”.

## Financial performance

In 2018, as in previous years, GEDI carried out its activities placing the utmost attention on the citizen-reader and seeking to improve the quality of its products and services. Success in these activities cannot be achieved without economic and financial stability. The capacity to create independent, high-quality content is closely associated with economic independence and stability and, despite this difficult period of great change for the publishing and media industry in recent years, the Group has been able to generate a positive margin by ensuring a quality product for its stakeholders.

## Financial highlights

In terms of its principle financial results, from 01 January 2018 the Group adopted the following new accounting standards: i) *IFRS 15 – Revenue from Contracts with Customers*, and ii) *IFRS 9 - Financial Instruments* (for more details see the Annual Financial Report).

To guarantee that the data is comparable, the items of circulation and advertising revenues in the income statement for 2017 have been restated, and the item “costs for services” has also been adjusted for the same amount, according to the new indications introduced by IFRS 15. This restatement did not impact on the operating profit, the profit for the period or shareholders’ equity.

Regarding the comparability of data, it should be noted that on 27 June 2017 the merger of the ITEDI Group into GEDI was completed. Therefore, the consolidated income statement for 2017 includes the results of the ITEDI Group from 01 July 2017 onwards.

### GEDI Net profit (loss) [\*]

(€ million)	2017	2018
<b>Total revenues</b>	<b>615,834</b>	<b>648,736</b>
Gross operating margin	52,795	33,069
Operating profit (loss)	28,225	-11,084
Gross profit (loss)	19,095	-33,150
<b>Net profit (loss)</b>	<b>-123,256</b>	<b>-32,058</b>

(\*) The data for 2017 described above has been reclassified for comparative purposes with the retrospective application of Standard IFRS 15. For the data for 2016, which was not reclassified, refer to the 2017 Consolidated Non-Financial Statement.

**Consolidated revenues**, totalling € 648.7 million, rose by 5.3% compared to 2017. Revenues from all the **digital activities** accounted for 12.2% of consolidated revenue, and the digital products of the various Group publications at the end of 2018 exceeded 113,000 subscribers.

The **gross operating margin** was € 33.1 million (€52.8 million in 2017), including restructuring expenses and other non-ordinary items totalling € 18.7 million (€ 4.6 million in the previous year), of which € 8 million relates to the expected cost of retirements in the years after 2019. These costs (€ 17.6 million, of which € 9.6 million is already defined and € 8 million, as indicated, relates to future retirements) principally relate to the agreements signed in late 2018 for the reorganisation

of the editorial offices of La Repubblica and L'Espresso that will generate significant benefits in terms of journalism from 2019 onwards. Net of such effects, the **adjusted gross operating margin** totalled € 51.7 million, compared to the € 57.4 million of 2017.

The **consolidated operating result** showed a negative balance of € 11.1 million, compared to the € 28.2 million of 2017 and includes, as well as the restructuring expenses as above, € 1.3 million of write-downs of printing facilities (€ 8.3 million in 2017) and € 24.2 million of write-downs on goodwill for publications performed following impairment test verification. Net of such items, the **adjusted operating result** totalled € 33.1 million, compared to € 41.1 million in 2017.

The **consolidated net result** showed a loss of € 32.2 million, including, as indicated above, write-downs of goodwill on publications and shareholdings performed following impairment test verification for a total of € 36.3 million and expenses for restructuring and other non-ordinary components with an effect on the net result of € 12.6 million. The net result in 2017 was negative by € 123.3 million as a result of an extraordinary tax charge for the settlement of a dispute, pending in the Court of Cassation, relating to tax-avoidance issues regarding the tax benefits resulting from the corporate reorganization of Gruppo Editoriale L'Espresso in 1991.

**Net debt** totalled € 103.2 million at 31 December 2018, an improvement compared to the € 115.1 million recorded at the end of 2017. On 2 July 2018, the Company made a payment of €35.1 million as the final instalment of the above-mentioned settlement of its tax dispute.

## Economic Value of the Group

GRI 201-1

The statement of Economic Value is a reclassification of the Consolidated Income Statement and represents the wealth generated and redistributed by GEDI. In particular, this statement presents the financial performance of operations, the wealth distributed to parties deemed to be stakeholders in the Group or the capacity of the organisation to create value for its stakeholders.

### Statement of Economic Value of GEDI (\*)

Direct economic value generated and distributed		
(€ million)	2017	2018
Net revenues from sales	615.8	648.7
Income from financial activities	8.2	0.0
Other income	10.8	15.7
<b>Economic Value generated</b>	<b>634.8</b>	<b>664.4</b>
Operating costs	362.5	381.5
Personnel	211.3	249.9
Lenders	9.1	22.3
Shareholders	0.1	0.1
Public Administration	150.5	-1.1
Local community	0.0	0.0
<b>Economic Value distributed to stakeholders</b>	<b>733.6</b>	<b>652.6</b>
Depreciation, amortisation and write-downs	24.6	44.2
Net profit/loss	-123.3	-32.34
<b>Economic Value held by the Group</b>	<b>-98.8</b>	<b>11.8</b>

(\*) The data for 2017 described above has been reclassified for comparative purposes with the retrospective application of Standard IFRS 15. For the data for 2016, which was not reclassified, refer to the 2017 Consolidated Non-Financial Statement.

**Net revenues from sales** represent revenues from publications and advertising, the sale of online and mobile services, the transfer of rights and trademarks and the sale of content and other services.

**Income from financial activities** represents income/expense from dividends, securities and shareholdings, interest income on current accounts and short-term deposits, foreign exchange gains, etc.

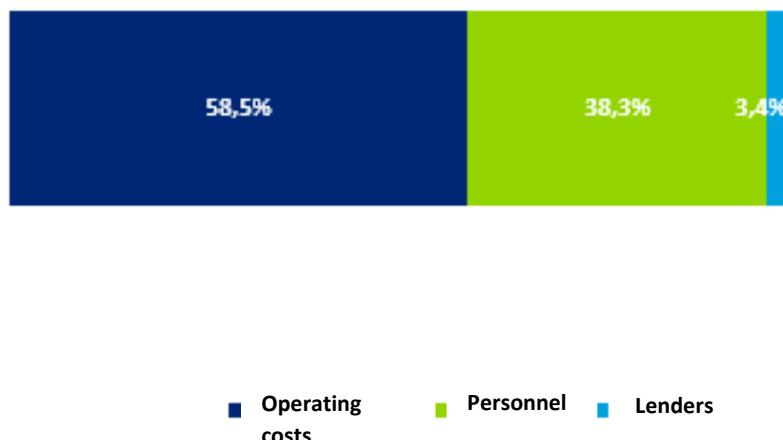
**Other income** consists of operating income deriving from grants, capital gains on the disposal of assets, extraordinary gains and income from equity investments accounted for with the equity method.

The three elements described above comprise the **Economic Value Generated**, which in 2018 was € 664.4 million (up +4.7% compared to 2017, in which year the results of the ITEDI Group were consolidated only from 01 July 2017).

The **distribution of Economic Value** is broken down as follows:

- **Operating costs** totalled € 381.5 million (+5.2% compared to 2017), of which costs for services constitute the majority (editorial costs, publishing fees and printing and other work carried out by third parties, etc.).
- The distribution of Economic Value to **staff** equalled € 249.9 million, up 18.2% compared to 2017, represented for the most part by wages and salaries to GEDI workers.
- The distribution of **Economic Value** to lenders in 2018 was € 22.3 million (+143.8% compared to 2017).
- The **distribution of Economic Value to shareholders** totalled € 0.1 thousand, constituting minority interests (profit due to third party shareholders of GEDI News Network S.p.A. and Mo-Net S.r.l.). This figure refers to the allocation of third party shares in 2017 as, at the time of publication of this document, the Shareholders' Resolution for 2018 was not available.
- The remuneration of the **Public Administration**, in the form of taxes, came to € -1.1 million.
- As regards the **local community**, GEDI made donations and participated in sponsorships with a total of € 47 thousand given to charitable organisations.

#### Distribution of Economic Value of GEDI - 2018



GRI 201-4

### Financial assistance received from government

In 2018 the Group did not receive direct publishing contributions; however, the accounting effects of direct contributions received until 2009 pursuant to Article 5 of Law 62/2001 and of tax credits pursuant to Article 8 of Law no. 62/2001 is recorded.

In 2018 the Group benefited from indirect editorial contributions in the form of telephone subsidies amounting to € 485,000 (€ 619,000 in 2016 and € 522,000 in 2017).

During the year the Group did not receive contributions from the Public Administration or associations similar to the PA and did not make donations of any type to political parties or politicians.

## The Group's role as an information provider and responsibility to the community

GEDI acts transparently and responsibly with respect to society and its stakeholders, holding fast to the concepts of quality and integrity. It is also committed to boosting public awareness surrounding sustainability by encouraging constructive and respectful debate.

Considering the effects of its activities on the economic and social development and general welfare of the community, when creating and distributing content and interacting and engaging with users, GEDI is committed to providing an accurate and high-quality news service that respects the different religious, political, scientific and social views of the public. To do this, the Group interacts with users continuously while also maintaining its independence from all types of influence.

### Content quality

GEDI ensures the continuous alignment of its product content with the values and principles of the Group - laid out and disclosed to all employees through the Code of Ethics - and works to ensure its quality, plurality and diversity, while also taking into account industry regulations.

To ensure the high quality of all of its products, GEDI operates with the utmost respect for freedom of expression, a matter of fundamental importance for any media organisation. Guaranteeing content plurality and freedom of expression by providing an independent product is a fundamental value and constitutes the most basic asset for a publisher, which goes hand in hand with the desire to offer the highest number of products to an increasingly broad audience of users. At the same time, the Group guarantees compliance with standards and protects the intellectual property of every content provider.

The quality of the information and content generated is also accompanied by a content distribution methodology that reflects the Group's values, considering that the Group works to improve and promote access and the right to information for everyone, including minorities, the disabled and isolated communities.

### Independence and editorial responsibility

In the development of its publishing products, the Group does all of the groundwork to ensure that journalists, artists and other freelance associates can act in accordance with the principle of editorial independence, which translates into the development of quality content that is not influenced by interests aside from those of journalism and the right to truthful and correct information.

In 2017 the *Repubblica* Code of Ethics was published. The founding principles of this Code of Ethics are precision, credibility and transparency: these are the core values of a news service based on readership trust, an increasingly important factor in times of great scepticism fuelled by the presence of fake news and an extremely vast range of sources where the search for quality content has become increasingly complicated.

Specifically, *la Repubblica* has outlined specific standards aimed at providing traceable news which corresponds to precise ethical principles in order to guarantee its contents. To do so, *la Repubblica* has signed up to the Trust Project, an international consortium of media and digital companies, introducing into its own digital content the "trust indicators" which help readers to choose high quality, traceable information certified according to the code established by the organisation and shared with partners.

The Code of Ethics, the values of the newspaper and its commitments to the readership and public opinion are available on the La Repubblica website.

GRI 102-12

#### Industry regulations and codes of practice

GEDI operates in a **highly regulated environment** whose regulatory framework is continuously evolving. With the goal of operating correctly, the Group pursues its mission in complete compliance with the laws that regulate the publishing and journalism industry, and most significantly:

- Law no. 47/1948 ("Press regulations");
- Law no. 416/1981 as amended ("Regulations for publishing houses and publishing grants");
- the Founding Law of the Order of Journalists of 1963;
- Law no. 28/2002, "Provisions for equal access to the information media during electoral and referendum campaigns for political communications", on the so-called "par contactless" act of 2000.

As well as legal provisions, there are also other reference criteria - such as the Codes of Ethics adopted by the Order of Journalists - which contain **ideals that help balance press freedom and the right to report news with the other fundamental rights of individual persons** (such as the privacy of information and image rights) and society (right to be informed comprehensively and impartially):

- the **Code of Professional Conduct** (1998) regarding the processing of personal data in journalism activities, pursuant to the laws in force in Italy in the area of privacy;
- the **Treviso Charter** on the protection of minors (adopted by the National Council of the Order of Journalists in 1990 and updated most recently in 2006 with the observations of the Italian Personal Data Protection Authority);
- the **Journalists' Charter of Duties** (1993) which covers issues such as responsibility, correction and reproduction, the presumption of innocence in criminal inquiries and during trials, sources, information and advertising, incompatibility, minors and disadvantaged parties;
- the **Charter of Information and Surveys** (1995) which establishes the methods and techniques of presenting opinion polls.

To maintain intact and strengthen the truthfulness and independence of information, the "La Repubblica" **Code of journalists' rights and duties** (otherwise defined as the "Charter") is particularly important within the Group and, since 1990, has been enclosed, together with the Code of Ethics, with the letter of hire given to every one of the newspaper's journalists.

