

# SUSTAINABILITY REPORT / 2019



G R O U P



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# Have a nice way



*Life is a chain of relationships.  
Nothing in the universe exists alone.  
Everything is interdependent.  
We believe that valuing relationships  
is the foundation of an enormous human revolution  
in search for peace,  
solidarity, and life in all of its manifestations.  
Continuously striving to improve  
develops individuals, organizations  
and society.  
Commitment to the truth is the route  
to perfecting the quality of relationships.  
The greater the diversity, the greater the  
Wealth and vitality of the whole system.*

*The search for beauty, which is  
the genuine aspiration of every human being,  
must be free of preconceived ideas  
and manipulation.*

*The company, a living organism, is  
a dynamic set of relationships. Its value  
and longevity are connected to its  
ability to contribute to the evolution  
of society.*



(Natura, Annual Report 2008, p.2)

### LETTER FROM THE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

Dear Shareholders,

My letter presenting the financial statements for 2019 comes during a period in which the Covid-19 pandemic has forcefully limited our freedom and slowed our activities. All of the Group's main processes are active, allowing us to reduce the negative impact of the pandemic and be ready to seize the opportunities that will necessarily arise once the contagion restrictions are slackened. The extraordinary growth experienced over the last ten years has not been the result of a fortunate sequence of circumstances but the realization of strategies that have increased our diversity, complexity and therefore minimized risks. A complexity that has led to the management of processes becoming more strenuous but, by offering our customers a basis of diversification with regard to geography, technology and commercial proposition, the Group's resilience has been amplified and has allowed us to consider long-term prospects.

The market and its players are increasingly characterized by dizzying changes and each new change appears to require its own toll. The time in which a company may leave the market is, in this context, has also become progressively shorter. Just because a company is large and has a history of success and good economic performance does not in itself mean that it is too big to fail.

We should face the market and govern companies with "infinite" vision and perspective. In infinite perspective, what really matters is to continue to be on the market, without the short-term view of who is winning or the best at any given time. Our companies are far too often focused on short-term objectives, the next quarter, the next balance sheet or the when the entrepreneur passes the hand, leading to lower growth and profitability in the long-term. As a matter of fact, incentives for management are also based on short term objectives, often determined a priori.

If we were to adopt an "infinite" view, we should think of our companies as being strong enough and solid enough to remain on the market for many generations. In my opinion, this approach also leads to better results in the short term.



Great leaders organize their companies to remain successfully on the market even after they have gone and, if they succeed in their intent, the benefits for the company and the shareholders are truly enormous. This approach primarily regards cultural sustainability, but also includes technological and the environmental sustainability. As Darwin once wrote, it is not the strongest of the species that survive, but the one more responsive to environmental change.



To be sustainable and overcome periods of crisis, such as the one we are in at the moment, companies should have long-term objectives that strengthen the sense of belonging perceived by collaborators so that they feel that their work serves a greater goal than mere remuneration for their efforts. Protect people and the environment in which they live and work, offering continuous training and ways of reconciling time spent at work with time spent in everyday personal affairs. By promoting activities compatible with the environment and within the circular and sustainable economy. Reward merit as the only way to guarantee gender equality and corporate diversity. Do not cultivate a welfare culture or as Professor Ricolfi wrote towards a parasite society, but reward the enterprise and those who get involved and find solutions even in times of crisis.

Many corporate leaders think that their job is to extract as much as possible from their employees. This is wrong. We must create a working environment that allows everyone to give their best and reach their natural limit. Generate profit is the necessary condition to enable the other two points. Use technology as the sole tool that allows you to reconcile growth and sustainability. Support businesses that take risks and leave their comfort zone to explore new territories. Furthermore, support those who get involved rather than constructing a parasitical company. Many more companies will go bankrupt but we must create the conditions for many more companies to arise and have fertile ground. Italy has not provided this fertile ground for far too long.

Today more than ever before we must reconcile daily action to make our companies able to overcome the contingent crisis while making the most of the moment to enact courageous decisions for the long-term future that will allow our company to look optimistically forward to the next few years and subsequent generations. As always, the cultural theme of training people is the key to determining the success of each and every initiative and project we put forward.

 *Success is not final,  
failure is not fatal:  
it is the courage to continue that counts.* 

Sir Winston Churchill

Venaria Reale, 5<sup>th</sup> May 2020

Massimo Getto

Vice President and Chief Financial Officer



## VISION, MISSION AND VALUES OF THE VIASAT GROUP

### VISION



We believe that technology can improve the life of people and that of companies.

We believe that data complexity can be governed by simplicity.

We believe that people's passion, talent and creativity are the first step towards innovation.

We believe that a dream is only a dream, until you decide to make it come true.

### MISSION



Looking towards a sustainable future, thanks to a technology that is able to transform data into knowledge, and helping our customers reach ever more challenging goals and targets.

1

#### Principle of positive attitude:

commitment to overcome obstacles with a positive attitude

2

#### Principle of learning:

commitment to develop new ideas and new products

3

#### Principle of doing

commitment to carry out development activities with innovative operating plans

4

#### Principle of teaching others to do:

commitment to transfer your knowledge and experience to other team members

5 and 6

#### Principle of truth and justice:

commitment to pursue and promote conduct that enhances the value of truth and justice

7

#### Principle of beauty:

commitment to develop products and services that are not only qualitatively useful but also original and beautiful





## SUSTAINABILITY FOR THE VIASAT GROUP IN BRIEF

### HIGHLIGHTS



Approximately Euro 64 million of value distributed to Stakeholders in 2019



About Euro 80 thousand distributed to support the local community in the 2017-2019 three-year period

Approximately 11,880 hours of training provided to employees in 2019



About 780 thousand vehicles and over 14 million people connected to each other



9% reduction in accident frequency rate between 2018 and 2019



Continuous monitoring of the environmental impact of Viasat Group's activities

Over 2,100 installation centres in the area where the Group operates



No cases of breach of privacy and loss of customer data



17.1% hiring rate in 2019



777 employees in 2019, of which 43% are women

17.1% turnover rate in 2019



97% of employees with permanent contracts in 2019



# Sustainability



### The path for the preparation of the 2019 Sustainability Report

This is the thirteenth edition of the Sustainability Report of the Viasat Group, conceived as an instrument to communicate the company's commitment to generate value while seeking sustainable balance (economic, social and environmental) and paying due attention to the expectations of all Stakeholders who intertwine their interests with those of the enterprise. In this sense, the Sustainability Report is the tool used by the Group to meet the need to report a responsible path that the company already undertook several decades ago. Our leading asset, i.e. managing data to obtain information and offer it to our clients in the form of Knowledge and Culture, will increasingly help reduce many negative, external impacts, such as pollution and car accidents, not to mention the victims and the injured resulting from them, which sadly make the headlines every year. Sustainability is a macro-trend that allows us to claim with certainty that the Viasat Group has a future-oriented business model that will grow considerably in the years to come.

Since 2018, the Group has decided to improve its reporting by illustrating its environmental, social and economic performance according to the GRI (Global Report Initiative) Sustainability Reporting Standards published in 2016. The application of these standards enables the development of a common language for communicating and reflecting on sustainable reporting and for generating common parameters for assessing, measuring and reporting both performance and impacts.

The Group firmly believes that it is essential to embrace a sustainable approach since this model is becoming a key critical success factor and development driver for companies. This is confirmed by the data processed by the European Commission which certify that sustainable companies have a profitability 10% above average.

Becoming more socially responsible is not only an advantage for corporate reputation, but also a means to reduce costs and risks. Increasing the drive for innovation and providing a new stimulus for the supply chain, products and business model embrace a long-term perspective that is rewarding.

The path embarked on for drawing up this Sustainability Report actively involved the different organisational areas working within the Group in their areas of expertise.

The starting point and the main phases for drawing up the document and defining the new structure were the identification and prioritisation of Viasat Group Stakeholders and the analysis of the material topics for the Group.

## Main Stakeholders

The Stakeholders, i.e. all those who have legitimate expectations as regards the Group or who can influence its operations, are bearers of multiple interests: economic, social, environmental, ethical. In other words, they contribute to the achievement of the mission of the Group and are able to affect, with their many spending, investment, collaboration, regulation and control decisions, the achievement of the company objectives and are also affected in turn by the choices and by the activities of the Group.

The relations held with people and organisations that are directly or indirectly involved in the Group's activities are of great value for the Company: the trust and collaboration of others are indeed essential to continuously improve and implement projects of common interest.

In order to adapt the contents of the Sustainability Report to the numerous expectations of all Stakeholders, in line with the past, the Viasat Group has updated the mapping of its stakeholders taking into account the Group's activity areas and the entire value chain.

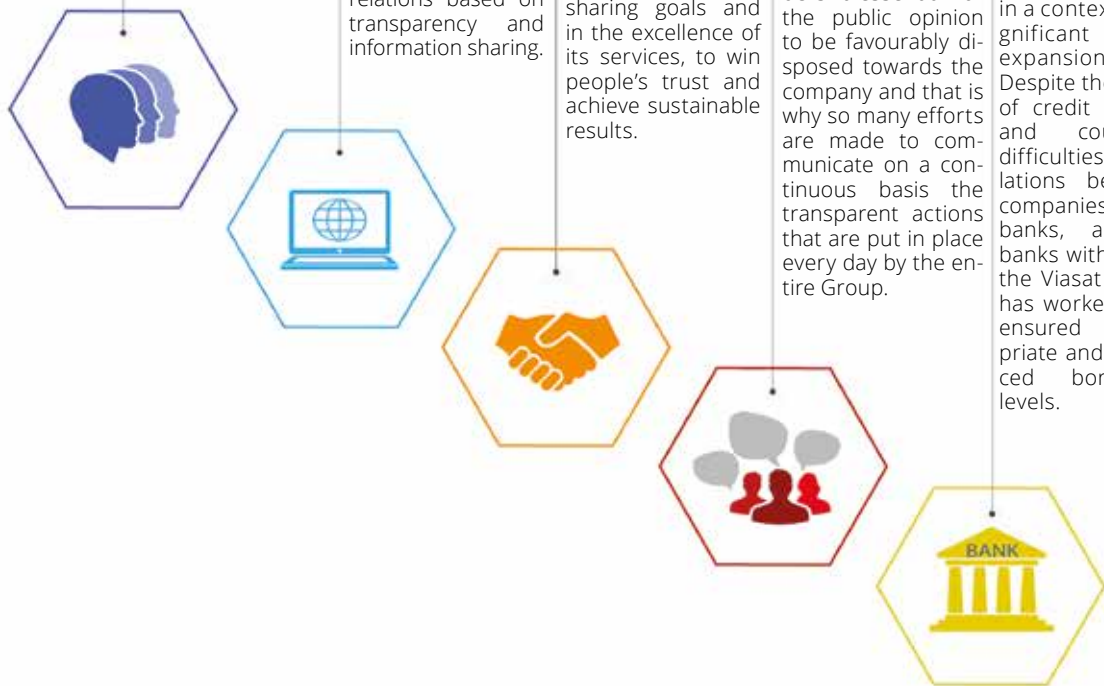
Mapping allowed us to identify around 30 Stakeholders which, following a workshop with various company functions, were classified according to criteria of:

- reliance on the Viasat Group;
- ability to influence company activities.

Subsequently, the identified Stakeholders were grouped into homogeneous categories and groups, based on their interests, expectations, needs and relationships held with the Group.

Bearing in mind that companies are not made up solely of values and numbers, but above all of efficient people and processes, the Viasat Group, in order to strengthen dialogue and trust with each Stakeholder class over time, is working on defining increasingly more structured and synergistic approaches and involvement, with different frequency depending on the categories involved, and based on the principles of honesty and transparency.

Our main groups of Stakeholders are illustrated in the following two pages.



**EMPLOYEES**

The Viasat Group recognises Human Capital as an essential and undeniable factor for business development, and considers it important to establish and maintain relations with its employees and collaborators based on mutual trust. Group collaborators have a strong attachment to their company and colleagues, as shown by the low level of turnover (chapter 3 "Attention to our people").

**SUPPLIERS**

All suppliers represent a growth opportunity for the Group, from providers of professional services to suppliers of strategic raw materials and semi-finished products, through to labour suppliers. They are not merely third parties for the Group, therefore, but real partners with whom to establish long-term relations based on transparency and information sharing.

**CUSTOMERS**

For the Viasat Group, the confidence placed by Customers is the primary competitive and differentiating element over competition. The principles of conduct that guide its behaviour are based on constant awareness and focus towards the quality of customer relations and their continuous improvement, an essential condition for the process of creation and distribution of value in the company. In fact, Customers are an integral part of the Group's company assets. In order to effectively meet the requirements of its customers, the Group has invested in team spirit, in the involvement of personnel, in sharing goals and in the excellence of its services, to win people's trust and achieve sustainable results.

**PUBLIC OPINION & MEDIA**

The Group has identified reputational risk as one of the most sensitive risks. However, this should not be interpreted in a purely economic sense, like any other potential source of decline in revenues. The ethical philosophy on which the Group is based, from employees to shareholders, considers it essential for the public opinion to be favourably disposed towards the company and that is why so many efforts are made to communicate on a continuous basis the transparent actions that are put in place every day by the entire Group.

**BANKS AND FINANCIAL COMMUNITY**

Banks are an essential part of business activities, especially in a context of significant Group expansion. Despite the years of credit crunch and countless difficulties in relations between companies and banks, all the banks with which the Viasat Group has worked have ensured appropriate and balanced borrowing levels.

## INSTITUTIONS AND P.A.

The Group considers its dealings with public institutions as highly important. The Group's viewpoint with regard to these issues is not to obtain economic advantages or short-term favours, but to share potential long-term collective advantages at institutional level. This approach is demonstrated by the efforts made to raise the awareness of institutions on critical issues such as logistics, transport and urban waste management, all supported by the adoption of satellite technology which is able to generate greater efficiency in these sectors.

## COMPETITORS

It may seem like a paradox, but even the relations held with competitors are not experienced by the Viasat Group as a simple market challenge, but rather as an opportunity. In order to develop the issues of awareness of institutions, as described in the previous paragraph, an association gathering Telematics Service Providers was set up, including the Group and its main competitors.

## TERRITORY AND LOCAL COMMUNITY

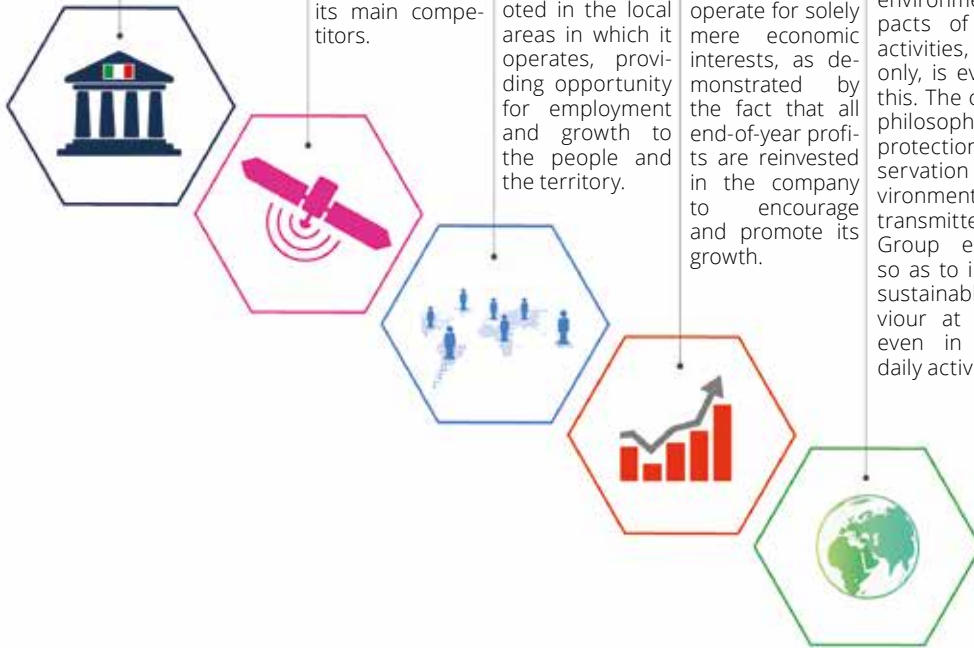
The Viasat Group operates internationally, but cannot fail to mention the attention paid to the territory and its local community. Since the beginning of its business activities, now more than forty years ago, the company has been strongly rooted in the local areas in which it operates, providing opportunity for employment and growth to the people and the territory.

## SHAREHOLDERS

The Viasat Group considers the relations it holds with its shareholders to be of key importance and is best expressed through their involvement in the company's operational activities. It should also be noted that shareholders do not operate for solely mere economic interests, as demonstrated by the fact that all end-of-year profits are reinvested in the company to encourage and promote its growth.

## ENVIRONMENT

As may be appreciated in this Report, the Group has always paid great attention to the environment. The decision to reduce, if it is not possible to eliminate, the environmental impacts of business activities, but not only, is evidence of this. The company's philosophy for the protection and preservation of the environment has been transmitted to all Group employees, so as to implement sustainable behaviour at all levels, even in recurring daily activities.



Understanding the expectations and needs of each subject who interacts with the Group, mediating the requests of each category through an ongoing process of listening and dialogue, is a prerequisite for a harmonious growth respectful of the requests of each Stakeholder. For the Viasat Group, being sustainable means working with foresight and equilibrium, avoiding excesses, short-term speculation and overly risky choices. In a world in which, until a few years ago, a venturesome behaviour was often rewarded, the Group has always operated by looking at the future and remaining at the same time firmly rooted in the past. Today, this behaviour has been rewarded by results above the average. The economic and financial crisis, but also, and perhaps above all, ethics in recent years, has finally revealed who, in the name of an extreme effort to create value at all costs, was willing to take drastic and unscrupulous short-term decisions, even at the cost of jeopardising the prosperity of future generations. In this scenario, being sustainable means having at heart all the Stakeholders who interact with the Group in various ways, striving to combine the daily activities of present-day life with a long-term vision.

Notions such as economics, technology and respect for the environment can no longer be regarded as opposing or separate issues, but as goals to be pursued together and capable of representing a sound driving force for the growth of our global community. Only then will we be able to create lasting value in the years to come and generate progress for all those taking part in the process, ensuring full respect for the local areas and future generations.

## Material topics

In order to define the key contents to be addressed in the Sustainability Report and, more generally, in the field of sustainability communication, it is paramount for a company to analyse its environmental, social and economic impacts. This allows so-called “material topics” to be identified, that is, those issues that can have a greater influence on the decisions and behaviour of the company and its stakeholders.

