

[CELLULARLINEGROUP]

ESG REPORT



Our commitment for a
sustainable Future

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INTRODUCTION



1.1

Introduction

Letter to our stakeholders

Letter to our stakeholders

We began formalising our path to sustainability during 2020, in a period of profound change that presented us with major challenges.

Over the past year we have become aware that the world has significantly changed, as have habits, needs and the way we relate to others. We have become aware of the impacts that our business has on the planet and the effects that our activities have on people, whether we are talking about workers or the community in which we operate.

Mindful of this, we have worked with even greater commitment to achieve the goals that we had set ourselves and to succeed in creating a 360° sustainable model, in which development, inclusion, sharing and restitution to the territory go hand in hand.

With this intention, we have continued a transformation that passes through **three directions: Ecological Transition and Climate Neutrality, People Care and Equality & Inclusion and Change System.**

We have structured our three guiding principles into a three-year plan of strategic goals that address 6 areas: Governance, People, Community, Suppliers, Environment and Customers. We are aware that in order to achieve real change it is necessary to proceed with the adoption of a systemic approach and this is precisely why we have structured our plan with a view to acting transversally throughout the company to activate and achieve a concrete and participatory transformation.

The objectives we have set ourselves cannot be achieved if we operate alone; we must involve all our stakeholders, starting from the people who choose our products and including our business partners, suppliers, employees and the community; they are the driving force for the development of our strategy.

Ensuring a constant relationship with our stakeholders also means being able to understand their needs and priorities. For this reason, in 2021 we started a structured materiality analysis process in order to identify the priority topics for us and for all our stakeholders, and consequently align the contents reported in our docu-

ment in order to meet their expectations in terms of transparency and continuous involvement.

Convinced that in order to obtain the desired results a change of skin was necessary, we identified and made explicit our Purpose, our very "raison d'être", the lighthouse that will guide our future choices: **YOUmanizing the devices' experience.**

An important choice that underlines our DNA and responds to the objectives of our sustainability path focused on the development of technologies that can improve people's lives all round and give humanity to digital, keeping people at the centre. And this gave rise to our manifesto, our way of doing business, and our renewed values.

We brought you our first Impact & Evolution Report last year, which told the story of the beginning of a company's evolution towards sustainability. This year we have decided to publish our **ESG Report**, a renewed and expanded document that aims to present to you our sustainable journey, the initiatives implemented this year, how we manage our priority topics and our future commitments.

This is just the second stage of our journey, we want to be the promoters of a positive energy that becomes the engine of our business development and of a better, digital, inclusive and sustainable future.

Marco Cagnetta
Co - CEO



Christian Aleotti
Co - CEO




US



2.1

About us

Highlights 2021

Financial Highlights

Cellularline Group



+30
years of history



+250
employees



HQ
Reggio Emilia



4
locations
in Europe
Italy, Spain,
France, Switzerland



+60
countries
served



3
Product lines
Red, Black, Blue



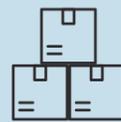
Product lines



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



+10.000 sqm
warehouse



+15 mln
products shipped



~32%
annual sales come
from products
launched in the
same year

Net Revenues 2021

110.6 million euros

Revenue from sales by product line

Total Revenue from sales 100%



80,6%



7,3%



11,6%

Revenue from sales by geographical area

Total Revenue from sales 100%

Italy



53,8%

Main
European
Countries



41,6%

Others



4,6%

Adj. EBITDA

16,1 mln

% of revenue

14,6%

Adj. net result

7,4 mln

% of revenue

6,7%

2021 adjusted net
financial debt

37,4 mln

2020

49,0 mln

Delta margin with regards
to 2020

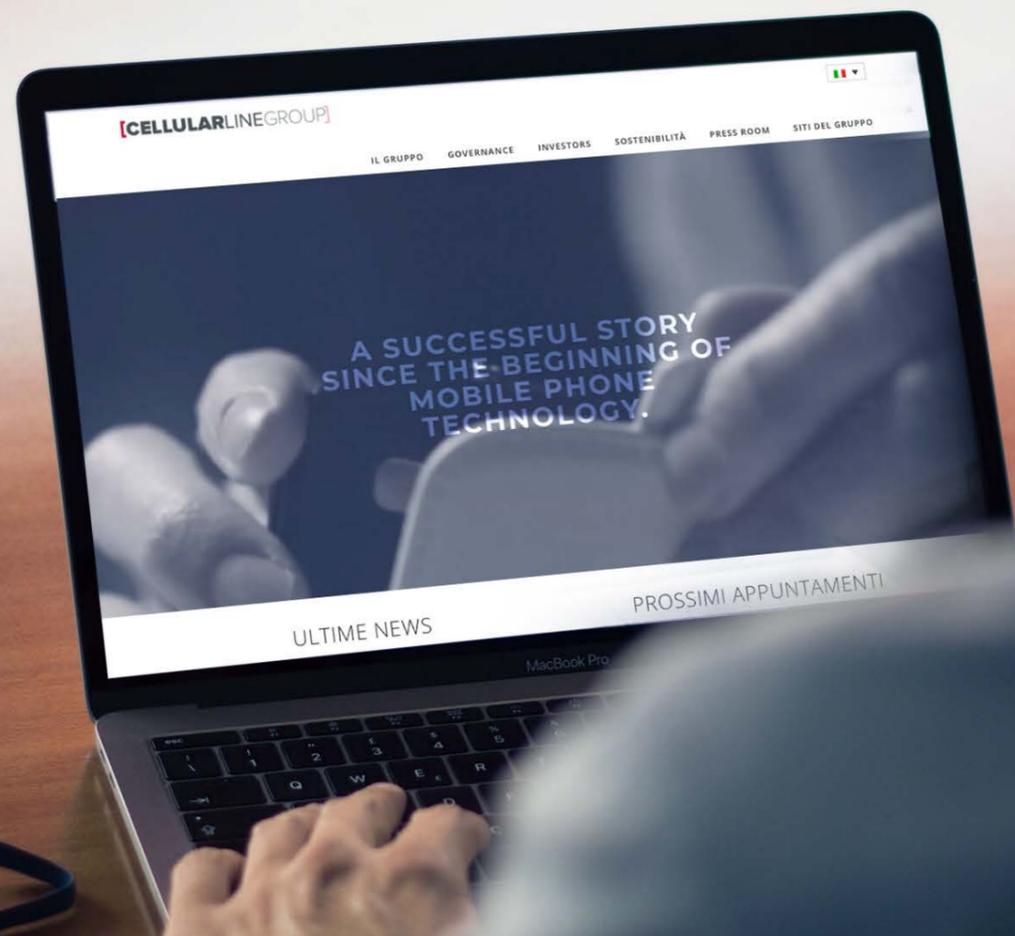
-11,6 mln

2.2

About us

Company data

Group composition,
Board of Directors,
Shareholder information





About us

Company data

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 commercial activities and 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 building 2 ship 1, Leganes (Madrid), a wholly-owned subsidiary company, which distributes the Cellularline brand to the Spanish and Portuguese markets;

Cellular Inmobiliaria Italiana S.L.U., a company incorporated under Spanish law with registered office in Cl. Industrial No.50 Sur Edificio 2 Nave 27, Leganes (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

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

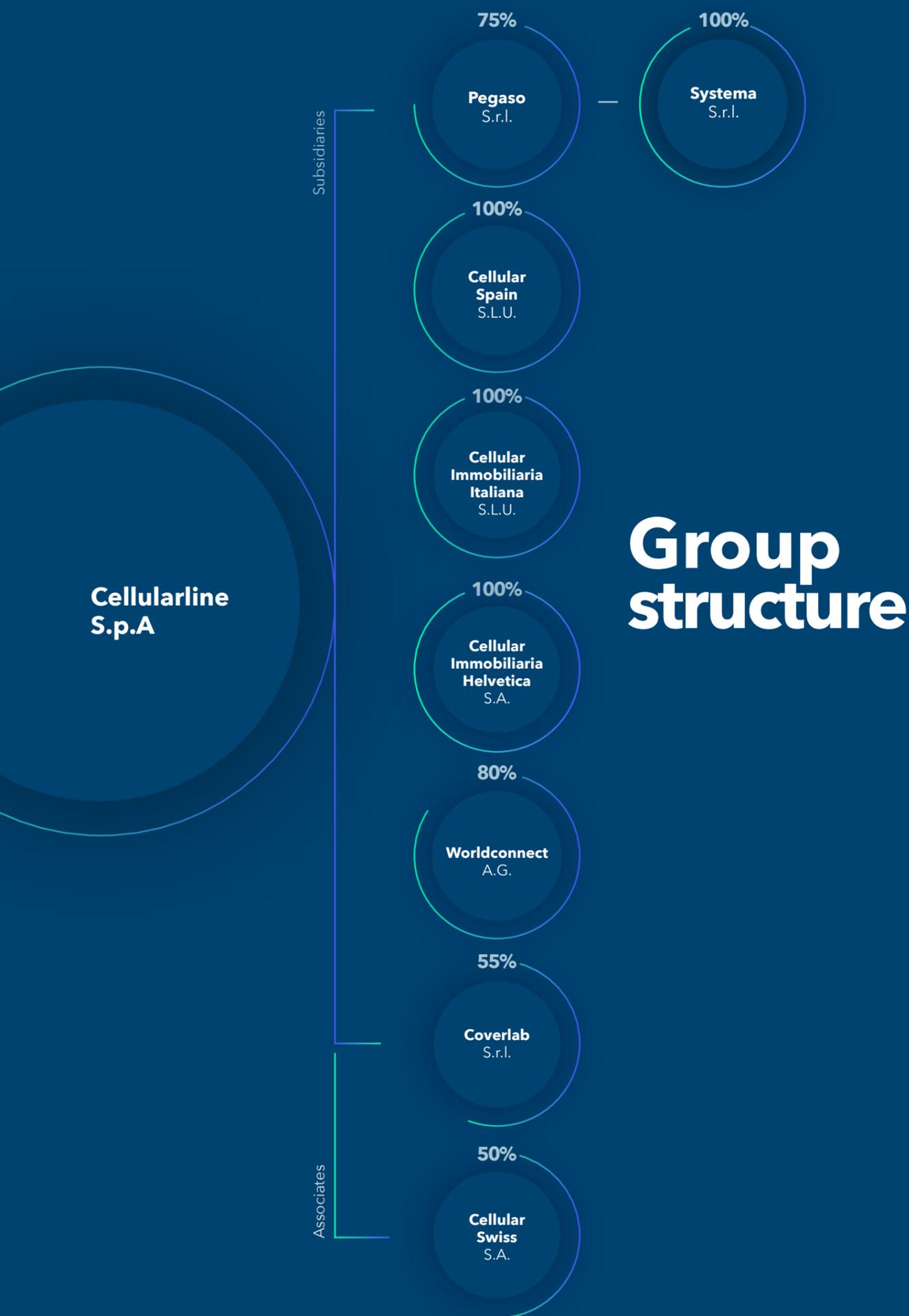
Pegaso S.r.l., a company incorporated under Italian law with registered office in Via Brigata Reggio 24, Reggio Emilia (Italy), acquired on 3 April 2019 and a 75% subsidiary that owns - as a holding company - 100% of Systema S.r.l.;

Systema S.r.l., a company incorporated under Italian law with registered office in Via della Previdenza Sociale 2, Reggio Emilia (Italy), 75% 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 Swiss-registered company based in Diepoldsau, Switzerland, an 80%-owned subsidiary, is the world market leader in premium travel adapters. Founded in 2002, Worldconnect - 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., an Italian company based at 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;

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.



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

Committee for Transactions with Related Parties

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 information

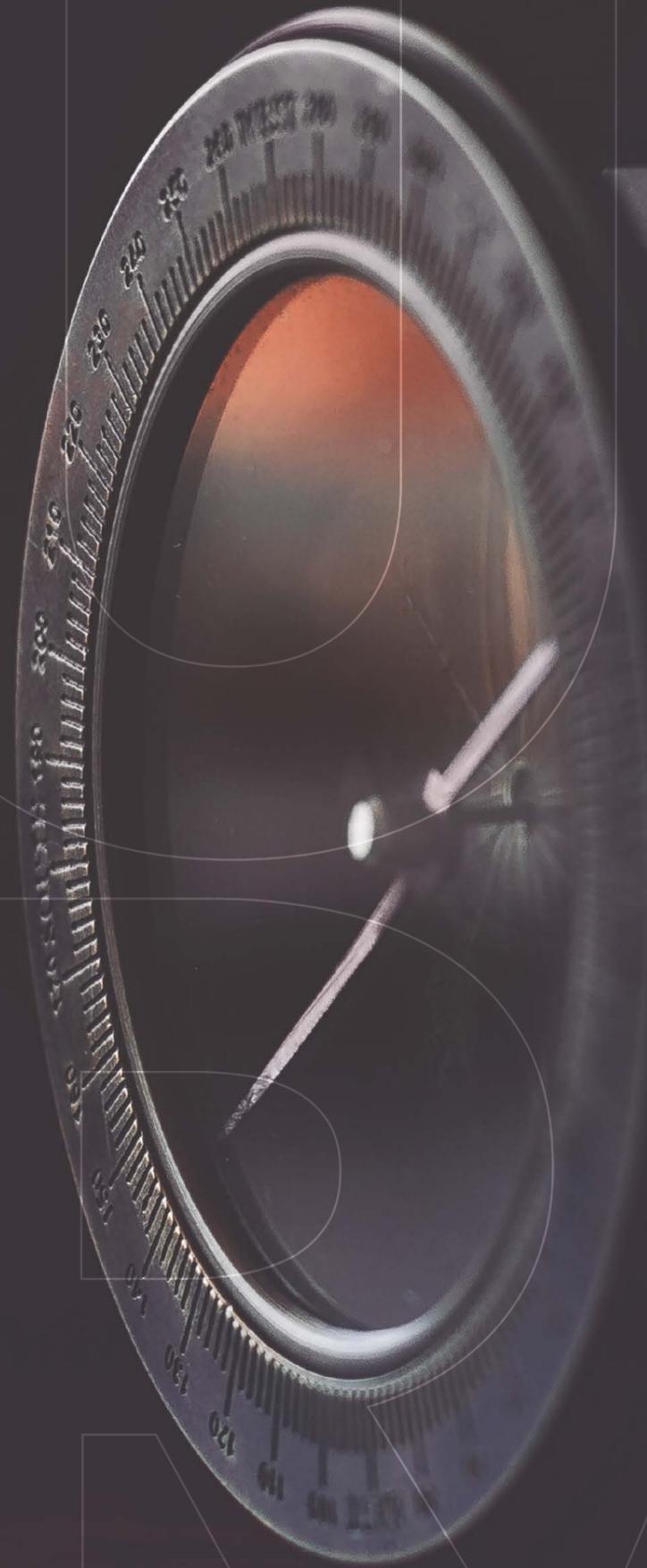
Company listed on the Telematic Stock Market - STAR segment managed by Borsa Italiana S.p.A. Alphanumeric code: CELL.

