

[CELLULARLINEGROUP]

ESG REPORT 2022

Our commitment for a
sustainable Future

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INTRO DUCTI ON

INTRO DUCTION ON

Letter to our stakeholders

Letter to our stakeholders

In recent years, we have faced major economic, social and health challenges, which have led us to undertake profound changes within the company, but also to rethink our relationship with the outside world and our stakeholders. During these complicated times, we have become more aware of the contribution we can make to the community and to the environment. This is why our Group wants to play a **leading** role in the **social, environmental and economic recovery**, and seeks to do so by putting its skills and resources at stake not only for itself, but for all its stakeholders, the society and the environment.

Our purpose, our very raison d'être, is clear: *Youmanizing the devices' experience*. This choice underlines our DNA and embraces **sustainable development**, always putting **people** at the centre. In actual fact, we focus our innovation, so that the experience people have with technology in their everyday lives improves. It is from this will that our way of doing business, our manifesto and our strategic choices stem.

With a clear view of the social and environmental context in which we find ourselves and of the purpose that characterises our market presence, in 2020 we embarked on a path that led us to integrate and formalise **environmental** and **social responsibility** within our business and structure it in a three-year plan of strategic goals. The commitment we have made is to achieve an all-round sustainable model, in which development, inclusion, sharing and giving back to the territory go hand in hand. Therefore, our strategy is based on three lines of transformation: **Ecological Transition** and **Climate Neutrality, People Care** and **Equality & Inclusion** and **Change System**.

Our plan is divided into 6 areas of action: **Governance, People, Community, Suppliers, Environment** and **Customers**. These cover all the major sustainability topics that affect us and where the initiatives, projects and changes we adopt are driven by a systemic, interdisciplinary and cross-functional approach across the Group.

The goals we have set ourselves, however, would not be able to be achieved, were we to operate alone; the **engagement** of our stakeholders is absolutely essential: the people who choose our

products, our business partners and industrial and logistics suppliers and indeed the community; they are the driving force for the development of our strategy.

For the third year running, we present our ESG Report, a document that chronicles our virtuous path for society and the environment. It is a renewed, expanded report that aims to describe our **actions, projects** and **future commitments**, but also to convey the values of our Group. This is only the third stage of our journey, with which we aim to promote sustainable development to the benefit of all.



Marco Cagnetta
Co - CEO



Christian Aleotti
Co - CEO

ABOUT US

ABOUT US

Cellularline Group Highlights

Cellularline Group Highlights

- 32** years of history
- 259** employees
- HQ** Reggio Emilia
- 4** locations Italy, Spain, France, Switzerland
- 64** countries served
- 3** product lines Red, Black, Blue
- +11.000 sqm** warehouse
- +630** daily orders shipped worldwide
- ~35%** of the annual turnover come from products launched in the same year

Product lines

- Red**
accessories for multimedia devices
- Black**
products and accessories for the world of motorcycles and bicycles
- Blue**
products marketed under brands not owned by the Group

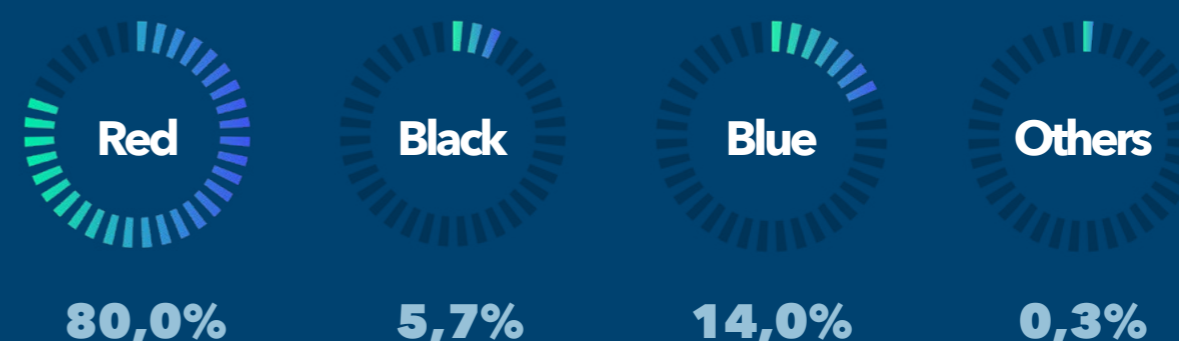


Net revenues for 2022

137.6 Million EUR

Revenues from Sales by product line

Total Revenues from Sales 100%



Revenues from Sales by geographical area

Total Revenues from Sales 100%



Adj. EBITDA

16,6 million
% of revenues
12%

Adj. net result

5,7 million
% of revenues
4,1%

2022 net financial debt

40,4 million
2021
37,4 million
Change
+3,0 million

ABOUT US

Corporate data

Group composition,
Administrative Body,
Shareholder disclosure

Corporate data, Group composition, Administrative Body, Shareholder disclosure

Founded in Reggio Emilia in 1990, we are European leaders in the field of accessories for smartphones and tablets; we are a technological and creative point of reference in the market of accessories for multimedia devices.

Cellularline S.p.A.

Registered Office
Via Grigoris Lambrakis 1/a
42122 Reggio Emilia (RE)
Italy

Legal information

share capital Euro
21,343,189 fully paid-up

VAT reg. no. and Tax Code

09800730963

Economic and Administrative Register

RE-315329

Certified e-mail address

spa.cellularline@legalmail.it
ISIN: IT0005244618

Corporate website

www.cellularlinegroup.com

Group composition

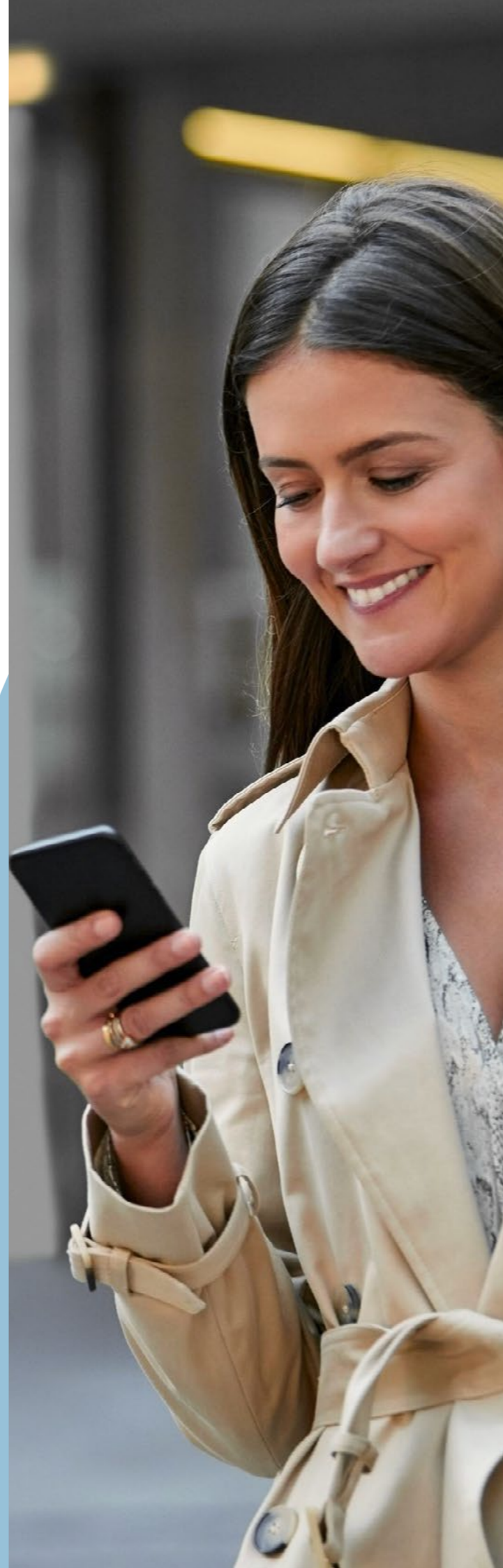
The Group consists of the following companies:

Cellularline S.p.A., a company incorporated under Italian law with registered office in Via Lambrakis 1/a, Reggio Emilia (Italy), Parent Company operating in Italy and abroad in the sector of design, distribution (including of products not under its own brand) and marketing of accessories and devices for multimedia products (smartphones, tablets, wearables, audio products) and for connectivity in motion (in the car and on motorcycles/bikes), which includes a permanent establishment located in Paris at number 91, Rue Du Faubourg Saint Honoré (France). The latter represents a fixed base with three employees who carry out purely business activities and it is aimed at managing relations with customers in the French market;

Cellular Spain S.L.U., a company incorporated under Spanish law with registered office in C/ Newton, 1 edificio 2 nave 1, Leganés (Madrid), a wholly-owned subsidiary, which distributes the Cellularline brand to the Spanish and Portuguese markets;

Cellular Immobiliaria Italiana S.L.U., a company incorporated under Spanish law with registered office in Cl. Industrial no. 50 Sur Edificio 2 Nave 27, Leganés (Madrid), a wholly-owned subsidiary which owns a property - formerly the headquarters of Cellular Spain - currently leased to third parties;

Cellular Immobiliare Helvetica S.A., with registered office in Lugano, Via Fer-



ruccio Pelli no. 9 (Switzerland), a wholly-owned subsidiary, which owns the property leased to the business company Cellular Swiss S.A.;

Pegaso S.r.l., a company incorporated under Italian law with registered office in Via Brigata Reggio 24, Reggio Emilia (Italy), acquired on 3 April 2019 and a 100% subsidiary that owns - as a holding company - 100% of Systema S.r.l.;

Systema S.r.l., a company incorporated under Italian law with registered office in Via della Previdenza Sociale 2, Reggio Emilia (Italy), 100% of which is indirectly owned through the equity investment held in Pegaso S.r.l.; Systema operates in the European market for mobile phone accessories for telecommunications;

Worldconnect AG, a company incorporated under Swiss law with registered office in Diepoldsau, Switzerland, an 80%-owned subsidiary, is the world market leader in premium travel adapters. Founded in 2002, the company - through its trademarks SKROSS and Q2 Power and leading OEM partnerships - operates internationally with a vast range of products comprising multiple travel adapters, specific adapters for individual Countries and power peripheral devices;

Coverlab S.r.l., a company incorporated under Italian law with registered office in via Flaminia Conca 35, Rimini, controlled for 55%, is an e-commerce company, operating - through its proprietary website www.coverlab.com - in the custom segment of smartphone accessories under the brand Coverlab.

Subliros SL, a company incorporated under Spanish law with registered office in C/Jacquard 97, Sabadell (Barcelona), controlled for 80%, is an e-commerce company, operating - through its proprietary website - in the custom segment of smartphone accessories under the brand Allogio.

Cellularline USA Inc., a company incorporated under the laws of the United States with registered office in 350 5TH AVE FL 41, New York, is a wholly-owned subsidiary, which distributes Cellularline Group products in the USA and in Canada.

Cellular Swiss S.A., a company incorporated under Swiss law with registered office in Route de Marais 17, Box No. 41, Aigle (Switzerland) a 50%-owned associate, which distributes the Cellularline products in the Swiss market.

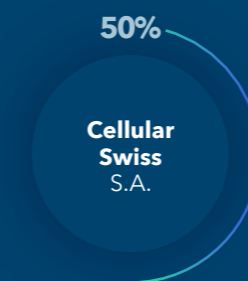


Group structure

Cellularline S.p.A. - Associates Subsidiaries



Cellularline S.p.A. - Associates



Corporate and control bodies

Administrative Body: BoD

Board of Directors

| | |
|------------------------|---|
| Antonio Luigi Tazartes | Chairman |
| Christian Aleotti | Deputy Chairman and Chief Executive Officer |
| Marco Cagnetta | Chief Executive Officer |
| Giorgina Gallo | Independent Director |
| Alberto Grignolo | Independent Director |
| Paola Schwizer | Independent Director |
| Davide Danieli | Director |
| Marco Di Lorenzo | Director |
| Cristian D'Ippolito | Director |
| Gaia Guizzetti | Director |
| Carlo Moser | Director |

Risk and Control Committee

| | |
|------------------|-------------------------------------|
| Paola Schwizer | Chairwoman and Independent Director |
| Giorgina Gallo | Independent Director |
| Alberto Grignolo | Independent Director |

Appointments and Remuneration Committee

| | |
|---------------------|-------------------------------------|
| Giorgina Gallo | Chairwoman and Independent Director |
| Paola Schwizer | Independent Director |
| Cristian D'Ippolito | Director |

Related Parties Transactions Committee

| | |
|------------------|-------------------------------------|
| Paola Schwizer | Chairwoman and Independent Director |
| Giorgina Gallo | Independent Director |
| Alberto Grignolo | Independent Director |

Supervisory Body

| | |
|------------------|------------|
| Anna Doro | Chairwoman |
| Fabrizio Capponi | Member |
| Ester Marino | Member |

Board of Statutory Auditors

| | |
|---------------------|-------------------|
| Cristiano Proserpio | Chairman |
| Daniela Bainotti | Standing Auditor |
| Paolo Chiussi | Standing Auditor |
| Guido Prati | Alternate Auditor |
| Stefania Bettoni | Alternate Auditor |

Independent Auditors

KPMG S.p.A.

Shareholder disclosure

Company listed on the Telematic Stock Market - STAR segment managed by Borsa Italiana S.p.A. Alphanumeric code: CELL

The share capital amounts to Euro 21,343,189 divided into 21,868,189 ordinary shares (ISIN: IT0005244618). There are also 6,130,954 outstanding warrants (ISIN: IT0005244592).

Table of significant shareholders (situation as at 31.12.2022)*

| Shareholder | % of share capital with voting rights |
|----------------------|---------------------------------------|
| Christian Aleotti | 8,81% |
| First Capital S.p.A. | 7,22% |
| Quaero Capital S.A. | 6,80% |

*Shareholders holding more than 5% of the share capital with voting rights



ABOUT US

Our history

Our history

“The Reggio Emilia-based company Cellular Italia S.p.A., founded in 1990 as a distribution company for the first mobile phones, launched the Cellularline brand in the 1990s”



1990

Cellular Italia S.p.A. is created



1995

A complete range of mobile telephone accessories is developed.



2005

Cellular Italia becomes a group, also expanding its leadership into new distribution channels and new product segments.



2010

Cellular Italia reaches distribution in more than 50 Countries worldwide.



2011

The Interphone Business Unit is created, dedicated to the development and marketing of communication tools and accessories dedicated to the world of two-wheelers.



2018

Business Combination with Growth and listing on the Italian stock exchange (AIM)



2015

The company reaches a European leadership position on the mobile device accessories market.



2013

L Capital (Private Equity fund supported by LVMH) acquires the majority of the company, thereby launching an important growth project.



2019

Historic move to the MTA market, STAR segment managed by Borsa Italiana S.p.A. & acquisition of SYSTEMA, a company specialising in the international telephone operator sector by supplying accessories for smartphones.



2020

Three-year agreement with Altec Lansing for the co-design, production and distribution of audio products for the European market. Acquisition of WorldConnect AG, the global market leader in premium travel adapters under the Skross brand.



2021

Acquisition of Coverlab, a brand with entirely online development and distribution, and the leading manufacturer of customised covers in Italy.



2022

Acquisition of 80% of Subliros SL, a Spanish e-commerce company operating in the custom smartphone accessories segment under the brand name Alloggio, and signing of the acquisition of 60% of Peter Jaeckel, a major German player in the smartphone accessories sector.

OUR STRATEGY

OUR STRATEGY

Purpose, Vision, Mission and Values

Purpose

YOUmanizing the devices' experience

This **purpose** clearly embodies our firm belief that it is the human being who makes the difference and not just technological development. Intercepting the new needs and requirements of end-users through **sustainable innovation** and **know-how** is at the core of the Group's activities. Indeed, it is the virtuous interaction between **human** and **technological components** that can make the difference for a healthy development.

In this sense, humanising the technological experience and making it accessible to everyone takes on a solid and pragmatic meaning of social and environmental responsibility that the Cellularline Group takes on.



Manifesto

We believe that without humanity, the power of Digital is nothing.

We believe in intuition, serious skills and **continuous improvement** in technology and people.

We believe that the real value of a product lies in the study and in the design of **ingenious features**, because they are based on real needs: yours.

We believe in partnership and in **synergistic processes** that allow to design better solutions, because shared.

We believe that **respect** is only such if it is 360° and supported by concrete, measurable and transparent actions. Like ours.

We believe that innovation, in order to be real, must be **Youman**: accessible to everyone, and provide solutions for everyone, including you.



Vision and Mission

Our business lays its foundation in creating value for two main categories of stakeholders. This is why we decided to customise our vision and mission, creating two different cutaways that more properly define our ambitions and how we intend to achieve them.



Trade

Vision

To continuously improve the processes shared with our partners to personalise offers and services through a strategic data driven and omnichannel approach.

Mission

To be the Partner of choice for long-term sustainable value creation in the digital device accessories market.

Consumer

Vision

To become the leading Brand Group in the digital device accessories market, recognised for its ability to create effective, simple and sustainable solutions.

Mission

To feed a synergistic offer of Brands that, starting from people's needs, design and realise functional and sustainable solutions in order to make people live the full potential of the digital experience.



OUR STRATEGY

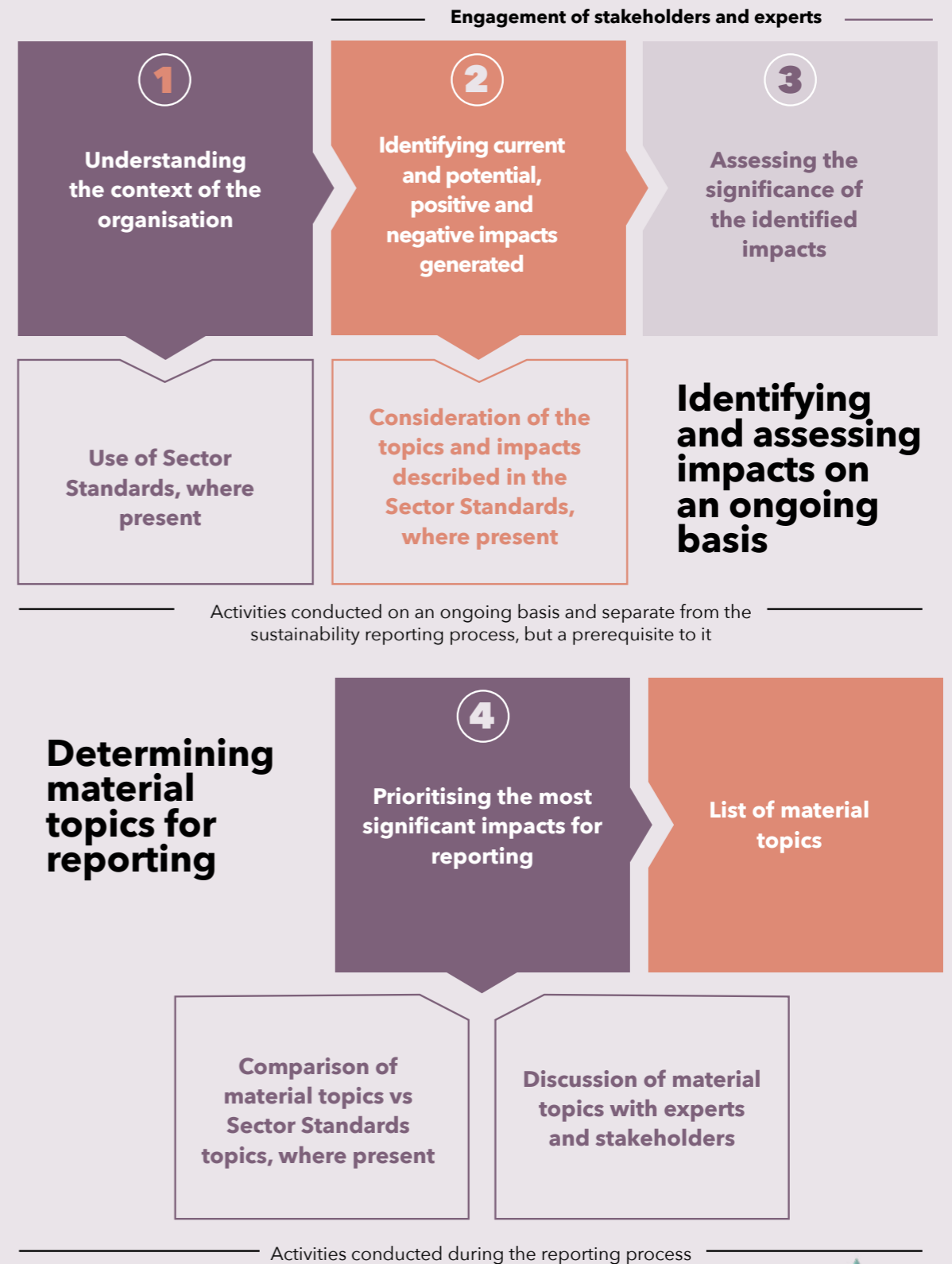
Our priorities and material topics

Our priorities and material topics

Again for 2022, we have updated our materiality analysis in order to target the content of our ESG Report in line with our business strategy, mission, corporate values and strategic priorities in the social and environmental fields.

Our goal is to be able to generate value for all stakeholders, accepting a need for change to transform it into an opportunity for growth, not as an individual organisation, but together with all the interdependent parts that make up our ecosystem.

Our materiality analysis was carried out considering standard **GRI 3 - Material Topics**, which provides guidance for the process of identifying material topics by defining a novelty, namely, a focus on the impacts generated by the company and their prioritisation. The GRI Universal Standards 2021 focus on the impacts (positive, negative, actual and potential) of organisations on the economy, on the environment and on people, including impacts on human rights. In the revised standards, "material topics" are in fact defined as those topics that represent the most significant impacts, moving beyond the concept of a materiality "matrix" in favour of a list (also in macro-categories) that prioritises material topics and the threshold set for reporting, established on the basis of the assessment of the most significant impacts.



Identification of material topics

In order to update the material topics, we used a methodological approach based on the innovations introduced by standard **GRI 3 - Material Topics**.



The process consisted of four distinct phases:

Reference context analysis

We carried out an internal, benchmark and context analysis, in order to identify the relevant aspects for the Cellularline Group in view of its business, business relationships, and the sustainability context in which the company operates, as well as the expectations of its stakeholders.

Starting out from a comparison with the analysis carried out last year, the aspects relating to each material topic were verified.

Impact classification

Positive and negative, actual and potential impacts were identified in relation to each of the relevant aspects that emerged from the analysis conducted in the previous phase.

Identified impacts were validated and integrated with the engagement of the Cellularline management team.

Impact assessment

One-to-one interviews were conducted with Group management, in order to assess impacts through a vote on Magnitude of the impact associated with the topic and the Likelihood of occurrence of the impact.

Prioritising impacts and grouping material topics

The resulting assessments were aggregated to obtain, for each topic, a value (as a product of the magnitude and likelihood of the individual risks and opportunities pertaining to the same topic) in order to identify the significance of each impact and prioritisation.

Stakeholder identification

The assessment of the impacts identified for each material topic was carried out through one-to-one interviews with the corporate front lines, who assessed the impacts related to their area of responsibility, and by taking the perspective of the external stakeholders relevant to each material topic on the basis of the impacts it may generate on the economy, on the environment and on people. Specifically, they were asked to assess the magnitude and the likelihood of the identified impacts on the economy, on people and on the environment for the inside-out perspective. As for magnitude, the drivers of the assessment were the scope, the significance and the potential remediation of the impacts, while as for likelihood, the time frame within which the impact occurred or is likely to occur (e.g. more than 10 years, between 3 and 5 years).

Assessment drivers

Each stakeholder will be asked to express the **likelihood** and the **severity** of the proposed **impacts** on the economy, on people and on the environment:

«Do you feel that Cellularline, through its activities, generates an impact on the economy, on people and on the environment?»






«With what likelihood?»

«With what severity?»



Our impacts

Below is a description of the material topics and of the positive and negative impacts identified.

-  Environment
-  People and Community
-  Product and packaging
-  Customer & Users
-  Governance

| Material topic | Description of topic | Main impacts generated |
|--|--|---|
|  Climate change & Energy Efficiency | Ensure the efficient management of production with the aim of limiting environmental impact, with particular reference to greenhouse gas emissions. | Negative impacts on the environment from the generation of CO ₂ emissions in the course of its activities and along the value chain. |
|  Environmental impact of products | Development of products using renewable and therefore environmentally-efficient energy. | Positive impacts of implementing circular practices in order to reduce waste and the use of virgin raw materials. |
|  Employee health and safety | Promote working conditions that ensure full respect for the right to health and protection of the physical and psychological integrity of employees and collaborators (e.g. contractors, suppliers, temporary workers). | Dissemination of a culture of safety and prevention among its employees and collaborators through appropriate protective measures to mitigate the negative impacts of occupational injuries and diseases. |
|  Respect for Human Rights | Ensure the protection of human rights in the inside, consolidating a corporate culture against all forms of violence and discrimination. | Negative impacts from forced or child labour practices. |
|  People care & employee development | Increase and enhance the professional value of employees through training and conscious management of human resources (e.g. welfare, benefits, supplementary health cover, flexible working hours and/or working from home). | Staff development and effective management of professional enhancement with positive impacts on employee <i>attraction</i> and <i>retention</i> . |
|  Equality & Inclusion | Guarantee equal opportunities for all workers, fostering an inclusive culture within the workplace. | Dissemination of a D&I culture and enhancement of equal opportunities, with positive impacts in terms of equal access to training. |



Social initiatives

Support the territory with initiatives towards the community and local entities, as well as strengthen the relations with the various players in the territory through partnerships, specific projects, etc.

