

SUSTAINABILITY REPORT

IRIDΞOS

2022

LETTER TO THE STAKEHOLDERS

Dear Reader,

We are pleased to present to you the second IRIDEOS Sustainability Report, which marks a significant milestone in our journey as the newly acquired company of the Asterion Industrial Partners fund. This report documents our achievements and the obstacles we face in promoting sustainable, ethical, and environmentally sound economic growth.

We have a deep and unwavering commitment to sustainability, based on our understanding of the strong link between the technologies and digital infrastructures that underpin our business - broadband, the cloud, data centers, cyber security - and the environment and the wider economy. Our awareness of this connection is strengthened further by our partnership with Retelit, a company fully owned by Asterion, which positions us as Italy's leading wholly B2B telecommunications operator.

The combination of sustainability and digitalisation has emerged as a catalyst for developing more economically, socially, and environmentally sustainable business practices and activities. According to the World Economic Forum (WEF), digital technologies have the potential to reduce global emissions by 20% by 2050. Reliable, resilient, high-quality, and sustainable technology infrastructures stimulate innovation in both businesses and communities. They facilitate the efficient use of natural resources and promote the growth of the circular economy, smart mobility, agile working, and the transformation of cities into smarter and more sustainable communities that contribute to climate action.

On the other hand, the ICT industry has a substantial impact on energy and resource consumption. Recent studies (Boston Consulting Group) indicate that the sector is responsible for approximately 3% of global CO2 emissions, a number that could rise to 13% by 2030. In addition, it accounts for 5% to 9% of overall electricity consumption, a percentage that has the potential to increase to 20% by 2030.

One of our top priorities is to reduce our environmental impact and manage energy resources more efficiently. This year, our efforts have resulted in savings of over 26,000 tonnes of CO2eq. We are dedicated to upgrading the systems that serve our data centers with advanced technologies and high-performance materials. Furthermore, despite energy price fluctuations, we remain committed to using solely certified renewable energy sources.

Our new Avalon 3 data center, unveiled in November, has been developed with a keen focus on sustainability, environmental protection, and a reduced carbon footprint. We have ensured that it meets the Gold level of the LEED Core & Shell standard, which attests to its energy efficiency and the ecological quality of the rooms and the resources used in its construction. The data center is equipped with cutting-edge technologies that guarantee optimal energy efficiency (PUE target of 1.3) while complying with the self-regulatory criteria of the Climate Neutral Data Center Pact, to which IRIDEOS committed in 2020, with the goal of ensuring its data centers are carbon neutral by 2030.

Furthermore, IRIDEOS has renewed its commitment to conforming with the European Code of Conduct. This is a set of best practices established at the European level for building and managing sustainable data centers. We have started the process of achieving compliance for Avalon 1 and Avalon 3, following the successful completion of the process for Avalon 2.

Lastly, we highlight several ambitious goals encompassing various aspects of sustainability, which have been incorporated into our three-year Sustainability Plan. These goals include promoting diversity and inclusion within the Company through awareness-raising programmes and initiatives targeted at empowering women, prioritising the provision of ongoing training on new technologies, safety, and sustainability topics, and supporting STEM education by collaborating with prestigious schools and universities. We also promote sustainable employee commutes (HWCP), strive for continuous service improvement to support digital transformation in businesses, and contribute to the global transition towards a "smarter and more sustainable" world.

We hope you enjoy the report.

Roberta Neri
Chairperson of the Board of Directors



Federico Protto
Chief Executive Officer



SUSTAINABILITY REPORT

2022

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Chapter

1

IRIDEOS,
CONNECTED TO THE FUTURE

1.1 Who We Are

IRIDEOS further strengthened its position in 2022 by upgrading its proprietary infrastructures, including its new Avalon 3 data center, network, and cloud services, which play a key role in the digital transformation of businesses and public administrations.

IRIDEOS is **Italy's leading infrastructure for the management of business and public administration data**, integrating data centers and cloud platforms, fiber optics, and software-defined networks with an in-house SOC and security and management services.

Data centers are the nervous system of the digital ecosystem. They are critical for preserving and maintaining the information assets of businesses and public administrations. They also facilitate the delivery of advanced digital services such as the cloud and form the foundational "pillars" of digital clouds. Intelligent Fiber, data centers, the cloud, and security form the bedrock of IRIDEOS' ecosystem of integrated ICT infrastructures.

Thanks to this ecosystem, and the managed services that underpin it, IRIDEOS helps large businesses and public administrations, small and medium-sized enterprises, and wholesale operators achieve flexibility, security, and business continuity by contributing to Italy's digital transformation.

Since December 2022, IRIDEOS has been 98% owned by Asterion Industrial Partners, a Madrid-based European investment fund with a focus on infrastructure, which also owns 100% of the Retelit Group.

IRIDEOS and Retelit have joined forces to become the largest B2B-focused ICT provider in Italy, recording a turnover of over Euro 381 million, a fiber-optic network spanning 43,000km, 27,000m² of data center space, and 1,554 telecommunications towers and cable landing stations located in Bari, Palermo, Genoa, and Marseille.





- The fiber-optic network, owned jointly by IRIDEOS and Retelit, stretches 43,000km and connects Italy via motorways and the Adriatic backbone to MAN branches in major cities.



- IRIDEOS operates data centers in Rome, Trento, Verona, and Milan, including Italy's largest Internet hub, the Avalon Campus. These data centers are powered by renewable energy, connected by proprietary fiber optics, and linked to major national and European NAPs (Neutral Access Points) and backbones.



- Three Italian cloud platforms, recognised by Italy's Digital Agency (AgID) and certified for the public sector.



- A SOC (Security Operations Center) at our Milan headquarters to protect services and the data that pass through them. The SOC also leverages artificial intelligence to proactively prevent and counteract potential threats.

Italy's largest Interconnection Hub

Avalon Campus, Italy's largest Internet interconnection hub, is one of IRIDEOS' primary assets and a key pillar of its integrated proprietary platform and infrastructure ecosystem. Here, Carriers, Internet Service Providers (ISPs), Resellers, Over-the-Tops (OTTs), and Large Enterprises benefit from a unique location with advantageous logistics and the presence of numerous Operators, OTTs, Cloud Providers, and streaming platforms (165 national and international). This makes it the perfect environment to install equipment, establish connections with other operators, gain access to public clouds, and even host entire data centers.

All Avalon Campus buildings and spaces are interconnected by a modern connection management infrastructure (Meet-Me-Rooms), creating one large virtual data center that spans **13,000m²** and has a total capacity of more than **2,600 racks**. All data centers - and generally speaking, all IRIDEOS facilities - are powered by 100% green energy from certified renewable sources.

Avalon 1, located at Milan's Via Caldera hub, spans a total of 8,900m² across four buildings (Green, Blue, Yellow and Orange), making it the largest data center in the Caldera Park Technology Hub area.

Avalon 2 is located in Settimo Milanese, less than three kilometres from Avalon 1, and is interconnected with IRIDEOS fiber optics along two different pathways. This data center is the Milan Campus' **first point of expansion**. Designed with cutting-edge technologies to

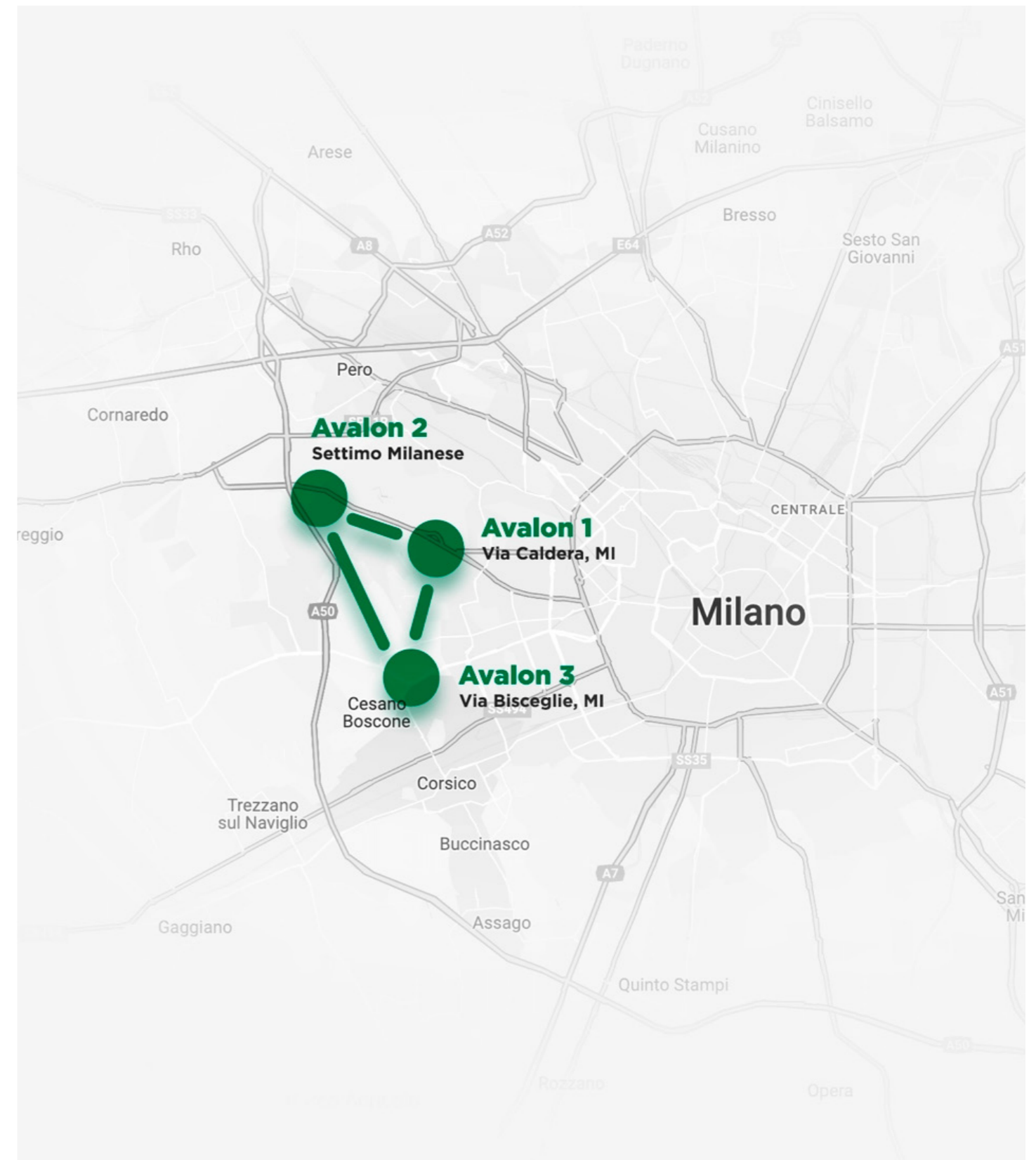
achieve the highest levels of performance, efficiency, and security, Avalon 2 is a next-generation data center with a **low environmental impact**.

Located in the metropolitan area with the highest density of data centers and fiber optics, **Avalon 3** is IRIDEOS' newest data center. It is located on Via Bisceglie, just over four kilometres from Avalon 1 and Avalon 2, and is connected through fiber optics running along differentiated physical routes.

Opened in November 2022, it was built using state-of-the-art technology to guarantee the very best performance and a reduced environmental impact, including a sustainable and redundant cooling system, in addition to 100% renewable electricity.

Avalon 3 was designed with full sustainability in mind and is **100% green**, with a focus on environmental protection and low climate impact. The building has been **certified** at the **Gold** level according to the **LEED Core & Shell standard** (certification is still in progress for data center spaces), which guarantees sustainable energy consumption and the ecological quality of the rooms and the resources used in the construction process.

Avalon 3 is certified to the highest internationally recognised standards of business continuity, security, and resilience that a data center can offer: **Rating 4 - ANSI/TIA** and **Tier IV - Uptime Institute** (the latter is still in progress).





Fiber optic network

Fiber optics and ultra-wideband solutions play a key role in enabling the digital transformation of businesses and public administrations. They also facilitate Italy's recovery, in line with the National Recovery and Resilience Plan (NRRP).

In 2022, IRIDEOS commenced a major project to enhance its fiber-optic network. The project involves building a new, more extensive IP backbone, using the latest-generation technologies. The objective is to provide customers with high-speed and reliable connectivity, ensuring access to all digital services, including the cloud. Additionally, the upgraded network seeks to further enhance network resilience against cyber attacks such as DDoSs, which are increasingly common and can cause significant harm.

The IRIDEOS network runs along Italy's main motorway backbones, with a speed of up to 400 Gbps. It is integrated with the country's main fixed and wireless operators, thereby guaranteeing maximum proximity to businesses and the provision of top-quality services. The infrastructure spans about 750km between Bologna and Bari and is a valuable asset along a key route to Eastern Europe and the Middle East. It also presents a significant opportunity to connect Italian businesses and public administrations to the rest of the world.

In addition, the IRIDEOS network is connected to the largest international PoPs (Points of Presence): Frankfurt, Amsterdam, London, Paris, Madrid, Stockholm, Brussels, New York and Hong Kong, thereby connecting companies in Europe, North America, and Asia-Pacific.

Integrating the network with software-defined technologies enables the provision of SD-WAN solutions for the flexible, intelligent, and more secure management of corporate networks.

IRIDEOS' partnership with the Retelit Group began at the end of 2022 and has improved its ability to cater to growing demand for ultra-wideband connectivity solutions among businesses and the public sector. Its infrastructure, comprising 43,000km of fiber-optic cables, 1,430 telecommunication towers, and cable landing stations in Bari, Palermo, Genoa, and Marseille, has further strengthened this capacity.

