

REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE GENERAL SHAREHOLDERS' MEETING OF SERVIZI ITALIA S.P.A.

(pursuant to Art. 153 of Legislative Decree 58/1998)

Dear Shareholders,

The Board of Statutory Auditors in office was appointed by the Shareholders' Meeting of Servizi Italia S.p.A. (hereinafter the "Company" or "Servizi Italia") of 28 April 2020 and will end its term of office with the Meeting approving financial statements as at 31 December 2022. In this regard, with effect from 2 April 2021, the standing auditor Benedetta Pinna resigned from her position and she was replaced by the alternate auditor Elena Iotti.

Pursuant to article 153, paragraph 1, of Legislative Decree no. 58 of 24 February 1998 (hereinafter "TUF"), the Board of Statutory Auditors informs to have carried out - during the year ended 31 December 2021 - the surveillance and control activities according to the regulations in force, with particular attention to Civil Code, articles 148 and subsequent of the TUF, the Legislative Decree no. 39 of 27 January 2010 and Legislative Decree n. 254 of 2016, also taking into account the indications contained in CONSOB communications concerning corporate controls and the activities of the Board of Statutory Auditors, the indications contained in the Code of Corporate Governance for listed companies and the principles of conduct recommended by the Italian National Council of Accountants.

This Report is submitted to Company's Shareholders in view of the Meeting convened on first call on 20 April 2022 and - if necessary - on second call on 21 April 2022 for approving the Financial Statements as at 31 December 2021 (as well as in relation to the additional issues mentioned in the call, to which reference should be made).

That said, the activities carried out by the Board of Statutory Auditors during 2021 and up to the date of this Report are detailed below, also with reference to the requirements set out in Consob Communication no. DEM/1025564 of 6 April 2001 and subsequent amendments.

1. Transactions with significant financial, economic and equity impact

The most significant economic, financial and equity transactions and events that took place during year 2021 were the following:

a) Sale to AlSCO Italia S.r.l. of the workwear business unit

On 26 February 2021, Servizi Italia S.p.A. announced to have signed the closing for the sale of the workwear business branch to AlSCO Italia S.r.l., effective as at 1 March 2021. The sale price was Euro 9.5 million.

b) Reorganization of productive sites

As a result of the reorganization of production sites in the north-west of Italy begun in 2020, on 3 February 2021, the Company ceased production activities at the plant located in Podenzano (PC).

Servizi Italia S.p.A., following the loss of the volumes processed at the production unit located in Ariccia (RM), Via Quarto Negroni, 4 (following the unsuccessful award of the regional tender for eight lots for the management of washing services at the Lazio Region Health Authorities, three lots of which had previously been awarded to the Company and processed at the Ariccia plant), as well as the Coronavirus emergency, on 20 September 2021, the Company had started a redundancy procedure for structurally surplus workers employed in that production unit pursuant to art. 24 and 4 of Law no. 223/1991. This procedure ended on 29 November 2021 with the signing, at the Regional Labour Office of the Lazio Region, of an agreement with the trade unions, in which Servizi Italia S.p.A. agreed, in order to safeguard employment, to apply to the competent offices of the Ministry of Labour for CIGS (redundancy fund) treatment for the cessation of activities for a period of 12 months.

Covid-19 epidemiological emergency

The Covid-19 viral epidemic has imposed the need to contain epidemiological development as much as possible, leading to changes in hospital procedures and activities with regard to hygiene guarantees for medical and nursing staff, for wards and in-patients designated for the treatment of infections caused by the Coronavirus. All the activities of the Group, which operates in strict compliance with the relevant regulations, were impacted by the evolution of the contingent epidemiological situation. It is important to underline that, albeit in a context of recovery from an operational and economic point of view (the better economic result achieved in 2021, compared to the previous year, is also due to the lower impact that the pandemic had on the group's economic activity), certain uncertainties still remain in relation to the possible impact of the new variants that could affect both the evolution of the business and the needs of the stakeholders with whom the Group operates.

d) Purchase of own shares

The Shareholders' Meeting of 20 April 2021, after revoking the authorisation to purchase treasury shares resolved on 28 April 2020 to the extent not used, resolved to authorise the Board of Directors to purchase treasury shares, with a unit value of 1 euro, within the maximum limit of 20% of the share capital, i.e. 6,361,890 shares, within 18 months. As of 31 December 2021, the Company had purchased a total of 2,000,408 treasury shares, representing 6.29% of the share capital.