Awareness-raising and support for local initiatives of a cultural nature and development of sustainability topics and employment generation in the local community.



Sustainable Supply Chain

Responsible management of the supply chain.

Assessment and management of negative environmental/social impacts along the supply chain and positive impacts in terms of transparency and traceability of their suppliers.



Product quality and safety

Ensure a continuous supervision of the quality of the services offered by always guaranteeing safe and reliable products.

Negative impacts related to product non-compliance with quality and safety standards.



Innovation and R&D

Ensure technological product innovation with the aim of responding to emerging trends.

Satisfy continuously evolving needs, through ever new products and an ever more extensive and articulated offer.



Evolution of distribution channels

Ensure an ongoing commitment to the evolution of its distribution channels.

Increase the opportunities to meet its consumers by expanding sales and distribution channels.



Economic Performance and creation of added value

Value creation and satisfactory economic performance.

Creation of added value through the sale of its own products.



Privacy & Cyber Security

Respect the privacy of individuals with the aim of ensuring full trust in our activities and success in the digital world.

Loss of sensitive customer/supplier data.



Ethical Marketing

Ensure communication towards the end user consistent with our purpose and values.

Adequate customer disclosure (e.g. marketing activities, product labelling), in order to enable informed decision-making.



Customer Centricity

Commit to meeting the needs of all customers by offering quality products and services. Ensure adequate complaint handling, with positive impacts in terms of improving the *customer experience*.



Anti - corruption and Business Ethics

Ensure that the necessary measures are in place to prevent the occurrence of corruption, including training and awareness-raising initiatives on the topic. Dissemination of the culture of ethics, integrity and transparency, mitigating any negative impacts arising from corruption and bribery offences and conflicts of interest.

Below are the identified positive and negative, current and potential impacts that may influence the creation of corporate value. The topics were classified into five categories: **environment, people & community, product & packaging, customer & users** and **governance**.

The list below is the result of the analysis described above.



Data is presented by dividing the assessments of negative impacts from those of positive, prioritised impacts. However, for reasons of methodological compliance with GRI, both tables present the complete list of all material topics subject to assessment, net of the type of impact (positive and/or negative) associated with each of them at the identification phase.

In the light of these criteria, the most material topics with positive impacts

thus appear to be:

- Innovation and R&D
- Evolution of distribution channels
- Equality and Inclusion
- Employee Health and Safety

In the light of these criteria, the most material topics with negative impacts thus appear to be:

- Sustainable Supply Chain
- Climate change & Energy Efficiency
- Environmental impact of products
- Product quality and safety

Key

- Very significant and probable impact (overall assessment from greater than 10 to 16)
- Significant and possible impact (overall assessment from greater than 6 to 10)
- Moderate and unlikely impact (overall assessment of greater than 3 to 6)
- Minor and rare impact (overall assessment from 1 to 3)



OUR STRATEGY

Stakeholder mapping and engagement

Stakeholder mapping and engagement

We aim to create value for all the key players who come into contact with us, starting from customers, through business partners, suppliers, our people up to the community considered in its broadest sense. In order to achieve this goal, we believe that having a positive and constant relationship over time with our stakeholders is fundamental; it will help us to increase trust in us and it will be a driving force for the development of our sustainability strategy.

Early 2020, we began a project to **map the stakeholders** that operate in our ecosystem. This activity allowed us to become aware of and classify the parties according to an internally shared structure and to create a stakeholder classification matrix that highlights the most relevant players and their readiness to collaborate in order to achieve our sustainability goals.

Thanks to this analysis, we have begun to define a strategy for the engagement of key stakeholders that will allow us to direct our efforts in targeted and more effective actions thanks to the spirit of collaboration and sharing that we intend to create.

The stakeholders identified were grouped into the following macro-categories:

External stakeholders
Internal stakeholders



For each category of stakeholder, we have identified specific means of engagement, partly already implemented in 2022 and partly to be implemented in the coming years, which aim to ensure that stakeholders are listened to and develop collaborative projects to create value and promote sustainable development.

Stakeholder categories

Methods of engagement



Community

- Donations and initiatives in favour of Dynamo Camp and the Green Cross of Reggio Emilia.
- Participation in events such as the Youth Festival and TEDxReggioEmilia.



People

- Internal surveys on environmental, sustainability engagement and climate topics.
- Creation of a cross-functional team dedicated to Equality & Inclusion.
- Engagement of the whole Group in Equality & Inclusion training.
- Internal and external people engagement projects through the creation of the Cellularline forest, the Cellularline Oasis and Bike to work.



Customers

- Meetings with customers during events, with the aim of telling them about the sustainability strategy and establishing contact on possible projects to be developed together.
- Monitoring of sustainability practices implemented by Customers, with the aim of identifying possible areas of collaboration.



Suppliers

- Construction of surveys dedicated to mapping good sustainability practices applied by suppliers and sharing of results.
- Engagement in building a new assessment framework as part of the Supply chain Evolution project.
- Monitoring of sustainability practices carried out by suppliers, with the aim of identifying possible projects to be developed together.
- Collaborating with and supporting suppliers in difficulty.



Average

- Interviews with the press on ESG topics, with the aim of sharing the group's strategy and the related action plan.
- Part of the LinkedIn editorial plan dedicated to communicating ESG initiatives and achievements.



Competitors

- Monitoring of competitor sustainability practices, with the aim of identifying possible areas of improvement.



Investors

- Induction on the company's sustainability path and workshops on Benefit companies with periodic updates.
- Constant updating and application of principles/suggestions in the areas of corporate governance and sustainable success.
- Conference calls on financial results, participation in roadshows and industry conferences with bilateral and group meetings with institutional investors (both equity and debt), sharing feedback with investors attentive to sustainability topics.
- Renewal and enhancement of the Investor Relations section within our website.

OUR STRATEGY

Business model

The Value chain

We supervise all the activities of the production cycle aimed at marketing the product. Strategic processes are linked to in-house product design and development and marketing and communication activities. Instead, production and logistics processes are outsourced. Through its internal marketing and research and development division, the Group designs new products on the basis of a market analysis strategy capable of capturing new industry trends and new technological developments.

A flexible business model

Outsourcing of production offers great flexibility in terms of production capacity and volumes, allowing suppliers to be chosen on the basis of their degree of technical innovation and reliability, in order to guarantee a product quality that will satisfy even the most demanding customers.



Strategy internally managed



Marketing Intelligence and R&D

- Analysis of smartphone and accessory users locally and internationally
- Market analysis
- Strategic and trade marketing approach
- Internal research and development
- Great speed and efficiency in the "go to market" processes



Supply management and communication

- Management of individual product categories
- Offer planning and segmentation
- Pricing strategies
- Management of assortments per channel and per customer
- Development of in-house digital content to support omnichannel communication

Efficiency externally managed



Production

- Strategic management of production partners
- Careful selection and certification of suppliers
- Continuous renegotiation of supply conditions
- Exclusive supply relationships and/or strategic *partnerships*
- Production and incoming quality control



Logistics and warehouse

- Constant relationship management with logistics partners in charge of warehousing and storage of goods
- Fully automated warehouses

METHO DOLO GICAL NOTE

METHODOLOGICAL NOTE

Our approach and guidance on reading the 2022 report

Methodological note

This document comes as part of a journey of evolution that began two years ago and it represents for us an effort of analysis and transparency that makes us even more proud to be part of the Cellularline Group



In line with last year, the **ESG Report 2022** is published annually and it has been prepared in accordance with the requirements of the GRI- Sustainability Reporting Standards 2021 (hereinafter also referred to as the “GRI Standards”), according to the option **“in accordance with the GRI Standards”**.

The *GRI Standards* are the main global reference standards for the ESG Report, providing an account of a company's sustainability performance. In particular, this Report has been prepared in accordance with GRI reporting principles for defining the content and quality of the report, such as stakeholder inclusiveness, sustainability context, materiality, completeness, as well as accuracy, balance, clarity, comparability, reliability and timeliness.

The document was prepared taking into consideration the sustainability topics deemed significant for the Group and our stakeholders presented within the materiality matrix (see the section “Our priorities and our material topics”).

The reporting scope includes the parent company Cellularline S.p.A., with registered office at Via Grigoris Lambra-kis 1/a, 42122 Reggio Emilia (RE), Italy, and the Companies consolidated on a line-by-line basis: Cellular Spain S.L.U., Systema S.r.l., WorldConnect AG, Cellular Swiss S.A. and Coverlab S.r.l.

The companies Cellular Immobiliaria Italiana S.L.U., Cellular Immobiliare Helvetica S.A. and Pegaso S.r.l. are excluded, as they are not significant for the purposes of non-financial reporting, since do not employ any staff. Furthermore, it should be noted that the Companies Subliros SL, consolidated as of November 2022, and Cellularline USA Inc., incorporated in May 2022, have been excluded from the scope, as they are not material for reporting purposes. Additional limitations with respect to this scope are appropriately noted later in the Report.

The reporting period is the 2022 financial year, which coincides with the calendar year from 1 January 2022 to 31 December 2022, unless otherwise specified in each paragraph. The Report publication frequency is set to be annual. The latest Report, covering 2021, was released in May 2022.

Through this Report we want to communicate and share our corporate performance with respect to Environmental, Social & Governance aspects, as well as the progresses achieved during 2022 and the main goals we have set for 2023 to continue to improve our impact and contribution.

The document traces the impact areas measured in the B Impact Assessment¹ - **Governance, Customers & Users, People & Community, Product & Packaging** and **Environment** - recounting, for each of them, the stories that gave us the most satisfaction in 2022, as well as the main ways of managing the sustainability topics considered significant for the Group and its stakeholders.



¹The B Impact Assessment (BIA) is among the most robust, comprehensive and widely used impact measurement standards in the world, developed by B Lab (a Non-Profit entity that gave rise to the Benefit movement - B Corp certification and legal status as a Benefit Corporation) and adopted by over 150,000 companies worldwide. The BIA provides useful indications on the economic, social and environmental performance of the company taking into consideration, in addition to the business model, five macro areas: governance, people, community, environment and customers. The measure of impact is represented by a total index on a scale of 0 to 200 points. This tool allows you to benchmark a given situation against companies that have already used it and to have a comprehensive guide on possible areas of improvement and on what actions to take.
<https://app.bimpactassessment.net/get-started/bcorporation>

GOVERNANCE



Our commitment to sustainability is also a commitment to transparency. We believe in our growth while creating a more sustainable, equitable and ethical future.



10,9

Governance

+1,5 points
over 2021

BIA score

as at 31/12/2022

75,4 Cellularline's overall B Impact Assessment score (+11 points over 2021)

We are firmly convinced that **transparency** is the cornerstone of all sustainable action, which is why we want to tell you not only about our achievements, but also about the challenges still to come. We are building our governance in order to be able to address a shift in perspective, in the way we do business, which will redefine the business of the future.

In this chapter, we will recount our commitment to the achievement of these goals, starting with the definition of a Governance oriented to a business activity at the service of people and the community, and ending with the identification of a series of further commitments for the future, related to our sustainable path.



GOVERNANCE

FINANCE

Sustainability Governance

Sustainability Governance

"A good change management is the basis for the development of any business, especially today. This is why, within our Sustainable Innovation path, the central driver is the definition of strategies and development plans at the Governance level"

What we have done: our impact stories

Why do we exist? Our Purpose

We have defined our purpose, which is fundamental for a better definition of our identity. Purpose answers the question: why do we exist? We believe that being able to answer this question allows us to create a stronger connection with our reference environment, allowing for the immediate recognition of the Group's brands on the outside.



We do not want these to be just nice words to spend to feel better about ourselves; we apply ourselves to declining these concepts in the corporate operations and the way through which we want to do it is precisely the definition of goals consistent with our values. This is reflected by our continuous improvement programmes on the sustainability of our products, as well as by our constant search for solutions for the well-being of our employees.

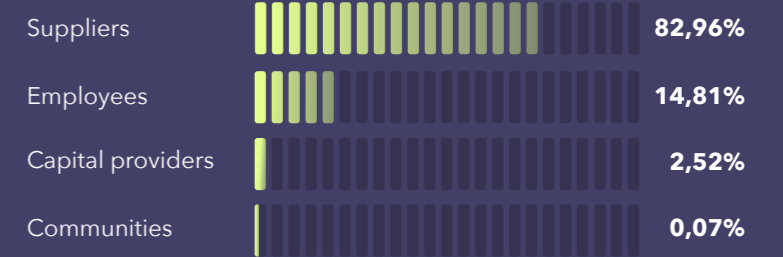
Distribution of created wealth 143.977M euros

economic value generated in 2022

In order to be able to create an all-round sustainable model, we are committed to all those who work and support us in achieving our goals. This is why we are proud to say that all the value created has been redistributed to our stakeholders, the real driving force behind the Group, as this is the only way we can continue to innovate our products while aligning social, environmental and economic performance.

The statement on the production and distribution of economic value, i.e. the difference between revenues and costs of production, makes it possible to quantify the wealth generated by a company, how it is determined and how it is distributed to stakeholders. In 2022, we created value of approximately 143,977 million euros that was fully distributed to suppliers, employees and contractors, capital providers and communities.

Value distributed by stakeholder category in 2022:



Our path to sustainable governance

We understand that a change in perspective is necessary in order to achieve greater social welfare. This is why, starting 2020, we have begun working concretely, launching a long-term sustainable innovation path, supported by a clear commitment from the Board of Directors and with the direct engagement of the CEOs.

The starting point of our journey was the completion of an analysis of our environmental and social impact performance, conducted through the international standard BIA (**Benefit Impact Assessment**) developed and promoted by the non-profit organisation B Lab.

The use of BIA facilitates the performance reporting process according to the *Global Reporting Initiative* (GRI) standard thanks to the collaboration agreement in place between B Lab and GRI.

Our report traces the impact areas measured in the B Impact Asses-

sment, telling, for each of them, the stories that gave us the most satisfaction along with our commitments for the future. In 2022, we improved the score obtained from the assessment carried out last year from **64.4** to **75.4**. This improvement was recorded in all the areas covered by the analysis, in line with the forecasts we set ourselves last year, the result of structured planning and of a constant commitment on the part of our entire organisation.



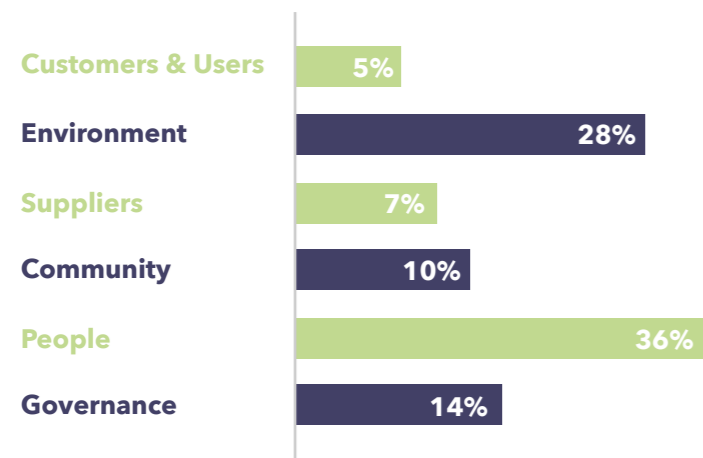
Overall BIA score 75,4 pts



- Average score of companies similar size to Cellularline in terms of employees that have completed the B Impact Assessment
- Threshold to be eligible as a Certified B Corp

| | |
|-------------------|-------------|
| Governance | 10,9 |
| People | 27,1 |
| Community | 7,7 |
| Suppliers | 5,2 |
| Environment | 21 |
| Customers & Users | 3,5 |
| Total | 75,4 |

Below is Cellularline's performance for each BIA impact area expressed as a percentage, compared to the maximum score obtainable in the individual area*.



*The result on individual areas of analysis refers to operational practices, i.e. the management of impacts generated by day-to-day activities (daily practices, policies, procedures, etc.).



BIA measures the social and environmental performance of organisations based on 5 areas:

Governance



It assesses the company's overall mission, ethics, accountability and transparency, on topics such as integrating social and environmental goals for employee performance assessments, impact reporting, stakeholder engagement, and generally how governance practices and policies are conducted.

People



It assesses the company's contribution to the well-being of workers through questions related to remuneration, benefits, training, professional growth, health, safety and working flexibility.

Community



It assesses the company's commitment to and impact on the community. Topics are related to diversity and inclusion, the creation of jobs, charitable and volunteering practices and engagement in the local community. The company's broader impact through the supply chain is also assessed.

Environment



It assesses the overall environmental management of a company including its structures, resource use, emissions, logistics and (where relevant) its distribution channels and supply chain. This section also includes options for companies whose product or service has been designed to solve a specific environmental problem, such as rethinking traditional manufacturing practices or making products that generate renewable energy, reduce consumption or waste, preserve land or wildlife, or educate on environmental issues.

Customers & Users



It assesses companies whose products or services are designed to address a particular social or environmental issue. The section focuses on the impact of the product or service and the extent to which it creates benefit for the user or category.

Moreover, we did not stop there, but during 2022 we conducted an analysis on 15 of our most representative products (+13 products compared to 2021), according to the Sustainability Life Cycle Assessment (SLCA) methodology, in order to identify their sustainability profile.

How we do it

Governance Structure

The goal of the governance system is to create value within the company, so that it can meet the expectations of the various stakeholders. It refers as much to government action as it does to leadership and control.

Our corporate governance system plays a central role in the clear and responsible conduct of our operations, contributing significantly to the creation of sustainable value in the medium to long term.

The Corporate Governance structure we have adopted follows the recommendations and the standards contained in the Corporate Governance Code for Listed Companies, with a view to ensuring a better level of transparency and efficiency of our corporate governance in order to protect shareholders, investors and all the other stakeholders.

Our Administration and Control System

We adopt an administration and control system based on the traditional model, including:

Board of directors

The Board of Directors has established three internal committees playing an advisory, proactive and analytical role: the Risk and Control Committee (CRC); the Appointments and Remuneration Committee and the Related Party Transactions Committee.

Board of statutory auditors

The BoD, directly or through the delegated bodies, regularly reports to the Board of Statutory Auditors, in its capacity as a supervisory and control body, on its activities and on any transactions conducted by the Company and by its subsidiaries that have a significant impact on margins, assets and liabilities or the financial situation. The Board of Statutory Auditors is made up of five auditors (three standing auditors and two alternate ones), two of whom (including one standing auditor) are women.

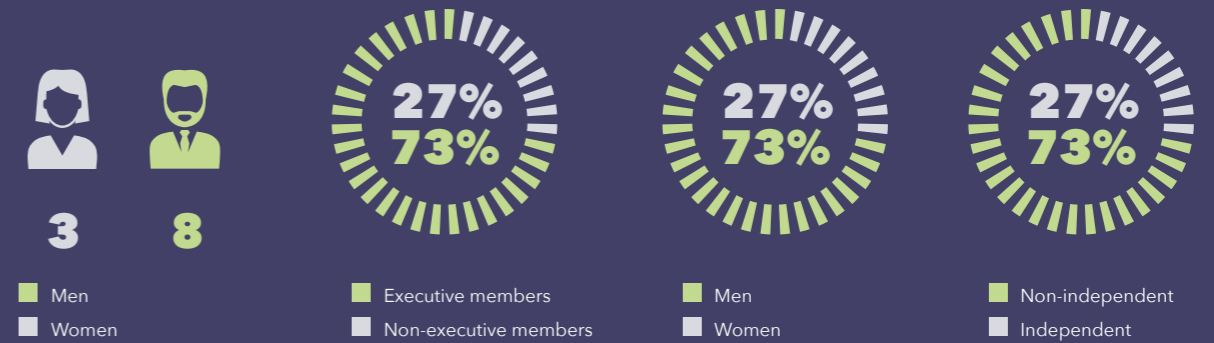
Shareholders' meeting

The Shareholders' Meeting appoints the members of the Board of Directors and of the Board of Statutory Auditors and it approves the Financial Statements.

Supervisory body

The Supervisory Body (SB), established pursuant to Legislative Decree no. 231/2001, which is made up of 3 members and which reports directly to the Board of Directors, supervises and oversees the adequacy of the Organisational, Management and Control Model and also reports on its implementation.

Members of the Board of Directors¹ by gender and role and independence requirements



Our committees

Appointments and remuneration committee

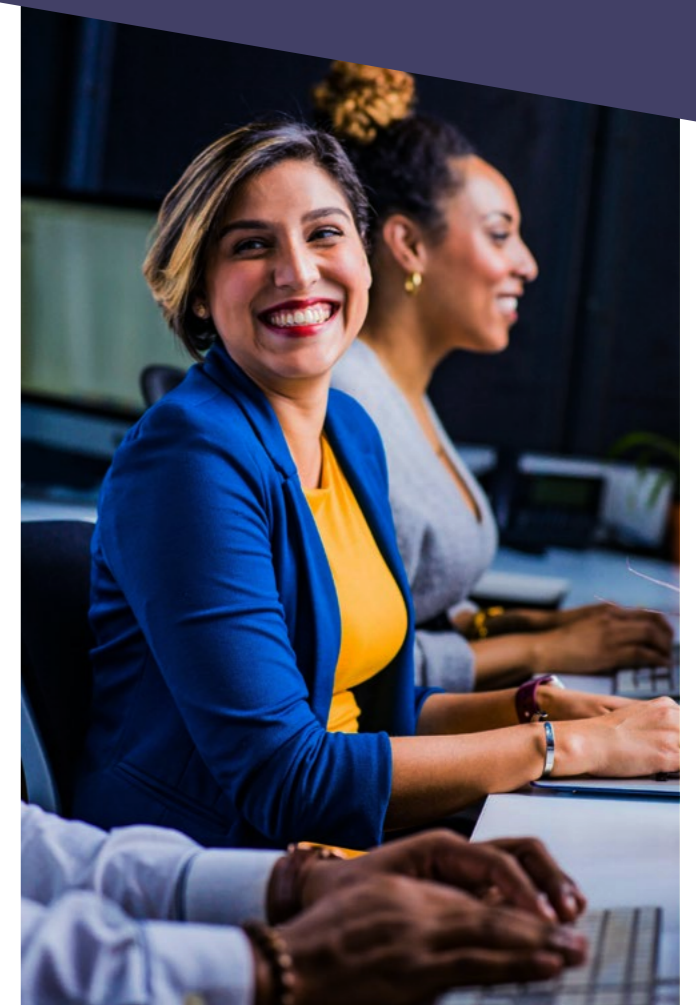
The Appointments and Remuneration Committee is an advisory and proactive body tasked with assisting the Board of Directors with matters relating to the appointment and remuneration of Directors and key management staff. The Appointments and Remuneration Committee is made up of three non-executive directors (two of whom are independent and women).

Related parties committee

The Related Parties Committee is the body responsible for transactions with related parties. Where so required by the nature, the magnitude and the features of the transaction, the Related Parties Committee has the authority to obtain the assistance, at Company expense, of one or more independent experts of their choice, by obtaining the appropriate expert reports and/or fairness assessments and/or legal opinions. The Committee is made up of three independent, non-executive directors (two of whom are women).

Risk and control committee

The Risk and Control Committee defines the guidelines of the internal control and risk management system in line with the Company's strategies and assesses, at least once a year, the adequacy of the system in relation to the features of the business and to the risk profile assumed, as well as its effectiveness. The Committee is made up of three independent, non-executive directors (two of whom are women).



¹The current members of the Board are in office since 31/12/2020. Pursuant to the Articles of Association, directors hold office for a term, determined by the Shareholders' Meeting, not exceeding three financial years from the acceptance of the office; their term expires on the date of the Shareholders' Meeting called to approve the financial statements for the last financial year of their office and they may be re-elected.

ESG COMMITTEE

“We work with the whole team in order to build a new way of doing business, looking at it as a positive force that can create a virtuous impact on people and on the environment”

Each committee consists of 67% female independent directors

In addition, in order to reinforce and formalise our ongoing commitment to sustainability, we formed the *ESG Committee*. This is a supervisory and assessment body for project streams active on *Governance - People - Community - Suppliers - Environment - Customers* topics. The committee consists of nine members: the two CEOs, Marco Cagnetta and Christian Aleotti, the Group HR Director Daniela Sorrentino, the Group Chief Financial Officer Davide Danieli, the Marketing Director and Chief Digital Officer Alessio Lasagni, the HR Learning & Development, HQ Safety & Environment Manager Chiara Fichera, the Investor Relater & Group Finance Manager Alessandro Brizzi, and two new entries, the R&D Manager Paolo Ramponi and the Group Supply Chain Director Leonardo Pinsone.

Internal control and risk management system

We have an Internal Control and Risk Management System (ICRMS), consisting of the set of rules and organisational structures aimed at the effective and efficient identification, measurement, management and monitoring of the main risks, in order to contribute to the sustainable success of the company.