The Italian multicloud

The cloud solutions provided by IRIDEOS (V.Cloud, O.Cloud, and S.Cloud) are certified according to the latest, strictest PA cloud requirements. This certification also addresses businesses' growing preference for multi-cloud strategies, which involve integrating private and public clouds from different operators. We have complemented our S.Cloud portfolio for SAP environments with SAP solutions using Microsoft's Azure platform and IRIDEOS' architecture and data centers.

IRIDEOS' cloud platforms are designed to give customers direct, fast, and secure access to their applications and services through integration with major public sector clouds. These cloud platforms are AgID-certified and are natively secure, thanks to their geographical distribution, redundancy, and constant monitoring by in-house certified personnel who man the Company's competence centre and SOC.

To further help businesses and PAs adopt technical and organisational measures to guarantee data security and privacy, IRIDEOS has integrated Backup, Disaster Recovery as a Service, and Business Continuity solutions into its cloud portfolio, which it has designed according to a "GDPR-compliant" approach.

Security Operation Center

Security is crucial to IRIDEOS and is baked into its services, infrastructures, and operational processes as a native component. This ensures networks, systems, and services are constantly monitored and protected. IRIDEOS' SOC, located at its Milan office, is an in-house competence center dedicated to **monitoring network infrastructure and data centers 24 hours a day**. It responds proactively to potential cyber attacks on the infrastructures of IRIDEOS and its customers.

IRIDEOS' SOC utilises cutting-edge technologies that harness the potential of behavioural analysis, machine learning, and artificial intelligence to comprehensively protect data, applications, systems, and infrastructure. The SOC's certified personnel leverage these technologies to enhance their monitoring and analysis activities, resulting in highly effective security measures.

In 2022, IRIDEOS collaborated with the technology

partner Darktrace to enhance its MDR (Managed Detection & Response) services as part of its cyber security solutions. As a result, it now uses Artificial Intelligence technologies to constantly monitor, proactively detect, and manage security incidents to ensure businesses have adequate protection for their networks, data, and services. In addition, the anti-DDoS services are complemented by a demo environment that helps customers and prospects grasp the service's potential.

Participating actively in the local and global community

Aware of the key role that ICT services play in fostering innovation and creating value for businesses and the economy as a whole, IRIDEOS actively participates in various local and global communities and associations.

At the national level, IRIDEOS is a member of Assintel, the leading national association of ICT and digital companies, which plays a crucial role in promoting technological innovation in Italy. Additionally, IRIDEOS also belongs to ANFOV, an association for companies along the entire ICT supply chain. ANFOV's mission is to foster constructive dialogue between all of the entrepreneurial and institutional players involved in the telecommunications sector, in addition to monitoring, analysing, and promoting the development of various ICT sectors.

IRIDEOS also participates in several European projects. The Company is a Day-1 member of GAIA-X and one of the founders of the European Alliance for Industrial Data, Edge and Cloud. These initiatives seek to contribute to the development of the next-generation European Cloud, which safeguards data sovereignty and makes various local cloud infrastructures interoperable with the intention of fostering innovation at European companies.

Since its establishment, IRIDEOS has also been a member of the European CISPE coalition (Cloud Infrastructure Services Providers in Europe). As a result, it complies with a shared Code of Conduct, which ensures it provides secure cloud services to companies, in full compliance with European data privacy regulations.

The value chain

IRIDEOS relies on a robust network of local and global companies that provide services (maintenance, technical services, and customer care) and technologies (electronic equipment, software, and other related components) in order to do business. These suppliers undergo a qualification and evaluation process.

During 2022, IRIDEOS subjected **286 new suppliers** to its qualification and evaluation process by asking them to complete a qualification questionnaire that included a section on specific certifications (ISO 9001, ISO 27000, ISO 20000-1, ISO 14001, and ISO45000/OHSAS 18001).

The **137 most important suppliers** were also asked to complete a **specific questionnaire on environmental policies**. In addition, activities related to **occupational health and safety policies** were verified through the analysis of appropriate KPIs (injuries, voluntary additional training courses). However, we note that there is currently no formal due diligence process in place for new suppliers.

In any case, acknowledgement of the Ethics Code, Organisational Model pursuant to Legislative Decree No. 231/2001, and Privacy Policy is a fundamental prerequisite when establishing a relationship with IRIDEOS.

1.2 Governance Model

IRIDEOS has a traditional Corporate Governance system comprising an administrative body (Board of Directors) and supervisory body (Board of Statutory Auditors). Both bodies are appointed by the Shareholders' Meeting, which performs independent activities.

IRIDEOS' corporate bodies operate in full compliance with the provisions of Article 2391 of the Civil Code, especially with regard to potential conflicts of interest.

In addition, the Company has devised a comprehensive, integrated body of codes and tools (231 Model, Ethics Code, and Supervisory Board). These codes and tools define specific rules of conduct and ethical principles that protect the integrity of IRIDEOS' business.

The acquisition of 98% of IRIDEOS by **Asterion Industrial Partners** through Marbles S.p.A. was finalised on **December 21, 2022**.

Following the acquisition, a new Board of Directors was appointed, and the appointment of the current Board of Statutory Auditors was confirmed. At December 31, 2022, the two bodies comprise a total of 11 people, three women and eight men.

Board of directors

The **Board of Directors** forms the core of the Company's corporate structure and is vested with the widest powers of ordinary and extraordinary management, in accordance with the Company's business purpose.

The Board of Directors approves the Sustainability Report and materiality process, in addition to the Sustainability Plan, which outlines the Company's priority ESG projects and commitments, aligning them with the objectives defined in its Business Plan. The 2023-2025 Sustainability Plan was approved by a resolution on November 29, 2022. Although there are no specific controls in place, the approval process includes a prior assessment of the contents of the Sustainability Report and Sustainability Plan at a management meeting held with the Board of Directors.

In addition, sustainability topics are included in the incentive plans (MBOs) of the majority of IRIDEOS' Senior Management.

The Board of Directors has identified a Director with specific ESG responsibilities. The Company has set up an internal ESG Committee comprising individuals responsible for the various areas of the Sustainability Report, which concerns sustainability-related initiatives, their reporting, and the adoption of the Sustainability Plan.

At December 31, 2022, IRIDEOS' Board of Directors comprised six people (two women and four men), all of whom represent the majority shareholder Marbles S.p.A.. None of the Directors receives remuneration, with the exception of the Chairperson.

Composition of the Board of Directors of IRIDEOS by age and gender		31.12.2019	31.12.2020	31.12.2021	31.12.2022
Female	< 30 years	0	0	0	0
	30 - 50 years	2	2	1	1
	> 50 years	1	1	2	1
Male	< 30 years	0	0	0	0
	30 - 50 years	2	2	2	3
	> 50 years	3	3	3	1
Total		8	8	8	6

Structure of the IRIDEOS Board Of Directors		
Member	Office	
Roberta Neri	Chairperson	Executive Member (Internal Audit and Institutional Relations)
Federico Silvano Mario Protto	Chief Executive Officer	Executive Member
Gianluca Ferrari	Director	Non-Executive Member
Jorge Juan Alvarez Fernandez	Director	Non-Executive Member
Alexandre Karam	Director	Non-Executive Member
Bice Francesca Di Gregorio	Director	Non-Executive Member
The Board of Directors of IRIDEOS was appointed on December 21, 2022 and will remain in office until the approval of the 2024 Annual Accounts		

Board of statutory auditors

The **Board of Statutory Auditors**, pursuant to Article 2403 of the Civil Code, is entrusted with control powers. Its purpose is to ensure fairness and transparency in the management of the Company, supervising the observance of the law and the By-Laws by the Company's other bodies, the principles of proper administration, the adequacy of the administration and accounting organisation of the Company, and its correct functioning. At December 31, 2022, the Board of Statutory Auditors comprises five people.

Structure of the IRIDEOS Board of Statutory Auditors	
Member	Office
Fabrizio Piercarlo Bonelli	Chairperson
Alessandro Bonura	Statutory Auditor
Giuseppe Benini	Statutory Auditor
Ottavia Orlandoni	Alternate Auditor
Massimiliano Alberto Tonarini	Alternate Auditor

The Board of Statutory Auditors of IRIDEOS was appointed on April 30, 2020 and will remain in office until the approval of the 2022 Annual Accounts

The organisational structure has not changed and comprises nine main departments, all of which report to the Chief Executive Officer: Administration, Finance & Control; Legal & Corporate Affairs; Processes & Customer Experience; Human Resources; Strategy & Business Development; Technology & Systems; Sales & Marketing. The Company's organisational structure includes a dedicated Mobile segment, established after the acquisition of Noitel, in addition to a Secretariat for the Senior Management team. These areas are flanked by the Regulatory, Compliance, and Internal Audit control departments.

IRIDEOS organisational structure

The sale of 98% of IRIDEOS by its majority shareholders (F2i SGR S.p.A. and Marguerite Infrastructure Italy Sàrl) to Marbles S.p.A. was finalised on December 21, 2022.

Marbles S.p.A. is indirectly controlled by Asterion Industrial Partners SGEIC S.A. in its capacity as the management company of the investment funds Asterion Infra Fund II (Fondo de Capital Riesgo - FCR) and Asterion Infra Fund I (Fondo de Capital Riesgo - FCR).

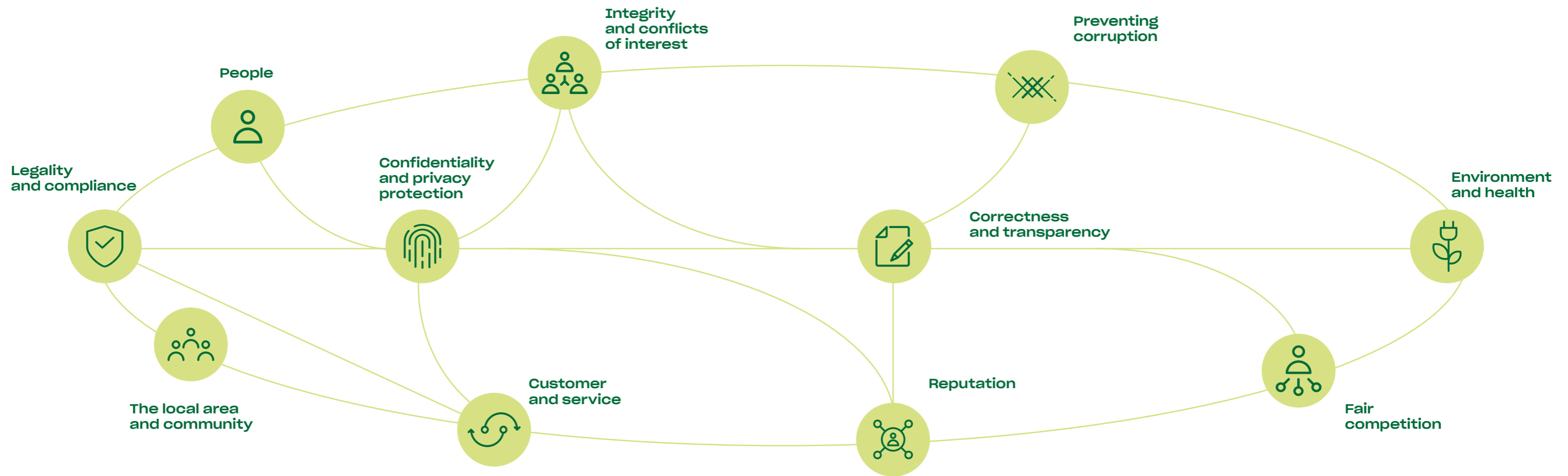
Asterion Industrial Partners now also owns 100% of Retelit. The combined infrastructure, skills, and service assets of IRIDEOS and Retelit strengthen its position as the largest B2B operator in the ICT market.



1.3 Values and ethical principles: our social responsibilities

IRIDEOS guides businesses and public administrations through the digital transformation process with integrated solutions that combine the cloud, data centers, fiber optics, security, and innovation. IRIDEOS has established itself as **Italy's leading technology platform for businesses and public administrations** thanks to its cutting-edge infrastructure and expertise. IRIDEOS' success and ability to meet market challenges are based on its **ability to listen to customers** and prioritise their digital needs, in addition to the values enshrined in its **Ethics Code**, which inspire the conduct and daily activities of the Company and its employees.

The ethical, value-based, and behavioural principles that govern the Company's internal and external relations are inspired by respect for the laws in force and conduct that is loyal, transparent, and consistent with the Company's governance criteria.



The Company adheres to the following Principles of Conduct:

Reliability and transparency	When doing business, we record and process company data and information in a comprehensive, accurate, adequate, and timely manner, ensuring that the right procedures are in place to ensure the integrity and reliability of data.
Fairness and confidentiality	In the performance of our duties, we treat everyone who interacts with the Company equally.
Impartiality and equal opportunity	We reject all forms of unlawful discrimination based on age, gender, health status, nationality, race, religious beliefs, political opinions, and lifestyle.
Copyright protection	We comply with local, EU, and international regulations protecting intellectual property and promote the proper use of all creative works, including computer applications and databases.
Gifts and benefits	We strictly forbid the direct or indirect giving or promising of money, gifts, or any other form of benefits with third parties in a personal capacity, in exchange for unfair advantages or favourable treatment that contradict the laws in force and the ethical principles enshrined in the Company's Ethics Code.
Money laundering, financing criminal activities, and tax offences	We prohibit involvement in activities that involve money laundering/self-laundering, financing terrorism, or using proceeds from criminal activities in any form or manner, in addition to any conduct that could potentially lead to the commission of tax offences.
Donations, sponsorships, and gifts	We promote the sustainable development of the local area and community by sponsoring and funding cultural events, charitable endeavours, sports, and environmental protection initiatives.

