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Letter to stakeholders

Understanding how our Group works with respect to its internal and external interlocutors is essential to being able to analyse its results in an in-depth manner, as well as to define the next steps of a journey towards greater integration with its social and economic context.

This approach is concretely recognisable in the efforts to listen to our main stakeholders for the purpose of defining a true '**sustainability strategy**' thanks to which the requisites for future 'sustainable' projects have been identified, orienting the Group towards a lasting creation of value.

The Esprinet Group is engaged in protecting the environment and is committed to promoting, within its structures, the rational use of resources and the search for innovative solutions aimed at guaranteeing constant energy savings. In this respect, the real engine are the people who work there and Esprinet pays them the greatest attention both in terms of training opportunities and professional growth and in terms of welfare in the workplace.

Our Group is also committed to achieving excellence in its management systems relating to quality, environment, health and safety, following the underlying philosophy based upon continued commitment to improvement. In this field, Esprinet S.p.A. and Esprinet Iberica S.L.U. 'integrated' portfolio of certifications (Quality – UNI EN ISO 9001 standard, Safety and Protection of Health – OHSAS 18001 standard, Environment – UNI EN ISO 14001 standard) stands as a concrete response to the requirements of some of our main stakeholders.

With the hope that the results achieved so far will provide a foundation for further initiatives aimed at satisfying the expectations of our Group's numerous stakeholders, we invite you to read the **2017 Sustainability Report** which also constitutes the first consolidated disclosure of non-financial information in accordance with Italian Legislative Decree no. 254/2016.



Alessandro Cattani

Chief Executive Officer and member of the
Competitiveness and Sustainability Committee



Maurizio Rota

Vice Chairman, Chief Executive Officer of
Esprinet Group and member of the
Competitiveness and Sustainability Committee



1

INTRODUCTION

Methodology

Material aspects

Highlights



Methodology

This document is the **second Sustainability Report** for the **Esprinet Group** (hereinafter referred to as the 'Group') and reports on its main sustainability performance, also constituting the consolidated disclosure of non-financial information of the Group, in compliance with the requirements of Italian Legislative Decree no. 254/2016. The reporting scope refers to the whole Group and, unless otherwise specified, includes the following fully consolidated companies: Esprinet S.p.A., V-Valley S.r.l., Gruppo Celly, Mosaico S.r.l., EDSlan S.r.l., Esprinet Iberica S.L.U., Esprinet Portugal Lda, Vinzeo Technologies S.A.U., V -Valley Iberian S.L.U., Tape S.L.U., Nilox Deutschland GmbH (still inactive at the end of 2017).

The Report, published annually, covers the period from 1 January to 31 December 2017. This document (DNF) was approved by the Esprinet S.p.A. Board of Directors on 21 March 2018.

The text is based upon the guidelines of the **Global Reporting Initiative (GRI)** – an entity which, since 1997, has been the international point of reference in relation to sustainability reporting – in their fourth version, **G4**. Based on the level of coverage of the General and Specific Standard Disclosure, the self-declared option of adherence to GRI G4 guidelines is 'in accordance - core'.

Based on the GRI G4 topics, the inherent characteristics of the business, as well as the suggestions coming from outside, Esprinet started a process for the identification of the themes to be covered in this report.

This process involved internally the highest decision-makers of the Company in a cycle of interviews with 7 top managers, who identified the most significant themes for the business.

Along with this, Esprinet mapped its corporate stakeholders, based upon a series of interviews with senior management then validated by the Competitiveness and Sustainability Committee members (for the detailed list of stakeholders please refer to: 'Esprinet & the market - value generated for stakeholders').

Thus, an intensive activity was carried out aimed at understanding the relevant topics by listening to the stakeholders identified, thanks to the submission of 3 surveys to all Italian costumers and employees as well as to the main local authorities/associations, and thanks to discussion with people responsible for CSR matters or main vendors' top managers.

In addition, an activity was conducted aimed at recognising investors' needs by analysing some important external surveys (both Italian and international). The response of this listening activity was very wide-ranging: more than 1,200 customers and about 11% of employees fully replied to the surveys, and more than 20 hours were dedicated to meeting with our suppliers (covering about 75% of the total purchases of Esprinet S.p.A.).

Thus, the Company has identified a set of topics that significantly influence its ability to create value over time: they are the '**material**' themes and refer to the financial, environmental, social and governance scope. The following pages contain the topics drawn from each area of the decree and the 2017 materiality matrix.



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For the preparation of the chapter dedicated to environmental impacts, the calculation of greenhouse gas emissions (scope 2) was carried out using the Terna's electricity emission factors on the total gross production of the national park, equal to **0.375 kgCO₂/kWh for Italy and 0.301 kgCO₂/kWh for Spain**. For scope 1 greenhouse gas emissions, resulting from the use of natural gas, diesel and petrol, the conversion factors used are found in the national standard parameter table of the Ministry of Environment, amounting to **1.964 tCO₂/1000 Sm³, 3.155 tCO₂/t and 3.140 tCO₂/t**. Moreover, scope 3 emissions were calculated resulting from direct deliveries using emission factors of **Defra 2015, HGV, All rigid, Avarage Laden** equal to **0.83242 kgCO₂/km** for 2015, **Defra 2016, HGV, All rigid, Avarage Laden** equal to **0.83124 kgCO₂/km** for 2016 and **Defra 2017, HGV, All rigid, Avarage Laden** equal to **0.81009 kgCO₂/km** for 2017.

It should be noted that the data relating to previous years, shown in this report, may differ from those published in the 2016 edition following the expansion of the reporting scope to include the entire Esprinet Group.

In 2017, as required by the Decree, the Sustainability Report was audited by an independent third company, whose audit opinion is reported in the Annex 'The Independent Auditor's Report'.

Topics related to Italian Legislative Decree no. 254/2016

		Material aspects
Environment	○ ...	Energy consumption; Raw materials and Waste generated; Greenhouse gas (GHG) emissions; Impacts of transport
Social	○ ...	Financial stability; Compliance with laws and regulations; Relationship between the company and the local community; Innovation in customer service
Personnel	○ ...	Health and safety; Upgrade skills and employees training; Conditions of employment
Human rights	○ ...	Non-discrimination
Fight against active and passive corruption	○ ...	Anti-corruption

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Material aspects		Internal relevance	External relevance	External perimeter	External perimeter limitation	GRI Aspects
Financial stability	○	H	M	/	/	Economic performance
Energy consumption	○	M	M	/	/	Energy
Raw materials and waste generated	○	L	M	Suppliers	Suppliers	Materials; Effluents and waste
Greenhouse gas emissions	○	L	M	/	/	Emissions
Health and safety	○	M	L	Cooperatives; Carriers	Carriers	Occupational health and safety
Development of the skills and training of people	○	M	M	/	/	Training and Education
Compliance with laws and regulations	○	M	L	/	/	Compliance; Customer Privacy

- H** High relevance
- M** Medium relevance
- L** Low relevance

Esprinet is committed to initiate specific actions in the next years aimed at progressively extending the reporting of the material topics not yet extended to the external perimeter.

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Material aspects	Internal relevance	External relevance	External perimeter	External perimeter limitation	GRI Aspects
Relationship between the company and the local community	L	M	/	/	/
Impacts of transport	L	M	Carriers	/	Transport
Conditions of employment	M	M	/	/	Employment; Diversity and equal Opportunity
Innovation in customer service	H	M	/	/	/
Non-discrimination	L	L	/	/	Non-discrimination
Anti-corruption	L	L	/	/	Anti-corruption

H High relevance
 M Medium relevance
 L Low relevance

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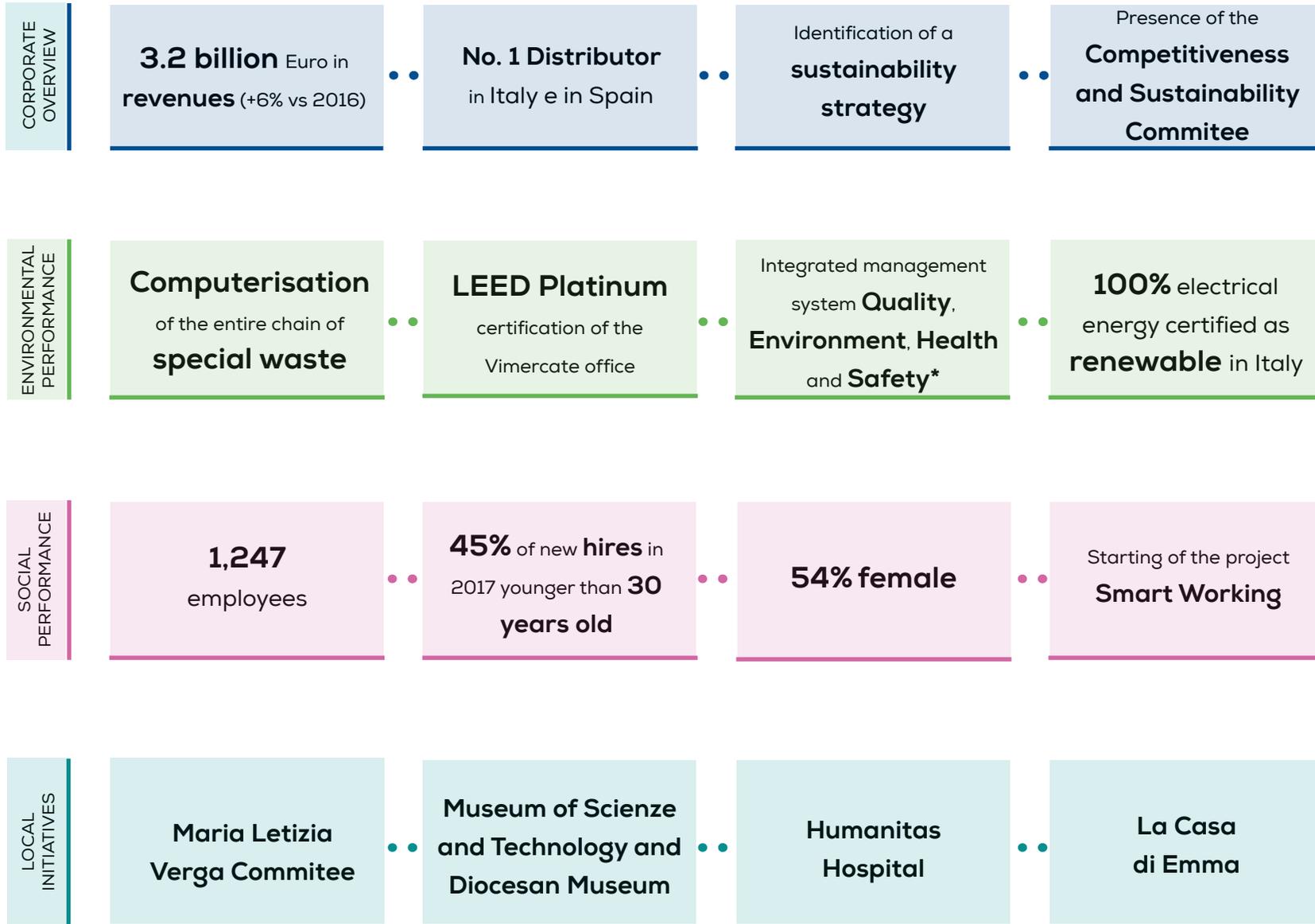
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Highlights



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* For an overview of the companies certifications of Esprinet Group please refer to p. 66



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ABOUT US

The Esprinet Group

Group structure

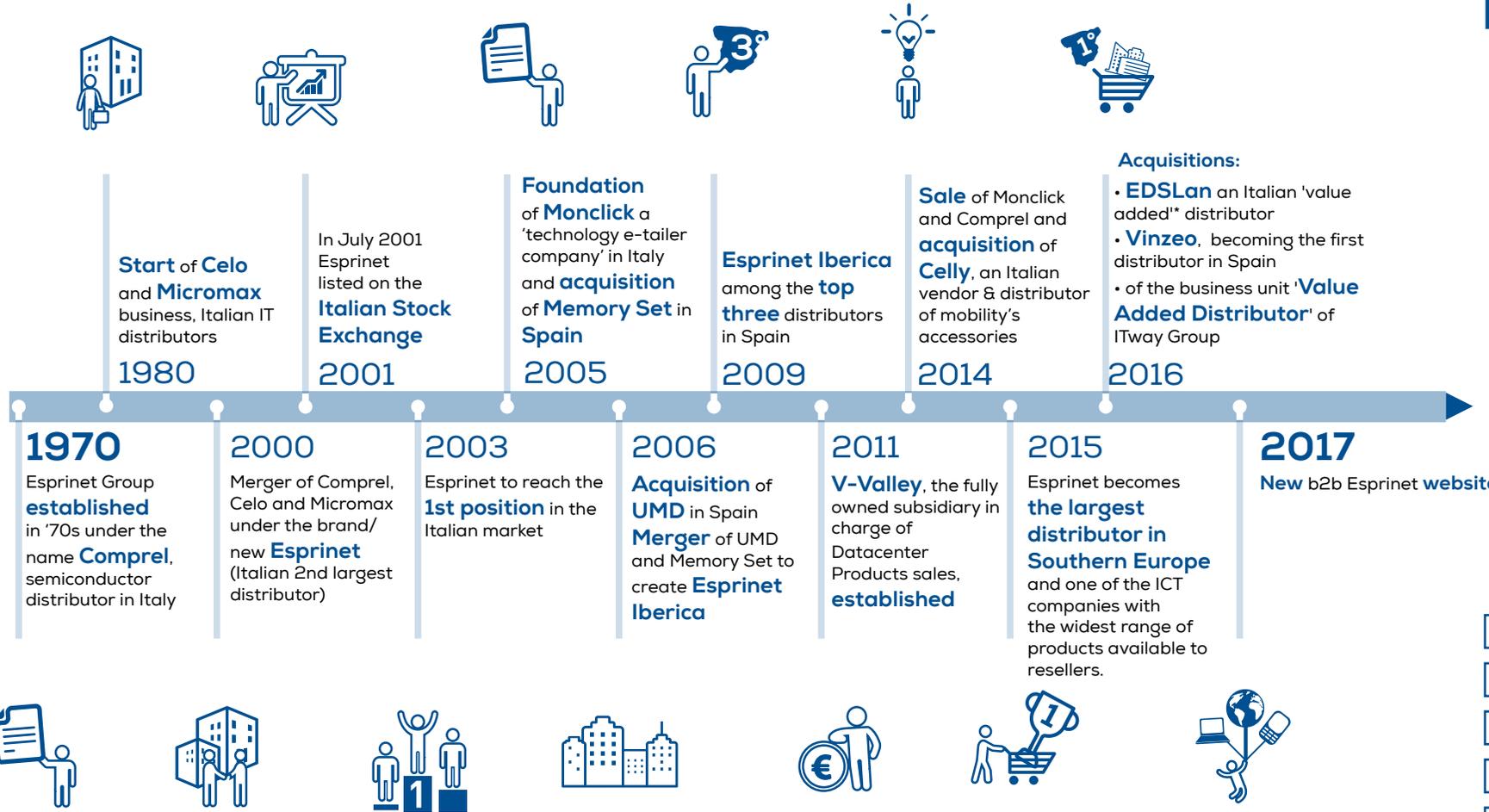
Mission & values

The Governance



Esprinet Group

Evolutions and revolutions



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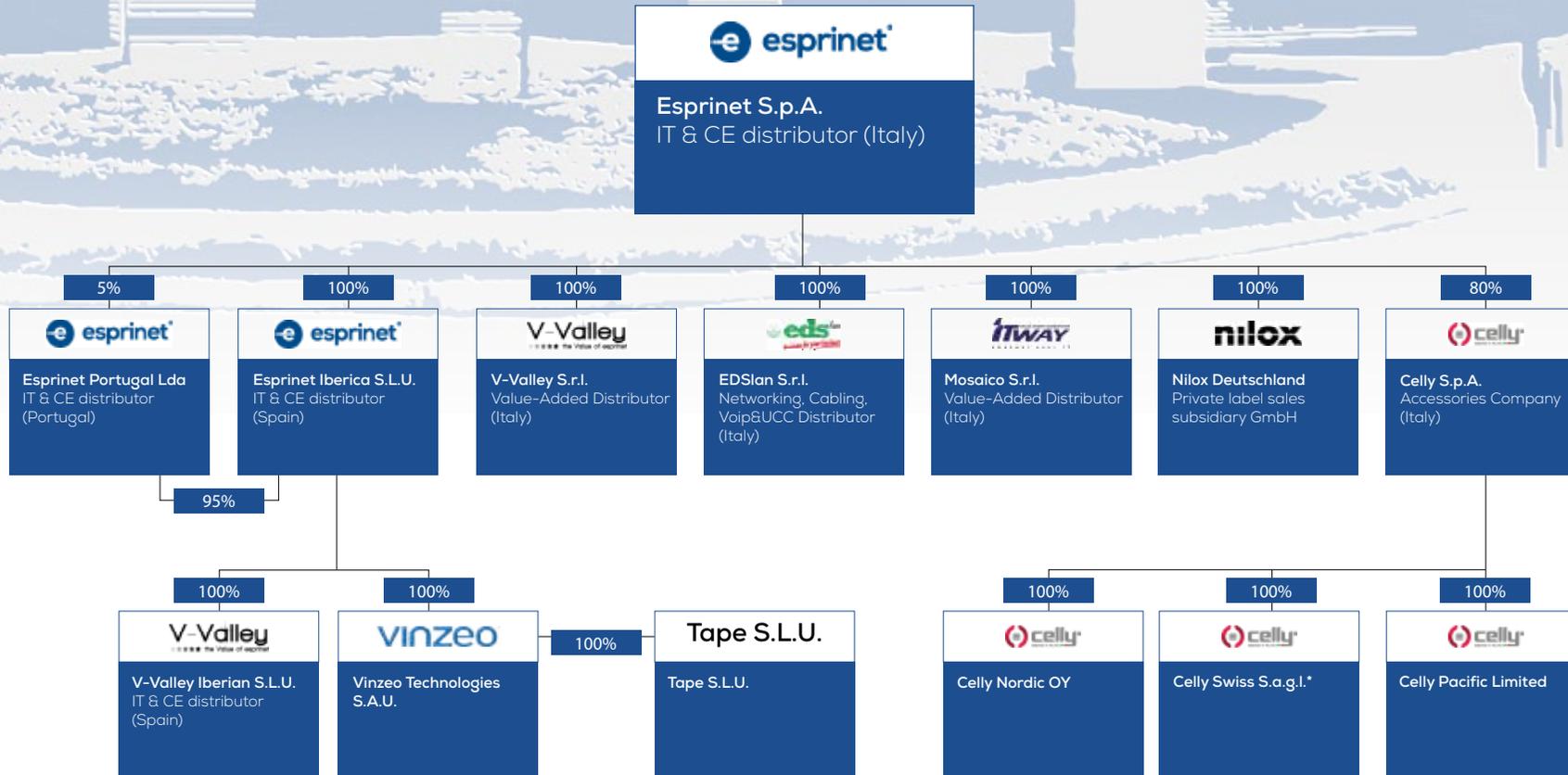
* 'Value added' refers to the market segment of complex technologies (i.e. Cloud Computing, Cyber Security)