The ICRMS is the set of processes intended to monitor the efficiency and effectiveness of corporate transactions, the authenticity, accuracy and timeliness of the financial information, compliance with laws and regulations and the safeguarding of corporate assets.

The company's Internal Control and Risk Management System, based on reference guidelines and best practices, considers all the main types of risk that could jeopardise the achievement of the Group's strategic goals.

Regulatory compliance and integrity

With the aim of defining an organic structure of procedures and supervision aimed at preventing the risk of committing the offences prescribed by Legislative Decree 231/01 and improving corporate governance, by resolution of the Board of Directors on 3 March 2018, we adopted the Model of organisation, management and control, aimed at ensuring conditions of fairness and transparency, to protect our image and the expectations of our shareholders, as

well as the work of employees. In 2022, our Organisation and Management Model was subject to an update, in order to make it more usable and consistent with the organisational context. The newly drafted Model is structured by corporate process, unlike its predecessor, which had a structure by category of offence. In this way, each corporate department can recognise itself directly in its own operations. In addition, supervision controls were revised, with a view to making them concretely applicable, in their usefulness and added value, by corporate staff.

Training was carried out in 2022, aimed at sharing the Code of Ethics, the Organisational Model 231/01 and its update to all the corporate population and structured specifically for each department.

The Supervisory Body (SB), established pursuant to Legislative Decree no. 231/2001, which is made up of 3 members and which reports directly to the Board of Directors, supervises and oversees the adequacy of the Organisational, Management and Control Model and also reports on its implementation. Furthermore, this body is granted all the powers necessary to ensure an efficient supervision of the operation of and compliance with the Model, such as having broad and extensive access to the various corporate documents, availing itself of the support and cooperation of the various corporate structures and corporate bodies that may be engaged in control activities, and conferring specific advisory and assistance appointments on professionals, including those external to the Company. The SB has the requirements of autonomy, independence, professionalism and continuity

of action and it is responsible for ensuring coordination between the various parties engaged in the internal control and risk management system.

All those who become aware of information relating to the breach or suspected breach of the ethical principles and conduct provided for by the Model may appeal and report to the Supervisory Body. Reports can be made by e-mail to the following address organismodivigilanza@cellularline.com.

The Supervisory Body takes into consideration the reports received and takes the necessary consequent measures, always ensuring the protection of the reporter from any type of retaliation, in line with the provisions of the regulations on **whistleblowing**.

We have also defined a **Code of Ethics** that we share with our stakeholders, internal and external, and which deals with contents of fundamental importance to us. The Code of Ethics incorporates the corporate values, principles, ethical and conduct rules adopted by the Company as an essential foundation of its activities, in order to guide conducts, contribute to transparency and alignment on the corporate value system and constitute a reference base for the development of a widespread and shared corporate culture.

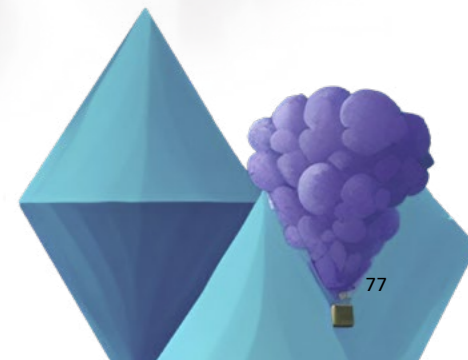
There were no incidents of corruption or other similar offences in 2022

Remuneration Policy

The Remuneration Policy adopted defines the principles and guidelines applied in determining its practices for the remuneration of Directors, other Key Management Staff (as defined herein) and, without prejudice to the provisions of Art. 2402 of the Civil Code, of the members of the Board of Auditors, as well as in monitoring its application. The Remuneration Policy was approved by the Company's Board of Directors on 17 March 2022, on the proposal of the Appointments and Remuneration Committee.

It has been drafted consistently with the Company's traditional governance model and in line with the recommendations of the Corporate Governance Code, also taking into account the provisions of Article 2.2.3 of the Rules of the markets organised and managed by Borsa Italiana S.p.A. and the relevant Instructions for issuers with STAR qualification.

For more information, please refer to the Remuneration Report available at www.cellularlinegroup.com.



GOVERNANCE FINANCE

Tax management

What we have done: our impact stories

AEO certification

In 2022, we obtained the AEO (Authorised Economic Operator) certification with the highest degree of reliability (AA) in both customs simplification (AEOC), streamlining the relevant controls, and security (AEOS), demonstrating the high level of compliance achieved within our supply chain (obtaining AEOC and AEOS certification is jointly defined as AEOF). Being AEO certified confirms our continued commitment to improving the governance of the company, and is an important step in ensuring the perfect compliance of our processes in the relations with tax and customs authorities.

How we do it

The tax approach reflects the principles, goals and commitments set out in the various Group procedures, which establish the standards and conducts we required within the company. We are actively committed to acting with honesty and integrity in all tax matters and aim to pursue a transparent and sustainable long-term tax strategy. We comply with tax legislation in all the jurisdictions in which we operate, working closely with tax advisers, auditors and tax authorities, in order to ensure the correct determination and settlement of statutory taxes and the correct and effective approach to tax risk management, by which we mean the low risk of incurring tax breaches.

The Group's tax affairs are managed by the Tax Manager, liaising with the Group administrative management in the most efficient way, in accordance with the applicable tax regulations. The approach taken to tax planning is conservative, as we do not pursue aggressive strategies, nor use any artificial schemes without economic substance for the purpose of achieving tax savings. When governments provide tax incentives to promote investment, employment and economic growth, we seek to access them when applicable to our business.

We adopt reasonable and well-founded tax choices and interpretations in determining the tax treatment of a particular transaction or business. In light of the size and complexity of our business, risks may arise in relation to the interpretation of complex tax regulations. These risks are constantly managed, identified and analysed internally and, if necessary, with the support of qualified tax advisers in addition to the Tax Manager. We base our approach to tax topics on an ongoing relationship of exchange and transparency: the relations with the tax authorities of the Countries where the company is present are constant and based on exchange and updating, so as to be

able to promptly adapt the corporate tax approach to the indications coming from the authorities themselves. Based on this approach, we promote adherence to cooperative compliance schemes.

Our global tax contribution, as a group, includes various types of taxes, which can be grouped into the following categories:

- income taxes, such as corporate tax;
- property taxes levied on the ownership;
- sale or lease of real estate;
- employment taxes, which include taxes collected and paid to the tax authorities on behalf of employees;
- indirect taxes levied on the production and consumption of goods and services, such as VAT, customs duties, etc.

The Group's tax rate depends on the geographical distribution of pre-tax results and on the rules applicable in the tax systems of the various Countries in which it operates, but may also be influenced by specific contingent situations.



GOVERNANCE

FINANCE

Future commitments

Future commitments

Performance improvement

Our sustainable path is not characterised by having a specific goal, but rather by the continuous search for improvement. This is why we are committed to working in the coming years to progressively improve our performance with respect to people and the environment.

Monitoring and commitment

We intend to do this by following recognised patterns and monitoring advancements over time. In fact, we are committed to reporting on our sustainability performance through the BIA and the use of GRIs for an effective sustainable action plan. We will continue to be characterised by our transparency and accessibility, thanks to which our stakeholders can always be updated about our path on the topic.

Corporate culture

We will continue with our journey of enhancing what we do. We started with the definition of our purpose and we want to continue with the development and internal dissemination of a culture linked to shared values and sustainability.

Stakeholder engagement

We are committed to implementing formal actions and procedures for engaging key stakeholders and to define goals and KPIs that allow us to monitor results.

Integration of ESG goals

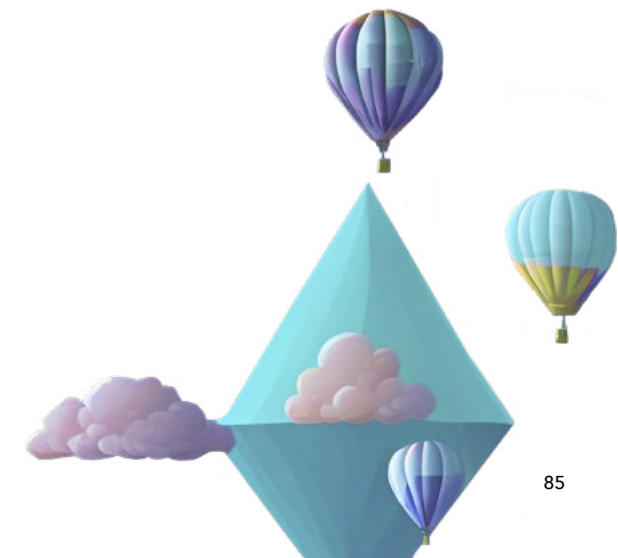
We want to continue with the inclusion of ESG goals in our incentive plan for managers and/or professionals.

Path towards the Benefit Corporation

Benefit Corporations are dual-purpose companies that, in addition to the purpose of sharing profits, pursue one or more common-benefit purposes and operate in a responsible, sustainable and transparent way towards people, communities, territories and the environment, cultural and social goods and activities, entities and associations and other stakeholders. We have decided to embark on a path, together with Nativa Lab, that will lead us to assess the potential acquisition of this status in the coming years.

General skills and professional features of Directors

With regard to professionalism, the Board recommends that an effective balance be ensured between the value of continuity and the need for constant renewal of the Board itself, achieving adequate diversification and complementarity of professional profiles. The outgoing Board of Directors therefore hopes that there will be a broad dissemination of sustainability (ESG) skills and experience on the future Board.



GOVERNANCE FINANCE

GRI disclosure

GRI Standard 201-1 - Economic value generated and distributed

| Economic value directly generated and distributed | u.m. | 2022 | 2021 | 2020 |
|---|-------|---------------|----------------|--------------|
| Economic value directly generated | | 143.977 | 116.156 | 110.383 |
| Economic value distributed | | (130.686) | (120.002) | (103.095) |
| Operating costs | | (108.413) | (102.421) | (93.593) |
| Remuneration and benefits | €/000 | (19.349) | (18.117) | (16.685) |
| Payments to providers of capital | | (3.299) | (2.126) | (9.061) |
| Payments to the Public Administration | | 464 | 2.710 | 16.297 |
| Community investments | | (88) | (48) | (53) |
| Economic value retained | | 13.291 | (3.846) | 7.289 |

GRI Standard 207-4 - Country-by-Country reporting

| Size | u.m. | Italy | | | France | | | Spain | | | Switzerland ² | | |
|---|------------|----------|---------|---------|--------|-------|-------|--------|--------|--------|--------------------------|-------|-------|
| | | 2022 | 2021 | 2020 | 2022 | 2021 | 2020 | 2022 | 2021 | 2020 | 2022 | 2021 | 2020 |
| Number of employees | No. | 221 | 217 | 216 | 3 | 3 | 3 | 17 | 16 | 15 | 15 | 14 | 15 |
| Tax data | No. | 2022 | 2021 | 2020 | 2022 | 2021 | 2020 | 2022 | 2021 | 2020 | 2022 | 2021 | 2020 |
| revenues from third-party sales | | 106.176 | 89.894 | 90.219 | 5.839 | 5.886 | 7.081 | 10.366 | 9.787 | 6.361 | 14.460 | 4.624 | 814 |
| revenues from intra-group transactions with other tax jurisdictions | | 16.749 | 14.842 | 13.231 | 90 | 71 | - | (26) | - | - | 108 | - | - |
| profit/loss before tax | | (76.789) | (9.357) | (4.962) | 1.047 | 1.615 | 2.007 | 256 | 189 | 174 | 704 | 1.083 | (884) |
| tangible assets other than cash and cash equivalents | €/000 | 147.619 | 214.507 | 226.401 | 2.002 | 1.574 | 2.058 | 10.828 | 12.831 | 11.062 | 8.803 | 5.658 | 5.380 |
| corporate income tax paid on a cash basis (expenditure/income) | | 1.141 | (1.821) | (2.883) | (422) | (531) | (819) | - | - | - | - | - | - |
| corporate income tax accrued on profit/loss (if negative) | | (73) | (310) | (2.993) | (273) | (437) | (560) | (46) | (5) | - | (17) | (17) | - |

²The 2020 data for Switzerland refers to the period August 2020-December 2020 as WorldConnect AG was consolidated as of 1 August 2020.**GRI Standard 405-1 - Diversity of government bodies**

| Members of the BoD by age group | u.m. | 2022 | 2021 | 2020 |
|---------------------------------|------|-----------|-----------|-----------|
| < 30 | | 0 | 0 | 0 |
| 30-50 | | 4 | 4 | 4 |
| > 50 | | 7 | 7 | 6 |
| Total members of the BoD | | 11 | 11 | 10 |

| Members of the BoD by gender | u.m. | 2022 | 2021 | 2021 |
|---------------------------------|------|-----------|-----------|-----------|
| Men | | 8 | 8 | 7 |
| Women | | 3 | 3 | 3 |
| Total members of the BoD | | 11 | 11 | 10 |



CUSTOMERS & USERS



Our history and our future will always be characterised by the special attention we pay to our customers, their needs and requirements.



We bring our solutions to users in 64 different Countries

In recent years, we have witnessed a major change in market dynamics. The current paradigm is characterised by strong product and business process innovation and by a growing interest of players in sustainability topics. For us, it is crucial to continue to play a leading role in these market dynamics, contributing to the sustainable development of our industry and responding to the new needs of our customers. Indeed, our aim is to unite these two directions of change into unique solutions that embrace new technologies on the one hand and that have less and less impact on the environment and society on the other.

Over the following paragraphs, we recount our initiatives aimed at better relations with business partners and with the users of our products, and the ways in which we have addressed the challenges posed by the market environment. We also outline what our commitments are for the future, in order to continue to improve.

3,5

Customer & User

+0,1 points
over 2021

BIA score

as at 31/12/2022



CUSTOMER MERGERS & USERS

Customer Centricity

What we have done: our impact stories

Business service and commercial advice

The current context has led our business partners to **redesign the customer experience** in their stores. The new scenario enhances those products that are characterised by having an intentional sustainability profile, and those brands that have adopted corporate practices to respond to this market evolution. In order to intercept this change and fully understand the new needs, we have intensified our collaboration and advising project in respect of our partners, liaising closely with them and following an approach of study and research of their sales channels, thanks to which we offer the most effective and gratifying solutions in terms of assortments and the buying experience.

We have upgraded our business support to trade through a training and information activity to our sales force, disseminated throughout the territory, which in turn is entrusted with communicating with and training store sales staff.

In order to do so, we have prepared a training plan capable of developing the technical skills of our salespeople on products and technologies, their business skills in translating the features of the products into sales arguments, as well as relational, communication and proactive skills.

Satisfying our access users' expectations requires **competence, agility** and **flexibility**, which we constantly train by looking at market trends and at the evolving needs of the people who choose Cellularline.



Omnichannel strategy

Having an omnichannel strategy is a prerequisite to be able to **guarantee adequate services to our customers in today's market**. The adoption of such a strategy becomes essential when approaching a digitised market such as ours, where the end-user has the possibility of purchasing a product through different channels.

We have always adopted **partnership strategies** with our business partners and we have increased them since the transition to digital is taking hold as a necessity. On-line collaborations with our retailers are, in fact, a way for us to mutually benefit from the increasingly complex *customer journey* of end consumers. In order to strengthen our presence on this front, we have also developed a specific project to **redefine our approach to digital and e-commerce**. The new operational model is focussed on the simultaneous use of different tools capable of operating successfully in order to enhance hybrid customer journeys. More specifically, 2022 saw us intensify sales on marketplaces, also with categories and brands not previously present, and in particular we intensified collaboration with our business partners in order to **improve the shopping experience of our products on their websites**.

New B2C Consumer Care process

In 2022, through the implementation of the new **B2C Consumer Care** process, we strengthened and overhauled, with a view to increasing efficiency, the process of handling requests from consumers with the aim of gaining their trust through more effective pre- and after-sales support, turning it into a strategic *touch point*.

The changes implemented help **solidify, strengthen** and make our communication with users more **direct**, so that we are able to meet their needs more effectively.

The new process was designed starting from an initial *assessment* that highlighted the issues and areas for improvement to ensure greater reactivity and efficiency in responding to users. Considering the results of this analysis, we created the new system that made communication with our interlocutors direct by devising a **Web Form** and a more timely system for channelling requests. In addition, the new process provides an automatic handling of support requests, which directs them to the most suitable recipient consistent with their content. In this way, we centralised the handling of customer requests internally within our Group, without relying on intermediaries. Along with the **Web Form**, the customer also has two other contact channels available: the **FAQ** section and the **Chat Bot**.

Our contact channels

DO YOU NEED HELP?

CONTACT US!



FAQs

In this section you will find our answers to the most frequently asked questions about orders, shipping, purchasing and delivery, site registration and all the services Cellularline offers you.

[Click here](#)

WEB FORM

If you wish to report a problem with a product or a service or if you wish to submit reports and requests on commercial initiatives, please fill in the web form, you will receive a reply as soon as possible.

[Click here](#)

CHAT BOT

If you prefer real time help, write in our chat room.

[Click here](#)

The chat bot is active at specific times
9-13 and 14-18



Live the Excellence

In March, we organised Cellularline's very first **"Live the Excellence"** event, an extraordinary occasion open to all our strategic partners to share our **vi-sion** and **development strategies** on the smartphone accessories, tablet, audio and screen protection service categories, using a wide display of our product ranges and display tools to support *sell-out*.

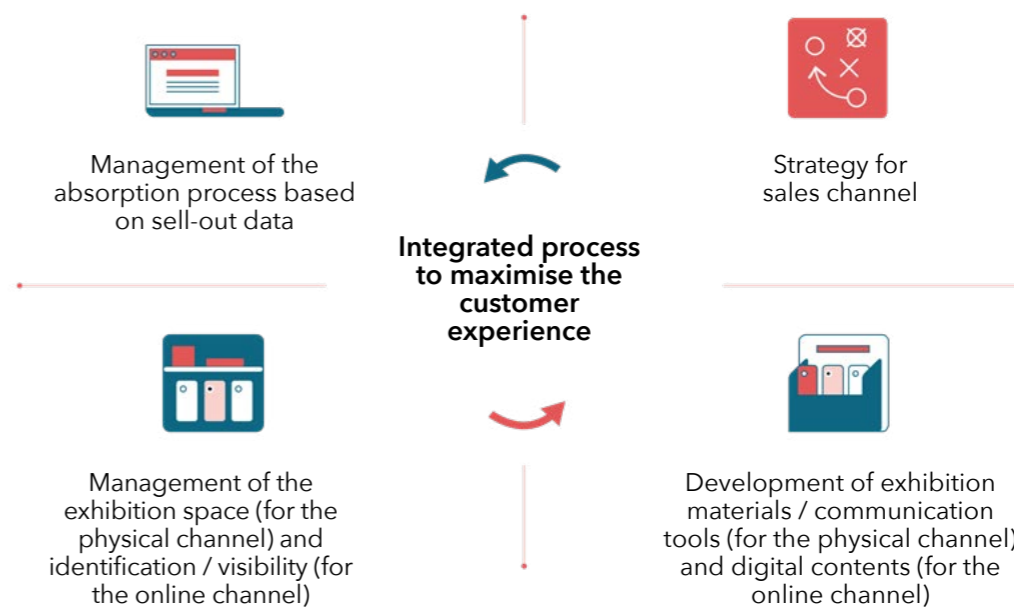
On this occasion, a special area was also set up to display the entire range of products related to sustainability, which allowed us to explore new developments on the topic together with our partners. **"Live the Excellence"** is an essential opportunity for us to take stock of market trends, understand the new needs of the trade, develop synergies and further consolidate the relationship we have built up over the years with our key stakeholders.



How we do it

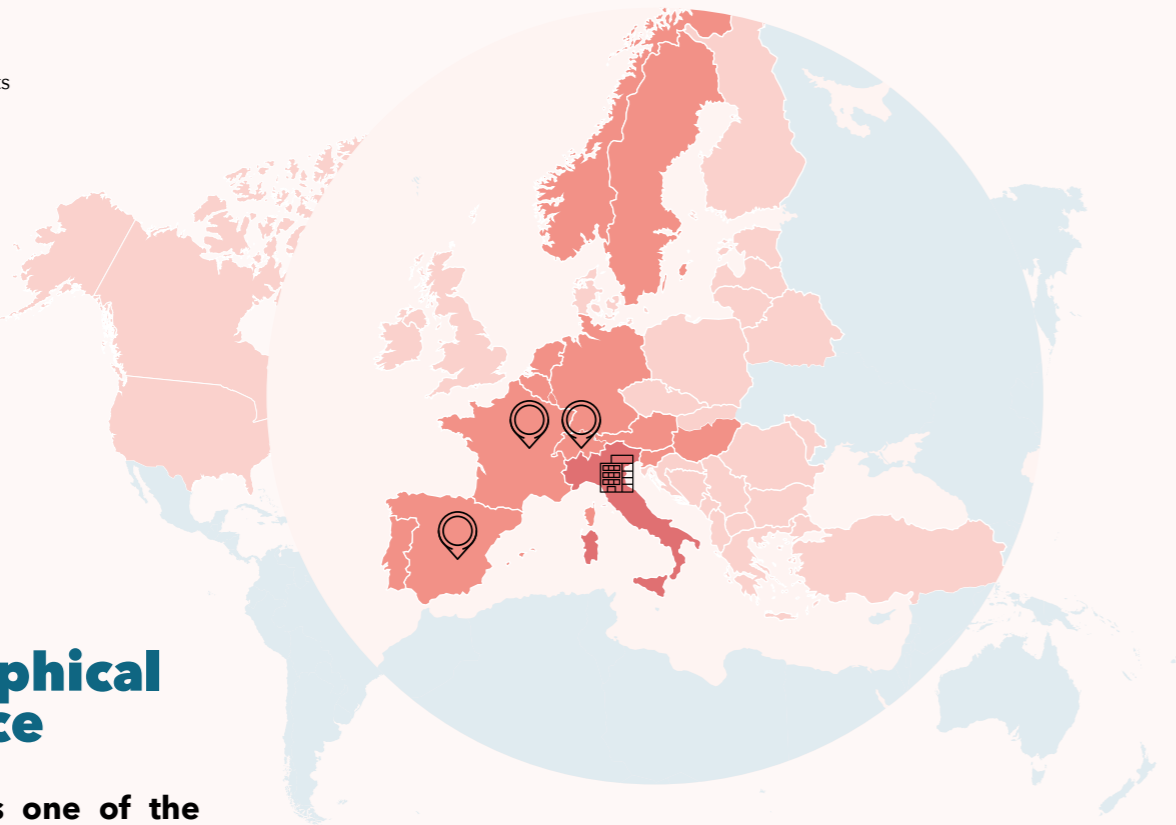
The technology boost and the increased awareness of environmental and social topics are the two key drivers that have been guiding our strategies in recent years. New market dynamics tell us that users, i.e. the end customers, have progressively started to evolve from the role of "consumer" to that of an aware player. Therefore, studying and updating our products to reflect these changes becomes the key to being able to intercept new market needs. In actual fact, our method has always been characterised by a focus on market and consumer research. Every year, we investigate emerging needs and new trends in use through special research.

In 2022, we conducted market surveys on consumer needs in the various product categories. One example is the extensive research on the topic of MAGSAFE (new wireless charging technology introduced by Apple), carried out in the first quarter of the year engaging Italy and Germany. The aim of this research was to understand the level of awareness of this new technology among the target audience under investigation and the potential for adoption of the related accessories. Another very important study was the one carried out in November 2022 on the growth of e-mobility adoption in preparation for the design and launch, planned for June 2023, of the new brand Newrban dedicated to e-mobility accessories.



"Our strategy is based on an integrated management model aiming to maximise our customer shopping experience"

- Main markets
- Primary markets
- Secondary markets
- 🏢 Headquarter
- 📍 Locations



Geographical presence

Our brand is one of the main operators in the smartphone and tablet accessories sector in the EMEA area, as well as a market leader in Italy; moreover, we rank, by volume, among the top operators in Spain, Switzerland, Belgium, the Netherlands and Austria and we boast a strong competitive position in the other European Countries.





Our brands


“Being a leader does not only mean excellence in terms of quality and design, but also putting the different needs of users at the centre of our operations. With 14 proprietary brands in our portfolio, we are able to offer a wide range of products to meet all consumer needs”





Our top Brands


 **Cellularline**
It is the European reference brand in the accessories market for smartphones and tablets. Thanks to a careful product strategy based on excellent quality, design and innovation, we can guarantee solutions in line with technological trends, constantly striving to combine excellent performance with ease of use.


 **Ploos**
Launched in 2020, Ploos stands out for its minimalist design and functionality and offers excellent value for money, allowing us to strengthen our presence in several EMEA markets and channels where there is wide room for development. Comprising a range of around 50 products, it includes the range of the major Cellularline brands and consists mainly of audio, charging and car accessories.


 **Altec Lansing**
Iconic brand that provided the speakers for the legendary '1969 Woodstock Festival. The brand is at the upper end of the market, including a range of excellent quality audio products to satisfy even the most demanding customers. Since 2021, Cellularline has been manufacturing Altec Lansing branded audio products owned by AL Infinity LLC (Infinity Group, USA) for the European market.