The Board of Statutory Auditors has received from the Directors and the Management, with due frequency, information on activities and on the most significant economic, financial and equity transactions made by the Company and its subsidiaries. The Directors related about these transactions in their Management report, to which reference should be made, also with regard to transactions characteristics and their economic effects.

The Board of Statutory Auditors has acquired adequate information on these transactions, which made reasonably believe that the said transactions complied with the law, the Articles of Association and principles of proper administration and that they were not imprudent, risky or in conflict with the resolutions passed by the Shareholders' Meeting or in any case such as to compromise the integrity of the Company's assets.

With reference to the health emergency caused by Covid-19, the Board of Statutory Auditors has examined what has been presented by the Directors in the Management report and received feedback from them mainly to the strict compliance with the health protocols aimed at preserving the health and safety of employees and collaborators, the macroeconomic scenarios and the actions implemented to react to the situation.

Transactions with Directors' interests or with other related parties have been subject to the transparency procedures provided for by current legislation.

The Directors have also reported about significant events after the end of the year and the foreseeable evolution of operations in the Management report. In particular, information was provided in relation to the risks of impact on the group's activities arising from the ongoing conflict between the Russian Federation and Ukraine and the economic restrictions decided by the Council of the European Union, highlighting, among other things, that the group could be affected in the event of further volatility in energy prices and that no market and/or exchange rate risks should arise.

2. Atypical and/or unusual transactions with third parties, intercompany or related parties

The Board of Statutory Auditors has neither found nor received indications from the Board of Directors, the Independent Auditors or the internal control functions concerning the existence of atypical and/or unusual transactions, as defined by Consob Communication DEM/6064293 of 28 July 2006, carried out with third parties, related parties or within the Group.

In the notes to the financial statements, the Directors have given an account of the ordinary transactions carried out during the period with Group companies and related parties, to which reference should be made, also with regard to the characteristics of the transactions and their economic effects.

Their examination did not reveal any critical issues concerning their adequacy, congruity and compliance with Company's interests.

The Board of Statutory Auditors has verified the effective implementation and functioning of the Procedure for Transactions with Related Parties adopted by the Company, including the periodic reporting by the Board of Directors in case of execution of such transactions.

3. Comments and proposals on remarks and requests for information contained in the Independent Auditors' report

On 28 March 2022, the independent auditors Deloitte & Touche S.p.A. issued its reports in accordance with Article 14 of Legislative Decree no. 39 of 27 January 2010 and Article 10 of Regulation (EU) no. 537 of 16 April 2014, in which they certify that, in their opinion:

- *the separate financial statements and the consolidated financial statements of Servizi Italia S.p.A. provide a true and fair representation of the equity and financial position of the Company and the Group as at 31 December 2021, the economic result and the cash flows for the year ended on that date, in compliance with the International Financial Reporting Standards adopted by the European Union as well as the measures issued in implementation of art. 9 of Legislative Decree no. 38/05;*

- *the Management Report on Operations and some specific information contained in the Report on Corporate Governance and Ownership Structure are consistent with the financial statements and the consolidated financial statements of the Company and the Group as at 31 December 2021 and have been drafted in compliance with the law;*
- *there is nothing to report with reference to the statement referred to in Article 14, paragraph 2, letter e) of Legislative Decree No. 39/2010, issued on the basis of the knowledge and understanding of the company and its context acquired in the course of the audit activity;*
- *- the consolidated financial statements have been prepared in XHTML format and have been marked, in all significant aspects, in accordance with the provisions of Delegated Regulation (EU) 2019/815 of the European Commission on regulatory technical standards relating to the specification of the European Single Electronic Format (ESEF); the financial statements have been prepared in XHTML format in accordance with the provisions of the Delegated Regulation.*

On 28 March 2022, the independent auditors Deloitte & Touche S.p.A. also issued their additional report pursuant to art. 11 of EU Regulation 537/2014.

The auditors' reports highlight the key aspects of the audit, to which reference should be made.

