

Sustainability Report 2018



FASTWEB
un passo avanti

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Letter to stakeholders

The digital revolution is driving radical change and we at Fastweb strongly believe in its potential to improve the quality of life. The numbers speak for themselves: digitalization has the potential to help shape a more inclusive development model that respects the environment and offers a host of new opportunities for businesses, workers and residents alike, facilitating the achievement of the UN's Sustainable Development Goals in the 2030 Agenda for Sustainable Development.

However, to benefit from new technologies, we must work on the conditions that enable them - infrastructure, innovation and skills - and are capable of transforming technological trends into true catalysts for well-being and sustainable development. Its desire to make a difference in this arena is the basis for Fastweb's interpretation of sustainability as a genuine commitment to upholding its mission of "improving life and work through the Internet". With projects that engage all stakeholders, Fastweb is intent on integrating corporate social responsibility in its business, in accordance with the parent company Swisscom's sustainability strategy.

Demonstrating its contribution to digitalization, Fastweb has continued to invest in 2018 to position itself at the technological forefront, acting as an ambassador for innovation for 20 years. This has led us to work on the FTTH and FTTN network development plans kicked off in recent years and to continue investing in 5G and the integration of landline infrastructure with mobile technology to become the top convergence operator in the country.

We are confident that this strategy will pay off: network infrastructure, skills, the desire to create a future in which technology is an ally not only in the provision of increasingly higher performance connectivity services, but also to enable new solutions serving communities and residents.

The results attained this year with 5G testing in Bari and Matera - as part of the Ministry of Economic Development tender that we won with TIM and Huawei - and those to come with forthcoming 5G initiatives in partnership with the Rome municipal authorities, Ericsson and ATAC - demonstrate that we are headed in the right direction. Projects like telemedicine to provide home assistance to the Bari hospital's hematology/oncology patients, the use of augmented reality for technical training as part of the Industry 4.0 agenda tested with ship engine maker Isotta Fraschini and the smart port solution to monitor security at the Bari port make us proud of our work and demonstrate how new technologies can truly make a difference in improving the quality of life of residents and communities.

It is vital to promote a genuine digital culture in Italy in order to take advantage of the many opportunities of technological transition. This is the conviction on which we have, through many initiatives associated with our #GetDigital plan - from the Fastweb Digital Academy to Fastweb4School and Digital IQ, the new self-assessment test - continued to structure our commitment to this goal, not only working on the fundamental digital skills for school and jobs, but also explaining, through targeted initiatives for young people, residents and families, what changes they can expect in their lives and how to face them.



Urs Schaeppi

We strove for continuity in the face of these changes in 2018, including in the area of "Trusted and lean customer partner". For our customers, we confirmed our commitment to quality, listening and transparency, which we believe are crucial to our company's long-term competitiveness. Through five new chapters in the #Nientecomeprima strategy, like nothing before, we have radically improved our offer and services, making them increasingly simpler and clearer for users. The market continues to reward us for this approach, which we plan to uphold and strengthen in the years to come, completely revolutionizing the ways in which we interact with our customers, based on trust and service quality.

At Fastweb, we are aware that this transformation has been possible solely through our people's talent and ability to innovate, and this is why we continued to make our company's innovation a way of life again this year. "Working smart" is a new way of working, based on individual responsibility, valuing talent, involving people in the life of the company, flexibility and including diversity, to co-design our company's future together with our employees, as we have done this year for the new, futuristic offices in Milan.

One last project of which we are particularly proud relates to environmental protection. For years we have monitored our impact in terms of climate change in order to progressively reduce our carbon footprint. With the launch of our new "Fastweb for Sustainability" brand, we will offer customers the chance to purchase our products and services based on their environmental benefits (reduction of CO₂ emissions), thereby helping people understand the

importance of individual efforts to achieve the objectives of sustainable development.

The steps taken this year in these areas demonstrate how Fastweb is a company that creates value not only for its shareholders and employees, but for the country as a whole. This year, we have decided to measure this value by assessing the direct, indirect and induced impacts of our organization. We are talking about over 2 billion euro in procurement and investments in 2018, which generated more than 34 thousands direct and indirect jobs, contributing 3 billion euro to GDP and 544,2 million euro in taxes paid. These are significant figures that underscore the importance of our company and our sector as drivers for national growth and employment. We are proud of these figures, which mark the boundaries of our responsibility and our commitment today and tomorrow for sustainable development, a field in which we intend to remain one step ahead, making the most of the potential of new technologies.

Urs Schaeppi

Chairman of the Board of Directors

U. Schaeppi

Alberto Calcagno

Chief Executive Officer

Alberto Calcagno



Alberto Calcagno



The Fastweb model. Always a step ahead

1.1 ABOUT FASTWEB

Fastweb is the largest alternative landline operator in Italy and one of the leading players in the European ultra-broadband market. Since its inception in Milan in 1999, pursuing the innovative project of building a fiber optic network and adopting the IP protocol for voice, data and video transmission, Fastweb has focused on innovation and network infrastructure for the supply of ultra-broadband services of the highest quality.

The company has developed a national fiber-optic network, reaching 8 million households and businesses with its own proprietary network and, overall, 22 million property units in more than 1,000 municipalities, with connection speed of up to 1 Gigabit per second in major cities. In 2018 Fastweb invested 28% of the company's turnover in network expansion and service innovation. This is an unprecedented percentage in the European telecommunications scenario, equaling Euro 593 million.

Thanks to its network's architecture and flexibility, Fastweb has diversified and enriched the offer to more than 2.5 million customers to provide increasingly convergent services. The goal is not only the provision of innovative services, but also Internet access and use anytime anywhere: in the office when using a computer, on the go via smartphone or at home through the devices connected to the home network.

As part of the mobile network services, in January 2017 Fastweb became a Full MVNO operator, offering its customers a latest generation mobile service based on 4G and 4G Plus technology. By 2020 mobile services will be enhanced through a new-generation 5G infrastructure.

In addition to voice, data and mobile services, Fastweb offers connectivity services and advanced ICT services, such as housing, cloud computing, security and unified communications, to companies of all sizes, from start-ups to small and medium-sized businesses, from large companies to the public sector.

Fastweb is present throughout the country with sites, offices, equipment rooms and a network of stores that currently comprises over 1,000 stores, including flagship stores, franchise stores and authorized dealers. The company has been part of the Swisscom group since September 2007 and is managed and coordinated by Swisscom AG through its subsidiary Swisscom Italia S.r.l.

Since 2014 Fastweb has held a 60% interest in the joint-stock consortium company QXN, which was established with the aim of providing Qualified eXchange Network infrastructure to the Italian public authorities.

Fastweb owns minority interests in Flash Fiber (20%) and Open Hub Med (11%). Flash Fiber is the strategic joint venture between Telecom Italia and Fastweb to promote the creation of ultra-broadband infrastructure with FTTH (Fiber To The Home) technology in major Italian cities (see Chapter 2). Open Hub Med (OHM) is the consortium that aspires to be the first neutral hub in Italy for the exchange of communications in the Mediterranean area between Africa, Middle East, Asia and the rest of the world, benefiting from Sicily's geographical position to route part of this traffic to the main European hubs.

On 16 November 2018, an agreement was signed with Tiscali S.p.A. to acquire the license for 40 Mhz in the 3.5 Ghz band and the fixed wireless access (FWA) business unit consisting of, among other assets, roughly 835 base transceiver station towers, the related equipment and 33 employees with network management expertise.

On 7 August 2018, a new company we set up: Fastweb Air S.r.l., wholly owned by Fastweb S.p.A., and which, on 16 November 2018, absorbed the aforementioned FWA business unit.



Our History

1999



In September 1999, e.Biscom, Fastweb's parent company, is set up in Milan with the innovative mission of developing and expanding the next generation of transmission networks as an alternative to traditional telephone networks.

2000



Fastweb becomes the world's first operator to create a network entirely based on IP protocol that, combined with a fiber infrastructure, enables all types of customers to use its range of voice, data and video services at the same time and from the same account.

2003



Fastweb creates Triple Play: a convergent package of telecommunications, Internet and television services, with its television offer for residential customers.

2008



Fastweb becomes a 4P operator with the launch of mobile telephony and data services, thanks to an offer that includes telecommunications, Internet, television and mobile telephone services.

2010



Fibra 100 is developed for residential customers, providing, for the first time in Italy, 2 million homes and businesses with Internet connections at a speed of 100 Megabits per second.

2015



Fastweb kicks off its national coverage plan with the WOW FI service, an open wi-fi solution in which every Fastweb modem is a "homespot" available to the rest of the customer community.

2016



Fastweb is the first operator in Europe to increase browsing speed two-fold up to 200 Megabits per second thanks to Vplus technology.

2017



Fastweb becomes a full MVNO (Mobile Virtual Network Operator) and strengthens its position in the mobile market with the launch of 4G and 4Gplus services. Fastweb begins numerous tests on 5G to pioneer this technology in Italy.

2018



Fastweb pursues its converged infrastructure strategy to provide its customers with the best connectivity at home and beyond. Acquiring frequencies has enabled the company to begin planning and deploying the 5G network, starting in major Italian cities.

OUR VALUES

Fastweb strongly believes that digital technologies can be used for social development and enrichment, and it is this conviction that has shaped the company's vision and mission.

Our corporate culture is founded on a set of shared values embraced by each and every employee and contributes to the success of a customer-centric organization where the ability to innovate and keep things simple are the keys to long-lasting relationships based on trust.

Everyone working for or with Fastweb strives to translate these values into actions in accordance with the company's Code of Conduct.

OUR VISION

Enrich people's lives and work with the Internet

OUR MISSION

Understand the evolution of customer needs to provide the best possible Internet experience

OUR VALUES



- 1 Customer First** - I am part of the company and I am also a customer. This is why I see everything first through a customer's eyes.
- 2 Trust** - Above all trust, loyalty and reliability. I listen to understand. I am inspired by and use the best of everything around me.
- 3 Innovation @ 360°** - I go beyond appearances. I seek new challenges, anticipate and surprise in life and at work every day.
- 4 Initiative** - I face situations head on. I never settle. I try to fix what's broken and improve what works. Good enough is not enough.
- 5 Agility** - I am quick and direct, the way only simplicity can be.

1.2 THE GOVERNANCE SYSTEM THAT SAFEGUARDS ENTERPRISE VALUE

The governance structure consists of the Shareholder's Meeting, the Board of Directors (assisted by the

Independent Control Committee and the Management Board) and the Board of Statutory Auditors.

THE BOARD OF DIRECTORS

Urs Schaeppi 17/05/1960	Chairman	Legal representative before third parties and in court
Mario Alois Rossi 27/11/1960	Deputy Chairman	Rappresentanza legale di fronte a terzi e in giudizio
Alberto Calcagno 08/09/1972	Chief Executive Officer and General Manager	Legal representative before third parties and in court with powers for the ordinary and extraordinary management of the company
Peter Burkhalter 23/09/1964	Director	
Heinz Herren 17/10/1962	Director	
Alberto Giussani 23/08/1946	Director	

The Board of Directors shall remain in office until the Shareholder's Meeting called to approve the financial statements at 31 December 2018.

INDEPENDENT CONTROL COMMITTEE

Alberto Giussani	Chairman
Klaus Rapp	
Mario Alois Rossi	
Peter Burkhalter	

BOARD OF STATUTORY AUDITORS

Michele Siri 22/09/1965	Chairman
Roberto Spada 25/09/1963	Standing Statutory Auditor
Francesco Turati 23/05/1973	Standing Statutory Auditor
Fabio Vittori 21/10/1967	Standing Statutory Auditor
Cristiano Proserpio 14/10/1975	Standing Statutory Auditor

The Board of Statutory Auditors shall remain in office until the Shareholder's Meeting called to approve the financial statements at 31 December 2019.



THE BOARD OF DIRECTORS

Fastweb is governed by a Board of Directors (BoD) with a three-year term and whose members may be re-appointed. The BoD is vested with the fullest powers for both the ordinary and extraordinary management of the company and has the right to do whatever is necessary to achieve the corporate purpose.

Fastweb's current Board of Directors was appointed by the shareholder during the shareholder's meeting on 17 March 2016 and its term of office will end with the meeting called to approve the financial statements at 31 December 2018. As determined by the shareholder, the BoD consists of six directors selected by the company's sole shareholder. On 28 February 2018, the shareholder appointed Peter Burkhalter as director to replace Ulrich Dietiker, who had resigned.

The procedure for the appointment of the Board of Directors requires that the shareholder appoint the directors during the shareholder's meeting upon the sole shareholder's proposal. Their term of office ends on the date of the shareholder's meeting called to approve the financial statements for the last year of their term.

Although it is no longer legally required to have an independent director, the company decided to retain Professor Alberto Giussani as Independent Director on the Board of Directors, as he served previously when the company was listed on the Italian stock exchange.

The Board of Directors must be promptly notified of any conflicts of interest involving directors. The director concerned must specify "the nature, terms, origin and extent" of his/her interest, providing any relevant information to allow the other directors and the statutory auditors to evaluate whether there is a conflict, and, in general, whether the transaction is financially advantageous for the company.

The Board of Directors may ask the Supervisory Body to conduct an immediate or routine check of the aspects subject to the conflict of interest.

The Board of Directors meets at least once each quarter, as needed, and is vested with the fullest powers, except for those reserved for the shareholder's meeting by law. At the first BoD meeting of the year, the Board of Directors approves the budget for that year and the draft financial statements. The Board of Directors held 18 meetings in 2018.

The BoD's remuneration policies are decided jointly with the shareholder. However, the Board of Directors retains responsibility for fees for special duties and the Management Board's remuneration.

THE INDEPENDENT CONTROL COMMITTEE

After the company's delisting, the Board of Directors established the Independent Control Committee on 27 April 2011, assigning it internal control duties and a structure and functions that are more simplified than those required of listed companies with respect to, *inter alia*, the accounting policies for the preparation of the financial statements, auditing and risk identification.

The Committee's additional duties include the definition of the guidelines for the internal control system for Fastweb and its subsidiaries and the annual assessment of the internal control system. To further guarantee the Committee's independence, the Independent Chairman Alberto Giussani has a standing invitation to attend its meetings, along with: the external member of the Supervisory Body set up by Fastweb pursuant to Italian Legislative Decree 231/2001, the members of Fastweb's Board of Statutory Auditors, Fastweb's Chief Audit Executive, Fastweb's Senior Manager of Compliance & Risk Management and its Risk Manager. Any other person that the Committee deems appropriate in relation to the matter to be discussed may also participate in the Committee's meetings.

The Board of Directors appointed the current Independent Control Committee on 17 March 2016 and its term of office will end with the shareholder's meeting called to approve the financial statements at 31 December 2018.

THE BOARD OF STATUTORY AUDITORS

The current Board of Statutory Auditors monitors compliance with the law, the by-laws and the principles of proper administration. It also verifies that the organizational, administrative and accounting structure is adequate and functional and that the independent auditors are indeed independent. The shareholder appointed the current Board of Statutory Auditors on 2 March 2017 and its term of office will end with the shareholder's meeting called to approve the financial statements at 31 December 2019.

THE GENERAL MANAGER

The Board of Directors can appoint one or more general managers, establishing their powers, including representation, and their remuneration. On 8 November 2010, Fastweb's Board of Directors appointed Alberto Calcagno as General Manager, vesting him with full powers to manage the company, and he remains in office. The General Manager reports to the Board of Directors and is responsible for all the company's divisions and departments.



THE MANAGEMENT BOARD

Fastweb's Board of Directors has formally established an advisory committee consisting of managers not on the BoD, with the exception of the CEO, who chairs this committee, known as the Management Board.

The Management Board acts as the functional coordinator for the activities of Fastweb's operating units. This may include a preliminary analysis of issues of strategic importance for future business development and transactions that are significant in terms of their impact on performance, the financial position and equity. The Management Board also advises on topics and transactions that the Board of Directors submits to it.

The Management Board's current members are: the Chief Executive Officer, the Chief Financial Officer, the Operating Officer, the Digital Transformation Officer, the Human Capital Officer, the Chief Institutional & External Relations Officer, the Chief Legal & Regulatory Affairs Officer, the Marketing & Customer Experience Officer, the Consumer & Small Business Officer, the Chief Enterprise Officer, the Chief Wholesale Officer and the Technology Officer.

For specific areas, certain members of the Management Board are involved in Steering Committees focused on certain issues, which meet periodically to implement management's guidelines and discuss the achievement of targets, progress, any critical areas and improvement areas.

THE SHAREHOLDER'S MEETING

The by-laws establish the procedures for calling the shareholder's meeting, the right to participate and proxies. The meetings are chaired by the Chairman of the Board of Directors, who is assisted by a secretary appointed by the shareholder. During the meetings, the BoD sees that the shareholder is apprised of the necessary information to make knowledgeable decisions.

PROCEDURE FOR TRANSACTIONS INVOLVING A CONFLICT OF INTEREST OR CONFLICTING WITH THE INTERESTS OF OTHER DIRECTORS OR EMPLOYEES

In 2014 Fastweb established a procedure consisting of the policies and operating rules that directors and employees must follow to ensure the transparency and substantial and procedural correctness of transactions that may involve the interests of other directors or employees, or that may present conflicts between the personal interests of directors or employees and Fastweb's.

In compliance with the provisions of article 2391 of the Italian Civil Code, the measures adopted supplement the internal control system based on the Fastweb Group's Code of Conduct and Fastweb's Organizational, Management and Control Model. The procedure also applies to the members of the Board of Statutory Auditors.

There were no circumstances leading to the application of the procedure for transactions involving a conflict of interest or conflicting with the interests of other directors or employees in 2018.

1.3 ETHICS AND COMPLIANCE: WE ARE RESPONSIBLE FOR OURSELVES AND OTHERS

THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The Internal Control and Risk Management System is the set of rules, procedures and organizational structures to enable the identification, measurement, management and monitoring of the main business risks.

Fastweb has defined the players and the functioning of its internal control system in the "*Internal Control and Risk Management System-Assurance Framework Directive*". In addition to the Board of Directors, the CEO, 231&262 Compliance, Risk Management, the CFO, the Board of Statutory Auditors, the Management Board, the Independent Auditors, Management and employees, this system also includes:

- The Independent Control Committee, which assists the Board of Directors by providing advice and recommendations concerning the internal control system;
- the Supervisory Body, which is in charge of monitoring the 231 Model's effectiveness and adequacy of the 231 Model with regard to its effective ability to reduce the risk of the crimes covered by Italian Legislative Decree 231/01 being committed, that all addressees of the 231 Model comply with it and that it is updated to meet changes in company conditions;
- Internal Audit, which verifies that the internal control and risk management system is functional and adequate.

Fastweb has also adopted an Enterprise Risk Management (ERM) framework and procedures for identifying, analyzing, monitoring and mitigating any risks to which the company could be exposed.

This framework is structured into processes and models in line with industry best practices and guarantees extensive coverage of risk assessment and mitigation, which are carried out jointly with the units/departments responsible for the different risks.

Compliance & Risk Management, working within the Internal Audit, Compliance & Risk Management Division is responsible for designing, managing and maintaining this system, which also provides for Risk Assessment cycles carried out by different units quarterly to annually, depending on the risk classification.

A Risk Owner is assigned to each identified risk and

is responsible for preparing the risk mitigation or risk acceptance plan. Risk reviews are carried out periodically with Risk Owners, and the effectiveness of the measures taken by the Measure Owners appointed over time in the risk mitigation plan is reassessed.

With the support of the units responsible for individual risks, an updated quarterly risk status report is also prepared, tailored to meet the needs of each of the relevant stakeholders (Swisscom, the Independent Control Committee and senior management).

THE 231 MODEL

In compliance with Italian Legislative Decree 231/01, Fastweb has adopted an organizational model that establishes the main rules of conduct for all the company's employees and defines the processes, areas, "sensitive" activities (i.e., those at risk of a crime covered by Legislative Decree 231/01) and the associated controls. The aforementioned [Code of Conduct](#) is also an integral part of the [231 Model](#). In its most recent version, which the Board of Directors approved on 26 July 2018, the Code of Conduct includes updates concerning the anti-corruption guidelines and compliance with personal data protection legislation (GDPR).

The 231 Model is regularly updated to reflect developments in legislation and organizational changes. In particular, during the year, the Model was supplemented with the anti-corruption guidelines in the areas at risk of bribery (both in the public and private sector) and to include the additional crimes (e.g., illegal intermediation and labor exploitation). Furthermore, updates were made the sections of the Model concerning whistleblowing, with regard to the disciplinary system, to reflect developments in legislation.

To spread a culture and knowledge of risk management and prevention and awareness of the importance of effectively complying with the Model, Fastweb has organized mandatory e-learning courses for all its employees, constantly updating the content of these courses to reflect changes in legislation and the company.

At 31 December 2018, 100% of employees, regardless of their contractual level, participated in training on Italian Legislative Decree 231/01, on the 231 Model and the corruption crimes covered by Legislative Decree 231/01¹. All employees are immediately informed of updates to

1. The percentages indicated refer to employees registered for the course and present at the company when it was offered as e-learning (the percentages do not include new hires from September to December 2018, who will complete the training in the first few months of 2019, or employees who were continuously absent for personal reasons from May to December 2018, who were unable to access the e-learning when it was available).

the Code of Conduct and the Model, while newly hired employees receive an e-mail containing information on the Code of Conduct and the 231 Model and are required to take an e-learning course on these topics.

In November 2018, a new e-learning training course began for all personnel, which covers updates to the 231 legislation, the 231 Model, the Code of Conduct, the anti-corruption guidelines and the whistleblowing procedure.

Furthermore, classroom training sessions were organized during the year on:

- "Public invitations to tender": a multi-disciplinary ilex (internal learning experience) course for Enterprise teams (KAM, pre-sale, PMs) which covers various topics, including compliance with Italian Legislative Decree 231/2001 insofar as it relates to crimes committed in public contracts (77 trainees);
- "External activity management" with a focus on the management of consultants: this course was organized with Internal Audit and Human Capital for Enterprise teams (pre-sale, provisioning, PMs, service operations) on legal risks, 231 risks and labor law risks in connection with the operational management of consultants (27 trainees);
- "Whistleblowing": for HC Business Partners with a focus on the operational management of whistleblowers in terms of Human Capital.

People working on Fastweb's behalf but who are not employees, are also informed of the control principles and standards in the Model, which apply to them. Under specific contractual clauses, these people undertake within the scope of their relationships with the company to comply with current regulations and, in any case, to prevent the committing - and the attempted committing - of the crimes subject to the sanctions of Italian Legislative Decree 231/01.

THE SUPERVISORY BODY

To monitor that the 231 Model is properly applied, Fastweb has appointed its own Supervisory Body (SB), formed of the Chairman of the Independent Control Committee, the Chief Audit Executive and an independent criminal lawyer. The members have the same term of office as the BoD that appointed them.

In 2018, with the support of the Senior Manager of Compliance & Risk Management, the Supervisory

Body conducted supervisory activities on all business divisions, which consisted of 19 audits on the content of the periodic information that it received and two compliance audits. The Supervisory Body reports to the BoD on any critical issues relating to its range of action (application of the 231 Model).

The audits mainly focused on issues relating to the risk of corruption, while the compliance audits concerned the management of sub-contracting and compliance with Italian Legislative Decree 136/2010 on the traceability of financial flows.

The supervisory activities are included in the *Integrated Strategic Audit Plan (ISAP)* presented annually to the Independent Control Committee, and mainly focus on monitoring that the Model is effectively applied in the areas most at risk of crime. The SB organizes the activities, ensuring that sensitive activities are audited regularly.

Information is reported to the SB in accordance with article 6, paragraph 2, letter d) of Italian Legislative Decree 231/01. The SB discusses the types and frequency of these reports with the respective internal managers of sensitive processes who follow the agreed methods and meet the established deadlines. At present, 26 reports have been established (sent by 24 reporters).

FASTWEB AND COMPLIANCE: A PRO-ACTIVE, CONTINUOUSLY EVOLVING COMMITMENT

At Fastweb, we constantly endeavor to ensure that all our employees, suppliers and partners comply with current legislation, and this includes establishing internal procedures and policies.

In line with this fundamental commitment, we have voluntarily opted to reinforce our system of policies and controls to prevent the risk of corruption.

Since 2018, the company has pursued a new plan encompassing a series of specific steps, such as adopting anti-corruption guidelines, appointing a specific Anti-Corruption Officer, preparing new contractual clauses for suppliers and joining the Business Integrity Forum, an initiative promoted by Transparency International Italia to improve transparency, integrity and responsibility in Italian business, with the cooperation of large Italian companies.

The Business Integrity Forum

The Business Integrity Forum (BIF) brings together large Italian companies that are already actively committed to integrity and transparency and that, through the BIF, formally undertake to prevent and mitigate corruption in business practices by adopting and spreading anti-corruption solutions and practices and a greater culture of legality. Each year, the BIF promotes a number of activities - from targeted work groups to training and awareness campaigns for small and medium enterprises - to encourage and spread a genuine, nation-wide culture of transparency.

Specifically, the anti-corruption guidelines are the result of years of work to build upon internal risk monitoring and management controls. These guidelines have been developed on the basis of the results of the periodic risk assessments conducted to update the 231 Model, enabling the company to explore certain sensitive areas and processes such as, but not limited to, the management of relationships with public authorities, suppliers and employees.

The Board of Directors approved the guidelines on 26 July 2018 and they were shared with personnel using in-house communication solutions (Agorà) and outside the company on the Fastweb website.

In addition, the company has started specific training to increase awareness and knowledge of the guidelines among its entire population.

Continuous monitoring is another cornerstone of Fastweb's new anti-corruption model. The new guidelines establish a multi-tier control system starting with employees - who make up the first level of controls, as they are responsible, to the extent of their duties, for the correct functioning of the system - up to specific second-level controls conducted by Compliance & Risk Management, and targeted audits by Internal Audit. In the same spirit that characterized Fastweb's work to implement anti-corruption policies, the company is currently working on a voluntary antitrust compliance plan, with the end aim of establishing an internal plan that is consistent with the new antitrust compliance guidelines that AGCM (the Italian Antitrust Authority) issued in September 2018.

VOLUNTARY RULES: POLICIES AND CERTIFICATES

In addition to the internal controls described above, Fastweb has defined a series of policies that encapsulate and express the company's commitment to areas ranging from anti-corruption and the environment to security and data protection.

Fastweb's guiding policies

- **Anti-Corruption Guidelines:** another tool that summarizes and optimizes the framework of anti-corruption policies already in place, with the objective of creating an organic and efficient system to reinforce the promotion of anti-corruption principles, integrity and transparency within the company.
- **Anti-Corruption Policy:** these are the rules of conduct to reduce the risk of corruption crimes being committed within the scope of company activities.
- **Anti-Corruption Policy for Invitations to Events:** this policy outlines the operating procedure to reduce the risk of corruption crimes being committed through invitations to sports, cultural and informational events extended to public and private customers.
- **Gifts Policy:** these are the conditions for accepting/giving gifts in relationships with third parties, such as suppliers, customers and public officials.
- **Customer Data Protection Policy:** this policy defines how Fastweb informs all customers about how personal data are processed in accordance with the rights of users established in the Personal Data Protection Code.
- **Environmental Policy:** it is based on ISO 14001 and outlines the framework for establishing and adjusting environmental protection objectives.
- **Safety Policy:** based on OHSAS 18001, this policy implements the company's commitment to health and safety and outlines the policies and good practices to apply at all organizational levels.
- **Procurement Policy:** this policy formalizes Fastweb's commitment to promoting integrity and transparency throughout the entire supply chain, specifying the values that suppliers must uphold in relation to the community and the environment.
- **Sustainable Mobility Policy:** it defines the business travel procedures to contain costs and protect the environment.
- **Whistleblowing Policy:** this policy regulates how reports of illegitimate conduct are managed, specifying the methods of communication and management to be used by the company. Whistleblowers may make reports by telephone, traditional post or anonymously using the public web link, which is also available on the company Intranet, in which a form is provided for whistleblowing reports. All reports remain completely confidential and are analyzed and, if necessary, managed, in the most appropriate manner.

Many of the company's internal policies relate to management systems, which Fastweb has voluntarily had certified in accordance with specific standards. These systems have been integrated to create a single management system that guides internal operations and ensures the proper application of company policies in the various operating areas. This system includes: **process quality** (ISO 9001), **information and data security** (ISO 27001), **privacy management for public cloud services** (ISO 27018), **environment** (ISO 14001), **occupational health and safety** (OHSAS 18001), **ICT service management** (ISO 20000) and

business continuity (ISO 22301).

In 2018 Fastweb expanded its management system further, earning a certificate of conformity with ISO 27017 for the introduction of information security controls for cloud services and a certificate of conformity with ISO 27035, which specifies the methods to follow to manage and prevent information security incidents. In both cases, these are additional security measures that guarantee customers information security in the provision of services always in line with industry best practices.

2003 07/2007 12/2007 2010 05/2013

ISO 9001
QUALITY
Enterprise

ISO/IEC 27001
INFORMATION AND DATA SECURITY
Enterprise

ISO 14001
ENVIRONMENT
Entire Company

OHSAS 18001
OCCUPATIONAL HEALTH AND SAFETY
Entire Company

ISO 22301
BUSINESS CONTINUITY
Entire Company

09/2013

2016

2018

2018

2019

ISO 20000
ITC SERVICE MANAGEMENT
Enterprise

ISO 27018
PRIVACY MANAGEMENT FOR PUBLIC CLOUD SERVICES
Enterprise

ISO 27017
INFORMATION SECURITY CONTROLS FOR CLOUD SERVICES
Enterprise

ISO 27035
INFORMATION SECURITY INCIDENT MANAGEMENT
Enterprise

FAIR COMPETITION AND TRANSPARENCY IN PRODUCT INFORMATION

Compliance with antitrust rules and transparency in customer communications, two cornerstones of the telecommunications market, are highly regulated and supervised by various public authorities.

AGCM, the Italian Antitrust Authority

[AGCM](#) is the Italian Antitrust Authority responsible for enforcing compliance with rules that prohibit anti-competition agreements between companies, the abuse of dominant market positions and concentrations that could create or strengthen dominant positions to the detriment of competition. The President and members of AGCM are appointed by the Presidents of the Italian House and Senate.

AGCOM, the Italian Communications Authority

[AGCOM](#) is responsible for ensuring fair competition among telecommunications market players and reports its work to Parliament, which defines its powers and by-laws and appoints its members.

Again in 2018, Fastweb confirmed its commitment to communicating with customers with transparent messages and clear descriptions of its offers to strengthen the trust-based relationship that the company has forged with its customers. Indeed, this trust is the foundation of a positive experience for Fastweb service users. However, in 2018, AGCM assessed certain non-conformities in Fastweb's commercial communications.

Specifically, in November 2017, AGCM began a procedure to impose sanctions on Fastweb and all major domestic telephone operators, challenging their allegedly misleading use of the term "fiber" in advertising campaigns to promote connectivity services via optical fiber and, in particular, in connection with non-FTTH connection services.

Although Fastweb deemed AGCM's claims to be unfounded, it proposed a series of commitments that

it could make, which were, however, rejected by AGCM. Consequently, it paid the amount of the sanction imposed in the final decision of April 2018, totaling 4.4 million Euros, while lodging an appeal with the Regional Administrative Court. Indeed, Fastweb believes that AGCM began the sanction procedure at a time when AGCOM (the Italian Communications Authority) was still defining the related regulations.

As soon as AGCOM defined the new regulations on the use of the term "fiber" in communications targeting users in July 2018, Fastweb updated its advertising messages and changed all communications relating to non-FTTH fiber connection services, replacing the word "fiber" with "super fast Internet". From that time on, Fastweb has only used the term "ultra-fiber" for connections that it provides completely via optical fiber to the user's door. Furthermore, it has added the required green symbol solely for cases in which the advertising messages are for specific regions covered with FTTH/GPON technologies.

During the year, Fastweb received another two notifications of AGCOM sanction procedures. In March 2018 AGCOM fined the company 170 thousand Euros for alleged disservices to users during access service migration and termination procedures. In July 2018 AGCOM fined the company 406 thousand Euros, claiming that Fastweb had continued to advertise offers with renewal and billing every four weeks even after Italian Law 172/2017 entered into force, requiring operators to provide renewal and billing on a monthly basis or in month-based multiples. In both cases, after paying the sanction, Fastweb appealed before the Regional Administrative Court. In particular, the company appealed against the second sanction as it referred to the same matter with the same claims already made by AGCOM to justify the previous sanction in December 2017 concerning billing every four weeks. With respect to these sanctions, after all major operators filed appeals, the Council of State suspended AGCOM's order to refund users until the reasons for the first-level decision cancelling the December 2017 sanction for 1.16 million Euros were made known. In this context, Fastweb was the only operator to have already offered compensation to its customers (activation and use of the WOW Space service for free and forever), which it confirmed even after receiving the Council of State's decision.

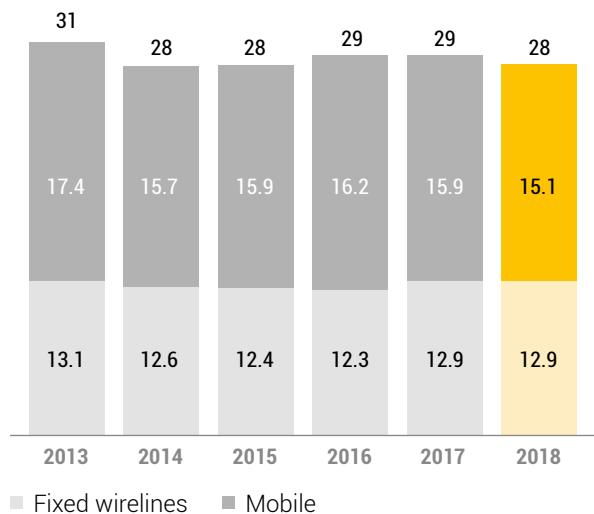
1.4 2018 STRATEGIES AND RESULTS. MILESTONES ARE THE NEW START LINE

THE BUSINESS CONTEXT AND STRATEGY

The Italian telecommunications service market in which Fastweb operates is the fourth largest in Europe, with end customers spending roughly 28 billion euro for landline and mobile services (Chart 1).