 **Audio Quality Lab (AQL)**
This brand is dedicated to the world of music that interprets and satisfies the needs of all users. This range combines technological innovation and distinctive design with unique features to satisfy all types of listening, combining the needs of music enjoyment with those of conversation.


 **Music Sound**
An audio brand that conveys a new point of view in the world of music: style, colour and imagination. Eye-catching, colourful accessories for a young audience that likes to listen to music at home and on the move and that, at the same time, likes to be noticed. All this in addition to a strong focus on value for money.


 **Cosmo Nova**
These are the brands that the group has created exclusively for the Specialist Telecom channel at European level. The wide range of products offered is able to meet all the needs of a Telco store and maximise loyalty. The brands are known in the market both for their excellent value for money and for the sustainability of the supply chain.

 **Interphone**
Brand that identifies an accessory line of innovative solutions dedicated to communication in motion between motorcyclists. Thanks to the extreme functionality and reliability of its devices, Interphone products have become the ideal companion on the road or in the city.

 **Skross**
Leading brand in the premium travel adapter segment. Its country-specific peripheral power adapters and devices can be found in more than 600 stores in the Travel Retail channel.

 **Q2 power**
Brand for travel adapters and other charging solutions that includes the Skross brand mail range, offering an excellent value for money.

 **Coverlab**
Italy's leading brand of customised smartphone accessories that aims to meet the sophisticated and growing needs of fashion-lovers and would-be trend-setters.

 **Allogio**
Acquired in November 2022 Subliros SL., a Spanish social-commerce company, owner of the Allogio brand, a reference brand in the custom segment of smartphone accessories. This acquisition will allow us to further strengthen our presence in the e-commerce channel.

Find out more about the **Group Brands - Cellularline Group**

Our product lines

Red product line

It comprises accessories for multimedia devices (such as cases, covers, car supports, protective glasses, power supply units, portable chargers, data and charging cables, headphones, earphones, speakers and wearable technology products);

- **Cellularline**
- **Ploos**
- **Altec Lansing¹**
- **AQL**
- **Music Sound**

Black product line

It includes all products and accessories related to the world of motorcycles and bicycles (such as, for example, intercoms and supports for smartphones).

- **Interphone**

Blue product line

It groups together products marketed in Italy that are not Cellularline branded (e.g. distribution of **Samsung** products).

Sales network

Multichannel and customer proximity are our strengths for consolidate the relationship with users.

Our products are marketed mainly through the following sales channels:

- **consumer electronics;**
- **large-scale retail food distribution;**
- **travel retail;**
- **telco;**
- **e-commerce;**
- **other off-line channels.**

¹Starting 2021, Cellularline manufactures and distributes for the European market the Altec Lansing branded audio products owned by AL Infinity LLC (Infinity Group, USA).

CUSTOMERS MERGERS & USERS

Future commitments

Future commitments

Live the Excellence

We want to continue to raise our stakeholder awareness and engagement in ESG strategies, projects and activities by organising an ad hoc created event.

Market research

Further research designs are planned for 2023 to understand the needs of owners of digital devices and accessories, while exploring and exploding new business opportunities.

New brand

In order to confirm our commitment to the promotion of sustainable initiatives and practices, a new brand, NEWRBAN, is in the pipeline, which will cover a new range of products in new types of stores. In greater detail, we will provide products dedicated to sustainable electric mobility (electric bicycles, scooters, etc.).

Materiality matrix

We will engage our stakeholders in the creation of the future materiality matrix and in the recent changes that follow.



PEOPLE & COMMUNITY



We believe that a healthy and inclusive environment is the basis for all kind of success. We want to enhance our people and ensure that they can develop new skills and abilities, but also passions and emotions. Therefore, we invest more and more in training our people and developing initiatives that benefit the whole community and our stakeholders.

7,7
Communities

+1,7
vs. 2021

27,1

People
+3,4
vs. 2021

BIA score

as at 31/12/2022

People & Community

We are firmly convinced that it is human capital that makes the difference and its enhancement is the basis of our strategy. We guarantee all our people an inclusive working experience that allows for professional and human growth.

Over the next few paragraphs, we will recount the initiatives we have implemented in order to achieve our goals, the People Management & Development processes that guide us every day, and our commitments to continue to improve.



PEOPLE & COMMUNITY

Equality & Inclusion

Equality & Inclusion

“We are committed to encouraging inclusion, enhancing the uniqueness of each and every person”



29%

of employees are under 35 years old

79%

of new hires in 2022 are in the 18-35 age group

96%

of employees are employed on permanent contracts

What we have done: our impact stories

Equality & Inclusion: an ongoing commitment

We are convinced that the foundation of everything we do is people, not resources. People with their own values, their own experiences, their own working styles; each with their own uniqueness. Creating an inclusive culture and embracing diversity means not only recognising differences, but also learning to respect others as they are.

These values are also conveyed through a cross-functional team dedicated to **Equality & Inclusion** created in 2022. The team is made up of several corporate figures, belonging to different departments and roles and identified on a voluntary basis.

In addition, one topic that is particularly relevant to us is *gender diversity*, which is why we are continuing our journey towards pay equity that began back in 2020. Through a *gender pay gap analysis*, we are able to surface potential focus areas and therefore take focussed action. In order to reiterate our outward commitment, we have also included a disclaimer in all job postings stating our commitment to the topic.

Creation of a cross-functional team on a voluntary basis that promotes and encourages inclusion and diversity within the company

Team members:

Franco Capetta

Enterprise & Application Manager

Cecilia Facini

Demand & Co-Packaging Manager

Claudia Di Modica

HR Business partner & Talent & EB Manager

Luisa Cataldo

Group HR Manager

Lara Zaccarelli

International Customer care Manager

Marco Barbiero

Product Developer e futuro R&D Manager

Eleonora Pinca

Executive Assitant & Product scouting Coordinator

Chiara Fichera

HR Learning & Development, HQ Safety & Environment Manager

~50%
of Group employees
are women

In 2022, we delivered two *training* activities engaging the entire corporate population. The first meeting focused on promoting *diversity & inclusion* within the company, understanding the phenomenon of "**unconscious bias**", acting on one's own and others' unconscious bias and recognising micro-insults and micro-aggressions in order to prevent them.

The second meeting was conducted together with the **Libellula Foundation**, an association that was set up with the aim of acting on a cultural level to prevent and combat violence against women and gender discrimination. The Libellula Foundation has supported us in creating a corporate culture based on respect by addressing various topics from deconstructing stereotypes to empowering women by contributing to the development of an inclusive working environment. The Foundation works mainly in **four areas of intervention**.

Areas of intervention



Preventing and combating violence against women and gender discrimination



Next generation: actions for sons and daughters of employees



Organisational empowerment and development of inclusive cultures



Advisory actions

How we do it

We guarantee occupational equality and equal opportunity for professional development and growth without regard to any form of discrimination such as race, ethnicity, religion, gender, age, physical ability, nationality, sexual orientation, political orientation, union membership or marital status.

We have defined team guidelines whose purpose is to outline the criteria, methods and responsibilities related to the proper and inclusive management of our people. This document is shared within the HR team and is subject to local laws and collective agreements, as well as to periodic verification audits by relevant entities (internal audit and third party entities). Staff selection is managed by the *Applicant Tracking System (ATS)*, a software designed to manage and optimise the search and selection process via social networks and various platforms such as LinkedIn and Indeed. As a first step, it is important for us that the values and culture of the selected persons match those of the Group. In fact, during staff selection, interviews are conducted in such a way that mutual acquaintance is fostered. The search & selection process continues with the conducting of one or more interviews with HR and the *Hiring Manager* (responsible for the position being sought) and/or with the *Business Unit/Function Directors* engaged and, depending on the features of the search, aptitude tests and/or individual tests are submitted. We pay close attention throughout the process to avoiding risks that may

arise in the staff selection phase, such as non-objective assessment of skills, lack of transparency or discrimination in the selection process.



PEOPLE & COMMUNITY

People development and enhancement

People development and enhancement

"We believe in creating an environment that focusses on development, which is capable of enhancing its people and at the same time promoting sources of cultural enrichment by investing in training"



>7.528
hours of training delivered

250
employees trained

What we have done: our impact stories

Performance management

Investing in skills, both managerial and technical-specialist, means investing in the quality and efficiency of our processes and in the enhancement of our human capital.

This is why, as early as 2020, we redesigned the **performance management** process by integrating business goals with targets related to the development of *soft skills* and *leadership*. With the aim of stimulating people to achieve increasingly higher performance, including through integration and collaboration between individuals and between departments within the organisation, we have promoted the definition of cross-functional goals and of organisational development.

In addition, in order to give greater strength and relevance to the sustainable development programme, we have integrated - wherever possible and at all levels of the organisation - traditional business and financial goals with those in the **ESG** area.

81%

of the Group's employees are engaged in formalised performance assessment and professional development processes

51%

of the Cellularline Group's people is already part of the short-term performance incentive programme

Leadership program

As regards training, we have continued with the "**Leadership Programme**", with the aim of developing leadership and people care skills, generating value through the development of an evolved relationship with the people.

The programme is inspired by the values of **sense making, care** and mutual **trust**. Given the success of the programme, we decided to expand its beneficiaries, making it accessible to second-line management as well, with the aim of replicating the training results achieved in 2020.

5

are the **skills** that define the Leadership profile

4

are the focus **skills** dedicated to professionals

6

months of training for the whole of first-line management

3

months of training for the second-line management

ESG Training & Welcome Kit

We see an urgent need to raise awareness within the Group of environmental, social and governance sustainability topics and we have therefore decided to integrate these topics into our internal

communication and training courses. In 2022, we continued with our collective meetings in which we told about our strategy and our ESG goals, as well as about our concrete commitment to the improvement of the corporate impact profile, whose maximum expression is the so called "**Master Plan**", a three-year (2021-2023) activity plan that details the improvements to be implemented in the various BIA¹ impact areas. We also believe it is essential to engage all our people, including new hires, in the path towards an increasingly sustainable future, and for this reason we have created an **induction** course that allows us to share the path we have followed so far and our future goals, and we have built a "**sustainable welcome kit**" to further emphasise how important the ESG programme is for us.

Job Posting

Starting 2022, each of our employees has the opportunity to apply for professional opportunities within the company. Under the new **job posting** process, employees with a permanent contract who have been in their current role for at least one year or employees with an expiring fixed-term contract can also apply for a job. Through this initiative, we want to promote the professional and human growth of the company's staff.

¹Refer to paragraph 5.1 "Sustainability Governance" for more information on the BIA project



How we do it

We promote a working environment where managers care about the growth of their employees and each person feels empowered to define their own development path. Already in 2020, we built training paths dedicated to the development of the skills of **People Care & Development** and we have redesigned the **Performance management** process, as already anticipated. In order to make the process simpler, more concrete and effective, we decided to design a new "**JOIN UP**" platform, in order to facilitate the space for dialogue and people development.

The Performance management process begins with an initial **Goal setting** phase in which personalised targets and focus skills are identified for each employee. In this step, the joint definition of performance KPIs for a better measurement and subsequent assessment of the results achieved will also take place, as well as the drafting of a real **Individual Development Plan (IDP)** for a precise definition of individual development activities. Finally, in order to encourage a constructive comparison and an adequate monitoring of one's own performance, a **mid-year review** phase is foreseen, engaging the exchange of feedback on the progress of the goals and the level of achievement of the expected skills.

This intermediate phase is followed by a full-fledged **Final Evaluation & feedback meeting** in which managers and employees meet to share their mutual assessments.

During 2022, we also increased the training hours dedicated to our people, thanks to new digital training modalities that have allowed us to train our ability to deliver distance or hybrid training activities.

Training delivered in 2022 was approximately 34% higher than in 2021.

We focused on developing the following skills...



CELLULARLINEGROUP



Soft skills, by way of example, we have organised courses in IT, compliance and model 231, information security, smart working policy.



Personal development skills, i.e. languages, communication, leadership, emotional intelligence, performance management.



Technical and professional skills or all the specific courses related to the department to which it belongs, in order to continuously update the know-how of the various corporate departments.

PEOPLE & COMMUNITY

People Care

People Care

"The individual well-being of our people is fundamental to the Group. Responding to needs and providing initiatives that aim to improve people's economic, social and psychological-physical well-being is a commitment we take on"

What we have done: our impact stories

Listening to our people

We want to listen to the ideas and understand the needs of our people, and in order to do this we have opened a channel of dialogue with our employees. In particular, we have engaged all our employees in a **survey**, in a bid to understand their level of satisfaction and well-being with respect to the activities carried out within the Group, as well as their opinion on some of the current topics we most care about, such as *diversity* and the topic of agile and smart working.

This survey has allowed us to identify our strengths and act on areas of improvement through both short and long-term actions in a process of continuous evolution.

150

feedback responses
received from employees

Role of the HR Business Partner

We have worked on redesigning the content of the role of the **HR Business Partner** with the aim of putting the person at the centre and creating HR figures that support and accompany Line Managers in the daily management of their employees through the practical application of what has been learned in managerial training courses built ad hoc and in particular in the Leadership Programme. The role aims to make concrete and systemic the policy of people management in Cellularline, renewed in 2020 and based on the concepts of care, growth and inclusion.

The HR Business Partner actually plays a role in reconciling organisational and business needs with those of psychological safety and listening, because only through the motivation and authentic engagement of people can a company achieve excellent results.

Appical, the onboarding app

In 2022, we designed and launched the new **onboarding app: Appical**. The aim of this new tool is to support the induction experience of our new colleagues, providing them with a comprehensive overview of the Group and providing all the necessary information to facilitate their first steps within the company.

This enabled us to rethink the *onboarding* experience for our employees, putting their experience at the centre and engaging line managers in the design of the new experience with the aim of making it engaging and effective.



Genitori che nascono

Together with **Lifed**, in 2022 we also launched the training experience “**Genitori che nascono**”, a unique *self-coaching* programme for parents. The course aims to increase the skills available to new parents, promoting their well-being and self-efficacy. New parents emerge more aware and with new talents that they can use in both their personal and professional dimensions. The course is chosen on a voluntary basis, it is online, flexible and guarantees complete confidentiality of the personal learning experience.



Smart Working Policy

Our path on smart working stems from the need to adopt a model of remote working as a response to the health emergency, to ensure continuity of business processes while safeguarding the safety of all people. This path then turns into an opportunity and evolves into providing a new form of work organisation for our people, giving them the possibility to reconcile working commitments with their private lives, in a more flexible and efficient way. From a perspective of collaboration, trust and within a framework of greater responsibility of our people, we have built our own Policy, the result of our experience during the pandemic, which aims to ensure greater agility of organisational processes and to reduce our environmental impact. In actual fact, employees can perform their work in “agile” mode subject to an individual agreement, as stipulated by current legislation.



Safeguarding of privacy

Digitisation is now one of the most relevant and strategic challenges globally, which is why we strive every day to respect personal privacy with the aim of ensuring full confidence in our activities and success in the digital reality. The data we process is mainly: data pertaining to legal entities, i.e. the companies that deal with the distribution of our products and maintain direct relations with end consumers; personal data of purchasers who interface with us via the e-commerce portal and social networks; data of our employees, collaborators; data of our advisers. We guarantee to all the data subjects a constant control through the respect of the regulations in force and through the Privacy Office composed by the Group Legal Manager and the Chief Information Officer who, in case of necessity, can seek the assistance of external advisers for specialised support. An Organisational Data Management Model has been defined, and an e-mail account (*privacy@cellularline.com*) has been set up for all our stakeholders for any requests, reports, and to ensure timely intervention by the organisation in protecting the rights of data subjects.

In addition, the Privacy Office has appointed several “**Privacy Owners**” for each department of the company that processes personal data. Privacy Owners are actively engaged by the Privacy Office in order to make the work of sensitising staff on commitments, responsibilities and precautions useful for proper data management and protection more effective. The Privacy Office and the Privacy Owners therefore work in synergy, through regular communication flows and a schedule of periodic meetings, on an annual basis, to monitor progress and verify the achievement or maintenance of compliance goals, also in the light of any new initiatives undertaken by the Company. This strategy, together with the definition of a specific

training path dedicated to all staff, has led to improved corporate compliance at several levels. The most obvious findings are in projects with an impact on Cellularline's **marketing** actions, **e-commerce** management, and **HR policies**. Control and monitoring actions throughout the supply chain are also improved, with more organised procedures for the selection, contract management and contracting of third parties with privacy or cybersecurity relevance.

Cybersecurity has been placed on the corporate agenda and it is continuously improved to guard the physical and logical infrastructure, as well as to ensure that all employees follow the policies for the correct use of IT tools. It means taking a holistic view of managing the risks associated with cyber attacks. It is a fact that security vulnerabilities have a strong impact on the business continuity of companies. The severity of service interruptions or data theft can be dramatic. However, there are other aspects of cybersecurity sustainability associated with corporate responsibility. Whether they are co-workers, employees or customers, all users must be able to access systems and applications with access constraints and use policies that are as intuitive and quick as possible. Up until yesterday, IT security was considered an add-on to the design of information systems. The explosion of the world wide web and the digital transformation of business have taught companies to look at data and application protection differently. However, for various cultural and economic reasons, there are still few companies that set up security from a native approach.

The cybersecurity risk at Cellularline is

considered high due to both the current geopolitical context and the growing trend of cyber attacks on companies of all sizes and in all sectors. These elements, coupled with the complexity of the threat scenario (increasingly organised and evolved), which has also increased due to hybrid working, represent particular factors of attention in the development of our company's transformation strategy. In order to cope with this situation, we have long since equipped ourselves, according to the established risk-based approach, with a series of defence measures to prevent and contain the impact of cyber attacks.

0 substantiated complaints received concerning privacy breaches in 2022.



How we do it

We know that work-life balance is of paramount importance, which is why we are committed to providing our employees with a range of services aimed at improving their well-being. Indeed, we have a dedicated welfare plan for all employees. Indeed, we have a welfare plan that includes a set of initiatives with which we seek to improve the **well-being**, both in the workplace and in the work-life balance, of all our employees. For the headquarters in Reggio Emilia, we use the *Edenred Welfare* platform and all the locations in Italy have access to the **Corporate Benefit** platform through which employees² have access to conventions/discount vouchers, etc. In addition, we give all our employees one or two smart working days per week.

As confirmation of our commitment to work-life balance, we can state that all employees who have taken parental leave are still with the company after 12 months.

100%

of employees who have taken parental leave are still with the company 12 months after their return.

²Excluded are professionals who have direct relationships with customers and the sales force, professionals who, for organisational, technical and site management reasons, cannot work remotely, and holders of a curricular internship or post-curricular internship relationship.

Regarding prevention and mitigation against cyber attacks, we have a training programme called **Cyber Security Culture**, aimed at strengthening the corporate culture on the right way to behave in order to cope with cyber risks. In 2022, we delivered training to new employees and specific communication campaigns aimed at the entire corporate population when particular threats were detected. In addition, we are equipped with various defence measures to prevent and contain impacts in the face of cyber attacks. These measures include the defence of systems and applications exposed on the Internet, the reinforcement of technological and governance security safeguards, the implementation of control measures aimed at identifying, mitigating and monitoring the cyber security risk conveyed by Cellularline's third parties, actions to further strengthen the continuity of corporate IT services, and improved monitoring of the management of central systems. Finally, in order to mitigate the risk of a cyber attack, we continuously update the set of countermeasures in place.



PEOPLE & COMMUNITY

Occupational Health and Safety

Occupational Health and Safety

"We do our utmost to guarantee our people a safe workplace. Creating a safe and secure working environment where our people can feel comfortable is a priority for us"

What we have done: our impact stories

Occupational medicine

We believe that attention to occupational health and safety is aimed not only at compliance with regulations, but at continuous improvement of working conditions, which is why we have entered into a partnership with an Occupational Medicine company based in Reggio Emilia, **Check-Up Service**. The company employs a pool of appointed physicians and professional technicians, who support us in the timely planning and monitoring of the health surveillance required for workers depending on their job and health status.



How we do it³

Firstly, as required by Legislative Decree 81/08, we drew up the **Risk Assessment Document** and the **specific risk assessments**. This allows us to analyse all risks to our people, based on the activities the Group carries out, the equipment we use and the workplaces where we operate. At the same time, it also means we can ensure an effective security management.

Secondly, we have defined an internal **organisation** chart in the field of occupational health and safety through which the employer has designated the Head of the Prevention and Protection Service (RSPP), a figure covered by an external professional, has appointed the Appointed Physician in compliance with current regulations and has identified the supervisors and the members of the emergency team. We have also identified our three Worker Safety Representatives (RLS).

In addition, **inspections** and analysis of applicable requirements are carried out periodically, with the support of external advisers who prepare a short- or long-term improvement plan shared with the Employer. Where there are reorganisations and improvements to workplaces and tasks, we carry out specific analyses in order to assess any negative impact on occupational health and safety.

In addition, the Prevention and Protection Service (SPP) constantly verifies and monitors, through periodic meetings with the safety representatives, dangerous situations, accidents and situations that could cause the occurrence of injuries or occupational diseases and it receives and assesses any reports received by the management from the RLS or from workers.

³This disclosure applies to Cellularline S.p.A.; the other subsidiaries operate in full compliance with the regulations in force in their own Countries.

In 2022, there were no reports on occupational health and safety.

We adopt a specific procedure and promote training activities in order to handle reports of unforeseen and sudden potentially dangerous situations, referred to as near misses.

The participation and consultation of the workers is guaranteed both in occasion of the training courses and from the possibility to refer, for eventual signalling, to the RLS or to the referents of the Service of Prevention and Internal Protection.

We ensure the proper conduct of health surveillance activities through a contract with an Occupational Medicine company in the area, Check Up Service.

The appointed physician, together with the SPP, constantly analyses the working stations, in order to reduce the risks related to ergonomics and video workstations for workers; during the periodic meeting held pursuant to art. 35 of Legislative Decree no. 81/08 the tasks for which it is necessary to provide Personal Protection Equipment (PPE), appropriately delivered to employees, are also analysed.

The aspects and topics related to the Health and Safety of people are priority elements in determining our organisational choices and culture. With a view to maximising the protection and care of worker well-being, we also carry out specific monitoring and management activities on work-related stress, from which no particular critical situations related to the working environment have emerged. The results of health monitoring also show no critical situations linked to work-related stress.

**0 injuries
in 2022 out
of a total
of 303,569
hours
worked.**



PEOPLE & COMMUNITY

Community support

Community support

"Cellularline's commitment goes beyond its **core business** and looks at its impacts towards the community. As Cellularline Group, we firmly believe in social and cultural development. This is why the Group supports various initiatives aimed at creating added value for people and, in particular, for young people"

What we have done: our impact stories

UNORA programme

We adhere to the **UNORA** donation programme, which allows our employees to donate one or more hours of their monthly work to projects promoted by the organisations that make up the **Unora Onlus Committee** (*ActionAid Italia, AISLA, ENPA, the Centro La Tenda Association, the Umberto Veronesi Foundation; the Mission Bambini Foundation, the Operation Smile Foundation and the ABIO Italia Foundation*).

As of 1 April 2022, our employees have donated a total of **274 hours**, amounting to € **2890**, with an average of approximately **35 hours** per month donated to this project.



Youth Festival - Noisiamofuturo

We have renewed our partnership with the **Youth Festival**, promoted by Noisiamofuturo, also for 2022. The Youth Festival is today the largest meeting place for young people from all over Italy, an innovative format that enhances the active protagonism of students in different roles: authors, presenters, organisers, communicators, *debaters*, testimonials and artists. The aim of the Festival is to foster inclusion and dialogue between different worlds and age groups, to train and orientate on educational and personality development paths.

TED^x Reggio Emilia

We also renewed the partnership agreement with **TED^xReggioEmilia**. TED (Technology Entertainment Design) is a non-profit live conference format that has become globally famous: on the TED stage, people from international culture share new inspirations, convinced that good ideas can change the world. TED^x, an independent local event format, aims to disseminate culture by stimulating people to participate in unique, inspiring and training moments.

Unlock Education

We support the **Unlock Education** initiative, the sustainability education campaign launched by Nativa and the Italian B Corps and sponsored by the Ministry of Education for young people. The girls and the boys taking part in Unlock Education can enjoy the ten episodes of the TV series available free of charge on the site, in which the well-known youtuber and influencer, Adrian Fartade, illustrates the main topics surrounding sustainability. The programme aims to stimulate an open and constructive discussion to enable young people to fully understand the major social and environmental challenges of this century. We, as Cellularline, are committed to disseminating this initiative through various stakeholder engagement and sponsorship actions through the company's communication channels to schools, universities, local NGOs, trade associations and employees.



"Facciamo battere il #cuore verde" initiative promoted by the Reggio Emilia Green Cross

We supported the opening of the **Charity Temporary Shop**, with the aim of raising as much money as possible for the purchase of an ambulance for the Green Cross. The *Charity Store* at Isolato San Rocco opened its doors from 24 November to 24 December 2022 and Cellularline contributed to the project by donating products that can be purchased at the shop.

We support Dynamo City Camps

For over 15 years, **Dynamo Camp** has been offering free Recreational Therapy programmes to children and young people with serious or chronic illnesses, in therapy or in the post-hospitalisation period. Dynamo's aim is to guarantee the Right to Happiness to these children and their families, offering them periods of holiday and recreation, helping them to regain serenity, hope and self-confidence, so that they can go back to being "simply children". This Christmas 2022, we have decided to support Dynamo® Recreational Therapy with a donation.