The environment	We closely monitor the potential impact of our operations on the environment. This involves ensuring compliance with relevant environmental regulations and laws, promoting environmental awareness and knowledge among our staff members, and maintaining open and transparent dialogue with stakeholders, employees, local authorities, public administrations, and other interested parties. By doing so, we seek to build stronger relationships and encourage greater engagement.
Shareholders, the Board of Statutory Auditors, and the independent audit firm	We provide shareholders with accurate, truthful, and timely information and encourage their participation in corporate decisions, in full compliance with current legislation and the Company's By-Laws.
Employee recruitment and development activities	During personnel recruitment, management, and development processes, we base decisions on objective assessments and considerations of merit.
Health, safety, and the workplace	We foster and consolidate a safety-based culture by cultivating risk awareness and promoting compliance with existing prevention and protection laws. We require all of our employees and collaborators to exhibit responsible behaviour and strive to protect and enhance the working conditions, health, and safety of employees by taking proactive measures.
Conflicts of Interest	We actively prevent all material and potential conflicts of interest.
Protection and use of company assets	We ensure the correct use of Company tools and devices, observing responsible conduct in line with Company policies.
Relations with the Public Administration	We strictly forbid using excessive pressure or obtaining official documents through inappropriate means, in addition to using illicit methods to secure applications or contracts through corrupt means, favouritism, or other forms of privilege.

Ethics and business integrity

Recognising the importance of our role in the community and the corresponding ethical and social obligations to our stakeholders, we promote the principles that guide our actions in our Ethics Code. This ensures that transparency and commitments are upheld in all decision-making processes, promoting sustainable development while also being mindful of all aspects of conducting business.

The Company uses various tools to uphold the integrity of its business, including a structured Control Risk Self Assessment (CRSA) process, in compliance with Legislative Decree No. 231/2001. Through this process, the Company identifies potential risks associated with its operations, evaluates how effective existing controls are at mitigating such risks, and establishes the residual risk, i.e. the risk that remains after accounting for existing controls.

Based on these results, the actions required to minimise residual risks are subsequently identified, as is a timeline for their adoption.

This methodology also forms the basis of internal audit activities, planned according to the risk level, with the goal of verifying the adequacy of the Internal Control System.

The Company is exposed to normal market risks in relation to its business operations, in addition to risks of a financial nature:

- **credit risks**, both in relation to normal commercial transactions with customers, the insolvency (default) of counterparties, and the potential downgrading of its credit rating;
- **market risks**, deriving from exposure to interest rate fluctuations;
- **liquidity risks**, and specifically the availability of financial resources, access to the credit market, and outstanding financial instruments.

These risks are constantly monitored to anticipate any potential negative effects and take the appropriate corrective actions.

The 231 Organisational Model defines the main rules of conduct for all persons linked to IRIDEOS and lists the processes, areas, "sensitive" activities (at risk of 231 offences), and associated controls. The 231 Model is periodically revised, in line with regulatory and organisational updates.

The primary goal of IRIDEOS' **Ethics Code** is to define the fundamental ethical values and general principles that should guide the behaviour of the Company's corporate bodies, their members, Executives, employees, and all individuals who act in the name of, on behalf of, or in the interest of the Company, regardless of their legal status. It establishes respect for the laws and regulations in force and sets out the principles of conduct to be followed by all addressees in the daily performance of their work activities and duties, as an inescapable principle of the Company's business. The importance of the Company's Ethics Code and its binding nature are exemplified through the use of penalties, which are imposed if the Code is violated.

IRIDEOS' Supervisory Board is a collegial body composed of three members, who may be Company employees. It is established to perform the role of Supervisory Board and to ensure comprehensive experience, professionalism, and continuous action. The Supervisory Board reports directly to the Board of Directors and is not hierarchically tied to other operational structures. This guarantees its full autonomy and independence in the performance of its duties. The activities performed by the Supervisory Board cannot be reviewed by any other Company body or structure, it being understood that the Board of Directors is in any case called upon to carry out supervisory activities on the adequacy of its work, since it is ultimately responsible for the functioning and effectiveness of the Model.

Certifications

In line with the context in which it operates, the Company has developed and adopted an Integrated Management System certified in accordance with the following standards:

- ISO 9001:2015 - Quality Management System
- ISO/IEC 27001:2013 - Information Security Management System, extended to ISO/IEC Guidelines 27017, 27018, and 27035 on Security, Privacy in the Cloud, and Information Incident Management, respectively
- ISO/IEC 20000-1:2018 - IT Service Management System
- ISO 14001:2015 - Environmental Management System
- ISO 45001:2018 – Occupational Health and Safety Management System

During 2022, the Company also extended its Management System to comply with the following standards:

- ISO 27701:2019 – Privacy Information Management System
- ISO 22301: 2019 - Business Continuity Management System

These two certifications are very important for the Company's business and testify to its commitment to providing continuous services and protecting processed data.

A project is also underway to extend the ISO 14001:2015 and ISO 45001:2018 certifications to all of the Company's sites. IRIDEOS' Florence office and Avalon and Avalon 2 data centers have been included in the certification scope for 2022. Furthermore, the Company possesses certifications for Accreditation Sector (IAF) 28, pertaining to construction, which entails the adoption of control measures during worksite operations. These measures are crucial to guaranteeing the safety and health of workers and effective environmental risk management.



Quality management system



IT security system



Environmental management system



International IT service management system



Occupational health and safety system



Business Continuity management system

Obtaining and maintaining these certifications forms part of IRIDEOS' efforts to achieve the following main objectives:

- satisfying the expectations of its customers and all relevant stakeholders;
- reducing the number of work-related injuries and illnesses, eliminating or minimising the risks to which workers or third parties (customers, suppliers, visitors, etc.) are exposed, where possible, with a consequent reduction in related costs;
- improving workplace health and safety;
- preventing all forms of pollution and continuously improving the organisation's environmental performance;
- ensuring the integrity, confidentiality and availability of the information and data processed, including personal data;
- meeting requirements and managing privacy risks related to personal information;
- preventing disruptions and defining operational plans to guarantee business continuity, including in adverse conditions;
- adequately selecting suppliers and ensuring that they share and respect the commitments relating to legislative compliance on worker health and safety, the environment, data confidentiality, privacy, and the ethical behaviour standards established by IRIDEOS.

1.4 The IRIDEOS Sustainability Report

To better promote its values and commitments to sustainability with regard to its stakeholders, IRIDEOS has prepared a Sustainability Report since 2020.

With this in mind, IRIDEOS has developed an internal engagement process that features the following activities:

- Establishment of an internal working group (IWG) comprising the main IRIDEOS departments, with the goal of sharing and validating the objectives and activities envisaged in the Sustainability Report preparation process.
- Stakeholder mapping and prioritisation of the main stakeholders with whom the Group communicates and collaborates, including those who could be impacted by IRIDEOS' strategic decisions and operational activities.
- Materiality analysis, identification, and assessment of material topics by identifying the Company's impact on the economy, environment, and people, including as regards human rights.

IRIDEOS stakeholders

In 2021, IRIDEOS carefully identified and prioritised the stakeholders with whom the Company interacts, with the goal of defining and managing the potential impacts of its business activities on each stakeholder category. Stakeholders are parties or individuals who may be considerably impacted by the organisation's activities, products, or services. This includes entities whose actions could potentially affect the organisation's capacity to execute its strategies or achieve its objectives. To accomplish this, IRIDEOS conducted a stakeholder mapping process, which involved identifying and prioritising stakeholders. The first step was to identify all

stakeholders associated with the Company and then to evaluate them based on the criteria of dependence and influence. Dependence was determined by their reliance on IRIDEOS, while influence was based on the extent to which they could impact IRIDEOS. The entire process was carried out in compliance with the international principles defined by the Global Reporting Initiative - Sustainability Reporting Standards (hereinafter also the "GRI Standards").

The table below shows the main communication channels established with the stakeholder categories identified as priorities for IRIDEOS and confirmed for this reporting year as well:



Stakeholder	Communication and engagement channels
Suppliers	Face-to-face meetings, partnerships, participation in supplier events
Government bodies and institutions	Official communications, meetings with governmental and institutional bodies and other stakeholders
Financial community	Financial results meetings, industry conferences, other events
Customers	Customer service, partnerships, face-to-face meetings and participation in events organised by the Company, commercial relations, online and offline communications
Agents and Agencies	Direct meetings with channel managers, participation in events organised by the Company, co-marketing programmes
Employees and collaborators	Internal sharing programmes, corporate intranet, updates on global projects and initiatives
Competitors	Technical roundtables, commercial relationships, sector events
The media and public opinion	Press releases, media conferences, interviews, social media and online tools
Regulatory bodies	Participation in roundtables, consultations

Materiality analysis

The Materiality Analysis has guided IRIDEOS in the choice of topics to be covered, so as to give full and clear representation of the extent of the financial, environmental and social impacts of the Group's activities. For reporting on the year ending December 31, 2022, the Materiality Analysis was updated to comply with the new GRI Sustainability Reporting Standards 2021 (hereinafter also the "GRI Standards") issued by the GRI (Global Reporting Initiative). As specifically required by GRI 3: Material Topics 2021, the identification of material topics for the Company is linked to the mapping of actual and/or potential impacts on the economy, the environment, and people, including impacts on human rights, assessed across all Company activities and business relationships. These impacts can be negative or positive, short-term or long-term, intentional or unintentional, reversible or irreversible. The dedicated working group created at the corporate level divided the materiality analysis process into four different phases:

- 1. Understanding the context:** analysis of the industry in which IRIDEOS operates, taking into account various documentary sources, both internal and external to the Company;
- 2. Identifying IRIDEOS' impact:** identification of the impacts that the Group and its value chain have or could have;
- 3. Evaluating significance and prioritising impacts:** evaluation of all impacts in compliance with the standard, i.e., according to their severity and likelihood, and prioritisation of impacts according to the results obtained;
- 4. Identifying material topics related to the most relevant impacts:** association of material topics with the most relevant impacts and their validation by the main corporate departments.

A list of material topics, a description of their associated impacts, and the measures to be adopted by IRIDEOS to mitigate them follows. The list below prioritises impacts and excludes those that emerged as not particularly relevant.

Material topic	Description of associated impacts and management methods
Climate action	Activities along the IRIDEOS value chain have a negative impact on the climate due to greenhouse gas emissions from data center energy consumption, for example. As evidence of its commitment to reducing emissions, IRIDEOS engages in several activities, such as purchasing all of its electricity from certified renewable sources.
Waste management	Poor management of the waste generated by activities involved in the Company's value chain negatively impacts the environment, specifically air, water, and soil. The management of non-recyclable end-of-life components can also have an impact on land consumption. To mitigate these effects, IRIDEOS engages in waste management activities that comply with the UNI EN ISO 14001:2015 standard and the recovery and reuse of discarded electronic equipment, among other things.
Use of raw materials	Business and supply chain activities involve the use of packaging, which consume virgin raw materials, thus reducing their availability, if not made from recovered or recycled materials. IRIDEOS is committed to mitigating this impact by increasing purchases of recycled materials and sustainable packaging.
Health and safety	The Company's adoption of policies and procedures that seek to safeguard the health and safety of individuals along its value chain is based on its goal of preventing and minimising the occurrence of injuries and adverse health effects among its employees and business partners. This is also demonstrated by IRIDEOS' adoption of a UNI EN ISO 45001:2018 certified management system.

Material topic	Description of associated impacts and management methods
Personnel training and development	One of the Company's prerogatives is to continuously contribute to enhancing the skills, abilities, and talents of its employees by investing in special training and development programmes.
Protection of human rights	The lack of dedicated policies and effective control methods along the supply chain could lead to human rights violations. For this reason, IRIDEOS asks its suppliers to agree to and comply with its Ethics Code. This ensures that employee working conditions are based on a respect for basic human rights, international conventions, and the laws in force, including those against child labour.
Diversity and equal opportunity	The lack of adequate equal opportunities and diversity policies and practices could lead to discrimination (on the grounds of gender, beliefs, ethnicity, sexual orientation, or disability) in recruitment and remuneration processes, for example. IRIDEOS is committed to providing equal opportunities and fully respecting the diversity of its employees to guarantee an inclusive working environment.
Employee well-being	A lack of welfare initiatives for employees could have a negative impact on the well-being of employees at and outside of work. It is therefore in IRIDEOS' best interest to continuously invest in initiatives dedicated to achieving a healthy work-life balance.
Noise management	The operation of data centers could disturb the public peace and breach laws. IRIDEOS is committed to reducing this impact by adopting mitigation measures and strictly complying with current regulations.
Business integrity	The absence of appropriate controls and policies at the Company level and along the value chain could lead to corruption and anti-competitive behaviours, which could in turn negatively impact the socio-economic system and any individuals directly involved. IRIDEOS is committed to combatting all forms of misconduct by adopting and updating its Ethics Code and 231 Organisational and Management Model.
Privacy, data security, and cyber security	A lack of controls and preventive measures adopted by the Company could lead to cyber attacks, resulting in the violation of privacy and the loss of confidential data and information concerning those involved. For this reason, IRIDEOS complies with personal data processing principles, in accordance with the European GDPR Regulation. In addition, cyber threats could negatively affect the business activities of customers and result in the loss of their stored data and information. To this end, IRIDEOS provides its customers with cyber security services that protect their IT infrastructures. The Company also has a UNI EN ISO 27001-certified information security management system.
Conflict minerals and rare materials	The supply of raw materials for electrical and electronic components, if managed unsustainably, could affect the socio-economic balance of the countries where extraction takes place, in addition to the safety of the employees involved, and the availability of the materials themselves. Efforts to monitor the actions of suppliers and to select those with responsible sourcing policies in place would mitigate these impacts.
Contribution to Italy's sustainable development	The Company plays a positive role in Italy's technological development by creating new and effective infrastructure technologies and IoT and AI innovations, in addition to supporting start-ups. These initiatives facilitate access to numerous services and promote the digital transformation of businesses and public administrations.