Group structure

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* In liquidation as at 31/12/2017

Mission & values

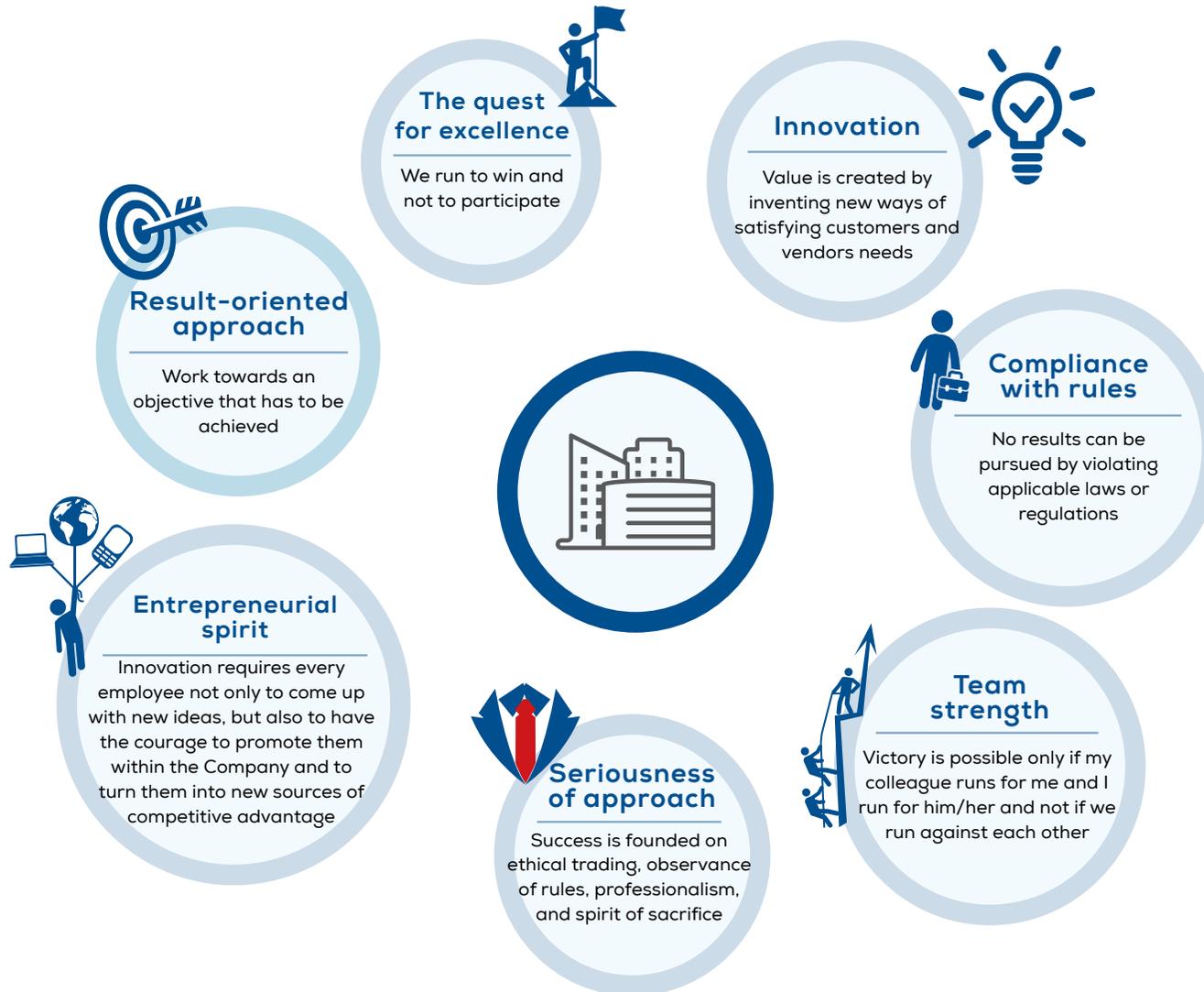
Esprinet, as reflected in the [Ethics Code \(https://investor.esprinet.com/content/81/corporate-governance/code-and-principles/\)](https://investor.esprinet.com/content/81/corporate-governance/code-and-principles/), has always aimed:

'To be the best technology distributor operating in its relevant markets, assuring shareholders an above average return on investment thanks to a precise, professional, honest, fast, reliable and innovative management of customers and suppliers relationship, by endorsing in the most attentive way the skills and innovative capabilities of its personnel'.

The Group's **Mission** is combined with the will to take concrete actions in relation to sustainable development to meet the needs of the present generation and to favour those of future generations.

The latter fundamental aspect requires continuous effort towards the balanced and virtuous management of financial, environmental and social performances aimed at **generating value for the stakeholders**.

Creating value for stakeholders by establishing lasting relationships is the promise made possible thanks to the **Esprinet Group values**:



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The Governance

An adequate system of **Corporate Governance**, understood as the set of rules of good governance applied to the management of the Company, is essential for the economic and social development, for credibility on domestic and foreign markets and the management of economic, social and environmental impacts.

Corporate governance focuses not only on the company's business risks and reputation, but also on corporate social responsibility towards all stakeholders. Esprinet adheres and conforms to the **Corporate Governance Code** for Italian listed companies in light of its **Star** status.

In order to meet the transparency obligations for issuers of listed securities, Esprinet prepares an annual '**Report on Corporate Governance and Ownership Structure**'** containing an overview of the adopted governance system, in addition to information on the ownership structure, on the organisational model pursuant to Italian Legislative Decree no. 231 of 2001 as well as the degree of compliance with the **Corporate Governance Code**.

It also outlines the main governance practices adopted in addition to the characteristics of the risk management system and internal control.

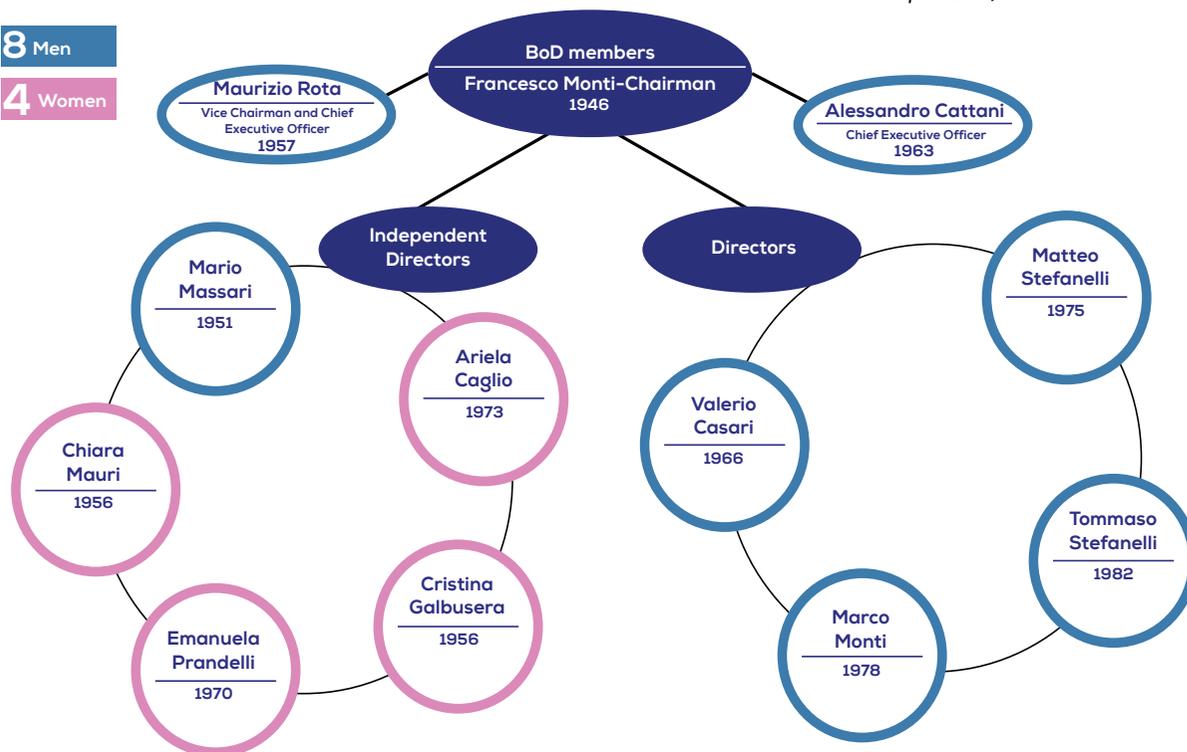
The governance system, designed and built according to the principles developed by the Committee for Corporate Governance of the Italian Stock Exchange, has been implemented through the adoption of codes, standards and procedures that characterize the activities of all organisational and operational components of the Company and are constantly reviewed and updated to respond effectively to the evolution of the regulatory environment and changes in operational practices.

* The Corporate Governance Code is available on the website of the Italian Stock Exchange www.borsaitaliana.it

** The 'Report on Corporate Governance and Ownership Structure' is published in the section Investor Relations - Documents and reports - Shareholders' Meeting 2017 - on the Company's website (www.esprinet.com).

8 Men

4 Women



Term limits of the Board of Directors: approval of financial statements 31 December 2017

The Board of Directors examines and approves the company's strategic decisions and all transactions that have a significant impact on the company's earnings, financial and net assets position, thereby considering significant, as standard of behaviour that of considering any transactions likely to influence, positively or negatively, business activities and operating results in a significant way. The Board of Directors is entrusted with the powers and responsibilities of the strategic and organisational policies, as well as ensuring the necessary controls for monitoring the development of the Company and the Group.

The Board of Directors has the authority to perform all acts deemed necessary for the implementation and the achievement of the company's goals.

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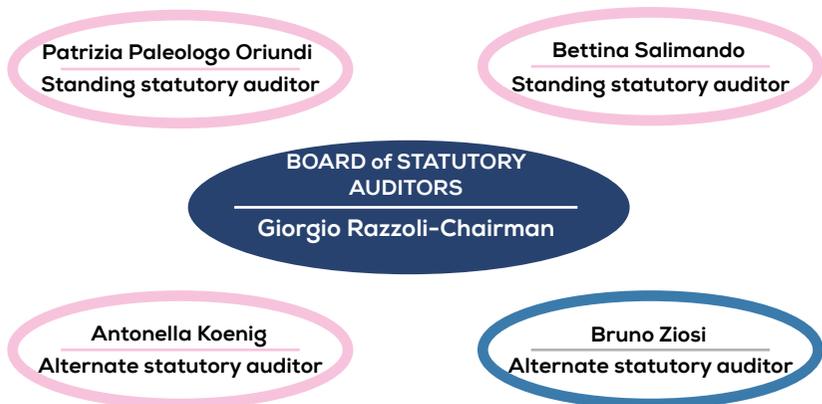
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Board of Statutory Auditors, Competitiveness and Sustainability Committee and other company bodies

The **Board of Statutory Auditors** supervises the financial reporting process, the effectiveness of the internal control, internal auditing and risk management systems, the statutory auditing of annual accounts and consolidated accounts and the independence of the independent auditors.



According to the provisions of the **Corporate Governance Code** of **Borsa Italiana**, listed companies, the following 4 advisory committees were appointed by the Board of Directors which will remain in office until approval of the financial statements for the fiscal year as at 31 December 2017.

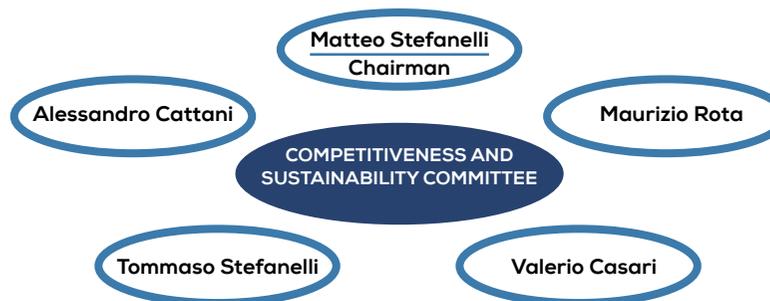
Remuneration and Appointments Committee

The Remuneration and Nomination Committee has an advisory function and makes proposals to the Board of Directors, in order to ensure a business remuneration policy that is aligned to the investors' needs and to the highest standards of corporate governance.

The composition of the above-mentioned committee is as follows:

- **Mario Massari (Chairman)**
- **Chiara Mauri**
- **Cristina Galbusera**

The **Competitiveness and Sustainability Committee** has the task of assisting the Board of Directors through inquiry – proactive and consultative in nature – aimed at creating the necessary preliminary conditions for the **creation of value** in the long term for the various categories of stakeholders.



Control and Risks Committee

The task of the Control and Risks Committee is to assist the Board of Directors through its powers to investigate, make proposals and advise in order to ensure that the main risks faced by the Group are correctly identified and appropriately managed and monitored.

The composition of the above-mentioned committee is as follows:

- **Mario Massari (Chairman)**
- **Chiara Mauri**
- **Cristina Galbusera**

Strategy Committee

The Strategy Committee is mandated to support the Board in defining the competitive strategy of the Esprinet Group both at the company level and in the individual business areas, helping to identify the principal opportunities for the creation of value.

The composition of the above-mentioned committee is as follows:

- **Tommaso Stefanelli (Chairman)**
- **Matteo Stefanelli**
- **Francesco Monti**
- **Marco Monti**
- **Maurizio Rota**
- **Alessandro Cattani**
- **Valerio Casari**

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ESPRINET & THE MARKET

Economic performance and net assets position

The relevant sector

Breakdown sales

Value generated for stakeholders

Close to suppliers

Close to customers

Economic performance and net assets position

Esprinet closed the year 2017 with a net income of 26.3 million euro, on revenues that exceed the threshold of 3.2 billion euro (increased by 5.7% compared with 2016) and a value of EBIT amounting to 34.3 million euro.

All the main financial-equity indicators were once again positive. The financial position shows equity amounting to 338.2 million euro and a cash surplus equal to 123.1 million euro.

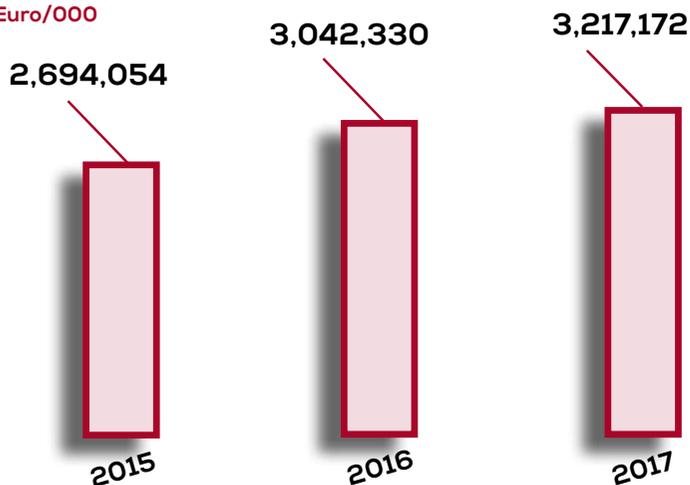
Once again, the more than ten-year-old market leadership has been confirmed again in Italy, also confirming leadership in Spain as well in 2017.

Training and development of human resources activities continued, with the aim of forming teams of new managers who can effectively supervise the new lines of business, especially in the world of 'Value-added' technologies that are considered an important growth area for the Company in the future.

As shown in the previous paragraphs, the Esprinet Group is continuing its path of **value creation** for its shareholders as well as for all other stakeholders.

