



Gruppo Editoriale L'Espresso Spa

# Espresso Group Sustainability Report 2014



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## Letter to Stakeholders



**Carlo De Benedetti**

**Espresso Group Chairman**



**Monica Mondardini**

**Espresso Group Managing Director**

*The Espresso Group is committed to offering information, culture, opinions and entertainment through its media in accordance with the principles of independence and freedom, with the awareness of the role that this activity plays in the formation of the citizen-reader's ethical and moral values.*

*The Group's mission is also to create value for all stakeholders by devoting the required attention to financial stability within an adverse market environment, while offering quality products based on highly socially and environmentally sustainable management decisions.*

Our conduct has always been inspired by these standards (taken from the Group's "mission and values").

To provide an account of our sustainability activities, we have deemed it right and necessary to create a report, which we will issue on a yearly basis, aligned with the generally accepted reporting principles laid out by the "Global Reporting Initiative".

In this document, we adopt a format recognised at European level in which to address various issues based on these themes: the Group's commitment to informing the citizen-reader and responsibility to the general public; social role and participation in the community; focus on human resources; and environmental impacts.

The degree of attention that the Group will devote to these aspects of corporate life will become increasingly prominent, with the awareness of their importance in the creation of value in not only economic, but also systemic, terms.

We are in the midst of a difficult economic phase, but we believe that operators capable of attributing the appropriate level of significance to social responsibility will carve out a successful place for themselves within the market. Our commitment will always be to try.

## Introduction

The Espresso Group's 2014 Sustainability Report (the "Group"), its first report prepared in accordance with the GRI G4 guidelines, aims to provide a broad, transparent overview of the results of the company's sustainability initiatives.

This report, prepared on a yearly basis, represents the main tool for disclosing the Group's economic, social and environmental performance and reviews the history of the Espresso Group's commitment to carrying out activities that aim to create value not only for the company, but also for its stakeholders.

The Espresso Group's desire to openly and transparently report its environmental, social and economic impacts is based on its desire to act with the awareness that it has great media power and, at the same time, an important responsibility to contributing to the development of its audience's ethical and moral values. This document, which reports the Group's main corporate social responsibility decisions, therefore represents the means whereby the Group expresses its ongoing commitment to offering information, culture, opinions and entertainment in accordance with the principles of independence, freedom and personal respect.

In the midst of rapid, radical transformation in the publishing industry and the media, the Espresso Group has decided to face the challenges linked to industrial transformation without compromising the quality of its products and services, while continuously strengthening its commitment to the citizen-reader and its media audience.

Sparking change, guiding it and making it a reality for the sustainable and long-term creation of value: this is one of the Espresso Group's objectives, which materialises in its commitment to editorial responsibility, its numerous initiatives in favour of local areas and communities and its efforts towards an increasingly focused management of the economic, environmental and social resources used.

### Structure of the sustainability report

The **first chapter** of the Report is dedicated to the presentation of the Group profile and a description of its main brands, products and services, and provides an overview of the most important points in its history. This first introductory section also explains the process for selecting the sustainability themes addressed in this Report and the mission and values that guide business activities. The Espresso Group's governance structure is also presented, along with the instruments meant to guarantee business integrity, the Group's main financial results and the distribution of economic value to stakeholders.

The **second chapter** is dedicated to responsibilities linked to the Group's core business, i.e., publishing products and the media industry. Through the concepts of "Editorial independence", "Responsible advertising" and "Privacy and data protection", this chapter demonstrates how sustainability is a comprehensive concept that involves all of the Group's activities and products and entails specific responsibilities: from journalism activities to inform the public to advertising, from products and the relative physical media and digital channels used to convey information and content, to the impacts that they generate on the surrounding environment and on people, with reference to data protection and the right to privacy.

The **third chapter** presents the social, cultural and educational impacts of the Espresso Group at national level, by describing relevant initiatives carried out in 2014 in favour of the local communities in which the Group works.

The **fourth chapter** is dedicated to the people of the Espresso Group and the management policies that intend to increase the value of the organisation's human capital. It also provides a description of our staff.

The **fifth chapter** addresses the methods for managing the Espresso Group's environmental impacts - as well as its environmental performance - through an analysis of the most significant environmental aspects such as the use of paper and other natural resources, energy consumption, the relative greenhouse gas emissions and the disposal of waste deriving from its processes.

The Report closes with a section on **Methodologies**, the **attachments**, which offer a detailed look at selected data and information, and the **GRI Content Index**, which indicates the sections of the report in which information regarding specific GRI indicators is reported.

#### **CONTACTS**

For comments, requests, opinions and points for improvement regarding the Espresso Group's operations and the information provided in the Sustainability Report, please contact:

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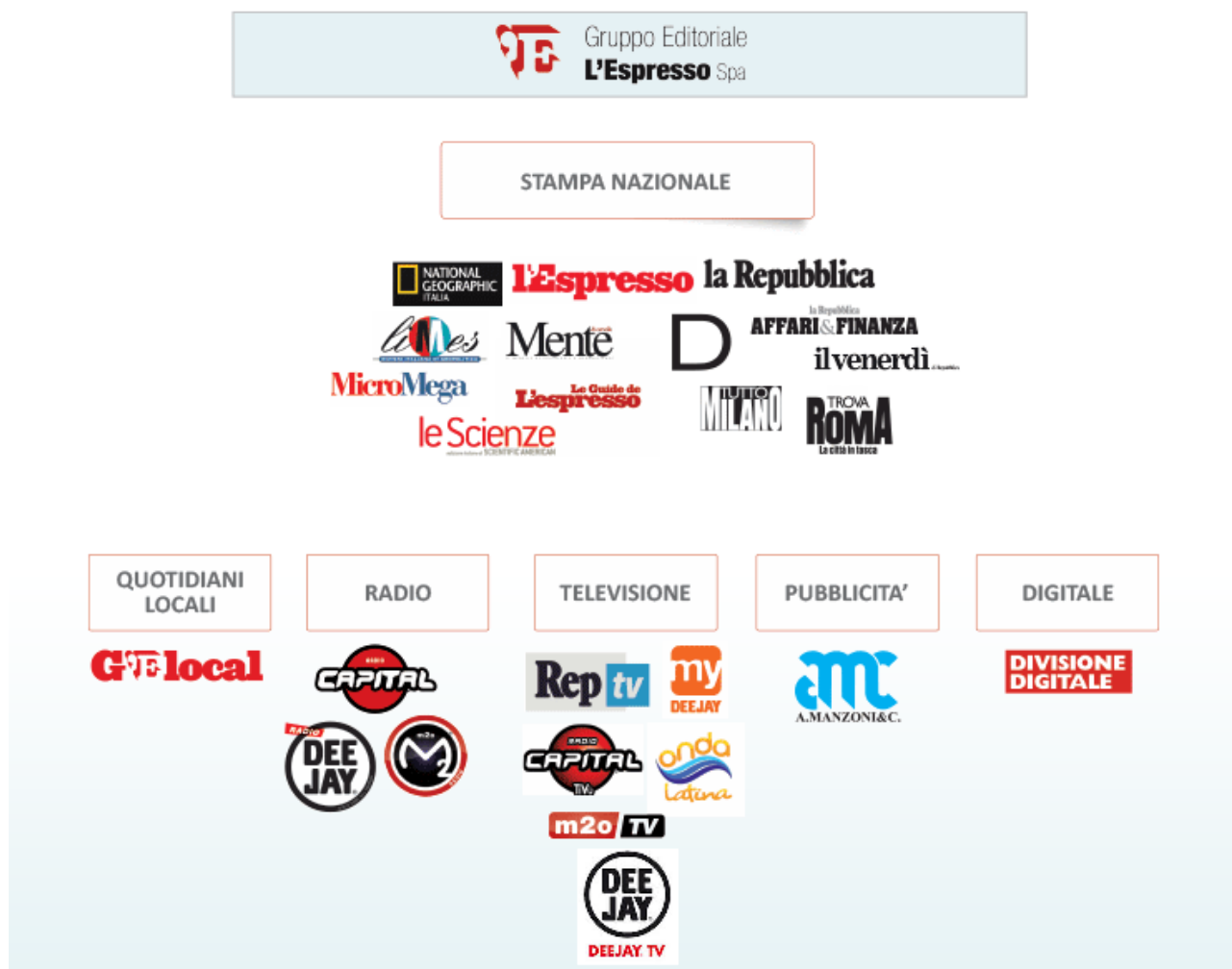


## Espresso Group

### Group Profile


#### The main activities of the Espresso Group

Gruppo Editoriale L'Espresso SpA, which is listed on the stock exchange, is one of the most important Italian companies in the media industry whose business activities stretch from the daily and periodical press and publishing sectors to radio stations, advertising sales, internet and television. The Espresso Group publishes the national daily newspaper "la Repubblica", the weekly "L'Espresso" and eighteen local daily newspapers (of which one comes out three days a week), and owns three national radio stations, including Radio DeeJay, and a number of digital terrestrial and satellite television stations. The Group's digital division handles the management and development of activities across a range of platforms.



### La Repubblica

EVER Y DAY **2.4 MILLION**  
PEOPLE READ LA  
REPUBLICCA

 The "Repubblica Division" handles the development, production and marketing of publishing products relating to the "la Repubblica" newspaper. La

Repubblica is one of the most important Italian daily newspapers: first in terms of sales at newsstands as well as number of readers (305.6 thousand copies distributed per day on average in 2014), it is also the only paper with uniform circulation throughout all regions in the country. Its foliation can reach 96 pages, all in colour (including advertisements). The newspaper has a national section present in all versions and nine local editions (Rome, Milan, Turin, Bologna, Genoa, Florence, Naples, Palermo and Bari), with foliations of up to 32 pages. La Repubblica is a newspaper registered and printed in Rome, which is transmitted to another seven Italian printing hubs and four abroad.

The following supplements are published and distributed along with la Repubblica:

**Affari & Finanza** (Economy/Business community)

**Il Venerdì** (Lifestyle and television programmes)

**D - La Repubblica** (Women's and fashion)

**Trova Roma** (Guide, shows and entertainment)

**Tutto Milano** (Guide, shows and entertainment)

### Local newspapers

IN 2014, TOTAL CIRCULATION OF LOCAL NEWSPAPERS CAME TO **341.6** THOUSAND COPIES ON AVERAGE PER ISSUE



The Espresso Group publishes 18 local newspapers, which reach 3 million readers in ten different Italian regions every day (primarily in northern and central Italy).

**AltoAdige** - Bolzano

**la Nuova Ferrara** – Ferrara

**La Nuova Sardegna** - Sassari

**Il Piccolo** - Trieste

**la Provincia Pavese** - Pavia

**Il Tirreno** - Livorno

**Il Trentino** - Trento

**la Tribuna di Treviso** - Treviso

**la Città di Salerno** - Salerno

**la Sentinella del Canavese** - Ivrea, published three times a week

**Corriere delle Alpi** - Belluno

**il Centro** - Pescara

**Gazzetta di Mantova** - Mantua

**Gazzetta di Modena** - Modena

**Gazzetta di Reggio** - Reggio Emilia

**il mattino di Padova** - Padua

**Messaggero Veneto** - Udine

**la Nuova di Venezia e Mestre** - Venice

### Periodicals

The following magazines are part of the "Periodicals Division":

**L'Espresso** (weekly)

**National Geographic Italia** (monthly)

**Le Scienze** (monthly)

**Mente & cervello** (monthly)

**Limes** (monthly)

**MicroMega** (bimonthly)

**Le Guide dell'Espresso** (yearly)

IN 2014, L'ESPRESSO WAS CONFIRMED AT FIRST PLACE AMONGST NEWSMAGAZINES WITH **1.5 MILLION READERS**



L'Espresso was founded in 1955; and as it begins, so too does the history of the Group that bears the name of the publication. L'Espresso is a weekly magazine covering culture and politics, a point of reference for widespread and important segments of Italian public opinion. The central editorial team is based in Rome, and in 2014 its average circulation was 201,400 copies.



## Digital



WITH AN AVERAGE OF 2.3 MILLION UNIQUE USERS PER DAY, THE GROUP IS AFFIRMED AS THE TENTH OPERATOR IN THE ENTIRE ITALIAN DIGITAL MARKET AND THE FIRST AMONGST PUBLISHERS

The “Digital Division” runs the digital business of the Espresso Group. The activities concern all the Group brands and develop via all the technological platforms: websites, mobile applications for smartphones and tablets, smart TV. The Digital Division's mission is to guarantee the Group's large brands an excellent digital presence capable of spreading through all of the highest potential platforms, thereby supporting the current online presence with

additional and specific product versions for the various platforms. The distribution strategy is differentiated by platform and includes free as well as premium models: the reader's specific information requirements on the various platforms and the maximisation of long-term value guide the selection of the appropriate model on a case by case basis.

The Digital Division is therefore responsible for the development and online management of all of the Group's main brands, particularly Repubblica.it, Repubblica +, the online version of the 18 local newspapers and a broad collection of entertainment websites ranging from the Group's web radio stations to the vertical websites on film and television like Mymovies and Tvizap, as well as important international partnerships such as Huffington Post Italia.

### *Local presence*

The Group is strongly rooted in the community through its local editorial teams spread throughout the country. This local presence allows for strong integration in the economy of the communities involved, thereby contributing to economic and cultural advancement. The Group's presence throughout the country includes 62 editorial teams associated with la Repubblica and the local newspapers. The three radio stations are broadcast from Milan (with the leading broadcaster Radio DeeJay) and the Group's head office in Rome (Radio Capital and Radio m2o). The TV stations are broadcast from Milan and Rome. In 2008, la Repubblica created a new local editorial team in Parma, exclusively online.

## Radio

The Espresso Group has developed its activities in the radio sector over the last twenty years. This activity is currently carried out by Elemedia SpA, which holds the concessions for three national radio broadcasters:

### *Radio DeeJay*

Acquired in 1989, it is the second national broadcaster with 4.6 million listeners. It is the radio station for those who want to have fun with its popular hosts and keep up to date on the latest music trends.