How we do it

Our business development does not only consider what is internal to our company, but also the whole context and the surrounding players. The externalities that our business can provide are of great value to us and we try to ensure that these are positive for the community. For us, being a company does not only mean taking care of our own business, but also **determining the development of the territory.**

Creating jobs, investing in people and social initiatives are concrete actions that contribute to the growth of the environment in which we operate. This is why we take our role in the community very seriously; we know that there is no future without collaboration and there is no collaboration without a sense of belonging to a certain context. Our initiatives are evidence of the deep interest we have in the topic.



PEOPLE & COMMUNITY

Future commitments

Future commitments

All-round well-being

In 2023, our people will have access to Buddyfit, the first fitness and wellness app designed to take care of their physical and mental well-being. Buddyfit gives access to over 600 lessons and audio guides from any device, be it your laptop, smartphone, tablet or TV and it enables them to be shared with friends and family. The Buddyfit service will be an alternative to the existing Fit Village gym and will allow all the colleagues not resident in Reggio Emilia to participate.

D&I policy

We are currently working on a corporate *Diversity & Inclusion* policy.

The policy aims to put our values on paper and is based on four principles: fairness and equal opportunities, people first, mutual respect, listening and inclusion.

Youth Festival

We have promised to renew the partnership with the Youth Festival, promoted by Noisiamofuturo, also for 2023.

Training on the circular economy and 2030 Agenda

We are committed to conducting training courses for our people on circular economy topics and 2030 Agenda. In particular, the courses will cover the relationship between these topics and our business, contextualising the potential impacts that a company like Cellularline Group can have and the initiatives that have been undertaken during these years.

Digital meal vouchers

Next year will see us start the digital transition of the corporate lunch service, moving from the widespread canteen with vouchers to digital meal vouchers.

Volunteering

We will also be confirming our support for the UNO-RA project next year, which allows our employees to donate their time during working hours to projects promoted by the organisations that make up the Unora Onlus Committee.

Automation initiatives

Automation exploits technological means to perform specific tasks in support of or instead of operators to optimise processes and focus people on high-value activities. We aim to continue implementing automation projects to increase the efficiency and effectiveness of our processes and the satisfaction and engagement of our people.

PEOPLE & COMMUNITY

GRI disclosure

GRI Standard 2.7 - Employees by type of contract and gender

| | u.m. | 2022 | | | 2021 | | | 2020 | | |
|------------------------|------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | | Man | Woman | Total | Man | Woman | Total | Man | Woman | Total |
| Permanent | No. | 125 | 117 | 242 | 124 | 115 | 239 | 126 | 114 | 240 |
| Fixed-term | | 1 | 8 | 9 | 4 | 7 | 11 | 4 | 5 | 9 |
| Total employees | | 126 | 125 | 251 | 128 | 122 | 250 | 130 | 119 | 249 |

In 2022, the number of employees with non-guaranteed hours is 0
In 2022, the information is not available for Cellularline Swiss S.a.

GRI Standard 2.7 - Employees by type of employment

| | u.m. | 2022 | | | 2021 | | | 2020 | | |
|------------------------|------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | | Man | Woman | Total | Man | Woman | Total | Man | Woman | Total |
| Full-time | No. | 123 | 109 | 232 | 127 | 109 | 236 | 129 | 104 | 233 |
| Part-time | | 3 | 16 | 19 | 1 | 13 | 14 | 1 | 15 | 16 |
| Total employees | | 126 | 125 | 251 | 128 | 122 | 250 | 130 | 119 | 249 |

In 2022, the information is not available for Cellularline Swiss S.a.
In 2022, the number of employees is broken down into the different geographical areas as follows: 232 (of which 125 women) in Italy, 16 (of which 5 women) in Spain and 3 in France (of which 0 women).

GRI Standard 2.8 - Workers who are not employees

| | u.m. | 2022 |
|-------------------|------|----------|
| Directors | | 3 |
| Advisers | | 3 |
| Temporary workers | No. | 2 |
| Interns | | 1 |
| Italy | | 9 |

Data on workers who are not employees refers to the Italian Group Companies

GRI Standard 2.21 - Annual total compensation ratio

| | 2022 | 2021 | 2020 |
|---------------------|-------|-------|-------|
| Worldconnect AG | 1,86 | 1,83 | 2,18 |
| Systema S.r.l | 4,00 | 3,86 | 3,91 |
| Cellularline S.p.A. | 10,89 | 11,66 | 11,15 |
| Coverlab S.r.l | 2,94 | 3,49 | - |

In 2020, the information is not available for Cellular Spain S.L.U and Coverlab S.r.l.
In 2021, the information is not available for Cellular Spain S.L.U
In 2022, the information is not available for Cellular Spain S.L.U and Cellularline Swiss S.a.

GRI Standard 405-1 - Employee diversity by job category

| | u.m. | 2022 | | | 2021 | | | 2020 | | |
|------------------------|------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | | Man | Woman | Total | Man | Woman | Total | Man | Woman | Total |
| Managers | No. | 18 | 2 | 20 | 19 | 2 | 21 | 17 | 2 | 19 |
| Junior managers | | 31 | 20 | 51 | 33 | 20 | 53 | 33 | 17 | 50 |
| Employees | | 76 | 103 | 179 | 74 | 100 | 174 | 78 | 100 | 178 |
| Blue collar workers | | 1 | 0 | 1 | 2 | 0 | 2 | 2 | 0 | 2 |
| Total employees | | 126 | 125 | 251 | 128 | 122 | 250 | 130 | 119 | 249 |

In 2022, the information is not available for Cellularline Swiss S.a.

| | u.m. | 2022 | | | 2021 | | | 2020 | | |
|------------------------|------|-----------|------------|-----------|-----------|------------|-----------|-----------|------------|-----------|
| | | 18-35 | 36-50 | >50 | 18-35 | 36-50 | >50 | 18-35 | 36-50 | >50 |
| Managers | No. | 0 | 8 | 12 | 0 | 12 | 9 | 0 | 11 | 8 |
| Junior managers | | 3 | 34 | 14 | 2 | 41 | 10 | 3 | 40 | 7 |
| Employees | | 71 | 80 | 28 | 64 | 86 | 24 | 63 | 93 | 22 |
| Blue collar workers | | 0 | 1 | 0 | 0 | 1 | 1 | 0 | 1 | 1 |
| Total employees | | 74 | 123 | 54 | 66 | 140 | 44 | 66 | 145 | 38 |

In 2022, the information is not available for Cellularline Swiss S.a.

GRI Standard 405-1 - Employees belonging to protected categories

| | u.m. | 2022 | 2021 | 2020 |
|--|------|------|------|------|
| Employees belonging to vulnerable categories | No. | 7 | 9 | 9 |

In 2022, the information is not available for Cellularline Swiss S.a.
In 2022, the number of employees belonging to vulnerable categories is 7, 6 of whom are women and 1 a man

GRI Standard 405-2 - Ratio of basic salary (gross annual salary) and total remuneration (including variable remuneration) of women compared to men, broken down by job category

Cellularline S.p.A.

| Basic salary | u.m. | 2022 | 2021 | 2020 |
|----------------------------|------|------|------|------|
| Managers | | 58% | 60% | 51% |
| Junior managers | | 87% | 90% | 90% |
| Clerical staff | % | 97% | 84% | 82% |
| Blue collar workers | | - | - | - |
| Average total remuneration | u.m. | 2022 | 2021 | 2020 |
| Managers | | 57% | 59% | 52% |
| Junior managers | | 79% | 84% | 82% |
| Clerical staff | % | 95% | 83% | 79% |
| Blue collar workers | | - | - | - |

Worldconnect AG

| Basic salary | u.m. | 2022 | 2021 | 2020 |
|----------------------------|------|------|------|------|
| Managers | | - | - | - |
| Junior managers | | 88% | 88% | 101% |
| Clerical staff | % | 61% | 57% | 64% |
| Blue collar workers | | - | - | - |
| Average total remuneration | u.m. | 2022 | 2021 | 2020 |
| Managers | | - | - | - |
| Junior managers | | 92% | 97% | 98% |
| Clerical staff | % | 58% | 60% | 60% |
| Blue collar workers | | - | - | - |

Cellular Spain S.l.u.

| Basic salary | u.m. | 2022 | 2021 | 2020 |
|----------------------------|------|------|------|------|
| Managers | | 58% | 58% | 55% |
| Junior managers | | 101% | 101% | 101% |
| Clerical staff | % | 96% | 96% | 100% |
| Blue collar workers | | - | - | - |
| Average total remuneration | u.m. | 2022 | 2021 | 2020 |
| Managers | | 55% | 55% | 52% |
| Junior managers | | 96% | 96% | 91% |
| Clerical staff | % | 94% | 94% | 101% |
| Blue collar workers | | - | - | - |

Systema S.r.l.

| Basic salary | u.m. | 2022 | 2021 | 2020 |
|----------------------------|------|------|------|------|
| Managers | | - | - | - |
| Junior managers | | 67% | 100% | 100% |
| Clerical staff | % | 58% | 96% | 96% |
| Blue collar workers | | - | - | - |
| Average total remuneration | u.m. | 2022 | 2021 | 2020 |
| Managers | | - | - | - |
| Junior managers | | 67% | 67% | 65% |
| Clerical staff | % | 49% | 100% | 99% |
| Blue collar workers | | - | - | - |

With reference to Coverlab S.r.l., the ratio of basic salary and total remuneration of women to men is only available for the category 'Employees' and corresponds to 57%.

GRI Standard 401-1 - New employee hires and turnover

| | | 2022 | | | 2021 | | | 2020 | | |
|---------------------------|------|------|-------|-------|------|-------|-------|------|-------|-------|
| Number of hires by gender | u.m. | Man | Woman | Total | Man | Woman | Total | Man | Woman | Total |
| New hires | No. | 16 | 23 | 39 | 10 | 13 | 23 | 15 | 21 | 36 |

| | | 2022 | | | 2021 | | | 2020 | | |
|------------------------------|------|-------|-------|-----|-------|-------|-----|-------|-------|-----|
| Number of hires by age group | u.m. | 18-35 | 36-50 | >50 | 18-35 | 36-50 | >50 | 18-35 | 36-50 | >50 |
| New hires | No. | 31 | 7 | 1 | 18 | 5 | 0 | 21 | 14 | 1 |

| | | 2022 | | | 2021 | | | 2020 | | |
|--------------------------------|------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Number of new hires by Country | u.m. | Man | Woman | Total | Man | Woman | Total | Man | Woman | Total |
| Italy | | 14 | 21 | 35 | 8 | 12 | 20 | 12 | 20 | 32 |
| Spain | | 0 | 0 | 0 | 2 | 0 | 2 | 2 | 0 | 2 |
| Switzerland | No. | 2 | 2 | 4 | 0 | 1 | 1 | 0 | 1 | 1 |
| France | | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 |
| Total hires | | 16 | 23 | 39 | 10 | 13 | 23 | 15 | 21 | 36 |

In 2022, the information is not available for Cellularline Swiss S.a.

| | | 2022 | | | 2021 | | | 2020 | | |
|-----------------------------------|------|------|-------|-------|------|-------|-------|------|-------|-------|
| Number of terminations by Country | u.m. | Man | Woman | Total | Man | Woman | Total | Man | Woman | Total |
| Terminations | No. | 12 | 21 | 33 | 13 | 10 | 23 | 12 | 17 | 29 |

In 2022, the information is not available for Cellularline Swiss S.a.

| Number of terminations by age group | u.m. | 2022 | | | 2021 | | | 2020 | | |
|-------------------------------------|------|-------|-------|-----|-------|-------|-----|-------|-------|-----|
| | | 18-35 | 36-50 | >50 | 18-35 | 36-50 | >50 | 18-35 | 36-50 | >50 |
| Terminations | No. | 13 | 16 | 4 | 14 | 5 | 4 | 17 | 8 | 4 |

In 2022, the information is not available for Cellularline Swiss S.a.

| Number of terminations by Country | u.m. | 2022 | | | 2021 | | | 2020 | | |
|-----------------------------------|------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | | Man | Woman | Total | Man | Woman | Total | Man | Woman | Total |
| Italy | | 11 | 19 | 30 | 11 | 9 | 20 | 10 | 13 | 23 |
| Spain | No. | 0 | 0 | 0 | 1 | 0 | 1 | 1 | 0 | 1 |
| Switzerland | | 1 | 2 | 3 | 1 | 1 | 2 | 1 | 3 | 4 |
| France | | 10 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 |
| Total terminations | | 12 | 21 | 33 | 13 | 10 | 23 | 12 | 17 | 29 |

In 2022, the information is not available for Cellularline Swiss S.a.

| Turnover rate | u.m. | 2022 | | | 2021 | | | 2020 | | |
|------------------------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | | Man | Woman | Total | Man | Woman | Total | Man | Woman | Total |
| Negative turnover rate | No. | 9,5% | 16,8% | 13,1% | 10,2% | 8,2% | 9,2% | 9,2% | 14,3% | 11,6% |
| Positive turnover rate | | 12,7% | 18,4% | 15,5% | 7,8% | 10,7% | 9,2% | 11,5% | 17,6% | 14,5% |

In 2022, the information is not available for Cellularline Swiss S.a.

The negative turnover rate is calculated as the ratio of the number of terminations to the total gender of employees
The positive turnover rate is calculated as the ratio of the number of new hires to the total gender of employees

GRI Standard 404-1 - Annual training hours by occupational category and gender

| | u.m. | 2022 | | | 2021 | | | 2020 | | |
|---------------------|------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | | Man | Woman | Total | Man | Woman | Total | Man | Woman | Total |
| Managers | | 478,0 | 118,5 | 596,5 | 794,5 | 85,0 | 879,5 | 107,0 | 29,5 | 136,5 |
| Junior managers | | 1061,0 | 938,0 | 1999,0 | 1022,0 | 770,5 | 1792,5 | 172,0 | 326,0 | 498,0 |
| Clerical staff | h | 1621,5 | 3302,5 | 4924,0 | 1018,5 | 1918,5 | 2937,0 | 802,0 | 1320,0 | 2122,0 |
| Blue collar workers | | 9,0 | 0 | 9,0 | 2,0 | 0 | 2 | 0 | 0 | 0 |
| Total | | 3169,5 | 4359,0 | 7528,5 | 2837,0 | 2774,0 | 5611,0 | 1081,0 | 1676,0 | 2756,5 |

In 2021, the information is not available for Cellular Spain S.I.u and WorldConnect AG

In 2022, the information is not available for Cellular Spain S.I.u., Coverlab S.r.l, WorldConnect AG and Cellularline Swiss S.a.

GRI Standard 404-1 - Average annual training hours

| | u.m. | 2022 | | | 2021 | | | 2020 | | |
|---------------------|------|-------------|-------------|-------------|-------------|-------------|-------------|------------|-------------|-------------|
| | | Man | Woman | Total | Man | Woman | Total | Man | Woman | Total |
| Managers | | 26,6 | 59,3 | 29,8 | 49,7 | 85,0 | 51,7 | 7,1 | 29,5 | 8,5 |
| Junior managers | | 34,2 | 46,9 | 39,2 | 34,1 | 39,0 | 36,0 | 5,3 | 20,4 | 10,5 |
| Clerical staff | no. | 21,3 | 32,1 | 27,5 | 14,4 | 19,8 | 17,5 | 11,1 | 13,6 | 12,6 |
| Blue collar workers | | 9,0 | - | 9,0 | 1,0 | 0 | 1,0 | 0, | 0 | 0,0 |
| Total | | 22,8 | 46,1 | 26,4 | 24,0 | 23,5 | 23,7 | 9,0 | 14,7 | 11,8 |

In 2021, the information is not available for Cellular Spain S.I.u and WorldConnect AG

In 2022, the information is not available for Cellular Spain S.I.u., Coverlab S.r.l, WorldConnect AG and Cellularline Swiss S.a.

GRI Standard 404-1 - Training hours by training area

| | u.m. | 2022 | 2021 | 2020 |
|--|------|---------------|---------------|---------------|
| Soft skills (IT, compliance, information security, policy, OMM, etc.) | | 1515,0 | 1336,0 | 1107,0 |
| Personal development skills (languages, communication, leadership, emotional intelligence, performance management, etc.) | h | 3086,5 | 1844,0 | 706,0 |
| Technical-professional skills (specific courses related to the department) | | 2927,0 | 2431,0 | 943,5 |
| Total | | 7528,5 | 5611,0 | 2756,5 |

In 2021, the information is not available for Cellular Spain S.I.u and WorldConnect AG

In 2022, the information is not available for Cellular Spain S.I.u., Coverlab S.r.l and Cellularline Swiss S.a.

GRI Standard 401-3 - Parental leave

| | u.m. | 2022 | | | 2021 | | | 2020 | | |
|---|------|------|-------|-------|------|-------|-------|------|-------|-------|
| | | Man | Woman | Total | Man | Woman | Total | Man | Woman | Total |
| Employees who were entitled to parental leave | | 6 | 13 | 19 | 5 | 10 | 15 | 3 | 9 | 12 |
| Employees who have taken parental leave | | 3 | 11 | 14 | 2 | 7 | 9 | 1 | 6 | 7 |
| Employees who returned to work during the reporting period after taking parental leave | no. | 3 | 11 | 14 | 1 | 7 | 8 | 1 | 6 | 7 |
| Employees who returned to work after taking parental leave and who are still employed by the organisation in the 12 months following their return | | 3 | 11 | 14 | 1 | 7 | 8 | 1 | 6 | 7 |

In 2022, the information is not available for WorldConnect AG, Systema S.r.l, Coverlab S.r.l and Cellularline Swiss S.a.

GRI Standard 404-3 - Number and percentage of employees receiving regular performance and career development assessments

| | u.m. | 2022 | | | 2021 | | | 2020 | | |
|---------------------|------|-----------|------------|------------|-----------|------------|------------|-----------|------------|------------|
| | | Man | Woman | Total | Man | Woman | Total | Man | Woman | Total |
| Managers | | 13 | 1 | 14 | 14 | 1 | 15 | 13 | 1 | 14 |
| Junior managers | | 27 | 18 | 45 | 29 | 18 | 47 | 28 | 15 | 43 |
| Clerical staff | no. | 50 | 93 | 143 | 46 | 91 | 137 | 46 | 91 | 137 |
| Blue collar workers | | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | | 91 | 112 | 203 | 89 | 110 | 199 | 87 | 107 | 194 |

In 2022, the information is not available for WorldConnect AG, Cellular Spain S.l.u, Coverlab S.r.l and Cellularline Swiss S.a.

| | u.m. | 2022 | | | 2021 | | | 2020 | | |
|---------------------|------|------------|------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | | Man | Woman | Total | Man | Woman | Total | Man | Woman | Total |
| Managers | | 72% | 50% | 70% | 73,7% | 50,0% | 71,4% | 76,5% | 50,0% | 73,7% |
| Junior managers | | 87% | 90% | 88% | 87,9% | 90,0% | 88,7% | 84,8% | 88,2% | 86,0% |
| Clerical staff | % | 66% | 90% | 80% | 62,2% | 91,0% | 78,7% | 59,0% | 91,0% | 77,0% |
| Blue collar workers | | 100% | - | 100% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% |
| Total | | 72% | 90% | 81% | 69,5% | 90,2% | 79,6% | 66,9% | 89,9% | 77,9% |

In 2022, the information is not available for WorldConnect AG, Cellular Spain S.l.u, Coverlab S.r.l and Cellularline Swiss S.a.

GRI Standard 403-9 - Employee occupational injuries and injury rates

| | u.m. | 2022 | | | 2021 | | | 2020 | | |
|---|------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|-------------|
| | | Man | Woman | Total | Man | Woman | Total | Man | Woman | Total |
| Total hours worked by employees | h. | 149.386 | 154.183 | 303.569 | 202.564 | 184.572 | 387.135 | 189.610 | 173.719 | 363.329 |
| Number of occupational injuries | no. | 0 | 0 | 0 | 2 | 0 | 2 | 0 | 3 | 3 |
| Number of occupational injuries with serious consequences (excluding deaths) | no. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Number of days of absence due to injuries | days | 0 | 0 | 0 | 12 | 0 | 12 | 0 | 24 | 24 |
| Deaths | no. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Number of employees | no. | 97 | 105 | 202 | 128 | 122 | 250 | 130 | 119 | 249 |
| Incidence rate⁴ | | 0,00 | 0,00 | 0,00 | 1,56 | 0,00 | 0,80 | 0,00 | 2,52 | 1,20 |
| Severity rate⁵ | | 0,00 | 0,00 | 0,00 | 0,06 | 0,00 | 0,03 | 0,00 | 0,14 | 0,07 |
| Rate of occupational injuries that can be recorded⁶ | | 0,00 | 0,00 | 0,00 | 9,87 | 0,00 | 5,17 | 0,00 | 17,27 | 8,26 |
| Rate of occupational injuries with serious consequences (excluding deaths)⁷ | | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |
| Rate of deaths resulting from occupational injuries⁸ | | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 |

⁴number of injuries/number of employees *100

⁵number of days of absence/number of hours worked *1,000

⁶number of recordable occupational injuries/total number of hours worked *1,000,000

⁷number of occupational injuries with serious consequences/total number of hours worked *1,000,000

⁸number of deaths/total number of hours worked *1,000,000

In 2022, the information is not available for Systema S.r.l., WorldConnect AG, Coverlab S.r.l, Cellularline Swiss S.a. and Cellular Spain S.l.u.

Note: rates exclude commuting injuries.

PRODUCT & PACKAGING



Innovation, quality and sustainability guide us in the development of our products and their packaging. Our goal is to increasingly meet the needs of the people who choose and use them, while having less and less impact on the environment and on the community.



5,2
Suppliers

BIA score
as at 31/12/2022

35% of the turnover generated by products launched during the year

The next few paragraphs describe the processes we adopt to ensure the quality and safety of our products, the initiatives and policies that guide us in the development of new products and their packaging to make them more sustainable.



PRO DUCT KAPACKA GING

**Product
quality and
safety**

Product quality and safety

"For us, quality and safety are paramount requirements. They are part of our DNA and distinguish all our accessories, making them reliable and distinctive"

What we have done: our impact stories

Quality DNA

Quality is paramount in every single choice and in each of our products, which is why we launched our **Quality DNA** programme in 2018. It is a set of values and initiatives that make our products distinctive. Being able to communicate our uniqueness on the market, in line with what is defined in the Quality DNA programme, allows us to show the real differences in value that characterise our products in the eyes of people and allows us, at the same time, to provide our partners with a distinctive, solid and secure product offer.



Quality is our best form of expression.

This project provides an informative guideline on the features of our approach to product definition and development. **Passion, professionalism** and real **enjoyment** of what we do are imprinted in our DNA; the distinguishing features that make us truly different and unique in the market are:

- Verifiability of **compliance with all European directives on the sale and distribution** of electronic components in all major international markets;
- The rigorous **selection of materials, design and details of our products** in order to ensure durability and usability. Obtaining **specific certifications**: such as the TÜV Rheinland certification for the safety of our powerbanks;
- The membership in the **Bluetooth consortium**¹ allows us to have a guarantee of functionality of our wireless audio products;
- Membership in the **Wireless Power Consortium**, an open and collaborative wireless charging standard development group of over 400 member companies from around the world representing industry brands. The members work together towards a single, shared goal: worldwide compatibility of all chargers and wireless power sources, to avoid the development of highly specific and incompatible devices that require users to purchase new ones.

Energy Star certification

The ongoing commitment to energy efficiency is also demonstrated through the **Energy Star** certification of our products such as mains and car chargers, which account for approximately 14% of the total sales volume in 2022. In detail, the US *Energy Star* certification, a voluntary testing and labelling programme run by the Environmental Protection Agency and by the US Department of Energy. The certification guarantees energy efficiency, and promotes energy conservation, with the aim of decreasing consumption when using our products in the load segment, which are considered energy-intensive.



ISO 9001:2015 certification

In order to be able to guarantee and ensure a high level of quality and minimise risks for the end user, we have obtained the **ISO 9001:2015 certification**, which sets international standards for quality management systems.

214 products with Bluetooth technology

25 products with wireless technology

¹A global community of more than 36,000 companies working together to unify, harmonise and drive innovation in the broad range of Bluetooth-connected devices. We join the Bluetooth Consortium to ensure the highest levels of performance and safety standards for our devices.

How we do it

All our products are created from detailed market analyses, in order to intercept the needs of end users. Right from the analysis and design phase, each product is developed according to the principles of **reliability, respect for the environment** and **quality**.

Specifically, starting with supplier qualification, we aim to work with and entrust the production of our products only to selected suppliers who operate with high quality standards, which in production terms means having a quality control presence in the production line and implementing all the necessary corrective actions, so that the expected quality level is always high.

During the production process, a pre-production sample is approved prior to mass production by subjecting it to numerous functional tests. Subsequently, the sample is checked according to the product certifications required for marketing in the relevant markets.

