

LETTER TO STAKEHOLDERS

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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 can be identified in a real '**sustainability strategy**' thanks to which, by listening to the main stakeholders, the requirements of 'sustainable' projects have been identified, which must guide the Group towards a lasting creation of value.

The year 2018 provided an opportunity to get involved in these projects with the engagement of colleagues, associations, customers and suppliers.

Among the various initiatives, it is worth mentioning some that have had or are expected to have an actual, strong impact on the provision of services to customers as well as on the way we work in our Group.

First of all, it is worth mentioning that **corporate volunteering** was launched in October, channelled in the same direction as the 'smart working' initiative, and which involved 148 colleagues with more than 10 associations in the area. An peculiar element was the shared method of identifying the associations to work with, starting from a very broad focus group of colleagues together with management.

It is also worth highlighting the intense benchmarking carried out for the products in the catalogue on the basis of '**green**' indicators, which has made it possible from the beginning of this year to compare products by choosing those with the lowest environmental impact in terms of energy efficiency.

The most interesting aspect of this activity was the interaction with our suppliers and with other external entities for the common understanding of the most suitable parameters to reflect the key ecological characteristics and make all the products within the same product category truly comparable. This analysis was initially carried out for the categories 'televisions' and 'printers', but the intention is to extend the spectrum to other categories of goods by introducing, among the comparative parameters, other facets related to the recycling of materials, sustainability of the supply chain, carbon footprint, noise, etc.

Always with the aim of providing a customer service conveying sustainability, we are completing the **For-te** project, for which we have partnered with a local association to hire 10 people with disabilities who will manage the daily delivery of our products to customers located in the province of Milan.

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 2018 Sustainability Report which also constitutes the second consolidated statement of non-financial character pursuant to Italian Legislative Decree no. 254/2016.



Alessandro Cattani

Chief Executive Officer and member of
Competitiveness and Sustainability Committee



Maurizio Rota

Chairman and member of the Competition
and Sustainability Committee



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INTRODUCTION

Methodology

Material aspects

Highlights



Methodology

This document is the **third Sustainability Report** for the **Esprinet Group** (hereinafter referred to as the 'Group' or 'Esprinet') and reports on its main sustainability performance, also constituting the Consolidated Statement of a Non-Financial Nature of the Group, in compliance with the requirements of Italian Legislative Decree no. 254/2016 and subsequent amendments and additions. 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, Esprinet Iberica S.L.U., Esprinet Portugal Lda, Vinzeo Technologies S.A.U., V-Valley Iberian S.L.U. and Nilox Deutschland GmbH.

The Report, published annually, covers the period from 1 January to 31 December 2018. This document (DNF) was approved by the Esprinet S.p.A. Board of Directors held on 1 April 2019.

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 fifth version, **GRI Sustainable Reporting Standards (GRI Standards)**. The methodological reference for the preparation of the report is therefore the GRI Sustainability Reporting Standards, published in 2016 by the GRI, according to the option '**in accordance-core**'.

Based on the GRI Standards, 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 top management, identifying the most significant topics for the business. In addition, these interviews also made it possible to map the main corporate stakeholders, which was then validated by the members of the Competitiveness and Sustainability Committee (for the complete list of stakeholders, please see: 'Esprinet & the market - value generated for stakeholders'). Thus, an activity was carried out aimed at understanding the relevant topics for Group stakeholders so identified, thanks to the submission of surveys to all Italian costumers and employees and of Esprinet Iberica S.L.U., as well as to the main local authorities/associations, and thanks to discussion with people responsible for CSR matters or main vendors' top managers. The response of this listening activity was very wide-ranging: more than 1,200 customers and about 14% 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.). In addition, an activity was conducted aimed at recognising investors' needs by analysing some important external surveys (both Italian and international). Thus, the Company has identified a set of topics that significantly influence its ability to create value over time: They are the '**material**' topics and refer to the financial, environmental, social and governance scope (p. 7 and 8). The corresponding material topics are also listed on the next page for each area of the decree.



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For the preparation of the chapter dedicated to environmental impacts, the calculation of **location-based** CO₂ emissions (scope 2) was carried out using an emission coefficient for Terna's electricity based on the total national gross production of the national park, equal to **0.360 kgCO₂/kWh for Italy and 0.254 kgCO₂/kWh for Spain**. For the calculation of **Market-Based** CO₂ emissions (scope 2), the emission factors of the latest version of the AIB (Association of Issuing Bodies) residual mix were used. 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 produced by the Italian Environment Ministry, amounting to **1.972 tCO₂/1000 Sm³, 3.155 tCO₂/t and 3.140 tCO₂/t**.

Moreover, the **Defra emission factors** for the year of reference were used to calculate the emissions (scope 1) related to **F-Gas** losses.

In addition, the calculation of the emissions (scope 3) for the three-year period under analysis deriving from direct and indirect deliveries was carried out using the following emission factors: for transports carried out with vehicles weighing more than 3.5 tonnes, **Defra for the year of reference, HGV, All rigid, Average Laden**; for transports carried out with vehicles weighing less than 3.5 tonnes, **Defra for the year of reference, Vans, Class III, Diesel**.