Revenue performance

Euro/000



Performance indicators

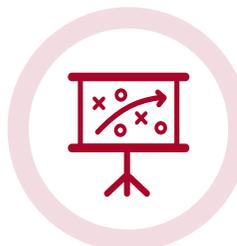
3.2 billion euro revenues in 2017



+5.7%

vs 3.0 billion euro in 2016

167.8 million euro of gross margin in 2017



+2.4%

vs 163.9 million euro in 2016

34.3 million euro of EBIT in 2017



-10.9%

vs 38.6 million euro in 2016

26.3 million euro of net profit in 2017



-2.2%

vs 26.9 million euro in 2016

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* 'Value added' refers to the market segment of complex technologies (i.e. Cloud Computing, Cyber Security)

The relevant sector

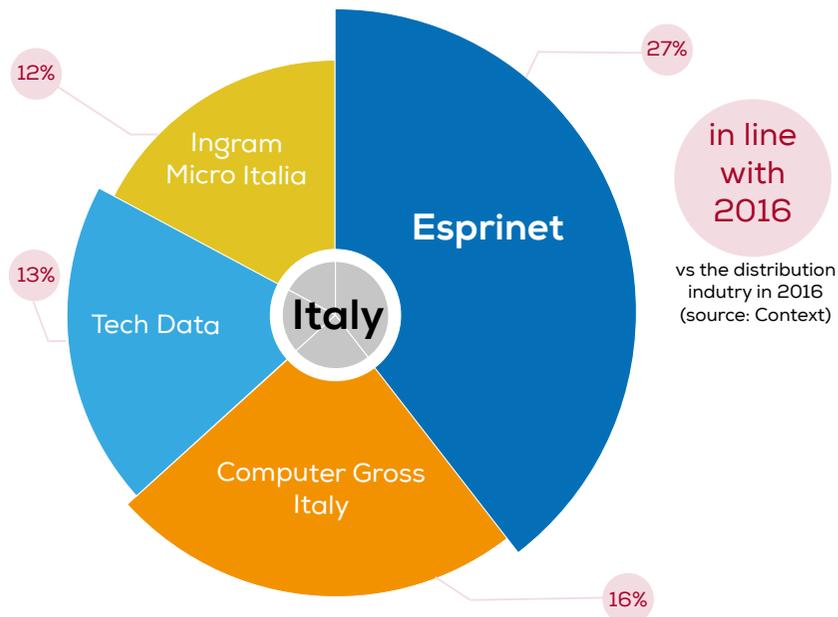
The Esprinet Group operates in the **'business-to-business'** technology distribution sector in Italy and Spain.

The main activity consists of distribution of IT products (hardware, software and services) and consumer electronics products.

In addition to more traditional IT products (desktop PCs, notebooks PCs, printers, copiers, servers) and related consumables (cartridges, toner, magnetic media) the Group also distributes tablets, mobile devices (smartphones) and their accessories, networking devices (modems, routers, switches) digital products and entertainment devices such as TVs, cameras, camcorders, video games and MP3/MP4 players.

The Group also distributes products under its own brands names, such as **'Nilox'** (sport entertainment, wearable devices and accessories for PC) and **'Celly'** (mobile devices accessories).

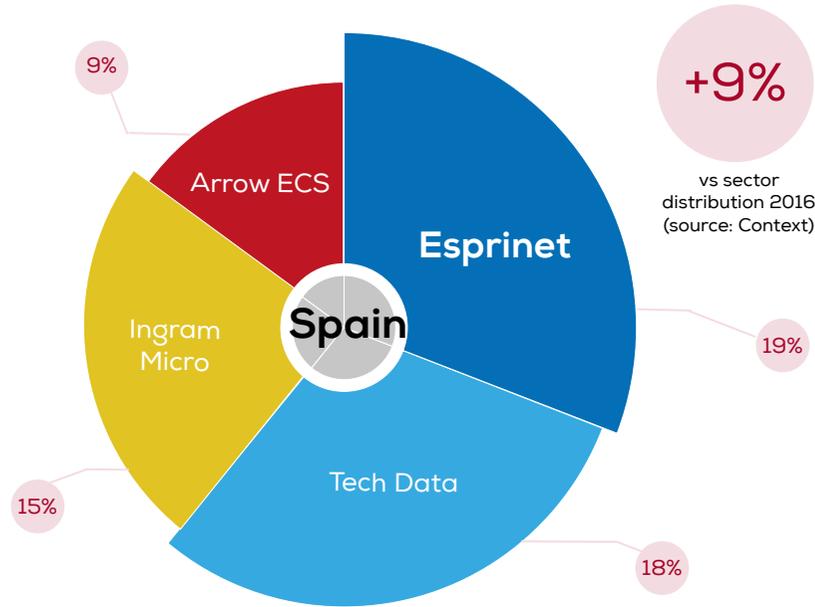
Italian distribution sector in 2017: the main competitors*



In 2017 the Italian distribution market (source: Context, January 2018) ended up basically at 2016 levels: Esprinet Italia remains the leading distributor in the Italian market, with a market share that is substantially stable from year to year.

* Source: Sirmi, included in the chart are companies with market share above 5% (total other competitors: 32%)

Spanish distribution sector in 2017: the main competitors**



In 2017 the Spanish distribution market (source: Context, January 2018) saw a growth of +9% compared to 2016.

The Esprinet Group is the first technology distributor also in the Spanish market (source: Channel Partner March 2018), even though the market share decreased by about 3% vs 2016.

The Group reconfirms its market leadership in both Italy and Spain, and within the top 10 distributors in the world



**Source: Channel Partner (top 100 companies in the Spanish distribution sector database), including companies with market share of more than 5% (total other competitors: 39%)

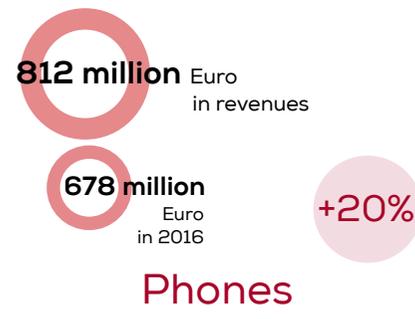
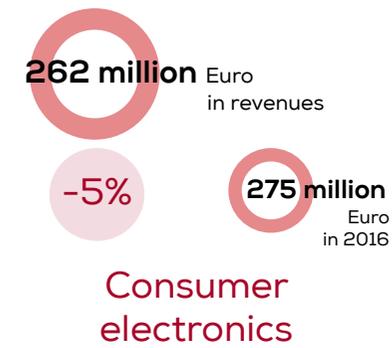
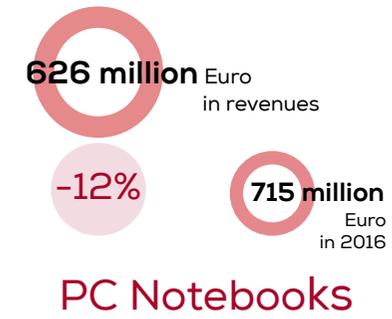
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Breakdown sales - Main categories



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Value generated for stakeholders

Esprinet bases its relationships with its stakeholders on principles of **good faith, propriety, integrity** and **transparency**, in respect of the rules of law and regulations issued by the Supervisory Authorities, so as to establish and consolidate relationships of trust and to protect its reputation.

The wealth generated by Esprinet Group has been distributed among the main entities that contributed to producing it:

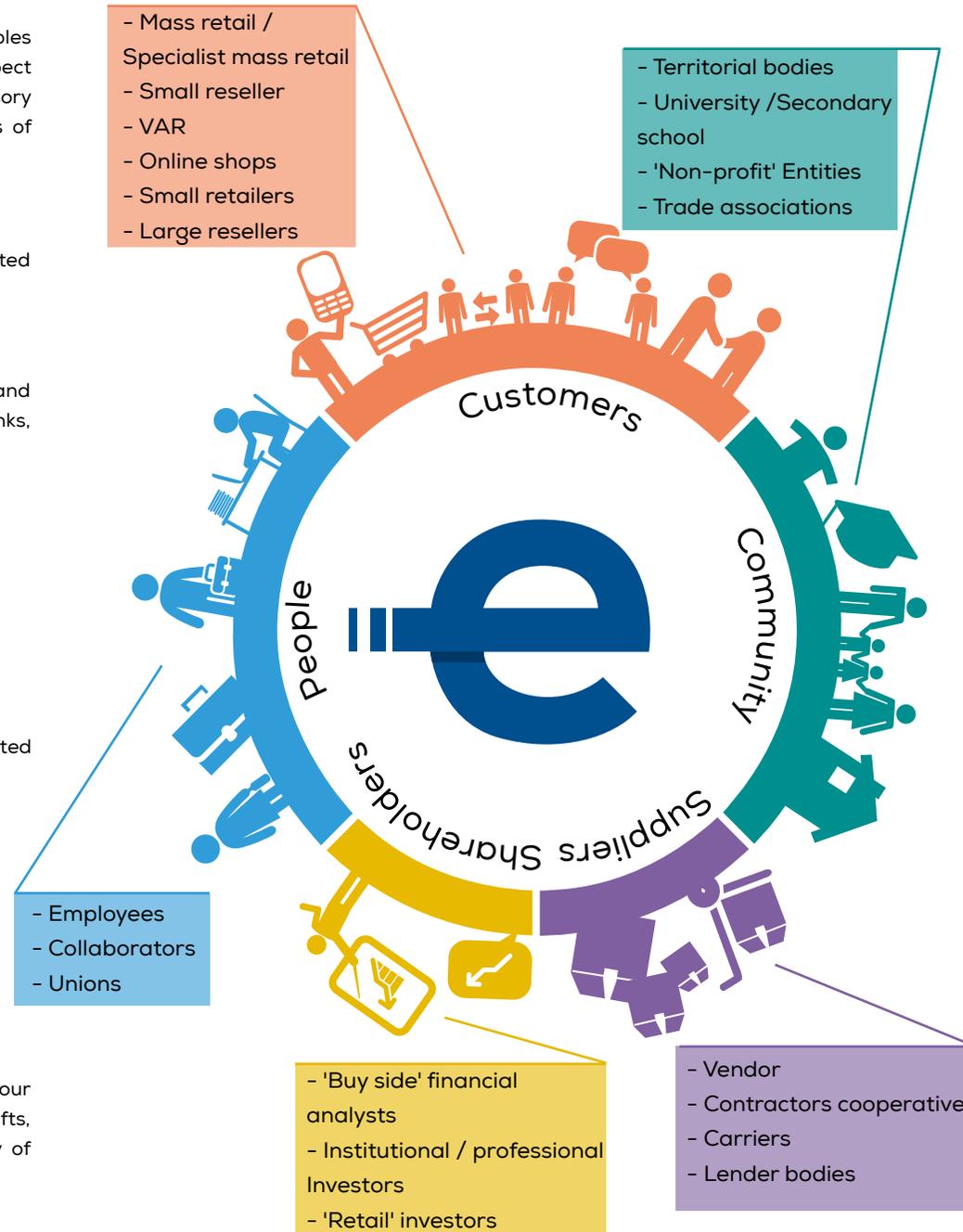
Suppliers: costs for the purchase of goods and services and interest payable paid to lender bodies (banks, factoring companies, capital market);

Customers: value of products and services supplied;

People: compensation of employees (wages and related expenses) and external collaborators;

Shareholders: remuneration of own capital (dividends and capital gain);

Community: investments in the social fabric and in favour of territorial bodies, donations and gifts, sponsorships and taxes paid in the capacity of 'taxpayer'.



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Value generated for stakeholders

In 2017, the Esprinet Group distributed to its stakeholders a total **value** of about **3.197 million euro** (increased by 5.9% compared with 2016), with a generated economic value of 3,221 million euro.

This amount was distributed in the amount of 97,50% to suppliers in the form of payment for goods and services, 1,89% to employees, 0,24% to the Public Administration (P.A.) in the form of taxes and fees, 0,22% to shareholders as dividends, 0,15% to capital providers in the form of interest, while the remaining part was distributed to the community in the form of sponsorships and donations to non-profit associations.

The economic value generated directly and distributed - €/000 -

Item*	2017	Economic value distributed in 2017, breakdown in %	2016	Economic value distributed in 2016, breakdown in %	2015	Economic value distributed in 2015, breakdown in %
Economic value generated**	3,220,557		3,046,724		2,694,546	
Economic value distributed	3,196,675	100%	3,017,695	100%	2,663,861	100%
Operating costs	3,116,913	97.50%	2,944,220	97.57%	2,593,232	97.35%
Value distributed to employees	60,503	1.89%	55,958	1.85%	48,071	1.80%
Value distributed to capital providers	4,664	0.15%	3,586	0.12%	3,317	0.12%
Value distributed to the P.A.	7,535	0.24%	6,794	0.23%	11,297	0.42%
Value distributed to shareholders***	6,987	0.22%	6,987	0.23%	7,764	0.29%
Value distributed to the community	74	n.s.	150	n.s.	180	0.01%
Economic value withheld	24,448		28,213		29,258	

* Source: unless otherwise specified, reference is made to the Financial Statements

** The generated economic value also includes the item 'other income'

*** The 2017 value refers to the dividends distributed in the year 2017. The data of previous years already take into account approved dividends and subsequently distributed as they are already known at the date of publication of the sustainability report

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Close to suppliers

The Esprinet Group intends to establish business relationships with its vendors and 'business partners' based upon **transparency**, **honesty** and **business ethics**. The development of transparent and lasting relationships with vendors, attention to quality, safety and respect for the environment and compliance with existing regulations are objectives to be pursued with a view to consolidating the value generated and distributed to stakeholders.

Therefore, in line with its Ethics Code the Company has defined a **Code of Conduct** aimed at guiding relationships along the value chain. The objective is to collaborate sustainably with its vendors and to manage the **supply chain** responsibly to guarantee to the Company and its customers that the procurement of products is constantly characterised by a satisfactory quality-price ratio.

The Esprinet Group undertakes to apply **high social**, **environmental** and workplace **health** and **safety standards** and it expects the same commitment conveyed by the Code of Conduct from its vendors, for a sustainable management of the Group's supply chain (www.esprinet.com investor area).

2,614 suppliers* active in 2017 vs
2,993 in 2016



2.96 billion the value generated to the suppliers of
goods and services in 2017



* The data do not include Vinzeo Technologies S.A.U., Tape S.L.U. and Mosaico S.r.l

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Close to customers

The Esprinet Group boasts among its customers **over 36,000 IT and consumer electronics resellers**.

They range from small dealers and independent computer shops, to Mass Retail Chains, general and specialist, from large system integrators and value added resellers to resellers of office products and consumables to 'e-tailers'!

To meet their requirements comprehensively, the Esprinet Group does not only deal with distribution logistics but it also offers many **services aimed at increasing business potential and supporting growth**.

In fact, the Group not only intends to support customers in the sale process but also to assist them in the process of generating business, intermediating tools and solutions to develop marketing and promotional activity (e-commerce channel, videos, on-line advertising) as well as a widespread range of advanced technical services (i.e. repair, support and maintenance) as well as training.

Innovation is the constant that characterises the industry of IT and consumer electronics.

This is why, in its capacity as leader company, the **Esprinet Group also puts itself forward as a point of reference to guarantee accessible information**, that is qualified and constantly updated on the latest technological innovations, which would be difficult to find quickly and independently, especially by less structured players.

36 thousand professional customers

served in 2017 in the B2B area for a total of

3.2 billion euro turnover



To this end, the underlying code of the e-commerce platform, that has been presented during the spring 2017, was completely redrafted. This platform, together with the new CRM tools (which were also launched in the first months of 2017), enable to start a massive use of 'Big Data Analysis' tools, thus offering a better and innovative service to Group customers.



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Close to customers

During 2017, Esprinet Group organized 246 events throughout Italy and Spain, attended by over 21,000 customers who had the chance to try out the most innovative technologies. To provide a service close to its customers, the Group also has a network of **19 Cash & Carry** stores spread throughout Spain and Italy, where customers can view the products displayed and take them away immediately.

To optimise the availability of products in the Cash & Carries, starting in 2014 Esprinet created a tool (known as the 'smart shelf') which optimises the replenishment on the shelves and allows for dynamic management of stocks, enabling a reduction of road transportations from the central warehouses to the sales outlets. Furthermore, to guarantee the immediate availability of goods, the Group offers a service to its own customers of direct delivery of purchased products to the homes of their end users, even with the possibility of customisation. In addition, Esprinet promotes **Zerozerotoner** to its customers, a maintenance service for print consumables that provides for the collection of used consumables and the total recovery of raw materials. With Zerozerotoner, the responsibility for waste disposal is shifted from the user to the service provider, totally relieving the customer of the role of 'waste producer' and of every corresponding legal obligation and responsibility.

In a macroeconomic scenario where small and medium sized enterprises are finding it increasingly difficult to keep up with payments, Esprinet helps its customers understand the financing tools available on the market. **Esprifinance** is the umbrella brand that brings together the accesses to these tools, which take form in the offer of flexible payment models through agreements with facilitated conditions with the primary companies offering leases/rents and loans in Italy. Furthermore, Esprinet through an exclusive partnership with American Express offers to its customers a credit card that allows payment terms to be extended free of charge. To diversify the market opportunities for small and medium-sized customers, Esprinet offers the **Marketplace Connector** service, which is aimed at making their products visible on major e-commerce websites through the outsourcing of the main online sales activities.

In 2017 **CO-GUARD** was launched, the first all-Italian system for monitoring competitors' prices online. This tool allows customers to monitor the prices of competing e-commerce sites, to remain competitive in the market, maximize profit margins and save time. Finally, reflecting the degree of professionalism and reliability demonstrated by Esprinet towards its customers, in 2004 a **Quality Management System** was implemented in accordance with the **ISO 9001** standard, certified by an accredited institution. The Group companies that in 2017 obtained this certification were Esprinet S.p.A., V-Valley S.r.l., Celly S.p.A., Esprinet Iberica S.L.U.