Finally, before releasing the product, a thorough quality control is carried out, including functional tests if the product requires them, and the results are shared with the supplier with the aim of implementing improvement actions where necessary. The R&D team also carries out spot checks on each arrival of goods to ensure that the required quality standard is maintained.

In order to make our products **original, recognisable** and **different** from the others, we are committed to always guarantee:

Functions

Our products simplify and at the same time enhance everyday digital device use. People and their habits define the design, the features and the details in our accessories, which is why we go to great lengths to make them functional, practical and enjoyable to use.

Reliability

The choice of materials, the care in processing and the refinement in finishes are the key ingredients that make our accessories useful and durable. Every digital device is unique and complex. Our knowledge of its every feature and design allows us to create custom and dedicated accessories.

Security

Each product is created to take care of digital devices and their users, while maintaining the highest standards. Constant testing guarantees the performance and safety of our accessories.

Transparency

On the web, in the packages and on the instructions, we always say everything, clearly, with competence and seriousness, without boasting features that we cannot concretely guarantee.



We also pay close attention to the health and safety impacts of our consumers, which is why we require our suppliers to **comply with all relevant European regulations regarding the use of materials that safeguard the health of not only the users of our products, but also of those who produce them**. For products that are more complex, we indicate to suppliers which international laboratories to contact in order to carry out the tests for adherence to the requirements of European safety standards.

In 2022, we received a single complaint with a fine of insignificant amount concerning a discontinued product, which held a certification to an expired standard and on which we had not updated the relevant test. This incident had no impact on product and safety, and there was no recall or "Rapex" alert system.

PRO DUCT & PACKA GING

**Responsible
and sustainable
marketing**

Responsible and sustainable marketing

"We are committed to communicating, internally and externally, all the activities carried out with regard to environmental sustainability. Especially good practices on recycling"

What we have done: our impact stories

Instructions for use

As with quality, the same care is taken to ensure **transparency** towards our customers, end-users, and in drafting clear, transparent and comprehensive operating instructions. Specifically, the instructions for use contain all the information needed to comply with the regulations, such as instructions for the correct disposal of electrical and electronic equipment (WEEE/RAE), as well as some voluntary information that helps ensure the correct use of the product purchased.



Labelling

As of 2021, the label has been supplemented with packaging marking, as required by the legislation, which also allows the consumer to identify the material of **which the packaging is made and how it is to be disposed of**.

In 2022, all available packaging types were analysed to understand the pack composition and types, in order to draw up an implementation guideline document for labelling, initially on all Cellularline S.p.A. products and then to be progressively applied to the other companies in the group.

All-round communication

The project stems from the desire to extend our sustainability commitments also with regard to proper communication on recycling and end-of-life of our products. Indeed, the concept of **circular economy** is for us the basis of a sustainability strategy.

With this in mind, the project aims to inform the consumer about the correct disposal of the packaging and of its contents, through the clear indication of the composition of the packs and the consequent disposal advice. This is done by means of labelling directly on the pack and the support of a dedicated web page, easily accessible by scanning the QR-code on the pack. In addition, a web page has been set up where we define how to dispose of the packaging of our products, to help the consumer recycle the material correctly.

The ethical marketing manifesto

We have published "**the ethical marketing manifesto**", which formalises and defines our way of communicating; it is structured in three main vectors: **people, environment and product**. The aim of this document is to transfer the ideas and values we believe in to the way we communicate. Respect for our users, inclusiveness, fairness, environmental sustainability and the proper disposal of our products and their packaging are just some of the topics covered.

Section of the website dedicated to sustainability

In order to expand the communication of our commitment to environmental and social sustainability, we have created a new section on our corporate website on our journey of growth and continuous improvement.

In this dedicated section, we communicate our initiatives, projects, results, commitments in the field of sustainable innovation and publish sustainability reports.

Hurry up and visit our website!
<https://www.cellularlinegroup.com/sostenibilita/>

How we do it

Marketing plays a fundamental role for us, not only in product and packaging development and related communication, but above all, in the area of **sustainability**, to convey correct and useful information. Indeed, we strive to support people who choose us or who seek information about us regarding product features and with respect to the proper recycling and disposal of our packaging and products.

We do this primarily through packaging, with labels and instruction manuals, but also through the dedicated section of our website. Therefore, we adopt a multi-channel approach in order to convey ethical and correct information to the users of our products, always with the intention of achieving a beneficial environmental and social impact.



PRO DUCT CAPACKKA GING

**Research,
development
and innovation
as a strategy
for sustainable
development**

Research, development and innovation as a strategy for sustainable development

"Research and innovation are two key strategic aspects for us: we create product lines that are always up-to-date with people's needs, technology and competitiveness, offering unique accessories in terms of variety and customisation"

What we have done: our impact stories

BECOME line, range of eco-friendly accessories

The **BECOME line** is a range of accessories that was created with the desire to respond to the growing need expressed by consumers to be able to choose products that demonstrate greater ecological awareness for the protection of the environment in which we live. As the naming of the range itself suggests, through this offer we provide a concrete solution to reduce the environmental impacts of our products.

Indeed, BECOME iPhone and AirPods cases are made of natural material and PBAT, a bioplastic very similar to traditional plastic in terms of performance, but with the advantage of being compostable because it can be treated in special industrial composting plants. In addition, we have decided to add chargers and cables made of 30% environmentally-sustainable plastic blends to the cases. The material from which BECOME cases are made complies with the **European standard EN 13432**, which guarantees full compostability in industrial composting plants. And this is not all: the products but also the packaging of BECOME have been designed to be eco-friendly.

Each 100% recycled and recyclable paper pack is certified by the **Forest Stewardship Council® (FSC®)**, the internationally recognised non-profit entity for responsible and sustainable forest management.



BECOME's figures

30

saleable products of the BECOME range (22 cases, 2 cases for AirPods, 2 chargers, 4 cables)

100%

plastic free packaging using FSC certified recycled and recyclable paper

Use of eco-friendly compounds

100%

in cases

30%

in chargers and cables

By choosing the BECOME line, people also contribute to the **1% for the Planet** programme, whose goal is to raise awareness among companies and individuals to support non-profit organisations that act to generate a positive impact on the environment. Indeed, 1% of the turnover generated from the sale of the BECOME line will be donated to **Sea Shepherd**, a non-profit company that aims to protect and conserve the marine world and protect the biodiversity of the oceans.



Improving the sustainability profile of products

For smartphone cases, we have completed the development of a range of cases made entirely from **plastic material harvested from oceans and beaches**. These cases will be marketed from March 2023. The composition of this material allows us to maintain the expected level of quality and preserve the functional features of the product.

Already in 2022 we started to introduce recycled material in almost the entire case offer with different percentages from a minimum of 20% for transparent cases to a maximum of 50% on coloured cases and books.

Improved packaging on all products

Integrating sustainability into our business vision also means not only looking at our packaging as protection for our products, but also as a product with its own life cycle. Improving our packaging does not only mean innovating it to make the products inside it safer, but also developing it in such a way that its impacts on the environment and society are reduced. Therefore, our action also focuses on the future proper disposal of packaging, adopting a design and solutions that reduce its immediate impact and facilitate its final recycling.

With this in mind, one of the main solutions we are adopting from 2020 is to reduce the amount of virgin disposable plastic in packaging. By 2022, we will have achieved a **60% reduction** in the use of **disposable plastic** for the same volumes sold. For these product cate-

gories, in fact, we have replaced virgin plastic with compostable plastic or with FSC-certified paper. In 2022, **91%** of the paper used for packaging will be **FSC** certified.

Another solution we are adopting is to reduce the size of some of the packaging, which has resulted in a big saving in material used. More specifically, in the "Energy" product category, we saved **9 tonnes of paper** in the same volumes.

Aware of the need to reduce the consumption of resources, we have reduced the overall packaging volume by an average of 20% for the Recharge range (consisting of chargers and cables), which has also allowed us to optimise logistics for an overall reduction in environmental impact. All these activities have also made it possible to **reduce** the amount of **paper** used by a total of **19 tonnes**, with the same volumes sold. The third action was taken to promote the recycling of packaging and reduce its environmental and social impact. In fact, we started on a path that led us to design our packaging in such a way that the individual components and the different materials are easily separable and, therefore, easy to sort.



BECOME



56% of FULL PAPER packs on total saleable packs

60% reduction of disposable plastic in packaging

Thanks to the work done over the last year, **91%** of the products have a packaging that uses **FSC certified paper**

We have started a process of **re-engineering** the packs, so that it is easier for the consumer to separate the components and recycle them properly

How we do it

Development and **innovation**, coupled with a **sustainable** and **circular approach**, are strategic for us. The reference points from which we start new projects are market research and Sustainability Life Cycle Assessments.

In 2022, we committed to conducting market surveys to investigate consumer needs and measuring the impact our products have throughout their life cycle.

This is why we conducted a **Sustainability Life Cycle Assessment (SLCA)**² on 15 of our iconic and representative products in 2022. A key role in this study and design phase is played by our internal Marketing and Research & Development divisions, who conduct the analysis by integrating the design with sustainability principles. Therefore, a strategic factor that characterises our development method is **investment**. We are driven to invest in research and development of materials that maintain excellent quality performance but that are more sustainable, such as blends composed of virgin plastic and plastic recycled from production processes or discarded products. Further studies have been conducted on the category of *bio-based* polymers, which includes virgin materials produced with agricultural waste and/or organic components, which are currently not usable, because they would not allow us to maintain the level of quality that we currently guarantee with the use of material of fossil origin. For this reason, it was decided for the time being not to use them and to prefer a *compound* of virgin material plus a recycled component, both of fossil derivation. In addition, in order to reduce the social and environmental im-

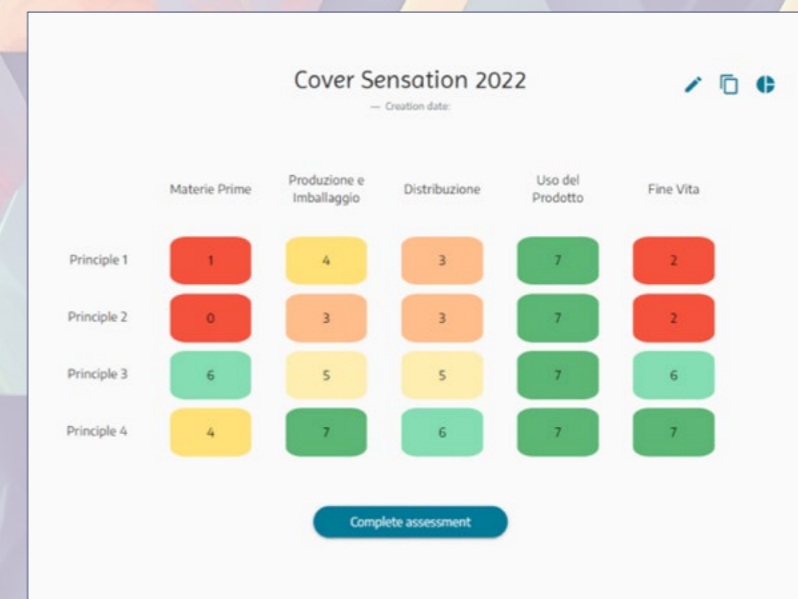
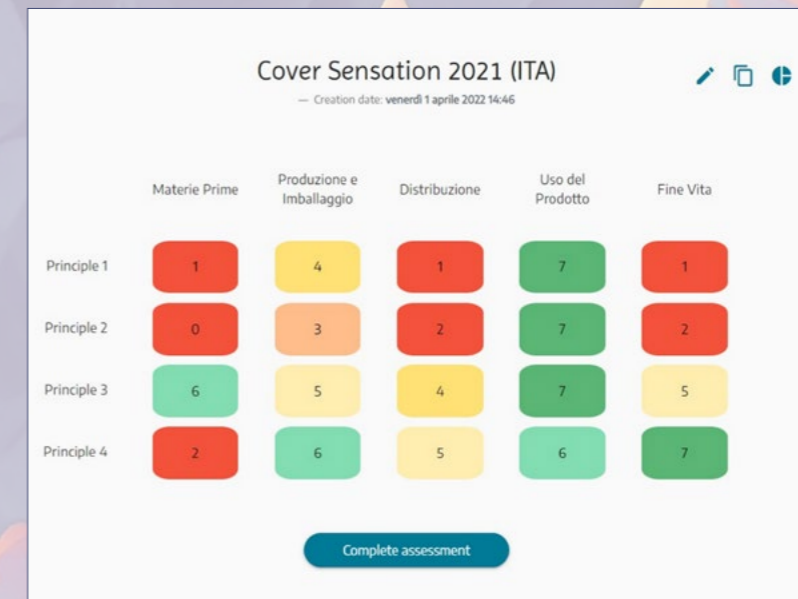
part of the current products, we have developed partnerships with our suppliers to enhance the existing production waste: 100% of the Microfiber (PU) waste used in the production process is now reused in the textile supply chain.

During 2022, approximately **35% of the turnover** will come from new products launched during the year. This result, which has improved on 2021, demonstrates our commitment in intercepting new market needs and developing new solutions that are competitive and environmentally friendly at the same time.



²The SLCA analysis allows to assess the sustainability profile of a product over its entire life cycle divided into successive macro-phases, measuring its impacts and mapping the activities planned with the ultimate aim of reducing them, in accordance with four principles of sustainability.

Analysis produced using SLCA methodology



Analysis produced using SLCA methodology



15 Products analysed according to the Sustainability Life Cycle Assessment (SLCA) methodology

100% of Microfiber scraps reused in the textile supply chain



PRO DUCT & PACKA GING

Supplier management

Supplier management

"Sharing the production of products with our suppliers, the relationship and the engagement of these in the development process is of strategic importance to us. Indeed, improving our impact on society and on the environment cannot be achieved without careful management and selection of our suppliers"

What we have done: our impact stories

Supply Chain Collaboration Project

With the **Supply Chain Collaboration** project, we have adopted a web-based communication tool that automatically retrieves the necessary information from the management system and digitises those parts that used to go through more than 80,000 e-mails per year (orders, reminders, deliveries, documents). Through this investment, we digitised communication with suppliers, making it more efficient and precise. In the future, we expect improved material availability, reduced e-mails and human errors, reduced logistical costs and improved data quality as a result of this operation.

Business Social Compliance Initiative (BSCI)

Since 2022, we have been part of the **Business Social Compliance Initiative** (BSCI) qualification process, which is a global benchmark for monitoring and improving social responsibility performance in the supply chain. The system offers a progressive approach that allows us to make our trading network more sustainable, supporting us in better framing the *social responsibility* of our suppliers. In detail, we focused on consolidating relationships with already active suppliers for whom we had, prior to the pandemic, visited production sites and collected information about *social responsibility*. With this in mind, we relied on BSCI reports prepared by Amfori to investigate the level of adherence to the certification criteria. The system enabled us to obtain **human rights** rating on **52%** of our suppliers.

Human rights assessment obtained for **52%** of suppliers

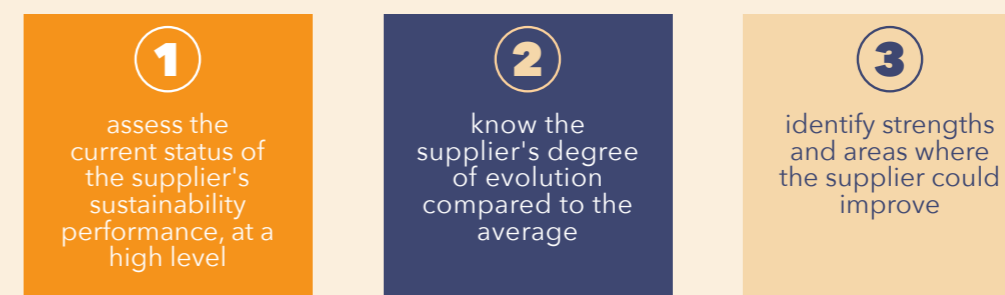
Supply Chain Evolution

In 2022, we started a programme to analyse, assess and engage our supply chain, so that it can be a positive contributor to the company's sustainability profile. The project, called **Supply Chain Evolution**, aims to set up a new relationship with suppliers oriented towards the values of **co-evolution and transparency**, proposing the implementation of new actions directed towards sustainability in coherence with the corporate general plan.

Supplier qualification

In order to complement the current **procurement** process, we have included a supplier qualification dashboard³ for mapping and analysing sustainability performance and scoring⁴. In particular, high-level questions were identified with respect to the most relevant sustainability performance topics that intercept the supplier's sustainability strategy and its implementation.

The qualification dashboard determines a supplier score which allows us to...



³Product and service

⁴The score obtained does not discriminate for qualification, but it is a knowledge factor for Cellularline for the development and improvement of the supply chain

Supplier assessment

We have designed an **assessment dashboard** to analyse the evolution of the supplier during the period of collaboration. Relevant areas for supplier⁵ assessment have been defined and will be collected periodically to monitor supplier improvement and strengthen the relationship and dialogue on sustainability topics. Supplementing the current *Vendor Rating* process, the supplier, annually or with different frequency, will have to fill in the **assessment questionnaire** to allow the Cellularline department to complete the assessment (*Innovation and Country Risk Area*). The⁶ score will allow us to monitor how our 'cloud' of suppliers evolves and to assess possible co-evolution plans with them.

Supplier code of conduct

We have drawn up a **Supplier Code of Conduct** with a section on ESG topics for our suppliers. The code of conduct brings together the guidelines for the operative implementation of corporate values along the entire *supply chain*. By virtue of our principles and values, we feel the need to establish a **close and loyal relationship** with all our suppliers and partners, in order to promote a common vision of respect for the environment, people and society.

⁵Product and service

⁶The score obtained does not discriminate for the assessment, but is a knowledge factor for Cellularline for the development and improvement of the supply chain

⁷Excluding the product

Sustainable procurement policy

Finally, we have drawn up a **policy on sustainable procurement**⁷, not related to product purchasing, in order to encourage the purchase and use of materials, products, and services that include environmental and social performance goals. By means of the outlined guidelines, the company pursues the goal of minimising the environmental and social impacts of purchasing goods and services from its suppliers (excluding the product supply chain). Furthermore, we aim to raise **awareness** of our corporate departments engaged in the purchasing process on corporate social responsibility topics, as well as to produce benefits through the adoption of sustainable procurement procedures. This implies, at management level and of the various corporate departments engaged in the purchasing process, an awareness of the potential risks associated with the choice of suppliers of goods and services and the consequent preparation of tools aimed at managing and minimising them.

The principles of our sustainable procurement policy



Supporting suppliers in difficulty

We have always been sensitive to the difficulties of our suppliers, offering ourselves in a **collaborative** way to resolve cases of temporary economic necessity or to help the supplier in the event of rapid business development, facing up to advance payment commitments. This commitment has been confirmed over the past three years to address the economic emergency that has arisen. In fact, in order to make up for production difficulties or the finding of raw materials, we have tried to give visibility to our suppliers about future commitments.

How we do it

Our main types of supplies are broken down into:

-  **finished and ready-to-market products;**
-  **semi-finished products to be packaged in Italy;**
-  **communication materials to support business initiatives;**
-  **consumables needed for order preparation;**
-  **consumables and packaging.**

Our supplier **qualification** starts with initial visits to the production plants by the relevant departments, which verify their economic stability and ability to guarantee continuity of service in the medium- to long-term. In detail, we conduct an analysis that takes into account several indicators: **size, production capacity, production standards, line controls, general environment, ability to understand needs and ease of dialogue.** Generally, multiple potential suppliers are visited and then the selection is made.

Once the first *screening* has been carried out, if the supplier respects the identified criteria, we start the **selection** phase, which foresees eventual subsequent visits to the first one during which we assess the **difficulties** of realisation of the product and the **willingness of the supplier** to

follow our requests. In case of positive outcome, we proceed with the sampling and in parallel we proceed with the negotiation of the economic aspects.

Moreover, a **“vendor assessment form”** questionnaire is submitted to suppliers, in order to collect in advance a whole series of information that are then collected in the corporate databases (e.g. general requests, structure, organisation, main customers, production machinery, warehouse, certifications, corporate sustainability, ethics and human rights). This information is analysed and studied prior to organised visits to locations and production sites.

We acknowledge that our performance is closely linked to that of all our suppliers by establishing a **collaborative dialogue** with our partners, believing that each of us is indispensable to the other, in a process of mutual learning and co-evolution. Indeed, with a view to assessing the impacts of our ecosystem, we devised a survey in order to understand and monitor our supplier ESG performance.

As mentioned earlier, in 2022 we drew up the **Supplier Code of Conduct**, committing ourselves to high standards of safe working conditions, fair and respectful treatment of employees and ethical practices within our supply chain.

We ask all Suppliers who receive the above-mentioned Code of Conduct to return the “Commitment form” signed by their legal representative.

All suppliers are sent a supply specification that includes all general information, operating instructions for the management of orders, shipments, labelling, as well as the collection of weighted-volumetric data, the code of ethics and the

rules for relations with the Group. In the specifications it is required to all suppliers in the execution of the supply relationship, compliance with Legislative Decree no. 231/01, as well as to adhere to the ethical-behavioural principles contained in the Code of Ethics and in the Organisational, Management and Control Model (both published on the website www.cellularlinegroup.com or available at the supplier's request) which the supplier, by accepting the specifications, declares to have read. The adoption by the supplier (as well as by its advisers, collaborators and employees, if any) of conducts in breach of the provisions of our Code of Ethics and of our Organisation, Management and Control Model gives us the right to terminate the contract.

Our suppliers are constantly monitored, through a set of **vendor rating** indicators that are updated **every six months**. The indicators represent the supplier's adherence to the requests formalised in our supply specifications. A production **lead time** (hereinafter also LT) monitoring indicator is also updated monthly. The production LT is one of the most critical elements for our Business, which is why it is monitored on a monthly basis, also through specific meetings in which the supplier performance and the necessary interventions to improve their management are shared.



PRO DUCT & PACHKA GING

Future commitments

Future commitments

Investments

Commitment continued to invest human and economic resources in order to develop new products based on recyclable materials to reduce environmental impacts.

Improvement of the supply chain

We want to continue our *supply chain* analysis, assessment and engagement programme, in order to drive their improvement according to drivers and standards that take into account environmental and social impacts.

ESG survey

Starting next year, a survey will be extended to all our suppliers to map their level of maturity with respect to ESG dimensions.

Supplier code of conduct

For 2023, we intend to further engage suppliers by requiring them to sign the "Commitment form", by which we ensure that they have read and accepted all the principles included in the Code of Conduct.

Business social compliance initiative (BSCI)

Following the assessment of a pilot group of suppliers, we plan to extend the project to all our suppliers with an annual turnover of Euro 5,000 or more in the future.

Simpler, FSC certified paper packaging

Commitment continued to developing a packaging that is almost entirely produced with FSC certified paper, with fewer components and assembly solutions to facilitate the proper disposal of materials. Our goal is to reach the objective technical limits up to which we can replace plastic with FSC paper.

New Become project

We are renewing our desire to transform some of our products in a way that reduces their impact on the environment and makes them more sustainable. The commitment is to strengthen the BECOME project by broadening it in terms of the categories covered and amplifying it in terms of its sustainability profile. The future line will also feature recycled plastic rather than compostable and biodegradable material, with the aim of reducing the input of virgin plastic into the environment.

Optimisation of packaging sizes

New solutions are being studied to reduce the size of the packaging used for our products. In this way, not only can material savings be achieved, but also savings in transport-related greenhouse gas emissions.

Extending the range of products made from recycled material

In 2022, we launched some innovation projects about the implementation of recycled material for the production of more complex products (products equipped with printed circuit boards and/or with different combinations of materials used for their production). We set ourselves the challenging goal of having at least one range of our three product macro-categories (protection and style, charging and utility, and audio) with recycled material in the next two years.

Improving communication on product disposal

In order to raise customer awareness and give more visibility to the information contained within the instruction booklet and on our website, we will include an infographic with a view to facilitating and promoting the recycling of our products.

PRO DUCT & PACKA GING

GRI disclosure

GRI Standard 416-2 - Incidents of non-compliance concerning the health and safety impacts of products and services

| Cases of non-compliance concerning health and safety impacts of products and services | u.m. | 2022 | 2021 | 2020 |
|---|------|------|------|------|
| Cases of non-compliance with regulations resulting in a fine or penalty | | 1 | 1 | 0 |
| Cases of non-compliance with regulations resulting in a warning | N | 0 | 11 | 10 |
| Cases of non-compliance with voluntary codes | | 0 | 0 | 0 |

In 2022, the data refers to Cellularline S.p.A.