When drawing up this Sustainability Report, the company mapped the material topics in accordance with GRI Standard definitions.

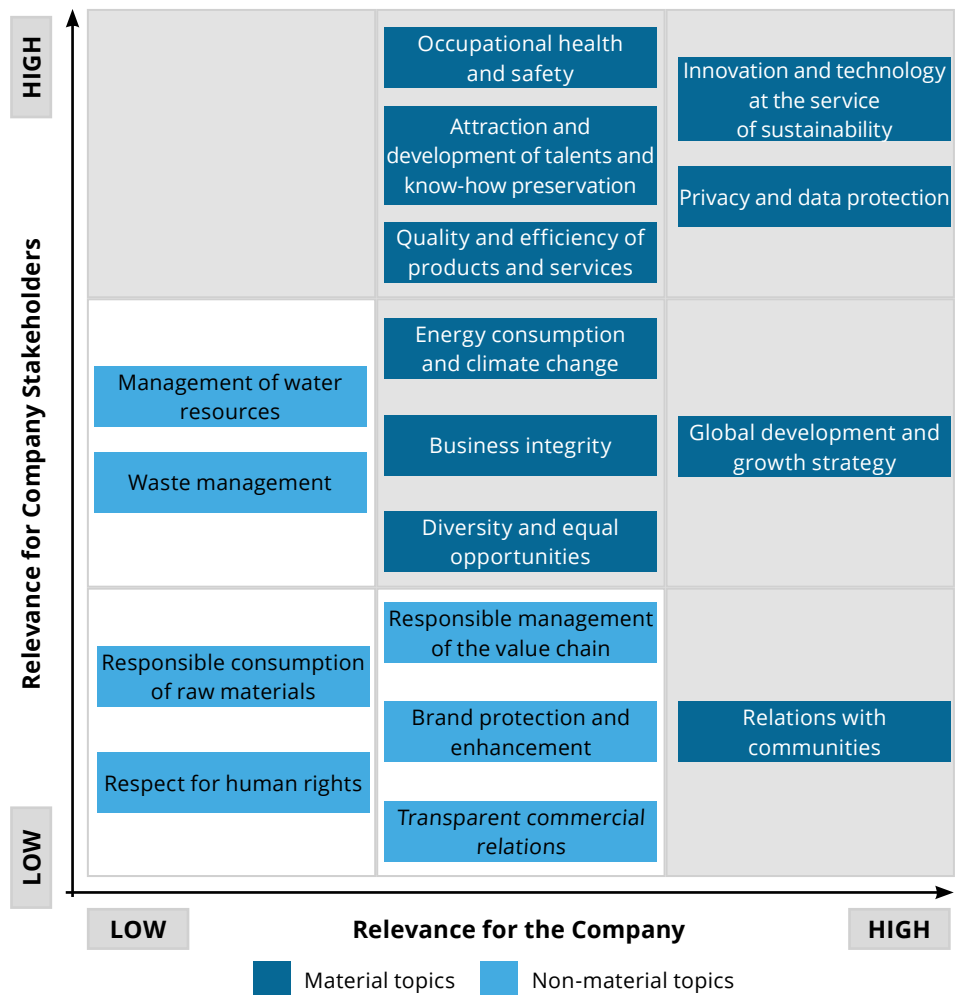
Starting from some preliminary context analyses (benchmark analyses and analysis of internal and external Stakeholders’ main expectations), a shortlist of 17 potentially relevant topics for the Group was identified. Subsequently, with the involvement of management, each of these topics was assigned a level of relevance based on Viasat Group’s business priorities and the interests of its Stakeholders.

The final result of this analysis was the following materiality matrix, which includes 10 material topics for the Group:

- Energy consumption and climate change
- Attraction and development of talents and know-how preservation

- Innovation and technology at the service of sustainability
- Business integrity
- Privacy and data protection
- Diversity and equal opportunities
- Quality and efficiency of products and services
- Relations with communities
- Global development and growth strategy
- Occupational health and safety

### MATERIALITY MATRIX FOR THE VIASAT GROUP



# Environmental sustainability





# 1. QUALITY, FLEXIBILITY AND INNOVATION: VIASAT GROUP'S WAY OF "DOING BUSINESS"

## 1.1 Viasat Group and its history

The Group, which has been in business since 1974 (date of establishment of Elem S.p.A., now VEM Solution S.p.A.), began as a specialised operator in the production of high-tech electronic systems applied in particular to the automotive sectors. The choice made in the early 2000s to diversify activities into the segment of satellite telematics, a field relatively unexplored up to that time, proved to be a winning one. Thanks to its ability to respond effectively to the changing needs of the market, the Viasat Group has been able to establish itself over time as one of the leading operators in Italy and Europe<sup>1</sup> in the provision of services and solutions for satellite info-telematics and IoT for the security and protection of people, vehicles and goods.

The Group monitors all the stages of the value chain: from research, design and development through to production and marketing of the devices and the services provided through them, which allow strong vertical integration, with resulting cost efficiency, quality control of the product and service, as well as timely reaction to market requirements. This enables the Group to change its strategies and operations as the context changes and to be suitably reactive in relation to the transformation that has taken place and that will occur.

Specifically, Group operations are divided into four SBUs (Strategic Business Units):





- **Fleet:** technological solutions and services for satellite location, security and protection of vehicles, goods and drivers. These systems are particularly aimed at companies operating in the fields of transport and logistics, construction, assistance and maintenance, and urban hygiene, as well as public bodies and administrations, with a view to optimising their fleet management operational and administrative processes;
- **Insurtech:** technological solutions and services, dedicated to insurance companies and fintech<sup>2</sup> companies for receiving and analysing information on insured persons. Viasat Group's technology, included in a telematics policy, offers countless advantages, such as identifying the position of a stolen vehicle or profiling an end customer in order to create customised policies based on the number of kilometres travelled or his/her driving style;
- **Smart Connect:** technological solutions and security, assistance and diagnostics services as well as, more in general, applications enabling the remote management of vehicles for the transport of persons (e.g. vehicles and bicycles), property (e.g. houses and industrial buildings), goods, people on the move (e.g. workforce management) and municipalities (e.g. local public transport and car parks) which, thanks to the ability to connect and exchange information, contribute to Smart City development. The goal of this SBU is indeed to achieve increasingly widespread

<sup>1</sup> By number of active devices, as indicated by (Source: Berg Insight "Insurance telematics in Europe and North America 2019" and "Fleet management in Europe 2019").

<sup>2</sup> Financial or leasing companies interested in combining their financial and insurance products with systems and technologies capable of offering value-added services to their customers.

ad connectivity levels to make daily life easier and manage it remotely, both in the public and private sectors;

- IoT Solutions:** research, design and development of hardware, firmware and software, production of high-end electronics, marketing of Big Data and provision of analytics services. The Group also designs, tests, certifies, produces and distributes satellite info-telematics devices, after analysing the various needs of sector operators (Telematics Service Providers). All of these services and systems are designed both to meet the needs of the Group's other SBUs and to sell them to third parties, mainly in the automotive, industrial and aeronautical sectors.

	 <b>Fleet &amp; Waste Management</b>	 <b>Insurtech</b>	 <b>Smart Connect</b>	 <b>IoT Solutions</b>
<b>Customers</b>	Transport & Logistics Companies Municipal Port and Maritime Authorities	Insurance Companies Insurance Intermediaries Financial Services	Private Customers Retail Car, motorbike, bicycle Dealers Car Rental Companies Financial Leasing Companies P.A. & Telco	TSP (Telematics Service Providers) Infotraffic Provider EMS Automotive Sector Home Automation P.A. and Defence Industry
<b>Markets</b>	EMEA LATAM	Italy, Bulgaria, Romania	Italy, Belgium, Bulgaria, France, Poland, Spain, UK	Italy, Bulgaria, Poland, Spain
<b>Offer</b>	Fleet Management solutions and services for companies dealing with Goods Transport and Logistics	Solutions and Services for the Insurance market and Fintech	Assistance, Protection, Security and Infotech Solutions and Services for companies dealing with the mobility of people, Smart Cities, Smart Home & Home Automation	Research & Development, Engineering and Production of Hardware, Firmware & Software, Big Data Management, Analysis & Data Monetization
<b>Business</b>	Transport & Logistics Waste Management Building & Constructions Assistance & Maintenance	Insurance telematics for b2c customers (private) and b2b2c customers (insurance and fintech operators)	Mobility & Security Applications Home & Smart Care People on the move (wearables)	Electronics production Telematics & IoT Devices Web & mobile Platforms Big Data

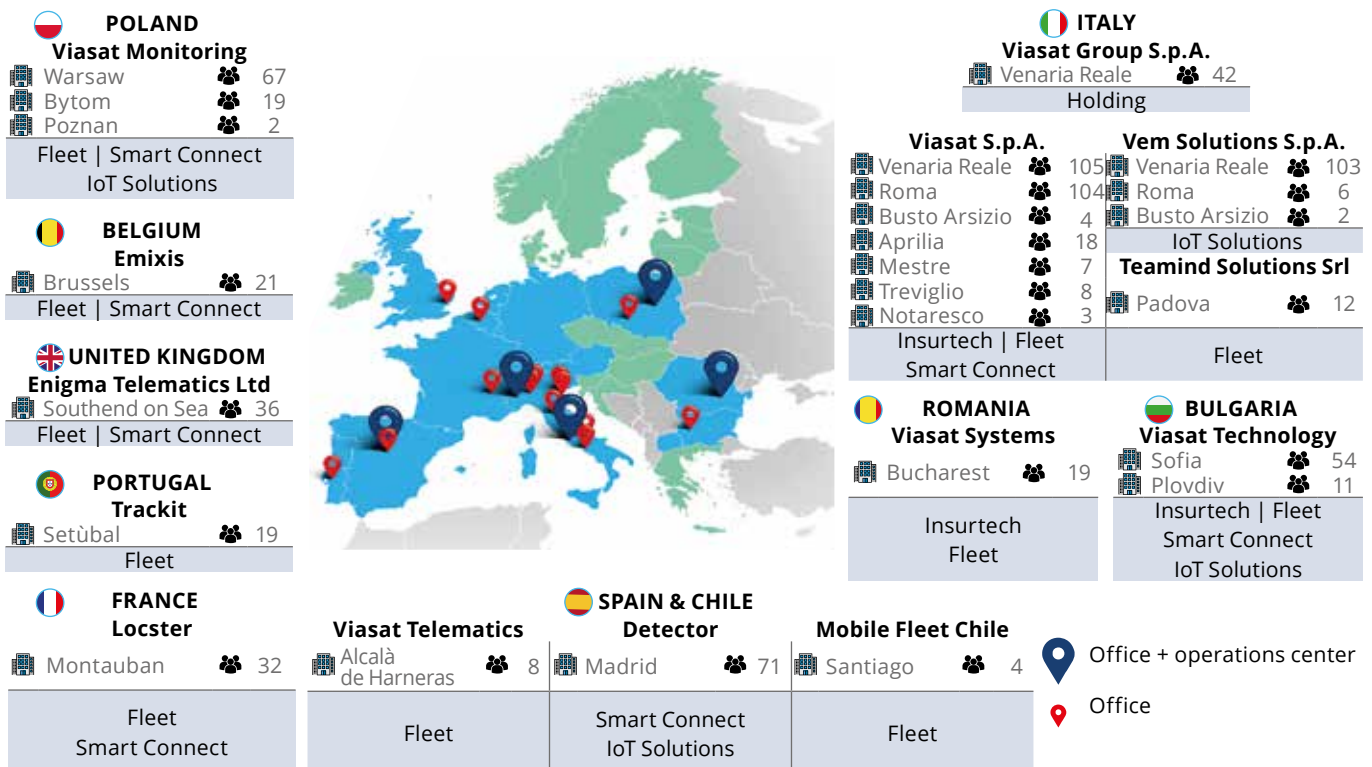
## 1.2 A “glocal” growth strategy

In recent years, the market of electronic products in Europe and worldwide has shown a trend - even more pronounced than in previous years - of concentration of the offer of services on a few subjects able to support their customers in at least a continental context. Market studies show a significant growth of all electronic applications related to road transport in its different applications. A market that is expanding and growing at such high rates is an important opportunity for the Viasat Group; however, the competitive context will be even more intense by the entry of new subjects in the market and therefore the ability to anticipate and meet customer requirements still has to grow.

In a competitive and challenging market, “growing” is a key, primary and ultimate strategic goal: growing to mitigate risks, to improve and diversify funding sources, and to attract the best talents.

For this purpose, over the years the Viasat Group has implemented an international expansion strategy thanks to which it has been able to reach new countries and strengthen its presence in the main continental markets by aggregating high-potential local communities. While maintaining its business centre in Italy, specifically in Venaria Reale (Turin) where it has its registered office, the Group has an international network, thanks to offices distributed in 11 different countries.

### LOCATIONS & RESOURCES



The logic based on which the Group started to expand in markets other than its home market is summarised in the concept “Think global, act local”. The aim is to converge global thinking, which takes into account the global dynamics of inter-relations between people, their cultures and their markets, with local action, which instead focuses on the historical specifics of the area in which operations will take place. This approach is able to generate value locally and to develop a business model oriented to end customer satisfaction and loyalty, through the provision of a targeted product that includes a wide range of after-sales assistance and maintenance services.

Different languages, different regulatory frameworks, the peculiarities of each local market may initially be a barrier, but with the right approach give value and representativeness to those who have already accomplished most of this path successfully. The facts speak for themselves: following its growth strategy, the company’s consolidated revenues<sup>3</sup> increased through time: just in the last few years, ever since the external growth path was undertaken, they rose from around Euro 38,330 thousand in 2014 to Euro 82,546 thousand in 2019.

The Group’s desire to grow certainly does not end here: our aim for the coming financial years is to obtain a strong increase in volumes, revenues and margins, also counting on growth for external products and moving towards technological development frontiers in order to place the Group among the leading players on a continental level.

### 1.3 The positive impact of Viasat Group solutions on people and companies

The main driving force that has allowed the Viasat Group to create value over time and better compete on the market by providing high quality products and services is innovation. In a constantly changing business environment, real competitive advantage stems above all from the ability to think outside the box, to foresee, design and quickly implement new solutions meeting customer requirements and, even better, to understand the needs and the points in common of non-customers, in order to expand its user base and win new market segments.

The Group’s ability to innovate has led to developing the following products and services, for instance:

- Cold chain: a service that monitors refrigerated transport remotely or requires that constant temperature be maintained along the journey. If the preconfigured threshold is exceeded, the on-board system sends an alert to the Customer’s web platform, which checks the nature and severity of the event and takes action to prevent the deterioration of the goods transported, according to the methods set out in its company procedures. In countries where there is a Group Operations Centre, an alarm monitoring and management service is also offered for the Customer, according to pre-established intervention protocols;
- Work Force Automation: a mobile application that makes it possible to plan and

<sup>3</sup> Revenues do not include “other income”



schedule the activities of employees, locate and communicate with on-field operational personnel in real time, measure the hours actually worked, confirm and certify the execution of planned activities, and produce and transfer reports with images and work orders signed by the customer;

- Services for profiling end customer behaviour in order to create customised policies based on the number of kilometres travelled (PAYD – Pay as you drive policies) or driving style, awarding better drivers (PHYD – Pay how you drive policies);
- Vehicle alarm and control services, such as: the remote horn activation service to prevent theft; the control service for optical or acoustic warning devices, in which the horn or car headlights are activated by the Operations Centre, even when the engine is switched off, for example, to help the police identify a stolen vehicle; and the geofencing service, which sends an SMS alert to the car owner in the event that the car has moved out of a pre-established area when used by a third party;
- Various types of electronic boards and products: automotive, for the electronic control of specific functions, such as automatic transmission or air conditioning in vehicles; industrial, for example, for the electronic control of mobile air conditioning systems and lift systems; aviation, where production, carried out by highly specialised and qualified personnel, focuses on boards for the aviation sector densely populated with a wide range of electronic components with high technological value and different welding options for every type of component.

Research is so important for the Company that there is an entity within the Group that deals primarily with the development of innovative, effective and cost-effective solutions. The company is Vem Solutions S.p.A., tasked with addressing the IoT (Internet of Things) market using a comprehensive and forward-looking approach. It combines research and technological development with manufacturing and the ability to create tools to transform the data available to the Group into useful information for improving customers' way of doing business.

The main goals of Vem Solutions engineers and technicians are:

- the development of new satellite apparatuses and products, based on the concept defined by the marketing department, leading to the technical specifications on both the hardware and software levels;
- the development of tools and software applications dedicated to the Operations Centres and able to guarantee an efficient and effective supply of services offered by the Group;
- the development of software tools and applications for special products dedicated to business customers for whom satellite apparatuses are at times even personalised;
- the simplification and rationalisation of the project, product and market flow con-

cerning both hardware and software, with the aim of optimising the creation of value for the Group companies;

- the promotion of continuous technological growth capable of projecting the Group towards the new challenges of IoT, Big Data and Fast Data.

The investments in research over the years have enabled the Viasat Group not only to constantly expand its offer, but also to offer its customers products and services that facilitate and support more sustainable economic practices or based on cooperation and development, especially in emerging areas.

In fact, in the field of telematics, data are not conceived as simple numbers, but are a new source of value for business, since setting up a virtuous circle that can create value for all the actors involved.

These solutions include, for example, waste management services for the management of solid waste: bins are provided with sensors that transmit data, such as their position and filling rate, which are then processed and turned into information about citizens' waste disposal habits. Based on the data collected, a predictive model is created that plans and optimises the journeys of the vehicles used by the company in charge of the service. It organises the routes and tracks rationally, saves time and reduces CO<sub>2</sub> and combustion gas emissions into the atmosphere. An aware and thorough use of these technologies is able to reduce the operating costs of municipal companies of up to 40%, which has an impact on the costs of collection and consequently leads to lower expenditure for citizens because they would no longer be taxed only on a property basis but using a mixed method (based on property and on the specific amounts disposed of), following the principle of "the more you pollute, the more you pay".

The Group has understood the paradigm shift from linear economy (I produce, use and then throw away what I have used) to a circular model (I produce, use and then reuse the output of the process as input for a new cycle). It has contributed to promoting the sustainable development of zero environmental impact businesses by offering the services described above and founding OPERATE, a foundation set up by a group of experts aimed at promoting circular economy and environmental sustainability goals.



Another area in which the Viasat Group makes its own contribution to society is road safety: thanks to the devices installed on the vehicles of people on the move, if an accident occurs, an automatic alarm can be sent to the authorities to ensure timely action by rescue services and to reduce the risk of death related to the event.