The independent auditors Deloitte & Touche S.p.A., on 28 March 2022, issued, pursuant to Article 3 of Legislative Decree no. 254/2016, the Report on the Consolidated Non-Financial Statement, relating to the financial year ended 31 December 2021, which certifies the conformity of its preparation, in all significant aspects, with Articles 3 and 4 of Legislative Decree no. 254/2016 and the GRI standards.

4. Complaints pursuant to art. 2408 of the Italian Civil Code and submission of reports. Initiatives undertaken by the Board of Statutory Auditors and related outcomes.

In 2021, neither complaints pursuant to art. 2408 of the Italian Civil Code, nor complaints made by third parties were received.

In this regard, it should be noted that the Company has adopted a "whistleblowing" procedure, which provides for the establishment of information channels to ensure the receipt, analysis and processing of reports, relating to issues of internal control, corporate reporting, administrative liability of the Company, fraud or other matters, forwarded by employees, members of corporate bodies or third parties, even in confidential or anonymous form.

It should also be noted that during the year:

- there have been no ascertained incidents of corruption within the Servizi Italia Group in which employees have been dismissed or have been subject to measures and for which contracts with commercial partners have been terminated or not renewed due to corruption-related violations. In addition, there were no incidents of corruption-related public lawsuits taken against the Group or its employees during the reporting period. With reference to updates of ongoing episodes detected in previous years, these are still being investigated and for further details reference should be made to the Annual Financial Report as at 31 December 2021, section "information on ongoing proceedings";

- there were no reports, pursuant to Legislative Decree 231/2001, forwarded to the Company's Supervisory Board.

5. Auditing activities and related costs

The Board of Statutory Auditors was informed of the recording of the following fees paid to Deloitte & Touche S.p.A. and its network of agencies/subsidiaries concerning services pertaining to 2021:

Type of service	Provider	Recipient	Fees
Audit service	Deloitte & Touche S.p.A	Servizi Italia S.p.A.	86,228
Audit service	Deloitte & Touche S.p.A	Subsidiaries	8,935
Audit service	Deloitte & Touche S.p.A. network	Subsidiaries	53,194
Other Assurance services	Deloitte & Touche S.p.A	Servizi Italia S.p.A.	3,000
Limited revision DNF	Deloitte & Touche S.p.A	Servizi Italia S.p.A.	30,000
Total			181,357

The assignment of the above-mentioned offices, except attestation services, was previously approved by the previous Board of Statutory Auditors (in office until 28 April 2020, date of approval of the financial statements as at 31 December 2019).

The Board of Statutory Auditors now in charge was informed by both the Independent Auditors and the Financial Reporting Manager that Deloitte & Touche S.p.A. accrued fees for services other than the legal audit of the financial statements for an amount equal to Euro 3,000 (relating to fees for services to verify the conformity of VAT returns for the second quarter of 2021 and the year 2020, for the purpose of submitting the respective refund applications). These fees were previously approved by the previous Board of Statutory Auditors.

Pursuant to the provisions of art. 6, paragraph 2, letter a) of EU Regulation no. 537/2014, the Board of Statutory Auditors received a certification from Deloitte & Touche S.p.A. that, throughout 2021 and taking into account the activities carried out, no situation was found that could compromise its independence.

6. Auditing activities and related costs

During the 2021 financial year, the Board of Statutory Auditors has, in particular:

- examined and positively assessed the 2021 Audit Plan prepared by the Head of Internal Audit and approved by the Board of Directors. The Board of Statutory Auditors was also informed about the update of the Plan in light of the emergency linked to the continuing spread of the Covid-19 pandemic;
- positively assessed the appointment of the Internal Auditor;
- issued a favorable opinion on the allocation of the remuneration due to the directors, established in overall terms by the Shareholders' Meeting, and on the congruity, with the remuneration policy, of the calculation of the targets of the ABS remuneration plan for the year 2021;

- issued a favorable opinion, pursuant to art. 19, first paragraph, letter e) of Legislative Decree no. 39 of 27 January 2010 and art. 5 of European Community Regulation no. 537 of 16 April 2014, in relation to the assignment of "non-audit services" to the audit firm;
- expressed its positive evaluation, pursuant to and for the purposes of Article 4, paragraph 6, of Consob Regulation 17221 of 12 March 2010, as amended (the "CONSOB Regulation"), on the compliance of the update of the Procedure for Transactions with Related Parties of the Company with the principles indicated in the CONSOB Regulation;
- examined and positively assessed the update of the Guidelines of the internal control and risk management system.