GRI Standard 301-1 - Materials used by weight or volume

| Plastic | u.m. | 2022 | 2021 | 2020 |
|------------------|--------|--------------|--------------|---------------|
| Energy range | | 21,68 | 51,70 | 100,70 |
| Protection range | Tonnes | 0,14 | 6,20 | 75,80 |
| Audio range | | 15,75 | 36,60 | 53,80 |
| Total | | 37,57 | 94,50 | 230,30 |

In 2022, data not available for Coverlab S.r.l, Systema S.r.l and WorldConnect AG

| Paper | u.m. | 2022 | 2021 | 2020 |
|------------------|------|---------------|---------------|---------------|
| Energy range | | 240,78 | 149,90 | 197,60 |
| Protection range | Ton | 286,99 | 140,70 | 208,90 |
| Audio range | | 224,60 | 99,50 | 133,40 |
| Total | | 752,37 | 390,10 | 539,90 |

In 2022, data not available for WorldConnect AG and Coverlab S.r.l

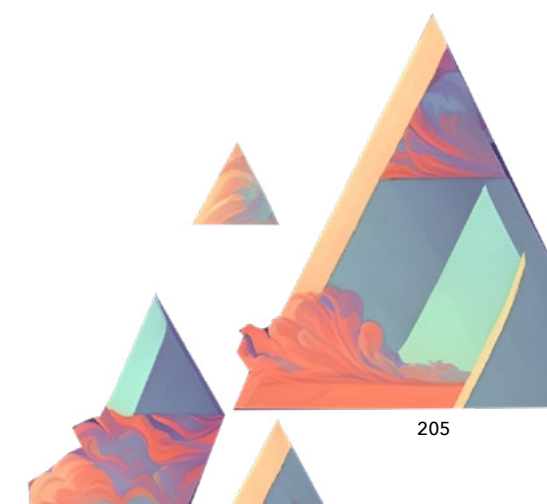
GRI 204-1 - Proportion of spending on local suppliers

| Active suppliers of goods, services and working services | u.m. | 2022 | 2021 | 2020 |
|--|------|------------|------------|------------|
| Non-European Suppliers | | 123 | 125 | 119 |
| Suppliers Italy | N | 46 | 48 | 48 |
| Suppliers Europe | | 7 | 4 | 5 |
| Total | | 176 | 177 | 172 |

| Total value of supplies of goods, services and working services by geographical area | u.m. | 2022 | 2021 | 2020 |
|--|------|-------------|-------------|-------------|
| Italy | | 20% | 11% | 20,1% |
| Europe (excluding Italy) | % | 6% | 11% | 10,7% |
| Asia | | 74% | 79% | 69% |
| America | | 0% | 0% | 0,0% |
| Total | | 100% | 100% | 100% |

| Certified suppliers | u.m. | 2022 | 2021 | 2020 |
|-------------------------|------|------|------|------|
| ISO 9001 certification | | 10% | 11% | 13% |
| ISO 14001 certification | % | 43% | 38% | 45% |
| SA 8000 certification | | 4% | 3% | 5% |

The certification data for the Group's Italian companies was calculated for 2022.



ENVIRONMENT



To care for the environment is to care for oneself. Our responsibility leads us every day to try to reduce the impacts our actions have on the environment and try to give our children a better planet. For us, respect for the environment is a sign of civilisation and education.



21,0

Environment
+5,6
compared to 2021

BIA score
as at 31/12/2022

More than 100%¹ of emissions compensated (scope 1 and 2)

Our mission, vision and purpose are guided by the respect for the environment. Being aware that our every action has an impact on the planet is the basis on which we work and try to reduce negative consequences.

The following paragraphs recount in concrete terms the actions, initiatives and projects we have implemented and that we are committed to implementing in the coming years in the area of environmental sustainability.

¹In the calculation of offset emissions, the trees donated and planted through the following platforms were considered: Treadom, Ecologi and Oasis 3Bee.

ENVIRONMENT

Monitoring of environmental performance

Monitoring of environmental performance

"One of the most urgent challenges lying ahead of us is decarbonisation, which Europe has declared it wants to achieve by 2050: an ambitious goal that can only be achieved if every member of our value chain takes responsibility for its impacts and acts to reduce them to zero"

What we have done: our impact stories

Our photovoltaic plant

"Another step towards achieving the sustainability goals we have set ourselves"

In May, we completed the installation of the photovoltaic plant at our Headquarters in Reggio Emilia. In order to ensure the greatest possible energy production, we have decided to install part of the system on the north-facing slopes. This is motivated by the attempt to reach a self-consumption quota of **70%**.



255MWh
Annual energy production (estimated)



139,74 t
CO₂ emissions avoided annually



3.100
Equivalent trees planted

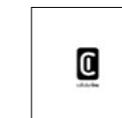
Data centres and sustainability

Our main central processing IT systems, used both for management and for other applications, are hosted at the Data Centre of BT Italia S.p.A. in Settimo Milanese (MI). Efforts towards energy efficiency are primarily related to the cost of electricity, which is constantly absorbed at high power values by the data centre, in particular mainly by IT equipment and its cooling and power supply systems. Data centres consume a great deal of energy that many organisations seek to reduce, with the aim of optimise costs and eventually achieve zero net carbon emissions.

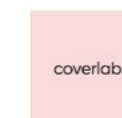
The electricity supplied for the operation of our informative systems is fully certified by the "Guarantee of Origin" (GO), which certifies that the energy is generated from renewable sources, in accordance with Directive 2009/28/EC, issued upon request by Gestore dei Servizi Energetici S.p.A. (GSE). The GO is issued only with reference to the electricity produced by plants that have obtained the "IRGO technical identification" in accordance with the specific provisions of the GSE Technical Procedure approved by Decree of 21/12/2007 of the Ministry of Economic Development, after consulting the Ministry for Environment, Land and Sea Protection.

Ecologi

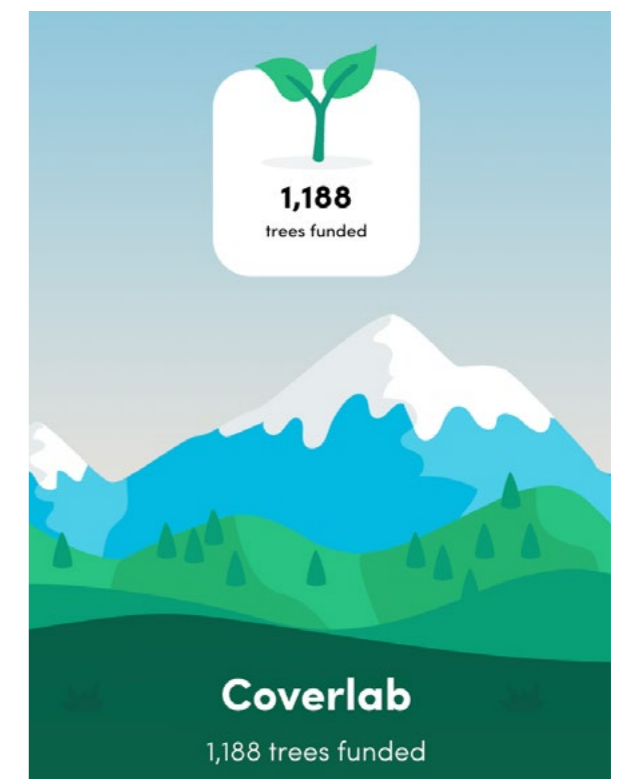
The fight against climate change consists of many actions that can be implemented even in the short term, in order to have an immediate effect. Therefore, we decided to join the cause of **Ecologi**, a company that sees its *core business* in the fight against climate change. Through initiatives and projects that are implemented through donations from all over the world, Ecologi seeks to reduce greenhouse gas emissions, restore nature and positively transform society. Therefore, we have chosen this platform as a means to donate **1,500 trees** to our suppliers and another **1,500 we planted at dedicated sites**.



Cellularline Group | Ecologi



<https://ecologi.com/coverlab>






Cellularline OASIS

Our commitment to environmental protection is constantly expanding. This year, in fact, we welcomed a new beehive, "Colmena CLG", located in Spain, precisely in León, to our Oasis. At present, "Colmena CLG" manages around 300 beehives that take advantage of one of the Country's most exclusive blooms, the heather and calluna blossoms. The honeys of the León area are considered among the 5 best in the world, due to their geographical and climatic features. With 3Bee's "Pollinate the Planet" project, in 2021 we created a true Oasis of biodiversity, through the planting of **100 trees** with high nectariferous power, capable of producing over time sufficient food stocks to ensure grazing for bees, allowing the definition of a combined action that acts simultaneously on CO₂ compensation and on the driver of biodiversity protection.

Visit our oasis website



The oasis of 
Cellularline group

  [Go to our oasis](#)

Our results



635.200

The **bees** protected by Cellularline group



14

3Bee Technological Hive Adoptions



635 Milioni

The **flowers** pollinated by bees monitored



12

Beekeepers supported by 3Bee technology



RicicliAmo project for a correct internal waste management

Although we do not have significant impacts in terms of waste produced within the company, we decided to formalise an **internal guide** for better waste management. This guide has been distributed internally to all our people, as we feel it is important to make everyone within the company accountable. The guidelines have been included in our *welcome kit*, so that every new employee who joins our team is aware of our commitment to the environment. We are also committed to providing all of our new employees with a bamboo water bottle, cup and cutlery, so that we can avoid the use of disposable plastic.

Corporate travel policy

We recognise business travel as a necessary tool to manage and grow our business and, at the same time, we are aware of the negative impact it has on the environment.

Therefore, we have adopted a **corporate travel policy** with the intention of encouraging virtuous and sustainable conducts, such as the use of public transport and, more generally, solutions with less impact on the environment. We have recently updated our *Car Policy* by introducing the obligation, whenever possible, to rent hybrid or electric cars, providing all employees with a guideline on the type of vehicles mentioned, in order to make them more aware of their choices.

Home-work travel plan

The recent "Decreto Rilancio" (Decree Law 34/2020, converted into Law 77/2020), introduced the obligation to appoint a *Mobility Manager* for all companies with more than 100 employees, located in regional capitals with more than 50,000 inhabitants, and to draw up a Home-work travel plan (PSCL).

The purpose of this plan is to identify solutions to improve corporate accessibility, reduce the use of private vehicles, limit traffic congestion and consequently reduce impacts on the environment. In 2022, we drew up the PSCL, within which we re-submitted the questionnaire on sustainable mobility and joined the project co-financed by the Emilia-Romagna Region "**Bike to work 2**" of the city of Reggio Emilia, with the intention of encouraging active travel on home-work routes and discouraging the use of private cars by providing a reward for those who make greater use of bicycles.

The employee who cycled the most kilometres was rewarded by joining the adoption programme for a **protected species**, the golden eagle, in cooperation with WWF Italy. This initiative contributes to our commitment in the field and gives concrete hope to one of the most precious animal species on the planet.

Protect nature, adopt a species on: wwf.it/adozioni



A characteristic way of flying by the eagle is called "streamer flight": a repeated soaring of the eagle that soars with spread wings and then drops with half-closed wings.

The word «chrysaetos» comes from the union of the two Greek words "eagle" and "gold" because of the blond plumage of the head and neck of the adults.

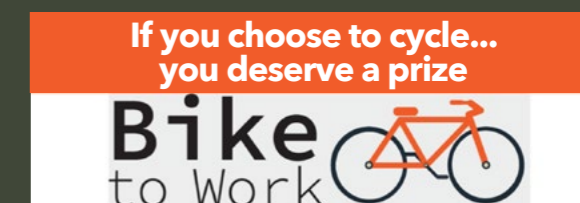
In Italy, the golden eagle can be found in the Alps, the Apennines, Sila and in the main mountains of Sardinia and Sicily.

Golden eagle pairs stay together for life, linked to their nesting territory throughout the whole year.

Our results*

639 km
km cycled

88,81 kg
of CO₂ saved

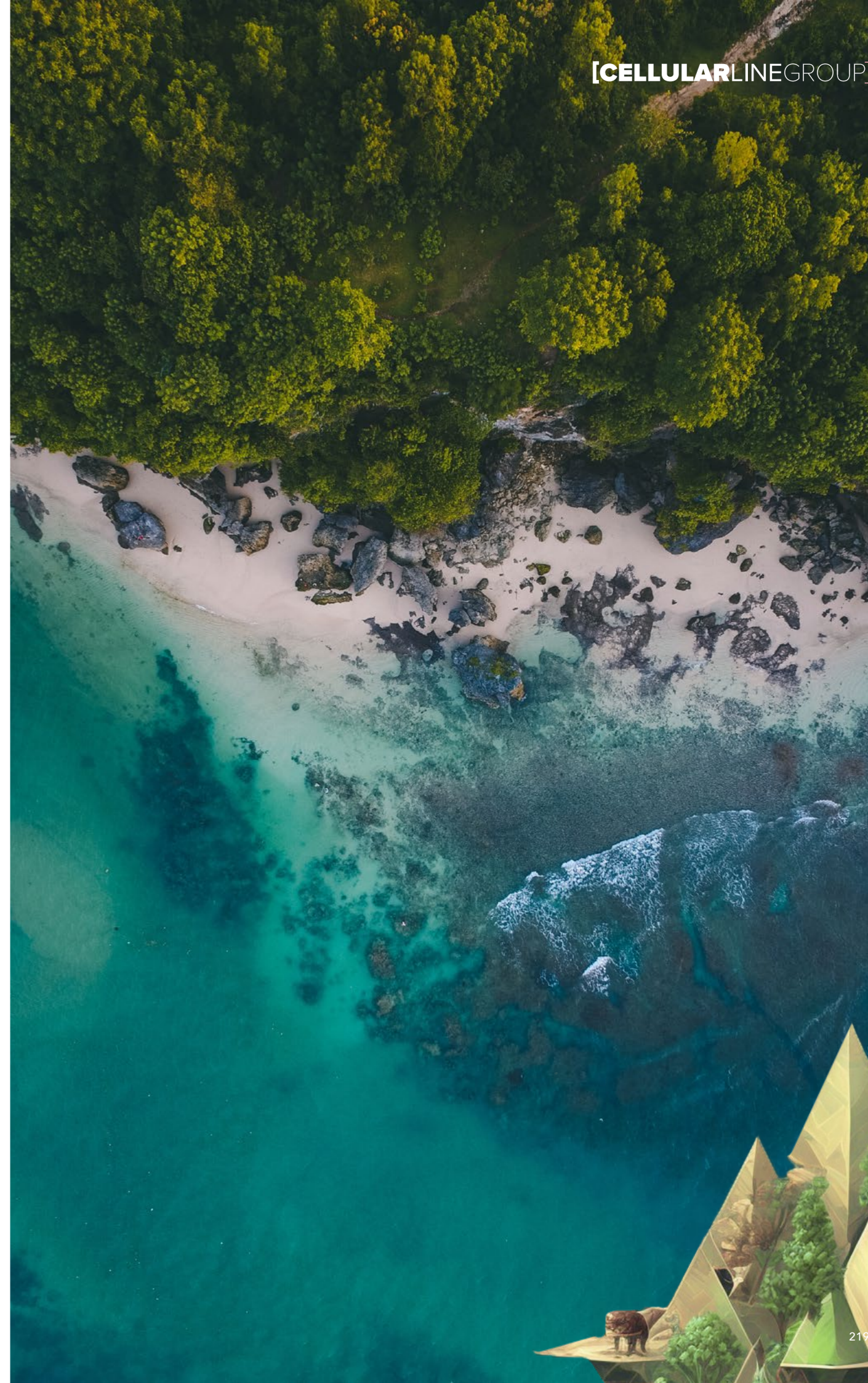


*Data refer to the April-October 2022 period

Scope 3 emissions

Scope 3 emissions include all indirect greenhouse gas (GHG) emissions from our Group's activities, which occur from sources not under our ownership or control. These emissions are the broadest category and are the most difficult to report on; however, they are crucial in analysing the true impact we have on the environment, because they analyse the entire value chain. For the first time, we conducted an analysis of our indirect scope 3 transport-related emissions in 2022.

In particular, we have reported the tonnes of CO₂ related to both inbound logistics, which transport supplies or materials in-house, and outbound logistics, which handle the movement of products and goods to customers (for details, see chapter 9.3 "GRI disclosure").



How we do it

The strategy to contribute to sustainable development, the protection of biodiversity and the overall reduction of our footprint on the planet is based on our strong business conviction: **shared action**. In actual fact, it is only thanks to all the stakeholders engaged, from public administration to universities, partner companies, from private individuals to individual citizens, that it is possible to implement concrete actions with great effectiveness. Therefore, we engage our stakeholders in our initiatives and projects in all the phases of the implementation process. Imagining a decarbonised future is a long-term goal, which translates into the concreteness of the short term, into a commitment to measure our impacts in terms of emissions, waste production, energy consumption and natural resources².

As early as 2020, we began a mapping activity of our consumption and emissions that led us to implement a series of initiatives aimed at reducing these, raising our employee awareness of the topic and offsetting the emissions produced. In recent years, we have worked, on many occasions, on raising awareness among our employees and we have reduced the time slots for turning on the heating and air conditioning systems. In addition, in 2022 we have established an agreement with some of our suppliers to purchase Scope 3 emissions data on an annual basis, underlining once again our commitment to the climate cause, knowing that the journey is still long and will certainly not stop here.

901 tonnes of CO₂ offset equal to more than 100%³ of scope 1 and 2 emissions⁴

³In the calculation of offset emissions, the trees donated and planted through the following platforms were considered: Treadom, Ecologi and Oasis 3Bee.

⁴**Scope 1:** direct GHG emissions from installations within the organisation's boundaries due to the use of fossil fuels and the emission of any greenhouse gases into the atmosphere.

Scope 2: indirect GHG emissions from the generation of electricity, heat and steam imported and consumed by the organisation.

²Since the Cellularline Group is considered to have a low environmental impact, as it has no production sites, waste and water management are not considered relevant. In any case, the Group is committed to minimising waste and water consumption.

ENVIRONMENT

Future commitments

Future commitments

Reducing GAS consumption

The gas price crisis has highlighted what the fight against climate change has been suggesting for years: savings, efficiency and attention to waste are key to embarking on a sustainable path. With this in mind, we are committed in the coming years to reducing gas consumption through more conscious and responsible management (e.g. reduction of switch-on time slots).

LED lighting

We carried out a feasibility analysis on the installation of LED lighting for our Headquarters in Reggio Emilia in 2022. According to estimates, the new high-efficiency LED lighting will save 63,802 KWh of energy per year, a saving of just under Euro 20 thousand per year. An environmentally, socially and economically sustainable investment.

Renewable energy

In the coming years, also thanks to the installation of the photovoltaic system, we are committed to increasing the use of renewable energy to 100% of our total energy needs.

Scope 3 emissions offsetting

In 2023, we have undertaken to offset 500 tonnes of CO₂ of the emissions generated by Scope 3.



ENVIRONMENT

GRI disclosure

GRI Standard 302-1 - Energy consumption within the organisation*

| Direct energy consumption | u.m. | 2022 | 2021 | 2020 | u.m. | 2022 | 2021 | 2020 |
|---|--------|---------------|------------|------------|------|---------------|--------------|--------------|
| Fuels from non-renewable sources | | | | | | | | |
| Natural gas | Sm3 | 55.613,00 | 29.149 | 27.692 | GJ | 2.211,4 | 5 | 5 |
| Petrol | Litres | 19.401,68 | 12.592 | 10.801 | | 676,5 | 439 | 377 |
| Diesel | | 175.452,04 | 155.404,50 | 152.215,68 | | 6.731,7 | 5.973,9 | 5.851,3 |
| Total | | - | - | - | | 9.619 | 7.571 | 7.328 |
| Fuel from renewable sources (photovoltaics - self-generated electricity) | | | | | | | | |
| | u.m. | 2022 | 2021 | 2020 | u.m. | 2022 | 2021 | 2020 |
| Of which consumed | kWh | 76.612,00 | - | - | GJ | 275,80 | - | - |
| Of which returned to the grid | | 22.910,00 | - | - | | 82,48 | - | - |
| Total | | 53.702 | - | - | | 193,33 | - | - |

*To read the data correctly, remember that the amount of hours worked from home in 2022 was lower than in 2021. In 2022, the information is not available for WorldConnect AG, Coverlab S.r.l and Cellular Swiss S.A.

| Indirect energy consumption | u.m. | 2022 | 2021 | 2020 | u.m. | 2022 | 2021 | 2020 |
|---|------|----------------|----------------|----------------|------|-----------------|-----------------|-----------------|
| Electricity purchased (total) | | 298.996 | 380.108 | 379.253 | | 1.076,44 | 1.368,42 | 1.365,34 |
| from non-renewable sources | kWh | 298.996 | 380.108 | 379.253 | GJ | 1.076,44 | 1.368,42 | 1.365,34 |
| certified from renewable sources (e.g. Certificates of Origin)* | | - | - | - | | - | - | - |

*Introduced starting 2022.

| Total energy consumption (direct and indirect) | u.m. | 2022 | 2021 | 2020 |
|--|------|---------------|--------------|--------------|
| Total | GJ | 10.889 | 8.939 | 8.693 |

GRI Standards 305-1, 305-2, 305-3 - Total emissions

| | u.m. | 2022 | 2021 | 2020 |
|--|--------------------|-------------|----------|----------|
| Direct emissions (SCOPE 1) | | | | |
| Natural gas | | 603 | 451 | 445 |
| Petrol | | 42 | 28 | 24 |
| Diesel | | 449 | 390 | 382 |
| Indirect emissions (SCOPE 2) - Location based | | | | |
| From non-renewable sources | | 82 | 105 | 105 |
| Indirect emissions (SCOPE 2) - Market based | | | | |
| From non-renewable sources | tCO ₂ e | 137 | 174 | 174 |
| Total emissions - Location based | | | | |
| Total emissions - Market based | | | | |
| Upstream transportation and distribution (SCOPE 3) | | 2263 | - | - |
| Downstream transportation and distribution (SCOPE 3) | | 339 | - | - |
| Indirect emissions (SCOPE 3) | | | | |
| | | 2602 | - | - |

For the calculation of direct emissions (scope 1), the DEFRA 2022 factor was used, while for indirect emissions (scope 2) the calculation was carried out considering the European Residual Mixes 2020 (Location based) and ISPRA 2022 (Market based) emission factors. The data related to the calculation of Scope 3 refer to reports produced directly by the following logistics/shipping providers DHL, SCHENKER, DSV and JAS (60% of the total supply fleet). In detail, the reports refer to emissions from air and road transport. No rail transport is used. In 2022, the information is not available for WorldConnect AG, Coverlab S.r.l and Cellular Swiss S.A

ANNE XES

10.

**ANNE
YES**

**External
initiatives,
memberships
and associations**

External initiatives, memberships and associations

Retail institute

Retail Institute Italy is the reference Association for Retail in Italy. Its mission is to promote the culture and the growth of the sector as a whole, by offering indispensable content and strategic activities in order to stay up-to-date and competitive in an increasingly complex market scenario.

The activities of the institute are primarily aimed at:

- Retailer & Brand Companies
- Manufacturers of store materials
- Advertising and promotion agencies
- Research entities
- Service companies
- Companies engaged in the sector in various ways

Retail Institute Italy is a member of the international board of NRF - National Retail Federation, the largest Retail association in the world; it is a partner of EHI - *Retail Institute Germany*, with which it works in synergy in order to strengthen its presence in Europe and to offer its members benefits in terms of vision, sharing of know-how, strategic contacts, scenarios and market trends.

Unindustria Reggio Emilia

Unindustria Reggio Emilia is the Association that represents almost 1,000 companies in the province and over 48,000 employees. Adhering to the Confindustria System, it was first created on 1 January 2013, from the merger of the Industrial Association of the Province of Reggio Emilia and PMI Reggio Emilia.

Unindustria Reggio Emilia is the point of reference for companies and a driving element stimulating the development of the Reggio Emilia territorial system.

It is committed to representing its member companies in dealings with Institutions, and economic, political, trade union, social and cultural Administrations and with the public. It avails itself of professionals and collaborators who offer an integrated network of services (trade union and labour advices, assistance to internationalisation, to the tax-financial sector and to everything concerning the productive, technological and economic sphere).

Digital innovation observatories of the Polytechnic University of Milan

The *Digital Innovation* Observatory has been developing knowledge about new digital technologies for over 20 years. Osservatori.net is a multimedia and interactive platform for professional updating on Digital Innovation with hundreds of contents and events created by analysts and experts with an exclusive know-how.

NOIAMOFUTURO® S.R.L.

Noisiamofuturo® s.r.l. was created as a company of communication and organisation of major events.

Over the years, it has developed a unique know-how in the national scene, in the design and development of formats aimed in particular at young people, for projects and events with a high content of participation and interactivity.

Proprietary projects have been developed, with the support and adhesion of high level Partners (Institutions, Entities, Companies).

Festivaldeigiovani®, FabbricheAperte®, Latuaidea-dimpresa®, Noisiamofuturo® and the Social Journal are just a few of the major projects that have put more than 60 thousand young people throughout Italy into a network.

University of Parma, orientation and job placement

The Orientation and *Job Placement* Organisational Unit of the University of Parma aims to promote initiatives in favour of undergraduates and graduates, in order to favour the development of active job search skills, as well as to increase collaboration activi-

ties with companies, associations and entities, with a view to directly linking the world of university education and the world of work.

We have been collaborating with the Orientation and *Job Placement* service since 2014, which in synergy with the courses of study and the 9 Departments, organises a series of orientation interventions aimed at guiding those who are about to finish or who have already completed a university course of study towards the world of work, encouraging the improvement of soft skills and the knowledge of professional profiles and of the related opportunities; it also promotes events of direct contact with recruiters, with the aim of increasing the knowledge of *job opportunities* in the area.

HRC - HR Community

The largest HR Community that brings together the most important and prestigious national and multinational companies, which through *benchmarking*, problem solving, networking, exchange of knowledge and skills on HR topics, thanks to effective and flexible working tools, is able to meet the needs of our HR team, both on- and off-line, *local* and *global*, providing the organisation with innovative training content, oriented to continuous improvement.