SoSPhone, for example, is a useful location and rescue service in the event of aggression or when in need for help: by pressing the panic button, located on the vehicle, on the customer's transponder or through the Viasat appS mobile application, a request for help is sent to the Viasat operations centre (even when far from the vehicle, if sent using the transponder and app). Specifically, if the button inside the vehicle is pressed or if the app is used, speaker-phone communication is activated that allows the Operations Centre to activate a silent-listening function inside the vehicle and speak with the customer. Otherwise, if contact is made through the transponder, the Operations Centre will telephone the end customer to determine if assistance is needed.

Another example of service provided by the Viasat Group, which leads to a positive impact on third-party security, is the Crash Alarm. Thanks to an integrated electronic system that measures speed, acceleration and deceleration of a vehicle, it is possible to determine if there has been a crash or if the vehicle has gone off the road; in the event of an accident, the satellite device automatically sends an alarm signal to the Operations Centre, which telephones the end customer to determine if assistance is needed.

Installed on any type of vehicle, the use of sensors capable of calculating acceleration and deceleration forces rather than spatial and temporal localisation, can also contribute to solving insurance fraud, which penalises transport companies and motorists with expensive policies.

These technologies, as well as many other Viasat Group services, can contribute to improving the safety of people and the efficient transport of goods, thus creating jobs for thousands of technicians in the technological sector (Industry 4.0) and in the field of related services (security, logistics, transport, etc.), as well as obtaining the social benefits already described, and optimising and improving the efficiency of logistics and transport companies, with a long-lasting and positive structural impact for the whole country. Increasing the efficiency and safety of the Transport System and of National Logistics, in fact, leads undoubtedly to an advantage for the entire community and not only for motorists and transport companies.

In the continuous search for increasingly better and innovative solutions and services, Viasat Group often works with external parties, such as start-ups, Universities<sup>4</sup> and laboratories in a synergic relationship aimed at improving the performance of its products over time and at gradually reducing the environmental and social impacts they generate on companies and end consumers.

We expect to see future scenarios that until recently were simply unimaginable, such as Smart Cities, where the mobility of people will become rapid, economical, eco-sustainable and shared, as well as more effective distribution chains, where the goods transported will be constantly monitored (location, temperature, humidity, pressure,

<sup>4</sup> The Company maintains regular cooperation with leading Italian universities, including the Turin and Milan Polytechnic, and the Management Faculty of Turin.

etc.). This will be a perfect habitat for Satellite Telematics which Viasat Group will try to be a part of in order to generate positive impacts on the community. It will promote a culture of innovation aimed at continuous technological growth capable of contributing, through its products and services, to the creation of shared social value, to the improvement of performance and to the minimisation of companies' and consumers' environmental impact.

## Trademarks

For the most part the trademarks are generated internally and are therefore not found in the financial statements. In consideration of their history, the investments made over the years, their development and power of attraction with customers, the Group trademarks have considerable value. In particular the Viasat trademark is widely recognised on the domestic market and is the synonym par excellence of satellite positioning and protection. The Group also owns various trademarks concerning products it markets both on behalf of the parent company Viasat Group S.p.A. and on behalf of the subsidiaries.



The trademarks reported are just a part of the total sum of the products the Group registered. Specifically, it was decided to list only those indicated in the table owing to the innovative nature that they have on the domestic and European market.

In addition to the trademarks shown, please note that the Group boasts the registration of a countless number of patents, all regarding innovative fields in the information technologies sector, specifically with reference to the transmission of satellite data. What is stated above attests to the Group's ability to offer itself to the market not only with products marked by a consolidated history, but also with innovations a step above the most recent technologies.

### 1.4 Quality and efficiency at the service of customers

Thanks to its wide range of products and services, the Viasat Group is able to reach and meet the needs of a large number of customers, which can be grouped into four main different categories, each corresponding to one of the Group's Business Units:

- **Fleet Customers:** this category includes all logistics carriers, i.e. fleet managers that need info-telematics technology to monitor the goods transported, as well as port and maritime authorities, and municipalities.

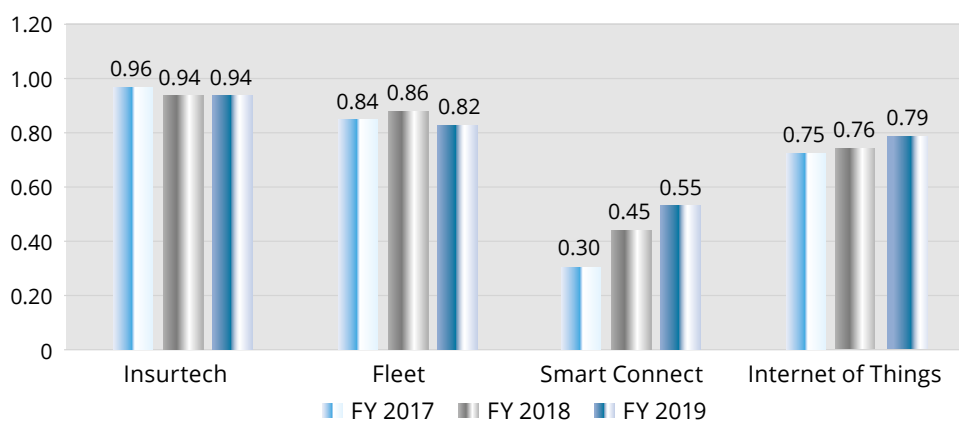


- **Insurtech Customers:** insurance companies and financial institutions to which specific services are provided for preventing insurance fraud, for analysing and reconstructing how accidents have happened to policyholders and for analysing driving styles that allow the profiling of the insured.
- **Smart Connect Customers:** this category includes natural persons who decide to subscribe to the services offered by the Group for private use, car rental companies and companies operating in the smart home and home automation sector. This category also includes dealers and licensees that, also thanks to incentive policies, purchase satellite apparatus from the Group to resell them to end customers.
- **IoT Customers:** these customers include all TSP-Telematics Service Provider market operators, Infotrafic providers, companies belonging to the automotive and home automation sector, public administrations and the defence department, to which both the hardware and software of the devices produced by the Group and Big Data Management & analytics services are addressed.

The concentration level of customers for every category has been calculated using the Gini coefficient, represented by a number between 0 and 1. Low coefficient values correspond to homogeneous distribution, with minimum value 0 indicating equal distribution, while higher values correspond to more concentrated distribution until maximum concentration is reached (value 1).

The high concentration that can be observed on the Insurtech Business Unit is due to the fact that direct customers for the Group include a rather small sample of insurance and financial institutions, and not individual users of the service offered by the installed device.

Business Unit	Gini coefficient		
	FY 2017	FY 2018	FY 2019
Insurtech	0.96	0.94	0.94
Fleet	0.84	0.86	0.82
Smart Connect	0.30	0.45	0.55
Internet of Things	0.75	0.76	0.79



Regardless of their type, the Viasat Group has always set itself the goal of offering its customers products and services with high quality and efficiency levels, with a view to meeting their needs and building lasting relationships with them over time.

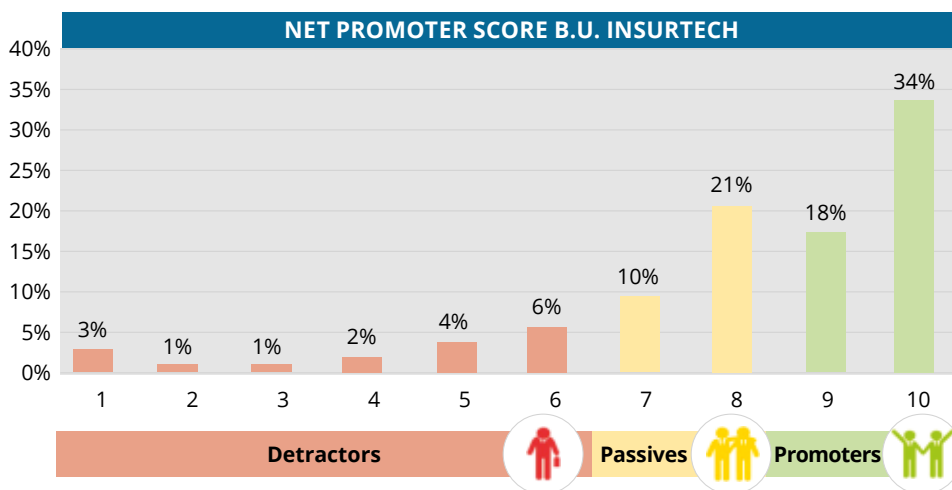
To get an objective and reliable substantiation of the perception of the quality of the service the Group companies offer, Viasat uses methods for checking and confirming customer satisfaction, for example NPS (Net Promoter Score), a management tool for analysing the Group's customer satisfaction. The Viasat Group submitted a questionnaire to around 6,000 Italian consumers relating to the Insurtech and Smart Connect BUs. The results achieved are reported below:

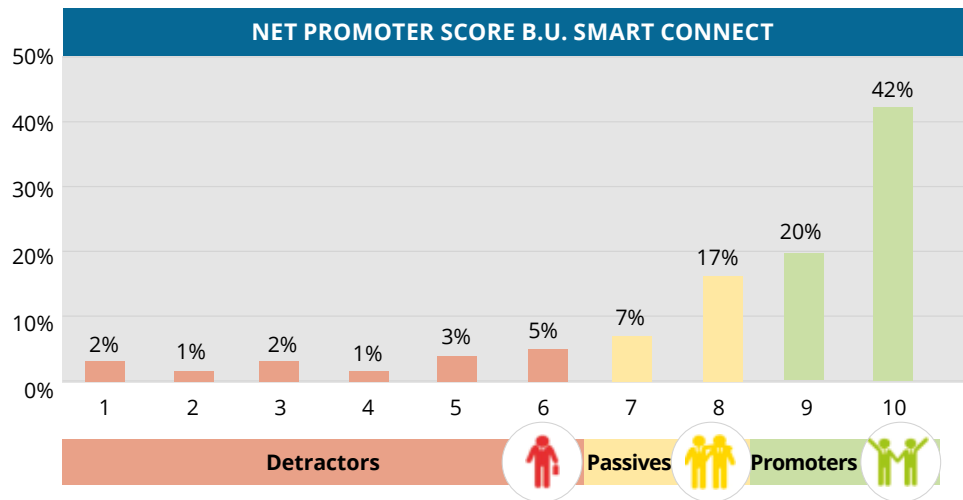
INSURTECH		
Score	Q.ty	%
1	130	3%
2	54	1%
3	69	1%
4	76	2%
5	208	4%
6	293	6%
7	484	10%
8	1,066	21%
9	869	18%
10	1,711	34%
<b>Total</b>	<b>4,960</b>	<b>100%</b>
Promoters	2,580	
Detractors	830	
NPS*	35%	

\*(No. Promoters - No. Detractors)/ Total No.

SMART CONNECT		
Score	Q.ty	%
1	22	2%
2	9	1%
3	15	2%
4	10	1%
5	26	3%
6	52	5%
7	69	7%
8	166	17%
9	203	20%
10	419	42%
<b>Total</b>	<b>991</b>	<b>100%</b>
Promoters	622	
Detractors	134	
NPS*	49%	

\*(No. Promoters - No. Detractors)/ Total No.

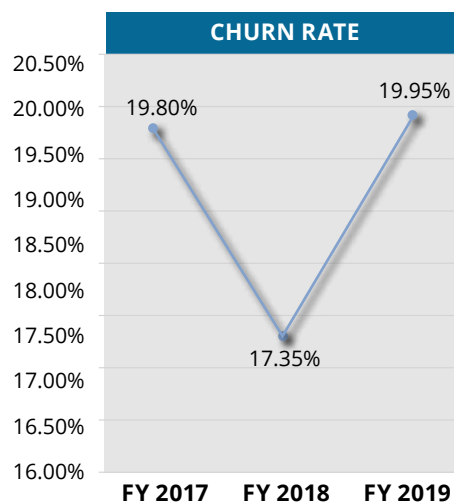




As shown by the graphs, the NPS of the sample of customers taken into consideration is 35% for the insurtech business unit customers and 49% for consumers: since these values are above 30%, both can be considered positive results.

With the aim of offering more dedicated and personalised services and consequently increasing the ability to retain customers, as well as the level of excellence of the after-sales service, the Group planned and subsequently invested in a Customer Relationship Management (CRM) system, that will guarantee complete traceability of all customer management phases and the ready arrangement of significant information.

Assessing satisfaction levels effectively and in a timely manner allows the Group to identify its strengths and find areas for improvement in which to invest in order to provide increasingly better services and acquire new customers without losing those already loyal. For this reason, among the reference indicators, the Group also monitors the so-called Churn Rate<sup>5</sup>, or leaving rate, which in the last year settled at a value of 19.95%, rising slightly compared to 17.35% in 2018 and in line with 19.80% in 2017.



<sup>5</sup> The Churn Rate, also called leaving rate or defection rate, expresses the percentage of customers who have abandoned a service in a given period of time compared to the total number of customers who have used it in the same period.

In order to guarantee utmost service quality and efficiency, the Group constantly maintains and monitors its IT system, hosted both within its own facilities and at external suppliers, in order to prevent or reduce the risk of incurring in any breakdowns, malfunctions and technical disruptions, including those resulting from extraordinary events, and interruptions to electricity and telecommunications services.

In addition, the satellite devices use GSM/GPRS technology to communicate with the Operations Centres and, therefore the Group's ability to provide satellite positioning, security and protection services also depends on the proper functioning of communications through this technology. Any system interruptions, malfunctions and lack of service in connecting with the GSM/GPRS network could have a negative impact on the quality of services offered. For this reason, Viasat Group has implemented auxiliary technologies with the aim of fully providing services even in the event of external problems, such as, for example, radio and software systems of the Operations Centres that redefine the geo-referencing of vehicles, even if mobile telephone coverage is not available.

In addition to service continuity and the effective management of unexpected events, the basic requirement for operating in this market is the provision of a widespread and timely network of assistance, protection and security services.

These services are rendered in Italy directly by the Viasat Group through its two Operations Centres located in Turin and Rome, with the assistance of around 150 24x7 operators, and an outsourcing centre with operators from a surveillance company. In addition, the centres owned by its subsidiaries in Romania (Bucharest), Poland (Warsaw), Spain (Madrid) and Bulgaria (Sofia) guarantee operational synergy and European coverage. Some services (such as, for example, towing and medical assistance) are provided throughout Italy and the rest of Europe, through companies having an arrangement.

Viasat Group can also count on an extensive network of Service Centres, a fleet of mobile repair shops and tow trucks and an affiliated circuit of repair and body shops consisting of 1,800 Viasat Assistance network installers, 100 of which holding an ISO9001 certified quality system, distributed throughout Italy, able to operate 7 days out of 7, 365 days a year also at the premises of customers and on all types of vehicles.

To make sure that everything works smoothly, the punctuality, precision and reliability of the ERP software must be maintained and checked, as well as all the hardware infrastructure that supports it, given that any malfunction may result in the inability of the Group to carry out administrative functions, making them inaccurate and unreliable.

More in general, the Group's investments over the most recent years have gradually increased, rising from Euro 32 million in 2017 to around 57 million in 2018, while they

fell to Euro 19 million in 2019 because no new companies were acquired during the year.

Furthermore, in 2019, the Group incurred marketing and communication expenses for around Euro 1.2 million (22% higher than 2018 and 48% higher than 2017), mainly oriented towards promoting products and services relating to security, protection and satellite location, and consolidating its presence on the market.

# Circular economy



## 2. THE VALUE OF OUR RELATIONS

### 2.1 The Group's ethical philosophy

In an emerging and highly competitive sector such as satellite info-telematics, it is paramount to maintain a high level of reputation by spreading a corporate culture focused on integrity. The conduct of people within the organisation, alongside the quality of their work, determines the trust that customers, suppliers and, more generally, all Stakeholders place in the Group.

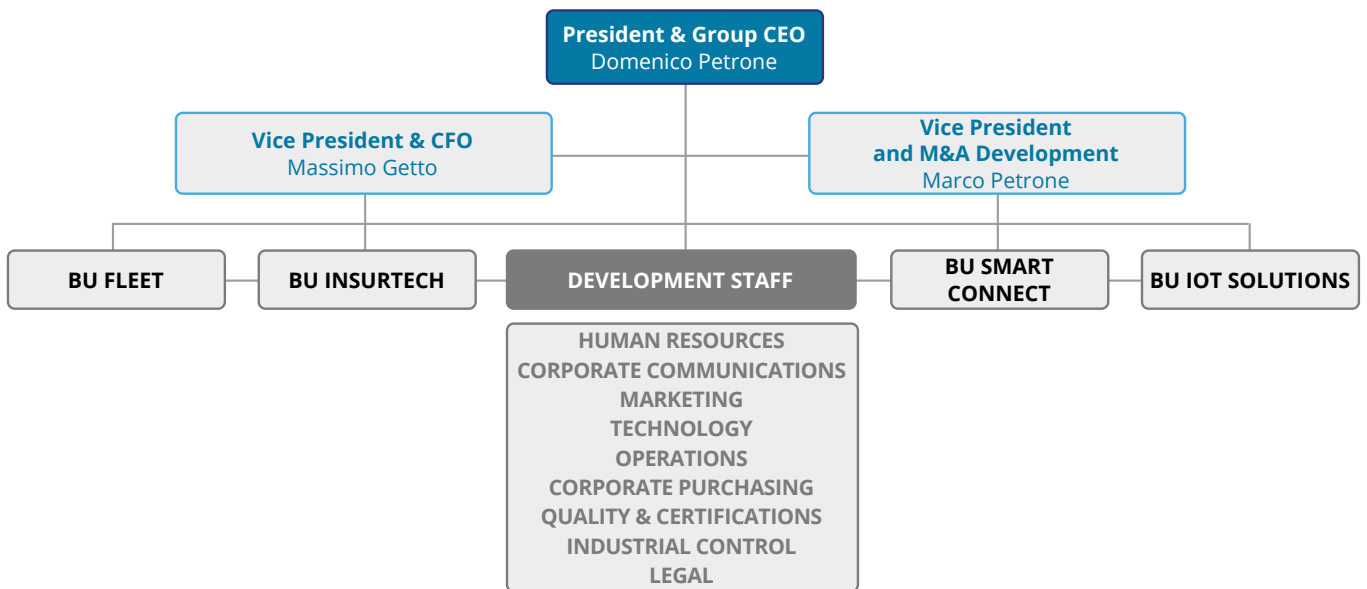
The company's Code of Ethics clearly expresses the basic principles that must be complied with and observed in performing all Group activities: complying with the law, avoiding conflicts of interest, achieving company objectives correctly, maintaining interpersonal relations based on fairness and respect, ensuring a safe and healthy working environment and combating corruption, rejecting it in any context and in any form.