Following its appointment and until the date of this Report, the Board of Statutory Auditors has:

- examined and positively assessed the 2022 Audit Plan prepared by the Head of Internal Audit and approved by the Board of Directors;
- verified the correct application of the criteria and procedures adopted by the Board of Directors to assess the independence of the Directors.

With regard to the activities carried out with reference to Servizi Italia S.p.A. financial statements and the Group's consolidated financial statements as at 31 December 2021, reference should be made to the "Final assessment of the supervisory activities carried out and proposed to the Shareholders' Meeting".

7. Attendance to corporate bodies meeting

Also 2021 was characterized by a situation of uncertainty in relation to the origin and evolution of COVID-19 pandemic. The indications and governmental measures issued on this matter imposed stringent measures to limit the spread of the pandemic on the national territory.

In this context, the Company's activities were not interrupted and, where possible, continued to be carried out "remotely" for office staff.

Even the activities of the Board of Statutory Auditors have been mainly conducted in this way, via the acquisition of data and information in electronic format and holding meetings via video/audio conference.

Taking into account Company's degree of reliability and timeliness in ensuring a proper conduct of the meetings and an adequate information flow transmission system, the Board of Statutory Auditors believes that the adoption of these methods did not diminish or affect the degree of reliability of the information received and the effectiveness of its activities.

During 2021, the Board of Statutory Auditors has attended – at least through its Chairman – to all the meetings of the Executive Committee, for a total of 12 meetings, to all Board of Directors meetings, for a total of 10 meetings, during which it was informed about the activities carried out and the most significant transactions made by the Company and its subsidiaries. In particular, in this context, the Board of Statutory Auditors has received information from the General Manager on principal transactions carried out.

On 20 April 2021, the Board of Directors resolved to set up, pursuant to Recommendation 16 of the Corporate Governance Code, a single endowment committee, known as the Governance and Related Parties Committee, with functions relating to appointments, remuneration, control and risks and transactions with related parties, appointing as members the independent directors Anna Maria Fellegara (Chairwoman), Benedetta Pinna and Antonio Aristide Mastrangelo.

During the 2021 financial year, the Board of Statutory Auditors held 18 meetings, 2 of which with the Control and Risk Committee and 7 with the Governance and Related Parties Committee, during which information was also exchanged with the independent auditors, in order to ensure that no imprudent, risky operations, in potential conflict of interest, in contrast with the law or the articles of association or with the resolutions of the Shareholders' Meeting or such as to compromise the integrity of the Company's assets were carried out.

The Board of Statutory Auditors, at least with its Chairman, also attended 3 meetings of the Control and Risk Committee, also in its capacity as Committee for Transactions with Related Parties, 4 meetings of the Appointments and Remuneration Committee and 8 meetings of the Governance and Related Parties Committee, acquiring knowledge of the work carried out by them during the year.

The Board of Statutory Auditors also took part in the Ordinary Shareholders' Meeting held on 20 April 2021.

During 2022 and up to the present date, the Board of Statutory Auditors has participated, at least through its Chairman, in all the meetings of the Executive Committee, for a total of 3 meetings, in all the meetings of the Board of Directors, for a total of 3 meetings, in 3 meetings of the Governance and Related Parties Committee, and has held 7 board meetings, of which 2 joint meetings with the Governance and Related Parties Committee.

8. Observations on compliance with the principles of proper administration

Following the supervisory activity carried out, the Board of Statutory Auditors has no observations to make about the compliance with principles of proper administration and it verified that the Directors are aware of risks and effects of the transactions carried out.

In particular, the Board of Statutory Auditors checked that management decisions were taken in the interest of the Company, that they were compatible with the Company's resources and assets and that they were adequately supported by information, analysis and verification processes, also using advisory activities of committees and external consultants, when deemed necessary.

