

# Sustainability Report

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Closer to the future we want.



# Summary

03

|  |    |
|--|----|
| <b>LETTER TO THE STAKEHOLDERS</b>  | 4  |
| <b>OUR FIRST YEAR</b>  | 6  |
| <b>Who we are today</b>  | 8  |
| Leaders in the Telecom sector  | 8  |
| Values and rules of conduct  | 14 |
| Our team   | 16 |
| Supplier management  | 26 |
| <b>Stakeholder relations</b>   | 28 |
| The definition of the most important topics                                  | 31 |
| <b>Solidarity initiatives with the engagement of customers and employees</b> | 34 |
| Results of the 2017 goals  | 38 |
| Goals for 2018   | 39 |

|   |    |
|---|----|
| <b>FOCUS UPON THE CUSTOMER</b>                | 43 |
| <b>Transparency and responsible marketing</b> | 44 |
| We like to be clear                           | 44 |
| Main projects in 2017                         | 47 |
| Goals for 2018                                | 49 |
| <b>Customer care and satisfaction</b>         | 50 |
| An ongoing dialogue                           | 50 |
| Main projects in 2017                         | 58 |
| Results of the 2017 goals                     | 59 |
| Goals for 2018                                | 60 |

|   |    |
|---|----|
| <b>THE TECHNOLOGICAL INFRASTRUCTURES</b>        | 63 |
| <b>A reliable and wide-reaching network</b>     | 64 |
| We are working for the most competitive network | 64 |
| Main projects in 2017                           | 69 |
| Results of the 2017 goals                       | 71 |
| Goals for 2018                                  | 72 |
| <b>Reduction of CO<sub>2</sub> emissions</b>    | 72 |
| Management of energy consumption                | 72 |
| Main projects in 2017                           | 79 |
| Goals for 2018                                  | 79 |

|  |     |
|--|-----|
| <b>INNOVATION AND CHALLENGES OF TOMORROW</b>   | 81  |
| <b>In partnership for designing the future</b> | 82  |
| A wave that propagates itself                  | 82  |
| Main projects in 2017                          | 84  |
| Results of the 2017 goals                      | 94  |
| Goals for 2018                                 | 95  |
| <b>Privacy and data security</b>               | 95  |
| Maximum enforcement, maximum simplicity        | 95  |
| Main projects in 2017                          | 100 |
| Results of the 2017 goals                      | 104 |
| Goals for 2018                                 | 105 |
| <b>THE BASIS FOR THIS DOCUMENT</b>             | 106 |
| Methodological note                            | 107 |
| <b>GRI Content Index</b>                       | 110 |
| <b>Assurance Statement</b>                     | 114 |

# Letter to the stakeholders

**Jeffrey  
Hedberg**



**Wind Tre C.E.O.**

[GRI - 102-14]

Dear Readers,

I am pleased to present you with Wind Tre's second sustainability report, the first since I have had the honor of leading the company representing one of the biggest mergers in telecommunications in Europe.

2017 was, in fact, the year of integration: following the merger of the Wind and H3G Groups, a new corporate reality was born, which immediately began the process of consolidating and developing the existing infrastructures to provide Italy with a single, large, reliable and wide-reaching network. This has been our most important engagement, reinventing Wind Tre across our key customer touchpoints in order to contribute to the spread of 5G and the Internet of Things, both of which are revolutionizing the way we work and communicate all around the world.

New challenges may be looming on the horizon, but change and innovation are engrained within our DNA. In fact, any digital transformation requires three simple yet fundamental enablers: people, partnerships and innovation. Wind Tre is able to rely upon competent and motivated people, that have successfully overcome an internal reorganization procedure resulting in significant changes and new developments. We are flanked by important partners, steadfast travel companions with whom we will realize big projects and experiment with revolutionary technological solutions. Innovation is our inspiring principle: curiosity and a pioneering spirit guide us along the way.

These are some of the issues that we will be discussing for the benefit of our stakeholders in the following pages. We see reporting our sustainability performance as a priority, and it's something that we do voluntarily, above all considering the important role that transparency plays in our increasingly interconnected world.

I would like to offer my heartfelt thanks to everyone who has rendered Wind Tre a solid and responsible company with their team spirit and expertise. We still have a long road ahead, but we'll travel it together towards new achievements.

Enjoy your reading,

Jeffrey Hedberg

*Wind Tre C.E.O.*

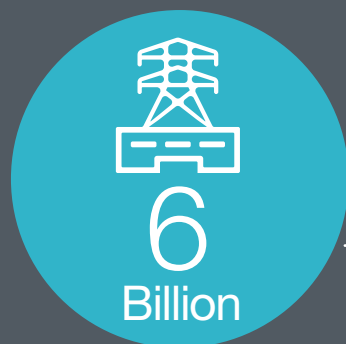




customers



in revenues



in infrastructure  
investments  
from 2017 to 2021



active suppliers



in orders  
placed with  
suppliers



people



hours of training

Our first  
year



Who we are today

Leaders in the Telecom sector

[GRI - 102-4]

[GRI - 102-6]

[GRI - 102-2]

Wind Tre is a leading Italian service provider in the sector of landline and mobile telecommunications, offering both voice and data traffic. The company is heavily focused upon mobile data traffic and mobile internet access services, including both broadband and wireless. The company operates under the commercial brand names “Wind”, “3” and “Wind Tre Business”.

[GRI - 102-7]

Wind Tre is currently the largest domestic mobile carrier, with over 29.5 million mobile customers, as well as 2.7 million landline customers.

[GRI - 102-10]

Wind Tre S.p.A. (“Wind Tre”) was established on 31/12/2016 from the merger between Wind Group (“Wind”), made up of Wind Telecomunicazioni S.p.A. and Wind Retail S.r.l., which belonged to the company VimpelCom Ltd (now Veon), and H3G Group, made up of H3G S.p.A. and 3Lettronica Industriale S.p.A., which belonged to the company CK Hutchison Holdings Ltd, a multinational conglomerate with main operational headquarters in Hong Kong.

[GRI - 102-3]

Wind Tre’s registered offices are located at no. 1 Via Leonardo da Vinci, Trezzano sul Naviglio (MI) Italy, while its main operational headquarters is located at no. 5 Largo Metro, Rho (MI) Italy. Another large operational facility is located at no. 48 Via Cesare Giulio Viola, Rome, Italy.

[GRI - 102-5]

The company’s share capital, which amounts to € 474,303,795 (fully paid), is 100% owned by Wind Tre Italia S.p.A., which in turn is entirely controlled (100%) by VIP-CKH Luxembourg S.à r.l., a company owned in equal measure by CK Hutchison Holdings Ltd and VimpelCom Ltd. In turn, Wind Tre holds all the shares in Wind Retail, 3Lettronica, and the company incorporated under Luxembourg law Wind Acquisition Finance S.A., and also holds several minority stakes in other companies.



Figure 1. Structure of Wind Tre Group as of 31/12/2017.

| COMPANY/CONSORTIUM NAME           | COMPANY/CONSORTIA REGISTERED OFFICES | PERCENTAGE OF SHARE CAPITAL/ CONSORTIUM FUND HELD BY WIND TRE |
|-----------------------------------|--------------------------------------|---|
| 3Lettronica Industriale S.p.A.    | Italy                                | 100%  |
| Wind Retail s.r.l.                | Italy                                | 100%  |
| Wind Acquisition Finance S.A.     | Luxembourg                           | 100%  |
| Mix s.r.l.                        | Italy                                | 9.75%   |
| CONSEL - Consorzio ELIS ar.l.     | Italy                                | 1%  |
| Janna S.c.ar.l.                   | Italy                                | 17%   |
| QXN Società consortile            | Italy                                | 10%   |
| DONO PER... S.c.ar.l. in clousure | Italy                                | 33.33%  |

Figure 2. Wind Tre subsidiaries and investees<sup>1</sup>

<sup>1</sup> The table shows the main subsidiaries and investees as of 31 December 2017. An additional 10% investment in the company Galata S.p.A was sold on 4 July 2017.

The main strategic objective is to become a leading player in landline/mobile integration, as well as the development of next generation fibre networks, thanks to an agreement with Enel Open Fiber for the creation of an ultra-broadband network in Italy. The company is contributing to the nation’s digital development by carrying out an investment plan in telecommunication networks, innovation, and new technologies, worth about € 6 billion over 5 years (2017-2021), with the aim of becoming Italy’s largest and most innovative telecommunications service provider, complete with the best and most extensive mobile broadband network.

During the course of 2017, Wind Tre explored the opportunities arising from the combination of new technologies and new market demands, namely by enhancing the digital channels, both in terms of the range of services offered, as well as in terms of customer interaction and process efficiency. At the end of 2017, 19.3 million customers, or rather 65% of all Wind Tre’s mobile customers, were using data services. The company’s mobile ARPU amounts to €11.3/month, of which €6.0/month consists of the data component, for an increase of 6.6%.

Despite heavy competition on the mobile telecommunications market, the company closed out 2017 with an EBITDA of € 2,211 million, for an increase of 1.2%. Within the scope of the business integration programme that gave rise to Wind Tre, a strong emphasis was placed upon improving efficiency and streamlining costs in 2017. Thanks to this commitment, the savings resulting from the synergies and cost containment initiatives already amounted to € 167 million in 2017, despite being just the first year of integration.

[GRI - 102-13]

Wind Tre is a member of:

- **ASSTEL**, the Confindustria organisation representing telecommunications companies. Dina Ravera, Wind Tre’s former Merger Integration Director, was the Chairperson of the Association from 2015 to 2017;
- **CONSEL**, the ELIS Consortium for higher professional training, whose primary goal is to support young people in their transition to the world of employment.
- **FUB**, the Ugo Bordonì Foundation for research and innovation in the ICT sector, for institutions, businesses, and citizens. Antongiulio Lombardi, former Director of Institutional and Regulatory Affairs for H3G, and current head of Regulatory Affairs for Wind Tre, is among the members of the Founding Partners Committee.

[GRI - 102-13]

The following tables contain Wind Tre’s main economic, capital, and financial data, prepared in accordance with the IFRS adopted by the European Union.

| (millions of Euros)              | 2017    | 2016<br>(proforma) |
|----------------------------------|---------|--------------------|
| Financial information            |         |                    |
| Revenues <sup>(1)</sup>          | 6,182   | 6,475              |
| EBITDA <sup>(2)</sup>            | 2,211   | 2,124              |
| Operating income                 | (1,414) | (1,179)            |
| Net financial expenses           | (1,291) | (130)              |
| Group income for the fiscal year | (2,620) | (1,349)            |

(1) The data for the fiscal year ended on 31 December 2016 have been indicated differently/reclassified in order to ensure their comparability with the data for the fiscal year ended on 31 December 2017

(2) Operating income before depreciation, restoration/impairment of non-current assets and capital gains/losses on disposals of non-current assets, excluding restructuring costs

| (millions of Euros)           | As of 31<br>December 2017 | As of 31<br>December 2016 |
|-------------------------------|---------------------------|---------------------------|
| Equity information            |                           |                           |
| Total assets                  | 17,637                    | 20,887                    |
| Equity                        |                           |                           |
| attributable to the Group     | 1,644                     | 4,204                     |
| attributable to third parties | -                         | -                         |
| Total liabilities             | 15,993                    | 16,683                    |
| Net financial debt            | 10,318                    | 9,775                     |

Table 1. Wind Tre financial and equity information

The Wind Tre S.p.A. Board of Directors consists of 3 members:

- Christian Nicolas Roger Salbaing (Chairman);
- Jeffrey Hedberg (C.E.O.);
- Kjell Morten Johnsen (Board Member).

The Chairman of the Board of Directors is vested with the powers provided by law and the company’s articles of Association with regard to the authority to represent the company and the functioning of its governing bodies.

No Executive Committees have been set up pursuant to art. 2381 of the Italian Civil Code.

The Wind Tre S.p.A. Board of Statutory Auditors, or rather the company’s internal management control body, consists of 3 standing auditors and two alternate auditors:

- Giancarlo Russo Corvace – Chairman of the Board of Statutory Auditors;
- Marcello Romano – Standing auditor;
- Luca Occhetta – Standing auditor;
- Maurizio Paternò di Montecupo – Alternate auditor;
- Roberto Colussi – Alternate auditor.

The selection of the members of the Board of Directors and the Board of Statutory Auditors is carried out with the approval of the CK Hutchison Holdings Ltd and VimpelCom Ltd shareholders, in accordance with the Group’s rules of corporate governance. With regard to the Board of Directors, the general meeting has not resolved any form of compensation.



[GRI - 102-18 e 102-15]

Values and rules of conduct

In order to ensure proper and efficient corporate governance, Wind Tre has adopted its own set of rules and organisational structures designed to protect the rights and interests of its shareholders and any other subjects who invest in the Group. The Corporate Governance system is based upon the company’s values and mission, which in turn serve as the basis for monitoring the integrity of company’s business conduct.

The **Code of Conduct** provides behavioural guidelines for the company’s personnel, offering them guidelines for performing their day to day duties, and strengthening the company’s credibility and reputation within its operating context [GRI 102-16]. The document can be downloaded from the following URL: [www.windtre.it/governance/codice-condotta-e-mo](http://www.windtre.it/governance/codice-condotta-e-mo)

In 2017, the company also adopted a **Conflicts of Interest** Policy in order to provide guidelines for identifying any actual, potential, or perceived conflicts of interest, and to define the relative communication and management process. In order to implement the principles of the Policy, the company asked all the managers to sign a relative declaration at the end of 2017, with all of the declarations received being filed in a special Conflicts of Interest register. In this manner, 172 declarations were obtained in 2017. With regard to the 57 potential conflicts of interest identified, the Register contains the assessments as to whether or not an actual conflict is present, the type of conflict reported, the corrective measures proposed, and the resolution status after further investigation. During the course of 2018, the remainder of the company’s employees will also be asked to complete a declaration regarding any potential conflicts of interest through the corporate intranet site.

In order to ensure compliance with the local and international anti-corruption legislation, including the US Foreign Corrupt Practices Act (“FCPA”) and the UK Bribery Act 2010, the company has adopted an **Anti-Corruption Policy** that defines the ethical principles and standards to be observed during the management of the company’s activities, in order to mitigate the risk of corruption and ensure compliance with the applicable standards and regulations. The **Procedure for the Reporting and Management of any Potential Violations**, which is available to all the employees on the company’s intranet site, indicates how to manage any reports of illegal activities or conduct that is not consistent with the Code of Conduct, while at the same time ensuring adequate protection for the source. It also indicates how to store the provided and evaluated information, how to protect the source against retaliation by inside and outside people, and how to choose alternative tools or methods for managing the various cases. Any reports from people outside the company can be submitted to the Speak Up Helpline at the number 00

[GRI - 102-17]

800 1777 9999 (only accessible from a landline), or else can be sent by email to the following address: [localcomplianceofficer@windtre.it](mailto:localcomplianceofficer@windtre.it) . During the course of 2017, a total of 48 reports were received, and 46 investigations concerning the conduct reported were concluded.

Italian Legislative Decree 231/2001 introduced the concept of administrative corporate liability for certain offences committed by employees in the interests or to the advantage of the company itself, with associated fines disqualifications applicable to the Company. Wind Tre has adopted an **Organisation and Management Model pursuant to Italian Legislative Decree no. 231/01** and has appointed a Supervisory Board (consisting of an outside professional with legal competence, an outside professional with accounting competence, and two internal Managers). This Model is periodically updated in order to ensure that it is always comprehensive and effective, even with respect to the legal requirements introduced in recent years. During the course of 2017, a risk assessment was carried out in order to update the Model and adapt it to the current corporate structure. To date, the supervision activities carried out have not revealed any illegal activities within Wind Tre among those envisaged by the current legislation.

In 2016, the European Commission adopted a **General Data Protection Regulation**, which comes into effect in 2018. In anticipation of the deadline, the company has already adapted its procedures to comply with the regulation in question, as described in greater detail in the chapter dedicated to Privacy and data security.

[GRI - 102-12]

The Integrated Management System

In 2017, the Integrated Management System, which was adopted by Wind in 2005, was extended to cover the entire Wind Tre organisation (locations, personnel, processes, and functions), with the aim of guiding and controlling the company’s operational activities, in order to ensure the continuous improvement typical of the “total quality management” approaches. In particular, there are 5 different fields:

- quality, ISO 9001:2008;
- environment, ISO 14001: 2004;
- occupational health and safety, OHSAS 18001:2007;
- social responsibility SA8000:2014;
- information security, ISO 27001:2014, which includes 2 separate certificates: one regarding the provision of Security Management services and management of the SOC (Security Operation Centre), and the other regarding Cloud services, Data Warehousing, and the physical security of the supporting Data Centres.



In order to achieve this goal, the Quality Certification Department was responsible for carrying out the improvement activities and the internal audits, while an external certification body verified the System’s compliance with the regulatory requirements.

In 2017 the company also adapted the part of its Management System relating to social responsibility to the latest edition of the SA8000 standard, and carried out the tri-annual renewal process for the certificates relating to occupational health and safety (OHSAS 18001) and data security for Cloud services, Data Warehousing, and the physical security of the supporting Data Centres (ISO 27001).

The maintenance and improvement activities required by the standards were carried out for all the other certification schemes.

Our team

We recruit the best talents

At Wind Tre, the **human resource recruitment** process is based on the principles of merit and equal opportunity, and begins with a request submitted by the department concerned, which is validated by the Human Resources Management following a verification of the actual requirements, also taking into account the organisational and budgetary constraints established for the year.

Through subsequent trials and evaluations carried out by professionals with specific skills, the process highlights the most suitable candidates with respect to the established requirements.

A shortlist of candidates is then invited to be interviewed by the Human Resources Managers and the managers of the department that has requested the new hire. Finally, once the best candidate has been identified, a hiring proposal is formulated. During the course of 2017, a total of 87 human resources were recruited in this manner, consisting of 46 men and 41 women, with ages ranging from 20 to 56.

The company maintains regular collaborative relationships with leading Italian universities, and participates in student orientation initiatives (e.g. career day, company testimonials, etc.). With the aim of building a bridge between the world of academia and the professional sphere, Wind Tre takes in students for curricular, orientation, and training internships.

[GRI - 102-8f]

The following personnel data for 2017 refer to the companies Wind Tre S.p.A., Wind Tre Italia S.p.A., 3Iettronica Industriale S.p.A. and Wind Retail, and are compared to those of 2016, which have been reconstructed by summing the data of the two integrated companies as of December 2016. The 2015 data have not been indicated, as they are not available for the same scope.

Like in the previous years, almost all of the employees have the open-ended contracts.

[GRI - 102-8a]

| Contract duration | 2017  |       |       | 2016  |       |       | 2015 |       |       |
|-------------------|-------|-------|-------|-------|-------|-------|------|-------|-------|
|                   | Men   | Women | Total | Men   | Women | Total | Men  | Women | Total |
| Open-ended        | 3,722 | 3,357 | 7,079 | 4,539 | 4,680 | 9,219 | n.d. | n.d.  | n.d.  |
| Fixed-term        | 7     | 4     | 11    | 51    | 80    | 131   | n.d. | n.d.  | n.d.  |
| Total             | 3,729 | 3,361 | 7,090 | 4,590 | 4,760 | 9,350 | n.d. | n.d.  | n.d.  |

Table 2. Distribution of employees by contract duration

As of 31/12/2017, Wind Tre’s total work force amounted to 7,090 individuals. Following the merger of Wind and H3G at the end of 2016, a major process was initiated aimed at integrating, streamlining, and harmonising all the corporate processes and procedures, which required considerable internal reorganisation efforts.

This reorganisation, which was rendered necessary in order to manage certain functional redundancies, also led to a reduction of the workforce, which was handled through spontaneous and incentivised staff turnover, as well as through an outsourcing operation carried out during July of 2017, as was ultimately concluded with an agreement signed with the union organisations.

The increased turnover with respect to the previous years is therefore mainly attributable to these operations.

The 2016 Wind data also include inter-group contract transfers. The 2015 Wind terminations also include those resulting from the sale of Galata.

| Variations             | 2017   | 2016  |       | Total | 2015 |      |
|------------------------|--------|-------|-------|-------|------|------|
|                        |        | Wind  | H3G   |       | Wind | H3G  |
| New hires              | 87     | 156   | 163   | 319   | 131  | n.d. |
| Terminations           | 2.347  | 381   | 263   | 644   | 214  | n.d. |
| Outgoing turnover rate | 33.10% | 5.80% | 9.50% | 6.89% | 3.1% | n.d. |

Table 3. New hires and terminations from the workforce

82% of the employees have full-time contracts. Part-time contracts are mainly requested by female workers.

| Work hours | 2017  |       |       | 2016  |       |       | 2015 |       |       |
|------------|-------|-------|-------|-------|-------|-------|------|-------|-------|
|            | Men   | Women | Total | Men   | Women | Total | Men  | Women | Total |
| Full-time  | 3,536 | 2,245 | 5,781 | 4,166 | 2,805 | 6,971 | n.d. | n.d.  | n.d.  |
| Part-time  | 193   | 1,116 | 1,309 | 424   | 1,955 | 2,379 | n.d. | n.d.  | n.d.  |
| Total      | 3,729 | 3,361 | 7,090 | 4,590 | 4,760 | 9,350 | n.d. | n.d.  | n.d.  |

Table 4. Distribution of employees by work hours

All of the company’s employees are subject to a collective labour contract negotiated with the union organisations.