In order to consolidate the implementation of these principles, the Viasat Group has started a process for the introduction of an Organisation and Control Model in compliance with Italian Leg. Decree 231/2001, which regulates the administrative liability of entities for certain offences committed in their interest or to their advantage, by persons holding top positions or persons subject to their management or supervision.

Although this process has not yet been completed, there have been no cases of corruption over the past three years within any of the Group's companies, nor has the Group been involved in legal actions for anti-competitive behaviour and monopoly practices or for the breach of antitrust laws.

For the purpose of complying with the company's Code of Ethics and maintaining business integrity, it is essential to have a solid corporate governance and an organisational structure capable of ensuring strong control over all the activities carried out by Group personnel.

For this reason, the Viasat Group has four strategic divisions called "business units" as well as a team of experts called "Development Staff" that supports the four business units, all reporting to the two Vice Presidents and to the President of the Group, as graphically shown in the following organisation chart.



All Company activities are directed and coordinated by the Board of Directors, which was appointed by the Shareholders' Meeting of 29 June 2019 - with a term of office of 3 financial years and specifically until the Shareholders' Meeting called to approve the 2021 financial statements.

At the end of the financial year relating to this Report, the Board of Directors was composed of 4 directors, 1 of whom was a woman.

In addition to the Board of Directors, the Viasat Group is also provided with a Board of Statutory Auditors, which pursuant to article 20 of the Articles of Association, is composed of three Effective Auditors and two Alternate Auditors appointed by the Ordinary Shareholders' Meeting held on 29 June 2019. All five of the appointed individuals are enrolled in the Auditors Register (Ministerial Decree of 12 March 1995 published in the Official Gazette No. 31 bis of 21 April 1995).

## 2.2 The value of “transparency”

The relationships that the Group has built over time form a point of excellence and a significant competitive edge. The constant involvement of all Stakeholders has allowed it to collect different suggestions and viewpoints, improve the decision-taking process and increase Stakeholders' awareness towards the business development project, also strengthening the Group's reputation, with the understanding that these elements are crucial for creating value over time.





In this regard, the Company transparently and objectively communicates its existing relationship with banks, which are one of the Group's main Stakeholders. Bank-company relations, therefore, are of great strategic importance, particularly with a view to reducing the information asymmetry between creditor and debtor. The benefits expected from a virtuous and transparent relationship with banks are numerous: from optimisation of the price conditions and greater availability of credit, to improved company reputation and invaluable technical support.

More specifically, also in 2019, the banking partners provided adequate consulting on collection and payment instruments, access to loans, and on new international cash management and cash pooling techniques. These techniques enabled group companies to achieve a significant reduction in transaction costs, cost for raising financial resources and an excellent cash-flow management.

As for the Finance Department, it has been committed to providing individual banking partners, through quarterly meetings, both reliable, accurate and timely financial-statement quantitative information (interim balance sheet, income statement, cash flow statement, net financial position) and economic and financial forecast information (business plan, budget, investment analysis) and, qualitative information (management quality, production and commercial strategies, corporate governance).

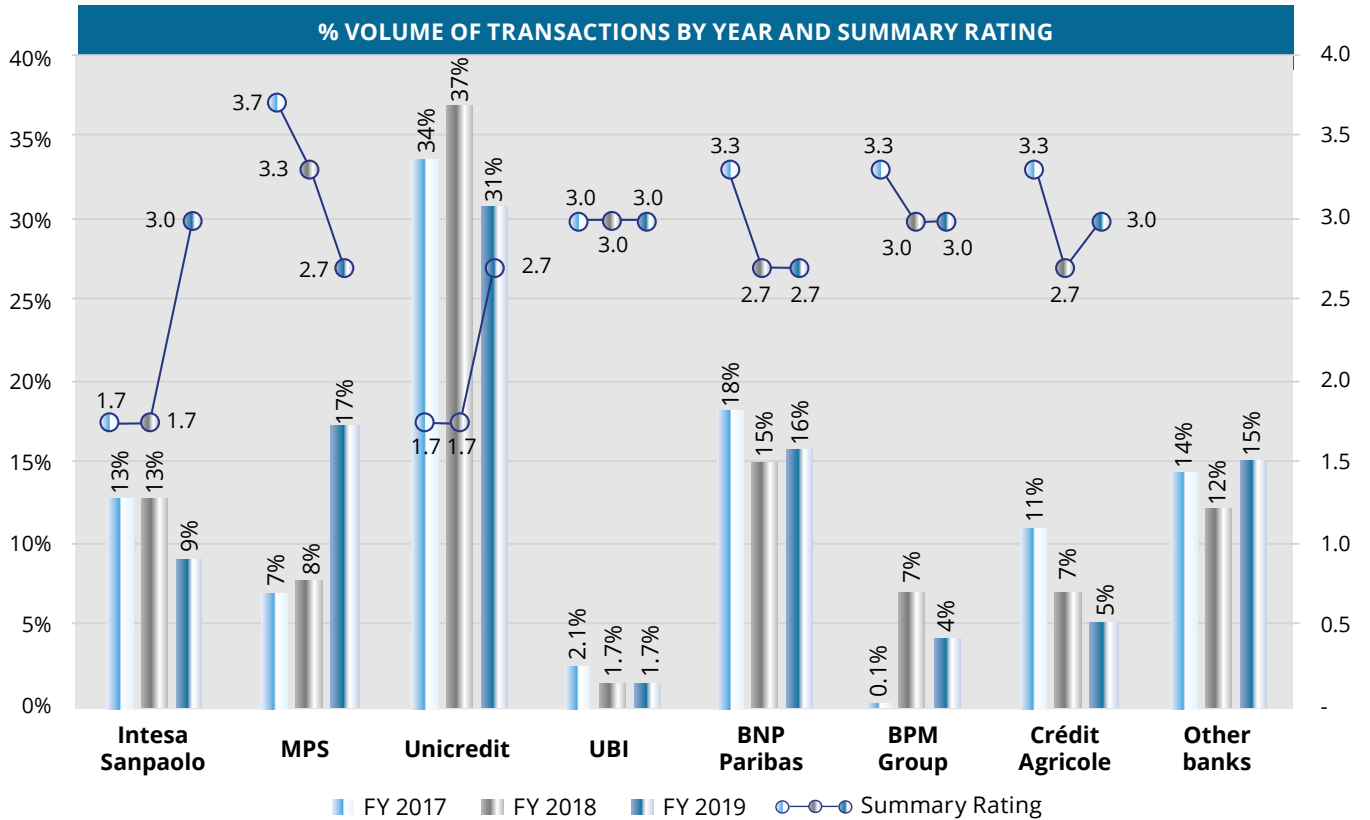
Again in order to provide objective and comprehensive information and with a view to full transparency, the Viasat Group intends to communicate and share the analyses<sup>6</sup> carried out by the Group's financial department to objectively assess the contribution that banks give to corporate growth, with the readers of the financial statements. These analyses determine the Group's decision whether to use or not the services offered by banks: more positive assessments are therefore associated with a higher volume of operations.

More specifically, the analysis criteria used for assessing banks are the following:

- **Expertise**, meaning both technical qualifications and the ability to understand the company and its processes. In particular, it should be noted that while with regard to the first aspect there are considerable peaks of excellence, as regards the second, there are often critical issues, because banking rating systems alone are not always able to perceive the particulars of specific situations.
- **Timeliness**, execution and response times in the current context have become one of the most important variables in determining the good outcome of a transaction. Over the last years, less performing services in this respect have led the company's Finance Department to reconsider its relationship with some of its partner banks.
- **Service Cost**, an aspect assessed by measuring the average costs applied by banks to main services (e.g. medium/long-term loan cost, cost of operating activities, remuneration of liquid funds).

<sup>6</sup> These analyses are fruit of the experience gained by the Group through collaboration with various partner banks, and express an opinion non-absolute in nature. Although different ratings are given, it is our intention to specify that the services offered by the banks are all considered high level, as is the professional competence they have demonstrated.

The final aggregation of the assessments carried out on the basis of these three criteria determines the final partner bank performance score (Summary Rating)<sup>7</sup>. The following graph shows the Summary Rating calculated over the three-year period 2017-2019 and the percentage values of the bank beneficiary for each bank over the same period: note that higher ratings (closer to 1) correspond to higher bank lines of credit.



Despite the Group's ongoing efforts in the field of financial reporting communication, in some cases, bank-company relations still feature distance between parties. However, an increasingly detailed knowledge of financial flows and the presence of trained personnel capable of comparing perspectives and interacting with major financial institutions, has enabled the Group to improve the view that banks have of it, with very high returns on investment, both in the short and, assumedly, in the medium-long term.

<sup>7</sup> The assessment scale used assigns a value between 1 and 5 to every bank, where 1 is equal to an excellent rating, 5 to a terrible assessment, and 3 is the threshold value between satisfactory and unsatisfactory assessments.



Again with a view to transparency, the Viasat Group is particularly careful to convey to its Stakeholders the importance of maintaining its integrity along its path of growth and expansion and in performing its business activities.

The Group complies with regulations in force for safeguarding the quality and safety of its products (e.g. Directives 2004/104/EC - 99/05/EC (R&T TE) - 95/56/EC - CEI 79-17 Lev. I) and adheres to voluntary standards, such as ISO 9001:2008 (Corporate and Multisite) and ISO TS 16949:2009 (Electronics Division and Elem Systems Division) standards regarding Quality Management Systems applied to production processes and to the supply of services certified by IMQ/CSQ – TUV. These certifications acknowledge the organisation's entrepreneurial ability to optimise its structure by providing efficient management, appropriate skills and suitable internal structures, and - following an independent audit - provide an assurance of reliability for customers, suppliers, employees and contract workers.

Finally, bearing in mind its desire to work in the field of military productions intended for the Italian Ministry of Defence, the Group fulfilled the strict legislative obligations to be able to obtain the PSC (Personnel Security Clearance) that will allow data and classified information to be managed (all in observance of Italian Prime Ministerial Decree dated 7 June 2005).

### 2.3 Privacy management and data protection

During its over 40 years of activity, seeking to deliver specific services that meet consumers' different needs, the Viasat Group has collected and stored in its company systems a huge amount of information about its customers and their habits, for example, by recording data through the black-boxes and sensors installed on vehicles and objects of various kinds. For this reason, privacy and data security are key issues for the Viasat Group; in order to maintain its credibility on the market, the Group must ensure its Stakeholders that it has set up powerful safeguards for managing and protecting customer and company information.

With regard to the information stored in its Data Centres, the impacts related to the management of customer data fall under the direct responsibility of the Group, as well as confidential information entrusted to the judicial authorities for performing any investigations or to third parties that handle part of the commercial and assistance processes and so need to perform work on them in full compliance with the law.

With this in mind, the Company implements all the technical and organisational mea-

asures required to carefully monitor privacy issues and the security of personal and IT data in the interest of customers and the Company itself. Among its primary goals are the ongoing alignment with current national and EU legislation (e.g. Regulation (EU) 2016/679 (GDPR), ISO27001) and the adoption of effective measures to prevent any unauthorised access, loss or damage to managed data, to limit damage and restore normal business operations as soon as possible in the event of any accident.

With regard to information security, all the offices of Group companies use a common network that is regulated by a Firewall system, to ensure only the necessary traffic to manage the information flows. This Firewall system, along with a series of proxy machines, protects and regulates the network from external access. In addition, the clients and servers of the technology structure are protected by a centralised, next-generation anti-virus programme, with virus updates performed hourly on the database. Data that is particularly sensitive and important is managed by individual users through direct access with company servers that are configured to automatically perform back-ups to CDs every hour for those files that are modified and daily back-ups on tape units. Lastly, the Group's company policy requires individual users to perform back-ups on company servers for all important data that resides exclusively on their PCs.

Again with the aim of strengthening the Group's control of privacy and security issues, for over 10 years the Group has established the following improvement actions:

- reduce the vulnerability of the IT system and improve the protection factors by activating new services rendered by external companies that, together with the internal structure of the Group, are able to provide a global and integrated consultancy of IT Security for the entire IT security cycle, from risk assessment to business continuity;
- transfer losses to third parties, related to cyber risks, through specific insurance coverage for any direct costs and expenses incurred by the Group for various reasons (expenses and fees of law firms, IT experts and data recovery services, communication, etc.), in case of attack to the Group's IT system and/or subsequent unauthorised violation of the system.

Lastly, as proof of the Group's commitment to the issues in question, it should be noted that during the three-year period in question there were no justified complaints regarding breaches of consumer privacy or loss of customer data.

## 2.4 Relations with the community and local areas in which the Viasat Group operates

The Viasat Group has always been committed to supporting projects and initiatives for the local communities in which it operates, as a good “corporate citizen”, striving to improve the future for all our Stakeholders and for future generations.

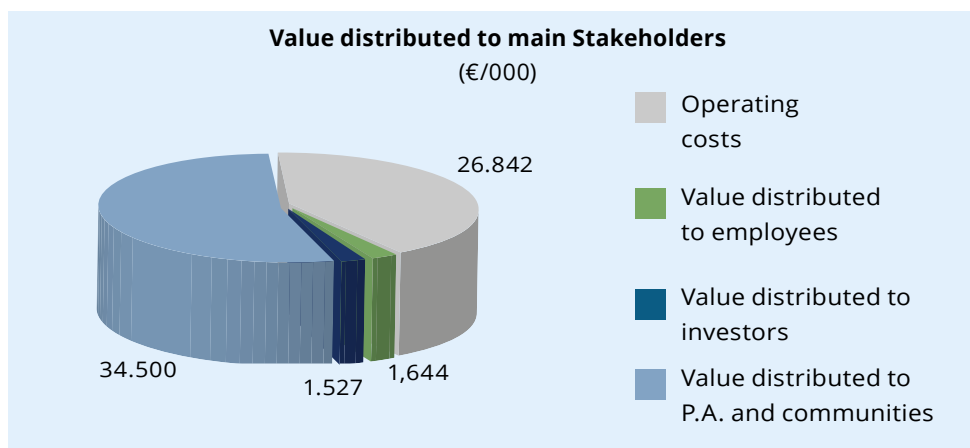
Among the initiatives and sponsorships to which the Group gave its contribution, which in the three-year period 2017-2019 totalled Euro 80,000, of note are the support given to cancer eradication research and to associations that support children’s and cancer hospital wards, the sponsorship of national sports activities and events, and fundraising for natural disasters.

The company is also involved in projects supported and funded by the European Union, such as the “STEVE Project”. The main aim of the project is the development of light electric vehicles and testing of new electromobility services. Testing is carried out on different sized cities in order to understand the needs of respective users and the best ways to promote electric mobility in different environments. In collaboration with the city of Turin, the Turin Polytechnic and other parties involved in the project, we are developing a new shared electric mobility service to allow the creation of a new sustainable mobility model.



Supporting and enhancing local communities is part of the Group's wider process to create value for Stakeholders<sup>8</sup>. Specifically, in 2019, around 30% of the roughly Euro 92.7 million generated was withheld, while about 70% was distributed to Viasat Group's main Stakeholders, excluding shareholders that chose to leave the profit in the company to finance its growth.

The following graph highlights the distribution of economic value among the various Stakeholders, amounting to around Euro 64.5 million:



In this regard, of note is the Group's commitment as a founding member of Operate Foundation, created in October 2019 and previously operating as a National Observatory on Waste Measurement and Pricing issues, in support of Bodies and Institutions. Among its main aims, the Foundation promotes circular economy and environmental sustainability goals. Consisting of a group of experts and professionals specialised in different fields (Legal/Legislative, Regulatory and Tax, Administrative, Economic/Financial, Technical Design, Technical Organisation, Information Technology, Pricing and Communication), it supports national and European institutions, authorities, local bodies and operators. Specifically, through research, study, training, information and sector-related communication, it seeks to disseminate the best results, good practices and technologies currently available and so promote sustainable waste cycle management and foster the transition to circular economy.

As part of the Urban Agenda for the EU Partnership on Circular Economy, an action linked to circular economy incentives was identified aimed at creating a Toolkit as a guideline for Pay As You Throw (PAYT) application in European cities.

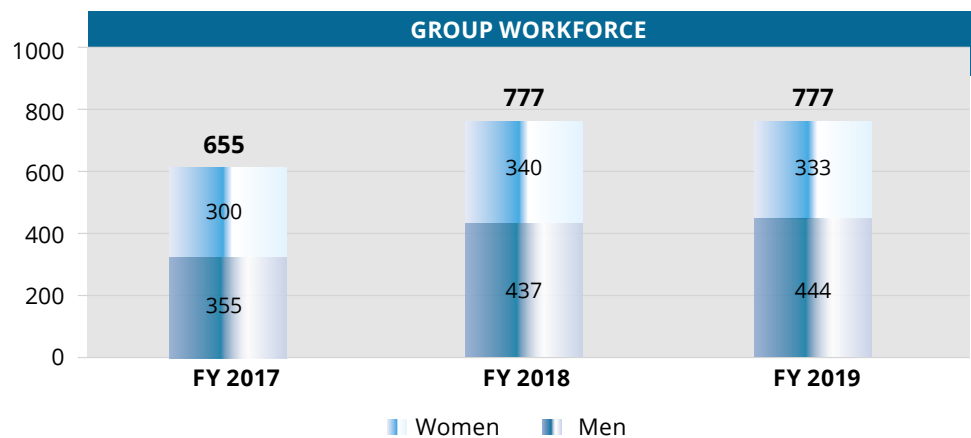
The Operate Foundation provided its experts for the implementation of the Toolkit, presented to the European Parliament on 9 October 2019, during the hearing organised by the municipality of Prato "*Strategie 2030 per città più circolari*" (2030 Strategies for increasingly circular cities). The Toolkit was also discussed in Bilbao with leading technicians and environmental experts in the world during the ISWA International Congress (7-9 October 2019).

<sup>8</sup> Calculation of the economic value generated and its distribution among Stakeholders was carried out according to the GRI Standards, starting with the values used for the Group's consolidated financial statements.

### 3. ATTENTION TO OUR PEOPLE

#### 3.1 The Viasat Group team: creativity, passion, talent and experience

Promoting the value of human capital is a key aspect in the Group's international growth strategy. Thanks to human resource management policies designed to retain and motivate its employees, Viasat has improved its position on the labour market, becoming more competitive and capable of attracting young talent. Over the three-year period, the company workforce indeed grew by 18.6%, rising from 655 employees in 2017 to 777 in 2019.