9. Observations on the adequacy of the organisational structure

With reference to Company's organizational structure, it should first be noted that:

- the Shareholders' Meeting of 20 April 2021 appointed the new members of the Board of Directors, who will remain in office until the date of approval of the financial statements at 31 December 2023, in the persons of Roberto Olivi (Chairman), Ilaria Eugeniani, Michele Magagna,

Anna Maria Fellegara (independent), Umberto Zuliani, Benedetta Pinna (independent) and Antonio Aristide Mastrangelo (independent);

- the Board of Directors of 20 April 2021 resolved: (a) to adhere to the Corporate Governance Code; (b) to establish, pursuant to recommendation 16 of the Corporate Governance Code, a single intra-council committee, called the Governance and Related Parties Committee, performing functions relating to appointments, remuneration, control and risks and transactions with related parties, appointing as members the independent directors Anna Maria Fellegara (Chairwoman), Benedetta Pinna and Antonio Aristide Mastrangelo; c) to appoint the Chairman Roberto Olivi, Director in charge of the internal control and risk management system, Antonio Aristide Mastrangelo, Lead Independent Director and Antonio Ciriello, Head of Internal Auditing;
- on 27 January 2022, the Board of Directors resolved to appoint Veronica Camellini, Francesco Magrini and Antonio Ciriello as new members of the Supervisory Board, who will remain in office until 2 February 2025.

The Board of Statutory Auditors has constantly collected information on the organizational structure of the Company and its changes, also by meeting some of the heads of the various departments of the Company.

In the light of the outcome of these meetings, the Board of Statutory Auditors believes that the Company's organizational structure, procedures, competencies and responsibilities are sufficiently adequate in relation to the size of the company and the type of activity carried out, also taking into account the implementation of third-level internal controls on site in foreign subsidiaries.

The Board of Statutory Auditors also verified the adequacy of the administrative and accounting organization. It should be noted that in the foreign subsidiaries, activities were carried out to implement third level internal controls on site.

10. Adequacy of the Internal Control and Risk Management System

The Board of Statutory Auditors has supervised the adequacy of the Internal Control and Risk Management System of Servizi Italia S.p.A. and its strategically important subsidiaries, by means of:

- a. regular collection of information from the Director in charge of the Internal Control and Risk Management System, the Chief Financial Officer, the Financial Reporting Manager, the Head of Internal Audit, the Director of Organization and Systems, the Head of Corporate Services and Responsible for Prevention of Corruption and Responsible of Anti-trust compliance and other head functions involved from time to time, on the activities carried out, the mapping of risks relating to the activities in progress, the verification programs and the implementation projects of the internal control system;
- b. regular participation, in addition to the meetings of the Board of Directors and the Executive Committee, to the work of the Control and Risk Committee and Governance and Related Parties Committee set up pursuant to the Corporate Governance Code for Listed Companies;

- c. examination of the periodic reports of the Control and Risk Committee and the Governance and Related Parties Committee;
- d. examination of the periodic reports prepared by the Head of the Internal Audit function, containing information on the verification activities, in the various company areas concerning the functioning of the internal control and risk management system, carried out by the same Head, as well as the positive assessment of the same Head on the suitability of the internal control and risk management system of the Company and its subsidiaries with strategic importance with respect to the characteristics of the business and the risk profile assumed;
- e. analysis of the outline of the foreign companies of the Servizi Italia Group and exchange of information with the company contact persons (and a director of some of the most important subsidiaries) in relation to the organisational structure and any critical corporate issues;
- f. examination of the reports of the Corruption Prevention and Antitrust Compliance function, concerning the prevention, monitoring and management of the risk of non-compliance with antitrust and anti-corruption legislation.

In addition to that, the Board of Statutory Auditors has:

- verified that the Company has an Organization, Management and Control Model that complies with the principles contained in Legislative Decree 231/01 and the guidelines developed by the Trade Associations, most recently updated by the Board of Directors on 18 December 2020;
- verified that the Company, following its approval by the Board of Directors on 30 July 2020, has adopted Anti-Corruption Policy and Guidelines, also in order to obtain the UNI ISO 37001 certification;
- verified that the Company has an Antitrust Code of Conduct, following its approval by the Board of Directors on 7 August 2020;
- examined the periodic reports of the Supervisory Body provided for by Legislative Decree no. 231/2001, which summarises the activities carried out by said body, and met its members;
- met, in the absence of corporate supervisory bodies, a director of some of the main foreign subsidiaries for the purpose of exchanging information on, among other things, compliance with the directives issued by the Parent Company, the characteristics of the internal audit system and the corporate organisation of the subsidiaries (in which the activities performed to improve the on-site internal controls were highlighted in particular).