The characteristics of the company’s population do not vary over the course of the year, as Wind Tre’s activities are not subject to any significant seasonal changes.

| Non-employee workers          | 2017 | 2016 | 2015 |
|-------------------------------|------|------|------|
| Non-employees / Employees (%) | 2.3% | 1.3% | n.d. |

Table 5. Incidence of non-employee workers

The non-employee workers, who constitute a small minority, mainly consist of consultants tasked with sales activities at the Wind Retail brand shops.

| Workforce    | 2017  |      | 2016  |       |       |      | 2015  |      |       |      |
|--------------|-------|------|-------|-------|-------|------|-------|------|-------|------|
|              | Total | %    | Wind  | H3G   | Total | %    | Wind  | H3G  | Total | %    |
| Management   | 170   | 2%   | 112   | 121   | 233   | 2%   | 119   | n.d. | 119   | 2%   |
| Supervisors  | 711   | 10%  | 589   | 275   | 864   | 9%   | 623   | n.d. | 623   | 9%   |
| White collar | 6,209 | 88%  | 5,878 | 2,375 | 8,253 | 88%  | 6,062 | n.d. | 6,062 | 89%  |
| Total        | 7,090 | 100% | 6,579 | 2,771 | 9,350 | 100% | 6,804 | n.d. | 6,804 | 100% |

Table 6. Distribution of the workforce by contractual level

In terms of breakdown by contractual level, the workforce’s consistency remains in line with the previous years.

| Female incidence per level (%) | 2017 | 2016 | 2015 |
|--------------------------------|------|------|------|
| White collar                   | 51   | 54   | n.d. |
| Supervisors                    | 26   | 26   | 22   |
| Management                     | 22   | 24   | 16   |
| Total employees                | 47   | 51   | 47   |

Table 7. Female incidence per level

47% of the company’s workforce consists of women.

The Corporate Communities

The Wind Tre Factory

The Wind Tre Factory is an initiative based on cross-functional teamwork and innovation through personal development. 30 young professionals from various company departments are brought together to take part in smart and agile teamwork activities in order to generate new ideas and concrete solutions for the company. During the 2017 edition, C.E.O. Jeffrey Hedberg met with each of the four groups (each dedicated to a specific project) on a monthly basis in order to monitor the progress of the 4 projects first hand, and, in the end, the top management resolved to move on to the implementation stage.

The #diciamolanostra Community

In early 2017, Wind Tre decided to give its employees an opportunity to speak their minds through an engagement survey conducted among the company’s entire workforce, the results of which highlighted 4 areas of opportunity and investment for Wind Tre: Communication, Personal Development, Innovation and Customer Focus. These 4 streams gave rise to the work activities of the #diciamolanostra Community, a group of 36 Wind Tre employees representing all of the company’s departments, levels, and locations, who decided to establish an independent task force aimed at proposing concrete solutions to widespread daily problems. In early 2018, the projects developed by the community were presented to the top management, which in turn resolved to bring them to the implementation phase. In addition to the community’s reference team, each project is also followed by a project owner, or rather a colleague with expertise in the sector to which the project refers.

The OnStage Project

In May of 2017, Wind Tre launched its first internship programme, OnStage: a training programme structured specifically for current university students and recent university graduates. The programme consists of two separate sections: the classic highly qualified work project, followed by a company tutor, and a personal growth section consisting of stimuli and experiences designed to broaden the individual’s horizons and improve their self awareness. This section consists of 6 structured experiences designed to combine personal growth with personal development: Welcome Day, Personal Branding Day, Luiss EnLabs Day, Wind Tre Music Awards, Charity Day and Graduation Day. The internship programme has a duration of six months, and a total of 25 people from the Rome and Milan locations take part in each edition.

Personnel training

Within Wind Tre, **training** is managed, depending on the goals to be accomplished and the skills to be nurtured and maintained, by the Human Resources Department or by the specifically designated functions within the Sales, Customer Management, Privacy and Safety areas. The Human Resources Department is responsible for training related technological development, transversal skills, specific professional abilities, institutional qualification processes, and the development of managerial skills.

The activities conducted are therefore related to a wide range of topics, including, by way of example, behavioural, technical, legal and linguistic content.

With regard to 2017, the cultural integration phase was accompanied by a training programme, which, during the last quarter, involved approximately 700 managers and coordinators, and was focused upon topics relating to skills and leadership models for Wind Tre Professionals, with particular attention being dedicated to the Performance Appraisal process. These initiatives will continue during the first half of 2018.

A training initiative on the technical programme associated with the new supplier of telecommunication network devices, ZTE, was carried out between March and November for the Technology Management personnel, namely those involved in the Access Deployment & Operations areas. In terms of technological development scenarios, the training initiatives have been focused upon supporting various projects relating to the implementation of 6sigma, Agile, and Togaf models: in view of the 4G/5G and NFV network development, a major training project is being prepared (expected to be launched during the course of 2018) in order to accompany the coming changes, both in terms of raising a general awareness among all the company’s areas, as well as in terms of providing instruction and specific training for the employees who will be more technically involved in the various stages of these technological developments.

During the second half of the year, all of the company’s personnel also had the opportunity to attend an online cybersecurity course, in order to gain a better knowledge of the basic elements of IT security and the relative risks.

Finally, a training programme focusing upon the corporate anti-corruption policies was held for the company’s managers and personnel covering key roles, and was aimed at raising their awareness of the rules that Wind Tre has imposed in this regard.

Taking only the training activities handled by the Human Resources management into account, each of the company’s staff members underwent an average of 7.5 hours of training during the course of 2017. And these were in addition to the training hours conducted directly by the company’s individual departments (e.g. Sales, Customer Care, Privacy, etc.)

| Training                                    | 2017   | 2016   | 2015 <sup>2</sup> |
|---|--------|--------|-------------------|
| Total training (hours)                      | 61,035 | 63,635 | n.d.              |
| of which health and safety training (hours) | 8,027  | 13,961 | n.d.              |
| Workers (average number for the year)       | 8,139  | 9,600  | n.d.              |
| Average training per person (hours)         | 7,5    | 7      | n.d.              |

**Table 8.** Personnel training handled by the HR department

During the course of 2017, alongside the corporate integration process, the company developed new skills and leadership models, downstream of which new systems were developed in order to support the Performance Appraisal process. In keeping with these models and processes, during the course of 2018 the company can continue to prepare training activities that are consistent with its requirements, and will advance the company’s most effective strategies in support of individual and team performance.

**The health and wellness of Wind Tre’s personnel**

As fundamental elements for ensuring quality of life at work, workplace **health and safety** are managed by a dedicated unit within the HR-General Services department, and are also overseen by Wind Tre through a Management System compliant with the OHSAS 18001 standard, with the aim of achieving results in this field that go beyond the legal obligations, by establishing objectives for improvement and virtuous practices that are periodically verified by an accredited external certification body.

All the elements useful for evaluating the company’s results in the field of workplace health and safety are re-examined by the Top Management on an annual basis: e.g. the outcomes of the audits, any anomalies encountered, the training initiatives, the objectives, and the available resources. Thanks to this time of reflection, the company is able to determine any changes that need to be made to the Workplace Health and Safety Management System, with the aim of ensuring continuous improvement.

The main 2017 activities concerned the extension of the OHSAS 18001 certification to the former H3G offices.

With regard to the injuries that occurred within its supply chain, during the course of the year Wind Tre monitored those of two companies that work regularly at the company’s sites.

| Injury rate per million hours worked | 2017 | 2016  |      | 2015 |      |
|--------------------------------------|------|-------|------|------|------|
|                                      |      | Wind  | H3G  | Wind | H3G  |
| Work-related / employees             | 2.7  | 4.37  | 3.71 | 3.13 | 1.15 |
| Work-related / suppliers             | 0.5  | 0.7   | n.d. | 1.16 | n.d. |
| Non work-related / employees         | 5.6  | 5.32  | 7.19 | 5.1  | 7.8  |
| Total                                | 8.8  | 10.39 | 10.9 | 9.39 | 8.95 |

**Table 9.** Injury rate per million hours worked

**Benefits** are awarded to all staff, regardless of their level or contract type. The main ones are the following:

- Health Fund, which reimburses the medical expenses of employees and their family members;
- Supplementary remuneration for mothers during the period of optional maternity leave;
- Insurance policy covering life and permanent disability from disease;
- Injury policy;
- Supplementary pension fund;
- Contractual facilitations (paid hours of leave for medical appointments).

The use of innovative tools, such as telecommuting and other flexible forms of work (smart working), as well as the company’s willingness to engage part-time employees on a more widespread basis, are considered to be particularly important. The smart working initiative began with a test phase limited to certain departments, and will gradually be extended to include various areas of the company; in 2017, this form of flexible work was used by 1.5% of Wind Tre’s employees.

Furthermore, the Rome, Pozzuoli and Palermo locations have adopted **company daycare centres**, which are open from 1 September to 31 July every year, and are capable of accommodating a total of 90 children, offering flexible services in relation to the business hours in order to meet all the children’s needs.

<sup>2</sup>For 2015, this figure should have been the consolidation of Wind and H3G prior to the merger, but for H3G the relative figure is not available, and for Wind the figure is not comparable in a historical series given the amount of training carried out in relation to the reconversion of certain technical areas

Wind Tre also offers **summer camps** for the children of employees at its Milan, Rome, Ivrea, Naples, Cagliari, Genoa, and Palermo locations ranging from 6 to 13 years of age. This programme provides significant help during the summertime, when schools are closed. With the support of dedicated and qualified staff, the camps offer areas for conducting educational, sports, leisure, and recreational activities. The company makes a contribution to the participation fee, for a maximum of two weeks. A total of 276 children participated in 2017, and 85% of the applications submitted were accepted, based on the order in which they were received.

The company also helps its employees afford the cost of **schoolbooks** with interest-free School Loans, which can be paid back in instalments deducted from the employees' pay cheques; in 2017 this service was utilised by 225 employees. The Employability initiative, on the other hand, **helps the employees' children** seek out the education and training that they need based on their aspirations and the trends of the labour market. This is done by helping them obtain a better understanding of their goals, motivations, and strengths, and with the aim steering them and helping them gain a foothold in their preferred professions.

The **Elder Care** service is designed for those who are facing difficult situations in assisting elderly or disabled relatives. The service provides help with locating and booking home care solutions or accommodations at healthcare facilities. It also provides information regarding bureaucratic procedures, such as applications for attendance allowance, invalidity, and national health service accreditation. In this manner, the service allows for immediate support to be provided for any requirements or emergencies linked with the care and/or assistance of elderly or disabled family members. A total of 120 workers took advantage of this service in 2017.

The **Wind Tre Per Noi** services also include services designed to simplify everyday life and relieve people of small tasks:

- **Concierge service:** laundry, shoe repair and minor clothes repairs, with collection and pick-up on the company premises free of charge, purchase of over-the-counter medicines;
- **Administrative procedures:** execution of administrative procedures free of charge by a member of staff who collects all requests in the company, carries out the activities required, and returns the related documentation to the company (Post Office, Government Offices, Universities, etc.);
- **On-line consulting service:** free news and detailed information concerning medicine and psychology, legal and tax affairs, with the possibility of requesting the assistance of certified professionals for personalised consultancy for an agreed fee;



- **Easy Ticket:** possibility of reduced prices for cinema tickets and amusement park tickets, which can be collected directly from the company premises;
- **On-line Temporary Shop** from which products can be purchased at discounted prices for a limited period of time;
- **Concessions:** operating nationwide in Italy, with discounts available from a large number of retailers and service providers in the immediate vicinity of the workplace;

These services were widely utilised in 2017: in fact, they were used by a total of 70% of Wind Tre's employees.





[GRI - 102-9 e 102-10]

Supplier management

The Wind Tre supply chain is primarily involved in the implementation and maintenance of the infrastructure and equipment that allow operation of the telecommunications network. The main players in the supply chain often consist of large international companies that provide:

- physical infrastructure;
- network equipment and services;
- software.

| Suppliers                                  | 2017  | 2016  |       |       | 2015  |      |       |
|--|-------|-------|-------|-------|-------|------|-------|
|  |       | Wind  | H3G   | Total | Wind  | H3G  | Total |
| Qualified suppliers (no.)                  | 474   | 813   | 2,650 | 3,463 | 847   | n.d. | 847   |
| Qualified suppliers located in Italy (no.) | 442   | 748   | 2,491 | 3,239 | 838   | n.d. | 838   |
| Active suppliers (no.)                     | 474   | 497   | 364   | 861   | 544   | n.d. | 544   |
| Amount ordered (in millions of Euros)      | 1,795 | 1,268 | 1,560 | 2,828 | 1,242 | n.d. | 1,242 |

Table 10. Suppliers

|                               | 2017 | 2016 |     |       | 2015 |     |       |
|-------------------------------|------|------|-----|-------|------|-----|-------|
|                               |      | Wind | H3G | Total | Wind | H3G | Total |
| Disputes with suppliers (no.) | 6    | 3    | 3   | 6     | 1    | 3   | 4     |

Table 11. Disputes with suppliers

The decrease in the number of qualified suppliers between 2016 and 2017 was due to changes in the criteria for the definition of the supplier register between Wind Tre and the two companies that formed it in December of 2016.

At the time of their selection and throughout the course of the relative management period, Wind Tre requires its suppliers to meet certain criteria in terms of **quality, environmental performance, health and safety, and ethics**, in compliance with the provisions of the company's integrated management system.

Those suppliers that are recipients of effective orders several documents, such as certificates and declarations, are requested, in the absence of which the companies in question were invited to improve their policies in order to be approved as Wind Tre suppliers.

The Procurement and Compliance departments also carried out due diligence processes upon all of the 350 suppliers with whom the company has stipulated contracts<sup>3</sup>, requiring them to provide additional risk assessment documents, as well as the necessary certificates and declarations. This has allowed Wind Tre to protect itself against the potential risks arising from the business relationships through the use of appropriate contractual clauses.

In 2017, within the scope of its Integrated Management System, and with particular regard to the governance of its SA8000 certification (as required by the new 2014 standard), Wind Tre carried out checks upon a sample of suppliers by administering a questionnaire on the following issues:

- **workforce**: size, distribution in terms of gender and level, contractual level, number of hours worked, management of overtime and benefits;
- **health and safety in the workplace**, environmental policy, analysis of stress levels and internal micro-climate;
- **environmental policies**, certifications held, qualification procedures.

The responses received from suppliers involved during the year did not reveal any elements that require further investigation.

Finally, Wind Tre implements a series of checks in accordance with its **Compliance processes** in order to assess the suppliers' risk of corruptibility, to and avoid running into any fraudulent behaviour: a registry check of the legal entity concerned is followed by an in-depth analysis of its method of conduct in any interactions that it has had with the Public Administration. Based on these checks, the supplier is deemed to be either suitable or unsuitable for establishing business relations, with or without specific precautions being taken.

<sup>3</sup> The difference between qualified and contractualized suppliers comes from the fact that all the suppliers participating to tenders are qualified, while the real contractualization comes only for winners in a later moment.

Stakeholder relations

Wind Tre’s relationships with the people and organisations directly or indirectly involved in its activities are of enormous value to the company: in fact, the loyalty and cooperation of others are crucial for ensuring continuous improvement and for implementing projects of common interest.

The stakeholders are those who have legitimate expectations from Wind Tre, or can have an impact on the company’s operations. The following image shows the Wind Tre stakeholders grouped into categories.

[GRI - 102-42]

[GRI - 102-40]



Figure 3. Our stakeholders

Wind Tre maintains regular relationships and dialogues with its stakeholders. The contact takes place in different ways, and at different frequencies, depending on the categories concerned. Some initiatives are organised specifically in view of the preparation of the Sustainability Report and the Integrated Management System. In this regard, Wind has carried out structured consultations with its stakeholders (the so-called “stakeholder engagement” activity) every two years since 2006; the most recent of these activities, which also affected the choice of the topics relevant to this report (see below), took place in 2016<sup>4</sup>. Most of the discussion and dialogue, however, falls within the scope of the customary practices of discussion and cooperation, regardless of the reporting activities.

The following table shows the regular interactions with stakeholders conducted in 2017, and the topics that are most important to each stakeholder category. The stakeholders to be engaged in the initiatives were selected based on their importance to the activities performed by the company.

[GRI - 102-43]

[GRI - 102-42]

<sup>4</sup>Between 2015 and 2016, Wind interviewed 22 “opinion leaders” with expertise in the field of telecommunications, who were chosen to represent all the various categories of stakeholders. The entire contents of the interviews and the schematic representation of the most relevant topics are shown in the corresponding Wind Sustainability Reports.



| STAKEHOLDER                         | TOPICS OF GREATEST INTEREST  | MAIN INITIATIVES FOR DIALOGUE AND ENGAGEMENT   |
|-------------------------------------|--|--|
| Wind Tre personnel                  | Economic results<br>Skill assessment<br>Work/private life reconciliation<br>Equal opportunities<br>Workplace health and safety<br>Transparency | Corporate communities<br>Engagement Survey<br>Privacy and cybersecurity training<br>Workplace health and safety training   |
| Shareholders and bondholders        | Economic results<br>Corporate governance<br>Market trends<br>Corporate strategy  | Shareholder meetings<br>Periodic conference calls and meetings with investors<br>Ad hoc meetings at conferences organised by banks or other institutions<br>Collection of data on the sustainability performance of Veon and CKH |
| Environment                         | Reduction of CO <sub>2</sub> emissions<br>Energy savings<br>Consumption of clean and renewable energy  | Assessment of Wind Tre's CO <sub>2</sub> emissions and analysis of potential energy saving initiatives in partnership with WWF Italia  |
| Customers and Consumer Associations | Customer satisfaction<br>Transparency and responsible marketing<br>Data protection and security<br>Network reliability and coverage            | Customer satisfaction surveys<br>Customer service<br>Consumers' forum and other initiatives for dialogue with Consumer Associations  |
| Suppliers and commercial partners   | Compliance with the contractual commitments<br>Continuity of the relationship<br>Innovation and open innovation                                | Wind Tre Convention<br>Supplier audits<br>Ethical risk assessment of suppliers<br>Privacy compliance checks<br>Partnership initiatives   |
| Community                           | Data protection and security<br>Innovation and open innovation<br>Support for solidarity initiatives<br>Local investments<br>Transparency      | Insieme si può (Together we can)<br>Partnership with Luiss Enlabs<br>Wind Tre Business Factor and Startup Award<br>All Inclusive Solidale<br>Wind Transparency Forum<br>Wind Tre adotta una scuola (adopt a school)              |
| Institutions                        | Network reliability and coverage<br>Data protection and security<br>Legal compliance   | On-going dialogue with local, national and European level institutions on all the Telco and digital innovation issues.<br>Joint tables on specific issues (eg. 5G, Safer Internet Center, etc...)                                |
| Financial community                 | Economic results and their sustainability<br>Legal compliance<br>Corporate governance<br>Transparency<br>Market trends<br>Corporate strategy   | Periodic conference calls and meetings with investors<br>Ad hoc meetings at conferences organised by banks or other institutions   |

[GRI - 102-44]

Table 12. Regular stakeholder engagement initiatives and topics that emerged

These initiatives allow Wind Tre to understand the context in which it operates and the expectations of its stakeholders, or rather the relevant factors to be taken into account in defining its strategy and daily operations.

The planning of the Digital Innovation 4 SDGs events also began in 2017: 4 multi-stakeholder meetings that, in addition to reinforcing our stakeholder engagement and listening capabilities, also allowed for the scenario on 4 major ICT digital innovation topics to be defined in a comprehensive and innovative manner. For more information, please refer to the dedicated report.

The definition of the most important topics

The remainder of this document focuses upon the issues that the company has identified as most important for its stakeholders and its strategy, by doing what the Global Reporting Initiative (GRI) defines a “materiality analysis”.

At the beginning of 2017, starting from a preliminary list of 46 issues relating to the aspects contained in the GRI’s specific standards, a shortlist of 22 issues potentially relevant to Wind Tre was identified, taking account of their recurrence within certain documentary sources:

- the issues identified as material by SASB for the TELCO sector;
- the Sustainability Reports of 8 competitors and representative peers throughout;
- interviews with opinion leaders representing the various categories of stakeholders conducted for the last two Wind Sustainability Reports

Each of these 22 issues was associated with a description in order to express how it might be present in the telecommunications sector, and with specific regard to Wind Tre’s operations, and was tentatively assigned a level of importance during a workshop attended by 4 of the company’s departments who are particularly involved in stakeholder relations. This estimate took into account both Wind Tre’s point of view, with regard to its objectives and its present situation, as well as that of its stakeholders, assuming their opinions and expectations in consideration of our interactions with them.

Based on the materiality levels thus obtained, the 22 issues were placed in a temporary materiality matrix, which was brought to the attention of the management team (the 8 Top Managers who report directly to the Wind Tre Chief Executive Officer) in order to gather their views and change the positioning of the 22 themes within the matrix accordingly.

[GRI - 102-29]

The **materiality matrix** as approved by the top management is provided below.

