2016 has been a year in which Fastweb has sped forward: a year in which the strategic foundations for the future of the company were reinforced and in which the company made concrete contributions to the digitalization of Italy.

The company’s Vision and Mission of enriching life and work through internet and understanding the evolution of customers’ needs to ensure the best internet experience possible, became concrete along with the objective of enabling all individuals and companies to take advantage of the ongoing digital transition.

The commitment to the expansion of a new generation of the web and to digital transformation saw a total investment of 581 million euro in 2016, the equivalent of 32% of its revenue. In 2016 Fastweb extended the coverage of its own infrastructure in ultra-broadband fibre network to 1.2 million families and businesses, reaching a total of 7.5 million families and businesses.

Fastweb intends to continue in its ultra-broadband expansion plan in the future as well, with the objective of reaching 13 million families and businesses with ultra-broadband by 2020 (approximately 50% of the population). This ambitious result will be achieved thanks also to Flash Fiber, the joint venture between Fastweb and Telecom Italia established in August 2016 with the objective of bringing fibre to homes in 29 cities.

Connecting people for Fastweb means not only working on strengthening web infrastructure, but it also means focusing on finding innovative solutions to meet the needs of customers by speeding up the implementation of new technologies and convergence services. The “Everywhere, Everything, Everyone” formula sums up the commitment to overcoming technological barriers and allowing web access anywhere, with any kind of technology to suit all needs.

To this end, in 2016 Fastweb became a Full MVNO (Full Mobile Virtual Network Operator) operator and this enables the company to provide its customers with 4G and 4Gplus...
technology from January 2017. Furthermore, in keeping with this line of thinking the extension of WOW FI, the community of Fastweb clients that allows them to enjoy Wi-Fi coverage outside the home continued throughout the course of the year, reaching approximately 1.5 million customers in over 800 districts.

In order to offer its customers with increasingly convergent services by reaching the finest quality service in the mobile telephone network as well, Fastweb has also announced the creation of a 5G network, which will be operational in 2020 in 20% of the Country. The project will be activated as a technical experiment in the course of 2017.

In addition to investments in infrastructure, Fastweb is committed to the diffusion of digital literacy. One of the most significant projects with regards to this commitment is the creation of the Fastweb Digital Academy. Developed within the Cariplo Factory, Fastweb Digital Academy is a school whose purpose is to create a bridge towards new digital related professions, with the objective of training up to a 1000 young people in the academic year of 2016-2017.

Fastweb has always been inspired by innovation. In order to make digital transformation and a focus on people the inspiring paradigms in day-to-day activities, Fastweb has continued to improve internal organization and procedures with the objective of fostering the expertise, well-being and striking a balance between the workplace and a personal life of its employees. In 2016 Fastweb consolidated and reinforced its Smart Working program, a platform that has received significant recognition in Italy and is highly appreciated within the company.

For Fastweb innovation also means developing the instruments to better understand the cultural environment that surrounds us and contributing to giving answers to the important social, economical and environmental challenges and their evolution. For this reason over the course of the year a conversation has begun within the company on the role and significance of what sustainability means to Fastweb. The objective is to fully integrate sustainability within the business, to break down barriers between responsibility and day-by-day activities and respond to the stakeholders’ needs and expectations.

As a result of the approach taken by Fastweb, four strategic areas of interest were identified for Corporate Social Responsibility in Fastweb:

- Smart digital community enabler
- Trusted and lean customer partner
- Human-Centric employer
- Resilient and sustainable player

These are the four voices around which this Sustainability Report for 2016 has been compiled, a report that presents the last year’s main commitments, objectives and projects. Fastweb’s intent is to consistently improve its results along with its parent company Swisscom, with the goal of being always “one step ahead” when it comes to these topics.

Urs Schaeppi
Chairman of the Board of Directors

Alberto Calcagno
Chief Executive Officer
Digital Customer Centric Company
Digital Customer Centric Company

WHO FASTWEB IS

THE LARGEST ITALIAN ALTERNATIVE OPERATOR

A key-player in the diffusion of ultra-broadband in Italy, Fastweb is the country’s largest alternative mobile operator for fixed network telecommunications. The company was established in 1999 and since then has consistently invested in innovation and infrastructure to ensure the finest quality in the provision of ultra-fast internet connection.

Every year the company invests approximately 30% of its revenues, over 9 billion euro since Fastweb was established – the only company to do so in Europe - to sustain the constant push towards innovation. This has led to the expansion of the fibre optic network to over 44,000 km and at the end of 2016 it had reached 7.5 million families and businesses with a connection speed of up to 1 Gbps.

Thanks to the expansion of web coverage and to the constant development of connection speed, Fastweb is once again the leader in the ultra-broadband market, with the most extensive alternative proprietary network of new generation fibre optics, Full IP, in Europe.

Fastweb was the first operator in the world to create, (it has done so since 2000) a network based entirely on IP protocol, which along with the fibre infrastructure enabled the launch of vocal, data and video services that can be used together by a single customer whether they be private or business consumers.

Fastweb has over the years continued to stand out for having innovated fixed networks in Italy and for having offered its customers the best internet connection. Fastweb was in fact the first company to launch 100 Mbps in 2010 and the first in Europe to launch 200 Mbps with VDSL Enhanced technology in 2016.

Fastweb has been a MVNO operator since 2008 and today is a Full MVNO operator, since January of 2017 it offers its customers 4G and 4Gplus services while also growing the quality of connection and the expanse of network coverage.

The new service will allow customers to navigate in 4G up to 100 Megabyte per second when in download in over 400 counties (approximately 96% of the population) and up to 300 Megabyte per second in over 400 counties of which 144 are large cities thanks to 4Gplus. Thanks to its network’s architecture and flexibility Fastweb met the technological challenges of the future with a perfect convergence of fixed and mobile telephony.

In addition to voice, data and mobile services, the offer in the last few years was also extended to solutions with an added value such as Cloud Computing and information security services. The offer is differentiated for diverse market areas in order to satisfy the needs and meet the expectations of all categories of customers whether they be families, professionals, small and medium sized businesses, large companies or government bodies.
KEY FIGURES 2016

- **Smart digital community enabler**
  - 44,000 Km of fiber optic network
  - 7.5 millions families reached by Fastweb’s Ultrabroadband technologies
  - 6,600 municipalities that will be reached by 4G Fastweb services in 2017
  - 1.5 millions customers enrolled in the WOW FI community
  - 1,000 young adults that will be trained in the Fastweb Digital Academy during 2016/2017

- **Trusted and lean customer partner**
  - 2.4 millions customers on ultrabroadband, +7% on 2015
  - 99,997% assured continuity of cloud services thanks to the first Tier IV Data Center in Italy
  - +12% Net Promoter Score in the residential segment in 2016, compared to the average of competitors’ NPS
  - 166,000 customers enrolled in the liveFAST community

- **Human-Centric employer**
  - 2,573 employees working in Fastweb, +3 on 2015
  - +13% positive or very positive responses to PEI 2016, on 2015
  - 42,265 in-class training hours (17 per employee)
  - 1,594 Smart workers (62% of total employees)
  - 87% Very positive opinion on the introduction of Smart Working in Fastweb

- **Resilient and sustainable player**
  - -50% reduction of energy consumption per Gigabyte data traffic in the last 5 years
  - 100% electric energy directly purchased from renewable sources
  - 3.6 thousands GJ of energy consumption avoided thanks to energy consumption reduction initiatives
  - 1,436 suppliers working with Fastweb
Fastweb’s Innovation Milestones

2000
- Consumer Service Launch

2001
- VoD Service

2002
- VoIP Class5 Services
- Videocomm

2003
- VoD over ADSL
- Multicast over ADSL

2004
- Unified Messaging
- The 2nd wireline carried in Italy

2005
- ADSL2+
- Prepaid Internet

2006
- Replay TV (NPVR)
- SMB IP Centrex®

2007
- HD IPTV w/ DTT

2008
- 4P Mobile Services
- Easy
  - SIP (Easy) Triple-Play

Digital Customer Centric Company
<table>
<thead>
<tr>
<th>Year</th>
<th>Event/Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>New Data Center Tier IV</td>
</tr>
<tr>
<td>2010</td>
<td>WOW FI FTTCab Managed Services</td>
</tr>
<tr>
<td>2011</td>
<td>WOW FI VDSL+ 200 Mbps FULL MVNO</td>
</tr>
<tr>
<td>2012</td>
<td>SMB IP Centrex®</td>
</tr>
<tr>
<td>2013</td>
<td>Homepack Sky Fastweb</td>
</tr>
<tr>
<td>2014</td>
<td>Digital Customer Centric Company</td>
</tr>
</tbody>
</table>

**Homepack Sky Fastweb**

**SMB IP Centrex®**

**FTTCab**

**New Data Center Tier IV**

**WOW FI**

**VDSL+ 200 Mbps FULL MVNO**
COMPANY STRUCTURE

Fastweb S.p.A is a single-member company controlled and coordinated by Swisscom AG, through its subsidiary Swisscom Italia.

Since December 16th 2014, after the merger where Fastweb S.p.A. absorbed Fastweb Wholesale S.r.l., the only significant equity investment (60%) of Fastweb S.p.A. is joint-stock consortium company, QXN.

QXN is headquartered in Rome and was established to provide the Public Administration Agencies with an interconnection network, Qualified eXchange Network, one of the networks of all the suppliers of Public Connectivity Systems (PCS). The purpose is to ensure communication between all PCS providers of the highest quality and security margins in conformity with the regulations as outlined by the Technical Committee of the tender for procurement by the The National Centre for IT in the Public Administration (CNIPA). At the same time, the company must allow all members and PCS providers access to the all provided services in order to allow for an exchange of data to all those who are involved with PCS.

In 2016, pursuant to Swisscom Italia S.r.l.'s cessation of its participation in Metroweb to Enel, two new participants were established:

- **Flash Fiber**, a joint venture between Telecom Italia and Fastweb entered on July 28th 2016 to promote the creation of ultra-wideband infrastructure with FTTH (Fiber to the Home) technology in Italy’s major cities. The company, which is owned at 80% by Telecom and at 20% by Fastweb, operates under the direction and coordination of Telecom Italia with the objective of creating a fibre optic access network which will be used by Telecom Italia and Fastweb to offer the latest services to its customers. The industrial plan for Flash Fiber is to connect with FTTH technology, which makes for a connection speed of 1 Gigabit per second, in approximately 3 million homes in 29 major Italian cities by 2020 for a total investment that is expected to be of € 1.2 billion.

- **Open Hub Med (OHM)**, is a consortium that aspires to be the first neutral hub in Italy for the exchange of communication in the Mediterranean basin between Africa, the Middle East, Asia and the rest of the world by taking advantage of Sicily’s geographic position to transmit a part of this traffic towards Europe's main hubs through Italy. The neutrality of the hub comes from OHM’s consortium status: the plurality of its members ensures neutrality as defined in the conditions of the contract. Fastweb’s stake is of 11%, the remainder is divided between 8 other partners (VueTel Italia, Italtel, Interoute, Eolo, XMED, Mix, Supernap Italia, Equinix Italia).

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1. Milan is not included in this list as it is already covered by FTTH technology.
Commercial success and the ability to face the challenges of the market are the result of a shared Value and Mission which are the inspiration for continuing to offer Fastweb customers the best customer experience possible.

Our customer is perpetually at the centre of all Fastweb activities; technological infrastructure is a powerful instrument in facilitating industrial, professional, individual and social relationships. The company values are shaped by a focus on technological innovation as an enrichment of both a social and working life, they are the foundations of culture as a whole and inspire activities on every level.

**OUR VISION**
To enrich life and work through the Internet

**OUR MISSION**
To appreciate and cater to the changing needs of our customers in order to assure the best possible Internet experience

*Our values are a shared asset to which we all contribute in our daily working lives and for which we are all equally responsible. Therefore, we must measure our commitment and actions according to these values as, only in this way, can these challenging goals set be achieved.* (from the Fastweb Code of Ethics).

**Our Values**

1. **Customer First** - I live in the community and I am also a customer. Here is why our first approach is from the customer's point of view.

2. **Trust** - Trust, loyalty and reliability first of all. I listen to others and try to catch the best of everything around me.

3. **Innovation @ 360°** - I look beyond the external appearance. I love taking on new challenges, in everyday work.

4. **Initiative** - I face difficulties head on. I am never content, I always think of getting things working when they're not and improving things when they do work. Hence, enough is never enough.

5. **Agility** - I'm fast and focused and keep things simple.
The Italian market of telecommunication services is the 4th in Europe, and end users’ total expenditure for telephony is of approximately € 26.5 billion between mobile and fixed services. In 2016 the total value of the market stabilised, inverting a negative trend that had taken hold in recent years.

As in 2015, there was a slight upswing in mobile services, which today represents approximately € 14.1 billion. The average revenue of the operators increased thanks to the growing use of bundled offers (voice, text and data) as well as the upturn in mobile data services and at an added value which is linked to the growing development of mobile internet offers and digital services.

**Fixed line services**, after years of a declining trend have substantially stabilised, thanks above all to the growth of ultra-broadband services (over 30 Megabits per second).

The Italian market remains focused on integrated offers which include voice and broadband connection: in 2016 broadband services reached a penetration level on landline access of 75% bringing the related revenue to offset the decline in the voice component, which continues to suffer from the substitution of a mobile solution for a fixed solution. Broadband connections account for approximately 14.7 million connections, which equates to a penetration level of 50.2% in Italian homes and businesses.
With coverage of over 50% of the country, super-fast broadband services are becoming increasingly popular. Even today, although in a lesser measure with respect to the past, Italy still has to catch up with other European countries because of the low level of penetration of broadband services in comparison to the average in the European Union, due primarily to the low level of digital literacy and number of personal computers in homes. The gradual growth that has been registered in the market in recent years – with an increase of approximately five hundred thousand broadband users in 2016 alone – will see the gap between Italy and the EU lessen.

In 2016 the Italian market was once again subject to strong pressure on pricing and the launch of new products and services, with a progressive development of convergence offers and a constant growth in mobile broadband services. Data traffic confirms a notable growth rate in 2016 thanks to significant investments in infrastructure, to offers on smartphones and tablets and the roll out of ultra-broadband networks: operators’ plans are going forward at full speed and both fibre networks and mobile 4G services have reached a robust percentage of the population.

Within this context, Fastweb has confirmed its strategic positioning which has always been based on the improvement of its network infrastructure and technological innovation capabilities.

This year the company has once again continued to work on the evolution of its product portfolio, on maintaining technological leadership in terms of next generation networks, on strengthening the business segment through the development of new services such as cloud computing and on the expansion of WOW Fi which customers can use to share part of their Wi-Fi connectivity with other Fastweb customers when they are not using the Internet. In turn, they can connect to the secure Wi-Fi of other Fastweb WOW Fi Community members when in other locations, enjoying secure, quality connection while saving on their SIM mobile data traffic.

This strategy has once again brought positive results supported by the achievement of a market share of over 15% of broadband services, establishing Fastweb as an exceptional alternative to the former monopolist carrier across all business segments.

In the world of enterprise, the company has seen a consolidation with regards to large enterprises (due largely to cloud) as well as in Public Administration and small and medium enterprises. This was possible thanks to an integrated and consultation-oriented approach which allows us to manage our customers’ needs at 360° and which puts the focus on consistently enriching our product portfolio through innovative ICT services.

In the Consumer environment, the ultra broadband offering confirmed its commercial success and
highly competitive bundle offers were developed for voice and data. The mobile sector is highly strategic for Fastweb: the 2016 passage to a Full MVNO operational model will allow Fastweb to develop its own mobile service infrastructure for managing their customers’ SIM cards directly while also ensuring an improved customer service experience. These results speak to the achievement of important objectives in terms of the market and business planning. In point of fact, over the course of the last year the number of customers increased by over 6%, growing from 2.2 million to over 2.3 million while the revenue increased by 3.4% in comparison to 2015 with an organic growth in the various segments that make up the business facet of Fastweb.

<table>
<thead>
<tr>
<th>Unit of measurement</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>Variation 2016-2015 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of clients</td>
<td>000</td>
<td>2,072</td>
<td>2,201</td>
<td>2,355</td>
</tr>
<tr>
<td>Revenues</td>
<td>€/000</td>
<td>1,688,025</td>
<td>1,736,212</td>
<td>1,795,095</td>
</tr>
<tr>
<td>Revenues from fees and traffic</td>
<td>€/000</td>
<td>1,422,027</td>
<td>1,480,893</td>
<td>1,505,056</td>
</tr>
<tr>
<td>Revenues from active interconnection</td>
<td>€/000</td>
<td>36,825</td>
<td>38,414</td>
<td>38,185</td>
</tr>
<tr>
<td>Revenues from hardware sales</td>
<td>€/000</td>
<td>65,736</td>
<td>61,648</td>
<td>54,345</td>
</tr>
<tr>
<td>Revenues from customer activation</td>
<td>€/000</td>
<td>59,448</td>
<td>59,954</td>
<td>70,157</td>
</tr>
<tr>
<td>Revenues from assignment of indefeasible rights of use (IRU)</td>
<td>€/000</td>
<td>55,148</td>
<td>51,897</td>
<td>84,043</td>
</tr>
<tr>
<td>Other revenues</td>
<td>€/000</td>
<td>48,821</td>
<td>43,406</td>
<td>43,309</td>
</tr>
<tr>
<td>Gross operating surplus (EBITDA)</td>
<td>€/000</td>
<td>515,476</td>
<td>575,554</td>
<td>661,188</td>
</tr>
<tr>
<td>Gross operating surplus (EBITDA)</td>
<td>%</td>
<td>30.5%</td>
<td>33.1%</td>
<td>36.8%</td>
</tr>
<tr>
<td>Net technical investments</td>
<td>€/000</td>
<td>562,337</td>
<td>540,570</td>
<td>580,794</td>
</tr>
</tbody>
</table>
In 2016 Fastweb generated revenues for 1,795.1 million euro, up by 3.4% compared to 2015 as a result of the aforementioned growth in revenue in all the major business divisions. This translates into an increase of the added value that is distributed to the stakeholders from 228 to 33.1 million euro (+45%). It is distributed to its Stakeholders, to suppliers with the purchase of goods and services, to employees in the form of wages, to the Public Administration as revenue from taxes, and to the community by way of donations and gratuities (this value was considered in the financial statements item “Other operating expenses”).

The method for calculating added value and its distribution as laid out in the chart below follows the guidelines set forth by GBS, the Gruppo di Studio Bilancio Sociale (Italian observatory on social reporting) to calculate the added value (The GBS 2013 Social Reporting Standards).

In 2016 the calculation methods were Fine-tuned, therefore the data for 2014 and 2015 has changed slightly with respect to the previous year’s report.

### Calculation of added value

<table>
<thead>
<tr>
<th></th>
<th>2014 (Mln €)</th>
<th>2015 (Mln €)</th>
<th>2016 (Mln €)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues from sales</td>
<td>1,688.0</td>
<td>1,736.2</td>
<td>1,795.1</td>
</tr>
<tr>
<td>Other revenues</td>
<td>42.9</td>
<td>95.4</td>
<td>101.2</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>1,730.9</td>
<td>1,831.6</td>
<td>1,896.3</td>
</tr>
<tr>
<td>Costs of goods and service</td>
<td>-602.5</td>
<td>-637.5</td>
<td>-615.8</td>
</tr>
<tr>
<td>Cost of leased assets</td>
<td>-385.5</td>
<td>-395.5</td>
<td>-397.9</td>
</tr>
<tr>
<td><strong>Operating costs</strong></td>
<td>-988.1</td>
<td>-1,033.0</td>
<td>-1,013.6</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>-14.0</td>
<td>-19.3</td>
<td>-12.9</td>
</tr>
<tr>
<td>Provisions for risks and other provisions</td>
<td>-566.0</td>
<td>-549.8</td>
<td>-537.7</td>
</tr>
<tr>
<td><strong>Total added value</strong></td>
<td>162.9</td>
<td>229.5</td>
<td>332.1</td>
</tr>
</tbody>
</table>

“Other revenues and income” ended 2016 with a balance of 101.2 million euro, up by 5.8% compared to 2015.

### Distribution of added value

<table>
<thead>
<tr>
<th></th>
<th>2014 (Mln €)</th>
<th>2015 (Mln €)</th>
<th>2016 (Mln €)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total added value</strong></td>
<td>162.9</td>
<td>229.5</td>
<td>332.1</td>
</tr>
<tr>
<td>Staff wages</td>
<td>178.5</td>
<td>172.3</td>
<td>176.8</td>
</tr>
<tr>
<td>Tax liabilities to Public Administration</td>
<td>11.7</td>
<td>3.5</td>
<td>48.0</td>
</tr>
<tr>
<td>Company retained earnings</td>
<td>-62.3</td>
<td>28.0</td>
<td>95.0</td>
</tr>
<tr>
<td>Remuneration of loan capital</td>
<td>34.6</td>
<td>24.9</td>
<td>11.4</td>
</tr>
<tr>
<td><strong>Distribution of added value to the community</strong></td>
<td>0.4</td>
<td>0.7</td>
<td>1.0</td>
</tr>
</tbody>
</table>
The added value overall has increased by **45%**, mainly due to the company’s retained earnings through a significant increase in profits and the reduction of operational costs.

The bulk of the added value generated is distributed to employees, (**53.2%**) through wages and benefits. The remuneration of loan capital adds up to €11,411 thousand (€24,864 thousand in 2015) and is made up primarily of matured interests on loans from the parent company Swisscom Italia.

“Taxes” add up to €47,976 thousand (€3,500 thousand in 2015). The variation with respect to the previous year is due to the added burden of the relevant corporate income tax (IRAP) which accounts for €4,325 thousand and especially due to the negative impact of deferred taxes for €40,151 thousand while in 2015 the impact of the deferred tax rate was neutral.

Detailed information can be found in the 2016 Financial Statements.
Fastweb believes that sustainability is of key importance to long-term success: it is a fundamental tool for understanding the dynamic evolutions of the world we live in and meeting - first and foremost from a business perspective - all the stakeholders needs that are in constant evolution, strengthening the company’s reputation and competitiveness.

In 2016 the company launched a project to identify the most important areas of interest in telecommunication for stakeholders. A scenario analysis and benchmark analysis were the starting point of this project – in order to best understand the most relevant strategic drivers and the current evolution in social and business trends – and from a survey of both existing and potential stakeholders’ expectations along with the direct involvement of management. This allowed us to pinpoint a series of key issues, which were then assessed starting from the ISO 26000 guidelines – an internationally recognised standard which allows for the evaluation of the application level of the company CSR - with the purpose of understanding the areas of improvement for Fastweb.

The results lead us to 4 cornerstone issues that define the perimeters of Fastweb’s approach to sustainability: Smart digital community enabler, Trusted and lean customer partner, Human-Centric employer, Resilient and sustainable player. The company intends to build a plan of action based on these cornerstones to launch new initiatives with the scope of further integrating sustainability in the company’s activities and define both commitments and objectives for the medium and long-term period.