In conclusion, during the above-mentioned activity, the Board of Statutory Auditors:

- a) has not identified any critical situations or facts that might suggest, in relation to the 2021 financial year, that the Internal Control and Risk Management System of Servizi Italia S.p.A. and its strategically important subsidiaries is inadequate, also noting the positive assessment in this regard expressed by the Board of Directors;
- b) having regard to the information provided by the Chairman of the Supervisory Body and the above-mentioned reports, from which it appears that, during the 2021 financial year, no

reprehensible facts or violations of the Model have emerged, the Board of Statutory Auditors, to the extent of its competence, considers that the above-mentioned Model is suitable to prevent the offences provided for by the legislation in question and is correctly adopted, without prejudice to further updates to the Model that may take place during 2022, in order to comply with the most recent regulatory changes.

11. Adequacy and reliability of the administrative-accounting system

The Board of Statutory Auditors, to the extent of its responsibility, oversaw the adequacy of the administrative-accounting system and its reliability in correctly representing operating events, as well as the activities carried out, under the coordination of the Financial Reporting Manager, for the purposes of compliance with Law 262/05 "Provisions for the protection of savings and the regulation of financial markets" and subsequent amendments and additions, by means of:

- a) acquiring information from the Financial Reporting Manager and from the heads of other corporate departments, also as part of the participation in the works of the Control and Risk Committee and Governance and Related Parties Committee;
- b) the acquisition of information on the procedures adopted and instructions issued by Servizi Italia S.p.A. for the preparation of the Group's Annual Financial Report as at 31 December 2021 and the Group's Half-Yearly Financial Report as at 30 June 2021;
- c) the acquisition of information about the existence of the conditions required by art. 15 of the Market Regulation adopted by Consob Resolution no. 20249 of 28 December 2017, with regard to subsidiaries with significant relevance established and regulated by the law of countries not belonging to the European Union, also ascertaining the non-existence of circumstances entailing the inability to comply with the provisions of said regulation, to be eventually reported to Consob and the market management company pursuant to art. 15 paragraph 1 letter c) point ii;
- d) examination of the Certifications pursuant to art. 81-ter of Consob Regulation no. 11971 of 14 May 1999 and art. 154-bis of the Consolidated Law on Finance of the Financial Reporting Manager and the Internal Audit Report on the effective application of the administrative and accounting procedures pursuant to Law No. 262/2005 and on the outcome of the tests carried out;
- e) meetings with the Independent Auditors and analysis of the results of their work;
- f) the examination of corporate documents.

The Board of Statutory Auditors also noted that, following the favourable opinion issued by the Governance and Related Parties Committee, in accordance with the recommendations issued by the European Securities and Markets Authority ("ESMA") on 21 January 2013, the joint Bank of Italy/Consob/Isvap document no. 4 of 3 March 2010 and with Consob Communication no. 3907 of 19 January 2015, the Board of Directors' meeting of 4 March 2022, independently and in advance of the time of approval of the financial statements, approved the impairment test procedures applied by the Company in the preparation of the separated and consolidated financial statements for the year ended 31 December 2021.

During the performance of the activity described above, the Board of Statutory Auditors did not identify any critical situation or fact that could lead to believe that the administrative-accounting system of Servizi Italia S.p.A. is inadequate and/or unreliable with regard to the year 2021.

12. Adequacy of instructions given to subsidiaries

We highlight that the Company regulates, by means of specific procedures, the information flows from it to the subsidiaries, especially with regard to major transactions.

The Board of Statutory Auditors believes that the instructions given by the Company to its subsidiaries pursuant to art. 114, paragraph 2 of the Consolidated Law on Finance are adequate in order to comply with the disclosure requirements set out by law.

13. Any significant aspect of the meetings with the Independent Auditors

The Board of Statutory Auditors, for performing the auditing activities related to the Annual Financial Report as at 31 December 2021, met the Independent Auditors:

- for sharing information regarding the audits carried out by the latter pursuant to Legislative Decree no. 39/2010 and art. 150, paragraph 3 of the Consolidated Law on Finance, on the regularity of Company's accounts as well as the correct recording of management events in the accounting records. No critical issue or anomaly emerged from these meetings;
- for the examination and assessment of the preparation process - including the assessment of the correct use of accounting standards and their uniformity - of the Group's Half-Yearly Financial Report as at 30 June 2021 and the Group's Annual Financial Report as at 31 December 2021, as well as the results of audit and assessment activities carried out on these documents.

