



SUSTAINABILITY REPORT 2021

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LETTER TO STAKEHOLDERS

Dear stakeholder,

The year 2021 to which this sustainability report refers coincided with the creation of the **MFE – MediaforEurope** Group, the new name taken by the Mediaset Group at the end of the year to complete the process of transferring the registered office of Mediaset to the Netherlands. This decision was taken to lend further and decisive impetus to its strategic objective, aiming to create the first model of a sustainable European broadcaster in the new global competitive scenario, by leveraging the excellence of its national assets in Italy and Spain.

This transfer has not, however, changed the operational profile or tax situation of the Group: the locations of operation and for all activities as well as the company's tax residence are still in Italy. MFE, like Mediaset, continues to be listed on the Electronic Stock Market organised and managed by Borsa Italiana, where the stock has also become part of the **MIB ESG Index**, the first blue-chip index for Italy dedicated to ESG best practice, to allow institutional investors to identify companies that best meet the need for responsible investments.

To pursue this new phase of its development – that looks to the future and to new prospects for internationalisation – the MFE Group therefore brings with it the identity and the system of **values, skills and resources consolidated** as an economic reality and benchmark for advertising companies and investors and television viewers. Its objectives are always achieved and ensured by bringing together compliance with standards and regulations and responsibility towards all stakeholders, **first of all its staff and collaborators**. This commitment has been even more pronounced in the last two years marked by the pandemic emergency and represents the central strategic factor and key to the excellence of the model in which we want to continue to invest, with a view to development and innovation in skills and processes.

MFE was created in this spirit, following precise directives also in areas connected to sustainability (ESG).

Starting with **Governance**: MFE is situated within a legal system that is known and appreciated by market operators and investors at an international level, able to exploit the pan-European dimension of the business on which the Group focuses. In this context, MFE voluntarily provided for a **Sustainability Committee** within its governance model, made up of independent directors, with the aim of stimulating management and monitoring the Group's activities in these areas.

Environment: In its management and consumption of natural resources and raw materials, MFE pays the utmost attention to environmental protection, energy efficiency and the reduction of direct emissions. With this in mind, in managing its characteristic production activities and internal services, **projects and initiatives** have been launched that aim to **reduce emissions** in the coming years in order to reach a **carbon neutral** condition. To do this, our goal is to use only energy from renewable sources with guarantees of origin and promoting climate-neutral mobility, with particular reference to the "green" upgrading of the fleet of vehicles used by employees. Though aware of the limited effect in terms of direct impact, the Group has always been attentive to environmental emergencies and the impact of climate change. In 2021 too, it has implemented further concrete initiatives in these areas, such as **fundraising for the reforestation** of the areas of Trentino devastated by the abnormal storm of 2018. It is also in the **working groups promoted by the European Commission** which, among the

various objectives that establish 2050 as the deadline for the elimination of CO₂ emissions, also pursues the creation of a climate-neutral European audiovisual media sector.

Finally, the **Social Media** area, which has always been linked above all to our responsibility as broadcasters, aware of the key role that we play for users as a benchmark through our public-facing content. In recent years we have further strengthened our campaigns to promote and defend responsible broadcasters against **misinformation** and **fake news**, now a distinctive factor in our information content and social communication with the campaigns promoted by "**Mediaset ha a cuore il futuro**" (Mediaset cares about the future), with a clear and challenging objective: preparation now to safeguard the future.

But our social function extends further and involves the main sectors of the economy, supporting our clients also in historic times such as the ones we are living in, in which extreme health and geopolitical factors generate great uncertainties and risk destabilising consumption and investments as well as slowing the processes of sustainable economic growth and the environmental transition that the main economic areas were addressing. This support is also expressed through **venture capital projects** promoted by **AD4Ventures** in Italy and Spain to support digital start-ups with cross-media advertising campaigns that give visibility and a boost to young local entrepreneurs.

We feel an even greater responsibility in recent weeks with the **Russian invasion of Ukraine**, a scenario in which our TV networks, through their field reporters and correspondents, are providing the finest journalistic and information coverage of events with authority and balance. A fundraising campaign was also promptly launched through Mediafriends to face the ongoing humanitarian emergency together with Italian Caritas.

In this year's reporting we also highlight the **television broadcast offering** precisely in relation to the sustainable development goals of the UN 2030 Agenda, whose themes are constantly present and promoted at various points within our programming, in news but also other genres, starting with entertainment.

And of course, this year's Sustainability Report once again focuses on **people**, a factor that has always been at the heart of our company and that must continue to be one of the strategic priorities for our organisation, which has always been committed to recognising and appreciating the value, experience and professionalism of the company's existing staff and new talent, as well as valuing the differences and characteristics of each individual, creating a positive and future-oriented environment that continues to ensure the best working conditions in terms of health, safety, welfare and well-being. And also promoting employee engagement and satisfaction. All these elements allow the Group to become more attractive to young resources and new talent, who can be brought into key areas such as technology, content and advertising.

And speaking of our collaborators, in these two years marked by the pandemic emergency, mention must be made of the extraordinary resilience they have demonstrated, contributing with professionalism and a sense of belonging to achieving major broadcasting, business and financial results. The **smart working model** necessary to manage the peak of the emergency was then maintained within the Group in an organised, flexible manner, adapting to the curves of the pandemic and measures taken by the authorities. All of this was developed with minimal use of public welfare contributions and mechanisms and with full and continuous sharing of strategies with trade union representatives.

All of these goals achieved confirm the great work carried out by the various components of the company in these

recent extremely complicated years. The result is a Group that is even more financially sound, united, and in line with our stakeholders and their expectations. An asset capable of ensuring the sustainable development of Mediaset in the years to come.

For the Board of Directors
The Chairman



METHODOLOGICAL NOTE

This document (hereinafter “Sustainability Report” or “Report”) describes the initiatives and the main economic, social and environmental outcomes achieved by the MFE Group (hereinafter also “Group”) during 2021 (from 1 January to 31 December) and is drawn up in compliance with the “**Global Reporting Initiative Sustainability Reporting Standards**” – including the “Media Services Sector Disclosures” – defined by the Global Reporting Initiative (GRI), in accordance with the “in accordance – Core” option.

The MFE Group Sustainability Report, taking into account the expectations of stakeholders and the impacts generated by business activities, offers a description of the **management models**, the **policies** implemented by the company, the **results** obtained and the principal **risks** - generated or suffered - associated with the issues of sustainability (environmental, social, labour relations, respect for human rights, the fight against corruption), including the management approaches.

In the process of formalising its strategic guidelines focusing on the development of its business model, both nationally and internationally, the Group constantly monitors the areas of sustainability considered material to its development and the commitments and activities carried out and planned with a view to meeting the needs and expectations of its own stakeholders and the development of the business context.

ESG risks are also included, according to their significance as expressed in the Group's Materiality Matrix, in the Group's strategic risk assessment model, which is structurally focused on the external and internal risk factors directly related to its business model and the guidelines defined by the Board of Directors., **ESG risk** areas are also included, in line with their importance as expressed in the Group's Materiality Matrix. This assessment involves identification of material risk/opportunity factors for each of the ESG areas.

The corresponding risk profiles are assessed taking into account the general reference context (also in terms of benchmark with leading operators in the TMT sector), monitoring of the Group's main initiatives and projects in these areas and the main results linked to feedback from the main stakeholders.

The assessment carried out as part of the annual update process highlighted the overall adequacy of the safeguards the Group has employed, given the predominance of active and positive approaches to ESG issues, in keeping with its own values, which are a reference as well as being instrumental in pursuing its business objectives.

Of particular note are the consolidation of and attention towards **development initiatives in the Human Resources** area (training, equal opportunities, welfare, health and safety), the monitoring of the overall **broadcast offering**, also in relation to greater sensitivity of end users and advertising investors to ESG issues and the consolidation of projects and initiatives to optimise consumption and reduce direct emissions.

In particular regard to respect for **human rights**, and given the regulatory environment in which the Group operates, this topic is addressed as part of the management of relations with employees and suppliers, in observance of the principles and values embodied in the Code of Ethics of the Group.

In view of the specific nature of the business sector in which the Group operates, note that the Group does not **consume significant amounts of water** or emit **atmospheric pollutants** other than greenhouse gases.

For further information on the initiatives of the Group, the main risks generated or undergone and the management approaches for these, please refer to the paragraph “The internal control and risk management system” and the corresponding sections in this document.

The contents of the present document are arranged by **material issues for the Group and its stakeholders**, as identified by the materiality analysis and based on the results of the stakeholder engagement activities conducted in previous years and validated by the Board of Directors of MFE on 29 January 2021, as set out in more detail in the following *Mapping of Stakeholders and Materiality Analysis* paragraph. In particular, the process whereby the contents were defined is based on the principles of relevance, inclusiveness of stakeholders, completeness and operating context for the Group. The principles of balance, accuracy, verifiability and comparability have been observed in regard to the quality of the information reported.

The **GRI Content Index** containing the GRI indicators associated with each material topic can be found in the appendix to this document.

The **boundary** of economic, financial, social and environmental data and information includes the companies fully consolidated in the Consolidated Financial Statements¹. This boundary does not differ from that of the previous year. To enable the comparability over time of the data, it is presented alongside the corresponding figures for 2020.

Also included is information on Group **actions undertaken in previous years** and which continue to be applied in the policies currently pursued by the Group.

To guarantee the reliability of data, **estimates** have been eliminated wherever possible. Where used, they are identified appropriately and based on the best methods available.

This document was approved by the Board of Directors of MFE-MEDIAFOREUROPE N.V. on 27 April 2022.

The present Report was subjected to a **conformity assessment** (“limited assurance engagement” under the criteria articulated in ISAE 3000 Revised) by Deloitte & Touche S.p.A. The assessment was conducted according to the procedures indicated in the “Independent Auditors’ Report” included in the present document.

The Sustainability Report is published annually. For further information on the Sustainability Report, please write to:

corporateaffairs@mfemediaforeurope.eu

The Sustainability Report is also available on the Group website (**www.mfemediaforeurope.com**), in the Corporate Social Responsibility section.

¹ For a list of the companies included under the full consolidation method, see “List of equity investments included in the Group’s consolidated financial statements at 31 December 2021” in the explanatory note to the consolidated financial statements of 31 December 2021 of the MFE Group.



1 - THE MFE GROUP

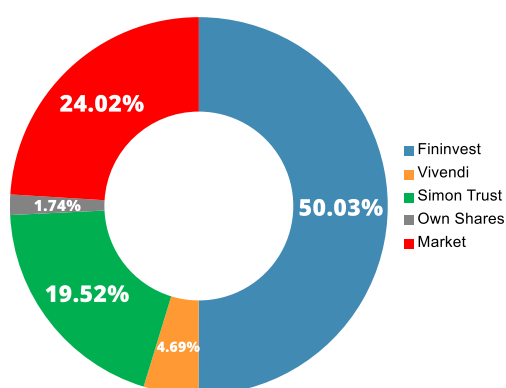
1.1 PROFILE AND ACTIVITY

SHAREHOLDING STRUCTURE

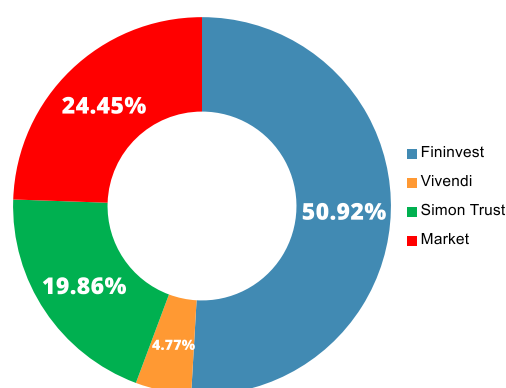
MFE - MEDIAFOREUROPE N.V.² is the holding company of the MFE Group. It has been listed on the Milan stock exchange since 1996 and is mainly active in the TV sector in Italy and Spain.

On 31 December 2021,³ the shareholding structure of the Group was as follows:

MFE Shareholders



Voting Rights



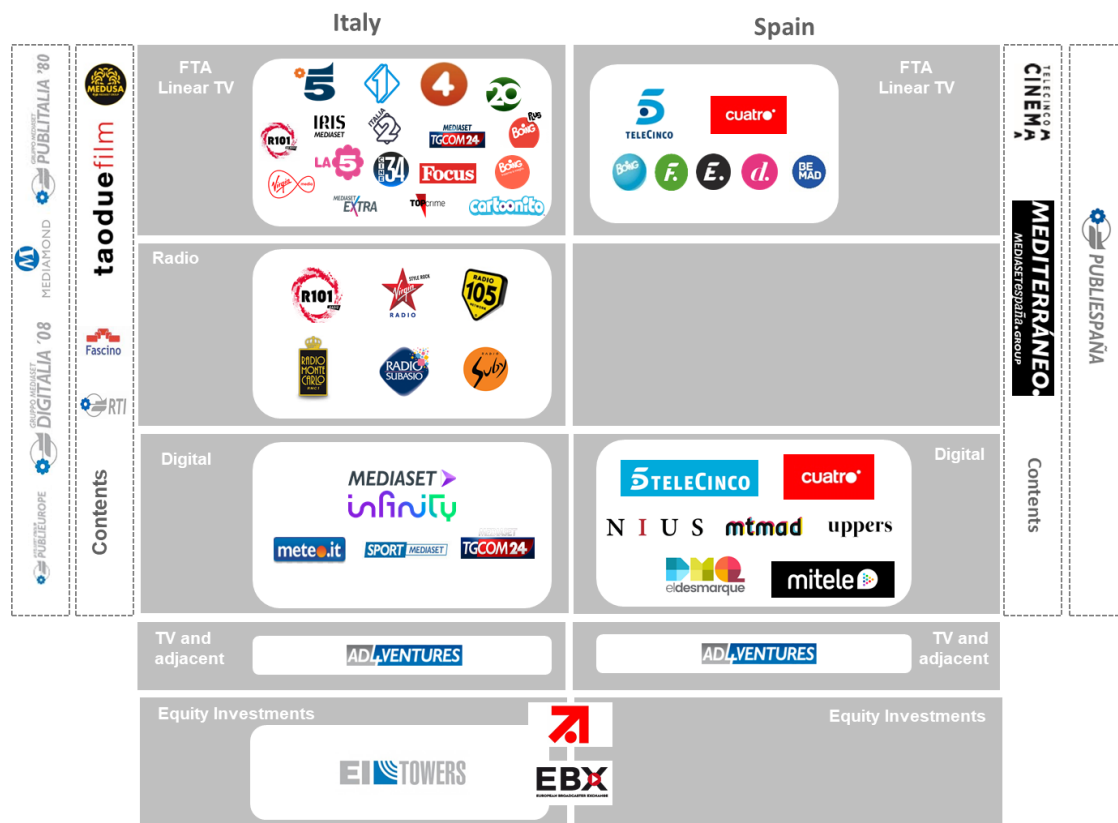
² Its head office is at Viale Europa no. 44/46/48, Cologno Monzese. Its registered office is located in Amsterdam (Netherlands).

³ On 12 April 2018 Vivendi S.A. announced, as required by Art. 120 of the Consolidated Finance Law and in compliance with the Italian Media Authority Decision No. 178/17/CONS, that it had signed a consulting agreement with Simon Fiduciaria S.p.A. and its sole shareholder Ersel Sim S.p.A., relating to the exercise of voting rights for the shares held by the fiduciary company according to the instructions given by Ersel Sim, through its Chairman. Vivendi S.A. has kept its right to instruct the fiduciary company on the exercise of voting rights at the shareholders' meeting of Mediaset S.p.A. on matters for which the shareholders who did not take part in the decision are authorised to exercise their right of withdrawal.

THE MFE GROUP - BUSINESS ACTIVITIES

In Italy, the MFE Group has what are known as **integrated television operations** consisting of **commercial television broadcasting** over three of Italy's biggest general interest networks and an extensive portfolio of **thematic free-to-air and pay TV channels** (linear, non-linear and OTTV), with a broad range of content, including exclusive content, in cinema, TV series, documentaries and children's television channels. Over the last three years, Mediaset has also created a **radio broadcasting** wing comprising some of Italy's biggest broadcasters.

The Group draws on the expertise of two of its subsidiaries, Medusa and Taodue, in **film distribution** and the **production of films and TV drama series**, and also **purchases sports, film and TV series content from third parties**.



To secure its position in a market increasingly dominated by cross-platform solutions, the Group has launched a **web business** oriented towards TV based on free online video content combining new products with premium on-demand video-streaming services.

In Italy, the MFE Group operates via two **advertising sales agencies** in which it holds 100% interests: **Publitalia '80**, the exclusive sales agency for the free-to-air Mediaset networks; and Digitalia '08, which handles advertising sales for the pay TV platform.

Both agencies are managed by another subsidiary, **Publieurope**.

With Mondadori, the Group participates in a joint-venture, **Mediamond**, which sells advertising space on the MFE Group's online and radio platforms, the websites of agencies in the Mondadori Group, and third-party publishers.

In **Spain**, MFE is the main shareholder of Mediaset España, with an interest of 55.69% at 31 December 2021. Mediaset España is Spain's leading commercial television broadcaster, with two general interest channels (Telecinco and Cuatro) and a bouquet of six free-to-air thematic channels.

The company is listed on the Madrid, Barcelona, Bilbao and Valencia stock exchanges and has been included since 3 January 2005 in the Ibex 35, the index of the thirty-five largest Spanish companies by capitalisation and average trading volume. As of 22 June 2020, following a failure to meet the admission requirements, mainly due to the impact on capitalisation during the most acute phase of the pandemic, the stock was removed from the Ibex 35 and admitted to the IBEX Medium Cap Index.

1.2 HISTORY

Before 1996. The origins of the Mediaset Group lie in the late 1970s, when Milan-based entrepreneur Silvio Berlusconi founded a local cable TV channel, **Telemilano**, broadcasting from its purpose-built headquarters.

Two years later, in 1980, Telemilano was rebaptised as **Canale 5**. Due to a change in the regulations, it began transmitting all over Italy, something hitherto prohibited under Italian law.

The new channel was a breath of fresh air for the Italian viewing public, because until then the only national broadcaster was the state-controlled Rai, whose three channels constituted a monopoly.

To compete on equal terms with the public service broadcaster, the new private broadcaster put together its own 3-network offering: Canale 5 was joined by **Italia 1** (acquired from Rusconi in 1982) and **Retequattro** (acquired from Arnoldo Mondadori Editore in 1984).

The new broadcaster was named **Rti (Reti televisive italiane)** and was assisted by an exclusive advertising sales agency, **Publitalia '80**, and two other companies: **Videotime**, which was in charge of technology and TV production, and **Elettronica Industriale**, which managed the transmission network infrastructure.

Together, Rti, Publitalia, Videotime and Elettronica Industriale were placed under the control of a new company, **Mediaset**. And so

the Mediaset Group was born.

1996 Mediaset is floated on the **Milan stock exchange**, opening its stock to institutional investors and small shareholders (around 300,000).

1997 Mediaset's international expansion begins with its acquisition of a 25% stake in private Spanish broadcaster **Telecinco**.

1999 The Group enters the online world with **Mediaset.it** (a website dedicated to Canale 5, Italia 1 and Retequattro) and **Mediaset Online** (renamed TgCom in 2001), a news site available over multiple platforms (internet, television, radio, Mediavideo teletext and mobile phone).

2003 Mediaset increases its stake in Telecinco, gaining a controlling interest in the company with 50.1% of its shares. Telecinco is floated on the Madrid stock exchange the following year.

2004 **Digital terrestrial** television launches in Italy. The new technology allows many more channels to be broadcast compared to the existing analogue system. Mediaset launches **Boing**, a channel directed exclusively at children, and **Mediashopping**, a secure teleshopping channel.

2005 The Group launches **Mediaset Premium**, a digital terrestrial channel offering live coverage of Serie A football via smartcards, with no need for subscription. Mediaset Premium also offers TV movie premieres, theatre and live events in the pay-per-view format.

2006 ***Pan's Labyrinth***, a film produced by Gruppo Telecinco, wins 3 Oscars.

2007 In a consortium with Cyrté Fund and Goldman Sachs, Mediaset relieves Telefonica of control of **Endemol**, a Dutch TV production company and the world's leading format producer.

Mediaset also acquires **Medusa**, Italy's leading cinema production and distribution company.

Mediaset launches a new free-to-air digital terrestrial channel: **Iris**. The new channel specialises in classic movies, music, and adaptations from literature and theatre.

2008 Mediaset signs an agreement for the acquisition of **Taodue**, a leading Italian producer of quality fiction and drama series.

Mediaset launches **Premium Gallery**, a new premium content service available over digital terrestrial TV, using the smartcard format. Gallery has exclusive broadcasting rights in Italy for the best US films and series by Time Warner and NBC-Universal.

Disney Channel and **Premium Calcio** 24 launch.

2009 Publitalia '80 and Mondadori Pubblicità reach an agreement on online advertising sales and found a new company owned in equal proportions, **Mediamond**.

TivùSat, Italy's first free digital satellite platform, launches. Its owner, Tivù s.r.l., is jointly owned by Rai (48.25%), Mediaset (48.25%) and Telecom Italia Media (3.5%). TivùSat operates as a complement to digital terrestrial TV, serving areas the terrestrial signal is unable to reach.

In Spain, Mediaset S.p.A., Gestevisión Telecinco S.A. and Promotora de Informaciones S.A. (Prisa Group) announce the acquisition by

Telecinco of a newly formed company, which includes the business unit of **Cuatro** (Sogecable S.A.'s free-to-air Spanish television network,) and the 22% stake in **Digital Plus**. The deal makes the Mediaset Group the leading TV operator in Spain.

Taodue produces Checco Zalone's **Cado dalle nubi** (distributor: Medusa Film), the 2009/2010 season's biggest box office hit.

2010 **video.mediaset.it**, a catch-up service allowing viewers to watch recently broadcast Mediaset TV programmes, goes live.

NewsMediaset, an "in house" agency providing images, news and services to the entire Mediaset structure, is created.

12 May: Mediaset launches **La5**, a free-to-air digital terrestrial channel broadcasting female-oriented content 24 hours a day.

26 November: **Mediaset Extra**, a new free channel specialising in reruns of the most popular Mediaset entertainment programmes, launches.

2011 **Premium Net Tv**, a new non-linear TV format offering up to 6000 titles on demand, launches.

July: Mediaset enriches its Mediaset Premium digital terrestrial offering with two new pay channels: **Premium Crime**, for aficionados of detective films and thrillers, and **Premium Cinema Comedy**, a showcase for the best of Italian and US comedy.

Mediaset **Italia 2**, a new free-to-air digital terrestrial channel, begins transmission. The new channel offers movies, TV films, documentaries, cartoons, sports and entertainment shows directed at a young, predominantly male, audience.

Cartoonito, a free-to-air digital terrestrial channel for children aged 6 and under, launches. Like Boing, Cartoonito is the fruit of a joint venture by Mediaset and Turner Broadcasting System Europe Limited, and enriches Mediaset's free content offering for children and teenagers.

Plans to merge **El Towers** with DMT are approved.

In 2012, on completion of the financial restructuring of the Endemol Group, the Mediaset Group reduces and then sells its holding in Endemol.

Premium Play, conceived as the successor to Premium Net Tv, is launched. With its advanced technology, ease of use, quality and innovative content, Premium Play breaks new ground in the Italian multimedia sector.

TgCom24 is repurposed as a free-to-air news channel available over DTT (slot 51) and satellite (slot 24), continuing to operate online via TgCom24.it and now available for smartphone and tablet with free-to-download apps.

Taodue repeats the success of *Cado dalle nubi* with a new film production, ***Che bella giornata*** (distributor: Medusa Film), which outstrips the former in terms of viewer figures and box office receipts.

2013 Paolo Sorrentino's film ***The Great Beauty*** (producer: Medusa Film) wins the Oscar for best foreign picture and the Golden Globe for best film. A new Checco Zalone film produced by Taodue, ***Sole a catinelle***, is the year's biggest box office hit with receipts of 51.8 million euros, and the most-viewed Italian film since Cinetel records began.

Mediaset España secures "free" broadcasting

rights for 25 matches - including those featuring the national team, Spain - at the **football World Cup** in Brazil, which runs from 12 June to 13 July 2014.

Mediaset and Fox International Channels Italy sign an agreement for the inclusion of the **Fox Sports** channel in the Mediaset Premium roster. The new channel has exclusive rights for the live transmission of leading European football matches.

Mediaset signs an agreement with the **Eurosport Group** for the inclusion of two channels, Eurosport and Eurosport2, in its Mediaset Premium roster. The deal extends the non-football pay-per-view offering of Mediaset to include the leading tennis tournaments, cycling tours, winter sports, motor sports, athletics, swimming, basketball, handball, hockey and numerous emerging disciplines.

The Mediaset Group launches **Infinity**, Italy's first OTT (streaming television) service. The new platform offers subscribers access to a catalogue of over 6000 titles including films, TV series, and drama and entertainment shows.

2014 Mediaset wins the exclusive, all-platforms Italian broadcasting rights for all UEFA Champions League live matches and highlights for the three-year period spanning 2015-2018.

2015 Spanish operator **Telefonica** acquires 11.1% of the shares in Mediaset Premium for a price of 100 million euros.

The Mediaset Group signs an agreement with **Warner** and **Universal** awarding it exclusive Italian rights over the films and TV series distributed by the two US giants for the periods spanning 2016-2020 and 2016-2018 respectively.

Mediaset demands that Sky pay a retransmission fee for the unauthorised inclusion of the Group's free-to-air TV channels on its satellite platform. Sky contests the requested fee and Mediaset decides to encrypt its satellite channels, effective from 2400 on 7 September 2015.

2016 Mediaset and French group **Vivendi** sign a strategic alliance under which Mediaset would acquire 3.5% of the share capital of Vivendi, with Vivendi acquiring 100% of Mediaset Premium and 3.5% of Mediaset. On the eve of the deal, (25 July 2016) Vivendi signals its intention to withdraw from the agreement. On 19 August, Mediaset files with the courts of Milan in an attempt to obtain the compulsory enforcement of the agreement. Vivendi reacts in hostile fashion by building its stake in its Italian rival, and on 22 December informs the markets it holds 28.8% of the ordinary share capital of Mediaset, equivalent to 29.94% of voting rights. The operation attracts the attention of the Italian securities market regulator, Consob, the communications regulator, AGCOM, and the public prosecutor in Milan, which opens an enquiry into market manipulation.

Also in 2016, Mediaset creates Italy's leading radio broadcasting group in terms of audience and advertising revenue. The new group, **RadioMediaset**, includes the broadcasters **R101**, **Radio 105** and **Virgin Radio**, as well as a partnership with **Radio MonteCarlo**.

Checco Zalone's fourth film, *Quo Vado?* (produced by Taodue and distributed by Medusa), opens in Italy. It beats all records with 65.4 million euros of box office sales.

Studio 71, Europe's leading multichannel network - and among the five biggest in the world - controlled by the German group ProSiebenSat.1Media. It also creates a joint venture, "**Studio 71 Italia**", in which Mediaset holds a 49% stake. The new joint venture is in charge of the Italian operations of Studio 71.

The Board of Directors of Mediaset approves the **Mediaset 2020 plan**, which outlines the development strategy and financial targets for the period spanning 2017-2020. Under this plan, Mediaset's share of the Italian advertising market will increase from 37.4% to 39.0% by 2020, with EBIT from Italian media activities increasing by 468 million euros.

The communications regulator AGCOM rules that Vivendi's holding in Mediaset and Telecom Italia is in breach of regulations, and orders the French company to reduce its holding.

Mediaset acquires a 100% stake in free-to-air TV channels **Retecapri (LCN 20)**, Retecapri +1 (LCN 120), and Retecapri HD (LCN 121).

Mediaset decides not to bid for pay TV broadcasting rights for Serie A in the 2018-2021 period as it holds the conditions of auction, issued by Lega Calcio, to be unacceptable. The auction is cancelled and bidding postponed.

Mediaset acquires an 11.1% holding in Mediaset Premium from Telefónica, regaining 100% ownership of the latter.

Publitalia '80 and Publiespaña join TF1 (France) and ProSiebenSat1 (Germany) to create **AdTech Ventures**, which holds a 33% stake in European Broadcaster Exchange (EBX), a joint venture enabling advertisers to book campaigns across all member digital platforms. On 14 November, Channel 4 announces it is joining EBX.

2017 Mediaset acquires a 5.5% holding in

RadioMediaset acquires **RadioSubasio** and **Radio Aut**, central Italy's leading radio broadcasters by coverage and audiences.

Mediaset's holding in El Towers rises to 41.74% as a result of a buyback of its own shares by El Towers.

Mediaset's holding in Mediaset España increases to 51.63% as a result of a share buyback.

Mediaset signs a three-year accord with the FIA for exclusive Italian television broadcasting rights for **Formula E**, the world's leading electric auto racing championship.

Mediaset wins exclusive broadcasting rights for the **2018 football World Cup in Russia**. For the first time, the Mediaset Group will be offering all matches free-to-air in both Italy and Spain.

2018 On 30 March, Mediaset and Sky Italia sign a commercial agreement to rebroadcast the Premium channels on the satellite platform as well.

Also in March, Mediaset España, together with RTVE and Atresmedia, launches a web platform to create and distribute the audiovisual content of the three groups.

On 10 May, Mediaset reaches a **commercial agreement with TIM** to rebroadcast all of Mediaset's free-to-air networks on TIMVision.

Broadcasts from **Focus**, the new free-to-air channel dedicated to promoting culture, begin in May, on channel number 35.

For the first time in Italy, all 64 matches of the 2018 World Cup are broadcast live and free to air in June and July. Broadcasting was guaranteed exclusively by Mediaset, meeting

with great success in terms of broadcasting and audience.

On 31 August, RadioMediaset acquires **RMC Italia S.p.A.**, parent of the Radio MonteCarlo network.

After entering into a partnership with Mediaset, the infrastructure fund F2i SGR launches a takeover bid for the entire share capital of El Towers S.p.A.

2019 Following an agreement with Sky Italia, as of 2 January all Mediaset's free-to-air channels are again rebroadcast among the offering of the satellite platform.

On 6 March, Mediaset España acquires 60% of El Desmarque Portal Deportivo SL.

On 28 March, a deed is signed for the reverse merger of 2i Towers Holding S.p.A. (in which Mediaset holds a 40% stake) and the subsidiary 2i Towers S.p.A. into El Towers S.p.A.

On 29 May, Mediaset communicates acquisition of a 9.6% share in the share capital of German broadcaster **ProSiebenSat.1 Media SE**.

On 7 June, the Boards of Directors of Mediaset and Mediaset España resolve to propose to their respective shareholders a cross-border merger of the two companies into **"MFE – MEDIAFOREUROPE"**, a holding company under Dutch law.

On 10 July, transmission begins on two new channels: Boing Plus (LCN 45) and Mediaset Extra 2 (LCN 55).

On 15 July, the Court of Rome sentences the French portal **Dailymotion**, part of the Vivendi Group, to pay Mediaset compensation of more than 5.5 million euros for illegally uploading

hundreds of copyrighted videos. Mediaset has another six similar cases against Dailymotion, which may result in total compensation of more than 200 million euros. On 18 July 2019, the Court of Rome also sentences the Vimeo portal to pay Mediaset compensation of around 5 million euros.

On 5 August 2019, the Italian Ministry of Economic Development assigns Elettronica Industriale two sets of rights for broadcasting capacity (new DVB-T2 standard frequencies) on channels 36 and 38 and further user rights equivalent to half of a national multiplex.

On 4 September 2019, the Extraordinary Shareholders' Meetings of Mediaset S.p.A. and Mediaset España Comunicación S.A. approve the MFE-MEDIAFOREUROPE cross-border merger.

On 11 November, Mediaset España acquires 5.5% of ProSiebenSat.1 Media SE. The Mediaset Group thus holds a 15.1% stake in the share capital of the main German private broadcaster.

2020 On 23 April, the Mediaset Group, secured 24.9% of the voting rights of ProSiebenSat.1 Media excluding treasury shares through a new investment, becoming the largest shareholder in the German broadcaster.

On 5 August, following a lengthy legal dispute, Mediaset's Board of Directors withdrew the MFE MEDIAFOREUROPE cross-border merger project.

Following the plan to dispose of non-strategic assets, in October Mediaset sold the Mediashopping company, operating in the multichannel remote consumer product sales sector, to Ortigia Investimenti.

2021 On 18 February, Mediaset was awarded the free broadcasting rights for the best match in each round of the **UEFA Champions League**, including the final, on the generalist networks until 2024. Mediaset will also stream a further 104 live matches through a paid service for each of the next three seasons.

On 3 May, Mediaset, Fininvest and **Vivendi** announced a global agreement, ending their disputes and reciprocally abandoning all pending lawsuits and complaints. Vivendi has undertaken to gradually decrease its share of the company and to promote Mediaset's international development plans.

In May, "**Mediaset Infinity**" also came into existence, the first pyramid-model online service with the best of Mediaset programmes and a selection of extremely high-quality on-demand content. The "Mediaset Infinity" pyramid has a very broad base, with the great free content of generalist TV available online, live or on-demand. A light subscription also enables access to the top of the "Mediaset Infinity" pyramid, made up of exclusive offerings (TV premieres, cinema, series and vertical channels) and the best of the UEFA Champions League.

On 23 June the Shareholders' Meeting, after voting to renew the expiring Board of Directors, approved the **transfer of Mediaset's registered office to the Netherlands**. This will be the basis for the Group's international development. Mediaset shares will continue to be listed on the Borsa Italiana and Mediaset's tax residence, as well as the central administration, will remain in Italy.

On 1 July, Mediaset was awarded the football broadcasting rights for the **Coppa Italia** and **Supercoppa** until 2024. The competitions will

be broadcast free of charge on the Group's generalist networks and live-streamed on Mediaset Infinity.

21 July: Mediaset pays the extraordinary **dividend** of €0.30 for each outstanding share, executing the resolution of the Shareholders' Meeting of 23 June.

22 July: Closing of the global agreement signed on 3 May, 2021 between Fininvest, Mediaset and Vivendi to put an end to their disputes, reciprocally abandoning all pending lawsuits and complaints.

20 September: The transfer of Mediaset's registered office to Amsterdam, the Netherlands, and the adoption of the new Bylaws compliant with Dutch law approved by the Extraordinary Shareholders' Meeting of 23 June were formalised. The company takes the name of Mediaset N.V.

25 November: The extraordinary shareholders' meeting approves the change of the name of the Company Mediaset N.V. to **MFE-MEDIAFOREUROPE N.V.** and the introduction of a dual-category share structure. The share capital will be made up of ordinary A shares and ordinary B shares.

1.3 THE VALUES OF THE MFE GROUP

The founding principles of the MFE Group are embodied in its **Code of Ethics**, which defines the values cherished by the group at every level and in every area it pursues its business interests.

The first draft was approved by Mediaset S.p.A. and its subsidiaries in 2002. Subsequent amendments and additions were made in 2008 and 2012.

The present version of the Code of Ethics was approved by the Board of Directors of Mediaset S.p.A. and by other Italian companies belonging to the Group in 2019.

In September 2021 MFE-Mediaforeurope N.V., the holding company under Dutch law, also adopted its own Code of Ethics.

The Code of Ethics was adopted in the conviction that ethical management is a fundamental element, necessary for the success of every business venture. With reference to companies under Italian law, it also represents a cornerstone of Compliance Programmes pursuant to Legislative Decree 231/01 and of compliance programmes in general, as well as the Group's internal control system, which also includes all the Organisational Guidelines (LGO) issued for each individual business process.

Modifications and additions to the Code of Ethics are subject to the approval of the Boards of Directors of the individual member companies and promptly communicated to the relevant parties. The MFE Code of Ethics also provides that each Group company can adapt its own Code of Ethics –where necessary– in light of its own characteristics as well as according to the law that applies in the relevant country⁴.

In the pursuit of its business activities, the Group therefore undertakes to respect the applicable laws and regulations in all countries where it operates, in conformity with the principles of loyalty, propriety, responsibility, freedom, individual dignity and respect for diversity in all its forms, rejecting all forms of discrimination based on sex, race, language, religion, political convictions or personal or social conditions.

As a major presence in the social and economic context in Italy and in other countries, the MFE Group predicates its growth on a **solid reputation for transparency and rigour in the pursuit of its business activities**.

In this respect the Group recognises the **central role of human resources** and is committed to promoting a working environment based on respect for people and the values of loyalty, trust, transparency and integration, stressing priorities such as developing skills and professional capacities, equal opportunities, protecting the mental and physical well-being of workers (also in terms of health and safety), confidentiality and protection of personal data.

In regard to the various categories of stakeholders, the MFE Group has always made every effort to **combat corruption** by acting transparently in its dealings with clients, suppliers and institutions, always and without exception respecting the principle of free competition.

⁴In this sense, MFE in Spain also has its own Code of Ethics based on the parent Company's.

The Group has always valued the **wealth to be found in diversity, research and innovation**, caring for the **young** and for the **environment**, enabling each individual to find fulfilment in his work, the basic principles which underpin its activities, and the people who have made it successful.

1.4 LOOKING TO THE FUTURE: MFE FOR THE COMING GENERATION

The coming generation remains at the heart of the MFE Group's broadcasting projects, also in 2021.

Despite an increasingly inclusive generalist perspective – where the strength of the broadcast offering lies precisely in the ability to have different ages and profiles in front of the screen – the Group persists in being ready to meet the demands of younger audiences.

On a general level, the **leadership of all our networks in Italy among the 15–34 audience** should be highlighted, in all time slots: prime time (at 37.1%), daytime and the day as a whole (both at 37.3%).

This is a major result, achieved in part with the invaluable support of the profile and thematic channels, capable of contributing more than eight points to the total share in the various slots.

Focusing instead on the individual networks, **Canale 5** confirms its leadership in Italy among young people aged between 15 and 34 in all slots: prime time (17.6% share), day as a whole (17.3%) and daytime (17.5%).

In particular, there's a strong female youth audience, as shown by the viewing profile for the main programmes: in prime time we would mention *Tu si que vales*, with a 31.2% share among the 15–34 audience but peaks of 33.6% among young women of 20–24; then *Grande Fratello Vip* (26.6% share among 15–34-year-olds with peaks of 33.7% among young women of 20–24) and above all *Amici di Maria de Filippi*, with the share record among very young women between 15 and 19 (well over 55%) and among 20–24-year olds (over 50%). Two cult Group programmes should also be mentioned among the new developments in 2021: *Scherzi a parte* with 21.4% among women aged 20–24 and *Zelig*, 29.3% for the same audience. *Paperissima Sprint* was also very popular, with 19.4% among young women aged 15–19. Finally, and again with respect to the offering for young women, another major new development should be highlighted: the self-produced television series *Luce dei tuoi occhi*, where the share among young women aged 20–24 is as high as 21.5%.

In daytime, *Verissimo*, which has always had a strong female audience, performs well among the very young female audience (almost 20% share among 15–19-year-olds and over 22% among 20–24-year-olds) as well as *Uomini e Donne* (29.5% among young women aged 15–19 and nearly 36% for the 20–24-year-olds). Among the new products, the figures for the new Turkish soap *Love is in the air* are excellent, particularly appreciated by young women (25.4% among 15–19-year-olds).

Among males, the *UEFA Champions League* is of great significance, the event with the greatest following among the very young: over 31% share among 15–19-year-olds and 34% among 20–24-year-olds. Some games in particular achieved significant peaks in 2021: Juventus-Porto reached 43.5% for young men aged 15–19 and 45.8% for those

aged 20–24. The Manchester City-Chelsea final, despite involving foreign teams, achieved 39.7% and 36.3% for the same audiences. Another match between very prestigious foreign teams, Manchester City and Paris Saint-Germain, reached very substantial levels, always for the same audiences, with shares of 35.3% and 36.2% respectively. Moving on to the productions, *Zelig* remains very strong among men aged both 15–19 (22%) and 20–24 (22.5%), and finally we cannot fail to mention *Striscia la Notizia* (18.5% among 15–19 year olds).

Italia 1 maintains its strong position among a young male audience with historic products such as *Le Iene* (13.6% share among men aged 25–34) and with new products such as *Honolulu* (nearly 9% among men aged 25–34). As always, the world of sport also has great appeal, in this case with a mix of historic products such as *Tiki Taka la Repubblica del pallone* (11% among men aged 25–34) and new ones: MFE has been exclusively broadcasting Coppa Italia games since the autumn of 2021.

In daytime, *Studio Aperto* confirmed its truly significant role in communicating world events to young people: the lunchtime edition achieves a share of no less than 22.9% among young men aged 20–24. It's the highest figure for all Italian TV news. Following that, *Sport Mediaset* reaches 19.6% for the same audience. The daily instalments of *Il Grande Fratello Vip* are also significant (15.5% share among young men aged 20–24).

Another important slot in the offering for the male audience, of Cartoons, comes immediately after lunchtime. Here *The Simpsons* confirms its evergreen appeal, achieving 15.5% among young men aged 15–19 and 18.4% among the 20–24 audience. 2021 was also the thirtieth anniversary of the first broadcast for the celebrated animated series on the Group's networks. The first episode was shown on Canale 5 on 1 October 1991.

It should also be noted that a specific area of the company also monitors all programming to check the impact that programmes could have on minors.

Another dedicated organisational structure deals with the **digital offering** precisely in order to guarantee access to content for the coming generation. TV and radio programmes are enhanced through digital extension initiatives on all major connected digital platforms (desktops, mobile and wearable devices, tablets, smart TV, etc.).

These are the main results:

- ▣ Total Properties Video content consumption amounted to around 3.73 billion over the year, representing 14% growth on the previous year, with 462 million hours of video generated in total, representing 30% growth on the previous year (Source Webtrekk).
- ▣ The Information hub saw significant growth, reaching an average Total Audience of 3,536,000 unique daily users in 2021 (Source Audiweb 2.0), positioning itself, as the TGC24 brand, in second place in the Italian digital information market.
- ▣ Together, the information hub's free apps saw around 14.0 million downloads by the end of 2021, representing 6% growth compared to the base at the end of 2020. In this context, the TGC24 app achieved a total of 3.6 million downloads, with the base of installations increasing by 7% compared to the previous year (as of December 2021); in 2021 alone, there were 242,000 downloads. The weather forecasting service (Meteo.it) achieved 6.6 million downloads, with a growth of 4%. Downloads of the SportMediaset app reached 2.5 million (+7% compared to 2020); in 2021 alone, there were 158,000 downloads. The TG5 app achieved 1.3 million downloads in 2021, growth of 13%. (Source: App Annie at 31 December 2021. The base

of app installations considered refers only to the active versions distributed in the stores.) TCom24 is constantly upgrading social media activity by agency staff. In particular, in 2021 TCom24 consolidated its presence on social platforms with its Instagram, Facebook, LinkedIn and Twitter accounts and constantly updated its dedicated channel on the YouTube platform. Mediaset Radio's set of free apps deserve special mention. Together, they saw around 1.6 million downloads by the end of 2021, representing 22% growth compared to the base at the end of 2020.

In relation to Social Media Network presence, MFE confirmed itself as one of the leading media companies in creating engagement with its communities: a total of 42,5 million followers on MFE network Facebook pages, over 9 million followers on Twitter accounts and more than 21 million followers on Instagram accounts.