UNIMORE - University of Modena and Reggio Emilia

The Internship & Placement Office of the Marco Biagi Department of Economics, with which we have been collaborating since 2014 by participating in meetings with Companies, promotes and manages the offer of training and orientation internships and scholarships in Italy and abroad.

1% for the Planet

One Percent for the Planet is an international organisation whose members contribute at least 1% of their annual sales to environmental causes. Their mission is to "build and activate an alliance of companies financially committed to creating a healthy planet".

TEDx Reggio Emilia

TEDx is created in the spirit of the TED mission. The programme is organised to give local communities, organisations and individuals the opportunity to stimulate dialogue through TED-like experiences, but at a local level and independently. All TEDx events operate under a license granted by TED itself. TEDx is a space for discussion and connection, personal and professional growth.

AITMM (Italian Travel and Mobility Manager Association)

The Italian *Travel and Mobility Manager Association* promotes and represents the professional figure of the *Travel and Mobility Manager*, and it has the function of pursuing the recognition and enhancement of this important profession. AITMM offers support, professional meeting opportunities, information, knowledge and training services that help to correctly frame the professional figures of the *Corporate Travel manager* and of the *Mobility manager*.

ANDEC (National Association of Importers and Manufacturers of Civil Electronics)

ANDEC represents, protects and promotes all the activities related to the relevant market and it actively contributes to improving relations between companies and the market. The Association plays an important representative role *vis-à-vis* national authorities, entities and institutions and it is a valuable interlocutor for those working in this field.

**ANNE
YES**

**Reconciliation
table of GRI
material topics**

Reconciliation table of GRI material topics

The following table shows the correlation between the indicators envisaged by the *GRI Standards Sustainability Reporting Guidelines* and the topics identified as most relevant, which are reported in this document.

| Material topics | GRI indicators | Paragraph reference or related document |
|--|--|---|
| Anti-corruption and business ethics | 205-3 Confirmed incidents of corruption and actions taken | 5.1 Sustainability Governance |
| Economic performance and creation of added value | 201-1 Economic value directly generated and distributed 207-1 Approach to tax 207-2 Tax governance, control and risk management 207-3 Stakeholder engagement and management of concerns related to tax 207-4 Country-by-Country reporting | 5.1 Sustainability Governance 5.2 Tax management 5.4 GRI disclosure |
| Customer centricity | - | 6.1 Customer centricity |
| Evolution of distribution channels | - | 6.1 Customer centricity |
| Innovation and R&D | - | 8.3 Research and development and innovation as a strategy for a sustainable development |
| Product quality and safety | 416-1 Assessment of the health impacts of product and service categories 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services | 8.1 Product quality and safety 8.6 GRI disclosure |
| Ethical Marketing | 417-2 Incidents of non-compliance concerning product and service information and labelling 417-3 Incidents of non-compliance concerning marketing communications | 8.2 Responsible and sustainable marketing |
| Climate change & Energy efficiency | 302-1 Energy consumption within the organisation 302-2 Energy consumption outside the organisation 305-1 Direct (Scope 1) GHG emissions 305-2 Energy indirect (Scope 2) GHG emissions 305-3 Other indirect (Scope 3) GHG emissions | 9.1 Monitoring of environmental performance 9.3 GRI disclosure |
| Environmental impact of products | 301-1 Materials used by weight or volume | 8.3 Research and development and innovation as a strategy for a sustainable development 8.6 GRI disclosure |

| | | |
|------------------------------------|--|--|
| Equality & Inclusion | 405-1 Diversity of governance bodies and employees 405-2 Ratio of basic salary and remuneration of women to men | 7.1 Equality & Inclusion 7.7 GRI disclosure |
| People care & employee development | 401-1 New hires and turnover 401-2 Benefits provided to full-time employees, but not to part-time or fixed-term ones 401-3 Parental leave 404 -1 Average hours of training per year per employee 404-3 Percentage of employees receiving regular performance and career development assessments | 7.2 People development and enhancement 7.3 People Care 7.7 GRI disclosure |
| Employee Health & Safety | 403-1 Occupational health and safety management system 403-2 Hazard identification, risk assessment, and accident investigation 403-3 Occupational health services 403-4 Worker participation, consultation, and communication on occupational health and safety 403-5 Worker training on occupational health and safety 403-6 Promotion of worker health 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships 403-9 Occupational injuries | 7.4 Occupational health and safety 7.7 GRI disclosure |
| Privacy and cyber security | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | 7.3 People Care |
| Respect for human rights | - | 8.4 Supplier management |
| Sustainable supply chain | 204-1 Proportion of spending on local suppliers | 8.4 Supplier management 8.6 GRI disclosure |
| Social initiatives | 201-1 Economic value directly generated and distributed | 7.5 Community support 5.4 GRI disclosure |



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GRI Content Index

GRI Content Index

Statement of use

Cellularline Group has reported in accordance with the GRI Standards for the period from 1.01.2022 to 31.12.2022

GRI 1 used

GRI 1: Foundation 2021

Applicable GRI Sector Standard(s)

N/A

| GRI standard / other source | Disclosure | Location | Omission | | | GRI sector standard ref. no |
|--|--|---|----------------|----------------|-------------|-----------------------------|
| | | | Requirement(s) | Omitted reason | Explanation | |
| GENERAL DISCLOSURES | | | | | | |
| GRI 2: General Disclosures 2021 | 2-1 Organisational details | 2.2 About us (pp. 17-23) | | | | |
| | 2-2 Entities included in the organisation's sustainability reporting | 4. Methodological note (pp. 56-61) | | | | |
| | 2-3 Reporting period, frequency and contact point | 4. Methodological note (pp. 56-61) | | | | |
| | 2-4 Restatements of information | 4. Methodological note (pp. 56-61) | | | | |
| | 2-5 External assurance | KPMG Report | | | | |
| | 2-6 Activities, value chain and other business relationships | 3.4 Business model (pp. 53-53) | | | | |
| | 2-7 Employees | 7.7 GRI disclosure (pp. 155-163) | | | | |
| | 2-8 Workers who are not employees | 7.7 GRI disclosure (pp. 155-163) Data relates to the Group's Italian companies | | | | |
| | 2-9 Governance structure and composition | 5.1 Sustainability Governance (pp. 67-77) 5.4 GRI disclosure (pp. 87-89) | | | | |
| | 2-10 Appointment and selection of the highest governance body | 5.1 Sustainability Governance (pp. 67-77) The members of the BoD are appointed, on the basis of the shareholders' agreements, and on the basis of professional skills and knowledge. | | | | |
| | 2-11 Chairman of the highest governance body | The Chairman of the Board of Directors is not a senior manager of the organisation. | | | | |

| GRI standard / other source | Disclosure | Location | Omission | | | GRI sector standard ref. no |
|--|--|---|-------------------------|---------------------------|--|-----------------------------|
| | | | Requirement(s) | Omitted reason | Explanation | |
| GRI 2: General Disclosures 2021 | 2-12 Role of the highest governance body in overseeing impact management | Sharing with the BoD the main points and goals regarding sustainability, in order to guide the group's commitments. | | | | |
| | 2-13 Delegation of responsibility for managing impacts | There is no formal responsibility assigned for impact management. | | | | |
| | 2-14 Role of the highest governance body in sustainability reporting | The Board of Directors is not responsible for reviewing and approving the information reported in the Sustainability Reporting; it is approved and reviewed by the two Chief Executive Officers. | | | | |
| | 2-15 Conflicts of interest | 5.1 Sustainability Governance (pp. 67-77) Prior to the opening of board meetings, information is given on situations concerning conflicts of interest in relation to the items on the agenda. Also by virtue of applicable legislation, the Group has established a Related Party Transactions Committee and a Legal and Corporate Affairs Department. If a conflict of interest existed, disclosure was made to the relevant stakeholders. For more details, please refer to the Group Code of Ethics. | | | | |
| | 2-16 Communication of critical concerns | No reports or communications of critical concerns were received during the financial year. | | | | |
| | 2-17 Collective knowledge of the highest governance body | The Group presented the ESG Report to the BoD and conducted an induction activity addressed to the BoD on sustainable development. 5.3 Future commitments (pp. 83-85) | | | | |
| | 2-18 Assessment of the performance of the highest governance body | For the current financial year, a questionnaire was prepared to assess the size, composition and functioning of the board of directors of Cellularline S.p.A. and of its committees. 5.3 Future commitments (pp. 83-85) | Requirement a), b) e c) | Information not available | Currently, there is no process in place for assessing the BoD performance on ESG aspects | |
| | 2-19 Remuneration policies | 5.1 Sustainability Governance (pp. 67-77) | | | | |
| | 2-20 Process to determine remuneration | 5.1 Sustainability Governance (pp. 67-77) | | | | |

| GRI standard / other source | Disclosure | Location | Omission | | | GRI sector standard ref. no |
|--|--|--|----------------|----------------|-------------|-----------------------------|
| | | | Requirement(s) | Omitted reason | Explanation | |
| GRI 2: General Disclosures 2021 | 2-21 Annual total compensation ratio | 7.7 GRI disclosure (pp. 155-163) | | | | |
| | 2-22 Statement on sustainable development strategy | 1.1 Letter to our stakeholders (pp. 7-9) | | | | |
| | 2-23 Commitments | 8.4 Supplier management (pp. 191-197) 8.5 Future commitments (pp. 199-201) | | | | |
| | 2-24 Embedding commitments | 5.1 Sustainability Governance (pp. 67-77) 5.3 Future commitments (pp. 83-85) 7.1 Equality & Inclusion (pp. 115-119) 7.6 Future commitments (pp. 151-153) 8.4 Supplier management (pp. 191-197) 8.5 Future commitments (pp. 199-201) | | | | |
| | 2-25 Processes to remediate negative impacts | 7.1 Equality & Inclusion (pp. 115-119) 7.3 People Care (pp. 129-137) 7.4 Occupational health and safety (pp. 139-143) 7.5 Community support (pp. 145-149) 8.4 Supplier management (pp. 191-197) 9.1 Monitoring of environmental performance (pp. 211-221) | | | | |
| | 2-26 Mechanisms for seeking advice and raising concerns | 5.1 Sustainability Governance (pp. 67-77) | | | | |
| | 2-27 Compliance with laws and regulations | There was one case of non-compliance with laws and regulations, which resulted in a sanction by the Chamber of Commerce of Bari, totalling Euro 11,055. | | | | |
| | 2-28 Membership associations | Annexes (pp. 230-251) | | | | |
| | 2-29 Approach to stakeholder engagement | 3.3 Stakeholder mapping and engagement (pp. 49-51) | | | | |
| | 2-30 Collective bargaining agreements | 100% of employees covered by collective bargaining agreements for the Group's Italian Companies. | | | | |
| 3-1 Process to determine material topics | 3.2 Le nostre priorità e i nostri temi materiali (pp. 39-47) | | | | | |

| GRI standard / other source | Disclosure | Location | Omission | | | GRI sector standard ref. no | |
|---|--|---|--|----------------|-------------|-----------------------------|--|
| | | | Requirement(s) | Omitted reason | Explanation | | |
| | 3-2 List of material topics | 3.2 Our priorities and material topics (pp. 39-47) | | | | | |
| MATERIAL TOPIC - ANTI CORRUPTION AND BUSINESS ETHICS | | | | | | | |
| GRI 3 - Material Topics 2021 | 3-3 Management of material topics | 5.1 Sustainability Governance (pp. 67-77) | | | | | |
| | 205-3 Confirmed incidents of corruption and actions taken | 5.1 Sustainability Governance (pp. 67-77) During 2022 there were no incidents of corruption. | | | | | |
| MATERIAL TOPIC - ECONOMIC PERFORMANCE AND CREATION OF ADDED VALUE | | | | | | | |
| GRI 3 - Material Topics 2021 | 3-3 Management of material topics | 5.1 Sustainability Governance (pp. 67-77) 5.2 Tax management (pp. 79-81) 5.3 Future commitments (pp. 83-85) 5.4 GRI disclosure (pp. 87-89) | | | | | |
| | 201-1 Economic value directly generated and distributed | 5.1 Sustainability Governance (pp. 67-77) 5.2 Tax management (pp. 79-81) 5.4 GRI disclosure (pp. 87-89) | | | | | |
| | 207-1 Approach to tax | 5.2 Tax management (pp. 79-81) 5.4 GRI disclosure (pp. 87-89) | | | | | |
| | 207-2 Tax governance, control and risk management | 5.2 Tax management (pp. 79-81) 5.4 GRI disclosure (pp. 87-89) | | | | | |
| | 207-3 Stakeholder engagement and management of concerns related to tax | 5.2 Tax management (pp. 79-81) | | | | | |
| | 207-4 Country-by-Country reporting | 5.2 Tax management (pp. 79-81) 5.4 GRI disclosure (pp. 87-89) | | | | | |
| | MATERIAL TOPIC - PRODUCT QUALITY AND SAFETY | | | | | | |
| | GRI 3 - Material Topics 2021 | 3-3 Management of material topics | 8.1 Product quality and safety (pp. 169-173) | | | | |
| 416-1 Assessment of the health and safety impacts of product and service categories | | 8.1 Product quality and safety (pp. 169-173) | | | | | |

| GRI standard / other source | Disclosure | Location | Omission | | | GRI sector standard ref. no |
|--|---|--|----------------|----------------|-------------|-----------------------------|
| | | | Requirement(s) | Omitted reason | Explanation | |
| | 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services | 8.1 Product quality and safety (pp. 169-173) 8.6 GRI disclosure (pp. 203-205) | | | | |
| MATERIAL TOPIC - PRIVACY AND CYBERSECURITY | | | | | | |
| GRI 3 - Material Topics 2021 | 3-3 Management of material topics | 7.3 People Care (pp. 129-137) | | | | |
| | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | 7.3 People Care (pp. 129-137) | | | | |
| MATERIAL TOPIC - INNOVATION E R&D | | | | | | |
| GRI 3 - Material Topics 2021 | 3-3 Management of material topics | 8.3 Research and Development and innovation as a strategy for a sustainable development (pp. 181-189) | | | | |
| MATERIAL TOPIC - CUSTOMER CENTRICITY | | | | | | |
| GRI 3 - Material Topics 2021 | 3-3 Management of material topics | 6.1 Customer centricity (pp. 95-105) | | | | |
| MATERIAL TOPIC - EVOLUTION OF DISTRIBUTION CHANNELS | | | | | | |
| GRI 3 - Material Topics 2021 | 3-3 Management of material topics | 6.1 Customer centricity (pp. 95-105) | | | | |
| MATERIAL TOPIC - ETHICAL MARKETING | | | | | | |
| GRI 3 - Material Topics 2021 | 3-3 Management of material topics | 8.2 Responsible and sustainable marketing (pp. 175-179) | | | | |
| | 417-2 Incidents of non-compliance concerning product and service information and labelling | There was one incident of non-compliance regarding product information and labelling, which resulted in a non-significant fine of Euro 2,052. In addition, two incidents were recorded of non-compliance with regulations, resulting in a warning. | | | | |
| | 417-3 Incidents of non-compliance concerning marketing communications | There were no verified incidents of non-compliance concerning marketing communications. | | | | |
| MATERIAL TOPIC - SUSTAINABLE SUPPLY CHAIN | | | | | | |
| GRI 3 - Material Topics 2021 | 3-3 Management of material topics | 8.4 Supplier management (pp. 191-197) | | | | |

| GRI standard / other source | Disclosure | Location | Omission | | | GRI sector standard ref. no |
|---|---|---|----------------|----------------|-------------|-----------------------------|
| | | | Requirement(s) | Omitted reason | Explanation | |
| | 204-1 Proportion of spending on local suppliers | 8.4 Supplier management (pp. 191-197) 8.6 GRI disclosure (pp. 203-205) | | | | |
| MATERIAL TOPIC - ENVIRONMENTAL IMPACT OF PRODUCTS | | | | | | |
| GRI 3 - Material Topics 2021 | 3-3 Management of material topics | 8.3 Research and Development and innovation as a strategy for a sustainable development (pp. 181-189) 8.6 GRI disclosure (pp. 203-205) | | | | |
| | 301-1 Materials used by weight or volume | 8.3 Research and Development and innovation as a strategy for a sustainable development (pp. 181-189) 8.6 GRI disclosure (pp. 203-205) | | | | |
| MATERIAL TOPIC - EMPLOYEE HEALTH AND SAFETY | | | | | | |
| GRI 3 - Material Topics 2021 | 3-3 Management of material topics | 7.4 Occupational health and safety (pp.139-143) 7.7 GRI disclosure (pp.155-163) | | | | |
| | 403-1 Occupational health and safety management system | 7.4 Occupational health and safety (pp. 139-143) 7.7 GRI disclosure (pp. 155-163) | | | | |
| | 403-2 Hazard identification, risk assessment, and accident investigation | 7.4 Occupational health and safety (pp. 139-143) 7.7 GRI disclosure (pp. 155-163) | | | | |
| | 403-3 Occupational health services | 7.4 Occupational health and safety (pp. 139-143) 7.7 GRI disclosure (pp. 155-163) | | | | |
| | 403-4 Worker participation, consultation, and communication on occupational health and safety | 7.4 Occupational health and safety (pp. 139-143) 7.7 GRI disclosure (pp. 155-163) | | | | |
| | 403-5 Worker training on occupational health and safety | 7.4 Occupational health and safety (pp. 139-143) 7.7 GRI disclosure (pp. 155-163) | | | | |
| | 403-6 Promotion of worker health | 7.4 Occupational health and safety (pp. 139-143) 7.7 GRI disclosure (pp. 155-163) | | | | |
| 403-7 Prevention and mitigation of occupational health and safety impacts within business relationships | 7.4 Occupational health and safety (pp. 139-143) 7.7 GRI disclosure (pp. 155-163) | | | | | |

| GRI standard / other source | Disclosure | Location | Omission | | | GRI sector standard ref. no |
|--|--|---|----------------|----------------|-------------|-----------------------------|
| | | | Requirement(s) | Omitted reason | Explanation | |
| | 403-9 Work-related injuries | 7.4 Occupational health and safety (pp. 139-143) 7.7 GRI disclosure (pp. 155-163) | | | | |
| MATERIAL TOPIC - PEOPLE CARE & EMPLOYEE DEVELOPMENT | | | | | | |
| GRI 3 - Material Topics 2021 | 3-3 Management of material topics | 7.2 People development and enhancement (pp. 121-127) 7.3 People Care (pp. 129-137) 7.7 GRI disclosure (pp. 155-163) | | | | |
| | 401-1 New hires and employee | 7.2 People development and enhancement (pp. 121-127) 7.3 People Care (pp. 129-137) 7.7 GRI disclosure (pp. 155-163) | | | | |
| | 401-2 Benefits provided to full-time employees, but not to part-time or fixed-term ones | 7.2 People development and enhancement (pp. 121-127) 7.3 People Care (pp. 129-137) 7.7 Informativa GRI (pp. 155-163) | | | | |
| | 401-3 Parental leave | 7.2 People development and enhancement (pp. 121-127) 7.3 People Care (pp. 129-137) 7.7 GRI disclosure (pp. 155-163) | | | | |
| | 404-1 Average hours of training per year per employee | 7.2 People development and enhancement (pp. 121-127) 7.3 People Care (pp. 129-137) 7.7 GRI disclosure (pp. 155-163) | | | | |
| | 404-3 Percentage of employees receiving regular performance and career development assessments | 7.2 People development and enhancement (pp. 121-127) 7.3 People Care (pp. 129-137) 7.7 GRI disclosure (pp. 155-163) | | | | |
| MATERIAL TOPIC - EQUALITY E INCLUSION | | | | | | |
| GRI 3 - Material Topics 2021 | 3-3 Management of material topics | 5.1 Sustainability Governance (pp. 67-77) 5.4 GRI disclosure (pp. 87-89) 7.1 Equality & Inclusion (pp. 115-119) 7.7 GRI disclosure (pp. 155-163) | | | | |

| GRI standard / other source | Disclosure | Location | Omission | | | GRI sector standard ref. no |
|--|--|---|----------------|----------------|-------------|-----------------------------|
| | | | Requirement(s) | Omitted reason | Explanation | |
| | 405-1 Diversity of governance bodies and employees | 5.1 Sustainability Governance (pp. 67-77) 5.4 GRI disclosure (pagg. 87-89) 7.1 Equality & Inclusion (pp. 115-119) 7.7 GRI disclosure (pp. 155-163) | | | | |
| | 405-2 Ratio of basic salary and remuneration of women to men | 7.1 Equality & Inclusion (pp. 115-119) 7.7 GRI disclosure (pp.155-163) | | | | |
| MATERIAL TOPIC - RESPECT FOR HUMAN RIGHTS | | | | | | |
| GRI 3 - Material Topics 2021 | 3-3 Management of material topics | 8.4 Supplier management (pp. 191-197) | | | | |
| MATERIAL TOPIC - SOCIAL INITIATIVES | | | | | | |
| GRI 3 - Material Topics 2021 | 3-3 Management of material topics | 7.5 Community support (pp. 145-149) 5.4 GRI disclosure (pp. 87-89) | | | | |
| | 201-1 Economic value directly generated and distributed | 7.5 Community support (pp. 145-149) 5.4 GRI disclosure (pp. 87-89) | | | | |
| MATERIAL TOPIC - CLIMATE CHANGE & ENERGY EFFICIENCY | | | | | | |
| GRI 3 - Material Topics 2021 | 3-3 Management of material topics | 9.1 Monitoring of environmental performance (pp. 211-221) 9.3 GRI disclosure (pp. 227-229) | | | | |
| | 302-1 Energy consumption within the organisation | 9.1 Monitoring of environmental performance (pp. 211-221) 9.3 GRI disclosure (pp. 227-229) | | | | |
| | 305-1 Direct (Scope 1) GHG emissions | 9.1 Monitoring of environmental performance (pp. 211-221) 9.3 GRI disclosure (pp. 227-229) | | | | |
| | 305-2 Energy indirect (Scope 2) GHG emissions | 9.1 Monitoring of environmental performance (pp. 211-221) 9.3 GRI disclosure (pp. 227-229) | | | | |
| | 305-3 Other indirect (Scope 3) GHG emissions | 9.1 Monitoring of environmental performance (pp. 211-221) 9.3 GRI disclosure (pp. 227-229) | | | | |



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(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' report on the ESG report

To the board of directors of
Cellularline S.p.A.

We have been engaged to perform a limited assurance engagement on the 2022 ESG report (the "ESG report") of the Cellularline Group (the "group").

Responsibilities of the directors of Cellularline S.p.A. (the "parent") for the ESG report

The parent's directors are responsible for the preparation of an ESG report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative, as described in the "Methodological note" section of the ESG report (the "GRI Standards").

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of an ESG report that is free from material misstatement, whether due to fraud or error.

They are also responsible for defining the group's objectives regarding its sustainability performance and the identification of the stakeholders and the significant aspects to report.

Auditors' independence and quality control

We are independent in compliance with the independence and all other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our company applies International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains a system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditors' responsibility

Our responsibility is to express a conclusion, based on the procedures performed, about the compliance of the ESG report with the requirements of the GRI Standards. We carried out our work in accordance with the criteria established by "International Standard on Assurance Engagements 3000 (revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000 revised"), issued by the International Auditing and Assurance Standards Board applicable to limited assurance engagements. This standard requires that we plan and perform the engagement to obtain limited assurance about whether the ESG report is free from material misstatement.

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Cellularline Group
Independent auditors' report
31 December 2022

A limited assurance engagement is less in scope than a reasonable assurance engagement carried out in accordance with ISAE 3000 revised, and consequently does not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures we performed on the ESG report are based on our professional judgement and include inquiries, primarily of the parent's personnel responsible for the preparation of the information presented in the ESG report, documental analyses, recalculations and other evidence gathering procedures, as appropriate.

Specifically, we performed the following procedures:

- 1) Analysing the reporting of material aspects process, specifically how these aspects are identified and prioritised for each stakeholder category and how the process outcome is validated internally;
- 2) Comparing the financial disclosures presented in the "Cost efficiency" section of the ESG report with those included in the group's consolidated financial statements;
- 3) Understanding the processes underlying the generation, recording and management of the significant qualitative and quantitative information disclosed in the ESG report.

Specifically, we held interviews and discussions with the parent's management personnel. We also performed limited procedures on documentation to gather information on the processes and procedures used to gather, combine, process and transmit non-financial data and information to the office that prepares the ESG report.

Furthermore, with respect to significant information, considering the group's business and characteristics, at parent and the subsidiaries Cellular Spain S.L.U, Systema S.r.l. and Worldconnect AG level:

- a) we held interviews and obtained supporting documentation to check the qualitative information presented in the ESG report;
- b) we carried out analytical and limited procedures to check, on a sample basis, the correct aggregation of data in the quantitative information.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2022 ESG report of the Cellularline Group has not been prepared, in all material respects, in accordance with the requirements of the GRI Standards, as described in the "Methodological note" section of the ESG report.

Bologna, 26 July 2023

KPMG S.p.A.

(signed on the original)

Davide Stabellini
Director of Audit



[CELLULARLINEGROUP]

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