The text lays out the basic ethical duties of journalists and outlines the fundamental values that underpin the independence of journalistic activities, the freedom from all influence and the attention focused on those in need.

La Repubblica's journalists are committed to rejecting any political, economic or ideological interference, irrespective of its source: entities, institutions, public or secret associations, public or private companies or lobbyists. Journalists make a commitment to avoiding carrying out activities that may impact the objectivity and comprehensiveness of information, such as working in press offices, consultancy, promotions and public relations. Journalists also make a commitment not to accept compensation or donations from people, companies, entities, political parties, religious organisations, trade unions and financial and opinion groups they may come into contact with in

the course of their activities and not to personally profit from information obtained for professional reasons.

GEDI is a member of the “Leading European Newspaper Alliance” (LENA), founded in March 2015 and committed to developing suitable responses to the changes affecting the journalism industry.

GEDI is also a member of the FIEG (Italian Federation of Publishers and Newspapers), whose goals are freedom of information, the cost effectiveness of publishing companies, the development and spread of the mass media as a vehicle for information and advertising, and the protection of the rights and moral and material interests of its members.

GRI M1

### **The investment chain of GEDI SpA**

The share capital of GEDI at 31 December 2018 was € 76,303,571.85. The names of the Shareholders of last resort that directly and/or indirectly hold more than 5% of the share capital with the right to vote are provided below.

#### **GEDI SpA - Shareholders of last resort as at 31.12.2018 with % ownership over 5% of share capital**

<i>Declarant or party at the top of the investment chain</i>	<i>Direct shareholder</i>	<i>% share of ordinary capital</i>	<i>% share of voting capital</i>
F.Ili De Benedetti Spa	CIR Spa - Compagnie Industriali Riunite	43.780%	45.756%
Giovanni Agnelli B.V.	Exor N.V.	5.992%	6.263%
Caracciolo di Melito Falck Giacaranda Maria	Sia Blu SpA	5.078%	5.307%
Perrone Carlo	Mercurio SpA	5.019%	5.245%

The percentages derive from the notifications made by shareholders pursuant to Article 120 of the Consolidated Law on Finance as well as the other information available to the company as at 31 December 2018.

As such, the percentages may not be in line with other data processed and made public by different sources, in the case that the change to the shareholding did not require disclosure by shareholders.

Voting capital must be calculated net of treasury shares held by the company as at 31.12.2018 which totalled 21,968,231.00.

As shown in the table of significant equity investments, the majority shareholder is Cir S.p.A.

## Relations with the financial community

GEDI takes steps to establish and maintain an effective dialogue with its shareholders and the market, using various forms of communication such as the presentation of company and Group results at shareholders' meetings, meetings with financial analysts and institutional investors in Italy and abroad, the circulation of press releases to the general public and presentations by making the corporate documentation envisaged by legislation available on the company website. Furthermore, GEDI observes the principles of the Market Disclosure Guidelines and has appointed a head of the Investor Relations unit to handle the flow of information addressing the shareholders, the financial analysts and institutional investors, in observance of the rules established for the disclosure of Company information and documents.

With reference to the risks regarding the management of information, GEDI has adopted a procedure for the handling and disclosure to the public of confidential documents and information, with particular reference to so-called "insider information"; this procedure was updated on 27 June 2017 and is available on the company website [www.gedispa.it](http://www.gedispa.it) in the "Governance" section.

GEDI has also established and implemented the Register of individuals who have access to insider information ("Register"), which records the individuals who, due to their work or professional activities, or in relation to the roles performed, have access to insider information. This Register was amended during the period and introduced *ex novo* as per the procedures set out under Art. 18 MAR, subsequent to EU Regulation no. 596/2014 coming into effect. The procedures for keeping the Register are contained in the Code of Conduct in the Report on corporate governance and the ownership structure, under "Internal Dealing", while the list of people that have access to insider information is available on the Company website [www.gedispa.it](http://www.gedispa.it) in the "Governance" section. The Company has appointed the "Corporate Service" office as the body responsible for keeping the Register.

It is noted that in November 2018, GEDI entered into the STAR segment of Borsa Italiana (segment for securities with strict requirements in terms of transparency, liquidity and corporate governance). With this request, the Group, which already has a corporate governance system in line with the highest international standards, is working towards further developing its relationship with the financial market, offering greater visibility of its corporate initiatives, with the aim of enhancing the Company's value.

## Responsible advertising and marketing

GRI 102-12 Through its agency (A.Manzoni & C.), the Group is committed to applying virtuous models of advertising communications.  
GRI 102-13  
GRI 417-3

The Group has adopted the rules laid out in the **Italian Code of Commercial Communication Self-Regulation**, and therefore does not accept any messages contrary to the dignity and the interest of people. As a result, those responsible for advertising sales conduct monitoring to prevent the publication of false advertising information regarding commercial products, messages that incite physical and moral violence, which promote racism or offend the moral, religious or civil convictions of citizens, or which contain elements that could mentally, morally or physically harm minors. The Group does not accept advertising that may provoke gambling or the abuse of alcohol, tobacco or any type of drug, and rejects any advertising containing pornography.

In 2018, no penalties were imposed upon A. Manzoni & C. as a result of cases of unlawfulness or non-compliance of advertising messages in line with applicable law.

In addition to the Marketing Communication Self-Regulation Code, the Group complies with the decree regarding **misleading and comparative advertising in professional relations** (Italian Legislative Decree no. 145/07). This decree involves the adoption of a complete and comprehensive regulation that protects professionals from misleading advertising and its unfair consequences, as well as providing for conditions of legality in comparative advertising.

The Group operates on the basis of internal procedures and systems to safeguard and promote honest advertising communications which do not offend the sensibilities of users. The Group acknowledges Decree MEF-MISE (Ministry of Economy and Finance - Ministry of Economic Development) of 19 July 2016 on the media exempt from the prohibited advertising of games with winnings in cash.

An **operating procedure to manage lawfulness** (legal aspects) and **opportunities** (compatibility with the editorial line of the media in question) is in force, which applies to any notice to be published by the media under concession, through which requests can be made to evaluate messages which are doubtful or otherwise in need of verification. In this context, where necessary, training on issues of lawfulness is provided to agents and employees.

For example, following the introduction of Law no. 96 of 09 August 2018 relative to the "Conversion into law, with amendments, of Law Decree no. 87 of 12 July 2018 (so-called "Dignity Decree"), Chapter III of which was amended with new measures to combat gambling, including the ban on advertising for gambling and bets, an informative and summary note on the prudential approach that the company intends to follow and of the consequent behaviour to be adopted has been disclosed.

The company intranet of A. Manzoni & C. features a special section on "Advertising laws". This section is broken down into topics and briefly describes the regulations in place which are applicable to users, agencies and advertising media, and therefore provides a guide for the entire A. Manzoni & C. organisation, to be read and consulted on a preventive basis for all advertising sale activities. This section aims to contribute to limiting litigation and company costs and, if used appropriately, also constitutes a valid instrument for customer-focused service activities, fostering long-term relationships. As regards online advertising and promotional campaigns, given the relative absence of specific regulations for this platform and in order to protect those who are most vulnerable and most influenced by advertising, the Group follows the more restrictive regulation applicable to television advertising.

**THE INFORMATION AND ADVERTISING CHARTER IS THE PROTOCOL SIGNED BY JOURNALISTS, ADVERTISING AGENCIES AND PUBLIC RELATIONS ORGANISATIONS TO PROTECT THE BOUNDARIES BETWEEN INFORMATION AND ADVERTISING.**



Moreover, with reference the Digital Division, the GEDI Group observes the provisions of the "White Paper on Digital Communication", a document prepared by the eight associations that represent the entire supply chain of digital advertising - UPA (advertising investors), Assocom and Unicom (communications companies), FCP Assointernet (advertising concessionaire), Fedoweb (digital publishers), Fieg (print publishers), lab (digital advertising market standards), and Netcomm (e-commerce companies), which requires its members to adhere to a standardised code of conduct to protect the association as a whole. The White Paper is based on corporate governance. The "White

Paper on Digital Communication" identifies six areas, namely viewability, the transparency of the supply chain, ad fraud, brand safety and brand policy, user experience and transparency of advertising investments.

### Privacy and data protection

GRI 418-1

The theme of privacy and personal data protection continues to be of fundamental importance in the business domain and a rigorous and transparent policy in this area is a key factor in the relationship with users.

This is all the more true in the publishing sector in which GEDI companies operate given that, in said sector, the relationship between the publisher and readers is based on a strong level of trust.

Therefore, the GEDI Group, in processing the personal data of its users, employs rigorous policies which are constantly updated in line with the applicable relevant national and European legislation, as applied and interpreted in the provisions of the Personal Data Protection Authority. This policy concerns, in particular, the data collected and managed through the Group's digital properties and is centred on the principles of necessity of processing, proportionality, transparency and freedom of choice of the interested party.

Within this context, Group companies only process the data actually needed to provide the services and contents required by users and, in all other cases, or for commercial and marketing purposes, do it exclusively on the basis of the free and informed consent acquired by users after having provided them with adequate information.

For all databases in which the personal data of users, partners and associates is collected and stored, the Group adopts all necessary technical, organisational and security measures to avert the risk of the destruction or loss of data, unauthorised access and the unauthorised processing of data. Also in relation to the personal data of users acquired and processes using cookies, the Group companies observe the applicable regulations governing privacy, with particular reference to the provisions of the Personal Data Protection Authority adopted in compliance with the provisions of Article 122 of the Privacy Code, prior to the introduction of new European legislation.

In the course of the 2018, the subject of privacy and the protection of personal data was a matter of primary focus for the GEDI Group. As noted above, in fact, the year was characterised by the direct application of the new European General Data Protection Regulation ("EU Regulation no. 2016/679 - GDPR"), in response to which the Group companies implemented training activities in 2017 aimed at the correct implementation of European legislation. As such, a progressive compliance process has been implemented which, in the course of this year, has led to significant action being taken in this regard, as described in more detail below.

First of all, following the preliminary mapping of personal data processing procedures adopted by Group companies, the relative registers pursuant to Article 30 of GDPR have been adopted; at the same time, a Privacy Organisational Model has been defined aimed at defining roles and responsibilities in terms of Privacy for each company and coordinating activities relating to Data Protection at Group level. In the same regard, a Group Data Protection Officer has been appointed to ensure the centralised management of action, in line with GDPR.

In accordance with the principles of transparency, information has been updated and made available to interested parties (e.g. users, subscribers, employees, freelancer associates) and, as regards relations with suppliers who process personal data owned by Group companies on behalf

of the same, the relative appointments of personnel who give precise and prompt information with regard to data processing activities have been updated, in line with the provisions of Article 28 of GDPR.

In order to facilitate the exercise of the rights pursuant to Articles 7, 15 *et seq.* of GDPR, Group companies made new contact channels available to interested parties (e.g. dedicated inbox for each Group company), including a purpose-designed portal for digital users of the Group, available at the following link <http://richiestegdpr.gedidigital.it>.

With regard to the scope of systems to support data processing activities carried out by the Group, the Group's organisational, procedural and technical security measures have been mapped.

With regard to risk assessment, it should be noted that all processing activities were subject to an analysis based on an ad hoc assessment process aimed at managing such matters within the Group, following which the processing activities identified as most at risk were subject to a data protection impact assessment pursuant to Article 35 of GDPR.

Finally, to consolidate the company privacy culture, a training programme has been activated, focusing on the new European legislation and on the concrete application of its principles on company processes, with the aim of promoting and raising awareness of the new policies and operating procedures adopted (e.g. Procedure for the management of the Privacy by Design and Privacy by Default process, Procedure for the management of the rights of data subjects, Procedure to be followed in the case of Data Breach Management, etc.). In 2019, online training courses have been organised for a pool of approximately 500 employees, to be delivered within the first quarter.

For the sake of full disclosure, it is noted that in 2018 a single case of unauthorised access to users' personal data was recorded that affected GEDI News Network S.p.A., publisher of the daily newspapers La Stampa and Il Secolo XIX, among others. In particular, in April 2018 the CNAIPIC - National Anti-crime Computer Centre for Critical Infrastructure Protection - notified GEDI News Network S.p.A. of a possible cyber attack on the website www.ilsecoloxix.it. The Publishing House promptly closed the identified weakness and implemented all necessary technical and organisational measures to protect interested parties. At the same time, a report was filed with the Postal Police and the notification of the breach was formally submitted to the Data Protection Authority. Potentially affected users were informed of the event and invited to change their password.