After a slight increase in 2017, the market value fell in 2018: landline spending remained steady while the mobile market saw a decrease due to a spike in competition with the arrival of a new player, Iliad.

Chart 1: Development in TLC spending in Italy between 2013 and 2018 (€ billions)



Source: Asstel, internal processing for 2018

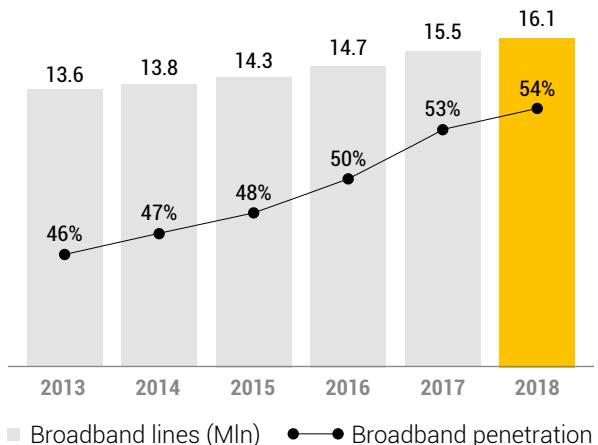
Although data traffic grew by over 50% from roughly 2.5 to 3.6 Gigabyte per SIM card², the mobile market came to approximately 15 billion Euros, down 5% on the previous year. The number of human SIM cards (which only offer voice, SMS and data services), is currently down to roughly 83 million, while the number of "M2M" SIM cards (featuring new IoT technologies) has now exceeded 18 million.

The landline service market remained steady, thanks to the contribution of ultra-broadband services (speeds of over 30 Megabit per second), offsetting the decline in voice-only lines. The total number of broadband connections on the landline network increased again in 2018 to 16.1 million, although the growth rate was lower than in 2017 (chart 2). The level of broadband service penetration reached approximately 54% of homes and business, but remains far below average European penetration of over 70%.

Although they are not sufficient to fill the gap

between Italy and other European countries, improvements in Italy in recent years have been possible thanks to substantial investments by operators, mainly Telecom Italia and Fastweb, which have radically changed the ultra-broadband service market. Indeed, these services are now available to over 80% of Italian homes and businesses and have become the top offer for all major telecommunication operators in Italy through wholesale access to the incumbent's fiber network (VULA and bitstream NGA³).

Chart 2: development of broadband lines in Italy between 2013 and 2018



Source: AGCOM, internal estimates for 2018

At the end of 2018, ultra-broadband lines numbered roughly 6.5 million, over 40% more than at year end 2017, with TIM, Fastweb and Vodafone holding nearly the entire market.

OpEnFiber, the Enel Group company established in 2015 to establish a fiber optic access network in major Italian cities and sell wholesale connectivity to telecommunication companies, has also contributed significantly to digitalization. OpEnFiber S.p.A.'s aim is to cover more than 9 million homes with FTTH infrastructure, increasing the level of competition in the infrastructure and, in 2017, it won two public contracts for the creation of a public network in areas where the market had been unable to do so.

The merger of Wind/Infostrada with H3G was another change on the telecommunications market. In May 2018, one of the main consequences of this change was the arrival of a new player on the market, Iliad, which was awarded the market "remedies" (for both frequencies and infrastructure) imposed by

2. AGCOM data, November 2018.

3. See chapter 3 for additional information.

the European Commission as conditions for the authorization of the merger. This has led the major operators to pursue a strategy based on landline/mobile convergence to boost customer loyalty in view of the new player's arrival and the resulting rise in price competition.

TIM and Vodafone have also introduced satellite brands (Kena and ho., respectively), with offers featuring prices and selling propositions that are similar to Iliad's.

In this context, after having undertaken various initiatives to improve its mobile offer and convergence position, Fastweb confirmed its landline strategy, which has always been based on the enhancement of its network infrastructure and technological innovation, and further strengthened its position in mobile services, launching new offers and investing increasingly in 5G technology, both in terms of technological testing (as described in chapter 3, for example the Ministry of

Economic Development tender in Bari and Matera), and investments in strategic assets that enable this technology, with the acquisition, through the subsidiary Fastweb Air S.r.l., of the Fixed Wireless Access business unit and Tiscali's 3.5 GHz spectrum and the acquisition of a spectrum of 26 GHz band in a public auction.

Strengthening its position in the business segment by enhancing the Tiscali business unit acquired in 2017 and a continued focus on customer experience and service quality are two key elements of the business strategy.

Together, these activities have led to outstanding results. In 2018, the number of Fastweb customers rose by 4% to over 2.5 million, while revenues grew by 8.2%, with most of the growth concentrated in revenues from the sale of network infrastructure (+104.6%), revenues from new customer activation (+40.2%), revenues from hardware sales (+33.9%) and revenues from interconnection (+20.6%).

Year-End Figures (€ thousands)	2016	2017	2018	2018-2017 change (%)
Customers (thousands)	2,355.1	2,450.5	2,547.0	3.9%
Revenues	1,795,095.0	1,944,224.0	2,103,914.0	8.2%
Revenues from fixed fees and traffic	1,505,056.0	1,581,756.0	1,660,838.0	5.0%
Revenues from interconnection	38,185.0	42,045.0	50,698.0	20.6%
Revenues from hardware sales	54,345.0	45,656.0	61,124.0	33.9%
Revenues from customer activation	70,157.0	84,323.0	118,197.0	40.2%
Revenues from the assignment of indefeasible rights of use (IRU)	84,043.0	103,680.0	73,359.0	-29.2%
Revenues from network infrastructure sales	0.0	50,455.0	103,247.0	104.6%
Other revenues	43,309.0	36,310.0	36,449.0	0.4%
Gross operating profit - EBITDA⁴	661,188.0	758,822.0	674,453.0	-11.1%
Gross operating profit margin - EBITDA (%)⁴	36.8%	39.0%	32.1%	-17.7%
Net capital expenditure	580,794.0	668,102.0	839,756.0	25.7%

VALUE DISTRIBUTED TO STAKEHOLDERS

This reflects the economic value distributed to the company's stakeholders: to employees through remuneration, to the public authorities through taxes, to communities through donations, sponsorships and gifts and to the company itself through self-financing.

To calculate this value, Fastweb applies the GBS 2013 social report guidelines of Gruppo di Studio Bilancio Sociale, which recommend reclassifying certain income statement items and supplementing them with

information on the allocation of profit for the period broken down by the company's stakeholder groups. Added value is detailed in two separate, reconciling tables: Total Added Value, which consists of revenues, net of production costs, and Distributed Added Value, which is the sum of internal and external stakeholders' remuneration.⁵

In 2018, the increase in Fastweb's operating costs and expenses - despite the growth in revenues - generated a reduction in the amount of added value distributed to stakeholders from €412.0 to €335.8 million (-18.5%).

4. In 2018, Fastweb's EBITDA totalled €674,453 thousand, down €758,822 thousand on EBITDA of €698,596 thousand in 2017. 2017 EBITDA included the positive impact of non-recurring items classified as "Other revenues and income". Without these items, EBITDA would have increased by 6% from 2017 to 2018.

5. In accordance with the methodology applied, the value distributed to suppliers is considered a production cost and is equal to the costs incurred to purchase goods and services.

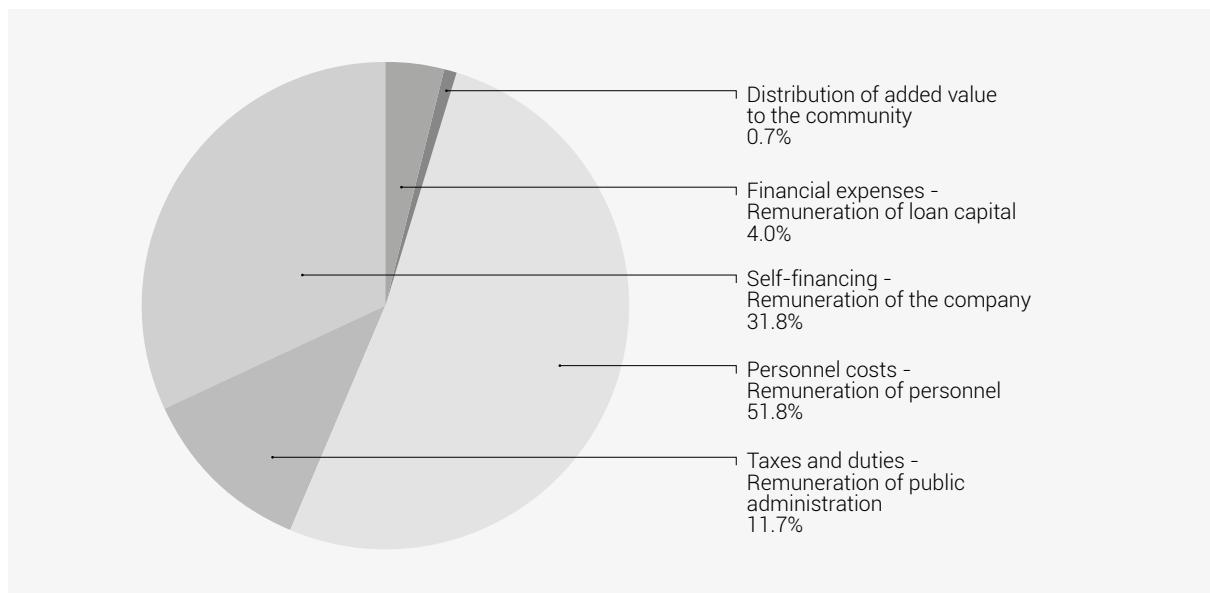
Total Added Value	2016 € millions	2017 € millions	2018 € millions
Sales revenues	1,795.1	1,944.2	2,103.9
Other revenues and income	101.2	145.6	58.4
Revenues and income	1,896.3	2,089.9	2,162.3
Purchase of goods and services	-615.8	-751.4	-877.2
Use of third-party assets	-397.9	-353.5	-390.4
Operating costs	-1,013.6	-1,104.8	-1,267.6
Other costs	-12.9	-17.6	-22.1
Risk and other provisions	-537.7	-555.4	-536.8
Total added value	332.1	412.0	335.8

Distributed Added Value	2016 millions	2017 millions	2018 millions
Total added value	332.1	412.0	335.8
Personnel costs - Remuneration of personnel	176.8	178.3	174.0
Taxes and duties - Remuneration of public authorities	48.0	64.2	39.2
Self-financing - Remuneration of the company	95.0	158.9	106.8
Financial expenses - Remuneration of principal	11.4	8.1	13.6
Distribution of added value to the community	1.0	2.5	2.2

During the year, most of the added value generated, i.e., sostituire con 174.0 million Euros (51.8%), was distributed to workers in the form of remuneration and benefits. The company received the next largest share of added value (31.8%), approximately 52 million Euros less than in the previous year due to the lower profits

for the year, followed by the public authorities (11.7%) and principal (4.0%). The amount of added value distributed to communities decreased from 2.5 million Euros to 2.2 million Euros in 2018, coming to 0.7% of total distributed added value. Details are given in the 2018 financial statements.

Generated and distributed added value, 2018



Sustainability at Fastweb. For a present connected to the future

2.1 OUR APPROACH TO SUSTAINABILITY

To Fastweb, corporate social responsibility (CSR) means continuously listening to and promoting dialogue with stakeholders, the ability to analyze, manage and mitigate the impacts of company activities and developing innovative projects for residents, households and companies to make digitalization a driver for social development in Italy.

CSR means transversally focusing on the impacts that technologies have on people's lives:

**Our company transforms the needs of the social context in which we operate into initiatives for the future, starting with four strategic areas defined as the "pillars of sustainability at Fastweb":
Digitalization and digital skills, Transparency and reliability, Work and inclusion, Environmental responsibility and sustainability.**

Every year and in each area, Fastweb takes tangible action which can be reformulated according to the changing context, which is always aimed at achieving the high-level objectives defined for each pillar.

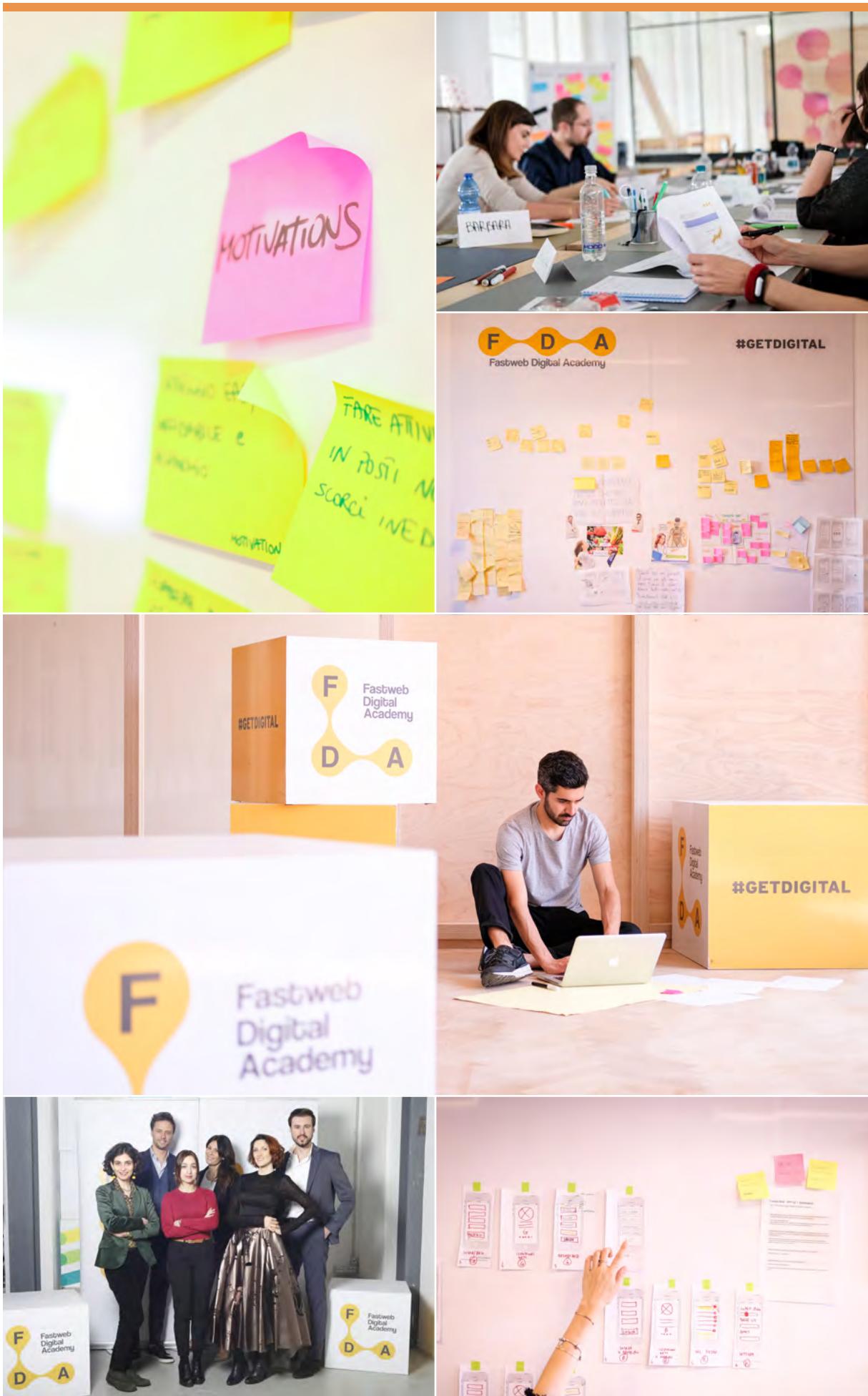
Integrating sustainability in the business model has led to the company's progressive structuring with the influence of the CSR unit, which oversees corporate responsibility since 2017, reporting directly to the Marketing & Customer Experience Officer. The professionals on the CSR team aim to define the overall sustainability strategy in line with the business strategy, design innovative projects and implement them in partnership with the other company units involved and make the most of the work conducted inside and outside the organization through targeted communications plans.

In 2018 the CSR unit continued to strengthen its commitment to these issues, focusing in particular on three fundamental areas: the development of digital skills (through the #Getdigital project introduced in chapter 3), the definition of a sustainability brand for Fastweb products and services (described in chapter 6) and the spread of a new sustainability culture both within the company and throughout the country, based on the conviction that only by promoting greater awareness at all levels can we achieve real improvement.

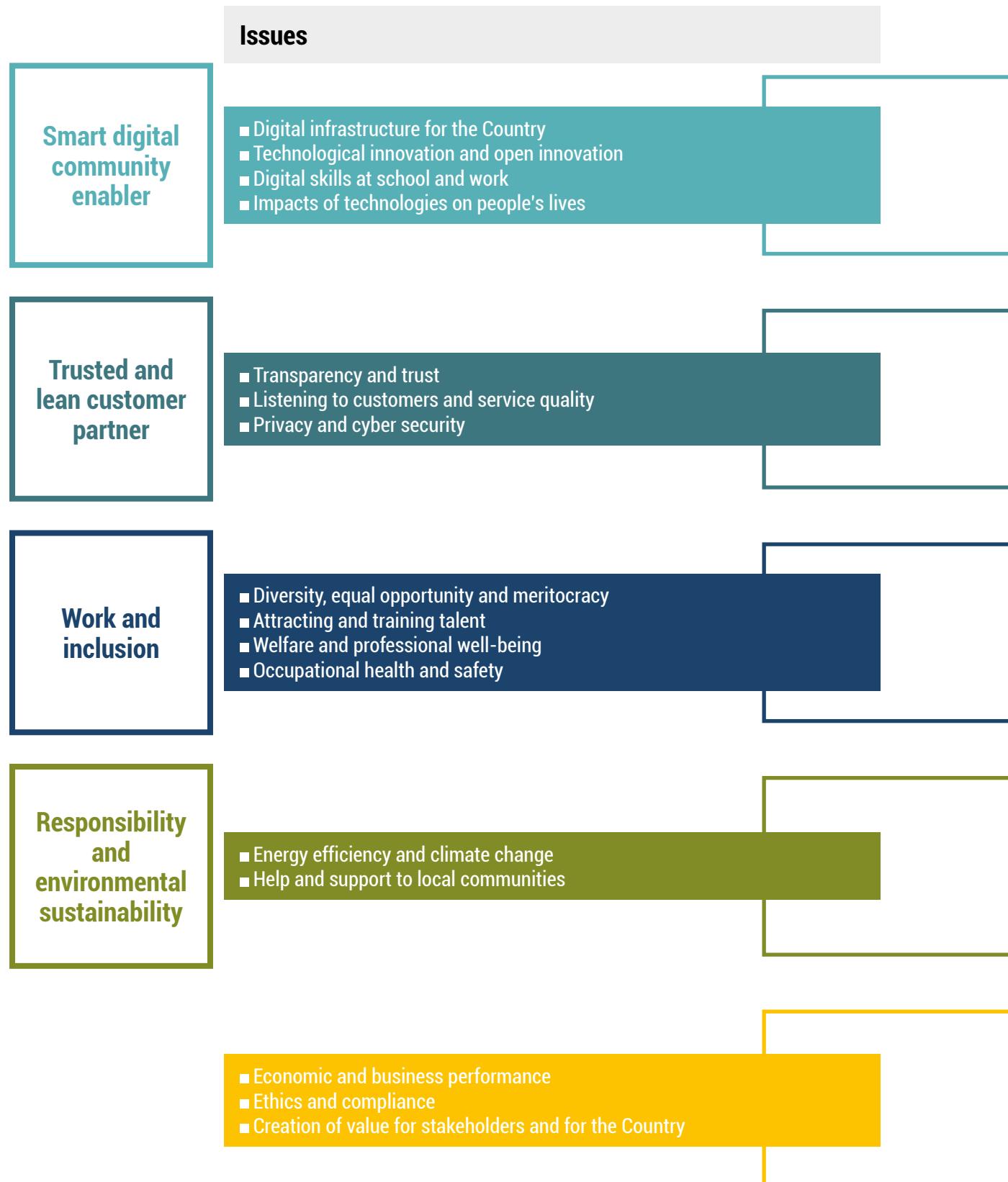
To this end, in addition to a widespread social media campaign promoting Fastweb's CSR activities, CSR Open Meetings have been held, open to all employees. During these informal events, participants have learned about the company's sustainability strategies and initiatives.

During the year, Fastweb continued to reflect on its strategies and prospects with respect to the key issues on which to focus its sustainability actions and reporting, as it aims to deepen the connection between the company's work, the creation of value throughout Italy and the main challenges of sustainable development at national level.

In addition to ongoing updates to the analysis of interconnections between Fastweb's activities and the Sustainable Development Goals, the sustainability milestones reached include having completed a model to assess Fastweb's direct, indirect and induced impacts in Italy, the results of which are summarized in the pages that follow.



The Sustainability Pillars and Key Issues



Fastweb's objective is to support the country's digitalization, providing fast, convergent connectivity solutions and spreading the necessary digital skills to make digital transformation a driver for social and economic progress. The company is committed to monitoring developments in legislation and research into the impacts of technology on people's lives to readily align its internal systems to international best practices.

See chapter 3

Fastweb strives to be a reliable and transparent partner to its customers, providing innovative services for the continuous improvement of the customer experience, in terms of service quality, ease of use and accessibility to functions and information. The company devotes utmost attention to protecting privacy and cyber security, to guarantee data and IT infrastructure security and to protect its customers' data.

See chapter 4

Creating a positive work environment that is open to diversity and capable of attracting and training top talent is a strategic priority for Fastweb. The company proactively recruits and values its people, focusing utmost on their well-being and safety and using employee engagement as a way to innovate the overall organization.

See chapter 5

Monitoring its impacts on the environment and their progressive mitigation, particularly in terms of energy consumption and greenhouse gas emissions, is one of the objectives that guides Fastweb's business activities. The company is also committed to supporting local areas and communities through specific initiatives and projects to maximize the social value generated in all the places it operates.

See chapter 6

Transversal issues

2.2 ICT AND SUSTAINABLE DEVELOPMENT: A HIGH-IMPACT COMBINATION

Each year, ASVIS, the Italian Alliance for Sustainable Development, prepares an "[ASVIS Report](#)" to monitor the country's progress with respect to the 17 Sustainable Development Goals (SDGs) and emphasize the need for a global shift in order to implement an inclusive, sustainable and people-oriented development model in line with the objectives set by the United Nations in 2015.

European countries and Italy are no exception: one quarter of the European population is still at risk of poverty and social exclusion, and unemployment and underemployment remain rampant. In Italy, specifically, progress on goals 2 "Sustainable food and agriculture", 3 "Good health and well-being", 4 "Quality education", 5 "Gender equality", 9 "Innovation", 12 "Responsible production and consumption models" and 13 "Climate change" has been, unfortunately, offset by worsening poverty, labor, inequality, conditions in cities and biodiversity (goals 1, 8, 10, 11 and 15).

In this context, ICT companies can offer a significant contribution. As highlighted in the report "Enabling the Global Goals. Evidence of digital solutions' impact on achieving the Sustainable Development Goals (SDGs)" published in 2018 by the Global e-Sustainability Initiative⁶ (GeSi) in collaboration with Accenture, integrating sustainability in process innovation and the consequent provision of digital solutions that

positively impact the SDGs, in fields as diversified as virtual learning, smart agriculture and e-health, could generate significant results by 2030, in addition to new opportunities for the digital industry, estimated to total 2.1 trillion dollars.

The report is based on the [Digital Access Index \(DAI\)](#), a new framework of indicators developed to monitor the ICT sector's contribution to overcoming the challenges of sustainable development on a periodic basis, starting with three categories of KPIs:

- a) connectivity, in turn broken down into three sub-categories: infrastructure (with indicators like the percentage of 4G network coverage and the number of Internet access points), the use, consisting of KPIs on the use of technology (e.g., the number of broadband accounts on fixed and mobile lines and smartphone market penetration) and accessibility, with indicators such as the cost of mobile phone rates or the cost of specific rates for mobile devices;
- b) technologies, with indicators like mobile M2M connections and social media penetration;
- c) digital solutions with monitoring KPIs on the penetration of technologies like smart working and e-health.

6. The international strategic partnership between ICT companies and associations to support and create technologies and practices that promote economic, environmental and social sustainability.

Accordingly, the work is based on a correlation analysis⁷ between the DAI and the 17 SDGs, beginning with a set of 81 indicators relating to the SDGs analyzed for 157 countries around the world.

The results show a highly positive relationship between these two variables⁸, with a coefficient of 0.78, which indicates that an increase in digitalization, such as an increase in the number of connected people and devices, is tied to positive progress in achieving the SDGs.

In particular, 11 of the 17 SDGs (65% of the total) present a positive correlation with the DAI, while five SDGs do not show a clear correlation and goal 12 "Responsible production and consumption" has a negative correlation.

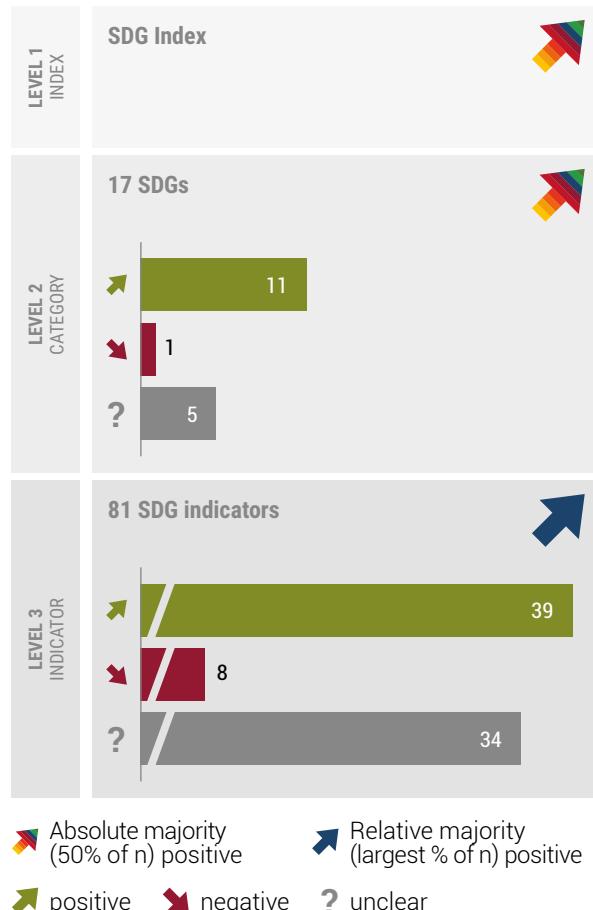
The goals that are most highly correlated with the DAI are social goals and specifically relate to improvements in the quality of life, above all goal 3, and economic goals promoting fair growth, most significantly goals 8 and 9.

These results can be traced back to the very characteristics of digital technologies, which center around people and are capable of promoting the development of new business models.

The analysis showed that the only environmental SDG with a negative correlation to digitalization is goal 12 "Responsible production and consumption models", which also focuses on promoting the efficient use of resources and reduction of waste, mainly due to the sector's impact in terms of technological waste production.

Positive link dominant across perspectives and level of analysis

Relationship patterns across perspectives and levels of analysis



7. A correlation is the manner by which two variables vary together, i.e., covary; the correlation considers two aspects: the type of relationship between the two variables and the form of the relationship. The correlation between the two variables is represented by the coefficient of determination, denoted R² and ranging from 0 to 1. The closer the correlation between the two variables, the closer the coefficient of determination will be to 1.
 8. The SDG index or the SDSN index used in the report was developed by the UN Sustainable Development Solutions Network (SDSN) and the Bertelsmann Foundation.

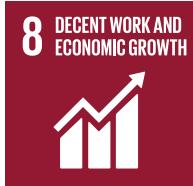
FASTWEB'S CONTRIBUTION TO THE SDGS

Based on the results of the "Enabling the Global Goals. Evidence of digital solutions' impact on achieving the Sustainable Development Goals (SDGs)" report and the top goals established in 2017, in keeping with the strategy shared with Swisscom, during the year, Fastweb conducted an update on the Sustainable Development Goals for its activities. This analysis enabled it to identify nine goals relating to the four Corporate Social Responsibility pillars to which the company aims to contribute significantly. In particular,

the SDGs for 2018 differ from those for 2017, with the introduction of SDG 3 "Good health and well-being", in relation to which new initiatives have been introduced, and the elimination of SDG 12 "Responsible consumption and production".

Indeed, we firmly believe that only by conducting a careful performance analysis can it achieve progress and significantly contribute to meeting the challenges of sustainable development most closely connected to our business.

SDG	Fastweb's contribution	Pillar	The key projects
3 GOOD HEALTH AND WELL-BEING 	By developing innovative telemedicine solutions, we are committed to applying the potential of new technologies to improving the quality and range of medical services for people, while reducing healthcare costs and making them more efficient.	Smart digital community enabler	<ul style="list-style-type: none">■ 5G testing in Bari and Matera (pag. 37)■ Smart Health Service (pag. 37)
4 QUALITY EDUCATION 	With #GetDigital, we are promoting new digital skills and aptitudes, in order to tangibly contribute at all levels to the development of digital skills in Italy, for truly inclusive digital development.	Smart digital community enabler	<ul style="list-style-type: none">■ Fastweb Digital Academy (pag. 42)■ Fastweb4School (pag. 44)■ Digital IQ (pag. 45)■ Digital Well-being (pag. 46)
5 GENDER EQUALITY 	Protecting diversity and promoting gender equality are principles that we intend to uphold ever more actively, starting with a series of initiatives to highlight and guide women's talent, especially in the digital world.	Work and inclusion	<ul style="list-style-type: none">■ Supporting Women (pag. 79)■ Inspiring Girls (pag. 79)■ STEM in the city (pag. 42)■ Participation to Elle Active (pag. 43)
7 AFFORDABLE AND CLEAN ENERGY 	We are committed to using energy efficiently through energy saving initiatives and the use of renewable sources, which now account for 100% of direct electricity procurement.	Responsibility and environmental sustainability	<ul style="list-style-type: none">■ Fastweb's energy consumption (pag. 85)■ Sustainability Label requirements definition (pag. 90)

SDG	Fastweb's contribution	Pillar	The key projects
8 DECENT WORK AND ECONOMIC GROWTH 	We are aware that our company's success is tied to the passion, skills and ideas of its over 2,500 people. This is why Fastweb is committed to creating a positive and attractive work environment that makes the most of talent and is open to dialogue and involvement.	Work and inclusion	<ul style="list-style-type: none"> ■ Fastweb's contribution to the Country (pag. 28) ■ Talent recruitment (pag. 68) ■ Feedback and engagement (pag. 73) ■ Welfare and work-life balance (pag. 76) ■ Fastweb Digital Academy (pag. 42)
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	Through projects to expand and strengthen the telecommunications infrastructure and investments in technological innovation, we actively contribute to Internet access and digital development throughout the country, promoting convergent, high-quality solutions.	Smart digital community enabler	<ul style="list-style-type: none"> ■ Network expansion and strengthening (pag. 32) ■ The 5G Project (pag. 36) ■ WOW FI (pag. 34) ■ ICT for sustainable development (pag. 40)
11 SUSTAINABLE CITIES AND COMMUNITIES 	With 5G service testing in Bari, Matera and Rome, our company is an integral part in the transformation of the cities of the future. The aim is to develop new services and applications suited to smarter, more people-oriented cities with lower environmental impacts.	Smart digital community enabler	<ul style="list-style-type: none"> ■ 5G testing in Bari and Matera (pag. 37) ■ 5G development protocol with the City of Rome (pag. 39)
13 CLIMATE ACTION 	By monitoring greenhouse gas emissions in all stages of the value chain, our company is committed to tracking its impact on climate change. The aim is to develop services that drive the shift to a low-environmental impact development model.	Responsibility and environmental sustainability	<ul style="list-style-type: none"> ■ Fastweb's Carbon Footprint (pag. 88) ■ Sustainability Label requirements definition (pag. 90)
17 PARTNERSHIPS FOR THE GOALS 	Many of the projects kicked off during the year were created through Fastweb's partnerships with other companies, bodies and institutional players with which it has forged fruitful relationships led by the shared pursuit of sustainable development goals.	Transversal goal	<ul style="list-style-type: none"> ■ Fastweb Digital Academy (pag. 42) ■ 5G testing in Bari and Matera (pag. 37) ■ Fastweb4School (pag. 44) ■ Digital Well-being (pag. 46) ■ Initiatives for the Country (pag. 91) ■ ICT for sustainable development (pag. 40) ■ WOW FI (pag. 34) ■ Sustainability label requirements definition (pag. 90)

2.3 FASTWEB'S IMPACT ON THE COUNTRY'S SOCIO-ECONOMIC DEVELOPMENT

This year Fastweb conducted a survey with the assistance of a consulting firm, EY, to analyze its economic and social contribution to the country in terms of jobs, GDP and tax revenue, using an economic-statistical model based on input-output tables and procurement data.