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

Table of significant shareholders (situation at 31.12.2021)

Shareholder	% of share capital with voting rights
Christian Aleotti	8,5%
First Capital S.p.A.	5,2%
Quaero Capital S.A.	5,1%

OUR STRATEGY



3.



3.1

Our strategy

Strategy

There's no stopping innovation and evolution; our gaze is ever oriented towards the future.

Being a leader isn't just about providing excellence in terms of quality, design and innovation: it also means embracing a value system which places consumers and the environment at the heart of all operations.

Developing the core business

Being inspired by all forms of innovation to meet evolving needs, with new products and a wide and articulated offer, through the strengthening of both off-line and on-line channels.

Thinking and acting globally

We are looking at international markets with increasing interest, investing in our distribution capacity, in monitoring regional specificities and in the visibility of the Group's brands.

Better integrating new subsidiaries

We want to integrate the Cellularline Group companies more and more, sharing know-how and developing sales and investment synergies so they can achieve their full potential. Therefore, we have activated an integration plan of the main business activities, defined according to the characteristics of each individual company. The programme includes Systema, Worldconnect and Coverlab, and distribution of Altec Lansing branded products in Europe has begun.

Emphasising the ESG dimension

The aim is to include ESG analysis dimensions, across the board, as an integral part of the Group's strategy, with the aim of speeding up the transition to a long-term sustainable business model.

A focus on external growth

We want to strengthen the Group's competitive position in the markets also through strategic or tactical acquisitions of companies with the aim of ensuring further development in channels, geographical areas and products where there is ample room for growth.

Believing in the omnichannel approach

We accompany the consumer in the changing of his habits and purchasing opportunities by developing digital and omnichannel strategies, investing in the E-commerce of proprietary sites and strengthening our presence on third party on-line marketplaces and our partner retailers.



3.2

Our strategy

Purpose, Vision, Mission, Values

Purpose

YOUmanizing the devices' experience

We continually set challenging goals regarding social responsibility issues. One of the pressing issues that we had set out to address and indeed have done so, was to identify and make explicit our **Purpose**, which is intended to direct future business decisions, consistent with the path taken and the stimuli of the reference context.

In this, we will develop a renewed identity, mission and vision and the appropriate tools for internal engagement and external dissemination. From these objectives, therefore, comes our manifesto, our way of doing business, our beliefs and our renewed values.



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 design of **ingenious features**, because they are based on real needs: yours.

We believe in partnership and **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 to be real, must be **YOUman**: accessible to everyone, and provide solutions for everyone, including you.

Values

During the development of the purpose we have reviewed and updated the values in which we recognise ourselves and which guide and distinguish us.



KNOWLEDGE & PROACTIVITY

Since 1990, we have been constantly analysing and seeking to properly understand people's needs and market trends to create tangible value and true innovation.

PROACTIVE PLANNING

To effectively respond to the challenges of a world that changes so rapidly, we develop partnerships and synergistic processes that allow us to design better solutions, because they are based on continuous comparison and sharing.

INGEGNOUS SEMPLIFICATION

We are committed to developing effective solutions that simplify people's lives through an approach that combines intuition, ingenuity and style.

MEANINGFUL VALUE (FOR MONEY)

The value of our products and services is the result of our commitment and responsible choices to ensure the highest quality and tangible benefits.

360° RESPECT

Every action we take is guided by a concrete principle of all-round sustainability: having a positive impact on society, the environment and our stakeholders.

GUTS (ENGAGEMENT) & COMMITMENT

The foundation of everything we do is people, not resources. People who infuse their work not only with skills and abilities, but also with passion and emotion.

Vision and Mission

Our business lays its foundation in creating value for two main categories of stakeholders.

On the one hand, we have the end consumers, on the other side we have our business partners.

Although we have different needs, we aim to serve these two categories of customers by always ensuring the highest standards of quality and professionalism and taking into careful consideration their specific needs.

Precisely for this reason, 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 be the Partner of choice for long-term sustainable value creation in the digital device accessories market.

Mission

Continuously improve processes shared with our partners to personalise offerings and services through a strategic data *driven* and *omnichannel* approach.

Consumer

Vision

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 synergic offer of Brands that, starting from *people's needs*, design and realise functional and sustainable solutions to make people live the full potential of the digital experience.

Our priorities and matrix

Our priorities and matrix

In recent years, we have launched our route towards gaining awareness of the impacts that our business activity has on the Planet and the effects that our operations have on people, whether they are customers, workers or their communities.

Our objective 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.

As a demonstration of our commitment and focus on this objective, for the preparation of the second edition of our ESG Report, a material issues analysis process was adopted with the aim of aligning the content reported within the document with the strategy, values and strategic priorities in the social, environmental and economic spheres.

The materiality analysis, prepared in accordance with the requirements of the GRI Standards, reflects both the relevant (material) aspects for the Group and the expectations of its stakeholders.

For an issue to be considered material, it must have a significant impact on the Group's economic, social and environmental performance, such that it can significantly influence stakeholder assessments and decisions.

The process of analysing material topics for the Group consisted of the following three main steps:

Identification

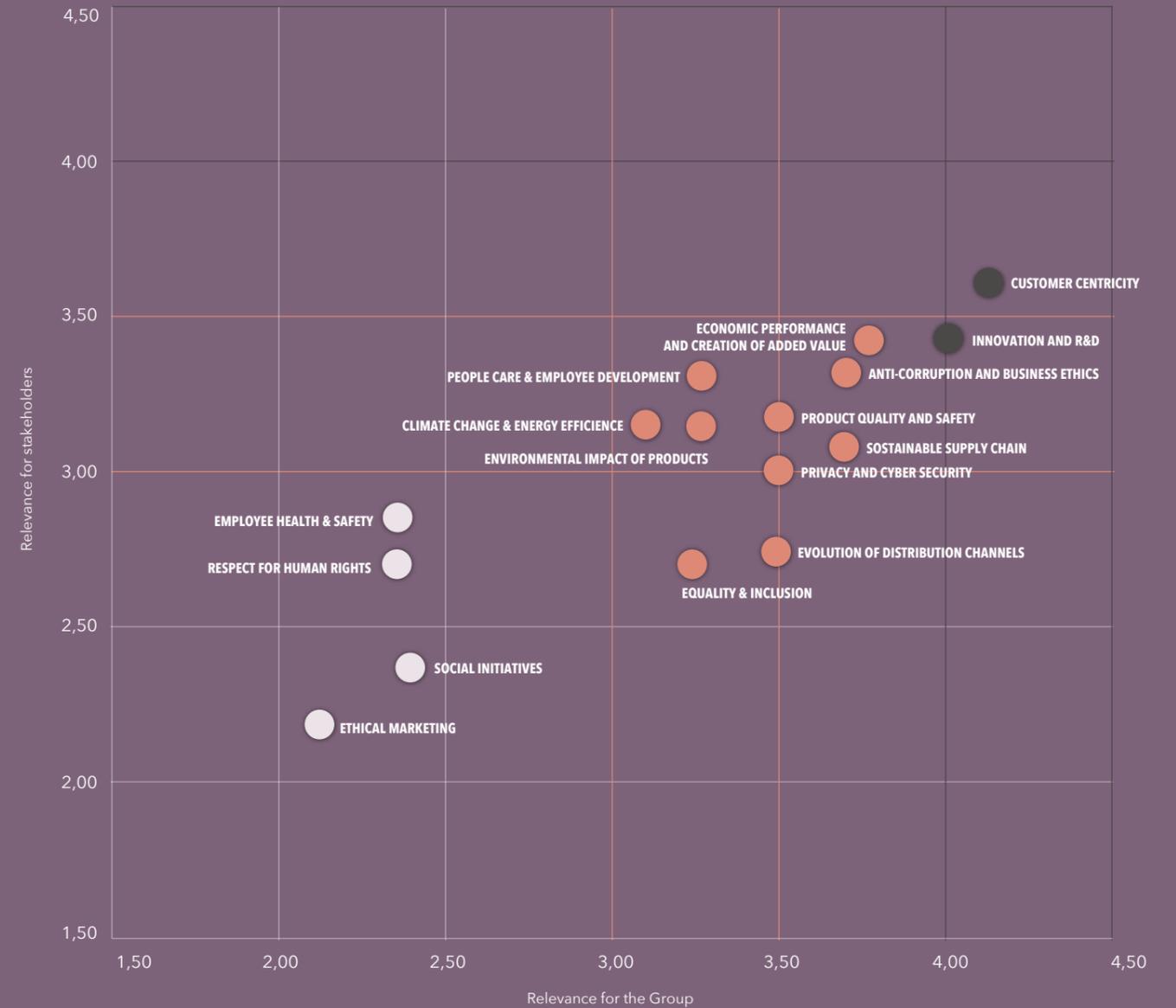
Identification of topics that are potentially material for the Group and its stakeholders, carried out through an analysis that took into account current trends in the sector and the expectations of its stakeholders;

Assessment

the topics that emerged were discussed and assessed by the Group's management on the basis of two dimensions that measure the level of priority of the topics identified from the perspective of both the Group (relevance to Cellularline) and its stakeholders (relevance to stakeholders);

Prioritisation of topics

Through this assessment, it was possible to determine which topics have a higher level of priority.



The top right-hand side shows the topics that are most relevant to both the Group and its stakeholders, and which represent the areas on which we believe it is necessary to focus our commitments in the short and medium term in order to bring added value to all our stakeholders.

It is also emphasised that in the definition of the material topics there are some aspects that are considered preconditions to operate and are therefore evaluated as very relevant:

- a) attention to compliance with applicable regulations in the performance of its activities;
- b) transparent and effective governance system to support administrative management.



3.4

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. 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 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 and readiness to collaborate to achieve our sustainability goals. Thanks to this analysis, we have begun to define a strategy for the involvement 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:

- **Community**
- **People**
- **Customers**
- **Suppliers**
- **Media**
- **Competitors**
- **Investors**

For each category of stakeholder we have identified specific means of engagement, partly already implemented in 2021 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	<ul style="list-style-type: none"> • Collaborative projects with the Company such as the Mobility management project. • Participation in events such as the Youth Festival and TEDxReggioEmilia.
 People	<ul style="list-style-type: none"> • Internal surveys on environmental, sustainability engagement and climate topics. • Definition of the new performance management system, for top management and managers, with integration of ESG objectives. • Group-wide training on 360° Sustainability and Equality & Inclusion issues. • Internal and external people involvement projects through the creation of the Cellularline forest (in collaboration with Treedom) and the Cellularline Oasis.
 Customers	<ul style="list-style-type: none"> • 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 Clients with the aim of identifying possible areas of collaboration.
 Suppliers	<ul style="list-style-type: none"> • Construction of surveys dedicated to mapping good sustainability practices applied by suppliers and sharing of results. • Involvement 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.
 Media	<ul style="list-style-type: none"> • Interviews with the press on ESG topics, with the aim of sharing the group's strategy and related action plan.
 Competitors	<ul style="list-style-type: none"> • Monitoring of competitors' sustainability practices with the aim of identifying possible areas of improvement.
 Investors	<ul style="list-style-type: none"> • 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 issues.



3.5

Our strategy

Business update

The value chain

[GRI 102-9]

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 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



Development of services

- Analysis and study of consumers at a local and international level
- Internal research and development
- Strategic marketing approach
- Great speed and efficiency in the "go to market" processes



Marketing and communication

- Market analysis
- Management of individual product categories
- Supply planning and segmentation
- Pricing strategies
- Management of sales shelves
- Product seasonality management

EFFICIENCY EXTERNALLY MANAGED



Production

- Strategic management of production outsourcing
- Careful selection and certification of suppliers
- Continuous renegotiation of supply conditions
- Exclusive supply relationships and/or strategic partnerships
- Quality control



Logistics and warehouse

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

METHODOLOGICAL NOTE



4.1

Methodological note

Methodological note

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

Compared to the first **Impact & Evolution Report**, the second edition of the Group's report has been prepared in accordance with the GRI Sustainability Reporting Standards of the Global Reporting Initiative (GRI) *core* option. The GRI Standards refer to the 2016 edition except for the following: "GRI 403: Occupational Health and Safety" of 2018.

The *GRI Standards* are the main global reference standards for Sustainability Reporting, reporting on 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 matrix").

The 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 organisation 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 what actions to take.