## Social role and participation in the community

GRI 413-1  
GRI M6

GEDI contributes to sustainable local development by supporting the communities in which it works through the organisation of social events and initiatives across all of its technological platforms.

This section describes the Group's main initiatives, carried out or launched in 2018, which had a positive effect on the community in terms of their social, cultural, educational/sports and environmental impact.

### Example initiatives



#### Che fine ha fatto il futuro?

Bologna 7-10 June 2018

**La Repubblica delle Idee**, a four-day festival held since 2012 in theatres and squares of the host city (most recently Bologna), with numerous events attended by leading newspaper publishers and important Italian and international names from the world of culture, politics and show business. Entrance to the festival is free. The festival features debates, lectures and interviews, as well as concerts, theatrical performances, screenings of documentary films and live radio, offering an opportunity for unity and proving to be highly successful, with over 40,000 people attending the most recent festival.

Milan, 8-12 March 2018

Repubblica-Robinson manned a stand at **Tempo di Libri 2018** in Milan, offering a range of initiatives including the participation of various Milan colleges taking part in the Work-School Project who contributed to the event's social media coverage. During the **Tempo di Libri**, the Robinson and Repubblica Twitter accounts were among the most prolific in terms of numbers of tweets, impressions generated (shares, retweets and likes) and the number of mentions.



Tempo dei  
Libri



Salone del  
Libro

Turin, 10-14 May 2018

Repubblica-Robinson also had a stand at the **Salone del Libro** in Turin. The event was covered on social medial by students of Turin colleges coordinated by a social editor (440 tweets, according to the official account of the Salone, and between 5,000 to 17,000 views of clips or photos on Instagram stories).

**Turin, standing up to bullying** before it can develop into its many violent forms. This is the project organised by *La Stampa* with schools in Novara.

Insieme contro il  
bullismo  
[Together against  
bullying]

**Oncoline**  
Chiudi la porta,  
salvati la vita  
[Close the  
door, save a  
life]

In collaborazione con



**Bologna 7-10 June 2018**  
Launched in 2016 in cooperation with AIOM (Association of Italian Oncologists), the **Oncoline** website has become a point of reference and a permanent resource on oncological diseases. Furthermore, in 2017 the portal was awarded the Peace Prize of the AIOM Association (Italian Association of Medical Oncology). Over the years Oncoline has organised events aimed at raising public awareness, particularly among young people, with testimonials from important cultural figures and celebrities.



**Mondo  
Solidale**

Launched in 2010, **R.it Mondo Solidale** is the section of Repubblica.it dedicated to International Cooperation, humanitarian aid, voluntary work, the defence of human rights and development projects in emerging countries, with a primary focus on three continents: Africa, Asia and Latin America, as well as in certain deprived areas in Eastern Europe.



**Stratorino**

Launched in 1977, **Stratorino** continues to be THE race of the city of Turin. With around 10,000 people signing up each year, it encapsulates the spirit of a non-competitive event by involving both athletes and families. Each year Stratorino partners with charitable causes: € 1 of every membership fee is donated to projects organised by the Fondazione Specchio dei Tempi managed by *La Stampa* and to research by the Piedmont Cancer Research Foundation.



**Lucca**, 31 October - 4 November 2018

The **Lucca Comics** event also featured a Repubblica-Robinson stand. One of the most impactful events was the meeting with the cartoonist Gipi and the presentation of his works published with the GEDI Group.



**DeejayTen**, one of the main initiatives promoted by the radio broadcaster *Radio Deejay*, is a race organised in various Italian cities. Launched in 2005 as an initiative “amongst friends”, over the years it has grown exponentially to become an increasingly popular and hotly-anticipated event by listeners and runners. The race represents the climax of a three-day event held in Deejay Village, brought to life by radio hosts and characterised by music and entertainment. The initiative has set a trend of beating its attendance records each year.

With 2018 marking its fourteenth year, the **Milan** edition of Deejay Ten has become an annual tradition for both the city and the entire north of Italy and involved 40,000 runners, representing an increase of five thousand people compared to the previous year. Once again, **Florence** confirmed its place as one of the key host venues of the event with almost 12,500 participants in 2018. Bari greeted the fourth edition of the Radio Deejay race with great enthusiasm, with 12,000 runners taking part. Hosting the event for the second year in 2018, **Rome** confirmed the success of its début last year. Thirteen thousand runners took part in the race in the magnificent setting of Circo Massimo and passed the Colosseum and the Imperial Forum, two of the most evocative and historical sites in Rome away from the noise of the traffic.



In 2018 the second edition of the new **Deejay Triathlon** was held, with approximately 2,700 athletes taking part.



### Dynamo Camp

The Dynamo Camp fund-raising campaign was been supported by Radio Deejay for the tenth consecutive year, in partnership with Radio Capital. A radio marathon was dedicated to the event with special guests and interviews. Listeners could donate € 2 by sending a text message to a charity number or calling from a landline to help offer seriously ill children the opportunity to spend a free holiday at the Dynamo Camp. The fund-raising activities were supported by a charity auction organised by the Dynamo Camp Non-Profit Organisation in collaboration with Radio Deejay.

**Repubblica@Scuola** is a free educational project promoted by Repubblica.it and offered to Italian students and secondary schools. The concept revolves around the concept of “the school that I want” and is implemented in a variety of ways: editorial activities: competitions, incentives and partnerships; the intra-school newspaper edited by students and the *lectio magistralis* of *Repubblica*. The initiative aims to help young people to improve their writing skills, encouraging them to contribute to the group work and stimulate debate with other schools. By actively participating in Repubblica@Scuola, students can earn school credits. Launched in 2000, it is the first and largest platform designed for the publication of content for schools. Over the course of its eighteen-year history, the project has seen more than 10 million subscriptions and over 530,000 publications produced by students in the last 9 editions.

In the 2017/2018 academic year, 234,537 students, 10,584 teachers and 2,036 schools took part in the project. Students who sign up to the project can write articles, take part in competitions, interact with other students and improve their writing, photography and design skills. Moreover, schools participating in Repubblica@Scuola are able to offer their students the opportunity to write for genuine online school newspapers.

Since 2017, Repubblica@Scuola has supported the “School-Work” project promoted by MIUR in an exceptionally innovative way. For the first time, students are offered the opportunity to explore how a publishing group operates without the need to be physically present in the news room. Instead, students can put themselves to the test by exploring the possibilities offered by the digital world and experiment with working remotely. This enables students who live in geographically remote locations to gain a deep understanding of a leading entrepreneurial enterprise.

In 2018, Repubblica@Scuola was a partner in the organisation of Atlante 2018 - Italian Teacher Award, the first competition dedicated to the best educational projects implemented by primary and secondary school teachers. Over 700 teachers took part in the initiative.



### Il Secolo XIX - Newspaper in the Classroom

Finally, the project launched by the newspaper **Il Secolo XIX** aimed at schools was continued, concluding each year with an awards ceremony involving the numerous schools participating in the event, with prizes offered by the initiative's sponsors.



## Focus on human resources

*“The Group recognises the centrality of human resources and the importance of establishing and maintaining relationships with them based on loyalty and mutual trust. Therefore, the management of work and collaboration relationships is based on respect for workers’ rights and on taking full advantage of their contribution with a view to promoting their development and professional growth” (extract from the Group Code of Ethics).*

Human Resources are the key asset of the GEDI Group. The Group is deeply committed to strengthening the sense of belonging and promoting the effectiveness of teamwork, knowledge sharing and professional advancement. In the final analysis, the realisation of these goals guarantees that human resources pursue results that are consistent with the Group's company objectives, which have always prioritised excellence.

For qualitative data regarding human resources, refer to the table in Annex 3 for more details.

### Working conditions and practices

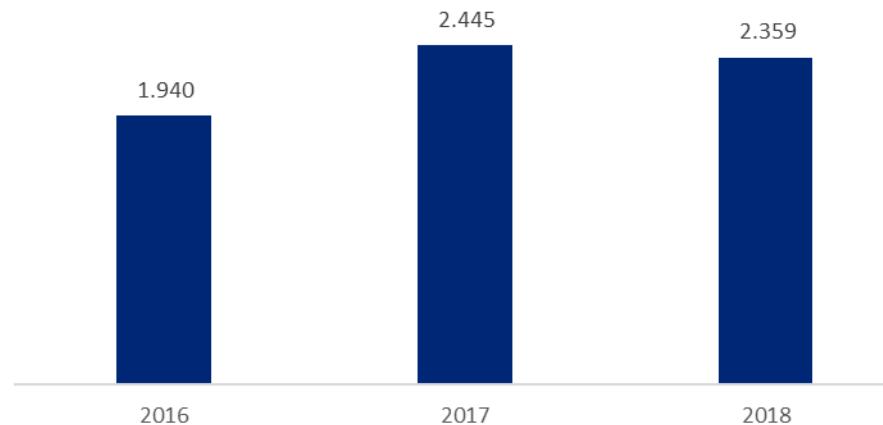
Investing in human and intellectual capital is a fundamental lever for the Group in order to create and retain value over time. Investments in training and development courses and company welfare initiatives generate benefits that contribute to the creation of value.

Respect for human rights is at the heart of the Group's activities. For GEDI, the respect for human rights is predominantly expressed through the provision of adequate working conditions for its employees, freedom of expression, non-discrimination and occupational health and safety.

#### The Workforce

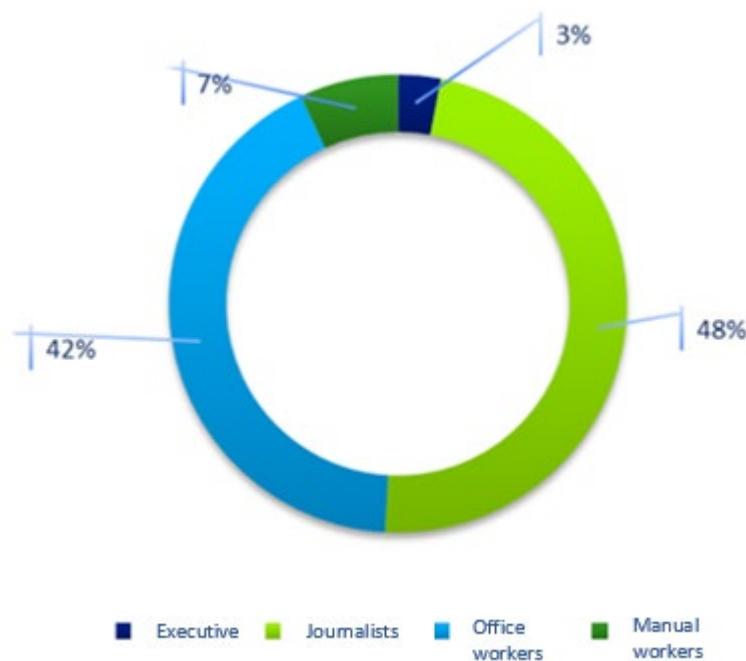
As at 31 December 2018, the total workforce of GEDI numbered 2,357 people, down slightly (-3.6%) compared to the previous year.

**Group Employees**



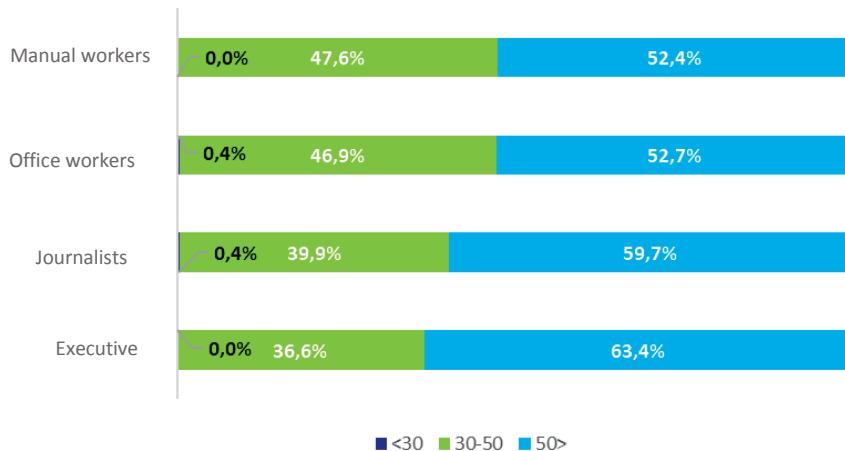
The subdivision of Group employees by professional category is shown below.

**Breakdown of Group employees by professional level (2018)**



As regards the age distribution of the company population, 43% of employees are between 30 and 50 years old.

### Breakdown of Group employees by age and professional level (2018)



In line with the recruitment policies adopted by GEDI, aiming at establishing stable working relationships with its employees, the vast majority (98%) of workers are employed on permanent contracts.