### *Radio Capital*

Acquired in 1997, this radio station is intended for young people and adults. In 2014, it had an average audience of 1,700,000 per day (Radio Monitor).

### *m2o*

Launched at the end of 2002, it features highly energetic hosts and musical programming for listeners who are young at heart. It registered an audience of 1.7 million.

## Television

General TV:

### **DeejayTV**

Available on digital terrestrial channel 9

The Espresso Group is also active in the theme-based TV sector:

### **RepTV**

On Repubblica.it, the most important writers, opinions, current events and breaking news: the entire Repubblica and Repubblica.it world, 24 hours a day live and on demand on the first Italian webtv.

### **Radio Capital TV**

TV channel airing on digital terrestrial channel 69 and Sky satellite channel 713, which transmits music videoclips ranging from the 1970s to date.

### **My Deejay**

Music TV channel airing on Sky satellite channel 714, featuring the videos of the most trendy songs of the moment, drawn from the music programming of the radio broadcaster.

### **m2o TV**

Music TV channel available on digital terrestrial channel 158.

### **Onda latina**

TV channel playing only Latin music, available on digital terrestrial channel 162 as well as online

## Advertising

The company A. Manzoni & C. is the exclusive advertising concessionaire for the publications of the Espresso Group and a qualified group of third party publishers. Manzoni is one of the top concessionaires in the Italian advertising market. Manzoni's strength lies in its top quality multimedia portfolio, with leading newspapers in the main market segments and a broad customer consulting and support network. The experience of Manzoni's sales organisation, which is broken down into specialised sales networks focused on the different media, guides and directs companies in choosing the commercial offers that best meet their communication objectives. Aside from the sales service and a flexible and detailed advertising offering, Manzoni provides its customers with a system of information, databases, case studies, analyses and original market research.



### **Key historical moments**

<p><b>1950s and 1960s</b></p>	<p>In 1955, the publishing company of "L'espresso", N.E.R. (Nuove Edizioni Romane) was founded, and eight years later, the weekly had already reached an average circulation of 700,000 copies. In 1957, the use of colour was introduced for publishing photographs and advertisements, and ten years later, a colour insert was published in the wake of similar initiatives carried out by the "Sunday Times" and</p>
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	the "Observer". Distribution exceeded 100,000 copies per issue.
<b>1970s</b>	In 1970, the insert "l'Espresso Economia & Finanza" was created and circulation reached more than 130,000 copies. In a joint venture with "Scientific American", the Italian version of the monthly, "Le Scienze", began being published. In 1975, circulation of the weekly exceeded 300,000 copies per issue. On January 14, 1976 "la Repubblica" was founded, with Eugenio Scalfari as editor, and by the end of the year circulation of the newspaper already exceeded 100,000 copies per issue. L'Espresso, which changed its name to Editoriale L'Espresso in 1975, acquired controlling interests in several local newspapers.
<b>1980s</b>	In the 1980s, Editoriale L'Espresso was listed on the Stock Exchange and Finegil, a holding company for the local newspapers, was created, 50% of which was sold to Mondadori. In 1989, Mondadori acquired control over Editoriale l'Espresso. The 1980s were also the years in which new newspapers and supplements were launched, including "la Nuova Venezia", "Il Centro", "Affari & Finanza" and "Il Venerdì".
<b>1990s</b>	Based on the "Segrate division" of 1991 between Berlusconi and De Benedetti, the current Espresso Group was born with the CIR Group as majority shareholder. Editoriale La Repubblica, through its merger with Cartiera di Ascoli, was listed on the Stock Exchange. The next year the Group acquired the entire share capital of A. Manzoni & C. In subsequent years, the Monday edition of la Repubblica, two new supplements ("Musica, rock & altro!" and "Salute") and the new women's magazine "D - la Repubblica delle Donne" were launched. La Repubblica introduced colour printing for the first page and advertisements. During the 1996 political elections, the Repubblica.it website was launched on an experimental basis; it has been online 24 hours a day since January 1997. At the end of the 1990s, the Group began pursuing an investment strategy in the online, digital TV and radio sectors.
<b>2000s</b>	The Group focused its efforts on the development of content and the web solution offering, improving its profitability thanks to reliance on the strength and trustworthiness of the la Repubblica and l'Espresso brands. In 2004, the la Repubblica "full colour" investment was completed: the 96 pages of the newspaper may now be printed fully in colour. In 2005, the Group completed the establishment of its multi-media presence and today it is able to reach the public with its content via multiple platforms and with a range of usage methods. In 2007 La Repubblica launched the new R2 section in the newspaper, which contains investigations, dossiers and reportage, while l'Espresso updated its cover and graphic design, in line with its successful publishing formula which is strongly oriented towards investigative journalism.
<b>2010 - 2014</b>	These years were characterised by an expansion of the Group's digital offering: the websites of L'Espresso and the local newspapers as well as the Repubblica.it sections dedicated to economy and finance were updated; journalist coverage of the website was extended to 24 hours a day and video production increased; specific products were created for tablets and smartphones. The Group successfully finalised two transactions of strategic importance: the integration with Telecom Italia Media of the digital terrestrial network operator activities and the refinancing of the Company through the placement of a five-year Convertible Bond.

## The Group's commitment to sustainability

In recent years, the Espresso Group has embarked upon an important journey of sustainability with the aim of guaranteeing balance between the different Group activities and their environmental, social and economic impacts on the environment and the company.

This approach takes shape in the development of a trusting relationship between the Group and its stakeholders, in which it pursues its objectives by seeking to reconcile the interests involved in compliance with the law and the principles of honesty, impartiality, reliability, fairness, integrity, transparency and good faith, always without prejudice to full respect for and protection of human life.

## Group stakeholders and engagement activities

The Espresso Group maintains an **open dialogue** with its numerous reference stakeholders within the purview of Group activities.

The Espresso Group has created a detailed map of its stakeholders, identifying their degree of influence/dependence and analysing their relevance in terms of sustainability matters specific to its sector and reference context. A map showing the 13 clusters of stakeholders identified is provided below.

**Map of Espresso Group Stakeholders**



To pursue the company's objectives, it is fundamental to develop **forms of dialogue and ongoing interaction with internal and external stakeholders**, in order to understand their various types of requirements, interests and expectations. In particular, within the dynamic and competitive scenario of intense change pervading the publishing industry and the media, being capable of anticipating change and identifying emerging trends through stakeholder dialogue enables the Group to generate shared, ongoing added value over the long term.

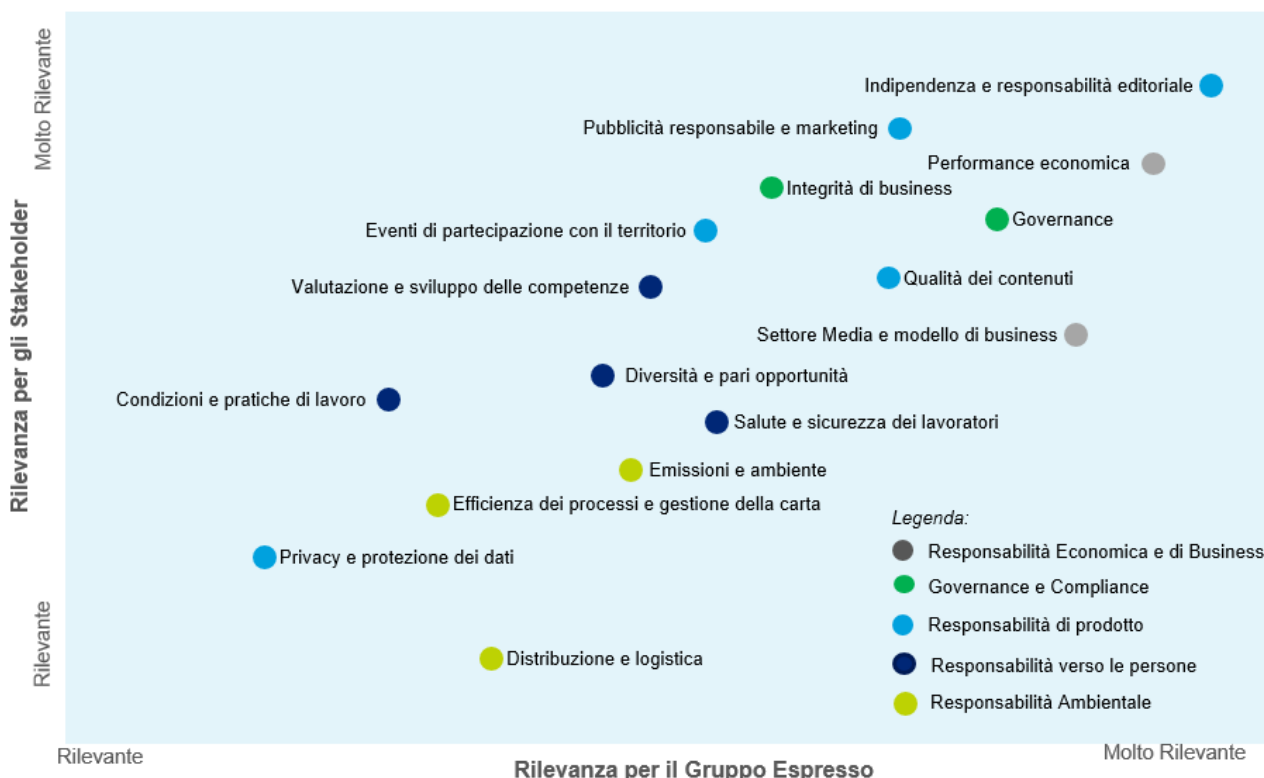
This is why the Espresso Group commits every day to establishing **trusting relationships with its stakeholders**, based on the principles of transparency, openness and listening. The Group's stakeholder communications approach has evolved continuously over time, giving rise to a range of initiatives aimed at making the best use of the multiple channels available. An example of this constant, in-depth stakeholder engagement activity is the set of activities carried out by the External Affairs head office division, which is responsible for managing relationships between the company and the media primarily as regards corporate communications and handling relationships with other Group stakeholders. In addition, the Investor Relations office handles the flow of information addressing the shareholders, the financial analysts and

institutional investors, in observance of the rules established for the disclosure of Company information and documents. The Company has always taken active steps to establish and maintain effective dialogue with its shareholders and the market.

### Materiality analysis

Below the Espresso Group has carried out a **materiality analysis** to identify the sustainability topics relevant for the Group and its stakeholders. For this purpose, internal workshops were conducted to identify stakeholder expectations regarding the Espresso Group’s business, with the aim of stimulating reflection on the Group’s approach to sustainability. The participants made a significant contribution to identifying the main impacts that the Group’s activities have on the various stages of the value chain. The main issues emerging from the Group’s materiality matrix are associated with five main areas: Economic and Business Responsibility, Governance and Compliance, Product Responsibility, Responsibility to People and Environmental Responsibility.

Espresso Group materiality matrix



This analysis made it possible to identify the aspects deemed material, i.e., which have significant impacts for the organisation from the economic, environmental and social perspective, and which substantially influence stakeholder assessments and decisions. Indeed, combining a strategic business approach with stakeholder expectations is a key requirement to enable the Group to continue to generate shared value in the short, medium and long term. This analysis was carried out in compliance with the criteria defined by the Global Reporting Initiative (GRI G4). For the analysis of relevant topics, the impact of each of these was taken into consideration both within the perimeter of the Group and externally along the value creation chain.

## Governance and integrity

### The Governance Model

The Gruppo Editoriale L'Espresso S.p.A. corporate governance system makes it possible to achieve strategic objectives by ensuring effective governance that complies with institutions and laws and is efficient and fair in relation to all stakeholders. This system is based on the principles and criteria expressed by the Code of Best Practice published in 2006 by the Borsa Italiana Corporate Governance Committee. The company began using that model on February 21, 2007. At that time, among other decisions made, the positions of executive director in charge of the internal audit system, head of internal auditing and lead independent director were established. The extraordinary shareholders' meeting held on April 18, 2007 amended the Articles of Association so as to acknowledge the legislative innovations regarding company law. The various changes included the introduction of list voting for the appointment of the Board of Directors, the envisaging of minimum thresholds for the presentation of the lists and the position of executive appointed to draw up the company accounting documents was foreseen. Subsequently, the extraordinary shareholders' meeting of April 20, 2011 adopted the necessary resolutions in order to complete the adjustment of the articles of association in compliance with Italian Legislative Decree no. 27 of January 27, 2010, undertaken by the Board of Directors on October 20, 2010. At that time, the articles of association were amended in order to incorporate required provisions as well as eliminate all regulatory references that have now been superseded by the Shareholders' Rights regulation, also with reference to the company's adoption of the Procedure for Related-party Transactions. Lastly, due to the amendments introduced into the Consolidated Law on Finance by Italian Law no. 120 of July 12, 2011 "Gender Balance", concerning equal access to the board of directors and internal audit bodies of companies listed in regulated markets, the Board of Directors of April 18, 2013 made the required amendments to the articles of association in order to bring them into line with regulations in force.

The Espresso Group governance system consists of the following corporate boards and committees: the Board of Directors, the Board of Statutory Auditors, the internal committees and the Shareholders' Meeting.

The Board of Directors was appointed by the Shareholders' Meeting on April 23, 2012; its term of office is for no more than three years, until the Shareholders' Meeting for the approval of the financial statements at December 31, 2014. At the end of the year to which this Sustainability Report refers, the Board of Directors had thirteen members: 70% men and 30% women.

The Board of Directors includes the following members:

Name	Position	Executive	Non-executive	Independent
Carlo De Benedetti	<i>Chairman</i>			
Monica Mondardini	<i>Managing Director</i>			
Agar Brugiavini	<i>Director</i>			
Rodolfo De Benedetti	<i>Director</i>			
Giorgio Di Giorgio	<i>Director</i>			
Francesco Dini	<i>Director</i>			
Silvia Merlo	<i>Director</i>			
Maurizio Martinetti	<i>Director</i>			

Name	Position	Executive	Non-executive	Independent
Tiziano Onesti	Director			
Elisabetta Oliveri	Director			
Luca Paravicini Crespi	Director			
Michael Zaoui	Director			
Sergio Erede*	Director			

\* left office during the reference year

The Independent Directors represent the majority of the Board of Directors and the number and authoritativeness of the same is such that it guarantees that their opinion may have a significant influence on the adoption of board decisions, contributing to the formation of balanced decisions especially in the event potential conflicts of interest exist. Three Espresso Group directors are between 30 and 50 years old, and ten are over 50 years old.