The project’s results were integrated in to the update of the materiality analysis, which has been reviewed in order to ensure that it conforms with the company’s priorities and is congruent to the business scenario. (For a more detailed insight into the methodology applied please refer to the Methodology Note). The chapters of this Evaluation were defined on the basis of the cornerstones of sustainability and of the material issues that were identified, in order to focus the report on Fastweb’s approach and lay forth the main results obtained for the most significant issues for stakeholders and the business.
The Pillars of Sustainability

Smart digital community enabler

Commitments
- Expand next generation infrastructure across the country
- Promote digital literacy and culture through innovative initiatives
- Facilitate new business opportunities in the digital world

Material Issues
- Digital infrastructure for the country
- Digital know-how in schools and the workplace
- Technological innovation and innovation of services

Trusted and lean customer partner

Commitments
- Provide excellent services
- Simplify and provide easy access without interruptions to connectivity and customer service
- Make it easier for customers to support social initiatives
- Be a reliable partner for clients
- Provide incentives for the innovation of responses to customer needs

Material Issues
- Transparency and trust
- Customer needs and quality of service
- Privacy and data protection

Human-Centric employer

Commitments
- Promote the wellness of employees at 360°
- Attract talent
- Promote next-generation skills within staff
- Support diversity and inclusion

Material Issues
- Diversity, equal opportunities and meritocracy
- Welfare and work-life balance
- Attracting and training of talent
- Health and safety in the workplace

Resilient and sustainable player

Commitments
- Promote environmental awareness in the workplace
- Continue to improve energy efficiency and decrease the company’s environmental impact
- Be a socially responsible company across the distribution chain

Material Issues
- Energy efficiency and a commitment to support climate change issues

Digital Customer Centric Company
Enrich life and work through internet
In September 2015, the United Nations approved the Global Agenda for sustainable development and its 17 goals for sustainable development by 2030 (Sustainable Development Goals – SDGs) as stated in the 169 target mission and monitored using over 240 indicators.

All countries involved must be committed to defining their own strategy that will allow them to reach the SDGs and report all results achieved within a process coordinated by the UN: all players, from businesses to the public sector, from civil society to philanthropic organizations, from universities and research centres to people who work in the media and culture are called upon to become a part of this vision.

Fastweb, in continuity with Swisscom’s endeavours, intends to ensure that it will make a concrete contribution to meeting SDGs in Italy. From an initial analysis that was made in 2016, sustainable actions implemented by the company to date, focus on the following objectives in particular: 4 – (quality education) 7 – (affordable clean energy), 8 – (decent work and economic growth) and 9 – (industry, innovation and infrastructure): through the implementation of the commitments that form Fastweb’s 4 cornerstones of sustainability, the company intends to continue to extend the perimeters of its sustainable impact in terms of the Objectives of Sustainable Development, promoting partnership opportunities amongst players with diversified expertise and profiles.
Fastweb’s Governance structure is composed of the following bodies: Partners’ Assembly, Board of Directors (assisted by the Independent Control Committee and the Management Board) and the Statutory Board of Auditors.

**BOARD OF DIRECTORS**

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urs Schaepi</td>
<td>President</td>
</tr>
<tr>
<td>Mario Rossi</td>
<td>Vice President</td>
</tr>
<tr>
<td>Alberto Calcagno</td>
<td>CEO and General Manager</td>
</tr>
<tr>
<td>Ulrich Dietiker</td>
<td>Director</td>
</tr>
<tr>
<td>Heinz Herren</td>
<td>Director</td>
</tr>
<tr>
<td>Alberto Giussani</td>
<td>Director</td>
</tr>
</tbody>
</table>

Legal representative before third parties and legal actions

The Board of Directors remains incumbent until the assembly, which approves the Statement of Financial Position on December 31st, 2018.

**INDEPENDENT CONTROL COMMITTEE**

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alberto Giussani</td>
<td>President</td>
</tr>
<tr>
<td>Ulrich Dietiker</td>
<td></td>
</tr>
<tr>
<td>Mario Rossi</td>
<td></td>
</tr>
<tr>
<td>Peter Burkhalter</td>
<td></td>
</tr>
</tbody>
</table>

**STATUTORY BOARD OF AUDITORS**

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Michele Siri</td>
<td>President</td>
</tr>
<tr>
<td>Roberto Spada</td>
<td>Effective Statutory Auditor</td>
</tr>
<tr>
<td>Francesco Turati</td>
<td>Effective Statutory Auditor</td>
</tr>
<tr>
<td>Fabio Vittori</td>
<td>Substitute Statutory Auditor</td>
</tr>
<tr>
<td>Cristiano Proserpio</td>
<td>Substitute Statutory Auditor</td>
</tr>
</tbody>
</table>

The Statutory Board of Auditors is incumbent until the assembly, which approves the Statement of Financial Position on December 31st, 2019.
Fastweb is governed by a Board of Directors (BoD) with a mandate of three terms that can be re-elected. Said Board is vested with full powers for both the ordinary and extraordinary management of the company and has the power to do whatever is necessary to reach the company’s goals.

Fastweb’s current Board of Directors was appointed by the Partners’ Assembly on March 17th, 2016 and the term will expire with the annual meeting to approve financial statements on December 31st 2018. As determined by and in accordance with the Partners’ General Assembly by six directors selected by the company’s sole shareholder. At the shareholder’ meeting of 02/03/2017, Mr. Heinz Herren was appointed CEO, replacing outgoing Mr. Peter Burkhalter who resigned.

The Board of Directors is appointed pursuant to Article 10 of the Articles of Association and Section 2383 of the Italian Civil Code. The single member decides on the number and components of the Board of Directors. The assembly is responsible for appointing the directors, who cannot hold office for more than three financial years. Said terms of office expire on the date of the Annual General meeting called to approve the financial statements for the last year of their office.

Purely on a voluntary basis and in continuity with its former listing on the Borsa Italiana (the Italian stock exchange), the Company has decided to retain an independent director on its Board of Directors, Professor Alberto Giussani pursuant to the TUF (Testo Unico della Finanza or Financial Services Act) and the Self-Regulating Corporate Governance Code.

The Board of Directors must be promptly notified of any conflicts of interest of Directors, in accordance to art. 2391 c.c. The director concerned must specify the nature, terms, origin and extent of his interest; in practice, he will have to supply any relevant information to allow the other directors and the auditors to assess the potential existence of a conflict, and, in general, the underlying economic convenience for the Company.

The Board of Directors can also ask the Supervisory Body to carry out a timely or regular audit on the aspects that are the object of the conflict of interest.

The appointment of the members the Board of Directors of both Fastweb and of the holding company Swisscom, ensures common business development strategies and policies in addition to transparent governance. At monthly meetings, attended by top management from both Swisscom ad Fastweb, the company’s projects of strategic importance are discussed, shared and explored from all management angles.

In order to effectively perform the role assigned to them in the Company, and to be fully aware of the tasks and responsibilities associated with said roles, the Directors participate in initiatives aimed at reinforcing their knowledge of the company reality and its dynamics, periodically participating in in-house meetings with Company Management.

The Board of Directors meets at least each quarter or depending on the potential need to convene and is vested with full powers with the exception of those reserved by law of the assembly. At the first meeting of the year the Board of Directors approves the budget for the year and the financial statements.

The remuneration of the Board of Directors is determined in accordance with the Shareholder; the Board of Directors makes decisions in matters regarding the compensation for special assignments (art. 2389, comma 3, c.c.) and the Management Board’s remuneration.
INDEPENDENT CONTROL COMMITTEE

Following the Company’s delisting, the Board of Directors set up an Independent Control Committee at a meeting held on April 27th, 2011 with the task of overseeing in-house control with a simpler composition and functions than required of companies on the stock exchange as far as, amongst other things, the financial statements’ accounting standards and determining financial corporate risks are concerned. The committee furthermore is charged with defining Fastweb’s guidelines of the internal control system and in ensuring yearly inspections and evaluations of the internal control system. To further ensure the independence of the committee, in addition to the independent President, Professor Alberto Giussani, the Committee meetings are also always attended by the external Supervisory Board established by Fastweb in accordance with the Italian law D.Lgs.231/2001, members of the Fastweb Supervisory Council, Fastweb’s Internal Audit Manager, Swisscom AG’s Internal Audit Manager, the Manager of Compliance & Risk Management and Fastweb’s Risk Manager. Additionally, any person whose presence is deemed necessary at the meetings by the Committee can attend the Committee meetings. The current committee was appointed at a meeting held by the Board of Directors on March 17th, 2016 and will be discharged at the assembly for the approval of financial statements on December 31st 2018.

BOARD OF STATUTORY AUDITORS

The current Board of Statutory Auditors was appointed at the Annual General Meeting on March 2nd 2017 and their appointments will expire at the annual meeting for the approval of financial statements on December 31st 2019. The appointment is chosen from a selection of candidates put forth by the single member, whose CVs and privacy waivers in accordance to Italian law are filed with the company. The Board of Statutory Auditors also positively supervised the company’s independent audit and partakes in meetings held by the Independent Control Committee.

GENERAL MANAGER

The Board of Directors can appoint one or more general managers, deciding on their powers, representative powers as well as their remuneration. On November 8th 2010, the Fastweb Board of Directors approved the appointment of Alberto Calcagno as General Manager, who is currently still in office, vesting him with full powers to run the Company. The General Manager reports to the board and is responsible for all the Company’s divisions and departments.
The Fastweb Board of Directors formally set up a
management board composed of managers not on
the BoD, with the exception of the CEO who is the
chair.

The role of the Management Board is not to govern
but to coordinate the activities of the various
operational divisions in Fastweb. One way it does
this is by first studying all the issues of strategic
importance to the company’s future development,
which are the issues with broad significance
in terms of its earnings, business affairs and
financial position.

The Management Board also acts as a consultant
body for issues and operations that the Board of
Directors decides to indicate on a case-by-case
basis.

At the moment it is composed of the Chief
Executive Officer, the Chief Financial Officer, the
Chief Technology Officer, the Chief Human Capital
Officer, the Chief Marketing & Customer Experience
Officer, the Chief Digital Transformation Officer,
the Chief Legal & Regulatory Affairs Officer, the
Chief Enterprise Officer, the Chief Consumer &
Microbusiness Officer and the Chief Institutional &
External Relations Officer.

The Articles of Association establishes the
procedures for calling the Annual General Meeting
(AGM), speaking and representing rights; it is
chaired by the Chairman of the Board of Directors,
who is assisted by a secretary appointed by the
AGM.

During the meetings, the Board takes all necessary
steps required to ensure that all shareholders
are kept adequately apprised to be able to make
informed decisions with regard to AGM resolutions.

In October 2014, Fastweb put into place a
procedure relating to transactions involving conflict
of interests or conflicting with the interests of other
Company directors or employees; it contains the
operational regulations and principles that Fastweb
directors and employees must abide by to ensure
substantial and procedural transparency and
fairness of transactions that may be of interest to
other directors or employees and those involving a
conflict of interest between the personal interests
of directors or employees, and the interests of
Fastweb.

The measures adopted - in compliance with the
provisions of Article 2391 of the Italian Civil Code
- supplement the internal control system based
on the Group Code of Ethics and on the Fastweb
Organisation, Management and Control Model.

The procedure also applies to the members of the
Statutory Board of Auditors.
Fastweb is organised into Staff Divisions and Sales and Technology Divisions. The Sales Divisions are broken down as follows: **Consumer & Microbusiness Unit**, for Consumers and SoHo (Small Office Home Office) professionals, and the **Enterprise Unit**, for the Medium Enterprise and Top and Executive world. In December 2014 Fastweb Wholesale s.r.l. was incorporated into the company and is once again a corporate Sales Department, in the Digital Transformation Division. The **Technology Division** works alongside these three divisions for technology development and implementation.

The Staff Divisions are: **Administration, Finance and Control (CFO)**, **Human Capital**, **Legal & Regulatory Affairs**, **Institutional & External Relations**, **Marketing & Customer Experience**, **Internal Audit & Supervisory Body 231 and Digital Transformation**.
2016 saw some changes to the organizational structure, in an effort to reinforce the internal structure given the evolution of both company strategy and the market. The department “Program Management Mobile” in particular was developed within the Marketing and Customer Experience Division with the objective of creating a cross-functional team dedicated to mobile issues.

Furthermore, the Digital Transformation division has acquired a new organizational asset with the objective of taking yet another step towards a model that can better meet the needs of the ongoing changes at Fastweb as well as the plans and challenges in the near future. The new organization will build up the Program Management department, re-visit the Business IT department’s organizational model in order for it to be able to fully focus on new projects and create a new department charged with Quality Assurance and Operations who will support the divisions with an eye on both the business and customer issues.
ETHICS & COMPLIANCE

Compliance with the law and with the voluntary regulations adopted as a management reference and with the corporate rules of governance is an integral part of Fastweb’s code of conduct.

THE INTERNAL AUDIT AND RISK MANAGEMENT SYSTEM

The Internal Audit and Risk Management System consists of a set of rules, procedures and organisational structures with the aim of identifying, measuring, controlling and monitoring key corporate risks. In the “Directive Internal Control and Risk Management System-Assurance Framework” report Fastweb outlines who the key players are and how the internal control system operates and works. In addition to the Board of Directors, CEO, Compliance 231&262, Risk Management, CFO, Board of Auditors, Management Board, Independent Auditors, Management, Employees, this system also includes:

- The Internal Control Committee, which assists the Board of Directors with advice and recommendations as regards the internal control system;
- The Supervisory Body, which is in charge of supervising the effective operation and adequacy of Model 231, with regard to its real capacity to prevent crimes being committed pursuant to Italian Legislative Decree 231/2001 on compliance with Model 231 by all intended recipients, and updating the Model as necessary to adapt to changed conditions in the Company;
- The Internal Audit officer, who has the task of assuring that the internal monitoring and risk management is operational and adequate.

Furthermore Fastweb also has an Enterprise Risk Management (ERM) framework in place as well as procedures for identifying, analyzing, monitoring and mitigating any risks that the company might be exposed to.

Compliance & Risk Management, working within the Internal Audit sector is charged with projecting, managing and maintaining this system, as well as seeing to cycles of Risk Assessment carried out by different functions, from quarterly to annually depending on the risk classification.

In line with the industry practices, Risk Owners were allocated to every risk determined. The Risk Owners are also responsible for adopting countermeasures to reduce risk and for regularly making sure that these countermeasures are effective.

With the support of the functions responsible for the risks determined, the current risk status is regularly (quarterly) reported to the reference stakeholders (Swisscom, ICC, Accounts, Top Management, Managers directly concerned, Risk Owners and Measure Owners...).

Additionally training and communication programs are set up to maximise the internal flow of information.
Fastweb adopted **Model 231** in conformity with the Italian Legislative Decree no. 231/01. In 2001, the Italian Government introduced Legislative Decree no. 231/01, which for the first time made companies and other corporate bodies directly liable for crimes committed by directors, managers, their subordinates and other people working on behalf of these organisations, in the event that the crimes were committed in the interests or to the benefit of the company or corporate body concerned. Fastweb’s **Code of Ethics** is an integral part of the organisational model 231 adopted by the Company, and the latest version was approved by the BoD on 27 October 2015.

Model 231 is regularly updated on the basis of regulatory and/or organisational and/or process developments and/or developments in the internal information systems.

In an effort to ensure that all employees were well informed and aware of the importance of applying the Model correctly, a compulsory e-training course was set up that took an in-depth look at the main evolutions in company regulations. In keeping with this school of thought, between May and October 2016, training sessions were held in classroom-type settings on the subject of public tenders (173 participants) and on the risks involved with tenders and subcontracts (80 participants from the Consumer & Small Business Division).

New employees were sent a comprehensive email on the contents of the Code of Ethics and the Organizational Model 231 along with a request to take the e-learning course on these subjects.

### Training course on Corruption and other crimes as per the Italian Legislative Decree 231/01

<table>
<thead>
<tr>
<th>Training course on Corruption and other crimes as per the Italian Legislative Decree 231/01</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training on the Italian Leg. Decree 231/01 and Organizational Model 231</td>
<td>Management</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>Non-management</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Training on corruption crimes Italian Leg. Decree 231/01</td>
<td>Management</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>Non-management</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

The percentages shown refer to employees with access to the course and who were present in the period the course was offered on the e-learning platform (the percentages do not include new employees who were hired between September and December 2016 who will take the course within the first few months of 2017 as well as employees who were absent for a sustained period of time for personal reasons between May-December 2016 and were unable to attend in the window of time the courses were offered).

### The Role of the Supervisory Board

In order to verify correct application of the Model 231 adopted, Fastweb has appointed its own Supervisory Body (SB), formed of the Chairman of the Independent Control Committee, the Chief Audit Executive and an independent criminal lawyer. The members of the SB remain in office for the same period of time as the BoD that appointed them. In 2016 the Supervisory Board, supported by the Compliance & Risk Management Manager, carried out supervisory activity which concerned all company divisions and involved both the verification of the content of the periodic flow of information received from the Supervisory Board, (9 verifications) as well as 3 compliance audits. The Supervisory Board refers results to the BoD as well as possible critical issues that may arise in the course of their duties. (implementation of the 231 Model).

The verifications focused primarily on topics related to the risk/crime of corruption, while the compliance audit focused on: the management of expenditure and cost of sales, follow up on Safety in QXN and the management of Business Travel Expenses.

The monitoring activities are included in the ‘Integrated Strategic Audit Plan’ (ISAP) presented annually to the Fastweb Independent Control Committee, and focus primarily on assuring that the Model is applied in the areas at higher risk of crime.
The Supervisory Body organises the activities and ensures that sensitive activities are regularly audited.

Information must also be sent to the Supervisory Body as specified in the Model (General Section and Special Sections) in application of Article 6, Section 2(d) of the Italian Legislative Decree no. 231/01. The Supervisory Body shares the type and frequency of information to be sent to it with the respective Internal Supervisors of the sensitive processes, who comply with the agreed methods and time frames. Thirty communications are currently expected (sent by 24 reference contacts).

Fair Competition and Transparency in Business Communications

Fastweb is monitored and regulated by a number of public authorities, including the Autorità per le Garanzie nelle Comunicazioni (AGCOM - Italian Authority for Telecommunications Guarantees - http://www.agcom.it/) and the Autorità Garante della Concorrenza e del Mercato (AGCM - Italian Antitrust Authority - http://www.agcm.it/), entities established to ensure fair competition between the marketplace operators and compliance with the regulations prohibiting anti-competitive practice amongst enterprises, abuse from market dominance and concentration ratios that can set up or strengthen market dominance that may negatively impact the competition.

Fair competition is an integral part of Fastweb's fundamental values and beliefs in deference to the authorities' objective of safeguarding consumption and citizens' well-being. The company is also committed to communicating commercial information correctly and honestly in a way that is clear and easy to understand.

In 2016 Fastweb was the object of a single significant sanction and was fined € 58,000 by AGCOM for failing to comply with the law that deals with the quality of services to the public and for not having communicated quarterly reports and the annual quality report for 2014 and 2015 on quality indicators in fixed, mobile phone services, fixed internet and call centers to the Authorities on the dedicated link (http://www.fastweb.it/offerte/qualita-e-carte-servizi/).

As a result of the sanction, Fastweb has integrated a process that was already in place for the collection of data on the quality of services as well as implementing a new timeline in the monitoring of said services to meet with the deadlines of the Authorities in order to be in compliance with the law and avoid repeating the mistakes that led to the sanction in question.
In addition to the aforementioned measures, Fastweb defined specific internal policies to promote legality and transparency at all levels:

- **Code of Ethics**: defines the guidelines and values that inspire Fastweb and the behaviour that all its directors, employees and partners must adopt.
- **Anti-corruption policy**: indicates the rules of conduct that must be followed to minimise the risk of committing the crime of corruption.
- **Anti-bribery & corruption policy for events and invitations**: shows the operational procedure for minimising the risk of committing the crimes of corruption & bribery when making invitations to sporting, cultural and informative events to both public and private customers.
- **Gift Policy**: details the conditions of giving and receiving gifts in relation to suppliers, customers and public officers.
- **Customer Privacy and Data Protection Policy**: this policy is based on the Italian Legislative Decree no. 196/03, and Fastweb implements it to inform customers of how their personal data is processed and on how to ensure that they can exercise their rights in compliance with the “Privacy Code”.
- **Environmental Policy**: using the international standard ISO 14001 as the basis, Fastweb issued its own environmental policy, which describes the reference framework to establish and review environmental protection targets. The environmental risks and impacts generated by the company’s activities were identified and the operating procedures and instructions were documented and applied to correctly manage those risks and impacts.
- **Safety Policy**: For Fastweb, the protection of its employees' health and safety of primary importance. Using the international standard OHSAS 18001 as the basis, Fastweb defined a policy that proves the commitment of Senior Management in this area and lays down the framework to establish and assess the occupational health and safety measures put in place and the targets set, also promoting safety-oriented behaviour by employees (Behavioural Based Health Safety).
- **Procurement Policy**: integrity, transparency and objectiveness are the essential foundations for successful relationships with suppliers. This policy sets down and specifies the values that Fastweb suppliers must comply with to ensure their Corporate Social Responsibility towards the community and the environment.
- **Sustainable Travel and Expenses Policy**: The instructions provided for business travel focus on reducing costs and protecting the environment: wherever possible, meetings between Fastweb employees from different workplaces shall be held by teleconference or videoconference only; train is the preferred means of travel between Milan and Rome; public transportation must be used for travel within urban areas.
- **Whistleblowing Policy (managing disclosure)**: governs the management of disclosure of any unlawful conduct by employees. Disclosure may also take the form of an anonymous report with a form that is available on the company Intranet and from the public Internet network, by phone or by traditional mail. All reports are treated with complete confidentiality, analysed and if necessary handled through the most appropriate actions.
In order to assure quality, safety and compliance with the legislation applicable to its processes and services, Fastweb rolled out a policy aimed at adopting certifiable management systems in compliance with benchmark voluntary standards. The adopted management systems have been integrated over the years and become a single management system, which guides internal operations and ensures the proper application of company rules across the various divisions. The integrated management system was developed in compliance with International Standards and includes:

- **ISO 9001 - QUALITY**
  - Enterprise Division

- **ISO/IEC 27001 - INFORMATION AND DATA SECURITY**
  - Enterprise Division

- **ISO 14001 - ENVIRONMENT**
  - Entire Company

- **ISO 22301 - BUSINESS CONTINUITY**
  - Entire Company

- **OHSAS 18001 - OCCUPATIONAL HEALTH AND SAFETY**
  - Entire Company

- **ISO 20000 - ICT SERVICES MANAGEMENT**
  - Enterprise Division

Fastweb over time has obtained certifications for each organizational structure from an independent external body. The road to certification includes periodic monitoring audits carried out by an independent third party; all evaluations reported are systematically taken on board following a concise operational plan.

Additionally, in 2016 Fastweb obtained the declaration of conformity of the Standard ISO 27018 on the protection of privacy for Public Cloud services. It is the first international standard, which ensures the norms of privacy in Cloud Computing Services and provides best practice standards in the protection of personal data on behalf of the Public Cloud Provider.

Fastweb’s conformity underlines its strong commitment towards customers for an ever increasingly transparent management of data and digital content.
Fastweb covers the entire Italian territory with headquarters, offices, equipment rooms, and flagship stores. The company’s registered offices are located in Milan on Via Caracciolo, 51.

The network of Fastweb stores currently consists of over 1000 points of sale, including 20 DOS (Directly Operated Stores) in major cities, stores in franchising and authorised dealers which are all are distributed over the entire country.

The operational facilities are occupied by management and sales and a select number of call centres dedicated to customer care. The equipment rooms are distributed over a vast network and house the equipment and servers that deliver Fastweb service.

In the last few years a plan that involved a revision plan and renovation have been fine-tuned. The plan is not a mere question of re-designing and renovating the office spaces: the goal here is to create a new way of working: smarter and more dynamic, to create spaces which encourage sharing and collaboration between people.

In 2016, this transformation was applied to the Turin headquarters which moved to a new space in September of that year. The Bari and Milan offices will also move their headquarters, in 2017 and 2019 respectively.

Additionally in 2016 a small headquarters opened in Brussels, Fastweb’s first offices abroad; the presence in Brussels was established in order to facilitate the ongoing collaborations with organizations in the European Union.