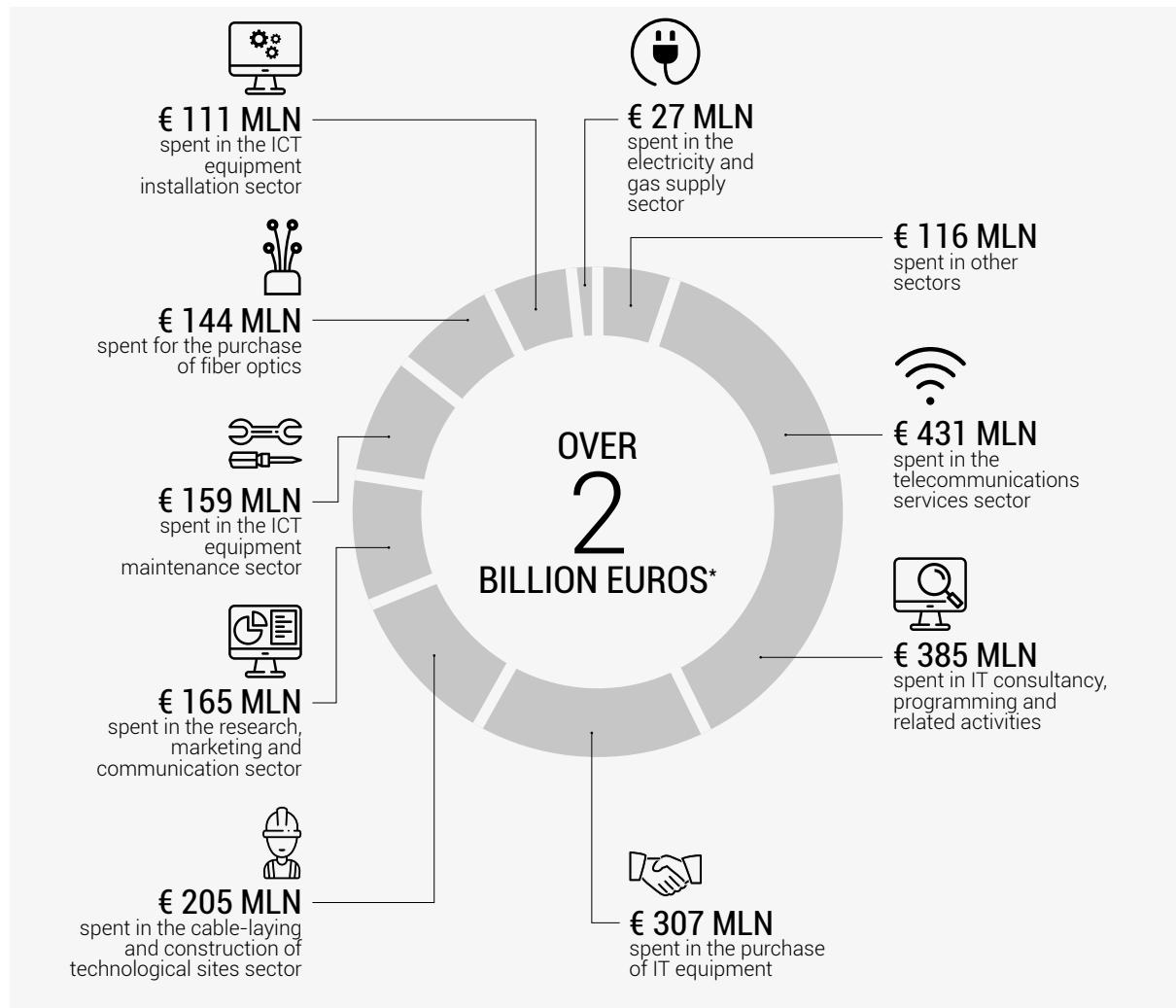
This analysis was performed to report more extensively on the impacts of its activities, extending beyond the direct impact to the consider creation of value along its supply chain through the purchase of goods and services for its business activities (indirect impact) and the impact generated by the wealth distributed to the economic system by direct and indirect employees through spending for end consumption (induced impact).

Its main expense items in Italy are concentrated

in the telecommunications service sector (21% of procurement), IT consultancy, programming and related activities (19% of procurement), the purchase of IT equipment (15% of procurement), cable-laying sites and construction of technological sites (10% of procurement), the research, marketing and communication sector (8% of procurement), the maintenance of ICT equipment (8% of procurement), the purchase of fiber optics (7% of procurement), the installation of ICT equipment (5% of procurement) and the supply of electricity and gas (1% of procurement).

Fastweb also outsources some of the processes necessary to provide services to large companies, reaching framework partnership agreements that guarantee adequate service levels and reliability and include social and environmental clauses.

Main expense items in Italy (96% of total procurement)



* The chart shows the main expenditure items in terms of the purchase of goods and services and investments by Fastweb in Italy (96% of total spending is in Italy).

Fastweb's impacts	34,374 jobs created	3 billion Euros in added value	544 million Euros tax contribution ⁹
Direct impacts	2,555 jobs (people)	€878 million added value	€94 million tax contribution
Indirect impacts	24,463 jobs (Full Time Equivalents)	€1,711 million added value	€347 million tax contribution
Induced impacts	7,356 jobs (Full Time Equivalents)	€450 million added value	€103 million tax contribution
Cosa significa			
	11 11 jobs created indirectly for every €1 million spent by Fastweb	€0.83 million in added value is indirectly generated for every €1 million that Fastweb spends	€0.17 million in taxes paid indirectly for every €1 million that Fastweb spends
	14 jobs created for every €1 million spent by direct and indirect consumers	€0.86 million in added value is generated for every €1 million that consumers directly and indirectly spend	€0.2 million in taxes paid for every €1 million that consumers spend directly and indirectly
	12 jobs created for every Fastweb employee	€2.46 million in added value is generated for every €1 million of Fastweb's added value	

Management of Supply Chain Systematic efficiency

The procurement process is governed by the Procurement Policy that establishes Fastweb's commitment to promoting integrity and transparency throughout the supply chain, ensuring that suppliers work to ensure the best possible quality, complying Management of Supply Chain Systematic efficiency with and upholding the company's commitment to customers, the company and the environment.

The supplier vetting process is based on mandatory principles of transparency, economic efficiency and compliance in accordance with current regulations; the company also requires its business partners to submit quality management, occupational health and safety management and environmental management system certificates.

To complete the supplier qualification process, all suppliers must sign specific clauses relating to environmental and social responsibility issues, compliance with applicable legislation, the necessary authorization and the adoption of principles for workers' rights protection, with particular attention to protecting internationally-recognized fundamental rights of workers.

Communications with suppliers are transmitted on the Suppliers Portal, a digital platform for all companies already on the suppliers list and all companies that intend to apply for consideration as a potential supplier using the pre-qualification process.

In 2018, Fastweb worked with 1,523 suppliers (150 of which were added to the suppliers list in the year). Furthermore, 96% of procurement is with Italian suppliers.

9. The heading "tax contribution" includes taxes on income and contributions paid by Fastweb and its employees as regards the direct impacts, while with reference to indirect and induced impacts the heading considers solely the contributions paid by companies that have been activated indirectly or in an induced way and their employees.

Smart digital community enabler

Digital infrastructure for the Country

The fundamental elements of Fastweb's business strategy are to strengthen and develop new generation infrastructure to facilitate the digitalization of the country and offer its customers increasingly faster and more convergent connectivity services.

Technological innovation and open innovation

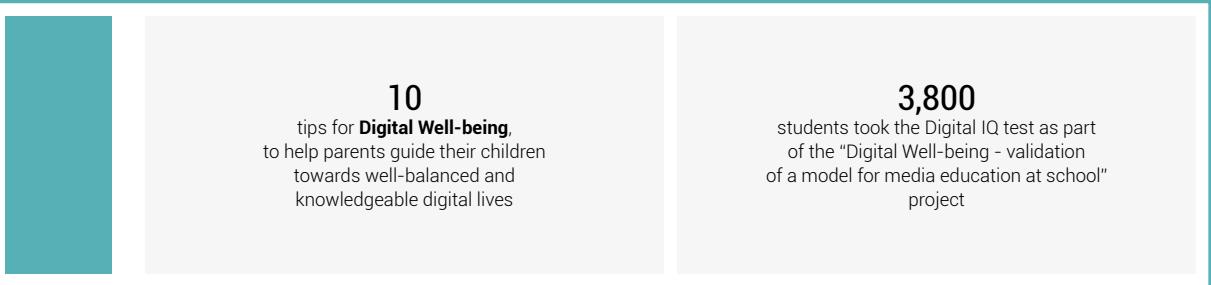
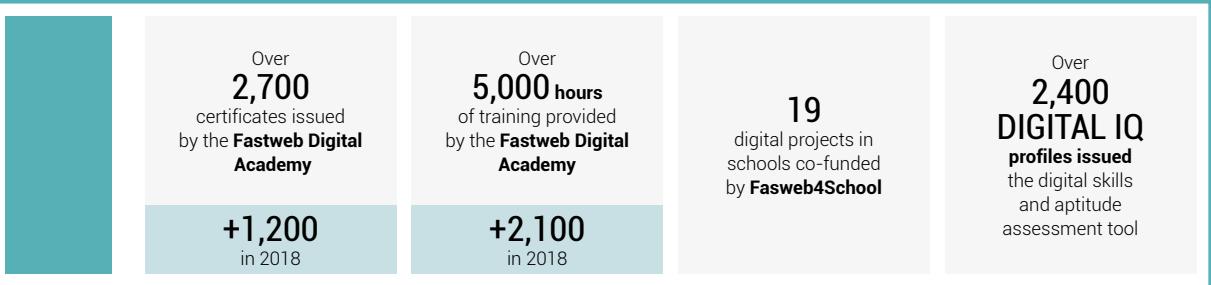
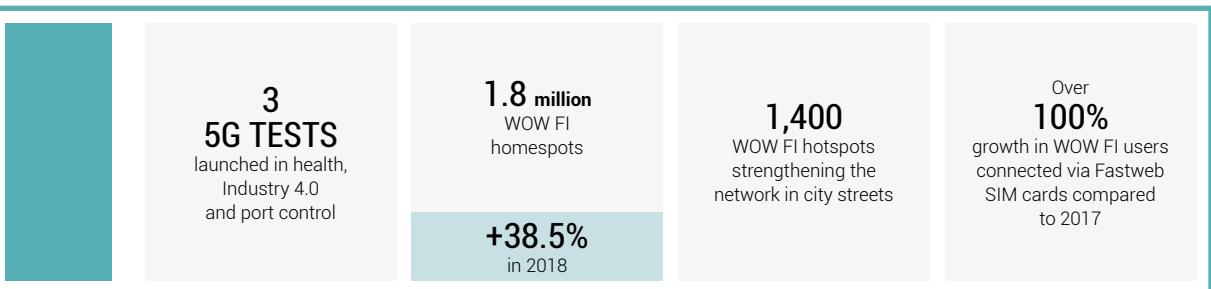
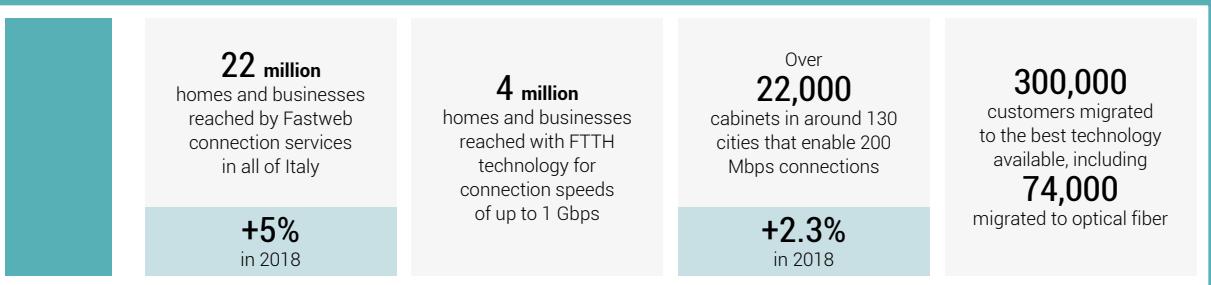
The company is always committed to developing and adopting new technologies to speed up the modernisation of Italy. Testing conducted during the year, especially for 5G, contributes to the nationwide development of digital technologies.

Digital skills at school and work

Fastweb is involved in the promotion of digital skills and aptitudes at school and work, as they are fundamental to the Country's digital transition.

Impacts of technology on people's lives

Fastweb undertakes to constantly monitor the advancement of scientific studies and regulatory provisions to promote the knowledgeable use of the Internet and the maintenance of Digital Well-being.



3.1 OUR CONTRIBUTION TO DIGITALIZATION: CONSTANT INNOVATION

The scenario: digitalization in Italy

Digitalization in Italy presents both progress and stagnation: in the past year, despite the considerable expansion of coverage and investments to bridge the country's infrastructural gap with the rest of Europe, Italians lag behind in the adoption and use of digital solutions.



Of Italian households are covered by NGA landline networks with connection speeds of up to 100 Mbps. This makes Italy 13th in Europe in 2017, up 10 positions from 23rd in 2016.¹⁰



Of resources allocated for stage 2 of the ultra-broadband plan.¹⁰



Italy is a pioneer in 5G mobile technology thanks to testing undertaken in various cities by both the government and private operators.¹⁰



Of Italian homes have landline Internet connections at speeds of at least 30 Mbps (fast broadband).¹⁰

Fastweb's business strategy has always focused on its goal of innovating and offering the best possible Internet experience: this is why we offer services that are synonymous with researching, focusing on and listening.

These founding principles translate into a path to innovation based on increasing investments for the development of avant-garde technological solutions, such as 5G, continuous upgrades to existing infrastructure, customer centrality and an excellent service experience.

It is through these actions that Fastweb has implemented its mission of 'enriching life and work through the Internet', providing a tangible contribution to digital development in Italy.

INFRASTRUCTURAL DEVELOPMENT AND NEW GENERATION NETWORKS

In 2018 Fastweb continued to invest in expanding and strengthening its infrastructure as provided for in the FTTN and FTTH network development plans, in line with the "National Ultra-Broadband Plan" to meet the infrastructure goals of the European Digital Agenda. In particular, through the company co-owned with TIM Flash Fiber S.r.l., Fastweb has continued to implement the FTTH network coverage expansion plan in 29 cities¹¹, reaching a total of around 4 million of homes/business with connection speeds of up to 1 Gigabit per second.

At the same time, the company has continued to expand the Fiber To The Node (FTTN) network, which reached over 22,000 cabinets in around 130 cities in 2018, with a connection speed of up to 200 Megabit per second.

10. DESI 2018 - <https://ec.europa.eu/digital-single-market/en/desi>

11. The cities reached with Flash Fiber FTTH connections are now: Ancona, Bari, Bergamo, Bologna, Brescia, Catania, Florence, Genoa, Messina, Modena, Monza, Naples, Padua, Palermo, Parma, Perugia, Pescara, Prato, Reggio Calabria, Reggio Emilia, Rome, Siena, Salerno, Turin, Trento, Trieste, Venice, Verona and Vicenza. Milan is not included on the list of the 29 major Italian cities, as it is not yet covered by FTTH technology.

The Fastweb network: how it works

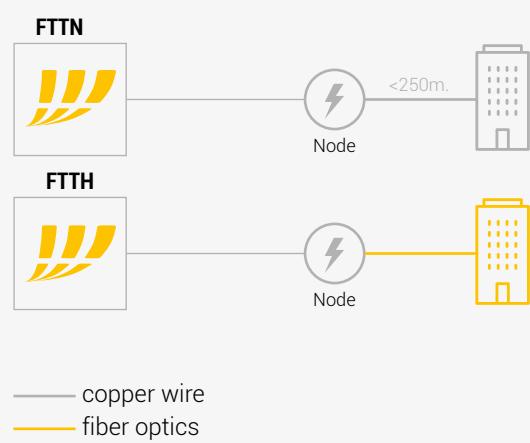
The landline network connections essentially consist of a cable linking the user's home or business to the cabinet. In turn, the cabinet is connected to a data traffic station. The type of connection between the various network elements, which may be via copper wires (DSL) or fiber, determine their capacity in terms of connection speed.

Fiber optic cable, which can handle a higher band of frequencies than copper, produces the best digital data transmission capacity performance. The connection type is defined by the type of technologies and cables used.

FTTN (Fiber to the Node) refers to connections in which fiber optics run from the station to the cabinet, thereby retaining the copper wires only in the last section from cabinet to the user's home or business. Generally with this solution, the copper section never exceeds 250 meters and, therefore, does not significantly impact the signal transmission speed.

FTTH (Fiber to the Home) refers to all connections in which fiber optics cover the entire line from the station to the user's home or business.

GPON (Gigabit Passive Optical Network) is a recently developed and even more recently implemented FTTH technology, aimed at optimizing network infrastructure and offering users avant-garde connection speeds (up to 1 Gbps).



Again this year, the company remained highly focused on Internet network access technologies to provide its customers with service quality in line with the best market standards in terms of Internet connection and voice speed, performance, reliability and continuity. In 2018, the technological *upgrade* involved roughly 300 thousand customers, who were able to make use of the best access technology available in their homes or offices (74 thousand via optical fiber). Thanks to this plan, at the end of 2018, 8 million homes and businesses are active on Fastweb's ultra-broadband infrastructure.

In addition to working to improve the coverage ensured by its network infrastructure, Fastweb has expanded the coverage of its connection services through VULA (Virtual Unbundling Line Access) and Bitstream NGA (New Generation Access) infrastructure.

With these types of ultra-broadband connection, other operators provide Fastweb with certain sections of the network between the central station and end user. Thanks to this new infrastructure, Fastweb now reaches roughly 14 million homes/businesses, in addition to the 8 million with access from the proprietary infrastructure, for total coverage of over 22 million of homes/businesses.

Finally, during the year, Fastweb has invested in the completion of the FON network, with a transmission grid covering roughly 7,500 km throughout the country. The new infrastructure, established in 2017 through a partnership with Huawei, is the first fully resilient network capable of ensuring service continuity in the event of temporary interruptions. The high degree of flexibility, in terms of resilience, scalability and simplification for both the network itself and service provision processes, and the high degree of security make the FON network ideal for the transmission of Fastweb's Backbone IP and high-capacity international connectivity services between Europe, the Middle East, Asia and Africa transiting through Sicily. Furthermore, the FON network is also open to high-capacity Enterprise connectivity and other types of services.

FON, the Flexible Optical Network, is a transport network created using fully resilient WDM (Wavelength Division Multiplexing) and OTN (Optical Transport Network) photonic technologies capable of ensuring service continuity through the ASON (Automatically Switched Optical Network) which offers users different service levels and high-speed connections through the flexible and automatic re-routing of data traffic in the event of temporary interruptions. This recently developed infrastructure can multiply the transmission capacity of a single optical fiber by 80 times, activate optical transport at 200 Gb per second and reaching distances of over 2,500 km with optical transmission of 100Gb per second.

NEW TECHNOLOGIES FOR CONVERGENCE AND DIGITALIZATION

"Everywhere, everything, everyone" is the formula that in recent years has reflected the company's commitment to ensuring increasingly convergent services for simple, immediate and fast Internet access anywhere and to meet any need.

To Fastweb, convergence means offering the best available technology - whether on the fixed, mobile or wi-fi network - regardless of where users are and what Internet functions they use, and improving customers' connection experience, at a time when demand for online content is continuously growing.

We work every day to improve customers' connection experience to meet increasing demand to use online content.

During the year, the company has decided to invest in a number of different activities in order to fulfil its commitment: from consolidating its presence on the mobile segment of the market, to extending open wi-fi solutions in urban centers and the WOW FI service, up to the increasingly numerous 5G tests launched, 5G being a technology that could alone revolutionize the world in which we live, produce and work.

In the mobile world, Fastweb is a Full Mobile Virtual Network Operator (Full MVNO), providing its customers with quality, wide network coverage (roughly 98% of the Italian population) and access to last-generation 4G and 4G Plus mobile services.

WOW FI: ITALY'S LARGEST WI-FI NETWORK

During the year, many investments have related to WOW FI, the free open wi-fi service available to Fastweb customers. The company has increased the number of hotspots in major Italian cities, reaching a total of 1,400 hotspots. Customers also appreciate the quality of this service and continue to confirm their participation in the network, doubling the number of users from 2017 to 2018. This has made it possible for Fastweb to expand WOW FI coverage, extending it to all the cities in which Fastweb offers its services, from metropolitan areas to small towns, bringing the number of homespots to 1.8 million.

The project has also entailed partnerships with public and private players with which it has signed protocols of understanding giving Fastweb the chance to improve WOW FI coverage, and protocol signatories the chance to share, in the areas and spaces covered by the agreement, a free, public high-quality wi-fi service with residents or users.

WOW FI is now the largest wi-fi network in Italy. coverage has increasingly expanded over time, now reaching all the towns in Italy where services are available.

In this context, Fastweb has, for example, begun testing services with ATM (Azienda Trasporti Milanesi) entailing the installation of wi-fi hotspots on the platforms and levels of the Milanese metro stops Duomo, San Babila and Cadorna, where, since February, a wi-fi service is available at no charge to Fastweb customers who subscribe to the WOW FI service and transport passengers who have logged on to the network.

Given the success of this project, Fastweb's next objective is to expand the wireless network to all stations on the metro line and to begin testing on bus and tram routes as well.

Similarly, Fastweb has signed three new protocols of understanding with: the Lecce municipal authorities, AMTAB (the public transport company in Bari) and the Rome library service. Finally, Fastweb, has participated in the cabling - via Symbiosis wi-fi hotspots - of the new smart district that will house the company's new headquarters beginning in 2019, providing free wi-fi access to users from the new Piazza Olivetti as well.

WOW FI

MORE INCLUSION, LESS CONSUMPTION

9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



17 PARTNERSHIPS
FOR THE GOALS



THE PROJECT

WOW FI is Fastweb's open wi-fi solution providing high-quality network coverage outside the home. With this service, every Fastweb modem is a homespot available to Fastweb customers, so they can access the Internet wherever they are and without any additional charges. All mobile Fastweb customers may surf the net on their smartphones with the WOW FI network, enjoying unlimited traffic and simple, immediate access via SIM 4G authentication.

With the "MyFastweb" app, users can monitor the quality of their WOW FI connection, check their previous WOW FI sessions and traffic logs and view a geo-localized map of all hotspots and homespots.

WOW FI is now the largest wi-fi network in Italy: thanks to the infrastructural investments in 2018 and customers' confirmations that they will continue to participate, coverage has increasingly expanded over time, now reaching all the towns in Italy where Fastweb services are available.



KEY FIGURES (AT 31/12/2018)

1.8 MILLION
Homespots

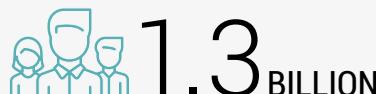
OVER 100%
Growth in WOW FI users WOW FI connected
via Fastweb SIM cards compared to 2017

Service available in all
cities where Fastweb
services are offered

5G: MAKING THE FUTURE NOW

The scenario: 5G

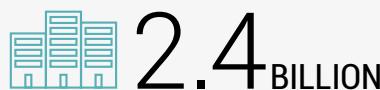
5G is poised to revolutionize the telecommunications world by enabling the development of new services and generating enormous social and economic benefits.



People around the world will have access to 5G in 2025.¹²



Is the estimated economic value of 5G in the world economy.¹²



New jobs will be created in Europe thanks to the roll-out of 5G in 2020.¹²



Is the maximum expected speed of 5G, compared to 4G's average speed of 33.7 Mbps.¹³



During the year Fastweb continued to develop 5G, the new connectivity solution that combines the flexibility of a mobile network with the connection speed of a landline network, increasingly effacing the line between these two different technologies.

Our goal is to be a 5G leader in Italy, thereby becoming the country's top landline/mobile convergence operator.

In line with this strategy, in July, the company strengthened its strategic partnership with Tiscali through an agreement giving Fastweb long-term access to a portion of the spectrum in 3.5 GHz band. This reinforces its fixed-mobile convergence strategy and enables it to rapidly build a 5G network starting in major Italian cities.

As part of the auction for 5G frequencies, which was held after the Ministry of Economic Development published its call for bids and related regulation and was concluded in October 2018, Fastweb also won a package of frequencies in the 26 GHz band.

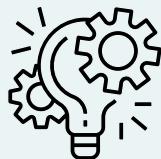
In September 2018, when the first 5G standard antenna was turned on, the ["Bari Matera 5G: together for a Digital Future"](#) project, kicked off in 2017 with TIM and Huawei as part of the Ministry of Economic Development's call for bids named "5 cities for 5G", entered its second stage, i.e., the operating stage, moving from laboratory studies to reality with the first on-site inspections.

This project has entailed continued testing on various 5G applications, with a specific focus on Health 5.0, Industry 4.0, environmental monitoring and port security.

12 GSMA 2018 - <https://www.gsmaintelligence.com/research/?file=884c77f3bc0a405b2d5fd356689be340&download>
13 CISCO: <https://www.cisco.com/c/en/us/solutions/enterprise-networks/5g-at-mobile-world-congress-2018.html>

Bari Matera 5G

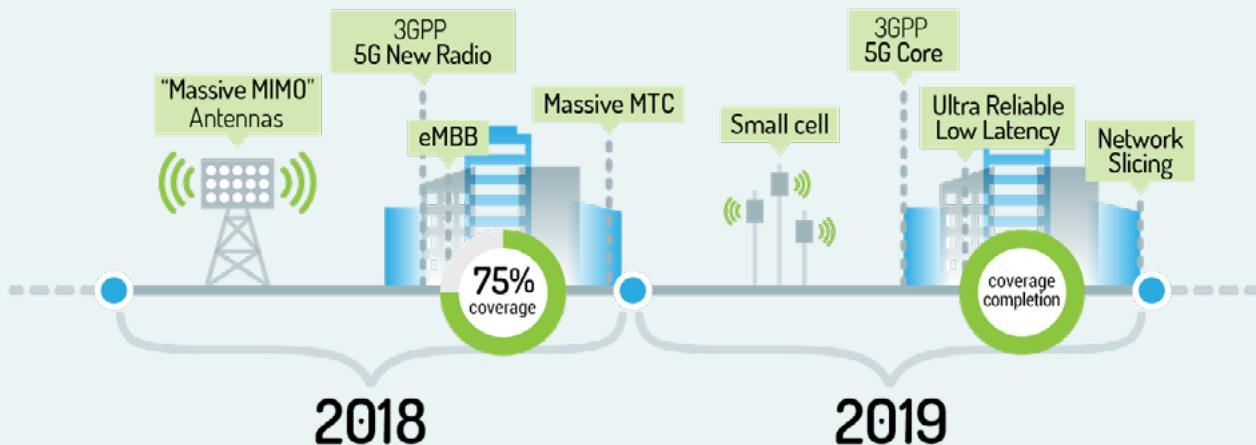
THE INVESTMENT IN THE FUTURE CONTINUES



THE PROJECT

Bari Matera 5G is the project with which Fastweb, TIM and Huawei jointly submitted in 2017 the winning tender in the call by the Italian Ministry of Economic Development for experimentation with new 5G technology in these two cities.

In 2018, the consortia formed by the three companies completed certain case studies using this technology: specifically, Fastweb worked directly on the following innovative applications that, in addition to demonstrating the technological potential of the 5G network, pave the way for new business models that will revolutionize these areas, transforming them into genuine digital laboratories.



HEALTHCARE 5.0

Remote diagnosis and monitoring of patients' vital signs and conditions

Using a protocol with the Bari Cancer Institute, a telemedicine project was developed to provide home assistance to onco-hematology patients post-chemotherapy. The system is based on the hospital network model and provides for the supply of devices for the measurement of vital signs at the patient's home and the use of a mobile laboratory connected to the 5G network for lab work requiring medical personnel.

In this way, the hospital network makes it possible to send doctors key information on the health of their patients so they can adjust their treatment without having to leave home. In addition, patients receive a smart medicine cabinet with indicators that alert patients with alarms and text messages, when they need to take the various medicines.

This solution improves patients' quality of life by shortening hospital stays, increasing the efficiency and timeliness of care and decreasing the cost of hospital stays.

In another telemedicine project in partnership with the Bari Cancer Institute, the consortium is working on a digital asset tracking service for hospital assets (like machines and buildings) and medicine bags used for chemotherapy. With respect to the latter, the various medicine bags are digitally tracked and associated with the respective patients via smartphone, with the dual aim of minimizing the risk of human error in the distribution of drugs and making the entire process more efficient.



INDUSTRY 4.0

Augmented Reality applied to Industry 4.0

The service, provided for Isotta Fraschini Motori, a ship engine manufacturer, will use augmented

reality to train technicians and facilitate machinery maintenance. A specific application connected to a *Smart Helmet* - a helmet equipped with virtual viewers - via the 5G network, guides expert operators in real time during all maintenance and training on the engine, making it more rapid and effective.

In addition, using the 5G network, technicians may go online to make video calls using Skype and consult with their colleagues and experts video remotely. Furthermore, the company's customers may use the same device to carry out simpler engine maintenance on their own.

Other projects have begun in the same field and will, through

synergies, develop additional smart industry applications, such as:

- Asset Tracking for monitoring via using sensors to detect the real-time location of company assets and machinery and to improve logistics within the facilities;
- Smart Maintenance, using a wireless network of sensors to monitor devices in the production facilities for predictive maintenance;
- Smart Safety, i.e., the use of systems to verify that individual protective devices have been properly distributed in accordance with occupational safety legislation.

SMART PORT

Security and access control at the Bari port

At the Bari port, in collaboration with Leonardo and Bosch and with the support of the Southern Adriatic Sea Port Authority and the bodies responsible for port security (the harbor master, Tax Police and State Police), the consortium is developing a security and control monitoring system. There are two objectives: on one hand, offering the port police a face recognition tool to help them

identify potential suspects, while, on the other, providing the harbor master with an alternative to counting passengers on water vessels, which is currently done manually and is, therefore, at risk of error.

Both services are based on an open system of sensors, video cameras, wearable devices, terminals, drones and movable gates that involve, via the 5G network, information on a centralized command and control platform to count the number of

people or recognize their faces. The system also makes it possible to manage security procedures and to alert the police or set off an alarm.

In addition, within the Bari port, the consortium will introduce a sensor-based environmental monitoring and control system to gather information and prevent potential risks tied to, for example, fuel spillage, weather conditions or pollution due to the transport of containers by lorries.



KEY FIGURES

55 PARTNERS

3 lead players
7 universities and research centers
11 public bodies involved
34 companies

10 AREAS OF APPLICATION

With over 70 use cases to be tested in Bari and Matera

60 MILLION EUROS

In investments by the lead companies
Total value of the project over four years

In February, the **#Roma5G** project also entered the operating stage, involving the collaboration of Fastweb, Ericsson, Roma Capitale and Atac. Within the scope of the protocol of understanding that the various players signed in 2017, certain scopes of application for the 5G network testing have been identified, ranging from the enhancement of Rome's cultural and artistic heritage (already rolled out at the Terme di Diocleziano) to the development of security services using innovative tele-surveillance systems and the development of urban mobility applications.

With the Rome municipal authorities, in July, the company also signed a protocol of understanding to implement projects based on 5G and wi-fi technologies, with the aim of developing digital applications for smart cities and IoT, to be applied by 2020 in certain areas of Rome.

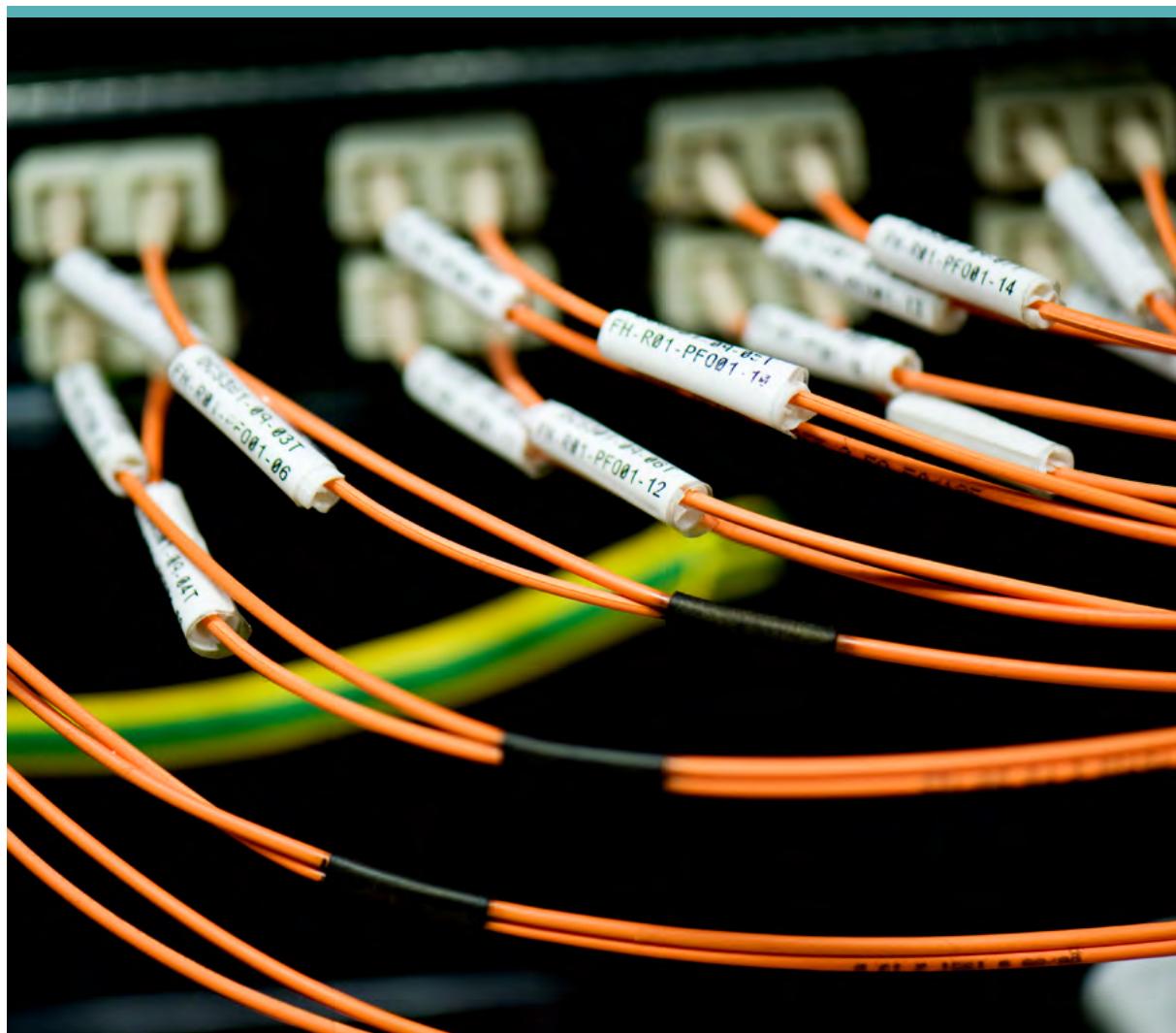
In July, Fastweb signed a protocol of understanding with the Genoa municipal authorities and Ericsson to begin testing based on 5G technologies and wi-fi for the development of last-generation services within the scope of the "Genova 5G" project.