ISO 9001 Certification

Marketplace connector
for small-medium enterprises to
make their products
more visible



Zerozerotoner
collection of consumables and
recovery of raw materials

co-guard

first all-Italian system for monitoring
competitors' prices online



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4

ESPRINET & THE ENVIRONMENT

Environmental Culture

Environmental impacts

The integrated supply chain

Energy consumption and emissions

The Esprinet chain

Raw materials

Waste



Environmental Culture

The **Esprinet Group** aims to affirm a strong environmental culture, in the absolute belief that **respect for the environment** is an essential value for guiding everybody's lifestyle towards a more sustainable future. In fact, the Group undertakes to safeguard the environment through different activities, like a more rational use of resources and energy savings.

Thanks to this vision, the Esprinet Group undertakes a series of initiatives aimed at the reduction and prevention of negative effects deriving from the exercise of its activity. These include, for example, the choice of energy supply from renewable energy.

In order to obtain greater control of the environmental impacts of its business activities and the ability to systematically pursue coherent and effective improvement, the Esprinet Group has implemented an environmental management system, adopted by all Group companies.

The environmental impacts of the Group's activities can be classified as direct and indirect.

The former relate to activities directly implemented or controlled by the Group (e.g. packaging put on the market) while the latter derive from activities connected and functional to the core business but over which the Group does not exercise direct control (for example, transportations from suppliers and to our customers).

Since 2015 Esprinet has used electricity certified as coming from **renewable sources** in Italy*.

Since 2015 100% use of renewable energy sources in Italy



Since 2013 administrative office certified

LEED PLATINUM



* Here are considered Esprinet SpA, V-Valley, Celly, EDSlan and Mosaico from October 2017



Environmental impacts

Esprinet Group's environmental impacts are mostly attributable to the following aspects:

-  **energy consumption** of the offices, warehouses and Cash & Carry stores;
-  **carriers** from the warehouses of suppliers to those of Esprinet and from the Esprinet warehouses to the Cash & Carry stores and to the homes of its customers or their customers.
The emissions of the carriers due to **direct deliveries** from the Group's warehouses to customers were 3,921 tCO₂ in 2017, up 99% compared to 2016, equal to 1,973 tCO₂. This increase is mainly due to the Group's tendency to use an ever greater number of dedicated shipments. The increase for the Italian sub-group is also associated with the growth of international shipments mainly linked to its own brands (Nilox and Celly). For the Spanish sub-group the increase is also attributable to the transition from indirect deliveries to direct deliveries for one of the main large chain customers, due to new contracts.
The emissions of transporters deriving from **indirect deliveries** from the Group's warehouses to customers were 1,942 tCO₂ in 2017, an increase of 10% compared to 2016, equal to 1,767 tCO₂.
The emissions deriving from transport have increased overall, also due to the constant increase in the Group's turnover.
The Group is working to **mitigate the impacts deriving from the transport of products**, focusing on the increase in direct deliveries that make it possible to reduce the overall amount of travel of goods from the Group's warehouses to customers. Furthermore, in 2017, a pilot project was launched which envisages the use of electric vehicles for short-haul deliveries, with the aim of expanding and extending the initiative during 2018.

-  **raw materials** used for packaging;
-  **waste** generated in the administrative offices and warehouses;
-  **CO₂ emissions** throughout the supply chain.



The integrated supply chain



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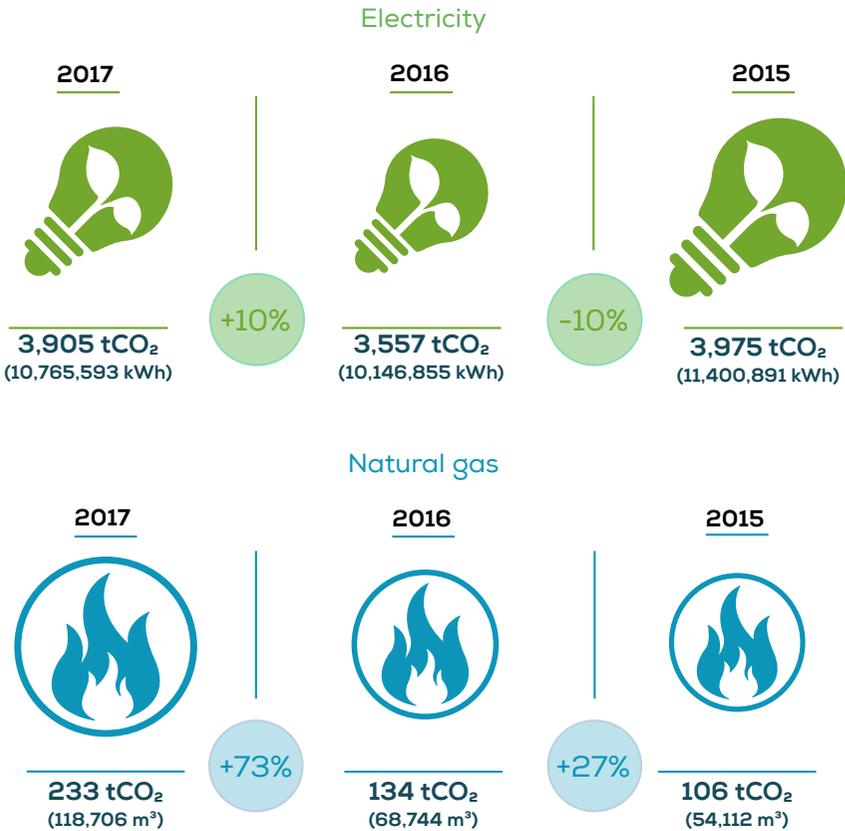
Energy consumption and emissions

The total energy consumption of the Esprinet Group is up 19% compared to 2016: this increase is due to the slightly colder winter temperatures of 2017.

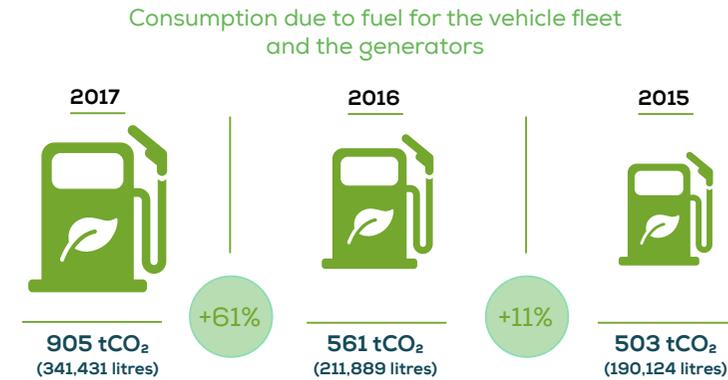
Consumption is proportionally higher than the increase in sales of the Esprinet Group (6% vs. 2016). However, the company remains focused on reducing consumption and energy efficiency, especially in the new structures and new installations.

During 2017, a total of 5,043 tonnes of CO₂ were produced, compared to 4,252 the previous year (+19%). Direct emissions in 2017 amounted to 1,138 tCO₂ (23% of total emissions), an increase of 64% compared to 2016.

As for natural gas, it is only used in heating systems in Italy.



	Energy consumption (GJ)		
	2017	2016	2015
Electricity	38,756	36,529	41,043
Natural gas	4,171	2,420	1,895
Fuel* (diesel, petrol)	12,263	7,622	6,839
Total	55,189 GJ	46,570 GJ	49,777 GJ



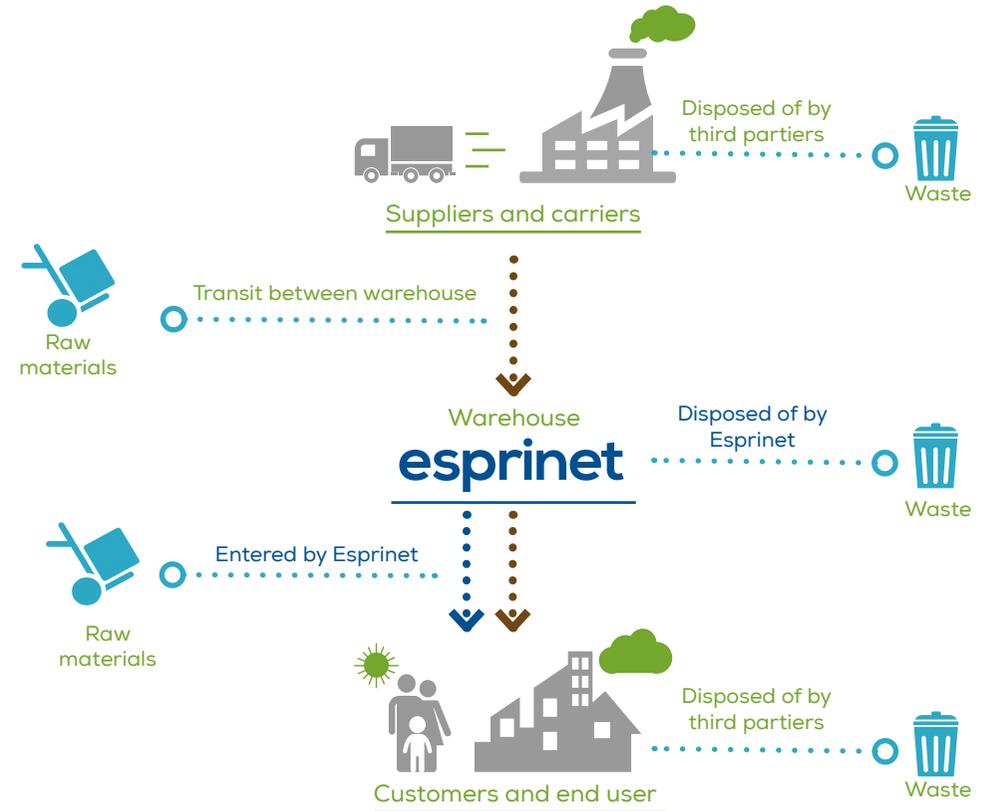
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* The fleet and the generators are considered here

The Esprinet chain

Esprinet works in the 'business-to-business' distribution of technology. It is therefore included in the IT supply chain as a wholesale distributor of technological products.

Raw materials introduced and waste disposed



To begin with, account must be taken of the **raw materials inserted into the chain** without the Group being responsible for disposing of the same. These include packaging used by the Group to assemble its deliveries which only become waste once they have reached the customer-reseller or the end user, who will dispose of them.

Secondly, there is the **waste that is the Group's responsibility to dispose of** and which is largely added to the supply chain by manufacturers or by the third-party companies that transport the products to the Esprinet Group warehouses, like the packaging used to transport the products.

Raw materials

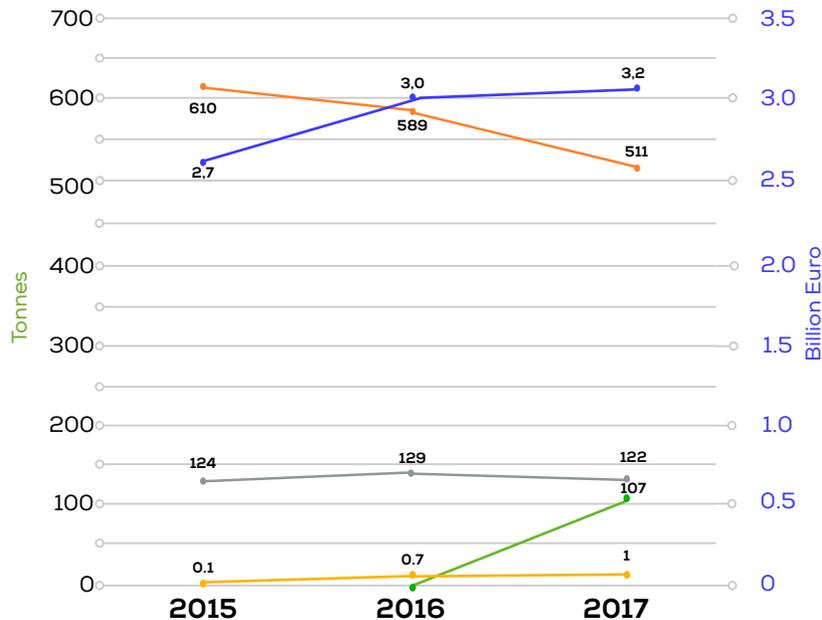
The raw materials contributed by the Esprinet Group to the supply chain consist primarily of paper, cardboard, plastic and iron spikes used for packaging products.

It is worth noting that there has been a **reduction in the quantity of paper and cardboard used**, thanks to the **optimisation of the packaging size**.

In addition to those previously indicated, in 2017 a new raw material was introduced, wood, whose use was equal to 107 tonnes.

The introduction of wood, the material used to make the pallets used for shipments, became necessary as a result of a varied mix of products managed by the warehouse.

Previously the management of palletized shipments was carried out using pallets incoming from the vendors, which therefore did not involve the purchase of this raw material.



Use of raw materials for packaging (tonnes) and revenues (€ billion) over the three-year period

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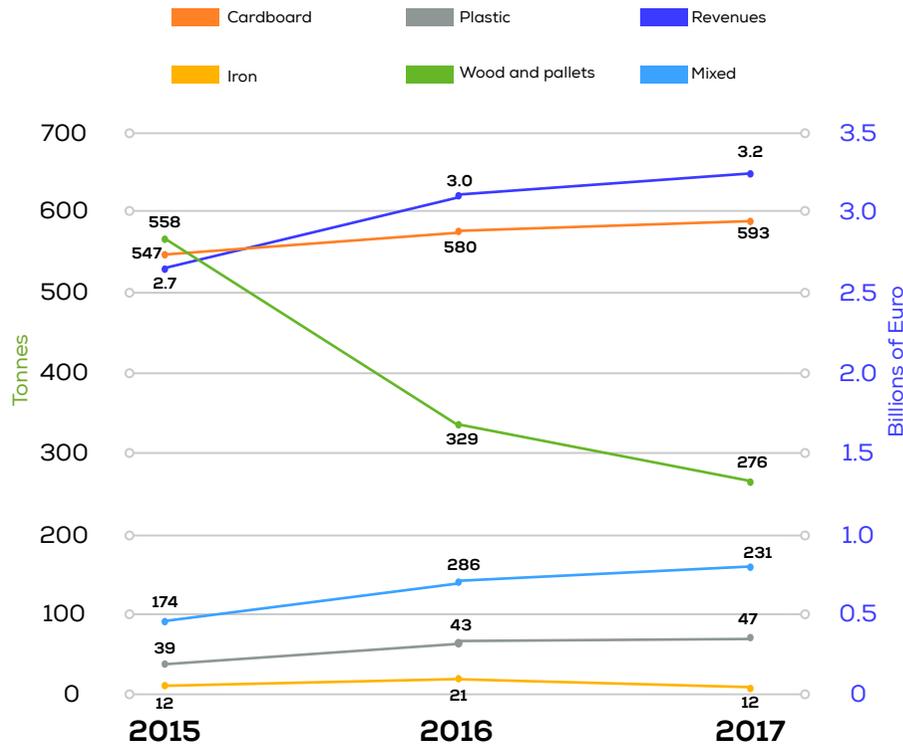
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Waste

The waste that the Esprinet Group has to dispose of comes mostly from packaging used for transporting products from the production site to the Group warehouses and of waste mainly consist of paper, cardboard, plastic, wood from pallets and iron.

The total waste showed a decrease of 7% compared to 2016, going against the trend of the turnover which is continually increasing.



Quantity of waste generated (tonnes) and revenues (€ billion) over the three-year period

Waste like paper, cardboard and plastic produced by the offices and Cash & Carry stores is not reported as it is entrusted to municipal collection.

In recent years, Esprinet has committed itself to reducing the quantity of paper produced by using **electronic formats for issuing invoices and transport documents**.

Type of waste	2017	2016	2015
WEEE	15.1	4.2	4.0
Toners	0.8	0.4	1.4
Batteries	0.2	0.1	0.0
Neon	0.2	0.1	0.0

Other waste generated in the three-year period (tonne)

The other waste produced from the headquarters, the Cash & Carry stores and the warehouses are mostly toner and waste from electrical and electronic equipment ('WEEE'). The Group's waste managed as hazardous during disposal all belong to the WEEE category (12% in 2016 and 7% in 2017 of the total WEEE).

Disposal method	2017	2016	2015
Disposal/Waste to energy	231	286	174
Recycling/Treatment	945	978	1,161

Total waste generated in the three-year period by type of disposal (tonnes)

For the disposal of waste, the Spanish subsidiary Esprinet Iberica joined the Ecotic, Ecopilas and Ecoembes consortia; Vinzeo S.A.U. joined Ecoplias and Ecoasimelec consortia, while Esprinet Portugal joined the consortia Erp, Ecophilas and Ponto Verde.

Esprinet S.p.A., Celly S.p.A., EDISlan S.r.l. and Mosaico S.r.l. are members of the **Remedia consortium**. All the companies delegate the operational aspects of the management of end-of-life products to the aforementioned consortium in accordance with the laws on the disposal of electrical and electronic waste and batteries. Italian companies have also adhered to SISTRI (the waste traceability checking system), founded in 2009 by the Ministry for the Environment and Protection of Land and Sea for computerizing the entire chain of the special waste at national level.