Chapter

2

THE PEOPLE OF IRIDEOS



99%
of employees
hired on perma-
nent contracts



33%
female
employees



54%
of employees aged
between 30 and 50



31 ore
average training per
employee in 2022
(+40% on 2021)



7,3%
new hire rate



0
injuries in 2022

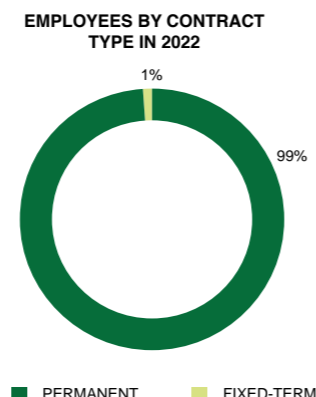
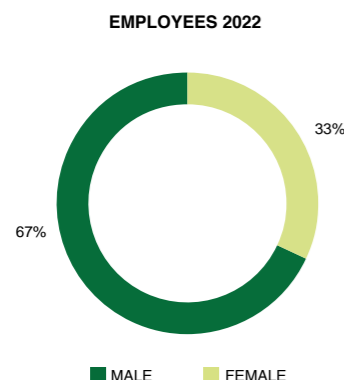
2.1 Well-being

IRIDEOS' employees are a key asset and their development and well-being are at the heart of the Company's human resources management policy. This policy is based on the principles of **transparency, inclusion, trust, and a respect for diversity**. It complies with the Company's values, which IRIDEOS' employees identify with and embody when interacting with customers, business partners, and the ecosystem in which they operate.

Indicator	Gender	Age	2020	2021	2022
			Number of employees	Number of employees	Number of employees
Employees by gender and age group	Female	< 30 years	10	11	9
		30 - 50 years	141	125	119
		> 50 years	54	63	64
	Total female		205	199	192
	Male	< 30 years	23	21	21
		30 - 50 years	246	231	201
		> 50 years	159	170	176
	Totale male		428	422	398
	Total employees		633	621	590

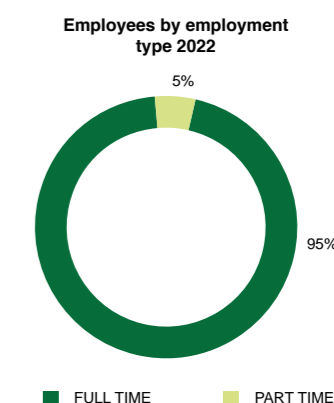
At December 31, 2022, IRIDEOS' workforce consisted of 590 employees, all based in Italy, 33% of whom were women (up 1% on 2021).

Of the total number of employees, 589 are employed on **permanent contracts** (99%) and only 1% on fixed-term contracts; this is consistent with the Company's policy of fostering stable employment and employee well-being.



Employees	Type of contract	Gender	2020	2021	2022
Employees by contract type and gender	Permanent	Female	205	197	191
		Male	418	419	398
		Total	623	616	589
	Fixed-term	Female	1	2	1
		Male	9	3	0
		Total	10	5	1
Total			633	621	590

At December 31, 2022, 94% of employees were employed on a full-time contract, while part-time contracts were predominantly (91%) requested by women to facilitate a better work-life balance.



Employees	Type of contract	Gender	2020	2021	2022
Employees by type of work and gender	Full-time	Female	170	169	160
		Male	423	419	395
		Total	593	588	555
	Part-time	Female	36	30	32
		Male	4	3	3
		Total	40	33	35
Total			633	621	590

43 people joined the Company in 2022 (7.3% new hire rate) and 74 employees departed, with an outgoing turnover rate of 13%¹.

Indicator		Age	2020	2021	2022
			Number of hires	Number of hires	Number of hires
Hires by gender	Gender	Female	8	13	6
		Male	23	54	37
	Total number of employees hired		31	67	43

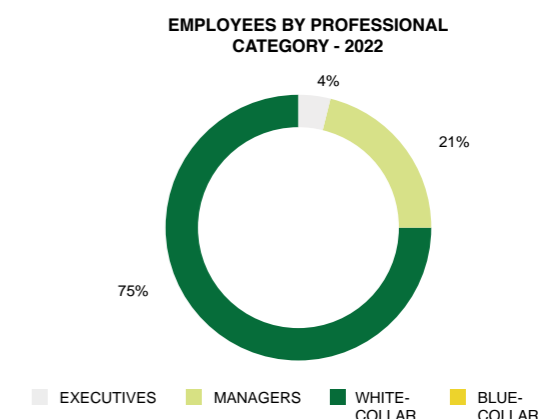
Indicator		Age	2020	2021	2022
			Number of departures	Number of departures	Number of departures
Departures by gender	Gender	Female	14	19	13
		Male	54	58	61
	Total number of employees		68	77	74

Indicator		Age	2020	2021	2022
			Number of hires	Number of hires	Number of hires
Hires by age group	Age group	< 30 years	11	10	12
		30 - 50 years	17	42	27
		> 50 years	3	15	4
	Total number of employees		31	67	43

Indicator		Age	2020	2021	2022
			Number of departures	Number of departures	Number of departures
Departures by age group	Age group	< 30 years	4	9	12
		30 - 50 years	42	51	39
		> 50 years	22	17	23
	Total number of employees		68	77	74

¹ The reporting methodology requires new employee hires recruited in the first half of the month to be counted in the current month and those hired in the second half to be counted in the following month. The same approach is used for employee departures.

IRIDEOS' workforce is predominantly white-collar, in line with the levels of specialisation and professional skills required, while the percentage of executive personnel is largely in line with industry standards. The Company does not employ manual workers.



Employees by age group and category	2020			2021			2022		
	< 30	30 - 50	> 50	< 30	30 - 50	> 50	< 30	30 - 50	> 50
Executives	0	6	21	0	5	20	0	3	19
Managers	0	50	71	1	51	78	0	47	80
White-collar	32	334	119	31	300	135	30	270	141
Blue-collar	0	0	0	0	0	0	0	0	0
Total	32	390	211	32	356	233	30	320	240
	633			621			590		

With regard to the annual total pay ratio, IRIDEOS monitors the ratio between the pay of its highest paid employee and the annual average pay of all Company employees. In 2022, the ratio of the highest-paid employee's (CEO) annual total pay (comprising fixed and variable remuneration but excluding special bonuses) to the average annual total pay of employees was 9.88, up from 9.61 in 2021. In 2022, the ratio between the

percentage increase in the annual total pay of the highest-paid employee and the average percentage increase in the annual total pay of all employees was 2.07.

²The average percentage increase was calculated based on the percentage increase of the total average annual pay of employees between 2021 and 2022².

² Only those employed between January 1 and December 31, 2022 were taken into account for the average salary.

Staff development and training

Human resource management is geared towards enhancing the value of employees through continuous training, individual and personal development, and professional growth. Transparency and fairness towards employees, respect for collective agreements, and communication with labour organisations are all principles that underpin the Company's governance of Human Resources. At IRIDEOS, a culture based on abilities and an appreciation of diverse experiences is fostered through a "doing" culture and the adoption of training and professional development programmes. These initiatives are designed to promote the growth and progression of individual skills and abilities. The assessment of all professional skills within the Company is of paramount importance as it serves as a crucial tool for the Company's people strategy, including recruitment, career planning, internal mobility, succession planning, and its salary policy. It also serves as a vital point of reference for achieving high levels of professionalism, operational excellence, and competitiveness in relation to the relevant market. Training delivered in real time, through in-person and e-learning courses, is supplemented by online e-learning tools on a dedicated platform accessible to all employees.

Type of training	Training hours 2020	Training hours 2021	Training hours 2022
In-person	1,373	300	1,709
Distance	8,306	9,981	14,400
E-learning	1,422	3,533	2,210
Total	11,101	13,814	18,318

During 2022, a total of 631 employees participated in the training plan. A total of 128 certifications were acquired, a marked increase over the previous year (+40%), in the following areas: Prince2, PMP® e CAPM - Certified Associate in Project Management, Check Point, Cisco, CompTia, Fortinet, Libraesva, Microsoft, Veeam, VMware, WatchGuard, ISO 22301, ISO 9001:2015, and ISO 45001:2018. In total, 18,318 hours of training were provided, with an average of 31 training hours per employee at December 31, 2022.

The main topics are outlined below:

- 6,661 hours of technical training in different areas: Cloud services and products (Kubernetes, Veeam, VMware, Microsoft Azure, and IRIDEOS Services), Telephony (Metaswitch), Networking (Cisco Fabric Aci, Cisc, Mikrotik, and F5 platforms), Security (Check Point, Comptia, Fortinet, Libraesva, Sumologic, and WatchGuard), Systems (Linux, Microsoft, OSS, and SmallWord), Project Management (PMP, CAPM, Prince2 Foundation, and Practitioner), and Office (PowerPoint, Excel, and Word)

- 249 hours of training on Compliance, the GDPR, the Ethics Code and 231 Organisational Model, Remote Working for Employees and Managers, and System Administrator Management
- 2,926 hours of training for the sales force, of which 1,162 hours of training on IRIDEOS' Products and Services dedicated to sales and pre-sales (IRIDEOS Academy), and 1,763 hours of sales-specific soft skills training
- 3,134 hours of compulsory training (Workplace Health and Safety)
- 1,544 hours of courses dedicated to regulatory updates, finance, procurement, process studies and best practices, and business applications
- 1,545 of managerial training hours
- 1,001 hours of training on D&I and employee well-being
- 1,259 hours of language learning - English

Training hours by gender and professional category	2020			2021			2022		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Executives	283	41	324	515	154	669	251	130	381
Managers	2,332	246	2,578	2,398	1,036	3,434	3,814	15,88	5,402
White-collar	6,591	1,608	8,199	5,898	3,813	9,711	7,869	4,666	12,535
Blue-collar	0	0	0	0	0	0	0	0	0
Total	9,206	1,895	11,101	8,811	5,003	13,814	11,934	6,384	18,318

We note that the Company is consistently committed to developing managerial skills at all levels of the organisation through its "Be an Effective Manager" campaign. This programme has involved 44 managers by means of a training course dedicated to developing situational leadership and managerial skills. The training plan emphasises the importance of creating a cohesive culture, corporate values, and identity, strengthening individual management skills, and the ability to lead and adapt to change.

In addition, the Company continued to provide access to the goFLUENT e-learning platform for employees to study and practise foreign languages in 2022. The initiative, which is also open to employees' family members, seeks to teach a basic level of English and other foreign languages to users through more than 5,000 multimedia training materials (videos, articles, business how-tos, and web classrooms), depending on their language level.

Corporate welfare

IRIDEOS is aware that the well-being and satisfaction of its employees is of fundamental importance. In order to ensure the best possible working conditions, a Corporate Supplementary Agreement (CSA) has therefore been signed - establishing a Results Bonus for the three-year period 2020-2022. This provides for and promotes the total conversion of the bonus into employee welfare and introduces a 10% increase over the monetary bonus by guaranteeing a tax-advantaged salary supplement. This tool allows IRIDEOS to provide goods and services that are useful in the daily lives of employees and their families, supporting purchasing power and fostering improved work-life balance.

In 2022, 85% of beneficiaries opted to convert the monetary award into welfare, and the items most used were vouchers, education, training, and fuel.

The Company has also adopted a number of welfare measures all geared toward providing better work-life balance and concrete economic support, with a focus

on health, prevention and family needs. Specifically, these include:

- the introduction of remote working;
- tax assistance for employees;
- platforms to acquire goods and services at discounted rates;
- a solidarity hour bank to care for young children and for other situations of serious need;
- paid leave for medical appointments;
- a supplementary health insurance policy for Executives;
- measures to protect gender equality.

During the year, the Company also promoted a specific initiative to promote employee psychological well-being called the “Psychological Café”. The pandemic period created numerous collective worries and altered behaviour and lifestyles, leading to increased uncertainty and fragility. Using a methodology of collective discussion, “Psychological Café” allowed employees to discuss issues related to emotional well-being while receiving qualified help from a team of expert psychologists.

As part of its initiatives on welfare and environmental quality improvement, and consistent with the provisions of the Relaunch Decree (No. 34 of May 19, 2020), converted by Law No. 77 of July 17, 2020, the Company has appointed a Corporate Mobility Manager, who is tasked with proposing plans to improve the Company’s sustainable mobility management, focusing on the “Staff Home-Work Commuting Plan” (HWCP). The HWCP seeks to reduce private vehicular traffic and identifies useful measures to direct employees’ commuting towards sustainable forms of mobility as an alternative to using individual private motor vehicles.

The HWCP was adopted in late 2022, also taking into account the indications that emerged from the “commuting questionnaire” completed by employees in the Milan, Rome and Verona offices.



2.2 Diversity and inclusion

IRIDEOS guarantees equal opportunities and full respect for diversity among everyone at the Company. This is set out explicitly within its Ethics Code, where the Company, in addition to promoting the centrality and enhancement of its employees, also states that it protects them through impartiality in choices, freedom of thought, conscience and religion, safety, and adequate and continuous training. It also affirms that it does not tolerate actions or comments of a sexual, racial or religious nature or behaviour or comments that may contribute to a negative working environment.

At December 31, 2022, 33% of employees were female, in line with the previous year. 54% of IRIDEOS' total workforce is aged between 30 and 50, 41% is over the age of 50 and 5% is under the age of 30.

Employees by gender and professional category	2020			2021			2022		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Executives	21	6	27	20	5	25	17	5	22
Managers	97	24	121	101	29	130	98	29	127
White-collar	309	176	485	301	165	466	283	158	441
Blue-collar	0	0	0	0	0	0	0	0	0
Total	427	206	633	422	199	621	398	192	590

IRIDEOS recognises the value of women in its workforce and ensures, beginning with its selection procedures, that decisions made derive exclusively from objective assessments and considerations of merit. The Company has introduced several initiatives to support its female population. One such project is the introduction - as part of the Corporate Supplementary Agreement - of measures to support gender protection and victims of gender-based violence, which include adding 1 month at the Company's expense to the 3-month leave already provided for by regulations, and joining the National Association Di.Re (Donne in Rete contro la violenza - The National Anti-violence Network run by women's organisations).