During the year, in collaboration with Digital Magics, the "[Together for 5G](#)" Call for Innovation contest was announced, in which Fastweb aims to motivate and unite companies,

SMEs and start-ups that have designed solutions and services that stand to benefit from 5G. The most innovative solutions will be given access to a 5G LAB: a testing and co-creation process with the Marketing and Technology teams, which will result in new services for end customers and additional business opportunities for both Fastweb and the winning companies.

In late 2017, Fastweb joined the 5G Infrastructure Association (5G IA), a network aimed at encouraging the spread of 5G technology throughout Europe. 5G IA represents the European private sector within the 5G Public-Private Partnership (5G-PPP), one of the largest 5G research programs in the world, which was established as part of Horizon 2020, the integrated financing system for EU research activities.



ICT for sustainable development: examples of Fastweb services contribution

■ Protecting Vesuvius

A video-surveillance system has been set up at the National Mount Vesuvius Park, reusing certain pre-existing video cameras partly integrated with new infrastructures and video cameras installed for environmental control, as well as license plate reading and infra-red night vision devices. This new technological solution, which can monitor 35 sites linked to three central operating stations, will keep the area under control and prevent criminal activity and critical situations.

■ Presence Analytics

Designed in partnership with the Turin municipal authorities, this solution analyses the data gathered via the public wi-fi infrastructure in the city of Turin. The data, after having been made anonymous, range from *people counts* to the analysis of mobility of flows, walkability indices and origin/destination matrices forming a set of statistics enabling the municipal authorities to analyze irregular concentrations of people that could compromise public order and to better plan public transport in the city.¹⁴

■ FastSense

This testing, the result of a partnership with the Turin municipal authorities, consists of monitoring the temperature, humidity, wind direction and intensity and the concentration of PM10, PM2.5, CO, NO2, VOC, ozone and SO2 in the air by installing weather stations in certain areas of the city to gauge these environmental parameters. It is one of the first solutions of its kind in Italy and includes noise sensors to measure the level of noise pollution. This information will feed an analytics platform supporting the local authorities' analyses and decisions.¹⁴

■ FastPark

Created in partnership with the Turin municipal authorities, this is a smart parking solution in which sensors and video cameras are installed to monitor the occupancy of parking spaces in the city. It is expected to help reduce traffic and emissions and to optimize the search for a parking space, while generating big data on mobility. The data generated will feed an analytics platform supporting the local authorities' analyses and decisions, which will in turn create a real-time view of the occupancy of car parks and mobility flows in the city.¹⁴



14. The project will be realized within the first quarter 2019.

3.2 #GETDIGITAL: A SOLID COMMITMENT FOR DIGITAL SKILLS

The scenario: digital skills

Digital skills are a key element for the future of jobs. The gap between supply and demand is growing ever wider in Italy: companies are looking to hire new employees but the training currently available falls short of their requirements.



Estimated jobs for ICT professionals will need to be filled in Italy between 2018 and 2020.¹⁵



Of Italian companies find it difficult to recruit new resources due to a lack of necessary skills on the market.¹⁶



Young Italians not engaged in education, employment or training (NEET) participated in a digital course followed by a paid internship with a company in the past two years.¹⁷



Of Italian ICT workers with university training, a rate far below the European average of approximately 60%.¹⁸



Of Italian companies that use social media in their activities, putting Italy 16th in Europe.¹⁸



With #GetDigital we are helping to spread digital skills through targeted projects that provide a real contribution to our country's development.

This project is based on the desire to actively contribute to reducing the cultural divide in which Italy still lags behind other European countries, and to spur its development.

To promote and encourage the transversal and specific development of digital skills, Fastweb has focused its energies on three key projects:

- **Fastweb Digital Academy**, Fastweb Digital Academy, the school for digital skills established with Cariplò Factory in 2016;
- **Fastweb4School**, the project that, since 2017, has promoted entrepreneurship and digital creativity in Italian schools;
- **Digital IQ**, the new self-assessment tool of digital skills and aptitude for people and companies.

From this perspective, the company also expresses its commitment through the organization of events and meetings throughout the country to publicize the importance of digital technologies in Italy.

15. ANITEC-ASSINFORM - http://www.anitec-assinform.it/aree/pubblicazioni.kl-Osservatorio_delleCompetenzeDigitali>ProfessioniICT2018

16. DESI 2018 - <https://ec.europa.eu/digital-single-market/en/desi>

17. EUROSTAT 2018 - https://ec.europa.eu/eurostat/statistics-explained/index.php?title=ICT_education—a_statistical_overview&oldid=406222#General_developments_in_the_labour_force_for_people_with_an ICT_education

18. ISTAT - <https://www.istat.it/files/2018/06/Internet@Italia-2018.pdf>

Fastweb Digital Academy

SHARING KNOWLEDGE



www.fastwebdigital.academy



THE PROJECT

Fastweb Digital Academy (FDA) is the school providing training for digital professionals. It was founded in 2016 as part of the Cariplò Factory through a partnership between Fastweb and Fondazione Cariplò. FDA is based on three main pillars:

- **Learning Digital:** teaching and spreading the logic and skills necessary to use digital tools for the creation of new products and services;
- **Working Digital:** contributing to the development of new digital skills to help people grow professionally and make organizations more competitive;
- **Acting Digital:** promoting, through digital skills, aptitude and behavior to promote the growth of innovation and culture in Italian society.

Designed for 18-year-olds and up, the Academy's courses are open and free to applicants who pass the selection process. They cover four main disciplines: visual product and fashion design (Digital Design & Making), programming techniques and languages (Digital Development), marketing and communications (Digital Marketing & Communication) and general skills for the digital world (Digital Soft Skills). In addition, in 2018, a fifth area of study was created for the development of specific digital skills for companies, SMEs and professionals (Digital for Professionals & SMEs).

In 2018, the Academy began providing training outside Milan as well, reinforcing its presence in Palermo at the Arca consortium and in Pescara in partnership with the Pescara section of Confindustria (Italian association of manufacturing and service companies).

One crucial development in this direction was the start of FDA courses in Bari, with six training programs for young people and SMEs: Digital Marketing and e-commerce for SMEs, Digital Marketing & Communication for B2B and B2C companies, Digital Marketing Fundamentals, Social Media Marketing, Mobile Marketing and JavaScript for Web Designers. The training sessions are held at Porta Futuro Bari, a last-generation job center, orientation platform and hub bringing together job offers and job seekers in Bari.

The project is the first step in a broader plan in partnership with the Bari municipal authorities, which will transform Bari into an innovation hotbed of infrastructure and digital services.

During the year, FDA also participated and sponsored many digital events and kicked off a series of partnerships. In March, it took part in the first Milan Digital Week, offering a select group of residents an exclusive tour of one of Fastweb's last-generation data centers and organizing workshops to promote new digital professions.

The Academy also participated in the #STEMintheCity 2018 marathon organized by the Milan municipal authorities to promote the spread of science/tech studies (STEM stands for Science, Technology, Engineering, Mathematics) and digital technologies among young people and, in particular, girls and young women.

In October, during DIGITALmeet 2018, FDA also held four workshops on digital marketing tools and strategies for SMEs, digital apps for the beauty, sport and fashion industries, augmented reality and virtual reality for design and personal branding. In partnership with the Milan Film Festival, Fastweb Digital Academy presented "Ultra Reality", an area of the festival at the Base space in Milan devoted to "immersive content", i.e., virtual reality apps enabling visitors to experience and explore the new frontiers of audio-visual content in a cinematic setting.

As part of the student work experience program, FDA kicked off "Digital Work Experience", a project involving 100 students in their fourth year of high school, from nine different schools, who worked for a month on their skills and expertise, with a focus on soft skills.

The initiative helped the students improve their awareness of their strengths and improvement areas, prepare for

job interviews and prepare the best curriculum vitae. As part of this initiative, the students were also asked to meet certain "challenges" relating to corporate welfare, CSR and marketing and design and propose their own solutions using digital tools and new technologies. In 2019, the winners will have internships at Fastweb as part of the student work experience program; they will also receive the exclusive opportunity to take a course at the Academy.

This project was not only limited to providing advice, but put participants to the test in real-life situations, providing invaluable training.

Furthermore, again in 2018, Fastweb participated in "Elle Active", an initiative organized by Elle magazine to promote women's talent with two workshops and 60 individual interviews with participants to provide suggestions to help them integrate digital skills into their training background.



FASTWEB DIGITAL ACADEMY FOR SUSTAINABLE DEVELOPMENT

FASTWEB DIGITAL ACADEMY CONTRIBUTION IN 2018

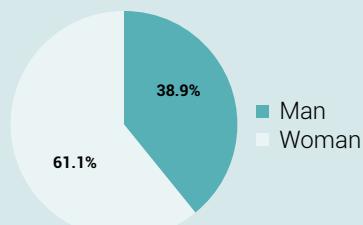
1,241
Certificates issued

72
Classes

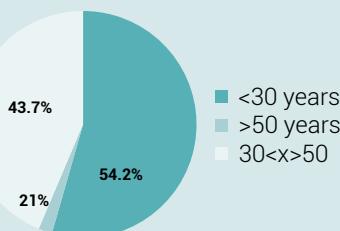
53
Courses,
5 dedicated to SME

2,094
Training hours

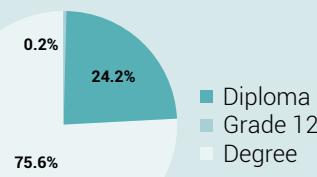
GENDER



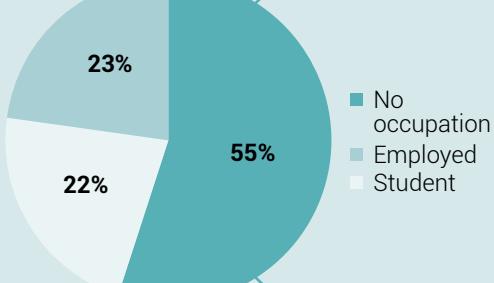
AGE



QUALIFICATION*

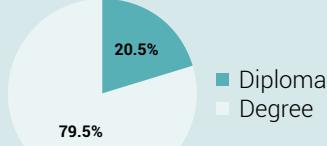


OCCUPATION**

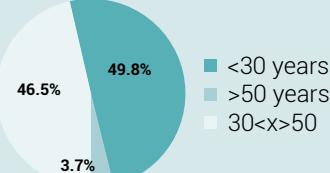


PARTICIPANTS, LOOKING FOR AN EMPLOYMENT

by qualification (%)



by age (%)



* Data calculated considering the information given by people who filled the form field regarding qualification (93%)
** Data calculated considering the information given by people who filled the form field regarding occupation (87%)

Fastweb4School

WHEN IDEAS BECOME PROJECTS



THE PROJECT

Developed together with the Ministry of Education, Universities and Research (MIUR) and the support of the crowdfunding platform Produzioni dal Basso, the Fastweb4School project was created to promote and support digital initiatives in secondary schools, enabling students to gain hands-on experience in the creation of innovative projects in each and every stage, from fundraising, through development and to completion.

2018 saw the completion of the first stage of financing with the "Fastweb4Makers" call for ideas announced in December 2017 and devoted to the new digital craftspeople. The call focused on engineering, like the creation of electronic devices, robots, 3D printing devices and numerically controlled machines, in addition to objects created using digital technologies for the processing of metals, wood or other materials used in traditional crafts.

A commission consisting of Fastweb and the MIUR was responsible for the first part of the selection process and examined the proposals based on:

- the quality and originality of the ideas;
- the use of innovative and digital teaching methods;
- the number of people involved;
- potential repercussions on local social and production components;
- the possibility of future development and application in other schools.

The outcome of the selection process led to the identification of 38 projects which then advanced to the next stage: crowdfunding on the Produzioni dal Basso platform. Of these, 33 effectively participated in the initiative, 19 of which managed to raise 50% of the funds they needed through crowdfunding and therefore received funding from Fastweb for the remaining 50%.

A total of over €225,000 has been raised on this platform, roughly €100,000 of which funded by Fastweb to support initiatives ranging from the construction of open source computers and Formula 1 models using 3D printing, to the development of artisanal robots and the creation of little FabLab in schools.

Find out more about this initiative at www.fastweb4school.it; information on a selection of projects is available on the Produzioni dal Basso website (www.produzionidalbasso.com/network/di/fastweb4school).



KEY FIGURES

33

Projects participated in the crowdfunding

19

Co-funded products

OVER

225

THOUSAND EUROS Raised

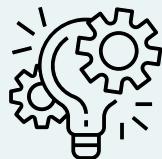
APPROXIMATELY

100

THOUSAND EUROS Co-funded by Fastweb

Digital IQ

THE ACCESS CODE TO YOUR DIGITAL SKILLS



THE PROJECT

Digital IQ is a targeted self-assessment tool launched in 2018 to assess digital skills and aptitude in schools, people and companies. The purpose of the project is to provide schools, people and companies with a tool for the simple and immediate identification of their strengths and weaknesses in these areas.

The test was designed by Fastweb and created with the scientific cooperation of the Sociology and Social Research Department of Università Bicocca in Milan and a team of psychologists and psychometrists from the People&Business Value consulting firm.

Digital IQ is a scientific test focusing on soft skills and critical digital skills necessary for school and work, intentionally excluding the assessment of technical and operational skills.



In particular, the following skill areas are considered:

- Digital well-being: skills to direct Internet use towards achieving personal well-being and professional efficiency;
- Security: skills to safeguard against situations that could compromise security, such as data protection, digital identity, the integrity of devices, economic protection and personal dignity;
- Creation of digital content: skills and aptitude for the creation and processing of online content enabling users to become competent issuers and receivers;
- Communication and collaboration: skills and aptitude for proper communication with others in the digital world;
- Information: skills and aptitude for researching, selecting and evaluating online information considering sources, making connections and classifying information.

At the end of the test, a personalized assessment is given, containing a map of the participant's digital skills and aptitude, along with a digital badge that participants may attach to their CV or share on social media.

Theoretically, Digital IQ is based on the most widely recognized digital competence frameworks, particularly DigComp 2.0 defined by the European Commission. However, it differs from DigComp 2.0 in the Problem Solving Macro Area, as Digital IQ has expanded it and renamed it "Digital Well-being". Indeed, in addition to problem solving, which is considered a transversal competence, Digital IQ includes questions to assess the individual skills and aptitude necessary to reduce the main "collateral effects" of the digital world, like excessive use of the Internet and the tendency to develop Internet habits that are counter-productive or dangerous to attention.

Two versions of Digital IQ are offered: the first is a free version available online (www.digitaliq.it) for anyone interested to take the test on their own and receive the Digital IQ badge, while the second version is for companies and consists of a more comprehensive test that they can use to test their employees' skills and gain a broad idea of their training needs.

Another version has been developed for middle and high schools thanks to the "Digital Well-being" project".

KEY FIGURES

OVER 2,400

Digital IQ profiles issued

3,800

Students took the school version of the test
as part of the "Digital Well-being" project

In 2018, Fastweb completed the "[Digital Well-being project - the validation of a model for middle school education](#)" which it had commenced in 2017 with the Milan-Bicocca University. The goal of this project was to train middle school students about the knowledgeable and responsible use of new technologies by creating a training package for the development of four modules for students: time and attention management, communication and

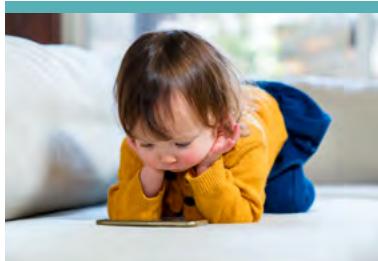
collaboration, searching for information and evaluating it, creating and publishing digital content.

For this project, a version of the Digital IQ test was customized to measure the effectiveness of teachers' training by testing how their students' digital skills had improved. In November, the results, which covered around 3,800 students from 18 schools in the provinces of Milan and Monza e della Brianza, were presented.

DIGITAL WELL-BEING

Fastweb has also focused on Digital Well-being with the development of a [new area of its corporate website](#) containing a structured series of guidelines to help parents guide their children - both young and teenaged - towards

a knowledgeable, balanced online life. This section was written with the scientific advisory assistance of teachers at the Digital Well-being Research Centre of the Sociology and Social Research Department of the Milan-Bicocca University, ensuring greater focus and care for this key issue in the development of younger generations.



CHILDREN

- Review family habits
- Set a good example on online communication
- Limit the use of screens in the early years
- Set restrictions and parental control filters in tablets and smartphones

CHILDREN AND TEENAGERS

- Introduce smartphones gradually
- Establish rules together
- Use new media together and constructively

TEENAGERS

- Protect sleep and study
- Educate while off-line
- Be aware of web risks and discuss them together

COMMITMENTS FOR THE FUTURE

Digital infrastructure for the Country

Extend the FTTH network to 5 million homes and businesses by 2020

Complete the expansion of fiber services (FTTN / FTTH), reaching 50% of the Italian population by 2020

Technological innovation and open innovation

Guarantee 5G coverage in major Italian cities by 2020

Expand wi-fi hotspots to improve WOW FI service coverage

Drive the open innovation process through contamination with start-ups

Digital skills at school and work

Issue 3,000 certificates by the end of 2019 through the Fastweb Digital Academy

Design digital skill development projects for middle and high schools

Involve companies and institutions in the adoption of tools that promote digitalization

Impacts of technology on people's lives

Develop applications using IoT and 5G technology in the field of smart cities, to make life in cities more sustainable

Develop innovative products and services based on new technologies in the field of telemedicine, to improve the quality of life

Trusted and lean customer partner

Transparency and trust

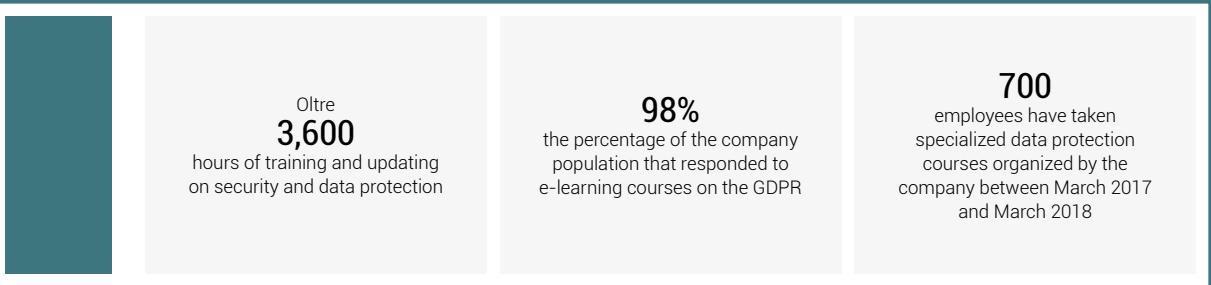
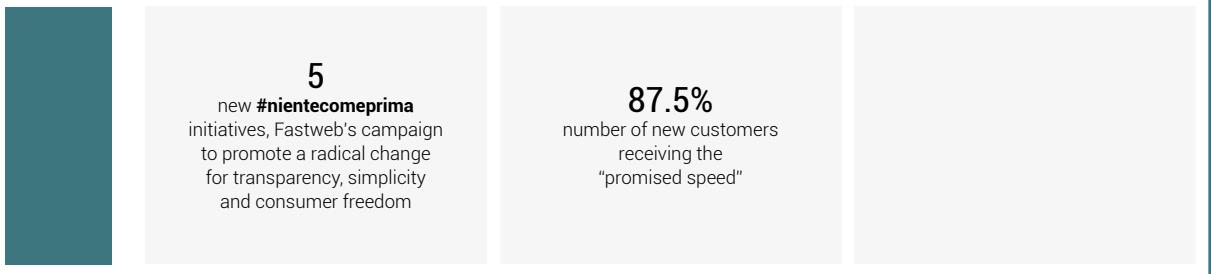
For Fastweb, promoting transparency and trust translates into relationships with customers based on clear commercial terms and conditions, consumers' freedom to choose and the elimination of obstacles. Through innovative initiatives that are one of a kind on the market, the company takes a new approach with positive impacts not only for its customers but for the entire market as well.

Listening to customers and service quality

Fastweb is committed to providing its customers with a quality service that meets their needs and expectations. This is why Fastweb has created various ways of listening to them, to monitor their needs and find solutions that can improve the customer experience whenever they interact with the company.

Privacy and cyber security

Fastweb protects privacy and promotes cyber security by implementing internal safeguards in accordance with current regulations and international *best practices* with respect to the management of networks, information systems and internal processes. In addition, with products and services, Fastweb supports its Enterprise customers in managing these areas.



4.1 #NIENTECOMEPRIMA: "LIKE NOTHING BEFORE" - MEANING TRANSPARENT AND SIMPLE OFFERS AND SERVICES

"#nientecomeprima", which is Italian for Like nothing before, is the formula that Fastweb has chosen to promote the radical change in the fixed and mobile telephony market, with an increasingly convergent approach based on transparency, simplicity and consumer freedom.

Mainly pursued by the Consumer segment up until now, this strategy was launched in 2017 and consolidated throughout 2018, as the company continues to manage prices transparently and is now extending its

commitment to transparency to service quality and, in general, to relationships with customers in order to revolutionize the way in which the company and users interact, based on trust and listening to feedback.

Through "#nientecomeprima" our company continues to promote and strengthen a new way of interacting with users based on trust and listening to feedback.

#nientecomeprima

Fastweb is revolutionizing the telecommunications market with a series of unique landline and mobile initiatives, leading to increasingly more transparency on a market filled with deals and hidden charges.



The initiatives rolled out in 2017 were confirmed in 2018 and will continue in the years to come.

For mobile telephone service customers, "**Start**", the first initiative, eliminates extra service costs (e.g., voice mail, automatic call-back, credit balance checks), call connection fees and contract term restrictions and allows users to use their traffic minutes in 60 international destinations and connect to the WOW FI network for mobile internet without using up the data traffic Gigabytes in their package.

"**Change**" confirms the company's commitment to eliminating all extra costs in customers' bills for the sake of simplicity and transparency. This commitment can be summed up in the slogan "What you see is what you pay" and gives current customers access to new offers, with the same benefits that new customers enjoy.

The initiatives rolled out in 2018 began with "**Try**", in which Fastweb introduced the "Fastweb Mobile Trial", whereby customers can try out Fastweb's mobile service for free, without any restrictions or fines. They can request and enable their SIM card using the MyFastweb app or on the company's website: the first month of service is free, after which customers may decide whether to renew the service or not.

"**Trust**" has eliminated additional costs for high-speed connection options and introduced billing by calendar month, making bills easier to read. This is the first fixed network offer with a flat rate in the bill that includes all activation and related costs, plus the FASTGate modem and guarantees the fastest speed available. In addition, it eliminates all contract term restrictions for fixed network customers, letting them decide when to terminate their contracts with Fastweb.

We are the only player on the Italian market with no restrictions for fixed or mobile telephony customers.

"**More**" gives fixed network customers the chance to ask to switch to fiber as soon as it is available, without any additional charge, and all they need to do is request the switch on the MyFASTPage or using the MyFastweb app.

With the sixth initiative in this strategy, "**Speed**", Fastweb became the only Italian player to tell customers the exact speed of their home connection transparently and directly in their contract. Moreover, after the line is activated, an operator calls each customer to check that the speed coincides with that indicated in the contract. If it is slower, the customer may withdraw from the contract without any

restrictions and no additional costs.

"Space", the seventh and final initiative of 2018, makes Fastweb the only telephony operator to give its customers unlimited storage space for digital pictures, videos and music.

Accessible using the WOW Space app, this service includes integrated tags and geo-localization features

to help users find their pictures and videos easily and share them quickly and securely.

Based on the results it has achieved, Fastweb aims to intensify the cardinal pillars of this strategy throughout its business, as it continues to invest in the quality of its services and customer relationships to maintain its position of excellence in the telecommunications industry.



4.2 A CONTINUOUSLY EVOLVING OFFER

This year, the market strategies in Fastweb's three business segments remained focus on customers and the development of products and services to meet their requests and needs: the Consumer, Micro Business (freelance professionals) and Small Business segment, which includes households, professionals, micro-businesses and small businesses, the Enterprise segment, for medium-size companies, large companies and the public authorities - and the Wholesale segment which consists of connection services for OLOs (other licensed operators, i.e., those that are not major market players).

Fastweb remained a leader in the Consumer, Micro Business and Small Business market thanks to its strategy based on quality, transparency and solutions that are increasingly geared towards convergence, as described earlier in this report.

The ongoing expansion of Fastweb's proprietary fiber optic infrastructure, the option it gives customers to switch over to more advanced technology when it becomes available without any charge or cost increase, and the advantages offered by the various areas of #nientecomeprima are only a few of the policies that have enabled Fastweb to retain its market share and attract more than 2.5 million customers.

It has also reached significant partnerships in this business segment: in addition to the long-standing partnership with Sky, Fastweb has introduced a joint offer with Eni, the utility company, for residential customers, for Fastweb Internet services and Eni Gas e Luce electricity and natural gas services with generous discounts and benefits.

In the Business segment (for freelance professionals and small businesses), Fastweb has continued to simplify its landline offer for micro businesses, giving them an easy choice between two set plans (Business Internet and Business Class). Customers with ADSL and Bitstream connections will continue to enjoy a special monthly rate until they migrate to the fiber optic network when it reaches them.

To help companies digitalize and switch over to cloud solutions, the small business portfolio has expanded to include two new services: a platform to help customers promote their business online and storage-as-a-service for the creation of data storage space on the cloud. In March 2018, Fastweb responded to the needs of freelancers and small businesses with its new Business Freedom offer, offering more minutes and gigabytes.

Results remain positive in the Enterprise market as

well, where Fastweb has been the only Italian player to see its market share up 2% both in the Top/Executive segment (from 29% to 31%) and the Medium segment (from 18% to 20%).

This growth is due to its core service consolidation strategy, which is driving corporate customers' faster adoption of digital services and customer loyalty. Projects and testing in the innovative fields of 5G, the Internet of Things, software-defined networking¹⁹, security and the cloud have been crucial to this growth. Fastweb has rolled out two new cloud-based solutions for IT security in particular: FAST Security 360° Cloud, which fully protects the entire company network against cyber attacks, and FAST Security Advanced Protection, a new generation antivirus that defends against both traditional viruses and sophisticated attacks like malware and zero-day threats.

In addition, the company has introduced the Fast SIEM service, which provides customers with a platform that collects, stores and analyzes IT system and network device logs in an integrated, automated manner, significantly reducing management costs and ensuring integrity, confidentiality and the inalterability of the collected data. Finally, to offer a service that genuinely covers 360 degrees and support customers in their selection and management of the most sophisticated solutions, a team of highly-skilled Security Service Managers has been created to provide specific advice on all cyber security matters. As for cloud solutions, 2018 saw the consolidation of the services offered and dramatic growth in new customers, thanks to the ability to direct various ICT needs on a wider range of the Enterprise segment.

In 2018, the new European data protection regulation known as the GDPR went into effect, and to help its customers comply with the GDPR, Fastweb has created Fast GDPR Suite, an integrated solution designed to simplify and speed up the compliance process.

This new solution is extremely clear and transparent, as it provides a gap analysis and an action plan based on an in-depth assessment of company systems and procedures.

Important new solutions were also unveiled in the company core services, including one in particular that is the first of its kind on the Italian Enterprise market: SD-WAN Carrier Grade transforms company networks into programmable software platforms that are extremely scalable and integrated in the Fastweb's national network infrastructure, allowing customers to configure

19. Software-defined networking (SDN) technology is a new cloud computing approach to network architecture that facilitates administration and configuration to improve performance and facilitate monitoring.

and manage their own networks independently, easily and in real time on a special portal.

Fastweb has maintained its market share in the wholesale segment, remaining the top infrastructure operator for the entire market. To further strengthen its relationships with international players and, especially, those operating on data carrier routes via submarine cable, Fastweb has forged an important partnership with Bics, an international leader in the provision of telecommunications services, in

order to offer a joint connectivity solution for high-capacity data traffic transmission from Europe to the Middle East, Asia and Africa.

Fastweb has also maintained a sharp focus on the ongoing digitalization of customer relationship management in 2018. In particular, circuit malfunction reports during operations are now entirely digital: most wholesale customers now use digital tools (customer portals and/or APIs) to make and update reports.



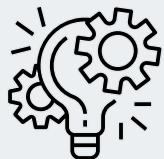
4.3 PUTTING CUSTOMERS' NEEDS FIRST

Customer centrality is one of the main principles underpinning the company's actions, as much in terms of customer experience, to ensure customers enjoy a positive experience when interacting with the company, as the customer journey, to guide customers from the choice of service that best meets their needs to the use of such services and their

subsequent customization.

A number of projects and initiatives were kicked off in 2018, demonstrating this commitment. In particular, Fastweb continued to enrich LiveFAST, a platform developed to encourage residential customer engagement and loyalty through awards, gifts and special benefits.

LiveFAST



THE PROJECT

LiveFAST is the free loyalty program that Fastweb offers its residential customers with landline, mobile or landline + mobile contracts. It consists of awards and benefits that increase in value in proportion to how long the customer has been with the company.

Again in 2018, liveFAST - which reached over 500,000 customers, up by more than 50% on 2017 year end - was expanded and improved, in terms of both the benefits offered and the customer experience, to become even more attractive.

Not only did the range of benefits grow, but they are now offered in new ways. One of the new developments is "dreamFAST", a daily *instant-win* contest. With a simple click, customers open a package, raise a window shade on an airplane, wake a sleeping girl and discover whether they've won. The awards change every month and range from round-trip airline tickets in Europe for two to Amazon and Marionnaud gift cards, with the aim of meeting all customers' desires.

"SpeedDate" is another new initiative. This promotion is held on the first and 15th days of each month and lasts one week, during which customers may sign up for valuable offers based on the preferences they have expressed. For example, it has consisted of prizes for techies, like Samsung products, and initiatives for homes, like the offer developed with the Bubuck start-up, in which children could write their own fairy tale in a customized book.

As for customer experience, liveFAST has been integrated in the MyFastPage for customers, giving them access to the platform directly from their personal page, simplifying their online experience.

As this program is updated continuously, again this year, Fastweb was recognized for its excellence, coming in 1st place at the 2018 NC Awards, which for over a decade has vetted and rewarded Italian excellence in communications projects. In particular, liveFAST was awarded as the "Best Loyalty Program" in the telecommunications category and received the top price in the Loyalty Programs category at the XXV Edition of the GrandPrix Relational Strategies, for the most innovative and effective relational marketing techniques.



This program has been a smash hit with users, translating into positive indicators and a strong net promoter score, the index that monitors customer loyalty quarterly, above other customer segments.

KEY FIGURES (01/01/2018 TO 31/12/2018)

27%

Percentage of customers signed up for the program (+53% on 2017)

OVER 1,850,000

Vouchers, bonuses and contests
(3 times the number in 2017)

During the year, Fastweb remained committed to improving and simplifying its customers' user experience in all interactions with Fastweb. It improved certain MyFASTPage functions - the restricted area for customers where they can access all their account information. Indeed, since 2018, they can ask to upgrade to fiber as soon as it becomes available in just one click, and the subscription process for mobile telephony services and the SIM card top-up procedure have also been streamlined.

New functions have been added to the MyFastweb app as well, making it easier to sign up for new offers for both fixed and mobile telephony services and to access liveFAST from the app. In addition, mobile telephone customers can now use a simplified version of the app that enables them, thanks to SIM authentication, view how much credit they have used (voice minutes, data traffic and text messages) without needing to enter their username and password. Finally, interfacing with the FASTGate modem is now more user-friendly and direct.

New solutions were also created in 2018: a widget to monitor your mobile telephone minutes directly on the primary screen of your smartphone and the new My ICCID Seriale SIM app to view you SIM's serial number without having to remove it from your phone.

To gauge the effects of this new business strategy and the new offers on customer satisfaction, again in 2018, Fastweb used the net promoter score (NPS), a customer loyalty index developed on the basis of response that customers gave to the question "How likely is it that you would recommend the X company to a friend or colleague?" on a scale of 1 to 10.

To score the company's performance, customers were divided into three categories:

- Promoters (score of 9-10): loyal customers who will continue to purchase the services and will recommend them to others;
- Passive customers (score of 7-8): customers who are satisfied but indifferent, and could be potentially influenced by competitors' offers;
- Detractors (score of 0-6): unsatisfied customers who could damage the company by spreading negative word-of-mouth.

The index is calculated as the difference between the percentage of Promoters and the percentage of Detractors and is analyzed considering both the customer's overall experience with Fastweb (relational NPS) and their specific interaction (transactional NPS).

The frequency of the surveys varies from weekly to half-yearly based on the parameter analyzed and the customer group considered. In addition to the internal surveys, benchmark analyses are carried out each quarter.

In recent years, its strategy of focusing on customers, combined with ongoing investments to improve the quality and performance of services, has enabled Fastweb to stand out as one of the fixed network operators most frequently recommended by residential customers in Italy: in particular, again in 2018, the findings emphasized that Fastweb enjoys a 10% advantage above major national telecommunications players.