### Talent attraction and retention

GRI 401-1

The turnover rate for employees was 2.29 % and 4.99% respectively for employees entering and leaving the company, determined mainly by temporary replacements and by retirements or people leaving the Group. Nonetheless, the rate of voluntary dismissals is very low at approximately 0.82%.

As regards initiatives for attracting talented individuals who wish to embark upon a publishing career, there are a number of well-established projects based on multi-year relationships with universities, journalism schools and other institutions or associations.

Among these is the relationship with **Fondazione Mario Formenton**, which offers an opportunity to meet ambitious, deserving young people who wish to begin working in the publishing industry. The Foundation offers study grants connected with the worlds of journalism and management. The winners are offered a training position or a specialisation and completion placement with the goal of introducing them to the world of work in both journalistic and administrative roles.

### Industrial relations

GRI 102-41 Industrial relations with trade union organisations have always been focused on proactive collaboration with respect for the various roles. Over the course of the year, in the context of a difficult economic scenario both for the country as a whole and the sector in particular, important agreements have been reached with trade unions, including agreements to establish company welfare policies. Furthermore, in line with previous years 100% of the Group's employees were covered by collective bargaining agreements in 2018.

## Diversity and equal opportunities

GRI 405-1

GRI 405-2

*The Group undertakes to avoid all forms of discrimination based on age, gender, sexuality, state of health, race, nationality, political opinion, religious beliefs, in all decisions that impact the relations with its stakeholders (extract from the Group Code of Ethics).*



GEDI pays close attention to the **respect for diversity and equal opportunities** in its recruitment of new employees, rejecting all discriminatory practices and recognising the skills of each individual irrespective of nationality, religion or gender.

GEDI's management and enhancement of human capital has always been focused on integration and respect for diversity. Relations amongst employees take place in accordance with provisions to **protect people's rights and freedoms** and the core principles that affirm equal social dignity, with no discrimination based on nationality, language, age, gender, ethnic background, religious beliefs, political and union memberships or physical or mental condition.

Women make up 37% of the workforce with the highest percentage amongst office workers at 46%. The breakdown of the workforce is impacted by some of the specific work carried out within the Group, particularly in the printing industry, and a tradition in which there has historically been a predominantly male presence within the specific work category, as in the case of preparation and printing processes, which take place at night. The Group's 878 women employees work primarily on the editorial teams as well as in the administrative and sales areas.

In order to promote equal opportunities, employees are offered different contracts as an alternative to standard **full-time** contracts, promoting concrete initiatives to facilitate the management of the work-life balance. 97% of the workforce are hired on full-time contracts, while the remaining 3% work **part time**. Women represent 91% of part-time employees.

GEDI is also committed to supporting the hiring of **underprivileged people**, in recognition of the value of diversity and the importance of interaction between different groups in any activity. The Group also supports the integration of certain groups, such as disabled employees. In total, the Group employs 82 people belonging to protected categories, 89% of which are office staff and 11% are manual workers.

The remuneration policies are aimed at ensuring competitiveness on the labour market in line with the growth and loyalty retention objectives for human resources, as well as differentiating the remuneration instruments on the basis of individual expertise and skills. There are also slight differences between the average wages of men and women within the same employee category.

**Ratio of basic salary and remuneration between women and men (2018)**

	Ratio of average gross salary of women/men 2018	Ratio of average total remuneration of women/men 2018
Executives	0.66	0.62
Journalists	0.83	0.79
Office workers	0.89	0.81
Manual workers	0.89	0.87

\*This figure excludes the General Managers and Head Office Directors of the various companies

### Enhancement and development of skills

GRI 404-1

The GEDI Group has implemented training programmes aimed at supporting and enhancing the development and expertise of human resources. Training requirements are evaluated based on periodic discussions with employees, sector managers and the Human Resources Department.

In 2018, continuing the trend of previous years, the Group implemented transversal training courses focusing on the issues of anti-corruption in the context of the 231 Model and on occupational health and safety. Furthermore, training activities aimed at implementing and developing administrative and management skills in response to changes to legislation were organised, with specific focus on privacy and administrative reporting, while training courses for foreign languages and IT skills were also continued. In this regard, specific courses for journalists operating in regional editorial offices were launched in order to develop skills and synergies with other Group companies. As in previous years, the usual professional training courses were offered to journalists. In 2018, GEDI provided its employees with a total of 8,490 hours of training.

The table below shows total hours of training subdivided by gender and professional level.

**Hours of training provided to Group employees by gender (2018)**



**Hours of training provided to Group employees by professional role (2018)**



## Worker health and safety

GRI 403-1 GEDI has always been committed to protecting the integrity, health and well-being of its workers  
 GRI 403-2 at all of its workplaces. The Group actively complies with legal requirements and obligations  
 GRI 403-3 regarding health and safety in the workplace and ensures that they are applied in all of its  
 GRI 403-4 companies. This takes place through the definition of organisational structures based on specific  
 GRI 403-5 operating responsibilities, managerial responsibilities, the planning of prevention activities over  
 GRI 403-6 time, the preparation of the relative expense budget, and the ongoing use of all technical support  
 GRI 403-7 required to assess and reduce risks. Particular focus is dedicated to staff training based on roles -  
 GRI 403-8 workers, supervisors and executives - depending on the risks to which they are exposed and their  
 GRI 403-9 specific tasks and duties.

In 2018, with the collaboration of various company departments and the relative managers, for each production department all relevant data regarding working practices and the methods of execution of ordinary and extraordinary activities was collected in order to promptly identify the risks, attributing them to the job in question and evaluating the risk profiles. The analysis process continued with the identification of the prevention and protection measures which would enable the employee health and safety standards to be improved. The actions implemented after the risk assessment regard training activities, as described in the relevant paragraph of this report. The hierarchical control system involves all internal subjects (Employer, Executives, Managers and Employees) and represents an effective tool for monitoring health and safety.

With regards to the **safety of industrial plants**, particular attention was given to verification and assessment activities during the design and acquisition of new machinery and the reorganisation and reconfiguration of machines and production cycles, with particular attention to the criteria regulating the introduction and management of substances and chemicals. Working conditions and operating procedures are continuously monitored to regularly improve worker health and safety levels. Furthermore, although a specific safety management system has not been implemented, operating instructions and procedures have been circulated for some time, representing an important prevention measure at printing facilities in particular. The preparation of these documents involved the managers and workers of the operational unit, promoting the adoption and constant application of safety practices.

In 2017 an online safety training course was offered to all employees while in 2018 the training activities and obligatory five-year health and safety refresher courses were continued for administrative staff and journalists and for employees operating in printing facilities (manual workers, maintenance workers and technicians). Furthermore, specific training courses for

employees certified to carry out electrical works or to operate specific machinery (e.g. forklift) were launched. In the course of the year, training on emergency procedures and the annual training refresher for workers' health and safety representatives were continued. In 2018, a total of 2,632 hours of classroom-based training was delivered to 338 people.

A total of 13 accidents were recorded in 2018; of these, one was classified as having "serious consequences" (leading to an absence of more than six months) and related to an accidental fall when entering the office.

In line with the reference standards (GRI 403-9), in 2018 the number of commuting injuries involving personal vehicles or public transport was not considered, as such journeys were not organised by GEDI and did not involve the use of company vehicles. A comparison with the same data from 2017, where commuting injuries in personal vehicles were taken into account, reveals a similar number of incidents.

No injuries were recorded in 2018 among workers of third-party companies operating at Group offices; to this end, specific monitoring activities were carried out with the companies in charge of surveillance, cleaning and maintenance at offices, editorial offices and printing facilities.

In 2018, no cases of occupational ill health were recorded.

Finally, with regard to hours worked, the figure for 2018 was approximately 3.5 million, down 4.5% on the previous year as a result of the effects of solidarity contracts.

## Environmental impacts

The Group's commitment to safeguarding the environment is realised through a range of initiatives designed to minimise the environmental impact of products and production activities, for example through the efficient use of natural resources, the optimisation of logistics flows and responsible waste management. The Group dedicates human and financial resources to actively comply with the extensive regulations in force for the protection of the environment and the resolution of environmental problems, primarily deriving from industrial processes. This activity involves a broad range of assessment and procedural activities and instrumental measurements which are carried out every day to efficiently and comprehensively meet regulatory requirements in this area as well as the expectations of its stakeholders.

Paper management and consumption are fundamental issues for the Group and - despite the digital evolution at the root of the GEDI strategy - still play a very important role in terms of reducing its environmental impact. The Group also seeks to guarantee the responsible use of its various resources by reducing energy and water consumption and improving the management of atmospheric emissions.

For qualitative data regarding environmental aspects, refer to the Tables in the Annexes for more details (Annex 4).

## Management of paper and other raw materials



The paper production process is carried out entirely by the paper mills and the finished product is then transferred to the graphic design company which looks after printing. The printed paper then goes to the warehouses, where it is stored before distribution. The return mechanism is also worth highlighting: after the newspaper/periodical is received by the reader, it can be collected and recycled, or it can be disposed of with non-recyclable waste. Paper pulp deriving from the collection of separate paper waste is sent to the paper mill for recycling.

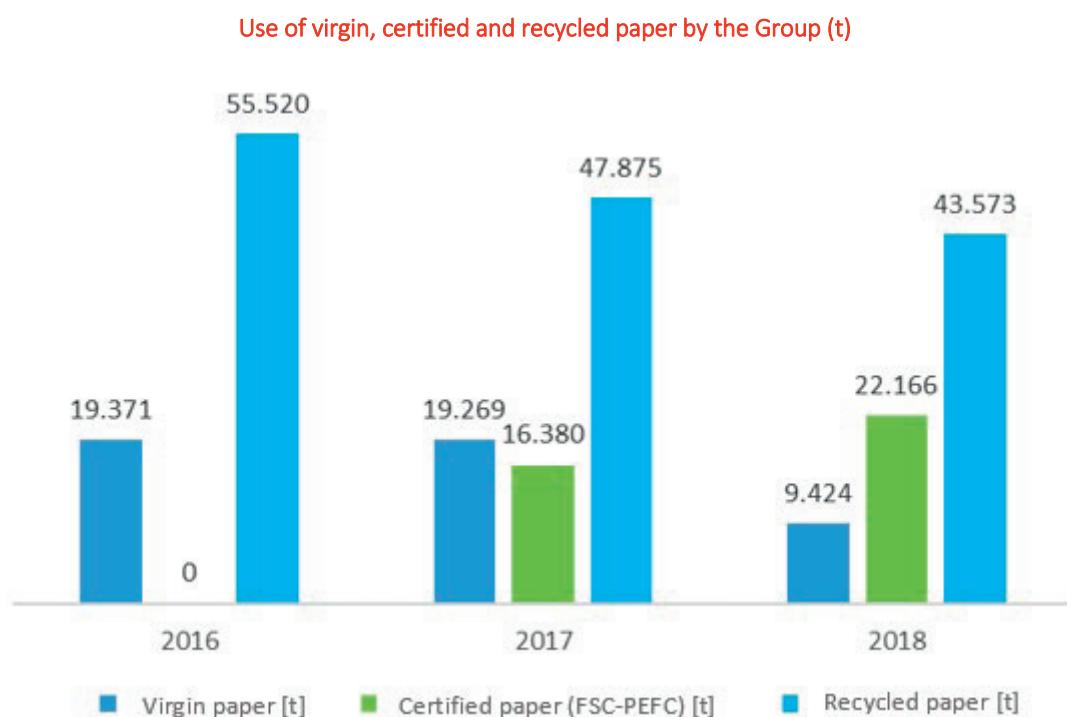
GRI 102-9  
GRI 301-1

Paper is a material of primary importance in GEDI's industrial activities, and is also considered to be a sensitive element due to its environmental impact. In sourcing the different types of paper used to print its newspapers, periodicals and add-on products, the Group relies on leading international paper mills that are able to guarantee the strictest compliance with European environmental protection regulations. These are leading, internationally known companies in the sector which obtain raw materials from forests with international environmental protection certifications. All paper suppliers make use, albeit to differing extents, of DIP - or de-inked pulp - primarily for the production of newsprint, improved newsprint and coated paper. For the

production of higher quality paper, our paper mill suppliers use non-chlorine cellulose. Production processes are certified by various national and international bodies to obtain sustainability labels.

In 2018, the Group consumed approximately 75 thousand tonnes of paper, a 10% reduction on the 83.5 thousand tonnes consumed in 2017 and bucking the trend set in 2016, a year in which the Group acquired new Printing Facilities. The reduction in 2018/2017 was largely determined by the negative distribution trend, resulting in a lower number of printed copies; the reduction in paper usage is, in fact, closely in line with the reduction in newspaper sales which came in at approximately 10% in the same period.