In Spain too, the Group has a broadcast offering targeted at the coming generation; examples include *La Isla de las tentaciones* (27% share in the commercial target audience), *Supervivientes* (26% share in the same group) or *'Cantora: la herencia envenenada'* (31.8% share).

During 2021 it also broadcast the European Football Championship with exceptional audience figures both in terms of television and access to the digital component dedicated to this event.

In terms of digital offerings, we would highlight the introduction of the *Mitele* platform, which enables innovative interaction between the content offered and the end user. *Mitele Plus* also offers exclusive content and special events for subscribers only.

In the area of managing human resources, categorised as stakeholders (see Chapter 5 "People"), the MFE Group has launched managerial development projects through classroom sessions and individual training meetings for young graduates.

The commitment and motivation of employees are considered essential to the Group's success. Young people are also constantly offered opportunities for professional growth, capitalising on the diversity of origin, experience and competence of the new resources.

Finally, it should be noted that, again with a view to taking the new dynamics and lifestyles connected with technological development into account, the use of smart working, which had already been tested successfully during 2020, was extended further in 2021 owing to the pandemic.

It should also be noted that the MFE Group is highly attentive in both Italy and Spain to **internship opportunities** that supplement and complete courses of study in collaboration with major universities. During internships, young undergraduates can approach the world of work, experiencing professional relationships and using the knowledge acquired during their studies.

On the subject of **higher education initiatives** (see Chapter 6 *Community and Territory*) for people not employed by the company, the Group's commitment to promoting Master's and training courses aimed at young graduates in collaboration with major universities should be stressed. These initiatives are directed towards a professional future in the world of television, marketing, e-trade marketing, sales and digital communication.

In Italy, we organise the **Master's in Journalism**: this is the training course for professional journalists, combining the communications and information expertise of IULM University and the MFE Group. It is a professional training

course, which means it is recognised by the National Association of Journalists as the equivalent of an apprenticeship.

The **Master's in Marketing, Digital Communication and Sales Management**, established in 1988 by Publitalia'80 and now in its 33rd edition, is also highly appreciated. The Master's is a 13-month (lectures and internship) postgraduate course with limited admission aimed at graduates looking to a professional future in the field of marketing, trade marketing, sales and digital communication.

Below there are also the training activities that took place in Spain in 2021, virtually or in any case adapted to current circumstances owing to the pandemic.

- ▣ Master's in audiovisual content creation and management, launched in 2009 in collaboration with the European University of Madrid;
- ▣ "Showrunner-aula di fiction" course launched in October 2019 in collaboration with the Cinema and Audiovisual School of Catalonia: a workshop for young people intended to create the formats of the future;
- ▣ Internship plan for students at the CES School (image and sound studies secondary school).

The social communication campaigns that have always distinguished the MFE Group also continue. Awareness-raising campaigns with TV and radio commercials and digital and social media coverage aimed at the community and youth issues in particular (see Chapter 6 Community and territory).

The **"Mediaset ha a cuore il futuro"** (Mediaset cares about the future) initiative is a concrete way of putting the MFE Group's skills and communicative power at the service of society.

Social communication campaigns that operate according to an integrated multimedia scheme featuring TV and radio advertising as well as digital and social media coverage address issues of national importance. These may relate to national emergencies or problems that are sometimes neglected. This lends continuity and power to the commitment that the company already expresses through its programmes.

In 2021, for example, **radio** proceeded with the commitments undertaken in previous years towards the community.

Almost 600 radio spots were broadcast by the various MFE Group stations to support social initiatives.

The "Mediaset ha a cuore il futuro" campaign to protect children and against food waste is another example, as is the campaign in support of the Lega Nazionale Difesa Cane against the abandonment of dogs in the summer.

Campaigns were also carried out in support of the AIRC to inform the public about the possibility of donating their '5x1000' income tax contribution to cancer research.

On World Alzheimer's Day, our radio stations ran awareness-raising campaigns with particular reference to the devastating effects of this degenerative disease, promoting its prevention and research.

Mediaset social campaigns are also a tradition in Spain: through the “12 meses” initiative in 2021, initiatives were pursued related to childhood well-being and the concepts of environmental protection, inclusiveness and the fight against gender-based violence.

Finally, the activity of Mediafriends Onlus (see Chapter 6 *Community and Territory - Social utility initiatives*), a non-profit organisation, is a concrete expression of how the MFE Group understands Corporate Social Responsibility.

Over the years, Mediafriends has supported numerous TV and other events to raise funds for the projects of non-profit associations. The best known of these is “Fabbrica del sorriso”, which in 15 years of activity has made it possible to finance countless charity projects in Italy and around the world, in particular for children and young people in difficult situations and poverty.

At 31 December 2021, over 75 million euros have been raised and distributed, allowing 177 associations to implement 299 charity projects in Italy and around the world.

Activity in 2021 was also profoundly marked by the pandemic. After a short period of relaxation in the situation, despite the vaccination campaigns, it affected activity in 2021 from as early as the planning phase. During the year, Mediafriends carried out three awareness-raising and fundraising campaigns, linked to the Covid-19 emergency and its collateral effects.

With regard to **promoting youth entrepreneurship** and supporting the world of work and promoting the territory in general, we would highlight the activities carried out by **AD4Ventures** (see Chapter 6 *Community and Territory-aimed at the community*).

This venture capital project involves investing in shares in start-ups, mainly digital in the consumer and retail area with high growth and development potential, through advertising campaigns in Italy and Spain.

The business model of AD4Ventures contributes to the growth of the companies in which investments are made, providing a great boost for all those young entrepreneurs still unable to access the big world of television media.

1.5 THE MFE GROUP, ITS BUSINESS CONTEXT, AND SUSTAINABILITY

In a rapidly evolving national and international context where new operators and different platforms are emerging and integrating, bringing big changes to offering models and ways of accessing content, the MFE Group pursues its corporate objectives with the major exogenous and endogenous **risk factors** taken into account, which can exert a significant influence on the evolution and sustainability of its own business model. Factors in this sustainability include:

- ▣ **Socio-demographic trends** (rising average age of traditional television viewership) and new ways of consuming content among younger age groups (non-linear consumption on new devices);
- ▣ **New competitors** (telecoms, global internet players etc.) operating at every link in the supply chain (content control, distribution platforms, client databases and advertising) and thereby depriving traditional operators of their role as intermediaries;
- ▣ **Regulatory changes on the national and international levels** (copyright protection, concentration of advertising etc.), changes to allocations processes, evolving distribution infrastructure (DTT, broadband).

This scenario places the Group in a context characterised by the **growing maturity of the leading markets** and the rising cost of the **premium content** offered by broadcasters.

In response to this context, the Group's strategy focuses on a **media-company model characterised by a strong local/national quality**, with a view to **developing its product and video distribution strategy** in a multi-device direction and the consequent **adaptation of its compliance programme** (processes, professional expertise and technological innovation) and on the **efficiency of its characteristic production processes**, as well as the evaluation of any **agreements and targeted alliances on an international basis**. In this context, the Group is already present in Spain where it holds the controlling interest in Mediaset España, the country's main private television group, and holds a financial investment in the capital of the German broadcaster ProSiebenSat.1 Media SE, with a stake at 31 December 2021 equal to 23.9% of the share capital (24.6% of the voting rights).

As stated above, in the pursuit of its business activities, the Group therefore maintains relations with a multiplicity of stakeholders in its efforts to protect their interests, while setting itself the target of generating a positive social impact in the territories where it operates.

The Mediaset Group pays the utmost attention to **complying with the applicable laws and regulations** in all the countries in which it operates and undertakes to act in accordance with the principles of loyalty, propriety, responsibility and freedom of the individual, respecting diversity and rejecting discrimination in all its forms.

The Group also takes **ESG factors** into account as an element and reference criterion for its decision-making and investment assessment processes relating to the operational areas directed towards launching targeted initiatives and projects with a view to greater environmental efficiency (reduction in consumption, diversification of energy sources) and the definition of its own self-produced content and its communication campaigns in line with its broadcasting and social responsibility profile.

Given MFE's sector, the **human factor** is of central strategic importance, resulting in a constant and growing commitment to looking after, training and developing its employees and seeking out new talents to encourage processes of innovation and growth in skills, as well as particular attention to protecting intellectual property and minors and developing initiatives directed towards the formation and promotion of culture and in general the social responsibility that comes with a role as leading national television broadcaster.

At present, the impact generated and experienced by the Group in the area of **Climate Change** does not represent a materially critical aspect for the Group, either directly or indirectly in both relative and absolute terms. The Group has in any case always been committed to ongoing and precise compliance with and monitoring of the development of regulation in this area, in particular the guidelines from the European Commission (Communication 2019/C 209/01 "Guidelines on non-financial reporting: Supplement on reporting climate-related information") and the recent adoption by the European Commission of the Media and Audiovisual Action Plan (MAAP), which aims to support the recovery and transformation of these industries, which have been particularly affected by the pandemic crisis and are essential for democracy, cultural diversity and European digital autonomy. This action plan focuses on three main areas of activity (recovery, transformation, more tools and capacity) including the creation of a climate-neutral audiovisual industry. The European commercial television association, of which the Group is a founding member (ACT), is preparing a position paper to the EU institutions in connection with this plan.

In order to manage all of these factors in an increasingly proactive, planned and shared manner, MFE has voluntarily provided for a **ESG Committee** within its governance model, made up of independent directors with the aim of dialogue, stimulating management and monitoring the Group's activities in these areas.

On 29 March 2022, the MFE Board of Directors, following a process of mapping and analysis of the Group's activities and positioning in the various ESG spheres shared with the Sustainability Committee, identified the following guidelines and macro-objectives to be pursued in Italy for the various ESG spheres, launching appropriate initiatives and projects:

- ▣ In the **Environmental** area, the Group, which given its characteristic activities does not in any case have a significant impact in terms of pollution, has always been inspired by the principles of responsibility for protecting the planet, through sustainable natural resource management, aims **to progressively reduce CO₂ emissions until Carbon Neutrality is achieved by 2030**.
- ▣ In the **Social** area, the Group has always recognised the central importance of people and sought to promote their experience, professionalism and diversity, already achieving excellent standards of gender equality both in terms of number and pay gap (with potential areas for improvement at management level) and excellent levels in welfare policy management. On this basis, the goals indicated are therefore:
 - **Maintain the current levels of distribution and pay equity for each category**, through recruitment and professional development policies that encourage the growth of the less represented gender into managerial roles.
 - **Maintain the standards of excellence achieved by the Group in the field of welfare and training**, both in terms of the level of investment and the variety and innovation of the service offer.

- Furthermore, with reference to its broadcast offering, MFE intends to continue playing a central role in the dissemination of the culture of sustainability in the country with the aim of **increasing public awareness around ESG issues through content distributed on all available platforms.**
- In the **Governance** field, the decision was taken to adopt a system to guide and control ESG initiatives and mechanisms to guide managerial action with the aim of **progressively adopting sustainability criteria and principles in managerial practices and choices throughout the organisation**, through specific training initiatives and the introduction of ESG objectives among the parameters of incentive systems.

MAPPING OF STAKEHOLDERS AND MATERIALITY ANALYSIS

In keeping with the reporting principles drawn up by the Global Reporting Initiative (GRI), the first Sustainability Report was drawn up, involving the principal company departments, using a structured analysis designed to identify the key **stakeholders** for the organisation and the most material **topics** for the preparation of the Report.

For the purposes of sustainability reporting, topics deemed material, or significant, are those of an economic, social and environmental nature on which a business has a significant effect (positive or negative) and which may substantially affect the assessments and decisions of stakeholders. The **materiality analysis** therefore takes into consideration not only the perspective of the organisation but also that of the stakeholders themselves. These analyses are periodically reviewed and updated.

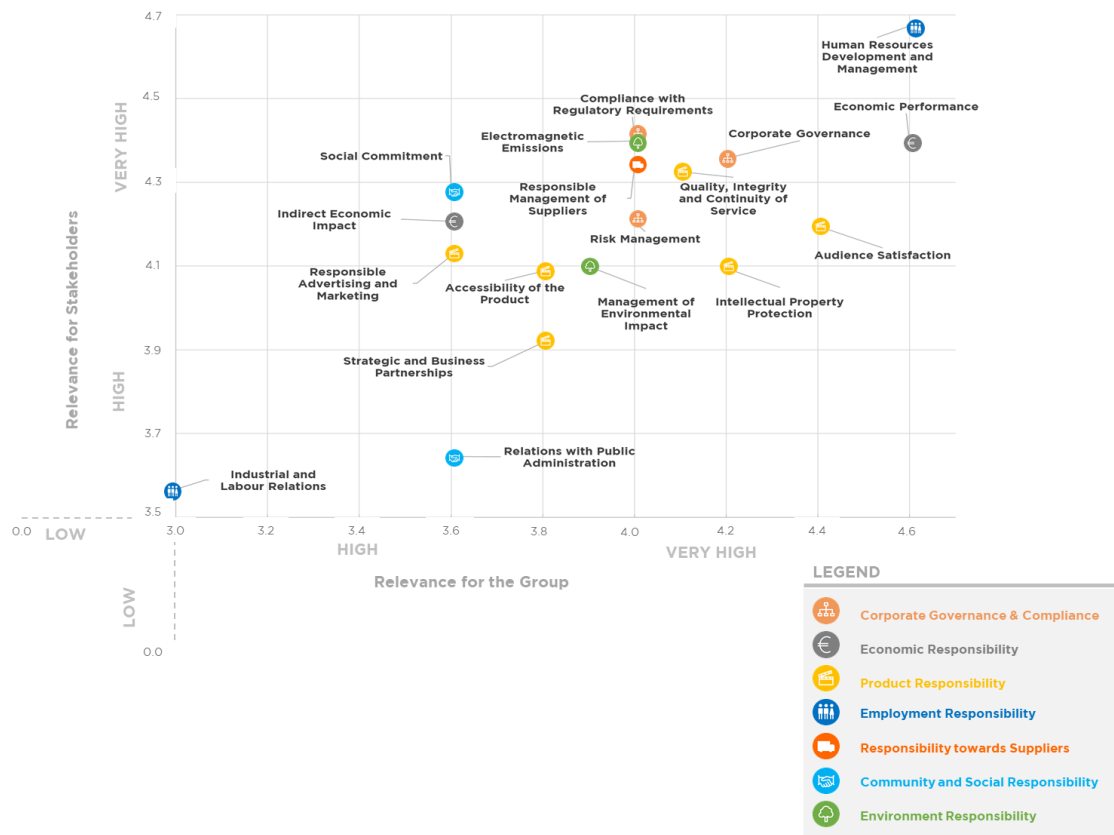
STAKEHOLDERS MAP



For the purposes of preparing this NFD, on 25 January 2022 the Board of Directors confirmed the materiality of the topics in the Materiality Matrix, presented in 2020, after consulting the Audit Committee which met on 20 January 2022.

To make up the Materiality Matrix, the significance of these issues assigned by the various categories of stakeholder resulted from the **stakeholder engagement activities** carried out in previous years, which involved employees, financial analysts, advertising investors, service and content providers and television sector agents, weighting the results on the basis of the updated assessments of significance attributed to the categories present in the map of stakeholders identified by company management.

The result of the materiality analysis was shared with the Group's senior managers during the strategic ERM risk assessment interviews. Following these interviews, the Group confirmed that the issues in the **materiality matrix** are monitored systematically within the corporate risk assessment process.

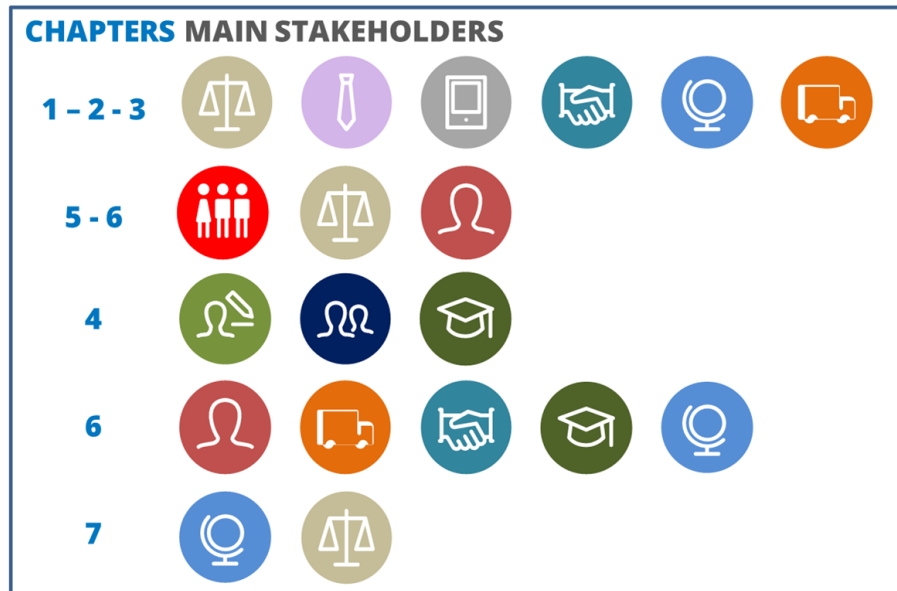


This Materiality Matrix represents the weighted combination of the degree of relevance/critical nature of the issues for the Group (represented on the horizontal axis) and for its stakeholders (represented on the vertical axis).

The materiality matrix shows the most relevant issues, by relevance/critical nature. The graph shows the issues with relevance ranging from “high” to “very high”. These issues are linked to the following sustainability groups: **“economic responsibility, responsibility with respect to human resources, product responsibility, corporate governance and compliance, responsibility towards suppliers, social and community responsibility and environmental responsibility”**.

The strategies, policies and instruments associated with individual material topics are reported in depth in the present document.

This document is structured to report the relevant issues included in the materiality matrix in line with the key to the graph. To facilitate reading, below is an example scheme to allow correlation of the topics in different chapters with the main stakeholder categories.



MATERIAL TOPIC IMPACT BOUNDARY

The table below summarises correlation with the GRI topics, the boundary and the type of impact for each material topic.

MATERIAL TOPICS FOR MFE	GRI TOPICS RELATED STANDARDS	MATERIAL TOPIC BOUNDARY	
		Where the impact occurs	Type of impact
Compliance with regulatory requirements	<ul style="list-style-type: none"> - Anti-corruption - Anti-competitive behavior - Taxes - Environmental compliance - Socio-economic compliance 	MFE Group	Generated by the Group
Risk management	n/a	MFE Group	Generated by the Group
Corporate governance	n/a	MFE Group	Generated by the Group
Economic performance	<ul style="list-style-type: none"> - Economic performance 	MFE Group	Generated by the Group
Indirect economic impact	<ul style="list-style-type: none"> - Indirect economic impacts 	MFE Group	Generated by the Group
Responsible advertising and	<ul style="list-style-type: none"> - Marketing and labelling 	MFE Group	Generated by the Group
Quality, integrity and continuity of service	<ul style="list-style-type: none"> - Content creation - Broadcasting of content 	MFE Group Business partners, content suppliers	Generated by the Group and connected to Group activities Generated by the Group
Audience satisfaction	<ul style="list-style-type: none"> - Customer privacy - Audience interaction 	MFE Group	Generated by the Group

MATERIAL TOPICS FOR MFE	GRI TOPICS RELATED STANDARDS	MATERIAL TOPIC BOUNDARY	
		Where the impact occurs	Type of impact
Protection of intellectual property	- Intellectual property	MFE Group	Generated by the Group
Accessibility of the product	- Broadcasting of content	MFE Group	Generated by the Group
Commercial and strategic partnerships	- Content creation - Broadcasting of content	MFE Group Business partners, content suppliers	Generated by the Group and connected to Group activities
Management and development of human resources	- Employment - Occupational health and safety - Human rights protection assessment - Training and education - Diversity and equal opportunities - Non-discrimination	Employees[*]	Generated by the Group
Industrial relations	- Labour relations and management - Freedom of association and collective bargaining	Employees; Trade unions	Generated by the Group
Responsible and sustainable supplier management	- Procurement practices - Freedom of expression - Broadcasting of content - Content creation	MFE Group Artistic resources, business partners, content suppliers Suppliers, subcontractors Artistic resources, business partners, content suppliers	Generated by the Group and connected to Group activities

MATERIAL TOPICS FOR MFE	GRI TOPICS RELATED STANDARDS	MATERIAL TOPIC BOUNDARY	
		Where the impact occurs	Type of impact
Relations with the Public Administration	- Economic performance	MFE Group PA, government and control bodies	Generated by the Group
Social engagement	- Indirect economic impacts	MFE Group Local communities and public	Generated by the Group
Environmental impact management	- Energy - Emissions - Effluents and waste	MFE Group	Generated and connected to Group activities
Electromagnetic emissions	n/a	MFE Group	Generated and connected to Group activities

(*) The boundary of information relating to health and safety and related accident indicators includes employees of Group companies and all external collaborators in Italy and Spanish temporary workers.

SUSTAINABLE DEVELOPMENT GOALS (SDGs)

In this document, it was deemed appropriate to link the SDGs that could be related directly to the main topics presented, from the 17 **Sustainable Development Goals** defined by the United Nations in 2015 and contained in the Sustainable Development Agenda.

These objectives contain the Guidelines that commit governments and international economic actors to achieving specific environmental, social and economic targets by 2030.

These links were established by analytically comparing the 17 Sustainable Development Goals (SDGs) with the material topics and the Group's characteristic activities and services. The following 11 sustainable development objectives were identified on the basis of this analysis.

The **impact of the individual material topics on the Sustainable Development Goals** is summarised in the following diagram:





2 - ECONOMIC PERFORMANCE AND RELATIONS WITH INVESTORS



2.1 SUMMARY OF INCOME STATEMENT/ BALANCE SHEET DATA

€ millions	2021	%	2020	%
Consolidated net income	2,914.3	-	2,636.8	-
Italy	2,038.4	70%	1,800.5	68%
Spain	876.3	30%	836.6	32%
Operating Result	418.0	-	269.7	-
Italy	192.1	-	38.5	-
Spain	225.3	-	230.5	-
Net Result	374.1	-	139.3	-
Net Invested Capital	4,099.5	-	4,228.7	-
Shareholders' equity (Group and third parties)	3,230.3	-	3,165.6	-
Shareholders' equity (Group)	2,661.8	-	2,668.3	-
Shareholders' equity (third parties)	568.5	-	497.3	-
Net financial position	(869.2)	-	(1,064.4)	-
Italy	(1,135.5)	-	(1,187.7)	-
Spain	266.3	-	123.3	-

2.2 DISTRIBUTION OF ECONOMIC VALUE GENERATED

The following prospectus shows the distribution of economic value of the MFE Group in regard to the principal stakeholder categories: suppliers, human resources, financial institutions, shareholders, government and community.

The data is based on the Consolidated Income Statement.

ECONOMIC VALUE GENERATED AND DISTRIBUTED	2021 From the consolidated financial statement <i>(millions of</i>		2020 From the consolidated financial statement <i>(millions of</i>	
		% distributed		% distributed
Characteristic Economic Value generated by the Group	2,986.2	-	2,693.7	0%
Net Result from Discontinued Operations	-	-	-	0%
Economic value generated by Group (A)	2,986.2	100%	2,693.7	100%
Economic value distributed by Group (B)	2,643.1	-	2,540.8	0%
Remuneration of suppliers	1,908.3	64%	1,850.8	69%
Remuneration of financial system	52.8	2%	63.7	2%
Remuneration of employees	499.0	17%	470.1	17%
Charity	0.5	0%	1.3	0%
Public administration remuneration	101.8	3%	74.9	3%
Remuneration of third party shareholders	80.7	3%	80.0	3%
Difference between generated and distributed (A)-(B)	343.1		152.9	
Other economic components (*)	31.0	1%	(13.6)	-1%
Added value retained by company	374.1		139.3	

(*) This item includes impairment, provisions, changes in inventories and all non-monetary components.

Economic value generated includes:

The *characteristic economic value* generated by the Group in terms of:

- ▣ Revenues from sales and services
- ▣ Other revenues and income
- ▣ Financial income

The **value** is **distributed** as shown below:

- ▣ Value distributed to **external suppliers** inclusive of purchase costs, services, other costs and amortisation of tangible and intangible property;
- ▣ Remuneration of **personnel**, which is equivalent to personnel costs;
- ▣ Remuneration of **financial institutions**, represented by financial expenses;
- ▣ Remuneration of **government**, including costs and current taxes;
- ▣ Remuneration of the **Community**, principally deriving from donations and grants for social and philanthropic causes and sponsorship of charities;
- ▣ Remuneration of **minority shareholders** representing the minority interests in the results of Mediaset España and Monradio.

The difference between the Economic value generated and the value distributed, net of non-monetary economic components, represents, in the absence of distribution to the shareholders of the parent Company, the value added retained by the Company.

2.3 RELATIONS WITH INVESTORS

The **MFE website** publishes financial information (financial statements, interim reports and additional financial information, presentations to the financial community and the performance of Stock Exchange transactions involving financial instruments issued by the Company) as well as data and documents that are of interest to shareholders (press releases, composition of Company bodies and committees, company bylaws, regulations and minutes of Shareholders' Meetings, as well as documents and information on corporate governance and the compliance programme pursuant to Legislative Decree no. 231/2001).

MFE SHARES ON THE STOCK MARKET (Source: Bloomberg)	2021 A Class	2021 B Class
Maximum price (euros)	1.1 13th December	1.8 14th July
Minimum price (euros)	0.9 29th December	1.2 13th January
Opening price 1/1 (euros)	1.1	1.2
Closing price 31/12 (euros)	0.9	1.3
Avg. daily volumes (m)	2.9	3.6
Max. daily volumes (m)	8.7 22nd December	18.1 10th November
Min. daily volumes (m)	0.4 13th December	0.9 29th December
Number of ordinary shares (m)	1,140.8	1,140.8
Capitalization on 31/12 (m/euros)*	1,026.8	1,420.3

* Trading start date: 13 December 2021

** Excluding own shares

In order to establish an ongoing relationship with the shareholders, based on an understanding of their respective roles, the Board of Directors appointed the **Chief Financial Officer** of the Group as the person in charge of managing relations with the shareholders.

For this purpose the Chief Financial Officer is assisted by the following two departments that report directly to him:

- ▣ **The Company Affairs Department**, which oversees relations with retail investors and institutional entities (CONSOB, Borsa Italiana);
- ▣ **The Investor Relations Department**, which oversees relations with the financial community (financial analysts, institutional investors and ratings agencies).

MFE COMPARED TO MAJOR EUROPEAN BROADCASTERS (2021)



The **Engagement Policy** adopted by the Company to regulate and guarantee the transparency associated with interactions with the financial market and the relevant actors involved can be consulted on the Company's website.

In January, the **financial calendar** with details of main financial events, is reported to the market and published on the website⁵.

The company guarantees that the market receives information which is appropriate, fit for the purpose of correct evaluation of the financial and revenue prospects for the Group, compliant with applicable legislation and in accordance with the principles of clarity, propriety and parity of access to information. In particular, in 2021 the Company took part in the **industry's main conferences**, which were organised virtually due to the restrictions imposed to deal with the health emergency, and met many institutional investors. These activities were part of the daily work of interaction with the **21 brokers** covering MFE stock and the numerous investors who contact the company via its Investor Relations team.



As of October 18 2021, the Company became part of the **MIB ESG Index**, the first blue-chip index for Italy dedicated to ESG best practice, managed by Euronext and Vigeo Eiris – part of Moody's ESG Solutions.

This index is designed to allow institutional investors to identify the companies that best meet the need for responsible investment.

The contact details and telephone numbers of the MFE Group Corporate Affairs Department and Investor Relations Department are published on the Company's website.

⁵ MFE has released a calendar available on the company's website in connection with this.



3 - ETHICS, INTEGRITY AND TRANSPARENCY IN BUSINESS ACTIVITIES

3.1 CORPORATE GOVERNANCE



MFE-MEDIAFOREUROPE NV (“MFE” or “Company”) as of September 18 2021 is a public company under Dutch law (*Naamloze Vennootschap*) established following the transfer of its registered office to Amsterdam in the Netherlands (the “Transfer”).

The Company has a **secondary office** in Italy in Cologno Monzese (Milan), Viale Europa 46, has **tax residence** in Italy and since 1996 has been listed on the Electronic Stock Market (since 25 October 2021 called Euronext Milan) managed by Borsa Italiana S.p.A.

Following the Transfer, the Company chose the Netherlands as its home Member State, for the purposes of article 2, paragraph 1 of the Transparency Directive (Directive 2004/109/EC), notifying the market pursuant to 5:25a, paragraph 3 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).

As a company based in the Netherlands, MFE, from the effective date of the Transfer, is no longer subject to the Corporate Governance Code of Borsa Italiana but to the **Dutch Corporate Governance Code** (version of 8 December 2016, effective from 1 January 2017) (“DCGC”) available at the following address <https://www.mccg.nl/publicaties/codes/2016/12/8/corporate-governance-code-2016> in the unofficial English version.

The subsidiary **Mediaset España Comunicación S.A.**, listed on the Madrid, Barcelona, Bilbao, and Valencia Stock Exchanges and on the Spanish electronic stock market – Ibex 35 and its subsidiaries are subject to Spanish Law and to the Spanish corporate governance system. As of 22 June 2020, following a failure to meet the admission requirements, mainly due to the impact on capitalisation during the most acute phase of the pandemic, the stock was removed from the Ibex 35 and admitted to the IBEX Medium Cap Index.

Following the Transfer, MFE adopted the **one-tier governance system** which envisages only the Board of Directors as the governance body. Control of the management activities, carried out by the executive directors, is entrusted to the non-executive directors. No autonomous control body is envisaged in this system. Consequently, the board of statutory auditors ceased to exist from 18 September 2021, a body required under Italian law in the traditional management and control system, which remained in place until the Transfer. The powers and operations of company bodies and committees are governed by law, by the company's Bylaws, by the respective regulations adopted, by the resolutions passed by the competent company bodies, and by the principles and criteria set down in the DCGC.

The **Shareholders' Meeting** represents all shareholders and has powers to deliberate, in ordinary and extraordinary sessions, on matters falling under its remit by law or by the Bylaws. The shareholders' meeting is chaired by the Chairman of the Board of Directors, and its decisions, taken in conformity with the law and with the Company Bylaws, are binding. See the “Profile and activity” section of the present Report for a breakdown of the share ownership structure.

The **Board of Directors** is the collective body of MFE responsible for administration of the company. It plays a key role in the Company's organisation, overseeing functions and responsibility for its strategic and organisational guidelines, checking the existence of controls necessary to monitor the performance of the Company and Group. The system of delegation of powers is such that the central role of the Board is maintained within the Company's organisation. The Board of Directors is invested with the powers provided by the law and by the Bylaws. In addition, the Board performs the activities assigned to it by the DCGC. In particular, the Executive Directors are in charge of the day-to-day management of affairs relating to the company while the Non-Executive Directors must monitor the fulfilment by the Executive Directors of their duties as well as the general performance of the management and the business connected to it.

The Board of Directors met fifteen times in 2021. On 31 December 2021, the Board comprised 15 members: Fedele Confalonieri, Pier Silvio Berlusconi, Marco Giordani, Gina Nieri, Niccolò Querci, Stefano Sala, Marina Berlusconi, Danilo Pellegrino, Carlo Secchi, Marina Brogi, Alessandra Piccinino, Stefania Bariatti, (from majority list "1"); Giulio Gallazzi, Costanza Esclapon de Villeneuve and Raffaele Capiello (from minority list "2").

It should also be noted that the Board of Directors comprises 60% men and 40% women.

The Board of Directors, up to the effective date of the Transfer, maintained three **internal Board Committees** with advisory and consultative functions in accordance with the Corporate Governance Code of Borsa Italiana (Control, Risk and Sustainability Committee, Governance and Appointments Committee, Compensation Committee) and the Related-Parties Committee.

On 28 September 2021, following the Transfer, the Board of Directors set up four internal Board Committees: the Audit Committee, the Nomination and Remuneration Committee and, on a voluntary basis, the Environmental Social and Governance Committee and the Related Parties Transactions Committee.

Since 2017, the Board of Directors has been responsible for ensuring that the Sustainability Report is drawn up and published in compliance with the provisions of Directive 2014/95/EU and Legislative Decree 254/2016. Following the Transfer, the Audit Committee is responsible, among other things, for assisting the Board by providing advice on the disclosure of financial and non-financial information by the Company and the monitoring and assessment of reporting on ESG goals and programmes.

The Audit Committee, pursuant to provision 1.5.1 of the DCGC, also deals with the preparatory work regarding supervision of the integrity and quality of the Company's financial reporting and the effectiveness of the Company's internal risk management and control systems; it assists the Board by providing advice on the Company's compliance with applicable laws and regulations, on auditing the Company's internal risk management and control systems, on the recommendation for the nomination of the external auditor, on relations with internal and external auditors, as well as compliance with their recommendations and subsequent observations, the financing of the Company, the application of information and communication technology by the Company, including risks relating to IT security and the Company's tax policy.

The **Environmental Social and Governance Committee** provides the Board with initial advice that aims to support the Board in drawing up the Company's environmental, social and governance policies in accordance with its strategy. To this end, the Environmental Social and Governance Committee can bring specific environmental, social and governance goals to the attention of the Board of Directors.

The decision to pursue these goals or otherwise and the corresponding implementation programmes are left to the Board and to the management of the Company respectively.

The monitoring and assessment of achievement of the Company's environmental, social and governance goals and the implementation of the related programmes are periodically assessed by the Audit Committee and the related results are included in its report to the Board of Directors.

During the year, in line with a consolidated practice within the company and in order to promote knowledge by Non-Executive Directors of the internationalisation strategies and specific business and corporate governance issues, the Company organised various Induction meetings involving the Company's management and external consultants.

For more detailed information on the company's governance structure, including the composition of the corporate governance bodies of Group companies, diversity in governance bodies and remuneration policy for the members of these bodies, the reader is referred to the Report on Operations, Corporate Governance Report and Compensation Report, which are available on the <https://www.mfemediaforeurope.com/en/ website>.

3.2 ETHICS AND INTEGRITY IN BUSINESS

CODE OF ETHICS

As indicated in paragraph 1.3 above, the Code of Ethics defines the values which the MFE Group cherishes, accepts and shares at every level in the pursuit of its business activities.

Following a review process, in 2019 the Italian holding company Mediaset S.p.A. and the other Italian companies belonging to the same Group approved a **new version of the Code of Ethics**, also in light of the evolution of their business activities, the need to harmonise the coordination of the provisions of the Code of Ethics with those of Compliance Programmes pursuant to Legislative Decree 231/01 adopted by the individual Group companies and adaptation to regulatory changes (in the field of whistle-blowing, for example).

In September 2021 MFE-Mediaforeurope N.V., the holding company under Dutch law, then went on to adopt a **Code of Ethics**.

The principles and provisions of the Code of Ethics are binding on directors, auditors, employees and all persons working for/with the Group in any capacity, regardless of the nature of their employment relationship, even temporary, with the company (e.g. employees, suppliers, clients etc.).

Respect for the principles and values enshrined in the Code of Ethics is of fundamental importance for the correct operation, reliable management and image of the MFE Group⁶.

⁶ Including foreign investee companies

All activities of the Group are therefore pursued in a spirit of fair competition, in full respect for the laws and regulations of the jurisdictions of all countries in which the individual companies operate, and for the ethical principles commonly applied in the pursuit of business, such as honesty, fairness, propriety, transparency and good faith.

The MFE Group propagates the principles and values enshrined in its Code of Ethics via targeted **information campaigns**, especially with regard to its corporate bodies, staff and employees, encouraging them to apply and strictly observe these principles and values.

The Code of Ethics is provided to all employees of the Group through the **company intranet** together with their salary statements, and to new recruits at the moment of recruitment.

The Code of Ethics is also published and appropriately highlighted **in the “Compliance” section of the MFE Group’s website** (www.mfemediaforeurope.com/it/governance/compliance/), in English and Italian, and on a specific “Compliance” portal on the company intranet.

The MFE Group also implements **training activities** addressing its Code of Ethics, and with particular reference to the companies under Italian law, as required under the administrative liability provisions (Legislative Decree 231/01) and in reference to the Compliance Programmes pursuant to Legislative Decree 231/01 implemented by Italian Group companies⁷. According to circumstances and requirements, training plans are administered in classroom courses or via special e-learning modules.

Following its adoption and subsequent amendments (we would point out that no changes were made in 2021 to the text adopted by Mediaset S.p.A. and the Italian subsidiaries in 2019, while MFE-Mediaforeurope N.V. adopted a Code of Ethics for the first time), the Code of Ethics was distributed appropriately to its different recipients including signatories to employment and supply contracts and, more generally, to all parties conducting business relations with MFE Group companies. Contracts with third parties contain specific clauses with an explicit formal reference to the Code of Ethics (as well as the Compliance Programmes pursuant to Legislative Decree 231/01 in the case of Italian companies), stating that failure to observe its provisions constitutes a breach of contractual obligations, giving rise to the right to terminate existing legal relationships without prejudice to any compensation for damages.

In line with Italy, the **MFE Group in Spain** implements its own Code of Ethics, which applies both to the parent Company and its Subsidiaries. Its latest version was approved by the Board of Directors in 2019. Mediaset España also implements its own Compliance Programme, which is analogous to the programme implemented in Italy. It also implements a whistle-blowing mechanism allowing violations of the code to be reported anonymously.

COMPLIANCE WITH REGULATORY REQUIREMENTS

⁷ As of 2002, the companies under Italian law which have implemented their own Compliance Programmes under Legislative Decree 231/01 are: Mediaset S.p.A., Mediaset Italia S.p.A., R.T.I. S.p.A., Publitalia '80 S.p.A., Digitalia '08 S.r.l., Medusa Film S.p.A., Taodue S.r.l., Elettronica Industriale S.p.A., R2 S.r.l., Radio Mediaset S.p.A., Radio Studio 105 S.p.A., Virgin Radio Italy S.p.A., Monradio S.r.l., RMC Italia S.p.A., Radio Subasio S.r.l.

As a supplier of audiovisual services and a radio broadcaster, the MFE Group scrupulously observes Italian law in the pursuit of its business activities, including requirements of a regulatory and self-regulatory nature.

To prevent violations of applicable legislation, the Group scrupulously observes the requirements on air time and the **protection of minors** in the **advertising content** carried in its radio and television broadcasts. The following requirements apply in regard to these issues:

- ▣ **training of personnel** responsible for programming, production and broadcasting;
- ▣ **general oversight of programming activities**, using a delegation system conferring the necessary powers on those responsible for broadcast content;
- ▣ **advisory and supervisory** action by the **Legal Affairs Department** and **Regulations and Corporate Compliance** and the **Directorate for Documentation and Institutional Analysis**, both from a general perspective and addressing specific programmes or individual issues, with the purpose of identifying critical issues and taking any appropriate preventive action wherever possible.

Regulations and Corporate Compliance periodically publishes a manual summarising the regulations governing the TV and radio programming activities of private Italian broadcasters with reference to the Italian market.

Following the changes introduced by Legislative Decree 208/2021 – Audiovisual Media Services Directive – in force since 25 December 2021, the **“audiovisual media services manual”** by the Directorate for Regulation and Institutional Requirements is being revised. This summarises and interprets the complex legislative and regulatory framework governing the broadcasting of content on various platforms (TV, radio, OTT, internet, etc.).

The manual is designed for everyday use, and is also valuable as a guide for programmers to identify critical issues.

Programmers receive training on correct programming procedure in a series of meetings, including issues specifically connected with regulations on programming.

The MFE Group operates in an intensively regulated sector, and its relations with regulatory bodies and industry associations are of primary importance. The Group defends its legitimate interests before local and international administrative powers.

To do so, the Group is a member of various **industry associations** created to promote the shared interests of commercial TV stations on the national, EU and international levels:

- | | |
|--|---|
| ▣ Association of Commercial Television in Europe (ACT) | ▣ Fedoweb |
| ▣ Associazioni Produttori Audiovisivi (APA) | ▣ CMBA – Creative Media Business Alliance |
| ▣ Columbia Institute for Tele-Information (CITI) | ▣ EGTA – Association of advertising sales companies |
| ▣ Centre on Regulation in Europe (CERRE) | ▣ IAB Italia Interactive Advertising Bureau |

- ▣ Confindustria Radio Televisioni
- ▣ Assolombarda
- ▣ Unindustria Lazio
- ▣ European Interactive Digital Advertising Alliance (EDAA)
- ▣ Federazione Concessionarie di Pubblicità (FCP)
- ▣ Istituto di Autodisciplina Pubblicitaria (IAP)
- ▣ Pubblicità Progresso
- ▣ Asociación para la autorregulación de la comunicación comercial (AUTOCONTROL)
- ▣ Comité de Autorregulación y Comisión Mixta de Seguimiento sobre contenidos televisivos e infancia

CONFLICTS OF INTEREST

The Code of Ethics includes special provisions on conflicts of interest.⁸ All recipients of the Code of Ethics must scrupulously observe the laws and regulations on conflicts of interest, especially with regard to the pursuit of their business activities and their own duties/functions. In pursuing the interests and general objectives of the Group, they must abstain from conduct and action incompatible with their obligations in connection with their relations with MFE Group companies.

Consequently, in the occurrence of situations or activities in which the recipients of the Code of Ethics may have interests (directly or via third parties) which are or could be in conflict with those of the MFE Group, these recipients must immediately inform their superiors or the designated bodies, with reference to companies governed by Italian law, the **Supervisory and Control bodies**, where these exist, and respect the decisions taken by the Group in this regard.

Mediaset implements a **"related parties procedure"** taking into account the dictates of the regulations containing provisions on the subject of related transactions adopted by Consob, the provisions of the Civil Code, and the recommendations of the Corporate Governance Code.

The MFE Group is therefore committed to taking all measures necessary for avoiding situations which may present conflicts of interest.⁹

The MFE Group also establishes the necessary measures to ensure observance of the regulations concerning equal access of political entities to television and radio in application of the principles of pluralism of information. In overly simple terms, this activity takes the form of sending internal company circulars to its broadcasting

⁸ Both in the Code of Ethics adopted by Mediaset S.p.A. and its Italian subsidiaries during 2019 and in the "Code of Ethics" adopted by MFE, there is a specific provision on conflict of interest, according to which "the Recipients, in the context of their dealings with the same, are required to comply with the laws and regulations governing the conflict of interests." In addition, they "must pursue the objectives and general interests of the Group in the performance of their business activities and their own duties/functions" and "abstain from activities, conduct and action incompatible with their obligations in connection with their relations with the same".

According to the Code of Ethics, purely by way of example, the following situations may constitute conflicts of interest: (i) having economic or financial interests, including through family members, in Suppliers, Clients or competitors; (ii) using one's role within the Group or the information or data acquired in the performance of one's business activities and/or own duties or functions to one's own advantage or that of third parties contrary to the interests of the Group; (iii) performing business activities or any kind (including services or intellectual work) for Suppliers, Clients, competitors and/or for third parties contrary to the interests of the Group; (iv) initiating negotiations and/or entering into agreements – in the name of and/or on behalf of the Group – with family members or partners as counterparties, or with counterparties of which the Addressee is, in any capacity, owner or in which they are in any case an interested party. 3. Addressees must without delay, taking the circumstances into account, inform their superior or, if applicable to the specific case, the person to whom they are obliged to report situations in which they may, directly or due to third parties, have interests (even only potentially) in conflict with those of the Group.