<https://app.bimpactassessment.net/get-started/bcorporation>

The reporting boundary includes the parent company Cellularline S.p.A., with registered office at Via Grigoris Lambrakis 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. and Worldconnect AG.

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 as they do not employ any staff. In addition, it should be noted that the company Coverlab, acquired in June 2021, was excluded from the scope because it was not relevant as it only had 3 employees. Additional limitations with respect to this perimeter are appropriately noted later in the Report. The reporting period is FY 2021, which coincides with the calendar year from 1 January 2021 to 31 December 2021, unless otherwise specified in each paragraph. The Report publication frequency is set to be annual. The latest Report, covering the year 2020, was released in September 2021.

Through this Report we want to communicate our corporate performance with respect to Environmental, Social & Governance aspects, as well as the progress achieved during 2021 and the main goals we have set for 2022 to continue to improve our impact and contribution.

The document traces the impact areas measured in the B Impact Assessment - **Governance, Customers & Users, People & Community, Product & Packaging** and **Environment** - recounting, for each of them, the stories that gave us the most satisfaction in 2021, as well as the main ways of managing the sustainability issues considered significant for the Group and its stakeholders.

[CELLULARLINEGROUP]

G O V E R

GOVERNANCE

N A N C E

5.

Governance

We are building our governance to be able to address a shift in perspective, in the way we do business, which will redefine the business structure of the future.

We know it won't be easy to walk the path of sustainability, but the future is now and we can no longer afford to delay our social commitment. We want to lead by example, and only if we set ambitious goals can we make our stakeholders understand the importance and urgency of this change.

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.

“ We know it won't be easy to walk the path of sustainability, but the future is now and we can no longer afford to delay our social commitment. ”

9,4

Governance
+1.2 points
over 2020

64,4

**Cellularline's
overall B Impact
Assessment**
+11.6 points
over 2020

BIA score
as at 31/12/2021



5.1

Governance

Sustainability Governance

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 a more immediate recognition of the Group's brands 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 business operations and the way through which we want to do it is precisely the definition of objectives consistent with our values. This is reflected by our continuous improvement programmes on the sustainability of our products as well as our constant search for solutions for the well-being of our employees.

Distribution of created wealth

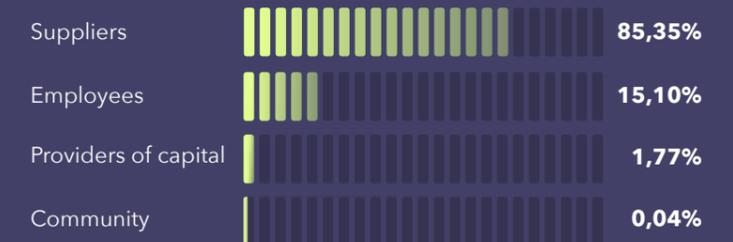
116M Euros

economic value generated in 2021

Our commitment to all those who work with us every day to achieve our goals and create value is clear, and we are proud to say that all of the value created has been redistributed to our stakeholders, the real driving force behind the Group.

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 2021, we created value of approximately 116 million euros that was fully distributed to suppliers, employees and contractors, capital providers and communities.

Value distributed by stakeholder category in 2021:



Our path to sustainable governance

We understand that a change in perspective is necessary 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 involvement 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. This analysis allowed us to gain awareness of our strengths and weaknesses, on which we decided to act through the definition of an orga-

nic strategy that is characterised by the application of robust frameworks and tools and a systemic approach that involves and embraces the entire company.

Thanks to this strategy during 2021, we improved the score obtained from the assessment carried out last year from 52.8 to 64.4. 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 constant commitment on the part of our entire organisation.

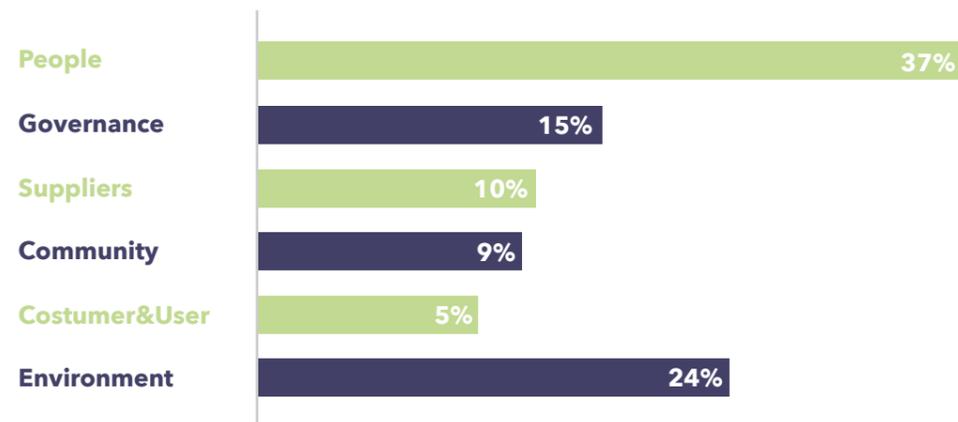
Overall BIA score 64.4 pts



BIA score as at 31/12/2021

Wave 1	
Environment	15,4
Customer&User	3,4
Community	6,0
Suppliers	6,7
Governance	9,4
People	23,7
Total	64,4

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



Note to the table: 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 issues such as integrating social and environmental goals for employee performance reviews, 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 pay, benefits, training, professional growth, health, safety and work 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 involvement 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 facilities, 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 wild-life, 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 2021 we conducted an analysis on two of our most representative products (a charger and a cover), 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 direct the value creation process 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 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 other stakeholders.

We adopt the traditional administration and control system, which envisages the Board of Directors (administrative body), the Board of Statutory Auditors (supervisory body) and the Shareholders' Meeting as the main bodies.

The Board of Directors has set up three internal committees with advisory, proposing and investigative functions: the Risk Control Committee (RCC), consisting of three independent directors (two of whom are female); the Remuneration and Appointments Committee, consisting of three directors (two of whom are independent and female); and the Related Party Transactions Committee, consisting of three independent directors (two of whom are female).

Each committee consists of 67% female independent directors

The Board of Directors, 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 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 alternates), two of whom (including one standing auditor) are women.

In addition, to reinforce and formalise our ongoing commitment to sustainability, we formed the **ESG Committee**. This is a supervisory and evaluation body for project streams active on Environment - Social - Corporate Governance topics. The committee consists of nine members: the two CEOs, Marco Cagnetta and Christian Aleotti, the Group HR Director Daniela Sorrentino, Group Chief Financial Officer Davide Danieli, Marketing Director and Chief Digital Officer Alessio Lasagni, HR Learning & Development, HQ Safety & Environment Manager, Chiara Fichera, Investor Relater & Group Finance Manager Alessandro Brizzi, and two new entries, R&D Manager Paolo Ramponi and Group Supply Chain Director Leonardo Pinsone. The committee's work, which meets once a month, ensures that we maintain a consistently high focus on our sustainability performance, to monitor and constantly improve it over time.

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 operations, the authenticity, accuracy and timeliness of the financial information, compliance with laws and regulations and the safeguarding of company 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 objectives.

Regulatory compliance and Integrity

With the aim of defining an organic structure of procedures and supervision aimed at preventing the risk of committing the crimes 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.

The adoption of the Model, as well as its subsequent updates, are the result of a *risk assessment* process that has ensured the identification of internal rules and protocols with reference to the main areas of potential risk and the definition of standards of conduct and control suitable for preventing the commission of possible offences.

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

This Body verifies annually, and on the occasion of substantial changes in activities or in the reference legislation, the completeness and updating of the Model, and supervises its observance by all recipients. The SB has the requirements of autonomy, independence, professionalism and continuity of action and is responsible for ensuring coordination between the various parties involved in the internal control and risk management system.

All those who become aware of information relating to the violation or suspected violation of the ethical principles and conduct provided for by the Model may appeal and report to the Supervisory Body. Reports can be made by email 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 internal and external stakeholders and that deals with contents of fundamental importance to us such as diversity and inclusion, respect for human rights and workers' rights, environmental protection and ethical business management, with particular regard to the prohibition of corruption, transparency and processing of personal data (in compliance with privacy legislation).

There were no incidents of corruption or other similar crimes in 2021.

Safeguarding of privacy

Digitisation is now one of the most relevant and strategic challenges globally, which is why we strive every day to respect the privacy of individuals with the aim of ensuring full confidence in our activities and success in the digital reality.

The data we process is primarily personal data:

- of legal entities, i.e. the companies that deal with the distribution of our products and maintain direct relationships with end buyers;
- of natural person customers, who interface with us through the e-commerce portal;
- of our employees.

We guarantee to all the interested parties a constant control through the respect of the regulations in force and through the Privacy Office composed by the Head of the Legal Office and the IT Director who, in case of necessity, avails himself of an external study to have a specialised support. An e-mail account has been established and is available to all of our stakeholders for any inquiries or reports: privacy@cellularline.com.

No substantiated complaints received regarding privacy violations



5.2

Governance

Tax management

What we have done: our impact stories

AEO Authorisation

In H2 2021, we worked on the application for AEO (Authorised Economic Operator)² authorisation, which early 2022 we obtained with the highest degree of reliability (AA) in both customs simplification (AEOC) and security (AEOS), demonstrating the high level of compliance achieved within our supply chain.

“Being recognised as an AEO testifies to our continued commitment to improving the governance of the company, and it represents an important step in ensuring the perfect compliance of our processes in the relations with tax and customs authorities. The authorisation will strengthen our position on the international scenario both from a reputational and competitive point of view, allowing us to speed up the time to market of products and optimise our distribution chain.” - Christian Aleotti, Co-CEO of Cellularline.

How we do it

The fiscal approach reflects the principles, objectives and commitments set out in the various Group procedures, which establish the standards and behaviours we required in 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.

Tax legislation is complied with in all jurisdictions in which we operate, working closely with tax advisors, auditors and tax authorities to ensure that taxes due are paid correctly. The Group's tax affairs are managed and coordinated by Group Tax Manager in the most efficient manner, in accordance with applicable tax regulations.

The approach taken to tax planning is conservative; 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 access them when applicable to our business.

²L'autorizzazione AEO (Authorized Economic Operator) viene conferita dall'Agenzia delle Dogane e dei Monopoli a operatori che rispondono a elevati requisiti di sicurezza e affidabilità

More specifically, in March 2018, we signed an agreement with the Revenue Office for the purposes of the “patent box” for the following intangible assets: know-how, trademarks, industrial patents, designs and models.

The *patent box* is a facilitated tax regime applicable to companies resident in Italy that generate income through the direct and indirect use of the above mentioned types of intangibles.

The agreement in question defined the conditions for the application of the facility for the five-year period 2015-2019 and was renewable on expiry with reference to all the intangibles mentioned, with the exception of trademarks.

In September 2019, we, therefore, submitted the renewal petition to the Revenue Office for the period 2020-2024 and are waiting to begin the adversarial process, so it is reasonable to expect that the signing of the new agreement may take place during 2023.

We have little appetite for tax risk. 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 advisors in addition to the Tax Manager.

We base our approach to tax issues on an ongoing relationship

of exchange and transparency: 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 company's tax approach to the indications coming from the authorities themselves.

In November 2019, we had, in addition, obtained a favourable response to a request for an opinion regarding the possibility of not applying the anti-avoidance rule on the carry forward of pre-merger losses and accessing the *Collaborative Compliance* regime, which is reserved for large companies or those that have made a significant investment.

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.

5.3

Governance

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 issue.

Business culture

We will continue with our journey of valuing 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 the entire line of managers.



5.4

Governance

GRI disclosure

GRI Standard 201-1 - Economic value generated and distributed

Direct economic value generated and distributed	u.m.	2021	2020
Direct economic value generated		116.156	110.383
Economic value distributed		(120.002)	(103.095)
Operating costs		(102.421)	(93.593)
Wages and benefits	€/000	(18.117)	(16.685)
Payments to providers of capital		(2.126)	(9.061)
Payments to government		2.710	16.297
Community investments		(48)	(53)
Economic value retained		(3.846)	7.289

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

Size	u.m.	Italy		France		Spain		Switzerland ⁴	
		2021	2020	2021	2020	2021	2020	2021	2020
Number of employees	No.	217	216	3	3	16	15	14	15
Tax data	No.	2021	2020	2021	2020	2021	2020	2021	2020
revenues from third-party sales		89.894	90.219	5.886	7.081	9.787	6.361	4.624	814
revenues from intra-group transactions with other tax jurisdictions		14.842	13.231	71	-	-	-	-	-
profit/loss before tax		(9.357)	(4.962)	1.615	2.007	189	174	1.083	(884)
tangible assets other than cash and cash equivalents		214.507	226.401	1.574	2.058	12.831	11.062	5.658	5.380
corporate income tax paid on a cash basis (expenditure/income)		(1.821)	(2.883)	(531)	(819)	-	-	-	-
corporate income tax accrued on profit/loss (if negative)		(310)	(2.993)	(437)	(560)	(5)	-	(17)	-

⁴The 2020 figure 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 governance bodies

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

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

[CELLULARLINEGROUP]

US SHOW ME

CUSTOMER & USERS

USERS

6.





6.1

Customer&Users

Evolution of distribution channels

People served in more than 60 countries

The change in market dynamics is now there for all to see. A dual drive for innovation and sustainability is what characterises our current environment and what will characterise the market environment in the future. The end consumers have changed their role within society, from passive users to conscious decision-makers. We sense this change and are working hard to meet the changing interests of our stakeholders. Over the following paragraphs we will describe the main areas of impact of our initiatives aimed at a better relationship with **Customers & Users**, as well as the ways in which we have decided to face the challenges that the current market context offers us and our commitments to continue to improve.