### **Internal audit and risk management system**

The Espresso Group's internal audit and risk management system is the set of rules, procedures and organisational structures meant to map, analyse and assess risks in line with the organisation's strategic objectives. These monitoring activities, which concluded during 2013, made it possible to draw up and make a structured Risk Management system fully operative within the Espresso Group, which will be subject to checking and up-dating annually.

### **Application of the 231 model**

To ensure conditions of fairness and transparency in the handling of company affairs and activities, the Group has an "Organisation, Management and Control Model" in line with the requirements of Italian Legislative Decree 231/2001. All Group companies have their own Model that is periodically updated to ensure its continuous consistency in light of any changes in the company's regulations and structure. The update to the Organisation, Management and Control Model was approved by the Board of Directors on February 26, 2014.

A supplement to the "general section" and the "special section" of the Organisation, Management and Control Model, taking into consideration Italian Legislative Decree no. 109 of July 16, 2012 as well as the Anti-Corruption Law on the prevention and repression of corruption and illegality in the Public Administration, was also submitted to the Board for approval.

The amendments regarded the expansion of the list of eligible offences in the "general section" as well as additions to certain protocols already in force and the creation of a new operations control protocol (supply of goods and services in relations with private parties) in the "special section". In particular, the Model was updated based on amendments made to certain crimes already contemplated previously (e.g., offences of corruption in relation to official deeds and extortion) and the introduction of new types of offences (corruption between private parties, undue enticement to give or promise benefits, etc.).

### **Training provided regarding 231 and anti-corruption**

The 231 Model adopted by the Group establishes a differentiated training programme for all employees in general, employees who work in specific risk areas, the supervisory body and those responsible for internal audit. The content and frequency of training courses are defined on a case by case basis, while also ensuring course participation and the monitoring of programme content quality. Participation in training

courses is compulsory. In particular, new hires are provided with the Code of Ethics when they are hired. Department directors are available to employees to provide support with respect to topics covered by the Model. To ensure they can effectively perform this task, executives will be involved in communication programmes regarding Model updates in forms and with methods to be defined by the Supervisory Body.

The Group promotes awareness and observance of the Model, including amongst consultants, the various types of freelance associates, contracting businesses and their employees, self-employed workers who work for the Group, customers and suppliers.

In that regard, in 2014 no episodes of corruption were reported or identified.

### ***The Code of Ethics and its distribution***

The Code of Ethics is the set of ethics/behavioural rules that are transmitted to all employees on an ongoing basis, the consistent application of which is continuously monitored, which clearly and transparently defines the set of values that inspire the Group for the achievement of its objectives. Therefore, the activities of all Group companies must comply with the principles expressed by the Code. Gruppo Editoriale L'Espresso recognises the importance of ethical and social responsibility in the management of business affairs and activities, and is committed to respecting the legitimate interests of its stakeholders and the general public. At the same time, it asks its employees and those who work within the Group companies to comply with the company's rules and the tenets established in this Code.

The Company has made a formal commitment to promote awareness of the content of the Code of Ethics and the applicable company processes amongst all employees. As already specified, when they are hired new hires are provided with the Code of Ethics and information on the sections of the Model of specific interest. A similar awareness-raising activity is carried out for freelance associates, suppliers and customers of all types.



## The media industry and the Group's business model

### *The business model and strategy*

The Espresso Group has decided to concentrate its efforts with a strategy focused on four main points:

1. Aiming for development by **strengthening the traditional business with ongoing revisions of publishing products**, but also taking advantage of all new opportunities that the market may offer;
2. **Expanding the content offering of its brands on new digital platforms**, taking into close consideration the industry's ongoing evolution towards digital;
3. **Affirming its position within the advertising market** in accordance with the guidelines put into place by the internal concessionaire;
4. Maintaining the company's profitability within a context of global crisis, which has negatively impacted turnover, **by improving upon costs and working on the corporate reorganisation**.

### *The digital evolution*

To keep up with the evolution of media and journalism and Italians' new digital behaviours, in the 2000s the Espresso Group gradually began taking a path of digital evolution in new product development as well as in company processes and the organisation's day-to-day activities.

Particularly with reference to new product development, the Espresso Group has made large investments in digital solutions that regard all Group brands and are developed on all technological platforms: websites, mobile applications for smartphones and tablets, smart TV. With this strategy, the Espresso Group hopes to place the citizen-reader at the centre of the system and increase interaction with the public.

In 2014, many steps were made towards digitalisation, which achieved positive results.

- ⇒ *Repubblica.it* was confirmed as the leading Italian information website, reporting over 1.6 million users on an average day, with a gap on the second leading Italian information website which increased to 33%.
- ⇒ The average number of *la Repubblica* active digital subscriptions stood at 86 thousand in 2014, and digital subscribers to the local newspapers rose as well.
- ⇒ With regard to **local newspapers**, during 2014 the process for the **release of new websites** for all of the 18 local newspapers was completed.
- ⇒ The growth of subscriptions to the digital products *Repubblica+* and *Repubblica Mobile* continued.
- ⇒ In 2014, work continued on the creation of a **Group digital entertainment hub**.
- ⇒ During 2014 the Group's leadership was confirmed on **social networks**: overall, the publications and the theme-based pages pertaining to the Espresso Group have more than 14 million fans on Facebook, a number without comparison in Italy and which has few peers in the international sphere as well. The Group confirms its leadership on Twitter as well, with *Repubblica* which has become the first Italian newspaper to exceed one million followers. These numbers are accompanied by high levels of user interaction, enabling the Espresso Group to maintain ongoing stakeholder dialogue through social networks.

- ⇒ With regard to the publishing range, the **video component** is undertaking an increasingly central role and once again in 2014 Group activities are continuing so as to increase its abilities to produce and pool contents of this type.
- ⇒ On a parallel, great attention was dedicated to the **long entertainment formats** for *Repubblica.it*, aimed at meeting the needs of a general public which do not just seek information on the website. From this perspective, in 2014 further developments were made in the **format of Webnotte**, which was confirmed as an important innovation in the web/TV entertainment sector.
- ⇒ The rising importance of smartphones as devices for accessing our content led to the **re-planning of all Group websites and all the applications for smartphones**: the new *Repubblica.it* website for smartphones was further developed.
- ⇒ Within the DeeJay sphere, a new application was developed; its release, in February 2015, is the first step towards establishing a radio on demand model distributed on all the digital platforms: from smartphones, to digital systems in vehicles, connected TVs, and in conclusion wearable devices.

## Group economic performance

In 2014, as in previous years, the Espresso Group has carried out its activities while placing the utmost attention on the citizen-reader by seeking to improve the quality of its products and services. Success in these activities cannot be achieved without economic and financial stability. The capacity to create independent, high-quality content is closely associated with economic independence and stability and, despite this difficult moment of great change for the publishing and media industry in recent years, the Group has been able to generate profit by ensuring a quality product for its stakeholders.

### Financial highlights

Despite the negative performance of the publishing industry, which significantly affected revenues, the Group ended 2014 with a positive result, up slightly on that for last year. The **net consolidated revenues** of the Group, €643.5 million, disclosed a drop of 6.6% when compared with 2013 (€689.1 million), consequent to the crisis which is affecting the entire sector.

(€ million)	2013*	2014
Revenues	689.1	643.5
Gross operating profit	55.1	59.8
Operating profit (loss)	37.8	29.9
Profit (loss) before taxes	24.0	28.0
Net profit (loss)	3.7	8.5

\* In accordance with IFRS 5, the balances for 2013 have been reclassified.

Consolidated **gross operating profit** was €59.8 million, up with respect to the €55.1 million in 2013.

The consolidated **operating profit** amounted to €29.9 million and includes €14.4 million in write-downs of goodwill of publications carried out further to the impairment tests. Net of this component, the operating profit amounted to €44.3 million, up with respect to the €37.8 million in the previous year.

The consolidated **net profit** was €8.5 million, compared with €3.7 million last year.

Consolidated **net financial debt**, amounting to €34.2 million at December 31, 2014, disclosed a further drop of €39.3 million with respect to the €73.5 million at the end of 2013.

### Segment information

(€ million)	National newspapers	Periodicals	Add-on products	Local newspapers	Radio	Digital	Television	Advertising	Other activities	Elisions and adjustments	TOTAL
Circulation revenues	99.6	19.1	29.6	107.6	0.1	10.1	-	-	-	(0.4)	265.7
Advertising revenues	113.1	6.2	0.5	60.5	52.5	39.5	-	323.9	-	(230.6)	365.6
Other revenues	1.8	0.7	0.1	2.3	2.0	3.0	-	2.1	22.7	(22.5)	12.1
<b>Total revenues</b>	<b>214.5</b>	<b>26.1</b>	<b>30.2</b>	<b>170.4</b>	<b>54.6</b>	<b>52.5</b>	<b>-</b>	<b>326.0</b>	<b>22.7</b>	<b>(253.6)</b>	<b>643.5</b>
Revenues from other segments	(112.8)	(6.1)	(0.5)	(60.7)	(51.0)	-	-	(1.2)	(21.3)	253.6	-
Net revenues	101.8	20.0	29.7	109.6	3.6	52.5	-	324.9	1.4	-	643.5
<b>Operating profit (loss)</b>	<b>2.9</b>	<b>(5.8)</b>	<b>3.3</b>	<b>6.9</b>	<b>9.7</b>	<b>6.1</b>	<b>-</b>	<b>(4.0)</b>	<b>10.3</b>	<b>0.4</b>	<b>29.9</b>
Financial income (expense)											(1.9)

(€ million)	National newspapers	Periodicals	Add-on products	Local newspapers	Radio	Digital	Television	Advertising	Other activities	Elisions and adjustments	TOTAL
Taxes and minority interests											(19.5)
<b>Group net profit</b>											<b>8.5</b>

### *Economic Value of the Espresso Group*

The statement of Economic Value is a reclassification of the Consolidated Income Statement, and represents the wealth generated and redistributed by the Espresso Group. In particular, this statement presents the financial performance of operations, the wealth distributed to parties deemed to be stakeholders for the Group or the capacity of the organisation to create value for its stakeholders.

#### *Statement of Economic Value of the Espresso Group*

(€ million)	2013	2014
Net revenues from sales	689.2	643.4
Income/expense from financial activities	-4.4	11.0
Other income/expense	7.7	17.3
<b><i>Economic Value generated (gross)</i></b>	<b>692.5</b>	<b>671.7</b>
Depreciation, amortisation and write-downs	17.2	29.9
<b><i>Economic Value generated (net)</i></b>	<b>675.3</b>	<b>641.8</b>
Operating costs	388.7	367.7
Personnel	253.1	233.1
Providers of finance	14.1	16.2
Shareholders	0.2	0.1
Public Administration	15.5	16.1
Local community	0.0	0.0
<b><i>Economic Value distributed to stakeholders</i></b>	<b>671.6</b>	<b>633.2</b>
Profit for the year	3.7	8.5
<b><i>Economic Value held by the Group</i></b>	<b>3.7</b>	<b>8.5</b>

**Net revenues from sales** represents revenues from publications and advertising, the sale of online and mobile services, the transfer of rights and trademarks and the sale of content and other services.

**Income/expense from financial activities** is income/expense from dividends and on securities and derivatives, interest income on current accounts and short-term deposits, foreign exchange gains, etc.

**Other income/expense** consists of operating income deriving from grants, capital gains on the disposal of assets, extraordinary gains and income from equity investments accounted for with the equity method.

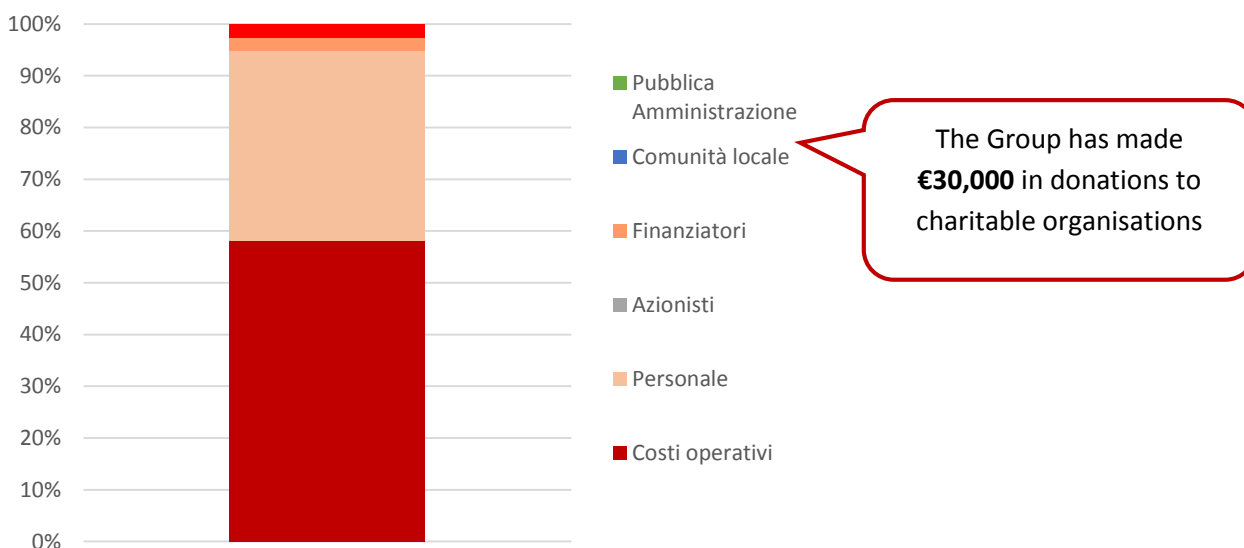


The three elements described above compose the **gross global Economic Value**, which in 2014 amounted to €671.7 million. This value less the value of amortisation, depreciation and write-downs is the **net global Economic Value**, which in 2014 stood at €641.8 million.