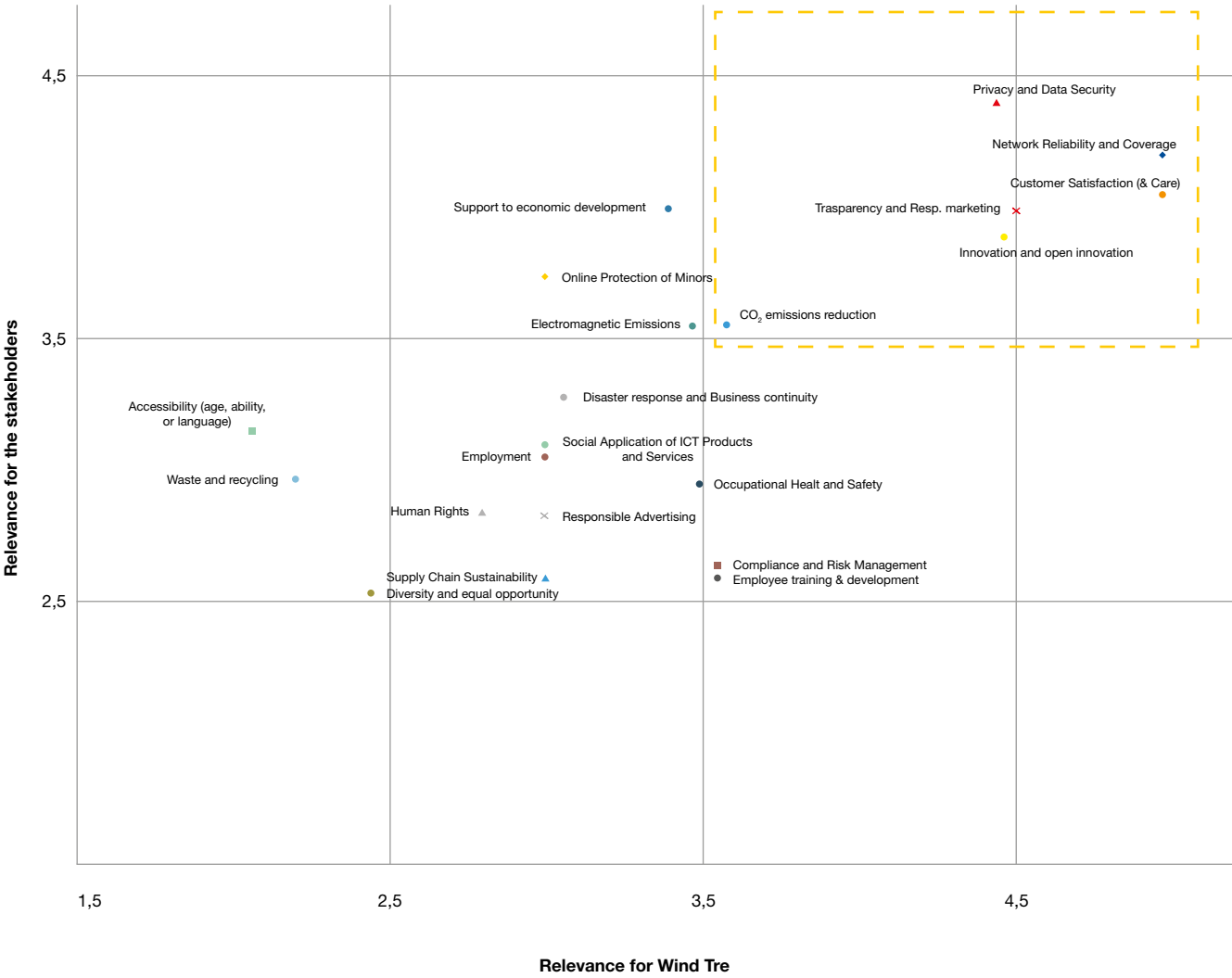


Figure 4. Materiality matrix

[GRI - 102-47]

The topics determined to be most important for the company and its stakeholders, which are the subject of the next chapters of this report, are laid out in the following table.

| ISSUE   | DESCRIPTION  | CORRESPONDING TOPIC LAID OUT IN THE GRI STANDARDS               |
|---|--|---|
| Privacy and data security                                     | Wind Tre's proper handling of the company's data and the customers' data (especially personal data) is an essential requirement for its credibility on the market. The company therefore adopts stringent safeguards and supports numerous initiatives in this field.                            | GRI 418: Customer privacy                                       |
| Transparency and responsible marketing                        | Wind Tre adopts proper business practices based on the principles of transparency, clarity, simplicity, and fairness towards customers.  | GRI 417: Marketing and labelling                                |
| Innovation and open innovation                                | Innovation is the driving force behind Wind Tre, and in order to create value and better compete on the market, it increasingly requires the involvement of external subjects (start-ups, universities, laboratories), for a win-win relationship that fosters the system's overall development. | GRI 203: Indirect Economic Impacts                              |
| Reduction of CO <sub>2</sub> emissions and smart technologies | Wind Tre's main direct environmental impact consists of the energy consumption of its data centres and network, which are responsible for almost all of the CO2 emissions attributable to the company. Wind Tre has therefore committed itself to energy efficiency projects.                    | GRI 302: Energy<br>GRI 305: Emissions                           |
| Customer Care and Customer Satisfaction                       | In order to satisfy its customers, Wind Tre responds to and anticipates their needs.<br><br>The company establishes a unique relationship with each customer, thus allowing it to offer personalised products and services.  | General Disclosure 102-43<br>Approach to stakeholder engagement |
| Network reliability and coverage                              | A reliable and extensive network is necessary for the provision of all the telecommunications services (voice and data), and makes a significant contribution to the perception of the service quality received.   | GRI 203: Indirect Economic Impacts                              |

[GRI - 102-47]

Table 13. Material topics

Solidarity initiatives with the engagement of customers and employees

Wind Tre believes in the importance of doing business in an ethically sustainable manner, and engages its customers and employees in initiatives that require the company’s active participation.

With regard to its customers, during the course of the year the company renders its infrastructures available for numerous charitable fund-raisers, as well as “cause-related marketing” initiatives, in order to collaborate with its customers in support of social projects alongside various non-profit organisations.

With regard to its employees, the company promotes their engagement in the solidarity initiatives promoted by the company, in terms of both direct participation and shared choices.

[GRI - 203-2a]

For Wind Tre, these activities are part of the corporate culture, and have now become established practices.

For many years now, the company has offered the **charity SMS** texting service completely free of charge to non-profit organisations, charities, associations, and foundations, in collaboration with the other Italian telecommunications service providers. Thanks to this service, customers can donate € 1 or € 2 by sending a text from their mobile phones. The funds raised are entirely transferred to the charity running the project supported. The amount of funds raised is steadily increasing year after year. During the course of 2017, Wind Tre supported a total of 126 initiatives regarding various social and humanitarian issues, such as scientific research, child welfare, support for developing countries, violence against women, and environmental protection. During the course of 2017, the company collected and donated a total amount of about € 3.5 million to the NPOs for these initiatives. This figure is lower than that of the previous year, during the course of which many funds were nevertheless collected in support of the emergency relief efforts following the earthquake that struck central Italy.

| Charity Text                        | 2017             | 2016 | 2015 (Wind only) |
|-------------------------------------|------------------|------|------------------|
| Initiatives supported (no.)         | 126              | 126  | 118              |
| Total collected (millions of Euros) | 3.5 <sup>5</sup> | 7.3  | 4.3              |

The “**All Inclusive Solidale - più vicini all’Italia**” project is an example of how we integrate social themes in our approach to customers. Every month, customers who take part in the initiative contribute

50 cents from their accounts to projects providing real social support, and the company doubles each customer’s donation with another 50 cents. All the funds raised are donated to the charity running the project supported. After the Caritas and Save the Children projects, which were the protagonists of the previous editions, from 2016 to 2017 All Inclusive Solidale witnessed Wind Tre’s collaborated with Banco Alimentare for the “Dona un pasto” (Donate a meal) project. Overall, Wind Tre and its customers contributed over € 50,000, all of which were dedicated to recovering food chain surpluses and redistributing them free of charge to charitable institutions in order to help those in need; Banco Alimentare estimates that this figure provided the equivalent of 800,000 meals.



The last of the **Wind For Fund** campaigns (www.windforfund.it), a crowdfunding initiative promoted by Wind in collaboration with DeRev (www.derev.com) in order to support projects of social value throughout Italy, were concluded in March of 2017. The platform has been supporting non-profit organisations and start-ups dedicated to social innovation since September of 2015 through its reward-based model, by hosting the relative campaigns for three months, during which the DeRev team offered them free advice and support for the preparation, management, and dissemination of the campaigns, and Wind Tre contributed a € 5,000 grant to the projects that were the first to reach 50% of their budget.

In 2017, thanks to a valuable partnership with the Italian Red Cross and AVIS, Wind employees once again made a simple yet important gesture by **donating blood** at our offices in Rome, Milan, Ivrea and Pozzuoli. A simple yet extremely important gesture. Remaining on the topic of healthcare, once again in 2017 more than 800 Wind Tre employees took part in the **Race For the Cure**, the fundraising marathon for the fight against breast cancer and for raising public awareness of the importance of prevention. Wind Tre made a matching donation equal to the same amount paid by its employees for their registrations. Overall, this amounted to a total of nearly € 25,000 in 2017.

<sup>5</sup> Estimate.



Within the scope of its partnership with WWF Italia, in March of 2017 Wind Tre participated to **Earth Hour**, the largest global mobilisation organised by WWF to combat climate change and to promote a sustainable lifestyle, which involved over 2 billion people worldwide, promoting the initiative also with its customers and employees through a web and social media campaign.

The **Wind Tre adotta una scuola** initiative, conducted in collaboration with Fondazione Sodalitas, consists of a training and professional programme lasting 7 months that accompanies the pupils from the 4th to the 5th year of upper secondary school, and, in parallel with the school syllabus, helps them acquire many of the skills necessary to successfully enter the workforce.

During the 2017 edition, from May to November, 16 Wind Tre professionals in the cities of Milan, Rome, and Naples, acting as “mentors”, dedicated over 100 hours, for each of the three scholastic institutes involved, to training, meetings, and discussions on the most relevant current issues useful for work. The students are provided with help in recognising their expectations and identifying their skill gaps with respect to those required by the labour market, and are then followed by their own mentors throughout their preparation for their internships with Wind Tre or other companies, according to a programme that allows the kids involved to measure their own growth and improvements.

Finally, through the **“Insieme Si Può”** (Together We Can) initiative, from September to December 2017 all the Wind Tre employees were engaged in the process of proposing and voting on (through the corporate intranet) the solidarity initiatives eligible to receive a contribution from the company. This shared method of selecting the charity favours the initiatives located near the corporate offices, where the employees can participate as volunteers. The initiative collected a total of 40 proposals, which were subsequently evaluated by a special Committee made up of colleagues from the legal, finance, regulatory and compliance departments. This Committee verified the legal and organisational aspects of the non-profit proponents and the submitted projects’ compliance with the initiative’s regulations, and ultimately admitted 30 projects to the final vote on the corporate Intranet. After collecting a total of nearly 3,500 votes during a month, the four top-ranking projects, each of which received a grant from the company amounting to € 8,000, were Soccorso Clown (clown therapy at a hospital in Milan), Invisible Care (for the management of telemedicine and remote-monitoring equipment), ...E adesso cucino! (cooking classes for children with Down’s syndrome), and Joy Summer Camp 2018 (a summer camp for the children of one of central Italy’s zones stricken by the earthquake of 2016).



Results of the 2017 goals



What we said:



What we did:

|                     |  |  |
|---------------------|--|--|
| Supplier management | To integrate the management of the Supplier Registry.  | <b>ACHIEVED.</b><br><b>The supplier management was transferred to a single system</b>  |
|                     | To standardise the processes concerning relations with suppliers   | <b>ACHIEVED.</b><br><b>Both companies' processes were standardised</b>   |
|                     | To identify a single procurement management software.  | <b>ACHIEVED.</b><br><b>The single software has been identified in Oracle Cloud-Fusion</b>  |
| Our team            | To focus upon completing the recruitment processes for the managerial positions foreseen in the new organisational chart, and the targeted recruitment processes for professionals to be mainly inserted into the “digital” division, in order to strengthen certain strategic projects. | <b>ACHIEVED</b>  |
|                     | To implement “employer branding” initiatives in collaboration with Universities, in order to introduce recent graduates to the new corporate identity.   | <b>ACHIEVED</b><br><b>In 2017 the company organized the initiatives “on stage”, “job meeting” as well as company presentations in Universities</b> |
|                     | To streamline the processes and activities relating to workplace health and safety by bringing together all the typical obligations and the data collection databases.   | <b>PARTIALLY ACHIEVED</b><br><b>The latest additions to the training and health surveillance databases are currently being completed.</b>          |



What we said:



What we did:

|          |   |   |
|----------|---|---|
| Our team | In 2017, the company will invest heavily in training programmes for change management and cultural integration purposes. The company’s values are conveyed in a structured manner so that they will be recognised by all the company’s personnel and will serve as an inspiration in their daily behaviour. To this end, training, communication and engagement initiatives will be held, which will cover various segments of the workforce, even through the use of top-down “cascading” mechanisms.  | <b>ACHIEVED</b><br><b>During the fourth quarter of 2017, and in line with the Leadership and Professional Skills models, we initiated the training project that consisted of a day dedicated to the dissemination of these models among the managers and coordinators, with particular attention being placed upon the Performance Appraisal process. In this sense, the training process was initiated in support of the cascading mechanism, particularly with regard to the meaning that the latter assumes in the boss-employee relationship for the purposes of the evaluation process and the provision/sharing of feedback.</b>  |
|          | On a technical level, on the other hand, the 2017 training programmes will specifically regard the more strategic innovation and technological transformation projects. By way of example, these will include programmes aimed at providing the technology structure with the technical expertise necessary to integrate the Wind and H3G networks, targeted initiatives aimed at improving digital skills, and, naturally, courses for ensuring compliance with the obligations required by the current regulations, and courses on the use of the company’s new software. | <b>ACHIEVED</b><br><b>In 2017, the training processes implemented in support of the strategic innovation and technological transformation projects were particularly focused upon the start of the activities relating to the use of models/ approaches like Lean6sigma, Agile and Togaf. The engagement in the specific training activities mainly involved the technical areas, and, in part, the Business Units, for the purpose of improving the processes and the support for the teams dedicated to researching and determining the feasibility of the products and services. The training activities in these areas are expected to continue in 2018 as well. In 2017 the company also began conducting research activities regarding the training requirements for new target scenarios, such as the changes in network technologies (4G/5G – NFV) and the digital transformation of Technology Operations (D.O.T.). The training processes in relation to these scenarios are expected to begin in 2018.</b> |



## Goals for 2018

### The Integrated Management System

- To adapt the certified Integrated Management System to the ISO 9001 and ISO 14001 standards issued in 2015
- To obtain the three-year renewals and periodic confirmations for all the certificates comprising the Integrated Management System

### Supplier management

- To increase the effectiveness of the supplier management procedure through the review and improvement of the qualification processes: the supplier certification and compliance analysis processes must be unified within a single process whose implementation will result in an optimisation of the screenings by approximately 70%.
- To implement the single Oracle Cloud – Fusion software for handling the Vendor Management, Contract Management and Sourcing, and PO Issuing processes.
- To implement the Watch List process for managing and monitoring suppliers with sales, compliance or service problems.
- To implement Supplier Governance with the Supplier Relationship Management process, in order to be able to measure supplier performance with a dedicated governance model based on a segmentation into tiers and risk levels.

### Our team

- To extend the use of smart working, mainly among the Technology Management, by including about 250 employees
- To continue the training activities in support of and complementary to the WindTre technological development scenarios, particularly with regard to the training for the reference models/frameworks already implemented in 2017 (Lean6Sigma, Agile) and the changing technological scenarios associated with the technology transformation processes (4G/5G and NFV) and the Digital Transformation of Technology Operations (D.O.T.)
- To carry out training courses on the relevant business skills and conduct, in a manner that's consistent with the results of the analysis of the areas for improvement highlighted by the Performance Appraisal process. In particular, the training may also include courses and projects designed to foster the development of the Digital Mindset of the company's employees, with regard to both the more common and transverse skills, as well as the more specific skills relating to specific jobs and different the professional groups to which they belong.





telephone  
contacts for  
customer  
service



overall  
satisfaction rate  
among Wind  
customers



overall  
satisfaction  
rate among  
3 customers



downloads of the  
MyWind App

downloads of the  
Area Clienti 3 App



of customer disputes  
resolved through  
agreed solutions



disputes  
relating  
to commercial  
communications

Focus upon  
the customer



Transparency and responsible marketing

[GRI - 103-1, 103-2 e 103-3]

We like to be clear

Fairness and transparency in communication and marketing activities is an important issue, because customer satisfaction also depends on how commercial offers are proposed, and the consistency between that which is conveyed by the brief and simplified promotional messages, and that which is subsequently applied pursuant to the contractual commitments signed by the company and the customer.

With regard to this issue, the impacts are, in part, generated directly by Wind Tre, to the extent that it defines the advertising messages and the contractual clauses, and manages and controls the activities of the Call Centre, and are, in part, derived from its business relationships with the managers of the points of sale throughout the country, since these subjects also convey the commercial information to the customers, and therefore have an impact upon their expectations regarding the service and the applied conditions.

Ensuring transparency and accountability within the scope of the marketing operations allows us to lay the best groundwork for relationships with new customers, and to retain the loyalty of the customers over the long term. It’s no coincidence that the value of clarity is shared among both of the company’s commercial brands: “Wind” and “3”. In fact, it’s an indispensable pillar of the approach to marketing and to customer relations in general.

In view of these considerations, within the scope of its marketing processes, Wind Tre considers it essential to communicate its commercial offers in an extremely clear manner.

To this end, the departments responsible for communications, marketing, and sales hold regular meetings with the legal and regulatory departments in order to guarantee each initiative’s compliance with the current standards. Furthermore, all the company’s advertising campaigns are vetted beforehand by the Legal Affairs Department, which verifies their compliance with the legislation and the applicable self-disciplinary codes.

With regard to the communications disseminated by the points of sale and external suppliers, Wind Tre ensures their correctness by conducting direct checks of all the materials provided to the points of sale, typically on a monthly basis, in order to ensure that they are continuously updated, as well as through the management of behavioural procedures and ongoing training throughout the sales network. The company also conducts checks upon the activation documentation in order to ensure its compliance.

Furthermore, **in order to provide customers with ample opportunities for feedback and verification**, the company offers them a range of tools, such as apps and websites, for monitoring their use of the service, for verifying the correctness of the charges, and for contacting customer service for clarifications. The online reviews confirm that these tools are greatly appreciated.

Complaints and disputes relating to the services provided and charges invoiced are managed through the Call Centre, which receives the referral from the customer, checks the validity of the complaint, and, if found to be valid, arranges for the termination of the contract or the reimbursement of the amount due, with the complaint being resolved within 15 days.

In the case of contracts sold online, the customer has the right to withdraw within 14 days of activation. The customer’s intentions must be expressed in writing by letter or fax, or else verbally through the Call Centre, which arranges for the deactivation of the contract and the reimbursement of any amounts owed to the customer, and handles the entire procedure within 11 days, with an average of 1,450 contracts being deactivated per month in 2017.

Separate mention should be made of the **Value Added Services (VAS)**, which are “value-based” services added to the basic telecommunications services (voice and data). They are distinguished from the latter by the type of content and the surcharge typically applied with respect to the basic services. They are also called Premium Services, and include, for example, Digital Editions of newspapers and magazines, music, film and TV services, games, horoscopes and ringtones, as well as chat, dating and adult content services. They are mainly promoted through mobile ADVs (banners, popups, etc.) on mobile web sites.

The Value Added Services are produced and promoted by parties other than the telephone service provider, but are billed to the customer by the telephone service provider, who then, based on precise contractual arrangements, relegates the payment received to the service provider, retaining a share for itself for the services rendered (identification, authentication, and recognition of the end customer, certification of the activation processes, payment for the service, customer care information, deactivation, management, and possible reimbursement of the customer’s payment). Although the name of the content provider is always specified during the purchasing phase, the fact that the billing is handled by the telephone service provider in the eyes of the customer renders the service provider responsible for the commercial policies implemented for the sale of the premium Value Added Services, and therefore also renders it the subject to be contacted in the event of a dispute.



Wind Tre combats the unsolicited sale of paid services using several countermeasures:

- the adoption of a refund policy in the event that a service is disputed;
- the adoption of specific guidelines for the purchase of these services, which are more restrictive than the applicable regulations, in order to guarantee an informed purchase;
- the monitoring of the communication adopted by the distributors of the services, via an outside company, in order to detect any abnormalities and sanction any violations of the rules;
- possibility of charging the Content Service Providers for the refunds granted to the customers.

Complaints and disputes regarding VAS services are also handled through the Call Centre, which, after receiving a referral from the customer in written form (via letter, fax, email, or social network) or online (by contacting Customer Service), provided that it is received within 60 days of activating the service, checks the validity of the complaint and, if found to be valid, arranges for the deactivation of the VAS service and the reimbursement of the amount due. In addition to the Call Centre, the Administrative functions and the Digital B.U. are also involved in this process through their interactions with the VAS service providers. The increase in the number of approved claims (as shown in the table) is linked to the increase in volumes, usage, and average spending in relation to these types of services, and the increase in the overall amount of the reimbursements is linked to the streamlining of the reimbursement process.

| Monitoring of the business practices for VAS services   | 2017       | 2016      | 2015      |
|---|------------|-----------|-----------|
| Customer complaints due to the unsolicited activation of services on the mobile network (no.) | 793,098    | 559,464   | 409,139   |
| Approved reimbursements to customers for unsolicited VAS services (no.)                       | 1,365,955  | 744,915   | 571,523   |
| Approved reimbursements to customers for unsolicited VAS services (Euros)                     | 10,207,461 | 5,181,585 | 3,535,514 |

Table 14. Monitoring of the business practices for VAS services

[GRI - 417 - 3]

| Non-compliance disputes relating to marketing communications | 2017 | 2016<br>(Wind Group only) | 2015<br>(Wind Group only) |
|--|------|---------------------------|---------------------------|
| Non-compliance disputes resulting in fines or penalties      | 0    | 0                         | 0                         |
| Non-compliance disputes resulting in reprimands              | 0    | 0                         | 0                         |
| Non-compliance disputes resulting in voluntary commitments   | 3    | 0                         | 0                         |

Table 15. Non-compliance disputes relating to commercial communications

Unlike previous years, in 2017 the company was subjected to 3 disputes raised by the Advertising Standards Council for activities involving the Infostrada and Wind brands. These disputes, which were brought pursuant to complaints by competitors, concerned advertisements for fibre optic browsing speeds in a geographical region not yet entirely covered by the service, and the use of the term “unlimited” in a manner that was deemed to be potentially ambiguous.

Main projects in 2017

A transparent and responsible commercial offering

On the 2017 market scenario, the Wind brand once again offered transparent deals with unlimited voice and data, hotspots included, and with no hidden charges. In this sense, in June of 2017 it launched two strategic value added assets: #thewindunlimited and #noextracosti. These deals prevent the customer from incurring extra costs, which could be considerable when the “bundle” is used up, thereby allowing the customer to continue browsing the internet free of charge, with sufficient bandwidth to handle the main social media sites, and at no additional cost. Wind customers can also share their data connectivity as WiFi, and receive text notifications about missed calls at no additional cost. In November of 2017, Wind offered even more possibilities and freedom of communication with an extensive portfolio of content: in fact, the options doubled the text messages and data traffic, while maintaining the same monthly cost.