⁹ The Group undertakes to guarantee, in all possible circumstances, compliance with the Law of 20 July 2004 no. 215 "Requirements on the resolution of conflicts of interest", and with AGCOM ruling no. 417/04/CONS "Regulations on the resolution of conflicts of interest" (amended by ruling no. 392/05/CONS 682/11/CONS).

structures, including news directors, precisely indicating the requirement to observe regulations concerning equal access of political entities to television and to implement the measures issued by the Authority.

The **AGCM** carries out its supervision of conflicts of interest through the Resolution of 16 November 2004 - "Regulation on conflicts of interest" (amended by Resolution No. 26042 of 18 May 2016).

Conflict of interest may exist in two distinct cases.

The first (conflict by reason of incompatibility) occurs whenever the holder of a government office, who is already in a situation of incompatibility, adopts or participates in the adoption of an act or omits an act that is required, in the exercise of their governmental function.

The second hypothesis (conflict by reason of impact on assets) concerns the adoption or participation in the adoption of collegial acts, through which the holder of a government office favours himself, his spouse or his relatives up to the second degree, harming the public interest at the same time.

With regard to **Inside Information**, it is finally noted that, on 18 September 2021, following the completed transfer of the Company to Amsterdam (Netherlands), the update of the related Procedure was approved¹⁰. This acknowledges, among other things, that the competent authority for the purposes of insider trading and delay in disclosing privileged information remains the Italian Market Supervisory Authority (CONSOB). The Inside Information Procedure governs the internal management and communication to the public of inside information concerning the parent company and its subsidiaries, as well as the operation of the "Register of persons with access to inside information". The Inside Information Management and Communication Procedure is an essential component of the MFE-MEDIAFOREUROPE N.V. internal control and risk management system and part of the rules and prescriptions adopted by MFE-MEDIAFOREUROPE N.V. for the purpose of preventing offences.

The above Procedure is binding for the directors, statutory auditors and employees of the parent Company and Subsidiaries as well as the external persons/entities who act in the name of and on behalf of the same – with the exception of the listed subsidiary **Mediaset España Comunicación S.A.**, obliged to keep their own Insider Register, to fulfil related requirements and to notify the reference market – and who, in any capacity, have access to information regarding MFE and its subsidiaries.

The Company has communicated the Inside Information Management and Communication Procedure to its personnel and that of its subsidiaries, including through publication on the company intranet and on its website and has also continued training on the process of managing significant inside information for the competent structures.

Via its regulatory compliance department, the **MFE Group in Spain** works to detect and monitor potential conflicts of interest between the company and its directors. This matter is regulated by the Code of Ethics and by the Group's internal code of conduct, which both provide mechanisms for identifying and resolving potential conflicts of interest, thereby preventing conduct liable to damage the company or its shareholders.

In 2021, the "Related Parties" procedure was updated to adapt it to the changes introduced by the new Law on

¹⁰ Adopted pursuant to the Market Abuse Regulation (EU No. 596/2014), in order to comply with the legal and regulatory provisions, including European ones, in force regarding the abuse of inside information.

companies (5/2021, 12 April - "LSC") with particular reference to the approval and communication of transactions carried out with related parties; for certain types of significant transactions, the authorisation of the Shareholders' Meeting is required as well as publication on the Corporate website.

All other cases must in any case be authorised by the Board of Directors itself.

Finally, to avoid potential conflicts of interest in the creation and dissemination of content, all related commissions are subject to the review, analysis and approval of the Group's Acquisitions Committee or, if necessary, of the Board of Directors.

3.3 THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

As an integral part of its Internal Control and Risk Management System, in both Italy and Spain the MFE Group has implemented a Risk Management model to enable a better response to the risks to which it is structurally exposed and adopted the **ERM (Enterprise Risk Management Framework) methodology** for this purpose, already identified as the benchmark methodology by the Guidelines for the Internal Control and Risk Management System.

The ERM model identifies the following types of risk factors which may be important from a perspective of sustainability over the medium and long terms:

Strategic risks, linked to both external and internal factors capable of structurally threatening the business model and the sustainability of the competitive advantages acquired, significantly compromising the achievement of medium/long-term objectives, financial strength and the creation of economic value for shareholders:

- ▣ **external and industry risks**, mainly attributable to the evolution of the economic cycle, the evolution of the intermediate and final reference markets (consisting of the demand for consumption of audiovisual and entertainment content and the demand for advertising space), the evolution of competitive context and the connected dynamics of availability and contestability of the key production factors made up of content, strategic artistic resources and the evolution of the reference regulatory context on an international and national basis;
- ▣ **internal risks** connected to the implementation of strategic guidelines and directions in order to counter the structural maturity of the characteristic reference markets, leveraging the ability, by managing the model of broadcast offering based on original self-produced content with highly local characteristics, to generate stable and high coverage of commercially relevant audiences and on a constant activity of optimising and increasing the efficiency of the related processes with a view to flexible management and cost control, also acting in an evolutionary sense, including through partnerships and alliances, to develop new broadcasting and commercial models and the required managerial, professional and technological skills also with a view to developing a corporate and organisational model that allows the pursuit of supranational dimensional growth strategies.

Operational and process risks mainly attributable to:

- ▣ risks concerning **business interruption, IT security** and **crisis management**;
- ▣ **financial risks** connected to the management of financing needs and interest and exchange rate fluctuations;
- ▣ risks associated with the failure to protect **intellectual property rights**;
- ▣ risks connected to the management of **legal disputes**.

Governance and Compliance risks mainly attributable to compliance with industry laws and regulations required in conducting business, financial and non-financial reporting, management of ESG factors connected to environmental policies (management and control of energy consumption, effluents and waste and emissions, compliance with the regulations related to the installation of radio and television transmission equipment in relation to compliance with the limits set for electromagnetic emissions) and the main areas of responsibility related to Human Resource management policies (health and safety, non-discrimination and protection of human rights, diversity and equal opportunities, training, industrial relations)

With reference to the risk factors identified, the Group first defines its **Risk Appetite**, that is, the level of exposure to both internal and external factors of uncertainty and variability that the management is willing to take on and accept in its decision-making and management process. Starting from the system of principles and values, recognised in its own codes of conduct and in the main organisational guidelines and operating procedures, this appetite is defined and adapted differently for the different categories of risk, in an inverse relationship with respect to the capacity for control and the levers that the management can apply to these factors and in relation to the medium-term need to ensure the safeguarding of certain parameters that structurally define its market positioning and its sustainability and financial self-sufficiency.

The ESG risk profiles are assessed taking into account the general reference context (also in terms of benchmark with leading operators in the TMT sector), monitoring of the Group's main initiatives and projects in these areas and the main results linked to feedback from the main stakeholders.

In the context of mapping the risks subject to periodic monitoring and evaluation by management, these **ESG (Environmental, Social and Governance) factors** are mainly identified as and included in the category of Governance and Compliance risks, with respect to which the Group effectively expresses a substantial and preventive total aversion to risk, equipping itself with appropriate organisational tools and adequate internal and external skills for their management and mitigation. Typical governance risks, such as the risk of non-compliance with laws and regulations, of inadequate conferral of powers and delegations or of inappropriate remuneration policies, are mitigated through the implementation of a consolidated system of Corporate Governance, implementing the provisions of the Self-Regulatory Code envisaged for listed companies and national and international best practices as well as the relevant regulatory provisions.

ESG factors also represent, in the context of the social and environmental responsibility profiles at the basis of the management's conduct, the reference criteria adopted in managing the main operational and operating processes and in particular in evaluating investment and technical innovation initiatives and projects, in the definition and planning of its overall broadcast offering and social communications campaigns, also in relation to greater sensitivity of end users and advertising investors to ESG issues and in the management and policies of developing

human resources, a strategic central factor for the Group.

The nature and main activities of management and mitigation implemented by management in relation to these risk areas are described below.

Risks connected with reputation and relations with stakeholders. One of the MFE Group's key strategic objectives is the ability to maintain and increase content innovation and brand value perception over time in keeping with the development of its business model. In relation to this objective, there is a risk of establishing broadcasting and communications strategies and initiatives aimed at the financial market and the public that could have an adverse impact on the perception of the MFE brand. This risk is primarily monitored via constant supervision designed to ensure full oversight of certain processes, and in particular:

- ▣ **programme scheduling**, monitored through daily analysis of television viewer behaviour, both in terms of audience share and rating of broadcast programmes, and, consequently, of viewer perception of the editorial approach adopted by the networks, as well as through ongoing initiatives designed to ensure the protection and respect of minors and attention to issues of social responsibility;
- ▣ reporting processes to the **financial market** and to the **public**;
- ▣ **production processes** and their ability to generate high-quality innovative products.

Risks connected to the management of human resources. With regard to the risks associated with the management of human resources, the Group acknowledges the vital role played by human resources and the importance of cultivating transparent relations based on reciprocal loyalty and trust, and the application of the rules of conduct dictated by the Code of Ethics.

Management and cooperation in working relations is based on respect for the **rights of workers** and the full **recognition of their contributions** in a perspective of promoting their professional growth and development.

In particular, in the present competitive context characterised by profound change driven by digital transformation processes, triggered by advances in technology which are significantly impacting the sectors in which the Group conducts its business (creation and distribution of video content, sale of advertising space), the Group is increasingly focused on the aspects of **recruiting, training and cultivation of human resources**. Special emphasis is also placed on identifying talent and the need to create career development trajectories which reinforce expertise in areas of key importance to the Group, particularly technology and the conception and creation of broadcasting products, specific training, the definition and development of career trajectories and the definition of incentives plans. In pursuit of these objectives, the Group implements **systems for evaluating annual performances** based on a clear definition of shared objectives which can be measured in numeric, financial and economic terms as well as individually and qualitatively. Also, to promote a positive corporate culture and climate, the Group constantly strives to improve internal communication flows via advanced, market-standard **collaboration tools** (new corporate intranet project, Office 365 and instant messaging services for all company employees), as well as introducing **innovative and flexible ways of working** (smart working).

Risks related to environmental policies

At present, the impact generated and experienced by the Group in the area of Climate Change does not represent

a materially critical aspect for the Group, either directly or indirectly in both relative and absolute terms. The Group is in any case committed to ongoing and precise compliance with and monitoring of the **development of regulation** in this area, and has initiated a process aimed at identifying and implementing **low-environmental-impact** technical investment and replacement solutions directed towards energy saving and limiting and optimising direct emissions. In particular, sustainable mobility initiatives were launched to this end in 2021, an area in which the Group, after having introduced various measures in previous years to improve employee transport to the main company premises, has focused its commitment on renewing the company car fleet. It has developed a project that will be completed in 2022 and involves the construction of major car park charging station infrastructure at its Cologno Monzese headquarters. This will facilitate conversion of the company fleet to hybrid or full-electric models, capable of producing positive impact in reducing CO₂ emissions from company cars.

Also in the field of sustainable mobility, activity is underway based in part on **fact-finding surveys** carried out among personnel, aimed at mapping commuting, habits and the willingness of personnel to change with the aim of drafting and adopting the Home-Work Travel Plan (PSCL) to encourage sustainable mobility as part of the Relaunch Decree, which all companies are required to adopt for every site with more than 100 employees. On the basis of the analyses performed, it was possible to estimate that in 2021 the use of smart working made it possible to reduce the overall environmental impact generated by commuting by about 30%.

Given the nature of its transmission activity, the Group in Italy is also exposed to the risk of generating **electromagnetic fields**. Exposure to electrical, magnetic and electromagnetic fields is governed by Italian Framework Law no. 36 of 2001 and Italian Presidential Decree of the Council of Ministers of 8/7/2003, which set **limits on exposure** of the population to electrical, magnetic and electromagnetic fields with a frequency ranging from between 100 kHz to 300 GHz. The exposure limit is the value of the electrical, magnetic and electromagnetic field, regarded as the emission value, set to protect health against severe effects, which must not be exceeded under any condition of exposure of the population and workers.

In addition, this attention value must not be exceeded in residential areas, schools and places of extended stay.

The **quality goals** are:

- ▣ location criteria, urban planning standards, requirements and incentives for the use of the best available technologies, as indicated in regional laws;
- ▣ the electrical, magnetic and electromagnetic field values, set by the government for the progressive mitigation of exposure to those fields.

Despite widespread concerns among the population linked to the effects of electromagnetic fields, the World Health Organization and the latest scientific literature have concluded that current evidence provides no proof of health damage resulting from exposure to weak electromagnetic fields. Therefore compliance with the exposure limits recommended by domestic and international guidelines enables monitoring of the risks of exposure to electromagnetic fields which may be harmful to health.

Moreover, the limits under Italian regulations are up to 100 times lower than those set by the International Commission on Non Ionizing Radiation Protection (ICNIRP) and applied in the rest of Europe.

2021			
	Intensity of electric field E (V/m)	Intensity of magnetic field H (A/m)	Power density D (W/m ²)
Exposure limit	20	0.050	1.0
Warning threshold	6	0.016	0.1
Quality objective	6	0.016	0.1

The critical factors for constructing transmission equipment and adhering to legal limits are:

- ▣ the need to emit high power levels;
- ▣ the difficulty of erecting tall towers for the installation of transmission antennas;
- ▣ the proximity of housing to transmitters or the issue by municipalities of new building permits for the construction of housing close to plants;
- ▣ the presence on the same site of other broadcasters (particularly radio broadcasters), which can result in the limits being exceeded when emissions are aggregated.

The Group's installations are designed, developed and operated in compliance with Italian law. In accordance with the Group's operating practices, all necessary measures are taken, when designing new sites or modifying existing ones, to keep the electromagnetic field levels within the parameters set by the regulations. In particular:

- ▣ the construction of tall towers for transmission antennas in order to keep them as far as possible from areas accessible to the population;
- ▣ improved orientation of transmission antennas, to concentrate the signal on the area to be served and use less power minimising the electromagnetic radiation detectable at ground level (areas accessible to the population);
- ▣ identification, where possible, of installation sites far from residential areas;
- ▣ submission of the project for prior assessment and authorisation by local authorities and regional environmental protection agencies, as required by the Code of Electronic Communications (Italian Legislative Decree 259/03).

In addition, specific company departments are responsible for mapping installations with a risk of exceeding the electromagnetic field limits and establishing monitoring plans as well as, where necessary, the use of internal and external resources (certified external advisors).

Using the same risk management model, implemented in 2007 and regularly updated each year, the **MFE Group in Spain** implements an assessment process designed to identify risks in its own industrial context. Every year, the Board of Directors of MFE in Spain assesses the risks the Group is exposed to, and evaluates the internal control

systems implemented, identifying possible areas for improvement. In particular, the Internal Audit and Compliance departments evaluate the specific risks to which the MFE Group in Spain is exposed, assessing the likelihood of occurrence and extent of impact and directly involving the various corporate departments in the evaluation process. The Risk Committee, whose members are managing directors, is responsible for managing executive risk management functions in everyday business activities.

We would note that in February 2021 the Risk Mapping was updated and subsequently audited in October 2021.

3.4 DATA PROTECTION AND PRIVACY

The protection of privacy and the data and personal information pertaining to clients and subscribers is one of the main priorities of the MFE Group, including through appropriate security measures.

The Group has prepared a special set of **Organisational Guidelines on Information Security Policy**, and the protection of data. These activities observe the following principles:

- compliance with **national and international legal requirements**, with particular reference to Legislative Decree 231/2001, L.262/2005 on the protection of savings and financial markets regulations, and the European Regulation (EU) 2016/679 on the processing of personal data.
- safeguards on **adequate measures of protection of data against threats**, including cybersecurity; these measures are identified in accordance with the level of risk associated with the loss of confidentiality, integrity and availability of information. This protection must also be guaranteed in regard to relations with third parties.
- **protection of data against unauthorised access**, while ensuring accessibility for legitimate purposes, with a suitable degree of traceability.

A **cyber risk assessment** process has also been implemented, and has recently identified the principal areas of IT risk for the Group as well as the measures best suited to resisting threats and mitigating residual risk.

In particular, the **cybersecurity strategy** envisages the implementation of specific activities in the following areas:

- **Risk Assessment:** Since 2018, the risk assessment process has been an established operational practice involving annual activities concerning key IT assets, with the aim of identifying the level of cyber risk associated with a loss of confidentiality, integrity and availability.

These are the main activities completed during 2021:

- IT operational continuity assessment initiated for the main critical platforms.
- Activation of new processes for assessing the security posture of suppliers.

- **Cyber Defense:** The most important activity within the cybersecurity strategy is cyber defence. This consists of identifying and mitigating vulnerabilities, threats and risks related to cyber attacks.

These are the main activities completed during 2021:

- Enhancement of e-mail protection technologies (phishing and malicious content).
- Improvement in the protection of mobile devices provided to employees and of the service authentication mechanisms.
- Extended visibility of cyberthreats using new sources of intelligence.

- Execution of vulnerability tests on the most relevant IT services exposed on the Internet and, based on the recommendations of security by design, on all new services exposed publicly.

▣ **Compliance:** Consolidation and updating of the risk analyses present in the processing register.

▣ **Training:** During 2021, informative communications were produced via e-mail and on the company Intranet to draw attention to the main threats, a simulated phishing campaign was carried out, a mandatory course on Cyber Security was provided and a training session on targeted phishing was carried out, specific for certain business areas.

The protection of personal data, in accordance with current legislation, affects all company activities.

The MFE Group in Italy has always paid great attention to the protection of personal data and, with European Regulation 679/2016 (GDPR) coming into force, has reinforced its **Privacy Compliance Programme**.

With the goal of pursuing the simultaneous promotion of the interests of all parties involved, the protection of personal data and the rights and freedoms of the data subjects, the Group has defined a specific series of **Company Policies, Operating Instructions, Organisational Guidelines**, and a **Processing Register** as the cornerstone and map of the rules and activities connected with processing. Together with the Intranet Privacy Portal and the constant personnel information and training activities, these are part of an extensive privacy management system able to ensure the security of personal data and corporate information.

The **Data Protection Officer**, the **Privacy Department** and the parties involved in various capacities based according to the Compliance Programme promote a culture founded on respect for privacy as a fundamental right of the individual, committing themselves to respect for people and the values of loyalty, trust, transparency and integration.

The MFE group has also issued a **Data Breach Organisational Guideline** in the event of breaches that accidentally or unlawfully result in destruction, loss, alteration, unauthorised disclosure or access to personal data. The Data Breach management plan was prepared in order to implement, where necessary, the action plan and any notification of the Supervisory Authority within 72 hours of identification of the breach and communicate the breach to the data subject should the rights and freedoms of the individual potentially be at risk.

We would also like to point out that the current **pandemic situation** has added further obligations related to processing data from the health emergency (e.g. new information, new opinions, protocols, adaptation of the processing register).

The **MFE Group in Spain** is scrupulously implementing the protection of personal data and content in the sphere of corporate management. The primary instrument of implementation is the Code of Ethics, which addresses aspects relating to cybersecurity, data protection and confidentiality. Using the Code of Ethics as their guide, the Data Protection Unit, the Internal Auditing Department and the technology division will develop other mechanisms determining the company's conduct in regard to data security.

The Group also implements a corporate security policy which imposes procedures and regulations for the processing of personal data and confidentiality within the organisation. These procedures regulate access to and the processing of personal data in all departments, areas and management units of companies belonging to the

Group, while also defining the security measures to be applied during the compilation of personal data to ensure the confidentiality of the latter.

It also implemented a series of operating procedures for managing initiatives requiring the use of personal data: identification and authentication, remote access, access to applications and use of personal data files. These procedures are regularly updated to ensure their compliance with applicable legislation.

In 2016, the MFE Group underwent conformity analysis in light of the General Data Protection Regulation on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, which came into effect on 25 May 2018.

This analysis revealed the need for more work to bring the current management model up to standard and for the introduction of specific measures of a technical, organisational and legal nature.

With regard to relations between company and citizens in terms of data protection, the MFE Group in Spain has defined and implemented an action protocol for guaranteeing the exercise of the rights of access, rectification, cancellation and objection.

This protocol describes in detail the areas affected by such rights, the channels through which Group users can exercise them, the procedure for replying to requests, special cases for the exercise of rights, and notification of users of the successful outcome of their requests.

The Technology Division of the MFE Group in Spain is in charge of coordinating and managing the technical aspects of information system security, following the corporate security policy and the internal action procedures, which apply to all employees and managers.

As part of this policy, and as a method for guaranteeing control over access to corporate applications and services, a set of guidelines addressing specific topics such as the "Procedure for controlling access to applications" and "Procedure for managing media" has been prepared. The latter procedure defines the cases in which corporate data must be encrypted.

A procedure has also been developed for establishing mechanisms for managing and sending sensitive corporate data. A project for implementing an instrument for the management of access and information rights was developed in 2018 as a technological support for the procedure. This solution involves the application of security rules and policies and the monitoring of the distribution of corporate data.

During 2021, the main procedures relating to information technology were reviewed and updated, with particular regard to:

- ▣ Access Control Procedure to application;
- ▣ Services and corporate reports Internet Domain Management Procedure;
- ▣ Application Management Procedure;
- ▣ Security incident management procedure;

Business Contingency Plan.

Mediaset España constantly monitors its mission-critical information systems via periodic reviews and audits. Monitoring of the systems considered to be most vulnerable also covers the activities of users.

The purpose of information system security management is to ensure the availability, integrity and confidentiality of corporate data, to control access to it, and to ensure the data is adequately protected in conformity with all laws, standards and regulations on data protection.

With respect to data protection, in 2020 Mediaset España organised privacy/cybersecurity training for all its employees.

The MFE Group in Spain has centralised data protection management in the *Data Protection Unit*, which reports directly to the Group's Senior Management and is responsible for data protection for all Group Companies. At the head of this unit is the Data Protection Officer, responsible for the relationship with the Data Protection Agency, as well as the areas of legal advice, internal control and IT security.

In 2019, the Personal Data Policy and the relevant internal procedures were updated in order to adapt them to the requirements introduced by the GDPR. In addition, two new protocols have been implemented to ensure compliance around the protection and guarantee of digital rights.

These reference documents establish the guidelines for optimal, responsible management of privacy and data protection as well as the corrective actions to be taken in the event of violations relating to correct personal data processing by the MFE Group.

During 2021, there were 574 requests to exercise ARCO rights (access, rectification, cancellation and opposition) received and managed by the interested parties, relating to the cancellation of users registered on the Group's digital channels and the deletion of images published on the websites.

3.5 RELATIONS WITH THE PUBLIC ADMINISTRATION

When carrying out its business - one well-established throughout the entire Italian territory – the MFE Group in Italy entertains relationships with a great many private and public parties.

Precisely in the relations with the aforementioned parties the MFE Group has added an ad hoc article to its **Code Of Ethics** (also see par. 1.3 and 3.2) in order to govern the related activities.¹¹

In addition to prohibiting any illicit conduct that may involve the Group in its relations with public bodies, the Code of Ethics also covers the activities that see the Group involved in partnerships with public institutions.

In this case, the Group may support programmes of public institutions or bodies aimed at creating public benefit as well as projects of foundations and associations. These activities must be performed in full compliance with the applicable regulations, the principles set out in the Code of Ethics and the corporate procedures.

In this area, the MFE Group is proactive through the company R.T.I., participating in European projects financed by the European Commission which include collaborations with international partner companies.

On December 22, 2017, it has adopted ad hoc **Organisational Guidelines** that govern the attainment and management of financial assistance issued by European public institutions to back the development of research and innovation projects (for example on the topic of emerging or future technologies, saving the environment, etc.).

In 2021, collaboration between the company RTI and the European Commission that has now continued for a number of years was renewed through a procurement contract worth 14,500,00 euros, involving the production of another series of the consolidated **Giovane Europa** format, broadcast on the all-news TGCOM24 channel. The amount will be paid to RTI in 2022.

In 2021, the European Commission paid the sum of 14,800.00 euros to RTI for the series of *Giovane Europa* episodes broadcast in the April–October 2020 period.

With respect to participation in the **calls published by the European institutions**, in 2021 the RTI General Information Division:

- implemented the *Fatti e Misfatti d'Europa* broadcasting project co-financed by the European Parliament following participation in call for proposals COMM/SUBV/2020/M published in 2020. The financing granted was provided in 2021, a total amount of EUR 149,278.25 compared to the maximum financing granted of EUR 172,897.90, equal to 70% of the total value of the project presented, EUR 246,997.00;
- participated in call for proposals COMM/SUBV/2021/M/COFOE of the European Parliament with the proposal

¹¹ Both the Code of Ethics adopted by Mediaset S.p.A. and its Italian subsidiaries in 2019 and the "Code of Ethics" adopted by MFE contain a specific provision on relations with institutions, which states that "the Mediaset Group maintains a collaborative and transparent relationship with national, EU and international public institutions, in order to facilitate dialogue on issues of specific interest. The relations must be maintained fully in compliance with the current regulations, the principles in the Code of Ethics and the corporate procedures, on the basis of the general criteria of propriety, transparency and loyalty".

“L’Europa che vorrei”. Following the positive assessment of the project started in November 2021. In 2022, a grant of €94,812.00, equal to 70% of the project value presented (€135,445.96), will be provided to RTI.

In January 2022, the RTI General Information Division also participated in call IMCAP-2022-INFOME of the European Commission “Support for information measures relating to the Common Agricultural Policy for 2022”, presenting a project to run an information campaign on the Common Agricultural Policy.

Financial assistance received from	Public body	€ millions	
		2021	2020
Public contributions (collection of government contributions)	Ministry for Culture and Tourism - Cinema Department	3.8	1.7
	Instituto de la cinematografía y de las artes audiovisuales[**]	-	-
	Fundación Tripartita	0.1	-
	Centre National du Cinéma et de l'Image animée (CNC)	0.1	0.4
	Direction Générale des Finances Publiques	-	-
Ministerio de Asuntos Económicos y Transformación digital [****]		-	3.0
Tax relief (Answer 1^ tax credit for distribution)	MIBACT	-	4.0
Local network contribution	MISE	0.3	0.6
Other public contribution	European Union	-	-
Assistance received from non-government bodies[***]		-	-
TOTAL		4.3	9.6

(*) The figures indicate the values collected during the period.

(**) Grants received by Telecinco Cinema for film co-productions.

(***) Grants received from the Biodiversidad Foundation for the promotion of environmental information.

(****) Grant received for the development of the new digital transmission technology (digital dividend)

RTI has recently intensified its projects to promote its cinematographic assets, contributing significantly to the promotion and dissemination of Italian cinema.

These activities include the multiple contracts signed with the **main national institutions of cinematographic culture** (Cineteca Nazionale, Cineteca di Milano, Museo Nazionale Cinema di Torino, Biennale di Venezia, etc.) which provide for the licensing of the most representative titles from the RTI library at a reasonable price in consideration of the cultural purpose of the initiatives.

In the course of 2021, the revenues generated by these activities amounted to EUR 53,400.00.

During 2021, Publitalia received public grants for training.

In this respect, structural use has been made of resources from Fondi Paritetici Interprofessionali (Inter-professional Joint Funds).

Publitalia'80 has also adopted certain organisational guidelines in order to prevent the offences set out in Legislative Decree 231/2001.

Through the company Medusa Film, the MFE Group also operates in the cinema industry, receiving grants through support instruments from public bodies, mainly national, and the rest from European bodies.

Within the framework of the cinema and audiovisual support instruments provided for by Law no. 220 of 14 November 2016, Medusa Film requests as a priority:

▣ Automatic grants for the production and distribution of Italian cinematographic works. The annual quantification of these grants, linked to the economic, cultural and artistic results achieved by individual cinematographic works generates a ceiling that must be reinvested over the following five years. To date, the Decrees issued by the Director-General of the Ministry of Artistic and Cultural Heritage have quantified the grants accrued in the years 2017 and 2018 and Medusa has already submitted a request for reinvestment in the production and distribution of new cinematographic works. Applications are being submitted for 2019, while it is not yet possible to request the grants generated in 2020 and 2021.

▣ The tax credit for distribution.

For the distribution of films in cinemas and promoting them through advertising, the Ministry of Cultural Heritage allows a tax credit to be obtained by applying variable percentages to the costs incurred.

It should be noted that, based on ministerial decrees no. 26 of 12 January 2021 and no. 425 of 26 November 2021, Medusa Film was beneficiary of the grant provided by the Fund to Support Film Distribution Companies referred to in article 89 of the decree-law no. 18 of 17 March 2020, converted, with modifications, by law no. 27 of 24 April 2020.

The **MFE Group in Spain**, through its public institutional relations, promotes and guarantees the representation of its legitimate interests before public authorities in general, and specifically, before both national and European parliaments and governments.

These activities are governed by the Mediaset España Code of Ethics and aim to guarantee that the legitimate interests of Mediaset España are represented before the Spanish Authorities.

Membership in the main media **industry associations** such as:

- ▣ Asociación para la autorregulación de la comunicación comercial (AUTOCONTROL)
- ▣ Comité de Autorregulación y Comisión Mixta de Seguimiento sobre contenidos televisivos e infancia
- ▣ Association of Commercial Television in Europe (ACT)
- ▣ Asociación Europea de Comercio de Marketing de Soluciones de Publicidad (EGTA)

allows the company to defend and represent the common interests of commercial television organisations nationally, in Europe and worldwide.

Thanks to membership of the Audit and Control of Information Systems Association (ISACA), Mediaset España is directly involved internationally in the development of standards, methods and certification for the audit and control of information systems.

Throughout the year, the MFE Group in Spain backed the following **national and international projects**, interacting with public bodies and institutions:

- ▣ Participation in the quarterly meeting of the Advertising Market Self-Regulation Committee;
- ▣ Consultation activities with Comisión Nacional de los Mercados y la Competencia (CNMC) regarding regulations in the field of online advertising and audiovisual communication services through video sharing platforms;
- ▣ Application of the General Law on Audiovisual Communication and its regulatory development, with particular emphasis on strengthening the protection of minors and proper implementation of the provisions applicable to TV commercials;
- ▣ Application of a new “system of classification by age range in relation to the use of audiovisual products” (signed by free-to-air TV operators in 2015 under the supervision of CNMC)¹².
- ▣ This rating system was launched with the aim to establish a more objective and systematic framework for classifying content, and as a tool that provides information to guardians, the children themselves and society on the whole, on potentially harmful content that a certain audiovisual programme may contain;
- ▣ Application of the rules on gambling and responsible implementation of new online gambling games. Mediaset España is on the Board Of Directors of the Responsible Gambling Advisory, formed by the Office for the Regulation of Gambling and by the Code of Conduct Monitoring Committee on business communication for gambling.
- ▣ Defence of an open and transparent television service directed towards the public interest with control and

¹² Comisión Nacional de los Mercados y la Competencia

compliance mechanisms, particularly with regard to the advertising market.

- ▣ Participation and consultation in the process of transposing EU Directive 2018/1808 of 14 November 2018 on audiovisual media services into national law.
- ▣ Regarding the Digital Service Act (DSA) and the Digital Markets Act (DMA), Mediaset España supports the development of both legislative proposals, the aim of which is to promote healthy competition in the digital market and update the rules that apply to internet intermediary services, with the ultimate goal of generating transparency in the digital advertising market.

ANTI-CORRUPTION AND UNFAIR COMPETITION

The topic of active and passive corruption is first and foremost overseen within the scope of the **Code of Ethics** through specific provisions that define general principles on the topic.

The current versions of the Code of Ethics (both the one adopted by Mediaset S.p.A. and its Italian subsidiaries in 2019 and the one adopted in September 2021 by MFE-Mediaforeurope N.V.) have a specific provision that deplores and condemns behaviour or activity for corrupt ends (including, without limitation, illegitimate favouritism, collusion, solicitations – made directly and/or through third parties – for personal benefits of any kind for themselves or for others) to achieve individual economic objectives. Furthermore, considering the constant strengthening of the fight against public and private corruption, both internationally and nationally, in view of legislators' particular focus on combating corruptive practices, as early as 2014 Mediaset S.p.A. and its Italian subsidiaries decided to align themselves with industry best practices to combat corruption, in Italy adopting a **Group policy** called "*General Anti-corruption Guidelines*" which is also a substantial and integral component of the Compliance Programmes pursuant to Legislative Decree 231/01 of the companies that have them.

This policy offers a systematic framework of reference on the topic of prohibition of corrupt practices, providing a summary of the **ethical and conduct rules** that must be strictly adhered to in order to keep illegitimate or incorrect conduct from occurring, and to follow the provisions set forth by the current regulations in the area of anti-corruption as well as the **principles** and **values** in the Code of Ethics, Compliance Programmes pursuant to Legislative Decree 231/01 (where adopted) and corporate procedures currently in effect.

In this policy, moreover, it is required that any party acting in the name or on behalf of Group companies in business relationships with public or private entities must always and in all circumstances behave in an ethical manner according to the law and in full compliance with the principles of honesty, fairness and propriety, without bringing about corrupt practices of any kind.

Based on the results of the activities designed to identify risks within Group companies, this policy identifies the main areas of remotely **relevant activities** identified as being "*at risk*", in which there is the potential for the commission of crimes of public and private corruption. This refers to the main areas (for example management of relations with public bodies and institutions, the purchase of goods and services, management of gifts, entertainment expenses, sponsorships and donations, selection and hiring of personnel, etc.) in the sphere where it is best to pay special attention to issues concerning corporate compliance, specifically in relation to prevention

and fighting corrupt practices. Regarding these areas identified as being “at risk”, each MFE Group company has defined designated controls (general and specific), adopting, when necessary, corporate Organisational Guidelines (“OGs”) which govern the processes in which corrupt practices may occur (both in relations with governments and among private parties).

As already highlighted above, the Internal Auditing Department periodically performs specific **auditing activity** to identify “*areas of at-risk activity*” with respect to crime, also for corrupt practices and also as instructed by the Supervisory and Control Bodies where appointed by the Italian Group companies in accordance with Legislative Decree 231/01. There is also constant monitoring on regulatory changes concerning corruption, also with a view to updating the Compliance Programmes adopted by the companies under Italian law in accordance with Legislative Decree 231/01.

Finally, the **risk assessment activity** carried out in 2021 took into account all new anti-corruption legislation.

Regarding the topic of competition, the Code of Ethics (See also par. 1.3 and 3.2) contains a specific provision¹³ which states that the MFE Group recognises fair, free and honest competition as a decisive factor for market growth as well as constant improvement of the business.

This is why the group abstains from behaviour that encourages deals which are in violation of current regulations.

We would also highlight the fact that, in 2019, the Italian parent company Mediaset S.p.A. decided to initiate a process with the aim of adopting a specific **antitrust compliance programme**, understood as a system of rules predominantly directed towards preventing potentially significant conduct in terms of antitrust offences.

This activity took place following the issue of antitrust compliance Guidelines by the Italian Antitrust Authority (AGCM). The intent of the Authority was to set out rules of conduct that companies must implement for effective compliance, confirming the advisability that they equip themselves, on a voluntary basis, with an *Antitrust Compliance Programme*.

The adoption of an adequate Antitrust Compliance Programme is recognised as a mitigating circumstance in the event that penalties are determined for antitrust offences.

The aforementioned process is nearing completion.

Lastly, the foreign company **Publieurope** has also adopted an “anti-corruption policy” in order to prevent any corrupt practices, beyond the Group Code of Ethics, binding for all employees and those who have relations with the company. The document is posted on the Publieurope website. The main contracts make explicit reference to following both the Code of Ethics of Group and the “Bribery Act” (English law against corruption). The figure of the Compliance Officer has also been instated as the individual responsible for the corruption prevention system. Publieurope also underwent a risk assessment conducted by the Group’s Internal Auditing Department.

¹³

Both in the Code of Ethics adopted by Mediaset S.p.A. and its Italian subsidiaries in 2019 and in the Code of Ethics adopted by MFE-Mediaforeurope N.V., there is a specific provision regarding the protection of competition.

The Code of Ethics, as well as the control procedures implemented and the protocol for the identification and prevention of crimes adopted by the Spanish companies of the **MFE Group in Spain** establish measures to monitor and combat the risk of corrupt practices.

Every year, the audit function performs risk analyses linked to corruption within the most important business lines of the Group. These activities are an integral part of the Annual Audit Plan. To this regard, between 2020 and 2021 all the corporate structures of the Group were examined. Specifically, the Internal Audit function performed various audits on the most significant processes whose results did not reveal any issues. In 2021, just like in 2020, there were no episodes of corruption that involved the Group, and it was not therefore necessary to undertake any action in this field.

In 2021, specific anti-corruption clauses were added to contracts with third-party production companies, with whom Mediaset España is in partnership.

On the subject of competition, we would highlight that on 12 November 2019 the National Council for Free Competition and Markets identified Mediaset España conduct contrary to free competition with regard to certain commercial practices.

A penalty of 38.9 million euros was therefore imposed, against which the MFE Group in Spain immediately appealed.

It has therefore appealed to the National Assembly and the proceedings are currently suspended pending judgment.

At the same time, Mediaset España has modified its marketing policy and internal procedures in accordance with the ruling of the National Council for Free Competition and Markets in the Atresmedia/Mediaset case.

During 2021, no lawsuits were brought against the Group in Spain relating to any monopoly practices detrimental to free competition.

3.6 TAX COMPLIANCE

Group companies manage the tax obligations to which they are subject in full compliance with the regulations in force in the various tax jurisdictions in which they operate, adhering to principles and values, such as the completeness and transparency of information, legitimacy – from a legal and substantial point of view – and the clarity and veracity of the data presented, as indicated in the **Code of Ethics**, in the **231 Compliance Programmes**, where adopted, and in **corporate procedures**.

The determination of taxes due and the preparation of annual tax returns is carried out by a **specifically identified department of the company** for each of the different tax jurisdictions in the countries where the Group companies operate, equipped with adequate competences, according to defined organisational and operating procedures, which also makes use, where necessary, of external specialist professionals, to support the process of monitoring current legislation, with the aim of identifying any changes in a timely manner and reflecting them accurately and completely in the process of determining the taxes due.

The Group's tax compliance is first and foremost inspired by respect for the general principles and values indicated in the **Code of Ethics**¹⁴ (a document published on the corporate website), which must guide operations, behaviour and relations, both inside and outside the Group, and which must be carried out within a framework of fair competition, in compliance with the laws and regulations in force in the legal systems in which Group companies operate and in accordance with the ethical principles commonly recognised in the conduct of business, such as honesty, propriety, transparency and good faith. Group companies consequently reject and deplore the use of illegitimate or incorrect behaviour to achieve their economic objectives.

Consequently, those who act in the name of or on behalf of Group companies in any capacity, whether in business relations of interest to them or in relations with the government (including, therefore, the tax authority), regardless of the competitiveness of the market or the importance of the business conducted, are required to behave ethically and in compliance with the laws and regulations in force and to act in accordance with the principles of propriety, diligence and cost-effectiveness.

The extensive structure of internal control systems implemented by the Group, together with the administrative and accounting organisational structure, represent important control mechanisms for preventing tax offences from being committed.

With regard to the **Internal Control and Risk Management System**, the Guidelines defined for the Group, which identify the Enterprise Risk Management (ERM) Framework as the reference methodology, are implemented in the "Enterprise Risk Management Policy", which defines the main methodological aspects related to the general risk management process as well as the roles, responsibilities and main activities related to risk management.

Adequate control mechanisms for administrative-accounting management directed towards guaranteeing truthful

¹⁴ The current version of the Code of Ethics adopted by Mediaset S.p.A. and its Italian subsidiaries in 2019 and the Code of Ethics adopted by MFE-Mediaforeurope N.V. in 2021 are both published in the Compliance section of the MFE Group corporate website.

and accurate representation of the financial position of Group companies and the economic results for the year in the financial statements are also found in the MFE Control System for Financial Disclosure, providing for robust, traceable and verified processes and controls, which are in themselves a guarantee of the reliability of the disclosure and of the data used to prepare tax returns.

The Italian companies belonging to the Group are currently working, also following the recent introduction of tax offences as part of the administrative responsibility of entities pursuant to Legislative Decree 231/01, to strengthen its system of preventive controls aimed at mitigating tax risk¹⁵ in general, by consolidating its **Tax Control Framework** in order to arrive at a structured model of preventive controls, within the corporate governance system, to control all company processes and transactions that may give rise to tax consequences, guaranteeing an internal control system to manage tax risk which is integrated with the company system and dedicated information flows between the various departments responsible for managing internal control. These figures certainly include the Supervisory and Control Bodies pursuant to Legislative Decree 231/01 which, in the performance of the tasks and verification activities assigned to them, may use these integrated control mechanisms to monitor the actual effectiveness and effective capacity of the 231 Compliance Programmes – where adopted by the Group companies – to prevent tax crimes from being committed, with particular regard to the individual corporate structures involved in the management of tax obligations.

The **whistleblowing system** adopted by the Italian companies belonging to the Group allows stakeholders to report violations of the Code of Ethics, 231 Compliance Programmes or unlawful conduct relevant to Legislative Decree 231/01 (including tax matters), using the dedicated computer system (segnalazioni.mediaset.it) and according to the procedures and terms described in the current *“Organisational guidelines for reporting violations and unlawful conduct relevant to Legislative Decree 231/01”*.

The Group discloses its key tax data annually through submission by the holding company Fininvest S.p.A. of information on the payment of taxes applicable to all Group companies, in the various jurisdictions in which it operates, (**country-by-country reporting**) to the Italian Revenue Agency pursuant to Council Directive (EU) 2016/881 of 25 May 2016, which introduced provisions relating to the mandatory automatic exchange of information in the tax sector.

¹⁵ Specifically, the Italian companies of the Group have updated their 231 Compliance Programmes by inserting a document dedicated to *“Preventing tax offences”*, within which an overall framework of preventive control measures is proposed, adopted to mitigate the “tax risk”, enhancing the existing administrative and accounting internal control systems, located in the broader context of corporate risk prevention policies.

Below is the reporting required by GRI 207 for the various tax jurisdictions in which the companies included in the consolidation boundary operated for the years 2020 and 2021, appropriately reconciled with the corresponding consolidated values.

31/12/2021							
Tax Jurisdictions	Revenues from third-party sales	Revenues from intra-group transactions with other tax jurisdictions	Profit/loss before tax	Corporate income tax paid on a cash basis	Corporate income tax accrued on profit/loss	Number of employees	Tangible assets other than cash and cash equivalents
Italy	2,050,634	9,376	456,092	6,000	17,340	-	278,450
Spain	883,930	1,223	207,226	43,960	26,716	-	44,093
United Kingdom	23,644	8,797	4,995		1,030	-	2,726
France	1,593		(201)			-	
<i>intercompany dividends</i>			(251,149)				
<i>consolidation eliminations/adjustments</i>	(45,523)		138,425		-		(1,027)
TOTAL MFE GROUP	2,914,277	19,396	555,387	49,960	45,086	-	324,242

31/12/2020							
Tax Jurisdictions	Revenues from third-party sales	Revenues from intra-group transactions with other tax jurisdictions	Profit/loss before tax	Corporate income tax paid on a cash basis	Corporate income tax accrued on profit/loss	Number of employees	Tangible assets other than cash and cash equivalents
Italy	1,839,884	6,015	132,065	2,600	3,764	3,326	283,372
Spain	842,953		196,767	37,781	33,839	1,555	49,881
United Kingdom	7,411	5,130	2,508		486	24	3,193
France	1,292		242			1	
<i>intercompany dividends</i>			(126,506)				
<i>consolidation eliminations/adjustments</i>	(54,785)		80,829		-		(1,324)
TOTAL MFE GROUP	2,636,756	11,145	285,905	40,381	38,089	4,906	335,122

It should be noted that the reported "accrued income taxes" relate only to the current taxes allocated for each year. Therefore, the effective tax rate, which can be obtained from the ratio between the "accrued taxes" and "pre-tax result" data reported in the table, differs from the ordinary rates in force in the various jurisdictions (27.9% in Italy, 25% in Spain) because, in addition to being determined in the presence of non-deductible expenses, it does not take into account the components of deferred tax assets and liabilities recognised on temporary differences between corporate income and taxable income.