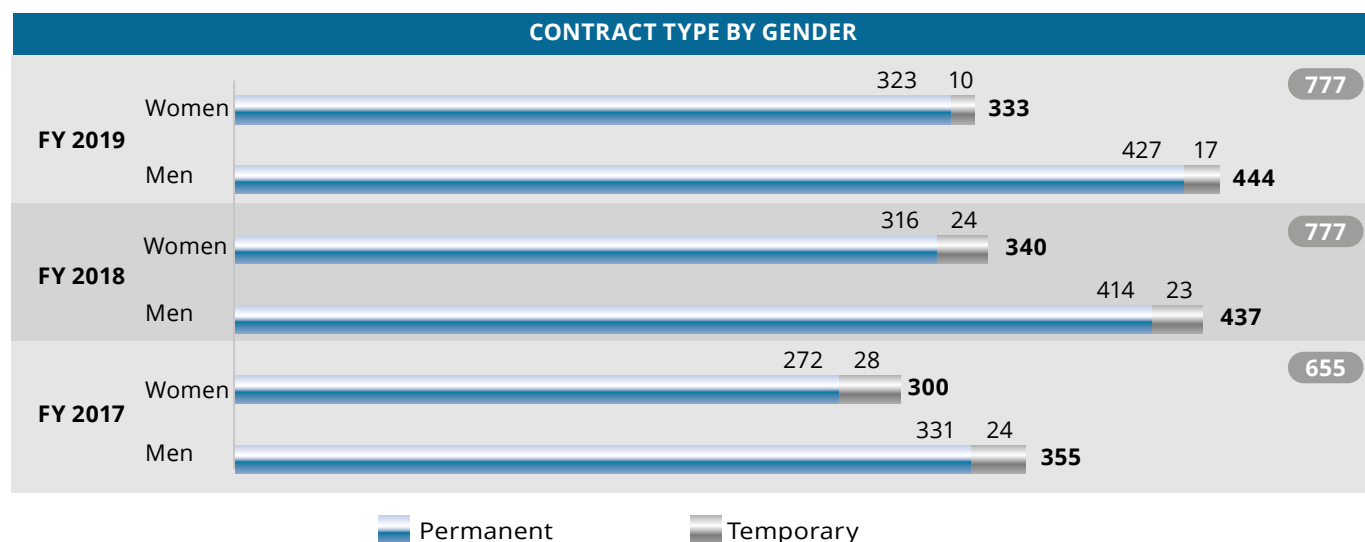
The following tables show, respectively, the Group's workforce for the three-year period 2017-2019, broken down by gender, age bracket and grade, and the number of employees by contract type and country.

Group Workforce by gender, age bracket and grade		FY 2017	FY 2018			FY 2019				
		TOTAL	Under 30 years	Between 30 and 50 years	Over 50 years	TOTAL	Under 30 years	Between 30 and 50 years	Over 50 years	TOTAL
EXECUTIVES	Men	31	-	53	15	68	-	49	19	68
	Women	16	-	16	3	19	-	11	4	15
	<b>TOTAL</b>	<b>47</b>	<b>-</b>	<b>69</b>	<b>18</b>	<b>87</b>	<b>-</b>	<b>60</b>	<b>23</b>	<b>83</b>
WHITE-COLLARS	Men	289	58	219	45	322	57	225	42	324
	Women	251	27	202	48	277	28	192	51	271
	<b>TOTAL</b>	<b>540</b>	<b>85</b>	<b>421</b>	<b>93</b>	<b>599</b>	<b>85</b>	<b>417</b>	<b>93</b>	<b>595</b>
BLUE-COLLARS	Men	35	7	32	8	47	6	38	8	52
	Women	33	1	27	16	44	1	29	17	47
	<b>TOTAL</b>	<b>68</b>	<b>8</b>	<b>59</b>	<b>24</b>	<b>91</b>	<b>7</b>	<b>67</b>	<b>25</b>	<b>99</b>
<b>TOTAL</b>	<b>655</b>	<b>93</b>	<b>549</b>	<b>135</b>	<b>777</b>	<b>92</b>	<b>544</b>	<b>141</b>	<b>777</b>	

Number of employees by contract type and country											Total Employees
	Italy	Poland	Spain	Bulgaria	England	France	Belgium	Portugal	Romania	Chile	
<b>FY 2019</b>											
Permanent	411	74	74	63	34	31	21	19	19	4	<b>750</b>
Temporary	3	14	5	2	2	1	-	-	-	-	<b>27</b>
<b>TOTAL 2019</b>	<b>414</b>	<b>88</b>	<b>79</b>	<b>65</b>	<b>36</b>	<b>32</b>	<b>21</b>	<b>19</b>	<b>19</b>	<b>4</b>	<b>777</b>
<b>FY 2018</b>											
Permanent	401	75	79	59	31	28	21	13	16	7	<b>730</b>
Temporary	21	14	-	2	4	1	-	5	-	-	<b>47</b>
<b>TOTAL 2018</b>	<b>422</b>	<b>89</b>	<b>79</b>	<b>61</b>	<b>35</b>	<b>29</b>	<b>21</b>	<b>18</b>	<b>16</b>	<b>7</b>	<b>777</b>
<b>FY 2017</b>											
Permanent	346	75	11	52	34	37	21	4	16	7	<b>603</b>
Temporary	30	15	-	1	2	1	2	-	1	-	<b>52</b>
<b>TOTAL 2017</b>	<b>376</b>	<b>90</b>	<b>11</b>	<b>53</b>	<b>36</b>	<b>38</b>	<b>23</b>	<b>4</b>	<b>17</b>	<b>7</b>	<b>655</b>

More specifically, it should be noted that as at 31 December 2019, almost all employees (about 97%) were on permanent contracts and around 10% of employees were on part-time contracts, 65 of which were women (8% of total Group employees) and 12 men (2% of total). This ratio was constant throughout the three-year period.

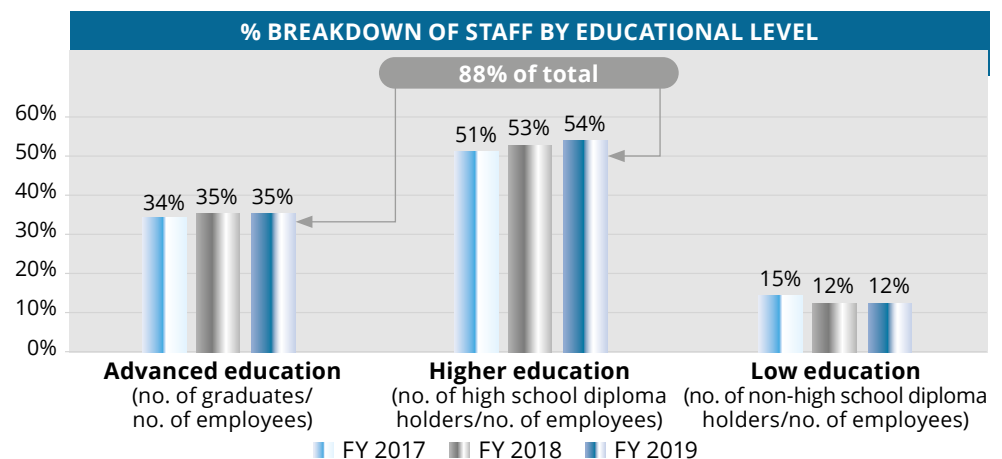
Collective labour agreements or equivalent agreements are applied to all employees. For countries where there is no collective labour agreement, the Company establishes contractual conditions directly with its employees, according to local best practices.





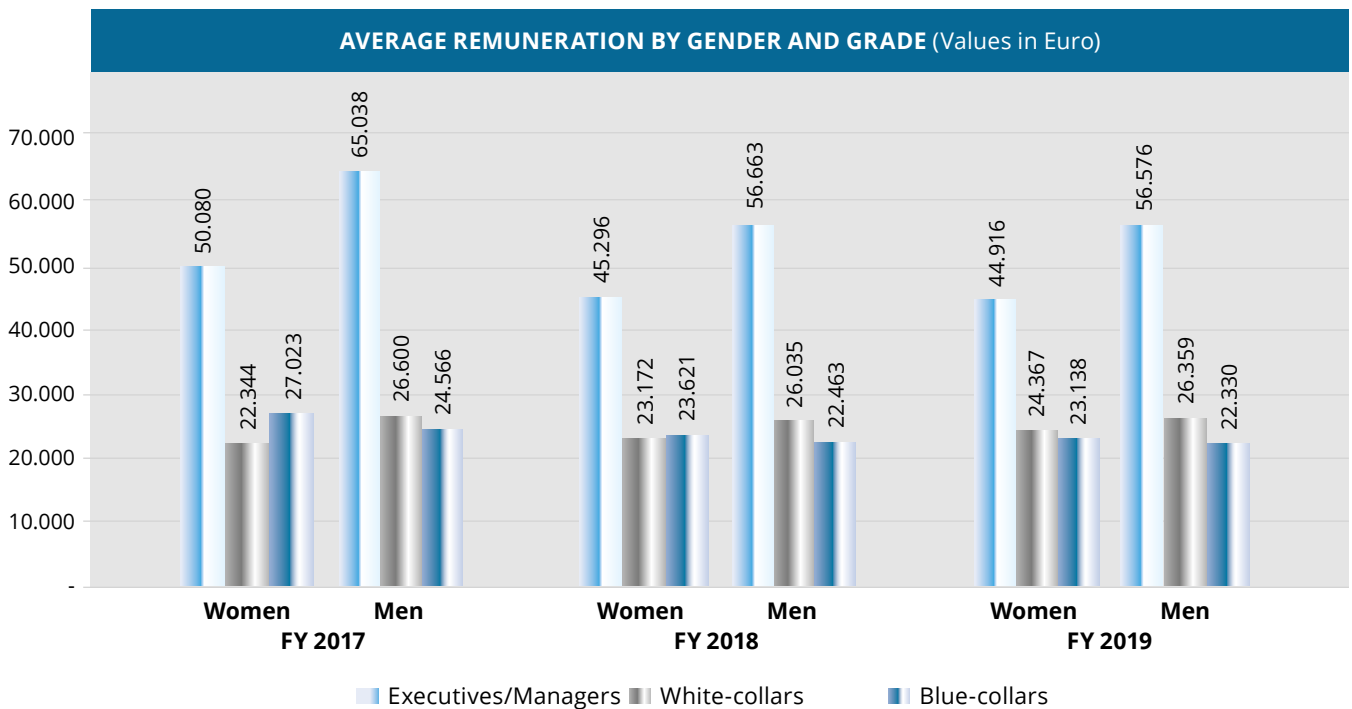
The Group's philosophy, aimed at promoting recruitment practices in compliance with the principles of merit and equal opportunities, is expressed in a well-defined selection process. The request for recruitment is made by the relevant function that identifies the need for human resources. The Human Resources Department is responsible for verifying and, if necessary, validating the function's request, taking into account organisational restrictions and the annual budget. If the need is acknowledged and approved, the process involves calling applicants who undergo tests and assessments supervised by specific personnel. The process thus identifies the profiles that best meet the requirements established and the needs expressed by the function. A small number of applicants are then invited to take part in interviews with the Human Resources Manager and the function that requested the new position. Lastly, once the best applicant has been identified, an employment offer is made in line with the Group's principles.

The following table shows the distribution of personnel by educational level and reports a large number of employees with "advanced education", supporting the Group's commitment over the past several years to invest in highly qualified personnel, with the aim of achieving the highest standards. In this regard, it should be noted that the aggregate number of employees with "advanced education", and "higher education" accounts for 88% of the Group's total workforce, allowing the company to be highly attractive on the market.



Furthermore, in the various contexts in which it operates and in the various Group companies, Viasat Group is committed to guaranteeing equal opportunities for professional growth, while rejecting all forms of discrimination and recognising appropriate remuneration for all its employees. As proof of this commitment, the ratio between the basic salary and remuneration of women to men for each category of employment<sup>9</sup> is reported below, bearing in mind that the calculation includes group companies belonging to often very different countries and contexts, in which the cost of labour varies.

<sup>9</sup> The calculation includes, for all part time contracts, a weighting of the gross annual income, based on the percentage of part time carried out. For example, in the event of employees on a 50% part-time contract, the gross annual income used for the calculation was doubled, in order to align remuneration with that of employees on full-time contracts. The Executive/Manager category also includes Middle managers.



The Group has always defined the roles and responsibilities of all workers clearly and transparently, through a system that recognises qualifications, personal experience, technical skills and individual abilities, so as to fully exploit their potential. All employees are assessed annually on the basis of individual and collective performance related to their department, also in order to promote and encourage professional development and spirit of cooperation.

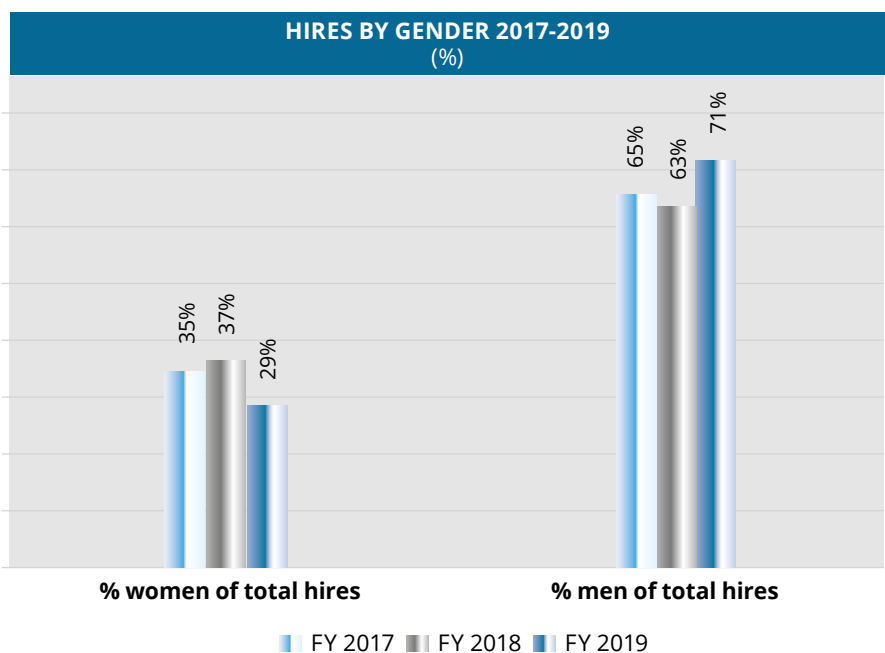
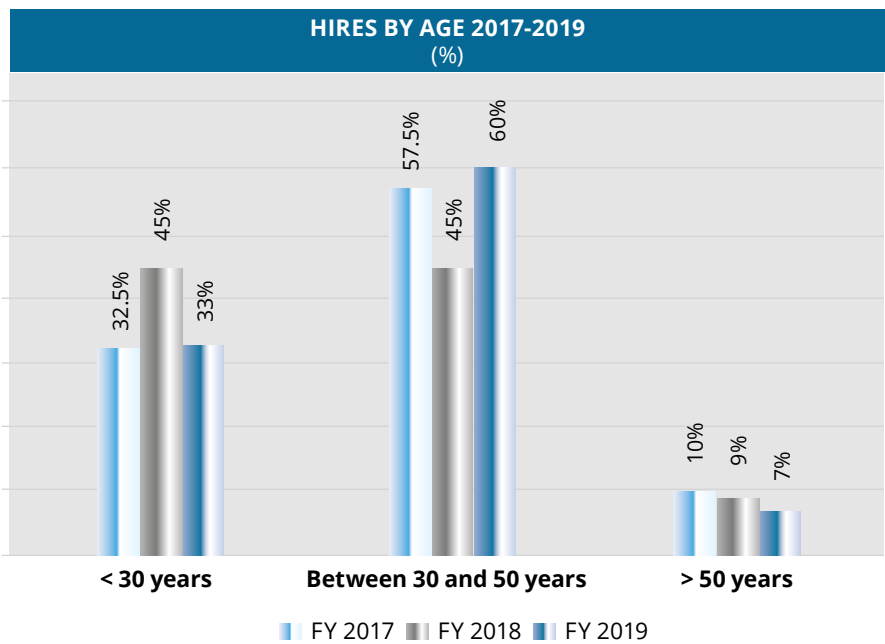
Furthermore, the Group maintains regular cooperation with leading Italian universities, including the Turin and Milan Polytechnic, and the Management Faculty of Turin, and it also takes part in orientation activities for students, for instance, business case studies or training sessions. The aim is to bridge the gap between the academic and professional worlds and to promote the introduction of internships, orientation and training.