“ A dual drive for innovation and sustainability is what characterises our current environment and what will characterise the market environment in the future. ”

3,4

Customer & User
+0.1 points
compared to 2020

BIA score
as at 31/12/2021

What we have done: our impact stories

Omnichannel strategy

The omnichannel approach is no longer just a strategy that allows the company to create added value through the use of different channels to reach the consumer. This is now a necessary requirement in order to guarantee our customers and consumers a service that is adapted to the new purchasing models. We have always adopted partnership strategies with our retail partners, and now that the transition to digital is taking hold as a necessity, we do not want to be outdone. 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. To strengthen our presence on this front, we have also developed a specific project to redefine our approach to digital and eCommerce. The new operating model will focus on the simultaneous use of different tools capable of operating successfully within precisely these hybrid customer journeys. This will be possible through the implementation of initiatives on several fronts: proprietary eCommerce, marketplaces and sites of our business partners. The goal we wish to achieve concretely is to improve accessibility to the brand and to encourage new, more rewarding and conscious shopping experiences.

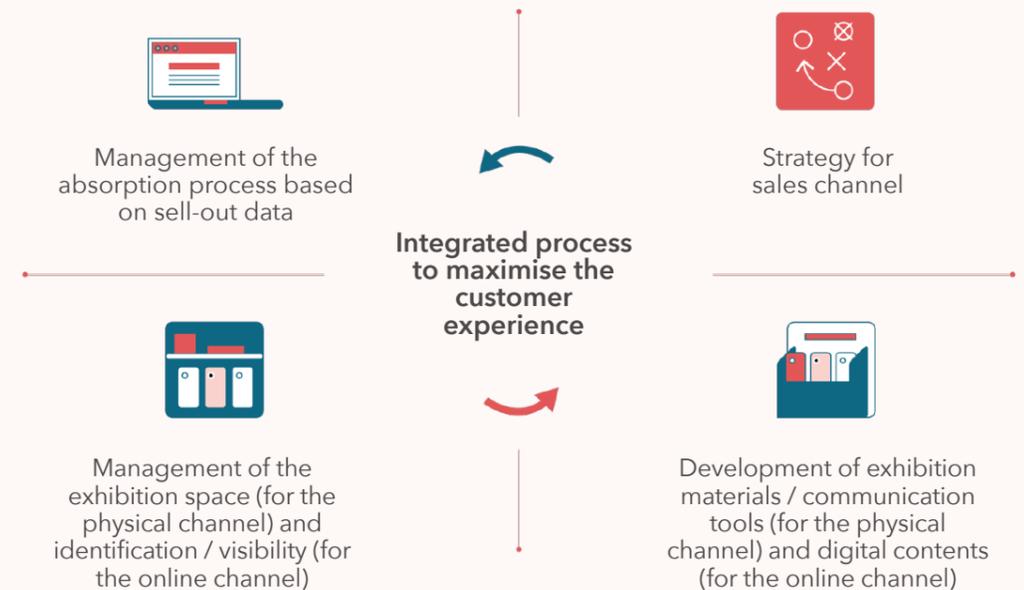
We want to **create** a joint management model for accessories to be applied to the **on-line** world that will allow us to define a better approach to the **customer experience** and the purchase path of our customers

Trade service and commercial advice

The current context has led our commercial partners to redesign the product offerings in their stores, enhancing those that are characterised by having an intentional profile of sustainability, and those brands that have adopted business practices to respond to the evolution of the market. This is why we have intensified our collaboration and consulting 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, gratifying solutions in terms of assortments and the buying experience.

We have updated our project by defining a training and information activity for the sales force, which in turn is responsible for direct communication and information to customers. 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 commercial skills in translating the characteristics of the products into sales arguments, as well as relational skills, communication and proactive skills.

Reaching customer expectations requires **agility** and **flexibility**, which we constantly train by looking at market trends and the evolving needs of the people who choose Cellularline.



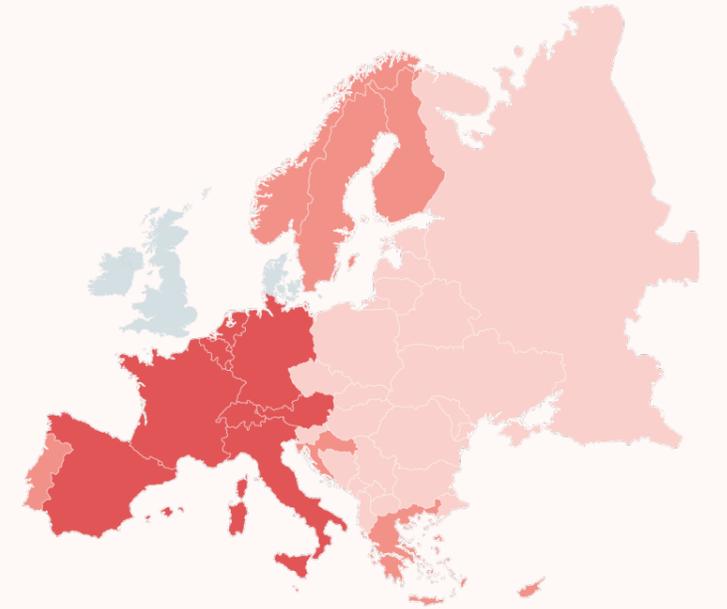
How we do it

Looking at the dynamics of the market, it is impossible not to notice how it is evolving under the impetus of technological innovation on the one hand, and people's greater awareness of environmental and social impacts on the other. Users, i.e. end customers, have progressively started to evolve from the role of "consumer" to that of an aware player. Meeting the needs of the users of our products has always been primary, and so today the challenge of progressively transforming our offer towards higher sustainability performance becomes essential.

That is why we aim to have an ongoing, structured approach to study and market research. Each year we investigate, through special research, the needs of consumers on one or more product categories. This year we have focused on studying the market environment of different products. We have carried out several quantitative and qualitative-quantitative researches to deepen knowledge, usage habits and needs of our customers with the aim to strengthen in a targeted way our presence on the market, our innovative capabilities and to verify the growth of interest in our products and services. These activities and investments allow us to listen to people and understand their needs in order to develop products and services, not only innovative, but above all calibrated on their needs, behaviour and expectations. We have also embarked on a review of our product ranges based on sales data to make the segmentation of our offerings more attuned to people's needs.

Geographic presence

The Group is a European leader in accessories under 100 euros for smartphones and tablets. We are the only company with a significant presence throughout the continent, with an absolute leadership position in Italy.



- EMEA countries covered
- Second-tier markets
- First-tier markets



Brands and products

We are at the technological and creative forefront of the multimedia device accessories industry, striving to deliver products synonymous with outstanding performance, ease of use and a unique user experience.

Our brands



Cellularline

European reference brand in the accessories market for digital devices in Europe. Thanks to an accurate product strategy based on market research, design/in-house development and constant innovation, Cellularline offers solutions that are in step with technological trends, in a constant attempt to combine optimal performance with ease of use.



Ploos

The Group's entry level brand launched in 2020, it is distinguished by essential design and functionality and offers excellent value for money. Consisting of a range of approximately 50 products, it integrates the offer of the main brand Cellularline.



Altec Lansing

Iconic brand that provided the speakers for the legendary '69 Woodstock festival. Altec Lansing's offer integrates the Group audio products and it is positioned on the upper end of the market, meaning it can satisfy even the most discerning customers. (Starting 2021, Cellularline S.p.A. manufactures and distributes for the European market the Altec Lansing branded audio products owned by AL Infinity LLC (Infinity Group, USA).



Audio Quality Lab (AQL)

Brand dedicated to the world of music that interprets and meets the needs of all the different 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

Brand that speaks to a young consumer thanks to eye-catching, playful and colourful accessories, in which style and appeal prevail, but with particular attention to value for money.



Nova

Brand created in collaboration with Vodafone Global for the distribution of smartphone accessories in Europe. The wide range of products offered is able to meet all the needs of a Telco point of sale. The brand is recognised on the market for both the quality of its products and its excellent value for money.



Interphone

Brand that identifies the 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

World leading brand in the premium travel adapter segment. Its country-specific power adapters and peripheral devices can be found in more than 600 outlets in the travel retail channel.



Q2 power

Brand for travel adapters and other charging solutions that complements the offering of the main Skross brand, with value-for-money price positioning.



Coverlab

Brand dedicated to cases and custom accessories for smartphones that, through the website shopcoverlab.com, aims to meet the sophisticated and growing needs of a portion of premium market that is growing strongly.

Our product lines

Red product line

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

- Cellularline
- Ploos
- Altec Lansing⁶
- AQL
- Music Sound

Black product line

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 strengthening 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.

⁶Starting 2021, Cellularline manufactures and distributes for the European market the Altec Lansing branded audio products owned by AL Infinity LLC (Infinity Group, USA).



6.2

Customer&Users

Future commitments

Future commitments

Raising stakeholder awareness of ESG issues

we want to raise awareness of our activities with respect to ESG dimensions. This project will pass mainly through the social media LinkedIn, a platform where we will share with all users our activities on the theme of social responsibility, and through our new corporate website.

Customer care

Redefinition of the process of internal management of customer care through the identification of a new set of KPIs for an improved monitoring of the level of satisfaction of consumers who interact with the company.



PEOPLE & COMMUNITY

254 the people in the Cellularline Group with whom we have embarked on this journey

We are convinced that people are at the heart of how the business works and are the most critical success factor. All the people who relate to business activities, from workers to external stakeholders are the engine of the value we are able to generate. That is why we have decided to strive to maximise our human capital through a systemic approach, designing a new people management model that makes us ready for the challenges of the future.

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

“ The foundation of everything we do is people, not resources. People who infuse their work not only with skills and abilities, but also with passion and emotion. ”

6,0

Communities

+1,7
compared to 2020

23,7

People

+1,9
compared to 2020

BIA score

as at 31/12/2021



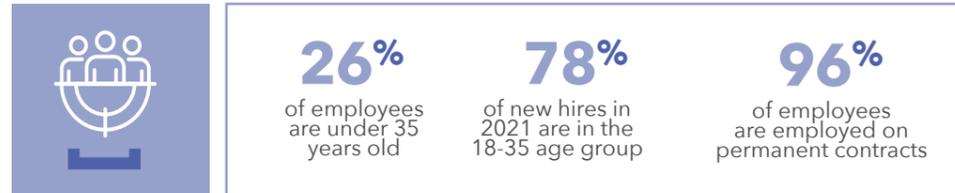
7.1

People&Community

Equality & Inclusion

Equality & Inclusion

We promote a stimulating work environment, open to the uniqueness of each person, inclusive, innovative and transparent, in which all employees are respected and feel involved and empowered.



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 who infuse their work not only with skills and abilities, but also with passion and emotion"*. People with their own values, their own experiences, their own working styles; each with their own peculiarities. Creating an inclusive culture and embracing diversity means not only recognising differences but also learning to respect others as they are.

We are committed every day to transmitting this culture to our people, thanks also to the recent creation of a dedicated cross-functional team that will contribute to the creation of a real Group Equality & Inclusion Policy and to developing in-house projects aimed at creating an inclusive environment. A whole series of activities are also carried out to demonstrate our commitment to equity and inclusion, always taking into account the uniqueness of each person.

However, one issue that remains 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 are committed to drafting improvement plans beginning in 2022.

To reiterate our outward commitment, we have also included a disclaimer in all job postings stating our commitment to the topic.

Equality & Inclusion approach

Cellularline's commitment is to ensure that all people can reach their potential every day and can feel valued in the full expression of their characteristics, to actively contribute to bring the highest quality in the relationship with colleagues and stakeholders.



How we do it

We guarantee equality in employment 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 established an HR procedure whose purpose is to outline the criteria, methods and responsibilities related to the proper and inclusive management of our people. This procedure is shared within the HR team and is subject to local laws and collective agreements as well as periodic verification audits by relevant bodies (internal audit and third party bodies).

From the moment of selection, candidates are involved in a process of interviews that promote

mutual understanding and, as far as possible, the fit between the behavioural profile and values of the people selected, with the values and culture of the Group. The search & selection process involves conducting one or more interviews with HR and the Hiring Manager (responsible for the position being sought) and/or the Business Unit/Function Directors involved and, depending on the characteristics of the search, aptitude tests and/or individual tests are administered.



7.2

People&Community

People development and enhancement

People development and enhancement

We believe that the internal growth of our people is one of the most profitable investments in our future.



What we have done: our impact stories

Performance management

Our people are the true asset of differentiation and competitive advantage. 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 objectives 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 functions within the organisation, we have promoted the definition of cross-functional goals and 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 objectives with those in the ESG area.

85%

of the Group's employees are involved in formalised performance appraisal and professional development processes

55%

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 management 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 goal 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 of management

Training ESG & Welcome Kit

We see an urgent need to raise awareness within the Group of environmental, social and governance sustainability issues. That is why we decided to integrate these issues into our internal communication and training paths.

We started with some collective meetings in which we told about our strategy and our ESG objectives, as well as 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 improvements to be implemented in the various BIA⁷ impact areas .

We also believe it is essential to engage all our people, including new recruits, 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.

⁷Refer to paragraph 5.1 "Sustainability Governance" for more information on the BIA project

How we do it

We promote a work 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 competencies are identified for each employee. In this step will also take place the joint definition of performance KPIs for a better measurement and subsequent evaluation of the results achieved, and 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, involving the exchange of feedback on the progress of the objectives and the level of achievement of the expected competencies. This intermediate phase is followed by a full-fledged *Final Evaluation & feedback* meeting in which managers and employees meet to share their mutual evaluations.