**PRESENCE ACROSS THE REGION**

**MILAN**
- **New Headquarters**
  - Il nuovo Piazzale delle Arti, 1
  - Spring 2019

**TURIN**
- **Commercial Headquarters**
  - Via Lugaro, 15
  - September 2016

**BARI**
- **Commercial Headquarters**
  - Via Omodeo, 51
  - Autumn 2017

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Digital Customer Centric Company
Fastweb intends to continue being a major player in the digitalization of Italy. This means not only continuing to invest in the diffusion of state-of-the-art connectivity infrastructure, but working on promoting the use of internet and digital literacy to create new business opportunities as it is Fastweb's belief Italy can take advantage of the current digital transition in order to grow and as a means to maximising social development only by being proactive in these two areas.
## Digitalization of Italy

### Commitments Made
- Reach 100 Italian cities with the Fastweb network by the end of 2016
- Expand the FTTCab network to reach 30% of Italian homes and families
- Speed up connectivity to over 100 Megabit per second (Mbps)

### 2016 Results
- Over 100 Italian cities reached with Fastweb FTTH and FTTCab fibre
- 7.5 million homes and businesses reached with FTTH/FTTCab technology, approximately 30% of Italian homes and businesses
- 30% of FTTCab Footprint already in technology eVDSL/V+ (average performance: 150Mbit/s and peak at over 200Mbit/s)
- Business tests conducted successfully in Milan in 2016 for service at 1Gbit/s

### Future Objectives
- Complete FTTCab network upgrade to VDSL enhanced technology which will improve performance up to 200Mbit/s (from the current 100Mbits)
- Complete the expansion of fibre services (FTTCab and FTTH) to reach 50% of the Italian population by 2020
- Expand the FTTH network to reach 50 million families and businesses by 2020

## Innovation and Technology of Services

### Commitments Made
- Activate WOW FI service in all Italian cities that are in the Fastweb network
- Improve mobile service in terms of quality, speed and power by becoming a Full Mobile Virtual Network Operator (Full MVNO)

### 2016 Results
- Over 1.5 million customers reached with coverage in over 800 Italian cities
- Implemented agreement with Telecom Italia for passage to Full Mobile Virtual Network Operator (Full MVNO)

### Future Objectives
- Bolster the WOW FI network
- Further strengthen mobile service by providing 4G and 4Gplus to 96% of the Italian population
<table>
<thead>
<tr>
<th>DEVELOPMENT AND DIFFUSION OF DIGITAL LITERACY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>COMMITMENTS MADE</strong></td>
</tr>
<tr>
<td>● Develop first models of training courses and diffuse digital literacy to people in the workforce</td>
</tr>
<tr>
<td>● Further develop FastUp project to promote the financing of student ideas</td>
</tr>
<tr>
<td><strong>2016 RESULTS</strong></td>
</tr>
<tr>
<td>● Launched within the Cariplo Factory, the Fastweb Digital Academy is a school that prepares young adults for digital careers</td>
</tr>
<tr>
<td>● An evaluation form was fine-tuned in order to assess digital literacy that is to be distributed within the company as well as to external entities</td>
</tr>
<tr>
<td>● Fast Up School: new branch of interest for Fastup on financing initiatives proposed by students, primarily of middle and high schools with a focus on digital culture</td>
</tr>
<tr>
<td><strong>FUTURE OBJECTIVES</strong></td>
</tr>
<tr>
<td>● Train 3000 young adults by the end of 2019 through the Digital Academy, 1000 by the end of 2017</td>
</tr>
<tr>
<td>● Launch and spread the Digital Agenda, an evaluation model of digital literacy integrated with training modules</td>
</tr>
<tr>
<td>● Inclusion of Fastup School in the initiatives of the &quot;Network Protocol&quot;, a MUIR (Ministry of Education) initiative to encourage the implementation of the National Plan for Digital Schools</td>
</tr>
</tbody>
</table>
Internet is a global engine for socio-economic development with pervading potential. A recent study of the Global e-sustainability Initiative and Accenture Strategy estimates that on a global level the economical benefits for citizens, businesses and government from the digital transition could reach a sum of US $ 9.1 trillion by 2030 of which 4.5 trillion worth of new opportunities in a variety of areas such as agriculture, retail, education and mobility. These are important numbers which confirm and reinforce the evaluation made by the McKinsey Global Institute 6 years ago in which the penetration of broadband into 10% of families and business could increase GDP by 0.1 to 1.4%.

In the last few years, thanks to the work of private operators, Italy has managed to lessen the gap that separates it from other European countries and the results are tangible. In the 2016 Digital European Scoreboard Index ranking, a tool for the yearly monitoring of digitalization in Europe, Italy is one of the countries which in 2015, that reached the highest overall growth in terms of the objectives set forth by the European Digital Agenda (+19.7%) and it is the country which made the most progress in terms of the expansion of 30Mbps coverage (+115% from 2014).

Despite the objectives reached, the road ahead remains a long one. The expansion of next-generation networks (NGN) is still low, (44% vs. the EU average of 71%), the Italian system is in 25th place with regards to digital literacy, in last place with regards to the use of internet in its population, in 21st place in terms of digitized industries and in 18th place with regards to the digitalization of Government entities.

It is within this context that Fastweb plans to continue to focus on having a role as a facilitator in the digital innovation process of Italy. After having actively been a part of the elaboration of the Plan for Broadband in 2015, in 2016 Fastweb continues to be committed across the board on these issues.

During the course of the year, the company not only worked closely with major institutions in the digital world, (amongst which Digital Confindustria - the Italian Federation of Employers, a group that promotes the development of a digital economy and ASSTEL, an organisation that represents telecommunication companies in Italy) it also fine-tuned a work and investment agenda that covers such wide-ranging areas as the development of infrastructure, experimenting with new convergence solutions for widespread connectivity and supporting the dissemination of digital literacy to citizens which is a fundamental prerequisite for being able to fully enjoy the benefits of the “digital revolution”.

THE DIGITAL AGENDA AND STRATEGY FOR ULTRA-BROADBAND

The European Digital Agenda is one Europe 2020’s (the European Union’s 10 year strategy for developed growth) 7 key projects.

Divided into **7 key areas** (a legal framework for broadband, new infrastructure for public digital services, a coalition for digital literacy and employment, EU strategy for digital security, cloud computing, new regulations on European industrial copyrights and strategy for ICT) the Digital Agenda’s premise is that a more wide-reaching and efficient use of digital technology can contribute to improving people’s lives, while also creating new job markets.

The development of digital infrastructure is one of the key themes with regards to this thesis. The goal is to provide 100% of all European citizens by 2020 with a network with a speed of 30Mbps and provide connection service equal to or greater than 100Mbps to 50% of European families. In Italy the task of ensuring that the objectives of the Digital Agenda are met was entrusted to the **Agency for a digital Italy** (AgID) which defines guidelines, regulations and standards and is involved in the planning and coordination of strategic initiatives for an efficient distribution of online services of Government entities to citizens and industries, ensuring amongst other things, the technical uniformity of public information services.

In 2016 the AgID in particular made a contribution to the implementation of the National Broadband Plan. The Plan which is crucial for reaching the infrastructure objectives of the Digital Agenda, which foresees a **coverage of 85% of infrastructure that can provide services at the speed of 100 Mbps or faster by 2020 while ensuring that 100% of citizens will have internet access at a speed of 30 Mbps.** In particular, the Italian government decided to intervene directly in the more critical areas of the market, the so-called “White Space” by building a publicly owned network which all operators who want to provide services to both families and businesses in these areas will have access to.

<table>
<thead>
<tr>
<th>Year</th>
<th>Aggregate Data</th>
<th>Population Reached</th>
<th>Speed (Mbps)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015*</td>
<td>26.4%</td>
<td>10.1%</td>
<td>30/100</td>
</tr>
<tr>
<td>Today*</td>
<td>35.4%</td>
<td>11%</td>
<td>30/100/1Gbps</td>
</tr>
<tr>
<td>2018*</td>
<td>71.5%</td>
<td>23.1%</td>
<td>30/100</td>
</tr>
<tr>
<td>2020*</td>
<td>100%</td>
<td>35.4%</td>
<td>30/100</td>
</tr>
</tbody>
</table>

* data updated in March 2015
* data updated from 2015, includes public interventions up to May 2016
* forecasted numbers with respect to what was stated by the private sector in consultation with the public sector and inclusive of public interventions in course

**Source:** Italian Government 2017 ([http://bandaultralarga.italia.it/dati-bul-mappa/](http://bandaultralarga.italia.it/dati-bul-mappa/))
Fastweb’s business success has always been tied in to fibre optics, a connection technology that the company first introduced to Italy in 2000.

Ultra-broadband fixed internet connections are made up of a cable, which generally runs underground and connects the consumers’ homes and businesses to the so-called “cabinets” which in turn are connected to a main centre.

The type of cable used to cover these two tracts, from the consumer to the cabinet and the cabinet to a main centre defines the kind of connection available. Thanks to its unique characteristics, fibre is able to perform better, in terms of the transmission of digital data than traditional copper cables (DSL). A fibre optic internet connection can use a much higher frequency band than DSL ones thus allowing it to work much faster.

Fastweb today operates using two technological solutions:

- **FTTCab, Fiber to the Cabinet**, connections where fibre optics, start from the main centre or home reach the cabinet thus conserving the copper twisted pair cabling to cover only the last tract, which is usually less than 250 metres long, which goes from the cabinet to the consumer’s home.

- **FTTH, Fiber to the Home**, denotes all those connections in which fibre optics covers both tracts, from the main centre or home to within the walls of a consumer’s home.

In 2016 Fastweb launched plans for the extension and increase of the performances of both the FTTCab and FTTH networks.
THE FASTWEB NETWORK
IN NUMBERS IN 2016

MORE THAN

> **44,000** KILOMETRES
OF CABLE (OVER 40 TIMES THE LENGTH OF ITALY)
The Fastweb network is more than 40,000 kilometres long and covers the whole of Italy. In 2016 the Fastweb network grew by approximately 4,000Km in order to bring ultra-broadband internet to Italian cities.

> **7.5 MILLION**
HOMES AND BUSINESSES WITH THE OPPORTUNITY TO ACCESS BROADBAND TECHNOLOGY
With fiber-to-the-home (FTTH) or fiber-to-the-cabinet (FTTCab) Fastweb reaches 7.5 million homes and businesses. By the end of 2020 Fastweb will reach 13 million families (ie: 50% of the population) with the ultra-broadband network, of which 5 million with FTTH technology and a speed of up to 1 Gigabit and 8 million with FTTCab technology at a speed of up to 200 Megabits per second.

> **1,400** MAIN CENTRES
OR HOMES CONNECTED BY FIBRE ACROSS ITALY
In 2016 Fastweb added 200 main centres or homes, reaching a total of 1,400 and more than 50% of the population offering both ADSL and VDSL. Additionally the ultra-broadband services offered was further expanded thanks to the opening of VULA services in over 350 main centres or homes potentially reaching 3.5 million people.

2017-2021 FTTCAB NETWORK DEVELOPMENT PLAN

The investment plan includes a **performance upgrade of its FTTCab network technology to up to 200 megabit per second** and reaching 50% of the population, or 13 million families and businesses in over 500 cities by 2020.

- The first cities to be connected with a speed of up to 200 Megabits per second were **small to medium size towns**, (as early as 2016) such as Arezzo, Viterbo, Riccione, Rimini, Trento, Massa, Pistoia, Caserta, areas which are far from large Italian urban areas and have more of a need for ultra-broadband infrastructure in order to be competitive.

- The project will be carried out along two parallel lines: on the one hand work will be done to connect fibre to new medium-sized towns (up to 10,000 inhabitants) directly with a **eVDSL** connection, a next-generation technology for FTTCab infrastructure which allows a speed of up to 200 megabits per second; at the same time the eVDSL technology will be **updated in medium-large cities** which already enjoy fibre optic cabling thanks to Fastweb's 2014-2016 plan.

- The extension and upgrade plan calls for a total investment of **500 million euro** in the period between 2017-2020.
The development plan includes both an extension of the FTTH footprint to 5 million, (currently 2 million) to a performance improvement to 1 Gbit per second thanks to the use of GPON technology.

- **The extension of the “footprint”** will take place thanks to the strategic partnership with Telecom Italia, which has the objective of creating an FTTH network that can guarantee a speed of at least 1 Gigabit per second. The construction of the infrastructure and laying of cables will be carried out by a company that the two companies will have a stake in, of respectively 20% and 80% with the objective of connecting 3 million homes to fibre optic cables in 29 major cities by the end of 2020 for a total investment of 1.2 billion euro.

- The company, **Flash Fiber S.r.l.** will see to the building of civil works and laying the optic fibre cable along the secondary network (from cabinets to homes) for Fastweb, allowing both operators to share costs, establish quality standards for its network and offer increasingly high performance services: a choice that ensures operational flexibility, speed, control and performance. Wholesale ultra-broadband access services will be provided, thus considerably raising competitiveness in this segment of the industry.

- Additionally in **2017 GPON technology** will be introduced starting from existing FTTH areas and expanded to a further 23 cities that are connected through Flash Fiber. This technology allows Fastweb to offer its FTTH customers connections at a speed of 1Gbps and lays the groundwork for offering even faster connections in the future.

Fastweb’s plan to extend ultra-broadband to 50% of the population by 2020 has been further confirmed in light of this new partnership. The agreement with Telecom Italia means that the pre-established objective of 13 million homes reached by 2020 will be reached through a FTTCab coverage of 8 million homes and businesses, in comparison to the 5.5 million homes and businesses covered in 2016, and 5 million covered by FTTH technology. thanks to this agreement, Fastweb will in fact bring the number of homes and businesses covered by its FTTH network from 2 to 5 million, or 20% of the Italian population. The new connections that go into customers’ homes will be possible by taking advantage of the cabinets, and will therefore benefit from the investments made prior to the agreement and will constitute the development of the architecture that has already been designed.

Fastweb’s infrastructure which currently is the most widespread next-generation fixed network built by an alternative operator in Europe will give an additional push to competitiveness in infrastructure management in the Italian market to the benefit of final customers in terms of innovation, differentiation and quality of services. Thanks to this constant commitment, Fastweb will strengthen its position as an infrastructure operator even further and will make a contribution to significantly expanding the next-generation network across the country, thus positioning itself to reach the targets established by the European Digital Agenda by 2020.
For Fastweb making a contribution to the digital transition also means supporting Italy in positioning itself as one of the key players in international telecommunication.

For this reason in March 2016, Fastweb acquired 11% of participating stakes of Open Hub Med (OHM), a consortium created to offer international telecommunications operators a multi-stakeholder model for the exchange of internet traffic in the Mediterranean basin. Founded by 8 partners (Eolo, Equinix Italia, Interoute, Italtel, MIX, SUPERNAP Italia, CueTel and XMED), OHM’s objective is to make Italy more attractive to investors and foreign operators, to the benefit to the entire system and of national infrastructure.

The traffic from Asian and African countries is in continuous growth: it is estimated that traffic towards Europe will increase by almost 60% between 2014 and 2019.

Through connections between its data centre and other submarine cable landing stations in Sicily and in Bari, as well as fibre land connections with Milan, OHM will build an International access platform, located in the middle of the Mediterranean which will reduce submarine cables in favour of more secure land cables and benefit from reduced latency times with respect to Marseilles, currently the only junction in the Mediterranean.

Fastweb’s role will be to direct data and Internet traffic from Asia and Africa through submarine cables towards Milan on its internet backbone of fibre optic cables and therefore towards the main European hubs (Frankfurt, London, Amsterdam, Paris). Additionally Fastweb will be one of the main connectivity providers of the OHM data centre in Italtel’s research area in Carini, Sicily.
Today in the realm of telecommunication networks, services and content, customers expect user experience that is immediate, omni-channel and efficient.

An operator like Fastweb cannot but play its cards on the convergence of processes and infrastructure; the objective is to not only provide innovative services but to also allow customers to have access and be able to use internet at all times in all places: in the office while on the computer, while walking around with a smartphone in hand or while using the multimedia platforms available in cars or in homes with devices connected to their home network.

Fastweb’s new dictum “everywhere, everything, everyone” is the demonstration of a commitment that aims to overcome technological barriers and allow access to the internet anywhere, with any kind of technology for all needs. In the arc of the year, numerous activities have contributed to the development of the company in this area, from the strengthening of its mobile presence to plans for launching 5G technology to the continued expansion of WOW FI.

In 2016, Fastweb implemented the agreement with Telecom Italia for passage to Full Mobile Virtual Network Operator (Full MVNO), which from the first few months of 2017 will further strengthen the company’s position on mobile service to make it homogeneous with the fixed network in terms of quality, speed and power of the network. The new service will allow customers to navigate in 4G for up to 100 Megabit per second in 6600 counties (approximately 96% of the population) and up to 300 megabit per second in download in over 400 counties of which 144 are large cities thanks to 4Gplus.

Additionally in December a blanket order was subscribed to within the framework of the strategic partnership between Fastweb and Tiscali, which allows Fastweb to use Tiscali’s 3.5 GHz frequency for the development of a next-generation convergent network in Italy’s main cities. Fastweb plans on using these frequencies to fine-tune a 5G network for next-generation mobile data services, with the objective of reaching the population of large cities by 2020.

With the building of a 5G infrastructure, Fastweb intends to take a new technological leap forward. 5G is the next connectivity challenge in terms of mobile communication which will make for extremely fast bit rates, new ways of using data traffic and which will allow more people and more devices to connect, giving way to the Internet of Things.

Fastweb’s commitment in continuing to position itself on the forefront of technological innovation was underlined in the strategic partnership undertaken with Huawei to develop innovative solutions and services in the convergent fixed-mobile market and wireless services. Both companies will share their know-how which thanks to a dedicated team will lead to the development of innovative products and services. The first project will pertain to the use of small cells within the context of developing 5G services.

On the Wi-Fi front, over the course of the year, Fastweb has continued to reinforce WOW FI, the community of Fastweb clients which allows for Wi-Fi coverage outside of the home without additional costs, by reaching approximately 1.5 million clients in over 800 counties.
Today 80% of smartphone and tablet data traffic runs on Wi-Fi, as opposed to only 20% which runs on a mobile network. Wi-Fi has asserted itself as the main technology for the delivery of mobile data. The diffusion of LTE networks will not change the situation, on the contrary, Wi-Fi traffic will increase even more and reach 84% by 2019. Outside the home, things change: only 25% of Wi-Fi traffic takes place outdoors.

In order to bridge this gap between indoor and outdoor use and meet consumer needs, Fastweb launched WOW FI, an innovative solution of widespread Wi-Fi, in which every Fastweb modem becomes an internet access point that is available to the community of clients who can then navigate anytime, anywhere without additional costs. This solution, the only one of its kind in Italy was designed and implemented entirely by Fastweb in order to ensure control, quality and security.

WOW FI was designed to offer customers, families and businesses Wi-Fi access outdoors integrated into their payment plan that is safe, practical and user friendly. Each Wi-Fi modem can become a hotspot by making unused broadband lines available. In turn, customers who want to share their access can connect to other members of the community’s Wi-Fi outside the home while enjoying a secure connection of quality.

Launched in December 2015 in 19 cities, WOW FI is now available in 800 cities across the country. The service responds to a specific Fastweb customer need who frequently uses Wi-Fi when they are travelling and away from home. In the cities where WOW FI has been activated, the average monthly traffic of each customer is 2GB, 50% of clients who connect to the WOW FI network do so at least once a day, 80% of customers who use it have expressed satisfaction at the service. Additionally sharing is a choice that community members can make just as they can decide to remove themselves from the outdoor sharing option.

Security standards are extremely high: access networks for those who navigate from home and the guests are completely separated and protected. The first time the customer uses the service they must select the Fastweb WOW FI network and sign in using a username and password which they will receive via SMS. On subsequent log ins the devices, (smartphones and tablets) will connect automatically wherever the WOW FI network is available without having to sign in again as is the case with traditional Wi-Fi access. WOW FI is an important tool for the entire family because credentials can be used for four accesses contemporarily.
Digital literacy is a qualifying factor for the future without which the potential benefits of digitalization on quality of life and socio-economic development run the risk of being drastically slowed down if not erased completely. The problem is especially acute in Italy, a country in which only 46.5% of the population possesses basic digital knowledge against a European average of 53%, where 1 Italian out of 3 has never used the internet and where only 46.6% of the disadvantaged classes regularly uses internet against a European average of 60.5%.

This can have strong repercussions on the national socio-economic system, especially with regards to employment. Recent studies of the European Commission estimate in **unities of 154,000 the potential gap of vacant positions** that could be generated by 2020 because of the lack of sufficiently digitally literate people in the workforce.

6 A misalignment has been detected between the demand and the ability of the educational system to satisfy market needs. Most workers are lacking in basic digital knowledge – which they currently need to continue being employed in whatever position they may hold in professions across the board, additionally there is a scarcity of **new figures** who have the ability to bring together traditional knowledge with digital knowledge under a single comprehensive roof.

In the last few years, a few initiatives have been launched in Italy that take a new approach by promoting collaborations between partners from different backgrounds from the private, public and non-profit sectors. Amongst these, the **Coalition for Digital Literacy**, an internal platform within the Agency for a Digital Italy, which is based on the collaboration between national and local public institutions, professional communities, non-profit organizations, associations and other private entities and seeks to promote and nurture the activities and projects carried forth by its various members with a view to maximising collaboration and sharing.

Additionally through the **National Plan for Digital Schools** (PNSD) the Ministry of Education and of Universities and Research have launched a comprehensive innovation strategy for a new

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Some indicators of internet use in Italy. Source: Coalition for Digital Literacy 2016 (http://competenzedigitali.agid.gov.it/content/cittadini)

<table>
<thead>
<tr>
<th>Country</th>
<th>Population who has never used internet (Data from 2015)</th>
<th>Population who use internet regularly (Data from 2015)</th>
<th>Economically disadvantaged individuals who use internet regularly (at least 1 factor) (data from 2014)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Norway</td>
<td>1%</td>
<td>96%</td>
<td>94%</td>
</tr>
<tr>
<td>Italy</td>
<td>28%</td>
<td>63%</td>
<td>46.60%</td>
</tr>
<tr>
<td>Average EU</td>
<td>16%</td>
<td>76%</td>
<td>60.50%</td>
</tr>
<tr>
<td>Best EU Country</td>
<td></td>
<td></td>
<td>94%</td>
</tr>
</tbody>
</table>

LEARN DIGITAL
Let’s spread digital education and culture in Italy

positioning of their educational systems for the digital era.

In line with this new approach and in order to provide concrete tools to accelerate the process of digital growth, in 2016 Fastweb launched various initiatives that address three fundamental issues: Learn Digital – to spread digital education and culture in Italy, Live Digital - to encourage adopting behaviour to a digital plane which enriches and simplifies day-to-day life and Work Digital, to facilitate the diffusion of new employment opportunities in the digital sphere.

The objective of this approach is to trigger a virtuous cycle, which is aimed at individuals, increasing their capacity for personal, professional and relational growth, and at organizations improving their efficiency, reputation and competitive edge.

Two of the most important projects that were activated and continued in 2016 were the Fastup School, an initiative for schools with the purpose of supporting innovative projects through the use of crowdfunding with the National Plan for Digital Schools and the launch of the Fastweb Digital Academy, an innovative project that was launched with the Cariplo Factory that is a bonafide academy designed to prepare both young people and adults for current and future digital professions.

In 2016 Fastweb also sponsored the Festival of Sharing Economy held in Milan that was promoted by Altro Consumo, #IoCondivido: two days of events and meetings to share ideas and experiences, points of view and moments of leisure and where Fastweb presented its WOW FI service. In order to ensure that both organisers and participants of the Festival were able to share impressions, feelings and contents that caught the spirit of the event, Fastweb provided free Wi-Fi with a speed of 1 Gigabit per second to everyone who attended and was accessible through the social media profiles of the participants.