For the calculation of other pollutant emissions, coefficients were used of the **European Environmental Agency** for **Heavy-duty vehicles, Diesel >32 t - Euro V - 2008** (for vehicles over 3.5 tonnes) and **Light commercial vehicles, Diesel - Euro 5 - EC 715/2007** (for vehicles under 3.5 tonnes).

When calculating the Group's environmental impact, no account was taken of Group offices with less than 5 employees.

Compared to last year, it should be noted that, with the updating of the materiality analysis, the topics "Compliance with environmental laws/regulations" and "Assessment of suppliers on the basis of environmental criteria" were material, also on the basis of the growing awareness of stakeholders on environmental issues. The topics "Customer privacy" and "Relationship with local communities" no longer fall within the scope of material issues, though they remain relevant issues that are managed and overseen by the organisation.

In 2018 as in 2016, the Sustainability Report was audited by an independent third company, whose audit opinion is included in the Annex "The Independent Auditor's Report".

Aspects of Italian Legislative Decree 254/2016

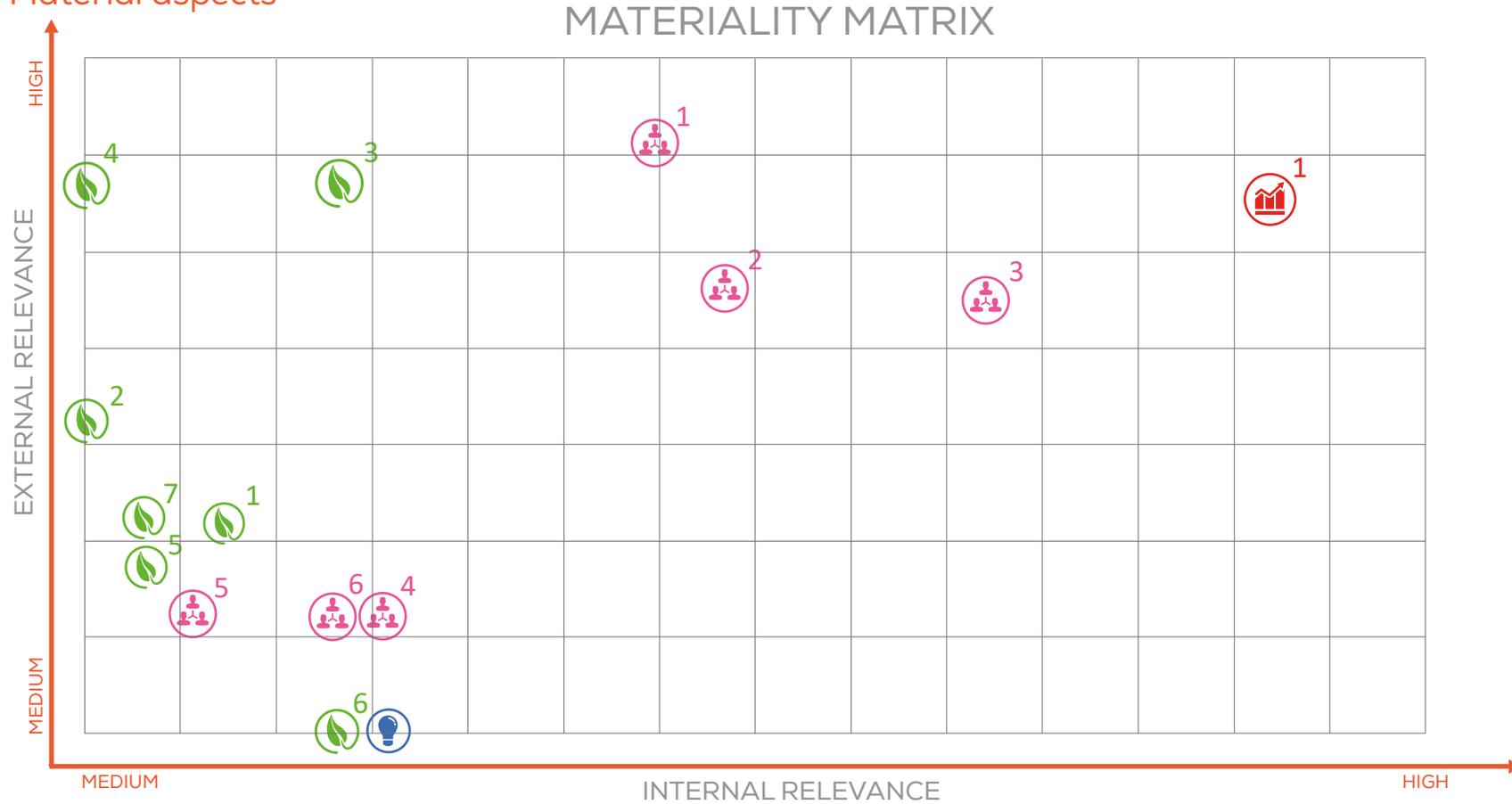
Aspects of Italian Legislative Decree 254/2016		Material Aspects
Environment	○ ● ● ●	Raw materials (use and recycling), Energy consumption, Greenhouse gas emissions (GHG), Pollutant emissions, Waste, Compliance with environmental laws/regulations, Assessment of suppliers on the basis of environmental criteria.
Social	○ ● ● ●	Economic performance, Diversity and equal opportunity, Sanctions for non-compliance with laws and regulations in the socio-economic area, Product innovation.
Personnel	○ ● ● ●	Health and safety in the workplace, Corporate training and assessment of skills, Employment conditions and corporate welfare.
Human rights	○ ● ● ●	Non-discrimination
Fight against active and passive corruption	○ ● ● ●	Anti-Corruption