4.4 FEEDBACK AND DIALOGUE TO BUILD A TRUST-BASED RELATIONSHIP

8

DECENT WORK AND
ECONOMIC GROWTH



Customer centrality is a strategic pillar and an area in which the company strives for continuous improvement to strengthen the trust-based relationship it enjoys with its customers and all stakeholders in its decisions in general. This is why, since 2015, Fastweb promotes a campaign of actively listening to stakeholders, in collaboration with the Reputation Institute, through interviews, surveys and questionnaires to understand their perceptions, needs and expectations with regard to the company.

The topics investigated concern how much stakeholders appreciate Fastweb, both in terms of its reputation and considering rational elements such as product quality, its ability to innovate, the quality of the workplace, ethics and long-term strategic vision.

In 2017, the multi-stakeholder approach already consisted of engaging external stakeholders (enterprise customers, talent, public opinion, opinion leaders and personnel in direct contact with customers) and internal stakeholders (employees), on a continuous to annual basis depending on the target stakeholders.

The group of stakeholders involved was expanded in

2018 with the engagement of residential customers.

The stakeholder expectations monitored in 2018 focused most on transparency in the way we operate on the market and in direct and continuous relationships with customers (paragraph 4.1), as with ethics in management (paragraph 1.3), the company's positive influence on society (chapter 2) and service quality and reliability (chapter 4).

In general, Fastweb found all the stakeholders involved in this feedback project had highly positive perceptions in 2018.

The satisfaction expressed by the stakeholders is a clear sign of the effectiveness of steps taken to meet their needs and expectations and a driver for continuous improvement.

To further enhance the company's response to stakeholder expectations in the improvement areas identified, the company set up a few in-house panels extending transversally across all work teams, to share their positive experiences and make them an integral part of the customer and stakeholder experience.



4.5 SETTLEMENT PROCEDURE

Regulations governing disputes relating to electronic communications between users and operators require the parties to attempt settlement.

Fastweb participates in settlement procedures to manage and rapidly resolve any disputes with customers out of court.

In most cases, applications for settlement are managed offices of the Co.Re.Com. (Regional Committees for Communications: these are AGCOM's regional bodies that ensure governance, guarantee and control of Agcom's own communication system throughout Italy.

The settlement procedure through Co.Re.Com involves the participation of the parties before a mediator, with a settlement agreement that is legally enforceable.

In July 2018, the new Regulation for the settlement of disputes between users and electronic communications operators (regulation no. 203/18/CONS, amended by regulation no. 296/18/CONS) went into force, introducing a new digital platform for the management of settlement procedures, called "ConciliaWeb". It simplifies the procedure for making claims and does not require users to physically appear at the settlement

venues. In particular, users who intend to file a claim for the mandatory settlement attempt, to either settle the dispute or take temporary action may file their claim online at <http://conciliaweb.agcom.it>.

In accordance with that established by the AGCOM regulation 269/18/CONS, Fastweb published a notice on its home page about AGCOM's launch of ConciliaWeb.

In 2018, over 12,500 settlement claims were managed via Co.Re.Com, and approximately 9,251 of the cases were discussed during the year. Of these, 7,235 (78%) were settled with a positive report, i.e., to the customer's full satisfaction.²⁰

The other settlement practice most often used is ADR (alternative dispute resolution), a regulated dispute resolution procedure with the advantage of being a fast, free, simple and out-of-court solution to disputes between consumers and businesses.

ADR, which was introduced in the Italian Consumers Code with Legislative Decree no. 130/2015, offers a number of different advantages over the fair settlement procedure previously in place, encouraging greater



20. The data are updated to 14 January 2019.

transparency and simplicity for consumers.

In particular, a Single Fair Settlement Guarantor, responsible for evaluating whether the fair negotiation procedures are compliant, and a single protocol for the settlement procedure applicable to all telecommunications companies make it easier to reach a positive agreement, and therefore easier for consumers to use this procedure.

To begin the ADR procedure, Fastweb customers may refer to the signatory associations only after having filed a complaint and not have received a response within 45 days, or if they are unsatisfied with the response received. They may then request the associations to file a claim for settlement. The claim is uploaded to a specific portal (<https://www.fastweb.it/corporate/governance/conciliazioni-e-associazioni-consumatori/?lng=EN>) where the case is managed directly online, with a record of all negotiations, the settlement and the reasons.

Customers may also send requests directly to the Settlement Office by registered letter with return receipt or by email to adrfastweb@pec.fastweb.it. Again in

this case, the requests are sent to a specific portal via a Conciliator identified by the Settlement Office on a rotating basis. A Fair Settlement Commission, consisting of a Fastweb Conciliator and a Conciliator from the chosen association, then evaluate the individual requests.

To help spread this practice and proper ADR procedures, in 2018, Fastweb actively collaborated with the Consumer Forum, an independent association established to promote mutual knowledge and overcome the difficulties of dialogue between consumers associations and businesses. In particular, Fastweb supported and contributed to, including with its direct participation, specialist training to update accredited conciliators.

In 2018, the Settlement Office received 1,441 claims from the consumers associations. After the claims were examined to verify whether they are admissible, 1,178 settlement cases began, 96.7% of which (1,139 cases) were settled with a positive report, i.e., to the customer's complete satisfaction. 3.3% of the cases were completed without an agreement being reached.

	2016	2017	2018
Number of claims received	1,280	1,336	1,441
Number of settlement cases opened ²¹	1,364	1,011	1,178
Number of cases settled with a positive report	1,245	971	1,139
Cases settled with a positive report (%)	91%	96%	96.7%
Cases settled without an agreement (%)	4%	4%	3.3%

21. New settlement cases opened in the year include claims received in previous years.

4.6 THE IMPACT OF TECHNOLOGIES AND DATA PROTECTION IN THE DIGITAL ECOSYSTEM

Data protection and cyber security are crucial in current context of technological innovation and digital transformation: the centrality of ICT infrastructure increases daily, along with the need to protect confidentiality and the integrity of the information and data shared digitally.

In addition to constant technological development, there is continuously evolving legislation that Fastweb undertakes to monitor each year, particularly in fields that could potentially have an adverse impact on customers and residents.

The company is especially focused on comprehensively protecting users' data, from cyber security to privacy, an area at the heart of the European and domestic agenda.

CYBER SECURITY

Cyber security and data protection remain the focus of international attention. With 1,127 serious cyberattacks worldwide in 2017, mainly against business and government targets, cybercrime has led to an increase in information security investments with global spending of more than \$100 billion today. Furthermore, expenditure for security services is expected to grow at an annual average rate of 10 to 13% in the next five years, depending on the sector.²²

In the light of these trends, Europe and Italy have intensified their focus on cyber security. In 2017, for example, the European Commission issued "[Resilience, Deterrence and Defence: Building strong cybersecurity for the EU](#)", containing a series of proposals to increase the resilience of information systems to cyber threats.

Cyber security in Italy and personal data protection



Growth of cyber attacks from 2011 to 2017 on a global scale, +30% compared to 2014 e + 7,33% compared to 2016.²³



According to the World Economic Forum survey on the probability of occurrence of risks for enterprises.²⁴



Economic value of costs generated globally by cyber crime activities from 2011 to 2017.²³



Growth during 2016 and 2017 of the main vector of attack on a global scale: the malware, generated industrially at ever lower costs.²³

Malware: Malware (a portmanteau for malicious software) is any software intentionally designed to cause damage to a computer, server, client, or computer network. Malware has a malicious intent, these programs can cause your device to crash, and can be used to monitor and control your online activity. They also can make your computer vulnerable to viruses and deliver unwanted or inappropriate ads. Criminals use malware to steal personal information, send spam, and commit fraud.²⁵

23. CLUSIT 2018 - https://clusit.it/wp-content/uploads/download/Rapporto_Clusit_2018_aggiornamento_settembre.pdf

24. THE GLOBAL RISKS REPORT- http://www3.weforum.org/docs/WEF_GRR18_Report.pdf

25. FEDERAL TRADE COMMISSION - <https://www.consumer.ftc.gov/articles/0011-malware>

22. Cybertech Europe 2018, <https://italy.cybertechconference.com/it/cybertech-europe-2018>.

In its cyber security efforts, Fastweb works at several levels to prevent any loss or damage to data and, in the event of incidents, to limit damage and recover normal company operations as rapidly as possible.

Through a specific internal division, the company constantly monitors developments in legislation and technology to readily adapt and update its business models. Since 2007, Fastweb is ISO 27001 certified for information security management, and it has supplemented this certification with other more specific certificates in the past few years. Indeed, in 2016, Fastweb obtained ISO 27018 certification for cloud privacy and, in 2018, it obtained a certificate of compliance with ISO 27017, which introduces guidelines for specific information security controls applicable to cloud service providers, and a certificate of compliance with ISO 27035, which provides guidance on information security incident management and prevention (see chapter 1).

To further strengthen the culture of cyber security within the company, during the year, Fastweb also promoted various awareness campaigns for employees. They included "YOU - the most secure technology is you" for all employees, launched on Agorà, the company's Intranet. The "YOU" campaign was publicized using various means, from six videos in which Fastweb employees appeared as actors and podcasts written and narrated by an expert, to an online quiz and a small treasure hunt. In addition to this campaign, leaflets were published on Agorà with useful tips and guides on how to manage all sensitive information securely.

Cyber Security Hub was another awareness driver, a full day devoted to cyber security and involving around 150 employees, during which cyber security experts discussed contemporary issues related to online security. During this event, employees learned about the fundamental steps in the history of the Internet, to gain an understanding of the reasons for the birth of online crime and privacy violations. In addition, the human factor was examined, diversifying the "seven sins" that commonly lead someone to become a victim of a cyberattack.

Fastweb has also rolled out a series of local initiatives to raise more awareness of the importance of cyber security at customer and market level. In particular, in April and May 2018, it held two editions of "Digital Defense" for customers, dealing with IT security on the cloud, data backup and personal data protection. Not only did the meetings inform participants on cyber security issues, but they also made it possible to gain feedback from customers on their specific needs, identifying potential priorities on which to develop

investment strategies.

In addition, Fastweb participated in the first edition of the Cyber Conference in Rome and Milan organized by Trend Micro, a global leader in data security and cyber security solutions for companies. These events involved a total of 500 people, including telecommunications operators, consumers and companies. Fastweb participated in the "System Integration on State" round table with major Italian cyber security operators to discuss hot information security issues by proposing specific solutions.

Fastweb also demonstrated its cyber security commitment by guiding customers as they progressively reinforce their defense systems, through avant-garde solutions and offers tailored to the different needs of business customers (see paragraph 4.2 of this chapter).

PERSONAL DATA PROTECTION

Personal data protection is of vital importance to the telecommunications sector and an aspect to which Fastweb has always devoted its utmost attention. Since 2016, the company has held a certificate of conformity with ISO 27018 for the protection of personally identifiable information in public clouds, guaranteeing compliance with privacy standards in cloud computing services and constituting the best practices concerning personal data protection by public cloud providers.

In 2016, Regulation (EU) 2016/679, known as the GDPR, was approved, updating personal data processing rules. Among other things, the GDPR specifically emphasizes the principle of accountability, whereby the data controller must adopt, and always be able to demonstrate that it has adopted, appropriate technical or organizational measures to ensure that the processing is effectively carried out in accordance with the Regulation. The protection of personal data must be incorporated in business processes from the start of their design (privacy by design) and the data processing must be minimized by default (privacy by default). The Regulation also gave data subjects additional rights, such as the right to data portability and the right to be forgotten.

Between 2017 and 2018, as the date when the Regulation would take full effect approached, Fastweb carried out activities for compliance with the new legislation, planning to update constantly over time, to ensure that data are always processed correctly and are protected by adequate security measures. The GDPR organizational model has updated and/or defined roles within the company, processes to support business functions in the design and implementation of products and services up to the highest protection

standards, those to guarantee prompt cooperation with the Personal Data Protection Authority and to guarantee the rights of data subjects.

To inform and sensitize employees about the importance of effectively complying with the GDPR and its accountability principle, in November 2017, a required initial e-learning course was given, describing the main legislative changes and their impact on the company.

In May 2018, when the GDPR went into force, another e-learning course was held to teach all employees about the organizational changes made to comply with the requirements of the Regulation. The two courses saw a response rate of 98.08% of the company population.

Also in keeping with this commitment, from March 2017 to May 2018, 20 classroom lessons and webinars were offered on general and specific issues for each team, targeting roughly 900 people, with around 700 people taking part.



In October 2017, the Board of Directors appointed the Data Protection Officer (DPO), the new position required by the GDPR. The DPO is responsible for overseeing management of personal data processing and, accordingly the protection of personal data within the company, ensuring that the data are processed in accordance with the GDPR.

The DPO's main duties are:

- Informing and sensitizing the Data Controller and/or Processor and employees who process data about the obligations arising from the GDPR;
- Overseeing compliance and the application of the requirements of the GDPR;
- Providing, if requested, an opinion on the data protection impact assessment and supervising the performance of the assessment;
- Cooperating with the Personal Data Protection Authority and acting as a contact for the Authority on all data processing related matters;
- Supporting the Controller or Processor in all personal data processing activities, including those in connection with keeping the data processing log.

Fastweb has published the DPO's contact information (dpo@fastweb.it; dpo@pec.fastweb.it; and the office address) in the data protection notice and on the available web pages.

The GDPR requires that a national authority, which in Italy is the Personal Data Protection Authority, monitors compliance with the Regulation and ensures proper data processing and compliance with the fundamental rights of people in connection with personal data processing.²⁶

The Personal Data Protection Authority's supervisory and monitoring activities include periodic inspections on the work of entities that process personal data. Following the results of the investigations conducted between the end of 2017 and the beginning of 2018, for events that occurred before the GDPR was implemented and took effect, the Personal Data Protection Authority charged Fastweb with violations in connection with the telemarketing activities carried out by its sales network. Specifically, the alleged violations related to, inter alia, how the consent of data subjects was managed, the profiling of customer' personal and financial data and commercial contact made without consent. Fastweb extinguished the fines with payment of reduced amounts. The Personal Data Protection Authority then issued an injunction for only

26. For additional information: <http://www.garanteprivacy.it/>

residual charge, imposing a base fine of €150,000, which it increased four-fold to €600,000 as it believed that, otherwise, Fastweb's financial conditions would have made the fine pointless. Although it did not agree with certain aspects of the charges, Fastweb preferred to pay the fine without taking additional action, partly because they related to events that occurred before the GDPR was implemented and to regulations that were no longer applicable in certain aspects.

With respect to relationships with the data subjects, Fastweb provides a series of different ways for data subjects to file complaints relating to the processing of personal data, so that it may respond promptly and transparently, including an email address (privacy@fastweb.it) and a certified email address (privacy@pec.fastweb.it).

In 2018, it received eight reports from the Personal

Data Protection Authority, and Fastweb immediately responded to each of these. During the year, it received 1,352 requests from individuals in emails sent to its dedicated email address; roughly 53% of the requests were to object to the data processing, while 38% related to the publication of the customer's telephone number in the directory, 5% to request cancellation and the remaining 4% were for other reasons. In 2018 two cases of data losses or thefts occurred.

Description	2016	2017	2018
Requests received	511	941	1.352

The company continued assessments with its suppliers previously conducted in 2017, in order to verify that their customer data are properly managed and protected. In particular, in 2018, 12 assessments were conducted at Fastweb's outbound sales units.

COMMITMENTS FOR THE FUTURE

Transparency and trust

Develop and further strengthen the #nientecomeprima strategy

Extend the #nientecomeprima approach to all business processes, in particular those that directly relate to our customers

Continue offering landline/mobile convergence solutions to increasingly improve the customer experience

Listening to customers and service quality

Encourage the adoption of new technological solutions for smart health

Strengthen solutions that support companies in protecting their business

Help companies implement IoT solutions to facilitate process innovation

Continue collaborating with consumer associations

Privacy and cyber security

Continue to improve personnel's awareness and training about information and data security and privacy

Continuously update infrastructure, systems and processes to guarantee compliance with regulatory provisions and international best practices on information security and privacy

Work and inclusion

Attracting and developing talent

Attracting the best resources on the market and supporting its employees as they grow personally and professionally are key aspects for an innovative company to ensure long-term business success.

Welfare and professional well-being

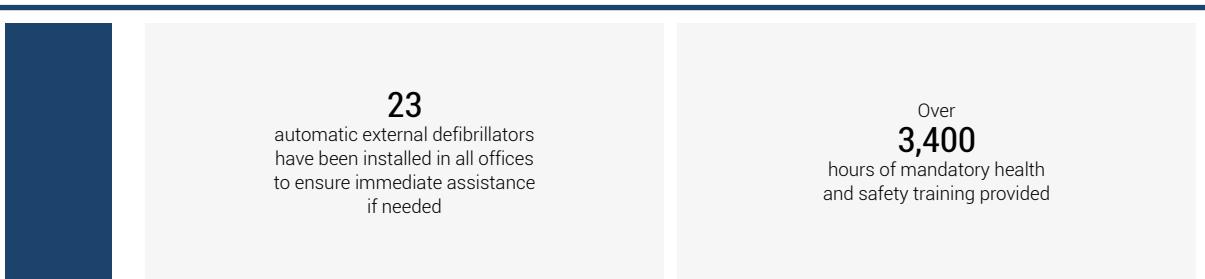
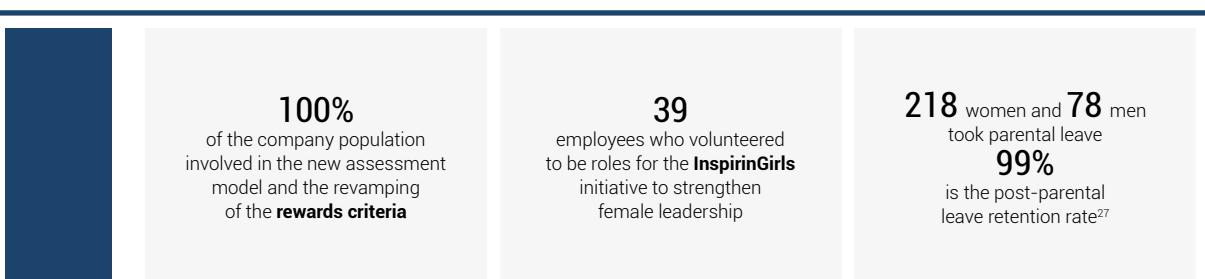
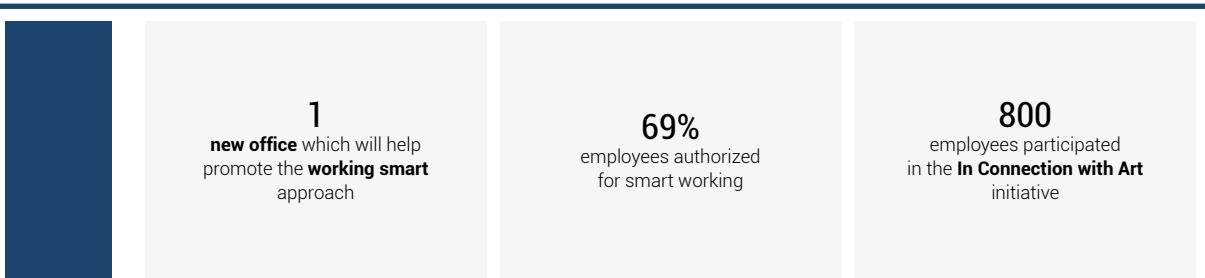
Ensuring its employees' well-being is a crucial part of Fastweb's HR management. The company undertakes to cultivate a positive working environment through work-life balance projects and initiatives to monitor and improve the corporate climate.

Diversity, equal opportunity and meritocracy

For Fastweb, this means actively promoting the creation of an inclusive and effective working environment that values merit and individual diversities.

Occupational health and safety

Promoting health and safety means actively monitoring current and potential risks to mitigate and prevent - in line with international standards - accidents in the workplace and any impact on the health of employees.



27. The data refer to January–November 2018.

5.1 WORKING AT FASTWEB: THE PROFILE AND DEVELOPMENTS IN 2018

The people who work for Fastweb are central to the company's growth and development. They are the key to the success of its organization and business.

In 2018, Fastweb had 2,602 workers, including 2,555 employees with permanent, fixed term or

apprenticeship contracts, seven interns and 40 temporary workers.

The number of employees changed during the year, with 65 new hires and 99 people leaving the company's employment. The changes in the workforce led to a decrease in the turnover rate from 8.3% in 2017 to 6.4% in 2018.²⁸

Company turnover

Turnover and total turnover rate		2016		2017		2018	
Unit of measure		n	%	n	%	n	%
Incoming employees - total		109	4.2%	132	5.1%	65	2.5%
Outgoing employees - total		47	1.8%	83	3.2%	99	3.9%
Turnover - total		156	6.1%	215	8.3%	164	6.4%
Turnover by gender		2016		2017		2018	
Unit of measure		n	%	n	%	n	%
Incoming male employees		81	3.1%	94	3.6%	40	1.6%
Incoming female employees		28	1.1%	38	1.5%	25	1.0%
Outgoing male employees		40	1.6%	65	2.5%	73	2.9%
Outgoing female employees		7	0.3%	18	0.7%	26	1.0%
Turnover and turnover rate by age		2016		2017		2018	
Unit of measure		n	%	n	%	n	%
Incoming employees < 30 years		29	1.1%	18	0.7%	22	0.9%
Incoming employees 30 < x < 50		77	3.0%	106	4.1%	40	1.6%
Incoming employees > 50 years		3	0.1%	8	0.3%	3	0.1%
Outgoing employees < 30 years		1	0.0%	4	0.2%	8	0.3%
Outgoing employees 30 < x < 50		41	1.6%	57	2.2%	80	3.1%
Outgoing employees > 50 years		5	0.2%	22	0.8%	11	0.4%

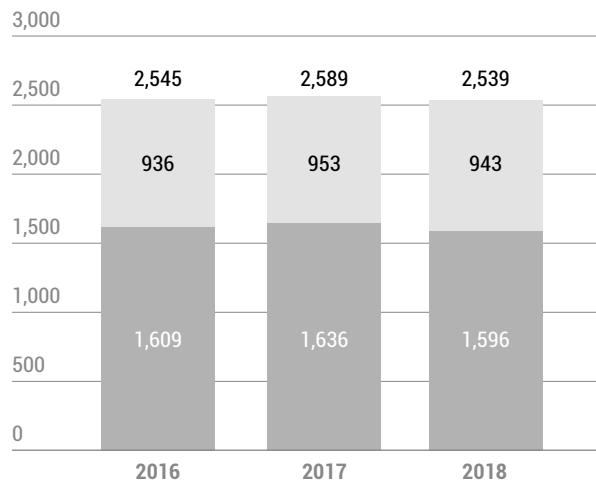
% calculated on the total number of employees

An analysis by contract shows that, as in 2017, 99% of employees have a permanent contract, while the number of fixed-term contracts increased from 8 to 11 and the number of apprenticeship contracts decreased from 8 to 5.

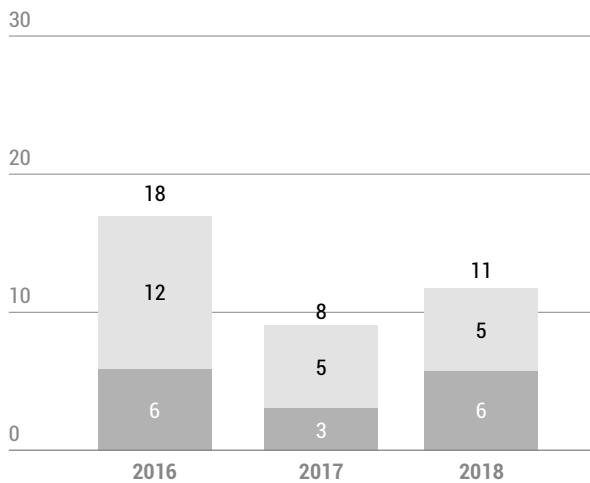


²⁸Calculated by adding incoming and outgoing employees in the year and comparing the sum to the workforce at 31 December, considering employees with permanent, fixed term or apprenticeship contracts.

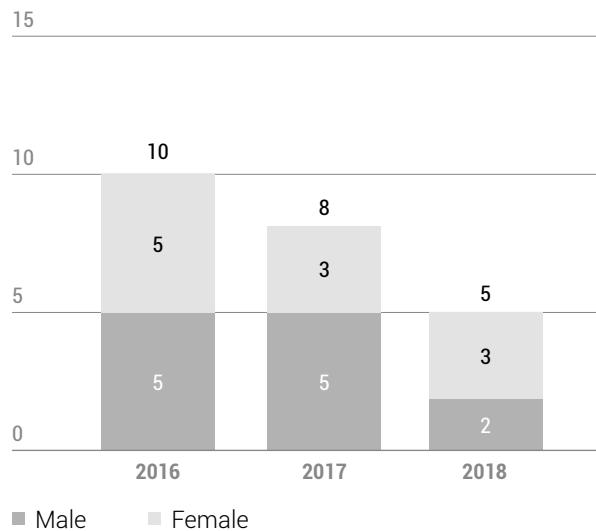
Breakdown of permanent employees by gender



Breakdown of fixed-term employees by gender

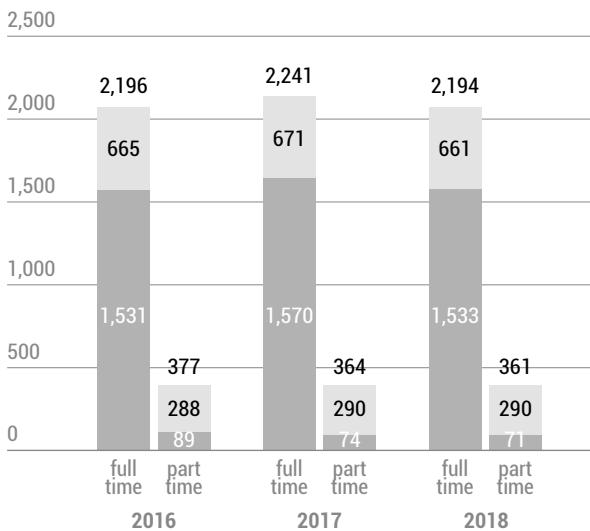


Breakdown of apprenticeship employees by gender



■ Male ■ Female

Employees with full-time and part-time contracts



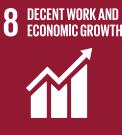
Furthermore, as in 2017, 14% of employees have part-time working arrangements and approximately 80% of these part-time workers are women.

All Fastweb employees are covered by the national labor agreement in accordance with national labor legislation. In particular, white collar workers and middle management are covered by the national labor agreement for the telecommunications sector, while the company's executives are covered by the national labor agreement for industrial managers.

A second level of negotiations is provided for workers in

the scope of application of the national labor agreement for the telecommunications sector. This second level of negotiations refers to agreements that may concern shifts, the use of paid leave and eligibility for other welfare benefits and those meant to improve personal well-being. In this respect, in May 2017, the company signed a new three-year agreement for 2017-2019, in collaboration with the trade unions representing company employees. The agreement provides for changes in relation to welfare, work hours, required availability and compensatory time-off, meal vouchers and travel for work. It also establishes the rules for and the amount of performance bonuses in the period considered.

5.2 ATTRACTING AND DEVELOPING TALENT



ATTRACTING TALENT, INVESTING IN THE FUTURE

Together, talent and innovation are interlinked drivers of development, especially in a continuously evolving industry like telecommunications.

Together, talent and innovation are interlinked drivers of development, and this is why we focus intensely on promoting professional development through many initiatives for students and young job-seekers.

In recent years, the company has taken a number of different steps to publicize Fastweb on the job market, investing in communications, meetings and orientation sessions for students and young job-seekers.

First and foremost, it created a special section on its website titled "Working at Fastweb", which gives people an idea of what it means to work at Fastweb and describes the company's values and employee initiatives, such as smart working and the welfare program.

This area also leads to the "[Work with us](#)" section, which links directly to the Fastweb Digital Recruiting platform where people may apply for job openings, upload their CV and try out the Web Assessment, a series of online tests for the applicant's initial assessment.

The tests include Digital IQ (see details in Chapter 3) and help Fastweb find out more about the applicants, evaluate them and provide personal guidance. Each applicant receives feedback in real time, regardless of the results of the process, and this helps them best focus on their improvement areas.

Social networks have also played a key role in promoting the company, along with Fastweb's partnership with a few of Italy's leading recruitment sites.

In addition, the company consolidated its relationship with universities through 17 events in various Italian cities (Milan, Rome, Bari, Turin, Naples, Catania, Cagliari, Cosenza, Albano Laziale and Poggio Mirteto). These 17 events included 12 multi-company Career Days and five university events dedicated exclusively to Fastweb, such as the Recruiting Days held at the Polytechnic University of Bari and the Roma Tre University, in which Fastweb employees told students about their educational background and professional experience.

The webinars about "ways of working at Fastweb" have

been another way for potential job applicants to learn about the company. In these webinars, employees talk about the projects and activities they have been involved in personally concerning key issues for Fastweb. Examples are the FASTGate modem, open innovation, convergence and 5G and cyber security. The webinar videos are posted and publicized on the specialized website "[Brain at Work](#)" and the company's social network accounts.

In 2018, the Bicocca University began offering a Data Science master's program in which Fastweb offers its data sets, after they have been adequately reprocessed and made anonymous, for students to use as the basis for their work. The program also includes an "exchange": Fastweb managers are invited to speak in university classrooms, sharing their experience, and employees can take part in the training provided by university professors. Furthermore, beginning in December 2018, Bicocca University and Turin Polytechnic University students have the opportunity to work on their thesis directly at the company.

In 2018, specific emphasis was given to welcoming newly hired employees at the company. A new induction program was kicked off to teach new employees about the company and its culture, to help them familiarize themselves with Fastweb's organization. The program is available to all new employees and lasts for six months, regardless of their level, position and type of contract. In addition to the Welcome Day and the welcome kit on the Intranet, which were rolled out in 2017, Fastweb has provided for additional initiatives, such as the assignment of tutors, customer care mentorships, mentorships at flagship stores, intermediate interviews with the relevant business partner HR departments and the preparation of a dedicated training package.

For Fastweb, being a sought-after employer means increasing new generations' understanding of the professional world. In particular, through student work experience programs, the first project having been initiated with Assolombarda in 2016, Fastweb aims to introduce students in their third and fourth years of high school to the world of work. In 2018, the initiative saw the start of 60 two-week work experiences in the Milan, Rome and Bari offices. During their stay, the high school students could also tour the company offices and the data centers, to gain a better understanding of Fastweb's business.

In 2018, a specific web page for the orientation and student work experience was created on the corporate website, explaining the main projects for schools and students. With the same objective, during the year,

Fastweb also signed a protocol of understanding with ANPAL, the national agency for active labor policies, to forge a closer link between school and the private sector.

Demonstrating its commitment to projects for the 2017/18 academic year, in July 2018, the company received the BAQ, a mark of quality work experience for high school students awarded, which Confindustria awards to companies that stand apart for offering high quality work experience.

Lastly, another two projects topped off Fastweb's efforts in work experience for high school students: the new Digital Work Experience developed in partnership with Cariplò Factory, which gave 100 high school students the chance to participate in the orientation and learn about the Fastweb universe (see par. 3.2), and Push to Open Junior, an orientation program for middle school students, with support for their parents.

THE PERFORMANCE MANAGEMENT PROCESS

The performance assessment system is the launch pad for the development of people's competencies and the creation of targeted development plans for each of them. Each year, the assessment covers all employees with open-ended contracts (including apprentices) who have been with the company for at least six months.

The assessment model is based on three performance areas: professional competencies, the soft skills that characterize life at the company (Be Customer, Be Simple, Be Decision-Maker, Be Positive, Be Fastweb) and managerial competencies (Develop People, Lead Performance, Be inclusive with everyone) for employees with management responsibilities. Employees may gather feedback not only from their supervisor and predecessor (if they have held their position for fewer than six months) but from the colleagues working closely with them as well.

Following the performance review, the most appropriate development and training begin to make the most of each employee's competencies, as described in the "Employee training and development" section.

THE REWARDS SYSTEM

The criteria used to assign rewards began undergoing a major assessment and revision process in 2018: the first step was an overall survey of the current system, while mapping the roles of a benchmark system for the telecommunications market. With the involvement of a few company managers, positions were analyzed by family, sub-family and role, and there classified in

bands based on their level of accountability. Each band was assigned a salary range based on the market benchmark.

The mapping will be provided to the company population so all employees are more aware of their role and position within the organization and have a solid framework for the definition of their career and development at Fastweb.

Moreover, sharing this analysis is another step towards transparency and guaranteeing the application of merit-based parameters when personnel remuneration and management policies are defined.

TRAINING AND DEVELOPMENT

To retain a set of competencies that is always up to technological and market trends, in recent years Fastweb has based its employee development and training activities on the 70-20-10 Model, characterized by the involvement and accountability of people. With this model, only 10% of the activities offered rely on formal teaching, while on-the-job experience accounts for 70% and contact with colleagues, i.e., the social effect, accounts for 20%.

In 2018, the development drivers remained coaching, mentoring and the "Tour of Duty".

In particular, during the year, coaching labs continued. They are structured group development activities in which participants discuss and share their experiences. Some employees have been offered individual coaching, which consists of six months with an in-house or external coach to ramp up managerial skills based on a development objective.

On the other hand, mentoring is an eight- to nine-month-long program that provides for periodic meetings between mentor (in-house) and mentees: in 2018, this program was expanded and involved 62 resources.

The Tour of Duty program started as a pilot project in 2017 and continued in 2018: it enables participants to work in other company divisions than their own. The program is an agreement between the company and the employee, in which the employee works for three months to one year in a different company division, thereby developing new competencies and abilities.

In 2018, Fastweb invested significantly in development and managerial training with classroom activities focused on developing personal responsibility and the ability to delegate and provide effective and

constructive feedback. This program is structured in layers, with 44 sessions for a total of 530 attendees and 354 people involved, with three main modules: Empowering Dialogue, FOM (Fundamentals of Management) and Game for Managers.