Finally in 2022, through an innovative approach consisting of sessions designed to **raise awareness and empathetically involve** the entire corporate population on the issues of diversity and inclusion, information and

training events were held to create awareness and foster an environment that is an inclusive and welcoming of all types of diversity, directly involving the entire corporate ecosystem, engendering widespread responsibility at the various levels of the corporate population. The initiatives focused mainly on the importance of language, elimination of bias, and the empowerment of women.

In 2022, IRIDEOS placed students - both undergraduates and graduates - on internship paths to support them in completing vocational training and providing opportunities to gain business experience.

10 curricular and extracurricular internships took place in different business areas, particularly in the Cloud and Cyber Security technology segments.

Collaborations were strengthened with leading Italian

universities and training institutions including the University of Milan, Milan Bicocca, Bocconi, Luiss, Cattolica del Sacro Cuore in Milan and Rome, Roma Tre, Florence, Verona, Trento, La Sapienza, Roma Tor Vergata, ITS Angelo Rizzoli, e-ForHum, Feltrinelli, AFOL, IFOA, ITS Prime Florence, ITI "G. Marconi" of Verona, the Polytechnic University of Milan, and Business School Sole 24 Ore.

Since 2022, IRIDEOS has been a member of the "Erasmus+" programme, which promotes specific training projects to accompany educational development and encourage student mobility in Europe, with a view to enhancing the qualifications and skills needed to embark on a career path. The "Erasmus+" programme

also promotes access to quality education for all, inclusion, diversity and equity in all its actions, supports active participation in social and political life, and encourages climate action and digital transformation.



2.3 Health and safety

Occupational health and safety is a priority in ensuring the quality of working life and is overseen internally by a Management System. This complies with the most recognised international standards on the subject and applies to all company locations and to all workers at the Company's offices. At IRIDEOS, a safety-based culture is fostered and shared by cultivating risk awareness and promoting compliance with existing prevention and protection laws. We require all of our employees and collaborators to exhibit responsible behaviour and strive to protect and enhance the working conditions, health, and safety of employees by taking proactive measures.

Worker engagement is an essential element in creating an ever-safer working environment that ensures adequate conditions for well-being. As such, quarterly meetings are held with employee health and safety representatives and the HSE office - in addition to the regular coordination meetings required by current regulations - to foster constructive dialogue that can contribute to the continuous improvement of the occupational health and safety management system.

In accordance with Legislative Decree No. 81/08, the Company has assessed all risks to worker health and safety and prepared the Risk Assessment Document (RAD), which is kept constantly updated in line with the Company's regulatory and organisational developments. In addition to containing the assessment of all risks at the Company and prevention measures, this document identifies the corporate figures who represent the entire company population as regards occupational health and safety: the PPSM (Prevention and Protection Service Manager), appointed directly by the Employer, the employees in the emergency teams (Fire and First Aid), the coordinating company doctor, the Supervisor and the EHSR (Employee Health and Safety Representative).

On a semi-annual basis, with the support of experts in the field, the Company conducts inspections of all workplaces to verify their adequacy. The results of these inspections are shared with the departments responsible for the work environments in order to develop a plan to resolve any anomalies.

In 2022, no work-related injuries were reported, and only one commuting injury occurred³.

Number of injuries and worker health and safety indicators	2020	2021	2022
Work-related injuries	0	0	0
Total number of serious work-related injuries (excluding deaths)	0	0	0
of which deaths	0	0	0
Hours worked	778,298	1,045,628.05	939,196
Work-related injury rate	0,00	0	0

In 2022 there were 10 non-employee workers, contributing an estimated 6,840 hours worked in the year. No injuries were reported. Worker training on occupational health and safety is scheduled in consideration of the RAD; in addition to general and specific training on the document, specific courses are provided in line with each worker's responsibilities. Training concludes with a verification test and is repeated periodically. The course content is put together in concert with teachers chosen from qualified professionals or by the in-house PPS, and the courses are delivered free of charge during paid hours. Emergency and firefighting team members are also trained.

Any worker can report hazards encountered in the workplace by writing to spp@irideos.it or through their employee health and safety representative, who guarantees confidentiality for the person reporting. A Whistleblowing portal is also available, which guarantees the anonymity of the reporter. In this case, the reports are dealt with directly by the Supervisory Board under Legislative Decree No. 231/2001. In 2022, quarterly meetings were held for the PPS and employee health and safety representatives. These enabled the sharing of activities, schedules, and timelines for resolving issues reported during the period. Before November 2022, which marked the end of the COVID-19 state of emergency, COVID committees were set up with union representatives, Personnel Office and the PPS. A meeting between the company doctor, the employer, the employee health and safety representative and the Prevention and Protection Service Manager is held once a year. Finally, the annual meeting between the Employer/PPSM and the Supervisory Board was held, in which the main health and safety activities and any action areas are explained. A number of safety pills have been posted on the Talentia portal and are available to all employees. These deal with methods of remote work and the key principles of Legislative Decree No. 81/2008. Workers can also voluntarily participate in so-called "psychological cafés", where issues relating to psychological well-being are discussed. As part of the Supplier Qualification Portal, in 2022 the Company introduced specific questionnaires to verify supplier compliance with the prescribed health and safety requirements. These included a time frame for documentation proving conformity with the requirements. The portal allows the Company to continuously verify the supplier compliance both before and during their work on behalf of IRIDEOS. ISO 45001:2018 certification is currently in place at sites covering 96% of employees, as the La Spezia, Naples and Turin sites are not yet certified, for a total of 22 employees as of December 31, 2022. 96% of employees are also internally audited and 74% are externally audited (percentages calculated based on the number of employees at the sites covered by the two types of audit). In the area of Occupational Health and Safety, internal audits are also conducted by the Internal Audit department, which holds the ISO 45001 AICQ SICEV Lead Auditor qualification.

Reliability of machinery and services

In line with the requirements of its Integrated Management System, certified in accordance with UNI ISO/IEC 27001:2013, UNI EN ISO 14001:2015 and the ISO 45001:2018 Standard, IRIDEOS provides for the management of its facilities by using qualified suppliers to carry out both ordinary and extraordinary maintenance. Specifically, a structured annual routine maintenance plan preserves the perfect efficiency of the Company's facilities. The plan provides for analyses, tests, checks and work designed to prevent failures and malfunctions, including specialised checks, in addition to activities to comply with current regulations. All verification and maintenance activities are recorded in special for-

ms with reference to the date they were performed, the facilities involved, the type of activity performed and, of course, the individuals who performed and verified the activity.

2022 saw the configuration of a new Portal for the management of all Data Center assets, which also enables even more timely maintenance management. The use of this Portal will be gradually extended to all Data Centers.

Routine and extraordinary maintenance activities make it possible to contain the natural degradation of plants, analyse their performance and related metrics, and thus keep them in a condition of maximum reliability.

³ The data for 2020, 2021, and 2022 refer to commuting accidents involving transportation not organised by the Company.

Chapter

3

ENVIRONMENTAL COMMITMENT



**UNI EN ISO
14001:2015**

Certified environmental
management system



100%

of electricity acquired
from renewable sources



100%

of waste recovered in 2022



26,336 T

of CO2 eq saved thanks
to GOs acquired in 2022

3.1 Climate action

IRIDEOS has adopted the **ISO 14001:2015** Management System, using a methodology to assess the significance of environmental aspects and inform the control activities required to mitigate any impacts. This management system is being progressively extended to all company locations: in 2022, certification was extended to the Florence, Milan Caldera, and Avalon 1 and Avalon 2 Data Centers, continuing the initiatives planned as part of the project to extend certification to all the Company's locations that began in 2020 with the Verona and Rome facilities.

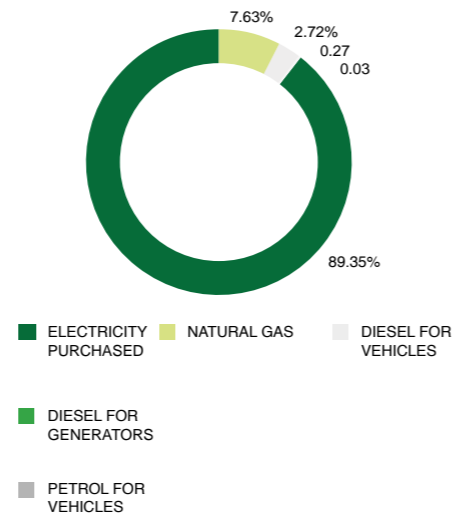
Energy, emissions and climate change management

Energy consumption is deemed one of IRIDEOS' most significant environmental impacts; the Company's business is based on the use of network infrastructure and facilities which, in addition to a continuous power supply, must be constantly air conditioned to keep machinery in a certain temperature range. As such, **efficient energy management** is a priority issue for the Company.

"We conduct our business with respect for the environment and by embracing the principles of sustainable development."

In line with the principles of sustainability, the Company monitors consumption using a tele-data collection system for environmental/energy data which enables energy performance to be evaluated and uses the best available technologies and high-efficiency equipment. As evidence of the Company's commitment to reducing its environmental impact, **100%** of the electricity purchased in 2022 comes from **certified renewable sources**. In line with current regulations², an energy manager has also been appointed and tasked with the role of constantly seeking possible action to reduce and contain energy consumption. Such action includes using LED lamps and automatic controllers for optimal lighting, installing more efficient heat generators, and thorough preventive maintenance.

TOTAL ENERGY CONSUMPTION (GJ)



IRIDEOS's energy consumption is broken down into consumption for electricity, heating, generators for emergency power supply to data centers and major technical sites, and for vehicle use. In 2022, the Company consumed a total of 229,632 GJ of energy, broken down as follows:

- Electricity purchased
- Natural gas/methane
- Generators
- Vehicle fuel (diesel and petrol)

Total energy consumption (GJ)	2020	2021	2022
Electricity purchased	187,312	206,924	205,182
Natural gas	427	- ⁴	17,529
Diesel for vehicles	3,490	3,306	6,246
Petrol for vehicles	-	28	59
Diesel for generators	773	670	620
Total energy consumed	192,002	210,928	229,636

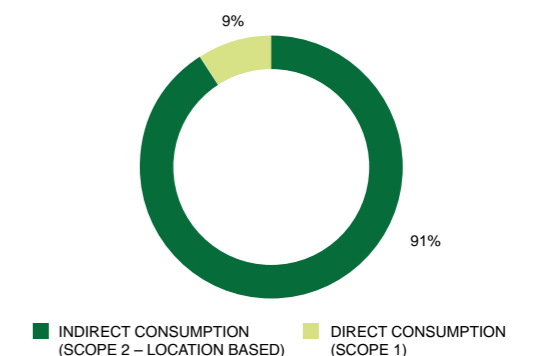
91.8% of IRIDEOS' energy consumption is directly related to electricity purchased to power Data Centers.

Indirect Scope 2 emissions - calculated using the location-based approach - decreased slightly (<-1%) in 2022; this trend is in line with the reduction in electricity consumed.

In 2022, IRIDEOS' operations generated greenhouse gas emissions from direct energy consumption (natural gas, diesel for vehicles, and diesel for generators) and indirect energy consumption (electricity). Specifically, the majority of emissions were indirect Scope 2: this category includes emissions from the purchase of electricity used in business operations, which are therefore considered "indirect." Direct Scope 1 emissions, on the other hand, include all of the Company's direct emissions, i.e. those that physically occur within its perimeter and derive, for example, from the use of fuels for heating, power generation or the use of company vehicles.

In 2022, the Company's carbon footprint (Scope 1, Scope 2), calculated using the location-based approach, is 19,836 tonnes CO₂eq, mainly generated by Scope 2 contributions (90.38%).

GREENHOUSE GAS EMISSIONS (TON CO₂ EQ)



Greenhouse gas emissions (tonne CO2eq.)	2020	2021	2022
Direct consumption (Scope 1)	1,301	919	1,910
Indirect consumption (Scope 2 - Location-based)	16,390	18,106	17,953
Indirect consumption (Scope 2 – Market-based)	0	0	0
Total emissions (Scope 1 + Scope 2 - Location-based)	17,691	19,025	19,863
Total emissions (Scope 1 + Scope 2 - Market-based)	1,301	919	1,910

In 2022, IRIDEOS made concrete contributions to its commitment to sustainable growth and environmental protection.

Its new data center, Avalon 3 (which opened in November 2022 and is being tested in 2023) is powered using 100% renewable energy, as are all other data centers owned by IRIDEOS, to meet the criteria of the Climate Neutral Data Center Pact, which IRIDEOS joined in 2020 (PUE target 1.3).

The **Climate Neutral Data Center Pact** is a self-regulatory agreement created in collaboration with the European Commission and which counts among its members the most important Cloud and Data Center infrastructure companies and associations in Europe. Its goal is to make data centers climate neutral by 2030. The initiative includes the achievement of measurable energy efficiency and resource reuse targets for data centers and Cloud infrastructure, with the first targets set as early as 2025.

By taking the lead in this self-regulatory initiative, the Company seeks to make a **concrete contribution to sustainable growth and environmental protection.**

With its Avalon 2 Data Center, IRIDEOS has also committed to the **European Code of Conduct**, a set of best practices established at the European level for building and managing sustainable Data Centers. In 2022 it began the process of achieving compliance for Avalon 1 (Blue, Green and Orange buildings) and Avalon 3.

As regards the gases used in firefighting equipment, the new systems on floors 0, 1 and 5 of Avalon 1 (Yellow building) were completed. This saw Argon gas re-

placed with NOVEC, which is less harmful and highly sustainable.