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Material aspects



- Economic Topics**
- 1. Economic performance
- Environmental Topics:**
- 1. Raw materials (use and recycling)
 - 2. Energy consumption
 - 3. Greenhouse gas emissions (GHG)
 - 4. Pollutant emissions
 - 5. Waste
 - 6. Compliance with environmental laws and regulations
 - 7. Assessment of suppliers on the basis of environmental criteria

- Non-GRI Topics**
- 1. Product innovation
- Social Topics**
- 1. Employment conditions and corporate welfare
 - 2. Health and safety in the workplace
 - 3. Corporate training and assessment of skills
 - 4. Equal opportunities and diversity
 - 5. Non-discrimination
 - 6. Sanctions for non-compliance with laws and regulations in the socio-economic area

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Material aspects

Material Aspects		External scope	Limitations of the external scope	GRI aspects
Economic performance	○...	/	/	Economic performance
Raw materials	○...	/	/	Materials
Energy consumption	○...	/	/	Energy
GHG emissions	○...	Carriers	/	Emissions
Pollutant emissions	○...	Carriers	/	Emissions
Waste	○...	/	/	Effluents and waste
Compliance with environmental laws and regulations	○...	/	/	Environmental compliance
Assessment of suppliers on the basis of environmental criteria	○...	/	/	Supplier environmental assessment
Employment conditions and corporate welfare	○...	/	/	Employment
Health and safety in the workplace	○...	Cooperatives; Carriers	Carriers	Occupational health safety
Corporate training and assessment of skills	○...	/	/	Training and education
Equal opportunities and diversity	○...	/	/	Diversity and equal opportunity
Non-discrimination	○...	/	/	Non-discrimination
Sanctions for non-compliance with laws and regulations in the socio-economic area	○...	/	/	Socio-economic compliance
Product innovation	○...	/	/	/

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* For an overview of the companies certifications of Esprinet Group please refer to p. 75