Empowering Dialogue was kicked off in 2017, involving the first layer of Division Directors, and was expanded in 2018 with the extension of all second layer Division Directors and their staff, to strengthen and reinforce managerial competencies and provide the necessary tools to provide valuable feedback.

FOM is a training module on the managerial competencies that are fundamental for Fastweb, offered to all first-time coordinators, while the *Game for Managers* involved all managers at the company, starting with the third layer: in this case, two days of workshops were held to discuss, including through games, the characteristics of the three managerial competencies covered in the performance management model (Lead performance, Develop people, Be inclusive with everyone).

The Skillathlon was another particularly important training initiative held in 2018, consisting of a series of meetings, workshops and labs to spread a shared vision of the five skills introduced in the new performance review model that Fastweb adopted at the end of 2017 with the entire company population.

The Skillathlon consisted of 65 classroom lessons, inspirational speeches, workshops and labs with over 1300 attendees, and the publication of 2,060 articles in the company training tool available to all employees at any time.

Specific attention was also devoted to professional training, with classroom lessons constituting roughly 45% of total training provided in 2018. As in previous years, the most important courses included Marketing Academy, for all staff on the Marketing team, to share with them the main trends in the sector. This initiative targeted the marketing group, with a total of 369 attendees, and consisted of meetings, testimonies and workshops on problem solving for a total of 43 hours of training per participant.

Another training course organized during the year was HR for HR, on working practices and methodologies for the Human Capital and Change Management team.

Another professional training event was for ILEX speakers, who are Fastweb employees who share their knowledge and hold classroom courses open to all employees. Launched in 2018, ILEX Innovation Journey is a growth and development process consisting of 2018 days of training over two years with the primary aim of providing new solutions to make lessons more engaging and effective, with the use of digital tools and innovative teaching methods such as *gamification*.



2018 also saw the expansion of technical training: the new courses focus specifically on innovative issues like 5G, IoT, Blockchain, the Cloud services and small cells, and will be further developed in 2019.

Much of the technical training was provided as part of the ILEX (Internal Learning Experience) courses held by ILEX speakers. In particular, during the year, 56 classroom sessions were held for a total of over 60 days (25% of the total training), involving 44 ILEX speakers and 721 trainees.

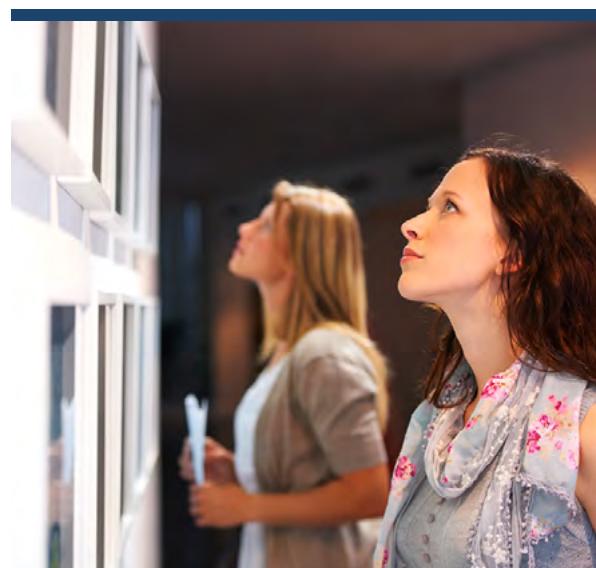
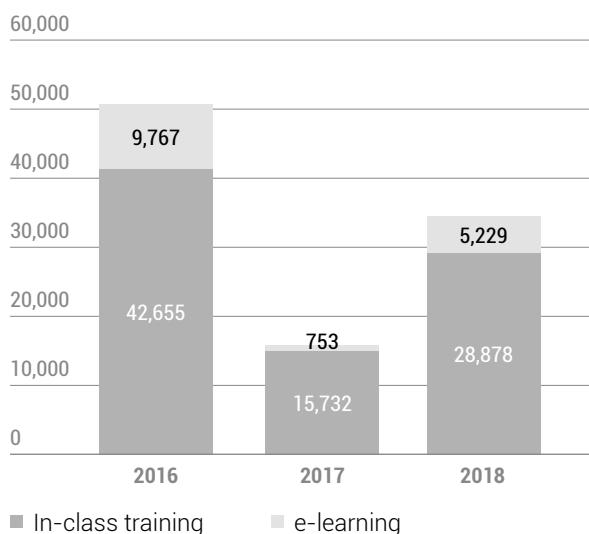
Since 2016, the training offer for Fastweb employees has

grown to include e-learning courses for the development of technical and professional competencies. With the new management platform rolled out in 2017, all employees can chart their own paths in a structured and dynamic matter, according to their needs.

In 2018²⁹, 34,107 hours of training were provided, including 28,878 classroom hours and 5,229 e-learning hours, for a total of 13.35 hours per employee.

Below is a detail of the hours of classroom training in the 2016-2018 three-year period, broken down by level and gender.

Total hours of training provided



Hours of classroom training by employee category	Total hours			Number employees			Per capita hours		
	2016	2017	2018	2016	2017	2018	2016	2017	2018
Executives	3,855	70	849	104	99	86	37.1	0.7	9.9
Managers	9,589	n.d.	5,373	377	393	383	25.4	n.d.	14
Office staff	29,211	15,662	22,656	2,092	2,113	2,086	14.0	7.4	10.9

Hours of classroom training by employee gender	Total hours			Number employees			Per capita hours		
	2016	2017	2018	2016	2017	2018	2016	2017	2018
Training provided to male employees	31,455	12,008	17,327	1,620	1,644	1,604	19.4	7.3	10.8
Training provided to female employees	11,200	3,724	11,551	953	961	951	11.8	3.9	12.1

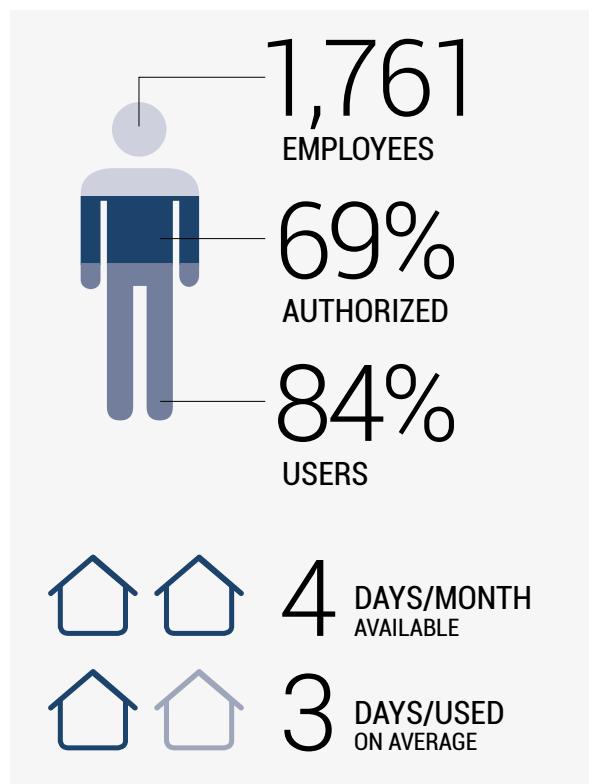
29. The difference between 2016 and 2017, 9,767 hours compared to 753 hours, was due to the fact that type of data reported changed from one year to the next. As effective participation in 2016 could not be monitored, it was calculated by multiplying the number of theoretical hours of each course by the number of days in which the course was available to the company population and adding the resulting products. On the other hand, the new e-learning platform generated 2017 data on the actual hours of training provided through e-learning. The number of courses available and the hours of training that can be used in the two years are more or less identical.

5.3 FROM "SMART WORKING" TO "WORKING SMART"

We are committed each and every day to creating a work environment where people are valued and their perspective is considered. This means cultivating a positive, inclusive, diverse environment in which everyone is free to express their full potential.

Since 2015, and in step with contemporary technological and cultural changes, Fastweb has pursued a new approach to thinking about working styles in the company, starting with a smart working pilot project that is the first of its kind in Italy. Innovative and flexible, smart working enables workers to decide where they want to work, and provides them with the technological tools they need to complete all their tasks.

Not only is smart working aimed at facilitating a healthy work/life balance, but it is also meant to change the work culture within the company, with more flexibility and individual responsibility, and is now a fully integrated way of working that workers are using widely, making Fastweb a smart work leader in the Italian telecommunications industry.



Over the years, Fastweb has continued to think about the meaning and the potential developments of this project, transforming its ideas into the concept of "working smart" and undertaking to revolutionize its way of working by focusing on participation, accountability, efficiency and flexibility, thanks in part to the constant use of new technologies to improve communication and company life.

Listening and reaching out to workers have been crucial to the company's approach. Again in 2018, Fastweb continued to reinforce and multiply meetings and exchanges with workers, not only to improve the climate within the company and communications with and between people, but also to involve workers in the definition of the company's plans and projects for innovation and co-design.

For example, Fastweb proposed the appointment of 18 change players to promote a new way of working. Specifically, in 2018, these change players focused on effective meetings, a topic that is particularly important to people at various levels of the organization. All employees' needs were considered through an online survey to which 1,142 people responded. Six design thinking workshops were held in which the change players described a few golden rules that will be applied on an experimental basis over the next few months.

Considering the success of the first edition and the innovative ideas that arose, Fastweb intends to continue to make the most of these change players as catalysts for action and new ideas to spread the working smart approach throughout the company.

In addition, with the same objective of changing the way in which people work, four work groups were created in 2018 to update compensation processes and develop a lean organization, improve internal mechanisms for the delegation of duties and enhance and celebrate the results achieved and continuous feedback: these aspects have been identified as key elements in the development of working methods within the company, as they are crucial to the accountability and self-awareness of people.

The annual survey on employees' sense of belonging

The 2018 survey sent to all employees focused on two elements: their emotional tie to the company, i.e., the trust, admiration and, in general, feelings that it instils, and a more rational assessment of the company, described considering seven key areas (Performance, Products and Services, Innovation, Workplace, Governance, Civic Responsibility and Leadership).

Approximately 90% of the company population filled in the questionnaire, confirming workers' desire to take part in company projects and a sense of belonging throughout the company. The results highlighted that the emotional tie to Fastweb is strong, with a score of 78/100; furthermore, over 77% of respondents expressed enthusiasm with the company's strategies.

The survey enabled the company to identify a few improvement areas in terms of the *recognition* of each individual employee's contribution, while the mechanisms for vertical communications and dialogue were scored as highly effective. In particular, respondents recognized the value of the CEO's video communications and confirmed the significant growth in corporate and official communication channels.

During the year, Fastweb continued activities to engage social ambassadors, an in-house community promoting the company's initiatives on social networks, including the hashtag "#befw" (Be Fastweb). Again in 2018, the social ambassadors took courses with outside professionals to boost the engagement and digital skills of members of the community in the fields of cyber security, digital well-being, digital empathy, digital content & information and digital data.

Finally, after the testing in Bari, specific focus on engagement was devoted to the engagement-inducing design of spaces in the new Milan office.

The new office in Milan will serve not only as an effective work space, but also as an active tool to promote the working smart model.

The new Milan office: space used for growth and sharing

In 2018, work was completed on Fastweb's new Milan office, which will stand in the Symbiosis smart office district near the Porta Romana railway station. The office was designed to hold nearly all employees working in Milan, who will now share a single hub where they can meet and exchange information more easily.

The building, where operations will begin in January 2019, represents a milestone for Fastweb's approach to work, and is intended to encourage a shift in mentality towards flexibility and the achievement of individual objectives, while ensuring ideal working conditions for personal and company well-being.

The innovative nature of this project stems from the building's structure and the solutions that Fastweb has chosen for its systems and organization to encourage working smart.

PILLARS

- Build the least possible
- Multifunctional spaces
- No assigned seats
- Paperless office

TECHNOLOGICAL TRENDS

- Green building
- Mobile first
- Cloud
- Collaboration & Communication



In particular, by upholding the principles of "Build the least possible", "multi-functional spaces" and "no assigned seats", open spaces have been designed to encourage this new way of working. The lack of closed-off offices and static desks will be offset by various types of conference rooms, co-working spaces and functional areas where personnel can meet, work together or take a break, based on the concept of everyone choosing where to work depending on what they need to do and who they need to do it with.

In this way, the building should instill new modes of conduct, leading to workers assuming more responsibility for their needs and the promotion of widespread cooperation.

New technologies are a key part of this approach: the new space will be the first Fastweb offices with an all wi-fi primary network, equipped with new cloud and digital communication solutions for people to work, as needed, either remotely or from any of the many spaces provided in the offices easily, collaboratively and rapidly.

Specific attention has been devoted to the creation of a paperless office (digitalization of records) and the adoption of green building practices, as demonstrated by the building's LEED Platinum certification. The new offices will also have a solar power system to self-generate electricity and a last-generation air conditioning system to reduce energy consumption.

In addition, the project has preserved the grassy areas pre-dating the construction of the building, keeping the gardens opposite piazza Olivetti, with over 100 types of plants and trees typical of the area. The building was also designed considering sustainable practices for transport, with the provision of nearby parking for car and bike sharing. In line with the Sharing Cities project, of which the Symbiosis district is part, the use of public transport and sustainable lifestyle choices will be strongly encouraged.

The transversal approach to employee involvement and the widespread use of innovative digital solutions for everyday work have made Fastweb an example for many companies that are now, for the first time, attempting digitalization and employee engagement.

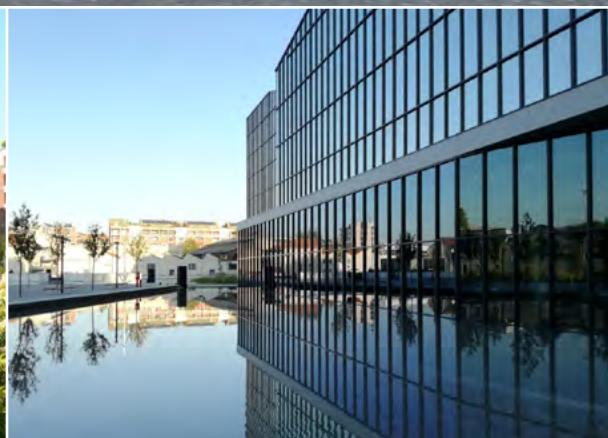
As for the Bari offices, which were completed in 2017, Fastweb employees took an active part in the design of the Milan offices by responding to targeted surveys, participating in specific meetings and department interviews and by visiting the construction site. One important example of this involvement is the series of six employee co-design workshops, in which 60 workers acted as spokespeople for their colleagues, reporting the needs and expectations of the various company departments to the architect responsible for the building and to the relevant company divisions.

Furthermore, four online surveys for the entire company population asked for their opinion on issues like mobility to and from the offices, what functions to include in the Fastweb app, and how to manage mobility and meals. To promote participation, the first layer of managers were actively involved in the construction project with visits to the site. Over 100 managers provided feedback and acted as promoters and ambassadors with other employees on the main new elements of the building. Furthermore, in preparation of the move, the entire population that will be affected by it was offered a chance to tour the new offices, and over 270 people took the tour.

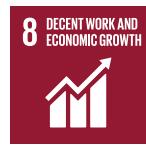
Co-design sessions with over 40 people were also held to define the new app on Agorà, the company's Intranet. The app will replace the current mobile Intranet and enable employees to reserve their work spaces online and access the main functions and news published on Agorà.

All the aspects that arose during the listening and discussions with employees were analyzed and examined. This led to the definition of new requirements in the spaces, initiatives to improve shared outdoor spaces, the drafting of "newtiquette" a code of conduct for all employees working in the new space.

In 2018, two learning tours were held with top companies in the luxury and financial sectors. A handful of meetings were held with management to explore these issues and learn about their companies' experiences.



5.4 FASTWEB'S WELFARE MODEL: ALL-ROUND WELL-BEING



Fastweb's welfare model is designed to support employees by providing services and solutions that improve their lives, extensive insurance and healthcare coverage, initiatives and partnership agreements for education, sport, culture and leisure.

In particular, the company's welfare services cover eight essential areas:

1. **Work-life balance** which, in addition to smart working described above, provides for specific services to lighten workers' daily load, such as an online assistance to handle small, daily errands;
2. **Benefits**, including the extension of employees' opportunity to request early pay-out of post-employment benefits, the chance to use flexible benefits, free tax assistance in the office, company discounts and partnership agreements for products at reduced prices;
3. **Insurance**, consisting, in particular, of life insurance, permanent invalidity and professional/non-professional liability insurance for the entire company population, in addition to health insurance policies at reduced premiums;
4. **Healthcare**, including various health programs for employees, free flu vaccines, cancer awareness campaigns (in partnership with LILT) blood donor awareness campaigns and well-organized, affordable insurance for medical expenses;
5. **Education**, consisting of summer and winter camps for employees' children, school books at discounted prices with deferred payment in pay slips and contests/initiatives for employees' children;
6. **Sport**, with a variety of free initiatives for runners and tickets to sports events;
7. **Culture and leisure**, including free cultural activities at the company or exhibition and museum tickets and tours;
8. **Mobility**, with discounts and deferred payment plans for public transport passes and car sharing benefits.

To increasingly expand the range of services and benefits available to employees, in early 2018, the Fastweb completely rehauled the "Fast for me" company welfare platform, transforming it into a web-based platform accessible from any device and

providing a broader spectrum of increasingly varied, nationwide offers.

The portal was divided into three sections, each of which consists of specific offers and services for saving time and money: "For you", with benefits for workers, "For your children", with solutions for children and teenagers; and "For your family", the section consisting of offers specifically designed for relatives and family members.

Flexible benefits are another important initiative unveiled in 2018: an alternative performance bonuses not subject to income or social security taxes, consisting of goods, services and non-monetary benefits in addition to the monetary portion of their performance bonuses (PDR). In particular, Fastweb now offers employees the chance to convert all or a portion of their annual performance bonus into goods and services through "Fast for me", in the areas provided for by the new regulations. This initiative has already been extremely popular in its first year: amongst the employees who receive the PDR (51,5% of total workforce), 10% opted for this remuneration model, converting to flexible benefits 75% (average) of total PDR bonuses; in addition, the company increased the portion of alternative performance bonuses that employees converted into flexible benefits by 20%.

Another 2018 initiative involved mobile telephony deals: all employees were offered the chance to use up to two SIM cards for free within the limits of the plan, and the cost of mobile telephony services was halved for employees who used the same mobile phone for both work and personal use.

Personal well-being at Fastweb does not end with the benefits and special discounts, but can also be found in its focus on personal interests and the activities and initiatives it offers.

It has continued to organize Run Happy Crew, a sports initiative designed to boost people's energy, motivation and excitement. Around 320 runners participated in 2018, meeting weekly to train after work with professional trainers provided by Fastweb at no charge. The running crew had the opportunity to participate in races and running events in various cities during the year, with the company paying their registration fees.

In the field of art, Fastweb launched "In Connection with Art", opening its doors to contemporary art quite literally, as exhibitions were held at the Fastweb offices in Milan, Rome and Bari. This initiative also included meetings with the artists and interactive experiences

with VR headsets and art docents, in which employees could interact with the works of art. Furthermore, employees were offered free tours at top cultural centers (for the Naples and Turin offices in addition to the Milan, Rome and Bari offices).

This project, which also included a few initiatives for customers, received special mention at the European Parliament's Corporate Art Award 2018 "for having used art as a tool to promote the creation of a cooperative environment between employees, customers and institutions".

Partnership agreements for employee transport continued, and again in 2018, Fastweb employees received discounts on LPT (local public transport) passes, with deferred payment in their pay slips, as well as discounts on car sharing in large cities.

In connection with post-employment benefit reform and in accordance with the national labor agreement, employees pay their monthly contributions into the government's treasury fund managed by INPS (the

Italian social security institute), or they may opt to transfer all or some of their contributions to a specific pension fund for workers in the telecommunications sector (Telemaco). As required by pension fund legislation, if an employee (white collar or junior manager) opts to pay into the Telemaco fund and pays, in addition to post-employment benefits, additional contributions (minimum of 1%), the company must in turn pay a fixed contribution of 1.20% of the remuneration considered in the calculation of post-employment benefits. However, executives may currently choose one of two pension funds (Insieme or Previndai, up to 2007 only Previras was offered to executives) and the minimum contribution is 4%, to which the company must add a fixed contribution of 4% of the remuneration considered in the calculation of post-employment benefits. Employees with open-ended employment contracts and apprenticeship contracts may register with pension funds. In 2018, 40.5% of the company's white collar workers and junior managers (1,001 people) were registered with Telemaco and 83% of executives (72 people) were registered with specific supplementary funds.



5.5 PROTECTING DIVERSITY AND EQUAL OPPORTUNITIES

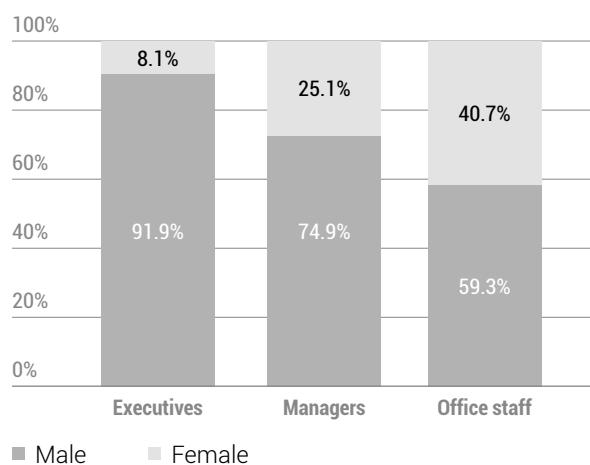
We undertake to create a work environment in which a diversity of characteristics and personal and cultural orientations is seen as a resource and source of mutual enrichment.

In accordance with the Code of Ethics, the company prohibits any form of discrimination based on political opinions or trade union membership, ethnic background, religious faith, gender, sexual orientation, marital status, physical or mental disability, nationality, language or social and economic condition. Fastweb does not tolerate intimidation or bullying and penalizes any attempt to condition the conduct or work activities of individuals or groups of people. Demonstrating this approach, as in previous years, the company did not receive any reports of discriminatory practices in 2018.

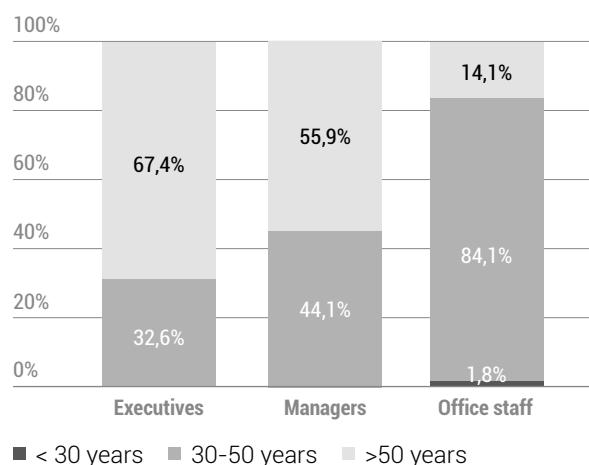
In 2018, 63% of the workforce was male. The fact that the majority of Fastweb's employees are men is due to the specific nature of its business, which is high tech, and this prevalence can also be seen in the breakdown of employees by position: 92% of executives, 75% of junior managers and 59% of white collars are men. Job applicants when the company is recruiting are also predominantly male, and the percentage of men increases the more technical and technological the field. All members of Fastweb's Board of Directors are men, and five of them are over 50 years old, while one is between 30 and 50. All members of the Management Board are men, and five are between 30 and 50, and seven are over 50.

Roughly 76% of employees are between 30 and 50. 84% of white collars fall into this age group, compared to 44% of junior managers and 33% of executives.

Percentage of employees by position and gender in 2018



Percentage of employees by position and age in 2018



Equal opportunity, non-discrimination, meritocracy and transparency are the principles on which personnel management and remuneration are based.

The rewards criteria are based exclusively on individual performance, merit and professional competencies.

In 2018, the ratio of the average annual gross salary of female employees to that of male employees was approximately 88% for executives, 94% for junior managers and 85% for white collars, showing a slight increase on 2017 for executives and junior managers.

On the other hand, the analysis of total remuneration of men and women, and therefore considering their base salary plus additional amounts paid for seniority, benefits, overtime, holidays accrued but not taken and all other indemnities, showed that the ratio of women's salaries to men's is 84% for executives, 92% for junior managers and 82% for white collars³⁰. The annual remuneration of recent graduates hired in 2018, considering the same entry levels, is identical for both genders³¹. In 2018, the ratio of the average annual salary for the lowest contractual level to the minimum salary is 108%. In particular, the ratio is 107% for women and 110% for men.

³⁰ For better data comparability, to calculate executives' remuneration, the top managers were not considered (i.e., the CEO and the six members of the Management Board).

³¹ For comparative purposes, data relating to employees under the age of 30 hired in 2018 were sampled.

As required by the national labor agreement, all Fastweb employees may take parental leave. In 2018, 296 employees took parental leave (218 women and 78 men), with 99% returning to work (in 2018, 293 people returned to work) and a retention rate (i.e., workers still with the company 12 months after having taken parental leave) of 98%.³²



Again in 2018, Fastweb renewed its partnership with [Valore D](#), one of the most well-known associations in Italy for its commitment to promoting diversity, talent and female leadership, offering training, events and specific work groups formed by people from its member companies specializing in different areas. In 2018, 13 colleagues took Valore D training and development courses.

As part of this partnership, 2018 saw the launch of [InspirinGirls](#), a campaign to increase girls' awareness of their talent, liberating them from stereotypes of all kinds. 39 volunteers from various sectors and professions applied to be role models for this project

and in 2018, 15 of them were already sharing their professional and life experiences with the participating middle school students to create a bridge between school and the world of employment. During the meetings at schools, Fastweb's role models talked about their personal and professional experiences, to inspire and set an example for the girls, while also motivating them to achieve their full potential.

Another important ongoing partnership was confirmed again in 2018, [Professional Women's Network \(PWN\)](#), a global network of professionals united in their common goal of strengthening female leadership through professional development and international networking.

The partnership with PWN led to two additional projects during the year: **Millennial Mentoring**, to reduce the digital divide between the different generations and promote gender equality and **Own your Career Program**, to bridge the gap between universities and schools, encouraging female students poised to enter the job market so they experience it as an exciting challenge, including testimonials from women who have already made this leap. In particular, Fastweb employees provided two testimonials as part of this project in 2018.



³². Data on the number of people who took parental leave and the retention rate refer to January–November 2018.

5.6 OCCUPATIONAL HEALTH AND SAFETY AS A WIDESPREAD CULTURE AND COLLECTIVE DUTY

Health and safety are vital issues that Fastweb is committed to focusing on in order to minimize risks. It develops targeted activities for employees and suppliers who work at its offices, equipment rooms, directly operated stores and construction sites.

For a structured management approach focused on continuous improvement, since 2010, Fastweb has adopted an Occupational Health and Safety Management System that is certified according to OHSAS 18001. In addition, a dedicated department, supervised by the Head of Risk Prevention and Protection, defines the policies and guidelines for compliance with all occupational health and safety regulations and carries out risk prevention and protection activities each year to continuously improve workers' health and safety.

Workers' Safety Representatives, 16 employees based throughout all company locations and offices, serve on the health and safety committees, representing the entire company population. Together with the Prevention and Protection Service Officials, the Workers' Safety Representatives carry out health and safety activities at all Fastweb sites in their respective areas.

Health was given particular importance in 2018 with the launch of a company heart emergency project, in which a total of 23 semi-automatic defibrillators were installed at all Fastweb offices, so immediate assistance may be provided to any employees if necessary. To ensure the prompt and proper use of devices, specific, four-hour training courses have been provided since December

2017, with the involvement of 170 people throughout all Fastweb's offices. This training will be offered each year to ensure that trained people are always ready to take action if needed.

During the year Fastweb also promoted an optional vaccine campaign in which 233 people participated. In addition, it held an awareness day at the Milan office with the participation of the company doctor.

The company also updated its approach to mandatory training with the roll-out of new e-learning courses in addition to those offered as classroom courses. Online training was used particularly for work-related stress courses, which were introduced considering the findings of a survey conducted on organizational well-being in 2017.

In 2018, Fastweb provided a total of 3,432 hours of mandatory training (1.3 hours per employee), 2,980 of which in the classroom and 452 as e-learning.

Fastweb recorded 24 accidents at work in the year.

83% of injuries occurred in transit: these were accidents that occurred, for example, while employees were travelling to or from work. The injuries reported at Fastweb sites were due to distractions or minor accidents not attributable to the company's negligence in the protection of worker safety.

Fastweb does not have any employees involved in work duties that present a high rate or risk of specific illnesses.

Employee injury rates		2016	2017	2018
Number of injuries	Total	32	34	24
	Including in transit	24	28	20
	Including fatal injuries	0	1	0
	Fatality rate	0	0.2	0
	Including those with serious consequences	7	8	4
	Including those in transit with serious consequences	3	7	3
Serious accident rate		1.4	1.6	1.0
Number of illnesses	Total	n.d.	n.d.	7
Number of recordable injuries	Total	n.d.	n.d.	11
	Recordable injury rate	n.d.	n.d.	2.6

The rates reported in the table are normalized with a factor of 1,000,000 units

COMMITMENTS FOR THE FUTURE

Attracting and developing talent

Continue making Fastweb an attractive place to work, particularly for recent graduates

Develop partnerships with universities to expand Fastweb's presence at career days

Continue the practice of continuous feedback

Continue training and updating the company population

Welfare and professional well-being

As part of the Working Smart approach, develop initiatives to improve well-being in the workplace

Launch initiatives to support families in health and education

Diversity, equal opportunity and meritocracy

Share the new rewards policy and the new rewards model with the entire company population

Confirm participation in the InspiringGirls campaign to strengthen female leadership

Occupational health and safety

Focusing and increasing attention on the use of new technologies to simplify processes

At the new Milan office introduce an approach to the use of new technologies for emergency management

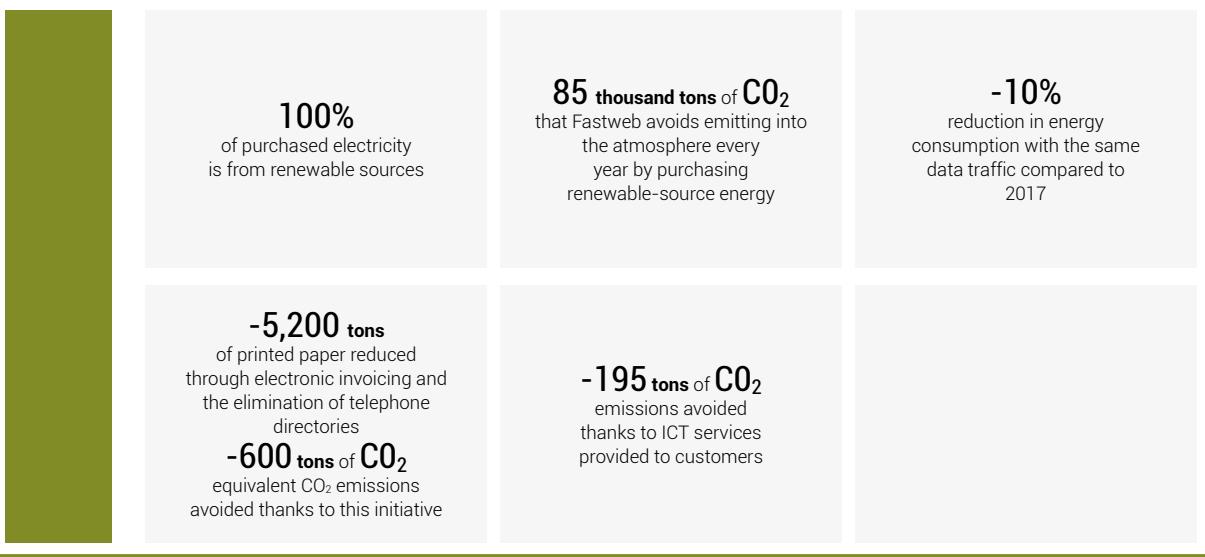
Responsibility and environmental sustainability

Energy efficiency and climate change

As the company strives to help safeguard the environment and mitigate the impact of its activities on climate change, it has begun a series of initiatives ranging from the purchase of energy from renewable sources to measures for improving the energy efficiency of network infrastructure and data centers. Fastweb also offers digital services and solutions that enable customers to live more sustainably.

Local initiatives and communities

By creating and supporting projects for local communities, Fastweb aims to have a positive social impact everywhere it operates.



6.1 MANAGEMENT AND MONITORING OF ENVIRONMENTAL IMPACTS

The growth of data traffic and the expansion of the networks necessary to sustain this growth have posed a large number of challenges for the telecommunications sector in terms of managing environmental impacts, energy consumption and climate change.

Fastweb promotes the environmental sustainability of its activities through programs aimed at reducing the company's environmental impacts. The main areas on which it focuses are increasing the energy efficiency of its network infrastructure and data centers and reducing the climate-changing emissions generated by its activities and its customers' use of services.

Significant attention is also paid to the adoption and promotion of digital solutions as opportunities to reduce the company's impact on the environment.

With the ISO 14001-certified environmental management system, Fastweb has ensured that it manages all the material environmental impacts of its activities, striving for continuous improvement.

To ensure that the environmental management system's procedures are correctly applied, the company conducts periodic internal audits and holds meetings with the heads of the operating units that manage environmental aspects.

In 2018, 28 internal audits were conducted on the correct application of the environmental management system within the company. These audits consisted of checks on the application and effectiveness of processes and inspections at offices, equipment rooms and stores. All the findings and improvement areas were addressed with the involvement of the operating units concerned.