LIVE DIGITAL
Let’s encourage the adoption of digital behavior which enriches and simplifies day-to-day life from DOING DIGITAL to LIVING DIGITAL

WORK DIGITAL
We support the diffusion of certified digital literacy and the adoption of digital behavior for both employment and the improvement of competitiveness for businesses and institutions
**Key Projects: Fastweb Digital Academy**

**Fastweb Digital Academy** is a school that prepares young people for a career in the digital world. The courses are aimed at both school age youth and adults, they are open and free to those who pass the entrance selection. The initiative was inspired by a shared knowledge between Fastweb and the Cariplo Foundation that there is a necessity to take action on resources and proficiency for the creation of workers of the future and people with digital skills who are crucial to turning Milan into the Italian hub of innovation.

Since October 2016, the school offers a syllabus, which focuses on three key themes: digital marketing, digital fabrication and digital entertainment. To ensure the excellence of the syllabus, Fastweb collaborates with the specialised partners such as Digital Bros Game Academy which is part of the Digital Bros Group, a global company which operates in the digital entertainment sector, specifically in the development, publishing and distribution of video games, with IAB Italia the Italian charter of the Interactive Advertising Bureau, the most important agency in digital advertising in the world, with Forge Reply, a company specialised in gaming and in B2B and B2C digital user engagement and WeMake|fablab makerspace, a space equipped with production technology and prototyping devices that is accessible to everyone; it belongs to the international fablab network and therefore shares the principles of the Fablab Charter.

The objective of the Fastweb Digital Company is to build a bridge towards new digital professions: in the 2016-2017 academic year the intention is to form at least 1000 students in a school that brings together experience, programming, the use of new technologies and devices to build a new generation of digital professions with the goal of training 3000 young adults by the end of 2019.

**KEY NUMBERS**

- 187 certified out of 597 unsolicited applications
- 53% Women
- 39% Looking for a job
- 10 courses Offered by the school

**THE COURSES**

Digital Fashion courses, for learning how to design clothing and accessories using computers and laser cutting, 3D Printing for Design, for learning how to approach digital design and build creations using 3D printers and basic robotics, for learning how to build a robot and acquire all the skills to design new ones. An additional course focuses on the User Experience Design environment (UX/UI Design) in which students learn how to create App prototypes starting from the most interesting ideas.
DIGITAL MARKETING - CREATED BY IAB ITALY

The Academy provides programs at 360° on the subject of Digital Marketing from a general introductory course on this topic (Course: "Digital Marketing Basics") which includes elements tied to strategies and the fundamentals of this sector right up to classes that focus on professions involving content and communication. (Courses: "Creative & Content Media" & "Communication").

DIGITAL ENTERTAINMENT – CREATED BY FORGE REPLY & DIGITAL BROS GAME ACADEMY

In terms of digital entertainment, the academy offers a course on the programming basics for the creation of applications and virtual reality games (Introductory course: programming applications and VR games with 3D Unity) and starting from 2017, animation courses (Art&Animation) which teach the basic techniques of sketching, rendering, character and environment design and the programming of video games (Game Programming Course) which will teach the basics for designing and building videogame applications.

One of the more interesting initiatives underway in Milan, the Cariplo Factory was launched in 2016 by the Cariplo Foundation with an estimated initial investment of 10 million euro over three years. Having set up a number of initiatives and projects directed at young people, the Foundation decided to create a concrete reality based in a physical space that could become a facilitator and amplifier for new opportunities for young people.

Cariplo Factory's mission is to build an open innovation ecosystem whose trigger is the meeting and consolidation of knowledge between small and medium-sized businesses (PMI) and large businesses, hi-tech companies, non-profit organizations, cultural institutions, business incubators and accelerators, universities, research centres, schools, training facilities, FabLabs, informal educational structures, investors and professionals. The challenging objective is to create 10,000 jobs, thanks also to the partnership with major players within the private sector - in addition to Fastweb, these include Microsoft, Novartis and Terna.
Key Projects: Fastup School

FastUP School is an initiative promoted by Fastweb with the technical collaboration of Eppela, aimed at Italian middle and high school students and which financially supports educational projects where digital technology is involved. Specifically: projects that make digital "objects", projects which favour a digital collaboration between schools and students, projects that sensitize students on the use of digital tools while also developing their future professional skills.

FastUP School uses crowdfunding: a list of the participating schools is published on a Eppela platform, where a campaign to gather funds is launched and if they collect 50% of the required budget from the internet, the project is co-financed with a grant from Fastweb for the remaining 50%. (For a maximum of € 10,000).

For Fastweb this means acting in a concrete and active way to support new generations and spreading digital use and culture in schools as well as confirming its position as an innovative company committed to bringing Italy to meeting and exceeding the objectives set by the European Digital Agenda.

The 2016 edition of FastUP School focused on initiatives created by students from middle and high schools that included the building of connected products and the development of communication methodologies on a number of educational themes. Fastweb supported and financed 15 projects from 15 Italian schools that centred on such advanced subjects as robotics, 3D printing, educational blogs for youngsters, immersive digital simulators.

In 2016 Fastweb and Eppela co-signed a protocol of agreement with MIUR (Ministry of Education) for the promotion of FastUp School in all public schools. Said protocol was recently converted into an Operating Agreement and will bring a significant increase to the FastUp School’s visibility as well as increasing participation in the program and an allocation of 1.2 million euro for schools in the three year period between 2107-2019.

Enable the creation of innovative projects within schools through crowdfunding.

15 schools involved in the project
600 supporters of the projects on the FastUp School portal
30,000+ Euro of Fastweb financing for projects presented
CONTRIBUTIONS TO START-UPS

Fastweb intends to encourage Italian start-ups and small and medium businesses in order to meet the needs of its customers by presenting itself as a stimulus for the digital development of the country and as a facilitator of digital transformation in companies, thanks also to a portfolio of innovative and flexible solutions, supplied by Data and Cloud infrastructure. In 2016 Fastweb initiated collaborations with various technological start-ups in the Business segment (micro and small) to supply their customers with services by favouring entrance into the market of new businesses and positioning itself as an engine for innovation.

In October, Fastweb and Digital Magics—a business accelerator of innovative start-ups and digital Scale-ups listed in the AIM segment of the Italian Stock Exchange—launched Over the Cloud: a call4innovation aimed at finding the best Italian projects with the ability to bring innovation to the spheres of ICT-Cloud, Security, Enterprise Mobility, Big Data and Unified Communication. The initiative was born of Fastweb’s desire to support start-ups and PMI which to grow need consolidated partners who can help them transform their ideas into products and who would sustain them in distribution on a national level with a specialised sales network and it turned to start-ups and small and medium businesses which develop innovative technology in the following sectors: industry, software house, call centres, training and e-learning, logistics, tourism, finance, manufacturing and pharmaceuticals.

Pursuant to a screening by a jury of experts, of 89 projects presented (fine-tuned by 400 companies) the 12 most promising services/projects were presented in a pitch session held on November 9th at Milan’s Talent Garden Calabiana. On the occasion 4 of the most interesting proposals were selected and will have the opportunity to undergo a market test and subsequently be commercialised through Fastweb’s Cloud, thus entering into the company’s sales network.

TECHNOLOGY IN SERVICE TO COMMUNITIES

Once again this year Fastweb continued to share its technological know-how and its resources to develop and promote initiatives that support communities and citizenry.

In 2016 in particular, Fastweb made a commitment to be on the front lines in aiding the people who were hit by the earthquake in central Italy by supplying them with 600 smartphones with free SIM cards starting in August. In accordance with the Civil Protection Department, phones and SIM cards were distributed directly to both customers and non-customers in need, directly in the areas that were hit.

Fastweb also suspended billing and credit management for 6 months for all its clients who were victims of the earthquake while mobile customers received free bonuses for voice and data traffic for the same period. Along with other mobile operators and in conjunction with the Civil Protection Department, the company activated a toll-free number to raise funds in support of earthquake victims. Fastweb customers were able to donate 2€ per call from a fixed line and the proceeds were entirely donated to the Civil Protection Department.

Additionally, the company organised an internal fund raising initiative in which each Fastweb employee could donate between 1 and 4 hours of work to the cause and which Fastweb met with the same amount thus doubling the contribution.
In 2016 Fastweb supported other significant social initiatives

**LET’S LIGHT UP THE FUTURE**
Fastweb lent its support to this campaign in which the Save the Children organization made a commitment to create educational centres called Points of Light in the more disadvantaged neighbourhoods that are not well served in major Italian cities. Spaces were created where kids, (6-16 year old) can study, play and pursue their interests.

**FASTWEB FOR EMERGENCY**
Once again in 2016 Fastweb gave its customers the opportunity to support Emergency. For every euro donated in their monthly plans, Fastweb met with an equivalent sum thus doubling the sum of the donation. The money which was raised was used to fund Emergency’s mobile clinics which in Italy offer assistance to people who do not have access to medicine on a daily basis because they are not fully aware of their rights, because of language difficulties or because of an inability to understand a complex health care system.

**CHILDREN’S FESTIVAL, “NEW WORLDS”**
In April 2016 Fastweb lent its support to the “New Worlds” festival in Florence by organising three days of games and labs to bring the younger generations closer to the digital world and innovation. Among the activities organised were labs in which the children were introduced to programming and where they learned to design and print 3D objects as well as workshops to create short films in stop-motion.
Fastweb is a member of the Advisory Board of Safer Internet Center Italy. The project, Safer Internet Center Italy (SIC Italy) is coordinated with the Ministry of Education and of Universities and Research in partnership with the Polizia Postale, a law enforcement agency that has jurisdiction over, amongst other things, internet crime, the Autorità Garante per l’infanzia e l’adolescenza, an organization that aims to protect children and adolescents, Save the Children, the Telefono Azzurro, a non-profit organization committed to the prevention of child abuse and neglect, Cooperativa E.D.I. that is dedicated to children and adolescents’ rights, and the Movimento Difesa del Cittadino, an organisation created to defend consumer rights, and together they promote the safe and responsible use of new media amongst children and teens by creating a series of initiatives that help sensitize and inform them on the subject of internet safety with training programs and peer-education talks in schools.

Fastweb supported a number of social and humanitarian causes in 2016 and created dedicated toll free numbers with the purpose of raising funds for the following causes: scientific research, childhood, support to developing countries, violence against women, the protection of weaker members of society and the disadvantaged, the environment and nature preservation and natural disasters. In 2016 Fastweb customers’ donations to the various abovementioned causes amounted to €1,112,291.00 which was distributed to 108 associations.

In 2016, Fastweb lent its support to DynamoCamp, the first recreational therapy camp in Italy for children who suffer from chronic and long-term illnesses while in recovery therapy and in the post hospitalization period. Fastweb organised a selection of company events at DynamoCamp as well as participating in the DynamoChallenge, a fundraising sports event to help finance therapy for the children.
Trusted and lean customer partner

Putting customers front and centre is a Fastweb core value. The company intends to continue working in a direction that will ensure that it become an ever-increasingly reliable and transparent partner to its customers. This translates into an across the board commitment to service innovation, improvement to the customer journey and experience and providing easy, uninterrupted access to connectivity and customer service.
## CLIENT NEEDS AND QUALITY OF SERVICE

### COMMITMENTS MADE
- Enrich Customer Experience in all aspects of the Customer Journey by making across the board improvements

### 2016 RESULTS
- liveFAST was launched, a free program dedicated to residential customers that offers benefits, discounts and the opportunity to participate in events
- Rethought the client area on MyFASTPage making it more mobile accessible and updated the MyFastweb app
- Continued to expand the interactive “Digital Bill”, reaching 90% of residential clients

### FUTURE OBJECTIVES
- Enrich the customer experience with new services and new business models
- Continue with the liveFAST campaign and increase number of subscribers
- Confirm and strengthen position as an infrastructural operator at 360°, starting from the “core” solutions by amplifying the offers on Cloud, Security and ICT with the goal of being the enablers for the digital transformation of Italian public and private institutions

## TRANSPARENCY AND RELIABILITY

### COMMITMENTS MADE
- Promote open, two–way communication with the client base as well as listening to their voices

### 2016 RESULTS
- Activated a listening project aimed at customers and stakeholders and a system to monitor their expectations of the company and its operations
- Organised a meeting with Consumer Associations to introduce them to the main new strategies and collected their feedback and opinions on the world of Fastweb

### FUTURE OBJECTIVES
- Continue on the path of listening to stakeholders which began in 2016, with a special focus on residential customer service
### PRIVACY AND DATA PROTECTION

#### COMMITMENTS MADE
- Adopt a system that manages privacy and swiftly update the processes and measures to conform to European standards (GDPR)

#### 2016 RESULTS
- Obtained Declaration of Conformity on Standard ISO 27018, which concerns the protection of privacy in Public Cloud services
- Activated work group to analyse the new European Regulation with regards to the protection of private information (GDPR) and for understanding how best to implement the new regulations at Fastweb

#### FUTURE OBJECTIVES
- Update the organizational processes and solutions which are being enacted by the new European Regulation on the protection of personal data
Satisfying customer needs is a key element in Fastweb’s strategy and a company core value. This aspect becomes even more significant in a time of strong competitiveness where understanding, anticipating and meeting the needs of individuals, families and businesses is the stimulus for reinforcing the company’s long-term competitiveness.

For Fastweb “customer-centricity” means putting customers at the centre of the value chain, by making them the focus of every action and decision, by swiftly meeting their expectations on service and by anticipating their needs and wants in an innovative and proactive way.

Providing citizens connectivity services which allows them to watch high-quality videos and navigate and download data quickly is a top priority at Fastweb, as is the development of innovative and secure solutions that meet customers’ specific needs which will be helpful to businesses running their operations efficiently and quickly.

To transform these objectives into tangible results, Fastweb has designed its internal organisation to respond to three main macro-categories which their client base falls into:

- **Consumer and Small Business Division**: dedicated to the needs of families, professionals, micro-businesses and small businesses;
- **Enterprise Division**: dedicated to the needs of medium-sized enterprises, of large enterprises and Public Administration Departments;
- **Wholesale Department**: dedicated to the wholesale segment and part of the Digital Transformation Department.
In 2016 Fastweb focused on amplifying the traditional voice and internet solutions, its partnership with Sky and on a range of increasingly customer-centric services. Starting this year, digital services can in fact be combined with all 3 of Fastweb’s residential solutions: SuperJet with unlimited internet and phone calls, Jet with unlimited internet and phone calls based on usage and Joy with unlimited internet without a fixed line.

In the last few years, Fastweb has also focused on providing their customers with a richer and more personalised selection of digital content for entertainment and information. Those who sign up with Fastweb today have a wide range of solutions: from television service through internet thanks to Sky’s NowTV with television series, shows and children’s programs to Dropbox Pro which in addition to providing one Terabyte of space on Cloud, also allows for the synchronization of customer files with all devices to Playstation plus and Xbox Live Gold to meet the needs of game aficionados. to subscriptions to customers’ digital newspapers of choice.

In March 2016, the company bolstered its Ultrafibre service raising the upload speed to 50 Megabit per second, the fastest available in 6 Italian cities. This innovation meets not only the customers’ need to access content at the highest speed possible and watch videos in high definition, it also allows them to share their own videos, photos or multimedia material on the net and on social media very quickly. The speed of the basic fibre solution was increased by 50% going from 20 to 30 megabit per second for downloads and up to 10 in upload.

In April the download speed was doubled and for the first time in Italy the speed was brought up to 200 megabit per second in over 30 Italian cities. Lastly, in December the Ultrafibre 1 giga service was activated for the service’s first clients in the Garibaldi area of Milan with a download speed of 1 Gigabit per second.

In 2016, Fastweb continued to focus on offering solutions that would take advantage of the synergies with its partners that could best enhance and further integrate its solutions. An example of this is the renewal of Fastweb’s partnership with Sky thanks to an agreement that extends the partnership that made it possible in 2011 to launch the first joined packet of broadband and PayTV in Italy by 5 years. Additionally in April Fastweb signed a commercial partnership agreement to enable Enel customers to enjoy the benefits of connection costs. The purpose of this is to provide increasingly complete services (the so-called package-deals) to families.

In terms of the Micro Business (VAT), the company focused on simplified price models that offer “one price forever” solutions, in addition to bolstering digital propositions as can be seen in the Business Class solution which allows customers to activate the digital versions of a newspaper of choice or 1 Terabyte of space on Cloud with Dropbox Pro. Additionally to meet the digitalisation needs of micro-businesses, a selection of Special Edition solutions was activated such as WOW Fi Business, which allows businesses to provide employees with free Wi-Fi or the Freedom Edition which brings together the best of Fastweb internet with the maximum gigabytes for smartphones for all those businesses who must always be reachable and online.

The solutions for the Small business segment were profoundly re-visited and simplified to meet specific needs of small companies and make them more synergetic with the Micro-business solutions. Which is a why a special portfolio was created which includes connectivity-only solutions as well as all-inclusive solutions with voice and Cloud switchboard service. Fastweb also fine-tuned Prime Edition, which includes an advanced assistance service (intervention within 6-8 hours in case of malfunctions), 8 IP addresses for the publication of services and 1 Terabyte of storage space on the Google Drive For Work platform. To enrich the selection of offers that respond to businesses’ specific needs, further bundle-offers were activated which in addition to offering connectivity and telephone service also offer security services and Wi-Fi.

In 2016 Fastweb concentrated its efforts on improving mobile solutions starting from the customers’ need to have access to more traffic time and to always be connected, not only in the home but outdoors as well: all rechargeable offers and contracts have been bolstered to include 6 Gigabytes of traffic per month. In addition to signing up for all the solutions for both rechargeable and fixed contracts, customers can also select a smartphone from a wide range of choices that include some of the latest models on the market; the length of the contract for smartphones varies from 24-30 months, depending on the model of the phone.
The Enterprise market is made up of approximately **50,000 private businesses and Public Administration Departments**, (from small to medium to large groups with a national and international presence), of these 45,000 are mid-size businesses. In 2016 Fastweb confirmed its commitment to carrying forth a strategy for technological and innovative excellence by drawing on the strength of the quality and reliability of its services as a distinctive trait and bolstering the ICT and security market with the objective of **being a credible and reliable partner to accelerate digital transformation** in clients’ companies and support the growth of their businesses.

The Fastweb strategy is built around **three fundamental cornerstones**: provide all services through its Cloud thus guaranteeing end2end control, standardise solutions and operations and merge fixed, mobile, WOW FI and ICT solutions.

An important chapter in the evolution of the solutions in the Enterprise segment had to do with Cloud services, with the launch of a selection of innovative new options. In particular, Software Defined Storage (SDS) is a key component towards the completion of the Software Defined Data Centre (SDDC) paradigm and responds to multiple ICT Enterprise needs with a single standard, flexible solution that is more user-friendly than traditional storage solutions, at a significantly lower cost.

The innovation of the portfolio was also introduced which allows commercial partners to take advantage of Fastweb Cloud resources to resell to final clients infrastructure and/or applicable solutions (including those developed by the very partners); this trait – the only one of its kind on the Italian market – uses Openstack technology which was adopted by Fastweb last year and was built thanks to the proficiency of the internal Cloud team, which continues to grow and strengthen year after year. All the services are supplied by Fastweb’s fibre optic ultra-broadband network and delivered to Data Centres located across Italy, including the first Italian data centre with a Tier IV certification from the Uptime Institute of New York, one of the most important certification authorities on IT infrastructure in the world.

The new Wi-Fi standard solution dedicated to the Enterprise market is also entirely managed by Fastweb’s Cloud; said solution has been enriched over the course of the year with new data analytic functions and proximity marketing which are increasingly in demand for a full digital relationship with businesses’ final consumers. Finally, there is also a new service on the Software as a Service (SaaS) front where the suite of document management services has been amplified and completed with an offer to organise the entire life cycle of documents in Cloud.

In addition to Cloud, Fastweb also bolstered its presence in the **IT Security** realm launching new solutions and obtaining (in Temporary Grouping of Enterprises with Leonardo and IBM) the SPC Cloud-Lot 2 tender, in relation to the management of Digital Identity, authentication and applied security for **Public Administration entities**.

The extension of the portfolio also involved the Mail Security solution, based on a Cloud platform and dedicated to the protection of mails, (to date the most common channel used to spread malware) and the SCADA Security service, a proposal dedicated to **protect critical infrastructure such as industrial systems** that today are increasingly under cyber attack following the adoption of protocols typical of IT platforms and the advent of the new paradigms of the internet of things.

In 2016, the collaboration with **Clusit** continued, one of the main companies who are one of the major experts in national information technology security, which Fastweb provided with information, analysis and data for the compiling of the annual report on the state of information technology security in Italy.
In 2015 Fastweb designed and built the first Tier IV certified Data Centre which when integrated with the centre for the prevention of cyber attacks, ensures maximum security of the Cloud services provided to our business clients. The new infrastructure, which was completely made redundant in each of its components is the most secure and reliable Data Center in Italy according to the Uptime Institute certification.

Creating interconnected Data Centres on the Fastweb network with integrated monitoring of information technology security means providing Italy with a globally cutting-edge infrastructure, essential to digitalizing the productive part of the nation.

The first in Italy to have the dual certification level (only sixteen in Europe and thirty-five worldwide), the Milan-based structure is a national excellence in the reliability of services for business. Since it is completely redundant, the system assures service continuity with extremely high thresholds (more than 99.997%), certified by the American institute after thorough inspections and audits.

Security is guaranteed by fire prevention and flood prevention systems, in addition to UPS units and state-of-the-art video-surveillance and access control systems. The automation level is extremely high and it handles about 10,000 variables contemporaneously.

An innovative cooling system means it has a very high-energy efficiency rating (Power Usage Effectiveness (PUE) of 1.25): the Milan-based data centre is one of the least polluting data centres in the rld.

If on the one hand, companies need cutting-edge Data Centres for Cloud computing, on the other - due to the increasing number of devices used to access data, particularly mobile devices - they are increasingly exposed to the risks of cybercrime. So, Fastweb decided to make available to its customers a centre of competence to provide prevention and defence against cyber-attacks - the Security Operation Centre - formed entirely of highly qualified Fastweb personnel and operating 24/7, 365 days a year in the Milan offices.

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Key Projects: Data Center Tier IV

**OBJECTIVE**

Guarantee maximum security of Cloud services through state-of-the-art infrastructure.

**KEY NUMBERS**

99.997% Guarantee of continuity of service

1.25 vs 1.65 Power Usage Effectiveness\(^5\) rispetto alla media mondiale

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\(^5\) Relationship between total power absorbed by the data center (PT) and the power used by apparatus only (PIT), in other words: PUE=PT/PIT. The PUE is therefore a parameter that indicates how much electric power is dedicated to the functioning of IT apparatus as opposed to that dedicated to additional services such as air conditioning or the loss of UPS. The ideal PUE value is 1 (=all the energy is used for the apparatus), but in reality, the world average is of approximately 1.65 (Source Uptime Institute Survey).
The proliferation of new technology has profoundly changed the way we live, work and communicate with people and businesses. Within the context of widespread digitalisation in 2016, Fastweb continued to work on its service to bolster the response speed and provide customers with a **positive experience in every aspect of its relationship with the company**.

In continuity with what already happened in 2015, the topics of **Customer Experience** – the overall emotional, practical impact in every aspect of interactions with the company for the client (both actual and potential) and of the **Customer Journey**, the end-to-end journey that customers experience in specific experiences and interactions with the company – were central to the actions taken by Fastweb in those directions.