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ABOUT US

The Esprinet Group

Group Structure

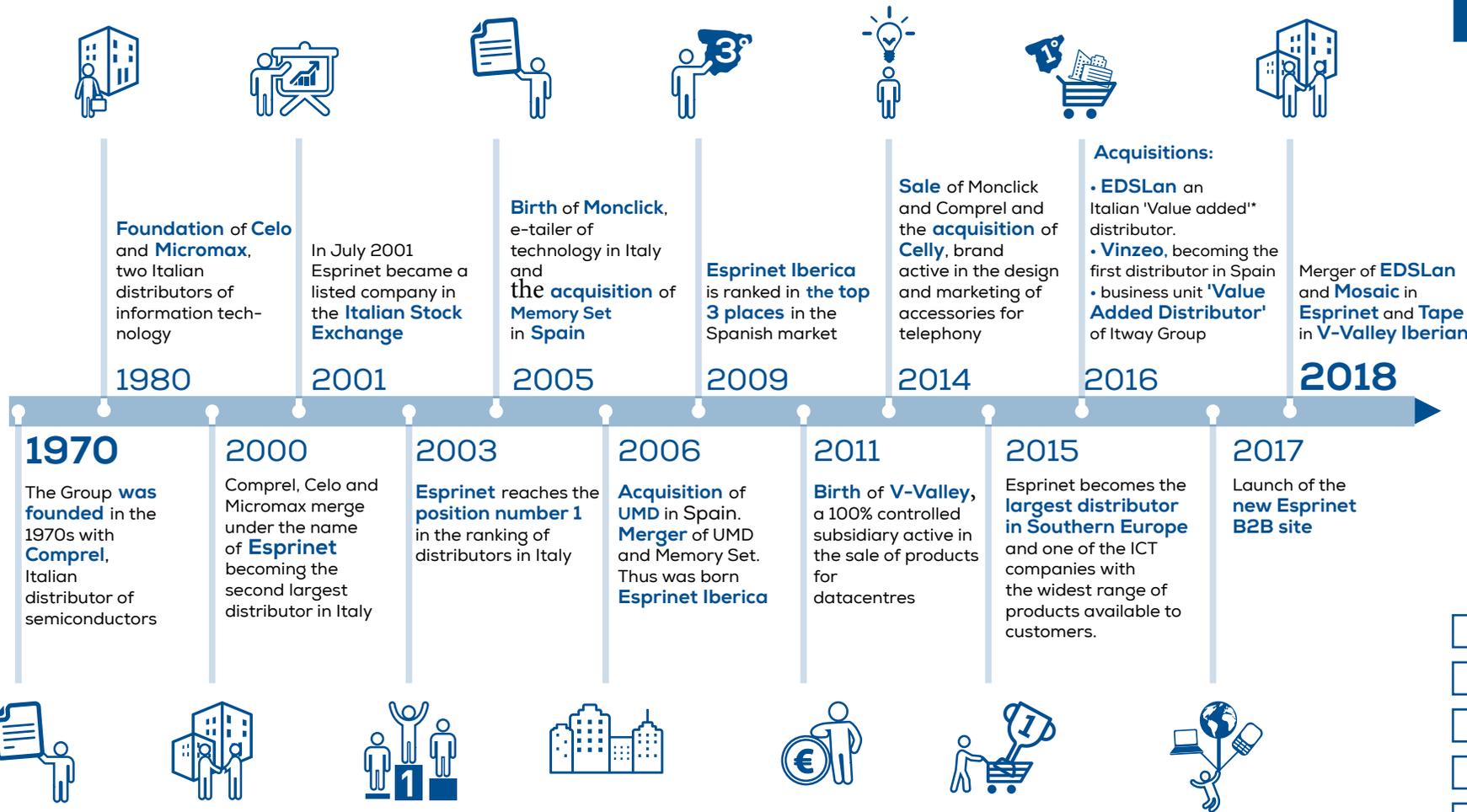
Mission & values

The Governance



Esprinet Group

Evolutions and revolutions



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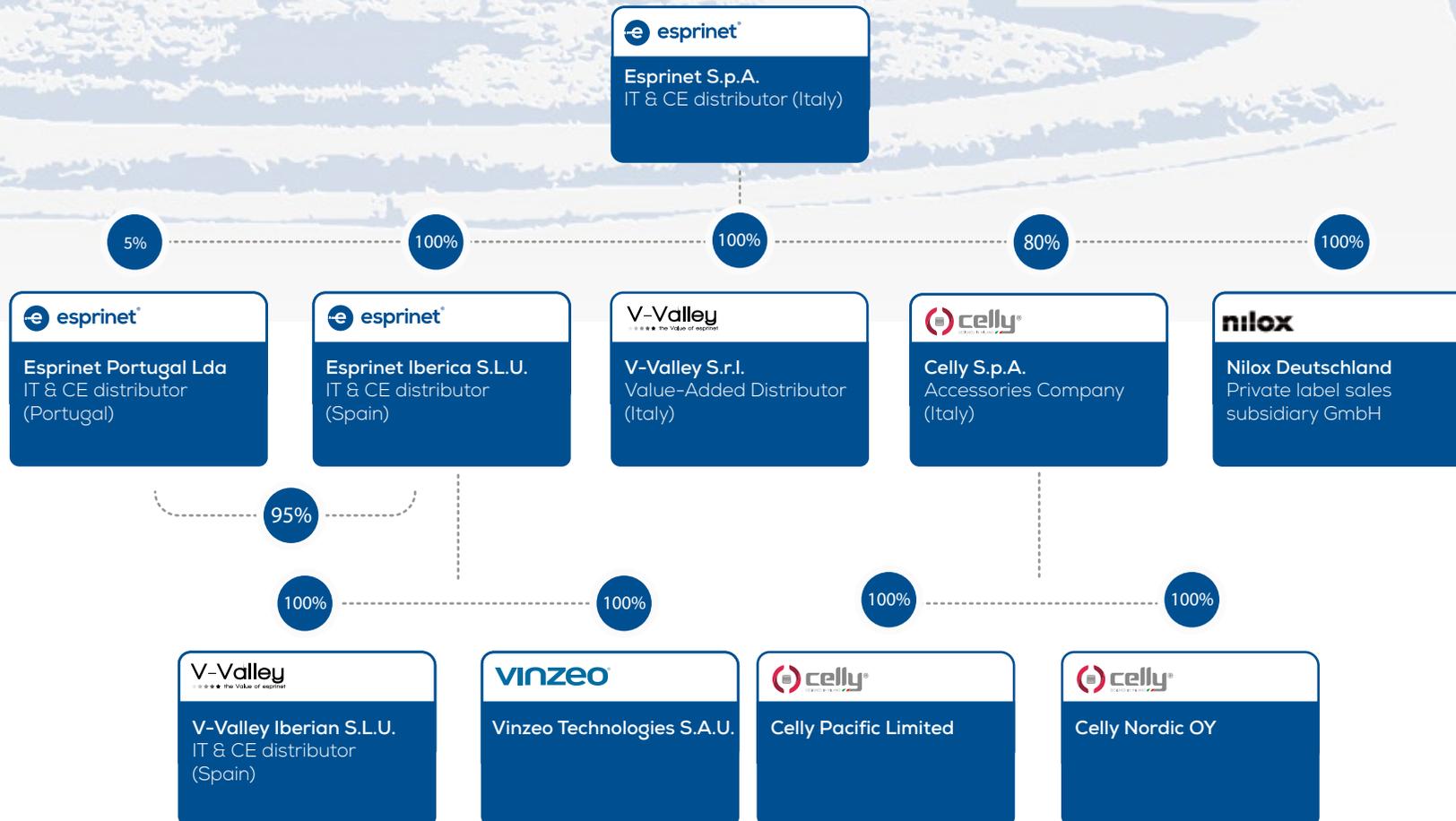
* 'Value added' refers to the market segment of complex technologies (i.e. Cloud Computing, Cyber Security)