6.2 ENERGY CONSUMPTION AND ENERGY EFFICIENCY INITIATIVES

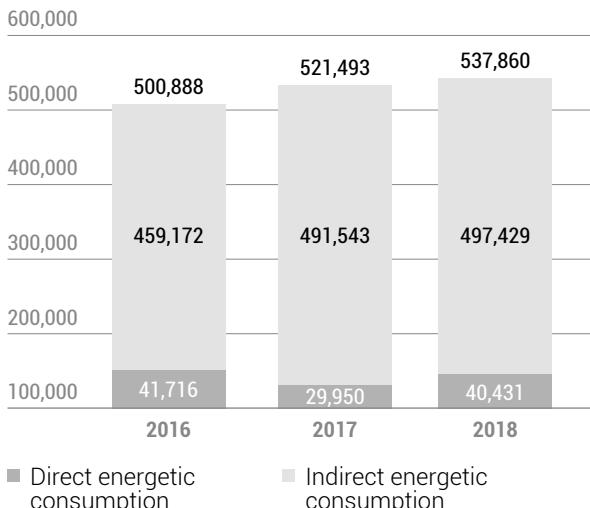
7 AFFORDABLE AND CLEAN ENERGY



Fastweb's energy consumption totaled 537,861 GJ⁹³ in 2018. The use of electricity (indirect energy consumption) and, to a lesser extent, the use of fuel and natural gas (direct energy consumption) have a substantial impact on the total. Consumption increased by approximately 3% on 2017, mainly due to the development of the network infrastructure and the increase in fuel consumption.

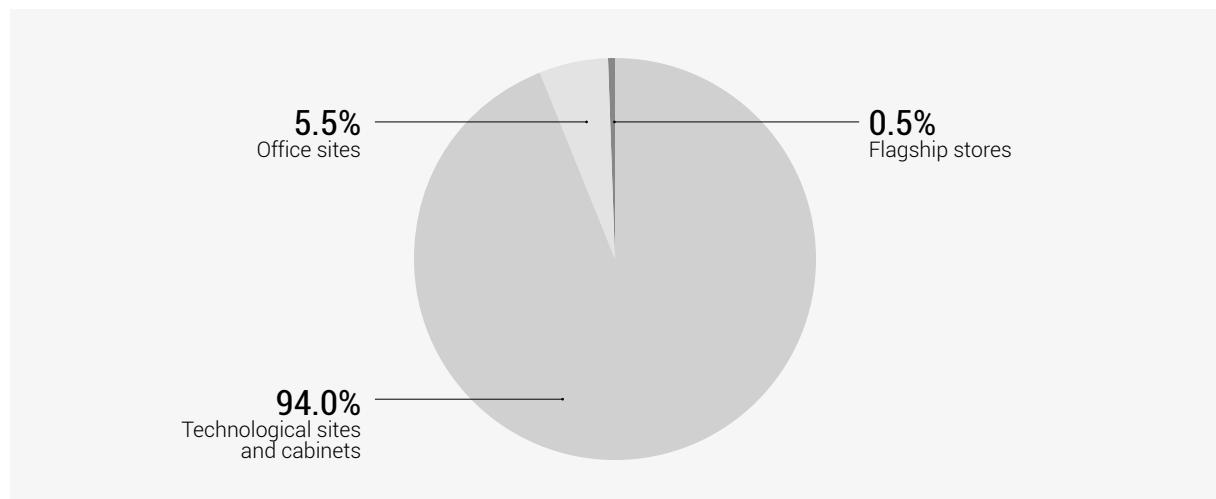
Indirect energy consumption amounted to 497,429 GJ and mainly related to the electricity consumed by the network infrastructure, while electricity consumption at the offices and stores accounted for roughly 6% of the total. The increase of roughly 1% on 2017 was due to the expansion of the network in the year.

Fastweb's energy consumption (GJ)



Electricity consumption (GJ)		2016	2017	2018
Offices	GJ	25,688	26,984	27,369
	kWh	7,135,636	7,495,566	7,602,547
Stores	GJ	2,275	2,340	2,385
	kWh	632,020	650,012	662,461
Equipment rooms and cabinets	GJ	431,209	462,219	467,675
	kWh	119,780,214	128,394,078	129,909,789
Total	GJ	459,273	491,543	497,429
	kWh	127,547,870	136,539,656	138,174,797

Indirect energy consumption by type of use, 2018



33.1 MWh = 3.6 GJ

The Fastweb network's energy efficiency can be measured by comparing the indirect energy consumption of equipment rooms and cabinets with data traffic over the past five years. The resulting trend highlights a progressive reduction in the network's energy intensity, with a decrease of nearly 60% in the consumption of kWh per traffic Gigabyte. In particular, 2018 saw a decrease of 10% on 2017.

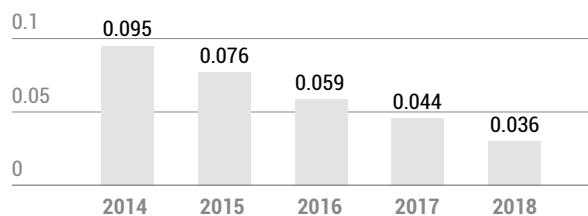
These results demonstrate that the effectiveness of projects carried out to improve the efficiency of technological systems, especially the many projects in recent years to upgrade, expand and strengthen the infrastructure and increase data traffic volumes (which grew by 23% in 2018 alone).

The company has not wavered in its constant commitment to procure energy from renewable sources during the year: 100% of the electricity it procures directly originates from renewable sources. In addition, the solar power systems installed in 2016 at the main data centers generated and used a total of 142,251 kWh in 2018, down slightly on the previous year (-7%).

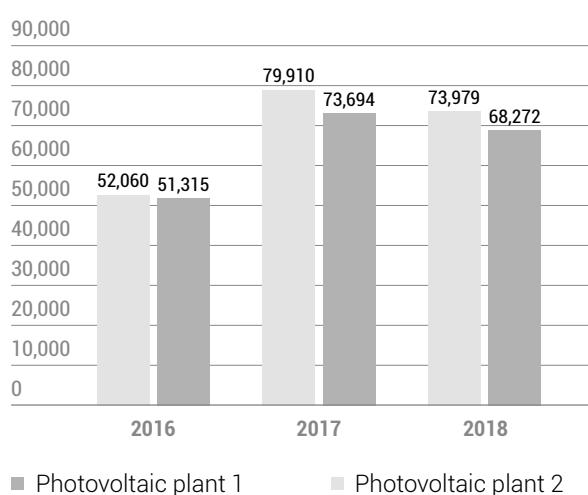
Direct energy consumption is mainly due to the consumption of diesel and natural gas.

Natural gas is used in the thermal power plants at the office buildings³⁴, while diesel is used to run the electrical generators that power equipment rooms to ensure network continuity and for traction. Executives

Energy intensity (kWh/Gbyte)



Electricity produced by solar power systems (kWh)

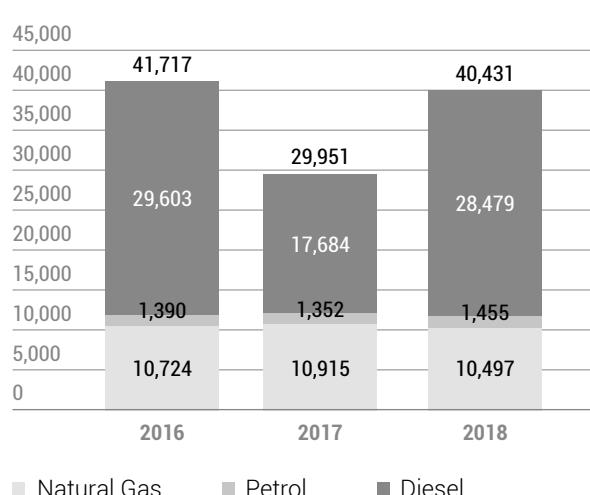


■ Photovoltaic plant 1 ■ Photovoltaic plant 2

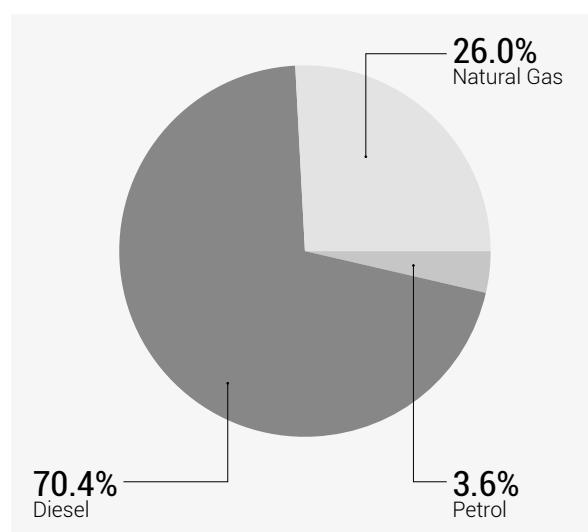
and employees who regularly visit other parties outside the company mainly use diesel-fueled cars.

Furthermore, the calculation of direct energy consumption includes the petrol used by the car sharing fleet, which consists entirely of hybrid (electric/petrol) cars available to all personnel for both business trips and occasional travel.

Direct energy consumption (GJ)



Direct energy consumption by source, 2018



³⁴.Data generated by the monitoring of natural gas consumption are only available for the locations where a direct contract has been signed with the gas supplier.

To reduce consumption due to mobility, a source of consumption on which the company can reduce significantly, it has implemented a sustainable mobility policy promoting less travel and privileging the use of video-conferences.

The year-on-year increase of roughly 35% in direct energy consumption in 2018 was mainly due to the spike in diesel consumption (61%) and, to a lesser extent, to the increase in petrol consumption (8%).

Direct energy consumption		2016	2017	2018
Petrol	GJ	1,390	1,353	1,455
	l	41,917	40,801	43,880
Diesel	GJ	29,603	17,684	28,479
	l	813,319	485,863	782,452
Natural gas	GJ	10,724	10,915	10,497
	Sm ³	288,974	295,137	283,858

In 2018, Fastweb continued to invest in a series of projects to reduce energy consumption. Indeed, the work started and completed in 2018 will lead to total energy savings of roughly 4,000,000 kWh/year."

Fastweb's initiatives during the year included the completion of the energy rehaul at one of its main data centers by replacing air conditioners and/or retrofitting systems. With an investment of approximately €1 million, the rehaul was completed in March 2018 and led to energy savings of around 4 million kWh at 31 December 2018.

The company has continued rolling out the free-cooling introduction plan commenced in 2017: free cooling is a

high-tech solution that cools equipment rooms using air at room temperature instead of refrigerators when the outside air temperature permits it. In particular, feasibility studies on two equipment sites were completed in 2018, and are expected to lead to energy savings of 220,000 kWh/year.

In accordance with the guidelines established in 2017, high-energy efficiency solutions are used in the construction and/or renovation of equipment rooms. In 2018, these solutions were used for the expansion of five equipment rooms and in the construction of a new site.

Thanks to its energy efficiency projects, again in 2018, Fastweb reported 540 energy efficiency certificates.



6.3 MONITORING THE IMPACTS OF CLIMATE CHANGE. AN ONGOING COMMITMENT



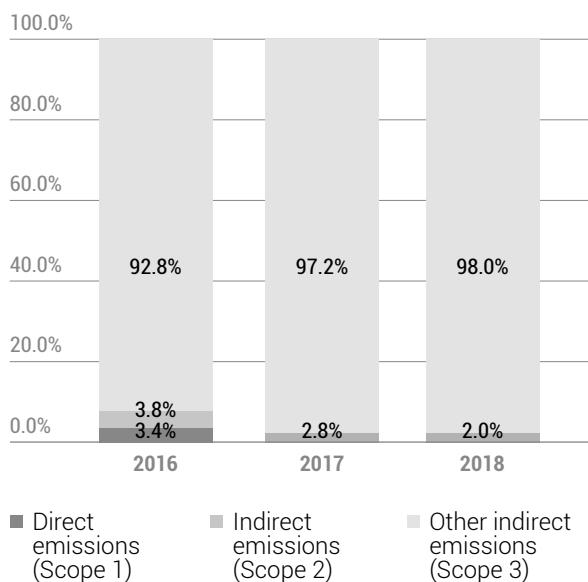
Since 2015, Fastweb has monitored its greenhouse gas emissions by calculating its carbon footprint. Using this methodology, the company can record its greenhouse gas emissions each year according to international guidelines, i.e., the ["Corporate Accounting and Reporting Standard"](#) of the Global Greenhouse Gas Protocol (the international standard for climate-changing emission monitoring) and the ["Pilot Testing on Methodologies for Energy Consumption and Carbon Footprint for ICT-sector"](#) developed by the European Commission.

This model considers all the impacts of the offices, network infrastructure, Fastweb-owned stores and

franchised stores, the supply chain, distribution and retrieval of equipment, customers' use of services and product end-of-life³⁵, assessing:

1. Direct emissions due to Fastweb's and its subsidiaries' activities (such as the use of fuel for heating/cooling and use of company cars and car sharing) - Scope 1;
2. Indirect emissions due to the acquisition of electricity - Scope 2;
3. Other indirect emissions arising from company activities but from greenhouse gas sources that are not proprietary or are controlled by another organization - Scope 3.

Greenhouse gas emissions (tCO ₂ eq)	2016	2017	2018
Direct (Scope 1)	6,405	4,884	4,943
Indirect (Scope 2)	7,087	0	0
Other indirect emissions (Scope 3)	174,434	172,691	241,170
Total	187,926	177,575	246,113



The survey showed that Fastweb's emissions increased by roughly 39% from 2017 to 2018. This was mainly

due to the sharp growth in the acquisition of optical fiber, which, although it is necessary to expand the network and digitalize the country, generates an impact in terms of greater emissions in production.

A detailed analysis of the individual contributions reveals that direct emissions (Scope 1) increased from 4,877 tons of CO₂ equivalents to 4,943 tons of CO₂ equivalents, with a slight increase in fuel consumption for the use of company cars and car sharing.

In 2017, Fastweb changed its calculation methodology for Scope 2 emissions to align with the parent company Swisscom's³⁶: the value of Scope 2 emissions was zero in both 2017 and 2018, since 100% of the electricity that the company acquires directly is produced by renewable sources. Scope 2 emissions would still be calculated as zero applying the same calculation model to the consumption recorded in 2016.

If Fastweb had acquired electricity from non-renewable sources, its emissions from energy consumption

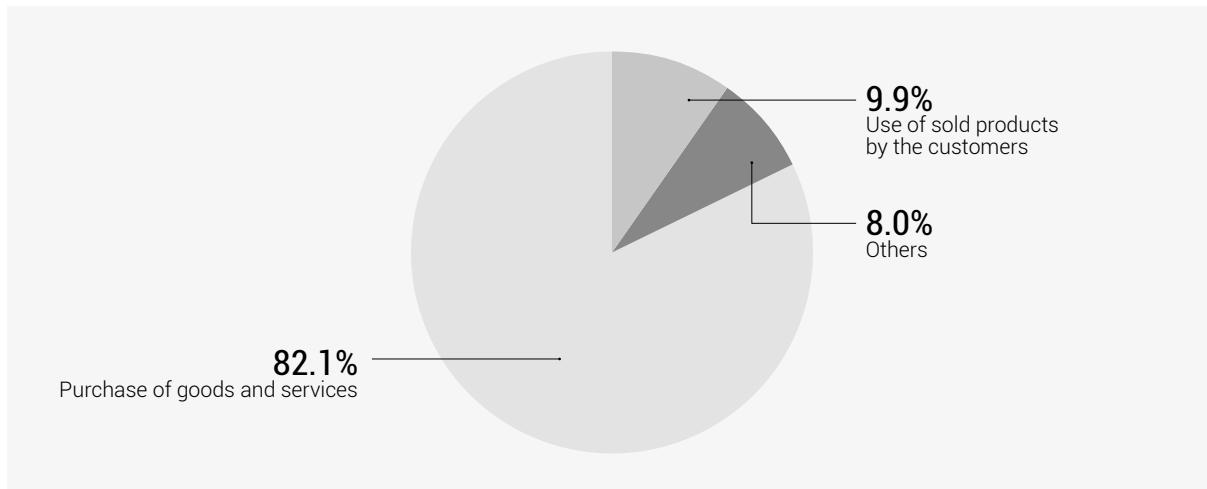
35. The map of impacts excludes multi-brand stores only, and their contribution is, in any case, negligible.

36. Electricity consumption not acquired directly but through the lease of spaces was considered within Scope 3 emissions.

recorded in 2018 would have been 85,082³⁷ tCO₂ equivalents, i.e., this is the amount of emissions that Fastweb prevents each year thanks to its renewable source procurement policy.

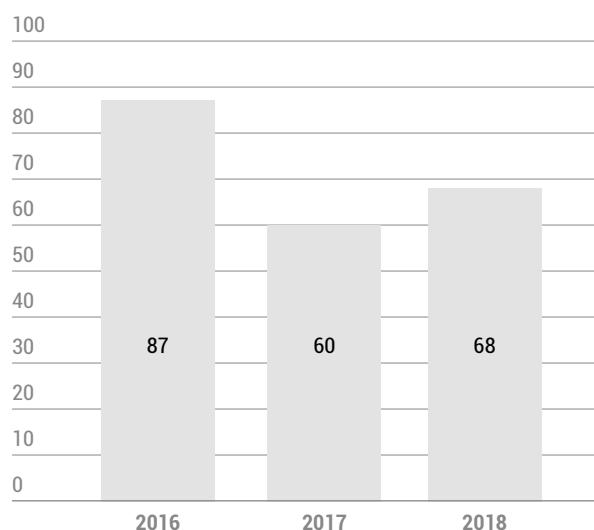
Lastly, other indirect emissions (Scope 3) increased from 172 to 241 kt of CO₂ equivalents (+40%), due to the relative increase of approximately 53% resulting from the acquisition of optical fiber.

Other indirect emissions (Scope 3), by origin



By calculating the intensity of its emissions, Fastweb measures its efficiency in terms of climate changing emissions as the ratio of total emissions (expressed in kg of CO₂ equivalents) and the traffic volumes recorded on its network (expressed in TBytes). This ratio amounts to 68 in 2018, up by 12% on 2017, in line with the increase in CO₂ emissions, which was only partially offset by the rise in data traffic volumes.

Emission intensity (kg CO₂ eq /Tbyte)



2017 was the first year in which Fastweb calculated *Enabling Effects* (Scope 4) which reflect the emissions avoided by customers by using Fastweb's services.

The model was developed in accordance with the Global e-Sustainability Initiative (GeSI) "[Evaluating the carbon-reducing impacts of ICT](#)" guidelines and Swisscom's framework and considers video-conferencing, housing and hosting services, as well work-from-home and services enabling customers to avoid printing documents and using online services.

Thanks to these activities and based on the calculation model used, Fastweb estimates that it has helped its customers avoid climate changing emissions totaling 194,954 tCO₂ equivalents in 2018, up 5% on 2017.

The analysis of *Enabling Effects* has made it possible to evaluate the net impact in terms of climate change by calculating the ratio of avoided emissions to those emissions produced by Fastweb's activities, which in 2018 is 0.79.

This highlights how the benefits in terms of mitigating climate change impacts resulting from Fastweb's services significantly help offset the impacts of its activities.

37.The location-based value of emissions, considering the national energy mix.

JOINING FORCES WITH OUR CUSTOMERS TO COMBAT CLIMATE CHANGE: THE SUSTAINABILITY LABEL



THE PROJECT

In 2018, Fastweb decided to supplement the way in which it calculates the total greenhouse gas emissions that it prevents each year with its services, adding a "per service/product" approach in which the average greenhouse gas emissions prevented per service/product unit sold.

It identified the services in its catalogue that are environmentally-friendly in that they prevent greenhouse gas emissions: for example, these are services that help users reduce their travel by car or public transport, enable them to use high-energy efficiency infrastructure or reduce the use of paper.

The basic assumptions and the calculation method, defined in accordance with international standards, third-party research and a reputably reliable database, are described in detail in a methodology statement published on the company's corporate website since the start of 2019. Before being published, this methodology was subject to third-party review by a panel of [Legambiente](#) experts, who found it to be scientifically valid and transparent,

in line with the previously established objectives, and therefore approved it.



Since the start of 2019, the environmental benefits of all the products in this project are specified and come with a Sustainability Label explaining the initiative and give evidence to the fact that the calculation has received Legambiente's approval.

KEY FIGURES

13

Services for medium and large companies

6

Services for households, freelancers and small businesses

PAPER REDUCTION INITIATIVES

Again in 2018, Fastweb launched initiatives to reduce the use of paper at its offices and by customers.

By implementing new digital means of sharing information and documents, in 2018, it reduced the use of paper by over 7 tons on the previous year.

A few initiatives to reduce the use of paper by customers have also been rolled out in recent years: today over 90% of customers receive digital copies of their Fastweb bills only and since 2018 telephone books are no longer delivered. Thanks to these initiatives, the printing of 5,245 tons of paper was avoided in 2018, thereby preventing the emission of roughly 600 tons of CO₂ equivalents.³⁸

³⁸. Value calculated by multiplying paper volumes saved by not printing documents by the CO₂ equivalent emission coefficient provided by the Ecoinvent 2.0 database.

6.4 LOCAL INITIATIVES AND COMMUNITIES

17 PARTNERSHIPS FOR THE GOALS



Fastweb supports the areas in which it operates by funding local projects

and initiatives, and even involving its employees and customers.

Solidarity with earthquake victims in Central Italy

Again in 2018, Fastweb was on the front line supporting people in Central Italy affected by the earthquake, continuing to help the Civil Protection Service, residents and resident customers in the areas hit by the tremors. A community center was opened in Accumoli in October, built using funds raised by Fastweb employees.

Around-the-clock pediatric call center

In collaboration with its customers, Fastweb supports the Around-the-Clock Pediatric Call Centre Project created by LILT (the Italian League for the Fight against Cancer). Fastweb matches every euro donated by customers in their contracts, doubling the value of the donation.

The project began in 2016 to provide real help to families facing difficulties following hospital treatment with remote assistance offered by the Cancer Pediatric Department of the National Cancer Institute in Milan, ensuring a call center that is open 24 hours a day.

Volunteering at the Gorlini shelter

175 Fastweb employees spent three different days at the SPRAR migrant shelter in via Gorlini, which the Milan municipal authorities indicated as in urgent need of assistance, working as volunteers. During this experience, employees helped trim hedges, clean the courtyards, carry out maintenance and repairs, paint the interiors and prepare meals that they then shared with the shelter guests. In addition, the more creative volunteers painted a mural on an exterior wall provided by the municipal authorities. In addition, a few employees shared their digital expertise, teaching guests basic IT skills and helping them prepare, at the end of the three Team Building days, CVs to use as they search for work.

Digital Solidarity, a digital contest to promote solidarity

In partnership with Fondazione Ente dello Spettacolo and Corriere della Sera Buone Notizie, Fastweb held "Digitali e Solidali - L'Italia delle buone notizie" - Digital Solidarity - Goods News in Italy, a contest to promote Italy's leading role in solidarity initiatives. Its aim was to encourage residents to collectively describe their positive experiences in this field and to highlight the successful solidarity projects often ignored by the media and, accordingly, unknown to the public. Participants were asked to create a short film documenting a solidarity project that uses digital technology and communication networks, to multiply the impacts and make the charitable initiative more efficient and innovative. The top 10 short films, which were selected by a panel of judges, including the President, two representatives of the film magazine "Rivista del Cinematografo" and Cinematografo.it, one representative of "Corriere della Sera Buone Notizie" and one representative of Fastweb, were presented and shown during the 75th annual International Venice Film Festival.

Tangible support for the city of Genoa

In the wake of the collapse of the Morandi Bridge, Fastweb lent support to customers in Genoa who had to evacuate their homes. For example, Fastweb gave its active mobile customers prepaid top-ups and took measures to suspend landline connection services without requiring them to carry out contractual formalities and without applying deactivation costs. Fastweb has also kicked off a campaign to contact all resident customers in the areas affected by the collapse of the bridge to inform them of the new measures.

Solidarity telephone numbers

With specific telephone numbers, Fastweb has supported initiatives in 2018 covering a wide range of different social and humanitarian causes, including scientific research, childhood, supporting developing countries, violence against women, socially disadvantaged groups, nature and the environment and emergencies. In 2018, Fastweb customers helped donate a total of €495,516 to 112 associations.



Community center donated to Accumoli Administration

Around-the-Clock Pediatric Call Centre project created by LILT



Volunteering at the Gorlini shelter

COMMITMENTS FOR THE FUTURE

Energy efficiency and climate change

Extend the use of free cooling to around 10 more equipment rooms with estimated energy savings of approximately 800,000 kWh/year by 2021

Begin retrofitting the air conditioning system at a data center, with expected energy savings of approximately 200,000 kWh/year by 2021

Create new services with a positive environmental impact

Local initiatives and communities

Continue with initiatives throughout the country to benefit local communities

Additional information

7.1 METHODOLOGY

THE REPORTING APPROACH AND REPORT QUALITY POLICIES

Now in its 7th year, Fastweb's Sustainability Report is prepared in compliance with the [GRI Sustainability Reporting Standards](#) established in 2016 by the Global Reporting Initiative (GRI), applying the "in accordance - comprehensive" option.

This document has been prepared in accordance with the GRI's reporting principles for defining report content:

- **completeness:** the material topics on which the content of this report is based are dealt with in their entirety and reflect the most significant economic, environmental and social impacts of Fastweb's activities in order to assess the company's overall performance in the reporting year;
- **sustainability context:** Fastweb's performance falls within the broader sustainability and business context, including large amounts of information on the scenario for the main material topics dealt with;
- **stakeholder inclusiveness:** the content of this document has been designed starting with the stakeholders' requests that the company has collected and used as a central element in defining the materiality analysis;
- **materiality:** the report covers topics that have been identified by evaluating their influence on the assessments and decisions of stakeholders and based on the materiality of the company's significant social, economic and environmental aspects.

EMPLOYEES

- Continuous communication and dialogue through the company's intranet, Agorà
- Periodic events (road shows, canvassing, etc.)
- Tools to formulate proposals and ideas or request information (world café, group mailbox, surveys, etc.)
- Annual internal survey
- Periodic meetings with staff from the individual units
- Annual performance review

Furthermore, to ensure the quality of the information reported, the report has been prepared in accordance with the GRI's reporting principles for defining report quality:

- **accuracy:** the content of this report is sufficiently detailed to enable stakeholders to understand and assess Fastweb's sustainability performance in the reporting year;
- **reliability:** the data presented in this report have been gathered, processed and validated by each unit head with the assistance of a consulting company. The financial data are consistent with the financial statements;
- **clarity:** the language used is clear and accessible, and the use of graphs and tables to reflect performance is easily understandable and accessible to stakeholders using this report;
- **comparability:** the indicators presented in the report refer to the 2016-2018 three-year period and are accompanied by notes on their trends, to enable stakeholders to analyze and compare Fastweb's performance over time;
- **balance:** the content of this report provides a sufficiently balanced description of the company's performance in the reporting period;
- **timeliness:** this report considers events that occurred after 31 December 2018 which could have a material impact in stakeholders' assessment of the group's performance.

CUSTOMERS

- Internet channels (website, monthly newsletter, MyFASTPage, MyFastweb)
- Social media
- Forums
- Net Promoter Score survey conducted quarterly to annual depending on the customer type
- Alternative dispute resolution portal

SWISSCOM GROUP

- Board of Directors meetings
- Periodic and annual management reports
- Periodic exchange of information between similar functions

Fastweb publishes the Sustainability Report annually to ensure ongoing reporting of its performance. In particular, this report covers the period from 1 January to 31 December 2018.

To request information, make suggestions or request a copy of the Sustainability Report, please write to: sustainability@fastweb.it.

SCOPE OF THE REPORT

As in the previous year, the Sustainability Report refers exclusively to Fastweb S.p.A., a single-member company managed and coordinated by Swisscom AG through its subsidiary Swisscom Italia S.r.l.

THE DATA COLLECTION AND REPORT VALIDATION PROCESS

The data and information reported in this document were gathered through interviews and data collection forms. The reporting principles of Fastweb's Sustainability Report are based on its information approval and discussion processes. The CEO has approved the structure of this report and the topics on which it focuses (material topics), and the involved units have approved its content. The Board of Directors present and approve the definitive version of this Sustainability Report.

EXTERNAL ASSURANCE

As in previous years, Fastweb has decided to have this report reviewed by independent third parties. Their assurance report is attached.

SUPPLIERS

- Online platform
- Periodic meetings to discuss progress and align suppliers with the company's operating units

COMMUNITIES

- Ongoing management of partnerships with charitable organizations and not-for-profit associations to benefit digital, social and regional development initiatives
- Website and social media
- Monthly to annual company reputation surveys (Reputation Institute surveys)

STAKEHOLDER ENGAGEMENT

Dialogue with stakeholders is fundamental for Fastweb, which endeavors to maintain communication with stakeholders that is as continuous and reciprocal as possible, in order to inform them of its initiatives and strategies and to receive feedback on relevant environmental, social and economic aspects.

The company has identified stakeholders in accordance with international standard AA1000SES, which recommends identifying stakeholders considering dependency, responsibility, tension, influence and concept of diverse perspectives.

This Sustainability Report, which is published online and in hard copy, is used for stakeholder engagement. In particular, it is shared with Fastweb's main customers and is sent to certain municipal authorities. Visit <https://www.fastweb.it/corporate/sostenibilita/strategia-obiettivi-e-report/?lng=EN> to download the entire document; all users and suppliers are notified when it is published.

Fastweb also carries out many listening, dialogue and communication initiatives with its internal and external stakeholders. It uses many different stakeholder engagement tools: these range from events and meetings for communications, targeted listening campaigns, online interaction (website, the Intranet, social media and specific pages devoted to communications).

PUBLIC AUTHORITIES AND SUPERVISORY AUTHORITIES

- Work groups
- Technical sector-specific work groups
- Public consultation procedures
- Contribution to defining new legislation and related mandatory provisions

MEDIA

- Press releases
- Press conferences
- Website
- Social media

MATERIALITY ANALYSIS

Fastweb uses materiality analysis to annually define and update all material topics and the content on which to focus the reporting. For 2018, the company has analyzed the 2017 list of material topics to verify and confirm that it is valid and complete. It conducted this assessment based on the 2017 analyses and a scenario analysis

to identify sustainability trends and critical issues for the telecommunications sector. In particular, the work consisted of a benchmark analysis considering national and international peers and competitors.

The 2018 materiality analysis led to the confirmation of most of the topics and the redefinition of certain topics, as shown in the chart below.

Smart digital community enabler

- Digital infrastructure for the Country
- Technological innovation and open innovation
- Digital skills at school and work
- Impacts of technologies on people's lives

Trusted and lean customer partner

- Transparency and trust
- Listening to customers and service quality
- Privacy and cyber security

Work and inclusion

- Diversity, equal opportunity and meritocracy
- Attracting and training talent
- Welfare and professional well-being
- Occupational health and safety

Responsibility and environmental sustainability

- Energy efficiency and climate change
- Ties to the local area and communities

- Economic and business performance
- Creation of value for stakeholders and the Country
- Ethics and compliance

The following table illustrates the correlation between the material topics identified by Fastweb and the material topics indicated in the GRI standard. It summarizes, for each material topic, the management approach adopted by the company and the divisions that manage the topics for which they are responsible based on annual improvement plans. Each operating unit monitors on a weekly basis (or at intervals

reflecting the specificity of the projects) progress and results of its respective projects and updates the action plan based on the findings and improvement areas.

The table also indicates of scope of each topic and any reporting limitations in terms of the report not covering the external scope.

Material topics - Fastweb	Material topics - GRI Standard	Internal/ external impact	Stakeholders	Management approach	Scope of the topic and reporting limitations
Digital infrastructure for the Country	GRI 203 - Indirect Economic Impacts; GRI 413 - Local Communities	External	Customers, Public Authorities, Supervisory Authorities and Communities	Fastweb monitors this topic via its Business Strategy and Technology teams and the head of technological infrastructure and network and data center operating processes.	Fastweb's activities have a wide range of impacts on stakeholders, as it contributes to the achievement of national and European objectives and provides increasingly faster and convergent connection services to customers and communities.
Technological innovation and open innovation	-	External	Customers and Communities	The Digital Transformation team, which focuses on digital transformation and the Customer Journey both within the company and outside it, monitors and manages this topic.	With its tests and innovations, from 5G to WOW FI, Fastweb influences the modernization of Italy, institutional objectives and communities, contributing to the advancement of digital technologies on a national scale.
Digital skills at school and work	GRI 203 - Indirect Economic Impacts; GRI 413 - Local Communities	Internal and external	Communities, Customers, Employees	The Corporate Social Responsibility team manages digital skills.	With its projects, Fastweb intends to contribute to communities by supporting them, the public authorities and its customers in one of the main challenges that the country faces as part of its digital transition. In addition to the development of digital skills outside the company, it is crucial to constantly update employees' digital skills.
Impacts of technology on people's lives	-	External	Customers and Communities	This topic handled by the Technology and Digital Transformation team, in collaboration with the Legal & Regulatory Affairs team, which is responsible for ensuring legal protection, Fastweb's compliance with legislations and regulations and assisting the company in its relationships with other telecommunications operators and the relevant authorities.	Digital technologies could potentially impact Fastweb's customers, and Fastweb therefore undertakes to constantly monitor developments in scientific studies and regulations concerning these topics.
Listening to customers and service quality	GRI 417 - Marketing and Labelling	External	Customers	Internally, this topic is managed by the Digital Transformation, Marketing & Customer Experience, Institutional & External Relations teams and the commercial teams, consisting of the Consumer & Small Business, Enterprise and Wholesale teams. Furthermore, to steer internal operations and ensure the proper application of company rules, the company has adopted, for the Enterprise division, a management system certified in accordance with ISO 20000 - ICT Service Management, ISO 27001 - Information and Data Security and ISO 9001 - Process Quality.	This topic relates to Fastweb's commitment to provide its customers with a high-quality service capable of meeting their needs and expectations. This means conducting listening campaigns to monitor their needs and ensure a quality experience in all interaction with the company, from stores to digital contact.