During 2021, we also significantly increased the training hours dedicated to our people, thanks to both the resumption of post-Covid-19 activities and new digital training modalities that have allowed us to train our ability to do distance or hybrid training activities.

Training delivered in 2021 was 2 times higher than in 2020

We focused on developing the following skills:



Transversal skills

by way of example, we have organised courses in information technology, compliance and model 231, information security, smart-working policy, etc.



Personal development skills,

i.e. languages, communication, leadership, emotional intelligence, performance management, etc.



Technical and professional skills,

or all the specific courses related to the function to which it belongs in order to continuously update the know-how of the various business functions.



7.3

People&Community

People Care

[CELLULARLINEGROUP]

People Care

Meeting the needs of our people and increasing their individual, economic and social well-being has always been our commitment.

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 to do this we have opened a channel of dialogue with our employees. In particular, through a survey, designed at the end of 2021 and involving 166 employees, we understood 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 issues that are closest to our hearts, 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.

166

employees involved in listening activities

New role of the HR Business Partner

In 2021, we 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 new figure aims to make concrete and systemic the new policy of people management in Cellularline based on the concepts of care, respect 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 satisfaction and authentic engagement of people can a company achieve excellent results.

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 work 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 resources, we have, therefore, built our own Policy, the result of our experience during the pandemic, which aims to ensure greater agility of organisational processes and a reduction of our environmental impact.



How we do it

We know that balancing work and private life is of primary importance and that is why we are committed to providing our employees with a series of services aimed at improving their well-being, in particular through the Welfare platform and a series of agreements entered into in the territory (Gyms, Schools, Restaurants, Hotels, Banks, etc.) as well as through the possibility of adopting smart-working solutions. In actual fact, we have assigned all our employees⁸ 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.

⁸Excluded 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.



7.4

People&Community

Health and safety in the workplace

Health and safety in the workplace

Creating a safe working environment for our people is the starting point for a successful company. We are committed to promoting and spreading a culture of safety, at all levels of the company, devoting all the attention and energy necessary to protect our people.

What we have done: our impact stories

Occupational medicine

We believe that the health of our people is of paramount importance, that is why we have contracted with an Occupational Medicine company in the area, Check Up Service, thanks to which we schedule and monitor in a timely manner the necessary health surveillance for workers based on the task performed and their health condition.

COVID-19 health emergency management

In order to manage the COVID-19 emergency, we established a COVID committee to manage and monitor the ongoing emergency situation in a timely manner and took all necessary measures to secure the work environments. We have also entered into a contract with a specialised cleaning company for the cleaning, sanitising, disinfecting and making hygienic of both common areas and individual offices.

Finally, we have confirmed the Covid-19 “#Andràtuttobene” supplemental health insurance contracted in 2020, aimed at the entire population of Cellularline Spa, including our agents.



How we do it⁸

To ensure effective safety management, we apply the provisions of Legislative Decree 81/08 for our sector and have drawn up the Risk Assessment Document and specific risk assessments in order to analyse all the specific risks for our people, based on the activities we carry out, the equipment we use and the workplaces where we operate. These assessments allow us to analyse risks in the complexity of the business.

We have defined an internal organisation chart in the field of health and safety at work 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 Medical Officer in compliance with current regulations and has identified the

supervisors and members of the emergency team. We have also identified our three Workers' Safety Representatives (RLS).

Inspections and analysis of any applicable requirements are carried out periodically, with the support of external consultants who prepare a short or long term improvement plan shared with the Employer. In the event of any reorganisations and improvements related to tasks and workstations, specific analyses are conducted 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 receives and evaluates any reports received by the management from the RLS or workers.

⁸Tale informativa è applicabile a Cellularline S.p.A., le altre società controllate operano nel pieno rispetto delle normative vigenti nei propri paesi di appartenenza.

In order to prevent all possible accidents, we have adopted a procedure for the management of NEAR MISSES (missed injuries and/or accidents) and we are committed to training all employees in line with the requirements of the relevant regulations. Training within the Organisation is carried out proactively and is focused on company-specific risks.

The participation and consultation of the workers is guaranteed both in occasion of the formation 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 work 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 Italian Legislative Decree no. 81/08 are also analysed the tasks for which it is necessary to provide Personal Protection Equipment (PPE), appropriately delivered to employees.

We spend a good part of our days in the workplace, which is why it is important that it is perceived as a protected place where employees can feel comfortable. For this reason, we have drawn up an assessment of work-related stress, which shows that there are no par-

ticular critical situations related to the work environment. The results of health monitoring also show no critical situations linked to work-related stress.

2 non-serious injuries in 2021 out of a total of 383,579 hours worked.





7.5

People&Community

Community support

[CELLULARLINEGROUP]

Community support

The Cellularline Group is much more than an operating system and capital combination. It is work, energy, growth, and a point of reference, for individuals as well as for the communities in which we live.

What we have done: our impact stories

Sponsorship activities in favour of communities

We carry out activities that benefit the community through sponsorships and charitable donations. We decided to activate a partnership with both the Youth Festival, promoted by Noisiamofuturo, and TEDx Reggio Emilia and ensure our contribution with monetary donations and with our products.



How we do it

The development of our business passes, now more than ever, from the definition of a way of doing business that contemplates the development of the entire surrounding context. It is not possible, in fact, to think of progressing as a reality, if the reference context in which we are remains stationary and does not evolve. We are therefore called upon, as a company grafted within a community, to play a role of catalyst for the development and dissemination of a sense of belonging of the people, the beating heart of our business. Being a company, then, means creating jobs, investing in people and becoming a citizen of the community itself, actively participating in local initiatives, and determining its growth and development, thanks to the inte-

raction and collaboration with the actors that populate the community system. That 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.





7.6

People&Community

Future commitments

Future commitments

Digitisation of the onboarding process

The objective is to improve the process of reception and insertion in the company. People will have access to an app in the pre-boarding phase, which will feature a variety of information and stories that will help new hires understand the organisation's values and culture. Then, in the on-boarding phase, the person added will have access, in a digital and agile manner, to information related to policies on governance, security, privacy, sustainability and more.

JOIN UP platform

After 8 months of work, in January 2022 we launched a new platform: JOIN UP, which aims to digitise the most important HR processes ensuring their simplification and the improvement of the Employee Experience; 2022 will be the year of launch of this initiative in which we will put ourselves to the test evaluating its effectiveness and significance for people.

New Job posting

In order to strengthen People Development & Inclusion policies from 2022 onwards, we have decided to adopt a new process that encourages the selection and promotion of internal staff, for any organisational position being sought, including managerial positions. This solution will provide employees with visibility into professional development opportunities and will foster people development and internal growth.

Initiatives in Universities or schools

Awareness-raising activities in Universities/ Schools will consist of meetings with students to address issues related to diversity and inclusion, sustainability and environmental protection.

Improve financial transparency

We want to implement a programme to make it easier to understand the financial information the company discloses to all stakeholders.

training ESG

We want to structure a training programme aimed at all employees on social and environmental issues relevant to us, including through training on our Code of Ethics.

Management training

We want to continue management training on leadership skills, integration and conflict resolution.

Parenting support programme

We want to enhance the multiplicity of experiences and skills that characterise us, which are part of all of us. We believe it is important to find connections between the work path and personal experiences, such as motherhood and fatherhood, so we will launch a project in 2022 that will allow us to help our people understand the new skills they have acquired, translating them into their work context.



7.7

People&Community

GRI disclosure

GRI Standard 102-8 - Employees by type of contract and gender

	u.m.	2021			2020		
		Man	Woman	Total	Man	Woman	Total
Permanent	No.	124	115	239	126	114	240
Temporary		4	7	11	4	5	9
Total employees		128	122	250	130	119	249

GRI Standard 102-8 - Employees by type of employment

	u.m.	2021			2020		
		Man	Woman	Total	Man	Woman	Total
Full-time	No.	127	109	236	129	104	233
Part-time		1	13	14	1	15	16
Total employees		128	122	250	130	119	249

GRI Standard 405-1 - Employee diversity by job category

	u.m.	2021			2020		
		Man	Woman	Total	Man	Woman	Total
Managers	No.	19	2	21	17	2	19
Junior managers		33	20	53	33	17	50
Employees		74	100	174	78	100	178
Blue collar workers		2	0	2	2	0	2
Total employees		128	122	250	130	119	249

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

GRI Standard 405-1 - Employees belonging to protected categories

		2021	2020
Employees belonging to vulnerable categories	No.	9	9

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

Cellularline S.p.A.

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

Worldconnect AG

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

Cellular Spain S.I.u..

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

Systema S.r.l.

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

GRI Standard 401-1 - New employee hires and turnover

		2021			2020		
	u.m.	Man	Woman	Total	Man	Woman	Total
New hires	No.	10	13	23	15	21	36
		2021			2020		
	u.m.	18-35	36-50	>50	18-35	36-50	>50
New hires	No.	18	5	0	21	14	1
Number of new hires by country	u.m.	Man	Woman	Total	Man	Woman	Total
Italy		8	12	20	12	20	32
Spain	No.	2	0	2	2	0	2
Switzerland		0	1	1	0	1	1
France		0	0	0	1	0	1
Total hires		10	13	23	15	21	36

		2021			2020		
	u.m.	Man	Woman	Total	Man	Woman	Total
Terminations	No.	13	10	23	12	17	29
		2021			2020		
	u.m.	18-35	36-50	>50	18-35	36-50	>50
Terminations	No.	14	5	4	17	8	4
Number of terminations by country	u.m.	Man	Woman	Total	Man	Woman	Total
Italy		11	9	20	10	13	23
Spain	No.	1	0	1	1	0	1
Switzerland		1	1	2	1	3	4
France		0	0	0	0	1	1
Total hires		13	10	23	12	17	29

		2021			2020		
	u.m.	Man	Woman	Total	Man	Woman	Total
Turnover	No.	10,2%	8,2%	9,2%	9,2%	14,3%	11,6%

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

	u.m.	2021			2020		
		Man	Woman	Total	Man	Woman	Total
Managers		794,5	85	879,5	107	29,5	136,5
Junior managers		1022	770,5	1792,5	172	326	498
Clerical staff	h	1018,5	1918,5	2937	802	1320	2122
Blue collar workers		2	0	2	0	0	0
Total		2837	2774	5611	1081	1676	2756,5

Information is not available for Cellular Spain S.I.u. and Worldconnect AG

GRI Standard 404-1 - Employees by professional category and gender

	u.m.	2021			2020		
		Man	Woman	Total	Man	Woman	Total
Managers		14	1	15	13	1	14
Junior managers		29	18	47	28	15	43
Clerical staff	No.	60	94	154	61	92	153
Blue collar workers		2	0	2	0	0	0
Total		105	113	218	102	108	210

Information is not available for Cellular Spain S.I.u. and Worldconnect AG

GRI Standard 404-1 - Average annual training hours

	u.m.	2021			2020		
		Man	Woman	Total	Man	Woman	Total
Managers		49,7	85,0	51,7	7,1	29,5	8,5
Junior managers		34,1	39,0	36,0	5,3	20,4	10,5
Clerical staff	No.	14,4	19,8	17,5	11,1	13,6	12,6
Blue collar workers		1,0	0	1,0	0	0	0,0
Total		24,0	23,5	23,7	9,0	14,7	11,8

Information is not available for Cellular Spain S.I.u. and Worldconnect AG

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

Information is not available for Cellular Spain S.I.u. and Worldconnect AG

GRI Standard 401-3 - Parental leave

	u.m.	2021			2020		
		Man	Woman	Total	Man	Woman	Total
Employees who were entitled to parental leave		5	10	15	3	9	12
Employees who have taken parental leave		2	7	9	1	6	7
Employees who returned to work during the reporting period after taking parental leave	n	1	7	8	1	6	7
Employees who returned to work after taking parental leave and are still employed by the organisation in the 12 months following return		1	7	8	1	6	7

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

	u.m.	2021			2020		
		Man	Woman	Total	Man	Woman	Total
Managers	No.	14	1	15	13	1	14
Junior managers		29	18	47	28	15	43
Clerical staff		46	91	137	46	91	137
Blue collar workers		0	0	0	0	0	0
Total		89	110	199	87	107	194

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

GRI Standard 403-9 - Employee work-related injuries and injury rates

	u.m.	2021			2020		
		Man	Woman	Total	Man	Woman	Total
Total hours worked by employees	h.	202.564	184.572	387.135	189.610	173.719	363.329
Number of accidents at work	no.	2	0	2	0	3	3
Number of occupational accidents with serious consequences (excluding deaths)	no.	0	0	0	0	0	0
Number of days of absence due to accidents	days	12	0	12	0	24	24
Deaths	no.	0	0	0	0	0	0
Number of employees	no.	128	122	250	130	119	249
Incidence rate¹⁵		1,56	0,00	0,80	0,00	2,52	1,20
Severity rate¹⁶		0,06	0,00	0,03	0,00	0,14	0,07
Rate of accidents at work that can be recorded¹⁷		9,87	0,00	5,17	0,00	17,27	8,26
Rate of accidents at work with serious consequences (excluding deaths)¹⁸		0,00	0,00	0,00	0,00	0,00	0,00
Rate of deaths resulting from accidents at work¹⁹		0,00	0,00	0,00	0,00	0,00	0,00

Note: rates exclude commuting injuries.

¹⁵number of accidents/number of employees *100

¹⁶number of days of absence/number of hours worked *1,000

¹⁷number of recordable occupational accidents/total number of hours worked *1,000,000

¹⁸number of occupational accidents with serious consequences/total number of hours worked *1,000,000

¹⁹number of deaths/total number of hours worked *1,000,000

PRO DUCT & PACKA GING

“ We are committed to finding innovative solutions for both products and packaging, which complement our finished products, to achieve outputs with high sustainability performance. ”

+32% of turnover generated by product innovation

Innovation and performance, ease of use and experiential uniqueness, but also reliability, quality and safety, are the principles that guide us to meet the daily needs of people who choose to use our products.