Group Structure

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Mission & values

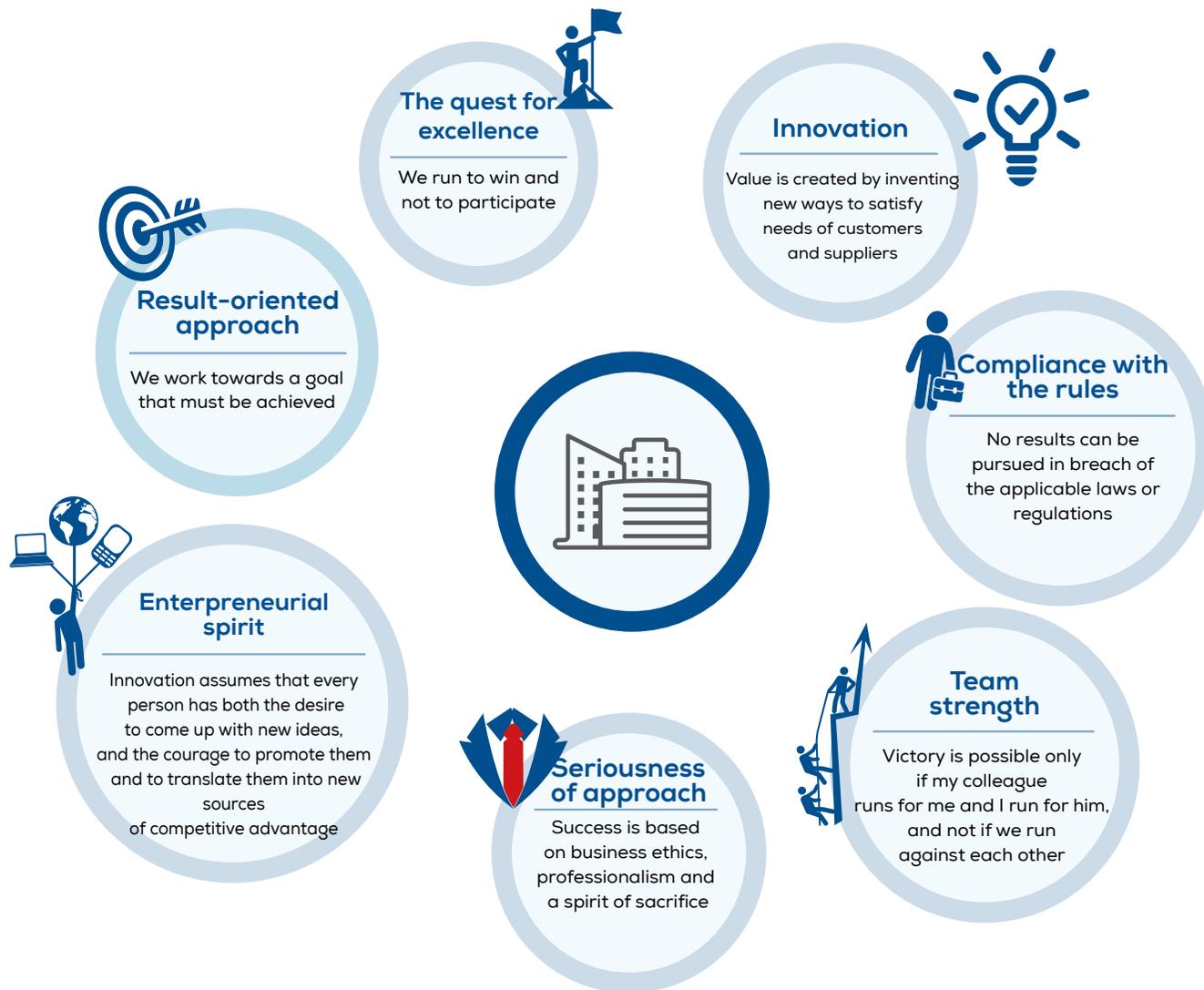
Esprinet Group, as reflected in the [Code of Ethics \(https://investor.esprinet.com/contenuti/81/corporate-governance/codice-etico/\)](https://investor.esprinet.com/contenuti/81/corporate-governance/codice-etico/), has always sought to:

“Be the best technology distributor operating in its target markets, guaranteeing shareholders an above average return on investment thanks to a meticulous, professional, honest, fast, reliable and innovative relationship with customers and suppliers achieved by making the most of the skills and innovative abilities of its employees”.

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

The commitment is held to be fundamental and requires continuous effort towards the balanced and virtuous management of economic, 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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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.