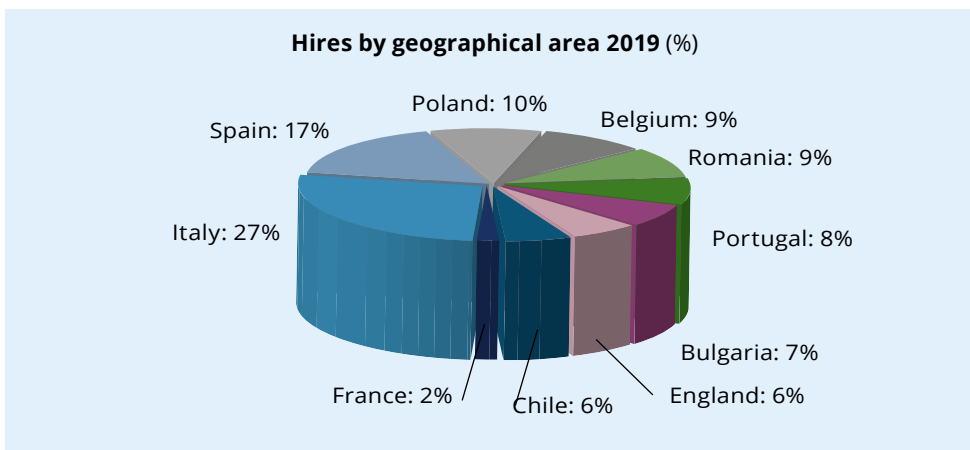
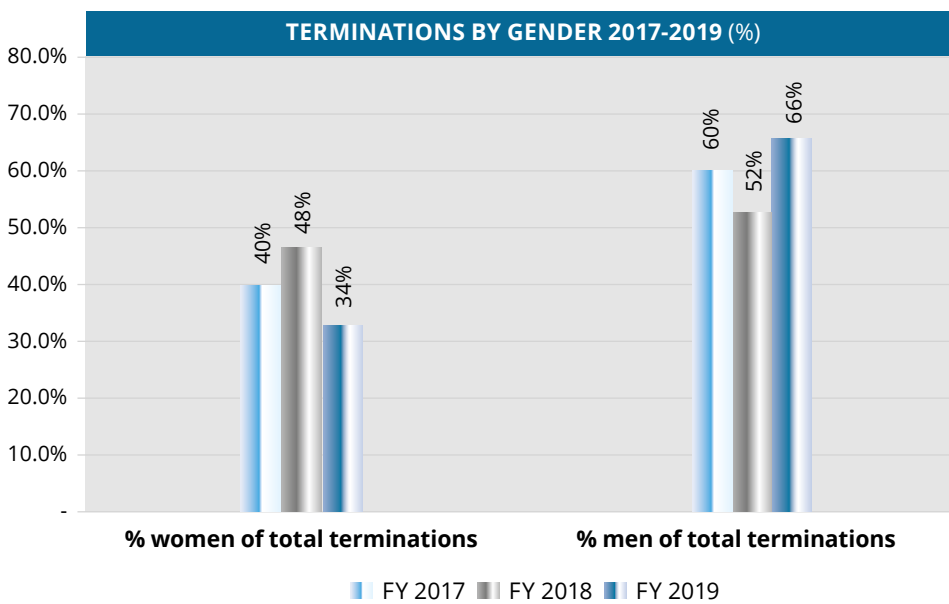
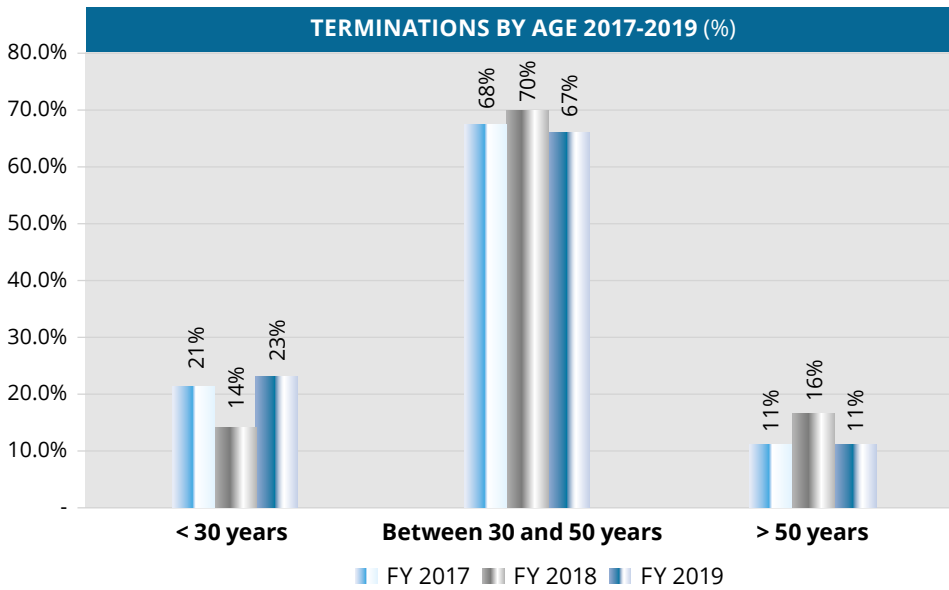
The commitment to ensure well-defined and appropriate work practices and remuneration policies and to promote a collaborative work environment geared towards the development of skills, allows the Group to compete with other companies and, at the same time, maintain a share of employees that is appropriate for the company's activities.

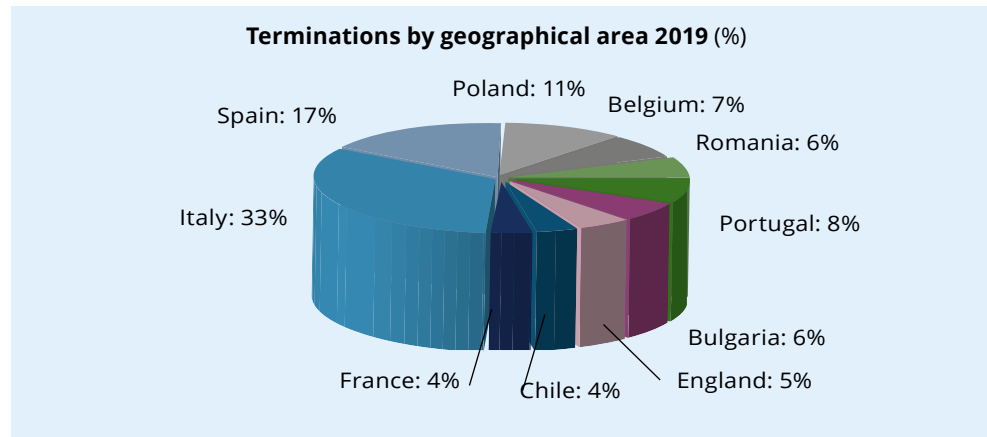
In this regard, the following table shows the incoming and outgoing turnover rate for the three year period 2017-2019. The number of jobs created, calculated net of corporate acquisitions during the year, generates an improvement in the incoming turnover rate, which settled at 17.1% in 2019 against 6.1% in 2017. Specifically, 133 people were hired in 2019, with a female share of 29%. The outgoing turnover rate during the three-year period 2017-2019 rose from 9.5% in 2017 to 17.1% in 2019 (a total of 133 employe-

es terminated employment). The majority of employees leaving were in the 30-50 year age group. This is attributable both to internal reorganisation aimed at centralising certain functions at the Venaria Reale headquarters, and to process efficiency, especially in the most recently acquired legal entities.

EMPLOYEE TURNOVER	FY 2017	FY 2018	FY 2019
Incoming	6.1%	9.7%	17.1%
Outgoing	9.5%	12.1%	17.1%







In this regard, it should be noted that Viasat Group makes all efforts to maintain a high level of employment in the area surrounding its facilities, through policies aimed at promoting the recruitment of personnel from local communities.

In addition to promoting recognition and remuneration policies aimed at ensuring fairness and equal opportunities for all employees, the company is committed to developing the skills and talent of its people, regarded as key elements for competing successfully on the market and generating value over time. For this reason, internal and external training courses are essential because they allow the Group to increase the skills of its personnel and to facilitate, where necessary, interchange between different departments.

Over time, the importance of expertise, knowledge and continuous learning skills has been increasingly understood and appreciated, because they are the essential foundation to manage an environment that is constantly and rapidly changing and that requires all employees to positively respond and adapt to new organisational models and requirements.

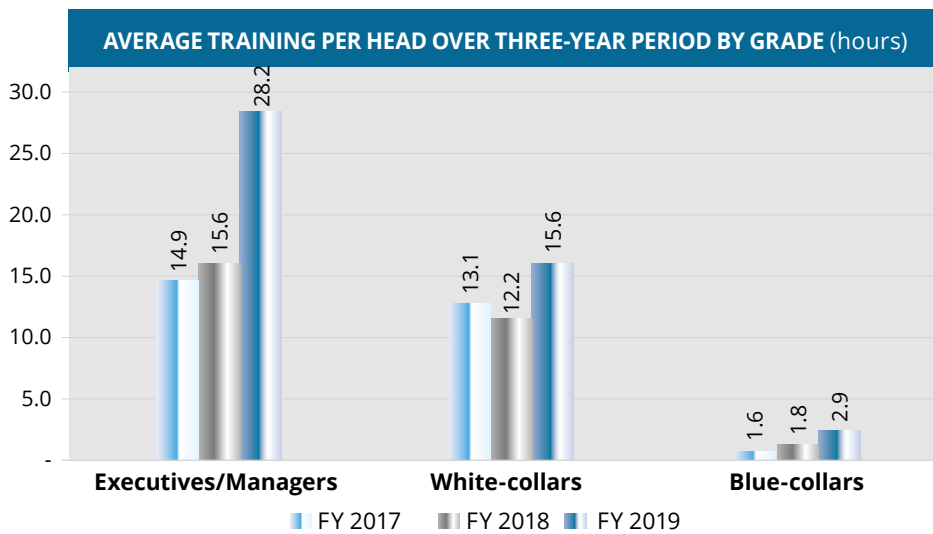
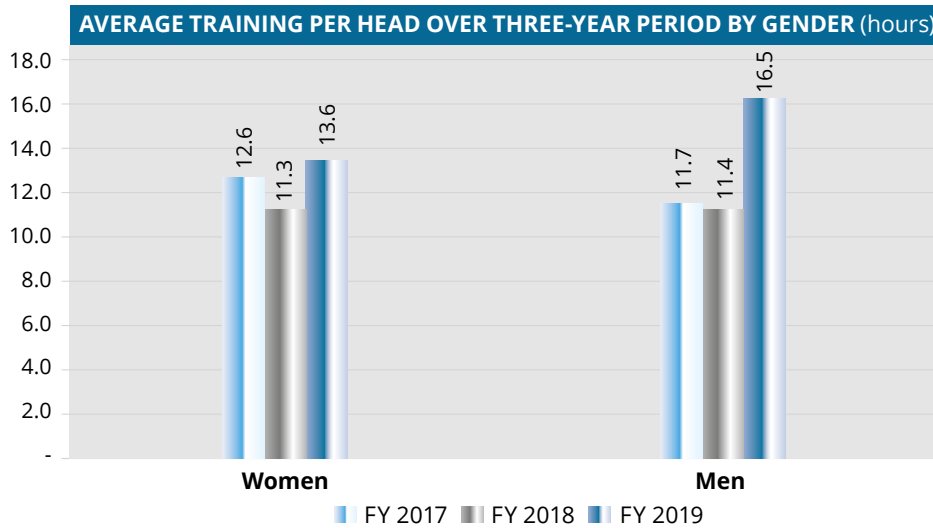
Annual training plans are defined on the basis of a process that maps the skills of employees and identifies any areas that require training so that action may be taken in these areas according to the goals to be achieved. Training in the Viasat Group is managed by the Human Resources Department or by the appointed functions within the various areas, which prepare specific training plans and assign courses to employees on the basis of their professional classification, responsibilities and specific skills to be developed or maintained.

Among the activities carried out in the three-year period 2017-2019, the Group delivered an English language course - the Group's official language - financed by European funds with the aim of improving personnel's language skills and dealing with an increasingly international corporate culture.

Total training hours for Group employees are reported below, including both "general"<sup>10</sup> and "safety" training hours. During the year, the Viasat Group delivered overall 11,884 hours: 4,544 (around 38%) to women and 7,340 to men. On average, each employee received around 15.3 hours of training/year, an increasing figure compared to 2018 (11.3 hours per head).

<sup>10</sup> "General hours" include the hours dedicated to updates on new regulations, language training hours and hours for various technical updates.

As shown in the tables below, 2019 figures increased in all items compared to the previous two years, confirming the increasing attention paid to the training of employees and their professional growth at any level and gender.



### 3.2 A corporate culture focused on workers' well-being and protection

Among its main activities, the Group ensures that there is a balance between the achievement of its corporate objectives and the health and safety requirements of its employees, customers and third parties in general, by preventing accidents and mitigating any damage.

Even if the Group has always implemented the most careful policies, undeniably there is the risk that employees, or third parties who are temporary guests of the company



premises, may incur an accident. For this reason, the Group has introduced suitable insurance coverage in order to transfer residual risk to the insurance market.

The following table shows the main accident indices recorded during the three-year period.

ACCIDENT INDICES	FY 2017	FY 2018		FY 2019			
	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
FREQUENCY RATE	<b>4.0%</b>	6.9%	3.9%	5.6%	4.3%	6.3%	<b>5.1%</b>
SEVERITY RATE	<b>0.04%</b>	0.03%	0.02%	0.02%	0.18%	0.05%	<b>0.13%</b>

In 2019, 6 accidents were recorded at Group level (3 of which involving men and 3 women), resulting in more than three days' absence from work, compared to 7 in 2018 and 4 in 2017.

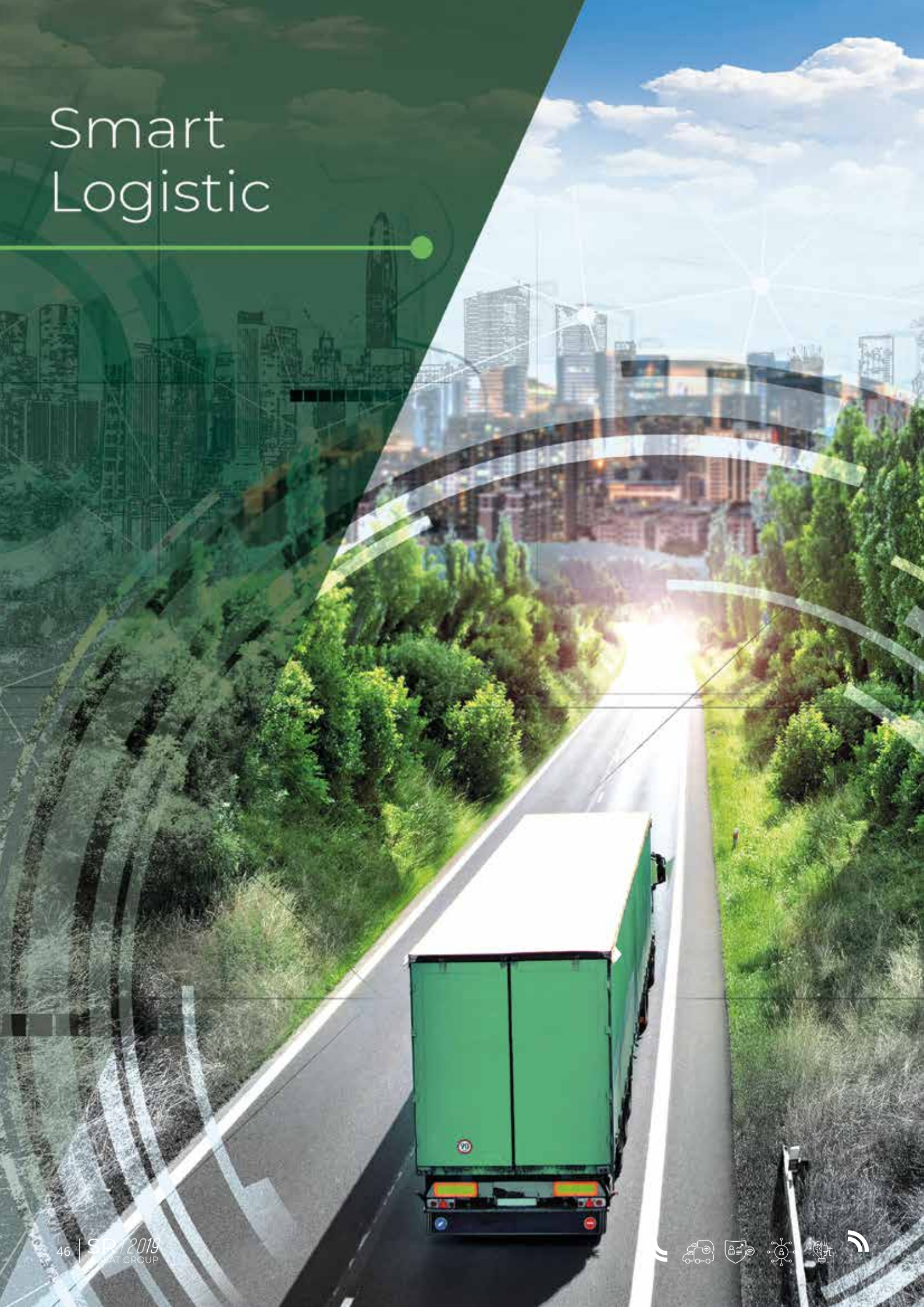
The Group is committed to occupational health, safety and environment, which is achieved by carefully examining its production processes, by identifying risk areas and subsequently improving them, and by planning goals and targets to be pursued to prevent occupational accidents and illnesses. A detailed programme of periodic checks and maintenance guarantees the efficiency and safety of the machines we use, with a view to preserving workers' health and safety. In addition to this, a programme instructs personnel on their duties and on specific safety issues, with appropriate checks on their level of knowledge. The Group accompanies all this by continually improving the layout of its production areas, the ergonomics of work stations and the work environment itself, for example through the use of LED lamps that improve room lighting and temperature. In general, there is total respect for the company's microclimate, in full compliance with occupational health and safety legislation, rules, regulations in force and other requirements subscribed by the organisation.

The Company's attention to the needs of its resources is also reflected in the Group's commitment to ensuring and promoting a professional environment, as well as the assignment of tasks and responsibilities to individual employees, allowing work-life balance to be maintained.

Sales area staff, who travel by car every day for work, benefit from a company car policy in order to help them carry out their work and improve their working conditions; for employees not falling in this category, specific agreements are entered into by the responsible function, to facilitate the purchase or long-term rental of cars for private use.

For several years, the Group has subscribed its employees to supplementary healthcare funds and has made agreements in the catering sector to assist them during their lunch breaks, given that the Headquarters are not provided with a company canteen. Furthermore, a workers room was built in 2017 at the headquarters, equipped with recreational facilities, such as table tennis and table football, with a view to fostering cohesion and possible exchange of constructive ideas for company improvement.