In an increasingly Digital market environment, dominated by a clientele with an ever-increasing demand for Internet connectivity, in 2017 Wind continued to offer the Porta i tuoi amici deal, whereby both the customer and those who he/she refers to Wind receive 2 additional GB of data traffic on their own data plans. In order to render its phone services even more affordable for customers over 60 years of age, Wind

Tre has created the *Noi Tutti Super 60+* deal, which offers unlimited voice traffic at an extremely low monthly rate.

In order to ensure maximum accessibility to persons with disabilities, two new deals for the deaf and the blind were proposed in 2017, which offer extremely favourable terms of service.

Wind Tre has also come up with commercial offerings designed to provide voice and mobile data traffic at affordable prices for students holding the IoStudio card issued by the Ministry of Education, University and Research.

Having been focused upon technology and innovation since its inception, in 2017 the **3 Brand** decided to concentrate upon clarity and transparency by developing innovative offerings and taking care to ensure an increasingly quick and easy user experience for its customers. Combined with a range of deals offering comprehensive and exclusive contents, particularly in terms of data traffic, this aspect has always been the 3 Brand's greatest strength.

The most important new development introduced by the 3 Brand during the course of 2017 is the PLAY line: a range of deals dedicated to those who love social media, specially designed for younger customers and technology enthusiasts. Thanks to its extremely competitive price/quality ratio and the possibility of combining it with a Smartphone purchase, the PLAY deal received an excellent response on the market.

For customers who prefer all-inclusive deals, even in combination with a Smartphone purchase, the 3 brand offers its line of ALL-IN deals, which provide comprehensive packages of voice, text, and data traffic, all at competitive prices. In June of 2017, this line of deals was enriched with the GIGA BANK option, which allows customers to accumulate their plans' unused data traffic and use it during the following months (up to a maximum of twice the amount provided under the customer's individual contract), thus providing greater flexibility and security against extra charges.

For people with hearing disabilities, the 3 brand has also come up with the ALL-IN 20 deal, which, for a cost of €9/month, offers unlimited domestic calling, 2000 text messages, and 20 GB of data traffic.

The customers who are most attentive to the latest technological developments will find the deals designed for them in the FREE line, which offer the possibility of a new smartphone each year, even with insurance coverage against accidental damage.

Finally, 2017 also saw the launch of the 3Cube product range: internet subscriptions with devices included that provide for up to 50 GB of data traffic per month during the day, and the possibility of unlimited traffic at 4G LTE speeds during the night (from midnight to 7:59 a.m.), thanks to the Night Free service.

Goals for 2018

The Wind Brand

- To offer a “Smart value for the money” portfolio that increasingly meets the needs of its customers, including all the members of the family, and the foreign communities living in Italy.
- To offer a high-quality, simple and transparent customer experience that conveys loyalty towards the Wind brand as the brand's main value
- To promote the new network synergies and the landline/mobile convergence to ensure device connectivity and communications both inside and outside the home, with savings for the entire family

The 3 Brand

- To offer a portfolio that meets the needs of both private customers and professionals through the development of targeted commercial offers
- To raise awareness of the 3 Brand's three main values (clarity, innovation, and technology) by offering a high-quality, simple and transparent customer experience
- To implement the network service and the landline/mobile convergence for device connectivity and communications both inside and outside the home, in order to allow customers to always be online in our increasingly digital world

Customer care and satisfaction

[GRI - 103-1, 103-2 and 103-3]

An ongoing dialogue

The quality of a telecommunications service largely depends upon the company’s ability to communicate with its customers, answering their questions and meeting their expectations throughout every stage of the relationship: before making a purchase, during the stipulation of the sales agreement, during the course of the supply relationship, whenever any problems are encountered, and whenever the customers’ communication habits or requirements should change.

The quality of customer relations is guaranteed first and foremost by the customer care units, which respectively operate within the context of the Consumer B.U., for Wind and 3 retail customers, and within the context of the Business B.U., for Wind Tre Business customers, even in collaboration with the units that handle the digital and social media channels.

The customer care units are the points of reference for the **34 Contact Centres**, which are divided as follows:

- 9 Contact Centres for the business customers, 2 of which are internal (one for the Wind brand and the other for the 3 brand), and 7 of which are managed by suppliers, but are nevertheless coordinated and supervised by Wind Tre in order to guarantee a level of service that’s always consistent with the corporate strategy;
- 25 Contact Centres for the retail customers, 4 of which are internal (two for the Wind brand and two for the 3 brand), and 21 of which are managed by suppliers, but are nevertheless coordinated and supervised by Wind Tre in order to guarantee a level of service that’s always consistent with the corporate strategy; of the latter, 17 are located in Italy and 4 are located abroad.

The Contact Centres specifically respond to the following numbers:

- The 1928 service for Wind Tre Business customers;
- The 155 service for Wind landline and mobile retail customers;
- The 139 service for 3 business customers;
- The 133 service for 3 retail customers.

The Contact Centres aim to ensure customer loyalty with specialised teams for each market segment (retail and business), capable of understanding the customers’ needs throughout the entire lifecycle of the service. Their typical activities consist of providing commercial, technical, and administrative information, implementing the customer’s orders, and overseeing the management of any complaints or faults reported. Thanks to these contact opportunities, the “customer’s voice” can be heard in a timely

fashion, and this is extremely important to the company, as it allows for valuable suggestions to be obtained for the improvement of the products and services.

Other services that provide for communications between the company and its customers are the **digital channels**.

Wind Tre manages the websites Wind.it, Tre.it and Infostrada.it, which describe the new deals, and the ways to activate the various services. These websites also provide access to the Customers’ Area, where customers can find useful information, such as their activated rate plans and traffic usage. The Customers’ Area also offers the possibility of contacting customer service via chat.

A special section is available for business customers at Wind.it/Business and Tre.it/Business. In 2017, the company launched the website windtrebusiness.it, which will gradually replace the two separate business areas, and offers support content, self care functions for both consultation and enactment purposes, and access to customer service.

The main apps, which can be downloaded from Google Play and the Apple Store, are the following:

- MyWind, which is intended for Wind retail customers;
- Wind Talk Business, which has already been available for several years, and is intended for Wind business customers;
- Area Clienti 3, which is intended for all 3 customers, both retail and business;
- Wind Tre Business, introduced in 2017, which offers support to both Wind and 3 business customers.

Like the Customers’ Area accessible from the websites, these apps allow customers to monitor their traffic usage, recharge their accounts, check network coverage, find their nearest shop, monitor their active promotions, etc.

| Downloads and logins (millions) | 2017 | 2016 | 2015 |
|---------------------------------|------|------|------|
| MyWind Downloads                | 4.56 | 4.27 | 3.38 |
| Area Clienti 3 Downloads        | 3.10 | 3.81 | 3.15 |
| MyWind Logins                   | 482  | 487  | 301  |
| Area Clienti 3 Logins           | 355  | 432  | 330  |

Table 16. App downloads and logins

Within the context of the **Social Networks**, the company manages a total of 20 different channels. The “Wind” and “3” commercial consumer brands have channels on all the main social networks (Facebook, Twitter, Youtube, Instagram, LinkedIn, Google+), while the Wind Tre Business brand has a Facebook, Twitter and Google+ channel, and the VEON brand operates on four social media channels (Facebook, Twitter, Instagram and Youtube). Finally, the company has two Wind Tre institutional channels on Twitter and LinkedIn, which are dedicated to the company’s business activities and communications of a non-commercial nature.

During the course of 2017, major activities were carried out upon the social networks aimed at raising awareness of the company’s Brands and improving the visibility of all the relative offers. In addition to the sales campaigns, some of which had dedicated editorial streams, the social channels were also used for special projects and sponsorships. Among these, the Wind channels stood out thanks to their support for musical events, like the Wind Music Awards and Wind Summer Festival, while an important social media presence for 3 was dedicated to the David di Donatello event, which featured live social media coverage prior to the event itself.

Much effort was also dedicated to the 3 brand’s new look, with the campaign titled “The Future You Want” being supported via the presence of editorial streams, original posts, citations, and a dedicated hashtag on the social media networks. Finally, the launch of the new Wind Tre Business brand in June was supported with dedicated pages on both Facebook and Twitter.

The use of innovative formats for promotional and engagement/entertainment editorials, including animated GIFs, dynamic covers, video teasers, and playful images/videos, had a considerable impact upon the increase and the maintenance of high engagement and sentiment indicators for all the brands.

| Social media followers | 2017      | 2016      | 2015 <sup>6</sup> |
|------------------------|-----------|-----------|-------------------|
| Wind Facebook          | 1,289,059 | 1,091,491 | 945,770           |
| H3G Facebook           | 939,650   | 832,646   | 722,525           |
| Wind Twitter           | 123,365   | 114,891   | 93,283            |
| H3G Twitter            | 174,097   | 171,287   | 149,874           |

Table 17. Followers on the main social media channels

The company keeps the quality of the customer communication services under constant control by regularly monitoring certain key indicators, such as the perceived quality of the customer care service, and the customer service’s net promoter score.

The quality of the customer care service is essential to the company’s marketing and sales strategies: in fact, the proper management of the same allows the company to maintain the loyalty of its customers and the good relations that it has instilled with them, and consequently fosters the company’s growth and development. With this in mind, therefore, Wind Tre has chosen to dedicate the utmost attention to its customer relations.

The main goal of Wind Tre’s customer care management is to offer customers a positive and seamless experience in terms of the information and support provided through the various channels of contact, and according to a holistic approach, in order to ensure that the customers feel that they are being heard, and receive support in a fast, efficient, and kind manner.

| Customer support service quality indicators                                    |             | 2017       | 2016       | 2015       |
|--|-------------|------------|------------|------------|
| Contact by telephone (no.)   | Business    | 1,988,274  | 2,113,189  | 2,098,875  |
|  | Retail      | 40,558,945 | 38,980,940 | 33,562,915 |
|  | Total       | 42,547,219 | 41,094,129 | 35,661,790 |
| Support requests received by the specialised technical assistance groups (no.) | Business    | 319,096    | 249,665    | 257,961    |
|  | Retail      | 4,358,724  | 4,391,152  | 5,240,589  |
|  | Total       | 4,677,820  | 4,640,817  | 5,498,550  |
| Customer Satisfaction indicator (scale 10-100)                                 | Retail Wind | 82.5       | 83.3       | 82.5       |
|  | Retail 3    | 72.2       | 67.2       | 68.5       |
| Mobile Customer Service Net Promoter Score (from -100 to +100)*                | Retail Wind | 20         | 27         | 23         |
|  | Retail 3    | 0          | 3          | 6          |

Table 18. Customer support

\*The “net promoter score” is obtained by asking the customers whether or not they would recommend a given service to another person; the indicator is calculated as the algebraic sum of the “promoters” and “detractors” (a value of zero therefore indicates a “neutral” opinion).

<sup>6</sup> 2015 data are estimated.

Within the company’s organisation, the responsibility for guaranteeing high standards of customer care lies with the Customer Care Operations units, which operate within the context of the Consumer B.U. and the Business & Wholesale B.U., for the retail and business customers respectively. The Customer Care Operations units are responsible for ensuring the “end-to-end” management of the customer care processes, assisting the customer in a proactive manner, wherever necessary and possible, in order to ensure the best use of the service from a technical and economic standpoint, and notifying the customer of any anomalies that could alter the standards of the services in terms of usage and costs, even if only temporarily.

Through the **Service Charter**, which was adopted in accordance with the provisions of the Italian Communications Authority (AgCom), the company informs its customers about their rights and the commitments to quality that it has assumed (e.g. in relation to the service activation times, and for the repair of any faults). This document, which can be found on the institutional and brand websites, is updated whenever required due to the marketing of new services or the issuance of special provisions by the Authorities overseeing the market, as well as whenever the targets of the performance indicators change.

The objectives and results, updated biannually, can be found at <http://www.windgroup.it/it/consumatori/cartaservizi.phtml> for the Wind brand, and at <http://www.tre.it/assistenza/servizio-clienti/procedure-documenti/documenti/carta-servizi-h3g> for the 3 brand.

We seek common solutions

In the event that any disputes should arise with customers, Wind Tre uses two types of mediation tools to minimise the use of the ordinary justice system:

- an attempt at mediation, required by the Italian Communications Authority (AgCom), with the support of a third party (such as the Co.re.coms - Regional communications committees), in order to reach an amicable solution. In the event of a negative outcome, the user may ask AgCom and the Co.Re.Coms delegated by the same to settle the dispute, or else may turn to the ordinary law courts.
- the ADR procedure carried out by consumer associations registered with the CNCU. For each mediation proceeding successfully concluded, the consumer associations are awarded a contribution of € 35 (provided that the mediation is carried out online) by the Ministry of Economic Development (using funds sourced from fines imposed by the Competition and Markets Authority for unfair commercial practices), plus a € 20 contribution from the company managing the mediation proceedings. The joint mediation process requires a Complaint to be submitted by the customers, even via the Consumer Associations. These complaints are also promptly handled, with a high rate of successful mediation.

<sup>7</sup> Wind’s 2015 figure, which in the previous Sustainability Report was 9,337, was modified to also include mediation proceedings held at the Chamber of Commerce.

<sup>8</sup> Consumer associations complaints are traced only from 2017, in conformity with the new regulation that defines the obligation of a written claim through a Consumer Association. Also the number of claims managed is traced only starting from 2017.

<sup>9</sup> The difference in a solar year between requests and claims managed is due to the management time of each claim.

| Mediation proceedings/Disputes handled before Corecom/Agcom             | 2017   |       | 2016  |        | 2015  |        |
|---|--------|-------|-------|--------|-------|--------|
|   | Wind   | 3     | Wind  | 3      | Wind  | 3      |
| Mediation requests submitted to the Co.re.coms <sup>7</sup>             | 11,226 | 9,890 | 9,192 | 12,690 | 9,528 | 12,804 |
| Solution agreed between the parties                                     | 79%    | 78%   | 75%   | 61%    | 76%   | 60%    |
| User request for the Authority or the Co.Re.Coms to resolve the dispute | 8%     | 11%   | 11%   | 9%     | 8%    | 7%     |

Table 19. Disputes with customers

In 2017, the company revised and harmonised its corporate model for handling disputes with customers by internalising the management of most mediations and handling complaints in a timely manner, with regard to both mediations/disputes handled before Corecom/Agcom and requests for joint mediation. Approximately 8,000 Complaints were managed by Consumer Associations, with a success rate that amounted to approximately half the requests received.

| Consumer Association Complaints <sup>8</sup> /Joint mediation requests | 2017  |       |       | 2016  |       | 2015  |       |
|--|-------|-------|-------|-------|-------|-------|-------|
|  | Wind  | 3     | Total | Wind  | 3     | Wind  | 3     |
| Complaints from Consumer Associations                                  | 5,500 | 2,500 | 8,000 | n.d.  | n.d.  | n.d.  | n.d.  |
| Acceptance Rate of Complaints from Consumer Associations               | 57%   | 24%   | 47%   | n.d.  | n.d.  | n.d.  | n.d.  |
| Joint mediation requests   | 1,652 | 2,173 | 3,825 | 1,514 | 2,924 | 1,674 | 3,345 |
| Claims managed <sup>9</sup>  | 1,489 | 1,868 | 3,357 | n.d.  | n.d.  | n.d.  | n.d.  |
| Claims with a positive outcome   | 1,398 | 1,782 | 3,180 | 1,220 | 1,598 | n.d.  | n.d.  |
| Percentage of requests with a positive outcome                         | 94%   | 95%   | 95%   | 81%   | 55%   | n.d.  | n.d.  |

Table 20. Complaints and mediation requests



With regard to disputes with customers, the most frequent claims concern: breach of contract, contract repudiation, disputed invoices and charges, service disruptions, processing of personal data, surcharge services, premium text messaging, website content, insufficient network coverage, portability of services between providers, contract withdrawal or termination, and account suspension or deactivation.

During the course of 2017 the company also revised and harmonised the corporate management model in this area, which involves the legal constitution of all the notified positions, with no transaction margins prior to judgement unless actually founded.

| Litigation with customers | 2017  |       |       | 2016  |       |       | 2015  |      |       |
|---------------------------|-------|-------|-------|-------|-------|-------|-------|------|-------|
|                           | Wind  | 3     | Total | Wind  | 3     | Total | Wind  | 3    | Total |
| Pending as of 31/12/2017  | 7,071 | 1,998 | 9,069 | 5,600 | 1,190 | 6,790 | 5,600 | 590  | 6.190 |
| Favourable judgements     | 75%   | 28%   | 65%   | 74%   | 2%    | 61%   | 75%   | n.d. | n.d.  |

Table 21. Litigation with customers

Customer satisfaction awareness

The level of customer satisfaction is regularly monitored, with reference being made to company practices that have proven to be effective over the years.

Customers were asked to complete a telephone questionnaire with questions on:

- overall satisfaction, satisfaction in relation to the expectations, and in comparison to an ideal service provider;
- loyalty, in terms of how likely the customer is to keep using our services, and “word of mouth”;
- rates and promotions (transparency, clarity, simplicity, affordability, even for Internet rates and promotions);
- Customer Care (usability of the automated IVR answering systems, how easy it was to contact customer care, whether problems were effectively solved, the courtesy of the Contact Centre operators);
- voice and internet network services (quality, coverage at home and at work);
- Customer Relationship Management;

- recharging, residual credit, website, app;
- advertising and image.

In 2017 the company once again measured its level of customer satisfaction by conducting telephone surveys specific to each market, carried out by an independent external company. The survey was conducted on a quarterly basis with 1,000 interviews of Mobile Consumer customers, using a sample of customers by geographic area, type of contract (pre-paid or subscription), spending level (top, medium or low) and how long their contract with us had lasted.

| Results of the customer satisfaction analysis (scale 10-100) | The Wind Brand |      |      | The 3 Brand |      |      |
|--|----------------|------|------|-------------|------|------|
|  | 2017           | 2016 | 2015 | 2017        | 2016 | 2015 |
| Soddisfazione complessiva                                    | 78.4           | 79.7 | 81.2 | 75.1        | 74.8 | n.d. |
| Soddisfazione in rapporto alle aspettative dei clienti       | 78.3           | 80.1 | 82.1 | 75.7        | 74.8 | n.d. |
| Soddisfazione in rapporto ad un operatore ideale             | 76.9           | 78.2 | 80.0 | 72.9        | 70.3 | n.d. |
| Tariffe  | 79.3           | 79.4 | n.d. | 77.4        | 74.9 | n.d. |
| CRM  | 80             | 83.5 | n.d. | n.d.        | n.d. | n.d. |
| ADV  | 78.2           | 79.5 | n.d. | n.d.        | n.d. | n.d. |
| Servizi di Customer Care                                     | 81.6           | 83.9 | 83.1 | 74.8        | 68.6 | n.d. |
| IVR - Interactive Voice Response                             | 74.2           | 77.2 | 76.4 | 67.0        | 60.0 | n.d. |
| Operatore di Call Center                                     | 88.5           | 89.3 | 88.8 | 84.3        | 78.1 | n.d. |
| Fedeltà del cliente  | 86.9           | 86.8 | 88.6 | 85.9        | 84.6 | n.d. |
| Tendenza al “passaparola”                                    | 76.7           | 79.6 | 80.4 | 73.4        | 72.9 | n.d. |
| Efficacia della pubblicità                                   | 78.2           | 79.5 | 81.2 | 72.5        | 67.7 | n.d. |

Table 22. Results of the customer satisfaction analysis

Main projects in 2017

Development of the “cross channels” service model

During the course of 2017, the “cross channels” service model was implemented on both the consumer and business channels, which allows the Customer Service operator to see all the interactions generated on the various communication channels by the customer. This not only allows for the more effective, transverse, and independent management of the channels through which the customers interact with Customer Service (phone, postal service, email, social networks, apps, etc.), but also allows the company to obtain a simple and comprehensive overview of all the interactions generated by the customer using the different channels, even within the context of the same support request.

Development of the Wind Tre Business channels

With regard to the business clientele, in keeping with the pre-established objectives, and alongside the launch of the new Wind Tre Business brand, in 2017 several major investments were finalised, which led to the launch of a new website, a new App, and new accounts on the Social Media Channels dedicated to the Customers of the SME (Small & Medium Enterprise) and Large Enterprise markets. The new Wind Tre Business App launched in 2017 features FAQ navigation with self care functions for consultation purposes; these functions will gradually be expanded to also include enactment functions, and will be accompanied by access to the Wind Talk business customer support service; the system is also equipped with instant messaging functions with access to customer support and Self Care for both consultation and enactment purposes. The new Wind Tre Business website was launched in June of 2017, and incorporates the same functions as the previous Wind.it/Business website and the 3.it/Business website. The new website has FAQ and e.care sections, complete with consultation and enactment functions and access to customer support, while new self service functions have been introduced on the digital channels.

All the communication channels launched in 2017 will remain in constant development in order to improve their usability, autonomy, speed, and ability to meet the needs of the end customer. These tools have been created using the latest technologies, which include functions designed to interact with customers in innovative ways. In particular, these highly specialised solutions offer customers a considerable degree of independent management thanks to the use of so-called chat bots (artificial intelligence software elements capable of responding to questions submitted by people via chat), as well as tools that allow customers to communicate with human operators using different means and devices (PCs, smartphones, tablets, telephones, e-mail, etc.).