Furthermore, it should be noted that the taxes accrued and reported for the companies with tax residence in Italy, refer, in the two financial years, to IRAP tax (Regional Tax on Productive Activities - at an ordinary rate equal to 3.9%), which is based, however, on a taxable base different from the "pre-tax result", applying only in the presence of positive corporate taxable income, and to IRES tax (Corporate Income Tax - at an ordinary rate equal to 24%) of the Group companies in the tax consolidation regime for the part exceeding the share of income deductible from past unlimited reportable tax losses (the latter component is instead accounted for as a reduction of deferred tax assets allocated in previous years). The reconciliation of the effective tax rate to the theoretical tax rate is shown in the Group's consolidated financial statements in the section on taxes.

Current taxes include IRAP taxes for the Italian companies and IRES taxes for the Italian companies participating in the Group's tax consolidation scheme, following the generation of taxable income during the period (for the portion exceeding the portion of income that can be deducted from tax losses carried forward).



4 - PEOPLE

As at 31 December 2021, and in line with the previous year, 97% of employees had open-ended contracts: the high percentage in all Group offices is due to the Group's ability to retain and guarantee a high level of employment stability, to meet the needs of the different business activities.

MFE GROUP	2021			2020		
	Men	Women	Total	Men	Women	Total
Executives	236	105	341	238	106	344
Journalists	319	304	623	316	306	622
Middle managers	373	402	775	392	407	799
Office workers	1,583	1,541	3,124	1,562	1,556	3,118
Industry workers	23	3	26	23	2	25
Total	2,534	2,355	4,889	2,531	2,377	4,908

As at 31 December 2021, the MFE Group comprised **4,889 people**, a slight decrease compared to 2020. The main organisational roles are held by employees: in fact, recourse is made to external contract workers¹⁶ only for the performance of specific activities of a professional or artistic nature or to meet temporary needs. As at 31 December 2021, there were 206 external collaborators in Italy, including 18 interns, and approximately 101¹⁷ in Spain.

The 2020 data was restated following an improvement in a reporting process, to ensure the comparability of the information. For previously published data, please refer to the 2020 Sustainability Report, published in the Sustainability section of the mfemediaforeurope.com website.

4.2 COVID EMERGENCY MANAGEMENT

The MFE Group dealt with the health emergency immediately, from the onset of the first cases of infection in Europe, putting two key goals first and foremost: **protecting the health and safety of its workers** and maintaining its own **continuous operation**.

The responsibility that comes with being a leading private television broadcaster for its reference markets ensured that the schedule was full of informative and in-depth programmes at every stage of the emergency, produced in safety, thanks also to **specific production protocols**, which in 2021 made it possible to restore schedules featuring a wealth of self-produced content.

In order to do so, a **series of very diverse initiatives** have been implemented, which have made it possible,

¹⁶ The Group makes use of external collaborators such as: contract workers with VAT number, Temporary staff with fixed-term and open-ended contracts, interns. Most of these collaborators are employed in TV content production.

¹⁷ The figure for external workers in Spain is expressed as cumulative data for 2021.

and are still making it possible, to deal effectively with the crisis, and which have not only proved to be **consistent with all the protocols agreed by the government, companies and social partners**, but have also been **at the forefront compared to many other industrial concerns**, demonstrating attentive, timely and excellent management of the emergency.

The result achieved is consistent with the **culture of great attention to the employee**, which has its **roots in the founding of the Group** and which during the months of the emergency was further confirmed by the numerous expressions of appreciation from all staff.

In the same way, great cooperation and satisfaction with the work carried out was recorded in discussions with **trade unions**, at all levels, from company representatives to local and national trade association representatives. This too was in keeping with a tradition of excellent industrial relations built up over time.

The main initiatives undertaken to manage the emergency are described below, under 3 main headings:

- ▣ **Reducing the attendance figures at the sites**, in order to protect employees and collaborators who must of necessity work at production sites;
- ▣ Increasing **hygiene, health, logistical and organisational measures** to ensure maximum workplace safety.
- ▣ **Monitoring and prevention of suspected or positive cases** through continuous and widespread screening of all staff.

ATTENDANCE REDUCTION

Since the end of February 2020, **the path of adopting smart working** launched at the beginning of 2019 for the Group's staff areas has been **accelerated** and progressively extended **structurally to around 1,800 people** today, almost half of the workforce.

At the same time, initially following the lockdown established by the government and subsequently during the various peaks in pandemic emergency, in order to guarantee the safety of technicians, production staff and journalists who necessarily had to carry out their work from the group's premises, **simplified and temporary forms of agile working** were also used to avoid crowding of the production sites.

At the same time, **access was restricted to suppliers and collaborators involved in TV content production or essential services** (cleaning, canteens, etc.) and **access control** was stepped up at all Group sites.

These measures combined, varied as appropriate month by month in accordance with the risk scenario, saw the number of employees and collaborators at the Group's offices reduce substantially, particularly in the lockdown and red-zone periods, demonstrating excellent organisational and operational flexibility achieved without any interruption to broadcasting.

ENSURING WORKPLACE SAFETY

The ability to adapt immediately to changing needs, guaranteeing maximum safety for staff called on to work from sites, was also demonstrated in the immediate updating of the health and safety protocols established within the production sites.

At the entrances, **body temperature checking** and daily distribution of **Personal Protective Equipment** (surgical and FFP2 masks) were provided immediately. Approximately **980,000 masks** were distributed in 2021.

At the various sites, **special routes and safety measures have been defined for the use of shared services** (reception, canteens, lifts, etc.), with dedicated signs and indications, which are particularly appreciated by all employees.

All areas were sanitised regularly in accordance with the most effective standards, increasing the number of locations and frequency for normal cleaning and placing hand sanitiser dispensers in the locations characterised by the greatest access. For technical and production areas and radio and television equipment, **specific sanitisation protocols, also with a daily frequency**, have been defined.

MONITORING AND PREVENTION

Alongside these initiatives, however, a fundamental and particularly significant effort was made to limit the possibility that asymptomatic but positive staff could contribute to the spread of infection by accessing production sites.

A **screening protocol** was introduced with **rapid antigen tests** for those accessing company premises, to be followed by a **molecular test** in the event of a positive result, as well as a **drive-through service through which** those with symptoms can go to the Group's Milan and Rome offices and, by means of a double test – rapid antigen and molecular – administered inside the car, make sure that they are positive without coming into contact with colleagues. Thanks to genuine medical centres located in the various production hubs, as at 31 December 2021 more than **152,000 diagnostic tests** had been administered at the Group's Italian sites.

In June 2021, the Regional Health Authority (ATS) also authorised the Group to activate a Covid-19 vaccination hub at its Cologno Monzese site. The service was opened to employees and collaborators of the MFE Group, employees of suppliers who are continuously present on the company premises in Milan and employees of companies related to the Group.

The Group also continued to offer its **traditional flu vaccination service** and the **pneumonia vaccine** (with over 1,000 people voluntarily taking part in one or both campaigns).

In **Spain**, we would highlight that when the pandemic arrived and a national state of alert was declared, Mediaset España adopted effective measures to ensure business continuity as well as the safety and health of employees and workers in general.

These include, but are not limited to:

- ▣ the use of smart working for employees;
- ▣ the implementation of organisational procedures followed by specific protocols for managing collaborators and suppliers in the TV production area;
- ▣ limiting the presence of the public in the studio;
- ▣ the purchase of 5 surface disinfection systems;
- ▣ the installation of transparent partition panels (plastic or methacrylate) in technical operating stations;
- ▣ health checks for presenters, collaborators and production and broadcasting staff;
- ▣ the use of disposable and personalised material in the hairdressing and make-up service;
- ▣ the use of disinfection products for textiles in the tailoring and styling service.

4.3 DIVERSITY AND EQUAL OPPORTUNITY

MFE GROUP	2021				2020			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Executives	-	118	223	341	-	127	217	344
Journalists	52	333	238	623	52	340	230	622
Middle managers	2	318	455	775	1	340	458	799
Office workers	192	1,348	1,584	3,124	165	1,425	1,528	3,118
Industry workers	-	20	6	26	-	19	6	25
Total	246	2,137	2,506	4,889	218	2,251	2,439	4,908

NUMBER OF EMPLOYEES BELONGING TO THE PROTECTED CATEGORIES BY PROFESSIONAL CATEGORY AND GENDER AS AT 31 DECEMBER

MFE GROUP	2021			2020		
	Men	Women	Total	Men	Women	Total
Executives	2	-	2	5	2	7
Journalists	2	1	3	2	1	3
Middle managers	2	7	9	9	6	15
Office workers	79	95	174	93	104	197
Total	85	103	188	109	113	222

Through the **Group Code of Ethics**, which was updated in 2019, MFE promotes **equality, non-discrimination** and **equal opportunities**. The MFE Group rejects and excludes any form of exploitation of workers and discrimination based on gender, age, race, language, nationality or religion, promoting equal opportunities in terms of training, development and professional growth. Finally, the Group guarantees fair treatment and promotes constant dialogue with the social partners.

In applying the Group's principles, therefore, any conduct or attitude that discriminates against or harms people as well as their convictions or preferences is opposed. The promotion of equal opportunities is encouraged with reference to work conditions and possibilities, training, development and professional growth, in full compliance with current legislation and the values which inspire the Group. Through the appropriate corporate structures, compliance with these principles is guaranteed and promoted in all areas of the organisation, implementing management policies aimed at guaranteeing a fair assessment of people already in the selection phase, constantly monitoring growth trajectories and designing professional and managerial training courses aimed at developing distinctive behaviours. These initiatives enhance and recognise the wealth deriving from diversity, promote integration and are an integral part of the Group's culture.

The data presented provides a traditional breakdown of employees by the various **professional categories**, including that of "Journalists", typical of the particular business. Around 64% of the Group's employees belong to the white collar category, in keeping with the 2020 figures, with a balanced gender distribution.

As can be seen from the tables above, approx. 44% of Group employees are between 30 and 50 years of **age**, approx. 51% are over 50 years of age, while approx. 5% are below 30 years of age.

Within the Group, 188 people belonging to **protected categories** are employed in various corporate roles, with an essentially equal distribution between men and women. These represent about 4% of employees.

4.4 PEOPLE MANAGEMENT, ATTRACTION AND DEVELOPMENT

The commitment and motivation of employees are fundamental elements for the Group's success. To this end, **opportunities for professional growth** are continually offered, exploiting the **diversity** of origin, experience and competence.

Internal company processes are aimed at ensuring a **correct assessment of employees** starting from both the selection phase and that of subsequent professional and managerial development, through constant monitoring of growth trajectories and the design of coherent training programmes.

RECRUITING POLICIES¹⁸

The Group has always enjoyed great visibility on the job market and attractiveness, as demonstrated by more than **19,000 unsolicited applications** received through the Working with Us section of the corporate website¹⁹, with links to the websites of Group companies.

In parallel, the use of modern **digital recruiting tools** and relationships with the leading recruitment companies make it possible to actively **seek and identify** the best profiles on the market in relation to specific needs.

Finally, the **Group's constant and continuous collaboration with the leading Italian and Spanish universities** makes it possible to contribute to the educational offering of numerous degree and master's courses, through the many lectures and company testimonies in the classroom by its managers and offering internships in the company to young undergraduates and graduates.

The selection process is in any case always preceded by a careful **analysis of qualitative-quantitative coherence** regarding the size of the workforce, with respect to the organisational needs of the companies and also evaluating, where possible, the professional development of internal resources.

In Italy, more than 660 interviews were carried out during 2021, for both profiles with professional experience and internships. As already in 2020, the selection process was necessarily affected by the health emergency situation.

The selection process is aimed at identifying the most suitable candidates, from the point of view of both technical and professional skills as well as soft skills, with the aim of seeking the key skills that the company considers a critical success factor for achieving corporate goals.

In particular, over the years the Group has consolidated a set of key distinctive skills, relating to the cognitive and relational-emotional areas, to be sought in the selection processes of figures from the external market and to identify and evaluate in planning the development trajectories for internal resources.

¹⁸ Recruitment by the various Group companies, in Italy and abroad, is regulated by specific protocols drawn up in line with the Group's policies, in compliance with the provisions of Legislative Decree 231/01. These procedures also take into account the local legislation to which Group Companies are subjected, including provisions concerning termination of employment and provisions and regulations for specific remuneration treatment for "expats" in the event of secondment of personnel abroad.

¹⁹ Figure refers to the Group in Italy

These **soft skills** in fact represent a critical success factor, common to all areas but differentiated according to the role and degree of seniority, for achievement of corporate objectives at both the group and individual growth levels and flank the professional skills necessary for the various roles in the organisation.

The observation and analysis of certain behaviours and attitudes that people tend to adopt during the selection or assessment phase allow us to estimate the following significant skills and abilities to be projected in the workplace:

- ▣ Leadership – cultivation of an appropriate style in interpersonal relationships in order to influence and involve others in the pursuit of the objectives of the group to which they belong, constituting a role model;
- ▣ Communication – ability to transmit and share ideas and information in a clear and concise manner; propensity for listening and effective discussion;
- ▣ Team working – willingness to work and collaborate with others, having the desire to build positive relationships aimed at accomplishing the assigned task;
- ▣ Social intelligence – ability to operate in a complex context taking into account one's own attitudes and those of others, consciously and objectively reflecting on one's own conduct and that of others;
- ▣ Emotional intelligence - ability to feel emotions, recognise them and experience them consciously, thus being able to be fully assertive and expressive in interpersonal relationships;
- ▣ Reliability – ability to carry out tasks scrupulously and with attention to content;
- ▣ Flexibility – ability to know how to adapt to changing working contexts, openness to innovation and willingness to collaborate with people with different points of view from one's own. Adaptation to different situations and changes in context, showing interest in discussing ideas different from one's own and willingness to reorganise one's thinking on the basis of new information;
- ▣ Stress resistance / emotional stability - ability to react positively to work pressure while maintaining control, remaining focused on priorities and not transferring one's tensions to others. Ability to overcome defeats and failures; attention to the way in which one's emotions are managed and impulses controlled in difficult situations;
- ▣ Self-confidence - awareness of one's value, of one's abilities and of one's ideas irrespective of the opinions of others;
- ▣ Problem solving – ability to devise alternative solutions to a problem, estimating the implications for the expected results. This is the tendency to provide concrete solutions that optimise activities in response to the constraints present;
- ▣ Life-long learning – recognition of one's deficiencies and areas of improvement, taking action to acquire and further improve knowledge and skills.

In order to guarantee new recruits an effective start-up of their work activity, the departments involved supervise all phases in the resource's induction, from activation of the **welcome and induction plan** to **tutoring** and **coaching**.

In the MFE Group in Italy, 94 people were recruited with open-ended contracts in 2021, a decrease compared to the previous year, considering the decrease in normal turnover due to the uncertainty generated by the health emergency. New staff were recruited particularly in the Technology and Operations area, where there is a significant generational transition and there is an ever more frequent need to recruit people with specific skills related to the implementation of new technologies, as well as in the commercial area.

64% of those recruited in the year are aged between 30 and 50 and 29% are less than 30 years old.

There was also the opportunity for 125 young people to have an **internship experience** in Italy lasting around 4.5 months on average, a reduction compared to the past, again caused by the health emergency and transition to remote working for the greater part of activities, less effective with respect to the educational purposes of internships.

In 2021, there was a recruitment rate of approx. 3% in Italy and approx. 6% in Spain, where 45 people were recruited below 30 years of age.

NUMBER AND RATES OF NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER WITH OPEN-ENDED CONTRACTS BY AGE, GENDER AND GEOGRAPHICAL AREA [*]

ITALY	2021					2020				
	<30	30-50	>50	Total	%	<30	30-50	>50	Total	%
NEW EMPLOYEE HIRES										
Men	15	42	6	63	3.7%	16	27	2	45	2.6%
Women	12	18	1	31	2.0%	7	10	2	19	1.2%
Total	27	60	7	94	2.9%	23	37	4	64	1.9%
New employee hires Rate %	27.7%	5.3%	0.3%	2.9%		24.2%	3.2%	0.2%	1.9%	
EMPLOYEE TURNOVER										
Men	1	2	100	103	6.1%	2	10	64	76	4.4%
Women	-	-	79	79	5.1%	1	12	42	55	3.5%
Total	1	2	179	182	5.6%	3	22	106	131	4.0%
Turnover rate %	1.0%	0.2%	8.8%	5.6%		3.2%	1.9%	5.2%	4.0%	

SPAIN	2021					2020				
	<30	30-50	>50	Total	%	<30	30-50	>50	Totale	%
NEW EMPLOYEE HIRES										
Men	25	29	6	60	7.2%	10	12	2	24	2.9%
Women	20	20	2	42	5.6%	5	10	-	15	2.0%
Total	45	49	8	102	6.4%	15	22	2	39	2.5%
New employee hires Rate %	39.5%	5.6%	1.4%	6.4%		12.0%	2.4%	0.4%	2.5%	
EMPLOYEE TURNOVER										
Men	10	16	4	30	3.6%	7	12	10	29	3.5%
Women	9	25	4	38	5.0%	1	15	2	18	2.4%
Total	19	41	8	68	4.3%	8	27	12	47	3.0%
Turnover rate %	16.7%	4.6%	1.4%	4.3%		6.4%	2.9%	2.4%	3.0%	

2021						2020					
OTHER COUNTRIES											
	<30	30-50	>50	Total	%	<30	30-50	>50	Totale	%	
NEW EMPLOYEE HIRES											
Men	1	1	-	2	13.3%	1	-	-	1	6.8%	
Women	-	1	-	1	9.1%	1	-	-	1	9.1%	
Total	1	2	-	3	11.5%	2	-	-	2	7.8%	
New employee hires Rate											
%	16.7%	22.2%	0.0%	11.5%		33.3%	0.0%	0.0%	7.8%		
EMPLOYEE TURNOVER											
Men	-	-	-	-	0.0%	2	3	-	5	34.2%	
Women	-	-	-	-	0.0%	1	1	-	2	18.2%	
Total	-	-	-	-	0.0%	3	4	-	7	27.3%	
Turnover rate %											
	0.0%	0.0%	0.0%	0.0%		50.0%	41.6%	0.0%	27.3%		

NOTE: To provide a more meaningful representation of the turnover rate for the MFE Group, the calculation method includes in the numerator only the employees with open-ended contracts by gender and age group. The recruitment and turnover rates are calculated by comparing the total of open-ended contracts for recruitment and leaving in the year by age group and gender with the average value of the number of employees for the same age groups. Recruitment and leaving produced by variations in boundary due to acquisitions and terminations in the reporting period are excluded from the calculation.

The 2019 data was re-presented following an improvement in the reporting process, to ensure the comparability of the information. For the figures published previously, please refer to the 2019 Sustainability Report published in the Corporate Social Responsibility section of the mfe-mediaforeurope.com website.

REMUNERATION POLICIES

In the MFE Group, the remuneration levels of employees are determined through an assessment carried out by the Human Resources Department and by the Business Managers who, with the aim of ensuring the competitiveness of internal remuneration levels with respect to market benchmarks, take into account the area of responsibility, the task performed and the principles of internal equity irrespective of the sex of employees, as well as the need to maintain a level of attractiveness and retention for key resources. To this end, depending on the role, all modern **remuneration instruments can be adopted to supplement fixed remuneration**, such as: non-competition agreements, short and long-term variable incentives, as well as the welfare and benefit system that Group employees enjoy.²⁰ To support the assessment of equity and the competitiveness of remuneration packages, the Group uses **remuneration survey and benchmark tools** provided by leading specialist consultancy companies.

TRAINING

The Group is constantly committed to designing effective **managerial and professional training activities**, in addition to those related to legal compliance, in order to develop and increase the skills and personal capacities of its employees, considered a critical success factor to support the development of its businesses.

The design of training activities takes place in coherence with the need to develop professional skills and managerial competences in line with the new business context and new compliance programmes, as well as the need to align skills related to the technological evolution processes undertaken by the MFE Group.

It is common practice to **monitor training needs** through the involvement of the department in the organisational development processes and in analysing the business development scenarios, in constant coordination with the requesting departments and heads of the various areas of the company. At the same time, monitoring the evolution of legislation makes it possible to effectively ensure the provision of training envisaged by the legal framework.

The training offering is provided through various **tools**, such as in-person courses, conferences, workshop activities and online courses, selected according to the specific objectives of the initiative, content and the specific requirements of the recipients in order to maximise the effectiveness and efficiency of the training activity.

During 2021, the trend of a spread in **digital training methods** was confirmed, both for courses held in remote classrooms and for the use of online training objects, also on-demand, that each employee can choose to attend. The adoption of digital training tools, in particular through the use of new technologies, allows both an expansion in the training content available through remote training platforms and enhanced digital skills for all employees. This development is in line with the processes of digitalisation that the Group is activating as well as the transformation of the Smart Working model communicated then implemented in the course of the year.

²⁰ In particular, the remuneration policy applied to the Group's top management is detailed in the 2021 Remuneration Report.

Overall, the actions taken have led to significant training results, since people were involved and followed in activities that met with a high degree of participation and satisfaction. Due to their nature and ease of use, certain activities were characterised by brevity and flexibility.

The most important initiatives implemented in Italy in 2021 are briefly described below:

▣ **Management training** was subject to particular attention: projects were carried out with the goal of supporting people in a phase of change and development in important professional and personal capacities, in a context of transforming business processes as well as social complexity. In continuity with previous years, the development project focused on identifying key managerial competencies continued, through one-on-one coaching sessions for a selected number of managers.

Particular attention was paid to senior managers, who were involved in two significant projects in order to support and improve their professional capabilities and to involve their structures in developing hybrid working methods. The “Ri-conoscere e ri-equilibrare i fattori di stress” course helped support the capacity to handle extraordinary situations that are potential sources of stress, through awareness and care for personal well-being. The “Smart Training” course was organised in keeping with the development of the Smart Working model that the Group has adopted. The project centred on a vision of Change Management consistent with the concept of a “new normal”, both organisational and social, but always with respect for the culture and values of the Group. The work, in groups organised by similar business areas, focused mainly on topics such as: courage in handling changes, delegation and trust in providing vision and goals and communication in a hybrid context.

The “Leadership Lab: la gestione dei collaboratori” course came to a conclusion for Middle Managers responsible for resources. This focused on improving skills in leadership, delegation and monitoring, paying particular attention to aligning personal capacities with the requirements introduced by hybrid working.

A training course entitled “Problem solving relazionale” also began, dedicated to a “younger” segment of personnel, in terms of both age itself and of seniority. The project aims to enhance abilities to read and interpret the dynamics of life in an organisation, developing greater awareness of the benefits of an active and constructive approach to facing and resolving relational issues that can occur in the Company.

A series of four webinars on the topics of mental and physical well-being called “Onlife Wellbeing” was offered to all personnel. The initiative attracted considerable participation. It aimed to communicate and consolidate the ability to recognise, cultivate and employ the emotional capabilities of patience, balance and resilience, essential for facing and overcoming situations of tension and stress and for maintaining the quality of our relationships with the people around us.

For the senior managers of the Technology Department, which is undergoing a phase of evolution and reorganisation in a context where tech projects play an increasingly central role, a course was designed with the goal of consolidating some innovation and leadership skills in an increasingly effective partnership with all business areas.

▣ In relation to **vocational activities**, activities were carried out to increase technical and trade-specific skills. Projects of a purely technical nature continued for resources in the Operations Area working on typical

television studio equipment, aiming in particular at learning the functional skills for using new IP technologies (control desks, audio mixers, new mobile control rooms) and the new Master Control Room based on this technology. These projects are of particular importance in relation to the technological evolution that affects the technical production areas, whose resources have been able to undertake a process of reskilling that supports both in relation to their professional growth and criteria of greater employability.

A project ran dedicated to people in the Procurement Department, who took a path of professional growth with the aim of developing demand management and negotiating skills. The course had a highly operational character, with cases developed in line with corporate reality.

A part of the professional training involved self-learning, with a view to greater individual accountability with respect to personal training needs. Each employee can access a wide range of courses available through the Training Portal on demand. There are courses on the Office 365 package, a library of short training modules illustrating the main trends in digital innovation and a collection of video testimonies related to mental and physical well-being.

Courses ran as usual to keep personnel up to date and informed on specialised matters in individual areas, with special attention to those that require constant adaptation to external situations or legislation. Finally, language training continued with dedicated courses, now delivered exclusively online, through a platform that offers the possibility of remote video lessons with teachers who are native speakers. An in-person English language workshop was organised for people in the finance area to refine sector-specific language skills.

□ With regard to **statutory compliance**, initiatives envisaged by legislation were carried out, paying attention to the specific issues of the company. In particular, Health and Safety training was delivered for new recruits and people with roles envisaged by the Group's Safety Management System. The courses on using the Defibrillator (AED) were launched in line with the heart-protection project, which involved installing such tools on company premises.

In compliance with Legislative Decree 231/01, the course on the fundamental principles of Legislative Decree 231 continues for everyone who joins the company. With a view to IT security compliance, an online course on cybersecurity was released for all personnel that illustrates the security measures to evade fraud and scams, how cyber attacks occur, how to protect privacy and good practice for working with company tools in domestic settings.

With respect to the GDPR in force, provision of the online course for everyone who joins the company continues.

With regard to trade union relations, within the context of an approach of discussion with workers' representatives, a Bilateral Training Committee (consisting of company and trade union representatives) has been established for many years with the task of:

- contributing to monitoring training requirements related to the need to maintain levels of professionalism appropriate to the production evolution of the company;
- formulating indications on projects and means of professional updating of human resources, with particular reference to initiatives in the field of life-long training, in relation to increasingly rapid technological

developments and to issues concerning health and safety in the workplace;

- promoting, analysing and signing annual and periodic training projects/plans to be submitted to the inter-professional funds within the scope of funded training;
- carrying out periodic qualitative and quantitative analyses of the training activity carried out.

In 2021 too, structural use has been made of resources from **Fondi Paritetici Interprofessionali** (Inter-professional Joint Funds). Fondimpresa for the training of middle managers and employees, and Fondergenti for executives, to fund a considerable portion of the Group's training activities.

AVERAGE ANNUAL TRAINING HOURS PER CAPITA BY PROFESSIONAL CATEGORY AND GENDER

MFE GROUP	Men		Women		Total 2021	
	No. of hours	Hours per capita	No. of hours	Hours per capita	Total hours	Hours per capita
Executives	2,955	12	1,591	15	4,546	13
Journalists	810	4	1,280	6	2,089	5
Middle managers	2,791	6	2,216	4	5,007	5
Office and Industry workers	13,249	8	9,687	6	22,935	7
Total	19,805	8	14,773	6	34,578	7

MFE GROUP	Men		Women		Total 2020	
	No. of hours	Hours per capita	No. of hours	Hours per capita	Total hours	Hours per capita
Executives	2,470	10	1,945	18	4,415	13
Journalists	609	2	528	2	1,136	2
Middle managers	2,946	7	2,634	7	5,580	7
Office and Industry workers	7,213	5	7,808	5	15,021	5
Total	13,238	5	12,915	6	26,152	5

NOTE: The training hours per capita use the average figure for employees by category and gender as the denominator. The training hours for blue-collar workers were also included with the white-collar worker category.

The 2019 data was re-presented following an improvement in the reporting process, to ensure the comparability of the information. For the figures published previously, please refer to the 2019 Sustainability Report published in the Corporate Social Responsibility section of the mfemediainforeurope.com website.

NUMBER OF EMPLOYEES RECEIVING ANTI-CORRUPTION TRAINING OR COMMUNICATION BY PROFESSIONAL CATEGORY

MFE GROUP	2021	%	2020	%
Executives	204	58%	112	32%
Journalists	280	67%	91	14%
Middle managers	668	67%	114	14%
Office workers	2,216	72%	298	10%
Industry workers	9	34%	-	0%
Total	3,377	69%	615	13%

In 2021, training on issues related to **human rights** involved, throughout the MFE Group, 71 people in Italy and 159 hours of training were delivered.

On issues related to regulatory compliance, and in particular on the subject of training and information on the Organisation, Management and Control Model established pursuant to Legislative Decree 231, privacy and security, specific training, usually through an online method, is provided upon recruitment of personnel. New recruits are also informed on how to consult the Code of Ethics of the Group and the compliance programme. Finally, all employees can access this documentation at any time on the company intranet.

Overall, the Group provided approximately 34,578 hours of training in 2021, an increase of 32% compared to 2020, a year penalised by the reduction in activities resulting from the Covid 19 emergency.

People training and talent management are critical elements for the corporate strategy of the **MFE Group in Spain** since they allow a rapid adaptation to the dynamic needs of the environment in which it operates.

More than around 16,000 hours of training were provided in the course of 2021. Among the main initiatives were training courses on accidents and risk prevention with respect to health and safety, compliance (note the training on “anti-corruption practices” for 307 people in 2021), training courses on leadership development programmes, coaching for senior managers and managerial development courses dedicated exclusively to female personnel. Of particular note in 2021 are the Master’s in the creation and management of Audiovisual Content and the Digital Marketing and Digital Advertising Sales courses, which saw participation from 150 students.

Given the strategic role of innovation, the training plan dedicates more than 20% of training hours to IT courses and the use of new software. In continuity with previous years, the MFE Group in Spain offers language and occupational risk prevention courses.

It should be noted that 66% of the workforce carried out at least one training activity with an average of 10 training hours per capita in 2021.

The Covid-19 pandemic had a major impact on the regular delivery of training courses during 2021, which were adapted (e.g. through virtual remote learning) to the circumstances.

4.5 WELFARE AND WELL-BEING

All **MFE Group** companies have defined various corporate welfare systems in line with the policies on human resources that have always put people at the centre of the corporate system.

For over ten years the **Mediacenter** has been active at the Milan and Rome offices, the result of an important project aimed at creating an optimal context to facilitate the best balance between professional and personal life. In particular, this is an area on company premises that includes a series of useful and concrete services for improving the quality of life of those working for the Group.

With an area of 3,000 square metres, Mediacenter is considered one of the most useful and welcoming welfare stores in Italy. The services offered, managed by external operators selected for their specific experience in the areas of reference, concern personal care and activities necessary for family management: medical centre, which provides the medical services of specialists from the San Raffaele Hospital to employees free of charge;

- ▣ fitness centre;
- ▣ bookshop;
- ▣ mini market;
- ▣ parapharmacy;
- ▣ laundry/tailoring repair services;
- ▣ shopping area;
- ▣ bank;
- ▣ catering (bar, sandwich bar and restaurant).
- ▣ post office;

As well as this physical presence there is also a **website** offering up-to-date details of various deals negotiated by the company for its staff – with banks, insurance companies and over a hundred retailers active online or near the Mediaset Group's main offices. In particular, various "ESG" conventions have been signed in the last year, directed towards supporting sustainable development because they make it possible to promote and pay attention to issues such as environmental protection, social impact, well-being and waste reduction.

The Group has also been working for many years, together with local public bodies, to offer its employees **transport and mobility services** through company shuttle buses that connect the Group's offices throughout the day (including public holidays for production centres) to the main nearby underground and/or railway stations. The service is the result of a detailed analysis of the home and work journeys of all Group personnel of the Milan and Rome offices, implemented in collaboration with the Department of Architecture and Planning (DIAP) of the Politecnico di Milano, aimed at optimising transport service routes and times and limiting personal inconvenience connected with reaching the workplace, both in terms of time optimisation and stress accumulation. The Group has put in place agreements with public and private entities for the use of parking spaces during working hours and has stipulated framework agreements with local public transport for discounted season tickets for employees with debit to the payroll.

In 2012, a **company Campus** was also set up at the Cologno site with specific architectural features aimed at connecting all the buildings and production sites of the Group's headquarters with a more functional approach

with respect to the use of work spaces and integration of company areas. With this in mind, an agreement was reached with the Municipality of Cologno Monzese, which transferred Via Cinelandia to the Group in exchange for redevelopment of Viale Europa, which the MFE headquarters overlook.

MFE GROUP	2021			2020		
	Men	Women	Total	Men	Women	Total
Full-time	2,463	2,117	4,580	2,473	2,119	4,592
Part-time	71	238	309	58	258	316
Total	2,534	2,355	4,889	2,531	2,377	4,908

The Group safeguards maternity and return to work after the birth of children thanks to an important corporate initiative, the **Nursery**, which since 2004 can accommodate the children of employees up to 3 years of age; this solution allows parents to entrust their children to specialised educators, at the workplace, during working hours, avoiding the need for employees to sacrifice time and money on the care and custody of their children during the daytime.

In 2021 MFE, in continuity with last year, took part in the **WHP (Workplace Health Promotion) programme**, promoted by the Lombardy Region, allowing the Group to obtain the workplace health promotion (ENWHP) certificate thanks to all the initiatives listed above and to new initiatives promoted during the year, such as the “Mediaset ha a cuore il futuro” campaigns for breast cancer prevention and against web addiction and food waste, and the “OnLife WellBeing” training initiatives.

In a scenario with many employees working remotely, communication with staff has been intensified, including through new communication channels, such as the **new company intranet** launched in May, which hosts and communicates all company regulations and organisational procedures, or the survey that staff could use to provide management with helpful indications on how best to manage the transition of many activities to remote working.

BENEFITS

The benefits envisaged for **MFE Group** workers in Italy are mainly of a social security and welfare nature. For all employees there is a supplementary health care plan, 24-hour accident insurance policy and the supplementary pension fund. The company also guarantees integration of the statutory remuneration provided for maternity for all its employees. For senior managers, in addition to these benefits, life and permanent disability insurance due to illness, as well as company cars depending on the role held, are also envisaged.

We would highlight the 2020-2022 renewal of the employee and family member healthcare policy with improved services and reimbursement of healthcare expenses.

In addition to the annual review of its employees’ remuneration, **Publieurope** provides health and welfare benefits.

We would note that in 2021 Publieurope stipulated new insurance schemes, in particular for the “life and medical expenses reimbursement classes”, for all its employees.

The **MFE Group in Spain** looks after its employees by guaranteeing a wide range of benefits aimed at facilitating a better balance between work and private life. These benefits range from the possibility of using a company shuttle or free parking at the workplace, to the company canteen, which benefits all workers, and health insurances for spouses and children (up to 25 years) and mandatory and/or optional medical check-ups.

There are also one-time bonuses linked to the Company's results.

WORKING HOURS

The Group has always identified and implemented specific tools that facilitate the reconciliation of time dedicated to private and professional life, facilitating the equilibrium between demand and supply of flexibility in the workplace, in line with the needs and opportunities that characterise the television business.

With this in mind, a variety of working hours has been contractually defined with the trade unions which flexibly meets the needs of both the company and its workers. Specifically and for most employees, with various specific exceptions for the operational needs of the various organisational structures, it is possible to clock in flexibly between 9.00 and 10.30 am. The remaining workers, engaged in production activity, benefit from a 7-hour work day, rather than 8.

Moreover, from an operational point of view, reductions in working hours are generally granted to personnel requesting this in all the areas of the company, in the presence of the technical and organisational conditions and where the job permits; to date, 315 people in the entire MFE Group benefit from a part-time contract, 82% of whom are women. Reductions in working hours are in fact used to a large extent by female workers who, in particular after returning from maternity leave, ask for a reorganisation of their working life, benefiting from a few hours more each day to dedicate to their private life.

Starting in 2019, the Group launched the **Smart Working** project, which, having begun with pilot phases, accelerated greatly in the initial months of the pandemic emergency. Following the requirement of general application during the emergency period, the MFE Group assessed it and determined that it could constitute a new structural method of working, representing an element that enables increased productivity, digital development, the promotion of professionalism and goal-oriented work, the promotion of social, economic and environmental sustainability as well as a tool for balancing the production and organisational needs of the company and work-life balance for workers. In light of this, the Group has defined a new approach to the organisation of work characterised by synergy between flexibility, autonomy, responsibility and collaboration. To this end, the MFE Group signed an experimental agreement with trade unions in May 2021, with a duration of up to 31 December 2022, directed towards regulating the principles on which the new organisational method of working is based.

The New Smart Working Model adopted by the Group provides for a combination of work carried out remotely and activities carried out on the appropriate company premises according to “at least 1” logic: work can be carried

out at least one day a week remotely and at least one day a week on site, through a weekly schedule defined within the individual structures, which will take into account both the technical, organisational and production needs of the company and the personal needs of the workers concerned.

4.6 INDUSTRIAL RELATIONS

The MFE Group has established and built a consolidated and effective system of industrial and trade union relations at all levels of representation.

The topics typically subject to discussion and disclosure consist of work organisation in terms of jobs, levels and processes, the operating performance of the company, the evolution of the workforce and training issues, as well as the evolution of the business.

The companies in the MFE Group apply the relevant **National Collective Agreements or Supplementary Company Agreements (AIA)** to all of their employees, regulating all the typical situations of the employment relationship. In particular, for Italian companies, the following are applied: for Senior Managers, the National Collective Bargaining Agreement for Commercial Senior Managers and for Industrial Senior Managers; for Middle Managers and White-Collar Workers, the National Collective Bargaining Agreement for Private Radio and Television Companies, for Commercial Service Industries and for Engineering Workers; and for Journalists, the FNSI National Collective Journalists Bargaining Agreement. In addition, a Supplementary Company Agreement applied to Middle Managers and White-Collar Workers and a Supplementary Company Agreement applied to Journalist staff that regulate and improve on the conditions provided for by the national agreements have been historically in force for the television area of the Group.

Specific provisions that further regulate and detail working conditions, working hours and ad hoc technical-production models for individual companies are usually managed via agreements with the trade union representatives of the workers concerned.

The Group manages any structural changes to the organisational, production and logistics structure that have a material impact on the employment relationship with employees by following the union discussion procedures governed by current legislation, national collective agreements and company agreements. These activities aim to guarantee a fruitful negotiation phase that limits the impact on workers and, where possible, improves any contractual provisions.

An agreement was reached in 2018 with the Italian trade unions to renew the supplementary company agreement applied to Middle Managers and White-Collar Workers in the broadcasting area of the Group. In particular, this agreement introduced new provisions on the classification of personnel (introducing new professional figures to match technological development) and working hours (redefined for flexibility and greater simplicity) for a more competitive model of production. Dedicated Bilateral Committees were also established for meetings and exchange concerning the addition of new professional figures or updating of existing profiles, welfare and any extraordinary projects that may affect the boundary of the Group. Finally, to promote generational transition, the Group undertook to bring in at least 100 new people during the effective period of the AIA.

Finally, the agreement signed incorporates the regulatory provisions established upon renewal of the National Private Radio and Television Work Contract (signed with the Trade Unions in December 2017 and approved by the workers' meetings in January 2018), together with the Confindustria RadioTV delegation.

Due to the health emergency in 2020, there was an increase in the number of meetings and discussions with the trade unions. The well-established system of industrial relations has undoubtedly contributed to an effective and prompt response to the crisis, in all its phases, particularly with regard to all safety-related initiatives.

2021 saw continued periodic discussion with the **Coronavirus Emergency Committees** (for the Milan and Rome areas), as provided for by art. 13 of the shared protocol of 13/03/2020, composed of the company Health & Safety Representative, the Employer, the group Health & Safety Managers and Personnel Management, with periodic meetings at the initiative of the company and/or through input from the Health & Safety Representative. On these occasions, the measures taken were illustrated and shared, for example with reference to the various procedures and protocols issued, then published in a dedicated section of the company intranet, under the responsibility of the Prevention and Protection Department (Employer and Health & Safety Managers), or to the initiatives for screening and sanitising work environments.

An information flow through a **daily Bulletin on a territorial basis** also remained active, in peak periods of the pandemic in particular. It contained the following information:

- ▣ Update on cases (positive, close contacts and mandatory self-quarantine) found in the company, with split between employees and collaborators;
- ▣ Daily attendances figures per Production Unit;
- ▣ Revision of the Schedule;
- ▣ Extraordinary sanitisation interventions;
- ▣ Logistical Interventions.

In September 2021, work began on the renewal of the **National Collective Bargaining Agreement for Radio And Television, Multimedia and Multi-Platform Companies**.

The **periodic meetings of the Bilateral Commissions (Welfare, Development, Training)**, provided for by the AIA, also continued and the following trade union agreements were signed:

- ▣ New "Make or Buy" Professional Profiles Agreement;
- ▣ Trade Union Agreement regulating the tool of Smart Working for MFE Group companies;
- ▣ Friday hours reduction agreement for EI;
- ▣ Transfer of the Mediamond Spa business to Digitalia '80 Spa;
- ▣ Availability Agreement for Technologies OPN.

The 2018-2021 renewal of the supplementary company agreement for the **MFE Group in Spain** was signed in 2018. This agreement improves on some of the regulatory conditions and governs aspects related to planning production requirements, internal mobility and notice periods.

Below are the collective agreements envisaged for the MFE Group in Spain:

- ▣ Mediaset España Collective Agreement (this was renewed in 2018, valid until 2021);
- ▣ Collective Agreement of the Advertising sector for employees of Publiespaña and Netsonic;
- ▣ Madrid Regional Collective Agreement for Telecinco Cinema employees;
- ▣ Madrid Regional Collective Agreement for Conecta 5 employees.

4.7 HEALTH AND SAFETY OF WORKERS

The MFE Group in Italy and Spain²¹ has adopted, implemented and effectively deployed an **Occupational Health and Safety Management System (OHSMS)**, compliant with the **OHSAS 18001:2007 standard**. After UNI ISO 45001:2018 came into force, in 2020 the MFE Group in Italy updated its Occupational Health and Safety Management System to the new standard, obtaining Certification at Corporate level.

The certification of an OHSMS represents the recognition, by an accredited body, that:

- ▣ the management of health and safety issues in the workplace complies with the applicable provisions, regulations, etc;
- ▣ these issues are regulated, as well as adequately and continuously monitored, in order to reduce their impact on workers and pursue the prevention of occupational accidents and diseases, with a view to continuous improvement.

The Certification is valid for Corporate and for all the 15 companies that have adopted this management model, including²²: Mediaset S.p.A., Mediaset Italia S.p.A., RTI S.p.A., Elettronica Industriale S.p.A., Medusa Film S.p.A., Publitalia'80 S.p.A., Digitalia'08 S.r.l., Radiomediasset S.p.A., Radio Studio 105 S.p.A., Virgin Radio Italy S.p.A., Monradio S.r.l., RMC Italia S.p.A., Radio Subasio S.r.l., Radio Aut S.r.l. and R2 S.r.l.

The application of the OHSMS concerns all workers operating in all offices of the above companies and their activity as well as management of contracted work.