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5

ESPRINET & PEOPLE

Corporate culture

Key numbers

Safety in the workplace

Training

Smart Working

Performance management



Corporate culture

Human resources are considered of primary importance in pursuing company objectives.

For this reason, the Group's professional relationships are based on loyalty, propriety and mutual trust.

Esprinet Group protects and promotes the value of human resources, encouraging their professional growth, undertaking to avoid discrimination of any nature and guaranteeing equal opportunities to both sexes; it also guarantees working conditions respectful of individual dignity and safe and salubrious working environments.

Despite a constant attention to cost rationalisation, the Group has undertaken a series of initiatives to make the most of its capital:

• maintenance of the certification of the Esprinet S.p.A. and Esprinet Iberica S.L.U. companies in the field of safety and health protection according to the OHSAS 18001 standard;

• targeted internal and external training for management needs;

• selection of the best resources coming from the main national schools and universities and constant attention to internal mobility for the purpose of fostering professional and interfunctional growth;

• compensation system based on principles of selectivity for the purpose of rewarding the best performance and according to the principles of meritocracy linked to the achievement of individual objectives;

• introduction from 2013 of flexible working hours;

• introduction of the smart working project in 2017.

91%

**Employees hired for an
permanent contract**

**Female
representation**

54%



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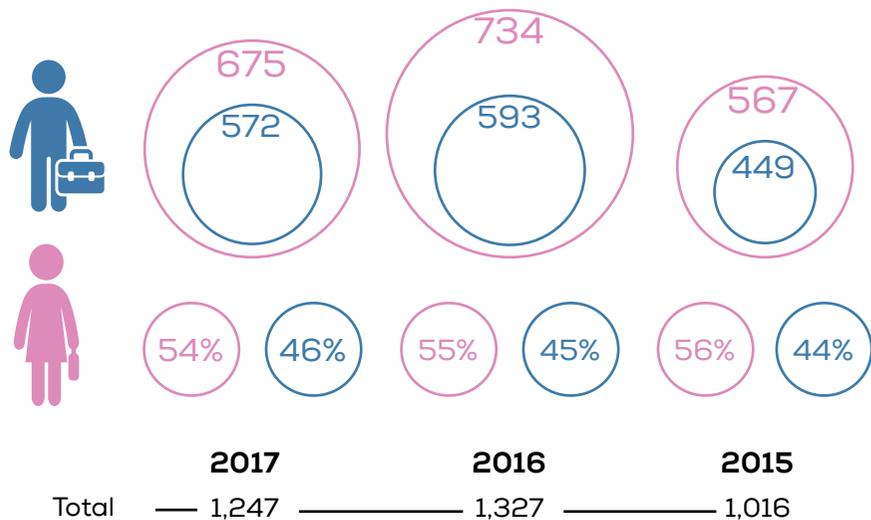
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Key numbers

Employees broken down by gender



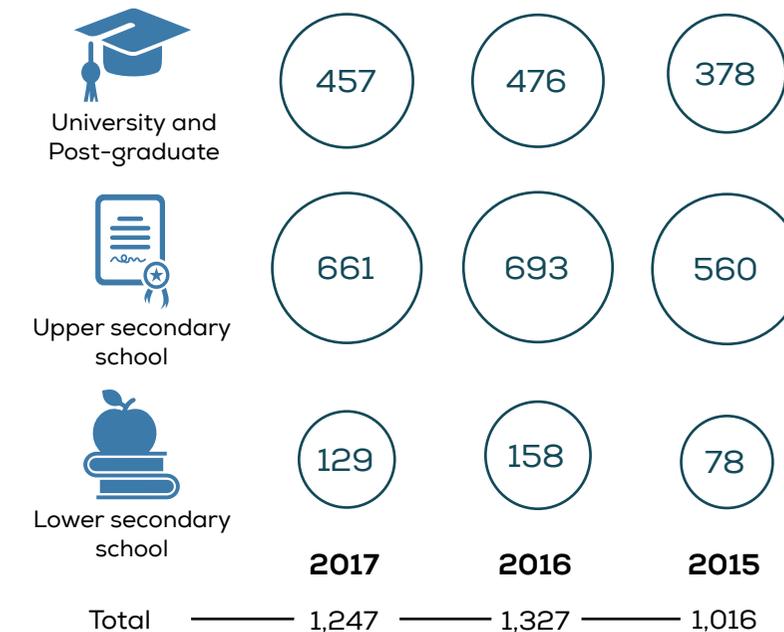
Compared to 31 December 2016, the number of employees at the end of the period decreased by 80 units due to the restructuring described in this document on pages 39 and 40, where the hirings and terminations recorded by the Group are discussed.

In line with the previous year, the percentage of female employees remains almost unchanged for the Italian sub-group, equal to about 51% (411 units out of 813 units) and, conversely, again in line with last year's data, a prevalently male workforce in Edslan S.r.l. with a percentage of about 63%.

As for Spain and Portugal, the number of women employed continues to prevail (264 units out of 434 units overall, equal to 60%), slightly lower in percentage compared to the figure recorded at 31 December 2016.

Employees broken down by level of education

At the end of the year the percentage of college graduates for the Group as a whole was equal to 37%; the percentage of high school graduates was 53%.



Graduate employees 37%

60%

Female representation in the Iberian Peninsula

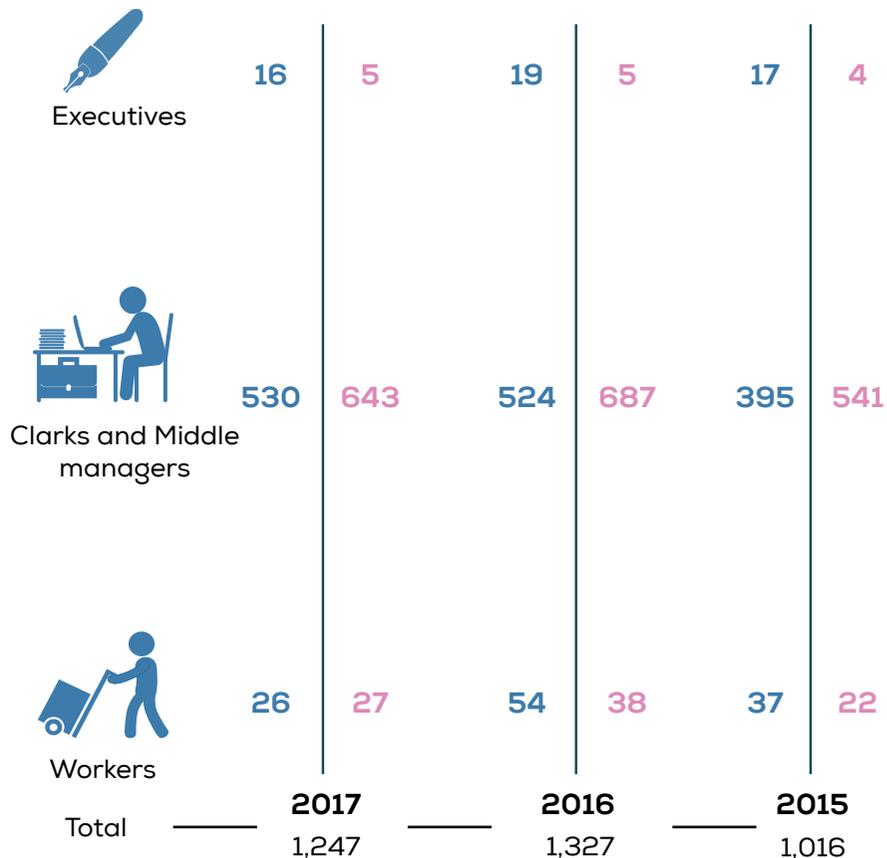
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Key numbers

Employees broken down by professional category and gender

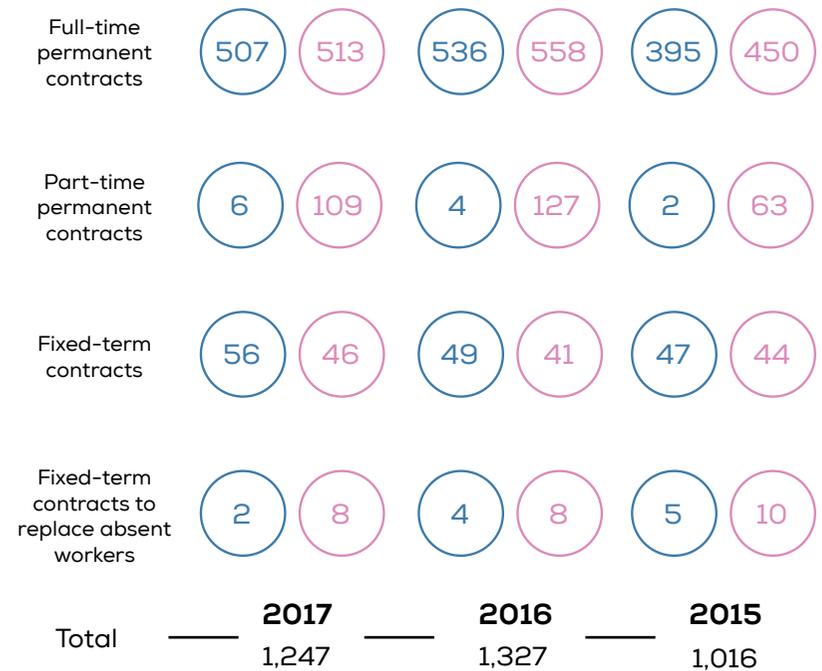


As at 31 December 2017, the Esprinet Group had 1,247 employees, of which the majority (equal to 1,173 units) fall within the professional category of clarks and middle managers (530 men and 643 women).

Employees broken down by contract and gender

The high prevalence of permanent contracts (91% of the total) highlights the desire of the Group to create a lasting relationship with its own people.

Among permanent employees, the percentage working full time was 90% in 2017, 89% in 2016 and 93% in 2015.



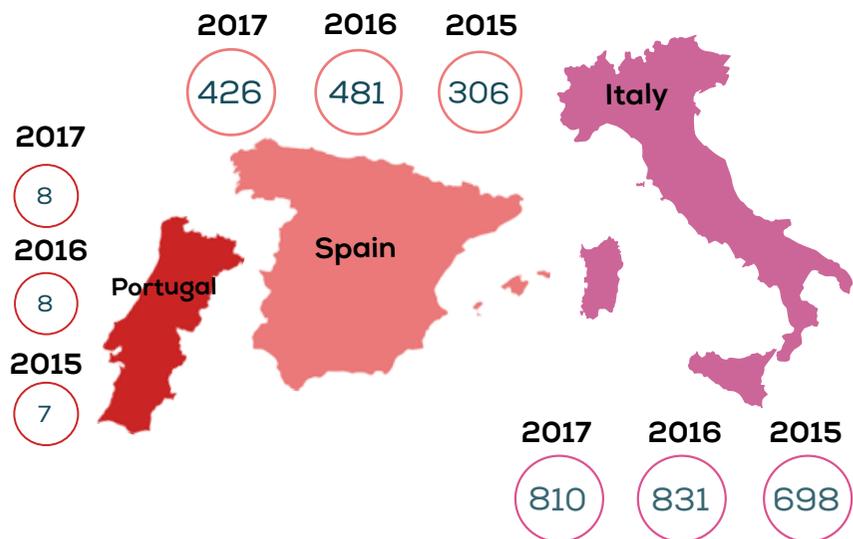
Furthermore, during the three-year period of this report, the Esprinet Group collaborated with some external agents: in 2015, at the end of the year, there were 68 agents in Esprinet S.p.A. and in Celly S.p.A.; in 2016 there were 84 in Esprinet S.p.A., Celly S.p.A. and EDSlan S.r.l. and 4 in Vinzeo Technologies S.A.U. and Tape S.L.U.; at the end of 2017 there were 76 agents in Esprinet S.p.A., Celly S.p.A., EDSlan S.r.l. and Mosaico S.r.l. and 4 in Vinzeo Technologies S.A.U. and Tape S.L.U.

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Employees broken down by geographical area



In 2017 the Group's employees were 65.0% in Italy, 34.2% in Spain and 0.6% in Portugal.

Employees of the Celly subsidiaries (Celly Nordic OY and Celly Pacific Limited) equal to 0.2% who operate outside of Italy were excluded from the division of employees by geographical area.**

All employees of the Esprinet Group are covered by national collective labour agreements applicable to the business sector and place of work***.

It is noted that for the 2015-2017 three-year period, no case of discrimination was brought to the attention of the Company.

* Subdivision carried out starting from the geographical location of the operational headquarters of the individual companies

** For this reason, 5 employees were not considered in 2015, 7 in 2016 and 3 in 2017. These omissions fully explain the difference in total employees reported for other classifications

*** For the Celly subsidiaries (Celly Nordic OY and Celly Pacific Limited) data n.a.

Employees broken down by age

< 21 - 30 >	176 14%	196 15%	179 18%
< 31 - 40 >	495 40%	584 44%	503 50%
< 41 - 50 >	441 35%	421 32%	269 26%
> 51	135 11%	126 9%	65 6%
Total	2017 1,247	2016 1,327	2015 1,016

As at 31 December 2017, 40% of the Group's population was aged between 31 and 40, decreasing compared to 2016, while 35% of employees were aged between 41 and 50, increased compare with respect to the same period of 2016 (32%).



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Number of hires

Number of terminations

	2017	2016	2015	2017	2016	2015
	165	298	200	245	144	155
Gender						
 	96 69	171 127	92 108	122 123	86 58	62 93
Age range*						
< 21 - 30 >	74	81	103	68	43	63
< 31 - 40 >	51	84	68	95	50	58
< 41 - 50 >	28	90	24	55	39	24
> 51	12	43	5	27	12	10
Region						
 Italy	91	219	116	113	86	117
 Spain	74	73	74	129	55	38
 Port.	/	2	7	/	1	/
 Other	/	4	3	3	2	/

* In the three years considered, no hires or terminations of resources under 21 years of age occurred



Compared to 31 December 2016, the number of Esprinet S.p.A. employees at the end of 2017 remained substantially unchanged compared to the previous year with an increase of 3 units (from 679 to 682), while in Edslan S.r.l. there was a decrease of 27 units due, on the one hand, to the centralisation of some commercial activities from the peripheral offices to the Vimercate headquarters, and on the other to the outsourcing of the logistics activity and to further synergies developed from the merger of the two companies.

The average number of employees for Esprinet S.p.A. at 31 December 2017 increased by 11 units compared to the previous year, reaching 681 from 670. This increase is mainly due to the completion of the transfer of Edslan S.r.l.'s back office operations to Esprinet S.p.A., which began in the second half of 2016.

In Italy, in 2017, an intense recruiting activity continued as in previous years. Specifically for the Marketing and Sales departments, there was a trend reversal aimed mainly at hiring people with previous work experience instead of more junior profiles which accounted for the majority of hires in recent years.

As in the past, relations with the Bocconi and Cattolica Universities have been maintained, with the aim of increasing brand awareness among students and recent graduates. Specifically, Esprinet's managers and professionals continued sharing their experiences in undergraduate and masters courses. In addition, some field projects have been launched, i.e. projects focused on specific business issues involving teams of university students who collaborate with the company.

27 new graduates completed an internship in Esprinet, EDSlan and Celly in 2017. Of these, two are university students who have carried out curricular internships, useful for earning school credit. Of the others, excluding the two internships still ongoing as at 31 December 2017 and the four interns who resigned during the training period, 95% continued their career in the company with a work contract.

For experienced profiles, the new 'Linkup!' recruiting channel has been further developed, which allows employees to participate in the selection process by submitting CVs and receiving financial recognition if the person is hired. Six employees were able to grow into new professional positions thanks to the Job Posting tool which fosters internal mobility and facilitates professional and inter-functional growth.

In addition to the two previous programmes, the selection methods vary according to the profile sought and range from the individual interview (over 400 organised in 2017) with HR management and with line managers, to the assessment centre, with the organisation of sessions in the classroom that involved about 60 new graduates.



In the Iberian Peninsula, compared to 31 December 2016, the number of employees decreased: in Esprinet Iberica S.L.U. the number of employees decreased by 33 units, in Vinzeo Technologies S.A.U. by 18 units, in V-Valley Iberian S.L.U. by 4 units, with a total decrease of 55 units.

The reduction in the workforce is part of a restructuring process aimed, on the one hand, at the rationalisation and containment of operating costs to improve the competitiveness of the group in the face of increasing competitive pressure, and, on the other hand, at the streamlining of operational processes and service levels by developing the synergies existing between the activities of the different companies.

In this regard, we note in particular the reorganisation carried out in the Front Office, the centralisation of logistics activities at the headquarters in Zaragoza and the closure of the Portuguese headquarters of the company V-Valley Iberian.

The Esprinet Portugal Lda and Tape S.L.U. companies did not experience any changes in the workforce compared to 31 December 2016.

The average number of employees in the Iberian peninsula as at 31 December 2017 increased by 61 compared to 31 December 2016, mainly as a result of the expansion of the Iberica subgroup, taking into account that at the beginning of the year in the Iberian Peninsula there were only the companies Esprinet Iberica S.L.U. and Esprinet Portugal Lda.

As for Spain, the recruitment activity in 2017 was intense due to the hiring of people both in the Supply Chain area, due to the centralisation of the group's logistics activities in Zaragoza, and the areas of highly specialised business (e.g. 'Value' area of V-Valley Iberian S.L.U. and Vinzeo Technologies S.A.U.) focusing on professionals with previous work experience and specific skills. Furthermore, people were hired to replace temporarily absent workers.