### Key Points of the Customer Journey for Fastweb

<table>
<thead>
<tr>
<th>Stage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Get Info &amp; Buy</strong></td>
<td>Is the stage in which customers are doing market research to pinpoint the best offer available for their needs.</td>
</tr>
<tr>
<td><strong>On Boarding</strong></td>
<td>Is the stage in which the customer has just signed a contract and must be guided to ensure they enjoy the full extent of the services purchased.</td>
</tr>
<tr>
<td><strong>Use and Enjoy</strong></td>
<td>Is the stage when the customer starts using the service, at which time the objective is to provide the customer with the best experience possible.</td>
</tr>
<tr>
<td><strong>Pay</strong></td>
<td>Is the stage in which the customer makes payment of either the bill or the one-shot services.</td>
</tr>
<tr>
<td><strong>Make a Change</strong></td>
<td>Is the stage in which the customer wants to change their position (in terms of data modification, changes to the contract, signing up for new promotions).</td>
</tr>
<tr>
<td><strong>I Have an Issue</strong></td>
<td>Is the stage in which the customer notifies the company of problems such as administrative issues, technical problems or commercial ones and their resolution.</td>
</tr>
</tbody>
</table>
In particular, Fastweb has focused on the aspects of engagement and digitalization of the interactions between the company and its customers. There was also a concerted effort to bolster the Fastweb community through the fine-tuning of specific initiatives. In June, Fastweb launched liveFAST a free program dedicated to residential clients which offers benefits, discounts and the opportunity to attend events. Every month numerous free proposals and initiatives are presented, in an innovative, fun and digital way. All the proposals can also be used on desktops, mobile sites and the MyFastweb app.

This is another step towards the objective of consolidating a relationship of trust and interaction with customers through initiatives that put the focus on transparency, simplicity and creating easy access to the services. One of these kinds of initiatives for example (with reference to 2016) is the continuation of the digitalization of the billing: today 90% of clients receive an “e-bill” that is interactive and accessible at all times on all devices. The digital bill, which collected customer and consumer associations’ suggestions, allows customers to navigate through all the contents easily and immediately and to verify their consumption and use through easy-to-read charts.

For the purpose of improving transparency and clarity in its relationship with customers, Fastweb also revisited MyFASTPage’s client area and made it mobile accessible. The portal offers direct and easy access to both services and content. One of the main functions introduced was the opportunity to check the quality level of the home and business networks through a speed test and to communicate with client assistance directly through either e-mail or a chat: this last innovative solution was especially popular with customers who in growing numbers, prefer this method for interacting with customer care. The new MyFASTPage also allows customers to personalise their profiles, update contacts and have direct access to the “Billing & Usage” section in an uncomplicated manner.

Over the arc of the year, Fastweb also updated MYFastweb, the application which allows customers access to all Fastweb services through smartphones and other devices. The objective is to offer customers fast access to the information they need, to self-care and to new company engagement tools. The new configuration will also be well supported by a bolstered customer care service: customers can signal issues and contact operators through chats. The requests are also immediately synchronised with the MyFASTPage account and Client Relationship Management System (CRM) systems, thus allowing the customer to use any of the contact options for the duration of the conversation guaranteeing improved traceability. Every interaction with customers is in fact recorded and the customer can follow its evolution, interact by commenting or attaching documents if necessary. The consumption verification pages and billing pages were also re-designed to ensure a more simple and immediate experience.
Key projects: liveFAST

In June 2016 Fastweb launched liveFAST, a free and completely digital program which rewards Fastweb’s customers’ loyalty with benefits, rewards, the chance to take part in contests and attend exclusive events. Each month Fastweb is at their customers’ side as they pursue their hobbies and passions in a simple and immediate fashion, digitally and with new technologies naturally.

The experiences that customers can have range from cooking programs to theatre, to travel to personalised courses. The first campaign launched was “Parte liveFAST, parti anche tu!” (liveFAST is on the move, get moving too!) which immediately highlighted the innovative and interactive qualities which are a feature of the program: to win, customers had to say the word “trip” in front of their computers and then “knock” on a surface to virtually “open” the door to a hotel and enter a dedicated platform for booking stays in over 100,000 facilities all over the world, at up to 60% off the online price. An example of one of the most highly innovative initiatives to date is the “Snappy Christmas” campaign in which subscribers to the program to receive the reward of the month (an IBS card) had to snap their fingers at their smartphones or connect to liveFAST and “unwrap” a present with a mouse.

liveFAST is part of a larger and more structured approach of customer care and attention to them with the goal of offering them increasingly innovative service that are relevant to their lifestyles.

Available for PCs (liveFAST.it) and as a free App, MyFastweb is free and accessible to all Fastweb customers -following a registration- who have either residential fixed line plan (Home, Sky&Fastweb) or a mobile one.

liveFAST furthermore distinguished itself for its uniqueness and in 2016 it won first prize at an event organised by the National Union of Businesses for Communication.

Consolidate the relationship of trust and create a continuous dialogue with the community of Fastweb customers through a completely digital and interactive loyalty program which offers benefits, experiential experiences and contests with prizes. The selection of available experiences in the program is also designed with the purpose of offering customers the chance to explore the opportunities that the use of digital devices can provide.

166,000 clients registered on the platform
850,000 Vouchers & benefits made available
2 million of Euro Average perceived value of distributed offers
Over 200,000 experiences dispensed

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6. The average perceived value is calculated by taking into account the actual value of the discount applicable to the voucher, the perceived value vis-a-vis the direct experience had, taken from a sample selection of those who tried the offer and the analytic surveys periodically conducted by partners who are involved in the initiative.
To monitor the progression towards reaching set goals as well as customer satisfaction, Fastweb continued to use the **Net Promoter Score (NPS)** as a measuring tool, which gauges the rate of word of mouth recommendations between customers. The clients are given scores and divided into three groups: Promoters, Passives and Detractors.

Through a simple question: "How likely is it that you would recommend X company to a friend or a colleague?" the company can keep track of these three groups and gauge the performance of any given company from the clients' point of view. The clients' answers are based on a 0-10 scale and are divided into three clusters:

- **Promoters** (score 9-10) – are loyal and enthusiastic customers who will continue to buy, use and speak well of the company, thus creating value for the company and promoting growth.
- **Passives** (score 7-8) – are satisfied clients but not enthusiastic and can be swayed by competitor carriers’ offers.
- **Detractors** (score 0-6) – are dissatisfied customers who can generate negative word-of-mouth and prevent company growth. Customers who score between 0-3 are called Heavy Detractors.

The Net Promoter Score is equal to the difference between the percentage of the Promoters and the Detractors, and the result is analysed both from the viewpoint of the customer's entire Fastweb experience (Relational NPS) as well specific interactions, such as for example an experience with Customer Care, the activation of the service (On Boarding), fixing a malfunction, (Technical Assistance) or keeping the same phone number in case of a change of residence (transactional NPS).

The frequency of survey taking varies from weekly to biannually depending on the analysed parameters and the client group studied.

In addition to internal surveys, every three months a benchmark analysis is carried out: the strategy of being attentive to customers along with a continued investment in improving the quality and performance of the service have allowed Fastweb to assert itself as one of the most recommended fixed line carriers by clients in Italy: between August 2015 and November 2016, the analysis shows a 10 point advantage over the major players in telecommunications in Italy; Fastweb is furthermore the only carrier who has maintained a positive NPS score for the duration of the survey.
For Fastweb being a customer-centric company does not only mean listening to customers and anticipating their needs in terms of the quality of services offered but also putting customers’ legitimate expectations with respect to how a company should operate, front and centre.

As of December 2015 Fastweb embarked on a journey to gauge its reputation, to understand the perception stakeholders had of the company. The goal is to collect opinions, open up to dialogue and meet their needs in the best way possible. The approach involves all stakeholders, from those outside of Fastweb such as clients, talents, public opinion and journalists as well from within Fastweb, i.e.: company employees.

A variety of topics are explored, (i.e.: innovation expertise, the quality of the job) in a constant bid to be committed to listening to stakeholders for continued improvement by ensuring the satisfaction of all key participants in the conversation.

From the initial data gathered the stakeholders questioned appreciated Fastweb’s ability to innovate and quickly adapt to change. In terms of other surveys a number of projects have been launched to meet the needs that were revealed, including a greater external transparency with respect to internal company initiatives and processes.
WORKING WITH CONSUMER ORGANIZATIONS TO MEET CUSTOMERS’ NEEDS

Fastweb is well aware that listening to consumer groups who interpret and represent customers’ needs is increasingly essential to designing new services.

In 2016 for the first time after 13 years of continued collaboration and with the purpose of further strengthening relationships and promoting Fastweb, the company organised a specially dedicated event for Consumer Organisations called “Everywhere, Everything, Everyone”. 11 of the most significant consumer groups participated, (Adiconsum, Adoc, Altoconsumo, Assoutenti, Casa del Consumatore, Codacons, Codici, Confconsumatori, Federconsumatori, Lega Consumatori, Movimento Difesa del Cittadino, Udicon) and the event was an occasion to present some of Fastweb’s important new ideas that have been introduced in the last two years including the new fibre optic coverage plan, the WOW FI service and the new functions of MyFASTPage, an example of customer service evolution at Fastweb.

The event was also an occasion to explain the company’s approach to customers in terms of offers and customer experience.
The new European Regulation on Privacy

On May 4th 2016 at a 19-year distance from when the first Italian law on privacy was enforced, on May 8th, 1997, the EU Regulation n. 2016/679 entitled “European Packet for data protection” was published in The Official Journal of the European Union.

The new topics introduced with this directive concern both the company “holder” of personal information – in other words all entities that deal with personal data in the EU as well as individual people (the so-called “subjects”).

One of the key innovative points concerns company holders, in the establishment of a new figure within their companies: the Data Protection Officer (“DPO”) – an independent figure, in charge of the protection of the data in all public entities and in companies where handling data could present specific risks such as the Telco sector. The DPO will have the task of informing, verifying and coordinating with the National Guarantor and of ensuring that the provisions of the regulation are applied within the company.

An additional requisite is for all companies that deal with personal information is to keep a mandatory register of all the processing operations involving personal data carried out by the companies as well as making an impact evaluation on the protection of data in relation to automatic processing such as profiling, and for private entities that process special categories of data (for instance, sensitive data) or whose data processing consists in the regular and systematic monitoring of data subjects on a large scale.

Additionally, in terms of individuals the regulation expressly recognises the “right to be forgotten”, (i.e. the right of data subjects to obtain the definitive deletion of their data processed and stored by data controllers) and the right to data portability in which the subjects have the right to receive data that concerns them in a structured document of common use, and legible on automated devices and they have the right to move data from one data controller to another without impediment.

The new text also ratifies the principle of accountability which means the data controller must show it has adopted policies for privacy and adequate measures in conformity with the Regulation and introduces the principles of “privacy by design” from which stems the implementation of adequate technical and organisational measures both during the planning as well as the execution of data collection and of “privacy by default” which goes back to the principle of necessity establishing that the data is used solely for the purposes agreed upon and not beyond the minimum necessary time for the achievement of those purposes.
Given the time frame in which the new regulation will become law, in 2016 an internal working group was assembled to start an analysis of the Regulation and the new topics introduced. This will allow companies to review their own internal procedure, and act swiftly.

On a national level, Fastweb is subject to the regulation and control of the Guarantor for the protection of personal data which intervenes in all sectors, both private and public, in which the proper treatment of data and the respect of peoples’ fundamental rights in relation to the use of personal information must be assured.7

The company is committed to responding to notifications received from interested parties through different channels such as through a dedicated e-mail, (mailto:privacy@fastweb.it) a PEC address - certified electronic mail - (privacy@pec.fastweb.it) as well as of course responding to evaluations received from the Guarantor authorities. In 2016, 30 notifications on privacy were received from the Guarantor, and for each Fastweb provided a prompt reply. In 33.3% of the cases the notifications were archived, while the remaining cases are being worked on at the Authority’s.

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Requests received</td>
<td>76</td>
<td>30</td>
</tr>
<tr>
<td>Requests archived</td>
<td>5.3%</td>
<td>33.3%</td>
</tr>
</tbody>
</table>

To ensure greater protection of its customers, Fastweb in recent years carried out assessments of its partners in order to verify an adequate use and treatment of data concerning their clients. Fastweb carried out inspections in the offices of their suppliers using a dedicated checklist which allows for the expression of conformity assessment with respect to company dispositions on the subject of privacy and returning the results in terms of priority: third parties in compliance with the dispositions, third parties that must make some changes but can continue in their activities and third parties who can no longer work on behalf of Fastweb in the face of a high risk of breaches in terms of privacy dispositions.

7. For further information: http://www.garanteprivacy.it/
Fastweb feels that listening is a fundamental tool in the resolution of problems and critical junctures in its relationship with its clients.

One of the tools used to resolve disputes is joint conciliation: with the intent to accelerate and optimise the management of problems since 2008 Fastweb has acknowledged this procedure as the tool to ensure a proper response time for the protection of the consumers.

Fastweb has signed a protocol of understanding with 17 consumer groups with regards to joint conciliation, which allows customers to resolve disputes that could have arisen while determining the parameters of a contract in simple and swift manner at no cost.

Fastweb customers can refer to the signatory groups only after having presented a complaint that has not received a response within 45 days of being made, or if they are not satisfied with the response received, asking them to present a request for conciliation.

The request, accompanied by the requested information and cause of the dispute is added to a dedicated portal, (available at the site: https://conciliazione.fastweb.it/conciliation-portal/view/pages/login/login.jsf) where the issue can be dealt with directly online.

Each issue is evaluated, case by case by a Commission of Joint Conciliation made up of a Fastweb mediator and a mediator from the chosen consumer group and resolved within 60 days of the request made.

The negotiation in the majority of cases leads to a resolution in the least amount of time.

In 2016 the administrative offices of the Conciliation department dealt with 1,364 requests from consumer groups, of these 1,245 ended with a positive report, i.e.: with the complete satisfaction of the client. (91% of the conciliation talks activated).

5% of the requests were withdrawn due to the expiry of time limits and for the remainder of the issues, no agreement was reached.
Human-Centric employer

For Fastweb being a Human-Centric company means creating a positive work environment and being open to diversity in order to attract and shape the best talents. The goal is to design an ecosystem where what matters are people and their needs both at work and in their personal lives. Adhering to this perspective is a top priority for Fastweb - to reach its business goals it must start from its employees.
## Commitments and results

### DIVERSITY, EQUAL OPPORTUNITIES, MERITOCRACY

<table>
<thead>
<tr>
<th>COMMITMENTS MADE</th>
<th>2016 RESULTS</th>
<th>FUTURE OBJECTIVES</th>
</tr>
</thead>
<tbody>
<tr>
<td>● Create a work environment and a organisational structure which values merit and diversity</td>
<td>● Strengthened evaluation tools and performance management as well as feedback tools based on the principles of equal opportunity and meritocracy</td>
<td>● Implement inclusion of diversity policies in management strategy of human resources to promote the competencies and talents of individuals</td>
</tr>
<tr>
<td></td>
<td>● Consolidated the “reward” model for recognizing the contribution of deserving individuals within the company, starting from criteria of objectivity and measurability</td>
<td>● Spread the notion of a culture of inclusion as a value for people and businesses through courses and sensitizing employees</td>
</tr>
<tr>
<td></td>
<td>● Specific career paths for key positions were defined</td>
<td></td>
</tr>
</tbody>
</table>

### ATTRACTING AND TRAINING OF TALENTS

<table>
<thead>
<tr>
<th>COMMITMENTS MADE</th>
<th>2016 RESULTS</th>
<th>FUTURE OBJECTIVES</th>
</tr>
</thead>
<tbody>
<tr>
<td>● Bolster managerial training and create specific training programs by position</td>
<td>● About 500 people were involved in a training program on management expertise</td>
<td>● Promote Fastweb externally as well as internally, using storytelling and events that are pertinent to the Employer Value Proposition.</td>
</tr>
<tr>
<td></td>
<td>● A training and certification course was introduced on the ‘Agile’ methodology</td>
<td>● Continue to strengthen managerial competencies through course in specifically identified areas for each manager through Feedback 360</td>
</tr>
<tr>
<td></td>
<td></td>
<td>● Promote the adoption of the Agile model within the company</td>
</tr>
<tr>
<td></td>
<td>● Pinpoint support tools for the continued development of Fastweb staff, to be used alongside the e-learning platform</td>
<td>● Focus on stretching the horizon of internal abilities by acquiring new competencies and re-professionalising some internal positions</td>
</tr>
<tr>
<td></td>
<td>● Individual and group coaching and mentoring initiatives were organised with the purpose of supporting the development of Fastweb staff for the mid-term</td>
<td>● Reinforce the notion of the Company’s changing attitude towards the importance of self-learning and self-development</td>
</tr>
</tbody>
</table>
## Work Health and Safety

### Commitments Made
- Adoption of integrated tools for the management and monitoring of operational compliance
- Carry out a new study on organisational wellbeing

### 2016 Results
- Conducted a study on organisational wellbeing, which will be activated in 2017

### Future Objectives
- Integrate a flagging and monitoring system of near misses of company platforms by the end of 2017
- Improve the verification process and performance assessments of suppliers who are involved in the building and maintenance of Fastweb infrastructure

## Welfare and Work-Life Balance

### Commitments Made
- Provide financial support and more health insurance to employees and their families
- Guarantee more flexibility in the work-life paradigm, reaching 61% of employees with smart working and extending the possibility of smart working from 3 to 4 days a month.

### 2016 Results
- Full integration of smart working in the company mechanism
- Extension of the program to more than 1500 employees, reaching 62% of the workforce
- Increased from 3 to 4 the number of days employees can use the smart working solution

### Future Objectives
- Launch new Welfare initiatives, focusing on Sports, Culture, and Health in 2017
- Strengthen initiatives that promote greater flexibility in the work-life balance and provide concrete financial assistance

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Human-Centric employer
Fastweb thinks of people as a wealth of proficiency, experience and aptitudes to be valued and bolstered. In 2016 Fastweb counted a total of 2,573 employees, an increase of approximately 35 employees when compared to 2015 (63 units), of which 81% was made up of office workers. In 2016 2 people had a limited time contract and an internship, additionally there were 27 temp workers (1 unit less than 2015) who for the most part, worked in the Fastweb stores.

<table>
<thead>
<tr>
<th>Employees by position</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executives</td>
<td>111</td>
<td>105</td>
<td>104</td>
</tr>
<tr>
<td>Managers</td>
<td>389</td>
<td>382</td>
<td>377</td>
</tr>
<tr>
<td>Office workers</td>
<td>2,014</td>
<td>2,023</td>
<td>2,092</td>
</tr>
<tr>
<td>Total</td>
<td>2,514</td>
<td>2,510</td>
<td>2,573</td>
</tr>
<tr>
<td>Short-term contract, internships</td>
<td>0</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

Most of the work force has a permanent contract and the trend registered in the last year is a reinforcement of this type of contract: in 2016 permanent contracts increased by about 3% when compared to 2015.

15% of the employees with a permanent contract, which equals 377 employees work part-time; this figure has been more or less consistent in the last three years as is the subdivision of men and women who work part-time, (24% men, 76% women)

There are 28 employees with a short-term contract, a decrease when compared to 2015 (-32%) and they are subdivided into short-term contracts, (18 people, 6 men, 12 women) and internships (10 people, 5 men, 5 women).
Following the trend of the last few years, most of the Fastweb workers (83%) are between 30-50 years old with an average age of 42, a testament to the dynamic nature of the business and the company's history.

Fastweb operates in the world of telecommunication and uses two types of contracts, the CCNL Telecommunications for office workers and middle management and CCNL Industrial Executives for the executives. Each employee falls into one of these categories and therefore under one of the above contracts of collective work as laid out by Italian law in the matter of employment. In addition to the relevant CCNL, there is also a second level negotiation in place with regards to agreements that can relate to the regulation of shifts, the usability of paid leave and accessibility to other welfare measures or the improvement of individual welfare.
THE APPROACH TO GETTING PEOPLE INVOLVED

Working at Fastweb means becoming part of a bonded and open community in which people’s contributions, their ideas and opinions are important elements that should be nurtured at 360°. Case in point, in the last few years the company has increasingly reinforced the notion of a dialogue with its employees, not only to improve the atmosphere and communication between people but also as a means of getting people involved in the defining of the company’s plans and projects.

The co-designing of the intranet, Agorà was the first step in this direction. Agorà which in Greek means, “to gather, to assemble” is a nod to the ancient Greeks’ gathering place, a square where economic and commercial information was exchanged, where relationships were formed and maintained and where strategic decisions were made. Agorà in Fastweb represents the same thing except that the exchange is revised in a social media key: it is the primary internal communication vehicle and a tool that is available to everyone for sharing initiatives and projects worked on as well as for commenting on the news published in it.

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**Agorà**

- 129 initiatives promoted
- 4,701,923 Contents visualized
- 182 Authors
- 992 Content
- 6,471 Comments
- 130 Video
- 2 Blogs
- 1 Community Area
- 6,421 "It’s useful"

**Channels**

- Intranet, cartoons, live meetings, surveys, newsletters, digital totem, flyers

**Social Events and Formats**

- 26 types of events
- 4,425 people participated

**Online**

**Offline**

Data refer to 2016
Working from this base, initiatives to get people involved multiplied and were reinforced from year to year: projects like *World Café* - moments where an in-depth look was taken at topics and projects concerning the company in an informal context, were slowly increasingly flanked by initiatives to get people involved and promote communication across the board, such as **Fastweb Camp** (a voluntary attendance meeting which swiftly and efficiently lets people talk about projects in course, share their goals and receive feedback), **instant polls** through which Fastweb, periodically, surveys in a swift and practical manner the opinions of its employees on key company matters. Some examples of participatory formats that were organised in 2016 include: the Welfare World Cafes, to collect information on the subject of Welfare, the World Cafès and the Open Meetings on the new headquarters that are being designed for Bari and Milan and a survey amongst colleagues from the Turin offices to pinpoint their specific needs as a move to new headquarters was underway. Particular attention is dedicated to the topic of **innovation**. It is one of Fastweb’s core values and a veritable priority in terms of the development of the company Vision and its human capital. With this in mind, in 2013 a cross-functional team was set up, the Innovation Team and following its success in 2015 the **Innovation LAB** was born: an internal community, composed of approximately 450 people who are involved in the proposal, evaluation and transformation of ideas of proposed projects through diverse channels such as surveys and work groups conducted via chats.

In 2016 the LAB focused its energy on the education of employees through seminars focused on topics such as the cloud, crowdfunding and the generation of ideas. Over the course of the year the governance team perfected and presented multiple proposals, each re-formulated to meet new corporate needs and all of which were focused on making the work of the Innovation LAB result-oriented and on the creation of prototypes. To date these proposals are being evaluated and waiting for approval to move forward.

Facilitating the creation of an internal ecosystem with a propensity for innovation means not only bolstering people’s contributions but also creating a **shared common culture** that can promote key values that the life of the company is built on. This is why Fastweb organises moments of internal sharing, the most important of which is the **Vision Meeting**, a yearly meeting where the CEO shares all the main objectives met in the course of the year with the company employees and shares company strategies defined by the company Vision, Mission and Values.

An additional example with regards to 2016 is the **Thinking Hub** initiative, a day-long event with the goal of sharing company values in an innovative and inspirational manner.

In the world of social media, in 2016 a new initiative was launched: the pilot community of **Social Ambassadors**, a program with the participation of approximately 40 colleagues who are very active on social media and thanks to the community have more occasion, content and tools on their social media to go viral by also using Fastweb company content and sharing it in a personalised way.

A sense of internal community for Fastweb also means sharing one’s work life with loved ones. To this end, again in 2016 various initiatives were set up for Fastweb employees and their families, for example, **Baby Day**, a day dedicated to the employees’ children, opening up the doors of the company to little ones thus creating a shared moment with their parents.
The Thinking HUB is a format inspired by the TED model, where for a day various speakers share short speeches and anecdotes on a selection of vastly different topics (art, philosophy, sport, medicine, company, social media...) to share significant experiences and examples of the key topic of the Event. The program was activated through a technological game, a “treasure hunt” for QR codes that were spread around the company’s Milan headquarters, an event which registered a high percentage of employee participation.

2016’s topic for the Thinking Hub was the value of Agility. For Fastweb, Agility means being fast and direct, as only simplicity can be, by continuously seeking out ways to simplify and improve the services offered to the customers. This value translates into the day-to-day lives of Fastweb people through a pragmatic approach to situations and is focused on results in order to offer a competitive edge. Employees were able to enjoy the day in direct streaming from their computers or in one of the many rooms across the Italian offices that were set up especially for the day.