Finally, in line with the principles of environmental protection and supporting biodiversity, in 2022 IRIDEOS also contributed to two reforestation and tree planting projects in Italy.

In fact, we became “Supporters” of **Forestami**, an initiative with its origins in a memorandum of understanding signed in 2018 between the Metropolitan City of Milan, the Municipality of Milan, Parco Nord, Parco Agricolo Sud and ERSAF. In doing so, we support an ambitious project that envisages the planting of **3 million trees** by 2030 within the Metropolitan City of Milan, in the interests of improving natural capital, cleaning the air, improving city life and combatting the effects of climate change.

We supported the **Trentino Tree Agreement**, becoming “**Custodians**” of the forests destroyed in 2018 by storm Vaia and helping to rebuild Trentino’s forest and woodland heritage.



Energy efficiency

2022 saw the installation of the latest multimeters to monitor energy consumption. The objective of this move is to ensure that all data centers and main PoPs are constantly monitored, in anticipation of the data collection required for the energy diagnosis to be carried out in 2023, with measurements on 2022 outsourced.

Some safety work was also carried out at Avalon Campus, and specifically, the construction of the Yellow Building medium-voltage substation was completed.

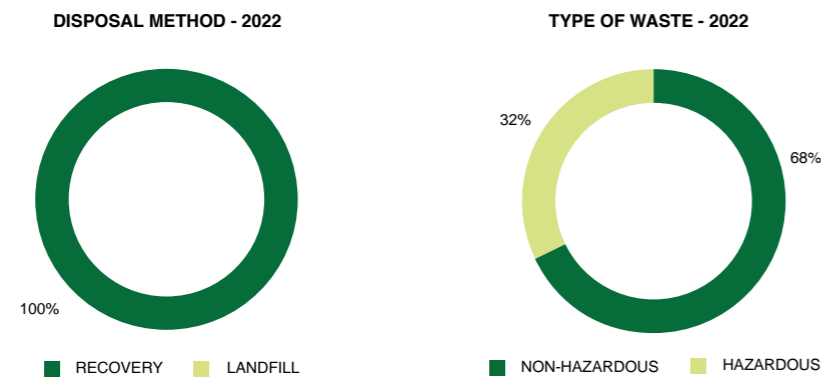
The energy efficiency project at the Blue and Orange buildings, which involves replacing air conditioners with higher efficiency and lower energy consumption models, is ongoing. Completion was scheduled for late 2022 but has been delayed by a shortage of electronic components. It will in any case conclude by the end of Q2 2023.



3.2 Waste management

IRIDEOS pays close attention to proper waste disposal, constantly monitoring this activity using an efficient management process that complies with current regulations.

Since the Company is not a production company, most of its waste is generated by the activities that are complementary to its main operations. Various types of waste are produced, including equipment packaging, pop decommissioning, shelters, locations (removals), battery changes, computer instrument changes, plastic, paper and cardboard, and printer toner. 2022 saw a decrease in waste generated, with a reduction of approx. 23 tonnes (-61%) on 2021. The generation of hazardous waste increased on 2021 (0.6 tonnes in 2021 and 4.69 tonnes in 2022) due to the scrapping of company cars; on the other hand, there was a fall in non-hazardous waste generated (37.43 tonnes in 2021 and 10.12 tonnes in 2022).



The disposal of used toner deriving from office activities is carried out in accordance with current laws, using appropriate containers and authorised collection services. Special waste is occasionally produced; in this event, specialised disposal companies are engaged. As part of the project to extend ISO 14001:2015 certification, the Company regularly undertakes initiatives to raise staff awareness on waste collection issues.

Disposal method (t)	2020			2021			2022		
	Hazardous	Non-Hazardous	Total	Hazardous	Non-Hazardous	Total	Hazardous	Non-Hazardous	Total
Recovery	2.6	47.6	50.2	0.5	35.8	36.3	4.7	10.1	14.8
Landfill	0	6.6	6.6	0.1	1.6	1.7	0	0	0
Total	56.9			38			14.8		

3.3 Other environmental impacts

Noise pollution

Data centers include numerous servers, routers, and air-conditioning equipment. Together, these produce significant noise that can affect not only the work and communication of maintenance personnel, but may also inconvenience people living nearby.

Article 2 of Law No. 447/1995 defines noise pollution as follows: “the introduction of noise into the living environment or the outdoor environment such as to cause annoyance or disturbance to rest and human activities, danger to human health, deterioration of ecosystems, material property, monuments, the living environment or the outdoor environment, or such as to interfere with the legitimate enjoyment of these environments.”

The Company co-operates with national and regional agencies such as ARPA and, in line with UNI 10855 “Measurement and evaluation of the noise contribution of single sound sources”, takes daily and nightly measurements of the noise level around its Data Centers as it seeks to introduce possible corrective actions to reduce noise. Typically, work involves replacing portions of the old equipment with new, quieter and more efficient machines, and upgrades using noise reduction systems.

After this work is carried out, additional sound level measurements are also taken to verify the effective reduction of the disturbance.

As described in the chapter on energy efficiency, the process to replace air conditioners in Avalon 1’s Oran-

ge and Blue buildings began in 2022. The dual objective of the project is to make energy consumption more efficient and to reduce noise pollution generated by the operation of the condensing units, partly to follow up on a complaint made by a condominium close to Caldera Park to all the tenants of the complex. Unfortunately, the project has been delayed by supply problems caused by component shortages. It will be completed in H1 2023.

Given the work that IRIDEOS carries out, the supply of raw materials for electrical and electronic components, if managed unsustainably, could affect the socio-economic balance of the countries where extraction takes place, in addition to the safety of the employees involved, and the availability of the materials themselves. Over the coming years, IRIDEOS will maintain its commitment to monitoring the actions of suppliers and to selecting those with responsible sourcing policies in place.

Chapter

4

BUSINESS RESPONSIBILITY



**ISO / IEC
27001:2013**

IT and data security
management system



**ISO / IEC
20000-1:2011**

International standard for
IT service management



0
Incidents of anti-competitive
behaviour or corruption



**22.9
MILLION**
invested in infrastructure



**ISO / IEC
22301:2011**

Business Community
management system

4.1 Infrastructure Investments

For IRIDEOS, technological innovation plays a major role in business development: the Company operates with a view to continuously improving the products and services it offers its Customers. Its goal is to support and promote Italian digitalisation through innovation and development of its Cloud and data center network and infrastructure.

To achieve this goal, IRIDEOS has embarked on an innovation path that it defined in its **2022-2025 Business Plan**: the plan, financed by a bank syndicate for a total amount of approx. Euro 150 million, provides for a growth and innovation project to best meet the needs of companies in their digital transformation journey. Services such as Backup as a service, Disaster Recovery Light, Security Endpoint and Managed Detection & Response (MDR) have been joined by new products/technologies including Terminating Ethernet and FTTO. Innovation processes also affect the technological platforms and systems that support business operations: from the introduction and installation of the new Contact Center software including phonebar management, multichannel interaction with the end customer, dynamic IVR management and reporting, to the upgrade of all systems involved in Mobile Number Portability processes.

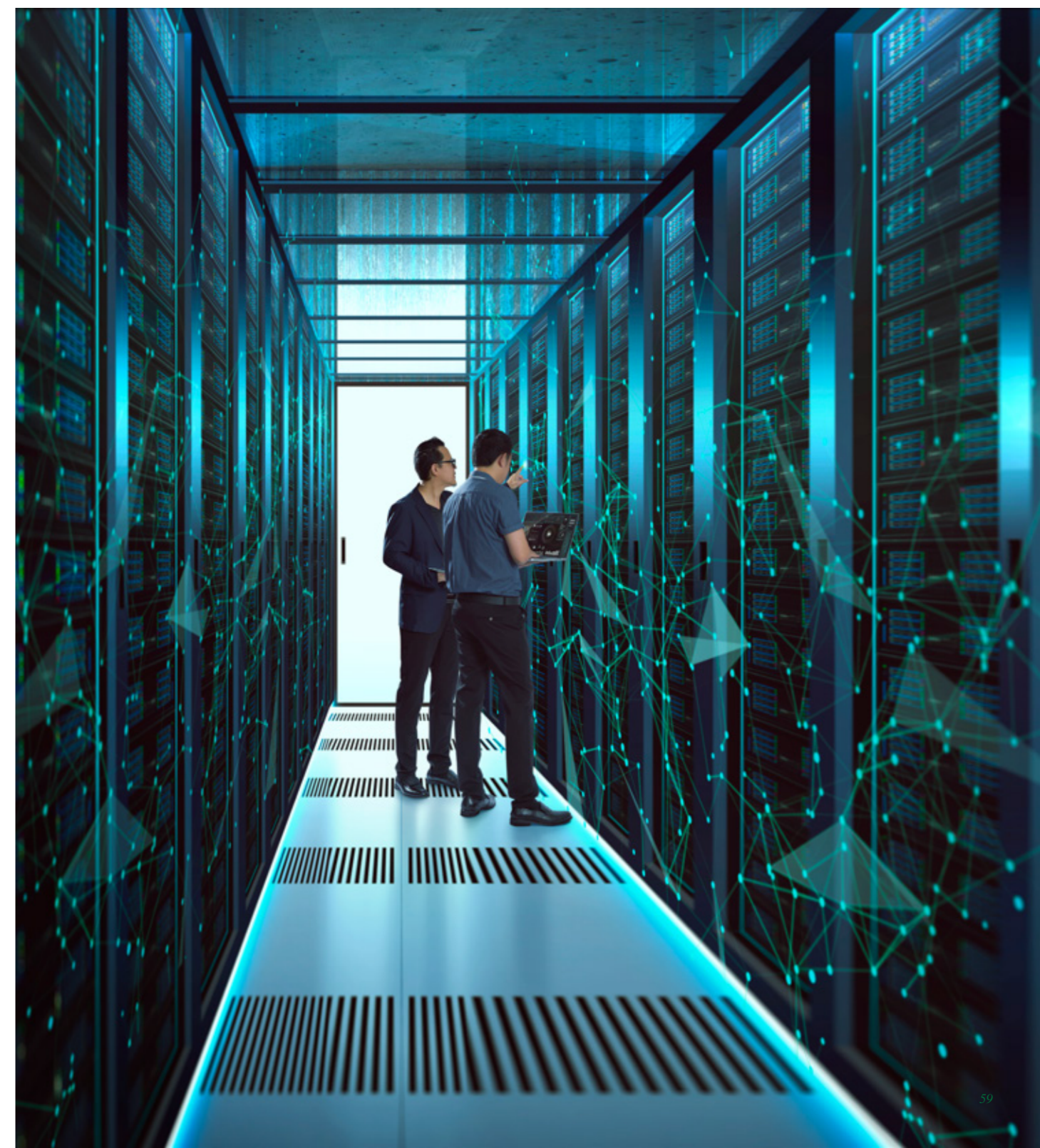
In 2022, the Company made investments in infrastructure innovation and the introduction and optimisation of innovative solutions and services to deploy **Telecommunications and Technological Innovation** services and solutions.

Specifically, in 2022 the Company carried out an **Infrastructure Investment programme**, which was subdivided as follows:

- **Data Centers:** a programme to upgrade the infrastructure dedicated to housing services, ensuring the resilience of the services provided, and to develop a new data center with TIER IV and Rating 4 certifications.
- **Platforms and Systems:** a programme to adapt Cloud infrastructure, consolidating existing platforms and services, and introducing new solutions and services.
- **Cyber security:** a programme to develop solutions to protect networks, platforms and systems from digital attacks.
- **Network:** a programme to improve network infrastructure, decommissioning obsolete infrastructure and introducing new technologies and services.
- **Information Systems:** a programme to integrate innovative technological tools to significantly improve business operational flows, including the development of systems to support asset management activities for network and data center services and a new intranet.

IRIDEOS' investments in technological development activities in 2022 totalled Euro **22.9 million**, divided as follows:

Company	Euro millions
IRIDEOS	14.5
IRIDEOS DATA CENTER ITALIA	8.4
Total	22.9



4.2 Privacy and Cyber security: data and infrastructure security

The confidentiality of information and of infrastructure security are two fundamental issues in IRIDEOS' operations, as its architectures support Customers every day in managing professional and personal activities.

In 2022, the Company further invested in the development of its Integrated Management System, accompanying the ISO 9001 certification of its quality system with the ISO/IEC 27001:2013 information and data security management system. This System was brought into compliance with the guidelines of ISO 27017 certification (which brings together specific controls for Cloud Services Information Security), with ISO 27018 certification (whose controls are specific to privacy in the Cloud), ISO 27035 (for cyber incident management), and ISO 27701, a standard which sets out requirements and provides guidance for introducing, implementing, maintaining, and continuously improving a Privacy Information Management System (PIMS).

As IRIDEOS is dedicated to providing integrated infrastructure services, it is of paramount importance that any business interruption is prevented. Cyber attacks, IT failures, floods, fires, epidemics, and supply chain problems can pose substantial threats to the Company's operations. IRIDEOS has therefore decided to obtain ISO 22301 certification for its operational practices that are designed to protect Business Continuity under adverse conditions and to minimise the impact of potential incidents on Customers, stakeholders and the entire "business ecosystem."

By establishing the requirements for an efficient Business Continuity Management System, this standard is an efficient and pragmatic method of maintaining security, ensuring good business management and compliance, protecting image and reputation, and building trust for suppliers, stakeholders and Customers.

To ensure a consistently adequate level of service to its

Customers, in recent years the Company has complied with the international standard for service management in IT by certifying its system in accordance with ISO/IEC 20000-1:2018, and has obtained PCI-DSS certification for its Avalon 1 and Avalon 2 data centers.