# Smart Logistic

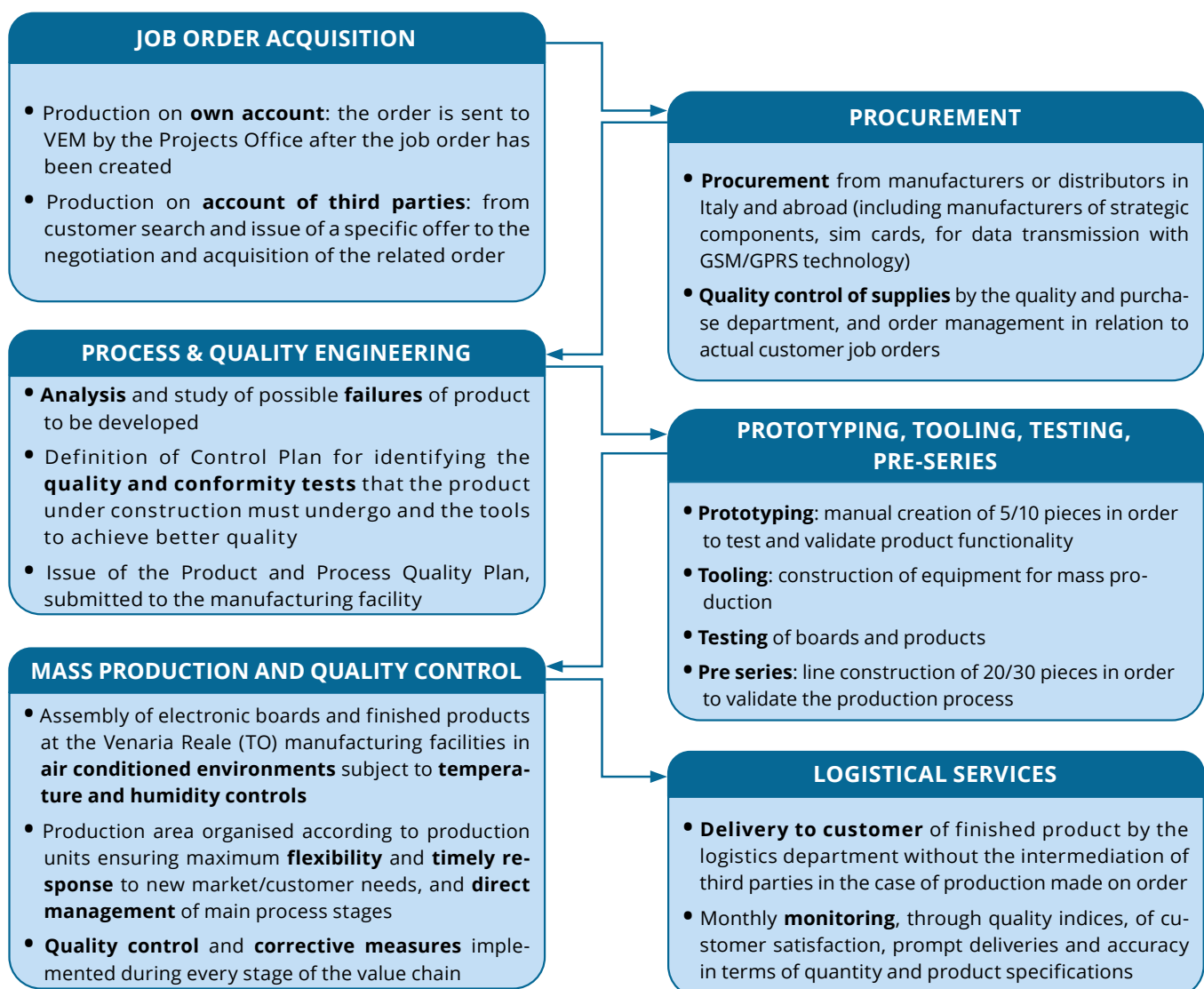




## 4. RESPONSIBLE MANAGEMENT OF THE VALUE CHAIN

The Viasat Group, with the ultimate goal of doing business through the creation of lasting value over time, strives daily to respect the mixed and delicate balances of the context it operates in and is a part of. The attention to smooth, forward-looking development and the ability, therefore, to link future, long-term horizons with daily action, are objectives that companies must pursue if they wish to be successful. For this reason, the Group focuses its action to create value not only internally, but also towards the context it operates in, for the benefit of the significant number of Stakeholders it comes into contact with along its value chain.

In particular, in the electronic production area where the Group operates mainly through Vem Solutions, the value chain consists of the following phases:



## 4.1 Reduction of environmental impact along the manufacturing process

The production of electronic boards and products, on its own account and on account of third parties, is carried out by Vem Solutions, on behalf of the Group, with flexible methods and using highly professional staff. It offers the following services: design, procurement of components, supply, prototyping, pre-production and mass production, assembly, testing, certification, packaging, repair and technical assistance, allowing domestic and international customers' specific needs to be met.

Vem Solutions manufactures electronic boards and products on the basis of ideas and projects developed autonomously or in collaboration with customers, making the process know-how and production lines created over the years available to them.

Thanks to Vem Solutions, the Group is able to provide complete services to customers, including all stages of product development, prototype production and laboratory testing, pre-production and field testing (i.e., with actual use of the product to check its proper functioning) as well as mass production.

The production area is particularly equipped with various production lines and units, which allow unequalled flexibility and efficient response to market and customer needs, with direct management by the Viasat Group of the main process phases, as indicated below:

1. **MA Area:** automatic mounting of traditional components, using Autosplince, Tdk and Universal lines.
2. **SMT Area:** automatic mounting of surface mounting technology components, using Panasonic, Mydata, Dek and Conceptronic lines.
3. **PTH Area (welding):** manual mounting of traditional components and welding. Of particular note is the implementation of a special plant for lead-free welding in accordance with European Directive 2002/95/EC (restriction of the use of certain hazardous substances in electronic equipment-RoHS). Further Soltec and Lemme welding lines using traditional technology have been implemented at the Venaria Reale facilities.
4. **Verification Area:** performance of pre-testing controls (visual and using optical devices).
5. **Testing Area:** performance of burn-in tests, thermal/environmental cycles, parametric tests and functional tests. The main testing systems used inside the area are developed on Seica and National platforms.
6. **Assembly and packaging area:** integration of the electronic boards inside the products, using typical plastic or metal containers, as well as the accessories required for personalising the various finished products and for shipment on the shelf. End-of-line (EOL) tests are also carried out in this area using specific testing systems developed by the internal product industrialisation department.

Throughout all the production process phases, the Group inevitably generates a number of environmental impacts, from the consumption of natural resources, such as energy and water, to the production of waste. The attention it has always paid to environmental issues and to the challenges posed by climate change, however drives the Viasat Group to continually monitor the impacts that its activities generate on the environment, so as to be able to prevent or limit them. In order to achieve this goal, it is important for the Group to implement targeted actions such as, for example, the efficient use of natural resources, the replacement of polluting materials, responsible waste management, the optimisation of logistics flows and the sustainable management of its supply chain.

Specific attention is paid to reducing its energy requirements which represents the main environmental impact generated by the Group. It arises mainly from the manufacturing of electronic products, from the supply of power to the network infrastructure, which includes network equipment and Data Centres requiring continuous power supply, and from the air conditioning systems which are essential for keeping the manufacturing machines and products within a constant thermal range.

The Group's main energy sources and consumption, which in 2019 report a decrease in all items, are reported below. Consumption dropped to around 19.3 thousand GJ, falling by 12.7% compared to the value of the previous year.

<b>Energy consumption (GJ)<sup>11</sup></b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
Natural Gas	2,877	2,857	2,831
Electricity	7,561	9,057	8,648
Diesel	5,810	8,212	6,146
Petrol	1,399	1,581	1,381
LPG	278	352	254
<b>TOTAL</b>	<b>17,925</b>	<b>22,059</b>	<b>19,259</b>

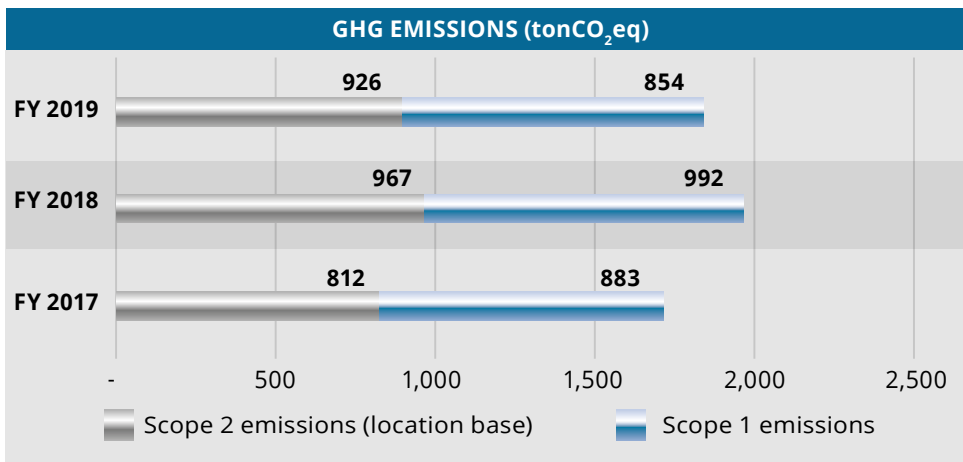
Energy consumption corresponds to greenhouse gas (GHG) emissions, which are one of the most significant environmental impacts for both the Group and its Stakeholders. For this reason, in addition to monitoring its energy consumption, the Viasat Group is also committed to determining and assessing its GHG emissions, both direct (Scope 1) and indirect (Scope 2)<sup>12</sup>.

With regard to Scope 1 emissions, they mainly derive from fuel consumption (diesel, petrol and to a lesser extent LPG) for the corporate fleet, from methane consumption and, to a lesser extent, from refrigerant gas leakage in air conditioning systems and from LPG consumption.

11 All the companies belonging to the Viasat Group were taken into account in calculating the data shown in the table. Specifically, the energy consumption of each company was considered from its actual entrance into the Group.

12 Scope 1 emissions derive from emission sources owned by or under the direct control of the Group; Scope 2 emissions derive from the production of electricity that the Group purchases from external suppliers. The definition of Scope 1 and Scope 2 emissions refers to the GHG Protocol Corporate Accounting and Reporting Standard developed by the World Resources Institute (WRI) and by the World Business Council on Sustainable Development (WBCSD).

Scope 2 indirect energy emissions are instead more significant for the Group. The values shown in the graph below were calculated using a Location Based approach, a method that reflects the average intensity of emissions from the networks which energy is purchased from.



Since the Company does not purchase guarantee of origin certificates (GOs) for the electricity it purchases, Scope 2 emission values are calculated using the Market Based method, which highlights the emissions from the electricity that the Company has decided to purchase. The values are as follows: 1,036 in 2017, 1,269 in 2018 and 1,198 in 2019.

Shifting our attention to the emissions of pollutants into the atmosphere, it should be noted that, as far as industrial processes are concerned, the points of emission come together in a centralised system equipped with a system of activated carbon filters that reduce organic substances. Therefore, only carbon dioxide (CO<sub>2</sub>) is emitted in the atmosphere. These filters are periodically inspected and if necessary, they are regenerated by specialised and certified companies. For what concerns Italian companies, the entire emissions process is in accordance with Italian Legislative Decree No. 152 of 3 April 2006 (environmental regulations) and for foreign companies, it is compliant with local regulations.

In order to raise the awareness of individual employees on climate change and make them take part actively in the fight against the reduction of CO<sub>2</sub> emissions, for some years now the Group has joined the initiative promoted by the company BePooler. The company was founded in Switzerland in 2015, based on the simple idea of providing companies and individual users with a fast and safe way of sharing the journey to work, thus reducing traffic, costs, the use of private vehicles and urban pollution. By participating in the initiative, Group employees, in addition to receiving cost reduction advantages, can benefit from reserved parking spaces in dedicated areas close to the company premises.

Alongside energy consumption and related emissions, the Company has decided to measure, using customised indicators and in keeping with previous years, its environmental impact with regard to the management of waste, water consumption and discharges, and raw materials used.

The disposal of waste (hazardous, non-hazardous and assimilable to urban) is managed, in all countries where the Group operates, in full compliance with local regulations in force. As regards Italy, at the separate waste collection areas of each facility, there is a register in which the European Waste Code (EWC) and the weight of each waste produced is indicated. The person in charge periodically sends the data in the register to a centralised database at the Carabinieri using a USB pen drive issued by the Italian Ministry for the Environment and Protection of the Territory and Sea. Lastly, the transporter, who has his own USB pen drive, is obliged to acquire the data on the Group's waste at the time the waste is transported to the authorised disposal centres to then in turn transfer them to the other parties involved (all in observance of Italian Ministerial Decree of 15 February 2010, SISTRI Regulations).

The main waste produced by the Group is summarised below.

<b>Waste produced (t)</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
Assimilable to urban	142	138	135
Hazardous waste	20	19	18
Non-hazardous waste	42	44	43

Regarding water consumption, the Group takes the water for domestic use necessary for its requirements directly from the municipal water system and disposes of it through the sewer system.

<b>Water collection (m<sup>3</sup>)</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
From aqueduct	3,938	3,618	3,437

Lastly, the Group monitors its consumption of raw materials; the amounts of the most significant raw materials used for the production process are shown below.

<b>Amount of raw materials used (no.)</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
Cables, wiring	1,438,252	502,197	228,853
Electronic components	79,292,698	91,390,884	39,849,604
Electronic units	540,629	757,872	404,761
Mechanical components	1,857,423	1,285,458	582,306
Plastic components	1,345,170	2,069,210	977,666
Paper components	2,410,067	2,286,045	764,794
Packaging	597,885	440,186	377,891

When selecting raw materials, the Group also carefully assesses any health and safety impact they may lead to. In fact, also pursuant to Italian Legislative Decree no. 81/08 - Safety Consolidation Act, a specific process is in place for the management of raw materials that require special treatments, which includes the application of a health protocol for their management and subsequent elimination from Group supplies if there is a risk for people, such as the presence of highly hazardous substances (carcinogenic).

Not only does it observe the aforesaid decree, but the Viasat Group makes the purchases of the raw materials and manages them in conformity with the European directives RoHS (2002/95/EC) and Reach (1907/2006).

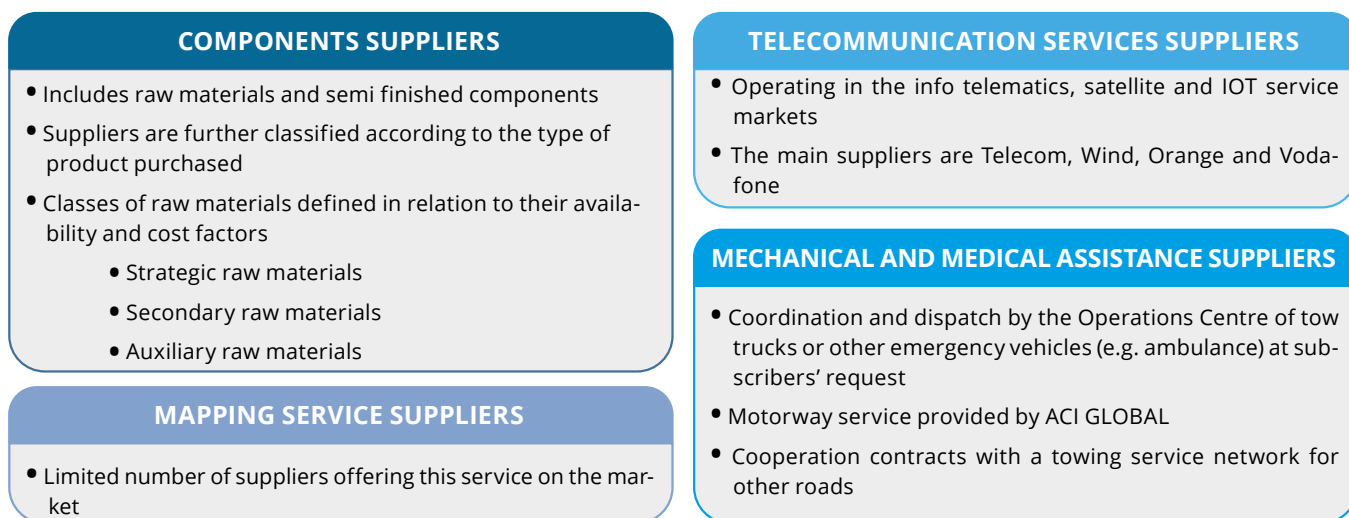
## 4.2 Responsible management of the value chain

The Viasat Group plays a key role in spreading a culture of responsibility throughout its value chain, starting with its suppliers.

Given the strategic importance of its suppliers, defining and maintaining quality relations with them is essential for the Group in order to obtain products and services that always meet customer expectations. As with other business processes, the selection of suppliers is aimed at seeking utmost quality, flexibility and professionalism. It is bearing this in mind that Viasat Group has defined a supplier assessment process aimed at assessing, in accordance with quality, health and safety standards, suppliers' technological and structural capabilities, their technical and commercial skills, as well as the level of specialisation of their resources.

Furthermore, in order to prevent and monitor the risk of fraud and corruption by suppliers and to identify possible conduct in violation of the Group's Code of Ethics, the Company has implemented a number of controls in line with its internal processes. Consequently, after verifying that the compliance requirements have been met and after checking their specific skills, suppliers obtain a three-year qualification and are entered in the list of qualified suppliers.

The Group purchases raw materials, materials and semi-finished components, as well as services for developing its products and activities, from a network of selected suppliers grouped into the following 4 macro-categories. The main features of these categories are illustrated below:



Among the four suppliers described, the Group pays particular attention to components suppliers. In fact, with regard to the supply of raw materials and components, possible tension could arise leading to difficulties in the supply of high quality raw materials and components. Among the causes for this: reduction in the number of sup-

pliers on the market, reduction in the availability of materials and increase in demand from other operators inside and outside the sector.

Component suppliers are classified according to the type of product purchased in relation to three subsequent levels of detail: purchase classes (3 classes), purchase categories (7 categories) and codes.

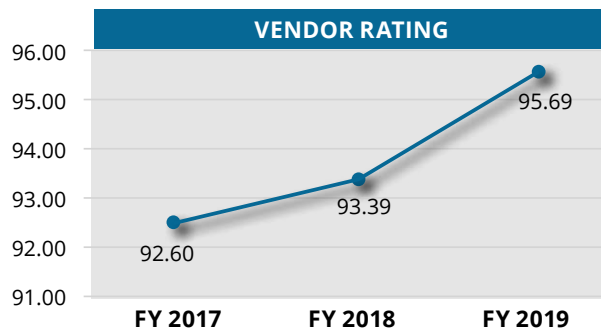
The classes are made up of strategic raw materials, secondary raw materials and auxiliary materials. Supplier segmentation therefore depends on the breakdown of the raw materials into different categories depending on the combination of cost and availability factors.

As a result of monitoring by the Group of all the stages of the value chain, from research, design and development through to production and marketing of the devices and the services provided through them, which allow strong vertical integration and cost efficiency, the Group is able to systematically control product and service quality, as well as timely reaction to market requirements.

In addition, the Group's vertical integration makes it possible to limit supply relationships solely to electronic components manufacturers, leading to autonomy and independence from system manufacturers and consequent increase in the Group's bargaining power. The Group's long-term activity in this sector and the ownership of automated production lines allow it to maintain and increase its position in the reference markets.