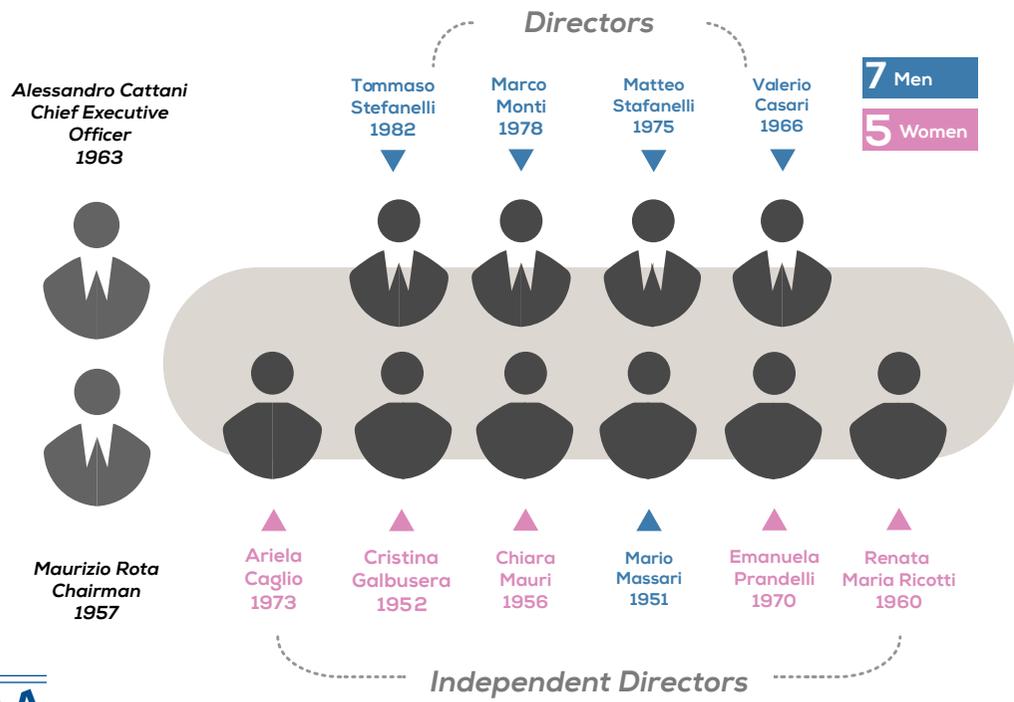
In order to meet the transparency obligations for issuers of listed securities, Esprinet prepares an annual **Report on Corporate Governance and Ownership Structure**** containing an overview of the adopted governance system, in addition to information on the ownership structure, on the organisational model pursuant to Legislative Decree no. 231 of 2001 as well as on 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 persons who hold shares at the Ordinary Shareholders' Meeting with voting rights in excess of 5% of the ordinary share capital are: Francesco Monti (15.709%), Giuseppe Cali (11.253%), Paolo Stefanelli (5.053%) and Maurizio Rota (5.231%). For more information, please refer to the Report on Corporate Governance and the ownership structure.

* 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 2018 - on the Company's website (www.esprinet.com)

The Board of Directors



The Board of Directors examines and approves the company's strategic choices and all those operations that have a particular economic, equity and financial importance, considering as significant any operations that are likely to significantly positively or negatively influence the business and results of operations. 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.

Term limits of the Board of Directors: approval of financial statements 31 December 2020

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Board of Auditors and other company bodies

The **Board of Auditors** monitors the financial reporting process, the effectiveness of internal control systems, internal audits and risk management, the independent audit of the annual accounts and the consolidated accounts and the independence of the independent auditing firm.

According to the provisions of the **Corporate Governance Code** of **Borsa Italiana** listed companies, the following 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 2020.



- **Bettina Solimando**
Chairman
- **Patrizia Paleologo Oriundi**
Standing auditor
- **Franco Aldo Abbate**
Standing auditor
- **Antonella Koenig**
Alternate auditor
- **Mario Conti**
Alternate auditor

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**

Competitiveness and Sustainability Committee

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.

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

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

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)**
- **Cristina Galbusera**
- **Renata Maria Ricotti**

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**
- **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 of sales

Value generated for stakeholders

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Close to suppliers



Economic performance and net assets position

Esprinet closed the year 2018 with a net income of 14.0 million euro, on revenues that equal 3.6 billion euro (increased by 11% compared with 2017) and a value of EBIT amounting to 23.7 million euro.

The financial position shows equity amounting to 342.9 million euro and a cash surplus equal to 241.0 million euro.

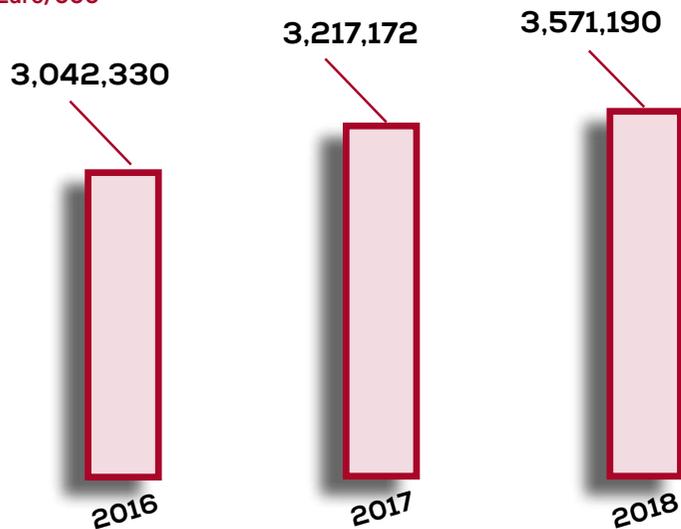
Once again, after more than ten years of continued **leadership in Italy**, also confirming leadership in Spain as well in 2018.