Material topics - Fastweb	Material topics - GRI Standard	Internal/external impact	Stakeholders	Management approach	Scope of the topic and reporting limitations
Privacy and cyber security	GRI 418 - Customer Privacy	Internal and external	Employees, Customers, Suppliers	The management of customer privacy is overseen by the Data Protection Officer, along with the Compliance & Risk Management team with respect to compliance with legislation and relationships with the relevant authorities. Confirming its commitment to this topic, the company has drafted the Customer Data Protection Policy, which defines the methods used to inform all customers about personal data processing. The Security & Real Estate team oversees cyber security. In addition, the Enterprise division's management system has been certified in accordance with ISO/IEC 27001 - Information and Data Security since 2007, ISO 27018 - Cloud Privacy since 2016 and, since 2018, ISO 27017 - Security Controls for Cloud Services - and ISO 27035 - Incident Management and Prevention.	For Fastweb, protecting privacy and promoting cyber security means implementing internal controls in line with current regulations and national and international best practices for the management networks, information system and internal processes. Furthermore, by offering specific products and services, Fastweb supports its Enterprise customers manage these issues as well.
Transparency and trust	GRI 417 - Marketing and Labeling; GRI 419 - Socio-economic Compliance	External	Customers	The Marketing & Customer Experience, Institutional & External Relations and Legal & Regulatory Affairs teams and the Commercial teams oversee this topic.	Through innovative one-of-a-kind initiatives, the company strives to promote a new approach with impacts not only for its customers but for the entire market as well.
Diversity, equal opportunities and meritocracy	GRI 405 - Diversity and Equal Opportunity	Internal and external	Employees, Communities	Protecting diversity and equal opportunity and promoting a merit-based work environment are the topics managed by the Human Capital team. The Change Management team promotes initiatives that celebrate and support diversity and women's talent outside the company.	The company's impact on this topic regards employees and, potentially, communities, such as through participation in projects to promote diversity and highlight women's talent.
Attracting and developing talent	GRI 202 - Market Presence; GRI 404 - Training and Education	Internal	Employees	The Human Capital team, which is responsible for organization, the enhancement of human resources and recruiting, as well as development and training, oversees and manages this topic.	Fastweb has an impact on the life of its employees and their professional development, with the aim of laying the foundation for long-lasting business success and supporting people in their personal and professional development.
Welfare and professional well-being	GRI 401 - Employment	Internal	Employees	The Change Management team manages this topic. Its objective is to steer the organization in the application of a new internal organizational model, in line with business strategies.	As Fastweb has an impact on the life of its employees and their professional well-being, it aims to create a positive and healthy work environment.
Occupational health and safety	GRI 403 - Occupational Health and Safety	Internal and external	Employees and Suppliers	A dedicated unit on the Human Capital team chaired by the Head of Prevention and Protection manages health and safety at the company. In addition, the entire company is covered by a management system certified in accordance with OHSAS 18001, which, together with Fastweb's Safety Policy, outlines the rules and practices to be applied at all organizational levels.	First and foremost, this topic regards workers operating on the company's behalf and activities contracted to third parties through specific checks in the qualification and management of suppliers. Quantitative reporting on this topic is limited to the internal scope.

Material topics - Fastweb	Material topics - GRI Standard	Internal/external impact	Stakeholders	Management approach	Scope of the topic and reporting limitations
Energy efficiency and climate change	GRI 302 - Energy; GRI 305 - Emissions	Internal and external	Communities, Customers, Suppliers	The Technology team, in particular a specific unit headed by the Energy Manager, oversees and manages this topic. The Marketing & Customer Experience team and, in particular, the Corporate Social Responsibility unit, monitor the company's impact on climate change and ensure the maintenance of the environmental management system in accordance with ISO 14001.	Most of the company's energy consumption is due to the electricity used for network infrastructure. Fastweb undertakes to monitor the impacts of its products and services not only inside the company, but outside as well, in relation to suppliers and customers.
Local initiatives and communities	-	External	Communities	The Marketing & Customer Experience team and, more specifically, the Corporate Social Responsibility team supervise and coordinate this topic at central level. All company teams may participate in implementing initiatives to connect with the local area and communities.	By creating and supporting projects for local communities, Fastweb aims to have a positive social impact everywhere it operates.
Economic and business performance	GRI 201 - Economic Performance	Internal and external	Swisscom, Employees	All company team directly and indirectly contribute to achieving its business and sustainability goals. In particular, the Administration, Finance and Control division oversees this topic, as it handles administration and financial management, strategies and procurement.	Economic sustainability and business development are key targets and factors enabling overall business activities. The company's impact in these areas first regards Swisscom and employees, but has indirect repercussions on all the company's stakeholders.
Creation of value for stakeholders and the Country	-	External	Communities	The Marketing & Customer Experience team and, more specifically, the Corporate Social Responsibility team, manages the topic of digital skills.	The digital world is a driver for the country's new business development. Fastweb's impacts on this topic mainly relate to certain activities in connection with digital skills, an enabling factor for the country's business development.
Ethics and compliance	GRI 205 - Anti-corruption; GRI 206 - Anti-competitive behavior; GRI 419 - Socio-economic Compliance; GRI 406 - Non-discrimination; GRI 417 - Marketing and Labeling	Internal and external	All stakeholder groups	Compliance with company values and rules and regulations are topics overseen by Legal & Regulatory Affairs and Internal Audit, Risk Management & Supervisory Body 231, to design, manage and update the internal control and business risk management system, ensure compliance with policies and laws, define and update the Code of Ethics and the 231 Model and check that the company units follow them.	Fastweb considers integrity, professional ethics and transparency in its relationships with its stakeholders as necessary principles of business conduct. Accordingly, this topic is considered in all internal controls to ensure the proper management of all company activities.

THE CALCULATION METHODOLOGY

The methodology used to calculate certain indicators reported in this Sustainability Report is described below.

Personnel indicators

All personnel indicators, with the exception of 102-8 and 403-2, which consider the total workforce and therefore include trainees and temporary workers, refer to employees with permanent contracts, employees with fixed-term contracts and apprentices in service at the end of the reporting year.

Turnover

New employee turnover is calculated as the number of new hires during the year compared to the number of company employees (employees with permanent, fixed-term and apprenticeship contracts) at 31 December of the same year.

Outgoing employee turnover is calculated as the number of employees who left the company during the year compared to the number of company employees (employees with permanent, fixed-term and apprenticeship contracts) at 31 December of the same year.

The total employee turnover rate is calculated as the number of new hires and employees who left the company during the year compared to the number of company employees in service on 31 December of the same year (considering employees with permanent, fixed-term and apprenticeship contracts).

Post-parental leave retention rate

The retention rate of employees who have returned from parent leave is calculated as the number of employees (with permanent, fixed-term and apprenticeship contracts) still in service 12 months after they have returned from parental leave, compared to the total number of employees who took parental leave.

Injury rates

The injury rates are calculated as follows:

- Fatality rate: number of fatal injuries/workable hours*1,000,000
- Serious injury rate: number of injuries resulting in more than 40 days of missed work (excluding fatal injuries) / hours worked*1,000,000
- Recordable injury rate: number of injuries that occurred in the year (including illnesses) / hours worked*1,000,000

The calculation of these rates includes employees with permanent, fixed-term and apprenticeship contracts, and excludes interns and temporary workers. The first day considered is the date when the injury occurs. Recorded injuries are those with a prognosis of at least three days.

Hours worked in 2016 and 2017 were calculated by subtracting lost hours due to absence in the year from total workable hours in the same year.

Energy consumption

Energy consumption volumes have been converted into GJ considering the primary source of energy and using the GRI 3.1 conversion factors. Specifically, 1MWh = 3.6 GJ; 1000 Nmc of natural gas = 39.01 GJ; 1 kg of petrol = 44.80 MJ; 1 kg of diesel = 43.33 MJ. Petrol and diesel were converted from liters to kg considering the conversion factors specified in the Stationary Combustion Tool of the GHG Protocol – version 4.0, specifically: 1 l petrol = 0.74 kg petrol; 1 l diesel = 0.84 kg diesel (<http://www.ghgprotocol.org/calculation-tools/all-tools>).

Residential and business customers' electricity consumption was estimated (GRI 302-2 Energy consumption outside of the organization) by multiplying the capacity data of devices provided to customers by the number of hours those devices are used in a year. The capacity of devices without specified capacity data was estimated using the CLEER model (<http://cleermodel.lbl.gov/>) or based on the data given in the products' technical specifications. The average hours of use were estimated according to in-house analyses.

Greenhouse gas emissions

Greenhouse gas emissions were calculated on the basis of internationally recognized guidelines, specifically the "Corporate Accounting and Reporting Standard" of the Global Greenhouse Gas Protocol (the accepted standard for monitoring climate-changing emissions) and the "ICT Footprint - Pilot Testing on Methodologies for Energy Consumption and Carbon Footprint of the ICT-sector" developed by the European Commission.

Location-based Scope 2 emissions were calculated considering the factors in the international Ecoinvent database.

ASSURANCE STATEMENT ADDRESSED TO FASTWEB STAKEHOLDERS

1. INTRODUCTION

Fastweb S.p.A. ("Fastweb") has commissioned Bureau Veritas Italia S.p.A. ("Bureau Veritas") an independent assurance of its 2018 Sustainability Report ("Report"), for the purpose of providing findings over:

- the accuracy and quality of published information concerning its sustainability performance;
- the correct application of those reporting principles outlined in the Report's methodology, in particular Global Reporting Initiative Sustainability Reporting Standards (GRI Standards).

2. RESPONSIBILITY, METHODOLOGY AND LIMITATIONS

Fastweb alone had the responsibility of collecting, analyzing, collating and presenting information and data included in its Report. Bureau Veritas responsibility has been to perform an independent assurance against defined objectives and to reach the conclusions reported in this Statement.

The assurance performed has been a Limited Assurance in accordance to the ISAE 3000 standard, through sample application of audit techniques, including:

- review of Fastweb's policy, mission, values, commitments;
- review of records, data, procedures and information-gathering systems;
- interviews to members of the working group responsible for drafting the Report;
- interviews to company representatives from various functions and levels, including top management;
- overall verification of information and general content of the 2018 Sustainability Report.

The assurance activities have been performed at the company offices in Via Caracciolo and Viale Fulvio Testi (Milan - Italy), and we believe we have obtained sufficient and adequate evidence to support our conclusions.

The assurance has covered the whole 2018 Sustainability Report, with the following limitations: for economic and financial information, Bureau Veritas only verified their consistency with the company's annual report and accounts; for activities outside the reference period (1 January 2018 – 31 December 2018) and for statements of policy, intent and objective, Bureau Veritas verified their consistency against the outlined reporting methodology. Furthermore, it was not possible to review the impact assessment in section 2.3 "The impact of FASTWEB on the socio-economic development of the country", due to the use of calculation parameters protected by copyright.

3. CONCLUSIONS

Following the assurance activities described above, nothing has come to our attention to indicate that information and data in the Report are inaccurate, incorrect or unreliable. In our opinion, the Report provides a trustworthy representation of Fastweb activities conducted by during the year 2018 and of main results achieved.

Information is reported generally in a clear, comprehensible and balanced manner.

In the illustration of activities and results, in particular, FASTWEB has paid attention to adopt a neutral language, avoiding as far as possible the self-referentiality.

With regards to the reporting methodology outlined by the organization in its Report, it is our opinion that principles from the GRI Standards (Stakeholder Inclusiveness, Sustainability Context, Materiality, Completeness, Accuracy, Balance, Clarity, Comparability, Reliability, Timelines) were duly implemented. Based on our assurance activities, a "Comprehensive" level of implementation has been achieved. We also confirm that our activities met the GRI requirements for external assurance.

4. DECLARATION OF INDEPENDENCE, IMPARTIALITY AND COMPETENCE

Bureau Veritas is a global organization specialized in independent assurance, inspection and certification activities, with over 180 years history, 75.000 employees and an annual turnover of more than 4,7 billion euro in 2017.

Bureau Veritas applies internally a Code of Ethics and we believe there were no conflicts of interest between members of the assurance team and FASTWEB at the time of the assurance.



**BUREAU
VERITAS**

Bureau Veritas Italia S.p.A.
Milan, February 12th, 2019

7.3 GRI CONTENT INDEX

GRI Standard	Disclosure	Page number	Note	Omission
GRI 102: GENERAL DISCLOSURES 2018				
Organization				
102-1	Name of the organization	4		
102-2	Primary brands, products and/or services	4		
102-3	Location of the organization's headquarters	4	The registered offices are located in Milan, Via Caracciolo 51.	
102-4	Countries in which the organization operates	4		
102-5	Nature of ownership and legal form	9		
102-6	Markets served	17		
102-7	Size of the organization	17	In addition to the information in paragraph 1.1, Fastweb has 15 sites in Italy: Milan Caracciolo, Milano Valcalva, Milano Fulvio Testi, Padua, Bologna, Turin, Genoa, Sesto Fiorentino, Rome, Pescara, Naples, Bari, Palermo, Catania and Cagliari and an office in Brussels.	
102-8	Information on employees and other types of workers	66		The breakdown of employees by "region" was not reported as it is not material for Fastweb, which only operates in Italy.
102-9	Description of the supply chain (number of suppliers, volumes and procurement markets)	28		
102-10	Significant changes in the size, structure or supply change during the reporting period	28	There were no significant changes during the year.	
102-11	Explanation of whether and how the precautionary principle or approach applies to the organization	12		
102-12	External initiatives	-	The company does not participate in any external initiatives.	
102-13	Membership of national and international associations	57		
Strategy and Analysis				
102-14	Statement from senior decision-maker about the relevance of sustainability to the organization and its strategy for addressing sustainability	2		
102-15	Key impacts, risks and opportunities	20		
Ethics and integrity				
102-16	Internally developed statements of mission or values, codes of conduct and principles relevant to economic, environmental and social performance and the status of their implementation	4		
102-17	Mechanisms for advice and concerns about ethics and recommendations about conduct or matters related to ethics and integrity	12	Reports may be sent to the Supervisory Body using the reporting tools available on Agorà	

GRI Standard	Disclosure	Page number	Note	Omission
Governance				
102-18	Governance structure of the organization, including committees of the highest governance body. Committees responsible for decision-making on economic, environmental, and social topics.	4		
102-19	Process for delegating authority for economic, environmental, and social topics from the highest governance body to senior executives and other employees.		Authority for environmental and safety topics has been officially delegated to people with spending powers and civil and criminal responsibilities.	
102-20	Executive-level responsibility for economic, environmental, and social topics		A specific unit has been identified within the Marketing & Customer Experience Department to handle Corporate Responsibility, with the aim of overseeing existing group initiatives, planning targeted actions and projects and periodically reporting to management.	
102-21	Processes for consultation between stakeholders and the highest governance body	20; 56; 94		
102-22	Composition of the highest governance body and its committees	9		
102-23	Chair of the highest governance body		The Chairman of the Board of Directors belongs to the parent company Swisscom and does not have an executive role in Fastweb's CSR strategies.	
102-24	Nomination and selection processes for the highest governance body and its committees	9		
102-25	Processes for the highest governance body to ensure conflicts of interest are avoided	9		
102-26	Role of highest governance body in setting purpose, values, and strategy	9		
102-27	Development of the highest governance body's collective knowledge about economic, environmental and social aspects	12; 20		
102-28	Evaluating the highest governance body's performance	9; 12		
102-29	Identifying and managing economic, environmental, and social impacts	12; 20		
102-30	Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental, and social topics.	9; 12; 20		
102-31	Frequency of the highest governance body's review of economic, environmental, and social topics and their impacts, risks, and opportunities.	9; 12		
102-32	Highest governance body's role in sustainability reporting		The Board of Directors is the body that approves the report each year before it is published.	
102-33	Process for communicating critical concerns to the highest governance body	9		

GRI Standard	Disclosure	Page number	Note	Omission
102-34	Total number and nature of critical concerns that were communicated to the highest governance body		The Board of Directors did not receive any reports concerning CSR in 2018.	
102-35	Remuneration policies	9; 66		
102-36	Process for determining remuneration	9; 66		
102-37	How stakeholders' views are sought and taken into account regarding remuneration.		The only stakeholder involved in remuneration is the shareholder.	
102-38	Ratio of the compensation for the organization's highest-paid individual to the median annual for all employees			This ratio cannot be published for privacy reasons. The Human Capital Division retains and manages this information and has classified it as "Strictly Confidential". If published without the appropriate and complex comments, this information could be interpreted by readers in a manner that is incorrect or misleading.
102-39	Ratio of the percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase for all employees			This ratio cannot be published for privacy reasons. The Human Capital Division retains and manages this information and has classified it as "Strictly Confidential". If published without the appropriate and complex comments, this information could be interpreted by readers in a manner that is incorrect or misleading.
STAKEHOLDER ENGAGEMENT				
102-40	List of stakeholder groups engaged by the organization	94		
102-41	Percentage of employees covered by collective bargaining agreements	66		
102-42	Basis for identification and selection of stakeholders with whom to engage	94		
102-43	Approach to stakeholder engagement	94		
102-44	Key topics and concerns that have been raised through stakeholder engagement, including how the organization has responded to those key topics and concerns, including through its reporting	94		
REPORTING PRACTICES				
102-45	Entities included in the consolidated financial statements and those not included in the social responsibility report	94		
102-46	Defining report content and topic boundaries	94		
102-47	List of material topics	20; 94		
102-48	Explanation of the effect of any restatements of information given in previous reports and the reasons for such restatements		Any restatements are directly reported in the text.	

GRI Standard	Disclosure	Page number	Note	Omission
102-49	Significant changes in material topics and boundaries		There were no significant changes during the reporting year.	
102-50	Reporting period of the social responsibility report	94		
102-51	Date of most recent social responsibility report	94		
102-52	Reporting cycle	94		
102-53	Contact point for questions regarding the report or its contents	94		
102-54	Claims of reporting in accordance with the GRI Standards	94		
102-55	GRI content index	102		
102-56	Policy and current practice with regard to seeking external assurance for the report	94		

MATERIAL TOPICS				
Economic performance indicators				
ECONOMIC PERFORMANCE				
GRI 103: Management Approach 2018				
103-1	Explanation of the material topics and its boundary	94		
103-2	The management approach and its components	17; 94		
103-3	Evaluation of the management approach	94		
GRI 201: Economic Performance 2018				
201-1	Direct economic value generated and distributed	17		
201-2	Financial implications and other risks and opportunities due to climate change		No risks due to climate change were assessed as material during the analysis of business continuity risks. Therefore, no in-depth impact analyses were conducted.	
201-3	Defined benefit plan obligations and other retirement plans	76		
201-4	Financial assistance received from government		None	
MARKET PRESENCE				
GRI 103: Management Approach 2018				
103-1	Explanation of the material topics and its boundary	94		
103-2	The management approach and its components	17; 94		
103-3	Evaluation of the management approach	94		
GRI 202: Market Presence 2018				
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	80		
202-2	Proportion of senior management hired from the local community			This topic does not apply to Fastweb, as it operates exclusively in Italy.
INDIRECT ECONOMIC IMPACTS				
GRI 103: Management Approach 2018				
103-1	Explanation of the material topics and its boundary	94		

GRI Standard	Disclosure	Page number	Note	Omission
103-2	The management approach and its components	17; 24; 28; 94		
103-3	Evaluation of the management approach	94		
GRI 203: Indirect Economic Impacts 2018				
203-1	Development and impact of investments in infrastructure and services provided mainly for public utility	32		
203-2	Significant indirect economic impacts, including the significance of the impacts	32		
ANTI-CORRUPTION				
GRI 103: Management Approach 2018				
103-1	Explanation of the material topics and its boundary	94		
103-2	The management approach and its components	12; 94		
103-3	Evaluation of the management approach	94		
GRI 205: Anti-corruption 2018				
205-1	Total number and percentage of operations assessed for risks related to corruption.	12		
205-2	Communication and training about anti-corruption policies and procedures	12		
205-3	Confirmed incidents of corruption and actions taken	-	There were no incidents of corruption in 2018.	
ANTI-COMPETITIVE BEHAVIOR				
GRI 103: Management Approach 2018				
103-1	Explanation of the material topics and its boundary	94		
103-2	The management approach and its components	12; 94		
103-3	Evaluation of the management approach	94		
GRI 206: Anti-competitive Behavior 2018				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	12		
Environmental performance indicators				
ENERGY				
GRI 103: Management Approach 2018				
103-1	Explanation of the material topics and its boundary	94		
103-2	The management approach and its components	84; 85; 94		
103-3	Evaluation of the management approach	94		
GRI 302: Energy 2018				
302-1	Energy consumption within the organization	85		
302-2	Energy consumption outside of the organization	88	The measurement of the company's carbon footprint in 2018 considers customers' use of electricity to run ICT equipment, totaling 2,563,611 kWh/year for residential customers and 5,092,568 kWh/year for business customers.	

GRI Standard	Disclosure	Page number	Note	Omission
302-3	Energy intensity	85		
302-4	Reduction of energy consumption	85		
302-5	Reductions in energy requirements of products and services	85		
EMISSIONS				
GRI 103: Management Approach 2018				
103-1	Explanation of the material topics and its boundary	94		
103-2	The management approach and its components	88; 94		
103-3	Evaluation of the management approach	94		
GRI 305: Emissions 2018				
305-1	Direct (Scope 1) greenhouse gas emissions	88	The calculation method used includes all greenhouse gases	
305-2	Energy indirect (Scope 2) greenhouse gas emissions	88		
305-3	Other indirect (Scope 3) greenhouse gas emissions	88		
305-4	Greenhouse gas emissions intensity	88		
305-5	Reduction of greenhouse gas emissions	88		
305-6	Emissions of ODS (ozone-depleting substances)		Not applicable	
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions			These are not material for Fastweb, as its NOx and SOx emissions are due to its car fleet.
Social performance indicators				
EMPLOYMENT				
GRI 103: Management Approach 2018				
103-1	Explanation of the material topics and its boundary	94		
103-2	The management approach and its components	66; 94		
103-3	Evaluation of the management approach	94		
GRI 401: Employment 2018				
401-1	New employees hired end employee turnover	66	Data on new hires and resignations/dismissals are not specified by "region" as this breakdown would be immaterial (the data refer exclusively to Italian employees).	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		There are no differences between the benefits provided to full-time employees and those with part-time contracts. The differences between the benefits provided to permanent employees and those with fixed-term contracts consist of insurance policies, which are only offered to permanent employees. The company health plan is only offered to workers with minimum 12-month contracts.	
401-3	Parental leave	78		
OCCUPATIONAL HEALTH AND SAFETY				
GRI 103: Management Approach 2018				
103-1	Explanation of the material topics and its boundary	94		

Page number	Disclosure	Page number	Note	Omission
103-2	The management approach and its components	80; 94		
103-3	Evaluation of the management approach	94		
GRI 403: Occupational health and safety 2018				
403-1	Occupational health and safety management system	80		
403-2	Hazard identification, risk assessment, and incident investigation	80		
403-3	Occupational health services	80		
403-4	Processes for worker participation and consultation in the development, implementation, and evaluation of the occupational health and safety management system	80	The occupational health and safety management system documentation is available on the company intranet for all employees and executives within the company; communications regarding health and safety issues are encouraged and are enabled by a specific tool on the company intranet. Employees representatives for health and safety (RLS) are periodically engaged to discuss on health and safety issues.	
403-5	Worker training on occupational health and safety	80		
403-6	Promotion of worker health	80		
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	80		
403-8	Workers covered by an occupational health and safety management system	80		
403-9	Work-related injuries	80	Information about work-related risks (e.g., hazardous substances) are not reported, as they do not apply to Fastweb or are already implicit in the company's ISO and OHSAS certification.	The quantitative information required for the indicator is not available for suppliers. The company manages this topic through structured procedures and controls in the management of suppliers, and believes that data on these indicators cannot be collected in the short and medium term.
403-10	Work-related ill health	80		
TRAINING AND EDUCATION				
GRI 103: Management Approach 2018				
103-1	Explanation of the material topics and its boundary	94		
103-2	The management approach and its components	68; 94		
103-3	Evaluation of the management approach	94		
GRI 404: Training and education				
404-1	Average hours of training per year per employee, analyzed by employee category and gender	68		
404-2	Programs for upgrading employee skills and transition assistance programs to facilitate continued employability and the management of career endings	68	The management of career endings has not been considered a material topic for Fastweb and, therefore, is not included in specific company plans.	
404-3	Percentage of employees receiving regular performance and career development reviews	68		

GRI Standard	Disclosure	Page number	Note	Omission			
DIVERSITY AND EQUAL OPPORTUNITY							
GRI 103: Management Approach 2018							
103-1	Explanation of the material topics and its boundary	94					
103-2	The management approach and its components	78; 94					
103-3	Evaluation of the management approach	94					
GRI 405: Diversity and Equal Opportunity 2018							
405-1	Composition of governance bodies and breakdown of employees by gender, age group, eligibility for special protections and other indicators of diversity	12; 78					
405-2	Ratio of basic salary and remuneration of women to men by employee category and operating position	78					
NON-DISCRIMINATION							
GRI 103: Management Approach 2018							
103-1	Explanation of the material topics and its boundary	94					
103-2	The management approach and its components	94					
103-3	Evaluation of the management approach	94					
GRI 406: Non-discrimination 2018							
406-1	Incidents of discrimination and corrective actions taken	78					
LOCAL COMMUNITIES							
GRI 103: Management Approach 2018							
103-1	Explanation of the material topics and its boundary	94					
103-2	The management approach and its components	91; 94					
103-3	Evaluation of the management approach	94					
GRI 413: Local Communities 2018							
413-1	Percentage of operations with local community engagement, impact assessments, and development programs	91					
413-2	Operations with significant actual and potential negative impacts on local communities	No significant negative impacts on local communities due to Fastweb's operations were found.					
MARKETING AND LABELLING							
GRI 103: Management Approach 2018							
103-1	Explanation of the material topics and its boundary	94					
103-2	The management approach and its components	94					
103-3	Evaluation of the management approach	94					

GRI Standard	Disclosure	Page number	Note	Omission
GRI 417: Marketing and labeling				
417-1	Requirements for product and service information and labeling		<p>Fastweb checks that all ICT products made by third parties and supplied to customers meet current labeling rules, technical standards for the telecommunications sector and device safety standards applicable to their use, maintenance and disposal.</p> <p>The modems marketed in 2018 have been equipped with energy saving functions and are compliant with the energy efficiency requirements of the European Commission's "Code of Conduct on Energy Consumption of Broadband Equipment (ver. 5)".</p> <p>The commercial information on customer services is included and updated over time in the service charter available, together with the network connection quality objectives, online at http://www.fastweb.it/adsl-fibra-ottica/qualita-e-carte-servizi/.</p>	
417-2	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling		No incidents of non-compliance occurred in connection with the services offered or a lack of product information.	
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		During the reporting period, the Italian Advertising Court issued three decisions citing Fastweb in its acceptance of competitors' appeals. In particular, with decision 1bis-3-4/2018 of 26/01/2018, decision 6/2018 of 30/01/2018 and decision 41/2018 of 25/5/2018 (in relation to the advertising campaigns of 2016), the court found that its commercial information about its commercial offer was not entirely correct. The commercial information subject to these decisions was immediately updated.	

GRI Standard	Disclosure	Page number	Note	Omission
CUSTOMER PRIVACY				
GRI 103: Management Approach 2018				
103-1	Explanation of the material topics and its boundary	94		
103-2	The management approach and its components	59; 94		
103-3	Evaluation of the management approach	94		
GRI 418: Customer Privacy 2018				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	59		
SOCIOECONOMIC COMPLIANCE				
GRI 103: Management Approach 2018				
103-1	Explanation of the material topics and its boundary	94		
103-2	The management approach and its components	12; 57; 59; 94		
103-3	Evaluation of the management approach	94		
GRI 419: Socioeconomic compliance 2018				
419-1	Value of fines and number of significant sanctions for violation of laws and regulations in the social and economic area.	12		

7.4 GLOSSARY

Broadband services Services provided with a transmission speed of at least 2 Mbit/s. According to international standards, these services are broken down into two categories:

- **Interactive services**, including video-phoning/video-conferencing (point-to-point and multipoint), video-monitoring, interconnection of local networks; file transfer, CAD, high-speed fax transfer, e-mail with moving images or shared documents, broadband video-text, on-demand videos, recovery of audio programs or of fixed and moving images;
- **Broadband services**, such as audio programs, television programs (including high-resolution TV and pay-TV) and selective acquisition of documents.

Ultra-fast broadband

The term "broadband" refers to a transmission scheme where multiple signals share the bandwidth of a single medium (usually fiber optics, more rarely over the air or metal cable), allowing more information to be transmitted simultaneously and more rapidly. Ultra-fast broadband is the term used when the transmission speed exceeds 30 Mbps.

Direct energy consumption

Consumption of primary energy sources (natural gas, fuel, etc.) in areas that the organization owns or controls. An example of this is the consumption of natural gas to operate heating systems installed in the organization's facilities.

Indirect energy consumption

Consumption of primary energy sources (coal, natural gas, fossil fuels etc.) in areas that the organization does not own or control. An example of this is the consumption of electricity purchased from a supplier company, which uses primary energy sources in its own facilities in order to generate electricity.

Digital

This is a mode of representing a physical variable with a language that uses only the digits 0 and 1. The digits are transmitted in binary form as a series of pulses.

Digital networks are rapidly replacing the outdated analogue networks; they enable increased capacity and more flexibility through the use of computer-based technology for transmitting and handling calls. Digital systems offer less noise interference and can also incorporate encryption as security against external interference.

Direct emissions

Emissions generated by sources that the organization owns or controls (e.g. emissions from mobility and office heating).

Indirect emissions

Emissions that are the result of the organization's activities, but that are generated by sources owned or controlled by other organizations (e.g. emissions originating from the generation of energy consumed).

Fiber optics

Thin strands (fiber) of glass or plastic forming the infrastructure base for data transmission. A fiber cable contains a number of individual fibers, each one of which can transmit the signal (light waves) at a practically unlimited bandwidth. They are mainly used for long-distance transmissions to transfer large amounts of data, because signals are protected from interference along their path. Fiber optic cables can carry a lot more data than traditional cables and copper wires. They come in the form of flexible cables and are immune to electrical interference as well as extreme weather conditions and are resistant to changes in temperature. The cladding is usually 125 micrometers in diameter (about the diameter of a strand of human hair) and the cables are extremely light: one kilometer of optical fiber weighs less than 2 kg, not including the protective sheath. Fiber optics are classified as dielectric waveguides. In other words, they can transfer and conduct an electromagnetic field of sufficiently high frequency (in general, close to infrared) with extremely limited loss. They are commonly used in telecommunications to transmit optic signals also over long distances, on transport network, and in the supply of cabled broadband access (from 100 Mbit/s to Tbit/s using the most refined WDM technologies).

GPON (Gigabit Passive Optical Network)

FTTH network architecture in which fiber optics arrives inside the customer's home. It allows for extremely high performance, superior to 1 Gbit/s. The GPON network uses passive "splitters" to subdivide the fiber repeatedly and to direct it towards various buildings, thus reducing the amount of fiber and necessary apparatus with respect to other FTTH architecture used in the past. The passive nature of the GPON network allows for the elimination of "active" network elements in the access network (which are therefore limited to the base and in the customers' homes), reducing the use of electricity and increasing efficiency for an energy standpoint.

ICT (Information and Communication(s) Technology)

Set of methods and technologies used for manufacturing the transmission, reception and processing of information and data.

IP (Internet Protocol)

Set of communication standards used to exchange data on the Internet. This network interconnection protocol (Inter-Networking Protocol) is classified at network layer (3) of ISO/OSI model, created to interconnect heterogeneous networks for technology, performance, management, therefore implemented above other connection protocols, like Ethernet or ATM. It is a connectionless and best-effort delivery service and therefore does not guarantee reliability of communication in terms of error control, flow control and congestion control, which are handled by the higher transport layer (level 4) transfer protocols, such as TCP. The currently adopted version of the IP protocol is also called IPv4 to distinguish it from the more recent IPv6, developed to deal with the growing number of computers.

Local Loop (Doppino Telefonico)

The pair of twisted copper wires physically connecting a customer's home or office to the telephone company's exchange. This is the traditional foundation of telephone lines and is also referred to as the "last mile".

Multimedia

A service involving two or more communications

media (e.g. voice, video, text etc.) and hybrid products generated through their interaction.

Mobile Virtual Network Operator (MVNO)

A mobile telephone services provider that uses the network infrastructure of another operator to provide services to its customers. An MVNO is a full-fledged telephone services provider (with its own SIM cards, prepaid and/or subscription promotions, customer care and management) that does not have its own network infrastructure.

Alternative operator

Alternative telecommunications provider to TIM, the former incumbent carrier in Italy.

Administrative bodies

In this report, the expression "administrative bodies" refers to the Management Board and the Board of Directors.

Platform

The complete set of inputs, including hardware, software, operating equipment and procedures, to produce (production platform) or manage (management platform) a particular service (service platform).

Network

A set of connected elements. In a telephone network, these elements consist of switches connected to one another and to the customer's equipment. The transmission equipment may consist of fiber optic or metal cables or of point-to-point radio connections.

User Experience

What a person experiences when using a product, system or service. User experience refers to the experiential and emotional aspects and the meaning and value of owning a product and interacting with it, in addition to the person's perception of aspects such as utility, ease of use and efficiency. It is considered subjective because it relates to an individual's ideas and feelings about a system, and it is dynamic because it varies over time with the user's circumstances.

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Thanks to all the colleagues who have taken part in the realization
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