In the next few paragraphs, we will recount the initiatives we have implemented to achieve our goals, the processes we put in place to monitor the quality and safety of our products, to ensure relentless innovation, and to ethically manage our suppliers and our commitments to continue to evolve.

6,7
Suppliers
 +4,2
 compared to 2020

BIA score
 as at 31/12/2021

8.1

Product&Packaging

Product quality and safety



[CELLULARLINEGROUP]

Product quality and safety

Quality and safety are essential requirements for us; they are in our DNA and distinguish all our accessories, making them reliable and distinctive.

What we have done: our impact stories

Quality DNA

We have updated our Quality DNA programme, which launched 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, 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 differentiated, solid and secure product offer.

Quality is something a brand should **aim** for in every single choice as it develops all of **its products**.

This project provides an informative guideline on the characteristics of our approach to product definition and development.

The reasons why we are able to stand out in the market are:

- **Verifiability and compliance with all European directives on the sale and distribution of electronic components in all major international markets;**
- **Obtaining additional specific certifications: such as TUV Rheinland certification for the safety of our powerbanks;**
- **Membership in the Bluetooth consortium allows us to have a guarantee of functionality of our wireless audio products;**
- **The rigorous selection of materials, design and details of our products in order to ensure safety and quality in use.**

In order to meet our commitments, in addition to the **Bluetooth consortium**, we also join 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 devices.

238

products with Bluetooth technology

25

products with wireless charging technology

²¹A 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

To ensure a high level of quality at all times, we have adopted an ISO 9001:2015 certified quality policy, involving all company departments.

Right from the conception stage, each product is developed strictly following principles of quality, reliability and respect for the environment. We develop each accessory starting from an accurate analysis of users' needs, market peculiarities and distribution requirements.

The design and concept of the product are developed directly in Italy, sometimes in collaboration with other technological partners, while the production is located, depending on the type of product and technology required, between Italy, Europe and the Far East.

Enhancing the characteristics of our products and services, continuously looking for the optimisation of business processes with regard to product and service quality, safety and hygiene at work, environmental impact, means increasing competitiveness in a time of market transformation, which becomes every day more aware, demanding and selective.



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 every-day smartphone use. People and their habits define the design, features and 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, care in processing and refinement in finishes are the key ingredients that make our accessories useful and durable. Every smartphone 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 smartphones 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 characteristics that we cannot concretely guarantee.

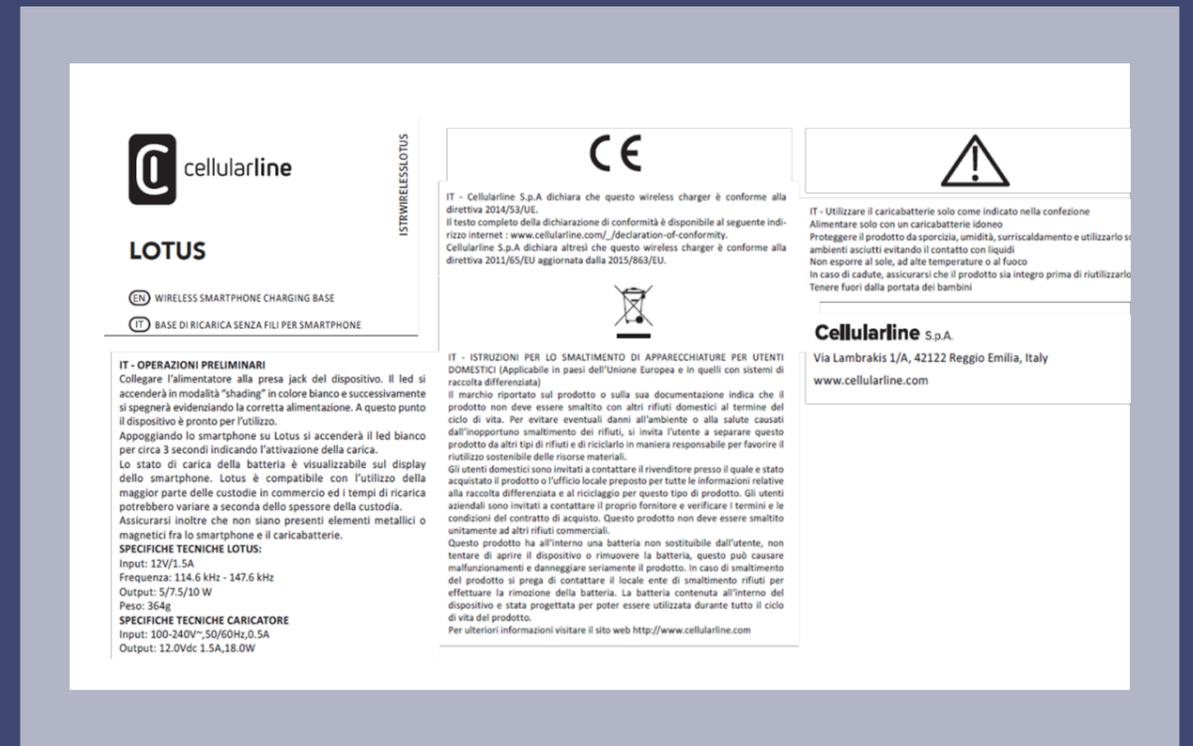
In order to guarantee the safety of our products, the Group's policy is to comply with all mandatory regulations and to test and verify all products sold. Specifically, for technically more complex products, we ask the supplier to certify the product with international bodies, indicating all the Directives to be complied with in terms of risk to the consumer's health (such as, for example, compliance with radio emissions, the use of controlled or prohibited substances).

In 2021, we received one challenge with a fine regarding a documentary non-compliance to which we responded by submitting documentation in two sessions. Given the lack of response from the body in charge within the time allowed for the payment of the penalty in reduced terms, we preferred to pay instead of waiting for the outcome, later found to be positive. During 2021, we received 11 disputes as a result of inspections of materials for sale by the appropriate agencies that resulted in the submission of required documentation and a positive resolution. From these controls we have often had positive ideas to implement improvements to our activities, following the suggestions that were provided to us by Italian and foreign governmental bodies.



The same care is also taken to ensure transparency towards our customers and consumers, both in drawing up the instructions for use and in marketing and communication activities.

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.



As of 2021, the packages have 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.

With regard to marketing activities, guidelines will be defined during 2022 with the aim of adopting a specific Code of Ethics for communications addressed both insi-

de and outside the organisation, therefore in logic B2B and B2C, in order to define a single communication approach that reflects our values. There were no instances of non-compliance with marketing communications regulations and/or self-regulatory codes during 2021.

Research, development and innovation as a lever for sustainable development



Research, development and innovation as a lever for sustainable development

We are convinced that in order to guarantee an ever better quality of our products to our customers and consumers we must invest energy and capital in constant technological innovation. We are committed to finding innovative solutions for both products and packaging to achieve output with high sustainability performance.

What we have done: our impact stories

BECOME line, range of eco-friendly accessories

We know that future outcomes depend on the commitment and efforts we put forth in the present. Acting quickly, with ambition and responsibility, this has been the vision that has guided us along the path of sustainable innovation of our products. 2020 was marked by the launch of our sustainable BECOME line, a turning point in our journey, thanks to the definition of a new concept of housing, made of completely natural material and PBAT, a 100% biodegradable polymer, with performance similar to traditional plastic, but with the advantage of having a lower environmental impact. In 2021, we continued with our sustainable innovation project and decided to add chargers and cables to the cases. In the manufacturing of these chargers and cables we have come to use 30% of eco-friendly plastic blends.

Not only the products, BECOME's packaging has also been chosen to be sustainable: each package is made entirely of FSC²² recycled paper, ensuring the absence of plastic elements.

²²The FSC® trademark identifies products containing wood from forests managed correctly and responsibly according to strict social, environmental and economic standards. The forest of origin has been independently inspected and assessed in accordance with these standards (principles and criteria of good forest management), which have been established and approved by the Forest Stewardship Council® a.c. through the participation and consensus of interested parties. <https://fsc.org/en>

To ensure full recyclability of the paper used as packaging, natural glues are used for the closure of the package that make the paper totally free of polymeric substances.

Use of eco-sustainable compounds:

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

100%

in cases

30%

in chargers and cables

In addition, through the BECOME line, we decided to join 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. As a result, a portion of the revenue generated from the sale of the BECOME line will be donated to Sea Sheperd, a non-profit company that aims to protect and conserve the marine world and protect the biodiversity of the oceans.



Improved sustainability profile of products

For dedicated smartphone cases, we are gradually moving toward reducing the use of virgin plastic by introducing recycled materials. In the first few months of the year, we started feasibility tests to assess the possibility of replacing part of the virgin fossil component in the polymer mixture used up to that moment in our production lines. We then replaced a small percentage of virgin component with the same percentage of recycled fossil component and tested its performance. The results of the tests were very positive and we have therefore implemented the new blend in the production line. Today all products that require the use of elastomeric polymers are produced using about 80% virgin material and 20% recycled material. The composition of this material allows us to maintain the expected level of quality and preserve the functional characteristics of the product.

For products with polyurethane material, we have achieved percentages of recycled material close to 50%.

This process concluded in October 2021, coinciding with the launch of protective cases for the iPhone 13.

Improved packaging on all products

We know that the packaging of our products can be a problem when, at the end of its life cycle, it constitutes material to be disposed of. We cannot fully control the impact of our waste on the environment, but we can certainly improve its composition and take action at the source. For this reason we decided to activate a process of improvement on the packaging of our products. In 2021, we continued the path already started in 2020, which led us to a 45% reduction in the use of plastic in packaging, with the same volumes sold, and to a full paper transition on many product categories (including protective lines, such as cases and protective glass). For these product categories, in fact, we have replaced virgin plastic with compostable plastic or with FSC-certified paper.

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.

Testing for the introduction of recycled materials in production processes has already been activated on other product categories.

Close attention and energy has been invested in redesigning the design of the packaging so that the individual components can be easily separated to facilitate the proper disposal of materials at the end of their life.

Best practices 2021

- **56% of FULL PAPER packs on total saleable packs**
- **With the same volumes sold, -45% of plastics used in the composition of packaging compared to 2020**
- **Thanks to the work done over the last year, 80% of the products have 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

During 2021, approximately 32% of revenue will come from new products launched during the year. This result demonstrates the importance of guaranteeing an offer that is always in line with constantly evolving market trends. We are driven to invest in research and development of materials that maintain excellent quality performance but are more sustainable, such as blends composed of virgin plastics and plastics recycled from manufacturing 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.

Attention and care for the product have always been our focus, and through our internal Marketing and Research & Development divisions we have decided to take the commitment we make every day to the next level, integrating design with the principles of sustainability.

As a starting point, we believe it is critical to measure the impact our products have throughout their entire life cycle, so during 2021 we conducted a *Sustainability Life Cycle Assessment (SLCA)*²³ on 2 of our iconic and representative products, the Sensation cover and the Charger Kit 20W.

In addition, in order to reduce the social and environmental impact of the current products, we have developed partnerships with our suppliers to make the most of existing production waste: 100% of the Microfibre (PU) waste used in the production process is now reused in the textile supply chain.

²³The SLCA analysis allows to evaluate 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.



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

100% of Microfibre scraps reused in the textile supply chain

8.3

Product&Packaging

Supplier management



Supplier management

Our path of sustainable evolution is based on the close involvement of the suppliers with whom we share the production of our products; for this reason we pay great attention to the management and selection of our suppliers.

What we have done: our impact stories

ESG assessment of suppliers

At end 2021, we revised the vendor assessment form, supplementing it with social and environmental aspects and launched a supply chain assessment programme, the first step of which was to send out a questionnaire mapping the environmental and social practices adopted by our suppliers of products.

100% of suppliers involved

Supporting suppliers in difficulty

We have always been sensitive to the difficulties of our suppliers, offering ourselves in a collaborative manner 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 two years to address the health and 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 commercial initiatives;**
- **consumables needed for order preparation;**
- **consumables and packaging.**

The qualification of the suppliers happens through initial visits to the production plants in order to appraise the ability of the supplier according to different parameters: dimensions, productive capacity, production standards, controls in

line, general environment, ability to understand the needs and facility to the 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 evaluate 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.

As of the end of 2021, we have started to collect our supplier companies that have carried out BSCI audits to verify their level of social responsibility to check their level of social responsibility. Moreover, a questionnaire "ven-

dor assessment form” is administered to local suppliers in order to collect in advance a whole series of information that are then collected in the company's databases (e.g. general inquiries, structure, organisation, main customers, production machinery warehouse and certifications). This information is analysed and studied prior to organised visits to locations and production sites..

All suppliers are sent a supply specification that includes all general information, operating instructions for the management of orders, shipments, labelling and 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 Italian 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 consultants, collaborators and employees, if any) of behaviour in violation of the provisions of our Code of Ethics and our Model of Organisation, Management and Control 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 requirements 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 suppliers' performance and the necessary interventions to improve their management are shared.



8.4

Product&Packaging

Future commitments

Future commitments

Investments

Commitment continued to invest human and economic resources to develop new products based on recyclable materials to reduce environmental impacts. Depending on the type of product and technical restrictions we are testing the use of bioplastics on different types of products. In 2022, we plan to launch a new product with recycled plastic: **tablet cases**.

Full paper packaging

Commitment continued to full paper packaging, with fewer components and assembly solutions to facilitate proper disposal of materials.