Training and development of human resources continued, with the aim of forming teams of new managers who can effectively supervise the various 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

3.6 billion
euro in
revenues in
2018



vs 3.2 billion
euro in 2017

+11%

162.3 million
euro
gross operating
margin
in 2018



vs 167.8 million
euro in 2017

-3%

23.7 million
euro **EBIT**
in 2018



vs 34.3 million
euro in 2017

-31%

14.0 million
euro
in **net profit** in
2018



vs 26.2 million euro
in 2017

-47%

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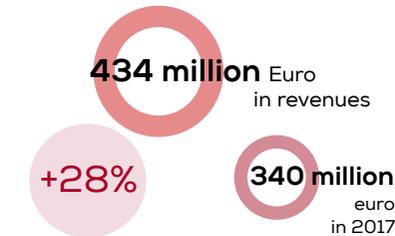
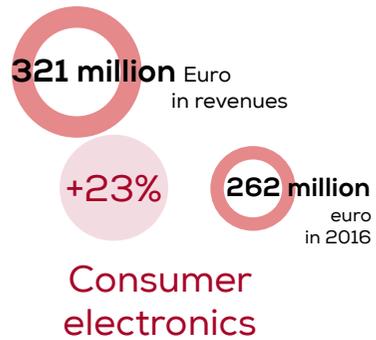
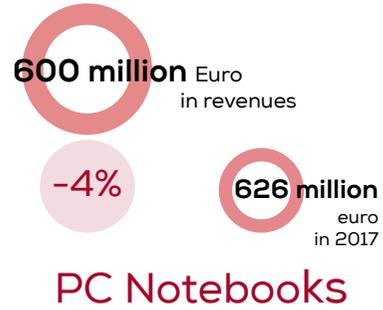
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* 'Value added' refers to the market segment of complex technologies (i.e. Cloud Computing, Cyber Security)

Sales breakdown - 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:

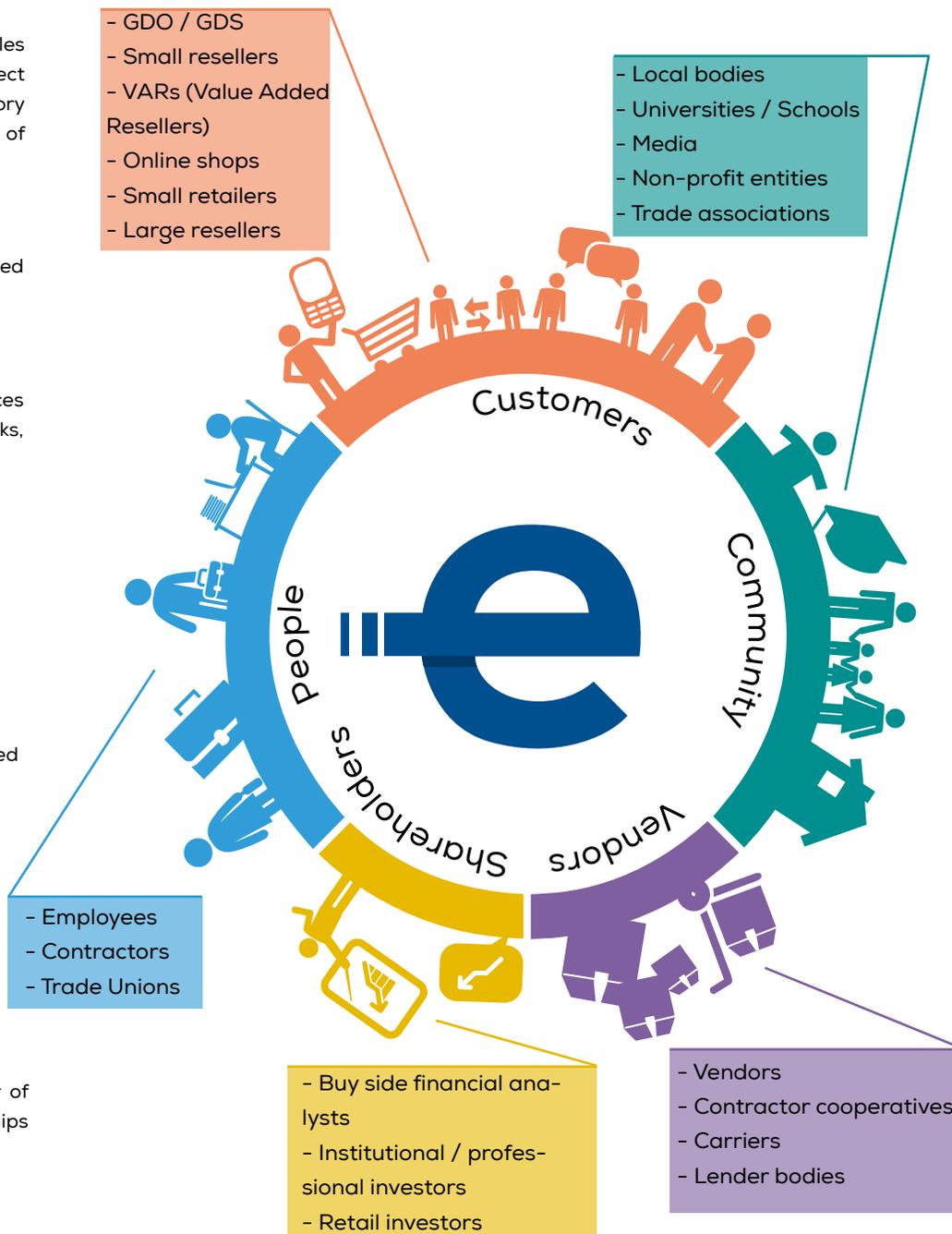
Vendors Vendors: costs for the purchase of goods and services and interest payable paid to lender bodies (banks, factoring companies, capital market);