The percentage of recycled paper used within the Group, in addition to the certified paper used at the Printing Facility in Turin, is high, representing approximately 87% of total paper usage.



As regards the type of paper used, in addition to newsprint for the newspapers, lightweight coated and best calendered plus paper are also used for the periodicals, while *TrovaRoma* and *TuttoMilano* are printed on improved newsprint.

As regards the other raw materials used to print the newspapers, ink and plates are of particular significance. The Group's printing facilities use two types of technology: offset printing (Turin) and flexographic printing (all other printing facilities).

In 2017, new offset plate development technologies were introduced; in 2018, the positive effects of this introduction continued, with plate consumption in 2018 down 4.4% on the previous year.

In particular, the introduction of the new development units in 2017 enabled the reduction of development liquids and maintenance cycles, while the new chemical-free plates enable larger print runs as the plate can be reused a greater number of times.

Ink consumption also fell in 2018 (-17.5%) compared to the previous year.

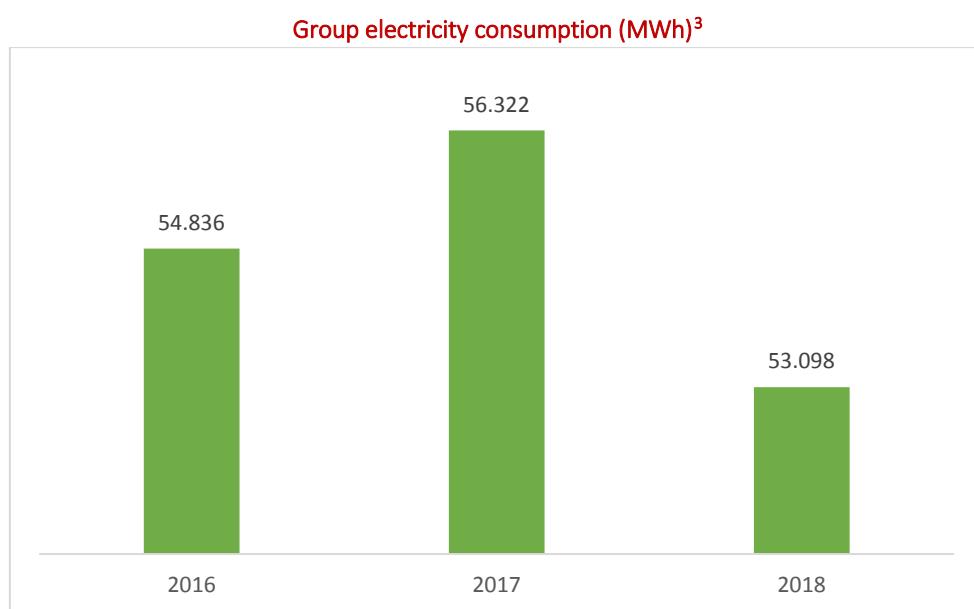
## **Energy and emissions**

### **Energy Consumption<sup>2</sup>**

As regards energy consumption, the Group is committed to implementing initiatives focused on efficiency and the limiting of consumption with the ultimate goal of achieving higher eco-efficiency levels. GEDI consumes electricity for various reasons, mainly for the lighting of administrative and editorial offices, the various local offices throughout the country and the warehouses, and to run radio repeaters and printing plants.

In 2018, GEDI consumed just over 53 million kWh, representing a 5.7% decrease compared with the previous year. With reference to the thermal energy consumed following the acquisition of energy from district heating systems, the Group consumed 361,694 kWh in 2018.

GRI 302-1

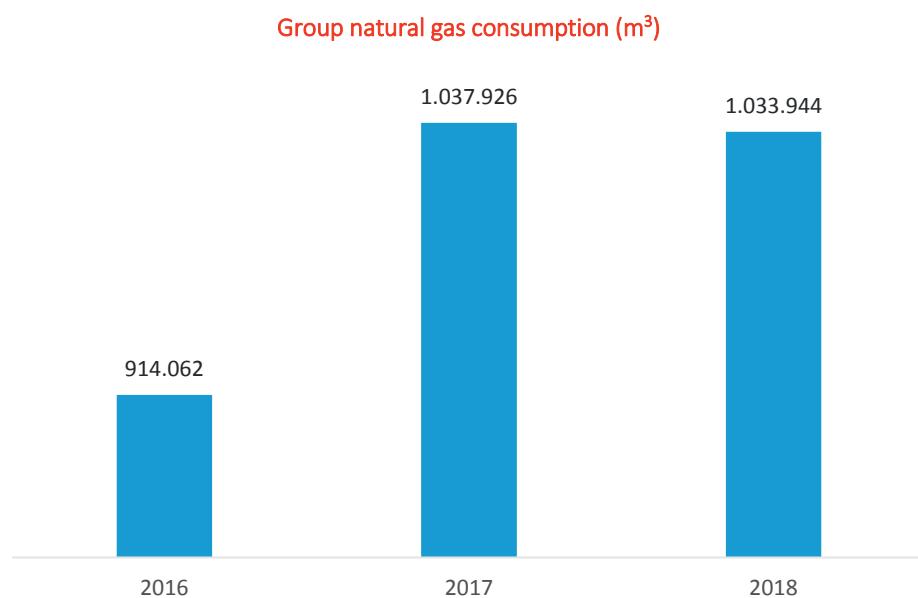


As regards fossil fuels, in 2018 natural gas consumption was more or less unchanged compared to 2017 (-0.4%), totalling 1,033,943 m<sup>3</sup>. Thanks to the use of district heating systems in certain offices of the Group, in 2018 gas consumption fell by 36,290 m<sup>3</sup>, representing approximately 3.5% of total annual natural gas consumption.

Natural gas is used mainly to heat the Group offices.

<sup>2</sup>Group electricity consumption includes high-frequency absorption. As regards natural gas, the conversion parameter applied was 9.7 (as notified by the Lazio Region in 2016) in order to include a precautionary margin of plant efficiencies.

<sup>3</sup>The conversion factors used to calculate energy consumption refer to electricity and thermal energy (1 kWh = 0.0036 GJ); in 2018, for natural gas and fuel oil the coefficients provided by the Ministry of the Environment were used.



As regards fuel oil, in 2018 district heating consumption amounted to just over 157 tonnes (+28.7% compared to the previous year). As neither the offices nor the characteristics of the thermal systems have changed, this increase is due to a greater use of heating systems in response to the weather conditions in the previous year. Indeed, a comparison of the 2018 and 2016 figures show a difference of around 2000 litres only.

Data relative to the use of fuel by company vehicles is reported in 2018 for the first time. As well as company vehicles allocated to managers, there are certain employees, such as Distribution Inspectors (GEDI Distribution), Antenna Inspectors and Radio Technicians (Elemedia), who, in the performance of their duties, travel around the country using company vehicles. The data for 2018 recorded fuel consumption of approximately 45,000 litres per year.

Overall, fuel oil consumption (by heating systems and company vehicles) was 201,779 litres in 2018, while in 2017 consumption came in at 122,000 litres, not accounting for fuel consumption by company vehicles. Taking vehicle consumption out of the equation, the comparison of the two years shows an increase of 28.7% relating to the increased use of fuel oil for heating purposes.



-5.7%  
electricity consumption



-0.4%  
natural gas consumption



+28.7%  
fuel oil consumption for  
heating

## Greenhouse gas emissions

- GRI 305-1 To monitor its environmental impact and implement initiatives to mitigate it, in 2018 GEDI once again calculated the greenhouse gas emissions directly or indirectly associated with its core activities.

To calculate the Group's greenhouse gas emissions, in 2018 the methods proposed by the GRI Sustainability Standards were applied. For this reason, scope 2 emissions for 2016 and 2017, which were calculated according to GRI G4, have been recalculated according to the new guidelines.

The GRI proposes two different approaches for the calculation of scope 2 emissions: Market-based and Location-based. The "Market-based" approach centres on the use of an emission factor defined contractually with the electricity supplier, and considers the certificates acquired by the company that certify that the electricity is generated by renewable energy sources (e.g. Guarantee of Origin). The "Location-based" approach uses an average emission factor associated with the specific combination of energy sources used to generate electricity in the country in question. This approach takes into account the energy conversion factor with reference to its generation in the country in which it was purchased.

For the Location-based calculation, the TERNA 2016 - Confronti Internazionali emission factors were used, while for the Market-based approach, the residual mix factors published by the AIB were used.

For the calculation of thermal energy emissions (scope 2), the emission factor used corresponds to the factor indicated by the national energy efficiency agency (ENEA)<sup>4</sup>.

In compliance with the provisions of the **Greenhouse Gas (GHG) Protocol**, the leading emissions reporting standards, emissions were subdivided into various categories: in particular, *Scope 1* emissions refer to those produced by natural gas, while *Scope 2* emissions refer to electricity and thermal energy consumption.

---

<sup>4</sup>For more information see the webpage <http://www.efficienzaenergetica.enea.it/regioni/siape/poteri-calorifici-inferiori-dei-combustibili-e-fattori-di-emissione-della-co2>

Greenhouse gas emissions <sup>5</sup>			
t CO <sub>2</sub>	2016	2017	2018
Scope 1	1,723	1,957	2,572
Scope 2 (thermal energy)	-	-	109
Scope 2 (location-based electricity)	19,741	20,276	19,115
Scope 2 (market-based electricity)	25,499	26,865	25,328
<b>Total emissions (location-based approach)</b>	<b>21,464</b>	<b>22,232</b>	<b>21,796</b>
<b>Total emissions (market-based approach)</b>	<b>27,222</b>	<b>28,822</b>	<b>28,008</b>

Total emissions of the GEDI Group in 2018 were 28 thousand tonnes of CO<sub>2</sub> (total emissions calculated with the market-based method), with a reduction of around 3% on the previous year.

### Environmental impact of radio activities

Elemedia S.p.A broadcasts FM radio on behalf of the Group's three broadcasters (*Radio Deejay*, *Radio Capital* and *m2o*). Transmission takes place through roughly 900 frequencies broadcast by transmission sites where antennas on metal support frames are installed. These sites are located primarily in mountainous areas far from inhabited areas.

The Group does not decide on the placement of broadcasting plants or technical parameters, which are established by the Ministry of Economic Development.

The Group's radio antennas may be checked by the ARPA (Regional Environmental Protection Agencies), which monitor compliance with the legal limits placed on electromagnetic fields (the limits imposed by Italian law are amongst the strictest in Europe). In any event, the emissions generated by the Elemedia plants are a direct result of management methods based on strict compliance with the parameters established for the concession.

To keep pollution levels systematically below the limits, the Elemedia conducts self-audits and allocates adequate resources expressly for this reason. The Group relies on a network of inspectors responsible for managing the plant network, who carry out periodic control and maintenance activities. The Group also uses several probes located throughout the country and placed in some strategic points in cities, which are used to monitor signal levels (remote control network).

Elemedia did not receive any penalties for exceeding radiation protection limits, while it is common practice for Elemedia to undertake reduction procedures to ensure compliance.

Lastly, along with other Italian radio broadcasters, Elemedia is a member of a consortium (DAB Italia) for the promotion and development of Digital Audio Broadcasting (DAB) frequencies, a digital

---

<sup>5</sup> The 2016 and 2017 CO<sub>2</sub> emissions from electricity data was recalculated following the adoption of the new methodology proposed by the GRI Standards (adopted in the 2018 NFS) in order to ensure its comparability with the 2018 data. For the 2016 and 2017 data calculated using the old methodology, refer to the 2017 Consolidated Non-Financial Statement.

radio broadcasting system which is still being planned in many Italian regions by the Ministry of Development. DAB has a number of advantages compared to analogue broadcasting: first and foremost, these include better signal quality due to the reduction in interference and disturbances deriving from the overlapping of programmes and the presence of obstacles in the signal broadcasting path; secondly, the system helps to offer a better service to users as it enables supplementary information to be combined with the audio signal; finally, the DAB system consumes much less energy than analogue systems, which also greatly reduces the environmental impact.

### **Water consumption**

GRI 303-3 GEDI promotes the responsible and informed use of water. This resource is used primarily in employee bathrooms and, to a lesser extent, in the printing process at some plants. In 2018, water consumption came to 73,324 m<sup>3</sup>, representing a decrease of 28.7% compared to 2017<sup>6</sup>.

The Group uses water exclusively from the public water supply.

As regards waste water, all of the Group's sites use the public drainage system, in line with the qualitative characteristics imposed by the water network operator. The Printing Facility in Rome is authorised for surface water drainage.