The distribution of Economic Value is broken down as follows:

- **Operating costs** totalled €367.7 million (-5.4% compared to 2013), of which costs for services constitute the majority (printing and other work carried out by third parties, publisher fees, etc.).
- The distribution of Economic Value to **personnel** equalled €233.1 million, down 7.9% compared to 2013, represented for the most part by wages and salaries to Espresso Group workers.
- The distribution of Economic Value to **providers of finance** came to €16.2 million in 2014.
- The distribution of Economic Value to **shareholders** totalled €73 thousand, constituting minority interests. No dividends were distributed to the shareholders in 2014.
- Remuneration to the **Public Administration**, in the form of taxes, came to €16.1 million.
- As regards the **local community**, the Espresso Group made donations and participated in sponsorships for a total of approximately €30 thousand given to charitable organisations.

*Distribution of Economic Value of the Espresso Group 2014*



## Informing the citizen-reader and responsibility to the general public

The Espresso Group acts transparently and responsibly with respect to society and its stakeholders, holding fast to the concepts of quality and integrity. It is also committed to boosting public awareness surrounding sustainability by encouraging constructive and respectful debate.

Aware of the effects of its activities on economic and social development and on the general well-being of the public, the Espresso Group is committed - through the creation and distribution of content and interaction and engagement with users - to transmitting true, high-quality information that respects the religious, political, scientific and social views of the public. To do this, the Group interacts with users continuously while also maintaining its independence from all types of influence.

### Content quality

The Espresso Group ensures the continuous alignment of its product content with the Group's values and principles - laid out and disclosed to all employees in the Code of Ethics - and works to ensure its quality, plurality and diversity, while also taking into account industry regulations.

To ensure high quality in all of its products, the Espresso Group operates with the utmost respect for freedom of expression, a fundamental theme for any media organisation. Guaranteeing content plurality and freedom of expression by providing an independent product is a fundamental value and constitutes the most basic asset for a publisher, which works hand in hand with the desire to offer the highest number of products to an increasingly broad audience of users. At the same time, the Group guarantees compliance with the intellectual property rules and protections of every content provider.

The quality of the information and content generated is also accompanied by a content distribution methodology that reflects the Group's values, considering that the Group works to improve and promote access and the right to information for everyone, including minorities, the disabled and isolated communities.

### Independence and editorial responsibility

In the development of its publishing products, the Group lays all of the groundwork to ensure that journalists, artists and other collaborators can act in accordance with the principle of editorial independence, which translates into the development of quality content that is not influenced by interests aside from those of journalism and the right to truthful and correct information.

The share capital of the Espresso Group at December 31, 2014 amounts to €61,805,893.20. The names of the Shareholders that directly and/or indirectly hold more than 2% of the share capital with the right to vote are provided below.

#### *Significant equity investments*

Direct shareholder	Percentage of ordinary capital	Percentage of voting capital
CIR SpA	53.581%	56.050%
Sia Blu SpA	6.269%	6.557%
Prosper SpA	2.796%	2.925%
Fondazione Cassa di Risparmio di Trieste	2.635%	2.757%
Erga Omnes SpA	2.587%	2.706%

Voting capital is calculated net of own shares held by the company. At December 31, 2014 the company holds 18,149,111 own shares.

As shown in the table of significant equity investments, the majority shareholder is Cir SpA, owned by the De Benedetti family.

In 2014, the Group received indirect contributions totalling €791 thousand from other private companies, in the form for example of lower telephone rates.

The Group received no grants from the Public Administration.

Lastly, the Espresso Group did not provide contributions of any type to political parties or politicians.

To maintain intact and strengthen the truthfulness and independence of information, the “la Repubblica” **Code of journalist rights and duties** (otherwise defined as “Charter”) is particularly important within the Group and, together with the Code of Ethics, it is enclosed with the letter of hire given to every one of the newspaper’s journalists.

The text lays out the basic ethical duties of journalists and outlines the fundamental values of journalistic activities, independence from all influence and attention for those in need.

La Repubblica’s journalists are committed to rejecting any political, economic or ideological interference, irrespective of its source: entities, institutions, public or secret associations, public or private companies or lobbyists. Journalists make a commitment not to carry out activities that may impact the objectivity and comprehensiveness of information, such as working in press offices, consulting, promotions and public relations. Journalists also make a commitment not to accept compensation or donations from people, companies, entities, political parties, religious organisations, trade unions and financial and opinion groups they may come into contact with in the course of their activities and not to personally profit from information obtained for professional reasons.

#### Industry regulations and codes of conduct

The Espresso Group works within a **heavily regulated context**, with a regulatory framework that is continuously evolving. With the aim of operating fairly and in full compliance with the law, the Group continuously monitors the reference legislative framework. The following laws governing publishing and journalism activities are particularly significant:

- law no. 47/1948 (“Provisions on the press”)
- law no. 416/1981 as amended (“Regulations for publishing companies and measures regarding publishing”)
- the law establishing the Order of journalists of 1963
- law no. 28/2002 containing “Provisions for equal access to information media during election campaigns and referenda for political communications” on the so-called “par-condicio” of 2000

Aside from regulatory requirements, there are other reference criteria - such as the Codes of Ethics subscribed by the Order of journalists - which express **ideals that can balance freedom of the press and the right to news with the other fundamental rights of individual people** (for example, data privacy and image) and the general public (right to be informed in a full and impartial manner):

- the **Code of Professional Conduct** (1998) regarding the processing of personal data in journalism activities, in accordance with the provisions of privacy laws in force in Italy
- the **Treviso Charter** on the protection of minors (adopted by the National Council of the Order of journalists in 1990 and most recently updated in 2006 with the observations of the Personal Data Protection Authority)
- the **Journalists’ Charter of Duties** (1993) which addresses topics such as responsibility, adjustment and response, the presumption of innocence in criminal investigations and during proceedings, sources, information and advertising, incompatibility, minors and the powerless;
- the **Charter of Information and Surveys** (1995), which prescribes methods and techniques for the presentation of opinion surveys

## Responsible advertising and marketing

Through its concessionaire (A. Manzoni & C.), the Group is committed to applying virtuous models of advertising communications.

In addition, the Group has adopted the rules laid out in the **Italian Code of Marketing Communication Self-Regulation**, and therefore it does not accept any messages contrary to the dignity and the interest of people. As a result, those responsible for advertising sales conduct monitoring to prevent the publication of false advertising information regarding commercial products, messages that incite physical and moral violence, which promote racism or offend the moral, religious or civil convictions of citizens, or advertising containing elements that could mentally, morally or physically harm minors. The Group does not accept advertising that may provoke the abuse of alcohol, tobacco or any type of drug and rejects any advertising containing pornography.

In addition to the Marketing Code, Group companies comply with the decree regarding **misleading and comparative advertising in professional relations** (Italian Legislative Decree no. 145/07). That decree involves adopting a complete, comprehensive regulation that protects professionals from misleading advertising and its unfair consequences, as well as providing for conditions of legality in comparative advertising.

The Espresso Group works on the basis of internal procedures and systems to safeguard and promote honest advertising communications which do not offend the sensibilities of users.

An **operational procedure** has been established **for the management of the matters of legality** (legal aspects) and opportunity (compatibility with the editorial business of the publication(s) in question), which applies to all advertisements to be included in publications under concession, based on which it is possible to request an assessment of communications considered to be suspicious or which in any case seem to require review.


There is also a special section on the **company intranet** dedicated to "Advertising laws". This section is broken down into topics and briefly describes the regulations in place which are applicable to users, agencies, concessionaires and advertising media, and therefore provides a guide for the entire A. Manzoni & C.

organisation, to be read and consulted on a preventive basis for all advertising sale activities. This section is meant to contribute not only to limiting litigation and company costs but also, if appropriately used, to constitute a valid instrument in customer-focused service activities which favours long-term relationships.

As regards online advertising and promotional campaigns, given the relative absence of specific regulations for this platform and in order to protect those who are most vulnerable and most influenced by advertising, the Espresso Group follows the more restrictive regulation applicable to television advertising.

## Privacy and data protection

The topic of privacy and data protection is of fundamental importance for any company, but it is particularly relevant for companies working in the publishing and media industries. In compliance with users' right to the protection of privacy, the Espresso Group works in compliance with the law and has developed a series of internal instruments meant to ensure respect for the main regulatory provisions on



THE INFORMATION AND ADVERTISING CHARTER IS THE PROTOCOL SIGNED BY JOURNALISTS, ADVERTISING AGENCIES AND PUBLIC RELATIONS ASSOCIATIONS TO SAFEGUARD THE BOUNDARIES BETWEEN INFORMATIONAL AND ADVERTISING ACTIVITIES.



privacy and data protection (Italian Legislative Decree no. 196/03, the “**Personal Data Protection Code**”). The Group complies with the main regulatory provisions laid out in Italian Legislative Decree no. 196/2003 and the relative interpretation review provided by the Privacy Authority with opinions and guidelines of May 15, 2013 and July 4, 2013.

The Group ensures the privacy of the information in its possession and the observation of the personal data regulation. All information available to Group companies is processed with respect for the confidentiality and privacy of the parties concerned, for fundamental rights and freedoms and for the dignity of those involved.

The Group adopts all necessary technical, organisational and security measures aimed at averting the risk of destruction, loss of data, unauthorised access or inappropriate use of data contained in all **data banks** containing personal data. The database subscribers to one or more of the services offered on the Group's websites is managed in compliance with the provisions of the document “Rules of conduct for the secure management of company resources”, issued by the Production, Information Systems and General Services head office division (DCTP) of Gruppo Editoriale L'Espresso.

The Group is moreover committed to adopting technical and organisational measures aimed at protecting **information relating to employees, professionals and third parties**, acquired in the context of its operations and to avoid any improper use of the same.

In the **digital sector**, which has recently become the sector at greatest risk for incorrect or non-transparent use, which could give rise to irresponsible practices, the Espresso Group complies with article 122 of the Personal Data Protection Code (amended with Italian Legislative Decree no. 69/2012), on the basis of which all Group websites display a notice regarding the use of cookies for various purposes. The company cookies policy may be viewed on the website [www.gruppoespresso.it/en/service/cookies-policy.html](http://www.gruppoespresso.it/en/service/cookies-policy.html).

The Espresso Group also participated as a trade association in the Technical Consultation Roundtable with the **Personal Data Protection Authority**.

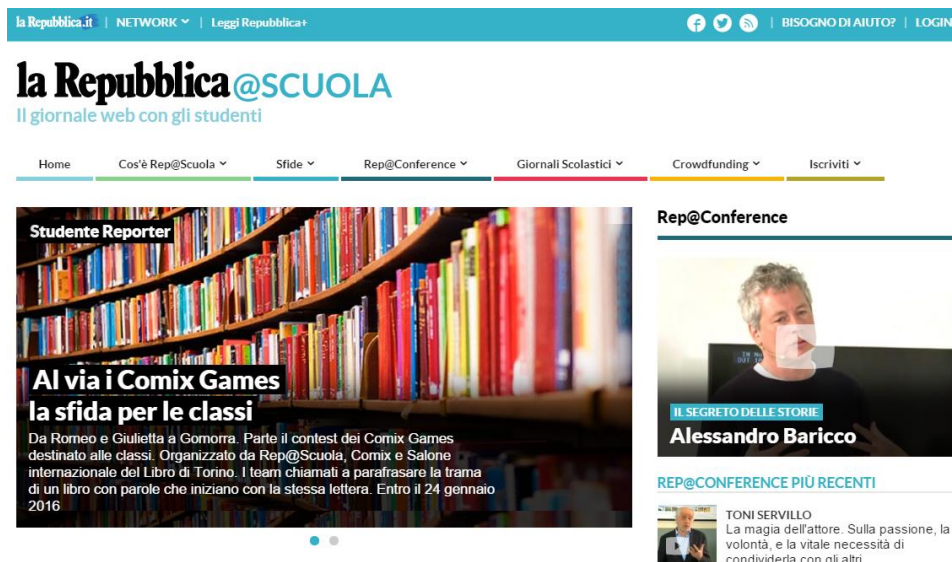
In 2014, within the context of fruitful collaboration with the Personal Data Protection Authority, the **registration forms**, service terms and conditions and privacy disclosure governing the subscription of services offered online by the Espresso Group were **updated**.

Users may write to the following email address to **request information** or report any problems: [privacy@kataweb.it](mailto:privacy@kataweb.it)

## Social role and participation in the community

The Espresso Group contributes to sustainable local development by supporting the communities in which it works through the organisation of social events and initiatives on all of its technological platforms. This section describes the Group's main initiatives carried out or launched in 2014 which are relevant in terms of social, cultural, educational/sports and environmental impact.

### Repubblica@Scuola



**Repubblica@Scuola** is an initiative of Gruppo Editoriale L'Espresso, the newspaper la Repubblica and the website *repubblica.it*. The project takes place entirely online, to enter the world of young people through the use of new media.

The website provides students, with the support of teachers and the la Repubblica editorial staff, with the possibility of interacting with the world of journalism: they can read the digital version of la Repubblica free of charge every day; they can raise the visibility of their schools and academic initiatives by interviewing principals and teachers to express their opinions about the world of school; teachers are able to exchange opinions with colleagues throughout Italy in the Teachers' Forum.

The editorial team also provides students with the chance to become junior reporters by helping them learn how to write an article and describe the reality around them. Students passionate about photography can enter photo contests held by the editorial team at national level. Student activities are recognised and certified with a certification for academic credit.

In 2014,  
 REPUBBLICA@SCUOLA HAD  
 APPROXIMATELY **220,000**  
 ENROLLED STUDENTS

Thanks to the participation of schools and students, Rep@Scuola has become a regular part of the school day at Italian schools, and the platform has grown and improved year after year. In particular, in 2014 the main innovation was **rep@conference**: every month, a well-known figure from the world of culture or entertainment teaches a class. The lecture can be streamed live on *repubblica@scuola*.