The recruitment of young graduates continues, managed through the maintenance and development of existing agreements with principal universities, business schools and other Spanish educational institutions, present both at a national and local level (Universidad San Jorge, Kühnel, Esic, Complutense of Madrid, etc.).



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Outgoing turnover rate

The outgoing turnover rate is calculated by dividing the number of terminations by the total of employees at the end of the year.



	2017	2016	2015
Total terminations	245	144	155
Total employees	1,247	1,327	1,016
Outgoing turver rate	19.6%	10.9%	15.3%

Gender



The outgoing turnover rate was 19.6% at the end of 2017 compared to 10.9% in 2016, with a prevalence of men. The age group most involved is 21 to 30 years old and the geographical area mainly affected (excluding the 'Other' category) concerns the Iberian Peninsula, due to the reduction of the workforce cited previously. This change is part of a restructuring process aimed at rationalising operating costs and streamlining processes.

Age range

<21 - 30>



<31 - 40>



<41 - 50>



> 51



Region*

Italy	14.1%	10.3%	16.8%
Spain	29.1%	11.1%	12.1%
Portugal	50.0%	27.3%	14.3%
Other**	100.0%	33.3%	0.0%

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* Subdivision carried out starting from the geographical location of the operational headquarters of the individual companies

** Celly subsidiaries are considered here (Celly Nordic OY and Celly Pacific Limited)

Incoming turnover rate

The total incoming turnover rate is calculated by dividing the total number of hires by the total number of employees at year-end.



	2017	2016	2015
Total hires	<u>165</u>	<u>298</u>	<u>200</u>
Total employees	<u>1,247</u>	<u>1,327</u>	<u>1,016</u>
Incoming turnover rate	13.2%	22.5%	19.7%

Gender



The incoming turnover rate was 13.2% at the end of 2017 compared to 22.5% in 2016, with a prevalence of men. The age group most involved is 21 to 30 years and the geographic area mainly concerns the Iberian Peninsula due to the changes in the workforce mentioned in the paragraphs related to terminations and hires.

13.2%

Incoming turnover rate 2017

Age range most involved

21-30

Age range

<21 - 30>



<31 - 40>



<41 - 50>



> 51



Region*

Italy	11.2%	26.3%	16.6%
Spain	17.4%	15.3%	24.2%
Portugal	0.0%	18.2%	100%
Other**	0.0%	66.7%	60.0%

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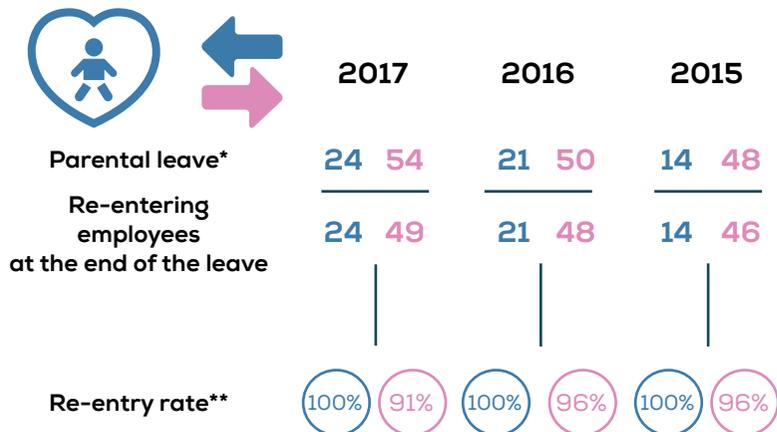
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* Subdivision carried out starting from the geographical location of the operational headquarters of the individual companies

** Celly subsidiaries are considered here (Celly Nordic OY and Celly Pacific Limited)

Maternity and paternity leave

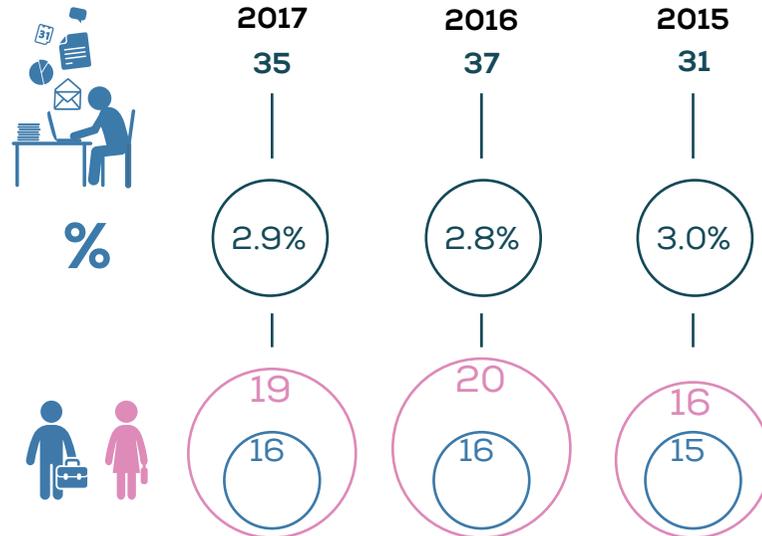


In 2017 the female re-entry rate was 91%, while the male rate was 100%.

The people who are still on parental leave at the end of the reporting year were not considered in this calculation.



Protected categories



For Esprinet S.p.A., an agreement with the Province of Monza e Brianza was signed for the hiring of 1 disabled person in the Vimercate office and one with the Province of Milan for the identification of 1 disabled person who will be hired in January 2018.

In compliance with Law no. 68/99 regarding the hiring of disabled people in the workplace in Italy, Esprinet S.p.A. continues to make use of the possibility of partial exemption by payment of a quota to the Regional Fund for the Employment of Disabled People.

Celly S.p.A. and Mosaico S.r.l. fully comply with the provisions of Law no. 68/99, while for Edslan S.r.l. there is still an active agreement with the Province of Monza and Brianza for the hiring of 3 disabled people.

For 2017, Esprinet Iberica fully complied with the law governing the compulsory hiring of disabled people without any recourse to alternative solutions regarding the failure to hire disabled people.

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* All employees are entitled to parental leave

** The re-entry rate was calculated by dividing the number of re-entries in the year of reference by the total number of leaves in the same period

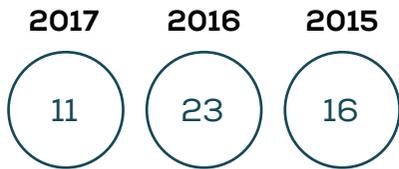
Safety in the workplace

In 2017, with reference to the Group's employees, 11 accidents occurred, of which 9 commuting, 1 for a cut caused by sharp material and 1 due to excessive physical exertion.

In Italy, Esprinet collaborates with the company Logitech S.r.l., which in turn has subcontracted the management of logistics activities inside the warehouses of Cavenago and Cambiagio (MB) to Prometeo soc. coop. This cooperative offers around 150 stable workers (of which 32% are women) to Esprinet. The number of people increases during periods of peak work, typically during the Christmas holidays (the hours worked by the employees of the cooperative in 2017 amounted to 262,396). The monitoring of the cooperative did not find any accidents in 2017 compared to only one accident in 2016, as in 2015.

In Spain Esprinet collaborates with the company EUROIBÉRICA in the only logistics hub currently in operation, managing some services for the reorganisation of the warehouse and the preparation of boxes, employing 6 resources of which 5 men and 1 woman. From EUROIBÉRICA monitoring no injuries occurred in 2017 (vs 1 in 2016 and none in 2015).

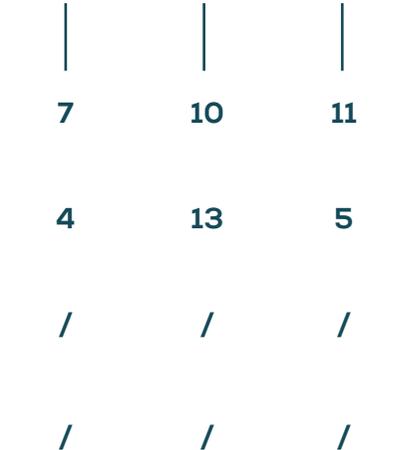
Accidents



Gender



Region



Injury rates

	2017		2016		2015	
Frequency rate*	5.2		12.2		9.9	
Gender						
	3.0	7.1	6.8	16.8	9.5	10.4
Region						
Italy	5.2		8.1		9.6	
Spain	5.2		20.4		11.0	
Portugal	/		/		/	
Other***	/		/		/	
Severity index**	0.05		0.23		0.16	
Gender						
	0.03	0.07	0.14	0.31	0.15	0.16
Region						
Italy	0.05		0.12		0.16	
Spain	0.05		0.46		0.17	
Portugal	/		/		/	
Other***	/		/		/	
Fatalities	0		0		0	

* The **frequency rate** is calculated as follows: (number of accidents / number of hours worked) x 1,000,000

** The **severity index** is calculated as follows: (number of days lost due to injury / number of hours worked) x 1,000. The total number of injuries includes commuting accidents and events that led to a single day of absence due to injury. The number of days lost due to injury is computed taking into account calendar days

*** The subsidiary companies of Celly S.p.A. are considered here (Celly Nordic OY, Celly Pacific Limited)

Absenteeism

	2017		2016		2015	
	Total hours absence	Rate	Total hours absence	Rate	Total hours absence	Rate
Total	114,832	5.1%	115,308	4.8%	104,154	5.7%
	78,007	7.4%	22,576	2.1%	18,203	2.2%
	36,825	3.1%	92,731	7.2%	85,952	8.5%
Italy	85,588	5.8%	84,757	5.6%	81,094	6.4%
Spain	29,100	3.9%	30,279	3.6%	22,965	4.2%
Port.	128	0.9%	127	0.9%	95	0.7%
Other***	16,5	0.3%	145	1.1%	0	0.0%

The hours of absence include the hours lost due to accidents, illness, recognized permissions, parental leave and late arrivals or unpaid leave granted, and therefore does not consider vacation, holidays and reductions in working hours (ROL). The Rate of absenteeism was calculated by dividing the hours of absence by the theoretical number of working hours.

The theoretical hours that can be worked have been calculated assuming that for all employees except those working part time there are 40 working hours per week, per 230 working days. For part-time employees, it is assumed that the weekly working hours are 30, for 230 working days.

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Training

Staff training is considered a decisive factor to prepare for the challenges of a constantly changing market.

In 2017 the Esprinet Group provided 18,430 hours of training to its employees (excluding directors and staff on internships), down compared to the previous year (19,979). The total training hours in Italy were 12,525, and 5,905 in the Iberian Peninsula. The decrease in training hours is mainly due to the replacement of some traditional and structured courses with others on Smart Working, lasting only 3 hours. Of the total training hours provided in 2017 in Italy (Esprinet S.p.A., Celly S.p.A., EDStan S.r.l. and Mosaico S.r.l.), 2,177 hours (excluding directors and interns) concern courses on privacy, health and safety of workers and Italian Legislative Decree no. 231/01. Specifically, to the side are reported the details of the employees trained on anti-corruption, with a geographical breakdown showing that this training was introduced in Spain in 2017.

The training of cooperative staff working in the warehouses is focused on first aid courses, fire prevention, use of vehicles for warehouse handling and more. This training is carried out by the cooperative itself and supervised by internal Esprinet staff.

18,430 hours of training provided in 2017



Of which **2,177** ore in Italy concerning:

'Health and safety related courses'

'Courses related to privacy'

'Corporate responsibility - Leg. Dec. 231/01'



Number of employees trained on anti-corruption

	2017	2016	2015
Total	545	82	80
Gender			
 	226 319	43 39	41 39
Professional category			
 Executives	3	1	5
 Clarks and Middle managers	452	80	74
 Workers	90	1	1
Region			
Italy	88	82	80
Spain	457	/	/
Portugal	/	/	/
Other	/	/	/

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Hours of training per employee

Also in 2017 the Esprinet Group developed training projects in various fields, both of a general nature and on specific issues.

The training courses were designed for the three different clusters of participants: 'Starter', 'runner' and 'trainer'.

With regard to internal training, provided in particular to 'starters', employees and interns with less than one year of seniority, 2,173 hours were carried out with 777 participants in the classroom and more than 30 internal specialists involved as instructors. Training for 'runners', with more than one year of experience in the company, and for the 'trainers', responsible for a team, involved 306 people for a total of 3,964 hours in the classroom, including training on the Office package (with an investment of more than 990 hours, sharply grown compared with 2016).

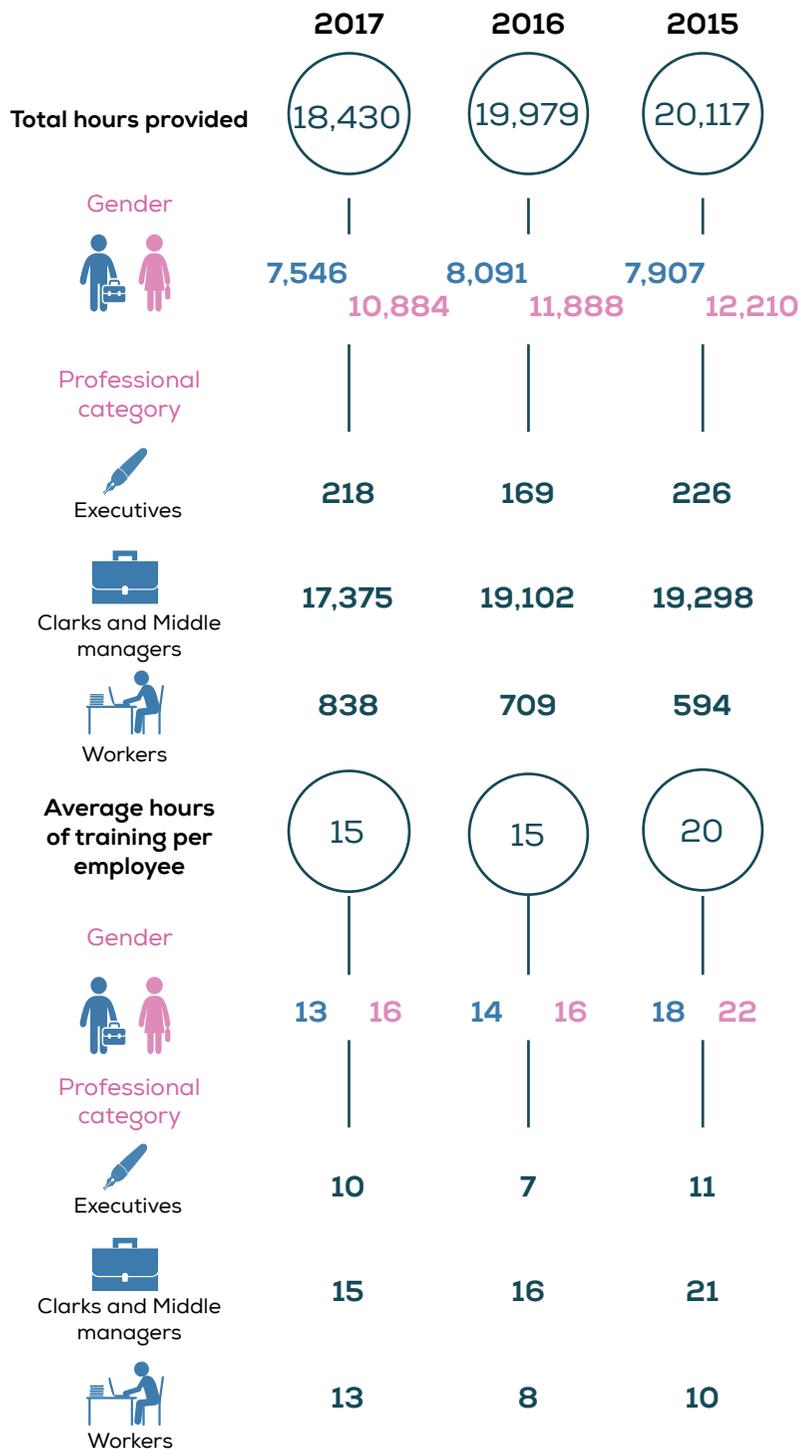
During 2017, new courses were tried with both internal speakers and external trainers to evaluate the expansion of the catalogue and to satisfy new training needs. For example, training programmes were designed aimed at further consolidating the skills dealing with customer relations and the topics of problem solving and profitability.

Esprinet Iberica contributed largely to the total training hours through an annual plan divided into various areas of expertise, where language training and occupational risk prevention accounted for most of the courses taught.

In 2017 Esprinet continued with the Healthy Company project, an important step towards improving the health of its workers. In 2017 Mindfulness courses and quarterly stress management seminars were held which had already shown positive results in 2016.

As in previous years, a significant part of the training was carried out through Fundación Tripartita, the Spanish state foundation charged with promoting and coordinating the implementation of public policies on vocational training and in the field of work and work relations.

Concretely, in 2017, 70% of the training costs were financed through this tool.



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* The data shown on this page do not include the training hours provided to interns and directors

Smart Working

Flexibility, autonomy, trust and results orientation are the key principles on which Esprinet Smart Working is based.

Starting in May 2017, the six-month Smart Working pilot project was launched for the employees of Esprinet S.p.A. and Celly S.p.A., which gave employees the opportunity to work for one full day a week from a private location outside the headquarters.

The Smart Working programme involved employees with more than one year's seniority and who received a positive assessment of their performance.

The Group has made available the technological tools necessary for remote work (notebooks, smartphones and access to company servers).