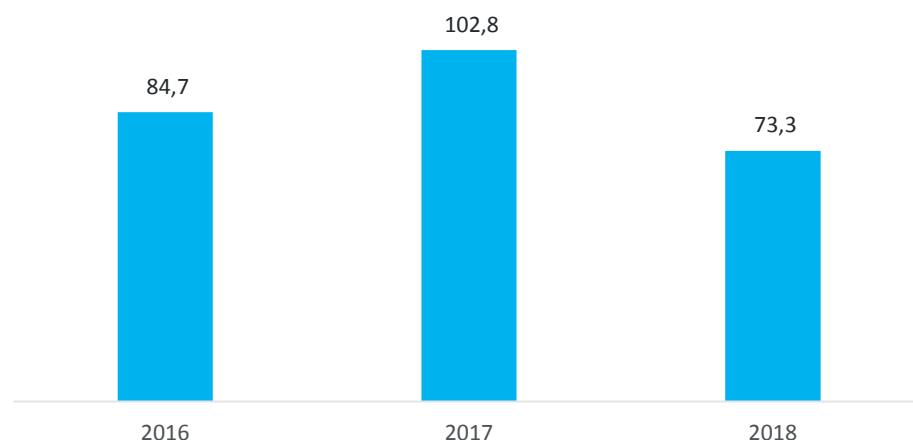
As regards water abstraction from areas affected by water stress, the Group uses the Aqueduct Tool, developed by the World Resources Institute<sup>7</sup>, to identify potential at-risk areas. Water stress refers to the "extreme scarcity" and "scarcity" categories defined by the tool.

---

<sup>6</sup>The data relating to water consumption does not include the figures for the first two quarters of 2018 for GNN Sardegna (Cagliari-Tempio site).

<sup>7</sup>The WRI tool is available online at the website: <https://www.wri.org/our-work/project/aqueduct>. For the purposes of the analysis, the results of the "baseline water stress" column were considered.

Water abstracted by the Group from the public water system (Ml - megalitres)<sup>8</sup>



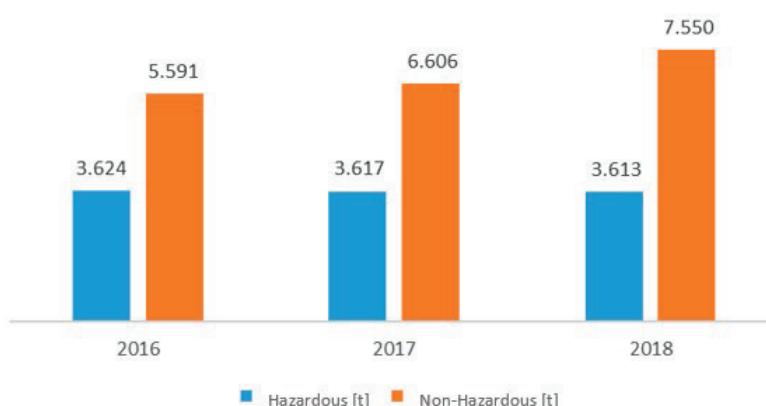
### Waste management

GRI 306-2 In line with its focus on environmental protection and the responsible use of resources, GEDI also works to reduce waste produced by its core operations. The Group raises the awareness of its employees with regard to proper waste disposal and management and the minimisation of waste.

In 2018, waste production rose slightly, with the increase of 9.2% compared to 2017 due largely to the increase in non-hazardous waste. This contribution was partly the result of the changes to the management method of certain types of industrial water at the Rome Printing Facility which, discharged as surface water until the first six months of 2018, were later managed as non-hazardous waste.

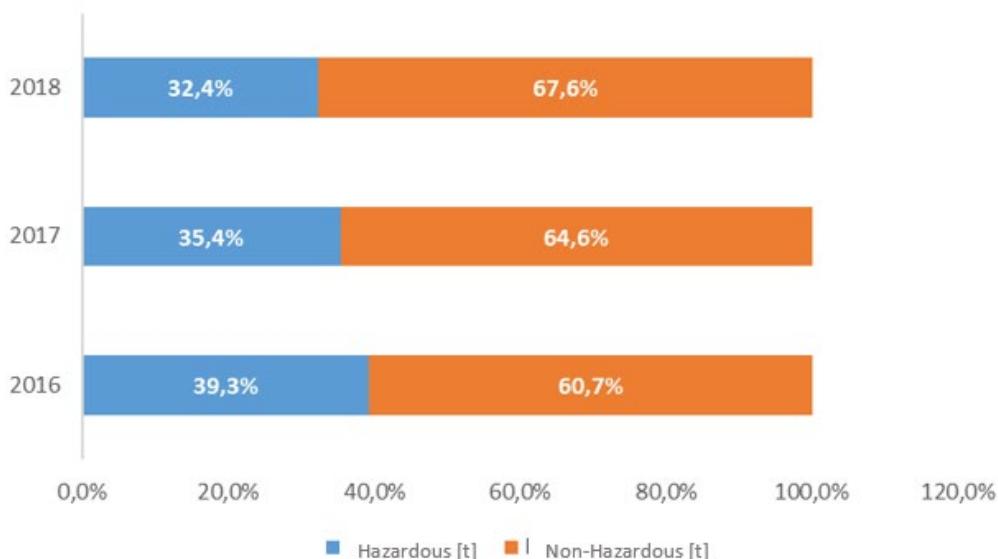
The percentages of hazardous and non-hazardous waste were 32% and 68% respectively, in line with the previous year. In 2018, approximately 8% of waste was recycled.

Waste produced by the Group (t)



<sup>8</sup> The 2016 and 2017 data for Group water abstraction was recalculated following the adoption of the new methodology proposed by the GRI Standards (adopted in the 2018 NFS) in order to ensure its comparability with the 2018 data. For the 2016 and 2017 data calculated using the old methodology, refer to the 2017 Consolidated Non-Financial Statement.

Percentage of hazardous and non-hazardous waste produced by the Group (t)



As well as the customary evaluation and management activities to ensure compliance with applicable regulations, the company complied with all requirements connected with the **introduction of the SISTRI waste management system<sup>9</sup>**.

#### **Returns and pulp**

Unsold copies of publications ("returns") are returned to newsagents by Local Distributors who count and account for the same. Returns are generally collected from the warehouses of local distributors on pallets by a single operator responsible for collecting the return and sent to two depots, in central Italy and the other in Northern Italy. These depots count and certify them and if they are add-on products (Books, CDs, DVDs etc.), they are sorted. Copies in perfect condition are made available for sale through the back issues service while the remainders are pulped.

In recent years the mechanism of the certified return of publications has been introduced. This consists of processing returns by local distributors through certification and, at the same time, pulping. As at 31 December 2018, 70 certificates were issued by the Certified Returns Body (concerning 47 out of 60 active local distributors) enabling local distributors to pulp the publications directly on-site. In 2018, local pulp totalled approximately **17,913 tonnes**.

**17,913 tonnes** of pulped returns collected by local distributors in 2017



This led to a significant reduction in the volume of copies that the returns collection company had to transport, store and collect, with a significant positive impact on the environment.

<sup>9</sup>Italian Law Decree no. 135 of 14 December 2018 concerning "Urgent provisions regarding support and simplification for businesses and the Public Administration" was published in Issue no. 290 of the Official Journal, pursuant to which, from 01 January 2019, the SISTRI system was abolished.

## Environmental impact of distribution and logistics

The Group focuses increasing attention on reducing the environmental impact of the transportation of its products and is constantly committed to developing solutions to optimise it.

### Newspapers

As at 31 December 2018 and following the activities regarding the Group's industrial structure, the printing of the newspapers published by GEDI Spa and GEDI News Network Spa is carried out at nine printing facilities located throughout Italy, six of which are owned by the Group (Turin, Milan, Mantua, Padua, Rome and Sassari) and three of which belong to third-party printers.

Each night, vehicles depart from the various printing facilities to deliver printed copies to various local distributors, who then deliver the copies to Italian newsagents. The transport from the printing facility to the Local Distributor (third-party operator) is classified as "primary transport", while transport from the Local Distributor to the newsagent is "secondary transport" and is managed wholly and independently by the Local Distributors, who contract third-party suppliers.

In order to fully saturate the vehicles and thus reduce the environmental impact, action has been taken to reduce the number of dedicated and exclusive couriers, outsourcing the activity to operators who also transport publications produced by other publishers. Furthermore, transport pooling has been introduced at the printing facilities where the local newspapers are printed.

### Periodicals

Primary transport of periodicals and products sold optionally with titles published by GEDI (books, CDs, DVDs etc.) from printing facilities is managed by Gedi Distribution Spa, which has outsourced to a single nationally certified operator. This has enabled the maximum possible saturation of the vehicles used and a consequent reduction in atmospheric emissions.

## Annexes

### **Annex 1 -Reconciliation of Material Topics, GRI and G4 Media Sector Standards and Italian Legislative Decree no. 254/16**

MACRO AREA	Material topic (materiality index)	GRI Standard and G4 Media Sector Disclosure Topic	Matters subject to Legislative Decree no. 254/16
Economic and corporate responsibility	Relations with the financial community	N/A	
	Economic performance and independence from public funding sources	Economic performance; anti-corruption	Fight against active and passive corruption
	User satisfaction	Audience interaction (media sector)	Social
	Business model in the media sector	N/A	
	Collaborations	Economic performance	Social
Governance and compliance	Governance and business integrity	Anti-corruption; compliance	Fight against active and passive corruption
	Responsible supply chain	Raw materials; compliance	Social
	Risk management system	N/A	Environment Social Respect for human rights Staff-related Fight against active and passive corruption
Product responsibility	Freedom of expression, independence, editorial responsibility	Content creation	Social Respect for human rights
	Content quality	Content creation	Social
	Advertising and responsible marketing	Labelling of products and services	Social
	Cultural promotion and local engagement	Local communities	Social
	Oversight and digital strategy	N/A	
	Privacy and data protection	Customer privacy	Social Respect for human rights
	Protection of intellectual property	N/A	Social Staff-related
Social responsibility	Relations with trade unions	Work and industrial relations	Staff-related Respect for human rights
	Worker health and safety	Occupational health and safety	Staff-related Respect for human rights
	Protection of human rights and working practices and conditions	Occupational health and safety; work and industrial relations; diversity and equal opportunities	Staff-related Respect for human rights
	Diversity and equal opportunities	Diversity and equal opportunities	Staff-related Respect for human rights
	Valorisation, skills development and talent attraction	Employment; Training and education	Staff-related
	Welfare and employee benefits	Employment	Staff-related
Environmental responsibility	Process efficiency and paper management	Materials	Environment
	Emissions and the environment	Energy; emissions; water and effluents; affluents and waste	Environment

GRI 103-1 Annex 2 - Scope of Material Aspects of the GEDI Group

Material topics	Scope of material topics	Type of impact
<b>Economic and corporate responsibility</b>		
Economic performance and independence from public funding	GEDI	Caused by the Group
Collaborations	GEDI	Caused by the Group
User satisfaction	GEDI Public	Caused by the Group and directed related to its activity
Business model in the media sector	GEDI	Caused by the Group
Relations with the financial community	GEDI	Caused by the Group
<b>Governance and compliance</b>		
Governance and business integrity	GEDI	Caused by the Group
Risk management system	GEDI	Caused by the Group
Responsible supply chain	GEDI Suppliers	Caused by the Group and directed related to its activity
<b>Product responsibility</b>		
Freedom of expression, independence and editorial responsibility	GEDI	Caused by the Group
Content quality	GEDI	Caused by the Group
Advertising and responsible marketing	GEDI	Caused by the Group
Cultural promotion and local engagement	GEDI Local community	Caused by the Group and directed related to its activity
Privacy and data protection	GEDI Public	Caused by the Group and directed related to its activity
Protection of intellectual property	GEDI Collaborators	Caused by the Group and directed related to its activity
Oversight and digital strategy	GEDI	Caused by the Group
<b>Responsibility to employees</b>		
Relations with trade unions	GEDI	Caused by the Group
Valorisation, skills development and talent attraction	GEDI	Caused by the Group
Protection of human rights and working practices and conditions	GEDI	Caused by the Group
Diversity and equal opportunities	GEDI	Caused by the Group
Worker health and safety	GEDI	Caused by the Group
Welfare and employee benefits	GEDI	Caused by the Group
<b>Environmental responsibility</b>		
Process efficiency and paper management	GEDI Suppliers	Caused by the Group and directed related to its activity
Emissions and the environment	GEDI	Caused by the Group