## R.it Mondo Solidale

### R.it | Mondo Solidale



**R.it Mondo Solidale** is a section of *repubblica.it* devoted to solidarity and cooperation: this section contains news on international humanitarian and development aid, the actions of volunteer organisations in third-world countries and in Italy, and the issues of immigration, human rights and refugees. It also contains stories of people who work in the field of international cooperation through thematic blogs, as well as an updated region-by-region database of all Italian NGOs and Charity Associations (ONLUS).

## La Repubblica delle Idee



Repubblica delle Idee, founded in 2012, is a festival abundant in meetings, debates, lectures, workshops, musical and theatrical performances and exhibits. Participants are given the opportunity to meet with *la Repubblica* journalists, writers and the event's guests; they are able to enter into dialogue with them at special debates on the most important topics in Italian and international current events. *La Repubblica delle Idee* provides a way of disseminating information that does not stop on the newspaper page or the digital platforms, but aims to achieve the goal of directly engaging the community of readers.

- **Naples, June 5-8, 2014 - *Riscrivere il paese***

The theme of the Naples festival, "*Riscrivere il paese*" ("Re-writing the country"), was meant to provide an overview of Italian politics, the economy, society and culture, dealing with the current topics of unemployment, school and research, to seek to recover and spread a different view of Italy as innovative and responsive to change.

- **Palermo, October 18-19, 2014 - *Torniamo a scuola***

The Palermo festival “Torniamo a scuola” (“Let’s get back to school”) was devoted to education and training, and highlighted the need to put school back at the heart of the debate: there was in-depth discussion of the problems and opportunities in different areas of the world of education, and school was assigned a position of fundamental importance for the country's growth.

Many guests were in attendance, including French writer Daniel Pennac, who was interviewed by la Repubblica editor-in-chief Ezio Mauro.

- **Reggio Emilia, November 29-30, 2014 - *Il cibo siamo noi* (“We are what we eat”)**

La Repubblica delle Idee returned to Reggio Emilia with an event dedicated to all aspects of food held in partnership with Slow Food. The issue of safeguarding the excellent qualities of Made in Italy products played a central role, but there was also a focus on the topics of malnutrition, environmental impact and the defence of biodiversity.

Guests included economist Mariana Mazzucato, of Roman origins but British by adoption, Slow Food president Carlo Petrini, the Prior of Bose Enzo Bianchi, minister Maurizio Martini, Luigi Ciotti and many others.

## Radio initiatives

### Deejay Ten



“Deejay Ten” is the road race organised by the radio broadcaster Radio Deejay. Launched in 2005 as an initiative “amongst friends”, over the years it has undergone exponential growth and witnessed a surge in attendance from one year to the next. In 2014, it was held in Milan and Florence, with the participation of nearly 20,000 and 13,000 people, respectively, for a total of more than

33,000 participants from all over Italy.

The 2014 edition in Milan celebrated ten years: **Ten Deejay Ten**. The event has become an annual tradition for the city of Milan as well as northern Italy. The Municipality has supported this event along with the Department of Sports, enabling Deejay Ten to become one of the most popular events in the city. For the third year, the Village was placed in one of the city’s most attractive areas - Piazza Cannone, not far from Sforzesco Castle - and had more than 40,000 visits for the three days it was set up. The race began in Piazza Castello and the route wound through the city centre.

In 2014, Florence turned out to be an appealing stop for this event, and the official race shirt was made in the city's symbolic colour: and so a purple river ran through the streets of the historical centre of one of the most fascinating cities in the world, starting from Piazza della Signoria. The finish line and the Village were situated in the prime location of Piazza Santa Croce, and over 20,000 people visited during the two days it was set up.



## Other social initiatives of the radio stations

### Fermiamo l'AIDS sul nascere - CESVI

On Friday, December 19, 2014, for the tenth year running, Radio DeeJay held the radiothon in favour of the “Fermiamo l'AIDS sul nascere” (“Let’s nip AIDS in the bud”) campaign organised by the Cesvi Onlus Charity Association. The day-long event, coordinated by Trio Medusa, is meant to collect funds for the ill through a charity auction, in which listeners can purchase items belonging to celebrities. In 2014, the event raised approximately €155 thousand, putting the total over the years at more than €1.4 million.

The funds were sent to the St. Albert hospital in Zimbabwe, with which Cesvi has worked since 2001 in the fight against AIDS, and used in projects supporting orphans and street kids at risk of contracting HIV in Zimbabwe and the Congo.



### Missione Dynamo: regala una grande avventura a un piccolo eroe

For the sixth consecutive year Radio DeeJay has supported the “Missione Dynamo: regala una grande avventura a un piccolo eroe” (“Mission Dynamo: give a great adventure to a little hero”) SMS campaign, dedicating a radiothon with guests and in-depth discussion during the DeeJay Chiama Italia show, hosted by Linus and Nicola Savino. The campaign is also supported by Radio Capital, with references and guests during several broadcasts. Radio listeners can donate €2 per SMS to give a free holiday at the Dynamo Camp for seriously or chronically ill children.

### One Nation – One Donation



Around the time of World Blood Donor Day, Trio Medusa, in collaboration with FIDAS (Italian Federation of Blood Donor Associations), invites radio listeners to donate blood, giving an amazing gift to everyone who needs blood transfusions. Ten cities participated in the “One Nation – One Donation” event: Milan, Udine, Turin, Genoa, Parma, Thiene, Pescara, Reggio Calabria, Bari, Caltanissetta and Rome.

## Focus on Human Resources

### Work conditions and practices

*“The Group recognises the centrality of human resources and the importance of establishing and maintaining relationships with them based on fairness and reciprocal trust. Therefore, the management of employment and other work relationships is inspired by respect for workers' rights and the full appreciation of their contribution, with a view to favouring their development and professional growth” (from the Group's Code of Ethics)*

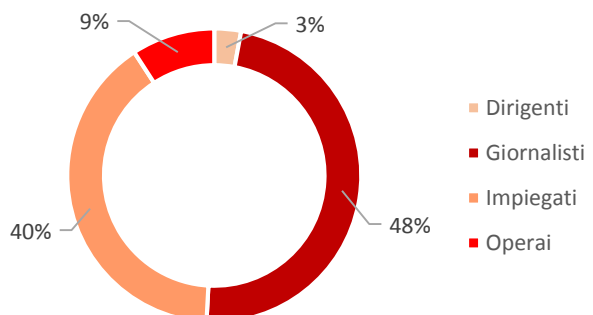
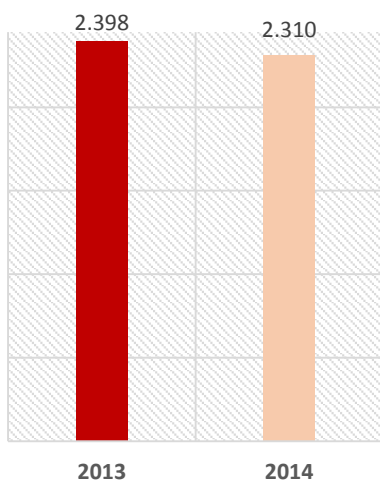
The Espresso Group’s primary asset is human resources, united in a strong sense of belonging which favours the pursuit of goals aligned with the company’s objectives. The fast-paced work environment and the need to make decisions quickly in complex situations make team work and the exchange of knowledge particularly effective, and offer professional enhancement that favours development and internal growth.

In a holistic vision of the business, “sustainability” means focusing attention on the people who work in the company and favouring effective policies that can develop human and intellectual capital. For the Group, investing in human and intellectual capital is a fundamental tool for creating and maintaining value over time, while also generating a competitive advantage. Investments in training and development courses as well as company welfare initiatives are capable of considerably impacting the creation of value by human resources. The core principles at the basis of the Espresso Group’s personnel management policies are respect and the enhancement of every employee.



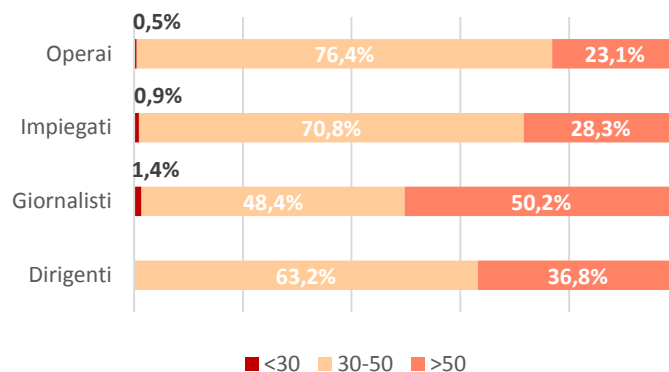
### Breakdown of the workforce

At December 31, 2014, the Espresso Group’s total workforce numbered 2,310 people (-3.7% compared to 2013). Journalists accounted for 48%, office workers made up 40% and the remaining 12% consisted of executives and manual workers.



As regards the age distribution of the company population, the majority of employees, i.e., 60% of the staff, are between 30 and 50 years old. These figures bear witness to a high degree of company loyalty, which is strengthened by internal mobility that has historically favoured the growth of individual employees within the company.

Breakdown of employees by age (2014)



In order to guarantee and promote stable employment as an indispensable prerequisite for company growth, a high percentage of Espresso Group employees are hired with unlimited term employment contracts. This not only constitutes the guarantee of an ongoing work relationship focused on the long term, but it is also an important motivational tool.



Unlimited term contracts account for 98%

### Talent retention and attraction

The incoming turnover rate is 2.42%, while the outgoing rate is 6.93% (also including employees who left the company because they were eligible for retirement). The voluntary outgoing turnover rate is 0.70%.

There are various well-established initiatives for attracting talented individuals who wish to embark upon a publishing career based on relationships with universities, journalism schools and other institutions or associations.

Among these is the relationship with **Fondazione Mario Formenton**, which provides the opportunity to establish contact with ambitious, deserving young people who wish to begin working in companies. These relationships generate intense internship activities, and over time have resulted in the hiring of young interns in journalism as well as administrative roles.

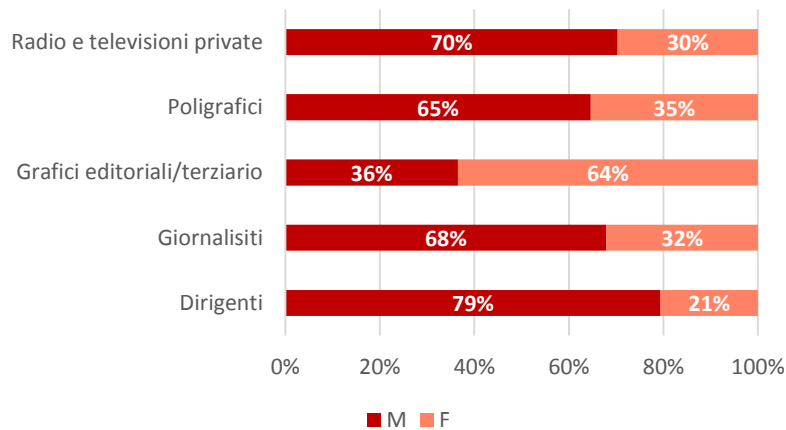
IN 2014 A COMPETITION WAS ANNOUNCED FOR THE ASSIGNMENT OF 4 FONDAZIONE MARIO FORMENTON STUDY GRANTS.

The Group has also announced a €10 thousand **study grant** in memory of **Giuseppe D'Avanzo** for the promotion of investigative journalism techniques and methods, to participate in an internship focusing on specialisation and improvement at the "la Repubblica" newspaper.

**Industrial relations**

Industrial relations with trade union organisations have always been characterised by proactive collaboration with respect for the various roles. In 2014, important agreements were made with the union for the use of social safety nets during a difficult economic period for the country, and agreements were also entered into regarding the protection of worker health and safety (smoking cessation courses and fire prevention courses). Attention continued to be dedicated to continuous professional training for workers at all levels and in all categories, as well as the continuous spread of internal information through instruments such as the company intranet.

*Employees by contract category (2014)*



**Diversity and equal opportunity**

*The Group is committed to preventing all discrimination based on age, sex, gender orientation, health, race, nationality, political opinions and religious creeds, in all decisions that impact relations with its stakeholders (from the Group's Code of Ethics)*



The Espresso Group pays close attention to **respect for diversity and equal opportunity** in employee recruiting efforts, rejecting all discriminatory practices and recognising the skills of each individual irrespective of nationality, religion or gender.

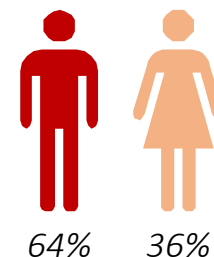
Indeed, the Espresso Group's management and enhancement of human capital are oriented towards integration and respect for diversity. Relations amongst employees take place with **protection for people's rights and freedoms** and the core principles

that affirm equal social dignity, with no discrimination based on nationality, language, sex, race, religious creed, political and union memberships or physical or mental condition.





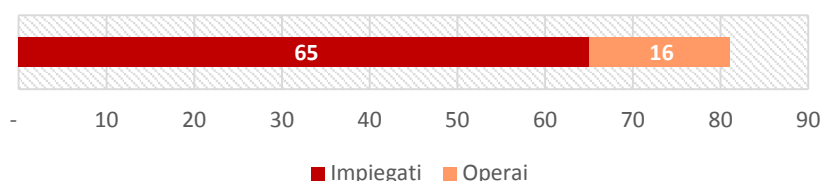
Women make up 36% of the workforce, with the highest percentage amongst office workers, at 46%. The breakdown of the workforce is impacted by some of the specific work carried out within the Group, particularly in the printing industry, and a tradition in which there has historically been a predominantly male presence within the specific working class, as in the case of preparation and printing processes, which take place at night. The Group's 837 women work primarily on the editorial teams as well as in the administrative and sales areas.



Equal opportunities are offered to employees of both sexes, while also promoting concrete initiatives to facilitate work-life balance, such as the introduction of non-full-time employment contracts. 97.1% of staff members are hired with a full-time contract, while the remaining 2.9%, primarily women, work **part time**.