In particular, the Board of Statutory Auditors has:

- analysed the work carried out by the independent auditors, and in particular, the methodological framework, the audit approach used for the various significant areas of the financial statements and the planning of the audit work;
- shared with the independent auditors the issues related to corporate risks, thus being able to appreciate the adequacy of the response planned by the auditor with the structural and risk profiles of the Company and the Group.

The Board of Statutory Auditors, in addition to what has already been reported in paragraph 3, has also:

- a) received, pursuant to art. 11 paragraph 2 of EU Regulation no. 537/2014, the additional report of the independent auditors, also illustrating the key issues that emerged during the legal audit and any significant deficiencies detected in the internal control system in relation to the financial reporting process, in which no significant deficiencies were detected;
- b) acknowledged the declaration regarding the independence of Deloitte & Touche S.p.A., pursuant to Article 6 of Regulation (EU) no. 537/2014, attached to the additional report, from which no situations emerge that could compromise its independence;

- c) discussed, pursuant to the provisions of Article 6 paragraph 2 letter b) of EU Regulation No. 537/2014, with the independent auditors the risks relating to their independence as well as the measures adopted by the independent auditors to limit such risks.

14. Adherence of the Governance Committee to the Corporate Governance Code for Listed Companies

The Board of Statutory Auditors has verified that the Company, which already adhered to the Code of Self-Governance in the past, adheres to the Corporate Governance Code for Listed Companies effective as of 1 January 2021.

During the financial year 2021 and up to the present date, it has supervised, pursuant to article 149, paragraph 1, letter c-bis) of the Consolidated Law on Finance, the procedures for the concrete implementation of the applicable corporate governance rules, with particular regard to:

- the correct application of the assessment criteria and procedures adopted by the Board of Directors to assess the independence of its members;
- the functioning of the endoconsiliar committees;
- the Company's corporate governance structure.

In particular, the Board of Statutory Auditors examined the Report on Remuneration Policy and compensation paid approved by the Board of Directors in the meeting of 14 March 2022, verifying the presence in it of the information required by art. 123-ter of the Consolidated Law on Finance and art. 84-quater of Consob Regulation 11971/1999, as well as adaptation to the latest legal and regulatory requirements.

The Board of Statutory Auditors also acknowledges that the Board of Directors has examined the recommendations of the Corporate Governance Committee contained in the letter of 3 December 2021 addressed by the Committee's Chairwoman, Lucia Calvosa, to the Chairmen of the Boards of Directors of Italian listed companies and, for information, to the related Managing Directors and Chairmen of the supervisory bodies, in order to take the necessary decisions. The Board of Auditors has examined these recommendations to the extent of its competence.

The Board of Statutory Auditors supervised the activities carried out by the endoconsiliar Committees also in relation to the activities envisaged by the Corporate Governance Code.

In addition to the above, the Board of Statutory Auditors:

- assessed the compliance of its composition with the legal provisions concerning gender quotas, as well as its adequacy with regard to policies concerning diversity of age and professional background;
- positively assessed the correctness and effectiveness of its functioning, also taking into account the professionalism, expertise and experience of its members, the compliance with law and regulatory provisions concerning the accumulation of offices held by the Auditors, the availability of time to carry out their duties, as well as the functionality and quality of the information flows

with the Board of Directors, the Control and Risk Committee, Governance and Related Parties Committee, the Independent Auditors and the other control functions;

- carried out, with a positive outcome, the periodic assessment of compliance with the independence criteria with regard to each of its members, pursuant to statutory, regulatory and self-regulatory provisions;
- drew up the summary sheets of the control activities carried out by the Board of Statutory Auditors during the 2021 financial year, in accordance with Consob Communication no. 1025564 of 6 April 2001;
- examined the text of the Report on Corporate Governance and Ownership Structure approved by the Board of Directors during the meeting held on 14 March 2022, verifying the presence in it of the information required by art. 123-bis of the Consolidated Law on Finance and its compliance with the scheme prepared by Borsa Italiana S.p.A.