**Annex 3 – Focus on Human Resources – Reporting Table**
**a) Human Resources<sup>10</sup>**

Company population by professional category and gender									
%	2016			2017			2018		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	3%	1%	3%	2%	0%	3%	2%	1%	3%
Journalists	30%	15%	45%	32%	16%	48%	32%	16%	48%
Office workers	23%	20%	43%	22%	19%	42%	23%	19%	42%
Manual workers	8%	1%	9%	7%	1%	8%	6%	1%	7%
Total	63%	37%	100%	63%	37%	100%	63%	37%	100%

Company population by contract type (fixed-term vs. permanent) and gender									
no. of employees	2016			2017			2018		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Fixed-term	25	14	39	40	35	75	23	22	45
Permanent	1,189	712	1,901	1,509	861	2,370	1,458	856	2,314
Total	1,214	726	1,940	1,549	869	2,445	1,481	878	2,359

Permanent company staff by employee type (full time vs. part time) and gender									
no. of employees	2016 <sup>11</sup>			2017			2018		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Full time	1,184	659	1,843	1,542	828	2,370	1,475	813	2,288
Part time	5	53	58	7	68	75	6	65	71
Total	1,189	712	1,901	1,549	896	2,445	1,481	878	2,359

Company population by employee category and age					
2016					
%	<30	30-50	>50	Total	
Executives	0%	1%	2%	3%	
Journalists	1%	19%	26%	45%	
Office workers	1%	24%	18%	43%	
Manual workers	0%	4%	5%	9%	
<b>Total</b>	<b>1%</b>	<b>48%</b>	<b>51%</b>	<b>100%</b>	

<sup>10</sup> The data relative to total employees of the Group as at 31/12/2017 includes the 435 employees acquired with the merger of ITEDI. The 2016 and 2017 data relating to the company workforce subdivided by age, gender and professional level was recalculated following the adoption of the new methodology proposed by the GRI Standards (adopted in the 2018 NFS) in order to ensure its comparability with the 2018 data. For the 2016 and 2017 data calculated using the old methodology, refer to the 2017 Consolidated Non-Financial Statement.

<sup>11</sup>The data for 2016 regarding contract type (full time vs part time) concerns workers employed on a permanent basis. In 2017 and 2018, the data includes the entire company workforce.

Company population by employee category and age					
2017					
%	<30	30-50	>50	Total	
Executives	0%	1%	2%	3%	
Journalists	1%	20%	27%	48%	
Office workers	1%	16%	25%	42%	
Manual workers	0%	4%	3%	8%	
<b>Total</b>	1%	41%	58%	100%	

Company population by employee category and age					
2018					
%	<30	30-50	>50	Total	
Executives	0%	1%	2%	3%	
Journalists	1%	19%	29%	48%	
Office workers	1%	20%	22%	42%	
Manual workers	0%	3%	4%	7%	
<b>Total</b>	1%	43%	56%	100%	

Incoming and outgoing turnover broken down by age and gender (2016)										
no. of employees	Incoming					Outgoing				
	<30	30-50	>50	Total	Turnover	<30	30-50	>50	Total	Turnover
Men	15	144	70	229	18.9%	10	154	194	358	29.5%
Women	15	48	18	81	11.2%	8	63	73	144	19.8%
<b>Total</b>	30	192	88	310	16.0%	18	217	267	502	25.9%

Incoming and outgoing turnover broken down by age and gender (2017) <sup>12</sup>										
no. of employees	Incoming					Outgoing				
	<30	30-50	>50	Total	Turnover	<30	30-50	>50	Total	Turnover
Men	11	106	42	159	10.3%	5	95	67	167	10.8%
Women	16	86	26	128	14.3%	12	46	23	81	9.0%
<b>Total</b>	27	192	68	287	11.7%	17	141	90	248	10.1%

Incoming and outgoing turnover broken down by age and gender (2018)										
no. of employees	Incoming					Outgoing				
	<30	30-50	>50	Total	Turnover	<30	30-50	>50	Total	Turnover
Men	2	21	4	27	1.7%	5	54	35	94	6.1%
Women	4	21	4	29	3.2%	6	25	17	48	5.4%
<b>Total</b>	6	42	8	56	2.3%	11	79	52	142	5.8%

<sup>12</sup>The data relative to turnover in 2017 also contains the turnover of employees of the former ITEDI Group from 01/01/2017. ITEDI became part of the Group in July 2017.

no. of employees	Protected categories								
	2016			2017			2018		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	-	-	-	-	-	-	-	-	-
Journalists	-	-	-	-	-	-	-	-	-
Office workers	42	19	61	40	33	73	44	29	73
Manual workers	8	1	9	8	2	10	7	2	9
Total	50	20	70	48	35	83	51	31	82

**GRI 404-1 b) Training**

no. hours	Average hours of training per person by professional role and gender								
	2016			2017			2018		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	15.4	3.8	13.1	13.8	26.7	16	14.1	15.9	14.5
Journalists	0.3	0.5	0.4	1.6	1.8	2	0.9	1.1	1.0
Office workers	7.4	6.9	7.1	9.5	10.2	10	6.3	6.1	6.2
Manual workers	0.5	0.8	0.6	0.8	1.6	1	1.6	0.0	1.3
Total	3.5	4.0	3.7	4.7	6.5	5	3.4	3.9	3.6

GRI 403-9

 GRI 403-10 c) Health and safety<sup>13</sup>

No. of cases	Injuries <sup>14</sup>								
	2016			2017			2018		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Occupational injuries	7	-	7	10	-	10	11	2	13
of which fatal	-	-	-	-	-	-	-	-	-
of which with serious consequences (excluding fatalities)	-	-	-	-	-	-	-	1	1

no. hours	Time								
	2016			2017			2018		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Hours worked	1,893,988	1,178,094	3,072,082	2,350,747	1,322,043	3,672,790	2,220,453	1,285,758	3,506,211

<sup>13</sup> The 2016 and 2017 data for injuries and injury ratios was recalculated following the adoption of the new methodology proposed by the GRI Standards (adopted in the 2018 NFS) in order to ensure its comparability with the 2018 data. For the 2016 and 2017 data calculated using the old methodology, refer to the 2017 Consolidated Non-Financial Statement.

<sup>14</sup> The data regarding occupational injuries in 2018 does not include injuries to collaborators.

Health and safety indicators									
No. of cases	2016			2017			2018		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Injury frequency index	0.7	-	0.5	0.9	-	0.5	1.0	0.3	0.7
Fatality index	-	-	-	-	-	-	-	-	-
Frequency index of injuries with serious consequences	-	-	-	-	-	-	-	0.2	0.1

No cases of professional illness have been recorded in the last three years.

GRI 302-1

#### Annex 4 - Environmental impacts - Reporting Table

Paper used [tonnes]						
	2016		2017		2018	
	Total	%	Total	%	Total	%
Virgin paper [t]	19,371	25.9%	19,269	23.1%	9,424	12.5%
Certified paper (FSC-PEFC) [t]	-	-	16,380	19.6%	22,166	29.5%
Recycled paper [t]	55,520	74.1%	47,875	57.3%	43,573	58%
<b>Total [t]</b>	<b>74,891</b>	<b>100%</b>	<b>83,524</b>	<b>100%</b>	<b>75,163</b>	<b>100%</b>

Other materials						
	2016		2017		2018	
	Total	%	Total	%	Total	%
Offset plates [m <sup>2</sup> ]	162,872	27.9%	194,500	34.1%	219,603	40.2%
Flexo plates [m <sup>2</sup> ]	420,493	72.1%	376,291	65.9%	326,077	59.8%
<b>Total plates [m]</b>	<b>583,365</b>	<b>100%</b>	<b>570,791</b>	<b>100%</b>	<b>545,680</b>	<b>100%</b>
Ink for Offset plates [kg]	347,013	17.4%	354,519	22.3%	309,752	23.6%
Ink for Flexo plates [kg]	1,648,465	82.6%	1,237,257	77.7%	1,003,800	76.4%
<b>Total ink [kg]</b>	<b>1,995,478</b>	<b>100%</b>	<b>1,591,776</b>	<b>100%</b>	<b>1,313,552</b>	<b>100%</b>

Energy Consumption <sup>15</sup>						
	2016		2017		2018	
	Total	Total GJ	Total	Total GJ	Total	Total GJ
Electricity [kWh]	54,836,140	197,410	56,321,695	202,758	53,098,077	191,153
Thermal energy [kWh]	-	-	-	-	361,694	1,302
Natural Gas [m <sup>3</sup> ]	914,062	35,658	1,037,926	40,489	1,033,943	36,450
Fuel oil [l] <sup>16</sup>	155,030	5,595	122,000	4,374	201,779	7,246

<sup>15</sup> The conversion factors used to calculate energy consumption are: for electricity and thermal energy: 1 kWh = 0.0036 GJ; for natural gas: 1 m<sup>3</sup> = 0.03901 GJ (in 2016 and 2017) and 1 m<sup>3</sup>=0.03525 GJ (in 2018); for fuel oil 1t = 42.88 GJ (in 2016 and 2017) and 1t = 42.87 GJ (in 2018).

<sup>16</sup>From 2017 fuel oil consumption by company vehicles has been accounted for.

Total water abstraction <sup>17</sup>							
MI	2016		2017		2018		Change 17-18
Source of abstraction	Soft water	Other types	Soft water	Other types	Soft water	Other types	
Surface water	-	-	-	-	-	-	-
Groundwater	-	-	-	-	-	-	-
Seawater	-	-	-	-	-	-	-
Generated water	-	-	-	-	-	-	-
Third-party water	84.7	-	102.8	-	73.3	-	-28.7%
Total	84.7	-	102.8	-	73.3	-	-28.7%

Water abstraction in water stress areas <sup>18</sup>							
MI	2016 <sup>19</sup>		2017		2018		Change 17-18
Source of abstraction	Soft water	Other types	Soft water	Other types	Soft water	Other types	
Surface water	-	-	-	-	-	-	-
Groundwater	-	-	-	-	-	-	-
Seawater	-	-	-	-	-	-	-
Generated water	-	-	-	-	-	-	-
Third-party water	2.4	-	2.02	-	2.08	-	-
Total	2.4	-	2.02	-	2.08	-	-

Waste						
	2016		2017		2018	
	Total	%	Total	%	Total	%
Hazardous [t]	3,624	39.3%	3,617	35.4%	3,613	32.4%
Non-hazardous [t]	5,591	60.7%	6,606	64.6%	7,550	67.6%
Total [t]	9,215	100%	10,222	100%	11,163	100%

Waste for disposal						
	2016		2017		2018	
	Total	% Total	Total	% Total	Total	% Total
Recycling [t]	1,344	14.6%	1,242	12.2%	891	8.0%
Landfill [t]	5	0.1%	-	0%	23	0.2%
Other [t]	7,866	85.3%	8,981	87.9%	10,249	91.8%
Total	9,215	100%	10,222	100%	11,163	100%

<sup>17</sup> The data for 2016 and 2017 water abstraction was recalculated following the adoption of the new methodology proposed by the GRI Standards (adopted in the 2018 NFS) in order to ensure its comparability with the data with 2018. For the data for 2016 and 2017 calculated using the old methodology, refer to the 2017 Consolidated Non-Financial Statement. Soft water is defined as water with ≤1.000 mg/l of dissolved solid material. Other types of water are defined as water with >1.000 mg/l of dissolved solid material.

<sup>18</sup> Water stress areas are defined using the Aqueduct tool developed by the World Resources, considering the “extreme scarcity” and “scarcity” categories. With reference to the sites considered for the analysis, the Group's printing facilities (Milan, Rome and Turin) were evaluated due to their impact on consumption against total Group consumption. Abstraction from water stress areas is detailed in the total water abstraction table.

<sup>19</sup> The consumption of water sourced from water stress areas in 2016 has been estimated based on the percentage consumption in 2017 and 2018 against total consumption.

## GRI Content Index

GRI 102-55 The 2018 Sustainability Report of the GEDI Group has been drafted on the basis of the guidelines of the GRI Global Reporting Initiative Standards in compliance with the “*In accordance - Core*” option and the “Sector Disclosures - Media” guidelines. The table below specifies the Group’s information based on the GRI Standard guidelines with reference to the GEDI materiality analysis.