IRIDEOS has always been a member of the European **CISPE** coalition (Cloud Infrastructure Services Providers in Europe). The coalition operates according to a shared Code of Conduct, which ensures it provides secure cloud services to companies, in full compliance with European data privacy regulations.

In 2022, security was at the heart of IRIDEOS' activities, including as regards developing new infrastructure and extending the scope of existing security infrastructure. Work in this area included:

- Extensive adoption of MFA for remote access to IRIDEOS infrastructure.
- Widespread adoption of the Qualys Continuous Vulnerability Assessment system for the areas identified as targets and installation of the periodic VA system for functional machine groups.
- Extension of the perimeter protected by the Darktrace Intrusion Detection system, which supplies the SIEM with information on the security of the proprietary infrastructure of some End Customers that have chosen to entrust their ICT area monitoring to IRIDEOS. Through its AI and machine learning system, the tool autonomously detects and classifies cyber threats as they appear within the infrastructure and enables real-time user and device visualisation, supporting the investigation of emerging threats.
- Adoption of the new SIEM Sumo Logic, a comprehensive log management application that

enables automated assessment of data feeds (online and on premises) and displays the results in highly expressive graphs, allowing security threats to be identified and dealt with in real time. Sumo Logic also enables semi-automated escalation management during incidents and whenever potential

threats are detected.

- Expansion of the IRIDEOS perimeter protected by the DDoS mitigation solution, which can detect Distributed Denial of Service attacks on public hosts and/or subnets.

GDPR

Protecting personal data is essential to IRIDEOS' business, considering the security impacts of personal data processed in internal and End-Customer systems, compliance with applicable regulations and reputational risk arising from possible legal action, complaints and/or the imposition of sanctions by the Sector Authorities.

As such, and with a view to continuous compliance with the GDPR, in 2022 IRIDEOS introduced an internal management system, acquiring the ISO/IEC 27701 assurance certificate for the Privacy Information Management System (PIMS). This is intended as an extension of ISO 27001 related to information security (ISMS), and outlines the framework in terms of GDPR compliance controls. It also adopted additional processes, procedures and technological safeguards relating to physical and logical security, which seek to prevent and respond to any of the cyber attacks that threaten the world's ICT assets every day.

2022 also saw IRIDEOS achieve its goal of setting up a privacy by design prior control mechanism for new internal systems, upgrades, and for new products and/or services rendered to Customers, according to the specific workflow generated by the appropriate compliance tool.

Management of the operational aspects of personal data protection has been further automated by fine-tuning the applications in use, which allow the status of

documentation and compliance with the GDPR to be monitored, including in terms of reducing the risk associated with third-party (e.g. supplier) management.

Particular attention was paid to managing logical access by external staff with system administrator functions by introducing an automatic monitoring function for deadlines and renewals to the application management portal.

Further GDPR Compliance courses were planned and conducted in e-learning and classroom mode, covering specific topics. Of particular note is the course for system administrators, attendance at which was almost 100%.

To sensitise staff, new initiatives on awareness and cyber security were adopted through the provision of newsletters and training pills posted on the company intranet.

Data breaches

IRIDEOS processes personal data as required for the achievement of its corporate purpose, including on behalf of third parties that have appointed it as personal data controller. In light of its activities, the Company has adopted a **Personal Data Breach Procedure** to regulate the handling of events that may constitute a personal data breach under Articles 33 and 34 of the GDPR and any resulting compliance.

To introduce the procedure, a **Data Breach Committee** was established. The Committee was appointed by the Board of Directors of IRIDEOS, comprises the heads of the Company's main functions, and is tasked with carrying out supervisory activities in the area of personal data breaches and overseeing GDPR compliance.

On June 17, 2022, the Company notified the Data Protection Authority of a personal data breach under Article 33 of the GDPR, consisting of the breach of an e-mail account that led to the loss of confidentiality of personal data.

No report has yet been received from the Authority regarding this violation, though the ordinary 180-day deadline stipulated in Regulation No. 2/2019 of April 4, 2019 for the completion of the procedure has passed.

The activities listed were performed with the support of the Data Protection Officer appointed by the Company according to Article 37 of the GDPR.



4.3 Transparency and Service Quality

While the telecommunications sector - in which IRIDEOS operates - has long been deregulated and thus features a range of operators offering services under competition, it still contains an “incumbent” or “former monopolist” operator who enjoys a position of significant market power.

The presence of such an operator that is also “vertically integrated” - that is, simultaneously active in both the retail markets for End Customers and in the “wholesale” markets for services to competitors - could result in distortion of the proper competitive dynamics in the industry.

The two independent authorities that seek to ensure proper competitive dynamics in the sector (albeit with different competencies - one oriented toward “ex ante” pro-competitive rule-making and the other toward “ex post” investigation of anticompetitive behaviour) are the **Communications Authority (AGCOM)** and the **Anti-trust Authority (AGCM)**.

Considering the importance of regulating these issues, telecommunications companies often include a figure - the “regulatory affairs manager” - whose role is to manage relations with these authorities, monitoring legislative and regulatory developments in the sector and actively participating in proceedings related to regulatory innovations. At the base of their work is the mechanism of public consultation with sector stakeholders.

It is important to note that the aforementioned authorities set out rules and behaviour not only for the operator with significant market power - which for this reason is subject to particular responsibilities - but also for all industry players (therefore including IRIDEOS) when the objectives of the regulatory action concerning the well-

being of all consumers. A typical example of regulatory standards affecting all operators are those dealing with **transparency and quality of services to consumers**, with which all operators in the industry must comply as a matter of course.

In 2022, there were no findings against IRIDEOS - nor proceedings initiated - by the aforementioned Authorities regarding violation of laws and regulations in the relevant TLC market.

- **Communications Authority (AGCOM)**

AGCOM is responsible for ensuring fair competition among operators in the telecommunications market and is accountable to Parliament, which sets its powers, prepares its By-Laws and appoints its members.

- **Anti-trust Authority (AGCM)**

The AGCM is an independent administrative authority tasked with ensuring compliance with the rules prohibiting anti-competitive agreements between companies, abuse of dominant position, and business combinations that could create or strengthen dominant positions to the detriment of competition.

Quality e customer satisfaction

Constant improvement in service quality is a priority for IRIDEOS, as is the overall satisfaction of our Customers. We therefore regularly measure and monitor a number of indicators that reflect the quality of services provided to Customers: activation times, recovery times, failure rates, response times, etc.

Data - both overall and relating to the various services (e.g. telephone, Internet) and the different stages of the relationship with Customers (activation, billing, Customer service) - are collected regularly and the performance indicators of regulated services are also shared with AGCOM.

Customer Satisfaction is also directly investigated through Customer Satisfaction surveys addressed to individual customer segments - SMEs, Large Companies, Resellers and Carriers - conducted through online questionnaires that extensively cover every aspect of their relationship with IRIDEOS and also include an assessment of individual services.

The metrics, which are compared year by year from 2018, include both the Net Promoter Score (NPS) assessment (to provide a comprehensive overview of the advocacy aspect, i.e. a Customer’s propensity to recommend IRIDEOS) and the Customer Satisfaction Index (CSI), to understand Customer satisfaction levels regarding the services provided and the various points of contact with IRIDEOS (sales, activation process, administrative communication, Customer Service support, technical assistance, overall perception of IRIDEOS).

Combatting corruption

As part of its ongoing commitment to combat corruption in all its forms and to comply with the provisions of Legislative Decree No. 231/2001, in 2022 the Company continued with its regular activities to disseminate and effectively apply its Organisation, Management and Control Model under Legislative Decree No. 231/2001, involving an increasing number of Model Addressees.

The current plan was approved during the Board meeting of March 29, 2021.

In fulfilment of its supervisory obligations, during the year the Supervisory Board analysed the adequacy of the Model and the procedures adopted by the Company, systematically reviewed the information flows received and monitored the systems in place for Reporting (Whistleblowing Portal). It also coordinated periodically with the parties tasked with control, including the Board of Statutory Auditors, the Auditing Firm, the Data Protection Officer (DPO), the PPSM and the Employer’s principal for health and safety purposes, Internal Audit, the Cyber Security Officer, and, of course, with the Company’s management.

The Supervisory Board also monitored the implementation status of the training plan and supervised follow-up action to apply the corrective measures identified to ensure that the Internal Control System is continuously improved. In 2022, no episodes of corruption were reported.

Whistleblowing

In 2021, and in accordance with the regulatory provisions on the subject, IRIDEOS adopted a Portal to **manage Whistleblowing**. This is designed to ensure and respect the utmost confidentiality regarding the subjects and events reported and to guarantee the anonymity of the reporting party.

Management and verification of the details of the report is entrusted to the Supervisory Board (SB) which, in accordance with the principles established by the Ethics Code, conducts any activity deemed appropriate, including a personal interview with the reporter (if the latter is willing) and any other persons who may be able to provide details on the events reported. The Supervisory Board can interact with the Whistleblower directly through the platform.

In 2022, the Supervisory Board received no reports of events relevant to Legislative Decree No. 231/2001.



METHODOLOGICAL NOTE AND CONTENT INDEX

Methodological note

This document constitutes the **IRIDEOS Sustainability Report**. It is prepared on a voluntary basis to communicate with increasing transparency to relevant stakeholders the Company's commitment to sustainable development and to a business model that considers social, environmental and economic issues.

The Report is for the year ended December 31, 2022, and, in order to enable comparison and comparability of the Company's performance over time, provides data for 2021 and 2020. The document is published annually and has been prepared in accordance with the requirements of the GRI Sustainability Reporting Standards (hereinafter GRI Standards), published by the GRI - Global Reporting Initiative.

This Report provides information, according to the **In Accordance** option, on certain GRI Standards, or part of their content, regarding topics considered relevant because of their economic, social and environmental impact for the type of activities and processes conducted by IRIDEOS⁴. The process to prepare the **2022 Sustainability Report** involved the Company's management and the main functions it coordinates. To guarantee the quality of the information reported, the principles of accuracy, balance, clarity, comparability, verifiability, timeliness, completeness, and sustainability context required by GRI were applied in the preparation of the Report.

The reporting scope includes IRIDEOS S.p.A. and IRIDEOS DATACENTER Italia S.r.l. BCC S.r.l. is not included in the scope. The registered office of IRIDEOS S.p.A. is in Milan at Viale L. Bodio, 37, Building 3.

This document was subject to limited examination, in accordance with the International Standard on Assurance Engagement (ISAE 3000 Revised), by EY S.p.A. This verification was carried out according to the procedures described in the "Independent Auditors' Report", which is included in this document.

For any clarification regarding this Sustainability Report, please contact marketing@irideos.it.

The reporting process and calculation methodologies

The content of this Sustainability Report was defined by the working group, based on the materiality analysis. Qualitative social, environmental and economic/financial data were collected on an annual basis using special data collection forms and interviews and with the active involvement of IRIDEOS functions.

The main calculation methodologies used and assumptions made for the performance indicators reported in this Report are set out below, in addition to that previously indicated in the text.

- For environmental data, where not available, conservative estimation approaches were used, resulting in the selection of assumptions based on the least positive Company environmental performance.
- GHG emissions are reported according to the guidelines set by the major internationally recognised standards. Reference is made in particular to the GHG Protocol Corporate Accounting and Reporting Standard developed by the World Resources Institute (WRI) and the World Business Council on Sustainable Development (WBCSD). The calculation used the following formula: activity figure (kWh of electricity purchased, cubic metres of natural gas purchased, litres of diesel fuel used) multiplied by the respective emission factor. Refrigerant gas losses (kg) multiplied by their respective GWP (Global Warming Potential) were also considered.
- As defined by the reporting standards set out in the GHG Protocol, an organisation's emissions are divided into three categories: Scope 1, Scope 2 and Scope 3 emissions.

1. Scope 1 emissions include all of the Company's direct emissions, i.e. those that physically occur within its perimeter and derive, for example, from the use of fuels for heating, power generation, company vehicles

or used in production processes. These emissions are calculated by multiplying the fuel used by the Company by a specific emission factor, which allows the consumption of the energy resource to be expressed in tonnes of CO₂eq emitted.

2. Scope 2 emissions includes those deriving from the purchase of electricity used in business operations, which are therefore considered "indirect." The company does not directly control the physical production of these emissions, as this takes place outside the company's perimeter; at the same time, however, it is the company that benefits from the resource, making it indirectly responsible for the emissions produced during the electricity generation process. Using the same value for electricity purchased from the national power grid, these emissions are conventionally calculated using two different methodologies, known as Scope 2 location-based and Scope 2 market-based emissions. The location-based approach calculates CO₂eq emissions using an average emission factor which considers the national energy mix: the larger the portion of renewable energy used by a specific country (Italy), the smaller the associated emission factor. Emissions calculated using the market-based method, on the other hand, refer to contractual agreements made with the electricity distributor. A company may request certification that the energy purchased comes from renewable sources, with Guarantee of Origin certificates (GoOs). Emissions in tonnes of CO₂eq under this method are therefore calculated using two different emission factors: the portion accompanied by certificates of origin - i.e. produced using renewable energy - is multiplied by a factor of zero. The remainder is multiplied by a factor called the residual mix, which considers the provenance of electricity from non-renewable sources.

3. The last category of emissions covered by the GHG inventory is Scope 3 emissions, which include all other indirect emissions, i.e. those associated with the company's value chain.

- The emissions factors and GWPs used to calculate GHG emissions are the following:

1) Scope 1 emissions: for natural gas, the emission factor from the national standard parameter table published annually by the Ministry for the Environment and Protection of the Land and the Sea was used (tCO₂/m³std: 0.001984 in 2020; 0.002021 in 2021; 0.002032 in 2022); the emission factors for diesel (in kgCO₂eq/l: 2.688 in 2020; 2.706 in 2021; 2.699 in 2022) and GWPs for refrigerant gases (values in kgCO₂eq/kg for each refrigerant gas, specifically: R32, R410, R407, R422, R134, R417) were taken from the annually updated Department for Environment, Food and Rural Affairs (DEFRA) database.