Results of the 2017 goals



What we said:

- To further develop the “cross channels” service model, which allows the service provider to view and take into account all the interactions generated by the customer on various communication channels (telephone, letter, email, social networks, apps, etc.), thus rendering the interaction between the customer and the support service increasingly effective. ● **ACHIEVED**  
**Wind Tre is working to further refine its platforms by ensuring that every customer interaction can be viewed in real time by the Customer Care operators overseeing the relative channels, while minimising internal manual interventions.**
- To continue to invest in the digital channels, introducing new self service features and optimising the existing ones. ● **ACHIEVED**
- To repeat the periodic customer satisfaction surveys and confirm the positive results obtained in 2016. ● **PARTIALLY ACHIEVED**  
**Not all the surveys confirmed the positive results achieved in 2016**

### Goals for 2018

- To further develop the digital channels' functions, while improving the customer experience and the design of the user interface.
- To involve the Customer Care personnel in e-learning training projects aimed at improving their skills and professionalism. More specifically:
  - To carry out 30,000 hours of e-learning training;
  - To hold team training empowerment courses for approximately 50 trainers;
  - To hold web-writing courses in order to improve the communication effectiveness of approximately 80 job analysts.
- To testify the skills of all the professional figures (both internal and those of suppliers): from the operators, to the team leaders, trainers and process analysts, in order to ensure that the customers' requests are managed in a consistent and high-quality manner.
- To invest in a "cross channels" service model that will allow the Customer Service operator to see all the interactions generated on the various communication channels by the customer. This not only allows for the more effective, transverse, and independent management of the channels through which the Customer Base interacts with Customer Service (phone, postal service, email, social networks, apps, etc.), but also allows the company to obtain a simple and comprehensive overview of all the interactions generated by the customer using the different channels, even within the context of the same support request.
- To invest in the digital channels, introducing new self-service features and optimising the existing ones.
- To combine the customer support management platforms in order to create a unique environment for managing the customers of the different commercial brands.
- To complete the development of the Customer Care Business service model in order to ensure effective management that's personalised according to the type, service, contract, and characteristics of the customer in question. In particular, in addition to that which has already been mentioned, in 2018 the service model will introduce the possibility of activating transitional management functions dedicated to clusters of customers linked by particular events or characteristics, as well as the breakdown of the clientele into portfolios assigned to teams, thus creating knowledge and loyalty-based relationships with the customers.







46%

increase in data  
traffic on the mobile  
networks

increase in data  
traffic on the  
landline networks



37%



95%

of Italians reached by  
the Wind Tre 4G  
network outdoors



36,000  
km

of high-speed fiber  
optic backbone  
network

Terabytes of  
data traffic



2.7  
Million

The technological  
infrastructures

A reliable and wide-reaching network

[GRI - 103-1, 103-2 and 103-3]

We are working for the most competitive network

A reliable and extensive network is necessary for the provision of all the telecommunications services (voice and data), and makes a significant contribution to the perception of service quality on the part of the customer. That’s why Wind Tre considers the quality of its landline and mobile networks to be an essential business asset.

Thanks to the reliability and the extent of its network infrastructure, Wind Tre indirectly has a positive effect on society from an economic, informational, social and relational standpoint, and this is felt by both businesses and private citizens alike.

Wind Tre delivers its **voice and data traffic services** through the **2 mobile networks** of its two constituent companies, which are **currently being integrated**, and **one landline network** formerly owned by Wind. These infrastructures are owned by the company, which defines the strategic guidelines relating to their development, and makes sure that the required operations are carried out properly, either by its own personnel or external suppliers.

The company considers the networks’ performance levels to be strategic, as they represent important levers for its competitiveness on the market. That’s why the company concentrates most of its investments within this area.

The responsibility for the design, development and management of the networks lies with a dedicated corporate division, namely the Technology Division, which makes use of its own internal resources, as well as service contracts established with third party providers.

| Data Traffic (Tb) | 2017      | 2016      | 2015      |
|-------------------|-----------|-----------|-----------|
| Mobile            | 811,319   | 556,610   | 384,960   |
| Landline          | 1,933,984 | 1,408,954 | 1,022,698 |
| Total             | 2,745,303 | 1,965,565 | 1,407,658 |

Table 23. Data traffic

Mobile and landline network traffic has increased rapidly in recent years: in 2017, mobile data traffic increased by 46% with respect to the previous year, while landline data traffic increased by 37%, mainly driven by the spread of the fibre optic network.

The continuous and exponential increase in its customers’ technical performance expectations has led the company to manage its network with maximum care, so that it will be able to fully meet the current and future market requirements in terms of territorial coverage and signal quality, both outdoors and indoors. The network architectures are made intentionally redundant in order to remedy any situations in which individual elements are temporarily unavailable. The network performance levels are constantly monitored, and the traffic trends are summarised and analysed on a daily and weekly basis. The network performance targets are established in such a way as to guarantee high standards of service, and to meet the predictable traffic expectations. The network is monitored by a perpetually active NOC (Network Operation Centre).

The mobile network

Following the merger of Wind and H3G, the company committed itself to the gradual **integration of the 2 mobile network infrastructures**, and this objective has already been achieved in the cities of Trieste and Agrigento, and is nearing completion in Rome, Milan, Alessandria, Ascoli Piceno, Bologna, Prato, and Rimini, thus resulting in real benefits for the customers, who find themselves with better connectivity in terms of both coverage and signal quality, above all indoors. This is the main objective that the company has set for itself in 2017 with regard to the management of its infrastructures, and its commitment to this goal is expected to remain strong in the coming years, with the aim of obtaining an extensive and wide-reaching network with over 20,500 transmission sites throughout Italy.

Meanwhile, in collaboration with several partners, Wind Tre is also strongly committed to the development of 5G technology, which allows for much faster data transmission speeds than those which are currently possible, thus allowing for the large number of connections between devices necessary for the growth of the Internet of Things. (see the next chapter).

**“5G is not only speed, but is a technology that creates an ecosystem for innovation and for bringing to the market applications and solutions in various fields: telemedicine, education, smart homes, smart cities, and augmented reality.”**

Jeffrey Hedberg  
Wind Tre C.E.O.

[GRI - 203-1 b and c]



[GRI - 203-1]

In 2017, the company invested approximately **€ 480 million in the improvement of its infrastructures**, a figure that can hardly be compared to those of the previous years in light the corporate reorganisation process and the consequent need to integrate the pre-existing networks.

|   | Voice and data traffic |                |          |
|---|------------------------|----------------|----------|
|   | 2G (GSM)               | 3G (UMTS/HSPA) | 4G (LTE) |
| Outdoor mobile network coverage level (%) | 99.9%                  | 98.8%          | 95.3%    |

**Table 24.** Outdoor mobile network coverage level

On 30 September 2017, the landline network suffered a service disruption due to a technical malfunction with a Nokia device supplied to several thousand Infostrada customers. Wind Tre proceeded to replace all the modems affected by the fault in the following weeks. No significant service disruptions occurred on the mobile networks during the same period.

| GSM/GPRS                                   |        |
|--|--------|
| Radiating sites (ON AIR)                   | 14.780 |
| BSC (Base Station Controllers)             | 255    |
| MSC (Mobile Switching Centres)*            | 30     |
| HLR (Home Location Register, FE, CUDB)*    | 20     |
| SGSN (Service GPRS Support Node)/MME**     | 13     |
| GGSN (Gateway GPRS Support Node)/PGW/SGW** | 14     |
| UMTS                                       |        |
| Node B (ON AIR)                            | 25.054 |
| RNC (Radio Network Controller)             | 273    |
| MGW (Mediagateway)                         | 48     |
| LTE  |        |
| Enodeb (ON AIR)                            | 12.982 |
| HSS (FE, CUDB, Monolitici)                 | 8      |

\* Shared with GSM/UMTS    \*\* Shared with UMTS/LTE

**Table 25.** Technical characteristics of the Wind Tre mobile network

**Landline network**

With regard to the landline network, Wind Tre has 1,958 LLU sites for direct connections to subscribers, with a capacity of approximately 3.462 million lines, and is interconnected with 32 GW IPs on the TIM network, which allow for “indirect” Carrier Selection throughout Italy, as well as WLR services. In 2015, Wind Tre began investing in fibre optics and, using Fibre To The Cabinet (FTTC) and Fibre To The Home (FTTH) technologies, activated ultra-broadband services that reached about 52% of the Italian population by the end of 2017.

The domestic switching network consists of:

- an IMS network comprised of 4 Call Control nodes;
- a legacy network comprised of 39 local TDM stations;
- an internal NGN transit network comprised of 4 Media Gateway Controllers and 42 Trunking Gateways.

For the management of TDM/VoIP interconnections, this network is completed by:

- a network dedicated to interconnection with international service providers, including 4 Media Gateway Controllers and 12 Trunking Gateways;
- a layer of I-SBCs for interconnection with domestic service providers.

As of 31/12/2017, the Wind Tre landline network provided 70% of the Italian population with ADSL broadband coverage.

| Extent of the landline network               | 2017   | 2016   | 2015   |
|--|--------|--------|--------|
| High-speed fibre optic backbone network (km) | 35,926 | 34,997 | 33,459 |
| Metropolitan Area Network - MAN (km)         | 6,786  | 6,656  | 6,596  |
| Radio links (no.)                            | 27,966 | 30,317 | 29,340 |

**Table 26.** Extent of the landline network

With regard to the transmission network used for the landline and mobile services, the company is capable of handling all the high-speed fibre optic backbone network’s traffic through its own infrastructures.

The infrastructure for data traffic consists of an IP network, with over 50 Points of Presence (POPs), through which users can access direct (xDSL) and indirect Internet services, as well as the virtual private network for business services (xDSL, Fibre Optic). The access nodes on the IP network are made up of 61 BRASs for Consumer services and 84 Edge Routers for Business users, which are located in the POPs in order to guarantee maximum national coverage.

[GRI - 203-1 b]

Electromagnetic emissions

Wind Tre is aware of the fact that the electromagnetism generated by its network infrastructure raises concern among the general public. For this reason, in addition to constantly monitoring its own emissions, the company is also committed to furthering the scientific research in this field, and helping to improve the general knowledge in this area. Furthermore, thanks to its participation at the EU Horizon2020 and 5GPPP round table meetings, Wind Tre is able to monitor the developments relating to these issues on a European-wide scale.

The electromagnetic emission monitoring activities conducted by Wind Tre have always recorded values lower than those established by Italian law, which prescribes limits that are far more stringent than those applied throughout the rest of Europe.

In fact, for all of the frequency bands, the limits in Italy are fixed at 20 v/m, and this value is reduced to 6 v/m in all residential zones with a permanence of greater than four consecutive hours. The differences in the maximum emission values permitted for European countries and Italy are, for a number of frequency bands, up to 15 times lower<sup>10</sup>, thus confirming an extremely cautious approach in Italy for all the radio technologies (400 - 900 - 1800 MHz and over 2 GHz).

Wind Tre is also particularly aware of environmental issues, as evidenced by its decision to obtain an ISO 14001 certified Management System, with which the company has initiated a virtuous cycle aimed at obtaining performance levels that go beyond legal requirements.

For new installations and expansions, Wind Tre performs preventive electromagnetic emissions monitoring in order to ensure that the level of overall emissions within the target area - which includes

all the sources present therein (radio-tv repeaters, etc.) – remains within the levels required by law, even downstream of the installation or expansion.

Once the authorisations have been obtained from the competent ARPAs (Regional Environmental Protection Agencies) prior to activation, the company uses the latest remote monitoring systems to constantly monitor the meters in order to ensure that the equipment does not exceed the power and emission levels established for the area in question. Based on the Service Providers’ declarations concerning the power levels transmitted and the technologies installed on their equipment, the ARPA carries out periodic checks on a sample basis or after receiving specific reports.

Furthermore, as of 2015, the monitoring data for the plants covered by the regulations of 12/12/2014<sup>11</sup>, which require the average daily power to be verified, have been rendered available on the regional ARPA websites (links available at <http://www.isprambiente.gov.it/it/sistema-nazionale-protezione-ambiente/ARPA-APPA>).

As of 31 December 2017, there were 5 disputes pending with Wind Tre for problems relating to electromagnetic fields following the installation of base transceiver stations, the same as the 5 pending as of 31 December 2016.

Main projects in 2017

“With the investments available, we are completely renovating our infrastructure, replacing all the radio equipment with the latest generation one, ready for the next big step: 5G.”

Benoit Hanssen  
Wind Tre Chief Technology Officer

The development of 4G LTE technology for the mobile network

Over the past year, Wind Tre has pursued a major development plan for 4G LTE technology using the 800 MHz, 1800 MHz and 2600 MHz band frequencies.

In order to meet the high demand for data traffic, the company has focused its efforts upon expanding its LTE coverage (+27% compared to the 3 network’s YE 2016 coverage, + 31% compared to the WIND network’s YE 2016 coverage) to cover larger areas and increase the capacity offered to customers. The company decided to invest approximately € 150 million in this solution in order to improve the quality of its mobile network, and to simultaneously obtain benefits in terms of reduced energy consumption.

<sup>10</sup> See, for example, the 2017 edition of the report titled “Comparison of international policies on electromagnetic fields (power frequency and radiofrequency fields)”, available at <https://www.rivm.nl/dsresource?objectid=c4308d43-be24-4ab7-a144-67131d335b8d&type=pdf&di sposition=inline>

<sup>11</sup> Italian Ministerial Decree of 02/12/2014, “Guidelines concerning the definition of the ways in which the service providers provide the ISPRA and the ARPAs/APPAs the plant power data and the definition of the power reduction factors to be applied to the forecast estimates in order to take into account the temporal variability of the plants’ emissions over the span of 24 hours” (OJ no. 296 of 22/12/2014).

Research in the field of NFV - Network Functions Virtualisation

In 2017, Wind Tre continued a series of studies in order to evaluate the effects of the introduction of NFV (Network Functions Virtualisation), which will lead to a significant change in the way we implement telecommunication networks, by effectively breaking the hardware and software link present in the traditional equipment. In fact, the landline and mobile network functions will both become software applications, thus allowing telecom service providers to progressively decrease the development and installation times required for the equipment used to provide services to the end users. In 2017, the research in this field allowed us to acknowledge NFV as a fundamental element in the transformation and development of the traditional networks, thus enabling new scenarios and preparing the network for 5G solutions. This topic therefore falls entirely within the scope of the architecture research being conducted for three projects funded under Horizon2020: 5G CITY, 5G ESSENCE, NRG5 (more details in chapter 4 below).

The latest roaming developments

As of 2 May 2017, the roaming service for 3 customers, which was previously offered on the 2G TIM network, was gradually transferred onto the former Wind network, which has also allowed for 4G connections as of August 2017. On an international level, Wind Tre customers have different roaming coverage depending on whether they belong to the WIND or “3” brand, even if both coverage areas are expanding in parallel. WIND customers are currently able to rely upon 642 international roaming relationships, which guarantee roaming coverage in 211 countries. “3” customers, on the other hand, are able to rely upon 555 international roaming relationships, which guarantee coverage in 195 countries. In June of 2017, all the Service Providers adhered to the European regulation to end roaming charges.

The extension of FTTH – Fibre To The Home – services

During the course of 2017, in addition to Milan, Turin, Bologna and Perugia (which had already been reached by late 2016), Wind Tre extended its ultra-broadband FTTH – Fibre To The Home – connectivity services to also include the following 8 major cities: Venice, Padua, Naples, Bari, Catania, Cagliari, Genoa and Palermo. This project is currently being carried out in partnership with Open Fiber, which provides fibre optic connections. Thanks to agreements that have already been concluded, the cities currently reached by this service will be joined by another 258 by 2022, for a total of 271 Italian cities. This amounts to a total of approximately 10 million homes and businesses that will have access to fibre optic connections with speeds of up to 1 Gigabit per second; in particular, by the end of 2017, the coverage had already been extended to the outskirts of Milan.

Results of the 2017 goals



What we said:

- To create over 3,500 new LTE 800 MHz sites.
- To create 500 new LTE 1800 MHz sites.
- To modernise over 3,500 sites with ZTE technology
- To activate roaming for H3G customers on the following Wind networks: 2G and 3G (by June of 2017) and 4G (by September of 2017)
- To extend the FTTC landline service (connection up to 30 Mbps) to cover 650 municipalities in 2017.
- To extend the landline network services with fibre optic access, by increasing the number of sites with FTTC technology by 400 with respect to the 636 present at the end of 2016, and the number of sites (POP) with FTTH technology by 27 with respect to the 15 present at the end of 2016



What we did:

- PARTIALLY ACHIEVED**  
3,484 new sites had been created by the end of 2017
- ACHIEVED**  
501 LTE 1800 MHz sites created
- ACHIEVED**  
4,125 sites modernised by the end of 2017
- ACHIEVED**  
Roaming on the former WIND 2G and 3G network was rendered available throughout Italy as of 2 May 2017; roaming on the 4G network was available as of August 2017
- PARTIALLY ACHIEVED**  
561 municipalities were reached by the end of 2017
- PARTIALLY ACHIEVED**  
An increase of 23 FTTH POPs and 390 FTTC sites was recorded in 2017

Goals for 2018

- To complete the integration of the former Wind and H3G mobile networks in the major regional capitals, including Rome, Milan, Bologna, Cagliari, Bari, Naples, Palermo, Venice, Turin, and Genoa.
- To add the LTE 800/2600 MHz layer to over 1,600 sites.
- To modernise an additional 13,000 sites with ZTE technology, thus increasing the 2017 year-end total of 4,125.
- To extend the FTTC landline network services (connections speeds of up to 200 Mbps where available) with approximately 200 sites, with coverage reaching 770 municipalities.
- To extend the FTTH landline network services (connection speeds of up to 1000 Mbps) with approximately 50 new POPs.
- To participate in the tender for the acquisition of the 5G spectrum.
- To begin testing innovative 5G services (with the Ministry of Economic Development) in L'Aquila.
- To finalise the contracts associated with the development of the Core Network with an outlook towards NFV.

Reduction of CO<sub>2</sub> emissions

[GRI 103-1, 103-2 and 103-3]

Management of energy consumption

Atmospheric emissions of carbon dioxide (CO<sub>2</sub>) and other similar gases, which create a greenhouse effect around the Earth that traps in the Sun's heat, result in global warming, a phenomenon caused by human activity, which has gradually intensified over the decades. The effects of global warming are primarily manifested through the melting of glaciers, the increase of the Earth's average temperature, and extreme weather phenomena. The gravity of the situation has led to the mobilisation of the international community, which has identified the fight against climate change as a priority to which all the world's countries should contribute.

The production of energy from fossil fuels, which is based on combustion processes, inevitably results in the emission of CO<sub>2</sub> into the atmosphere. The consumption of non-renewable energy is therefore linked to the problem of global warming: the more fossil energy is generated to meet the consumption demands, the more global warming increases.

In this regard, Wind Tre has been committed to reducing its energy requirements for years: in fact, energy consumption is the main environmental impact generated by Wind Tre, and is mainly derived from the needs of its network infrastructure, which includes network devices and data centres that

require a constant electrical power supply, as well as air conditioning in many cases, in order to keep the devices within a constant temperature range.

Furthermore, in order to support the customers' efforts to reduce their electricity consumption, thereby indirectly combating climate change downstream of its own value chain, the company offers energy management devices on the market that can be classified as smart technologies, or rather highly advanced machines that are capable of "making decisions" based on certain context variables.

In particular, the company's fossil energy consumption can be broken down as follows:

- **Network infrastructures:** the infrastructure and telecommunications plants (e.g. antennas and Data Centres) are responsible for about 90% of the company's energy consumption. The network is primarily powered by energy purchased from third parties (Scope 2) and, to a much lesser extent, by photovoltaic plants and proprietary diesel generators (Scope 1);
- **Civilian sites:** proprietary offices, call centres, and shops, which are responsible for about 9% of the company's energy consumption and use almost exclusively electricity purchased from third parties (Scope 2) and, to a much lesser extent, diesel and natural gas to power the company's generators and boilers, which provide heat or electricity (Scope 1);
- **Transport:** the energy consumption in this case amounts to approximately 1% of the total, and is attributable to the fuel used for the company's proprietary or leased vehicles (Scope 1). The indirect energy consumption relating to the other means of transport used by the company's personnel, such as trains or airplanes (Scope 3), are currently not taken into account.

|  | DIRECT CONSUMPTION AND EMISSIONS (SCOPE 1)  | INDIRECT CONSUMPTION AND EMISSIONS (SCOPE 2) |
|--|---|--|
| Network infrastructures                    | Diesel to power the generators  | Electricity purchased from third parties     |
| Civil sites (offices, call centres, shops) | Diesel and natural gas to power the generators and boilers required for heat or electricity | Electricity purchased from third parties     |
| Transport                                  | Fuel for proprietary or leased vehicles   |  |

Figura 5. Types of fossil fuel energy consumption and CO<sub>2</sub> emissions

Energy monitoring is guaranteed by the in-house presence of a dedicated unit within the Finance, Control & Procurement Division, which is also the main reference for the company's **Energy Manager**.

The main goal of Wind Tre's energy consumption management policy is to reduce the company's energy consumption significantly, while at the same time maintaining the infrastructure's technical performance at high levels in order to meet its customers' expectations. Since the company is not subject to any legal constraints concerning the reduction of CO<sub>2</sub> emissions, it should be noted that all the initiatives taken in this regard are purely voluntary. At the time of this document's publication, the company was in the process of establishing a multi-year objective for combating climate change.

Wind Tre monitors the energy consumption associated with its activities every month, actively promotes initiatives that allow it to reduce its costs and consumption without affecting the service levels offered, and takes appropriate precautions during the design, installation, and operation of its landline and mobile network equipment.

|                 | Energy Consumption (Gj)                        | 2017      | 2016      | 2015      |
|-----------------|--|-----------|-----------|-----------|
| GRI 302-1 a     | Consumption of fuel from non-renewable sources | 26,746    | 28,362    | 23,972    |
| GRI 302-1 b     | Consumption of fuel from renewable sources     | 2,821     | 3,004     | 2,673     |
| GRI 302-1 c i   | Electricity consumed                           | 3,136,679 | 3,028,980 | 2,942,437 |
| GRI 302-1 c ii  | Heating energy consumed                        | 5,116     | 4,872     | 5,186     |
| GRI 302-1 c iii | Cooling energy consumed                        | n,d,      | n,d,      | n,d,      |
| GRI 302-1 c iv  | Steam consumed                                 | 0         | 0         | 0         |
| GRI 302-1 e     | Total energy consumed                          | 3,171,361 | 3,065,217 | 2,974,269 |
| GRI 302-3       | Landline and mobile data traffic (Tb)          | 2,745,303 | 1,965,565 | 1,407,658 |
|                 | Energy consumed/data traffic                   | 1.2       | 1.6       | 2.1       |

Table 27. Energy consumption

The data regarding energy consumption for cooling purposes is not available, as it is incorporated within the overall electricity consumption.