The **UNI ISO 45001 OHS Management System** was subjected to a certification audit by the DNV-GL certification body. The audit was successful and the 45001 certification was issued at the corporate and individual company level.

²¹ The occupational health and safety management system for the Mediaset Group in Spain does not cover employees in foreign offices. The foreign companies MedSet and Publieurope do not come under the Mediaset OHSMS either, but refer to local legislation.

²² The Taodue company adopts a version similar to the Mediaset OHSMS and employs an external OH&S service.

The System envisages the development and adoption of specific types of documents including: Policies, General Procedures, Operating Procedures, Operating Instructions and Practical Solutions. Among these there are, of course, some specific ones aimed at identifying and preventing risks and training programmes on health and safety issues²³ (which are defined according to the assessment of the risks to which workers are exposed in the course of their work).

Furthermore, for the purposes of the systems and rules for recording and reporting of statistics, the MFE Group has recourse to **specific supporting IT tools**, such as the Simpledo.Net platform.

At least once a year, in compliance with the provisions of Art. 35 of Legislative Decree 81/08, for each certified company of the Group, a "Meeting" is convened which constitutes the "Management Review" referred to in paragraph 9.3 of UNI ISO 45001:2018.

MFE GROUP	2021	2020
Injuries (no.)	29	24
Fatal Injuries (no.)	-	-
High-consequence work-related injuries (excluding fatalities)	-	-
Working hours	8,089,122	7,697,196
Cases of occupational illness (no.)	-	-
Rate of recordable work-related injuries	3.6	3.1
Rate of fatalities as a result of work-related injury	-	-
Rate of high-consequence work-related injuries (excluding fatalities)	-	-

The **Workers' Health & Safety Representatives (WSR)** represent all workers.

In the case of critical events that may involve employees during business trips abroad, the "Personnel Abroad Security Committee" has been established, consisting of:

- ▣ Central Personnel and Organisation Director
- ▣ Safety Director
- ▣ Personnel Director
- ▣ Company representative of the area to which the employee concerned belongs.

23 The PG SIC procedure 05 "Information, education and training of workers in health and safety in the workplace" governs the process of informing, educating and training personnel on health and safety in the workplace.

In order to guarantee safe working conditions, in May 2013 the MFE Group set up an **"Operational Guideline"** in order to guarantee the safety of its personnel on business trips in countries or areas considered "at risk".

Lastly, the Risk Management Department provides adequate **insurance coverage for business trips abroad**. It should be noted that no Group workers are involved in activities with a high accident or health risk²⁴.

There are also specific clauses that cover health and safety issues in contracts²⁵ in which the parties agree that the protection of health and the physical integrity of workers is a primary and constant concern for companies; also, with regard to the occupational safety and health of workers, express reference is made to the provisions of Legislative Decree 81/2008, as amended and supplemented.²⁶

For 2021, confirming the Group's attention to the occupational health and safety of its employees, there were no serious injuries (duration of more than 6 months) nor cases of occupational illness or cases of injuries for external collaborators.

There were seven accidents with a number of days' absence greater than 70 (77, 80, 85, 104, 110, 123, 140) according to INAIL. Five of these occurred outside of the company workplace and were not caused by work (3 commuting – 2 when smart working), whereas the two accidents that occurred in the company workplace resulted from tripping (same-level fall).

Occupational health and safety in **Spain** are regulated and guaranteed through the occupational risk prevention plan and the provisions of the individual national collective agreements. The plan is jointly defined by the Group Health and Safety Committee and by the Prevention Service ("Servicio de Prevención Mancomunado" or SPM), which is then approved by the Human Resources Department and Service Management and finally presented to the Risk Officer.

The occupational risk prevention plan ensures compliance of the company with the legislative provisions on the prevention of occupational risks and the requirements of OHSAS 18001:2007 for the prevention of standard occupational risks.

We would like to point out that in Spain all collective agreements include measures to protect the health and safety of workers.

Based on the objectives set out in the prevention plan, each year the SPM defines the activity plan. The Risk Officer has the task of approving and monitoring the plan on a quarterly basis together with the Health and Safety Committee. The Committee therefore does not carry out preventive activities but rather represents all employees: the committee consists of approx. ten people belonging to the different professional categories. Moreover, the SPM can perform extraordinary activities to meet or adapt to new regulatory needs or changes in business activities.

²⁴ On 30 November 2018 (published on 5/12/2018) two Organisational Guidelines - O.G. MD/HO 105 and 106 - were issued, defining the organisational and operating models adopted by the Group to manage any crisis situations (CRISIS Management Compliance Programme), in order to reduce negative impact on the business, limit damage to property and harm to persons and take advantage of any opportunities for the Group, contributing to improving company resilience and its value in time, also for the purposes of preventing the offences envisaged by Legislative Decree 231/2001 as amended.

The O.G. states that the "Group's priority goal" is to safeguard life and health for all in the company (covering employees, external staff, suppliers, guests...), protecting the company's reputation, supporting business continuity in areas and processes considered critical for the business in various safety and security risk scenarios.

²⁵ Mention is made of Art. 20 - Protection of the health and physical integrity of the workers of the National Collective Bargaining Agreement of Employees of Private Radio and Television Companies,

²⁶ Art. 7 – Environment and Health of the Supplementary Agreement for MFE Group Companies

In the course of 2021, health and safety training for various categories of workers continued through online courses.

During 2021, eighteen minor injuries occurred among employees of the MFE Group in Spain. There were no cases of accidents involving external staff.

In 2021, as in the two previous years, there were no cases of injuries or cases of occupational illness in other foreign MFE Group companies.



5 - EFFECTIVENESS AND SUSTAINABILITY OF THE BROADCAST AND COMMERCIAL OFFERING

5.1 QUALITY OF THE PRODUCT AND SERVICE

FREE TV

ENTERTAINMENT



The MFE Group's free-to-air offering in Italy currently consists of **16 channels** covering all major targets for advertisers, including three long-standing **generalist channels** (Canale 5, Italia 1 and Rete 4), and the **thematic and semi-generalist channels** Boing, Boing Plus, Cartoonito, Iris, La5, Mediaset Extra, Mediaset Italia 2, Top Crime, Canale 20, Tgcom24, Focus, R101TV and Virgin Radio TV.

The three main channels of the Group have always been:

- ▣ **Canale 5**, the Group's main general interest channel and targeted at the modern Italian family. It is a channel for TV viewers between 15 and 64 years of age, with programming covering all the main television genres from entertainment to drama to news.
- ▣ **Italia 1**, the leading Italian channel among younger viewers, with particular emphasis on American products, upcoming trends and fashion. It is a channel about innovation, where the most innovative programmes are aired.
- ▣ **Retequattro** targets its programme schedule at a more mature audience in terms of age.

The great commitment to self-produced R4 content also continues in 2021. Original products were shown on the network in prime time on 6 evenings out of 7: Veronica Gentili in *Controcorrente*, Nicola Porro in *Quarta Repubblica* and then by Paolo Del Debbio with *Dritto e Rovescio*, Mario Giordano with *Fuori dal Coro*, Giuseppe Brindisi with *Zona Bianca* up to the co-presenting of Gianlugi Nuzzi and Alessandra Viero in the crime reports of *Quarto Grado*, an undisputed cornerstone of the schedule.

Barbara Palombelli remained host of the pre-primetime show that opens the network's early evening slot with current affairs and politics in *Stasera Italia*.

Rete 4 believes that part of a TV channel's responsibility is to express a world view and build a community, above all by employing its own voice.

The MFE Group in Italy has managed to attract audiences from every age group – with a particular focus on the **coming generation** – and social class, thanks to its television programme scheduling and selection of programmes capable of meeting all TV viewers' demands.

The **broadcasting strategies** that have led to the success of the channels in Italy through the dissemination of products and content that the users like are the responsibility of the **Programme Schedule and Distribution General Management** in association with **Content General Management**.

These two departments together with the **TV Committee** approve the broadcasting projects.

Once the broadcasting lines on which to build the entertainment of channels in Italy have been decided, the relevant Product Area – in this case, the Entertainment Department – proceeds to the selection of projects of interest through an analysis of the market of reference and monitoring to make sure they are in keeping with the broadcasting lines in the codified regulations **“Manual of Audiovisual and Radiophonic Services”**.

AUDIENCE SHARES (medium figures) ITALY 2021	INDIVIDUAL			COMMERCIAL TARGET		
	24 hours	Prime Time	Day Time	24 hours	Prime Time	Day Time
Canale 5	15.4%	14.2%	15.9%	16.1%	15.8%	16.5%
Italia 1	4.4%	5.0%	4.2%	6.1%	6.4%	6.0%
Retequattro	3.8%	4.5%	3.7%	2.8%	3.2%	2.7%
TOTAL GENERALISTIC CHANNELS	23.6%	23.7%	23.8%	25.0%	25.4%	25.2%
TOTAL MULTI CHANNEL, PREMIUM CINEMA CHANNELS AND TV SERIES	8.4%	8.5%	8.0%	9.0%	8.7%	8.8%
TOTAL MEDIASET ITALY	32.0%	32.2%	31.8%	34.0%	34.1%	34.0%

This manual guides the dissemination of content following the rules for programming, protection of minors, business communication, equal treatment, privacy and radiophonic regulations.

At the same time, both qualitative (broadcasting characteristics such as type of programme, positioning on the programme schedule, listener target and cast of artists) and quantitative (for example: duration, hours of product, hourly/total cost, etc.) television product guidelines and objectives are defined.

The Entertainment Department guarantees that the product is always in line with the values the Group wishes to convey and the principles contained in its **Code of Ethics**.

Lastly, constant sharing of the project and shared selection of programming make sure that broadcast content meets the quality expectations of TV users.

To further demonstrate the quality of the entertainment product, some examples are programmes like **Striscia la Notizia**, **le Iene** and **Forum** which, still with the objective of entertaining their audience, at the same time address social and contemporary topics.

TELEVISION SERIES AND FILMS

The MFE Group broadcasts TV series that appeal to all audiences. When it selects TV series the group adheres to the **broadcasting guidelines** set and shared with the company's top management, in addition to identifying products that have the potential to reach the established **target audience**.

When selecting products, the TV series department evaluates the products together with the Content Department and company top management working closely with product marketing in an attempt to find stories that continue to interest the historic audience and at the same time try to broaden its user base.

Specifically, the TV series department chooses and develops stories that highlight the principles and positive values of the company today and consequently also reflect the **ethical principles of the Group**, never opposing them and thus guaranteeing a product that all audiences can enjoy.

The considerations on the choice of product also take into account the option to have content not suitable for an audience of **minors**; in this case, one opts for a shared choice with the channel that must broadcast the product.

The MFE Group's TV series department in Italy constantly strives to improve the quality of content, broadening the selection of its suppliers and turning to an ever larger number of external production companies, not to mention various screenwriters.

This opening toward the market has led the Group to receive and assess about **400 original projects** each year, a number that is deemed sufficient to fully satisfy the Group's needs.

The MFE Group also possesses the know-how and the organisation for selecting projects and developing the production of popular drama series. These products are commissioned from major national partners and, in some cases, are sold abroad or leveraged via the web channel, thus contributing to covering production costs.

Through its subsidiaries Medusa, Taodue and Medset, the Group ensures production and distribution of films and TV series.

For the **creative line** of **Taodue** and Medset, this is conceived by the Chief Executive Officers of each company who, through continuous exchange with Group broadcasting line managers, guarantee the alignment of content creation activities with the values and policies established by the organisation itself.

Likewise, the alignment of the MFE Group's ethical principles and the quality of content are guaranteed through the Company Leaders' and Group broadcasting line managers' constant monitoring of the production and creation of artistic content. Even if not official, this process is expressed in the *modus operandi* employed for products created both internally and externally.

The distribution of the multimedia and television content produced by Taodue is managed by a third-party company, as well as through the Group's internal channels, through specific distribution licences that satisfy the legal requirements (e.g. film classification).

Medusa Film is in charge of the **distribution of cinematographic works** (mainly Italian). The company produces and purchases films exploiting the entire life cycle of the product: from the programming in cinema releases to the sale of television broadcasting rights in all their various forms.

Medusa's line-up, constantly agreed upon with the MFE Group in order to meet programming requirements, focuses on the Italian product in the "comedy" genre. Actors and directors like Paolo Genovese and Checco Zalone – who in the past few years have helped to redefine the contemporary concept of Italian comedy – demonstrate the extreme emphasis on a type of film that has always shaped the history of our cinema.

The thread that runs through all of them remains Medusa's mission for Italian cinema, which simultaneously means guaranteed selection, production and distribution of the best products, in an attempt to **promote national and local artistic and professional excellence**. In order to face up to the competition of foreign products, this commitment must always be ensured according to top industry standards.

As with 2020, the year 2021 had a **devastating impact on the movie industry**, which was undoubtedly one of the sectors most affected. Cinemas remained closed from the beginning of January to the end of April, then hesitantly began reopening, arriving at full capacity in the autumn. But the second half of December (a notoriously important period for the industry) saw another resurgence of the virus. Though the cinemas were formally open, attendance plummeted. Revenue reduced by a further 7% compared to 2020 (-11% attendance). It must however be noted that in 2020 Medusa had benefited from one of the best performances achieved, in pre-pandemic market conditions, thanks to 2 hugely successful films: *Tolo tolo* by Checco Zalone and *Odio l'estate* by Massimo Venier with Aldo, Giovanni and Giacomo. Compared to the average for 2017–2019, 2021 saw a 71% drop in revenue and 73% in attendance. Considering only the data for the May–December period (when the cinemas were open), the difference compared to the three years before the pandemic is equal to -51% in terms of revenue and -53% in terms of attendance. While the industry has taken every sanitary measure to continue with content production in safety, completing its efforts, all companies have opted for a prudent approach to distribution, moving the major cinema releases to the second half of the year. In the first half of the year Medusa distributed 2 "minor" films, aimed at an audience of movie lovers (the first to return to cinemas). The second half of the year instead saw the release of 6 films (including *Trafficante di virus*, in the form of a "film event" with only 3 days in cinemas during the week and almost immediate publication on Amazon). The results were in line with expectations, in keeping with a still weak market.

The only disappointing result was the film *Supereroi* by Paolo Genovese, with A. Borghi and J. Trinca: due to its release close to Christmas, it was particularly affected by a lack of cinemagoers. To achieve the annual economic goals, it was therefore proposed with its platform release brought forward at a higher price. With respect to the **Medset** company, the continuance of the health crisis and the related containment measures adopted by the central government have had a significant impact on the entire film production chain with a significant reduction in cinema attendance during 2021.

The Company was however able to participate in the co-production of a feature film, the shooting of which was successfully completed in December 2021. Faced with reduced activity, the company turned to the partial paid furlough fund for its only employee as of April. The Company also adopted all the necessary recommendations for the safe use of workplaces by the employee.

NEWS AND SPORTS

In 2021, MFE developed and consolidated its **integrated system** model for News and Sports across its networks and multimedia platforms.

The system is based on several elements.

The first of these is the three **national news networks**: Tg5, Tg4, Studio Aperto and the Sport Mediaset agency; each of them has specific characteristics and is geared towards a certain type of audience:

- **Tg5** is characterised by its leading position, completeness and impartiality in its way of making news across the board;
- **Studio Aperto** is a news network for young people, agile and brief which emphasises the main stories and current events;
- **Tg4**, with a complete restyling of the evening news as of September 2018, attracts Rete 4's typical audience (older viewers).
- **Sport Mediaset** covers sports events and commentary and was set up in August 2018 after the Premium Sport offer came to an end.

Studio Aperto, Tg4 and Sport Mediaset all refer to an **internal news agency** for the provision of content. The agency was set up in March 2010 and guarantees uniformity and completeness of information.

A new transition began in 2019: six agencies (TG4, Studio Aperto, Tgcom24, Sport Mediaset, Pagina 101 and RMC) were closed and converted into **brands**. The Agency ceased merely to be a provider of reports for the agencies and became a producer and distributor of multi-platform content through its brands, and in 2020 this transformation in the production hub was consolidated through the creation of dedicated specials for thematic networks and agencies.

The **infotainment** and in-depth news analysis productions from the *Videonews* agency represent the second key element in the Mediaset network information structure. *Videonews* is a real factory in terms of output, which creates, develops and produces content for the generalist networks, contributing to the daytime and prime-time schedule 7 days a week.

The main infotainment and journalistic analysis productions from 2021 are indicated below:

- Canale 5 daytime with **Mattino 5**, **Pomeriggio 5** and **Verissimo**, all leaders for their own commercial target audiences. Giving continuity to the information coverage of the network, the following were also launched during the summer: Morning News, Mattino 5 news and Pomeriggio 5 news.
- the pre-primetime Rete 4 show **"Stasera Italia"**, hosted by Barbara Palombelli, a reference point for information both in its weekday and **"Stasera Italia Weekend"** versions, **"Controcorrente"** with Veronica Gentili on Saturdays and Sunday and the new programme **"Dalla parte degli animali"**.

To ensure constant information and in-depth analysis during the outbreak of the pandemic, in 2020 the

"Stasera Italia" brand multiplied its broadcasts, with dedicated specials in prime time. These continued in the first 3 months of 2021. To further consolidate prime time, we would note "Zona Bianca", going out on Wednesday evening starting from Spring 2021, and hosted by Giuseppe Brindisi, one of the authoritative faces of TG4.

- Rete 4 in prime time, a strategic challenge in terms of Group Information, also continued with many successful programmes – *"Quarta repubblica"*, *"CR4 - La repubblica delle donne"*, *"Dritto e Rovescio"*, *"Fuori dal coro"*, as well as the evergreen *"Quarto grado"*.
- the second evenings on Channel 5 of *X-Style* and on Rete 4 of *"Confessione Reporter"* and *"Pensa in Grande"*.

The **Meteo.it** MFE brand represents a significant presence in multimedia content. It's the leading Italian weather forecasting system, spread across TV, the web, mobile and radio, and is completely free of charge.

Meteo.it is a highly renowned and authoritative national scientific leader, made up of a staff of specialists, journalists and meteorologists, as shown by over 10 million users who follow the MFE brand's forecasts each day across the various multimedia platforms.

The service offers 25 different television productions per day, 365 days a year, to meet all the needs of the different TV channels in the MFE Group broadcast offering.

In particular, special live reports are broadcast during exceptional bad weather events, providing a public service:

- around 8 million²⁷ viewers every day (unique users, unique contacts) receive the TV information from meteo.it;
- daily radio broadcasts, including Mediaset group radio and other national and regional radio stations;
- the digital traffic²⁸ for meteo.it on web and mobile in 2021 was 260,000 unique daily users with 450,000 daily page views, making a total monthly average of 3.26 million unique users between web and app²⁹;

As far as **social media** traffic is concerned, there are more than **1,184,000 active fans on Facebook**, **37,000 on Twitter** and **123,000 on Instagram**, representing growth compared to the previous year.

With reference to **sports information**, the Group was awarded the broadcasting rights for a total of **121 UEFA Champions League matches** per season on its platforms for three years. MFE will continue to guarantee that the Italian public can view the best match in each round of the UEFA Champions League on the generalist networks until 2024, including the final, and the match will also be free to view online. A further 104 matches will also be available to view through a paid live streaming service each season.

MFE has also guaranteed that it has the exclusive broadcasting rights for the **Coppa Italia** for the next three seasons, 2021–2024.

27: cumulated data derived from the meteo.it windows on Mediaset networks

28: daily average on a monthly basis - source: Audiweb -

29: source: Webtrekk

Football is joined by a great deal of content in the motoring world:

- ▣ **ABB FIA Formula E World Championship**, the electric single-seater championship that's attracting increasing attention from the world's leading automotive brands;
- ▣ **Extreme E**, the spectacular championship that uses only zero-emission electric SUVs for off-road racing in the most remote areas of the world and which debuted in January 2021;
- ▣ **Drive Up**, automotive magazine.

Starting in 24 September 2021, a new exclusive has also been available on Channel "20": the **United Rugby Championship**, the new international rugby tournament that brings the best athletes from Italy, Ireland, Scotland, Wales and World Champions South Africa onto the field until the end of the season, due on 21 May 2022 when the Final is played.

We would also highlight all the different forms assumed by the **TGCOM24 all-news system**: the TV network, breaking news on generalist and thematic free-to-air networks; breaking news on the RadioMediaset radio network and the main national private radio stations; the TGCOM24.it website, apps for smartphones and tablets, official accounts on social media networks (Facebook, Twitter and Instagram) and a dedicated channel on the YouTube platform.

The multimedia performance of News and Sports information should be noted, indicated by the video views (VOD) for TGCOM24.it on web and mobile (monthly average of **112 million video views** in 2021). The multimedia offering of TGCOM24 is followed by approximately **3.6 million unique browsers per day**.

In relation to mobile use, the TGCOM24 app exceeded a total of 3.6 million downloads, with an increase of 6% compared to the previous year; SportMediaset app downloads came to a total of 2.46 million, a 5% increase compared to 2020.

The Group assures the quality of the information spread through its general interest and non-general interest channels, since on its own it produces about 90% of the news product disseminated and broadcast live.

The genuineness and quality of the content is guaranteed by the immediacy and contemporary quality of the news itself, thanks to the live broadcast of the content for the All-News (programming exclusively for the broadcast of the news) and the news channels, but also for the world of infotainment. These products also fall under the Videonews agency.

The configuration of the **News Department** encourages continuous and necessary focus on the research and development of news. This is guaranteed by verification of reliable and true sources while constantly keeping an eye on contemporary events, all in order to guarantee the audience a useful and up-to-date service.

To this end, the MFE Group encourages the fight against the phenomenon of **fake news** and celebrates **International Fact-Checking Day**.

The creation of the services follows all the regulations in the area of **occupational health and safety**. This is first and foremost to guarantee the safety of all employees and collaborators of the Group, and in the specific case of news, to ensure current, true and complete information.

In particular, those sent to war or high-risk areas, are guaranteed **supplementary insurance coverage** adapted according to the specific characteristics of the mission. These needs are monitored through a constant dialogue with the public institutions set in place in different countries (or bodies associated to them) that may channel and provide the information needed to fully guarantee the safety of the field reporters.

By striving for an objective and effective debate on the arguments addressed in the different TV programmes, there is an attempt to develop a settlement that may be representative of freedom of expression (in any case guaranteed by the professionalism of the Editors of agencies, who have a trust relationship with the Broadcaster), of the plurality of voices and the completeness of the news. To pursue these objectives and improve the qualitative performance of the products, it proved fundamental to implement a convergence between television and the different online media.

The **agency editors** have a function of coordination, with absolute respect for the freedom and autonomy of the individual broadcasts, written, conducted and organised by **independent and autonomous writing and editorial working groups**. The broadcasts deal with current events, but always with attention, which is also ensured by the coordination of the General Information Division, to the following: issues of **social inclusion** of the most vulnerable (at the centre of public, and televisual, debate as never before), **protecting the environment**, the risks of climate change and the opportunities offered by a transition to a green economy.

Plus, some programmes like Quarto Grado, Mattino 5 or Pomeriggio 5 perform an ongoing **support activity for social and awareness campaigns** (for example, against the abuse of women or against fraud perpetrated against society's more vulnerable categories like the elderly or the disabled). In particular, the show Quarto Grado is capable of channelling important and necessary messages for the development of legal investigations. All these activities have led to active audience participation, at the same time demonstrating a broad consensus and a growing awareness of these topics.

In 2021, collaboration between RTI and the **European Commission** that has now continued for a number of years was renewed through a procurement contract, involving the production of another series of the consolidated **"Giovane Europa"** format, broadcast on the all-news TGCOM24 channel. The amount will be paid to RTI in 2022.

With respect to participation in the **calls published by the European institutions**, in 2021 the RTI General Information Division implemented the **"Fatti e Misfatti d'Europa"** broadcasting project co-financed by the European Parliament following participation in call for proposals COMM/SUBV/2020/M published in 2020.

We would also note participation in call for proposals COMM/SUBV/2021/M/COFOE of the European Parliament with the proposal **"L'Europa che vorrei"**.

In January 2022, the RTI General Information Division also participated in call IMCAP-2022-INFOME of the European Commission **"Support for information measures relating to the Common Agricultural Policy for 2022"**, presenting a project to run an information campaign on the Common Agricultural Policy.

To **allow its services to be used**, the Group monitors and makes an effort to ensure that every single one of its viewers is placed in the optimal condition to be able to receive the news and stay informed of what is going on in the world. Specifically, TG5, in its main edition at 8 PM provides a **subtitling service for the hearing impaired** in order to make accessing the content easier.

During 2021, the project to implement the new version of the **Dalet Galaxy Five** system continued, with the study of new workflows for even more effective and efficient collaboration between news structures.

At the same time, a project was launched to introduce **CORTEX**, Dalet's artificial intelligence system, which provides speech-to-text, automatic translation of agency scripts and recommendation, suggesting images for editing based on the journalist's text and tags entered automatically. Both solutions will be implemented in 2022 following appropriate training of both journalists and production staff.

With the advent of the pandemic, mass use of **smart working** became necessary, which enabled production of all news and sports and infotainment programmes via remote connections, without interruption. All production staff and about 200 journalists were enabled to use this. In studio 15 in Cologno Monzese, the graphic formats of the various hard news brands (TG5, Studio Aperto and TG4) were uploaded, in order to be prepared for a possible closure of the TV production control rooms due to the pandemic. At the same time, all correspondents in the regional and foreign offices, as well as some regular guests on broadcasts, were equipped with high-quality audio/video connections using PCs, tablets and mobile phones. This type of connection has made it possible to raise the quality of the signal so that the difference between a connection made with a backpack or a mobile phone is indistinguishable. Currently, most connections from the United States are made in this way. In some Cologno Monzese studios, a version of ZOOM was installed to allow interaction between guests connected by audio/video from home and the presenter, so as to simulate the presence of the audience in the studio, displayed on the screens of the set. As of September 2021, all desktop PCs (about 600) for production and journalistic staff were replaced and production staff were provided with laptops (about 200). Both actions represent a move towards more effective remote working.

We would like to highlight that during 2021 the General Information Division **self-produced over 11,000 hours of material** (3,500 hours of news programmes, 3,500 hours of infotainment programmes and 4,700 hours of original programming on the Tgcom24 channel).

All the main news programmes and all the political information programmes (Mattino 5, Stasera Italia, Quarta Repubblica, Fuori dal coro, Stasera Italia Speciale, Dritto e Rovescio, Controcorrente, Live Speciale Coronavirus) grew compared to the previous year.

To ensure business continuity and at the same time cope with the issues related to the pandemic, a number of **changes were made to production:**

- ▣ decrease in the number of guests in the studio and consequent increase in external connections (audio/video, Skype, etc.). The few guests present in the studio always had to present self-certification of a negative test result (valid for one week);
- ▣ limited presence, and in some cases total absence, of hostesses in the studio during live broadcast;
- ▣ elimination of studio audiences and resulting related activities (studio animator);
- ▣ to limit access of studio staff, decrease in number of cameras used during live broadcast;
- ▣ limited number of people in the control room during the live broadcast.

RADIO

The MFE Group's commercial radio division includes **R101, Radio 105, Virgin Radio Italy, RadioMontecarlo** and **Radio Subasio**.

Each of these stations is characterised by its own **line** expressed through radio programmes/formats (for example radio of young target programmes -Radio105-; "flow" (like format) radio -R101 and Radio Subasio-, "vertical" radio -Virgin Radio; "elite" radio with high-profile target-RMC; "family" radio with distinctive elements from Italian tradition-Radio Subasio).

In relation to this line, maximum **independence and plurality** of expression is guaranteed following the industry regulations (Radio Television Consolidated Act) and the current company guidelines that require daily monitoring of the activity carried out by the artistic resources (radio speakers and guests), the topics addressed in the relative sources as well as the advertising content aired.

The MFE Group undertakes to maximise enjoyment of the radio product with a **widespread dissemination** both in geographical and target audience terms, also through systematic **maintenance and enhancement activity on the radio broadcast networks**, particularly safeguarding minors by working on the language used on air and following the **Radio Television Consolidated Act** and the Group **Code of Ethics**.

Also to guarantee maximum enjoyment and access for today's listeners and with the objective to acquire new ones, not to mention to maximise the benefits arising from using advertising, the radiophonic department undertakes to constantly and progressively develop the **multimedia activities**, creating services and content employable through the main digital platforms and media, like smartphones, tablets and smart TV, carrying out specific control activities for these purposes.

The content to be posted on websites, including that provided directly by the listeners, is supervised in order to make sure it is suitable to be issued; with respect to the content users make themselves, a disclaimer is filled out, which for minors must be signed by the individual with custody over them.

To guarantee users' **privacy**, the messaging systems used hide the mobile telephone numbers of listeners, who can only be contacted by the people employed in the company for that purpose.

We would note that the current pandemic meant that on-site promotional activities for radio programmes in the country were also blocked in 2021.

Digital activities were boosted to partially compensate for the suspension of activities on the ground.

In line with company directives, the Radio Group has extended and reinforced **smart working**, adopting it for most workers. Social distancing was introduced in order to protect those on company premises to ensure that activities could continue. In line with the rest of the Group, Radio too systematically introduced health monitoring for workers, carrying out weekly antigen tests.

2021 in any case saw the resumption of live broadcasts mainly from studios, maintaining the possibility of remote broadcasting in the event of critical issues (such as the spread of the Omicron variant in December).

INNOVATION IN DEFINING AND DISSEMINATING CONTENT

In the consolidated context of multimedia video offering, the MFE Group is working through a dedicated organisational structure to create services and content deployable across all the main connected digital platforms (desktop devices, mobile and wearable devices, tablets, smart TVs, etc.) and to promote **digital extension** initiatives for free-to-air programmes (TV and Radio), as well as to make its broadcasting products, like news and entertainment, accessible across all digital platforms, consequently improving advertising revenue. In relation to Social Media Network presence, the Group confirmed itself as one of the leading European media companies in creating engagement with its communities: a total of **42,5 million followers** on MFE network **Facebook** pages, over **9 million** followers on **Twitter** accounts and more than **21 million** followers on **Instagram** accounts.

The MFE digital product range is divided into two main thematic areas:

- ▣ **Video Hub:** the chosen location for video content consumption is the revamped **Mediaset Infinity** platform. The new platform came into existence in April 2021, from the merging of two previously separate services into a single product:
- ▣ On one hand Mediaset Play, which allowed the use of the group's free video content, and on the other, Infinity, a platform created by MFE in 2013, which collected the paid offer of films and series ranging from big American series to Italian production companies. Both have merged into a single platform, called Mediaset Infinity, capable of offering users both free and pay content, through a unified and highly customised customer journey. Total MFE Properties Video content consumption amounted to around 3.73 billion over the year, representing 14% growth on the previous year, with 462 million hours of video generated in total, representing 30% growth compared to 2020 (Source Webtrekk). The Mediaset Infinity app achieved 19.1 million downloads in 2021, representing growth of 27% on the previous year.
- ▣ **Information Hub:** the Information hub, under the **TGCOM24** brand, is internally divided into News (under the *TGCOM24* agency), Sports Information (under the *Sportmediaset* agency) and Weather Information (under the *Meteo.it* brand). During the year, the Information hub audience saw significant growth, reaching an average Total Audience of 3,536,000 unique daily users in 2021 (Source Audiweb 2.0, overall boundary with TAL), positioning itself under the TGCOM24 brand in second place in the Italian digital information market. Together, the information hub's free apps saw around 14.0 million downloads by the end of 2021, representing 6% growth compared to the base at the end of 2020. In this context, the TGCOM24 app achieved a total of 3.6 million downloads, with the base of installations increasing by 7% compared to the previous year (as of December 2021); in 2021 alone, there were 242,000 downloads. The weather forecasting service (Meteo.it) achieved 6.6 million downloads, with a growth of 4%. Downloads of the SportMediaset app reached 2.5 million (+7% compared to 2020); in 2021 alone, there were 158,000 downloads. The TG5 app achieved 1.3 million downloads in 2021, growth of 13%. (Source: App Annie at 31 December 2021; the base of app installations considered refers only to the active versions distributed in the stores). TGCom24 is constantly upgrading social media activity by agency staff. In particular, in 2021 TGCom24 consolidated its presence on social platforms with its Instagram, Facebook, LinkedIn and Twitter accounts and constantly updated its dedicated channel on the YouTube platform. **MFE Radio's set of free apps** deserve special mention. Together, they saw around 1.6 million downloads by the end of 2021, representing 22% growth compared to the base at the end of 2020.

Distribution agreements were confirmed with all main partners in 2021: **IOL** (which combines the top 2 portals Libero and Virgilio), with **Microsoft** (msn.it) **Citynews** (Today.it and all vertical websites), **Fanpage** (Ciaopeople publishing group) and **SuperguidaTV**, the most important Italian digital TV guide. These agreements make the best use of and promote the content chosen by R.T.I., allowing another audience to be reached, available according to the different needs of the broadcaster or sales house. Taking external distribution into account as well, the video view total comes to 3.87 billion for the year.

Note that **Auditel measurement of digital audience** on different devices continued in 2021, with the aim of estimating online user activity related to text and video content via PC, smartphone and/or tablet, net of overlap between the various devices detected. MFE achieved a position of leading broadcaster, with a share of **40.5%** calculated on the fundamental metric of **TTS (Total Time Spent)**, separated from the second broadcaster by 5.5 percentage points.

Mediaset also leads in the number of **video views (Legitimate Streams)** with a share of **47.7%** and separated from the second broadcaster on the market by about 14 percentage points.

THE GROUP'S OFFERING IN SPAIN

The MFE Group in Spain carefully and meticulously oversees the production and distribution of its content to offer a qualitatively valid product capable of representing excellence on the market.

Both the entertainment and news content refer to **"Ley 7/2010, de 31 de marzo, General de la Comunicación Audiovisual"** which regulates the audiovisual sector, internal procedures and regulations as well as the Group Code of Ethics.

Indeed, constantly living up to principles like **plurality** and **diversity of information sources**, **freedom of expression** and **journalistic independence**, **impartiality**, **non-discrimination** and **accurate information**, creation of content in line with corporate **values** as well as the application of **ethical rules** that pervade all company activities is ensured. This way, independent broadcasting is guaranteed, also through internal mechanisms so as not to meet with any external interference in the generation of content.

Moreover, thanks to the plurality and diversity of the sources of information as well as involvement of individuals from various sectors of the company, Mediaset España integrates various tendencies and opinion into its information and entertainment programmes to offer quality audiovisual services that are representative of all TV viewers.

AUDIENCE SHARES (medium figures) SPAIN 2021	INDIVIDUAL			COMMERCIAL TARGET		
	24 hours	Prime Time	Day Time	24 hours	Prime Time	Day Time
Telecinco	14.9%	13.9%	15.4%	15.5%	15.2%	15.7%
Cuatro	5.3%	5.3%	5.2%	6.1%	6.4%	6.0%
TOTAL GENERALISTIC CHANNELS	20.2%	19.2%	20.6%	21.6%	21.6%	21.8%
TOTAL SEMI- GENERALISTIC AND THEME CHANNELS	8.1%	7.2%	8.5%	9.0%	7.6%	9.6%
TOTAL MEDIASET ESPAÑA	28.3%	26.5%	29.1%	30.5%	29.2%	31.4%

In any event, quality in creation of content is guaranteed by the **Broadcasting Committee** that defines the broadcasting strategy together with the **management of the Content Department**. The broadcasting strategy is then sent to the executive producers who are responsible for monitoring and implementing it.

On a weekly basis the Content Commission sees to and monitors the content of the programmes distributed on the group's different channels. Live programming is evaluated and monitored daily in meetings attended by the directors of the specific channel and executive producers of the programmes. Later, once the programmes have

been created and presented by the producers, they are evaluated on the basis of compliance with guidelines, Code of Ethics and respect for human rights, the rights of minors and the right to privacy. Once this evaluation has been made, the results are sent to the production companies so that they adjust the content. For children's programmes, in addition to the checks mentioned above, the programme is sent to the Child Protection Authority for approval prior to its broadcast.

Innovation in creation of content is yet another fundamental factor for maintaining leadership in the audiovisual industry. That's why the **New Project Area** is always in contact with the producers and distributors to stay abreast of what's new nationally and internationally.

To evaluate new projects, meetings are held where the content production team attend as well as the **Production area Director** and **General Content Director** of MFE in Spain. During the meetings the different market trends are taken into consideration in order to identify quality products and services in which all subjects representative of the audience are shown.

Once the project has been approved, the **Antenna Division** takes action to develop programming strategies: identifying the best premiere dates, establishing the content marketing strategy, defining the launch campaigns, setting up the communication activity being broadcast and more generally defining all the activities linked to positioning of the programme in order to get the best performances.

To ensure the creation of content is in line with company values and the Code of Ethics, MFE in Spain has defined and implemented a **pyramid control system** where the content generated is evaluated and monitored constantly.

To improve the dissemination of the content, the MFE Group in Spain has **renewed its platforms**, thus managing to disseminate its products also on Smart TVs, supporting all advanced DRM formats and optimising performance for mobile devices, guaranteeing high-definition use and allowing multi-device use.

More generally, the MFE Group in Spain can broadcast and transmit its signal with a **coverage of 98% of the Spanish population** through 2,916 transmission or broadcasting centres.

Furthermore, programming is made available to the audience through the web platform, a tool that promotes access to audiovisual content and allows interaction and monitoring of ratings for the programmes and series offered through analysis of comments.

Finally, given the immediacy of the information delivered with increasing frequency through social networking sites, the Mediaset España agency **checks its sources thoroughly**. For this purpose, the following activities have been put in place:

- ▣ weekly broadcasting committee with the company's top managers to check the news.
- ▣ daily broadcasting meetings to review the content to be broadcast as well as the content already broadcast, analysing that which had not been adapted to the set broadcasting approach in advance.
- ▣ ongoing dialogue among journalists and area managers to update the information.
- ▣ daily check of the broadcast of content subject to intellectual property.

□ citations of sources when they are public and allowed to quote them.

□ confidentiality of sources when required.

For **accessibility to content**, Mediaset España has maintained its commitment year after year to render its programming accessible to individuals with visual or hearing disabilities, as a tool for the social and cultural integration of these groups.

We would highlight that, in 2021, Mediaset España broadcast **44,892 hours of subtitled programmes**, about **1,208 hours of broadcast translated with sign language** and **2,345 hours with audio description**.

5.2 THE SUSTAINABILITY OF THE BROADCASTING PRODUCT

Through its broadcast offering in Italy and Spain, the MFE Group generates a positive impact in the communities in which it operates, raising awareness among the viewing audience around issues such as gender equality, diversity, environmental protection and contributing to political and social democratic intervention through a transparent, pluralist information offering accessible to all.

This impact also extends to the non-television platforms managed by the Group, which also allow radio and Internet users to access such content.

In the more than 289,000 hours of programming broadcast on its generalist and thematic networks in Italy and Spain, the Group directly and indirectly supported the achievement of the UN 2030 Agenda's Sustainable Development Goals. The analysis that follows aims to identify the main content that makes a significant contribution in this area, highlighting the topics covered for each programme and associating them with one or more Sustainable Development Goals.

INFORMATION

Our TV news



Our TV news agencies have always been known for offering viewers **information that's transparent, plural and accessible to all**.

This historic pact with the viewer was renewed with the advent of the recent pandemic crisis affecting the world over the last 2 years, in which the desire to communicate global events is inextricably bound up with the mission of **actively fighting the flood of fake news** and its harmful consequences.

Covering the main Italian and international news therefore combines with **attention to increasingly urgent and central issues in public debate**, with the promise of a better future for future generations depending on action to raise awareness.



TV news slots



TG5 - Gusto

With its spin-offs Gusto Verde and Gusto DiVino, it promotes the richness of Italian regional agri-food heritage. It also highlights the health benefits of a healthy, varied diet with ingredients of controlled origin.



TG5 - La Storia

A slot dedicated to insights into the Italian and international historic and political past. A moment of cultural enrichment for the viewer, but also a useful opportunity to reflect on our present, in light of teachings from a past not to be forgotten.



TG5 - L'Arca di Noè

A slot dedicated to the world of animals. The story of the wealth of local and international wildlife, with particular attention to habitats, endangered species and raising public awareness to protect ecosystems.



TG5 - Salute

The slot raises viewer awareness of the issue of prevention, indicating measures to take when diseases arise and promoting the importance of periodic checks through the voices and opinions of experts from the world of medicine and health.



TG5 - Start

Dedicated to innovation in technology and engineering, the slot reports the direct impact of research both in making daily life easier and in improving living conditions generally for all people.



Studio Aperto – ON AIR

This space is reserved for major cultural events around Italy. From promoting tradition to discovering contemporary culture, a calendar of occasions for cultural enrichment for viewers.



Information Programmes



MattinoCinque

This daily programme gives information on the country, its events and its developments. It offers reliable content through contributions from journalists, politicians and experts, in the studio or via live connections, in the desire to tackle key contemporary issues, including climate change, gender-based violence and the relationship between citizens and institutions.



Morning News

This new programme maintains an active morning information slot also in the summer, offering journalistic insights into the latest news and developments and lending a voice to the public, experts and institutions.





Verissimo

This historic programme featuring interviews with great guests offers the opportunity to discuss issues such as bullying and discrimination, starting from the lives and events involving the celebrities interviewed.



Striscia la Notizia

The historic daily satirical information programme, determined to uncover illegality and hypocrisy in Italy, always on the side of the public.

Many reports dedicated to sustainable lifestyles and environmental issues.

There is also detailed public service information, such as slots on digital literacy and online scam prevention and to promote food and wine culture.



Stasera Italia



Daily access to current affairs and political information represents a space for discussion with politicians, to address current hot topics, explore discussions in progress and promote the importance of politics in its relationship with the public.



Super Partes

A programme featuring direct debate with the world of politics and institutions, it's a valuable opportunity for direct dialogue with the high offices of the state, to bring the views and feelings of the public, the problems and doubts of the present, to their attention.



Dritto e Rovescio

An early evening political talk show where, thanks to reporters located all over Italy lending a voice to the public, they can talk directly to guests from the world of politics and beyond, to address the concrete problems of the country.



Fuori dal Coro

In the early evening slot, this programme is a space to discuss themes and events in contemporary Italy, with guests from the spheres of politics, journalism and the mass media.



Quarta Repubblica

An early evening in-depth politics and economics programme, in which guests representing different positions on the subject for the day discuss the hot topics of the moment.



Quarto Grado

The early evening crime programme: unsolved cases, current and past news, also with contributions from guest experts in the studio.

Many of the cases discussed allowed the broader subject of violence against women and the plague of femicide in Italy to be addressed.





Zona Bianca

An early evening programme on current affairs and reflecting on contemporary events, together with a different selection of guests each episode.



Controcorrente

The new show in the early evening slot on Retequattro allows occasions for debate between representatives of different, sometimes opposing, points of view on issues in current affairs.



Sport Mediaset

The sports information programme has always been a staunch supporter of sport as an invaluable tool for integration and breaking down barriers.

There are also various reports dedicated to events and representatives from women's sport.



INFOTAINMENT



Viaggio nella Grande Bellezza

The historical and cultural heritage of Italy, with episodes dedicated to places or key figures that have made us famous all over the world.

A programme dedicated to educating viewers through a high-quality cultural offering.



Freedom – Oltre il Confine

The show dedicated to knowledge: history, geography, science and curiosities.