2) Scope 2 emissions: for electricity purchased from the national grid, the emission factor taken from Terna International Comparisons on Enerdata data was used (equal to 315 gCO₂/kWh for 2020, 2021 and 2022).

- The conversion factors used to calculate GHG emissions and energy consumption are taken from the annually updated Department for Environment, Food and Rural Affairs (Defra) database (lower heating value and density of diesel and petrol) and the national standard parameter table published annually by the Ministry for the Environment and Protection of the Land and the Sea (lower heating value of natural gas).
- Scope 2 GHG emissions reported in the section on environmental impacts are calculated using the location-based method; for completeness, the figure for Scope 2 emissions was also calculated using the market-based method based on the emission factor taken from AIB - European Residual Mixes (2020 and 2021 figure of 458.57 gCO₂/kWh, 2022 figure of 456.57 gCO₂/kWh). Mixes (dati 2020 e 2021 pari a 458.57 gCO₂/kWh, dati 2022 pari a 456.57 gCO₂/kWh).

⁴For more information on the materiality analysis process, see the section "Materiality Analysis".

GRI Content Index

GRI STANDARDS	DISCLOSURES	REFERENCE PARAGRAPH	NOTES/OMISSIONS
GENERAL DISCLOSURES			
GRI 2: General disclosures 2021	Organizational Profile		
	2-1 Organizational details	1. IRIDEOS, Connected to the future	
	2-2 Entities included in the organization's sustainability reporting	Methodological Note and Content Index	
	2-3 Reporting period, frequency and contact point	Methodological Note and Content Index	This document represents the third Sustainability Report, published on an annual basis.
	2-4 Restatements of information		This document includes no restatements of information from previous reporting periods.
	2-5 External assurance	Methodological Note and Content Index Independent Auditors' Report	
	2-6 Activities, value chain and other business relationships	1. IRIDEOS, Connected to the future	
	2-7 Employees	2. The people of IRIDEOS	
	2-8 Workers who are not employees	2. The people of IRIDEOS	
	2-9 Governance structure and composition	1. IRIDEOS, Connected to the future	
	2-10 Nomination and selection of the highest governance body		Partially omitted: the information required by indicator 2-10 is partially covered.
	2-11 Chair of the highest governance body	1. IRIDEOS, Connected to the future	
	2-12 Role of the highest governance body in overseeing the management of impacts	1. IRIDEOS, Connected to the future	
	2-13 Delegation of responsibility for managing impacts	1. IRIDEOS, Connected to the future	
	2-14 Role of the highest governance body in sustainability reporting	Methodological Note and Content Index	
	2-15 Conflicts of interest	1. IRIDEOS, Connected to the future	
	2-16 Communication of critical concerns		Omitted
	2-17 Collective knowledge of the highest governance body	1. IRIDEOS, Connected to the future	
2-18 Evaluation of the performance of the highest governance body	1. IRIDEOS, Connected to the future		

GRI STANDARDS	DISCLOSURES	REFERENCE PARAGRAPH	NOTES/OMISSIONS
GENERAL DISCLOSURES			
GRI 2: Informative generali 2021	Organizational Profile		
	2-19 Remuneration policies	1. IRIDEOS, Connected to the future	
	2-20 Process to determine remuneration		Omitted
	2-21 Annual total compensation ratio annual	2. The people of IRIDEOS	
	2-22 Statement on sustainable development strategy	Letter to the stakeholders	
	2-23 Policy commitments	1. IRIDEOS, Connected to the future	
	2-24 Embedding policy commitments	1. IRIDEOS, Connected to the future	
	2-25 Processes to remediate negative impacts	1. IRIDEOS, Connected to the future	
	2-26 Mechanisms for seeking advice and raising concerns	2. The people of IRIDEOS	
	2-27 Compliance with laws and regulations		No cases of non-conformity with laws or regulations were identified during the reporting period.
	2-28 Membership associations	1. IRIDEOS, Connected to the future	
	2-29 Approach to stakeholder engagement	1. IRIDEOS, Connected to the future	
	2-30 Collective bargaining agreements	Methodological Note and Content Index	All IRIDEOS employees are covered by the National Collective Bargaining Agreements (CCNL) for employees of service, distribution and service companies (for white-collar workers and middle managers) and the CCNL for Executives in the service, distribution and service industries (for Executives). IRIDEOS also applies second-level bargaining, and as such the Corporate Supplementary Agreement (CSA) for the three-year period (2020-2022) was signed with the main trade union representatives.
	MATERIAL TOPICS		
GRI 3 - Material topics 2021	3-1 Process to determine material topics		
	3-2 List of material topics		

GRI STANDARDS	DISCLOSURES	REFERENCE PARAGRAPH	NOTES/OMISSIONS
GRI 200 - ECONOMIC PERFORMANCE INDICATORS			
Anti-corruption			
GRI 3 - Material topics 2021	3-3 Management of material topics	4. Business responsibility	
GRI 205-3: Anti-corruption 2021	205-3 Confirmed incidents of corruption and actions taken	4. Business responsibility	
Anti-competitive behaviour			
GRI 3 - Material topics 2021	3-3 Management of material topics	4. Business responsibility	
GRI 206: Anti-competitive behavior 2021	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	4. Business responsibility	
GRI 300 - ENVIRONMENTAL PERFORMANCE INDICATORS			
Materials			
GRI 3 - Material topics 2021	3-3 Management of material topics	1. IRIDEOS, Connected to the future	
GRI 301: Materials 2021	301-1: Materials used by weight or volume		Omitted
Energy			
GRI 3 - Material topics 2021	3-3 Management of material topics	3. Environmental commitment	
GRI 302: Energy 2021	302-1 Energy consumption within the organization	3.Environmental commitment	
Emissions			
GRI 3 - Material topics 2021	3-3 Management of material topics	3. Environmental commitment	
GRI 305: Emissions 2021	305-1 - Direct (Scope 1) GHG emissions	3. Environmental commitment	
	305-2 - Energy indirect (Scope 2) GHG emissions	3. Environmental commitment	
Waste			
GRI 3 - Material topics 2021	3-3 Management of material topics	3. Environmental commitment	

GRI STANDARDS	DISCLOSURES	REFERENCE PARAGRAPH	NOTES/OMISSIONS
Waste			
GRI 306: Waste 2021	306-1 Waste generation and significant waste-related impacts	3. Environmental commitment	
	306-2 Management of significant waste-related impacts	3. Environmental commitment	
	306-3 Waste generated	3. Environmental commitment	
	306-4 Waste diverted from disposal	3. Environmental commitment	
	306-5 Waste directed to disposal	3. Environmental commitment	
GRI 400 - SOCIAL PERFORMANCE INDICATORS			
Employment			
GRI 3 - Material topics 2021	3-3 Management of material topics	2. The people of IRIDEOS	
GRI 401: Employment 2021	401-1 New employee hires and employee turnover	2. The people of IRIDEOS	
Labor/Management Relations			
GRI 3 - Material topics 2021	3-3 Management of material topics	2. The people of IRIDEOS	
GRI 402: Labor/Management Relations	402-1 Minimum notice periods regarding operational changes	2. The people of IRIDEOS	All IRIDEOS employees are covered by national collective bargaining agreements (CCNL). In every case, the transfer of business units and/or organisational changes shall be communicated in accordance with the provisions and stipulations of the applicable regulations and the relevant national collective bargaining agreements.
Occupational health and safety			
GRI 3 - Material topics 2021	3-3 Management of material topics	2. The people of IRIDEOS	
GRI 403: Occupational health and safety 2021	403-1 Occupational Health and Safety Management System	2. The people of IRIDEOS	
	403-2 Hazard identification, risk assessment, and incident investigation	2. The people of IRIDEOS	
	403-3 Occupational health services	2. The people of IRIDEOS	

GRI STANDARDS	DISCLOSURES	REFERENCE PARAGRAPH	NOTES/OMISSIONS
	403-4 Worker participation, consultation, and communication on occupational health and safety	2. The people of IRIDEOS	
	403-5 Worker training on occupational health and safety	2. The people of IRIDEOS	
	403-6 Promotion of worker health	2. The people of IRIDEOS	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	2. The people of IRIDEOS	
	403-8: Workers covered by an occupational health and safety management system	2. The people of IRIDEOS	
	403-9 Work-related injuries	2. The people of IRIDEOS	
Training and education			
GRI 3 - Material topics 2021	3-3 Management of material topics	2. The people of IRIDEOS	
GRI 404: Training and education 2021	404-1 Average hours of training per year per employee	2. The people of IRIDEOS	
Diversity and equal opportunity			
GRI 3 - Material topics 2021	3-3 Management of material topics	2. The people of IRIDEOS	
GRI 405: Diversity and equal opportunity 2021	405-1 Diversity of governance bodies and employees	2. The people of IRIDEOS	
Non-discrimination			
GRI 3 - Material topics 2021	3-3 Management of material topics	2. The people of IRIDEOS	
GRI 406: Non-discrimination 2021	406-1 Incidents of discrimination and corrective actions taken	2. The people of IRIDEOS	No cases of discrimination were identified during the reporting year
Supplier social assessment			
GRI 3 - Material topics 2021	3-3 Management of material topics	1. IRIDEOS. Connected to the future	
GRI 414: Supplier social assessment	414-1 New suppliers that were screened using social criteria	1. IRIDEOS. Connected to the future	We note that there is currently no formalised due diligence process for new suppliers.

GRI STANDARDS	DISCLOSURES	REFERENCE PARAGRAPH	NOTES/OMISSIONS
Customer privacy			
GRI 3 - Material topics 2021	3-3 Management of material topics	4. Business responsibility	
GRI 418: Customer privacy 2021	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	4. Business responsibility	
NON-GRI ASPECTS			
Conflict minerals and rare materials			
GRI 3 - Material topics 2021	3-3 Management of material topics	3. Environmental commitment	
Noise management			
GRI 3 - Material topics 2021	3-3 Management of material topics	3. Environmental commitment	
Contribution to Italy's sustainable development			
GRI 3 - Material topics 2021	3-3 Management of material topics	1. IRIDEOS, Connected to the future	

Independent Auditors' Report on the Sustainability Report



We have been appointed to perform a limited assurance engagement on the Sustainability Report of IrIDEOS Group (Group) for the year ended on December 31st, 2022.

Directors' responsibility on the Sustainability Report

The Directors of IrIDEOS S.p.A. are responsible for the preparation of the Sustainability Report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative ("GRI Standards"), as described in the paragraph "Methodological Note" of the Sustainability Report.

The Directors are also responsible for that part of internal control that they consider necessary in order to allow the preparation of a Sustainability Report that is free from material misstatements caused by fraud or not intentional behaviors or events.

The Directors are also responsible for defining the commitments of the Group regarding the sustainability performance, as well as the identification of the stakeholders and of the significant matters to report.

Auditors' independence and quality control

We are independent in accordance with the ethics and independence principles of the *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* issued by the *International Ethics Standards Board for Accountants*, based on fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behavior.

Our audit firm applies the *International Standard on Quality Control 1 (ISQC Italia 1)* and, as a result, maintains a quality control system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable laws and regulations.

Auditors' responsibility

It is our responsibility to express, on the basis of the procedures performed, a conclusion about the compliance of the Sustainability Report with the requirements of the GRI Standards. Our work has been performed in accordance with the the principle of "*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. This principle requires the planning and execution of procedures in order to obtain a limited assurance that the Sustainability Report is free from material misstatements.

Therefore, the extent of work performed in our examination was lower than that required for a full examination according to the *ISAE 3000 Revised* ("*reasonable assurance engagement*") and, hence, it does not provide assurance that we have become aware of all significant matters and events that would be identified during a reasonable assurance engagement.

The procedures performed on the Sustainability Report were based on our professional judgment and included inquiries, primarily with company's personnel responsible for the preparation of the information included in the Sustainability Report, documents analysis, recalculations and other procedures in order to obtain evidences considered appropriate.

In particular, we have performed the following procedures:

- analysis of the process relating to the definition of material aspects included in the Sustainability Report, with reference to the methods of analysis and understanding of the reference context, identification, assessment and prioritization of actual and potential impacts and the internal validation of the process outcome;
- understanding of the processes that lead to the generation, detection and management of significant qualitative and quantitative information included in the Sustainability Report. In particular, we have conducted S.p.A., and we have performed interviews and discussions with the management of IrIDEOS limited documentary evidence procedures, in order to collect information about the processes and procedures that support the collection, aggregation, processing and transmission of data and information to the department responsible for the preparation of the Sustainability Report. Furthermore, for significant information, considering the Group's activities and characteristics:

- at Group level

- a) with reference to the qualitative information included in the Sustainability Report, we carried out inquiries and acquired supporting documentation to verify its consistency with the available evidence;
- b) with reference to quantitative information, we have performed both analytical procedures and limited assurance procedures to ascertain on a sample basis the correct aggregation of data.

- for the company IrIDEOS S.p.A., that we have selected based on its activity, relevance to the consolidated performance indicators and location, we have carried out remote interviews during which we have had discussions with management and we have obtained evidence on a sample basis about the appropriate application of the procedures and the calculation methods used to determine the indicators.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Sustainability Report of the Group for the year ended on December 31st, 2022 has not been prepared, in all material aspects, in accordance with the requirements of the GRI Standards, as described in the paragraph "Methodological Note" of the Sustainability Report.

Other aspects

Data presented for comparative purposes in the Sustainability Report for the year ended on 31st December 2020 have not been subject to limited assurance procedures.

Milan, April 5th, 2023
EY S.p.A.

Signed by: **Luca Pellizzoni** (Auditor)

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