The Espresso Group is committed to **supporting the hiring of underprivileged people**, as it recognises the value of diversity and the importance of interaction amongst different groups in any activity, and also supports the integration of special groups, such as disabled employees.

Number of employees in the 'protected categories' (2014)



The remuneration policies are aimed at ensuring competitiveness on the labour market in line with the growth and loyalty retention objectives for the human resources, as well as differentiating the remuneration instruments on the basis of the individual professionalism and skills. There are also slight differences between the average wages of men and women within the same employee category.

Ratio of average remuneration women/men		
	2013	2014
Executives	80%	80%
Journalists	79%	81%
Office workers	88%	88%
Manual workers	84%	87%

\* This figure excludes the General Managers and head office Directors of the various companies

### Enhancement and development of skills

The Espresso Group considers employee training to be a fundamental instrument for strengthening skills and boosting the knowledge of human resources, especially during this time of rapid change within the Group's industry. The company recognises the centrality of human resources and aims to promote their professional growth. Training is intended to increase management and specialised skills, and harmonise people's organisational behaviours with the company's culture and objectives.

Aside from training courses provided for office workers and executives, Espresso journalists were once again involved in significant training in 2014 due to the newspaper's graphic design update. Training was provided in the area of foreign languages; in addition, Group journalists - in accordance with



supplementary company contracts - have the possibility of taking advantage of an annual reimbursement for cultural refresher course expenses and training sabbaticals.

### Worker health and safety

The Espresso Group has always committed to working for the protection of the integrity, health and well-being of its workers in all work places. The Group actively complies with legal requirements and obligations regarding health and safety at the work place, and supervises to ensure full compliance in all of its companies. This takes place through the definition of organisational structures based on specific operating responsibilities, managerial responsibilities, the planning of prevention activities over time, the preparation of the relative expense budget, and the ongoing use of all technical support required to assess and reduce risks. Particular focus has been dedicated to personnel training based on roles - workers, supervisors, executives - depending on the risks to which they are exposed and their specific tasks and duties.

In terms of **industrial plant safety**, particular attention is devoted to controls and detailed analysis in the planning and acquisition of new machines, machine reconditioning and reconfiguration and production cycles, specifically as regards criteria for the introduction and management of substances and chemicals. Working conditions and operating procedures are continuously monitored to regularly improve worker health and safety levels.

In 2014, there were 23 injuries, of which 11 during commutes.

## The Group's environmental impacts

### Paper management and process efficiency

The Group's commitment to safeguarding the environment is realised through a range of initiatives meant to reduce, when possible, the environmental impact of products and production activities, for example through the efficient use of natural resources, the optimisation of logistics flows and responsible waste management. The Company dedicates human and financial resources to actively comply with the extensive regulations in force for the protection of the environment and the resolution of environmental problems, primarily deriving from industrial processes. This activity involves a broad range of assessment and procedural activities and instrumental measurements carried out every day to efficiently and fully meet regulatory requirements on the matter as well as stakeholder expectations.

Paper management and consumption is fundamental for the Group and - despite the evolution towards digital underlying the Espresso Group strategy - it still plays a very important role in terms of the reduction of environmental impacts. The Group also seeks to guarantee the responsible use of resources by reducing energy and water consumption and improving the management of atmospheric emissions.

### Paper management

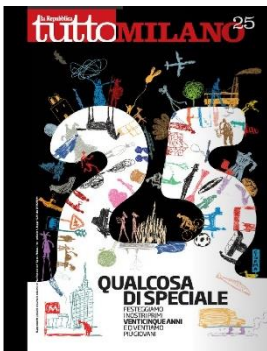
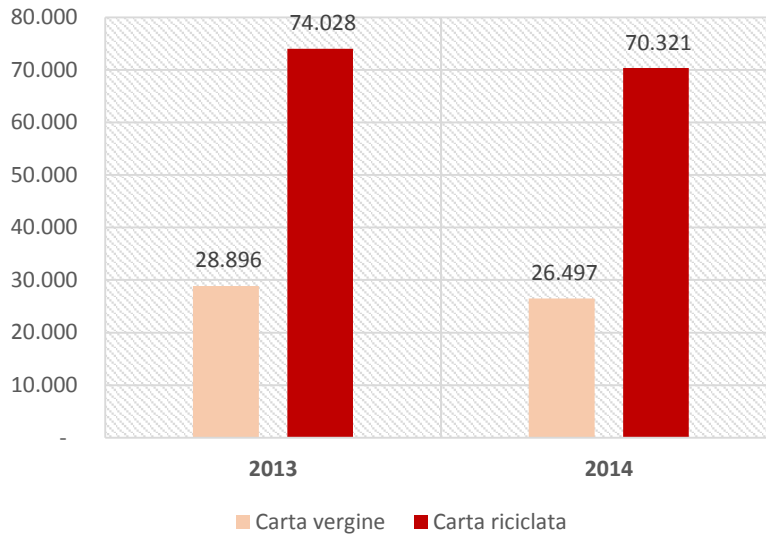


Paper production is carried out entirely by the paper mills. The finished product is then transferred to the graphic design company, which does the printing. Subsequently, the printed paper is transported to the warehouses, where it is stored before distribution. The return mechanism is also worth highlighting: after the newspaper/periodical is received by the reader, it may be collected and recycled, or it can be disposed of with unseparated waste. Paper pulp deriving from separated paper waste collection is sent to the paper mill for recycling.

Paper is a material of primary importance in the Espresso Group's industrial activity, and it is also considered to be a sensitive element due to its environmental impact. In sourcing the different types of paper used to print its newspapers, periodicals and add-on products, the Group relies on leading international paper mills that are able to guarantee the strictest compliance with European environmental protection regulations. These are leading, internationally known companies in the sector which obtain raw materials from forests with international environmental protection certifications. All paper suppliers make use, although to differing extents, of DIP - or de-inked pulp - for the production primarily of newsprint, improved newsprint and coated paper. For the production of higher quality papers - such as LWC, glossy paper and natural paper - our paper mill suppliers use non-chlorine cellulose from forests certified by European international bodies, such as FSC-PEFC. Production processes are certified by various national and international bodies to obtain sustainability labels.

In 2014, the Group consumed approximately 97,000 tonnes of paper (-5.9% compared to 2013). 73% of the paper used is recycled.

Virgin and recycled paper consumption (2013-2014, t)

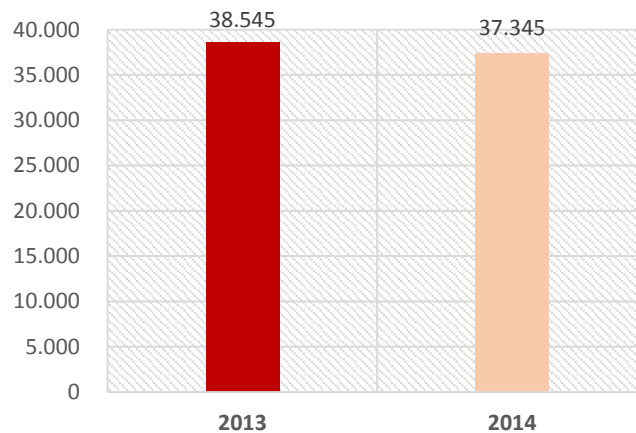


As regards the type of paper used, in addition to newsprint for the newspapers, lightweight coated and best calendered plus are also used for the periodicals (D-la Repubblica delle Donne, il Venerdì, L'Espresso, XL, etc.); TrovaRoma and TuttoMilano are printed on improved newsprint.

**Group energy consumption**

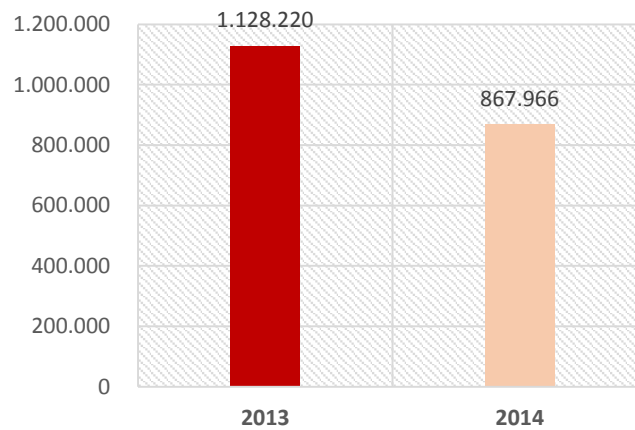
As regards energy consumption, the Group expresses its commitment through initiatives meant to limit consumption, with the ultimate goal of achieving higher eco-efficiency levels. The Espresso Group consumes electricity for various reasons, mainly for the lighting of administration and editorial offices, other local offices throughout the country and the warehouses, and to run radio repeaters and printing plants.

Electricity consumption (2013-2014, MWh)



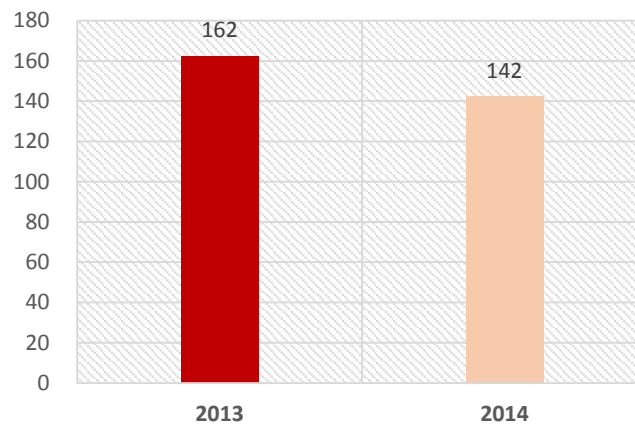
In 2014, the Espresso Group consumed just over 37 thousand MWh drawn from the national grid, down with respect to 2013 by 3.1%. This result was achieved partially thanks to the implementation of significant energy efficiency improvement initiatives.

Natural gas consumption (2013-2014, m<sup>3</sup>)



As regards fossil fuels, in 2014 natural gas use fell by 23.1%. Natural gas is used mainly to heat the Group offices.

Diesel consumption (2013-2014, t)



Diesel consumption in 2014 came to slightly more than 140 tonnes (-12.3% compared to 2013).



**-3.1%**

electricity consumption



**-23.1%**

natural gas consumption



**-12.3%**

diesel consumption

In 2014, the Group conducted several initiatives to reduce energy consumption and therefore mitigate environmental impacts. The operational eco-efficiency actions adopted at the Rotocolor plant are described below:

**1 Solar thermal plant for LED rooms**

In 2014, a solar thermal plant was installed to manage part of the production process at the Rotocolor Plant. The water used to clean and wash newspaper printing matrices is heated with the use of solar panels instead of electricity. This initiative enabled Rotocolor to use **more than 50 thousand kWh less electricity than in 2013**. In addition, a natural gas plant has been installed as a back-up for when weather conditions are not ideal for the operation of the solar thermal plant.

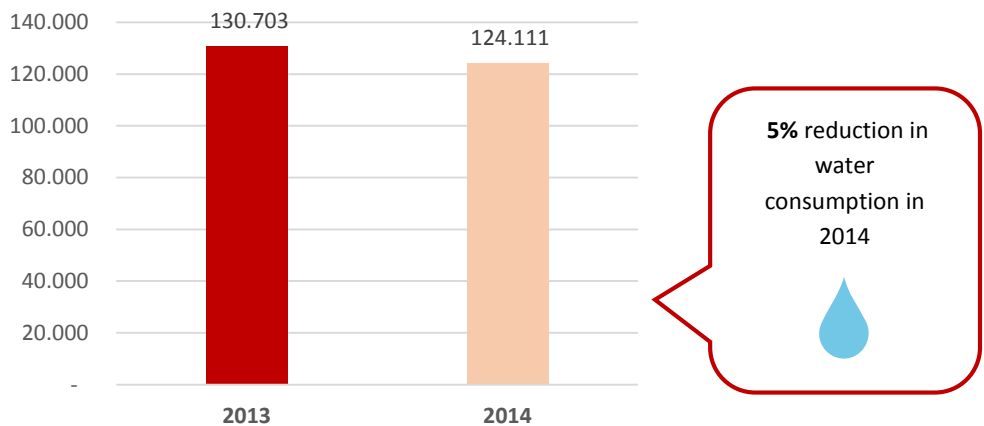
**2 Inverter compressor**  
 Also at the Rotocolor plant, an **inverter compressor** has been installed to reduce energy requirements while also guaranteeing the maintenance of the desired conditions. In 2014, more than **70 thousand kWh of electricity was saved** because of the inverter.

**3 LED lamps**  
 In addition, traditional lamps have been replaced with **LED lamps** in the LED room. Although this is an apparently minimal change, Rotocolor **saved 2398 kWh of electricity** compared to 2013 when it was using other types of lamps.

**Group water consumption**

The Espresso Group promotes responsible and aware water use. This resource is used primarily in employee WCs and to a lesser extent in the printing process at some plants. In 2014, water consumption was down to 124,111 m<sup>3</sup>, a drop of 5% compared to 2013. The Group uses water exclusively from the public water supply.