Improvement of the supply chain

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

Consolidation of partnerships

Consolidate and develop partnerships with product suppliers for the valuation of production waste with a view to the circular economy, extending the work done on Microfibre (PU) to polycarbonate and silicone production waste.

Ethical marketing

Adoption of a specific Code of Ethics for communications both inside and outside the organisation, therefore in B2B and B2C logic, in order to define a single communication approach that reflects our values and principles.

Sustainable purchasing policy

Define a purchasing policy according to which to set a fast track towards products with higher sustainability standards.



8.5

Product&Packaging

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.	2021	2020
Cases of non-compliance with regulations resulting in a fine or penalty		1	0
Cases of non-compliance with regulations resulting in a warning	N	11	10
Cases of non-compliance with voluntary codes		0	0

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

Plastic	u.m.	2021	2020
Energy range		51,70	100,70
Protection range	Tonnes	6,20	75,80
Audio range		36,60	53,80
Total		94,50	230,30

Paper	u.m.	2021	2020
Energy range		149,90	197,60
Protection range	Tonnes	140,70	208,90
Audio range		99,50	133,40
Total		390,10	539,90

This data excludes Worldconnect AG

GRI 204-1 - Proportion of spending on local suppliers

Active suppliers of goods, services and work services	u.m.	2021	2020
Non-European Suppliers		125	119
Suppliers Italy	N	48	48
Suppliers Europe		4	5
Total		177	172

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

Certified suppliers	u.m.	2021	2020
ISO 9001 Certification		11%	13%
ISO14001 Certification	%	38%	45%

ENVIRONMENT



40% of scope 1 and 2 emissions compensated

Our mission, vision and purpose are inextricably linked to effective and respectful environmental management. The current situation requires us to implement a paradigm shift with respect to how we view our relationship with the environment. The time has come to put in place actions to give back what we've been taking for years, we can no longer just exploit the most valuable asset we have, the planet we live on. From this awareness comes our commitment and willingness to tell how we intend to manage the issue in the present and what strategies we plan to put into practice for the future.

This is why in the next few paragraphs we'll tell you what we did in 2021 to manage the topic, how we manage it, and what we're committed to doing in the coming years to continue to improve.

“ 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. ”

15,4

Environment
+2,7
compared to 2020

BIA score
as at 31/12/2021



9.1

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

Seed the Future - The Cellularline Forest

With the aim of offsetting our emissions and ensure an environmentally sustainable future, we continued in 2021 the collaboration with Tree-edom, for the management of the first Cellularline Forest, as part of the project *Seed the Future*. 1,000 trees have been planted in 9 different countries that can offset 219.80t of CO₂. An action that, in addition to its environmental and social value, also aims to raise awareness among our stakeholders and create a culture of responsibility both within and outside the company. In actual fact, the trees were virtually donated to people we feel close to: employees, customers, suppliers and agents.

1,000 trees planted
in 9 countries able
to offset 219.80t of
CO₂.

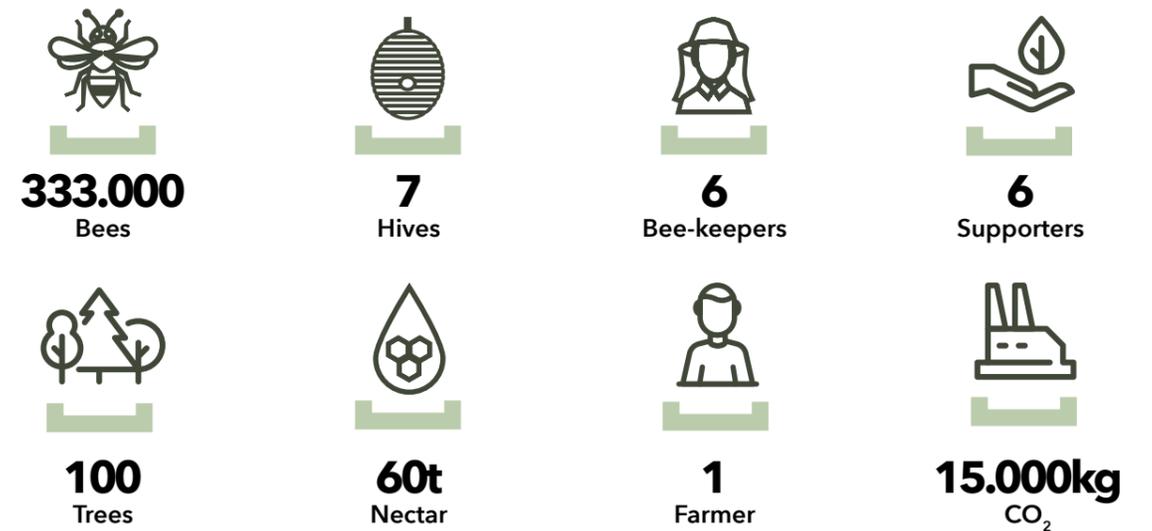
OASI Cellularline

Our commitment to environmental protection is constantly evolving, from this year, in fact, we joined the project *"Pollinate the Planet"* by 3Bee, thus continuing to pursue the objectives of environmental sustainability.

The topic of biodiversity protection is increasingly pressing, in particular bees are a species in serious danger, so we think it is important to contribute to their protection. These insects are fundamental pollinators not only for the survival of many plant species, but also for ours: in fact, 80% of the food we consume every day depends on pollination, as well as the reproduction of 90% of plants and wild flowers.

Through this project, we have 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.

The results



RicicliAmo project for a correct internal waste management

Although we do not have significant impacts in terms of waste produced in 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 believe it is very important to make all those who work within the company and, even more so, new recruits, more aware of the issue, which is why we decided to include these guidelines as an internal document in the *welcome kit*. 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.

Survey Mobility Management

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 business accessibility, reduce the use of private vehicles, limit traffic congestion and consequently reduce impacts on the environment. We have decided to implement these directives fully but

without forgetting the importance of people within the business context. For this reason, in order to build a plan tailored to our needs, with the support of the Industrial Association, we built a survey that aimed to collect information on the travel habits of all People within the municipality of Reggio Emilia, so as to better understand the needs related to them.

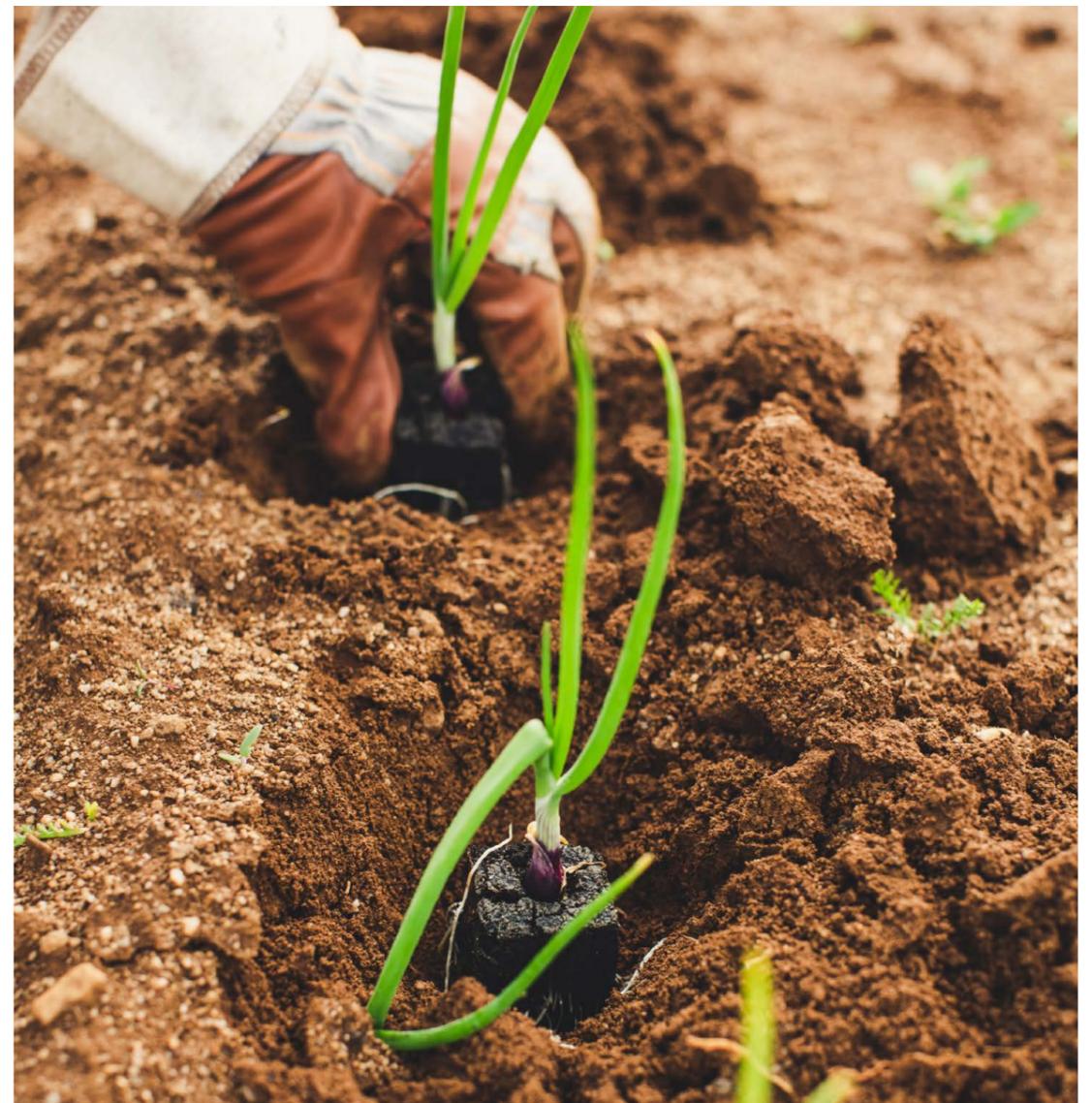
Sustainability Engagement Survey

We believe that the process of defining objectives for a sustainable future must also include discussion with the people who live the reality of the company every day. Who better to give food for thought and identify potential areas for improvement on the topic.

With this in mind, we have prepared a survey on sustainability, addressed to all our employees, from which we have been able to understand not only their level of involvement and interest, but also where and how we can intervene to involve our people more and more on the topic of sustainability within the company context.

In addition, to encourage participation in the survey, we decided to include as a reward for those who completed it a code through which they could choose the sustainable project to which they would contribute to reduce the emissions caused by their survey to zero.

Thanks to the participation of 200 of our employees, we were able to participate in reforestation projects, such as Maísa REDD+, in Brazil, and Guanaré Forest Plantation Project, in Uruguay, and plant trees that will be able to offset 2 tonnes of CO₂.



How we do it

Taking care of the Planet, for us, means contributing to sustainable development from the point of view of available natural resources, the protection of biodiversity and the general reduction of our footprint on the planet. The strategy in this area is outlined in a series of commitments and initiatives that the company shares with its stakeholders at all stages of the process, from definition to implementation. In actual fact, only through collaboration between all the stakeholders that make up our value chain is it possible to achieve the desired results.

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 resources²⁶.

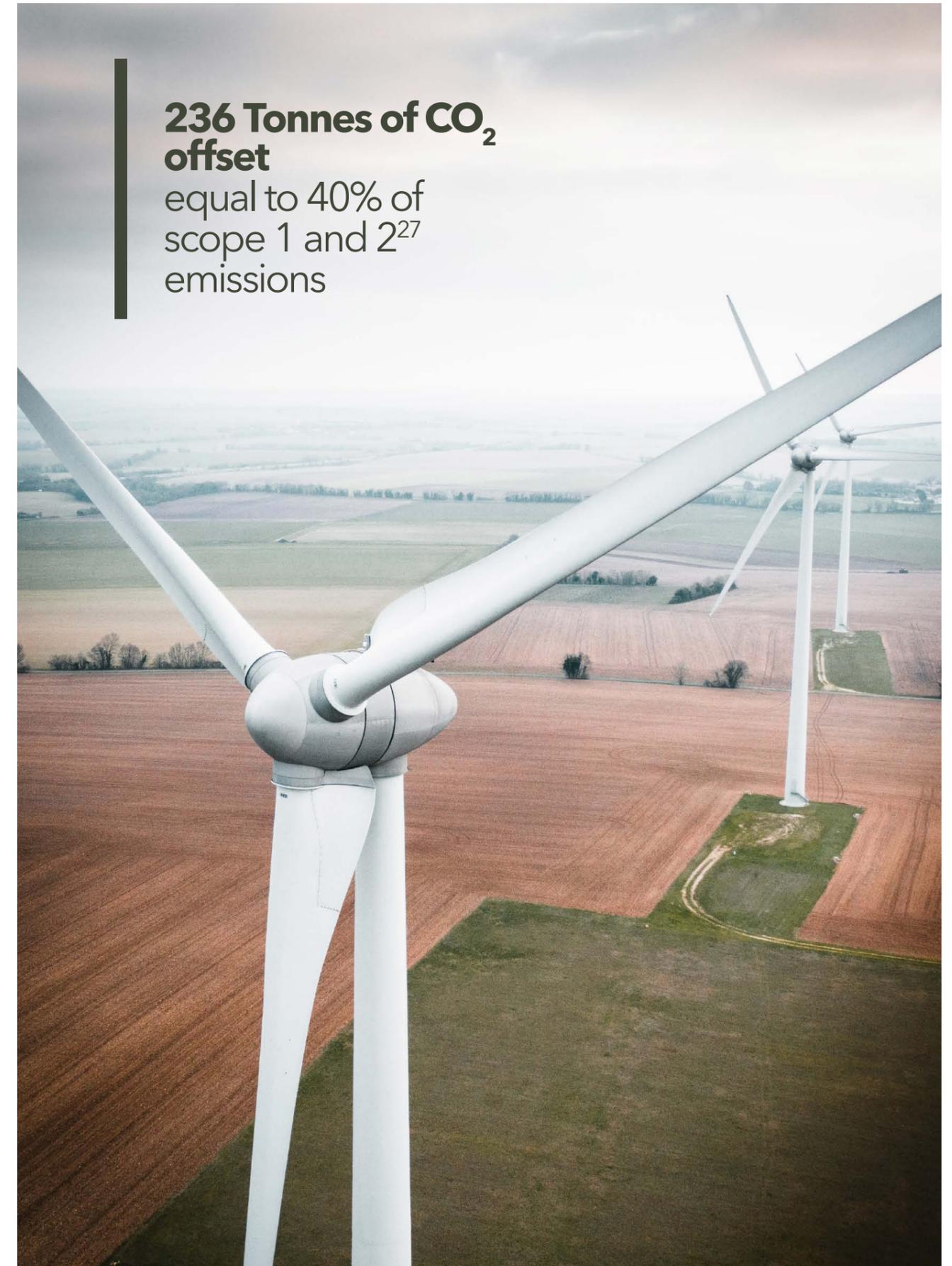
As early as 2020, we began a mapping activity of our consumption and emissions that led us to implement a series of initiatives aimed at reducing consumption, raising our employees' awareness of the issue and offsetting the emissions produced. In 2021, we worked, on many occasions, on raising awareness among our employees and have reduced the time slots for turning on the heating and air conditioning systems.