The data regarding “consumption of fuel from renewable sources” over the course of the three-year period regards the solar energy internally generated from renewable sources (solar), thanks to the company's 13 proprietary solar power plants connected to the domestic grid (scope 1).

Furthermore, with regard to the energy consumption of Wind Telecomunicazioni, during the course of 2015 and 2016 over 70% of the electrical power purchased by the company (scope 2) was obtained from renewable sources with verified Certificates of Origin<sup>12</sup>.

With regard to the energy consumption for heating purposes, there was a slight increase in 2017 compared to 2016 due to the increase in the number of locations resulting from the merger.

The energy intensity index expresses the company's energy efficiency by comparing its energy consumption to a number representative of the company's business activities, which, in the case of Wind Tre, consists of the data traffic volumes. As shown in the table 27 above, this ratio is steadily declining.

The company does not sell energy for any type of use.

| Energy saved      | 2017    | 2016 (Wind Group only) | 2015 (Wind Group only) |
|-------------------|---------|------------------------|------------------------|
| Energy saved (Gj) | 509,466 | 302,512                | 309,826                |

Table 28. Energy saved

[GRI 302-1 f]

[GRI 302-4]

<sup>12</sup> The Guarantee of Origin Certificates, of a value equivalent to 1 MWh, are issued by the Energy Services Operator on a monthly basis with reference to the electricity supplied to the grid, net of auxiliary services, in compliance with Directive 2009/28/EC, in order to certify the renewable origin of the energy sources utilised.



|               | Greenhouse gas emissions (Tonnes of CO <sub>2</sub> eq.) | 2017    | 2016    | 2015    |
|---------------|--|---------|---------|---------|
| GRI 305-1 a-b | Dirette (Scope 1: CO <sub>2</sub> )                      | 9,778   | 10,863  | 11,295  |
| GRI 305-1 c   | Dirette biogeniche (Scope 1)                             | 0       | 0       | 0       |
| GRI 305-2 a-c | Indirette location-based (Scope 2: CO <sub>2</sub> )     | 288,052 | 278,121 | 257,433 |
| GRI 305-2 b-c | Indirette market-based (Scope 2: CO <sub>2</sub> )       | 0       | 0       | 0       |
|               | Total  | 297,830 | 288,984 | 268,728 |

Table 29. Greenhouse gas emissions

As for greenhouse gas emissions, measured in tons of CO<sub>2</sub> equivalent, they are for more than 95% linked to the electricity consumption of the telecommunications network. Between 2015 and 2017 the indirect emissions grow due to the growth of the electricity purchased by third parties, but this is connected to a much higher growth of the traffic volumes generated by the company customers (see above)

|           | Reduction of greenhouse gas (GHG) emissions                                       | 2017   | 2016 (Wind Group only) | 2015 (Wind Group only) |
|-----------|---|--------|------------------------|------------------------|
| GRI 305-5 | For the improvement of energy efficiency (Scope 2, tonnes of CO <sub>2</sub> eq.) | 46,786 | 27,781                 | 27,110                 |

Table 30. Reduction of greenhouse gas (GHG) emissions

The tonnes of CO<sub>2</sub> not emitted into the atmosphere thanks to energy efficiency improvements are estimated based on the energy efficiency certificates obtained in relation to the equipment modernisation activities carried out since 2012.

[GRI 302-4 c GRI 305-5 c]

Base Transceiver Stations (BTS) are units equipped with antennas that receive and transmit radio signals for mobile phones within specific geographical areas, known as radio cells, and constitute the basic mobile telephony infrastructure. Thanks to the modernisation of its equipment, in recent years the company has reduced the energy required for its activities, without compromising on performance, even taking increasing traffic volumes into account.

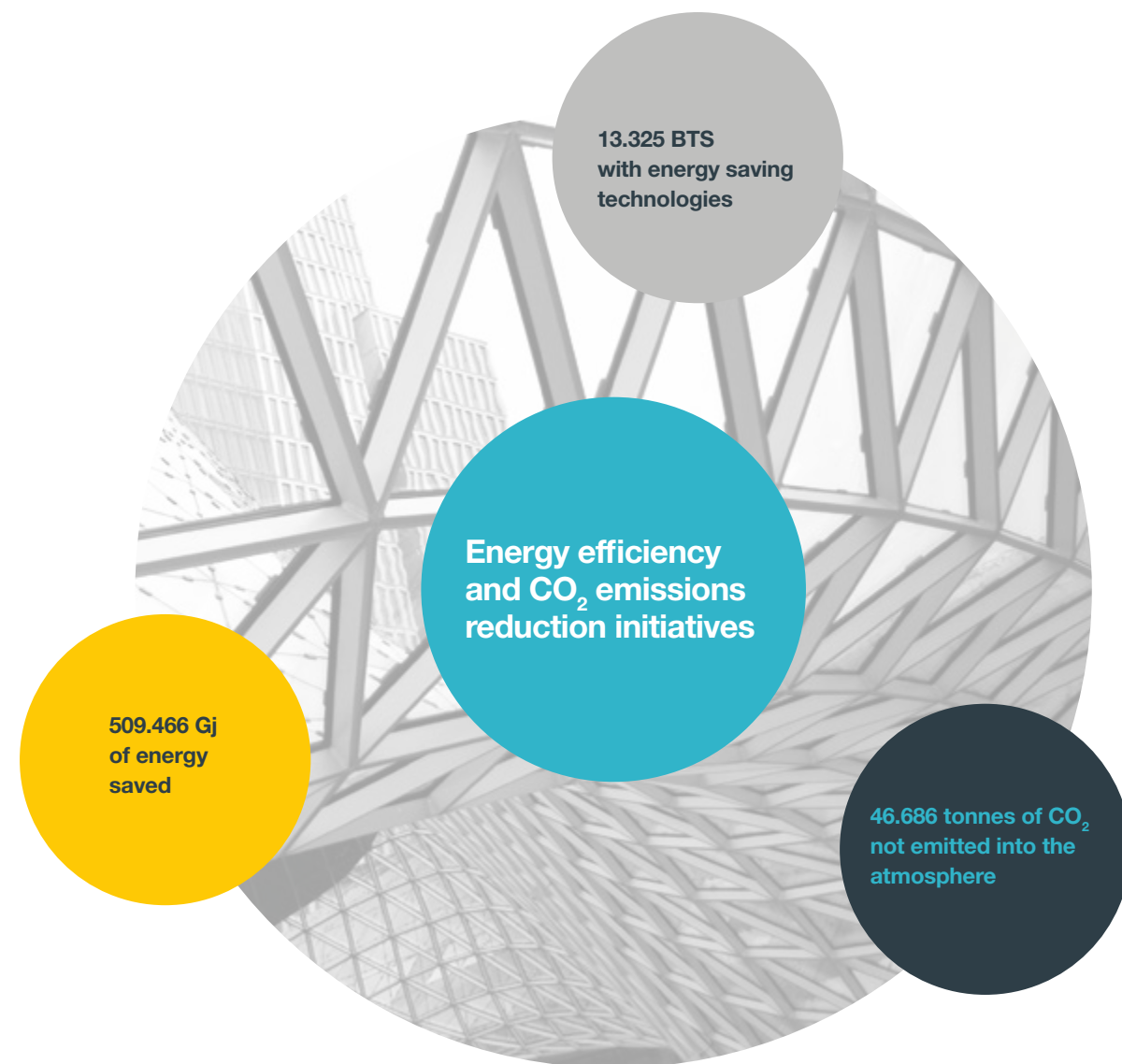
| Improvmnt of energy efficiency: no. of bts with energy saving technologies | 2017   | 2016 (Wind Group only) | 2015 (solo Gruppo Wind) |
|--|--------|------------------------|-------------------------|
| BTS with solar or wind energy (no.)  | 2      | 1                      | 1                       |
| BTS with free-cooling technology (no.)                                     | 2,482  | 566                    | 566                     |
| Outdorr BTS (no.)  | 12,544 | 8,586                  | 7,707                   |
| BTS with energy saving technology (no.)                                    | 13,325 | 14,402                 | 13,797                  |

Table 31. BTS energy efficiency

The energy saved by the BTS is mainly electricity from the domestic grid.

With regard to the marketing of energy management devices and the reduction of movements, the company promotes their dissemination by planning promotional and marketing initiatives aimed at customers who are sensitive to the issues of environmental protection and energy savings. For example, these might include the smart thermostats belonging to the “Digital Home & Life” brand’s portfolio for residential customers, and the smart working solutions marketed by Wind Tre Business for the business customers. For both of these types of products/services, please refer to the chapter titled “The innovation and challenges of tomorrow.”

[GRI 302-4 b]



### Main projects in 2017

For Wind Tre, 2017 was the year in which two service providers merged to become Italy's leading mobile service provider. The greatest challenge, however, has just begun, and consists of modernising the entire domestic network in preparation for the next generation of services, in a lengthy process that will only be concluded in 2019. The goal will be to obtain a next-generation network in terms of both services offered and energy efficiency. In 2017, the foundations were laid for a project that will eventually allow the company to cut its energy consumption per unit of traffic in half with respect to 2016, notwithstanding the data transmission volumes, which will amount at least two and a half times the values recorded in 2016.

The main activities that will help the company achieve this ambitious goal are the following:

- the modernisation of the mobile network equipment (replacement of the Ericsson, Huawei and Nokia technology equipment with latest generation ZTE equipment)
- the modernisation of the infrastructures housing the equipment (migration toward outdoor configurations with lower requirements in terms of cooling energy)
- the synergistic consolidation of the Wind and Tre networks' technological sites (the concentration of the equipment reduces direct and induced consumption and further optimises the streamlining initiatives)

In addition to its overall network modernisation and streamlining project, the company will also continue to manage a series of other specific streamlining projects. Those begun in 2017, for example, include the "EPICO" project, the goal of which is to concentrate the data centres within two locations, while at the same time streamlining the services on the existing servers, and replacing the less efficient equipment. The project's first activities launched in 2017 have already resulted in a forecast annual savings of about 2.6 GWh.

### Goals for 2018

- To start transforming about 1500 Base Transceiver Stations (BTS) from indoor to outdoor, and to transfer just as many BTS outside the Remote Radio Units (RRU). For both solutions, a significant reduction is expected in terms of induced cooling system consumption, with consequent benefits in terms of the relative CO<sub>2</sub> emissions.
- To complete the analysis of the increased operating temperatures at the BTS and the main technological locations, and to implement additional power saving features on the equipment of the latest generation.



start-ups  
registered with  
Wind Business  
Factor



zero complaints  
for customer privacy  
violations



intrusion  
into the company's  
systems



inspections by the  
Data Protection  
Authority  
conducted without  
sanctions being  
applied

of tickets sold  
in mobile ticketing



Carrier Billing  
transactions

**Innovation  
and challenges  
of tomorrow**

In partnership for designing the future

[GRI 103-1, 103-2 and 103-3]

A wave that propagates itself

“Innovation is a major growth and development factor for everyone, both from a technological standpoint, as well as in terms of the dissemination of digital and entrepreneurial skills. That’s why it must be rendered accessible to the people, so that they, too, can become protagonists and drivers of change, alongside companies and institutions.”

Jeffrey Hedberg  
Wind Tre C.E.O.

The scenario in the telecommunications sector is evolving extremely rapidly, and there is fierce competition among service providers.

Innovation is the key to keeping up with these changes, and Wind Tre pursues innovation through initiatives implemented directly by its internal functions, as well as through the use of so-called “open innovation”, which consists of looking beyond the confines of the company for new solutions and improvements to be carried out in collaboration with a network of partners. The integration of these two paradigms results in the best possible use of the internal and external resources, thereby maximising the results in terms of development time and value generated.

Thanks to the company’s commitment in this area, Wind Tre is able to promptly respond to the changes taking place in order to meet the demands of its retail customers, as well as to effectively support its business customers, who, in turn, are able to be successful in their respective market areas thanks to our advanced services and infrastructures. In this sense, Wind Tre’s commitment and results in the field of innovation generate development opportunities for numerous other businesses throughout the country.

At Wind Tre, innovation is overseen by internal resources and dedicated functions, as well as external partnerships with companies, start-ups, Universities, Consortia, Research Institutions, all of which support the development of digital projects and initiatives. In particular, at Wind Tre, the issue of Open Innovation is also addressed through partnerships with business incubators and accelerators, support for start-ups and young entrepreneurs, and, more generally, the dissemination of the skills necessary to face the digital transformation currently taking place.

The main objective of the company’s innovation policy is to come up with new solutions using the right resources in an integrated manner, and to pursue the kind of sustainability that lies in the ability to make

smart use of the technologies already available. The company is also applying the 5G network technologies for the realisation of innovative services, mainly through the “5G City” project being carried out in L’Aquila and Prato in partnership with Open Fiber, ZTE and Qualcomm, which, over a 4-year period (2017-2021) will be experimenting with new business models that bring together mobile and landline service providers, industries, SMEs, Universities, research centres, and public administrations.

In addition to this experimentation, Wind Tre is also participating in 3 other projects funded under Horizon2020 – 5G PPP, through which Wind Tre collaborates with public and private entities for the realisation of the 5G ecosystem. More specifically, these consists of:

- 5G CITY, which aims to develop a cloud platform for radio access solutions distributed among municipalities and infrastructure owners, in order to develop 5G neutral hosting solutions capable of offering services for the development of a “smart city” model;
- 5G ESSENCE, which aims to develop new architectural solutions for the construction and distribution of an open platform that will extend the new 5G network model; all this to support revenue growth with new business models for services of considerable interest for the management of emergencies, crowded areas, and aircraft services.
- NRG5, which aims to develop a new 5G network framework that meets the requirements for the development of the smart grids, and to launch new “customer centric” services, as required by the new business models under consideration by the Energy, Water and Gas Utilities.

“For us, the term smart city represents the virtuous predisposition of a community that invests in innovative solutions. These solutions arise from a cultural revolution, are supported by technological innovation, and end up improving the peoples’ lifestyles and quality of life.”

Francesco Barletta  
ICT, Partnerships & Market Development Manager

Wind Tre manages these types of activities through different organisational units. The units within the context of the Business & Wholesale and Digital Business Units handle the market scouting, and guide the partnerships for the design and development of digital products and services, while the Technology Management unit handles the company’s participation in innovative research and development projects.



With regard to the Consumer segment, the company has already been promoting the adoption of innovative home automation products and a healthy and sustainable lifestyle for years through the dedicated “Digital Home & Life” line, and maintains dedicated organisational units to oversee all the areas associated with the mobile service applications (financial services, ticketing services, etc.) and the management of its core telecommunications services through the digital channels, even through “full digital” offers only available online. With regard to the “Internet of Things”, during the course of 2017 the company also launched an offer dedicated to the world of M2M (Machine to Machine) SIM cards, which are required for all IoT-related applications.

With regard to Business customers, on the other hand, Wind Tre analyses the changes taking place in every sector (e.g. industry, trade, crafts, agriculture, institutions, etc.) and, based on the individual needs of its customers, develops ad hoc solutions and products that go far beyond traditional connectivity, offering a range of solutions that integrate landline and mobile connectivity with the cloud, and with new devices, digital platforms and apps. In these cases, technology acts as an enabler in relation to the products and services offered by Wind Tre’s customers. For this type of clientele, the main areas in which the Wind Tre Business innovations have been focused are Smart Working and services for the digital transformation of small and medium-sized enterprises.

Main projects in 2017

Mobile Payment services

The services that allow for payments or money transfers to be made via mobile phones are known as Mobile Payment services. The distinguishing factor is the use of the mobile phone in the payment process, regardless of the means of payment utilised and the communication technologies adopted. Within the portfolio of services offered by Wind Tre, the Mobile Payment Services allow the customer to use his/her residual credit or mobile service account as a method of payment. The success and rapid dissemination of this payment method are due to its convenience and versatility.

Two of Wind Tre’s most popular Mobile Payment services are its carrier billing and mobile ticketing services.

The **Carrier Billing** service allows customers to purchase digital content (e.g. apps, games, music, films, e-books) from their smartphone’s store using their mobile credit or by charging the purchase directly to their

phone bill. Wind Tre currently allows its customers to use carrier billing when making purchases on the Apple platforms, the Google Play Store, and the Windows Store. The main developments that took place in relation to the carrier billing services during the course of 2017 were the launch of the functionality on the Apple platforms (iTunes, App Store, Apple Music) for both Wind and 3 customers, and a series of engagement initiatives carried out in partnership with Google aimed at raising awareness of the service on Google Play.

| Carrier billing transactions (in millions) | 2017 | 2016 | 2015 |
|--|------|------|------|
| Apple Store                                | 1.0  | N.A. | N.A. |
| Google Play                                | 8.7  | 8.7  | 5.2  |
| Windows Store                              | 0.2  | 0.4  | 0.5  |

Table 32. Carrier billing transactions

In the field of digital entertainment content and services, Wind Tre has enabled the possibility of purchasing games, apps, music, and more using mobile credit or a phone account on all the Apple platforms (iTunes, Apple Music, iBooks, App Store). In fact, Wind and 3 customers are the only mobile service users in Italy that are able to use the Carrier Billing function on the iOS operating system. This function, which had already been enabled for purchases on Google Play (Android OS) and the Windows Phone Store, continued to grow over the past year.

Another important way of using mobile credit or a phone account as a payment method is provided by the **Mobile Ticketing** service, or rather the possibility of purchasing and simultaneously validating tickets using mobile phones or other mobile devices, which Wind Tre is currently testing in the mobility segment (e.g. public transport, parking, ZTL). It’s an innovation that, with respect to paper ticketing, facilitates the operation for the customer, reduces costs for the supplier, and eliminates the environmental impact of paper production. The service is currently available in more than 60 cities (thanks to the addition of Salerno, Alessandria, Viareggio and others), which cover more than 15% of the entire Italian population. Nearly one million people now use this method of payment regularly. Approximately 6 million tickets have been sold using this method over the past three years. In 2017, mobile credit and phone account payment services were launched for admission tickets to Milan’s Area C, and for vehicle parking time and electric charging at enabled columns operated by Duferco. These services, which are widely appreciated by customers, allow for mobile purchases to be made even by those who don’t have credit cards, thus helping to support Italy’s financial and digital inclusion efforts.

| Mobile ticketing for the TPL               | 2017 | 2016 | 2015 |
|--|------|------|------|
| Cities reached (no.)                       | 62   | 50   | 40   |
| Tickets purchased (millions)               | 3    | 2    | 1    |
| Paper usage avoided <sup>13</sup> (tonnes) | 4    | 3    | 1.5  |

Table 33. Mobile Ticketing for the TPL

| Mobile Parking       | 2017 | 2016 | 2015 |
|----------------------|------|------|------|
| Cities reached (no.) | 6    | 4    | 3    |

Table 34. Mobile Parking

Internet of Things

Wind Tre is strengthening its presence on the Internet of Things (IoT) market through the “*Digital Home & Life*” brand, an exclusive showcase that includes the best technologies and the most innovative wellness, entertainment, and Smart Home devices. Thanks to the continuous improvement of its product portfolio, Wind Tre is always able to offer its customers new and high-tech devices, and, thanks to its collaboration with the best brands and leading partners in the IoT sector, is always able to stay ahead of the competition, with the goal of becoming the leading Service Provider in terms of innovation.

Examples include its partnership with NEST, which during the course of 2017 resulted in the launch of connected products like Smart Thermostats and Video Cameras, and that with GOOGLE, which has allowed it to offer 3 customers the innovative 3Cube Netflix bundle with GOOGLE CHROMECAST.

Additionally, continuously driven by innovation, and with a constant eye on the future and the latest technologies, in 2017 Wind Tre launched its first Home&Life brand connected products: the Home&Life Fit fitness tracker, and the Home&Life Cam Wi-Fi camera, which strengthened the brand’s positioning on the market.

<sup>13</sup> Estimate based on the average size and weight of a paper public transport ticket.

Furthermore, since November of 2017, through the Wind brand, the company has begun increasingly monitoring the growing field of M2M (Machine to Machine) SIM cards, and has begun further approaching families and the IoT sector thanks to the launch of the Wind Smart Security promotion, the SIM card dedicated to the IoT and home security, with unique features: an extended SIM expiry, and annual fees and monthly bundles designed specifically the SIM card’s use in home automation equipment.

Services for business customers

For its Business customers, Wind Tre is establishing commercial and technological **partnerships** for the development of IoT projects and solutions designed to improve work and lifestyle quality: to conserve and consciously use the energy resources available (smart energy, smart metering), to obtain details regarding food production/distribution cycles (smart food and blockchain), to correlate environmental data in order to prevent certain forms of illnesses (smart health), and to perform monitoring activities in order to render certain areas of our cities more secure (smart city), etc. On 23 May 2017, the company launched Wind Tre Business, the new brand for companies and the Public Administration. In particular, the Work&Life line is dedicated to providing companies with smart and innovative products, and includes Digital Kit services (free vouchers for the company’s digital transformation), Smart Working products (for use at the office or on the go), and Smart Life products (digital products for leisure use).

The mobile business offering is completed with the following Digital Services: Cre@sito (for independently creating websites via a user-friendly interface), Smart Pec (certified E-mail), Mobile POS, WIND Smart Control (for small and medium sized businesses that need to secure, configure, and monitor the smartphones and tablets used by their employees in a quick, easy, and effective manner), Windlex, and 4 Mobility.

Furthermore, in order to expand its portfolio of offerings and services dedicated to SMEs, Wind Tre Business has established an important partnership with Microsoft in order to offer its customers the Office 365 productivity suite on the Microsoft Cloud, complete with all the tools necessary to work on the move, anywhere, and on any device (smartphone, tablet, laptop, PC, or Mac), and to manage, edit and share documents in real time, with maximum security.