From the start the project involved a significant number of resources, 433 employees, equal to 77% of the eligible resources, who voluntarily joined the initiative.

The average was 37 employees Smart Working per day, equally distributed during the week.

To support both managers and employees in this important process of cultural and organisational change, 11 training sessions were organised where the Human Resources department and researchers from the School of Management of Milan Polytechnic instructed more than 489 participants for a total of 1,472 hours spent in the classroom.

At the end of the pilot project, the company conducted a series of interviews to gather feedback from the parties involved. The benefits highlighted by employees were greater concentration with respect to the hours worked in the office, greater productivity and improvement of their Work Life Balance.

Given the positive results of the pilot, the significant level of participation and the motivation of the resources involved, it was decided to proceed with the project.



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Performance management

Esprinet adopts a structured process of Performance Management designed to reward behaviours and positive results achieved by employees.

The process includes the definition and evaluation of goals and skills. Subsequently, 'calibrations' of the assessments will be made so that the managers share a uniform approach in the evaluation of their colleagues, in order to guarantee greater fairness and meritocracy.

The performance evaluation process ends with a joint meeting between the manager and the worker during which actions are shared for the development of strengths and to improve any critical issues that have emerged. The process described above is critical to defining structured training programmes and to promoting and developing human resources.

Starting in 2014, the evaluation of performance was extended to cover, in addition to employees with permanent contracts, even people with fixed-term contracts with seniority equal to or greater than 6 months.

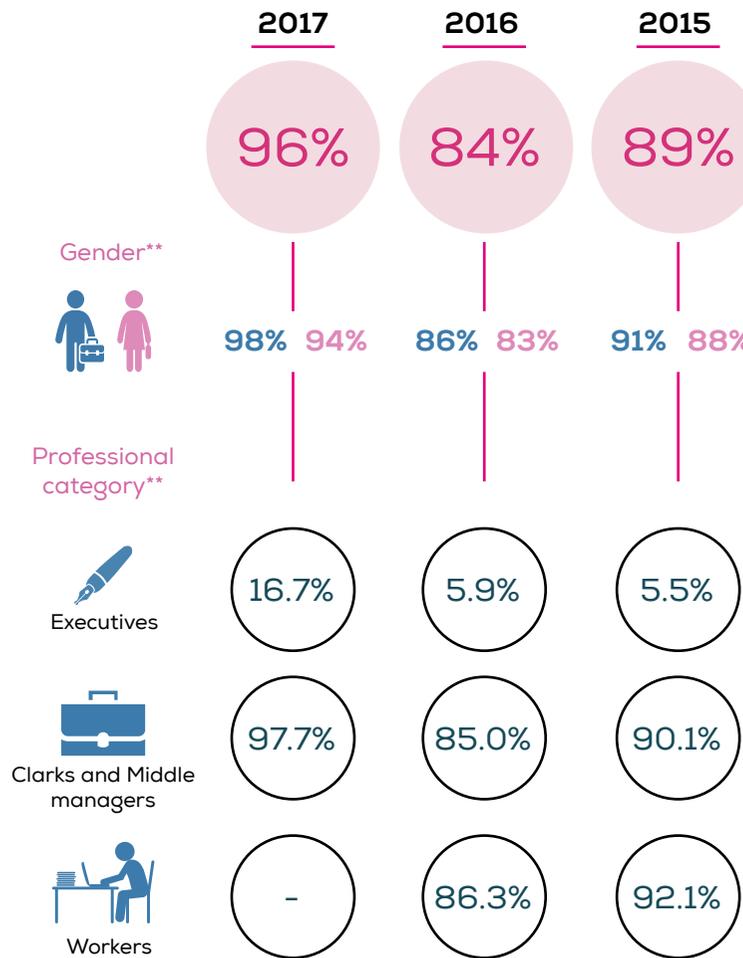
In the first part of 2017, 25 'calibration' meetings were organised in Italy, with the aim of discussing and sharing the 2016 assessments of employees, involving 604 employees of Esprinet S.p.A. and Celly S.p.A.. As in previous years, the performance assessment process also represented an important phase in which each manager made requests for training courses, which were then added to the training calendar by the Human Resources Department.

For 2017 the values entered refer to the employees who are involved in the project and for which the evaluation sheets will be completed in the first months of 2018.



Promote and develop resources

% People who have received performance appraisal



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* Only the companies that implemented this project were considered, i.e. Esprinet S.p.A. and, from 2017, Celly S.p.A.
 ** The values noted for the employees divided by gender and professional classification represent the percentages relative to the respective categories



6

ESPRINET & THE COMMUNITY

Social responsibility

Our initiatives



Social responsibility

Corporate social responsibility is an important component in the Group and precisely for this reason once again in 2017 Esprinet sustained and promoted different social initiatives in favour of its stakeholders.

Esprinet is increasingly aware of the fact that **incorporating sustainability into the company's strategies and activities is fundamental for a business that aims to create value** in the medium and long term, both for the community and for the company itself. Sharing the results of the Group's operations with stakeholders is the first step in this direction.



73,565* euro the value of donations and sponsorships in 2017

'Incorporating sustainability into the company's strategies and activities is fundamental for a business that aims to create value in the medium and long term'



* Including approximately 69,452 euro for donations and direct sponsorships

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Our initiatives

Maria Letizia Verga Committee

For years the Esprinet Group has supported the Tettamanti Foundation and the Maria Letizia Verga Committee in Monza, organisations engaged in research and treatment of childhood leukaemia.

In the past few years the collaboration has led to the establishment of two laboratories with two high-tech microscopes that allow the monitoring of the minimum residual disease.

Also in 2017, Esprinet once again carried out an online fundraising campaign by giving customers the opportunity to contribute with a donation when completing their order. The Group has committed to double customer donations up to a maximum of 5,000 euro. This year the donation will contribute to the performance of specialised clinical examinations with the aid of the aforementioned microscopes.

To further strengthen the collaboration with the Maria Letizia Verga Committee, and with the desire to communicate the importance of the initiatives to both vendors and its own employees, the Group donated part of the funds usually allocated for Christmas gifts to suppliers and customers. The initiative was widespread and explained to stakeholders through Christmas cards.

Finally, the Group organised two solidarity banquets for employees during Easter and Christmas.

Further strengthening the cooperation with the Maria Letizia Verga Committee



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Our initiatives

Collaboration with the Museum of Science and Technology

The Esprinet Group participated in the financing of the **restoration** and enhancement project for Schiaparelli's **Merz - Repsold telescope** managed by the National Museum of Science and Technology and the National Institute of Astrophysics INAF.

It is the largest refracting telescope that has ever operated in Italy, as well as one of the largest in the world that served the astronomer Schiaparelli for his important studies of the planet Mars.

This telescope, kept and used since 1936 at the detachment of the astronomical observatory of Brera in Merate, is currently exhibited at the Museum of Science and Technology in the **Astronomy and Space** area



MUSEO NAZIONALE SCIENZA E TECNOLOGIA LEONARDO DA VINCI

Partnership with the Carlo Maria Martini Diocesan Museum

In partnership with two of its customers, **See-Labs** and **Xidera**, the Esprinet Group has created an augmented **virtual reality** project at the **Carlo Maria Martini Diocesan Museum**.

Thanks to technology, it has been possible to present Perugino's **Adoration of the Shepherds** in an engaging and personalised way through a singular experience of augmented reality.

Esperienza di Realtà Aumentata

Augmented Reality Experience



CHIOSTRI DI SANT'ESTORCIO



Adorazione dei pastori

Adoration of the Shepherds

Perugino



Il Museo Diocesano Carlo Maria Martini, in collaborazione con Esprinet, Xidera e Seelabs Soluzioni e Servizi e con il contributo del coro polifonico Ensembles Consort diretto dal maestro Ermanno Gaetani, propone ai visitatori di accostarsi alla grande Adorazione dei pastori dipinta dal Perugino in modo coinvolgente e personalizzato attraverso una singolare esperienza di realtà aumentata. L'applicazione è disponibile in italiano e inglese.

Scarica la APP per iPhone

The Museo Diocesano Carlo Maria Martini, in collaboration with Esprinet, Xidera and Seelabs Solutions and Services, and with the contribution of the Ensembles Consort Polyphonic Choir directed by Ermanno Gaetani, allows visitors to appreciate the remarkable "Adoration of the Shepherds" by Perugino in a captivating, personalized way through the unique experience of Augmented Reality. The APP is available in Italian and in English.

Please download the iPhone APP

Utilizza i tuoi auricolari o richiedi le cuffie al bookshop. Al piano superiore potrai attivare la APP e provare l'esperienza di realtà aumentata direttamente con il tuo smartphone nelle posizioni predisposte.

You can use your own earbuds or ask for headphones at the bookshop. On the upper floor you can start the APP and try the Augmented Reality experience using your own smartphone at the pre-set locations.






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Our initiatives

Blood donation

Esprinet financially supported the **Italian Association of Blood Donors (AVIS)** and continued to promote the **donation of blood** by employees at four different times of the year, using the AVIS mobile unit at the Esprinet S.p.A. headquarters located in Via Energy Park 20, Vimercate (MB).

In addition, a meeting was held in the company with a nutrition doctor who collaborates with AVIS: the aim of the initiative was to raise awareness of blood donation among employees, as well as providing them with a medical and health information.

In 2017, the promotion of blood donation by employees was also extended to the headquarters in Zaragoza, in collaboration with the association '**Donantes de Sangre Aragón**'.



Guaranteed mobility

In support of the local territory, Esprinet contributed through a sponsorship to develop the '**Guaranteed Mobility**' project for the four-year period 2014-2018 promoted by the Municipality of Vimercate with the city's voluntary associations, aimed at providing transport service for the elderly and disabled.



Our initiatives

Partnership with Humanitas University

Distributing technology also means facilitating access to knowledge: it is in this spirit that the Esprinet Group has partnered with the Humanitas Clinical Institute, setting up **18 new technological stations** in the library of Humanitas University, with the hope that this small gesture can be useful for students and new generations.

Strongly believing in new talent and research, the Group has also contributed in **funding a scholarship** for training in research.



18 technological stations in the library

Funding of a scholarship



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La Casa di Emma

In 2017 the Group supported **La Casa di Emma**, a non-profit volunteer association that creates recreational activities for children in difficult situations, family solidarity projects and educational activities for children, adolescents and young people.

In fact, the Group organised a collection of technological toys that were then distributed in the first part of the year and at Christmas time for the children hosted by the organisation.

Moreover, with the aim of financing the association and at the same time making the initiative known to vendors, customers and employees, part of the funds usually allocated for **Christmas gifts** have been donated to the association. As a further gesture of sharing the initiative with the employees, **two solidarity banquets were organised at the headquarters.**



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Our initiatives

Solidary corners

During 2017, several **solidarity** corners were hosted at the Vimercate headquarters for employees, with the aim of raising awareness of social issues and **funding charitable associations**.

In addition to the Maria Letizia Verga Committee and Emma's House already mentioned in the previous pages, corners were hosted for:

-  **LILT** - Italian League for the Fight against Cancer;
-  **Casa San Giuseppe Foundation**, which runs a Health Care Residence and an Integrated Day Centre providing services to support families and their sick family members;
-  **ADMO** - Bone Marrow Donor Association;
-  **Vimercate per Chernobyl**, which welcomes Belarussian children and raises awareness of the problems still present following the Chernobyl accident;
-  **Progetto Giunco**, which aims to contribute to greater participation of women in the working world in Peru;
-  **Città Nuova**, a project that promotes the oratory as a place of education through the care of relationships with children, thanks to after-school services and work orientation;
-  **Fata Onlus**, engaged in the hosting and care of abused children.



spread social knowledge and culture and
raise awareness of different issues with the aim of
supporting charitable associations



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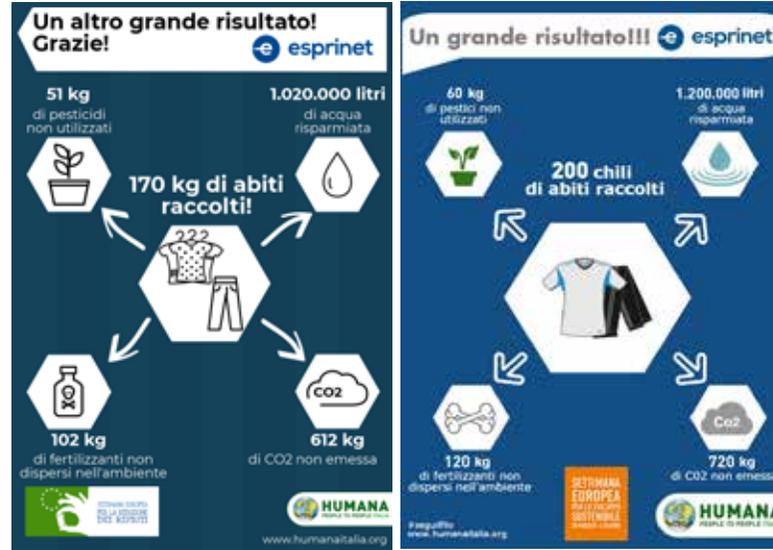
Collection of used clothes

In collaboration with **Humana People to People**, Esprinet S.p.A. organised two collections of used clothes inside its headquarters, gathering a total of **370 kg**.

The international initiative promoted by Humana, which involved many European countries, sees **education** as the main tool for change: quality education for all would allow the communication of skills and facilitate the dissemination of values like equality and justice.



disseminati on
of values like



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MaGER Master & research project



The Esprinet Group participated in the **MaGER - Master in Green Management, Energy and Corporate Social Responsibility** at the Bocconi University, sharing its experience in the area of CSR. A field project was also proposed and then developed by masters students, which aims to analyse the sustainable approach of the companies in the STAR segment and to understand how this is a critical success factor valued by investors.

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Work-study programme

The Esprinet Group has participated in the government project alternating study and work, hosting several third-, fourth- and fifth-year high school students within its corporate facilities.

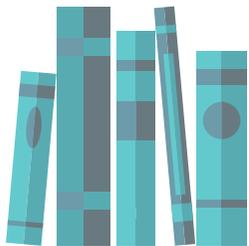
In 2017 Esprinet met the needs of schools, hosting 27 students for a total of 5,302 hours.

The project involved both Italian and Spanish offices in 2017, through different methods in line with the national school systems.

In Italy 16 students participated in this project for two weeks each, for a total of 1,280 hours.

In Spain, 7 students were hosted at the Esprinet Iberica S.L.U. site for a total of 2,542 hours and 4 students at the Vinzeo S.A.U. site for a total of 1,480 hours.

*in both Italian and Spanish
offices*



*27 students for a total of
5,302 hours of work*



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Our initiatives

A help to the areas hit by the earthquake

In partnership with the **Italian Relief Corps** and the **NonLasciamoliSoli** Group, Esprinet organised a collection of useful materials at the Vimercate site for the areas affected by the earthquake, also involving its employees.



Partnership with UNHCR

The Esprinet Group has twice hosted representatives of the **UN Refugee Agency (UNHCR)** at its headquarters in Vimercate to provide an opportunity to raise awareness of the work of protection and assistance of refugees carried out by the organisation throughout the world and the issue of immigration and its causes.



Raise awareness of the issue of immigration and its causes

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Our initiatives in foreign offices

Italian Preschool in Madrid

The Group has collaborated with the Italian Chamber of Commerce and Industry for Spain (CCIS) in promoting and supporting the Bee - Bot project, an educational initiative activated by the Italian Preschool in Madrid.

With a supply of some technological tools, Esprinet has made it possible to launch the initiative aimed at bringing little ones closer to the world of robotics, with the aim of stimulating creativity, increasing memory, training children in logic and the ability to resolve problems through the use of multimedia tools and the creation of interactive games. The project, which began in October 2017, will end in May 2018.

The picture shows the delivery of computer equipment to the Italian Preschool in Madrid in the presence of José María García, country manager of Esprinet Ibérica, Maurizio Di Ubaldo, president of the School and Giovanni Aricò, Director General of CCIS, in addition to the children of the class involved.



Other initiatives

At the office in Zaragoza, a collection of toys was organised during the Christmas period for Fundación Madrina, an association that offers assistance to mothers and families with children at risk of social exclusion in Madrid.

Esprinet Iberica also joined the project 'Tapones para una nueva vida' proposed by the Seur logistics company, a supplier of Esprinet, through the foundation having the same name.

Among other initiatives, Esprinet Iberica donated some electronic equipment to the Zaragoza Down Foundation.

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Models, policies and risks

In this chapter, detailed information is provided for each aspect required by Italian Legislative Decree no. 254 (of 30 December 2016) i) on the company's corporate management and organisation model and the policies applied, ii) on the main risks generated and suffered and iii) on the performance indicators and results identified by the Group, also including an introductory part relating to the internal control and management system common to all the required subjects.

Introduction:

The Internal Control and Risk Management System is an essential component of the Group's corporate governance system. It is defined as the set of rules, behaviours, policies, procedures and organisational structures aimed at enabling the identification, measurement, management and monitoring of the main operational risks contributing to ensuring the protection of the company's assets, efficiency and the effectiveness of company processes, the reliability of financial information, compliance with laws and regulations, as well as with the by-laws and internal procedures.

This system is incorporated into the more general organisational, administrative and corporate governance structures adopted by the Group and takes into due consideration the reference models and the best practices existing at a national and international level. The degree of system integration is evident from the degree of uniformity, interdependence and integration of its different actors and components. With this in mind, the Company complements the activities and control procedures required by law with those adopted with Group management decisions.