Event participants were given an appreciation survey which 250 people filled out (mainly from the participants who were physically at the event) with an appreciation average score of 3.74 out of 4.

The event also received positive feedback on the company intranet and on social media, (including Facebook, Twitter and Instagram).

**THE SPEAKERS**

Gianluca Dettori  
Venture capitalist  
Piergiorgio Odifreddi  
Mathematician and author  
Annalisa Monfreda  
Chief Editor of Donna Moderna and Starbene magazines  
Daniel Fontana  
Traithlon champion  
Lella Costa  
Actress  
Laura Suardi  
General Secretary of the Corti Foundation  
Patricia Viel  
Architect  
Luca Prina  
Marketing & Communication Director of CheBanca!  
Ugo Nespolo  
Painter  
Francesco Piccolo  
Author and screenwriter

**OBJECTIVE**

Share the varied methods in which company values can be translated. For 2016 the chosen topic was Agility.

**KEY NUMBERS**

397 Participants live  
221 Participants in streaming  
3,74 out of 4 Appreciation Index
For Fastweb, participation also means promoting positive values, which can transform the work experience not only into an opportunity for professional enrichment but also into a tool for personal satisfaction. The 2016 “Build & Enjoy” initiative promoted the following idea: at the 2016 Vision Meeting all employees were asked to write a story about “Build & Enjoy” on company projects worked on. The initiative was met positively: more than 200 stories were collected that were written by almost 400 writers and co-authors. The stories were compiled into an e-book that was available to all employees to promote a sense of shared pride for having reached objectives together. Along the same lines an internal communication campaign was organised, “Enjoy Your Day” with highly innovative content with a high number of adherents - centred around the creation of a web fiction series on life in Fastweb.

Additionally a project was activated on the Fastweb Instagram account where it was used to portray the company through its employees’ faces and stories.

In 2016, approximately 90 people contributed to the Instagram account by sharing their view of the company from the inside. The volunteers were captured by a professional photographer at the Fastweb offices and the results enlivened the company social media account and told the story of company life from the most important and most real perspective: that of the people.
Fastweb is the result of the passion, proficiency and ideas of its people: the ability to attract potential collaborators who are capable and motivated is a key axis in the company’s commitment to the management of human resources. Being an attractive and dynamic company means being able to count on the best resources and makes scouting and recruiting more efficient by anticipating the continued transformations of the job market and reinforcing the potential attraction of the company to younger generations.

Within the “listening to stakeholders” project, mentioned in chapter 3, in 2016 Fastweb activated a company-as-employer perception analysis on behalf of the stakeholders. The project saw the direct involvement of a sample of people in the 18-34 age bracket to understand the company’s positioning and the level of appreciation of the company as an employer for new generations. The results of this phase - which showed Fastweb had a high recognisability factor in the telecommunications arena but a relatively limited understanding of what working in the company entails - were used to analyse and identify Fastweb’s key traits as an employer, through interviews of the Top Management and of external partners (such as Universities) and recruiting agencies. Based on this study, Fastweb identified its Employer Value Proposition, intended as a set of values, practices and distinctive elements which represent the company in the job market: from 2017 the intention of the company is to communicate this message, through the website, social media channels and dedicated events.

Over the course of the year social media was also utilised to allow on the one hand for Fastweb to discover new talent and on the other for potential applicants to step forward and assess their interest in company job offers. On this point LinkedIn has for several years been the main tool for publishing job announcements and making initial contact with candidates. In the 2016 campaign a structured analysis of candidates was inserted through the Assessment Centre supplemented with a specific test to evaluate their digital aptitude and proficiency with regards to social media. The test, which is a new and innovative recruiting tool was entirely designed and implemented by Fastweb.

Additionally the attraction procedure for recruitment also turned to new channels such as Infojobs, Monster, Helpavoro and university bulletin boards.

The collaboration with universities to find the best new graduates from all of Italy’s schools as well as those abroad, is ongoing thanks to meetings and collaborations with the purpose of hiring recent graduates in technical and scientific fields.

In conjunction with the above mentioned activities, over the course of the year Fastweb increased the number of personnel hired with permanent contracts and placed the new hires alongside colleagues with consolidated experience. In 2016 Fastweb hired 109 people, primarily in the 30-50 age group of which 35 were recent graduates: of these 25 were hired in the Technology Division, a further testament of the company’s continued focus on the development and innovation of both infrastructure and technology.

With regards to the second edition of Employability 2.1, the project promoted by the ELIS consortium with the goal of integrating young adults into the workforce, Fastweb hired a recent graduate in a Digital & Innovation capacity with a one year apprenticeship contract outsourced to the RCS Media Group, which is currently ongoing. Likewise, a recent graduate who was hired with an apprenticeship contract by RCS through the same project, Employability 2.1 is currently in a year-long Fastweb training program.

In 2016 Fastweb joined a project promoted by Capgemini, “Truly the best” (“i migliori davvero”) thus deciding to give its contribution and renew its commitment to the subject of youth employment. “Truly the best” is a project that was born in 2014 which, in its first edition engaged university students to better understand their expectations of the future and of the working world. In this year’s edition, the project saw the engagement of young adults who already work, to share their experiences of entering the professional world. The purpose of the project was to share the suggestions and practical advice of those who
had found employment with those who were still looking. 14 recent graduates who were hired by Fastweb in the last two years voluntarily partook in this initiative and gave their contribution to it.

In 2016, the number of 47 units were terminated, a decrease from 2015 and almost entirely concentrated in the 30-50 age group.

### Turnover

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Hires – men</strong></td>
<td>27</td>
<td>33</td>
<td>81</td>
</tr>
<tr>
<td><strong>Hires – women</strong></td>
<td>7</td>
<td>24</td>
<td>28</td>
</tr>
<tr>
<td><strong>Hires – total</strong></td>
<td>34</td>
<td>57</td>
<td>109</td>
</tr>
<tr>
<td><strong>Terminations – men</strong></td>
<td>36</td>
<td>42</td>
<td>40</td>
</tr>
<tr>
<td><strong>Terminations – women</strong></td>
<td>9</td>
<td>17</td>
<td>7</td>
</tr>
<tr>
<td><strong>Terminations – total</strong></td>
<td>45</td>
<td>59</td>
<td>47</td>
</tr>
</tbody>
</table>

Based on these numbers, Fastweb has calculated three types of turnover:
- **Total rate of turnover**: sum of the hires and terminations in the year up until December 31st, excluding employees with short-term/apprenticeship contracts.
- **Rate of turnover in hires**: number of people hired in the year up until December 31st, excluding employees with short-term/apprenticeship contracts.
- **Rate of turnover in terminations**: number of people who ceased to work for the company as of December 31st, not including employees with short-term/apprenticeship contracts.

An analysis of the turnover trends highlights how the increase in the total rate of turnover, which increased from 4.6% in 2015 to 6.1% in 2016 is primarily due to the increase in the rate of turnovers in hires which almost doubled with respect to the previous year because of the recruitment campaign, while the rate of turnover in terminations underwent a dip of approximately half a percentage point.
For a highly innovative company such as Fastweb, continued training of people is an important aspect for maintaining internal proficiency in line with technological and market trends. This has to be placed alongside the growth of personal abilities and the improvement of their professional ones, especially in the digital field, a field that is in constant evolution.

From 2013, the company has followed the **70-20-10 model**. It is a framework which postulates that to ensure successful results, only 10% of training should occur in a formal environment, while 90% (70+20) of training comes from **on-the-job experience** (Job experience effect 70%) and from **interactions with co-workers** (social effect 20%). This approach is innovative in many ways and hinges on significant participation and the assumption of responsibility by individuals who become ipso facto the protagonists of their own formation and learning.

In 2016 the company offered a total of 42,655 hours of training courses for a total of approximately 17 hours per employee; the number was calculated by taking into account the sum of hours where the employees actually participated in courses, subdivided by their positions: executives (37 hours), management (25 hours), office workers (14 hours).

There is a significant increase in the average number of hours dedicated to training courses per employee with respect to past years, (an increase of 5 hours per employee when compared to the figures in 2015), due primarily to the activation of an important training plan for management designed for all employees who coordinate at least one collaborator and courses aimed at introducing the new Project Management model in the company.
The key Competencies in Fastweb

**EXECUTE STRATEGY**
I recognise the link between operativity and strategy

**TAKE DECISIONS**
I make decisions and take responsibility for them

**SIMPLIFY**
I find the most efficient way to proceed by simplifying day-to-day activities to the fullest

**LEAD PERFORMANCE**
I lead and work with the team to obtain the best results

**OPEN TO CHANGE**
I am open to change and contribute to ensuring it happens

**DEVELOP PEOPLE**
The development of individuals is my responsibility

**LISTEN TO PEOPLE**
I find the most efficient ways to simplify day-to-day activities to the fullest

**BE A TEAM-PLAYER**
I promote the exchange of ideas between colleagues and the team and place value on teamwork

**MANAGEMENT TRAINING**

In 2016, Fastweb engaged approximately 500 people in a training course, to update skills and allow for an evolution of internal managerial skills to stay in step with digital transformation.

The sessions lasted between 3-5 days and took place between February and July. The main topics covered were the role and responsibilities that are typical to this professional figure: from delegation to pinpointing priorities all the way to managing feedback and the assignment of objectives.

Additionally a few training modules on the diffusion of Fastweb’s leadership models were introduced, using the innovative format of corporate theatre and based on a conversation around 8 areas of proficiency pinpointed by the company, 4 in relation to business and 4 in relation to people.

The focus groups were built around a conversation on individual expertise, after the participants expressed “the dos and the don’ts” through photos and images for every area of expertise. The results of the focus groups were made available to the entire company on the company intranet, in the form of digital learning pills.
An additional important training path developed in 2016 was the introduction of the "Agile" model, in defining the development process.

The term "Agile" refers to a selection of innovative Project Management practices which allows for greater versatility and flexibility in the development phase. The "Agile" approach includes working in cross-functional development groups with periodic comparisons of goals achieved. The objective is to increase the value and the quality of the solution created, reducing costs and production time and eliminating waste.

In order to introduce this new management model, in the course of 2016 seminars were held for management as well as courses for operational teams, which over 200 employees participated in over 150 hours of classroom time.

In the course of the year, three "pilot projects" on three development processes were activated following this methodology; the pilot projects pertained primarily to the Digital Transformation and the Human Capital divisions, with the involvement of employees for each development project regardless of their position or the division they worked in. The objective for 2017 is to extend the adoption of the Agile model in the company, through coaching and additional courses.

From March 2016, in addition to the customary training classes, the selection of courses available on the e-learning platform was integrated with new modules regarding both technical expertise and soft skills, pertinent to professional development and the diffusion of company values, as well as with topics that were tied to the balance between a work life and a home life, such as stress management and personal well being. In 2016, using this method, 34,325 hours of courses were offered.

Additionally the company holds ongoing training courses on specific topics such as on the 231 Organisational Model, on health and safety in the workplace and on Management systems: the courses are either held in physical rooms or can be taken through the e-learning platform which can be accessed through the company intranet. The planning of the courses offered is periodic based on legislative updates and/or according to the evolutions in the operational and organisational scenario.

9. Number calculated by multiplying the theoretical number of hours of each course by the number of days in which a given course was available to the employees and summing the products obtained.
THE PERFORMANCE MANAGEMENT SYSTEM

Fastweb believes that regular assessment of performance and proficiencies helps make the most of the capacity and potential of people and develop human capital.

In point of fact, in the last few years performance evaluation has been used successfully to measure personal development plans, with exchanges between a senior position and a junior one and is pertinent to the entire work force with a permanent contract who has been with the company for at least 6 months. Since 2013, the Performance Management process has been revisited, to promote continued development and create the necessary working conditions to support the company’s growth objectives. The process highlights the importance of a sense of belonging and the contribution of each individual to reach business goals, and shows the strong correlation between individual professional development and business development. Through the method adopted, Fastweb defines the expected contribution of every employee and the topics and the criteria for the evaluation scale.

The process therefore allows one to pinpoint individual objectives in line with company strategy, a given department and the professional role of each participant, identifying the markers which should be invested upon for the development of the individual.

COACHING AND MENTORING

At the end of the Performance Management process, the Development Plan - which is specific to each individual employee and agreed upon by both manager and collaborator - for the following year is defined. In addition to traditional development tools, since 2015 the choice was made available to employees to join a coaching and mentoring path with the aim of bolstering managerial capacities and/or an individual position.

Coaching takes approximately 6 months to complete and consists of meeting with a coach, (external or internal) in order to bolster managerial capacities, through development objectives. Mentoring consists of an 8-9 month period available to both managers and employees following a pattern of continued dialogue between the mentor (internal) and mentee. The purpose of the collaboration which can be either formal or informal between mentor, who is experienced and the mentee is to pass on managerial and position-specific competencies to the mentee.

Given the efficiency of the initiatives, mentoring and coaching will be offered again in 2017.

360° FEEDBACK

Additionally in 2016 turning to methods of internal dialogue was strengthened. All employees who coordinated at least one junior employee were evaluated using the new Feedback 360° model. It is a method of individual development with feedback associated with company competency from the people the subject interacts with the most, (peers from within the company chosen either by the subject or assigned by the division or reference). Feedback 360° is a fundamental tool to gain greater insight into the strong points as well as areas for improvement of the employee and to promote a culture of transparency in interfunctional collaborations and relationships.
Fastweb believes that diversity and difference are an added value in human relationships and categorically rejects any form of discrimination based on political or union-affiliated opinions, ethnical origin, religious faith, gender, sexual orientation, relationship status, physical or mental disabilities, nationality or social and economic status. Differences are not seen as such by the company, which applies the same management policies and tools to all the staff.

At Fastweb, 63% of the workforce is made up of men (equal to 1,620 employees): the predominance of men is due to a peculiarity of the business sector in which Fastweb operates and the predominance is also true at the executive level. The Management Board is made up entirely of men, of whom 4 are between the ages of 30-50 and 5 are over 50.

Fastweb believes that equal pay for the men and women who work for the company is important. Fastweb’s management and remuneration model, which is applied across the country is based on meritocracy and transparency.

Individual performance, managerial competency and professional proficiency are the main drivers which determine remuneration.

The salaries of all employees advert to the collective work contract which establishes a base minimum for each position, regardless of gender.

In 2016 the relationship between women’s and men’s salaries is of approximately 81% for executives, 81% for office workers and 91% for management. The differences between the relationship for women’s average pre-taxed salaries and men’s is due primarily to seniority pay increase and highlights a peculiarity of the telecommunications industry, which was traditionally entirely male. Senior employees’ remuneration is in fact determined by their position, proficiency and level of experience.

When taking into consideration the cluster of recent graduates who were hired in 2016, and their time of entry into the company, the yearly salary for both genders is exactly the same (the relationship between entry level salary, and minimum salary is of approximately 107%).

Fastweb pursues the principles of equality and meritocracy in the management and development of individuals, from analysis and evaluations of proficiency, to the definition of acknowledgement to identifying career paths and professional development.

In 2016 the reward model was consolidated, i.e.: the process for assigning rewards for personal merit to employees both in terms of compensation and career advancement.

In particular, the parameters to be taken into consideration for recognising deserving individuals were defined: said parameters are defined by objectivity and measurability and allow for the assignment of rewards based exclusively principles of merit.
Interpersonal relationships and work relationships between colleagues and collaborators as well as those with clients and suppliers, are based on mutual respect, a commitment not to harm peoples’ dignity and to not act physically, verbally or psychologically abusively. At Fastweb therefore intimidating behaviour and workplace mobbing between colleagues and collaborators are not tolerated, nor is pressure placed on individuals or groups of people in an attempt to condition their behaviour or their work-related activities. In 2016 there were no reports filed pertaining to episodes involving discriminatory behaviour.

In accordance with the CCNL, all Fastweb employees, when the need arises, can take parental leave, which for women includes a period of mandatory leave as well as a period of elective leave, while for men parental leave is always elective.

In 2016, 300 employees took parental leave, (of which 222 women and 78 men) with a rate of re-entry of 100% (in 2016, 299 employees returned to work) and with a retention rate (i.e.: employees who stayed on in the company 12 months after returning from parental leave) was of 99%.
LISTENING TO PEOPLE

Listening to its employees has always been very important to Fastweb, which has always noted and analysed the satisfaction level of its staff as well as its degree of company engagement through periodic explorations into the atmosphere of the company’s work environment.

In the last three years, said exploration occurred yearly through a survey that was distributed to all company employees: the People Engagement Survey.

The main objective of the survey is to gather the opinions of and contributions of all Fastweb staff - in a structured manner - on their work experience in the company, especially with respect to the level of motivation and activation and to use the survey results to improve the collaborative and work model. The survey also helps pinpoint the company’s strong points as well as priority areas of change.

In 2016 the People Engagement Survey was carried out in January and February. The questionnaire examined various facets of company life with questions directed at highlighting both engagement (for example, questioning how engaged individuals feel in company strategy and decisions as well as issues concerning personal development and individual recognition) as well as enablement (questioning for example how autonomous employees feel, their opinions regarding available resources and training courses).

The first significant number in this is the high number of employees who participated in the survey, which was higher than in 2015: 93% of employees answered all the questions presented (a two percent increase with respect to 2015) and wrote in voluntary comments in 44% of the cases.

In terms of the actual results of the survey, there was a notable 13% increase with respect to the prior year in favourable or very favourable comments - 67% of those surveyed responded positively. The remaining percentage is divided between neutral and negative answers, the latter category is in definite decrease with respect to 2015 (-7%).

Furthermore the increase in positive answers was noted throughout the entire company, across the board in all branches of the company. Another interesting point is in the comparison between the Fastweb People Engagement Index results and the benchmark, (major corporations operating in Italy, from various sectors of the market); the PEI registered by Fastweb is a solid 6 percentage points above the average.

The main areas that were positively evaluated were the suitability of the company’s strategy and objectives within the context of the market, the clarity with which company expectations of employees is expressed, the awareness of high expectations with regards to performance that the company has of its employees, the appreciation of the proficiency and professional behaviour of colleagues and positive internal collaboration.

The survey confirms the strong points that were noted the preceding year, but with much higher results. The new factor for 2016 is not only is the strategy known, but people feel that the objectives and strategy are on the right track right now. What transpires is an organisational alignment with the strategies declared.

The main points of concern are in regards to a greater need for acknowledgement and more clarity on the course of individual development. Once again the same areas were manifest the previous year, with however an improvement in percentage points.

Lastly, a strong appreciation of company benefits designed to meet employee needs was expressed. Smart Working also emerges from the survey as work-life balancing tool that was especially appreciated.
In 2014 Fastweb activated a project for the extension and strengthening of the company welfare plan, in order to reorganise initiatives aimed at the well being of Fastweb's employees.

Health, additional medical insurance coverage, benefits, support for sporting activities and leisure time and the pursuit of a balanced personal and professional life are some of the key themes in the plan adopted by Fastweb.

Fastweb has designed a system of services for all employees with the objective of making work life more compatible with free time and with a personal life, aimed at the care of each individual and their families with an eye on the future, for when employees reach the end of their careers.

The most pivotal project is **Smart Working**, a model that has been fine-tuned and is greatly appreciated and used by the people who are employed at Fastweb and for which the company has received significant recognition (for further details, see dedicated chart). At the beginning of 2016, Smart Working evolved from a pilot project into a “corporate” project and has become an integral tool in company management.

Additionally, with regards to the work-life balance, a pilot project, **Maam U, maternity as a master’s** has also been introduced. It is a digital course designed like an actual Master’s Degree and helps individuals discover and practice their soft skills, such as listening, time management and empathy - skills that are also useful on the job.

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**Welfare @ Fastweb**

**WORK LIFE BALANCE**
- Smart Working
- In-house services: butler, breakfast and lunch
- Maternity support: Maam U, Maternity as a Masters, Work-life balance seminars

**HEALTH**
- Blood donation and vaccination
- Check-up campaign

**INSURANCE**
- Reimbursement for medical fees, Life insurance, Permanent disability insurance, Professional and personal liability insurance

**EDUCATION**
- Digital Contest for employees’ children between the ages of 6 & 12, Vola Alto, purchase of academic books that can be paid in instalments through pay checks, subsidies for summer and winter camps

**SUBSIDIES**
- Discounts on purchases, promotions for employees, Free tax return preparation, Use in advance of TFR, Meal vouchers, Company credit cards

**CULTURE AND LEISURE TIME**
- Free tickets to the theatre, concerts, cinema and fairs

**INSURANCE**
- Reimbursement for medical fees, Life insurance, Permanent disability insurance, Professional and personal liability insurance

**MOBILITY**
- Company car pooling
- Car sharing
- Favourable conditions for local public transport subscriptions

**SPORTS**
- Fastweb football team with international tournaments
- Running: participation in a selection of races, Outdoor Fitness, Free tickets for football and rugby matches and other sports events
In terms of initiatives in the assistance, healthcare and social service area, Fastweb has stipulated insurance policies that cover extra-professional liabilities for all employees. Following the activation of life insurance and permanent disability coverage for all office workers and management in 2015, in 2016 Fastweb took another step forward in the care and attention towards its employees: “Unisalute”, the health insurance policy has been re-visited and improved, with a 50% reduction on the deductible to be paid for specialised visits and diagnostic tests. Employees can use the health care plan both directly, (no cash outlay - except for deductibles as stated in the plan) as well as indirectly, (pay and be reimbursed -except for deductibles as stated in the plan) with the option of extending the plan to employees’ families.

Fastweb also offered employees the option of using their TFR (the law in Italy states that when an employee terminates their collaboration with an employer, said employee will be paid a sum that has accumulated over the time they worked at said company; similar but not equal to severance pay) to pay off first-home mortgages and renovations. There were also new measures taken with regards to the filling out of the 730 income tax return, for which employees were able to turn to the assistance of tax specialists made available to them by Fastweb at no charge to both employees and their families.

The numerous initiatives with regards to benefits and services for employees include free entry to sporting and cultural events, subsidized transportation costs in large metropolitan areas as well as the option of buying school books for its employees which can be paid back in instalments deducted from the employees’ pay check, as well as assistance in finding childcare workers and caregivers. In the educational sphere, in 2016 an initiative was rolled out to employees and their families: the contest “Vola Alto/Fly High” addressed to employees’ children between the ages of 6-12 with the objective of playfully and engagingly bringing children closer to the digital world and new technologies and to discover how they see the “internet” and how they interpret the concept of a “network” and “connection”. 100 children took part in the contest and presented their projects. 20 winners were selected and were awarded with kindles and with an invitation to a fun and innovative digital fabrication workshop on coding and 3D printing at Fab Lab Milano.

With reference to the pension plan, in accordance with CCNL, employees make monthly contributions to the State Treasury, managed by the INPS, (the Italian social security entity) or they can adhere partially or fully to the industry fund (Telemaco). As stated in the regulation on the matter, should an employee (junior or senior level) adhere to the industry fund, Telemaco and deposits in addition to the TFR, an additional contribution (minimum 1%), the company will in turn deposit a defined contribution of 1,2% on the retribution advantageous to the determination of the TFR. Management can choose from two funds, (Insieme or Prendivai) and the minimum contribution is of 4% to which the company adds a defined contribution of 4% on the retribution advantageous to the determination of the TFR.

### Subscribed to Pension Funds

<table>
<thead>
<tr>
<th></th>
<th>Employees not subscribed</th>
<th>Employees subscribed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office workers/Managers</td>
<td>897</td>
<td>1,572</td>
</tr>
<tr>
<td>Executives</td>
<td>21</td>
<td>83</td>
</tr>
</tbody>
</table>
CONNECTIONS

Human-Centric employer
Key Projects: Smart Working

Smart Working is an innovative and extremely flexible work model, which allows the employee to decide, in accordance with the guidelines set forth by the company, which work space they want to work from.