Discovering Italy and the world, among its finds, its riches and universal heritage to protect, preserve and hand down to the coming generations.



Maurizio Costanzo Show

The historic late show presents Italian current events through the stories of the people involved.

It is a space in which episodes of discrimination are addressed and reported on various occasions, to promote a fairer and more inclusive society.



Le Iene

One of TV's longest-running investigative programmes.

It acts as a TV megaphone, a way of giving a voice to people waiting for justice, bringing important stories of crime, deception, discrimination and violence to light, but also a space to discover difference, identity and personal stories that others don't tell.

There are also many reports dedicated to the climate, environmental crime and pollution.



Buoni o Cattivi

Investigative programmes based around individual themes, which vary from episode to episode, to discover the darkest faces of contemporary Italy through firsthand accounts: from baby street gangs, to violence against women and the risks of fanaticism.



ENTERTAINMENT



Forum

A historic programme which reconstructs real judicial proceedings, also offering the opportunity to address important issues, like violence against women and femicide in Italy, all enhanced by the testimonies aired by viewers.



Uomini e Donne

The programme dedicated to love, without barriers of gender or orientation.



Amici

Dance and singing are also useful tools for getting important messages across to young people and adults. The show openly takes a stand against discrimination according to gender and orientation, and has a partnership with Vitasnella that involves using only 100% recyclable water bottles and compostable tableware for all meals.



Tú Sí Que Vales

The show for the whole family, in which fun combines with meaningful performances and contributions, able to effectively address fundamental issues of the present, such as protecting animals, the stories of victims of discrimination and their process of emancipation as well as condemnation of violence against women.



All Together Now

A talent show where, though the founding principle is a pluralist, inclusive panel that represents the whole of society, it is always talent alone that wins out, regardless of origins, social class or identity.



Venus Club

An all-female talk show.

A space to talk about today's world and everyday life, through entertainment, and the eyes and voices of women alone.





Ciak Junior

Together with the *Gli Alconi* cultural association and in collaboration with the UNESCO Venice Office, the show that tells the story of the *Ciak Junior – Il cinema fatto dai ragazzi* project. Founded in 1989, it offers groups of teenagers the opportunity to tell their stories by producing a short film, dealing with key topics like bullying and the fight against pollution.



LA FICTION



Storia di una famiglia perbene

Based on the novel of the same name, a portrait of Bari in the 1980s, its social inequality, the desire for emancipation and the horrors and injustice of the mafia and organised crime.



Svegliati amore mio

Inspired by a true story, the story of a woman determined to denounce a long history of criminal management and systematic omissions, following the emergence of many cases of cancer caused by the local steelworks in her community.



SPECIALIST PROGRAMMES

E-Planet

The environmental sustainability magazine: electric cars, forms of renewable energy, responsible industrial methods and research and human impact on the earth.

Dedicated reports on related events and occasions, such as Earth Day, and promotion of sustainable lifestyles.



Drive-UP

The automotive magazine, with track tests, reviews and updates.

In the last season, many reports were dedicated to cars with hybrid or full-electric systems, also in the desire to promote the use of cars with a limited – or zero – impact on the planet and climate among viewers.



Melaverde

Communicating the land of Italy through its foods, riches and heritage.

A space to promote biodiversity and to raise public awareness about protecting it, responsible consumption and the actions that bodies of various sizes have taken in that area.



Dalla parte degli Animali

A magazine dedicated to discovering the world of animals, domestic and otherwise.

Promoting values like condemning abuse and neglect, it also offers a section dedicated to international animal news, paying particular attention to the conservation of endangered species.



Cotto e mangiato

The cooking magazine, in addition to offering new recipes, promotes appropriate dietary habits, with an approach that pays attention to responsible consumption and promoting local variety, as promoted by presenter Tessa Gelisio, environmentalist and Italian Top Green Influencer in 2019.



X-Style

A magazine featuring style, in its various forms: fashion, art, architecture and much more.

In addition to promoting events and producers around Italy, it has always had a focus on applied innovation in the world of style: environmentally sustainable fashion, green buildings and all creators of various origins, who adopt limited-impact production processes.



THE THEMATIC NETWORKS

IRIS

It's the home of great Italian and international cinema.

Canudo's "seventh art" and its ability to move viewers with its stories represent a fundamental means for reflecting on our past and talking about the potential values of tomorrow.

In addition to having dedicated titles in the schedule to important occasions like Holocaust Remembrance Day, in November 2020 it embraced the appeal of Hon. Franceschini, the Minister for Cultural Heritage, to support Italian cinema in response to the period of serious difficulty experienced by all cinema workers, scheduling a cycle of early and late evenings dedicated to it.



Cine34

This channel is entirely dedicated to Italian cinema, of yesterday and today.

A place for seeing the greats again, but also discovering and enjoying lesser-known titles, reliving the history of our country through the historic development of its film production: a genuine heritage to pass down to the coming generations.



Focus

This is scientific and cultural channel of the Mediaset group.

There are many daily programmes, based on the desire to offer viewers educational content marked by a high standard of quality.

Talking about a planet to be saved: from climate change to endangered ecosystems, the stories of people and organisations committed to protecting them, confident that taking responsibility, combined with scientific research, can open the door to a better and more sustainable future.



Boing and Cartoonito

Mediaset's offering made especially for the youngest viewers.

A selection of high-quality animated and live-action shows which is always reliable, where each title can address important topics, such as the fight against discrimination and love for the planet and its animal species.



THE MFE GROUP IN SPAIN

Entertainment

In line with its aim of entertainment to keep people company, the television schedules of Mediaset España, as every year, have addressed social and environmental issues that concern and relate to Spanish society, conveying messages of equality, inclusion, protection and caring for the environment or health.



El Programa de Ana Rosa

The programme told stories of female victims of gender-based violence, who were able to face and overcome this situation. It provided media coverage at the Santander Women Now Forum, the III Conference on Women and Leadership, and supported the first congress of high-potential startup founders in Spain: FEMMINA FOUNDERS DAY. With the Taliban coming to power in Afghanistan, it paid particular attention to the topic of rights and freedoms in the country and especially to the situation of women.

With respect to diversity and inclusion, the problems of the elderly were discussed as well as cases of mistreatment of patients in certain health facilities during the pandemic, in addition to homophobic attacks and the problem of physical barriers and workplace integration among people with disabilities.

Environmental issues were the subject of much debate within the programme, ranging from the eruption of the Cumbre Vieja volcano in La Palma to global warming and the Glasgow Conference.

Finally, in terms of health, in addition to the debate on mental illnesses and in-depth information on breast cancer, the programme closely followed the Covid-19 vaccination campaign, analysing the pros and cons with the help of experts and raising viewer awareness of the importance of getting the vaccine.

Viva la Vida

The programme broadcast stories related to violence against women, gender discrimination, and body shaming.

It also dealt with topics related to disability and conditions such as Down syndrome, autism, Usher syndrome and Tourette syndrome, as well as the social problems deriving from it, also offering positive examples of integration related to the world of sport.



Sàlvame

In the weekly slot “Con M de Mujer” (“W for Woman”), it analysed issues related to feminism, equality and women’s empowerment, bearing witness to cases of everyday chauvinism that pass unnoticed in society and block the path to equality. In addition to issues of equality and inclusiveness, the programme dealt with various issues related to public health with particular reference to preventing some of the most common diseases today (heart disease, breast cancer, hearing conditions and preventive activities for arthritic patients).

It also addressed the situation of women in the music industry and provided media coverage during International Men’s Day in Seville.

In the “Una preguntita, doctor” slot, hosted by Dr. Jesús Sánchez Martos, it addressed different healthcare topics with a specific focus every week: how to perform cardiac massage, how to prevent heart disease, how to perform self-palpation against breast cancer, how to recognize the flu virus, how to prevent hearing conditions and how to perform preventive activities for arthritic patients.



Ya es Mediodía

The programme has given voice to the achievements of women's sport, giving it visibility, and at the same time denouncing the gender discrimination still present in this sector.

The problem of violence against women was also addressed with the opinion of police inspectors and psychologists. In connection with this, the 61% increase in calls to telephone support numbers for victims of gender-based violence was announced at the end of March, following the publication of the documentary "Rocío, di la verità per restare in vita", according to data from the Spanish Ministry of Equal Opportunities.

On the health front, there was constant monitoring of the Covid-19 pandemic situation, with the scientific support of doctors, paediatricians, virologists and haematologists. It addressed the issue of mental health, informing and raising the awareness of the public around ALS on Global ALS Awareness Day.





Mujeres al poder

With Carme Chaparro as host, the 26 figures in the second season of documentaries on female empowerment and leadership shared their courage in not backing down and facing the great challenges that society sets before women, wives and mothers with the public.



En el Punto de Mira

Four well-known women in Spanish journalism have been included in the hosting team: Samanta Villar, the face of some of the most innovative recent TV journalism formats; Ana Terradillos, a journalist specialising in international terrorism; Mayka Navarro, crime expert; and Carme Chaparro, a journalist engaged in reporting incidents of gender-based violence.

Of note are two specials, live from La Palma, during the eruption of the volcano, which also caused considerable harm to the local economy. Among the guests were researchers and experts such as seismologists, volcanologists and geologists, who discussed the event, offering their scientific perspective.

On the health front, great attention was paid to mental health issues, with particular reference to phobias and fears that have arisen as a result of the Covid-19 epidemic, to the role of social media for the coming generation and the reckless use of cosmetic surgery. Finally, the issue of nutrition was addressed from various perspectives, promoting a healthy, balanced diet and cooking food.





Todo es Mentira

In the 2021 season, the programme reported various cases of chauvinism or violence against women to its audience. In particular, there were reports of obstetric violence due to the negligence of certain doctors. This problem was addressed with interviews with victims, doctors and lawyers. Women who have distinguished themselves in the professional field were also interviewed over the course of the episodes: scientists, doctors, researchers and political representatives from all parties.

The programme reported cases of discrimination against people with disabilities in the world of work, as well as episodes of homophobia and integration of refugees and migrants into society.

It also investigated the phenomenon of environmental data manipulation, the management of certain environmental disasters and gave an account of the recent environmental conference in Glasgow.

On the health front, alongside problems related to Covid-19 and vaccination, the programme gave ample space to the topic of depression and mental illness, urging the public and the country to address the need for a national plan to treat these conditions.



Cuatro al día

The programme gave a voice to female victims of gender-based violence and the situation of women in Afghanistan and produced a detailed study on the pay gap between men and women in Spain, by sector and geographical areas. It also provided media coverage for the Iberdrola SuperA Awards, an initiative to recognise and give visibility to the best projects carried out in Spain to promote gender equality and female empowerment through sport.

With respect to the environment, the topics of climate change (with reference to the recent storm Filos), the depletion of fossil fuels, electrification of vehicles and impact on environmental pollution were addressed, as well as the climate change underpinning devastating meteorological phenomena.

On the subject of health, alongside the issues of Covid-19, mental illness and ALS, the programme dedicated an in-depth report to sleep medicine on the occasion of World Dream Day. Finally, it promoted the adoption of healthy eating habits in its “Cómo como” (“How I eat”) slot, sharing healthy recipes, explaining the benefits of eating seasonal fruit and raising public awareness of food waste and the risks of DIY diets.



Got Talent



The show's episodes offered performances from artists with various forms of disability, who were able to transform their limitations into a talent, with amazing vocal and dance performances and telling their personal stories of difficulty and integration.



Cuarto Milenio

The programme analysed migration crises and the hidden interests behind this phenomenon: immigration, mafias, even in areas such as the Canary Islands or in the autonomous city of Ceuta, that may seem to be uninvolved. It dealt with the issue of inclusive language, following the social debate that arose after comments from the Spanish Minister for Equal Opportunities, Irene Montero.

The Sunday magazine also addressed environmental issues, related to climate change and the animal world, denouncing animal trafficking, the fourth most important industry after the black market, behind guns, slave trafficking, and drugs.

The real strength of the programme is connected to information on the pandemic in Spain, with the multidisciplinary scientific contribution of doctors, economists and mathematicians, who offered models of data analysis for understanding the development of the phenomenon from its origins in China to the advent of new variants and vaccines.



Horizonte

Storms Filos, Hortensia and Justine and the high temperatures recorded in some areas of Spain at the beginning of the year led to analysis and debate on climate change. During the programme, two researchers in Antarctica talked live about the evidence of climate change, in particular the survival and mortality of some animal species such as penguins. When viewers were asked about the subject, they considered human activity to be responsible for climate change.

Ample space was also given to the eruption of the Viejia Summit volcano on the island of La Palma, with live link-ups, to understand the volcanic situation and the consequences for local vegetation firsthand, supported by rigorous analysis of how to deal with the new form of the island, environmental damage and risks deriving from the inhalation of toxic gases.

Monitoring of the pandemic has now become a fixture of the programme, with its own weekly "Covid Report" slot. Along with the pandemic, mental illness and suicide drift have been the subject of discussion within the programme.



Viajeros Cuatro

In its fourth season, the programme has once again chosen to support the national tourism sector, rediscovering its riches through symbolic locations, revealing some of their secrets straight from the mouths of the people who live there, whether they're unknown or celebrities, who visit these international destinations of particular interest because of their nature.



Planeta Calleja

In the new season, the programme took its guests and viewers to incredible places, promoting the protection of nature and the importance of preserving other cultures.



Campeones del clima

Communication initiatives ran on different media (TV channel, app, Facebook and YouTube) aimed at the channel's viewers. A series of short films were produced based on the channel's animation series, which addressed different subjects, from care for the environment to the "3 R's" (Recycle, Reduce, Reuse).





Mi casa es la tuya

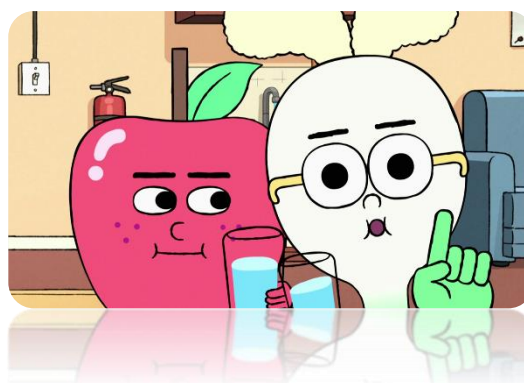
The programme with Paz Padilla, together with Luis Gutiérrez Rojas, a doctor specialising in psychiatry, and Rafael Guzmán, a psychoimmunologist, discussed the psychological process that a person has to go through after losing a loved one. These specialists offered tools to alleviate situations of loss from the perspective of education and information.



Boing's animated series

During 2021, the channel broadcast some animated series that convey values related to science, sport and a healthy lifestyle to the audience of younger viewers.

The "Apple & Onion" series, for example, promotes the consumption of healthy, natural food over junk food. In conjunction with the Tokyo Olympic Games, an animated series was broadcast that features sport as a means of bringing people together and integration, promoting fun with respect to competition and emphasising the values of friendship and teamwork.



Drama and Documentaries

Señoras del (h)Ampa



This is a noir in which roles normally played by men (murderers, criminals, etc.) are played by women, without neglecting the typical characteristics of female characters. In the second season, the 4 stars of the series were joined by new female characters, who play new social and employment roles.



Madres, Amor y Vida

The series addressed delicate issues not only in the area of gender equality, but also from a diversity and health perspective, like domestic abuse, obstetric violence, surrogacy, etc.



Rocío. Contar la verdad para seguir viva



Rocío Carrasco broke a 25-year silence, speaking for the first time about the events that marked her personal life, bringing the issue of gender-based violence into public debate.



Tetas y tetinas

The documentary, hosted by Noemí Fidalgo, analysed the topic of breastfeeding and investigated the problems and barriers faced by Spanish women.



Besos al aire

The topic of the Covid-19 pandemic was at the centre of this Telecinco drama: eight stories against the backdrop of the most difficult days of the lockdown and with love in the starring role.



Information

In addition to performing their work of informing impartially and objectively, in 2021 Mediaset España's TV news broadcasts brought important social and environmental issues into sharper focus in society, acting as a voice to raise awareness and invite reflection on topics such as solidarity, responsibility and care for the environment.

Finally, the Mediaset España Group networks gave space to the relevant topics in their schedules and information and entertainment programmes for the following commemorative days:

- ▣ International Women's Day
- ▣ International Day for the Elimination of Violence against Women
- ▣ World Breast Cancer Day
- ▣ World Suicide Prevention Day

5.3 RESPONSIBLE ADVERTISING AND MARKETING

The MFE Group operates through two fully-owned **advertising sales agencies** in Italy: **Publitalia '80**, the exclusive sales agency for the free-to-air Mediaset networks; and **Digitalia '08**, which handles advertising sales for the pay TV platform.

The Group also owns a 50% interest in **Mediamond**, a joint-venture with Mondadori, which sells advertising space on the MFE Group websites and radio, the websites of agencies in the Mondadori Group and via third-party publishers.

The Group's advertising is based on the **strategies** and **commercial policies** from various periods of the year which define the sales methods to investors for all advertising spaces on television channels (general-interest and specific).

Advertising sales take place through different **formats**:

- ▣ **Display** advertising: commercials during advertising breaks within or adjacent to programmes;
- ▣ **Sponsored** programmes (such as weather forecasts);
- ▣ **Long video**: 40-60-90-second videos created for the client and aiming to explain the product in greater depth than a classic commercial;
- ▣ **Short format** characterised by the prestigious position and the graphics frame (Top, Best last position, Brand video);
- ▣ Animated **overlays** in programmes (inlogo).

The main **forms of sales** for display advertising are organised by programme and by sets of commercials (**target modules**), while a relative price list is created for **special positions** within commercial breaks (very first, first, second and last).

Another way of advertising and selling products via television is **product placement**. This form of advertising sales takes place through the definition and creation of projects in collaboration with the client. There are two forms available: product insertion in programmes or the construction of programmes fully financed by the client.

From an internal control point of view, the Group takes special care to select which advertising campaigns are broadcast. To this end, the main criterion is **compliance with current legislation on advertising**.

Compliance verification is applied in full respect for the advertiser's autonomy in creative and communication choices and is aimed at protecting the company (as well as the advertiser) with respect to the legal status of the communication to be broadcast. This is expressed in the preliminary assessment of what might be the "critical" elements of the message (as well as in the identification, where possible, of the actions necessary to ensure that the advertising complies with the rules).

These control procedures aim to avoid any complaints that could lead to the early termination of the campaign, as well as fines and civil/penal sanctions against (also) the broadcaster.

Refusal to broadcast the advertising message can only occur in cases where obvious critical issues in the communication of a legal nature cannot be avoided.

Another assessment criterion that would affect an advertising campaign being broadcast on Mediaset networks is the **conformity of the message to the broadcasting policy** of the networks.

With respect to its target audience, the MFE Group applies strict selection on advertising that relates to or belongs to certain **product sectors** which - even if lawful and legitimately publishable - could be considered as not compliant with the broadcasting policy (e.g. the Group does not advertise weapons, funeral services, legal cannabis, dating sites for sexual purposes) or in relation to the content of the message itself (e.g. vulgarity, violence, etc.).

This editorial judgement varies depending on the characteristics of the medium and therefore also of the target audience for which the advertising is intended.

The dispute regarding the inclusion or exclusion of promotion of our radio channels within concentration of advertising limits within TV programming, which began 2018, is now pending at the Court of Justice following transfer by the Council of State (25 March 2021).

The Court will have to rule on issues of compatibility with European Union law in relation to identifying the subject able to broadcast self-advertising messages and the possibility of including in the category of "self-advertising" messages relating to programmes broadcast on platforms (radio) other than the one transmitting such messages (TV) cross-platform.

In 2021, AGCOM did not initiate any investigations to verify breaches of advertising regulations in accordance with the Audiovisual Media Services Directive.

The MFE Group is committed to broadcasting messages that have more than just a commercial purpose. To that effect, MFE is a founding member of the **Fondazione Pubblicità Progresso**, represented by Publitalia 80 along with the major players in communication in Italy. This foundation aims to contribute to solving the civil, educational and moral problems of the community by placing communication at the service of society.

Pubblicità Progresso promotes **training initiatives on social communication** at leading Italian universities; it sponsors **events, exhibitions and initiatives** dedicated to important social issues; it sponsors **social communication campaigns** carried out by non-profit organisations; and it holds the **Festival of Social Communication** for training and public educational purposes. In addition to paying a membership fee, the sponsoring members provide their work free of charge for the implementation of the Foundation's activities.

Every year, Pubblicità Progresso draws the attention of the authorities and public opinion to create greater awareness on a specific theme by implementing communication campaigns using contributions from promoting partners; by way of example, past themes have included campaigns on anti-smoking, organ donation, gender equality, anti-racism, sustainability and volunteer work.

In terms of **product innovation**, Publitalia '80 has created a **dedicated new internal structure** for the research and development of exploiting internet-connected TVs to offer the market new advertising products.

The most significant developments are based on the analysis and use of **Big Data**; this activity offers increasingly targeted and effective advertising products.

An example of this is the new **ADD+PLUS** and **ADD+OVER** formats which allow the segmentation of the audience and more in-depth content depending on the product advertised through mini-websites accessible via interaction with internet-connected TV; these cases enable a report revealing the results of the campaigns in detail.

In addition to **greater profiling and more effective communication**, internet-connected TV also allows **specific interactivity** with advertising content, which can be accessed through TV-sites created specifically to meet the needs of clients. When the advertising campaign has ended, the client is provided with a report containing the main KPIs achieved through scheduling on internet-connected TVs.

These forms of innovative advertising are enabled through a TV application that can be accessed through **internet-connected televisions: Mediaset Play**. This product extends the potential for contact with the public by providing a range of on-demand services. Mediaset Play makes it possible to watch content that has already been aired again, restart a programme that has already begun, consume exclusive live content, consult and view content from the catalogue of films and TV series available free of charge or access other information services connected with MFE. The service already has several million effective and potential users, with rapid take-up of new TV sets featuring interactive technology expected. Thanks to this TV application, Publitalia has increased its portfolio and can propose pre-roll and mid-roll video advertising within the content available on Mediaset Play. Video formats can also be addressed with the same technologies that support the addressable advertising of ADD+plus products. Publitalia launched the first **ADSubstitution** service in 2020 and this continued in 2021, extending the possibility of more targeted addressing of commercials also on linear TV.

The **MFE Group in Spain** believes that the responsible emission and management of advertising are both fundamental elements of the business and has therefore implemented specific management and control mechanisms.

Publiespaña S.A.U. manages the Group's advertising activities in strict compliance with the applicable legislation and with the specific guidelines defined by the **Association for the Self-Regulation of Commercial Communication**, which the company has been part of since 1995.

In recent years, Publiespaña S.A.U. undertook an **internal reorganisation** process to create as uniform a structure as possible with the Directorate-General for Contents; the central figure in this reorganisation is the Director-General, who is responsible for the management and sale of advertising and constantly works in close liaison with the Chief Executive Officer.

For the purposes of the internal supervisory system, a commercial policy has been implemented which allows improved monitoring of the advertising content prepared. This is examined and monitored weekly by three Directorates General (Sales, Digital Media, Marketing, Operation and Sale services), who monitor the correct broadcasting of the content.

These Directorates work in close collaboration with the Group Legal Department.

In order to avoid any proceedings for misleading advertising, MFE España voluntarily submits any doubtful case in advance to the Association for the Self-Regulation of Commercial Communication (Autocontrol). In 2021, 1,685

requests were submitted to Autocontrol for an advance opinion and 57 requests for legal and ethical advice before the commercial was aired.

The **internal monitoring process of advertising content** also provides further verification, in collaboration with the Legal Department, even after airing (in the event of disputes or claims for compensation).

The MFE Group in Spain performs further internal reviews to **regulate televised content for children**; this monitoring and control includes issues regarding the advertisement of certain food products (to prevent obesity), messages on the environment, advertising toys, and the promotion of medicinal products or alcoholic beverages.

Further compliance checks are carried out with regard to advertising spots for the **gambling** and **betting** sector.

From the perspective of new strategic advertising communication models, we note that Mediaset España, during the last 2 years and following the acquisition of the **Be a Lion** company, a leader in the digital communication sector, has proposed new initiatives for investors that tend to maximise return in terms of brand awareness thanks to a cross-media system of advertising that combines the force of TV content with the innovation of the digital world.

5.4 PROTECTION OF MINORS

The MFE Group has always been attentive to the protection of minors. For this purpose, the company continuously assesses transmissions and pays close attention to the impact that these can have during a child's developmental years.

Below are a few of the **commitments that the MFE Group has undertaken to protect minors**:

- ▣ **compliance with all applicable regulations**, including the **Self-Regulation Code Concerning Television and Minors** signed in November 2002, which commits the Group's networks to the monitoring of programmes offered to make sure it observes the constraints in place to protect young viewers. Through the application of art. 34 of the **Audiovisual Media Services Directive** (Legislative Decree 177/05), the Group has implemented a series of organisational processes aimed at assessing, identifying and adequately indicating any programmes "that may damage the physical, mental or moral development of minors", providing users with detailed information;
- ▣ **notification of the nature and contents of the transmission**, linear and non-linear, free of charge and pay per view, using coloured dots at the beginning of each fiction programme (film, series, TV movie, etc.) and after each advertising break (green dot: suitable for everyone; yellow dot: recommended for children accompanied by an adult; flashing red dot: recommended for adults; fixed red dot: potentially harmful for minors or prohibited for children under 14). Further information on the programmes - useful for directing users' choices also in relation to the protection of minors - is provided through information tools accompanying the content (e.g. EPG for digital terrestrial, programme information on the web and apps);
- ▣ the **offering dedicated specifically to minors**, thanks to 24-hour programming of the three free-to-air

channels Boing (from 2004), Cartoonito (from 2011) and Boing Plus (from 2019).

For the sake of completeness, it should be noted that **Legislative Decree No. 208/2021 – Audiovisual Media Services Directive** – (published in Official Gazette no. 293 of 10 December 2021) was adopted on 8 November 2021, coming into force on 25 December 2021, following the process of transposition of European Directive 2018/1808.

The European Delegation Law, in April 2021, initiated the transposition of Directive 2018/1808/EU amending Directive 2010/13/EU, on the coordination of certain provisions laid down by law, regulation or administrative action in Member States concerning the provision of audiovisual media services, in light of evolving realities of the market in order, by revising the Directive, to adapt the reference legislative and regulatory framework to the altered technological scenario of the audiovisual media system, as well as the series of rules applying to subjects that operate within it.

Following the changes introduced by the new Directive, the Group has begun a **process of analysis** to assess the impact on its programming not only with reference to the linear offering but also with reference to the on-demand content offering; the new developments introduced will produce effects starting from 2022. Among the main new developments, in relation to the protection of minors, we note in particular:

- ▣ the extension of the regulations on compliance with the provisions for the protection of minors contained in the Self-Regulation Code Concerning Media and Minors (previously applicable only to television broadcasters) to “suppliers of media services distributed via any platform” (OTT);
- ▣ the provision, in disciplinary proceedings and application of sanctions in the event of rule violations, by AGCOM, of the involvement of the Committee for the Application of the Self-Regulation Code Concerning Media and Minors.

The MFE Group is also committed to **promoting responsible TV consumption by users**, planning periodic campaigns on the use of **parental control**, in which the viewer is reminded of the possibility of activating the blocking device through the set-top box settings to prevent the viewing of V.M.14 content potentially harmful to minors.

There is also a link that takes users straight to the parental control feature - and to the Committee for the Application of the Media and Minors Code web pages and Internet Works Regulation - available to users on the Mediaset Group website (www.mediasetplay.mediaset.it).

Appropriate corporate structures (Directorate for Documentation and Institutional Analysis and Directorate for Regulation and Institutional Requirements) are responsible within the Group for the dissemination and compliance with legislation for the protection of minors.

From the date of signing the Self-Regulation Code Concerning Television and Minors (November 2002), the Group has always participated via its own representative (as Vice Chairman) to help the Committee apply the Code. This participation was also confirmed upon composition of the new Committee, appointed and in office from the end of 2021.

Mediaset Italia S.p.A. and its subsidiary RTI S.p.A. were also part of the **technical working group** that drew up

the draft of the new Self-Regulation Code Concerning Media and Minors, with the aim of reconfiguring the requirements for the protection of minors in the complex reality of the contemporary mass media (the proposed revision the Code was sent to the Italian Ministry of Economic Development to activate the procedure envisaged by art. 34 paragraph 6 of Legislative Decree no. 177/2005 as amended, and is awaiting final approval).

The same companies also coordinated an **operational discussion with the other national broadcasters** concerning the definition of shared TV content classification criteria, as envisaged in the draft of the new Code: this process – which saw the collaboration of experts from the fields of Communications, Law and the Developmental Age as well as representatives from the Media and Minors Committee – resulted in a proposal for a new programme evaluation system.

At the end of April 2021, the document was presented in plenary session to the Committee and sent, in its final version, to the General Affairs Division-Supervision and Control-Media and Minors Committee of the Italian Ministry of Economic Development.

Over the course of 2021, the Committee initiated proceedings against programming in 4 cases, none of which closed with acknowledgment of infringement.

In the same year, AGCOM imposed a fine of €125,000 against the Radio 105 radio station for violation of art. 34 of the Directive, in relation to two episodes of the radio programme “Lo Zoo di 105”, broadcast on 26 October 2020 and 11 December 2020, from 2 to 4 p.m., for the use of vulgarity and foul language.

Following these proceedings, the measures adopted to prevent such episodes from reoccurring were strengthened further.

The Group has confirmed its **commitment to make the web a safer place** for minors, also at European level. The “YouRatelt” system was successfully tested on Mediaset’s 16mm.it platform. “YouRatelt” is a classification tool for user-generated content produced between 2013 and 2015, in collaboration with the British BBFC and Dutch Nicam (two of the leading organisations assessing audiovisual content in Europe). Following this testing, the European Commission decided to introduce content classification tools – Art. 28 ter 3. letter g) – among the measures in the proposed revision of the Audiovisual Media Services Directive (Directive (EU) 2018/1808 of 14 November 2018, effective from 19 December 2018). These measures, deemed appropriate for the protection of minors on video sharing platforms, may include the mechanisms applied by “YouRatelt”. The European Commission explicitly cited the experience of the “YouRatelt” pilot in Mediaset among the interventions to protect minors from harmful content on Internet platforms, as part of the Impact Assessment document which accompanied the proposal to revise the Directive.

The Group has also kept its role on the Advisory Board of the **Safer Internet Centre for the Italia-Generazioni Connesse** project, coordinated by the Ministry of Education, University and Research. TV news and public service and in-depth information programmes focused continuously on the issue of cyberbullying and the potential risks connected with the Internet. In particular, collaboration with Generazioni Connesse took the form – in addition to the institutional “Pensa prima di scrivere” campaign for “Mediaset ha a cuore il futuro” (February 2020) – also on the occasion of the broadcast between October and November 2021, on Italia 1, of the award-winning #MartyIsDead series, focusing on online violence and the dangers linked to the web and social media, an ever greater threat to younger users.

Finally, between July and August 2021 and as part of the social-interest **institutional initiatives** of “Mediaset ha a cuore il futuro”, the Company created a cross-media social awareness campaign called “**Non cadere nella rete**” against internet addiction. This phenomenon is growing especially among the coming generation and in this period of pandemic and mass use of tech devices, also for educational purposes.

Regarding **commercial communication**, the advertising sales house Publitalia '80 also supervises compliance with the provisions contained in the **Self-Regulatory Code of Commercial Communication**.

As for product placement, with specific reference to the **betting** sector, the contents are shared internally with the Group legal office before each televised broadcast.

Regarding the participation of minors in the content produced, the **MFE Group in Spain**, in addition to following the procedures issued by the **Community of Madrid Labour Department**, has drawn up a **manual** in which all necessary information concerning the rights of minors is collected to ensure children's activities on television are suitable and to ensure that their right to education and enjoyment of their leisure is not violated. This manual is available on the intranet and is provided to all production companies who employ minors to implement the measures presented.

Furthermore, the **Code of Ethics** of the MFE Group in Spain states that, as a basic principle, *"no one should behave in such a way as to induce, promote, favour, permit or allow acts or attitudes that could be characterised as prostitution or corruption of minors"*.

As for the impact of the content transmitted to minors, the Spanish regulation requires the **classification of the audiovisual content to be transmitted**, defined in the framework of content self-regulation, signed by the operators of free-to-air television in 2015 and under the supervision of the Spanish National Commission on Markets and Competition (CNMC). According to this self-regulation framework, all televised content must be classified, except for news and events broadcasting (sport, music, culture, politics, bullfights and bull runs).

For these purposes, the **Department of Institutional Relations** works continuously in close contact with the **Antenna Department** in order to clarify and qualify any content that may have an impact on regulations for minors.

The age classification established determines the time slot in which each programme may be broadcast.

Furthermore, prior to the transmission of programmes involving children, a preliminary approval by the **Child Protection Authority** is required in addition to the aforementioned verification.

Finally, thanks to the **Parental Control system**, the Group ensures a safe browsing environment for registered users on the Mitele platform and on all devices. On websites with specific content aimed at children and young people, the advertising used is segmented to avoid the risk of promoting unsuitable products or services that do not comply with the rules described above.

We would note that there were no sentences from the CNMC on marketing communications during 2021.

5.5 PROTECTION OF INTELLECTUAL PROPERTY

The MFE Group considers respect for and protection of intellectual property to be of strategic importance and, to protect its audiovisual rights, prosecutes those responsible for pirated transmission of its content, regardless of the medium.

We start with careful monitoring using **specialised companies** and, once we have identified pirated content, we proceed to **caution** the pirates, with the help of **external legal firms** where required, and in the event of repeat offences file **administrative actions with AGCOM** via civil and criminal lawsuits, both to prevent offences and to obtain compensation.

These actions have resulted in judges taking measures with significant compensatory obligations which, although pending further stages, confirm the legal direction of copyright protection. Particular attention was also paid to anti-piracy activity for Group-owned films in cinemas.

The same level of attention for intellectual property is also recommended to internal production facilities, for which the **Collective Management** of Copyright and Related Rights provides preventative advice on request.

The Group is also present in all national and European institutions that deal with copyright legislation.

As evidence of the importance and care that the MFE Group dedicates to the protection of intellectual property, the **Code of Ethics**³⁰ has a specific article on this subject stating that anyone processing data, information or documents regarding intellectual and/or industrial property rights within MFE Group companies must do so with the utmost diligence, accuracy and confidentiality.

In the case of foreign subsidiaries such as Medset, external legal firms meeting the local regulatory requirements act to protect intellectual property and copyright.

In addition, RTI. has a specific **O.G. ("Procurement of television productions and purchase of formats and licences")** which governs this case.

The reporting activity already undertaken by our group from 2014 in accordance with AGCOM ruling 680/13/cons "Regulation on protecting copyright within electronic communication networks", for shutting down pirate websites who transmit cinema and TV series content to which we hold the usage rights, continues.

With ruling no. 233/21/CONS of 22 July 2021 - Amendments to the Regulation on protecting copyright within electronic communication networks - AGCOM has adopted a **new Regulation on protecting copyright**, following the changes introduced by the "Relaunch" Decree (Law no. 77/20).

The new Regulation **extends the Authority's jurisdiction** to cases of unlawful dissemination of content on networks through instant messaging services that use, also indirectly, users' telephone numbers, as well as

30 Both the Code of Ethics adopted by Mediaset SpA and its Italian subsidiaries in 2019 and the "Code of Ethics" adopted by MFE contain a specific provision on the protection of intellectual property, according to which, considering the extensive assets of intellectual and/or industrial property rights held by the Group "all Addressees whose activities, duties or functions in any way involve processing data, information or documents regarding intellectual and/or industrial property rights within Group companies are therefore obliged to protect them with the utmost diligence, accuracy and confidentiality". It also stipulates that "the intellectual and/or industrial property rights on products, works and/or knowledge developed in the working environment belong to the companies of the Group that hold the right to exploit them, according to the methods and times deemed most appropriate, in compliance with the regulations applicable from time to time" and that "in the same way, the MFE Group respects and protects the intellectual and industrial property rights of others, ensuring that only original products and works, duly licensed by the legitimate owners and used in accordance with the authorisations received, are used in the company's activities (both production and commercial)".

restoring the possibility for AGCOM to impose penalties on those who do not comply with orders to remove unlawfully disseminated content.

The MFE Group followed the preparatory work for EU Directive 2019/790 on copyright and related rights in the digital single market and its transposition into the Italian legal system closely. With the publication of Legislative Decree no. 177, 8 November 2021 in the Official Gazette, Title II-quater was added to the Copyright Law, entitled **“Use of protected content by online content sharing service providers”**, containing precise regulations on the responsibility of large online platforms for uploads of protected works carried out by users.

Among the most recent **judicial rulings on the topic of copyright protection**, we refer to ordinance no. 39763/2021 (RTI vs TMFT Enterprises-Break Media), in which the Supreme Court of Cassation, recognising in the conduct of the portal those “signs of interference” already addressed by the 2019 sentence (RTI vs Yahoo!), recognised the active nature of the provider and enunciated important principles connected to notification of the offence by rights holders (excluding a necessity to indicate the URLs relating to the content deemed violated) and to the quantification of the damage sustained by the same (which must be assessed using, as a minimum measure, that of the “price of consent”: the price that the rights holder would have asked to grant use of the content).

The **MFE Group in Spain** has defined procedures to control the flow of content to various platforms to guarantee the exercise of its intellectual property rights, while carrying out technical audits to review their correct application.

Mediaset España has always been at the forefront of all initiatives aimed at combating piracy and protecting intellectual property.

In addition, Mediaset España has **an external content monitoring service on YouTube** which tracks and removes all content owned by Mediaset España from this channel.

The intellectual property rights of programmes broadcast live and on-demand via online platforms are protected by specific **internal control systems** that the company applies before the programmes are aired. The Group examines and defines the different contractual clauses of all the contents produced and transmitted on the various channels with the support of the Legal Department.

The **management of the Multi-Platform Department** ensures that all content offered via various websites has the appropriate broadcasting rights in the contract with the producer in question.

Mediaset España has adopted a **contractual monitoring system** for films produced by Telecinco Cinema which combats illegal access to content produced while the film is shown in cinemas (from film release until viewing on DVD/Blu-ray).

It should be noted that the Mediaset España **Code of Ethics** also regulates all aspects relating to the defence of intellectual property.

5.6 AUDIENCE INTERACTION AND CUSTOMER SATISFACTION

FREE TV

The Group continuously monitors customer satisfaction to improve its services and allow its viewers to enjoy excellent products. It's thanks to the **Auditel panel** that the MFE Group can track the behaviour of the television audience continuously throughout the day; it is also able to detect the number of people watching television in each time slot, which channel/programme is viewed and for how long. Each viewer is classified according to socio-demographic variables such as sex, age, geographical area and level of education.

Consequently, both the **quantitative** and **qualitative appreciation** of each individual transmission are known. This analysis also allows the individual items of content offered to be assessed at a quantitative level.

Additionally, the Group is active on **social media** to maintain a relationship with its users, via **Facebook, Twitter** and **Instagram** and on **network sites and radio and television programmes**, thus establishing direct dialogue with the public to collect comments or reports, also in the event of any sudden changes to the programming schedule or sudden cancellations.

NEWS

As for the world of News, each production has a **social media activity** that is managed by a **dedicated company structure**, which constantly interfaces with the programme lines for sharing content to be published. Every individual Videonews programme has an **inbox** to which viewers can send reports.

TGCom24 is constantly **upgrading social media activity** by agency staff. In particular, in 2020 and 2021 TGCom24 consolidated its presence on social platforms with its Instagram, Facebook, LinkedIn and Twitter accounts and constantly updated its dedicated channel on the YouTube platform. The Brand also has a live inbox (tgcom24@mediaset.it) available to viewers and users for reports and requests for clarification.

Interaction with TGCom24 readers/viewers takes place on 2 levels:

- ▣ **Website:** readers can comment on the news published after logging in to the Mediaset Community. Comments are moderated and inserted at the bottom of the articles; the most interesting comments are shown on the site home page. Note that TgCom24 is the only news site that puts readers' contributions on its home page.
- ▣ **Social media:** readers can comment on posts in relation to news, videos and photo galleries on TgCom24; agency staff moderate the comments. From January 1 to December 31, 2021, there was a significant increase in traffic on TgCom24 social media platforms. Specifically, the official Facebook page has over 2.3 million followers (up 1.3% compared to 2020. Data source: Facebook Insights), the official Twitter profile has 1.2 million followers and 1.03 million Instagram followers (Data source: Twitter Insights).

The LinkedIn profile has also been active since the end of 2019.

Finally, note that **Auditel measurement of digital audience** on different devices already began in 2019. This measurement will lead to Auditel identifying the Total Audience in 2022.

The main television ratings are analysed to determine the visibility and following of news products.

These quantitative research instruments permit **analysis of their reception**, which in turn allows the handling of the content on offer to be optimised and assessment of different **deviations from the broadcasting objectives**. Quantitative analysis is a valid tool on which to lay the foundations for wide-ranging investigations as well, enhanced by qualitative assessments and assessments of the competitive context, with the aim of offering the best product to the end user.

The same reporting is also used on a B2B level as a valid tool for **advertising investors**; the investors are thus able to understand the true potential of a product and its ability to speak to the target audience of the advertisers.

RADIO

The Group radio channels collect **feedback and comments** from listeners via **messaging** (SMS and WhatsApp, Facebook, Instagram, Twitter, voice mail, direct contact via the radio channel phone number) and in some cases users are even contacted to give their opinions live on air. The feedback collected may concern topics discussed on the air, the selection of music tracks, or guest speaker interventions during live broadcasts. To guarantee users' privacy, the messaging systems hide the mobile telephone numbers of listeners, who can only be contacted by the people employed in the company for that purpose.

Social managers and **moderators** constantly **monitor** the content published spontaneously by users and **censor** any material that is discriminatory, presents risk of child pornography, is offensive to public sensibilities or that could be harmful to an audience of minors. Any content uploaded to the sites by users is subject to disclaimers, again to guarantee privacy and protect minors.

The radio sector also has **surveys on public appreciation**, through **TER³¹ (Tavolo editori radio)** and in collaboration with **Gfk, Ipsos** and **Doxa**. The surveys consider the listening figures (on an average day, seven days and average quarter of an hour).

ADVERTISING SALES HOUSE

Publitalia '80 and the Group's other sales houses implement many types of survey to monitor customer satisfaction.

³¹ The RADIO TER survey is a representative sample survey of the Italian population (aged 14 and over) on listening to public and private, national and local radio broadcasters.

One of the main ways is to **monitor listeners** and this takes place via:

- ▣ The daily submission of an e-mail to the entire sales force with the most significant data of the television day and a summary of the weekly listeners;
- ▣ The weekly submission to more than 10 thousand customers of the Top of the Week on Mediaset networks, which collects the best audience results of programmes broadcast via the Group's broadcast companies.

Analysis of the effectiveness of advertising campaigns is carried out through:

Marketing analysis with:

- ▣ Investment analysis
- ▣ Listener trends
- ▣ Post campaign assessment

Complete analysis of the MFE offering with:

- ▣ Target analysis
- ▣ Multimedia plan development
- ▣ Performance measurement

Ad hoc research, with:

- ▣ Efficiency and effectiveness of the medium
- ▣ Awareness monitoring: phone surveys to monitor what people remember, whether spontaneously or with assistance, about campaigns/products/companies. These surveys are carried out pre-campaign and post-campaign.
- ▣ Qualitative assessment of the audience

TECHNOLOGICAL INNOVATION FOR USER INTERACTION

The MFE Group has always been in line with the most recent technological developments; it has adopted one of the leading and most innovative **B2C interaction tools**, **Zendesk**, and the **Mapp** and **Accengage** solutions for handling outbound communication.