We have also laid the foundations for the collection of CO₂ emissions of one of our main items of consumption: that of transport, managing to share with almost all of our shippers and carriers the need to collect consumption data with the aim of reducing emissions through offset projects to be implemented in the coming months. .

Our path does not end here; we are designing a strategy to reduce the impact, until it is minimised, compensating only for what cannot be eliminated.

²⁶Since the Cellularline Group is considered to have a low environmental impact, as it has no production sites, waste management and water management are not considered relevant. In any case, the Group is committed to minimising waste and water consumption.

²⁷Scope 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.





9.2

Environment

Future commitments

Future commitments

Responsible Consumption & Production

Measuring our impacts has been a strategic priority throughout 2020, as well as the starting point for the sustainable innovation journey we have undertaken. We certainly do not want to stop now. In actual fact, we have reached an agreement with major suppliers to purchase Scope 3 emissions data on an annual basis and then evaluate how to offset those emissions and identify a medium-term management strategy.

Photovoltaic plant

We have performed a feasibility study for the realisation of a photovoltaic system on the Reggio Emilia Headquarters able to satisfy at least 700% of the site needs, with the aim of developing it in 2022.

Renewable energy

assess the feasibility of purchasing energy from 100% renewable sources.

²⁸Scope 3: Indirect GHG emissions (Scope 3) are the result of an organisation's activities, and include both upstream and downstream emissions in the value chain.





9.3

Environment

GRI disclosure

GRI Standard 302-1 - Energy consumption within the organisation

Direct energy consumption		u.m.	2021	2020	u.m.	2021	2020
Fuels from non-renewable sources							
Natural gas	Sm3		29.149	27.692	GJ	5	5
Petrol	Litres		12.592	10.801		439	377
Diesel			155.404,50	152.215,68		5.973,9	5.851,3
Total			-	-		7.571	7.328

Indirect energy consumption		u.m.	2021	2020	u.m.	2021	2020
Electricity purchased			380.108	100,70	GJ	1.368,42	1.365,34
from non-renewable sources	kWh		380.108	51,70		1.368,42	1.365,34
certified from renewable sources (e.g. Certificates of Origin)			-	-		-	-
Total energy consumed			-	-		8.939	8.693

GRI Standard 305-1, 305-2 - Total emissions

	u.m.	2021	2020
Direct emissions (SCOPE 1)		477	462
Natural gas		59	56
Petrol		28	24
Diesel		390	382
Indirect emissions (SCOPE 2) - Location based		105	105
Electricity	tCO ₂ e	105	105
Indirect emissions (SCOPE 2) - Market based		174	174
Electricity		174	174
Total emissions - Location based		582	567
Total emissions - Market based		651	636

ANNE XES

10.

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 growth of the sector as a whole, by offering indispensable content and strategic activities 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 point of sale materials
- Advertising and promotion agencies
- Research organisations
- Service companies
- Companies involved 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 to strengthen its presence in Europe and offer its members benefits in terms of vision, sharing of know-how, strategic contacts, scenarios and market trends.

Confindustria 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 businesses 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 consultancy, 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

Digital Innovation Observatories have 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.

Noisiamofuturo® 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, Bodies, Companies). Festivaldeigiovani®, FabbricheAperte®, Latuaideadimpresa®, Noisiamofuturo® and the SocialJournal 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 activities with companies, associations and organisations, 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 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

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 multi-national companies, which through benchmarking, problem solving, networking, exchange of knowledge and skills on HR issues, 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 businesses 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.

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 Corruption incidents and actions taken 307-1 Non-compliance with environmental laws and regulations 419-1 Non-compliance with laws and regulations in the social and economic area	5.1 Sustainability Governance
Economic performance and creation of added value	201-1 Direct economic value 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 Evolution of distribution channels
Evolution of distribution channels	-	6.1 Evolution of distribution channels
Innovation and R&D	-	8.2 Research and development and innovation as a strategy for sustainable development
Product quality and safety	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	8.1 Product quality and safety
Ethical Marketing	417-2 Incidents of non-compliance concerning product and service information and labelling 417-3 Incidents of non-compliance concerning marketing communications	8.1 Product quality and safety
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	8.2 Research and development and innovation as a strategy for sustainable development 8.5 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 employee hires and employee turnover 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees 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 reviews	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 incident 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 Work-related injuries	7.4 Health and safety in the workplace 7.7 GRI disclosure
Privacy and cyber security	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	5.1 Sustainability Governance 5.4 GRI disclosure
Respect for human rights	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	8.3 Supplier management
Sustainable supply chain	204-1 Proportion of spending on local suppliers	8.3 Supplier management 8.5 GRI disclosure
Social initiatives	201-1 Direct economic value generated and distributed	7.5 Community support 5.4 GRI disclosure

GRI Content Index

Indicator/Aspect GRI Standards	KPI Description	Notes FY 2021	References
GENERAL INFORMATION			
102-1	Name of the organisation		pag. 18
102-2	Activities, brands, products, and services		pag. 19
102-3	Location of headquarters		pag. 18
102-4	Location of operations		pag. 19
102-5	Ownership and legal form		pag. 18
102-6	Markets served (including geographic breakdown, industries, customer types, and beneficiaries)		pag. 18-19; 34
102-7	Scale of the organisation		pag. 12, 20
102-8	Information on employees and other workers		pag. 130-139
102-9	Supply chain		pag. 160-166
102-10	Significant changes during the reporting period		pag. 48-54
102-11	Precautionary Principle or approach		pag. 58-68
102-12	Subscription to externally developed codes of conduct, initiatives or principles on economic, social and environmental aspects to which the company subscribes		pag. 52-53
102-13	Membership in national and/or international trade associations in which the organisation holds a position on the governing body or in which it participates or, finally, to which it provides substantial funding that goes beyond the normal membership fee		pag. 196-198
102-14	Statement from the chief executive officer and president regarding the importance of sustainability to the organisation and its strategy		pag. 8-9
102-16	Internal company values, principles, standards and norms of behaviour		pag. 30-35
102-18	Corporate governance structure		pag. 64-65
102-40	List of stakeholder groups that the organisation engages with		pag. 40-43

102-41	Percentage of employees covered by collective bargaining agreements		100% of employees covered by collective bargaining agreements
102-42	Identifying and selecting stakeholders		pag. 36-39
102-43	Approach to stakeholder engagement, specifying frequency by type of activity developed and by stakeholder group		pag. 40-43
102-44	Key topics and concerns raised from the stakeholder engagement activity and how the organisation responded to the critical issues that emerged, including with reference to what was indicated in the report		pag. 40-43
102-45	List of companies included in the consolidated financial statements and indication of companies not included in the report		pag. 50-53
102-46	Defining report content and topic boundaries		pag. 36-39; 50-53
102-47	List of material topics in the process of defining the content of the budget		pag. 36-39
102-48	Explanation of restatements of information included in prior financial statements and the reasons for such changes		pag. 50-53
102-49	Significant changes (in terms of target, scope, or measurement methods) since the previous reporting period		pag. 50-53
102-50	Reporting period		pag. 50-53
102-51	Date of most recent report		pag. 50-53
102-52	Reporting cycle		pag. 50-53
102-53	Contact points and useful addresses for questions regarding the report and its contents		pag. 18
102-54	Indication of the chosen "In accordance" option		pag. 50-53
102-55	Table of GRI contents		pag. 200-206
102-56	External assurance of the report		pag. 21

ANTI-CORRUPTION AND BUSINESS ETHICS		
103-1; 103-2; 103-3	Management mode	pag. 58-68
205-3	Confirmed incidents of corruption and actions taken	There were no episodes of corruption in 2021
307-1	Non-compliance with environmental laws and regulations	During 2021, there were no episodes of non-compliance with environmental laws and regulations which resulted in significant penalties
419-1	Non-compliance with laws and regulations in the social and economic area	During 2021, there were no episodes of non-compliance with laws and regulations in social and economic area which resulted in significant sanctions
ECONOMIC PERFORMANCE AND CREATION OF ADDED VALUE		
103-1; 103-2; 103-3	Management mode	pag. 58-68
201-1	Direct economic value generated and distributed	pag. 76-79
207-1	Approach to tax	pag. 68-72
207-2	Tax governance, control and risk management	pag. 68-72
207-3	Stakeholder engagement and management of concerns related to tax	pag. 68-72
207-4	Country-by-country reporting	pag. 76-79
PRODUCT QUALITY AND SAFETY		
103-1; 103-2; 103-3	Management mode	pag. 144-152
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	pag. 170-173
ETHICAL MARKETING		
103-1; 103-2; 103-3	Management mode	pag. 144-152
417-2	Incidents of non-compliance concerning product and service information and labeling	There were no episodes of non-compliance with regard to information and labeling of products and services
417-3	Incidents of non-compliance concerning marketing communications	There were no episodes of non-compliance regarding marketing communications

CLIMATE CHANGE & ENERGY EFFICIENCY		
103-1; 103-2; 103-3	Management mode	pag. 178-186
302-1	Energy consumption within the organisation	pag. 190-193
302-2	Energy consumption outside the organisation	pag. 190-193
305-1	Direct (Scope 1) GHG emissions	pag. 190-193
305-2	Energy indirect (Scope 2) GHG emissions	pag. 190-193
305-3	Other indirect (Scope 3) GHG emissions	pag. 190-193
ENVIRONMENTAL IMPACT OF PRODUCTS		
103-1; 103-2; 103-3	Management mode	pag. 144-152
301-1	Materials used by weight or volume	pag. 152-160; 170-173
EQUALITY & INCLUSION		
103-1; 103-2; 103-3	Management mode	pag. 100-103
405-1	Diversity of governance bodies and employees	pag. 79; 132
405-2	Ratio of basic salary and remuneration of women to men	pag. 130-139
PEOPLE CARE & EMPLOYEE DEVELOPMENT		
103-1; 103-2; 103-3	Management mode	pag. 110-115
401-1	New employee hires and employee turnover	pag. 130-139
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	pag. 130-139
401-3	Parental leave	pag. 130-139
404-1	Average hours of training per year per employee	pag. 104-109; 130-139
404-3	Percentage of employees receiving regular performance and career development reviews	pag. 130-139
EMPLOYEE HEALTH & SAFETY		
103-1; 103-2; 103-3	Management mode	pag. 116-121
403-1	Occupational health and safety management system	pag. 116-121
403-2	Hazard identification, risk assessment, and incident investigation	pag. 116-121
403-3	Occupational health services	pag. 116-121
403-4	Worker participation, consultation and communication on occupational health and safety	pag. 116-121
403-5	Worker training on occupational health and safety	pag. 130-139
403-6	Promotion of worker health	pag. 116-121
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	pag. 116-121
403-9	Work-related injuries	pag. 130-139

PRIVACY AND CYBER SECURITY		
103-1; 103-2; 103-3	Management mode	pag. 67
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	During 2021, there were no reports of violations/breaches of customer privacy or losses of customer data
RESPECT FOR HUMAN RIGHTS		
103-1; 103-2; 103-3	Management mode	pag. 160-165
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	pag. 160-165
SUSTAINABLE SUPPLY CHAIN		
103-1; 103-2; 103-3	Management mode	pag. 160-165
204-1	Proportion of spending on local suppliers	pag. 170-173
SOCIAL INITIATIVES		
103-1; 103-2; 103-3	Management mode	pag. 122-126
201-1	Direct economic value generated and distributed	pag. 76-79
CUSTOMER CENTRICITY		
103-1; 103-2; 103-3	Management mode	pag. 82-92
EVOLUTION OF DISTRIBUTION CHANNELS		
103-1; 103-2; 103-3	Management mode	pag. 82-92
INNOVATION AND R&D		
103-1; 103-2; 103-3	Management mode	pag. 152-159



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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 2021 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 - core option, 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.

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 carried out 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.



Cellularline Group
Independent auditors' report
31 December 2021

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2021 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, 13 May 2022

KPMG S.p.A.

(signed on the original)

Davide Stabellini
Director of Audit

[CELLULARLINEGROUP]

Cellularline S.p.A.

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