Water drawn from the public water supply (2013-2014, m<sup>3</sup>)

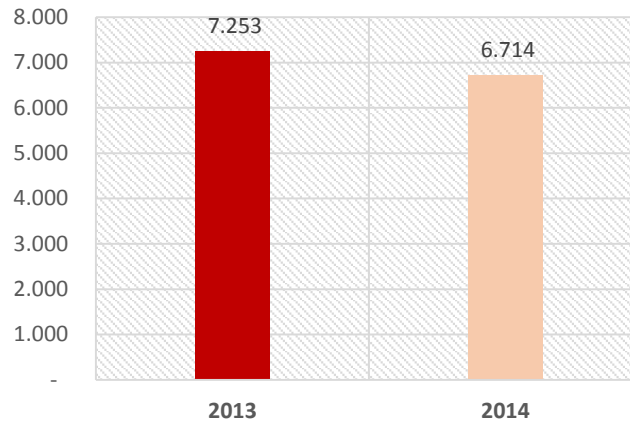


**Waste management**

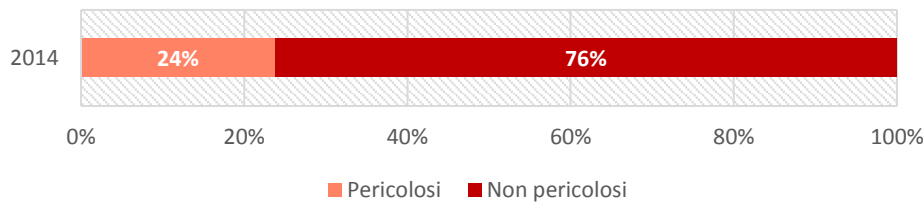
In line with its focus on environmental protection and the responsible use of resources, the Espresso Group also works to reduce waste from its core operations. The Group is committed to raising awareness amongst its employees with regard to proper waste disposal and management and the minimisation of waste. As a result of this commitment, waste produced decreased by 7.4% in 2014. 60% of waste is disposed of in the landfill, and the rest is recycled.

Hazardous waste constitutes 24% of all waste generated.

Waste generated (2013-2014, t)



Percentage of hazardous and non-hazardous waste (2014)



Lastly, in addition to the customary evaluation and compliance with applicable norms, the Company complied with all requirements connected with the **introduction of the SISTRI waste management system**.

## Greenhouse gas emissions and electromagnetic pollution

### Greenhouse gas emissions

To engender greater awareness of its environmental impacts, in 2014 the Espresso Group committed to calculating the greenhouse gas emissions associated with its activities. The environmental footprint assessment is taking on an increasingly important role for the Espresso Group, which began to measure the greenhouse gas emissions directly or indirectly associated with its core activities.

The **Carbon Footprint** represents the emission of climate-altering gases attributable to a product, an organisation or an individual. The Carbon Footprint is expressed in terms of tonnes of CO<sub>2</sub>e (CO<sub>2</sub> equivalent).



The Greenhouse Gas (GHG) Protocol, the most widespread emissions reporting standard, breaks emissions down into scopes:

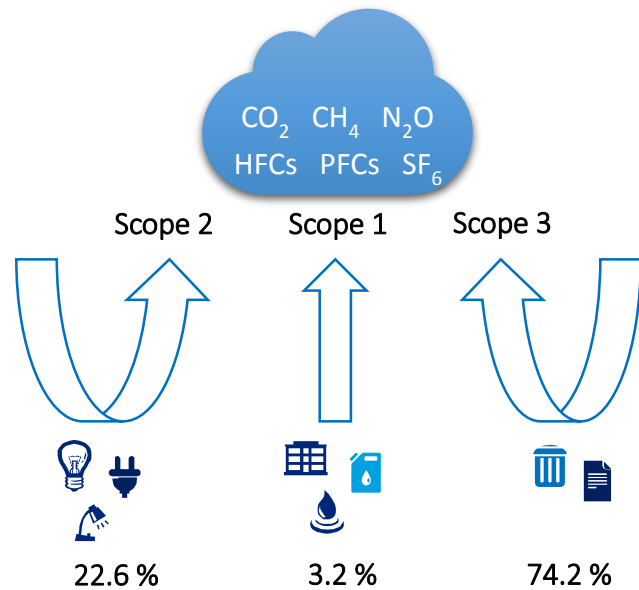
**Scope 1 Emissions** - Scope 1 emissions are those produced by sources owned or controlled by the organisation. For the Espresso Group, these include heating for the offices and

warehouses, primarily with natural gas and diesel.

**Scope 2 Emissions** - Scope 2 emissions derive from the purchase of electricity consumed by the organisation.

**Scope 3 Emissions** - Scope 3 emissions are those deriving from the organisation's primary activity but which are out of its control. In the specific case of the Espresso Group, these include emissions from paper and waste.

Greenhouse gas emissions		
tCO <sub>2</sub> e	2013	2014
Scope 1	2,719	2,147
Scope 2	15,495	15,013
Scope 3	52,734	49,332
<b>Total</b>	<b>70,949</b>	<b>66,492</b>



In 2014, the Espresso Group's total emissions amounted to 66,492 tonnes of CO<sub>2</sub> equivalent.

### Environmental impact of Radio activities

Elemedia SpA broadcasts FM radio on behalf of the Group's three broadcasters (Radio DeeJay, Radio Capital and m2o). The transmission takes place through roughly 900 frequencies broadcast by transmission sites where antennas on metal support frames are installed. These sites are located primarily in mountainous areas far from inhabited areas.

The Group does not decide on the placement of broadcasting plants or technical parameters, which are decided upon by the Ministry of Economic Development, which granted the concession.

The Group's radio antennas may be checked by ARPAs (Regional Environmental Protection Agencies), which supervise to ensure compliance with legal limits placed on electromagnetic fields (the limits imposed by Italian law are amongst the strictest in Europe). In any event, the emissions generated by the Elemedia plants are a direct result of management methods arising from the obligation to comply with the parameters established for the concession.

To maintain pollution levels systematically below limits, the Company conducts self-audits and allocates adequate resources expressly for this reason. The Group relies on a network of inspectors responsible for managing the plant network, who carry out periodic control and maintenance activities. The Group also uses several probes located throughout the country and placed in some strategic points in cities, which are used to monitor signal levels (remote control network).

No cases have been confirmed in which Elemedia received penalties for exceeding radiation protection limits, while it is common practice for Elemedia to undertake reduction procedures to ensure compliance.





Lastly, Elemedia participates along with other Italian radio broadcasters in a consortium (CLUB DAB Italia) for the promotion and development of Digital Audio Broadcasting, or DAB, digital frequencies, a digital radio broadcasting system, which is still being planned in many Italian regions by the Ministry of Development.

DAB has a number of advantages compared to analogue broadcasting: first and foremost, better signal quality, by reducing interference and disturbances deriving from the overlapping of programmes and the presence of obstacles in the signal broadcasting path; secondarily, this system helps to offer better service to users as it makes it possible to unite a series of supplementary information with the audio signal. In addition, the DAB system consumes much less energy than the analogue system, which also greatly lessens the electromagnetic pollution.

### **Environmental impacts of distribution and logistics**

The distribution of periodicals and newspapers has an extensive environmental impact, from global warming caused by the smog generated to noise pollution.

The Espresso Group is committed to reducing the environmental impacts of logistics activities by optimising distribution flows. Activities also continue to streamline fixed industrial costs - thanks to the reorganisation of the Group's production structure - as well as decrease distribution costs, based on transport optimisation initiatives.

## Methodology

The 2014 Sustainability Report has been prepared for the first time in compliance with the GRI - Global Reporting Initiative international guidelines (version G4, core option) and the Media Sector Disclosures. The adoption of the GRI guidelines for sustainability reporting demonstrates the Espresso Group's commitment to a complete and effective reporting process which increases the breadth and depth of the topics addressed.

The GRI G4 sustainability reporting guidelines require the Sustainability Report to contain information about aspects deemed material, i.e., which have significant impacts for the organisation from the economic, environmental and social perspective, and which substantially influence stakeholder assessments and decisions.

The process of gathering the data and information needed to prepare this Report was managed in collaboration with the various company departments, with the aim of developing a clear and precise outline of the information deemed significant for stakeholders in accordance with the themes of balance, comparability, accuracy, timeliness, clarity and reliability laid out in the GRI guidelines.

Unless specified otherwise, the data and information provided in this Report refer to the Espresso Group companies consolidated line-by-line in the Annual Financial Report at December 31, 2014. Data referring to previous years are provided for comparative purposes only, to make it possible to assess trends in the Group's activities over time. In addition, any estimated quantitative information is referred to as such in the various chapters.

### Summary statement of group companies

#### Parent Company

Gruppo Editoriale L'Espresso SpA

All Music SpA  
A. Manzoni & C. SpA

#### Subsidiaries

Finegil Editoriale SpA  
S.E.T.A. SpA  
Elemedia SpA

Rotocolor SpA  
Somedia SpA  
Mo-Net Srl  
Rete A SpA

### Reconciliation of material topics for the Espresso Group with the G4 Aspects

Material Topic	G4 Aspect
<b>Economic performance</b>	<ul style="list-style-type: none"> <li>○ Economic performance (G4 Aspect)</li> </ul>
<b>Media industry and business model</b>	<ul style="list-style-type: none"> <li>○ Content creation (G4 - Media Sector Disclosure Aspect)</li> <li>○ Audience interaction (G4 - Media Sector Disclosure Aspect)</li> <li>○ Media literacy (G4 - Media Sector Disclosure Aspect)</li> </ul>
<b>Business integrity</b>	<ul style="list-style-type: none"> <li>○ Anti-corruption (G4 Aspect)</li> <li>○ Compliance (G4 Aspect)</li> <li>○ Thematic product compliance (G4 Aspect)</li> </ul>

Material Topic	G4 Aspect
<b>Governance</b>	-
<b>Informing the citizen-reader and entertainment for the general public</b>	<ul style="list-style-type: none"> <li>○ Audience interaction (G4 - Media Sector Disclosure Aspect)</li> <li>○ Media literacy (G4 - Media Sector Disclosure Aspect)</li> <li>○ Cultural rights (G4 - Media Sector Disclosure Aspect)</li> </ul>
<b>Independence and editorial responsibility</b>	<ul style="list-style-type: none"> <li>○ Freedom of expression (G4 - Media Sector Disclosure Aspect)</li> </ul>
<b>Responsible advertising and marketing communication</b>	<ul style="list-style-type: none"> <li>○ Marketing communication (G4 Aspect)</li> </ul>
<b>Content quality</b>	<ul style="list-style-type: none"> <li>○ Content creation (G4 - Media Sector Disclosure Aspect)</li> <li>○ Intellectual property (G4 - Media Sector Disclosure Aspect)</li> </ul>
<b>Privacy and data protection</b>	<ul style="list-style-type: none"> <li>○ Protection of privacy (G4 - Media Sector Disclosure Aspect)</li> <li>○ Customer privacy (G4 Aspect)</li> </ul>
<b>Events for participation in the community</b>	<ul style="list-style-type: none"> <li>○ Audience interaction (G4 - Media Sector Disclosure Aspect)</li> <li>○ Media literacy (G4 - Media Sector Disclosure Aspect)</li> <li>○ Local communities (G4 Aspect)</li> </ul>
<b>Work conditions and practices</b>	<ul style="list-style-type: none"> <li>○ Employment (G4 Aspect)</li> <li>○ Labour/management relations (G4 Aspect)</li> </ul>
<b>Worker health and safety</b>	<ul style="list-style-type: none"> <li>○ Occupational health and safety (G4 Aspect)</li> </ul>
<b>Diversity and equal opportunity</b>	<ul style="list-style-type: none"> <li>○ Diversity and equal opportunity (G4 Aspect)</li> <li>○ Equal remuneration for men and women (G4 Aspect)</li> </ul>
<b>Enhancement and development of skills</b>	<ul style="list-style-type: none"> <li>○ Training and education (G4 Aspect)</li> </ul>
<b>Process efficiency and paper management</b>	<ul style="list-style-type: none"> <li>○ Energy (G4 Aspect)</li> <li>○ Materials (G4 Aspect)</li> <li>○ Water (G4 Aspect)</li> <li>○ Products and services (G4 Aspect)</li> <li>○ Supplier environmental assessment (G4 Aspect)</li> </ul>
<b>Distribution and logistics</b>	<ul style="list-style-type: none"> <li>○ Transport (G4 Aspect)</li> </ul>
<b>Emissions and environment</b>	<ul style="list-style-type: none"> <li>○ Emissions (G4 Aspect)</li> <li>○ Effluents and waste (G4 Aspect)</li> </ul>

## Attachments

### Human resources

Company population by employee category and gender						
no. people	2013			2014		
	Men	Women	Total	Men	Women	Total
Executives	60	16	76	54	14	68
Journalists	763	362	1,125	751	354	1,105
Office workers	516	429	945	503	422	925
Manual workers	201	51	252	165	47	212
<b>Total</b>	<b>1,540</b>	<b>858</b>	<b>2,404</b>	<b>1,473</b>	<b>837</b>	<b>2,310</b>

Company population by employee type (full time vs part time) and gender						
no. people	2013			2014		
	Men	Women	Total	Men	Women	Total
Full time	1,534	800	2,334	1,467	777	2,244
Part time	6	58	64	6	60	66
<b>Total</b>	<b>1,540</b>	<b>858</b>	<b>2,398</b>	<b>1,473</b>	<b>837</b>	<b>2,310</b>

Company population by contract type (limited vs unlimited term) and gender						
no. people	2013			2014		
	Men	Women	Total	Men	Women	Total
Limited term	22	15	37	34	10	44
Unlimited term	1,518	843	2,361	1,439	827	2,266
<b>Total</b>	<b>1,540</b>	<b>858</b>	<b>2,398</b>	<b>1,473</b>	<b>837</b>	<b>2,310</b>

Company population by employee category and age								
no. people	2013				2014			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Executives	0	45	31	76	0	43	25	68
Journalists	12	583	530	1,125	15	535	555	1,105
Office workers	11	696	238	945	8	655	262	925
Manual workers	1	192	59	252	1	162	49	212
<b>Total</b>	<b>24</b>	<b>1,516</b>	<b>858</b>	<b>2,398</b>	<b>24</b>	<b>1,395</b>	<b>891</b>	<b>2,310</b>

Incoming and outgoing turnover broken down by age and gender (2014)										
no. people	Incoming					Outgoing				
	<30	30-50	>50	Total	Turnover %	<30	30-50	>50	Total	Turnover %
Men	5	27	13	45	3.05%	2	36	80	118	8.00%
Women	1	7	3	11	1.31%	2	18	22	42	5.02%
<b>Total</b>	<b>6</b>	<b>34</b>	<b>16</b>	<b>56</b>	<b>2.42%</b>	<b>4</b>	<b>54</b>	<b>102</b>	<b>160</b>	<b>6.93%</b>

## Incoming and outgoing turnover broken down by age and gender (2013)

no. people	Incoming					Outgoing				
	<30	30-50	>50	Total	Turnover %	<30	30-50	>50	Total	Turnover %
Men	12	21	1	34	2.21%	3	30	77	110	7.14%
Women	4	11	0	15	1.75%	4	12	39	55	6.41%
<b>Total</b>	<b>16</b>	<b>32</b>	<b>1</b>	<b>49</b>	<b>2.04%</b>	<b>7</b>	<b>42</b>	<b>116</b>	<b>165</b>	<b>6.88%</b>

## Protected categories

no. people	2013			2014		
	Men	Women	Total	Men	Women	Total
Executives	n.a.	n.a.	n.a.	-	-	-
Journalists	n.a.	n.a.	n.a.	-	-	-
Office workers	n.a.	n.a.	n.a.	35	30	65
Manual workers	n.a.	n.a.	n.a.	13	3	16
<b>Total</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>48</b>	<b>33</b>	<b>81</b>

## Health and safety

## Health and safety indicators

	2013			2014		
	Men	Women	Total	Men	Women	Total
Injury severity index	36.58	30.32	34.58	24.51	13.38	20.94
Occupational disease index	-	-	-	-	-	-
Absenteeism rate	7%	5%	7%	9%	10%	9%
Injury rate	2.62	0.96	2.09	2.03	0.65	1.59

Injury severity index by 200,000 labour hours.