Indicator		Page references/notes
<b>GENERAL STANDARD DISCLOSURE</b>		
<b>Organisational profile</b>		
102-1	Name of the organisation	7; “Article of Association of the GEDI Group”
102-2	Primary brands, products, and services	8-15
102-3	Headquarters	7
102-4	Countries where the organisation operates	7-15
102-5	Nature of ownership and legal form	7; “Report on corporate governance and the ownership structure”
102-6	Markets served	8-15
102-7	Scale of the organisation	8-15; 31; 47
102-8	Workforce characteristics	47-54; 66-67
102-9	Description of the organisation's supply chain	54
102-10	Significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain	5; 7
102-11	Application of the precautionary approach or principle	24-25; “Annual Financial Report”
102-12	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses	37; 39-40
102-13	Principle partnerships and affiliations	39
<b>Strategy and analysis</b>		
102-14	Statement from the most senior decision-maker of the organisation about the relevance of sustainability to the organisation and the organisation's strategy for addressing sustainability	4
<b>Ethics and Integrity</b>		
102-16	The values, principles, standards and code of conduct	27; “Article of Association of the GEDI Group”
<b>Governance</b>		
102-18	Governance structure of the organisation	22-23; “Report on corporate governance and the ownership structure”
<b>Stakeholder engagement</b>		
102-40	List of stakeholder groups	18
102-41	Percentage of total employees covered by collective bargaining agreements	49
102-42	Identifying and selecting stakeholders	18-19
102-43	Approach to stakeholder engagement, including frequency of engagement by type	18-19
102-44	Key topics and concerns raised through stakeholder engagement	19-20

Material aspects and boundaries		
102-45	All entities included in the organisation's consolidated financial statements or equivalent documents	5; 7
102-46	Process for defining the report content	5-6; 19
102-47	Material aspects identified	19-21
102-48	Any restatements of information provided in previous reports	5-6
102-49	Changes in reporting	5-6
Report Profile		
102-50	Reporting period for information provided	5-6
102-51	Date of most recent previous report	5-6
102-52	Reporting cycle	5-6
102-53	Contact point for questions regarding the report or its contents	5-6
102-54	Indication of "in accordance" option chosen	5
102-55	GRI content index	71-76
102-56	External assurance	77

Indicator	Page references/notes	Omission
<b>SPECIFIC STANDARD DISCLOSURE</b>		
<b>ECONOMIC INDICATORS</b>		
<b>MATERIAL ASPECT: Economic performance (2016)</b>		
103-1	Material topic and boundary	31-34; 65
103-2	The management approach and its components	31-34; "Annual Financial Report"
103-3	Evaluation of the management approach	31-34
201-1	Direct economic value generated and distributed	33-34
201-4	Financial assistance received from government	35
<b>MATERIAL ASPECT: Anti-corruption (2016)</b>		
103-1	Material topic and boundary	26-27; 65
103-2	The management approach and its components	26-27 "Organisational, Management and Control Model"; "Code of Ethics"
103-3	Evaluation of the management approach	26-27
205-2	Percentage of employees that have received training on anti-corruption policies and procedures	27
205-3	Confirmed incidents of corruption and actions taken	In 2018 no cases of corruption were reported or identified.
<b>ENVIRONMENTAL INDICATORS</b>		
<b>MATERIAL ASPECT: Materials (2016)</b>		
103-1	Material topic and boundary	54-55; 65

Indicator		Page references/notes	Omission
103-2	The management approach and its components	54-55	
103-3	Evaluation of the management approach	54-55	
301-1	Materials used by weight or volume	54-55; 69	
<b>MATERIAL ASPECT: Energy (2016)</b>			
103-1	Material topic and boundary	56; 65	
103-2	The management approach and its components	56	
103-3	Evaluation of the management approach	56	
302-1	Internal energy consumption	56-57; 69	
<b>MATERIAL ASPECT: Water and affluents (2018)</b>			
103-1	Material topic and boundary	60; 65	
103-2	The management approach and its components	60	
103-3	Evaluation of the management approach	60	
303-3	Water withdrawn by source	60-61; 70	
<b>MATERIAL ASPECT: Emissions (2016)</b>			
103-1	Material topic and boundary	58-60; 65	
103-2	The management approach and its components	58-60	
103-3	Evaluation of the management approach	58-60	
305-1	Direct greenhouse gas emissions (Scope I)	58-59	
305-2	Indirect greenhouse gas emissions (Scope II)	58-59	
<b>MATERIAL ASPECT: Effluents and waste (2016)</b>			
103-1	Material topic and boundary	61; 65	
103-2	The management approach and its components	61	
103-3	Evaluation of the management approach	61	
306-2	Total weight of waste by type and disposal method	61-62; 70	
<b>SOCIAL INDICATORS</b>			
<b>MATERIAL ASPECT: Employment (2016)</b>			
103-1	Material topic and boundary	47; 65	
103-2	The management approach and its components	47	
103-3	Evaluation of the management approach	47	
401-1	Total number and rates of new employee hires and employee turnover by age group, gender and region	49; 67	
<b>MATERIAL ASPECT: Work and industrial relations (2016)</b>			
103-1	Material topic and boundary	49; 65	
103-2	The management approach and its components	49	
103-3	Evaluation of the management approach	49	

Indicator		Page references/notes	Omission
402-1	Minimum notice periods regarding operational changes	49	
<b>MATERIAL ASPECT: Occupational health and safety (2018)</b>			
103-1	Material topic and boundary	52-53; 65	
103-2	The management approach and its components	52-53	
103-3	Evaluation of the management approach	52-53	
403-1	Occupational health and safety management system	52-53	
403-2	Hazard identification, risk assessment, and incident investigation	52-53	
403-3	Occupational health services	52-53	
403-4	Worker participation, consultation, and communication on occupational health and safety	52-53	
403-5	Worker training on occupational health and safety	52-53	
403-6	Promotion of worker health	52-53	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	52-53	
403-9	Occupational injuries	52-53; 68-69	
403-10	Work-related ill health	52-53; 68-69	
<b>MATERIAL ASPECT: Training and education (2016)</b>			
103-1	Material topic and boundary	51; 65	
103-2	The management approach and its components	51	.
103-3	Evaluation of the management approach	51	
404-1	Average hours of training per year per employee by gender, and by employee category	51; 68	
<b>MATERIAL ASPECT: Diversity and equal opportunities (2016)</b>			
103-1	Material topic and boundary	50; 65	
103-2	The management approach and its components	50	
103-3	Evaluation of the management approach	50	
405-1	Composition of governance bodies and breakdown of employees per employee category according to gender, age group and other indicators of diversity	23; 50; 66-67	
405-2	Ratio of average remuneration of women to men by employee category, by significant locations of operation	50-51	
<b>MATERIAL ASPECT: Local communities (2016)</b>			
103-1	Material topic and boundary	43-46; 65	
103-2	The management approach and its components	43-46	
103-3	Evaluation of the management approach	43-46	
413-1	Percentage of operations with implemented local community engagement, impact assessments and development programs	43-46	

Indicator		Page references/notes	Omission
<b>MATERIAL ASPECT: Compliance (2016)</b>			
103-1	Material topic and boundary	22-24; 65	
103-2	The management approach and its components	22-24; "Code of Ethics"	
103-3	Evaluation of the management approach	22-24	
419-1	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	No significant sanctions for non-compliance with laws and regulations were issued in 2018	
<b>MATERIAL ASPECT: Labelling of products and services (2016)</b>			
103-1	Material topic and boundary	39-41; 65	
103-2	The management approach and its components	39-41	
103-3	Evaluation of the management approach	39-41	
417-3	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	39-40	
<b>MATERIAL ASPECT: Customer privacy (2016)</b>			
103-1	Material topic and boundary	41-42; 65	
103-2	The management approach and its components	41-42	
103-3	Evaluation of the management approach	41-42	
418-1	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	41-42	
<b>Media Sector Disclosure</b>			
<b>MATERIAL ASPECT: Economic performance</b>			
G4 - DMA	How the organisation manages the material aspect or its impacts	31-34; 65	
G4-M1	Significant funding and other support received from non-governmental sources	38	
<b>MATERIAL ASPECT: Content creation</b>			
G4 - DMA	How the organisation manages the material aspect or its impacts	36-38; 65	
G4 - M2	Methodology for assessing and monitoring adherence to content creation values	36-38	
<b>MATERIAL ASPECT: Audience interaction</b>			
G4 - DMA	How the organisation manages the material aspect or its impacts	28-30; 65	
G4 - M6	Methods to interact with audiences and results	28-30; 43-46	
<b>Other material aspects</b>			
<b>MATERIAL ASPECT: Relations with the financial community</b>			
103-1	Material topic and boundary	39; 65	
103-2	The management approach and its components	39	
103-3	Evaluation of the management approach	39	

Indicator		Page references/notes	Omission
<b>MATERIAL ASPECT:</b> Business model in the media sector			
103-1	Material topic and boundary	28-30; 65	
103-2	The management approach and its components	28-30	
103-3	Evaluation of the management approach	28-30	
<b>MATERIAL ASPECT:</b> Risk management system			
103-1	Material topic and boundary	24-25; 65	
103-2	The management approach and its components	24-25; "Annual Financial Report"	
103-3	Evaluation of the management approach	24-25	
<b>MATERIAL ASPECT:</b> Oversight and digital strategy			
103-1	Material topic and boundary	28-30; 65	
103-2	The management approach and its components	28-30	
103-3	Evaluation of the management approach	28-30	
<b>MATERIAL ASPECT:</b> Protection of intellectual property			
103-1	Material topic and boundary	36; 65	
103-2	The management approach and its components	36	
103-3	Evaluation of the management approach	36	

## Report of the Independent Auditor

GRI 102-56

KPMG S.p.A.  
 Revisione e organizzazione contabile  
 Via Ettore Petrolini, 2  
 00197 ROMA RM  
 Telefono +39 06 80961.1  
 Email [it-fmaudititaly@kpmg.it](mailto:it-fmaudititaly@kpmg.it)  
 PEC [kpmgspa@pec.kpmg.it](mailto:kpmgspa@pec.kpmg.it)

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

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

*To the board of directors of  
 GEDI Gruppo Editoriale S.p.A.*

Pursuant to article 3.10 of Legislative decree no. 254 of 30 December 2016 (the "decree") and article 5 of the Consob (the Italian Commission for listed companies and the stock exchange) Regulation adopted with Resolution no. 20267 of 18 January 2018, we have been engaged to perform a limited assurance engagement on the 2018 consolidated non-financial statement of GEDI Gruppo Editoriale S.p.A. (the "parent") and its subsidiaries (together, the "group" or the "GEDI Group") prepared in accordance with article 4 of the decree and approved by the board of directors on 1 March 2019 (the "NFS").

#### **Responsibilities of the parent's directors and board of statutory auditors ("Collegio Sindacale") for the NFS**

The directors are responsible for the preparation of a NFS in accordance with articles 3 and 4 of the decree and the "Global Reporting Initiative Sustainability Reporting Standards" issued in 2016 by GRI - Global Reporting Initiative (the "GRI Standards"), which they have identified as the reporting standards.

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

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

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



**GEDI Group**  
 Independent auditors' report  
 31 December 2018

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

#### **Auditors' independence and quality control**

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

#### **Auditors' responsibility**

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

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

Specifically, we carried out the following procedures:

1. Analysing the material aspects based on the group's business and characteristics disclosed in the NFS, in order to assess the reasonableness of the identification process adopted on the basis of the provisions of article 3 of the decree and taking into account the reporting standards applied.
2. Analysing and assessing the identification criteria for the reporting scope, in order to check their compliance with the decree.
3. Comparing the financial disclosures presented in the NFS with those included in the group's consolidated financial statements.
4. Gaining an understanding of the following:
  - the group's business management and organisational model, with reference to the management of the aspects set out in article 3 of the decree;
  - the entity's policies in connection with the aspects set out in article 3 of the decree, the achieved results and the related key performance indicators;
  - the main risks generated or borne in connection with the aspects set out in article 3 of the decree.

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

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

Specifically, we held interviews and discussions with the parent's management personnel and personnel of GEDI News Network S.p.A., GEDI Distribuzione S.p.A., GEDI Printing S.p.A., Elemedia S.p.A. and A. Manzoni & C. S.p.A.. We also performed selected procedures on documentation to gather information on the processes and procedures used to gather, combine, process and transmit non-financial data and information to the office that prepares the NFS.

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

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

### **Conclusion**

Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2018 consolidated non-financial statement of the GEDI Group has not been prepared, in all material respects, in accordance with the requirements of articles 3 and 4 of the decree and the GRI Standards.

### **Other matters**

The group prepared a 2016 sustainability report and has presented the data included therein for comparative purposes in its NFS. That sustainability report was reviewed by other auditors in compliance with ISAE 3000 revised, not pursuant to any legal requirements, who expressed an unqualified conclusion thereon on 9 June 2017.

Rome, 28 March 2019

KPMG S.p.A.

(signed on the original)

Benedetto Gamucci  
Director of Audit