The tool was already active on Infinity from the launch of the service itself, and has enabled a relationship with users that both enhances the experience of using the services and allows the reporting and management of technical issues.

It allows various **touchpoints** to be activated, including **live chat**, **e-mail** and **SMS**. These channels are already active on Infinity and will soon be extended to the other platforms as well.

Interaction with customers is therefore an important and effective tool, as user reports in several cases have helped solve significant problems in a short time.

Interaction with users also takes place through **application modules within the apps** which allow, for example, the expression of approval towards participants in a programme or live televoting.

The **Digital Business department** **monitors the consumption behaviour** of digital users to measure the performance of individual content items and brands, as well as to improve the usability of digital destinations. This monitoring is performed using tools such as **Webtrekk**.

Optimised presentation of property offerings is also achieved through the use of **recommendation engines** with the ability to offer the content most consistent with users' interests and address them with content-related marketing communications.

With particular reference to **paid services**, MFE constantly monitors customer satisfaction through such tools as **NPS (Net Promoter Score)** and **surveys** of the entire customer and ex-customer base, aiming to identify the main actions for correcting and developing the service and ensuring the highest standards of quality for customers.

In line with the Italian companies of the MFE Group, **Mediaset España** is in constant contact with its users via various applications, as well as through the **standard audimetric measurement methodologies**³². In this way users can take part in the programmes broadcast and make their voices heard, thus influencing and making major decisions for programmes in the early evening slot. Moreover, the use of dedicated spaces on the web platform has led to the launch of **competitions or initiatives** to collect possible content offerings from the public such as photos or videos. All content is viewed before publication. In the same way, users can send their opinions, complaints, suggestions or questions to the various **addresses** of Mediaset España S.A., through the **applications** created for specific individual programmes or through the new **PlayBuzz** platform which allows users to interact anonymously. On each website, there's also a **contact form** through which users can provide a further indication of their opinions, complaints or suggestions. A team from the **Management of the Multiplatform area** assesses all the comments received, responses to surveys and the ratings expressed in the different channels. Depending on the type of comment, the team decides on the replies in coordination with the producers of each item of content.

In recent years dedicated **working groups** were created, under the supervision of the **Antenna Director**, in collaboration with the **Self-Promotion Department** and **Marketing and Programming Department**, in order to develop cross-sectional product promotion strategies for all Mediaset España media.

In particular, during 2021, **18 qualitative studies** (11 focus groups and 7 online marketing studies) were carried out on the Mediaset España audience, involving **2,200 people**.

³² We would also highlight that targeted qualitative audience studies were carried out in 2020 in collaboration with leading research and measurement companies.



6 - COMMUNITY AND TERRITORY

6.1 RESPONSIBLE MANAGEMENT OF THE SUPPLY CHAIN



In carrying out its own characteristic activities, the Group interacts with a multiplicity of **suppliers** for the acquisition of **current goods and services** as well as for **investments in tangible and intangible assets**, the latter consisting mainly of multi-year rights to use audiovisual content.³³

Given the peculiarities of their products and services, all Group companies use Italian and Spanish suppliers where possible to **promote local business in the areas in which they operate**.

PERCENTAGE OF SPENDING BY LOCAL SUPPLIERS BY PRODUCT CATEGORY (*)

ITALY

	2021			2020		
	Total	Italy	Other countries	Total	Italy	Other countries
Purchasing costs for goods and services	1,063	981	83	966	938	28
Investments in movie and TV rights (**)	219	124	95	303	201	102
Investments in other fixed assets (**)	81	80	-	50	50	-

SPAIN

	2021			2020		
	Total	Italy	Other countries	Tot	Spain	Other countries
Purchasing costs for goods and services	375	311	64	316	305	11
Investments in movie and TV rights (**)	112	65	47	88	48	40
Investments in other fixed assets (**)	7	6	1	11	10	1

(*) Suppliers considered to be local are identified on the basis of the country of origin. In terms of relevance, spending by local suppliers differs for Group companies operating in Italy and for those in Spain.

(**) The item refers to the increases in the related categories of tangible and intangible fixed assets.

³³ This item refers to operating costs (costs for acquisitions, services rendered, leasing and rentals and other management charges) reported on the income statement on an accrual basis, net of inventory changes, increases of internal work capitalised and provision for risk.

As for the **purchase of multi-year broadcasting rights**, it is necessary to underline the high incidence of expenses towards the main **American majors** and towards the **holders of sports broadcasting rights** in the total investments of the Group. As can be seen from the tables, in 2021, about 90% of MFE Group purchases of goods and services in Italy were from Italian suppliers, while 96% of MFE Group purchases of goods and services in Spain were from Spanish suppliers.

FAIRNESS IN SUPPLIER RELATIONSHIPS

Collaboration, supply and contracts regarding third-party business relationships with MFE Group companies in general contain an explicit reference to the **Code of Ethics** (see also paragraphs 1.3 and 3.2 and the Corporate 231 Compliance Programmes) and state that failure to comply with the rules set forth therein may constitute a breach of the contractual obligations assumed, with the consequent option of cancelling any contracts made with any company in the group.

Furthermore, the Group has joined the initiative promoted by **Assolombarda** (extended to the main Italian companies of the Group), which started on 27 May 2014, signing up to the **Italian Responsible Payment Code**, the first ever code in Italy for responsible payments. In taking this step, the MFE Group has committed to meeting the payment times agreed on with its suppliers and in general to promoting a culture of prompt, transparent payments.

MFE is part of the first group of Italian and multinational companies founding the Code and, in compliance with its provisions, it has declared that average payment times contractually defined with its suppliers for 2021 were 60–90 days and relative payment dates were duly complied with.

Note that the **selection³⁴ of suppliers** and the goods or services to be acquired is based on the evaluation of various **parameters**, such as the quality and price of the good or service, guarantees of after-sales services, as well as promptness and efficiency. When selecting suppliers, great attention goes into verifying their reliability and seriousness in terms of compliance with current legislation and regulations governing their activity. Purchasing processes are governed by specific **company procedures (OGs)**, which ensure the timely identification of suppliers and the traceability of supply channels, which thus helps guarantee the quality and legitimacy of the goods and services purchased.

Furthermore, all purchasing processes are based on the **search for the maximum competitive advantage** for the MFE Group as well as **impartiality** and the **granting of equal opportunities** towards each supplier who meets requirements.

The preparation of standard contractual texts or those with specific legal issues is assured by the **Group's legal department**, and by external lawyers where necessary.

In a bid to make the procurement process more efficient and standardised towards third parties, the MFE Group in Italy operates via **specialised purchasing centres**, whose processes are described in the following paragraphs.

³⁴ Art.19 of the Group Code of Ethics.

In addition, the Group aims to oversee the **certification activities** of the various categories of suppliers with a single organisational unit, thus facilitating the identification of any factors that influence the selection and management of the portfolio.

Given the particular business of the companies in the Group, the main purchase activities of all companies fall into three macro areas:

- ▣ Acquisition of **broadcasting rights** (films, series and sporting events);
- ▣ Acquisition of **content** (entertainment, news, drama) for the various distribution platforms;
- ▣ Acquisition of **goods and services to support** television production and cross-production.

The related procurement processes for each of these areas are described below with evidence of their main purchase poles.

The **COVID-19 health emergency** represented an unprecedented discontinuity in economic, social and geopolitical terms on a global level.

The **Procurement Department** had to take on some of the additional requirements related to complying with two absolute priorities:

- **protecting people's health;**
- reconvert almost all operations through **"agile working"**, which allowed business continuity to be guaranteed.

In addition to the **rules** imposed on its employees in order to access the workplace, again in 2021 the MFE Group took charge of identifying which suppliers had active contracts with services to be performed at the Group's offices and how many and which third-party employees therefore needed access.

Also in 2021, prior to the access date, appropriate **self-certification** continued to be requested in which the supplier declared - assuming full responsibility for the issue of false declarations - that all staff employed to perform services had a "Green Pass" EU Covid-19 Certificate and had antibody tests with negative results.

ACQUISITION OF RIGHTS

The MFE Group acquires the following through **R.T.I. S.p.A.**: serial content (TV series), films (also through the subsidiary **Medusa**), as well as documentaries and sports, depending on the programming needs of free-to-air and pay TV.

These acquisitions are negotiated directly with the owners of the contents or their broadcasting rights.

The **vendor list** for the **selection of suppliers** is prepared, updated and submitted to the Risk, Control and Sustainability Committee every six months, and annually to the Executive Committee and the Board of Directors of MFE, in compliance with the corporate organisational guidelines.

The assessment includes the **verification of any ongoing proceedings**, such as liquidation, bankruptcy and mergers, and also includes the transparency of the corporate chain.

Furthermore, suppliers resident in countries with preferential taxation entered on the **Black List** are not considered for the purposes of this selection.

The selection of suppliers of broadcasting rights takes place through the widespread coverage of the national and international content distribution market - while also participating in major sector events - giving preference to **companies with consolidated experience and expertise**: North American majors and minimajors, European studios, leading Italian and international independent distributors.

Special attention is paid to **Italian works** and is aimed at both current and library works, through the acquisition by a Group company of cinematographic works from independent producers, and through commercial agreements with companies outside the Group who are specifically dedicated to domestic production.

The **Purchasing Rights Department** maintains commercial relations with all the major Italian film distributors, through multi-annual volume agreements and prompt procurement.

With regard to **multi-annual agreements**, the Purchasing Department envisages the purchase not just of individual contents, but stipulates "volume" agreements that include varied product categories, based on the annual production of the supplier. For this reason, the selection and acquisition of individual contents are conditioned by the contractual terms of the multi-year agreement which define the minimum volumes by product type and the methods for selection. There are currently two volume deals, one with Warner and a second with Universal.

As for **ad hoc acquisitions**, selection is carried out based on the approval of the product by the market, or based on the interest stirred by content in countries that are continuously monitored, via information that the suppliers send to the Purchasing Department and by assessing the product directly through the monitoring of satisfaction ratings in cinemas, paid channels and streaming networks.

Once interest has been established for that particular product, **"all rights"** acquisition usually takes place in order to ensure that this is available on different platforms (e.g. Infinity, pay TV and free TV). Given the different needs of the platforms, a percentage of the budget is then allocated to exclusive purchases for each of these.

In 2021, the **volume of investments** was **€265.1 million**, of which 75% for cinema/series/doc broadcasting rights and 25% for sports broadcasting rights. 85% of suppliers are Italian or European.

The following **key events** occurred in the year:

- ▣ in addition to the confirmed commitment to **UEFA Champions League** broadcasting rights, with the first year of the new 2021–2024 three-year agreement, relating to exclusive Free TV broadcasting rights and non-exclusive Pay via Internet rights, the Group has been awarded the exclusive 2021–2024 Free TV broadcasting rights for the Coppa Italia and Supercoppa Italiana. There's also space for other prestigious sporting events alongside football, such as the Italian Open tennis tournament, which the Group has secured for 2021–2023.
- ▣ with regard to **films and TV series**, the portfolio of content provider partners was consolidated, both with

respect to US majors and to European and Italian operators.

- ▣ With regard to majors in particular, the agreement with **ViacomCBS** to purchase the historic library of the NCIS franchise, on the Group's channels for the first time, came into force.
- ▣ The strategic relationship with **WarnerMedia** was also renewed through a new three-year content supply agreement.
- ▣ The commercial relationship with all studios was confirmed, with the Framework Agreement with **Universal** continuing and negotiation of the first content package with the new entity resulting from the **Disney-Fox** merger.
- ▣ Finally, the Free broadcasting rights for the complete James Bond film cycle for one year were acquired from **MGM**.
- ▣ On the European production front, relations with major continental players were consolidated. This applies both to strategic daytime assets, such as the new soap *Dos Vidas* acquired from **StudioCanal**, and to event content for the early evening slot such as the miniseries *Sissi*, a premiere from **Beta Film**.
- ▣ Finally, the commitment to **documentaries** was reinforced with the purchase of 490 hours from a very wide range of nearly 50 suppliers.
- ▣ The focus on recent **Italian cinema** was confirmed, both with respect to films produced within the Group and those made by third-party partners; in particular, we highlight the acquisition of the broadcasting rights for works distributed by the **Medusa Film** and **Vision Distribution** subsidiaries respectively.
- ▣ The commercial relationship with the main Italian **independent film distributors** was confirmed, such as **Eagle Pictures**, **Lucky Red** and **Leone Film Group**, among others. This commitment towards focusing on national products is justified by their greater appeal, especially in prime time, compared to international series and films.

As highlighted previously, part of the investment in film production is made by the subsidiary Medusa Film through purchases or co-productions in order to supply the Company with the "product/movie" with the whole broadcasting rights chain, starting with cinemas.

The latter is the starting point for the exploitation of the product life cycle, as well as foundation for the creation of value through subsequent exploitation that can be managed by the Group "non-exclusively" (for example from market practice, TV on demand, pay per view) or "exclusively" (SVOD, free).

Also, **constant market monitoring** is carried out on film content to identify the main trends and products of interest (at international and local level) and to gather useful information in general to guide the broadcast offering.

The movie rights acquired in 2021 come from Italian producers, since the publishing line established by the Group for Medusa envisages a focus on Italian cinema, typically comedy. In 2021, given the strategic business objective of Medusa, the "core" suppliers were predominantly Italian. These suppliers, as executive producers or original producers, have an almost entirely Italian supply chain. Film shooting and all subsequent post-production

processes take place in Italy.

The close relations between Medusa Film and Italian cinema is a guarantee for the selection, production and dissemination of the best product, given the constant commitment of the Medusa Film and its suppliers to enhancing local artistic and professional excellence. This commitment must always be guaranteed to the highest standards in the industry in order to withstand competition from foreign products.

Lastly, note that the **Organisational Guideline** on “**Planning, acquisition and management of movie rights**” states that supply contracts for the purchase of film rights from Italian counterparties must contain clauses that demand suppliers obtain approval for public programming. In the event of non-fulfilment of this clause, Medusa Film has the right to withdraw from the existing contract without jeopardy to any possible claims for damages or, alternatively, to apply further specific clauses (for example the reduction of the fee).

In the event of acquisition of movie rights by foreign counterparties, the contracts drawn up must contain clauses that provide for Medusa Film’s right to make the cuts necessary to obtain approval for public programming, with prior approval of the supplier.

ACQUISITION OF CONTENT

Entertainment - The creation of entertainment programmes requires the acquisition of **formats**, the signing of **executive contracts** and the contracting of **artistic resources and collaborators**.

Suppliers are selected on the basis of the television broadcasting guidelines and the purchasing requirements plan defined by Programme Schedule and Distribution General Management in collaboration with Content General Management.

The **Entertainment Department** selects broadcasting projects of interest and manages negotiations with the supplier. At the same time, the Legal Affairs Department carries out preliminary checks to ascertain the effective ownership of the broadcasting rights (brand/titles) granted by the selected supplier and the usability of the proposed titles.

The Provider Certification Department of the **Procurement Division** is responsible for carrying out the accreditation and preliminary qualification of suppliers.

The management of the process of contracting out television productions and acquiring formats and licences must be carried out in compliance with applicable national, European and/or international **rules and regulations** in force, with particular reference to offences remotely relevant for the purposes of Legislative Decree 231/01.

In contracting out television productions and purchasing formats and licences, the Entertainment Department operates according to the principles of lawfulness, fairness and propriety expressed in the **Code of Ethics**, paying particular attention to the provisions on conflicts of interest contained therein.

When commencing collaboration with a new supplier, the accreditation and certification process is managed by the Procurement Division through the dedicated department.

The Entertainment Department informs the relevant Purchasing Hub of the qualitative and quantitative targets for the television product to be purchased/produced.

At contractual level:

- there is a **specific clause** on guarantees and adherence to the Code of Ethics and compliance programme;
- there is a general **ban on subcontracting**, and where subcontracting takes place, certification of subcontractors is required.

The following obligations in terms of **contractual clauses** are also provided for:

- **compliance with the provisions of the law** in force on contributions and health and safety in the workplace pursuant to Legislative Decree 81/2008, as well as an indemnity in favour of R.T.I. with regard to all the obligations necessary for this purpose;
- compliance with the obligations laid down in current legislation on the **employment of staff who are non-EU nationals**;
- compliance with current **environmental regulations**.

Starting from 2021, a clause directed towards **verifying the supplier's obligations in relation to tax** and social security was also added.

Suppliers are always chosen with analysis of **sourcing models** that make best use of internal structures and skills.

About half of the suppliers/collaborators dedicated to entertainment content production are studios and/or agencies from across Italy, particularly around Rome and Milan, which ensure the services of actors, documentalists, directors, costume designers, set designers, directors of photography, choreographers, commentators, hosts or guests. The Entertainment Purchasing Department (for non-VIPs) and Artistic Resources Department (for VIPs) provide for the research and stipulation of contracts with the various artistic resources employed by the various Group companies. In 2021, the Entertainment Purchasing Department managed 400 contracts relating to procurement, licensing and supply of services. With regard to artistic collaborations in the entertainment area, it finalised 13,748 contracts, plus 700 in the music sector.

In 2021, the Artistic Resources Department concluded 6,242 contracts for a total of 1,005 collaborators (including hosts, commentators, guests, reporters also in the News, Sport, Digital and Radio areas).

Of these, about 40 are annual and/or long-term contracts relating to strategic artistic resources (the main faces linked to the most important broadcasting products in the programme schedule).

News - The journalism and infotainment area of the MFE Group in Italy refers to the **Videonews** agency, whose supply chain mainly consists of collaborations (about 90%) with the following **professional skills**:

- ▣ Journalists;
- ▣ Documentary makers;
- ▣ Directors and authors;
- ▣ Casting organiser;
- ▣ Costume designers, second costume designers, make-up artists, hairdressers;
- ▣ Graphic designers;
- ▣ Speakers, graphic designers and studio animators;
- ▣ Supply of public, participants, hostesses and stewards;
- ▣ Contracts to companies for various supplies such as graphic support, translation services and surveys.

In addition to these collaborations, the News area purchases **licences for technical materials** of various types, as well as **regional suppliers of materials** and lastly part of the purchases goes to press and video agencies.

Videonews has also developed a **partnership with *Mercati che Fare***, a company specialising in the provision of sector content broadcast on the TgCom24 programming schedule.

The suppliers of goods and services in the news area, in 2021, are almost entirely Italian or European, with some exceptions for international press and video agencies.

Selection of suppliers, both for content and collaboration, is determined based on the broadcast needs of the programme while also assessing the professional characteristics and experience of the collaborator.

Drama - The drama products featured in the MFE Group's broadcast offering are created through the activities of the subsidiary **Taodue** and through the use of independent third-party productions; this activity generated around **50 hours of finished product** over the whole of 2021, mainly for early evening slot programming on Canale 5.

The selection of independent producers is fundamentally based on the projects selected by the broadcaster. The broadcaster decides based on the broadcasting potential of the identified product, or on the congruence between the project examined and the broadcasting line of the Group.

Historically, drama productions are solely **Italian in origin**.

Furthermore, remaining on the topic of changes in the supply chain, it should be noted that the contractual template predominantly used in the past, or the **contracting template**, has gradually been replaced by **templates of co-production** and pre-purchase due to the new legislation on tax credits for audiovisual production, thus entering a residual category.

Almost all Taodue suppliers are Italian. In general, the main categories of suppliers used by Taodue for the creation of their drama include: actors, screenwriters, directors and copyrights, all selected thanks to continuous scouting

in the reference market which makes use of the experience of the Taodue founder, as well as technical production personnel and companies supplying goods and services.

In cases where the **use of minors** is expected in the production, the company, which is required to comply with specific provisions of the law that regulate its employment, has set up adequate organisational procedures and contractual models shared with the Group's legal support.

Digital - Acquisitions and investments provided by the Digital area of the Group focus on the following **macro-areas**:

- ▣ acquisitions in the **development of technological products**;
- ▣ investments in the **production of contents**;
- ▣ investments to promote the **distribution of content** produced internally by MFE agencies and productions.

The total number of suppliers involved throughout the year for the various activities is about 175, mainly resident in Italy, while some are from the United States.

Given the speed of changes the digital sector is particularly prone to, selection of suppliers is always up to whichever partner companies demonstrate a marked predisposition to technological and product innovation.

Radio - The core activity of the MFE Group's radio hub consists in the production and issue of entertainment content and musical flows aimed at Italian radio listeners.

For the conduct of its business, it mainly relies on the service provided by **speakers, hosts and authors** employed for the creation and management of the programming schedule on broadcasters 105, Virgin Radio, R101, RMC and Radio Subasio.

These include **162 Italian freelancers**, most of whom are known within the radio and television scene.

Most collaborators are Italian, but a limited number of foreign resources are also contracted.

The main radio content is Italian and foreign music, which is indirectly acquired from the **record companies**, with repayment of broadcasting rights via **collecting companies** specifically appointed for this purpose (Siae, SCF, etc.).

The programming schedule produced and distributed by the broadcasters is "marketed" by the **advertising sales house** Mediamond S.p.a., appointed on a national level by virtue of specific advertising concession agreements through the sale of space (commercials, mentions, etc.) to third-party investors.

The actual selection of suppliers takes place, first of all, through **constant market monitoring** and careful **assessment of company needs**, and their reliability is certified through a continuous **accreditation process**³⁵.

³⁵All suppliers are selected in compliance with the laws and regulations in force, such as Legislative Decree 231 and 81/08 and the ethical principles of the Group.

Offers are made, suppliers selected and services contracted according to the needs identified.

In the artistic field (mainly for speakers, hosts and guests), where each broadcaster uses different resources depending on the specificity of the radio business, target listeners and audience response, the main factors for the selection are the individual characteristics of each artist. More generally, the direction followed would be to make the selection both using the criteria for the dynamics of the competitive scenarios in which broadcasters act, and also via the parameters of adequacy and consistency of remuneration/contribution with the market prices of that particular professional category.

In addition to **broadcasting and creative activities**, there are also **technical activities** (low frequency and control room, carried out by employees) and the **distribution of the national signal** (high frequency) through stations (equipment and pylons) and radio relays spread over all regions of Italy. The maintenance of the stations (1,798 between Radio Studio 105 spa, Virgin Radio Italy Spa, RMC Italia Spa, Monradio Srl, Radio Subasio Srl and Radio Aut Srl) and of the transmission equipment is entrusted to external professional maintenance technicians (local suppliers), a total of 89 maintenance companies. In addition to these maintenance service providers there are lessors who lease out the stations, a total of 271.

PROCUREMENT OF GOODS AND SERVICES

The procurement processes of products and services supporting cross-operational activities refer to the following **supply categories**:

- ▣ Systems and technologies**
- ▣ General services** - facility / cross-functional
- ▣ TV production**

The Group in Italy operates exclusively with accredited third party suppliers registered on the **Vendor list**, checking preliminary details (company name, country of residence, address, etc.), overall corporate transparency (identification of the final beneficial owner) and the level of concentration of revenues (monitoring whether this exceeds 50% threshold for a single customer).

In 2021 – despite the critical issues and difficulties related to the state of emergency that has arisen – efforts continued to improve the efficiency of the **supplier accreditation process**, which now includes a greater number of more in-depth checks on active suppliers.

In 2021, the functionality implemented in the **Synertrade** supplier management platform was consolidated and improvements were made regarding automatic data updates from Synertrade to SAP (accounting system).

The new **structured subcontracting management** process was also introduced, so it can now be traced on the Synertrade platform.

Further **rationalisation of the supply chain** was carried out based on critical issues linked to expenditure, the regulatory complexity of the merchandise sector involved in the commercial relationship (e.g. suppliers that provide additional legal obligations), the type of contract (e.g. subcontract) and according to the employment of personnel (employees or direct contractors of the supplier or staff of third parties to whom the service is subcontracted).

In 2020, the **Vendor Rating** was set up; this qualitative assessment of the supplier was used to select the parties to be invited to tender for the renewal of some contracts of significant amounts.

It became a requirement to obtain self-certification on a monthly basis from the supplier for contracts involving work services (contracts), signed by the legal representative, stating that the personnel employed in rendering the services are regularly hired, paid and insured, and ensuring compliance and correct fulfilment of all legal obligations regarding worker protection.

Lastly, the management of these processes aims to implement a gradual **turnover of suppliers** in order to diversify total expenditure over several parties, thus reducing their concentration.

MFE has also established that all suppliers must complete all registration phases including the approval and acceptance of the terms and conditions of the contract, the privacy rules, the Code of Ethics of the Group and the Compliance Programme in order to be classified in the portal dedicated to them.

In the management of its supply chain, the **MFE Group in Spain** promotes **responsible practices** within its sphere of influence by transmitting **environmental, social and ethical standards** to its supply chain. Since 2010, contracts with suppliers to the MFE group in Spain have contained a clause that establishes their **commitment to carry out sustainable activities**, namely: respecting workers' rights and union membership, refraining from using child labour, refusing any kind of slave labour, prohibiting any kind of discrimination, complying with the legislation on the prevention of risks at work, ensuring the safety of employees during working hours and prohibiting any conduct involving corruption, blackmail or extortion.

The contractors also declare that they comply with environmental regulations and promote the efficient use of limited resources such as energy, water and raw materials in the course of their activities. In this way, suppliers declare their commitment to ethical and responsible management.

With regard to the types of suppliers and the main items of expenditure relating to the MFE Group in Spain, there is a greater concentration in the **purchase of television broadcasting rights** and content, 77.4%, followed by **technological, professional and production services**, which together account for around 22.6%.

Technological services contracted are linked to the purchase of technical materials (essentially hardware, software, cameras, mixers, matrices, audio and video equipment).

Professional services consist mainly of maintenance and development of computer applications and consultancy and audit services.

Production services mainly refer to services of set design, lighting and subtitles.

Contracts with national suppliers cover the vast majority of goods and services purchases, where international suppliers correspond mainly to the negotiation of technological services.

6.2 THE SOCIAL IMPACT OF THE GROUP

ADVANCED TRAINING INITIATIVES

The MFE Group education programmes for non-employees, designed to develop skills linked with the world of commercial TV, continued in 2021 as in earlier years.

There was further consolidation of the collaboration between **IULM University** and the Mediaset Group, in order to develop and improve the organisation and management of the **Master's in Journalism**.

Thanks to careful selection and excellent training, the Master's introduces students to a career as a professional journalist. IULM and Mediaset combine their respective expertise in the world of communication and information.

The professional training course is **recognised by the National Association of Journalists** for the purposes of an apprenticeship.

The Master's course aims to equip young journalists with the professional skills that will enable them to access all broadcasting markets and produce multimedia content for the various platforms. The effectiveness of the courses is validated by the Joint Scientific Committee.

There is also a **technology workshop** run using professionals made available by the Group. It stands out among Italian journalism courses as the only one of its kind.

The General Information Division has also reinforced strategic collaboration with the IULM Master's in Journalism, through participation in the Scientific Committee, in managing the Journalism Workshop and in internships in the agencies of Mediaset TV news and programmes.

In 2021, 13 students from the IULM Master's in Journalism were hosted on internships in Mediaset's agencies (TV, web, mobile and radio), between September and November.

In addition to the **internships** that are part of the IULM Master's in Journalism, the company collaborates with several **journalism schools** all over the country (Università Cattolica, Università Statale di Milano IFG, Università di Torino, IFG Urbino) and in 2021 it offered 18 students the possibility of an internship.

The MFE Group also offers its experience and professionalism via the **Master's in Marketing, Digital Communication and Sales Management**, which was established in 1988 by **Publitalia'80**.

The Master's in Marketing, Digital Communication and Sales Management is a 13-month postgraduate course with lectures and internship and limited admission, targeted at graduates who have decided to start their professional future in the field of marketing, trade marketing, sales and digital communications.

Through the two editions launched in 2021 (January-May and September-December), the Master's offered its **61** participants **170** course days for a total of **1190** hours of training; with reference to the January-May 2021 edition, the **31** participants were able to approach the world of work through participation in a total of **140** days of internship, a total of **1,120** hours, at the end of which all graduates were able to find permanent job positions.

The companies that collaborate on this initiative contribute with teaching and practical sessions and provide a reference point for the labour market as an employer, as well as elements that enable the ongoing updating of the training programme. As a result, the Master's course always acts as an up-to-date "bridge" between Universities and the Company.

This takes place thanks to **teaching staff from leading Italian and international universities** and contributions from **managers** in key roles within Italian and multinational companies.

the Master's is the longest-running experiment in **collaboration between Milanese universities**. From the beginning of the initiative, the Rectors of six Milanese universities signed up to it, taking part in the Chairpersons' Committee:

- ▣ Università Commerciale L. Bocconi
- ▣ Università Cattolica del Sacro Cuore
- ▣ IULM Libera Università di Lingue e Comunicazione
- ▣ Politecnico di Milano
- ▣ Università degli Studi di Milano
- ▣ University of Milan-Bicocca, and were joined by the main local associations and representatives of the financial and business world.

The Master's, now in its **thirty-fourth edition**, has to date educated more than 1,000 graduates, many of whom now hold top management positions.

The course is **accredited by ASFOR**, the Italian Association for Management Education, as a specialist Master's course.

Furthermore, the MFE Group has had ongoing **collaborations with leading Italian universities** for some years now, offering students of the main faculties opportunities for integrated **curricular internships** to complete their studies. During their internship experience, the young undergraduates are given the opportunity to experience the world of work while building professional relationships, interfacing with the organisational dynamics of the company and using the knowledge acquired during their studies to further hone the skills and experiences that will facilitate their entry into the labour market.

INITIATIVES AIMED AT THE COMMUNITY

MFE Group agencies receive daily information on philanthropic activities, events and initiatives by non-profit organisations and charitable associations for the protection and support of ethnic minorities, voluntary groups, and institutions of medical research.

In addition to this and given the Group's desire to put its communicative power and the skills of its collaborators at the service of the community, the **"Mediaset ha a cuore il futuro"** initiative was

**Mediaset ha a cuore
il futuro**



launched in September 2019: communication campaigns that operate according to an integrated multimedia scheme featuring TV and radio as well as digital and social media coverage give visibility to issues of national importance.

The numerous awareness-raising and exposé campaigns involve a strong media response on all the Group's generalist and thematic networks: self-produced commercials are accompanied by TV news reports, spaces within information, infotainment and entertainment broadcasts, programmes within the TV and radio schedules, quotes and detailed information on websites and social media channels, together with other social initiatives.

During 2021, there were ten campaigns:



World Water Day (22 March). World Water Day, established by the UN, is celebrated to raise institutional and public awareness of the importance of this resource and reduce water waste. For the occasion, the Mediaset Tower turned green, to symbolise the Company's commitment, at the front line in identifying solutions to safeguard an asset that's essential to life.



Io non la bevo (from 2 to 17 April). The campaign kicks off on Fact-Checking Day (2 April) and is dedicated to the fight against fake news, a growing presence on the web and in the world of social media. The initiative consists of three different spots, ten useful tips to expose fake news and the documentary *Dietro la notizia*, self-produced by Infinity Lab and available on the Mediaset Infinity website.



Earth Day (22 April). For Earth Day – created to affirm the need to preserve the planet’s natural resources – in 2021, a virtual climate summit was held, attended by the leaders of major countries. The event was followed closely by Mediaset news outlets, who offered reports and in-depth information on it. On this occasion too, the Mediaset Tower turned green, to stress the attention that the Company directs towards this topic.



L'Italia Riapre - For the Presidency of the Council of Ministers (from 26 April to 3 May). The spot for the campaign, created to support a 'new start' after the Covid-19 pandemic, invites the public to observe the fundamental rules for ensuring everyone’s safety and urges positivity under the slogan: “*Tomorrow’s freedom depends on each one of us. Let’s reacquire a taste for the future.*”





Parti per l'Italia — Mediaset for the Ministry of Tourism (from 10 May to 7 June). Twenty short spots, featuring as many faces from among the Mediaset audience's most well-loved personalities, invite viewers to choose destinations in Italy to support the Italian tourism industry. The campaign comes at the end of the "Comunicazione, Media e Turismo" research project carried out by Publitalia with the Università Cattolica di Milano, which analyses the impact that communication and media can have on developing and maintaining the reputation of Italian tourist locations.



World Oceans Day (8 June). On this occasion, a campaign is carried out to raise public awareness of the topic of protecting our seas and the dangers that threaten them, by broadcasting commercials, bumpers and in-depth reports in TV news.



Non cadere nella rete (from 12 July to 3 August). The Internet Addiction Disorder awareness-raising campaign is made up of two different spots – featuring the voice of journalist Paolo Del Debbio, author of a book on the subject – warning the public of the risks of internet addiction.



Il cibo è il nostro futuro, non sprechiamolo (from 16 to 24 October). Extra content was made available on the Mediaset Infinity website to support the initiative, such as: the *Green Storytellers – Food Rescue* series (co-produced with Infinity Lab), which tells stories of people who save food and who use it for good; the documentary *Still Hungry* (directed by William Hurry and co-produced by Infinity Lab with Tuorlo), which focuses on the impact of food waste on the global ecosystem and possible strategies to counter it. In this case, the campaign also involves concrete action for sustainability within the company, such as: posters, tray mats and dedicated panels placed in the company refreshment areas at the Milan and Rome offices; all plastic material eliminated from production sets, replaced with branded metal flasks and compostable items.



Scegli il coraggio (from 24 to 31 October). Now in its third edition, the initiative ends the month of October, which has always been dedicated to breast cancer prevention. It consists of a spot (made using images by Stefano Rossetti) inviting viewers, with courage, to put prevention before fear of the disease's outcome. Rossetti also produced a work, entitled 'moreAmore', placed in Piazza Leonardo in Milan for the campaign. In addition, as in previous editions, the Mediaset Tower turned pink, to symbolise the company's commitment to breast cancer prevention.



The campaign to support the International Day for the Elimination of Violence against Women (from 18 to 25 November). On this occasion, a spot was made to say stop to violence and promote the free national anti-violence and anti-stalking number 1522.



But “Mediaset ha a cuore il futuro” is more than a system for raising awareness of broad-ranging national issues. It also involves concrete action for sustainability within the company. In productions with third parties, for example, all plastic material was eliminated from sets and replaced with branded metal flasks and compostable items.

This is because “caring about the future” isn’t merely a catchphrase but a way of existing, thinking and acting.

When talking about social initiatives for the community, mention must be made of the satirical programme *Striscia la Notizia*, which always follows the issue of sustainability closely.

The weekly *Occhio al futuro* slot, by TV journalist Cristina Gabetti, gives visibility to initiatives promoted by private companies and non-profit organisations that meet the 17 points of the 2030 Agenda, in good health and well-being, education, respect for the environment and optimising resources.

The programme also promotes initiatives to protect the environment, through the reports in the **Ambiente Giovani** slot (in which very young ‘scientific advisors’ deal with activities or associations dedicated to protecting the environment) and food production, artisanal and organic, in the “**Paesi, paesaggi...**” and **Speranza Verde** slots by Davide Rampello and Luca Sardella respectively, as well as exposé, such as Max Laudadio’s investigation of sustainable fishing. Also, in pieces on recipes to fight waste, Luca Galltieri involves students at the Voghera Hotel School in preparing dishes made with leftovers.

Finally, the consolidated partnership between *Striscia la Notizia* and the **F.A.I.** (Italian Environment Fund) in the protection, preservation and enhancement of the Italian artistic and natural heritage is extremely important.

Radio too plays an important role in social initiatives directed towards the community.

In 2021, **radio** proceeded with the commitments undertaken in previous years towards the community.

Almost **600 radio spots** were **broadcast** by the various MFE Group stations to support social initiatives.

The “Mediaset ha a cuore il futuro” campaign against food waste is one example, as is the campaign in support of the Lega Nazionale Difesa Cane against the abandonment of dogs in the summer.

Campaigns were also carried out in support of the AIRC to inform the public about the possibility of donating their '5x1000' income tax contribution to cancer research.

On World Alzheimer's Day, our radio stations ran awareness-raising campaigns with particular reference to the devastating effects of this degenerative disease and to promote prevention and research.

The efforts of the "Italia Live" campaign that aims to encourage companies to invest in events is very important, given the halt on all local promotion activity involving Radio for concerts and shows in the last two years. It supports all those in entertainment who until now have been unable to work due to the pandemic crisis.

On the [web](#), a page dedicated to these projects was developed within the **MediasetPlay** site. In addition to gathering together all the material produced for the campaigns in chronological order, the aim of the dedicated space is to publicise brand-new contributions and in-depth information produced specifically for every topic focused on. It's a genuine archive, always up to date and open to consultation at any time, so that the contemporary nature of the problems addressed remains present.

We also wish to stress that sponsorship of **fundraisers for public and private bodies** (recognised by the state) is all certified by government associations (Civil Protection for Italy and AGIRE for the world). Many of these activities are also carried out through the support of Mediafriends, a non-profit organisation founded in 2003 as a tangible expression of Mediaset's vision of corporate social responsibility.

It is within this scenario that the Group takes to the field alongside **Mediafriends** and **Fabbrica del Sorriso** through its own agencies, in daytime packages on generalist networks or on TGCOM24. Particular visibility is given to the projects to which Fabbrica del Sorriso is committed, not only upon presentation and during fundraising but also when the project is run and for the results from the initiative.

One example of this is the production of a specific television product: "FABBRICA DEL SORRISO, UNA STORIA SPECIALE", illustrating the individual projects funded and testimonials for the results achieved. The "Tg dei Ragazzi", in collaboration with "la Città dei Bambini e dei Ragazzi" in Genoa, is another educational partnership initiative to have been given visibility.

Publitalia'80 contributes to the social activities of the MFE Group through Mediafriends, providing advertising space that is used to promote fundraising mainly to support the identified charity initiatives. In addition to this, Publitalia'80 reserves some advertising space to initiatives that support scientific research, training and cultural activities.

Around **6,200 spots** were broadcast in the year, with contributions free of charge from some of the main faces in the Group's artistic landscape.

Publitalia 80 is a founding member of the **Fondazione Pubblicità Progresso**, along with the major players in communication in Italy. This foundation aims to contribute to solving the civil, educational and moral problems of the community by placing communication at the service of society.

In addition to paying a membership fee, the sponsoring members provide their work free of charge for the implementation of the Foundation's activities.

Pubblicità Progresso promotes training initiatives on social communication at leading Italian universities; it promotes events, exhibitions and initiatives dedicated to important social issues; it sponsors social communication campaigns carried out by non-profit organisations; and it holds the festival of social communication for training and public educational purposes.

Every year, Pubblicità Progresso draws the attention of the authorities and public opinion to create greater awareness on a specific theme by implementing communication campaigns using contributions from promoting partners: campaigns on anti-smoking, organ donation, gender equality, anti-racism, sustainability, volunteer work, etc.

The Group's radio stations broadcast socially themed spots free of charge. This activity comes under the sub-concession contract in force between Radiomediasset, Monradio and Subasio and the Mediamond sales house.

Activities to support youth entrepreneurship

With regard to promoting youth entrepreneurship and supporting the world of work and promoting the territory in general, we would highlight the activities carried out by **AD4Ventures**.

This **MFE venture capital** project involves investing in shares in start-ups, mainly digital in the medium-sized consumer and retail area with high growth and development potential, through advertising campaigns in Italy and Spain.

The investment portfolio also extends beyond national borders, while remaining within Europe.

The business model of AD4Ventures contributes to the growth of the companies in which investments are made, providing a great boost to potential excellence and all those young entrepreneurs still unable to access the big world of television media.

The portfolio currently includes **11 start-ups** all with management aged just over thirty and for the most part active in Italy.

The start-ups included in the AD4Ventures portfolio were founded between 2010 and 2019.

2021 saw the great event of the **exit of Deporvillage** (a company operating in sports products e-commerce): a total initial investment of 2.7 million euros in TV campaigns (of which 1 million euros in Italy and 1.7 million in Spain) was followed by an exit of **34 million**, i.e. a return on investment equal to 12 times the initial capital.

The investment decisions made by AD4 Ventures' management are increasingly based not only on the analysis and validation of the start-up's business, but also on considerations relating to the sustainability aspects of the companies analysed.

In this regard, mention must be made of **Pascol** among the latest investments: environmentally sustainable beef e-commerce, traceable and only from extensive farming.

The company, founded in Italy in 2019 by two young entrepreneurs (under 30) and Università Cattolica di Milano

Management graduates, promotes high-quality beef, directly from the mountain pasture of Valtellina to your front door.

Ad4V's decision to invest in Pascol results directly from some sustainability aspects that are at the centre of the start-up's philosophy: protecting habitats (the products come only from small farms integrated with the territory, most of which take their livestock to the mountain pastures, contributing to the conservation of alpine farmsteads and biodiversity); the creation of shorter supply chains (Pascol is supplied exclusively by Italian farmers, who are obliged to purchase all the raw materials used on the farm within regional borders); helping small producers (Pascol pays them about 30% more than market prices and offers them free livestock and agricultural advice).

These elements follow the guidelines provided by the UN in September 2021 in the first Food System Summit, aiming to raise all countries' awareness of critical environmental and social issues in current food supply chains.

Another important investment in this areas is **Termo**, a company in which Ad4V has increased its shareholding. Operating in green tech, the start-up is committed to reducing residential energy consumption with high-value-added connected services: it installs the latest generation of high-efficiency HVAC products and acts as general contractor for large-scale energy redevelopment building projects.

AD4VENTURES INVESTMENT PORTFOLIO AT 31ST DECEMBER 2021



Leading mobile payment solution



On line flower delivery



Fashion social App



Cooking and dining e-commerce



Online Italian food specialities shop



On line sporting goods shop



Home furniture flash sales



Second hand luxury marketplace



Baby and kids e-commerce



Hotels by the hour around the world



Digital platform leader in HVAC



Customizable unique travel experience



Sustainable meat from extensive farming



EXIT



IPO



EXIT



EXIT

The commitment of MFE in Spain to social welfare is reflected in the **12 Meses** project. Over 2021, its activities were directed mainly towards the most vulnerable groups in society (such as children), equality in every area and protecting the environment.

This prevention and information activity was also made possible thanks to continuous exchange of ideas and opinions with various associations and non-profit organisations.

We would also highlight the creation of the **"Valor Mediaset"** brand in 2020, which aims to involve the most

important advertising investors in Corporate Social Responsibility campaigns.

In 2021, for the second year running, the **“For a Future with Water”** information project was pursued, an awareness-raising campaign on the need of future generations for adequate water resources.

The campaign aims to achieve this goal by promoting positive use of current water resources.

Finally, in 2021 Mediaset España guaranteed **free advertising space for NGOs** amounting to an estimated value of **10.4 million euros**.

6.3 SOCIAL UTILITY INITIATIVES

MEDIAFRIENDS

Mediafriends Onlus, a Non-Profit Organisation (NPO), was established on June 18, 2003 by Reti Televisive italiane S.p.A., Arnoldo Mondadori Editore S.p.A. and Medusa Film S.p.A.