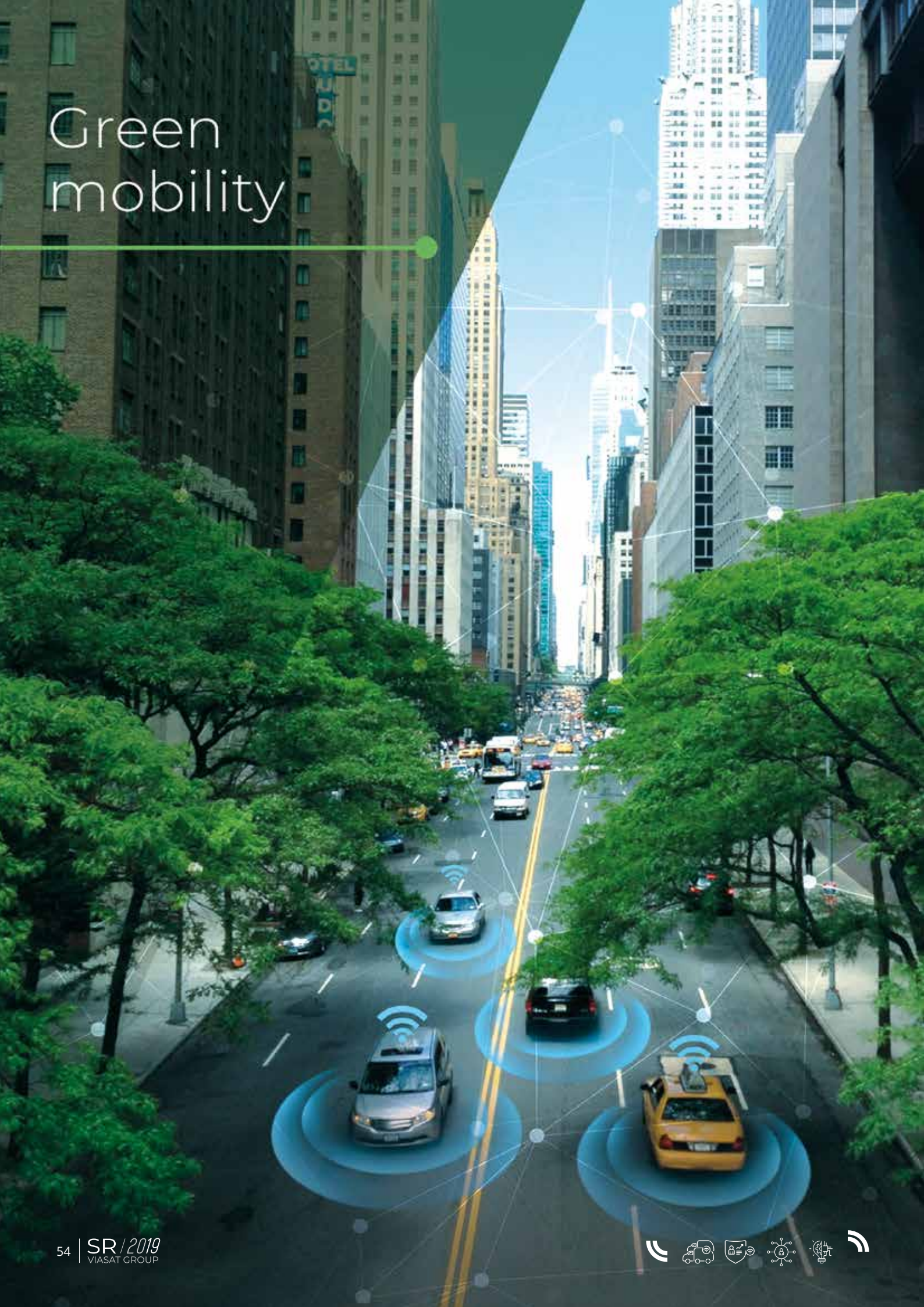
Finally, a vendor rating is assigned to each supplier which is defined on the basis of their performance in terms of quality, punctuality and penalties. The aggregate of the single ratings form a summary indicator expressed in a scale from 0 (worst value) to 100 (best value)<sup>13</sup>. For several years now, companies - more than ever before - have needed to optimise costs and make effective choices. The process described above was implemented for this purpose, since it seeks to measure suppliers' capability and their performance, with the aim of achieving the highest possible level of efficiency in its production process.

The following graph shows the figure for the three year period 2017-2019.



<sup>13</sup> The Vendor Rating System is implemented directly on the company's ERP and is based on an algorithm that measures a number of supplier performance parameters, over a 12-month period, based on a Vendor Rating Indicator (IVR) achieved from analysing the following three macro-areas of investigation: behaviour and competitiveness, punctuality, and technical compliance of materials.

# Green mobility





## 5. METHODOLOGICAL NOTE

The Sustainability Report has been published by the Viasat Group annually since 2007 and is a tool for communicating the company's responsible management and the practices relating to corporate social responsibility implemented by the Viasat Group.

This Sustainability Report, which refers to financial year 2019 (from 1 January to 31 December), was prepared in accordance with the GRI Sustainability Reporting Standards defined in 2016 by the Global Reporting Initiative (GRI), according to the accordance - core option. The reporting scope is represented by the parent company Viasat Group S.p.A. and all of the Group's subsidiaries (in the document also referred to as "the Company" and "Viasat Group"), unless otherwise indicated.

The document also contains the performance data for the three year period, where available. At the date of publication of this Report, the country's social and economic context has been shaken by a global pandemic that began in China at the end of 2019 and spread throughout Europe in early 2020. A virus called SARS-Cov-2, which has still not been eradicated, has upset the lives of almost all countries throughout the world, forcing most to use social distancing and leading to the forced closure of production activities, in the hope that a vaccine will be discovered that will put an end to the pandemic for everyone. For the sake of completeness, the organisational and corporate changes made are detailed below:

- On 30 January 2019, the merger by incorporation of the English subholding Viasat Telematics Limited into Viasat Group S.p.A. (already fully owned by it) was completed.
- On 7 March 2019, Viasat Group S.p.A. exercised the option to purchase a further 6% of the Brussels-based sub-holding Tracksys from the minority shareholders, reaching 100% ownership. As a result of this transaction, BF Engineering and Emixis are now wholly owned.
- On 15 April 2019, Vem Solutions S.p.A. acquired 15% of the share capital of Cogema S.r.l., a company based in Milan.
- On 24 September 2019, Viasat Servicios Telematicos stepped up its control over Personalización y Seguridad Profesional based in Spain, by acquiring a further 30% shareholding and reaching 100% ownership. On the same day, Viasat Group S.p.A. stepped up its control over Viasat Servicios Telematicos based in Spain, increasing its shareholding from 85% to 100%. As a result of these transactions, Mobile Fleet Chile S.p.A. is now 70% owned.
- On 2 December 2019, the merger by incorporation of Anthea S.r.l., Datamove S.r.l. and Sherlock S.r.l. into Viasat S.p.A. was completed.
- On 19 December 2019, the merger by incorporation of Personalización y Seguridad Profesional into Viasat Servicios Telematicos was completed.
- On 23 December 2019, the merger by incorporation of Helian S.r.l. into Viasat S.p.A. - which had purchased the entire share capital from Vem Solutions S.p.A. on 2 December 2019 - was completed.

Viasat Group S.p.A. has its registered office in Venaria Reale (TO) at Via Aosta 23. A description of the offices and main activities of the foreign companies included in the scope of this Sustainability Report is provided in the Report on Operations.

This document was not verified by an independent third party company.

## Material topics

The topics and their scope of coverage in this Report are based on the materiality analysis carried out, as described in the introduction.

The following table shows the list of material GRI Topics for the Group and its Stakeholders, the corresponding scope in terms of impact and any limitations on reporting due to the unavailability of data on the external scope. For the next years, the Company will be committed to gradually extending the scope of reporting on material topics.

MATERIAL TOPICS FOR VIASAT	GRI ASSOCIATED TOPICS		SCOPE OF TOPIC		REPORTING LIMITATIONS	
			Internal	External	Internal	External
Business integrity	GRI 205	Anti-corruption	Group	-	-	-
	GRI 206	Anti-competitive behaviour				
	GRI 419	Socioeconomic compliance				
Privacy and data protection	GRI 418	Customer privacy	Group	-	-	-
Global development and growth strategy	GRI 201	Economic performance	Group	-	-	-
Attraction and development of talents and know-how preservation	GRI 401	Employment	Group	-	-	-
	GRI 404	Training and education				
Diversity and equal opportunities	GRI 405	Diversity and equal opportunities	Group	-	-	-
Occupational health and safety	GRI 403	Occupational health and safety	Group	Suppliers	-	Reporting not extended to suppliers
Relations with communities	GRI 413	Local communities	Group	-	-	-
Energy consumption and climate change	GRI 302	Energy	Group	Suppliers	-	Reporting not extended to suppliers
	GRI 305	Emissions				
Quality and efficiency of products and services	-	-	Group	-	-	-
Innovation and technology at the service of sustainability	-	-	Group	-	-	-

## The principles for defining the content and guaranteeing the quality of Report

Consistently with the provisions of the GRI Standards, the principles used for defining the content and guaranteeing the quality of this Report are the Reporting Principles defined by GRI Standard 101: Foundation: completeness, sustainability context, Stakeholder inclusiveness, materiality, accuracy, reliability, clarity, comparability, balance, timeliness.

The reporting process was based on the company's information systems (management control, accounting, quality, human resources, etc.), which were integrated with specific tools for data collection and analysis. The company's objective is to further strengthen the reporting system by extending it progressively to all Group divisions and increasing its data accuracy and reliability.

The main calculation and assumption methods for the performance indicators reported, in addition to those already indicated in the Report, are set out below.

For environmental data, if not available, conservative estimate approaches were used which led to choosing assumptions associated with the least positive environmental performance for the Group.

Emissions were calculated in terms of tonCO<sub>2</sub> equivalent through the following emission factors:

- Direct emissions Scope 1: for methane, the emission factor taken from the table of national standard parameters published annually by the Ministry for the Environment and Protection of Land and Sea was used (tCO<sub>2</sub>/1000<sub>sm<sup>3</sup></sub>: 1.964 in 2017, 1.972 in 2018 and 1.975 in 2019); the emission factors for diesel (in kgCO<sub>2</sub>eq/l: 2.672 in 2017, 2.688 in 2018 and 2.687 in 2019); petrol (in kgCO<sub>2</sub>eq/l: 2.301 in 2017, 2.305 in 2018 and 2.315 in 2019); LPG (in kgCO<sub>2</sub>eq/l: 1.508 in 2017, 1.519 in 2018 and 1.523 in 2019) and GWPs for the refrigerant gases of air conditioning systems (values in kgCO<sub>2</sub>eq/kg for each refrigerant gas, specifically: R410A and R422) are taken for the UK Defra (Department for Environment, Food and Rural Affairs) database, updated annually;
- Indirect emissions Scope 2: in relation to the electricity purchased from the national grid, for the Location-based approach, the emission factors for the different countries in which Viasat operates were used, processed by Terna ("Terna international comparisons on Enerdata figures - 2016 data"). Instead, as regards the Market-based approach, the Residual Mix factors published annually by the Association of Issuing Bodies for the European countries were used.

For the calculation of energy consumption, the conversion factors used are taken from the Defra (Department for Environment, Food and Rural Affairs) database, updated annually (lower heating value and density of diesel, petrol and LPG) and from the table of national standard parameters published annually by the Ministry for the Environment and Protection of Land and Sea (lower heating value of natural gas).

The data regarding personnel (e.g. workforce) refer to natural persons as at 31/12 of the reporting period.

The incoming turnover rate was calculated by taking into account the number of hires on total employees. Instead, the outgoing turnover rate, expressed as a percentage, corresponds to the number of terminations on total employees.

With regard to accident indices:

- The accident frequency rate was calculated as the ratio between the number of accidents and the hours worked x1,000,000.
- The accident severity rate was calculated as the ratio between the number days lost due to accident and the hours worked x1,000. It is pointed out that the calculation considered the days of absence from the day following the event and for all calendar days.

For information and further details about this document, please contact Viasat Group S.p.A., with registered offices at Via Aosta, 23 – 10078 – Venaria Reale (TO), Italy, phone number (+39) 011 4560201.

## 6. GRI CONTENT INDEX

All standards used refer to the GRI Standards version published in 2016.

Disclosure	Index description	Page number	Omissions
<b>Organizational profile</b>			
GRI 102-1	Name of the organization	55	
GRI 102-2	Primary activities, brands, products and/or services	15, 22	
GRI 102-3	Location of the organization's headquarters	56	
GRI 102-4	Countries where the organization operates	17	
GRI 102-5	Ownership and legal form	55	
GRI 102-6	Markets served	15, 17	
GRI 102-7	Scale of the organization	7	
GRI 102-8	Information on employees and other workers	37	
GRI 102-9	Description of supply chain	52	
GRI 102-10	Significant changes to the organization and its supply chain	55	
GRI 102-11	Explanation of any methods for applying the precautionary principle or approach	55	
GRI 102-12	External initiatives	The Group does not take part in any international external initiative of an economic, social or environmental nature.	
GRI 102-13	Membership of national and/or international industry associations	Confindustria Digitale TSP (Telematics Service Providers) TTS Italia Association (Telematics Transport and Security) TAPA EMEA (Transported Asset Protection Association) OPERATE (National Environmental Observatory for Waste Tariff Measuring) ETSI (European Telecommunication Standard Institute).	
<b>Strategy</b>			
GRI 102-14	Statement from senior decision-maker	4	
<b>Ethics and integrity</b>			
GRI 102-16	Values, principles, standards, and norms of behaviour	6	
<b>Governance</b>			
GRI 102-18	Governance structure	29	

Disclosure	Index description	Page number	Omissions
<b>Stakeholder engagement</b>			
GRI 102-40	List of Stakeholder groups engaged by the organization	8-9	
GRI 102-41	Collective bargaining agreements	37	
GRI 102-42	The basis for identifying and selecting Stakeholders	9	
GRI 102-43	Approach to Stakeholder engagement	9	
GRI 102-44	Key topics and concerns that have been raised through Stakeholder engagement	12, 56	
<b>Reporting practice</b>			
GRI 102-45	List of all entities included in the consolidated financial statements	17, 55	
GRI 102-46	Defining report content and topic boundaries	57-58	
GRI 102-47	List of material topics	12, 56	
GRI 102-48	Restatements of information given in previous reports	55	
GRI 102-49	Significant changes in the list of material topics and topic boundaries	55	
GRI 102-50	Reporting period for the information provided	55	
GRI 102-51	Date of most recent Sustainability Report	55	
GRI 102-52	Reporting cycle	55	
GRI 102-53	Contact point for questions regarding the Sustainability Report	58	
GRI 102-54	Claims of reporting in accordance with the GRI Standards	55	
GRI 102-55	GRI Content Index	59	
GRI 102-56	External assurance	55	

Disclosure	Index description	Page number	Omissions
<b>MATERIAL TOPICS</b>			
<b>Economic impact</b>			
<b>Economic performance</b>			
GRI 103-1	Explanation of the material topic and its boundary	12, 56	
GRI 103-2	The management approach and its components	17, 35	
GRI 103-3	Evaluation of the management approach	17, 35	
GRI 201-1	Direct economic value generated and distributed	35	
<b>Fight against corruption</b>			
GRI 103-1	Explanation of the material topic and its boundary	12, 56	
GRI 103-2	The management approach and its components	29	
GRI 103-3	Evaluation of the management approach	29	
GRI 205-3	Confirmed incidents of corruption and actions taken	29	
<b>Non-competitive conduct and unfair competition</b>			
GRI 103-1	Explanation of the material topic and its boundary	12, 56	
GRI 103-2	The management approach and its components	29	
GRI 103-3	Evaluation of the management approach	29	
GRI 206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	29	
<b>Environmental impact</b>			
<b>Energy</b>			
GRI 103-1	Explanation of the material topic and its boundary	12, 56	
GRI 103-2	The management approach and its components	48	
GRI 103-3	Evaluation of the management approach	48	
GRI 302-1	Electricity consumption within the organization	48	

Disclosure	Index description	Page number	Omissions
<b>Emissions</b>			
GRI 103-1	Explanation of the material topic and its boundary	12, 56	
GRI 103-2	The management approach and its components	48	
GRI 103-3	Evaluation of the management approach	48	
GRI 305-1	Direct (Scope 1) GHG emissions	48	
GRI 305-2	Energy indirect (Scope 2) GHG emissions	48	
<b>Social performance</b>			
<b>Employment</b>			
GRI 103-1	Explanation of the material topic and its boundary	12, 56	
GRI 103-2	The management approach and its components	37	
GRI 103-3	Evaluation of the management approach	37	
GRI 401-1	Total number and rate of new employee hires and employee turnover by age group, gender and geographical area	37	The division of hires and terminations by geographical area is not available for 2017 and 2018.
<b>Occupational health and safety</b>			
GRI 103-1	Explanation of the material topic and its boundary	12, 56	
GRI 103-2	The management approach and its components	44	
GRI 103-3	Evaluation of the management approach	44	
GRI 403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	44	The division by geographical region is not available for the three-year period.
<b>Training and education</b>			
GRI 103-1	Explanation of the material topic and its boundary	12, 56	
GRI 103-2	The management approach and its components	37	
GRI 103-3	Evaluation of the management approach	37	
GRI 404-1	Average hours of training per year per employee	37	



Disclosure	Index description	Page number	Omissions
<b>Diversity and equal opportunities</b>			
GRI 103-1	Explanation of the material topic and its boundary	12, 56	
GRI 103-2	The management approach and its components	37	
GRI 103-3	Evaluation of the management approach	37	
GRI 405-1	Diversity of governance bodies and employees	29, 37	
<b>Local communities</b>			
GRI 103-1	Explanation of the material topic and its boundary	12, 56	
GRI 103-2	The management approach and its components	35	
GRI 103-3	Evaluation of the management approach	35	
GRI 413-1	Operations with local community engagement, impact assessments, and development programs	35	
<b>Consumer privacy</b>			
GRI 103-1	Explanation of the material topic and its boundary	12, 56	
GRI 103-2	The management approach and its components	33	
GRI 103-3	Evaluation of the management approach	33	
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	33	
<b>Socioeconomic compliance</b>			
GRI 103-1	Explanation of the material topic and its boundary	12, 56	
GRI 103-2	The management approach and its components	29	
GRI 103-3	Evaluation of the management approach	29	
GRI 419-1	Non-compliance with laws and regulations in the social and economic area	Penalty imposed in 2017 (paid in 2018) on a Target that was subsequently introduced in the Group, for an administrative breach of approximately Euro 77,000. Since the fact did not emerge in the pre-acquisition due diligence phase, the company believes that the fraudulent conduct did not occur under its own administration and is therefore not attributable to an act performed by the Viasat Group in breach of the law.	

Disclosure	Index description	Page number	Omissions
<b>Topics not covered by GRI indicators</b>			
<b>Innovation and technology at the service of sustainability</b>			
GRI 103-1	Explanation of the material topic and its boundary	12, 56	
GRI 103-2	The management approach and its components	18	
GRI 103-3	Evaluation of the management approach	18	
<b>Quality and efficiency of products and services</b>			
GRI 103-1	Explanation of the material topic and its boundary	12, 56	
GRI 103-2	The management approach and its components	22	
GRI 103-3	Evaluation of the management approach	22	







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