15. Consolidated Non-Financial Statement

The Board of Statutory Auditors monitored compliance with the provisions of Legislative Decree no. 254 of 30 December 2016 and Consob Regulation no. 20267 of 18 January 2018 regarding the Consolidated Non-Financial Statement (Italian acronym "DNF") prepared by the Company.

The Board of Statutory Auditors finds that the Company, in its capacity as Parent Company, has prepared the Consolidated Non-Financial Statement in accordance with the requirements of Articles 3 and 4 of Legislative Decree no. 254/2016 and the "Global Reporting Initiative Sustainability Reporting Standards" (so-called "GRI Standards") defined by GRI - Global Reporting Initiative, as described in the "Methodological Note" paragraph of the DNF.

The Board of Statutory Auditors monitored compliance with the provisions established by Legislative Decree no. 254 of 2016, ascertaining that the DNF enables the understanding of the Group's activity, its performance, its results and the impacts produced, and that the DNF reports on environmental, social and governance issues (integrity and business ethics), taking into account the activities and characteristics of the company, in accordance with the provisions of Article 3 of Legislative Decree no. 254 of 2016.

The Board of Statutory Auditors discussed with the external auditors the audit activities carried out on the DNF and received confirmation that no critical issues emerged to be reported.

The Board of Statutory Auditors also verified the approval by the Board of Directors on 14 March 2022 of the aforementioned Consolidated Non-Financial Statement and the issuance on 28 March 2022, by the independent auditors, of the specific Report on the Group's DNF for the financial year ended 31 December 2021, which certifies the compliance of its preparation, in all significant aspects, with Articles 3 and 4 of Legislative Decree 254/2016 and the GRI standards.

**Final assessment of the supervisory activities carried out
and proposal to the Shareholders' Meeting**

Having taken into account the above-mentioned aspects and having stated that, during the year under review, the Board of Statutory Auditors has:

- supervised compliance with the law and the Articles of Association, compliance with the principles of proper administration and, in particular, the adequacy of the organisational, administrative and accounting structure adopted by the Company and its actual functioning;
- supervised the observance of disclosure obligations concerning inside information;
- supervised the functioning and effectiveness of the internal control system and risk management, in order to assess their suitability to corporate needs, as well as their reliability to represent management events;
- supervised compliance with the provisions of law concerning the procedure for the preparation, control, approval and publication of the Company's separate financial statements and the procedure for the preparation, control and publication of the Group's consolidated financial statements and management reports for the year 2021, also by means of direct checks and information obtained from the Independent Auditors, and also ascertained the adequacy of the impairment process in terms of method;
- verified that, in compliance with EC Regulation no. 1606/2002 and Legislative Decree no. 38/2005, the separate financial statements of Servizi Italia S.p.A. and the consolidated financial statements of the Group as at 31 December 2021 were prepared in accordance with the IFRS international accounting standards, as supplemented by the related interpretations issued by the International Accounting Standard Board (IASB), according to the text published in the Official Journal of the European Communities;
- verified that the Company has taken the necessary steps to prepare the consolidated financial statements in electronic format (using XHTML and iXBRL technologies), in accordance with the requirements of the ESEF Regulation;
- supervised compliance with the procedure for preparing and presenting the Financial Statements to the Shareholders' Meeting;
- supervised - pursuant to art. 19, paragraph 1 of Legislative Decree no. 39/2010 - the financial reporting process, the effectiveness of the internal audit, internal control and risk management systems and informed the Board of Directors of the outcome of the statutory audit;
- supervised compliance with the provisions established by Legislative Decree 254/2016 and Consob Regulation no. 20267/2018 with regard to the Consolidated Non-Financial Statement.

All this forwarded, the Board of Statutory Auditors declares that, during the supervisory activity, as described above, no censurable facts, omissions or irregularities emerged that would require reporting to the competent bodies.

In view of the above, the Board of Statutory Auditors invites you to approve the Financial Statements as at 31 December 2021 submitted by the Board of Directors together with the management report and the proposal to the Shareholders' Meeting formulated therein.

Castellina di Soragna (PR) - Italy, 28 March 2022

The Board of Statutory Auditors

Roberto Cassader - Chairman



Elena Iotti - Permanent Member



Gianfranco Milanesi - Permanent Member