We would highlight that in compliance with Legislative Decree no. 117 of 3 July 2017, as amended, which implements the delegation for the reform of the third sector contained in Law no. 106 of 6 June 2016, Mediafriends has undertaken the revision of its Bylaws in order to implement the provisions of the Third Sector Code updated with the amendments made by the corrective Legislative Decree 105/2018.



Mediafriends will enrol in the **Single Third Sector Register (RUNTS)** with the changes to its Bylaws (change of name to Mediafriends Ente Filantropico and changes to bylaws in accordance with the provisions issued) in accordance with the provisions in force, that is, after the effective operation of the RUNTS and, as permitted for non-profit organisations, with effect from the fiscal year following the EC authorisation pursuant to art. 101 paragraph 10 of the CTS (enrolment under the new name and with new Bylaws must be completed by 31 March of such following year), with maintenance up until that point of enrolment in the register of non-profit organisations and the tax consequences thereof.

Mediafriends is a tangible expression of the MFE Group's vision of corporate social responsibility. The association focuses exclusively on **achieving social solidarity** and does not distribute, even indirectly, profits and advances or any funds, savings and capital throughout the duration of the Company's existence, unless the destination or distribution are required by law or are donations by Mediafriends in favour of other non-profit organisations which, by bylaws or regulations, are part of the same unitary structure; it uses profits or advances to perform institutional activities and anything else directly connected to them.

Mediafriends Onlus carries out the conception, **planning, realisation and promotion of events**, especially television, aimed at collecting resources for charity and the **financing of targeted projects** in the following sectors:

- ▣ Social, health and socio-health assistance;
- ▣ Charities;
- ▣ Education and training;
- ▣ Protection, promotion and enhancement of culture, art and things of artistic and historical interest;
- ▣ Protection and enhancement of the environment;

International cooperation.

Mediafriends is responsible for **identifying and promoting opportunities for exchange between the world of business and the third sector**, in order to promote mutual growth and the well-being of society. It also aims to better coordinate communication skills and deepen relations in the world of entertainment and culture in order to raise public awareness and solicit donations to fund targeted projects by third sector NGOs.

The process of identifying the Associations and projects to be supported through fundraising activities includes a series of **steps**, starting from the **identification of a theme** chosen among those envisaged by the Bylaws and of one or more Associations that have projects in progress and meet the budget, diligence and transparency requirements, verified through MFE's Supplier Certification Office.

The second step involves **analysis of the project estimates** provided by the Association through adequacy analysis of the costs presented. At this point, if the evaluation criteria are positive, **a contract is drafted between the Association and Mediafriends**, which regulates the mutual obligations during the fundraising period and afterwards when Mediafriends checks the implementation of the project, in accordance with the provisions of the contract itself. Starting from 2018, with the advent of the new **"Self-regulation code for the management of numbers used for telephone fundraising for socially beneficial purposes"**, which provides for fixed and variable costs for each campaign, Mediafriends has redesigned the way it operates in fundraising campaigns and has introduced a new method, in addition to the one just described, whereby when fundraising for an Association the latter collects the money directly while Mediafriends only provides support and communication campaigns.

The Association is in any case obliged to provide Mediafriends with due notification and reporting of the proceeds.

In the first case, usually followed over the years, the Bylaws state that the money raised by Mediafriends will be allocated to the Association through the Mediafriends **Advisory Committee**, with three positions expressed by the Members of Mediafriends, by Mediafriends and by a representative of the Association. The Advisory Committee distributes the funds raised, indicating the time frames and methods.

Mediafriends then **checks the reports** from the Association and **monitors the progress of the project funded**. However, according to the above-mentioned new method, Mediafriends still maintains the obligations of the beneficiary Association to report the proceeds as described above.

Over the years, Mediafriends has supported numerous TV and other events to raise funds for the projects of non-profit associations. The most notable of these is **Fabbrica del sorriso** (the smile factory). At 31 December 2021, over **75 million euros** have been raised and distributed, allowing **177 associations** to implement **299 charity projects** in Italy and around the world.

To do this, Mediafriends called on the close collaboration of the MFE Group. Firstly, Mediafriends relies on the continuous work of five Group employees, who design events and coordinate with both external bodies (third sector, institutions, etc.) and the departments within the company.

Fundraising initiatives and activities follow one after another throughout the year: fundraising events, field initiatives in collaboration with recipient groups and broadcasting events.

These events were promoted on television and on the web, with the collaboration of the various structures of the Group: the presentation of programme projects with services created by journalists in the News Department, fundraising spaces with commercials created by the Creative Department, presence in programmes with the collaboration of the production structures of the Entertainment, News, Sport and Publitalia'80 Departments.

Lastly, the **Mediafriends site** and Mediafriends slot on the **TGCOM24 site**, as well as the **Facebook Page of Fabbrica del Sorriso**, hosted campaigns for charities and numerous videos produced on some of the most important social issues.

2021 was also profoundly marked by the pandemic. After a short period of relaxation in the situation, despite the vaccination campaigns, it affected all activities from as early as the planning phase. During the year, Mediafriends carried out three awareness-raising and fundraising campaigns, linked to the Covid-19 emergency and its collateral effects.



Alimentiamo la speranza

è un'iniziativa
Banco Alimentare
in collaborazione con
MEDIA FRIENDS
www.bancoalimentare.it

The first, which began on 6 December 2020 and ended on 6 January, was the **"Alimentiamo la speranza"** fundraising campaign promoted by Mediafriends together with **Banco Alimentare**. Thanks to a TV spot produced specifically for this initiative, the launch of appeals on TV programmes and radio support from the Group's stations, €106,700 was collected, which enabled Banco Alimentare to distribute food amounting to over 1,500,000 meals to people in need.

From 4 July to 11 September, together with the **Italian Red Cross**, Mediafriends promoted a freephone telephone number that anyone in distress could call to request psychological support or a response to practical requests such as home delivery of groceries or medicines.

The project had the goal of giving the elderly (already tried by the long months of lockdown due to the pandemic) psychological and practical support to face the summer months, well known as being the most complicated for people who often live alone or in areas where services are limited over the summer, and on the other hand allow young people to make themselves useful with a word of comfort or help for those who need it most. The extensive organisational structure of the Red Cross and the possibility of running a social communication campaign on the Group's networks, once again entrusted to the voice of Gerry Scotti, allowed this initiative to be communicated nationally. In the space of just over two months, about 20,000 calls were received by the Italian Red Cross national response centre, of which most were for information purposes. The rest concerned food, psychological support, telephone companionship, requests for medication and home grocery delivery, while the average age of the people who used the service was between 67 and 80 years.

It should also be noted that the Italian Red Cross recorded 2907 people who enrolled in the "volunteer programme"



as a result of the initiative developed with Mediafriends. The average age of these new volunteers is 35.



Due to the pandemic, many non-profit organisations have seen a dramatic reduction in resources from donations precisely when their role in responding to the same important social needs as always and the new requirements resulting from the Covid-19 crisis is vital. In partnership with **Fondazione Italia Sociale** - a private law foundation created to promote the development of the Third Sector in Italy with the aim of collecting private resources to be distributed to national social and public projects - Mediafriends developed a project to support the

non-profit. This took the form of a television campaign that began in September 2021 which aims to support and promote the Third Sector for greater awareness of its role and its importance to society with the help of two infomercials ("**Io sono**" and "**Rewind**"), produced by the Mediaset Creative Department. The campaign will end in the spring of 2022 and will be followed by research into the relationship between the Third Sector and Companies, to find a common language and foster collaboration based on dialogue, knowledge and mutual trust. The report will be presented by June 2022.

In November, Mediafriends supported the **Associazione Italiana Editori "#io leggo perché"** campaign, which saw, in a terrible year, the purchase and donation of more than **450,000 books** to Italian school libraries by the public and publishers.

Activities in local areas, particularly in connection with the **"A Regola d'Arte" (ARdA)** project, addressed to disadvantaged Italian and foreign children living in the suburbs of Italian cities and seeking to promote integration and social development through music and rugby, were drastically reduced due to the pandemic and the restrictions introduced over the months and in the various regions to contain the spread of the virus. During the first half of the year, the 5 centres in Milan, those of L'Aquila and Palermo, had to suspend all planned activities due to the lockdown. The only exception was the "Famiglia Murialdo" centre in Naples, which developed 60 hours of sports and music activity with its 50 young people.





In the summer, when the force of the pandemic relaxed considerably, the decision was taken to organise **six summer camps** for a total of **70 hours of activity** involving about **250 young people**.

Though the activity of “A regola d’Arte” suffered a setback in the first half of the year, artistic and charitable collaboration between Mediafriends and the **Fondazione Cassa dei Risparmi di Forlì** was reconfirmed in the same period. Over time, this partnership has enabled funding

for various social projects throughout the country thanks to the artistic initiatives organised by the Fondazione.

In particular, we would highlight the **“Dante. The vision of art”** exhibition at the Musei di San Domenico in Forlì supporting the “A regola d’Arte” project from April to July. Part of the revenues from ticket sales went towards opening 4 new centres in Milan, Lecce, Forlì and Rome, which have been operational since October. Despite the difficulties resulting from the pandemic, this major extension to the project meant that more than 300 children were able to take advantage of courses from the “A regola d’Arte” project.



The **“Scuola di vita”** project was launched in January, after a long planning phase. This is aimed at young people in difficulty, stalled by academic failure, bad life choices or challenging family situations. The goal is to offer a real possibility not only of entering the world of work, but of making full use of personal interests and discovering talent. The project identifies young men and women according to their needs, characteristics and motivations and “sets them to work” for 6 months with a master of trades, a craftsman in a broad sense, identified on the

basis of their ability to convey a passion for work and a lifestyle as well as technical expertise. The master of trades is remunerated for their training efforts and the young people all benefit from a paid 6-month apprenticeship.

4 internships started in 2021: in February a tailoring course with a young woman that ended in August; two cooking ones, the first with chef Cesare Battisti of the Ratanà restaurant in Milan and the other with chef Claudio Sadler, which will end in the early months of 2022. Then in December the fourth course started at a historic Milanese cycle design and sales workshop.

The project, planned to run for at least two years, conceived, supported and promoted by Mediafriends in partnership with **Comunità Nuova Onlus**, will on its conclusion be accompanied by a qualitative analysis of the results achieved, conducted by experts in the sociological and educational field in order to evaluate overall strengths and areas for improvement. The project was initially presented in the episode of the **“Cotto e mangiato”** programme that went out on Italia 1 on 25 October: chef Battisti and the young apprentice cooked together and explained how the “Scuola di Vita” project works in a restaurant.

The **"Orchestra giovanile"** project was launched in September 2020 with the aim of creating an orchestra that brings young people in a difficult area together in the space of four years. It was further defined with the choice and registration of the **"Orchestra giovanile 4/8"** trademark, where 4 is the name of the area of Milan where the group is active and 8 (of four octaves) recalls the "Ottava nota" Music School that runs this project together with Mediafriends. During 2021, **64 hours of lessons** were held involving more than **60 young people** as well as **two concerts**: the first at the end of the 2020/2021 course, the second for the Christmas holidays.



At the end of October, on the third anniversary of the terrible **"Vaia storm"** that destroyed much of the Paneveggio forest in Trentino, Mediafriends launched an initiative with Fondazione Alberitalia to lend the forest new life, rebuilding the landscape and habitat for the local fauna. The reforestation project involves the planting of **6/8,000 seedlings** in an area of about four hectares. The operation isn't to resolve an emergency situation alone, but is also preventative: the choice of trees will make the forest more resilient, with greater capacity to resist future

adversities. The **Trento Provincial State Forestry Agency** will also play an important role in this operation. Mediafriends considers it essential to take concrete action to address climate change that is increasing the frequency of abnormal weather events. It is supporting the project, which will run for two years, through various channels: from raising awareness to fundraising, with infomercials, in-depth reports in programmes broadcast on the Group's networks and ad hoc initiatives around the country. At the end of November, the children's fable **"Doremi, l'uccellino che non sapeva volare"** by Francesco Vecchi, published by Book Road, appeared in bookshops for fundraising purposes. The seedlings are set to be planted for the first time in May 2022.

Mediafriends has for years supported the **Gorgonzola Festival del Cinema Nuovo**, an international competition for short films featuring people with disabilities. It promotes it through communication campaigns organised in collaboration with the Mediaset Creative Department. It helps organise the event, which is held every two years and had its last edition in 2018. The events of the pandemic stopped the 2020 edition so, with the aim of keeping interest in the Festival alive and starting to talk about the next edition in 2022, a cinema course was organised in October 2021 for social centres and cooperatives dedicated to disability together with the **Romeo Della Bella Foundation** and in collaboration with the **Istituto Cinematografico Michelangelo Antonioni in Busto Arsizio**. **65 non-profit organisations** enrolled and about **100 people** took part in the **15 total teaching hours** of the **8 streamed meetings**.



Broadcasting activity is also intense, aiming to show the different faces of the Third Sector and communicate the world of non-profits through social media channels. Three pieces were produced: "Dante. La visione dell'Arte" for the "A regala d'Arte" project, "Il concerto" for the Orchestra giovanile 4/8 and "Obiettivo Alberi".

Also on the social media channels (FB/Twitter/Instagram/LinkedIn) more than **230 content items** were published on the Mediafriends website, in the Tgcom24 slot and on the Group's new intranet site.

Reporting work on the projects of Associations supported by Mediafriends continued in 2021. They are monitored up to their completion through reports, on-site visits (journalists, external auditors appointed by Mediafriends), certification for the individual Associations and the production of videos.

Mediafriends also appointed Dr Andrea Franzoso, already an internal auditor for major companies and author and web content producer, to check some of the projects financed by the 2018 edition of Fabbrica del Sorriso and others developed in 2019. Dr Franzoso went to the non-profits financed and drew up a written report afterwards plus some web videos demonstrating the genuine social impact of the TMA, IL PARCO DEL MULINO, OSPEDALE MEYER, BANCO ALIMENTARE and ORCHESTRA GIOVANILE 4/8 projects.



In 2021, the Mediaset News Department again used the footage to produce the **"Fabbrica del Sorriso. Una storia speciale"** programme, broadcast by Rete 4 on 24 December. This analysis of the results of the project financed performed by people outside the structure and the company provides a guarantee of the impartiality and independence of the findings, while the "Fabbrica del Sorriso, Una storia speciale" episode allowed viewers to see the real impact and situations where the donations made were used.

Mediafriends has always carried out training and communication activity for those who work in the Third Sector, with in-depth explorations of topics such as social communication, fundraising and storytelling applied to the various areas of communication. As part of Reinventing, a training and networking event for the world of non-profits held in Milan on 7 and 8 October 2021 at the Palazzo delle Stelline, Mediafriends organised the round table **“ACCENDIAMO LA TV – Il nuovo ruolo della televisione generalista nelle raccolte fondi per il terzo settore”**.

Mediafriends develops intense relational activity with many Associations that apply to be able to use the communication services or to submit projects to be supported. Over the past year, more than **200 meetings** were recorded with Third Sector Associations, some in person and the majority streamed.



Together with Publitalia'80, Mediafriends manages a **pool of social communications**, offering space, free of charge, for the broadcasting of social infomercials for Third Sector Associations.



7 - THE ENVIRONMENT

7.1 COMMITMENT TO ENVIRONMENTAL PROTECTION



The Group's commitment to the environment is also referred to within the **Code of Ethics**³⁶, with special reference to the conduct and provisions on environmental protection, which highlight the central role of environmental protection as a key factor in the company.

The MFE Group is inspired by the principles of respect and protection of the environment and the local territory, and their impact on the health of humans and other living species. To achieve this goal, all MFE business activity complies with the **highest standards of compatibility and environmental safety**.

As proof of this commitment, the Group has adopted a specific Corporate Organisational Guideline (**O.G. "Requirements for environmental protection"**) which describes the activities carried out for the collection and disposal of waste produced, which is treated according to the principles of selective separation and recycling of waste wherever possible and as required by current laws and best operating practices.

7.2 EU TAXONOMY

REGULATORY CONTEXT

Regulation 2020/852 of the European Parliament and of the Council of 18 June 2020³⁷ introduced the classification and reporting system of the European Taxonomy to direct investments **towards activities defined as environmentally sustainable**, facilitating the transition to a climate-neutral economy, more resilient to the effects of climate change and attentive to the use of resources.

For the purposes of this legislation, an activity that contributes substantially to achieving one or more of the **6 environmental objectives** without causing significant harm to any of the others is considered "environmentally sustainable". These objectives are:

1. Climate change mitigation

³⁶ The specific provision has been confirmed in the new Code of Ethics adopted by the Group and its subsidiaries in 2019: Art. 26 (Environmental protection) "1. The MFE Group considers protecting the environment to be a key factor in the company and is inspired by the principles of respect for and protection of the environment and the local territory, due both to their intrinsic value and their impact on the health of humans and other living species. To this end, the MFE Group is committed to observing the regulations in force and works so that all its business activity complies with the highest standards of environmental safety and compatibility.

³⁷ Particular attention is dedicated to the collection and disposal of waste produced by the company, which wherever possible is treated according to the principles of selective separation and recycling of waste, to reduce the impact on the environment to a minimum and as required by current laws and best operating practices."

³⁷ European Parliament and Council, REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.

2. Climate change adaptation
3. Sustainable use and protection of water resources
4. Transition to a circular economy
5. Pollution prevention and reduction
6. Protection and restoration of biodiversity and ecosystems

Specifically, for the purposes of this Regulation, to qualify as environmentally sustainable (or “eco-sustainable”), an economic activity must jointly satisfy a series of **conditions**:

- ▣ contributing substantially to one or more of the six environmental objectives referred to in Article 9 of the Regulation;
- ▣ complying with the technical screening criteria established by the Commission for each individual environmental objective;
- ▣ not causing significant harm to the other environmental objectives (according to the “do no significant harm” principle);
- ▣ being carried out in compliance with the minimum safeguards (in line with the OECD guidelines and the United Nations/ILO guiding principles on business and human rights).

Pursuant to the regulatory requirements set out in the Delegated Act relating to Article 8 of EU Regulation 2020/852, the MFE Group is required to include information on how and to what extent its activities are associated with environmentally sustainable economic activities according to the EU Taxonomy in its Non-Financial Disclosure.

For this first year of application, a disclosure must be prepared that includes the share of **taxonomy-eligible economic activities** and those that are not taxonomy-eligible, in relation to its turnover, capital expenditure and operating expenses.

As of the date of publication of this document, only the Delegated Acts relating to the first two environmental objectives (climate change mitigation and climate change adaptation) have been published, providing a description of EU taxonomy-eligible economic activities and the technical screening criteria associated with them. It is therefore specified that the boundary of analysis for the data included in this disclosure refers only to these two objectives.

As this is the first year of application of a new regulation at international level, all the criteria and assumptions made and included in this paragraph are based on the information and requirements currently available, which may be subject to future revisions also in accordance with the development of the legislation in force.

THE MFE GROUP APPROACH

In line with the legislative requirements, both the “statistical classification of economic activities in the European Communities” (NACE) and the descriptions of the activities listed in Annex I and Annex II of the Delegated Climate Act have been analysed to determine the eligibility of economic activities, regardless of whether one or all of the technical screening criteria are met.

For this reason, MFE Group activities are not associated with economic activities eligible for the climate change mitigation objective. Broadcasting (TV and Radio) and film production and distribution activities alone were instead **eligible for the climate change adaptation objective**. The taxonomy-eligible economic activities identified are:

▣ 8.3 - Programming and broadcasting activities

▣ 13.3 - Film, video and TV programme production, music and sound recording activities

The Group’s main revenue-generating activity, the sale of advertising space, is not among those identified as taxonomy-eligible.

The appropriate analyses were prepared on this basis to identify the financial information required by the Taxonomy and produce the economic KPIs of revenues, capital and operating expenses, given below.

The alignment of these activities will be determined on the basis of compliance with the four conditions indicated above for the individual economic activities identified as eligible. The results of this analysis will be presented in future reports in accordance with the regulations.

In awareness of the development of EU Taxonomy legislation and the possibility of development in how it is applied, the Group will evaluate the possibility of refining the methodology adopted for this first year of reporting.

PERFORMANCE INDICATORS

	Revenues	CAPEX	OPEX
8.3 Programming and broadcasting activities	7%	84%	54%
13.3 Motion picture, video and television programme production, sound recording and music publishing activities	1%	9%	2%
A. EU Taxonomy Eligible Activities	8%	93%	55%
B. EU Taxonomy Non-Eligible Activities	92%	7%	45%
TOTAL (A+B)	100%	100%	100%

Methodology:

The values provided reflect a prudent approach in interpreting the new Regulation. Activities related to the management of signal transmission networks and the sale of advertising space are considered as non-eligible.

The numerator of the KPI relating to turnover refers to the main items relating to other characteristic revenues, including the sale of broadcasting rights and television productions, net of any Intercompany transactions. The denominator, on the other hand, considered the total value of the Group's net revenues for the year 2021, as indicated in the Consolidated Income Statement.

Capital expenditure refers to increases in television and movie broadcasting rights and other tangible and intangible fixed assets (e.g. Assets in progress and advances, plant and machinery), as indicated in the respective items of the Group Cash Flow Statement for the year 2021. Only the values referring to companies that carry out activities identified as "taxonomy-eligible", i.e. broadcasting (TV and Radio) and film production and distribution, were considered in the numerator.

The denominator of the operating expenses indicator includes short-term leasing, maintenance and repair of corporate assets (including networks, broadcasting, television studios, and television and movie broadcasting rights). The numerator of the performance indicator relating to operating expenses includes the same expense items as the companies that carry out activities identified as "taxonomy-eligible", or broadcasting (TV and Radio), film production and distribution.

7.3 MANAGEMENT OF ELECTROMAGNETIC EMISSIONS

The MFE Group Italia³⁸ has always been committed to **respecting the sector legislation on electromagnetic emissions**.

Elettronica Industriale S.p.A., a subsidiary of the MFE Group, is required to present documentation to the local authorities certifying compliance with the field limits of plants for the installation of new plants or for the modification of existing plants.

In 2021, 889 requests were made to modify plants, compliant with current regulations, including compliance with the population exposure limits for electromagnetic fields.

These activities allow the Group to monitor the impact produced by any changes made to the plants throughout the area and ensure the non-existence of any negative effects due to radio-television signal emissions. The

³⁸ The issue of electromagnetism is taken into consideration only in Italy as the MFE Group in Spain does not directly manage the signal transmission network.

applications must obligatorily contain all electromagnetic impact assessments of the plants subject to the authorisation request.

The **Electromagnetic Impact Analysis (EIA)** for larger plants are extremely thorough and include “pre-existing electromagnetic background” levels and the impact of that individual plant. The reference standards for the Electromagnetic Impact Analysis are those reported in Law 36/2001 and include the maximum permitted levels to which the population can be subjected³⁹.

Furthermore, while complying with regulatory limits, Elettronica Industriale S.p.A. continuously assesses any specific provisions set by individual municipalities as well as any indications of any provincial, state and international location plans for transmission sites.

As regards the assessment of the overall impact of the transmission sites (within which Elettronica Industriale S.p.A. plants also operate), the role of the **ARPA departmental agencies (Regional Agency for Environment Protection)** must also be taken into consideration, which is responsible for monitoring activities through periodic analysis and sampling of the plants, with particular attention to more prone units of the company.

As part of managing relations with public bodies, Elettronica Industriale S.p.A. always provides absolute availability for inspections and collaborates with the ARPA, even in a preventive manner, using comparison activities during meetings with those public bodies.

The most sensitive plants have been monitored in recent years by the regional agencies (ARPAs) without penalties being imposed on Mediaset.

During 2021, the Regional Environmental Protection Agencies carried out 91 checks in the first half of the year and 798 in the second half. These checks revealed that the electromagnetic field limits had been exceeded in sites where MFE equipment was also present. It was however exceeded by less than one tenth of the legal limit and so no requests for reduction for compliance or fines were made by the authorities.

In this year and until 2022, following the **transition to new frequencies** caused by the release of the '700 band for telephone companies, new applications were made to authorise all plants, which will have to comply with the new frequency allocation plan. This will result in further analysis of the electromagnetic fields envisaged by the applicants and the Regional Environmental Protection Agencies. The total number of plants envisaged by the new National Frequency Allocation Plan will be lower (from 5 to 3) compared to the current number of plants in operation, with a resulting decrease in the electromagnetic impact in the majority of cases. The most sensitive plants have been monitored in recent years by the regional agencies (ARPAs) without penalties being imposed on MFE.

With respect to the impact of the **Covid-19 pandemic** on our activities and the main initiatives to ensure business continuity, we would point out that the main effect concerned the organisation of work and relations with organisations throughout Italy.

³⁹ The maximum exposure limits allowed by current legislation are 6 V/m in housing and related outbuildings and 20 V/m in public places (see also par. 3.3).

In particular, priority was given to web-based communication (encouraging the use of e-mail, telephone contacts and also the use of online videoconferencing software).

At a second stage, contact was resumed, including face-to-face contact and in some cases inspections of installations.

In general, through the use of smart working, it was possible to safeguard business continuity and the maintenance of operations.

The equipment managed by the **RadioMediaset** company is generally housed at stations that it does not own.

The appointed RadioMediaset Office independently, or with the support of specialist companies and/or the tower operator itself, provided with the technical documentation necessary, draws up the applications to present to the local authorities for authorisation to change existing equipment and/or activate new equipment.

The procedure adopted by the Group for the radio station in order to monitor electromagnetic pollution and safeguard the community is divided into the following activities:

- ▣ Execution of an Electromagnetic Impact Analysis (EIA) for each plant it intends to install ex novo or whose emission characteristics are to be modified by specialised third-party companies and personnel in possession of the qualifications required by current legislation, in order to ensure compliance with the exposure limits, attention thresholds and quality objectives for electromagnetic emissions as required by current legislation;
- ▣ Selection and contracting of the aforementioned counterparties in line with the provisions of the current company guidelines;
- ▣ Submission of the request for installation and operation of radio equipment (including the aforementioned EIA) to the Single Contact Point for Productive Activity (SUAP) of the municipality responsible for that area by a company lawyer or by the company/professional who carried out the aforementioned analysis, by delegation of a company representative;
- ▣ Assessment of the EIA by the Regional Agency for Environmental Protection (ARPA) for that area. Issue of the authorisation for installation and operation of radio equipment by the competent Municipality, subject to obtaining permission from the local ARPA;
- ▣ Continuous monitoring of the operation of Group radio equipment by dedicated department via verification of the data acquired by the equipment through telemetry. Where anomalies are detected that could cause the equipment to operate at higher energy levels than those envisaged, the department will promptly alert the competent maintenance companies in order to resolve any anomalies found;
- ▣ Periodic checking on the operation of the systems by specifically contracted maintenance companies
- ▣ In recent years, a complete mapping of all the radio equipment managed by the MFE Group in Italy was performed by a specialised third-party company, aimed at assessing the risks pertaining to individual systems and preparing the related RADs (Risk Assessment Documents). Measurements were carried out on the overall level of electromagnetic emissions from the stations where radio equipment operated by the Group is installed in Italy (these were cumulative measurements, bearing in mind that there may be several systems

belonging to various radio companies at a single location) and, where necessary, measurements on the emissions level of the Group's systems (narrow measurements), in order to ensure compliance with the electromagnetic emission threshold imposed by current legislation. Where anomalies were detected, installers/maintenance technicians were promptly alerted to resolve them.

During the year, 7 communications were submitted to ARPA for equipment of less than 20 W and 28 applications for authorisation for equipment of greater than 20 W, for a total of 42 assessments (EIA). There was also 1 test report (post-activation checks requested by the authority) and 17 sites were monitored by ARPA (periodic checks on the territory), for a total of 41 plants.

During the base year, the ARPA identified non-compliance with the required attention thresholds at 3 sites due to multiple exposures. This involved 10 managed systems and others belonging to third parties, for which assessments to meet legal requirements are still underway. In the course of 2021, 2 notification reports were issued that envisage a fine of €25,838.43 each concerning an alleged lack of permit. An appeal was filed with the competent court. The appointed RadioMediaset Office also gathers the data for drawing up the Risk Assessment Document, including the electromagnetic field levels, which allow appropriate interventions for remedying the most important issues to be identified and developed. 2021 saw 244 monitoring operations, 231 Plant Risk Assessment Documents prepared and 2 RADs for owned sites for these purposes.

There were no risks to station workers since the electromagnetic levels detected are completely within the thresholds prescribed by law.

In any case, in an effort to further reduce risk, the power of the transmitting plants is reduced during any work at height on the pylon/pole, thus keeping the exposure of workers to electromagnetic fields to a minimum.

As far as the impact of the **Covid-19** pandemic is concerned, it should be noted that work was always carried out continuously, taking the appropriate and necessary health precautions, even if that work was slowed by the relevant national and regional regulations.

When carrying out activities externally and with the presence of other staff, measures were adopted to preserve personal health, such as the temporary assignment of the same vehicle always to the same worker and the instruction to coordinate with other site users during checks in order to limit presence to a few people. The compulsory use of masks and gloves was always observed, even in the most isolated locations. Finally, the standard information sheet on Risks to Workers at Technological Sites and Interference Risks was supplemented with a section on Risk Assessment of COVID-19 infection and related Prevention and Protection Measures.

7.4 WASTE MANAGEMENT

In order to minimise its impact on the local territory, the MFE Group, including foreign investee companies, constantly monitors its consumption of raw materials and the waste produced by its activities.

The Group mainly produces waste connected to its specific activity, such as mixed packaging materials, toner, electrical and electronic equipment and bulky waste (e.g. sets), and hazardous waste composed of materials from ordinary maintenance activities (e.g. neon lights and batteries). Lastly, it is worth mentioning the possible production of hazardous waste due to the hospital service.

WASTE BY TYPE (TONs)	2021	2020
Bulky Waste	758	564
Mixed-Material Packaging	697	956
Plastic	256	6
Broken equipment, other than that indicated in 16 02 09 to 16 02 13	124	42
Paper and Cardboard Packaging	129	97
Other (hazardous)	10	6
Other (non-hazardous)	131	99
Total	2,105	1,770

All refuse produced is managed in compliance with current regulations on the environment (Legislative Decree 152/2006) and waste collection is managed using appropriate bins that have been approved for hazardous waste.

The MFE Group also adopts oversight activities on the correct administrative and legal management of the refuse through the **supervision of the transport process**, in close coordination with the suppliers and in compliance with the law.

The verification of the authorisations and the administrative management of the waste for all premises that are part of the Cologno Monzese headquarters are carried out using specific software (ECOSWEB).

It should also be noted that the **separate collection of urban waste** has always been present within the company.

The Group produced approximately 2,104 metric tons of waste in 2021. In particular, hazardous waste represents less than 1% of the total waste produced, with the rest non-hazardous.

WASTE DIVIDED BY TYPE AND DISPOSAL METHOD (METRIC TONS) FOR THE MFE GROUP

	2021			2020		
	Hazardous	Non-hazardous	Total	Hazardous	Non-hazardous	Total
Recycle	4.87	33.05	37.92	3.78	43.92	47.70
Composting	-	0.09	0.09	-	0.08	0.08
Recovery[*]	4.84	2,046.14	2,050.98	1.90	1,704.65	1,706.55
Dump[**]	-	15.20	15.20	-	15.17	15.17
Other	0.36	-	0.36	0.53	-	0.53
Total	10.07	2,094.48	2,104.54	6.21	1,763.82	1,770.03

[*] Including recovery through energy production R-13 – R-5.

[**] Preliminary deposit before one of the operations referred to in points D1 to D14 (excluding temporary deposit, before collection, in the place where they are produced)

The **MFE Group in Spain** monitors the consumption of paper, CDs and toners in all its offices. This monitoring focuses specifically on the Fuencarral and Villaviciosa offices in Madrid, where all activities related to audiovisual production are concentrated, and involves around 96% of the workforce.

In 2021, all waste generated by the MFE Group in Spain was managed appropriately, promoting recycling activities according to national legislation.

In 2021, Mediaset España continued with work to eliminate non-biodegradable plastic waste in the canteen and adjoining bar.

In compliance with the regulations governing hazardous and non-hazardous waste, the Group has appointed a specialised third party company for its management.

Waste electrical and electronic equipment is managed by technical warehouse workers, while organic waste produced by the canteen is collected and separated by kitchen personnel according to the type of material.

Hazardous waste included batteries, fluorescent tubes and printer material.

7.5 MANAGEMENT OF ENERGY CONSUMPTION AND EMISSIONS

The main energy sources used by the MFE Group, in Italy and Spain and in the other foreign investee companies, for the performance of its activities are divided into four types: electricity, natural gas, diesel and petrol.

The largest proportion of energy consumption is due to **electricity**, used mainly for the supply and operation of radio towers, servers, data centres and uninterruptible power supplies for technical equipment, as well as for the air conditioning and lighting of the Group's plants. Replacement of printers in Group offices due to obsolescence continued in 2021. Products were selected favouring models that provide the same performance with a lower environmental impact. The adoption of LED light arrays for television studios also continues.

In some locations, electricity is also used to power the heating and cooling units and for powering data centres. In 2021, around 326 TJ of electricity was consumed, approximately 1% less compared to 2020. This decrease in energy consumption is also due to the effect of the pandemic situation and the consequent decrease in activity related to the presence of staff in offices.

ENERGY CONSUMPTION WITHIN THE GROUP BY SOURCE (TJ)[*]

	2021	2020
Electricity purchased	326	330
Natural gas	33	31
Diesel	24	26
Petrol	3	2
Total	386	388

[*] Source: Lower Calorific Value of natural gas equal to 0.034 GJ/m³, average density of diesel oil equal to 0.84 kg/litre, Lower Calorific Value of petrol equal to 42.82 GJ/ton, average density of petrol 0.74 kg/litre, Lower calorific value of diesel oil equal to 42.78 GJ/ton, average density of diesel oil 0.84 kg/litre (Sources: NIR: Italian Greenhouse Gas Inventory 1990-2017 - National Inventory Report 2019).

To provide a more meaningful representation of the MFE Group's energy consumption, the source of the conversion coefficients used for the calculation was updated during the year. For the figures published previously, please refer to the 2020 Sustainability Report published in the "Sustainability" section of the [mfemediaforeurope.com](https://www.mfemediaforeurope.com) website.

GREENHOUSE GAS EMISSIONS (TONS OF CO₂) FOR THE GROUP [*)

	2021	2020
Scope 1[**]	4,084	3,828
Scope 2[**] - Location-based	27,528	30,393
Scope 2[**] - Market-based	34,442	35,477

[*) Scope 1 emissions are expressed in metric tons of CO₂ equivalent. Scope 2 emissions are expressed in tons of CO₂, but the percentage of methane and nitrous oxide has a negligible effect on the total emissions of greenhouse gases (CO₂ equivalent) as can be deduced from the reference technical literature.

[**] 2021 data: Natural gas emission coefficient equal to 2.02266 kgCO₂e/Sm³, diesel oil emission coefficient equal to 2.54603 kgCO₂e/l, petrol emission coefficient equal to 2.16802 kgCO₂e/l (source: DEFRA 2020. UK Government - GHG Conversion Factors for Company Reporting).

2020 data: Natural gas emission coefficient equal to 2.02266 kgCO₂e/Sm³, diesel oil emission coefficient equal to 2.54603 kgCO₂e/l, petrol emission coefficient equal to 2.16802 kgCO₂e/l (source: DEFRA 2020. UK Government - GHG Conversion Factors for Company Reporting).

To provide a more meaningful representation of the MFE Group's emissions, the source of the emission factors used for the calculation was updated during the year. For the figures published previously, please refer to the 2019 Sustainability Report published in the "Sustainability" section of the mfemediaforeurope.com website.

In particular, it should be noted that all electricity purchased by the **MFE Group in Spain** (equal to about 15.56 GWh in 2021) is certified and comes from renewable sources through Guarantees of Origin. This consumption is mainly due to the technical equipment of the studios, including recording, transmission and post-production equipment, as well as computer equipment and air conditioning in IT rooms.

Activity to achieve greater efficiency in terms of the above consumption continued in 2021, above all by replacing the above equipment which is most energy inefficient and obsolete.

In particular, work continued on:

- ▣ replacing high-consumption lights with more energy-efficient models;
- ▣ replacement of the most obsolete computers;
- ▣ installation of new solar panels on buildings;
- ▣ Fuel consumption (petrol and diesel) in 2021 amounted to 3.7 TJ, mainly due to the company car fleet and some generators.

Natural gas is used to heat offices, laboratories and warehouses only, comprising around 8% of total energy consumption. It saw a 5% increase compared to 2020.

However, the consumption of **diesel and petrol** in 2021 amounted to about 27 TJ, mainly due to the company car fleet and the operation of a few generators.

The MFE Group company fleet in Italy consists of cars for long-term hire and a specifically owned car fleet in Spain.

In 2021, the Group's activities generated greenhouse gas emissions due to direct energy consumption (natural gas, petrol and diesel) and indirect energy consumption (electricity) of the Group itself. In particular, a high proportion of the greenhouse gas emissions are due to Scope 2 emissions, for which MFE is indirectly responsible,

as it derives from the electricity supply purchased externally. However, the zero contribution of the MFE Group in Spain to these type of emissions (according to the Market-based approach) is noteworthy, since all electricity of the Group is covered by certificates of guarantee of origin.

The reporting standard used (GRI Sustainability Reporting Standards 2016) provides for two different approaches to calculating Scope 2 emissions: "location-based" and "market-based". The "location-based" approach envisages the use of a national average emission factor related to the specific national energy mix for the production of electricity (emission coefficient used for Italy of 315 gCO₂/kWh and for France of 56 gCO₂/kWh - Source: TERNA, International Comparisons 2021). The "Market-based" approach envisages the use of an emission factor defined on a contractual basis with the electricity supplier. Given the absence of specific contractual agreements between MFE Group companies in Italy and the electricity supplier (e.g. purchase of Guarantees of Origin), the emission factor relating to the national "residual mix" was used for this approach (emission coefficient used in Italy of 459 gCO₂/kWh and for France of 59 gCO₂/kWh - Source: Association of Issuing Bodies, European Residual Mixes 2019, 2020). Note too that the companies of the MFE Group in Spain do not use Scope 2 emissions for the "market-based" approach since they purchase electricity from renewable sources certified with Guarantees of Origin. In Italy, it should be noted that as part of the 2021 tender for 2022 Electricity supply for the Group's utilities, the decision was taken to purchase energy from renewable sources with guarantees of origin.

Finally, the direct emissions of Scope 1 generated directly within the Group due to the use of fuels for heating, generators and the car fleet amount to approximately 4,084 tCO₂eq.

We would highlight the fact that in Italy, sustainable mobility initiatives were launched to this end in 2021, an area in which the Group, after having introduced various measures in previous years to improve employee transport to the main company premises, has focused its commitment on renewing the company car fleet. It has developed a project that will be completed in 2022 and involves the construction of major car park charging station infrastructure at its Cologno Monzese headquarters. This will facilitate conversion of the company fleet to hybrid or full-electric models, capable of producing positive impact in reducing CO₂ emissions from company cars.

In reference to the sustainable management of greenhouse gas emissions, it should be noted that the **MFE Group in Spain** identifies, measures and manages its emissions and establishes appropriate measures for their reduction. In addition to quantifying the emissions generated, the company also makes this information public, which demonstrates its degree of awareness and transparency in this sector. The commitment of the MFE Group in Spain to transparency is reflected in its participation in the **Carbon Disclosure Project (CDP)** initiative since 2009, with which the Group agrees to publicise its objectives and the methods implemented to reduce greenhouse gas emissions.

Furthermore, it should be noted that in order to reduce greenhouse gas emissions as much as possible and raise awareness among its employees, the MFE Group in Spain offers its staff a **shuttle service** linking the company's premises with metro stations over a wide range of hours in order to encourage greater use of public transport.

In this context, we would highlight the fact that the car fleet owned by Mediaset España includes 1 minibus for transporting employees and a fleet of cars for long-term hire, used exclusively by the group's senior managers, comprising 37 diesel cars, 8 petrol and 14 hybrid.



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M5	Number and nature of responses (feedback/complaints) related to content dissemination; including protection of vulnerable audiences and informed decision making and accessibility; and processes for addressing these responses	104-152
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INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITOR'S REPORT ON THE SUSTAINABILITY REPORT

To the Board of Directors of MFE - MEDIAFOREUROPE N.V.

We have carried out a limited assurance engagement on the Sustainability Report of MFE – MEDIAFOREUROPE N.V. and its subsidiaries (hereinafter the “Group”) as of December 31, 2021.

We did not perform limited assurance procedures on the information included in the paragraph “EU Taxonomy” of the Sustainability Report, voluntarily disclosed, based on the European Regulation 2020/852.

Responsibility of the Directors for the Sustainability Report

The Directors of MFE - MEDIAFOREUROPE N.V. are responsible for the preparation of the Sustainability Report in accordance with the “*Global Reporting Initiative Sustainability Reporting Standards*” established by GRI – *Global Reporting Initiative* (“GRI Standards”), as stated in the paragraph “Methodological Note” of the Sustainability Report.

The Directors are also responsible, for such internal control as they determine is necessary to enable the preparation of the Sustainability Report that is free from material misstatement, whether due to fraud or error.

The Directors are also responsible for the definition of the Company’s objectives in relation to the sustainability performance, for the identification of the stakeholders and the significant aspects to report.

Auditor’s Independence and quality control

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

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

Auditor's responsibility

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

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

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

Specifically we carried out the following procedures:

- 1) analysis of the reasons for the coexistence of the NFS (Non-Financial Statement) pursuant to Dutch legislation (Besluit bekendmaking niet-financiële informatie) in implementation of Directive 2014/95 / EU and the Sustainability Report and the profiles that differentiate the two documents;
- 2) analysis of the process relating to the definition of material aspects disclosed in the Sustainability Report, with reference to the methods used for the identification and prioritization of material aspects for stakeholders and to the internal validation of the process results;
- 3) comparison between the economic and financial data and information included in the Sustainability Report with those included in the Group's Financial Statements;
- 4) understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the Sustainability Report.

In particular, we carried out interviews and discussions with the management of Mediaset Italia S.p.A. (now Mediaset S.p.A.), di Mediaset España Comunicación S.A., Publitalia '80 S.p.A., Radio Mediaset S.p.A., R.T.I S.p.A. and we carried out limited documentary verifications, in order to gather information about the processes and procedures, which support the collection, aggregation, elaboration and transmittal of non-financial data and information to the department responsible for the preparation of the Sustainability Report.

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

- at the Group's level:
 - a) with regards to qualitative information included in the Sustainability Report, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;
 - b) with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data.
- for Mediaset Italia S.p.A. (now Mediaset S.p.A.), Mediaset España Comunicación S.A., R.T.I. S.p.A., which we selected based on its activity, its contribution to the performance indicators at the consolidated level, we carried remote meetings, during which we have met the management and have gathered supporting documentation with reference to the correct application of procedures and calculation methods used for the indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the Sustainability Report of the Group as of December 31, 2021 is not prepared, in all material aspects, in accordance with the GRI Standards as stated in the paragraph "Methodological Note" of the Sustainability Report.

Our conclusion on the Sustainability Report does not extend to the information included in the paragraph "EU Taxonomy" based on the European Regulation 2020/ 852.

DELOITTE & TOUCHE S.p.A.



Franco Amelio
Partner

Milan, Italy
April 27, 2022