[GRI 203-2 a]

Wind Tre Business Factor

**Wind Tre Business Factor** is a virtual incubator launched by Wind in 2011 to support the establishment and development of businesses and young entrepreneurs in Italy, and has become an acknowledged figure within the national panorama of start-ups and investors. The platform is designed for innovative entrepreneurs (“start-uppers”) looking to contact venture capital funds and establish a “social business network”, or to develop the potential of businesses already up and running through training, participation in competitions, and partner tracing<sup>14</sup>.

| Wind Tre Business Factor (cumulated year end figures) | 2017   | 2016   | 2015   |
|---|--------|--------|--------|
| Registered users (no.)                                | 38,478 | 33,727 | 31,440 |
| Registered start-ups (no.)                            | 2,857  | 2,793  | 2,737  |
| Business Ideas submitted (no.)                        | 2,324  | 2,265  | 2,223  |
| Followers on the main Social Networks (no.)           | 20,465 | 20,085 | 19,331 |

Table 35. Wind Tre Business Factor

The **Academy** section of the website offers free training courses to develop entrepreneurial skills for start-ups, and the growth and re-launch of small and medium sized businesses using the Internet and digital business models.

Together with the training content, Wind Tre Business Factor offers young start-uppers the possibility of taking part in its online competitions that help young entrepreneurs to define their business idea, develop their potential and that of their project, and finally put them into contact with the ecosystem of the Luiss Enlabs business accelerator.

<sup>14</sup> According to an Accenture study (december 2015), the co-operation between startups and companies in Italy can count for an increase of 35 Bn Euro (1,9% of the Italian GDP); in the next three years the role of startups as source of innovation for big business is forecasted to grow from 4% to 16% (source: Osservatorio Digital Transformation Academy of the School of Management of Milan Politecnico, 2017).

In 2017, 74 start-ups participated in the **Startup Awards**. The top 3 in the rankings were:

- **PoWaHome**, with a device that brings home automation to Italian homes at a reasonable cost, and helps save energy for families thanks to the possibility of remotely controlling the home’s electrical outlets;
- **Just Knock**, a solution that revolutionises the way we do recruiting, and renders the selection process more merit-based by allowing candidates to submit ideas rather than a classical curriculum vitae, and to get in touch with visionary companies in an entirely innovative way;
- **Coderblock**, a community marketplace dedicated to the world of recruiting and remote collaboration between companies and freelancers. In addition to using innovative technologies for recruiting purposes, the platform also uses specific modules to optimise the teams’ remote interactions.



There were 34 start-ups, on the other hand, that participated in the **2017 Wind Green Awards**. The top 3 in the rankings were:

- **ZEMOVE**, a free-flowing electric car sharing service that aims to revolutionise urban transport by combining efficiency and sustainability;
- **Elemize Technologies**, a software application and IoT device that use artificial intelligence to optimise the energy flows of energy “prosumers”, or rather producers and consumers. This solution aims to increase the profitability of any energy storage system by allowing for a more rapid transition to distributed energy production;
- **Green Idea Technologies**, a “benefit” company that aims to develop the computer market by giving greater value to remanufactured, reconditioned and recycled products.

Wind Transparency Forum

In 2014, Wind launched the “**Wind Transparency Forum - Ideas for a more open world**” initiative to promote and celebrate initiatives linked to the values that have characterised the company’s history and, above all, its relationship with its customers. Each week, the **digital magazine** tells the stories of innovative transparency initiatives that have arisen thanks to technology, both in Italy and worldwide. “Small and large tales of transparency” that have emerged thanks to the Internet’s capacity for sharing information and getting people working together.

Linked to magazine are the **Wind Transparency Awards**, which are judged by the initiative’s scientific committee, and are dedicated to the Italian projects that have improved transparency in relation to the citizens, encouraging efficiency, participation, and compliance with the rules. The platform also periodically hosts competitions for users, who can report and vote on concrete transparency initiatives encountered throughout the country during the course of their private and professional lives. Since 2017, the platform has also used infographics tools to post insights on major issues relating to transparency and innovation in a specific section: open data, blockchain technologies, free government data access etc.

[GRI 203-2 a]

Partnership with Luiss Enlabs

With approximately 5000 m<sup>2</sup> of new office space inaugurated in July of 2016, Luiss Enlabs, the business incubator and accelerator located in the Termini railway station building in Rome, has become one of the largest business accelerators in Europe. A veritable “start-up factory”, recognised as a benchmark both nationally and internationally, that hosts approximately 400 young people offering courses, services, and contacts with potential investors.

Five years after its launch, Luiss Enlabs currently has a portfolio of 50 start-ups, which have collectively raised over € 40 million in funds. 80% of the start-ups that emerge from the five-month acceleration program succeed in raising money from third party investors, a percentage that’s unrivalled throughout Europe.<sup>15</sup>

Wind Tre and the Luiss University have been part of the project since it was set up in 2012. The goal is to provide students and aspiring entrepreneurs with an important opportunity in the job market, transforming the best business ideas into successful economic initiatives. These partnerships have led

to collaborations with successful digital start-ups who have gone on to become part of Wind Tre’s range of services. By way of example, these include the Wind Gamepix products, dedicated to gaming lovers and developed in collaboration with the start-up Gamepix, and WindLex, the legal assistance platform for small and medium-sized enterprises developed in collaboration with the start-up NetLex.

Their successful experience in Rome led the Luiss Enlabs partners to conduct a similar project in Milan by opening the new Luiss Milan Hub business incubator, which will be officially inaugurated in early 2018.

Big Data: the key for interpreting complexity

Big Data is the term used to describe a collection of data that’s so extensive (in terms of volume, speed, and variety) as to require specific technologies and analytical methods to extract their value. Big Data are revolutionising science and business, as they allow for the verification of the hypotheses already made, as well as the extrapolation of new ones, thus reducing the possible errors during the decision-making process. In this sense, they provide for a better understanding of complex systems.

Wind Tre believes that Big Data play a fundamental role in the processes of telecommunications service providers. In fact, thanks to their ability to generate knowledge on customer needs, they are extremely useful not only for identifying the criticality of the existing services, but also for improving them and defining new ones. Big Data are a stimulus for the growth of high-speed broadband networks, and can provide important information to improve the development of future mobile networks, possibly in collaboration with other national entities (e.g. ISTAT, other telecommunications service providers, OTT, Universities, etc.). It’s important also to underline that, for all the activities in this field, the company makes a preliminary conformity test related to what has been defined by the Italian data protection Authority.<sup>16</sup>

Within the context of Big Data, Wind Tre participates in three EU-funded projects:

- The ASAP (Adaptive Scalable Analytics Platform), which aims to construct an open-source environment for the rapid analysis of Big Data; by the time of its completion in 2017, this project allowed the company to improve its Big Data analysis skills and understand the feasibility of potential new services. In particular, the company acquired transverse skills that, in collaboration with other Italian companies and the competent authorities (ISTAT, Data Protection Authority), will allow it to develop innovative services based on “privacy Proved” data, as required by the current regulations.

<sup>16</sup> In particular, for anonymity the main references are the content of DL 30.06.2003 n. 196 art. 4 comma 1 letter b) and n) and the document «Advice of the Data Protection Authority PSN IST-02589».

<sup>15</sup> Source: Luiss Enlabs.



- CloudDbAppliance, which aims to create a super-system upon which enormous amounts of data from various sources can be stored. This system will allow research, predictive analyses, and analytics to be carried out in real time in order to identify trends or critical situations for the provision of services in various sectors, including telecommunications. Within the scope of this project, Wind Tre is working to improve mobile number portability;
- OpenREQ, which aims to identify new technical and business requirements for the creation, development or improvement of services through customer feedback collected on social networks or deduced from service usage data.

**The Activage project for monitoring health conditions**

Since 2016, Wind Tre has been working with other partners on an e-health project funded by the European Union called Activage, which will continue until 2020. The main goal is to create the first European ecosystem of Internet-connected objects (Internet of Things) in seven countries, through open and proprietary IoT platforms, in order to disseminate solutions for monitoring people's health in their everyday environments, especially the elderly.

In Italy, there are at least 200 patients from the Parma area involved, all of whom are at least 65 years old and have suffered strokes with moderate health consequences; 100 of these are treated as "control group" with traditional methods, while other 100 are treated with Activage solutions. With their consent, sensors are installed inside their homes in order to track the occupation of the bed, the opening of the doors, and the frequency of the bathroom's use. A scale records their weight, and a special kit reminds them when to take their medications. All the data collected is sent to a database via a simple home Wi-Fi connection.

**"These technologies allow patients to be monitored in a transparent manner, with the sensors transmitting the data to the physicians, practitioners, and health care centres. Everything is done with complete respect for the patient's privacy, while also ensuring the patient's complete access to the information, which can be found, for example, in the electronic health dossier. We use a useful, safe, and non-invasive technology"**

**Stefano Nunziata**

Project Manager for the Activage DS (Deployment Site) Emilia Romagna, Italy

The project responds to multiple needs expressed by health professionals, service providers, and public authorities. In fact, the remote monitoring of physiological and environmental parameters using the IoT and the analysis of the relative data will allow for better decisions to be made regarding the health of individuals and entire categories of patients.

In this project, Wind Tre plays the role of a technological partner, by participating in the design of the service, so that it will be able to be utilised by everyone who's interested, and helps to identify and develop the best methods for analysing the data collected.



The remote monitoring using the IoT provides for a reduction in unplanned emergency hospitalisation and specialist visits, with consequent benefits for patients and family members, as well as the health system as a whole.

The details and progress of the Activage project can be found on the website <http://www.activageproject.eu/> , and are available in Italian at "https://it-it.facebook.com/ActivageEmiliaRomagna/". In particular, Wind Tre coordinates the dissemination aspects with other European partners. One of the more interesting events was "ACTIVAGE - Come ti invecchio bene al tempo della banda Ultra Larga" ("Ageing well in the age of Ultra-Broadband"), held in Modena during September of 2017, which highlighted the extent to which the development of services is linked to the availability of advanced telecommunications solutions like those offered by Wind Tre.

Given the interest in the topic of the IoT and the secure handling of the data collected from the patients and transmitted to the analysis centres, in 2018 the project is expected to focus upon expanding the types of sensors utilised, and the secure handling of the data using innovative blockchain solutions, working not only with the University of Parma, but also with centres located in Tuscany, Japan and Finland.



Results of the 2017 goals

|  What we said:  |  What we did:   |
|--|--|
| To enrich the range of urban mobility services with new types of smart and added-value services for customers  | <b>ACHIEVED</b><br>In 2017, the company implemented the possibility of making purchases with mobile credit/accounts for admission tickets to restricted traffic zones and for charging electric vehicles.  |
| To increase the dissemination of digital content purchases using mobile credit by enabling additional operating systems  | <b>ACHIEVED</b><br>During the course of 2017, Wind Tre also implemented mobile credit/ account payment functionality for the content offered on the Apple platforms (Apple Music, iTunes, App Store, iBooks; Wind and 3 customers are currently the only mobile service users in Italy that are able to use this simple and convenient payment method on the iOS operating system)   |
| To offer reliable and easy-to-use solutions on the market for making payments to the Public Administration (like bills and taxes)  | <b>NOT ACHIEVED</b><br>The goal, which was not achieved in 2017, will represent a future development trend for the digital services promoted by Wind Tre.  |
| To continue the constant and active dialogue with the Authorities (AGCom, Agcm, the Italian Data Protection Authority, and MISE) in order to improve the regulatory framework for the sector, and to develop “high value” services, such as ticketing for admission to museums, cultural events, and films, and mobile payment solutions for use with the public administration. | <b>ACHIEVED</b><br>The dialogue with the authorities continued, and in 2017 saw the publication of the new Italian Law on Market and Competition, which opens the doors to the use of mobile credit/accounts as payment methods for purchasing admission tickets to cultural and entertainment venues  |
| To further extend the Mobile Ticketing service for the TPL, by increasing the number of cities covered beyond 60, and by consolidating its presence in the areas where it has already arrived.   | <b>ACHIEVED</b><br>As of December 2017, the service was active in 62 cities  |
| To extend the field of application of mobile credit, (e.g. by including ticketing for entertainment events);   | <b>NOT ACHIEVED</b><br>Mobile credit/phone account payment services for tickets in fields other than that of urban mobility (e.g. culture, entertainment) have not yet been rendered available on the market. These activities are still in progress, and one example is the WeAct project, for which Wind Tre and Vodafone, in partnership with Civita, are developing a Mobile Ticketing service for Palazzo Barberini and Galleria Corsini in Rome. |

Goals for 2018

- To further increase the number of cities with mobile ticketing services available in the mobility sector (e.g. public transport, parking, ZTL);
- To launch one or more mobile credit/telephone payment services on the market for purchasing admission tickets to cultural or entertainment venues;
- To extend the Carrier Billing service to include other digital content stores.

Privacy and data security

Maximum enforcement, maximum simplicity

For the telecommunications industry, the main challenge in the field of data protection (both personal and otherwise) is to combine the complexity of ensuring rigorous respect for the regulatory obligations, with the simplicity desired by the customer in using the services, all within an extremely dynamic environment in which the business and the relative technologies are constantly changing. The issue of privacy and data security is important to Wind Tre, as the company’s systems contain an enormous amount of information regarding its customers and their habits and preferences.

Furthermore, if requested, certain data must be rendered available to the judicial authorities for the purposes of investigating and punishing crimes.

While the impacts associated with the management of the customers’ personal and non-personal data are the direct responsibility of Wind Tre to the extent that the relative data are stored within the company’s data centres, they may also be derived from the business relationships that the company entertains with third parties who handle parts of the sales and support processes, and who consequently have an entirely legitimate need to access the customers’ data.

Any significant loss of data would entail considerable risks for the company in terms of its reputational, economic, and operational profile. In view of these risk, the company has taken all the measures necessary to thoroughly monitor the issues of privacy and data security, in the interests of both the company itself and its customers.

The company's policy on privacy and data security is primarily aimed at ensuring regulatory compliance

[GRI 103-1, 103-2 and 103-3]

on both a domestic and European level, even taking into account the introduction of the new General Data Protection Regulation (GDPR) approved in 2016.

Wind Tre also aims to prevent any loss or damage of the data managed by the same, and to limit the damage and restore normal business operations as quickly as possible in the event that any incidents should occur.

In terms of its internal organisation, in 2017 Wind Tre established dedicated organisational units with the following responsibilities:

- The Privacy Unit within the Regulatory Affairs department, the purpose of which is to oversee Privacy issues and to ensure compliance with the domestic and international legislation by providing advisory services to all the company's Management, by managing the procedures for monitoring the personal data processing activities, and by managing the company's relations with the Data Protection Authority;
- The Information Security Unit within the Technology department, the purpose of which is to define the IT risk management strategies, to define the security standards and the policies to be applied during the design, development and operation of the systems, applications and services, and to ensure the proper management of technological security issues by determining the levels of compliance and managing the IT security incidents and the lifecycles of the logical utilities;
- The Corporate Security Governance Unit within the Legal department, the purpose of which is to prevent and combat illegal acts detrimental to the company by defining, developing and implementing guidelines and security policies consistent with the group's indications, the current regulations, and the best practices, and ensuring the company's implementation and observance of the same. This unit is also responsible for managing the security awareness initiatives.

Thanks also to the harmonisation processes that took place during the course of 2017, the company has now adopted a Governance, Risk Management and Compliance system (eGRC) that allows it to monitor the entire data processing chain, as well as to analytically assess the level of compliance of each system involved. Furthermore, the company periodically conducts risk assessments in relation to its data processing activities, and, in the case of new services, carries out preventive analyses in order to ascertain the legality of the data processing methods envisaged. In consideration of the provisions of the GDPR, new analysis and verification processes were developed (e.g. Privacy by Design and by Default) during the course of 2017, which are currently at the operational implementation stage on a company-wide scale.

Wind Tre's personnel receive privacy training on a regular basis, and 500 individuals underwent the training in question during 2017. An e-learning course that will be undergone by the entire workforce in 2018 was also planned and prepared.

The management approach to the issue of privacy and data security is subjected to an annual review, culminating in a summary of the compliance levels of company's systems, which is used as an aid for prioritising the areas of intervention for the coming year.

Wind Tre complies with the Data Protection Authority's requirements in terms of authorisation for data processing, profiling, data enrichment, and data transfers. The company maintains regular contact and collaborates fully with the Data Protection Authority, and, together with other service providers, helps to define the best Privacy Protection practices in the field of telecommunications.

|  | 2017 | 2016 | 2015 |
|--|------|------|------|
| Inspections by the Data Protection Authority (no.) | 2    | 2    | 2    |

Table 36. Inspections by the Data Protection Authority

Like in previous years, the company was once again subjected to 2 inspections by the Data Protection Authority in 2017. At the time of this Report's publication, the subject of these inspections was still under consideration by the Data Protection Authority. In 2015, H3G paid a € 20,000 penalty, while in 2016 Wind received a penalty notice for the same sum following the detection of an anomaly, but appealed the decision. The company is still awaiting the conclusion of the proceedings.

| GRI 418-1 a | Verified complaints for customer privacy violations (no.) | 2017 | 2016 | 2015 |
|-------------|---|------|------|------|
|             | From the Judicial Authorities                             | 0    | 0    | 1    |
|             | From regulatory bodies                                    | 0    | 1    | 1    |

Table 37. Complaints relating to privacy protection

[GRI 418-1 b]

|                                      | 2017 | 2016 | 2015 |
|--------------------------------------|------|------|------|
| Damage, loss and theft of data (no.) | 1    | 0    | 1    |

Table 38. Damage, loss and theft of data

[GRI 418-1 2.1]

In 2017, a “data breach” was recorded due to abnormal access to the CRM/Area Clienti section of the 3 brand’s website. A similar episode was suffered by Wind in 2015. No other breaches have taken place in recent years.

There are currently three proceedings that have not yet been concluded by the Data Protection Authority:

- one regarding the 2016 activities of Wind Telecomunicazioni;
- one regarding the 2016 activities of H3G (complaint not yet verified);
- one data breach that took place in 2017 on the platform of the supplier Piksel S.r.l. (in relation to the 3 brand).

With regard to telemarketing calls not authorised by recipients, which are considered to be an annoying invasion of privacy, Wind Tre strives to counteract this phenomenon by conducting awareness-raising activities among its sales structures, and by establishing specific procedures that take the regulatory constraints into account.

| Unauthorised telemarketing calls                        | 2017 | 2016 |     | 2015 |     |
|---|------|------|-----|------|-----|
|   |      | Wind | H3G | Wind | H3G |
| Claims submitted to the Data Protection Authority (no.) | 9    | 9    | 3   | 32   | 8   |
| Of which resulting in a penalty                         | 0    | 0    | 0   | 0    | 1   |

Table 39. Claims for unauthorised telemarketing calls

Wind Tre’s awareness of the phenomenon of unwanted telemarketing calls is evidenced by the marked decrease in the number of complaints submitted to the Data Protection Authority, and by the fact that the Data Protection Authority did not imposed any penalties in 2017.

It should also be noted that, once received by the Authorities, most of these complaints are direct towards multiple service providers. The verifications for 2017 showed that none of the 9 complaints submitted were attributable to business contacts initiated by the former companies Wind or H3G, nor the current company Wind Tre S.p.A.

Even the external suppliers authorised to process the customers’ data, like the Contact Centres or the Information Technology providers, undergo periodic spot checks conducted by joint Privacy and Information Security teams.

| Privacy-related checks on suppliers (no.)                      | 2017 | 2016 | 2015 |
|--|------|------|------|
| On-site audits   | 7    | 13   | 11   |
| Verification questionnaires administered to external suppliers | 198  | 72   | 84   |
| Verification questionnaires administered to sales agents       | 746  | 0    | 100  |

Table 40. Privacy-related checks on suppliers

The privacy-related checks conducted upon suppliers and sales agents in 2017 showed that an increasing amount of attention is being dedicated to this issue, both by way of the ongoing checks carried out by Wind Tre, as well as by way of the GDPR’s imminent entry into force



## Main projects in 2017

### Raising personnel's awareness of the issue of privacy

Wind Tre's personnel regularly receive privacy training, and in 2017 an e-learning course was planned and prepared, which will be undergone by the entire workforce in 2018. During the course of 2017, the corporate Information Security policy, which defines the company's information security rules and ensures awareness of the same on the part of the employees, was posted on the Wind Tre intranet, and the "Information Security Annex", to be included within the contracts with third parties and the tender protocols, was added to the Procurement department's repository.

During the course of 2017 the Privacy unit also sent all the external data processing managers registered in the Procurement systems and the relevant departments' systems a Privacy/Information Security check-list in order to raise awareness of these issues, and collect perception and compliance information with regard to these matters from the external managers themselves.

Finally, in 2017 the company updated its Privacy model, and even arranged for the appointment of internal data processing managers with specific instructions.

### The new General Data Protection Regulation

In 2016, the European Commission adopted the General Data Protection Regulation in order to unify and enhance the protection of personal data within the EU, to give the citizens control of their personal data once again, and to simplify the regulatory context concerning international affairs. This Regulation will enter into force in 2018, and will replace the data protection directive established in 1995.

For businesses, the new Regulation will require a series of challenging compliance activities to be implemented. What's more, extremely high penalties (up to 4% of the turnover) will be applicable to the most serious violations.

The new regulation requires data protection to be integrated within the design and development of the services from the outset (Privacy by Design and by Default). The privacy settings must also be set to a high protection level by default.

Companies will be required to conduct specific assessments on the potential risks posed to the rights and freedoms of the individuals to whom the data refer, and, in the case of high risks, must commit themselves

to reducing the risks in question, and must obtain approval from the Data Protection Authority prior to processing the data.