Please refer to page 14 - chapter 'Governance' - for in-depth analysis of Corporate Governance, understood as the set of rules of good governance guiding the management and direction of the Group.

Environmental topics:

Business model of management and organisation of the company's activities and policies applied

The Group applies the principles contained in the ISO14001 standard (specifically, Esprinet S.p.A. and Esprinet Iberica S.L.U. are certified for this standard).

These principles are declared in the document 'Policy for Quality, Environment and Safety' which highlights: 'With regard to environmental aspects,[...] the Management has decided to identify the main environmental aspects and hazards and the measurement of the corresponding impacts and risks, periodically verifying the results achieved with respect to the pre-established objectives, which are defined, checked and updated for their progressive improvement'. Although this policy is formalised only for the companies Esprinet S.p.A. and Esprinet Iberica S.L.U., the principles contained therein are in practice conveyed to and applied by all Group companies.

The same document states that 'the company is also committed to minimising the consumption of natural resources (electricity, gas, water) and the production of waste, encouraging its recovery, where possible'.

Furthermore, all companies (excluding Mosaico S.r.l. and V-Valley Iberian S.L.U. which in fact implement the related principles**) have a management and control organisation model in compliance with the relevant national regulations (Italian Legislative Decree no. 231/01, Codice Penal Ley Organica 1/2015).

All the aforementioned documents and models show that the Group is committed to achieving excellence even in its environmental management system, with a constant focus on improving all company processes.

The Group has adopted a Code of Ethics (for more details see the chapter 'Mission & Values' of this document) that establishes the guidelines of conduct and regulates the set of rights, duties and responsibilities that the Group expressly assumes with its stakeholders, defining the ethical criteria adopted for a correct balance between expectations and stakeholder interests. With regard to environmental aspects, we note that the activities of Group Companies are based on the principle of the protection of the environment and public health, in compliance with the specific applicable norms. The Group is active in protecting the environment as a primary asset and is committed to promoting, within its structures, a rational use of resources and an attention to the search for innovative solutions to guarantee energy savings.

With reference to the supply chain, the company has adopted a Code of Conduct that allows Group Companies to verify the correct fulfilment of the obligations of its recipients, being able to request supporting documentation and carry out testing and control activities. The document states that: 'The Recipients undertake to comply with the applicable environmental protection standards in the country in which they carry out their activities in order to preserve the quality of the territory in which they operate and to promote better use of natural resources.'

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* Environmental, social, personnel-related issues, respect for human rights, the fight against corruption
 ** This takes form in the observance of the Group's operating procedures

Primary risks generated or suffered

The Group carries out an environmental risk assessment (formalised only for the companies Esprinet S.p.A. and Esprinet Iberica S.L.U., but in fact valid for all Group companies) through which environmental risks are assessed and identified.

Below is a list of the main environmental risks of Esprinet Group:

- incorrect disposal of waste: the waste that the Esprinet Group must dispose derives mostly from the packaging used to transport products from the manufacturing site to the warehouses of the Esprinet Group and mainly consists of paper, cardboard, plastic, wooden pallets and iron. To these are added the waste that the Group has to manage as a result of regulatory obligations (WEEE, Toner, Neon and Batteries);
- atmospheric emissions: mainly related to the transport of products from suppliers' warehouses to those of Esprinet and from Esprinet warehouses to Cash & Carry stores and customers;
- waste of energy resources: energy consumption of the offices, warehouses and Cash & Carry stores.

It should be noted that the outputs of the aforementioned assessment do not reveal the presence of significant risks for the Group, as the assessment parameters (severity, probability and significance) do not under any circumstances reach high levels of criticality. Nevertheless, the risks listed above are adequately managed by the Group.

Performance indicators and results

The Group has identified the main environmental impacts and monitors them through the indicators reported in this document and listed in the tables on pages 6, 68 and following.

Issues related to personnel and respect for human rights:

Business model of management and organisation of the company's activities and policies applied

The Group applies the principles contained in the OHSAS18001 standard (specifically, Esprinet S.p.A. and Esprinet Iberica S.L.U. are certified for this standard). These principles are declared in the document 'Policy for Quality, Environment and Safety' which highlights: 'With regard to aspects [...] related to workplace health and safety, management has decided to identify the main [...] hazards and the measurement of the corresponding impacts and risks, periodically verifying the results achieved with respect to the pre-established objectives, which are defined, checked and updated for their progressive improvement!'

Although these management models and policies are formalised only for the companies Esprinet S.p.A. and Esprinet Iberica S.L.U., they are essentially implemented by all Group companies.

The management of human resources is entrusted to the individual countries, having specific procedures described also in the MOGC 231 and in the 'Manual de Prevención de Delitos Código Penal', whose principles are referred to in the Code of Ethics which shows that 'the Group companies commit:

- to respect fundamental human rights;
- to prevent child exploitation;
- not to use forced labour or work executed in conditions of slavery or servitude;
- not to use workers without a proper residence permit.*

With reference to the supply chain, the company has adopted a Code of Conduct that, as already noted, allows Group Companies to verify the correct fulfilment of the obligations of its recipients, being able to request supporting documentation and carry out testing and control activities. In substance, this code requires the suppliers to respect the same principles (relating to personnel and human rights) that are adopted by the Group.

Primary risks generated or suffered

With regard to personnel matters, the Group carries out a risk assessment (formalised in the RAD - Risk Assessment Document), where risks relating to health and safety are assessed and identified and enumerates labour-related risks starting from the regulations applicable to relationships with employees and contractors.

Below is a list of the main risks of the Esprinet Group:

- risk of accidents and occupational diseases: mainly linked to the activities of handling the goods in the Group's warehouses and Cash & Carry stores and to the use of video terminals in offices;
- non-compliance with the labour law, CCNL and workers' statute.

With regard to human rights issues, the risk assessment is enumerated in the MOGC 231 and the Manual de Prevención de Delitos Código Penal.

The main risks considered here are:

- use of illegal labour: linked to the Group's activities, to the contracts of third-party companies and to the use of cooperatives in warehouses;
- crimes against individuals.

It should be noted that the outputs of the aforementioned assessments do not reveal the presence of significant risks for the Group as the assessment parameters (severity, probability and significance) do not under any circumstances reach high levels of criticality. Nevertheless, the risks listed above are adequately managed by the Group.

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Performance and result indicators

The Group has identified the main impacts related to personnel and human rights and monitors them through the indicators reported in this document and listed in the tables on pages 6, 68 and following.

Social Topics related to the fight against corruption:

Business model of management and organisation of the company's activities and policies applied

In respect of the principles of the Code of Ethics, directors, employees or representatives of Group Companies commit not to admit or enact any form of corruption, including payments or other forms of personal benefits to Directors or employees or representatives of customers/vendors with the purpose of improperly influencing corporate decisions and causing them harm.

To be able to guarantee the above, all Group companies (excluding Mosaico S.r.l. and V-Valley Iberian S.L.U., which in any case in fact implement the related principles all the same*) have adopted a Management and Control Organisation Model in compliance with Italian Legislative Decree no. 231/01 and the Spanish Penal Code.

With regard to the supply chain, the Group's code of conduct signed by suppliers prohibits any form of corruption, even against private citizens. The Persons to whom the Code applies agree, for their part, not to allow or engage in any form of bribery, including payments or other forms of benefits granted personally to Directors or employees or contacts of Group Companies with the aim of improperly influencing business decisions.

Primary risks generated or suffered

With regard to 'the fight against corruption', the risk assessment is enumerated in the MOGC 231 and the Manual de Prevención de Delitos Codigo Penal.

The main risks considered here are:

- the corruption of private citizens;
- corruption towards the Public Administration, in consideration of the participation of the Group's companies in public tenders.

It should be noted that the outputs of the aforementioned assessment do not reveal the presence of significant risks for the Group as the assessment parameters (severity, probability and significance) do not under any circumstances reach high levels of criticality. Nevertheless, the risks listed above are adequately managed by the Group.

* This takes form in the observance of the Group's operating procedures

Performance indicators and results

The Group has identified the main impacts pertaining to the fight against corruption and monitors them through the indicators reported in this document and listed in the tables on pages 6, 68 and following.

Training of the BoD and governing bodies regarding anti-corruption

The members of the BoD are aware of the anti-corruption policies and procedures as they are responsible for the approval of the 231 Model.

These policies and procedures are communicated to all business partners. In practice, this happens during the qualification phase of the supplier, which must sign the 'MOD03005 declaration of responsibility' with which it declares to have read the rules and principles contained in the Code of Ethics.

Anti-corruption policies and procedures are available within the Group's document system for viewing by all employees. The Code of Ethics and the 231 Model were shared with all the employees of Esprinet S.p.A., Celly Group, EDSlan S.r.l., V-Valley S.r.l., Esprinet Iberica S.L.U. and Vinzeo Technologies S.A.U. The communication was made through a specific section of the company intranet and/or email. In addition, a 'welcome letter' is given to all new employees specifying where the aforementioned communication can be found.

Below is a list of the members of the management body that received training on anti-corruption:

- Francesco Monti, Chairman
- Maurizio Rota, Vice Chairman and Chief Executive Officer
- Alessandro Cattani, Chief Executive Officer
- Valerio Casari, Director.

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Other social issues - community:

Business model of management and organisation of the company's activities and policies applied

Despite the absence of a formalised social policy, the Esprinet Group commits to practice policies to ensure the conformity of its products and commits to communicate truthful and correct information to its stakeholders.

Furthermore, during the performance of its activities the Group interfaces with the community stakeholder (to be understood as: territorial entities - universities/schools - media - non-profit organisations - trade associations - citizens). The Corporate CSR function is committed to maintaining and increasing the Group's relationship with the local community; this commitment takes the form of investments made in the social fabric and in favour of local authorities, in donations and gifts, sponsorships and taxes paid as a taxpayer.

Primary risks generated or suffered

- The main risks related to the Group's relationship with the community are:
- non-conformity of products: both own brand products (Celly and Nilox) and third party products placed on the market by the Group;
 - misleading advertising/information: associated with the information contained in the product data sheets shown on the Esprinet website;
 - management and protection of private data of the Group's stakeholders.

All the risks listed above are adequately monitored and managed by the companies of the Group.

Performance indicators and results

The Group has identified the main social impacts and monitors them through the indicators reported in this document and listed in the tables on pages 6, 68 and following.

Group certifications

		Quality (ISO 9001)		Environment (ISO 14001)		Safety and Protection of Health (OH SAS 18001)
Esprinet S.p.A.	○ ●●●		●●●		●●●	
V-Valley S.r.l.	○ ●●●		●●●		●●●	
Celly S.p.A.	○ ●●●		●●●		●●●	
Esprinet Iberica S.L.U.	○ ●●●		●●●		●●●	

The table above summarizes the certifications obtained by the various companies of Esprinet Group.

Conclusions

Simplicity, sharing and clarity. These are the cornerstones of our **2017 Sustainability Report**. We would like to thank everyone who has contributed to the preparation of this report, responding openly and proactively to our invitation to dialogue and constructive discussion.

Thanks to their support, we have a tool to be shared with all stakeholders so that they can better assess if and to what extent their trust in our Company is well placed.

For the realization of the graphics and layout of this document, we relied on the active and innovative collaboration of Riccardo Banfi and Matteo Godino, two high school students who Esprinet hosted for a month as part of the of the '**Work-Study**'.

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GRI Content Index

In Accordance - Core Option

Based on the level of coverage of the General and Specific Standard Disclosure, the self-declared option of adherence to GRI G4 guidelines is 'in accordance - core'.

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G4-SO5	Confirmed incidents of corruption and actions taken	No cases of corruption detected

Retention Rate (data n.a.)

Accident indices and absentee rate for employees (data not available)

SOCIETY

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G4-DMA	Disclosure on Management Approach	13, 14, 15, 63
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	At the end of 2017, tax disputes were opened mainly relating to the 2010-2011 VAT, for a total value of € 13.3 million, plus penalties and interest.

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G4-DMA	Disclosure on Management Approach	13, 14, 15
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	No cases found

Compliance

G4-DMA	Disclosure on Management Approach	13, 14, 15
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	No penalty

In coming years the Esprinet Group is committed to further limiting the omissions indicated here in the GRI Content Index through an increasingly structured data collection process.

Independent Auditor's Report



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Independent auditors' report on the consolidated disclosure of non-financial information in accordance with article 3, par. 10 of Legislative Decree 254/2016 and with article 5 of Consob Regulation adopted with Resolution 20267

(Translation from the original Italian text)

To the Board of Directors of
Esprinet S.p.A.

We have performed a limited assurance engagement pursuant to Article 3, paragraph 10 of Legislative Decree 30 December 2016, n. 254 (hereinafter "Decree") and article 5 of Consob Regulation adopted with Resolution 20267, on the consolidated disclosure of non-financial information of Esprinet S.p.A. and its subsidiaries (hereinafter the "Group") for the year ended on 31st December 2017 in accordance with article 4 of the Decree approved by the Board of Directors on 21st March 2018 (hereinafter "DNF").

Responsibilities of Directors and Board of Statutory Auditors for the DNF

The Directors are responsible for the preparation of the DNF in accordance with the requirements of articles 3 and 4 of the Decree and the "G4 Sustainability Reporting Guidelines" issued in 2013 by GRI - Global Reporting Initiative ("GRI G4 Guidelines"), identified by them as a reporting standard.

The Directors are also responsible, within the terms provided by law, for that part of internal control that they consider necessary in order to allow the preparation of the DNF that is free from material misstatements caused by fraud or non-intentional behaviors or events.

The Directors are also responsible for identifying the contents of the DNF within the matters mentioned in article 3, par. 1, of the Decree, considering the business and the characteristics of the Group and to the extent deemed necessary to ensure the understanding of the Group's business, its performance, its results and its impact.

The Directors are also responsible for defining the Group's management and organization business model, as well as with reference to the matters identified and reported in the DNF, for the policies applied by the Group and for identifying and managing the risks generated or incurred by the Group.

The Board of Statutory Auditors is responsible, within the terms provided by the law, for overseeing the compliance with the requirements of the Decree.

Auditors' independence and quality control

We are independent in accordance with the ethics and independence principles of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, based on fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behavior. Our audit firm applies the International Standard on Quality Control 1 (ISQC Italia 1) and, as a result, maintains a quality control system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable laws and regulations.

Auditors' responsibility

It is our responsibility to express, on the basis of the procedures performed, a conclusion about the compliance of the DNF with the requirements of the Decree and of the GRI G4 Guidelines. Our work has been performed in accordance with the principle of "International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (hereinafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. This standard requires the planning and execution of work in order to obtain a limited assurance that the DNF is free from material misstatements. Therefore, the extent of work performed in our examination was lower than that required for a full examination according to the ISAE 3000 Revised ("reasonable assurance engagement") and, hence, it does not provide assurance that we have become aware of all significant matters and events that would be identified during a reasonable assurance engagement.

The procedures performed on the DNF were based on our professional judgment and included inquiries, primarily with company's personnel responsible for the preparation of the information included in the DNF, documents analysis, recalculations and other procedures in order to obtain evidences considered appropriate.

In particular, we have performed the following procedures:

1. analysis of the relevant topics in relation to the activities and characteristics of the Group reported in the DNF, in order to assess the reasonableness of the selection process applied in accordance with the provisions of article 3 of the Decree and considering the reporting standard applied;
2. analysis and evaluation of the criteria for identifying the consolidation area, in order to evaluate its compliance with the provisions of the Decree;
3. comparison of the economic and financial data and information included in the DNF with those included in the Esprinet Group's consolidated financial statements;
4. understanding of the following aspects:
 - o group's management and organization business model, with reference to the management of the topics indicated in article 3 of the Decree;
 - o policies adopted by the Group related to the matters indicated in article 3 of the Decree, results achieved and related key performance indicators;
 - o main risks, generated or suffered related to the matters indicated in the article 3 of the Decree.

With regards to these aspects, we obtained the documentation supporting the information contained in the DNF and performed the procedures described in item 5. a) below;

Independent Auditor's Report



5. understanding of the processes that lead to the generation, detection and management of significant qualitative and quantitative information included in the DNF.
In particular, we have conducted interviews and discussions with the management of Esprinet S.p.A. and we have performed limited documentary evidence procedures, in order to collect information about the processes and procedures that support the collection, aggregation, processing and transmission of non-financial data and information to the management responsible for the preparation of the DNF.
Furthermore, for significant information, considering the Group activities and characteristics:
- at Group level
 - a) with reference to the qualitative information included in the DNF, and in particular to the business model, policies implemented and main risks, we carried out inquiries and acquired supporting documentation to verify its consistency with the available evidence;
 - b) with reference to quantitative information, we have performed both analytical procedures and limited assurance procedures to ascertain on a sample basis the correct aggregation of data.
 - For the site of Cambiagio of Esprinet S.p.A., that we have selected based on its activity, relevance to the consolidated performance indicators and location, we have carried out a site visit during which we have had discussions with management and have obtained evidence about the appropriate application of the procedures and the calculation methods used to determine the indicators.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the DNF of the Esprinet Group for the year ended on 31st December 2017 has not been prepared, in all material aspects, in accordance with the requirements of articles 3 and 4 of the Decree and the GRI G4 Guidelines.

Other Information

The comparative information presented in the DNF for the years ended on 31st December 2016 and 31st December 2015 has not been examined.

Milano, 12th April 2018

EY S.p.A.

Signed by Massimo Meloni, Partner

This report has been translated into the English language solely for the convenience of international readers.