Since 2015, Fastweb has been a pioneer of this innovative and extremely flexible modality of working, with the goal of improving the work-life balance of its employees through an innovative approach which allows for greater flexibility and increased autonomy in the choice of workspace and the tools used, vis-à-vis taking more responsibility for results.

Thanks to this new approach, employees can work from any suitable place, ensuring that they have the technological tools necessary for collaboration and access to information. Additionally, to ensure proper work methods, all people involved in Smart Working completed a mandatory Safety & Security course, and received suggestions on how to safeguard their physical safety by adopting better habits in terms of posture, the positioning of a computer monitor and when to take breaks. Another part of the course is dedicated to mandatory precautions for all employees, that must be taken in order to protect data and information, so as to ensure the same security level as found within the company.

In 2016 the "Smart Working@Fastweb Survey" was distributed to both monitor the satisfaction level for the initiative as well as to better understand the operational aspects such as issues with technology, the impact on coordination and relationships with one’s boss, colleagues and with internal clients as well as the quality of the work executed in the Smart Working modality.

The high numbers of participants in the survey was significant, 81% and they stated the following benefits:

**Average cost saved in a year per person**

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Cost (€/year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Every week</td>
<td>651</td>
</tr>
<tr>
<td>Regularly (at least 3 times a month)</td>
<td>422</td>
</tr>
<tr>
<td>Sporadically (1-2 times a month)</td>
<td>200</td>
</tr>
</tbody>
</table>

* Estimate based on employees who use car for transport.

**Time saved in a year per person**

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Time Saved (hours/year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Every week</td>
<td>70</td>
</tr>
<tr>
<td>Regularly (at least 3 times a month)</td>
<td>48</td>
</tr>
<tr>
<td>Sporadically (1-2 times a month)</td>
<td>23</td>
</tr>
</tbody>
</table>
To adopt a new managerial philosophy founded on giving people back **flexibility** and **autonomy** in their choice of spaces in which to work and the tools used vis-à-vis taking more personal **responsibility for results**.

**KEY NUMBERS**

- **1,594 Smart Worker** in Fastweb, over half of the workforce
- **4 number of days per month** of Smart Working allowed
- **79%** Percentage of **use** of Smart Working allowed
- **58,338 days of Smart Working** taken
- **2.7 average of days per month** of Smart Working used per employee

**OBJECTIVE**

87% of respondents hold a **very positive** opinion of the introduction of Smart Working.

12% of respondents have a **quite positive** opinion of the introduction of Smart Working.

1% of respondents have a **not very positive** opinion of the introduction of Smart Working.

1% of respondents have a **negative** opinion of the introduction of Smart Working.

Sample of respondents 1,201

10. For the percentage of Smart Working usage, the Smart Working days taken and the average number of times per month Smart Working days were taken, the numbers refer to the period since the method was proposed (from 1/04/2015 to 31/12/2016).
THE COMMITMENT TO WORK HEALTH & SAFETY

Fastweb pays utmost attention to the subject of Work Health & Safety, by seeking operational solutions that are most suitable for reducing the risk of accidents at the company and ensuring that the company facilities are safe and secure for both its employees and suppliers who work in Fastweb offices, equipment rooms, stores and construction sites.

With the purpose of meeting the Health & Safety objectives and to ensure the proper implementation of the applicable regulations, since 2010 Fastweb has adopted its own Health & Safety Management System in the workplace which is certified according to the OHSAS 18001 standard. Fastweb’s activities are conducted in the full respect of the regulations in force and of company directives with regards to health and safety, through preventative measures and risk protection. Internally, Fastweb’s Health & Safety department has the task of ensuring regulations are respected, by overseeing the monitoring and the defining of the guidelines on topics that concern work health and safety, throughout the company and in all satellite spaces where Fastweb employees are stationed.

The Health & Safety department oversees the monitoring and the defining of the guidelines on topics that concern work health and safety. Its range of action covers the entire company and all sites where employees are stationed. This department is composed of: Central Coordinator for Security, the Manager of prevention and protection services, (RSPP), the Prevention and Protection Service’s Operators (ASPP), the representatives of the Workers for Safety, (RLS), Skilled Doctors and all the positions that have ties to the various divisions mentioned above.

The representation of the entire workforce is guaranteed by the presence of the RLS safety department. There are a total of 13 RLS representatives distributed across all Fastweb offices; there are 15 ASPP, distributed across office spaces and equipment rooms. Both RLS and ASPP also carry out their work with regards to work health and safety in the single brand retail stores.

To have a concise reading of the overall level of the state of the workers’ health and well being, one of the indicators used is absenteeism, which compares the number of absences registered during the course of a year to the total number of work hours expected. In the face of significant problems concerning the health or more generally speaking, the wellbeing of employees, statistically an increase in attendance and/or the length of absences in the course of a year are registered.

The rate of absenteeism registered in Fastweb in 2016 is of 6.8% (6.4% men, 7.5% women) in a downtrend with respect to the previous year (8.0%).

In the course of the year, Fastweb registered 31 work accidents, of which 4 were still open at the end of 2016, with a total of 1056 lost work days. 70% (22) of the injuries were commuting accidents that happened on the way to or from work. The most significant injuries in terms of severity were the commuting accidents or accidents that happened while travelling to or from clients, which is a demonstration of how the work health and safety practices in place at Fastweb are valid and efficient. The injuries that were registered on Fastweb property are ascribable to carelessness or were minor accidents that were not ascribable to an error on behalf of the company with regards to the protection of the workers’ safety.

There are no Fastweb employees who are involved in activities with a high rate of risk of specific illnesses.
### Index of Employee Accidents

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Number of Workplace Injuries</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td>16</td>
<td>10</td>
</tr>
<tr>
<td>Women</td>
<td>18</td>
<td>21</td>
</tr>
<tr>
<td>Total</td>
<td>34</td>
<td>31</td>
</tr>
<tr>
<td>Fatal</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Of which commuting accidents or accidents on the way to or from clients</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>26</td>
</tr>
<tr>
<td>Lost Work Days Due to Accidents (Calendar Days)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td>341</td>
<td>388</td>
</tr>
<tr>
<td>Women</td>
<td>315</td>
<td>668</td>
</tr>
<tr>
<td>Total</td>
<td>656</td>
<td>1,056</td>
</tr>
<tr>
<td>Rate of Injury</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td>0.98</td>
<td>0.66</td>
</tr>
<tr>
<td>Women</td>
<td>1.86</td>
<td>2.55</td>
</tr>
<tr>
<td>Total</td>
<td>1.28</td>
<td>1.32</td>
</tr>
<tr>
<td>Excluding commuting accidents and accidents to and from clients</td>
<td>0.15</td>
<td>0.21</td>
</tr>
<tr>
<td>Severity Index</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td>20.79</td>
<td>25.44</td>
</tr>
<tr>
<td>Women</td>
<td>32.63</td>
<td>81.06</td>
</tr>
<tr>
<td>Total</td>
<td>24.76</td>
<td>44.94</td>
</tr>
<tr>
<td>Excluding commuting accidents and accidents to and from clients</td>
<td>4.94</td>
<td>5.96</td>
</tr>
</tbody>
</table>

**Injury Rate:** number of injuries on the job/total number of hours worked × 200,000

**Severity Index:** number of lost work days caused by injury/total number of hours worked

During the course of the year work health and safety specific courses were offered alongside mandatory courses and refresher seminars on this topic. The course on “Driving Safety” aimed at reducing commuting accidents was also available in 2016 via the e-learning platform, to ensure maximising access to the information throughout the company.
Resilient and sustainable player

Being a responsible player for Fastweb means monitoring and managing its social and environmental impact along the value chain. Environmental sustainability, in particular, is a primary concern, which the company pursues through targeted programs especially in the sphere of energy efficiency and the monitoring of greenhouse gas emissions, two areas which have a fundamental impact in telecommunications.
<table>
<thead>
<tr>
<th>COMMISSIONS MADE</th>
<th>2016 RESULTS</th>
<th>FUTURE OBJECTIVES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improvement of energy efficiency of network infrastructure</td>
<td>Introduced direct free-cooling systems alongside existing traditional air conditioners for the apparatus rooms in equipment rooms in three locations, one in Verona and two in Bologna</td>
<td>Extend the use of free cooling to an additional 10 equipment rooms with an energy savings estimated at approximately 800,000 Kwh/year by 2019</td>
</tr>
<tr>
<td>Installation of solar panels at Fastweb owned properties</td>
<td>Energy requalification of 58 equipment rooms across Italy through the installation of high efficiency rectifiers</td>
<td>Introduce a monitoring system of energy consumption and environmental conditions at equipment rooms</td>
</tr>
<tr>
<td>Create &quot;green&quot; centres within all the divisions</td>
<td>Instalment of 2 sets solar panels on the roofs of Milan’s via Carracciolo and via Bernina offices</td>
<td>Improve the energy efficiency of Data Centres through technological renovations for a savings estimated at over 2.5 million Kwh/year between 2017 and 2019</td>
</tr>
<tr>
<td>Improvement of the calculation model for the company carbon footprint</td>
<td>Training and instructional courses held on Fastweb’s Environmental Management System</td>
<td>Continue on the path of training and sensitizing employees on the topic of environmental management</td>
</tr>
<tr>
<td>Improvement of energy efficiency and environmental impact of the devices installed at customers’ homes and businesses</td>
<td>Improvement of the adopted calculation model with the integration of additional emission factors</td>
<td>Complete the integration of the calculation model of the carbon footprint with the “enabling effects” of digitalization</td>
</tr>
</tbody>
</table>
The environment is a primary good which Fastweb is committed to safeguarding by programming its activities around a balance between the development of the infrastructure and environmental needs. The specific actions that have been carried out are aimed at reducing the environmental impact and proposing technological solutions to individuals and businesses for the creation of a more inclusive and liveable digital society.

As part of the Environmental Management System, certified since 2007 to the international ISO 14001 standard, all the direct and indirect environmental impacts generated by Fastweb activities were analysed, considering risks for the Environment and for local communities. Special improvement and mitigation projects were defined for the more significant ones.

Again in 2016, Fastweb implemented a number of activities to maintain the ISO 14001 environmental certification, including a selection of courses on this topic in a bid to improve environmental management, the update and amendment of the existing documentation, as well as the monitoring and a verification of a correct implementation of the management system in the company through 19 internal audits carried out in the Fastweb offices, IT equipment rooms and stores. All the evaluations culled from the audits were given to the pertinent company departments and examined and handled by them.

Lastly, to improve the effectiveness of the management system adopted and to ensure a timely reception and application of the regulations in force, at the end of 2015 the CEO formalised specific mandates with regards to the environmental arena, that were handed to employees in decision-making positions in all the company divisions of relevance. Said mandates were updated in 2016 vis-à-vis organisational changes. In support of the Environmental Delegates, a dedicated informative road map was traced on the responsibilities, general structure and pertinent procedures for the Environmental Management System. The first meetings were attended by the Environmental Delegates, while subsequent meetings that began to be held in 2016 and will continue to be held in 2017 will be attended by the operational divisions who also manage environmental issues as a part of their positions.
Fastweb’s main environmental impact is due to its energy consumption and in particular the consumption of electric energy, primarily because of the manner in which the network infrastructure and Data Centres operate in order to supply Fastweb’s services. Once again in 2016 the company committed itself fully from both a financial and an operational point of view to continue to reduce its impact on the environment.

In 2016 Fastweb’s energy consumption amounted to 500,888 GJ, an increase of 0.5% with respect to 2015, vis-à-vis a 7% increase in client numbers and approximately 3% in revenue. The majority of energy consumption is made up of indirect energy consumption (92%), i.e. by consumption of electric energy, while the remainder is composed of direct energy consumption, i.e. the consumption of natural gases and fuels.

Indirect energy consumption adds up to 459.172 GJ, the equivalent of just a little under 130 GWh (an increase of 0.6% with respect to 2015)\(^{11}\).

<table>
<thead>
<tr>
<th>Indirect energy consumption (kWh)</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total electric energy</td>
<td>123,432,778</td>
<td>126,772,961</td>
<td>127,547,870</td>
</tr>
</tbody>
</table>

Fastweb’s consumption of electric energy is primarily determined by the network’s consumption: servers, auxiliary apparatus and equipment placed in web farms and equipment rooms, street cabinets

\(^{11}\) 1 MWh = 3.6 MWh
The energy consumption of the equipment rooms has increased by 8% with respect to 2015, primarily because of the expansion of the network.

To assess the general energy efficiency of Fastweb’s network one must correlate the energy consumption of the equipment rooms to data traffic; this parameter takes into account all the categories of clients, those with contracts and technological connections.

The relationship that has been observed in the last few years between the consumption of electric energy, (kWh) and Fastweb’s volume of traffic demonstrates that in proportion to the data traffic, the energy consumption of the Fastweb network more than halved in the last 5 years, bringing a dramatic improvement to the index of energy intensity.
The excellent results achieved on the Fastweb network are the product of a number of strategic actions in both directions:

- The volume of traffic is in constant and considerable increase, thanks in large part to the speed of service that Fastweb can offer its customers through technological innovation and the development of its infrastructure — and this has led to a tripling of the volume of data traffic since 2012.
- Energy consumption is contained despite the expansion of the network thanks to efficiency measures taken and to the utilisation of energy efficient apparatus.

In the last three years alone, the Electric Energy Index is in constant improvement (-22% with respect to 2015) vis-à-vis an increase of 37% in data traffic.

In the course of the year, Fastweb’s commitment to renewable energy supplies was unwavering: in point of fact 95.5% of electric energy purchased came from renewable resources, an increase with respect to the 2015 figure of 94.3% because of the increase in the number of equipment rooms with a contract.

Additionally, in 2016 two sets of solar panels were installed at two company-owned buildings in Milan. Said panels, of 62 kWp and 68 kWp respectively, it has been estimated can produce and self consume approximately 140,000 kWh/year, creating an energy savings of approximately 103,000 kWh.

Fastweb’s direct energy consumption is primarily due to diesel consumption (equal to 71% of direct energy consumption and 6% of total energy consumption), utilised for transportation and in the offices and equipment rooms for the occasional use of generators (essential to guarantee uninterrupted network operations in the event of temporary power outages) installed in some locations.

Diesel and petrol are also an essential part of company transportation: company cars are allocated to executives and employees whose position requires them to travel for their job, additionally, a car-pooling fleet is available to all employees on request, in case of need for travelling to occasional meetings and assignments.

The company cars run on diesel, while the car-pooling fleet is formed entirely of hybrid electric-petrol cars.

The last category of direct energy consumption is of natural gas, which is utilised in the offices’ heating units.

The offices that are monitored for gas consumption are those where a direct contract was made with the gas supplier; in all other cases, whether in leased offices or stores, heating is centralised in those buildings and therefore Fastweb does not have access to the energy consumption data.

12. The solar panels installed started working from May 2016, therefore the data in the chart refers to the period between 01/05/2016 and 31/12/2016.)
In 2016, direct energy consumption decreased by 1% (percentage calculate based on GJ), due primarily to a decrease in petrol consumption (diminished by 45% with respect to 2015). In point of fact, as there cannot be significant actions taken to reduce the amount of natural gas and diesel consumed by electric generators, in order to reduce direct energy consumption, focus was put primarily on managing transportation intelligently: since 2009 Fastweb has promoted a decrease in travelling by turning to for example video conference calling for training courses and for meetings and if travelling becomes absolutely necessary, train travel is encouraged over air-travel. There are also a number of Mobility Management initiatives in place with the goal of both improving employee well being as well as reducing the company’s environmental impact. Agreements already in place for employees to buy public transport passes were re-confirmed. The arrangements with the Car Sharing and Bike Sharing companies were also confirmed, and aim to reduce the use of private vehicles through car and bike sharing and, again, with public transportation. A tool was also made available to all employees on the company Welfare portal, in order to promote carpooling and facilitate transportation-sharing between employees who travel along the same home-work route.

13. For the conversion of energy volume consumed with reference to the primary source in GJ, the international standard of coefficients was applied, GRI 3.1. In particular: 1 MWh=3.6GJ; 1000Nm³ methane gas=39,01 GJ; 1 kg of petrol=44,80 MJ; 1 kg of diesel=43,33MJ. The conversion of litres to kilos of petrol and diesel was carried out by referring to the “Emission factors from cross-sector tools” of the GHG protocol, version of Apr 2014, in particular: 1l of petrol =0,74kg of petrol; 1l of diesel=0,84kg of diesel) (http://www.ghgprotocol.org/calculation-tools/all-tools).

ENERGY SAVING INITIATIVES

Saving and the efficient use of energy are strategic objectives for Fastweb, in as much as they reduce the negative environmental impact, bring down costs and provide for a more comfortable working environment.

Fastweb has activated an energy efficiency evaluation with an energy diagnosis plan for IT equipment rooms, offices and stores in accordance with the Italian law Legislative Decree 102/2014.

The results of the diagnosis highlight the good level of general efficiency at all sites examined and confirm that air conditioning is the main area of focus to attain further improvement.

Thanks to the initiatives undertaken by Fastweb, in 2016 a total energy savings of over 1GWh (approximately 3.6 thousand GJ) has already been noted.
Once again in 2016, Fastweb launched numerous initiatives to improve its energy consumption performance. One of the most significant is the introduction of direct free-cooling units in 3 of its IT equipment rooms – a technology that uses room temperature air to cool space without the aid of refrigerating machines – alongside existing air conditioning units. Thanks to this decision, between October 2015 and October 2016, an energy savings of 400,000 KWh was achieved.

Additionally in 2016, Fastweb installated two solar panel modules, respectively of 62 kWp and 68 kWp on two company-owned sites in Milan, which allow Fastweb to produce and self-consume approximately 140,000 kWh per year, for an energy savings of 103,000 kWh.

Fastweb has also focused its attention on the energetic requalification of 58 equipment rooms that are distributed across the Italian territory through the installation of high efficiency rectifiers. This led to an increase of approximately 4 percentage points in the performance of the 62 energy stations involved in the initiative. Some requalification operations are still ongoing; upon completion they are estimated to create an energy savings of approximately 500,000 kW in 2016 alone.

Some of the measures taken for improving energy efficiency, including the substitution of the Uninterruptable Power Supply (UPS) in Milan’s via Bernina headquarters enable Fastweb to implement a process to sell Energy Efficiency Certificates (or White Certificates) already approved by the Energy Services Operator (GSE); with reference to this process, 2,690 Energy Efficiency Certifications (TEE) can be used during the 2016-2020 period, of which 674 are related to 2016.

Additionally, Fastweb has set further energy efficiency objectives to be met between 2017 and 2019, in particular:

**Expansion of free-cooling units**
Following the positive results of the trials in 2016, Fastweb decided to introduce free-cooling units in approximately 10 additional equipment rooms, a project which could generate energy savings of approximately 800,000 kWh/year.

**Introduction of an energy monitoring system of equipment rooms**
The project involves the introduction of a system that monitors energy consumption and the thermo-hygrometric condition of equipment rooms, with the purpose of constantly measuring the primary energy KPI of the sites with the goal of optimising operating conditions and allowing for an optimisation (ie: reduction) of consumption.

**Optimization of cooling systems in the Data Centers**
The requalification of the air conditioning systems will involve approximately 130 functional air conditioners with the purpose of cooling down the data rooms in Milan’s Data Centre, with a maximum energy savings estimated at approximately 2.5 Million kWh/year.

**Substitution of UPS**
Additionally Fastweb has a plan to substitute the UPS in the data rooms of the Milan Caracciolo offices with an expected energy savings of approximately 200,000 kWh/year.
Additionally, in keeping with maintaining energy saving practices along the entire value chain, the modems which will be placed on the market from 2017 will be equipped with energy saving functions and will conform to the energy efficiency requisites as dictated by the ”Code of Conduct on Energy Consumption of Broadband Equipment (version 5)” published by the European Commission with the goal of containing families’ and individuals’ energy consumption, with special reference to the use of electronic connectivity devices. These will be added to the requirements already in place for the purchase of IT materials, pertinent to the current laws, including the regulation on labelling, the technical regulations of the sector and the safety of the devices while in use, maintenance and at their time of their disposal.

Anthropic activities such as the combustion of fossil fuels or the leakage of fluorinated gas have an ever-increasing effect on global climate and temperature change. These activities in point of fact produce greenhouse gases, which cause the greenhouse effect and global warming. As ICT and Telecommunications companies generate high levels of energy consumption, the subject of climate change is extremely relevant to the industry. Fastweb faces this challenge with determined attention towards direct and indirect energy consumption and by guaranteeing that the supply of electric energy comes from renewable sources for all its users with the purchase of certificates that attest to their origin.

Additionally Fastweb has committed to a project that monitors greenhouse gas emission, by calculating its Carbon Footprint every year.

The Carbon Footprint is a tool for measuring greenhouse gas emission that is ascribable to the process of the creation of a product, to an organisation or to an individual. In order to measure its impact of greenhouse gas emissions and to plan and implement initiatives targeted at reaching a significant reduction of the same, in 2015 the company activated the Carbon Footprint Project, with the goal of creating a system for calculating the company Carbon Footprint. The model adopted was developed following the guidelines set forth in “A Corporate Accounting and Reporting Standard” of the GHG Protocol and “ICT Footprint - Pilot testing on methodologies for energy consumption and carbon footprint of the ICT - sector” of the European Commission.

The emission of greenhouse gases can be classified in:

- **Direct Emissions (Scope 1):** All direct GHG emissions produced by the company or by its subsidiaries (use of fuel for heating/cooling and for transport),
- **Indirect Energy Emissions (Scope 2):** Indirect GHG emissions from consumption of purchased electricity;
- **Other indirect emissions (scope 3):** Other indirect emissions not included in the above categories.

The study includes the offices, the Fastweb Network, the activities of the Flagship stores and franchises, the supply chain, the downstream distribution of IT equipment to customers, the
use of services by customers and the end of life cycle of products supplied; the only excluded area were reverse logistics (collection of IT equipment from customers’ sites) and activities of the multi-brand points of sale; both of them have negligible impacts. Besides the direct emissions and those due to electric energy consumption, the study also takes into account emissions from business travel, employees’ commuting, the use of generators and accidental leaks of HFC gases from air conditioners.

<table>
<thead>
<tr>
<th>Emission of greenhouse gases (tCO₂eq)¹⁴</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct emissions (Scope 1)</td>
<td>6,202</td>
<td>6,453</td>
<td>6,405</td>
</tr>
<tr>
<td>Indirect emissions (Scope 2)</td>
<td>58,758</td>
<td>7,709</td>
<td>7,087</td>
</tr>
<tr>
<td>Other indirect emissions (Scope 3)</td>
<td>121,596</td>
<td>126,276</td>
<td>174,434</td>
</tr>
<tr>
<td>Total</td>
<td>186,556</td>
<td>140,438</td>
<td>187,926</td>
</tr>
</tbody>
</table>

The net reduction of the impact of indirect emissions, (Scope 2) registered in 2015 and maintained in 2016 is tied to a change of supply of energy from traditional sources to renewable sources for all Fastweb structures, (offices, network infrastructure, Flagship stores), a shift that occurred on January 1st, 2015 and was maintained in 2016. This brought about an 87% reduction of the impact of indirect energy emissions, thus avoiding the introduction of 500,000 tons of CO₂ into the atmosphere every year.

¹⁴ In the last three-year period improvements have been introduced to the calculation method. In the face of said improvements, the data concerning 2015 is slightly different from the data published in the previous Report. Additionally the model used for the 2016 calculation is not comparable to the one used in previous years. The variations do not have a significant impact on the general results of the analysis.
As shown in the chart, in terms of Scope 3, the principal contributions in terms of impact are those concerning the purchase of products/services and the use of services by customers, while the other categories have less of an impact.