In 2017, the preparatory work involved an analysis of the necessary adaptations, and an assessment aimed at identifying any gaps in terms of regulatory compliance. With regard to the 16 key issues outlined by the Regulation, Wind Tre has defined the relative technical requirements, as well as any new software, procedures, processes and policies necessary to ensure compliance with the new regulation, which will be rendered available to all the employees via the company's intranet by June of 2018. The email address [infogdpr@windtre.it](mailto:infogdpr@windtre.it) was also created, which is dedicated to providing clarifications on data protection matters. The new regulation provides for important benefits, as it standardises the privacy legislation on a European-wide scale; in particular, in the telecommunications sector, it even guarantees equal treatment for so-called "Over the top" operators (such as Facebook and Google), who sell products and services within the European Community using the service providers' telecommunications networks.

### S.I.Mo.I.Tel. - The Information System on Intentional Arrears in the field of Telecommunications

In 2016, a project was launched at the behest of Asstel for the creation of a database (referred to as S.I.Mo.I.Tel.) concerning intentional customer arrears in the telecommunications sector, in order to implement a provision of the Data Protection Authority.

More specifically, this database will be managed by a private subject, and is aimed at preventing intentional arrears on the part of customers holding contracts for the provision of landline and mobile telecommunications services, which can be understood as payments withheld intentionally by the subjects, and not as a result of unforeseen and contingent circumstances.

In 2017, the project continued with the stipulation of an Agreement among multiple service providers regarding the functionality of the intentional arrears Database, with the identification of the database's Manager.

This project is useful for the company, as it reduces the risk of bad debts by allowing a customer's presence within the database to be verified beforehand.

### Programmatic Data Security Report

The PDSR provides a detailed description of the activities carried out by Wind Tre regarding privacy and planned future actions. Although the legislature has abolished the obligation, Wind Tre has continued to

make use of it in order to control the business processes that involve data processing, and to set out the security measures adopted.

The H3G and Wind PDSRs for 2016 were completed at the beginning of 2017, while the project in relation to Wind Tre resumed in October. The activity was conducted by interviewing the internal data processing managers or their collaborators with regard to the operations carried out and the systems utilised. Approximately 70 interviews were conducted among the departments that carry out personal data processing activities, and more were scheduled for early 2018. The value of this project lies in the possibility of obtaining an updated yearly overview of the systems and the data processing activities carried out by the company, complete with the relative security measures, in order to be able to intervene wherever necessary.

**Web browsing security**

In addition to complying with the constraints imposed by law, which include a ban on the sale of SIM Cards to minors, Wind Tre also uses specific “parental control” systems on certain websites that aren’t suitable for children. In particular, the company has developed a system for protecting its younger customers, which is based on conditional access to adult content, and is activated automatically. If the service or content to be accessed belongs to the “adult” category, the user’s age is checked based on the personal data of the SIM card’s owner. If the user is a minor, he/she will not be granted access to the requested content, and will be sent to a courtesy page indicating that his/her SIM Card is not authorised to access “adult” services. The courtesy page also contains a link to a page containing the various reasons why the SIM Card may not have access to these types of services (“Click here for more information”).

**IoT and data security**

The dissemination of the Internet of Things and data security are two important issues where a point of contention arises. In fact, the proliferation of internet-connected objects can only take place if the cost of the objects themselves is accessible to a large portion of the population, a condition that limits their guarantees of security. Since data security is an issue of strategic importance to Wind Tre, the company only markets solutions that offer sufficient guarantees in this respect. The data entrusted by customers are stored in data centres designed to prevent physical intrusions by unauthorised individuals. Furthermore, the dedicated security software and hardware create a perimeter that’s constantly monitored, even against software threats. The stored data are protected by anti-virus systems, firewalls, and anti-phishing systems. These precautions guarantee that the Wind Tre infrastructures meet the highest security standards.

One weakness in terms of data security, however, is the risk exposure of the end users, who often ignore the vulnerability of the items that they use. Every device with an IP address (such as a sensor, a smart-tv, a meter, a drone, etc.) can potentially be accessed by malicious software (malware) capable of stealing the data transmitted or recorded on the device itself. Objects with better security features naturally have a higher price, but the average buyer often does not have the technical knowledge to appreciate the difference in value of two items with different security levels. In this regard, it is necessary to increase the awareness level of the users, who currently use both more secure and less secure solutions indiscriminately.

**Digital identity management and access to corporate resources**

In 2017, the company launched a project aimed at streamlining and developing the processes and systems already employed for digital identity management and access to corporate resources (data, applications, and systems). The goal of the initiative, whose technological component is known as “Identity & Access Management Consolidation”, is to standardise and develop procedures, operating methods, and instruments for ensuring effective and continuous control over the allocation and use of the resource access rights, with a focus upon the standardisation and automation of the business processes and technical support tools. This project will enter its operational phase during the course of 2018.



Results of the 2017 goals



What we said:

- Not to receive any penalties from the Data Protection Authority in relation to 2017 events;
- To conduct on-site supervisory activities relating to privacy for at least 10 suppliers appointed as external data processors
- To put a stop to “data breach” attempts and to optimise the relative processes
- To begin adapting the business processes to the formalities required by the new General Data Protection Regulation, which will come into effect in 2018
- To harmonise the former Wind and former Tre business processes, following the merger of the two companies, with regard to the various privacy-related issues, both internally and in relation to the external customers (e.g. analysis of the risks and the data processing operations carried out by the new data controller Wind Tre; the adoption of a new organisational model concerning privacy, both internally and for the external data processing managers; the adoption of a new privacy and consent notice model for the two separate brands Wind and Tre, etc.)



What we did:

- **ACHIEVED**  
The latest penalty received from the Data Protection Authority dates back to 2016, and concerns a dispute over events that took place in 2015. Moreover, the company has filed an appeal and is still awaiting the final outcome of the proceedings.
- **PARTIALLY ACHIEVED**  
Supervisory activities were conducted upon 7 suppliers from the Network, IT, and Call Centre categories, among others, who had been appointed as external data processing managers.
- **PARTIALLY ACHIEVED**  
The only data breach, which occurred in March of 2017, was promptly detected by the supplier Pixel S.r.l., and was therefore able to be reported to the data protection authority within the legal deadlines. This was also owed to the optimisation of the processes adopted by the Company
- **ACHIEVED**  
In 2017, 16 round table discussions were initiated (and, in part, also completed) concerning the processes and procedures necessary to adapt to the new European legislation, including, by way of example, the Right to be Forgotten; the Right to Data Portability; Privacy process and procedure by Design & Default Security Measures, etc.
- **ACHIEVED**  
While the processes have been standardised, the systems remain separate.

Goals for 2018

- In 2018, the project launched in 2017 for streamlining and developing the processes and systems already employed for digital identity management and access to corporate resources (data, applications, and systems) entered its operational phase. The goal of the initiative, whose technological component is known as “Identity & Access Management Consolidation”, is to standardise and develop procedures, operating methods, and instruments for ensuring effective and continuous control over the allocation and use of the resource access rights, with a focus upon the standardisation and automation of the business processes and technical support tools.
- To review all the contractual standards, the privacy notices on the various channels, and the privacy policies, in order to render them more clear and direct, in accordance with the principles of the GDPR
- To appoint all the 3 and Wind brand dealers as external data processing managers, as required by the Data Protection Authority, and to consequently begin conducting supervisory activities upon the same
- To conduct supervisory activities upon the 967 suppliers/agents already appointed as external data processing managers, both by sending them the privacy check-lists, and by conducting on-site supervisory activities



# The basis for this document

[GRI 102-51 and 102-52]

With this second edition of the Sustainability Report, which refers to the period from 1 January to 31 December 2017, and follows up on the first integrated reporting conducted between H3G and Wind for 2016, Wind Tre remains committed to reporting on its economic, social and environmental performance, in accordance with the consolidated practices already observed by Wind Group since 2003.

[GRI 102-1, GRI 102-45 and GRI 102-50]

[GRI 102-54]

Like the Financial Statements, this document describes the reality and the performance of Wind Tre S.p.A. and its subsidiaries during the course of 2017<sup>17</sup>. From a methodological standpoint, the Report has been prepared in compliance with the “core” option of Global Reporting Initiative. The presence of content that meets the requirements of these standards is indicated within the text using identification codes starting with “GRI”, contained within square brackets. The data referring to years prior to 2017 have not changed with respect to those published during the previous years, with the exception of the data regarding greenhouse gas emissions reduction, which changed due to the updating of the conversion factors utilised (see the “Methodological Note” further ahead). It should be noted, however, that the 2015 and 2016 data only refer to Wind Group in some cases, as the corresponding data for H3G Group data are not available. This naturally limits the comparability of the performance levels over time.

[GRI 102-48]

[GRI 102-56]

The 2017 Sustainability Report has been externally verified by the independent certification body Bureau Veritas. The relative certificate is provided at the end of the Report.

To the extent of their own competence, all the company’s personnel participated in the collection of the information contained within these pages, in a thorough and precise manner. The Corporate Responsibility (CR) department coordinated the project, thus ensuring consistent results.

[GRI 102-53]

For any further information or clarifications regarding the contents of this document, please contact the Wind Tre CR Department at the following addresses:

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No. 48 Via Cesare Giulio Viola - 00148 Rome, Italy  
Corporate Responsibility, Public Relations  
corporatesocialresponsibility@windtre.it

<sup>17</sup> For details about the subsidiaries and investees, please refer to the initial section of this report, titled “Who we are today.”

[GRI 102-46 and GRI 102-49]

## Methodological note

This document focuses upon the issues that the company has identified as most important by conducting what the Global Reporting Initiative refers to as a “materiality analysis” at the beginning of 2017, the details of which are provided in the initial chapter of this report.

### Electric energy consumption

The electricity consumption data include an estimate of the consumption data attributable to Wind Tre for the sites shared with other service providers; these consumption data also include an estimate of the consumption attributable to the company Galata S.p.A. (now Cellnext) for the services offered to Wind Tre. The direct consumption amount relating to electricity generated through the consumption of diesel fuel (generators) was estimated considering the generators’ days of use during the year in question, multiplied by the estimated average daily consumption (kWh consumed per day, which was equal to 63Kwh).

[GRI 302-1g]

- Conversion factors utilised:
- Litre of diesel/Kwh: 2.08470722036353;
  - Cubic metre of natural gas/Kwh: 8.568;
  - Kwh/Gj: 0.0036.

### Energy saved

The energy saved is calculated based on the energy efficiency certificates (TEE) obtained during the year in question, mostly related to the modernisation and efficiency improvement activities carried out upon the Base Transceiver Stations (BTS), which have been in progress since 2012. The conversion factor utilised was equal to 2,752Kwh (9.9 Gj) for each TEE.

[GRI 302-4]d

[GRI 305-1 g and GRI 305-1 g]

### Greenhouse gas emissions

- Since the approach for the consolidation of Scope 1 and Scope 2 emissions is financial and operational control, all the emissions of Wind Tre’s subsidiaries are attributed to Wind Tre itself
- For the calculation of the greenhouse gas emissions, the organisation takes into account the sum of the CO<sub>2</sub> emissions, and adds the emissions of any other gasses (e.g. CH<sub>4</sub> and N<sub>2</sub>O), expressed as CO<sub>2</sub> equivalent.
- The GWP utilised for CH<sub>4</sub> is equal to 21, while for N<sub>2</sub>O it is equal to 310.
- For the calculation of the indirect greenhouse gas emissions from fuel, an emission factor (kg of CO<sub>2</sub> equivalent emitted per MJ of fuel consumed) of 12,500 Kg/millions of MJ was utilised.

[GRI 305-1 f and GRI 305-2 f]

[GRI 305-1 and GRI 305-2 e]





- For the calculation of the indirect emissions from electricity, an emission factor (gCO<sub>2</sub> emitted per kWh utilised) of 518.45 gCO<sub>2</sub>/kWh was utilised, source: IEA CO<sub>2</sub> Emission from Fuel Combustion, OECD/IEA, Paris, 2016.

The conversion values applied for the calculation of the GHG emissions are shown below.

| Description                          | Unit   | CO <sub>2</sub> Coefficient |       |       |
|--------------------------------------|--------|-----------------------------|-------|-------|
|                                      |        | 2016                        | 2015  | 2014  |
| Electrical consumption               | kWh    | 330.6                       | 315.0 | 309.4 |
| Diesel, heating, generation, haulage | Litres | 2.65                        |       |       |
| Natural gas, heating and haulage     | M3     | 1.956                       |       |       |
| Gasoline                             | Litres | 2.38                        |       |       |

The electricity conversion factors are obtained from Table 2.4 of the ISPRA publication: atmospheric emission factors of CO<sub>2</sub> and other greenhouse gasses in the electrical sector, 2017.

The emission coefficient of electricity consumption is determined from the generation percentages of Italy's electricity production over the years.



| STANDARD                          | DESCRIPTION   | CHAPTER / PARAGRAPH                                     |
|-----------------------------------|---|---|
| GRI 101: Foundation 2016          |   |   |
| General disclosures               |   |   |
| GRI 102: General Disclosures 2016 | Organizational profile  |   |
|                                   | 102-1 Organisation name   | The origins of this document                            |
|                                   | 102-2 Brands, products and services                                   | Who we are today  |
|                                   | 102-3 Location of the general headquarters                            | Who we are today  |
|                                   | 102-4 Countries where we operate                                      | Who we are today  |
|                                   | 102-5 Ownership structure   | Who we are today  |
|                                   | 102-6 Markets served  | Who we are today  |
|                                   | 102-7 Size of the organisation  | Who we are today  |
|                                   | 102-8 Information on employees and other workers                      | Who we are today  |
|                                   | 102-9 Supply chain  | Supplier management                                     |
|                                   | 102-10 Significant changes to the organisation and the supply chain   | Who we are today  |
|                                   |   | Supplier management                                     |
|                                   | 102-11 Application of the precautionary principle                     | The company does not apply the precautionary principle. |
|                                   | 102-12 External initiatives   | Who we are today  |
|                                   | 102-13 Memberships in associations                                    | Who we are today  |
|                                   | Strategy  |   |
|                                   | 102-14 Statement by the Senior Management                             | Letter to the stakeholders                              |
|                                   | 102-15 Main impacts, risks and opportunities                          | Values and rules of conduct                             |
|                                   | Ethics and integrity  |   |
|                                   | 102-16 Values, principles, standards, and rules of conduct            | Who we are today  |
|                                   | 102-17 Methods for submitting ethics-related suggestions and concerns | Who we are today  |
|                                   | Governance  |   |
|                                   | 102-18 Governance structure   | Who we are today  |

| STANDARD                          | DESCRIPTION  | CHAPTER / PARAGRAPH          |
|-----------------------------------|--|------------------------------|
| GRI 102: General Disclosures 2016 | Stakeholder engagement   |                              |
|                                   | 102-40 List of stakeholders engaged by the organisation                                  | Stakeholder relations        |
|                                   | 102-41 Collective bargaining agreements  | Stakeholder relations        |
|                                   | 102-42 Identification and selection of stakeholders                                      | Stakeholder relations        |
|                                   | 102-43 Approach to stakeholder engagement  | Stakeholder relations        |
|                                   | 102-44 Main issues and concerns resulting from the engagement                            | Stakeholder relations        |
|                                   | Reporting practice   |                              |
|                                   | 102-45 Legal entities included in the consolidated financial statements                  | The origins of this document |
|                                   | 102-46 Definition of the content of the report and the limitations of the subject matter | Definition of the content    |
|                                   | 102-47 List material topics  | Definition of the content    |
|                                   | 102-48 Redefinition of the information provided in the previous report                   | The origins of this document |
|                                   | 102-49 Changes in the elaboration of the report  | The origins of this document |
|                                   | 102-50 Period to which the report refers   | The origins of this document |
|                                   | 102-51 Date of the most recent report  | The origins of this document |
|                                   | 102-52 Reporting cycle   | The origins of this document |
|                                   | 102-53 Contacts for questions concerning the report                                      | The origins of this document |
|                                   | 102-54 Statement on reporting according to the GRI Standards                             | The origins of this document |
|                                   | 102-55 GRI Content Index   | GRI Content Index            |
|                                   | 102-56 External assurance  | The origins of this document |



| STANDARD  | DESCRIPTION   | CHAPTER / PARAGRAPH                                       |
|---|---|---|
| Material topics   |   |   |
| Network reliability and coverage                              |   |   |
| GRI 103: Management Approach 2016                             | 103-1 Explanations of the material topics and their limitations | We are working for the most competitive network           |
|   | 103-2 The managerial approach and its characteristics           | We are working for the most competitive network           |
|   | 103-3 Evaluation of the managerial approach                     | We are working for the most competitive network           |
| GRI 201: Indirect Economic Impacts 2016                       | 201-1 Investments in infrastructures and supported services     | We are working for the most competitive network           |
| Innovation and open innovation                                |   |   |
| GRI 103: Management Approach 2016                             | 103-1 Explanations of the material topics and their limitations | Let's imagine the future                                  |
|   | 103-2 The managerial approach and its characteristics           | Let's imagine the future                                  |
|   | 103-3 Evaluation of the managerial approach                     | Let's imagine the future                                  |
| GRI 201: Indirect Economic Impacts 2016                       | 201-2 Significant indirect economic impacts                     | Wind Tre Business Factor<br>Partnership with Luiss Enlabs |
| Reduction of CO <sub>2</sub> emissions and smart technologies |   |   |
| GRI 103: Management Approach 2016                             | 103-1 Explanations of the material topics and their limitations | Management of energy consumption                          |
|   | 103-2 The managerial approach and its characteristics           | Management of energy consumption                          |
|   | 103-3 Evaluation of the managerial approach                     | Management of energy consumption                          |
| GRI 302: Energy 2016  | 302-1 Energy consumed within the organisation                   | Management of energy consumption                          |
|   | 302-3 Energy intensity  | Management of energy consumption                          |
|   | 302-4 Reduction of energy consumption                           | Management of energy consumption                          |
| GRI 305: 2016 Emissions                                       | 305-1 Direct (scope 1) Greenhouse Gas (GHG) Emissions           | Management of energy consumption                          |
|   | 305-2 Indirect (scope 2) Greenhouse Gas (GHG) Emissions         | Management of energy consumption                          |
|   | 305-4 Intensity of greenhouse gas emissions (GHG)               | Management of energy consumption                          |
|   |   | Management of energy consumption                          |

| STANDARD                                | DESCRIPTION  | CHAPTER / PARAGRAPH                     |
|---|--|---|
| Material topics                         |  |   |
| Customer care and customer satisfaction |  |   |
| GRI 103: Management Approach 2016       | 103-1 Explanations of the material topics and their limitations                                    | An ongoing dialogue                     |
|   | 103-2 L'approccio Manageriale e le sue caratteristiche   | An ongoing dialogue                     |
|   | 103-3 Valutazione dell'approccio manageriale   | An ongoing dialogue                     |
| Transparency and responsible marketing  |  |   |
| GRI 103: Management Approach 2016       | 103-1 Explanations of the material topics and their limitations                                    | We like to be clear                     |
|   | 103-2 The managerial approach and its characteristics  | We like to be clear                     |
|   | 103-2 Evaluation of the managerial approach  | We like to be clear                     |
| GRI 417: Marketing and Labelling 2016   | 417-3 Incidents of non-compliance concerning marketing communications                              | We like to be clear                     |
| Privacy and data security               |  |   |
| GRI 103: Management Approach 2016       | 103-1 Explanations of the material topics and their limitations                                    | Maximum enforcement, maximum simplicity |
|   | 103-2 The managerial approach and its characteristics  | Maximum enforcement, maximum simplicity |
|   | 103-3 Evaluation of the managerial approach  | Maximum enforcement, maximum simplicity |
| GRI 418: Customer Privacy 2016          | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | Maximum enforcement, maximum simplicity |

# Assurance Statement



## Assurance Statement addressed to WIND TRE S.p.A. stakeholders

### 1. INTRODUCTION

WIND TRE S.p.A. ("WIND TRE") has commissioned Bureau Veritas Italia S.p.A. ("Bureau Veritas") an independent assurance of its 2017 Sustainability Report, for the purpose of providing findings over:

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

### 2. RESPONSIBILITY, METHODOLOGY AND LIMITATIONS

WIND TRE alone had the responsibility of collecting, analyzing, collating and presenting information and data included in its Sustainability 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 WIND TRE'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 Sustainability Report;
- interviews to company representatives from various functions and levels;
- overall verification of information and general content of the 2017 Sustainability Report.

The assurance activities have been performed at the company's site in Via Cesare Giulio Viola n.48, Rome, and we believe we have obtained sufficient and adequate evidence to support our conclusions.

The assurance has covered the whole 2017 Sustainability Report, with the following limitations: for economic and financial information, Bureau Veritas only verified their



consistency with the Consolidated Financial Statements; for activities outside the reference period (1 January 2017 – 31 December 2017) and for statements of policy, intent and objective, Bureau Veritas verified their consistency against the outlined reporting methodology.

### 3. CONCLUSIONS

Following the assurance activities described above, nothing has come to our attention to indicate that information and data in the 2017 Sustainability Report are inaccurate, incorrect or unreliable. In our opinion, the Report provides a reliable representation of the activities carried out by WIND TRE during 2017 and of the main results achieved. The information is reported in a generally clear, understandable and balanced manner. In the illustration of activities and results, in particular, WIND TRE has paid attention to adopt a neutral language, avoiding as far as possible the self-referentiality.

With regards to the reporting methodology outlined by the organization in its Sustainability Report, it is our opinion that principles from the GRI Standards (Stakeholder Inclusiveness, Sustainability Context, Materiality, Completeness, Balance, Clarity, Accuracy, Timeliness, Comparability, Reliability) were duly implemented. It is also confirmed that the Report meets the GRI requirements for a "Core" Application Level and that our audit activities meet the GRI requirements for external assurance.

### 4. DECLARATION OF INDEPENDENCE, IMPARTIALITY AND COMPETENCE

Bureau Veritas is a global organization specialized in independent assurance, inspection and certification activities, with over 180 years history, 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 WIND TRE at the time of the assurance.

Bureau Veritas Italia S.p.A.  
Milan, May 15<sup>th</sup>, 2018

Andrea Filippi  
Local Technical Manager