Injury rate by 200,000 labour hours.

## Injuries

no. injuries	2013			2014		
	Men	Women	Total	Men	Women	Total
Workplace injuries	21		21	11	1	12
Commuting injuries	8	5	13	9	2	11
<b>Total</b>	<b>29</b>	<b>5</b>	<b>34</b>	<b>20</b>	<b>3</b>	<b>23</b>

## Environment

## Paper used

t	2013		2014	
	Total	%	Total	%
Virgin paper	28,896	28.08%	26,497	27.37%
Recycled paper	74,028	71.92%	70,321	72.63%
<b>Total</b>	<b>102,924</b>		<b>96,818</b>	

## Energy consumption

	2013	2014
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	Unit of measurement	Total	Total GJ	Total	Total GJ
Electricity	<i>kWh</i>	38,545,290	138,763	37,345,220	134,443
Natural Gas	<i>m<sup>3</sup></i>	1,128,220	43,166	867,966	33,208
Diesel	<i>t</i>	162.46	6,434	142.41	5,639

Conversion factors

Electricity: 3.6 kWh/J

Natural gas: 26.137 m<sup>3</sup>/GJ

Diesel: 39.6 MJ/l

Water consumption			
	Unit of measurement	2013	2014
		Total	Total
Water drawn from the public water supply	<i>m<sup>3</sup></i>	130,703	124,111
<b>Total</b>	<i>m<sup>3</sup></i>	<b>130,703</b>	<b>124,111</b>

Waste			
	Unit of measurement	2013	2014
		Total	Total
Hazardous	<i>t</i>	1,026	1,598
Non-hazardous	<i>t</i>	6,227	5,116
<b>Total</b>	<i>t</i>	<b>7,253</b>	<b>6,714</b>

## Table of GRI indicators

The Espresso Group's 2014 Sustainability Report has been drafted on the basis of the GRI Global Reporting Initiative G4 guidelines using the in accordance - Core option. The table below specifies the Group's information based on the GRI G4 guidelines with reference to the Espresso Group materiality analysis.

Indicator		Chapter/Section	External assurance
<b>GENERAL STANDARD DISCLOSURE</b>			
<b>Strategy and analysis</b>			
G4 - 1	Statement from the most senior decision-maker of the organisation about the relevance of sustainability to the organisation and the organisation's strategy for addressing sustainability	Letter to Stakeholders	-
<b>Organisational profile</b>			
G4 - 3	Name of the organisation	Introduction	-
G4 - 4	Primary brands, products, and services	The main activities of the Espresso Group	-
G4 - 5	Headquarters	The main activities of the Espresso Group	-
G4 - 6	Countries where the organisation operates	The main activities of the Espresso Group	-
G4 - 7	Nature of ownership and legal form	The Governance Model	-
G4 - 8	Markets served	The main activities of the Espresso Group	-
G4 - 9	Scale of the organisation	Focus on Human Resources	-
G4 - 10	Workforce characteristics	Focus on Human Resources; Attachments	-
G4 - 11	Percentage of total employees covered by collective bargaining agreements	Focus on Human Resources; Attachments	-
G4 - 12	Description of the organisation's supply chain	Paper management	-
G4 - 13	Significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain	Methodology	-
G4 - 14	Application of the precautionary approach or principle	The Group's environmental impacts	-
G4 - 15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses	Independence and editorial responsibility	-
G4 - 16	Memberships of associations (such as industry associations) and national or international advocacy organisations in which the organisation holds a position on the governance body	Independence and editorial responsibility	-
<b>Material aspects and boundaries</b>			
G4 - 17	All entities included in the organisation's consolidated financial statements or equivalent documents	The main activities of the Espresso Group; The governance model	-
G4 - 18	Process for defining the report content	Materiality analysis	-
G4 - 19	Material aspects identified	Materiality analysis	-
G4 - 20	Material aspects within the organisation	Materiality analysis	-
G4 - 21	Material aspects outside the organisation	Materiality analysis	-
G4 - 22	Any restatements of information provided in previous reports	Methodology	-



Indicator		Chapter/Section	External assurance
G4 - 23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	Methodology	-
<b>Stakeholder engagement</b>			
G4 - 24	Stakeholder groups engaged by the organisation	The Group's commitment to sustainability	-
G4 - 25	The basis for identification and selection of stakeholders	The Group's commitment to sustainability	-
G4 - 26	The organisation's approach to stakeholder engagement, including frequency of engagement by type	The Group's commitment to sustainability	-
G4 - 27	Key topics and concerns that have been raised through stakeholder engagement	The Group's commitment to sustainability	-
<b>Report Profile</b>			
G4 - 28	Reporting period for information provided	Methodology	-
G4 - 29	Date of most recent previous report	Methodology	-
G4 - 30	Reporting cycle	Methodology	-
G4 - 31	Contact point for questions regarding the report or its contents	Introduction	-
G4 - 32	GRI content index	Table of GRI indicators	-
G4 - 33	The organisation's policy and current practice with regard to seeking external assurance	Paper management	-
<b>Governance</b>			
G4 - 34	Governance structure of the organisation	The Governance Model	-
G4 - 38	Composition of the highest governance body and its committees	The Governance Model	-
G4 - 39	Report whether the Chair of the highest governance body is also an executive officer	The Governance Model	-
<b>Ethics and Integrity</b>			
G4 - 56	The organisation's values, principles, standards and norms of behaviour	Governance and integrity	-

Indicator		Chapter/Section	Omission	External assurance
<b>SPECIFIC STANDARD DISCLOSURE</b>				
<b>ECONOMIC</b>				
<b>Economic performance</b>				
G4 - DMA	How the organisation manages the material Aspect or its impacts	Espresso Group economic performance		-
G4 - EC1	Direct economic value generated and distributed	Economic Value of the Espresso Group		-
G4 - EC4	Financial assistance received from government	Independence and editorial responsibility		-
G4 - M1	Significant funding and other support received from non-governmental sources	Independence and editorial responsibility		-
<b>ENVIRONMENTAL</b>				
<b>Materials</b>				
G4 - DMA	How the organisation manages the material Aspect or its impacts	Paper management		-
G4 - EN1	Materials used by weight or volume	Paper management; Attachments		-

Indicator		Chapter/Section	Omission	External assurance
<b>Energy</b>				
G4 - DMA	How the organisation manages the material Aspect or its impacts	Group energy consumption		-
G4 - EN3	Energy consumption within the organisation	Group energy consumption; Attachments		-
G4 - EN6	Reduction of energy consumption	Group energy consumption		-
<b>Water</b>				
G4 - DMA	How the organisation manages the material Aspect or its impacts	Group water consumption		-
G4 - EN8	Water withdrawn by source	Group water consumption; Attachments		-
<b>Emissions</b>				
G4 - DMA	How the organisation manages the material Aspect or its impacts	Greenhouse gas emissions		-
G4 - EN15	Direct greenhouse gas (GHG) emissions (scope 1)	Greenhouse gas emissions		-
G4 - EN16	Energy indirect greenhouse gas (GHG) emissions (scope 2)	Greenhouse gas emissions		-
G4 - EN17	Other indirect greenhouse gas (GHG) emissions (scope 3)	Greenhouse gas emissions		-
<b>Effluents and waste</b>				
G4 - DMA	How the organisation manages the material Aspect or its impacts	Waste management		-
G4 - EN23	Total weight of waste by type and disposal method	Waste management; Attachments		-
<b>Products and services</b>				
G4 - DMA	How the organisation manages the material Aspect or its impacts	Paper management		-
G4 - EN27	Extent of impact mitigation of environmental impacts of products and services	Paper management; Environmental impacts of distribution and logistics		-
<b>Transport</b>				
G4 - DMA	How the organisation manages the material Aspect or its impacts	Environmental impacts of distribution and logistics		-
G4 - EN30	Significant environmental impacts of transporting products and other goods and materials	Environmental impacts of distribution and logistics		-
<b>Supplier environmental assessment</b>				
G4 - DMA	How the organisation manages the material Aspect or its impacts	Paper management		-
G4 - EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	Paper management		-
<b>SOCIAL</b>				
<b>Sub-category: Labour practices and decent work</b>				
<b>Employment</b>				
G4 - DMA	How the organisation manages the material Aspect or its impacts	Work conditions and practices		-
G4 - LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	Work conditions and practices; Attachments		-
<b>Labour/Management Relations</b>				
G4 - DMA	How the organisation manages the material Aspect or its impacts	Work conditions and practices		-
G4 - LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	-	This information is not currently available; it will be	-

Indicator		Chapter/Section	Omission	External assurance
			provided in subsequent Sustainability Reports.	
<b>Occupational health and safety</b>				
G4 - DMA	How the organisation manages the material Aspect or its impacts	Worker health and safety		-
G4 - LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism and total number of work-related fatalities, by region and by gender	Worker health and safety; Attachments		-
<b>Training and education</b>				
G4 - DMA	How the organisation manages the material Aspect or its impacts	Enhancement and development of skills		-
G4 - LA9	Average hours of training per year per employee by gender, and by employee category	-	This information is not currently available; it will be provided in subsequent Sustainability Reports.	-
<b>Diversity and equal opportunity</b>				
G4 - DMA	How the organisation manages the material aspect or its impacts	Diversity and equal opportunity		-
G4 - LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group and other indicators of diversity	The governance model; Diversity and equal opportunity; Attachments		-
<b>Equal remuneration for men and women</b>				
G4 - DMA	How the organisation manages the material Aspect or its impacts	Diversity and equal opportunity		-
G4 - LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	Diversity and equal opportunity		-
<b>Sub-category: Human rights</b>				
<b>Freedom of expression</b>				
G4 - DMA	How the organisation manages the material Aspect or its impacts	Content quality		-
<b>Cultural rights</b>				
G4 - DMA	How the organisation manages the material Aspect or its impacts	Social role and participation in the community		-
<b>Intellectual property</b>				
G4 - DMA	How the organisation manages the material Aspect or its impacts	Content quality		-
<b>Protection of privacy</b>				
G4 - DMA	How the organisation manages the material Aspect or its impacts	Privacy and data protection		-
<b>Sub-category: Society</b>				
<b>Local communities</b>				
G4 - DMA	How the organisation manages the material Aspect or its impacts	Social role and participation in the community		-
G4 - SO1	Percentage of operations with implemented local community engagement, impact assessments and development programs	Social role and participation in the community		-

Indicator		Chapter/Section	Omission	External assurance
G4 - SO2	Operations with significant actual and potential negative impacts on local communities	Social role and participation in the community		-
<b>Anti-corruption</b>				
G4 - DMA	How the organisation manages the material Aspect or its impacts	Internal audit and risk management system		-
G4 - SO4	Percentage of employees that have received training on anti-corruption policies and procedures	Internal audit and risk management system		-
G4 - SO5	Communication and training on anti-corruption policies and procedures	Internal audit and risk management system		-
<b>Compliance</b>				
G4 - DMA	How the organisation manages the material Aspect or its impacts	Application of the 231 model		-
G4 - SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	-	This information is not currently available; it will be provided in subsequent Sustainability Reports.	-
<b>Sub-category: Product responsibility</b>				
<b>Marketing communication</b>				
G4 - DMA	How the organisation manages the material Aspect or its impacts	Responsible advertising and marketing		-
G4 - PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	-	This information is not currently available; it will be provided in subsequent Sustainability Reports.	-
<b>Customer privacy</b>				
G4 - DMA	How the organisation manages the material Aspect or its impacts	Privacy and data protection		-
G4 - PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Privacy and data protection		-
<b>Compliance</b>				
G4 - DMA	How the organisation manages the material Aspect or its impacts	Application of the 231 model		-
G4 - PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	-	This information is not currently available; it will be provided in subsequent Sustainability Reports.	-
<b>Content creation</b>				
G4 - DMA	How the organisation manages the material Aspect or its impacts	Informing the citizen-reader and responsibility to the general public		-
G4 - M2	Methodology for assessing and monitoring adherence to content creation values	Informing the citizen-reader and responsibility to the general public		-
G4 - M3	Actions taken to improve adherence to content creation values, and results obtained	Informing the citizen-reader and responsibility to the general public		-



Indicator		Chapter/Section	Omission	External assurance
<b>Audience interaction</b>				
G4 - DMA	How the organisation manages the material Aspect or its impacts	The digital evolution		-
G4 - M6	Methods to interact with audiences and results	The digital evolution; Social role and participation in the community		-
<b>Media literacy</b>				
G4 - DMA	How the organisation manages the material Aspect or its impacts	Social role and participation in the community		-
G4 - M7	Actions taken to empower audiences through media literacy skills development and results obtained	Social role and participation in the community		-