The increase in the total Carbon Footprint registered in 2016 (+34% with respect to 2015) is essentially referable to a significant increase in precisely the contribution of the emissions in Scope 3 (other indirect emissions). In particular the following was observed:

- A 40% increase in the contribution tied to the purchase of goods and services, that are traceable to a total increase in the budget destined for the purchase of goods and services;
- An increase of 35% of the contribution with regards to the customers’ use of devices, in proportion to the increase of the total customer base and the number of electronic devices distributed to them.

The increase in the company Carbon Footprint is tied therefore tied to the strong growth registered in the year both in terms of number of customers and in terms of the expansion of the network infrastructure. To measure efficiency in terms of emissions, one can use emission intensity, calculated in relationship to the emission data (expressed in the equivalent of tons of CO₂), with respect to the volume of traffic registered on the network (expressed in Tbytes).

The chart shows how in 2016 the reduction in the intensity of emission registered in 2015 has stabilised.
RESPONSIBILITY IN THE SUPPLY CHAIN

Fastweb worked with 1,436 suppliers in 2016, (of which 157 registered with the suppliers’ registry). In 95% of the cases the companies were under Italian legislation and were concentrated in the ICT product sector (approximately 33% of the products), in network infrastructure (25%) and in professional services. Fastweb outsources the process or part of the process of service provision to large companies, stipulating framework partnership agreements, which ensure certain levels of quality service to customers and guarantees for workers in terms of rights and work health and safety.

* In the case of multiple services across different categories, for the purposes of the current Sustainability Report, the overriding category was the one considered.
To ensure the best possible quality of services and full customer satisfaction, Fastweb expects commitment, reliability and flexibility from its suppliers, establishing long-term relationships with them based on integrity, transparency and objectivity. The Procurement Policy was conceived to ensure that third parties involved in the procurement process share the commitment Fastweb has towards its customers, society and the Environment.

The selection of Suppliers is based on the best purchase at the best possible conditions concept, according to non-negotiable principles of transparency, economic efficiency and conformity with existing regulations. Because of this Fastweb asks that suppliers present proper certifications for quality management, Work Health and Safety management and Environmental Management. Additionally, with every purchase order, all suppliers are asked to declare their commitment to the principles found in the Code of Ethics, in the 231 Model and those found in Fastweb’s Corporate Social Responsibility charter.

To communicate with its Business Partners, Fastweb developed the Suppliers’ Portal: a transparent and immediate digital platform directed at all suppliers already listed on the Fastweb Supplier Register, and to all companies that intend to submit their application as Potential Suppliers.

During the course of 2016 Fastweb strengthened its commitment to quality by starting a project for the revision of Procurement to Pay (P2P) which will completely change the purchasing process by the end of 2018, increasing suppliers’ engagement. On the sustainability front, the ambition - in continuity with what occurs at Swisscom - is to continue to promote the integration of the supplier policy, adding new qualification requisites and including an annual audit and verification process.
METHODOLOGICAL NOTE

THE APPROACH TO REPORTING
Fastweb’s Sustainability Report, currently in its fifth edition, is drawn up in conformity with the Guide Lines set forth by the Global Reporting Initiative (GRI) in the latest version (G4), following the “in accordance – comprehensive” option. Fastweb publishes the Sustainability Report yearly to ensure a constant overview and report of its performance; in particular this Report covers the period from January 1st 2016 to December 31st 2016.
For further information or suggestions or to request a copy of the Sustainability Report please write to: sustainability@fastweb.it.

SCOPE OF THE REPORT
In keeping with the last year, the Sustainability Report refers solely to the company Fastweb S.p.A, single-member company managed and coordinated by Swisscom AG, exercised through the subsidiary, Swisscom Italia s.r.l.

REPORTING PROCEDURE
The data and information reported in this document was collected through interviews with the representatives of the mapped activities and data collection forms. The approval and sharing processes form the basis for the key publications in the Fastweb Corporate Responsibility Report: the structure of the report and the key points to focus on are approved by the CEO and the text of the report is validated by the various company functions. The final version of the Sustainability Report is presented to and approved by the Board of Directors.

REPORT ASSURANCE
Fastweb once again this year decided to submit the report for revision to an independent third party, whose verification declaration can be found in the attachment “Declaration of Assurance”.

STAKEHOLDER ENGAGEMENT ACTIVITIES
Dialogue with the stakeholders is crucial to Fastweb as it focuses on two-way communication to share its actions and strategies, as well as technical, socio-environmental and commercial know-how based on its own operations and for receiving feedback on said topics.
Fastweb’s stakeholders are identified following the International Standard, AA1000SES, which analyses the reliability, responsibility, focus, influence and the concept of diversified points of view.

The Sustainability Report, published both digitally on the company website and in print, was widely used as an engagement tool. In particular, it was shared with key clients and was an important informative tool for some local government entities; all customers and suppliers received notice of its publication and it was made available through the http://company.fastweb.it/bilancio-di-sostenibilita/ link, where the entire report can be downloaded and perused.

Fastweb is especially careful when it comes to specific engagement choices in its interactions with its stakeholders and through dialogue and communication within the company, which also includes listening to employees, as well as consolidated communication with customers. Multiple tools are used to this end. From events to meetings designed to promote communication and interaction through internet channels, (website, intranet, social media, PR pages).
There are many forms of information sharing and they are personalised to suit the diverse types of customer. The sales department and commercial management team are constantly flagging and developing initiatives and services to satisfy the needs of customers who are distributed across the country with extremely different needs based on the size and economic framework of their realities.

- Internet channels (website, newsletters, MyFASTPage, Social Media)
- Surveys
- Focus groups and meetings with consumer groups
- Forums
- Blogs
- Customer Experience / Net Promoter Score
- Social Media

Public Administration and Regulator

- Implementation of the Digital Agenda
- Work groups
- Industry technical workshops
- Public Consultation Procedures
- Contributing to the definition of new standards and corresponding binding provisions

Employees

- Vision meetings
- Company Intranet Agorà
- Periodic conventions (Road Shows, Canvass, etc.)
- Tools for making proposals, sharing ideas or for asking for information (InnovationLAB, World café, group Mailboxes)
- Internal staff meetings for each of the functions
- Periodic performance assessments

Media

- Press releases
- Press reviews
- Website

Swisscom Group

- Meetings of the Board of Directors
- Audit Committee
- Annual and periodic management reports
- Teleconferences/videoconferences/meetings

Supplementary information
Last year’s selection of key topics has been enriched this year thanks to an ISO 26000 assessment, the standard on the social responsibility of companies as well as to a competitor analysis and benchmarking of Fastweb’s top competitors. The chosen topics were then prioritised according the relevance to Fastweb (internal relevance) and to stakeholders (external relevance); the results obtained were then intersected with the four cornerstones of sustainability.

**Material Issues**
- **Smart digital community enabler**
  - Expand next generation infrastructure across the country
  - Promote digital literacy and culture through innovative initiatives
  - Facilitate new business opportunities in the digital world

- **Human-Centric employer**
  - Diversity, equal opportunities and meritocracy
  - Welfare and work-life balance
  - Attracting and training of talent
  - Health and safety in the workplace

- **Trusted and lean customer partner**
  - Transparency and trust
  - Customer needs and quality of service
  - Privacy and data protection

- **Resilient and sustainable player**
  - Energy efficiency and a commitment to support climate change issues

- **Digital Customer Centric Company**

- **Ethics and compliance**
The key themes picked out by Fastweb concern the relevant aspects indicated in guideline GRI G4

<table>
<thead>
<tr>
<th>Material issues</th>
<th>Material issues GRI G4</th>
<th>Issue perimeter</th>
<th>Report limits</th>
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<tr>
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<td>EC - Market Presence</td>
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<td>LA - Employment</td>
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<td>LA - Training and Education</td>
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<td>SO - Local Communities</td>
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Supplementary information
ASSURANCE STATEMENT ADDRESSED TO FASTWEB STAKEHOLDERS

INTRODUCTION

Fastweb S.p.A. (“Fastweb”) has commissioned Bureau Veritas Italia S.p.A. (“Bureau Veritas”) an independent assurance of its 2016 Sustainability Report (“Report”), for the purpose of providing findings over:

- the accuracy and quality of published information concerning its sustainability performance;
- the correct application of those reporting principles outlined in the Report’s methodology, in particular Global Reporting Initiative (GRI) version G4.

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

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

- review of Fastweb’s policy, mission, values, commitments;
- review of records, data, procedures and information-gathering systems;
- interviews to members of the working group responsible for drafting the Report;
- interviews to company representatives from various functions and levels, including top management;
- overall verification of information and general content of the 2016 Sustainability Report.

The assurance activities have been performed at the company’s sites in Via Caracciolo and Via Valcava (Milan - Italy), and we believe we have obtained sufficient and adequate evidence to support our conclusions.

The assurance has covered the whole 2016 Sustainability Report, with the following limitations:

for economic and financial information, Bureau Veritas only verified their consistency with the company’s annual report and accounts; for activities outside the reference period (1 January 2015 – 31 December 2016) and for statements of policy, intent and objective, Bureau Veritas verified their consistency against the outlined reporting methodology.

RESPONSIBILITY, METHODOLOGY AND LIMITATIONS
CONCLUSIONS

Following the assurance activities described above, nothing has come to our attention to indicate that information and data in the Report are inaccurate, incorrect or unreliable. In our opinion, the Report provides a trustworthy representation of Fastweb activities conducted by during the year 2016 and of main results achieved. Information is reported generally in a clear, comprehensible and balanced manner. In those exceptional cases where data and indicators could not be collected and analyzed with absolute precision, this has been transparently reported. With regards to the reporting methodology outlined by the organization in its Report, it is our opinion that principles and guidelines from the Global Reporting Initiative – GRI 4 were duly implemented. Based on our assurance activities, a “Comprehensive” level of implementation has been achieved. We also confirm that this assurance statement applies to all indicators included in the section “GRI Content Index” and that our activities met the GRI requirements for external assurance.

DECLARATION OF INDEPENDENCE, IMPARTIALITY AND COMPETENCE

Bureau Veritas is a global organization specialized in independent assurance, inspection and certification activities, with over 180 years history, 69.000 employees and an annual turnover of more than 4,55 billion euro in 2016. Bureau Veritas applies internally a Code of Ethics and we believe there were no conflicts of interest between members of the assurance team and FASTWEB at the time of the assurance.

Bureau Veritas Italia S.p.A. Milano, 21 Marzo 2017
The Fastweb Corporate Responsibility Report has been compiled in conformity with the GRI G4 guidelines in the “accordance-comprehensive” option.

**GENERAL STANDARD DISCLOSURE**

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<tr>
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<th>PAGES</th>
<th>OMISSIONS</th>
<th>NOTES</th>
<th>EXTERNAL ASSURANCE</th>
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<td>The subdivision by region of employees has not been included as it is not relevant to Fastweb as it only operates in Italy</td>
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<td>G4-16</td>
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**Stakeholder engagement**

<p>| G4-24 | 116-117 |                                        |                                                                      | ✓                  |
| G4-25 | 116-117 |                                        |                                                                      | ✓                  |</p>
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<td><strong>Governance</strong></td>
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<td>G4-34</td>
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<td>Mandates were formalized on safety and environmental responsibility to personnel with a power to spend/ budget at their disposal and who took on the Criminal and Civil liability.</td>
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<td>A department dedicated to Corporate Responsibility was selected in the Human Capital Division with the purpose of overseeing the existing company initiatives, planning actions and specific operations and reporting periodically to management.</td>
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<td>G4-36</td>
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<td>The President of the BoD is a part of the parent company Swisscom and has no executive role in Fastweb’s CSR strategies.</td>
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<td>No warnings or notifications on the subject of CSR were signaled in 2016.</td>
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<td>The only stakeholder involved in the remuneration process is the share holder.</td>
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G4-54 - The indicator cannot be published for privacy reasons. This is information that is guarded and managed by the Human Capital Division, which has classified it as being "Strictly Confidential". Said information if published without the proper and complex comments, could be incorrectly or misleadingly interpreted by readers.

G4-55 - The indicator cannot be published for privacy reasons. This is information that is guarded and managed by the Human Capital Division which has classified it as being "Strictly Confidential". Said information if published without the proper and complex comments, could be incorrectly or misleadingly interpreted by readers.

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<tr>
<td>EN16</td>
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<tr>
<td>EN17</td>
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<tr>
<td>EN18</td>
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<tr>
<td>EN19</td>
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<tr>
<td>EN20</td>
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<tr>
<td>EN21</td>
</tr>
<tr>
<td>Overall</td>
</tr>
<tr>
<td>DMA</td>
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<td>EN31</td>
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**Social performance indicators - Work practices and dignified working conditions**

<table>
<thead>
<tr>
<th>Employment</th>
<th></th>
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<tbody>
<tr>
<td>DMA</td>
<td>84-89</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>LA1</td>
<td>84-85</td>
<td></td>
<td>The data in relation of to the hiring of employees and of employees who ceased their collaboration with Fastweb (&amp; vice versa) is not specified by region as it is not relevant (this data concerns Italian citizens exclusively).</td>
<td>✓</td>
</tr>
<tr>
<td>LA2</td>
<td></td>
<td></td>
<td>There are no differences in benefits between full-time and part-time workers.</td>
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</tr>
<tr>
<td>LA3</td>
<td>90-91</td>
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<tr>
<th>Occupational Health and Safety</th>
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<tr>
<td>DMA</td>
<td>98-99</td>
<td></td>
<td></td>
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<tr>
<td>LA5</td>
<td>98-99</td>
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</tr>
<tr>
<td>LA6</td>
<td>98-99</td>
<td></td>
<td>The indicator was not subdivided by region as it is not relevant to Fastweb which operates entirely in Italy.</td>
<td>✓</td>
</tr>
<tr>
<td>LA7</td>
<td>98-99</td>
<td></td>
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<td>✓</td>
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<td>LA8</td>
<td>98-99</td>
<td></td>
<td></td>
<td>✓</td>
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<tr>
<td>DMA AND INDICATORS</td>
<td>PAGES</td>
<td>OMISIONS</td>
<td>NOTES</td>
<td>EXTERNAL ASSURANCE</td>
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<td>--------------------</td>
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<td>Training and Education</td>
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<tr>
<td>DMA</td>
<td>84-89</td>
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<tr>
<td>LA9</td>
<td>86-88</td>
<td></td>
<td>The average training hours for women was of 12 hours while for men it was 19.</td>
<td>✓</td>
</tr>
<tr>
<td>LA10</td>
<td>89</td>
<td></td>
<td></td>
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<tr>
<td>LA11</td>
<td>89</td>
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<tr>
<td>Diversity and Equal Opportunity</td>
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<td>LA12</td>
<td>90-91</td>
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<td>✓</td>
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<tr>
<td>Equal Remuneration for Women and Men</td>
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<td>DMA</td>
<td>90-91</td>
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<td>✓</td>
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<td>LA13</td>
<td>90-91</td>
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<td>✓</td>
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<td>Labor Practices Grievance Mechanisms</td>
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<tr>
<td>DMA</td>
<td>93-97</td>
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<td></td>
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</tr>
<tr>
<td>LA16</td>
<td>-</td>
<td></td>
<td>In 2016 there was a single claim against work practices which was managed and resolved.</td>
<td>✓</td>
</tr>
<tr>
<td>Human Rights</td>
<td></td>
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<tr>
<td>Non-discrimination</td>
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<td>DMA</td>
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<td>HR3</td>
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<tr>
<td>HR9</td>
<td>90-91</td>
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<tr>
<td>Society</td>
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<td></td>
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<tr>
<td>Local Communities</td>
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</tr>
<tr>
<td>DMA</td>
<td>40-41; 48-52</td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>SO1</td>
<td>40-41; 48-52</td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>SO2</td>
<td>-</td>
<td></td>
<td>There was no significant negative impact on communities caused by Fastweb's operations.</td>
<td>✓</td>
</tr>
<tr>
<td>Anti-corruption</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DMA</td>
<td>29-33</td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>SO3</td>
<td>29</td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>SO4</td>
<td>30</td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>SO5</td>
<td>31</td>
<td></td>
<td>In 2016 no employees were dismissed and/or business partners removed for corruption related issues.</td>
<td>✓</td>
</tr>
<tr>
<td>DMA AND INDICATORS</td>
<td>PAGES</td>
<td>OMISSIONS</td>
<td>NOTES</td>
<td>EXTERNAL ASSURANCE</td>
</tr>
<tr>
<td>--------------------</td>
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</tr>
<tr>
<td>Anti-competitive Behavior</td>
<td>DMA 29-33</td>
<td>SO7 -</td>
<td>No legal sanctions were served for uncompetitive behaviour and anti-trust and monopolistic practices.</td>
<td>✓</td>
</tr>
<tr>
<td>Compliance</td>
<td>DMA 29-33</td>
<td>SO8 31; 73</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Product Responsibility</td>
<td>DMA 65-68; 104-109</td>
<td>PR3 103</td>
<td>PR4 -</td>
<td>No accidents were reported in relation to services provided or because of insufficient product information.</td>
</tr>
<tr>
<td>Marketing Communications</td>
<td>DMA 73</td>
<td>PR6 -</td>
<td>PR7 -</td>
<td>In the period that the report was being compiled only a single sentence was handed down by the Advertising Court of Honor (n.83/2016 of 25/11/2016) in which a commercial communication which makes reference to Fastweb's presumed superiority over its competitors was considered improper with regards to the speed of connection in download, while it remains acceptable when referred to the growth and expansion across the country of the network.</td>
</tr>
<tr>
<td>Customer Privacy</td>
<td>DMA 71-72</td>
<td>PR8 71-72</td>
<td>No episodes were reported of customers data/information lost or theft.</td>
<td>✓</td>
</tr>
<tr>
<td>Compliance</td>
<td>DMA 73</td>
<td>PR9 29-33</td>
<td></td>
<td>✓</td>
</tr>
</tbody>
</table>
3G (third-generation Mobile System). The third-generation wireless service is designed to provide high-speed data transmission, always-on data access and increased voice capacity. The technology of 3G networks supports both conventional voice data (telephony, messaging), and non-voice data services (downloading information from the Internet, e-mail, instant messaging). The high data transmission speeds are measured in Mbps and are significantly faster than 2G; the technology of the 3G networks supports multimedia applications such as full-motion video, high-speed Internet access and videoconferencing. 3G technology standards include UMTS, based on WCDMA technology (the two terms are often used interchangeably) and CDMA2000.

ADSL (Asymmetric Digital Subscriber Line) Technology that uses existing copper telephone lines to send and receive data at speeds that far exceed conventional dial-up routers. It is called "asymmetric" because most of its two-way or duplex bandwidth is devoted to the downstream direction, sending data to the user. ADSL can be used to receive Mbps and can transmit more than 832 in both directions. This makes the existing connection speed up to 50 times faster, without requiring a new telephone line.

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

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

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

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

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

CPE. Customer Premises Equipment, electronic device used as a user terminal (e.g. MODEM) that enables the connection to the local voice and data traffic network.

Digital. This is a mode of representing a physical variable with a language that uses only the digits 0 and 1. The digits are transmitted in binary form as a series of pulses. Digital networks are rapidly replacing the outdated analogue networks, they enable increased capacity and more flexibility through the use of computer-based technology for transmitting and handling calls. Digital systems offer less noise interference and can also incorporate encryption as security against external interference.

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

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

Optical fibres. Thin strands (fibres) of glass or plastic forming the infrastructure base for data transmission. A fibre cable contains a number of individual fibres, each one of which can transmit the signal (light waves) at a practically unlimited bandwidth (data rate). They are mainly used for long-distance transmissions to transfer large amounts of data, because signals travel along them with less loss and are also immune to electromagnetic interference. Fibre optic cables can carry a lot more data than traditional cables and copper wires. They come in the form of flexible cables and are immune to electrical interference as well as extreme weather conditions; they are also not over-sensitive to temperature variations. The diameter of the cladding is usually 125 micrometres (about the size of a human hair), and they are very light: one kilometre of optical fibre weighs less than 2 kg, without considering the sheath protecting it. Optical fibres are classified as dielectric waveguides. In other words, they can transfer and conduct an electromagnetic field of sufficiently high frequency (in general, close to infrared) with extremely limited loss. They are commonly used in telecommunications to transmit optic signals also over long distances, on transport network, and in the supply of cable broadband access (from 100 Mbit/s to Tbit/s using the most refined WDM technologies).

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

ICT (Information and Communication(s) Technology) Set of methods and technologies used for manufacturing the transmission, reception and processing of information and data.

Lost workday rate. Total number of workdays lost during the reporting year divided by the total number of actual work hours × 200,000.

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

Employee. Individual who is recognised as an employee of the reporting organisation, pursuant to national laws and/or practices.

Contract worker. Individual who works regularly onsite or on behalf of the reporting organisation, but who is not classified as an employee, pursuant to national laws and/or practices.

Local Loop. Pair of twisted copper wires that physically connects a customer’s premises to the telephone company’s exchange; it is the traditional basis of telephone lines and is also referred to as the “last mile”.

Multimedia. Service involving two or more communications media
Mobile Virtual Network Operator (MVNO). A wireless communications services provider that uses the wireless network infrastructure of another operator to provide services to its customers. An MVNO is a telephone services provider (with its own SIM cards, prepaid and/or subscription promotions, customer care and management) that does not have its own network infrastructure.

NGN (Next Generation Network). A packet-based network created to meet the needs of industry, public administration and the general public.

Alternative operator. Alternative telecommunications provider to Telecom Italia, the former incumbent carrier in Italy.

Administrative bodies. In this document, the term "Administrative Bodies" shall mean the Management Board and the Board of Directors.

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

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

Small Office / Home office (SOHO). Market consisting of small businesses that use telephone lines for Internet connections instead of dedicated lines. They consist of small businesses, generally with one or two employees, and businesses run from home.

Absenteeism rate. Total number of absent hours registered in the year of the report, divided by the total number of workable hours in said year*100. The reasons for the hours of absence include, illness, injuries, unpaid leave. The indicator does therefore not consider absences due to holidays, paid leave, parental leave and sabbaticals.

Injury rate. Total number of injuries experienced during the reporting year divided by the total number of actual work hours multiplied by 200,000.

Rate of re-entry following parental leave. Total number of employees who returned to work after parental leave divided by the number of employees who took parental leave. *100%

Retention Rate. Number of employees who continue to work for the company 12 months after having returned from parental leave divided by the number of employees who returned to work in the previous year/s of reporting.*100

UMTS (Universal Mobile Telecommunications System). The third generation mobile communications standard. It consists of a broadband transmission system which supports data transfer rates over a bandwidth of 2Mb/s, ensuring faster, better quality telecommunications, and multimedia transfer.

User Experience. User experience refers to a person’s behaviours, attitudes and emotions about using a particular product, system or service. User experience includes the practical, experiential, affective meaningful and valuable aspects of human-product interaction and product ownership. Additionally, it includes a person’s perceptions of system aspects such as utility, ease of use and efficiency. It may be considered subjective in nature to the degree that it is about individual perception and thought with the respect to the system, user experience is also dynamic as it is constantly modified over time due to changing usage circumstances.

VDSL (Very - high – data – rate Digital Subscriber Line). Access technology that can be used to provide the customer voice and TV services on the traditional copper telephone lines at downstream speeds of up to 50 Mbps using a specific home-installed device.

VoIP (Voice Over IP). A technology for the delivery of voice communications over the public Internet or other dedicated Internet Protocol networks, rather than via the public switched telephone network (PSTN). The term VoIP specifically refers to the set of application layer communication protocols that make that kind of communication possible. Numerous VoIP providers mean it is also possible to make telephone calls to the traditional PSTN. In actual fact, more generally VoIP enables real-time, unicast or multicast audiovisual communications on network packets (e.g. videotelephony, videophone service and videoconferences). The main advantage of this technology is that it eliminates the need to reserve bandwidth for each phone call (circuit-switching), exploiting the dynamic resource allocation typical of IP protocols (packet switching). The voice signals are digitized, encoded and routed on data packets only when needed, i.e. when one of the connected users is talking.