Customers: value of products and services supplied;

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

Shareholders: return on equity (dividends and capital gains);

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 2018, the Esprinet Group distributed to its stakeholders a total **value** of about **3,560 million euro** (increased by 11.4% compared with 2017), with a generated economic value of 3,572 million euro.

This amount was distributed in the amount of 97.73% to suppliers in the form of payment for goods and services, 1.91% to employees, 0.24% to the Public Administration (P.A.) in the form of taxes and fees, 0.22% to shareholders as dividends, 0.16% 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*	2018	(%)	2017	(%)	2016	(%)
Economic value generated**	3,571,650		3,220,557		3,046,724	
Economic value distributed	3,560,380	100%	3,196,675	100%	3,017,695	100%
Operating costs	3,479,587	97.73%	3,116,913	97.50%	2,944,220	97.57%
Value distributed to employees	61,126	1.91%	60,503	1.89%	55,958	1.85%
Value distributed to capital providers	5,001	0.16%	4,664	0.15%	3,586	0.12%
Value distributed to the Public Administration	7,615	0.24%	7,535	0.24%	6,794	0.23%
Value distributed to shareholders***	6,987	0.22%	6,987	0.22%	6,987	0.23%
Value distributed to the community	64	n.s.	74	n.s.	150	n.s.
Economic value withheld	11,270		24,448		28,213	

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

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

*** The values for 2018 and 2017 refer to dividends distributed in the respective years. The 2016 data 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 customers

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

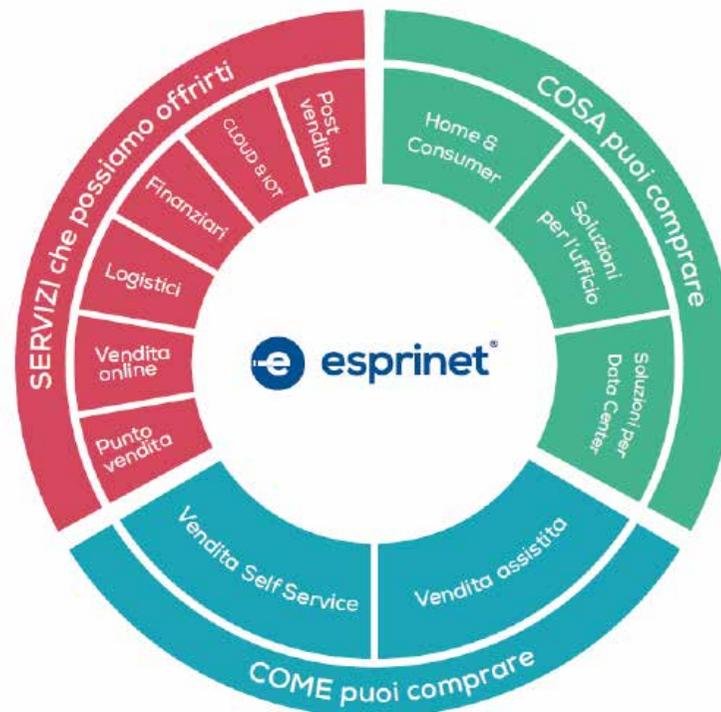
Among the main customers are small dealers and independent computer shops, generalist and specialised large-scale distribution companies (GDO-GDS), large system integrators, value-added resellers, resellers of office products and consumables and e-tailers.

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 Esprinet Group intends not only to support customers in their sales processes, but also to **support them in the generation of new business**, intermediating tools and solutions to develop marketing and promotional activities



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



(e-commerce, video, online advertising channels), as well as providing an articulated range of advanced technical services (e.g. repair, assistance and maintenance) and training.

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.

To this end, the underlying code of the e-commerce platform, active since 2017, was rewritten. This platform, together with specific CRM tools, allows the use of Big Data Analysis tools, offering Group customers a more complete service.

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Close to customers

During 2018, 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 of proximity to its customers, the Group also has a network of **19 Esprivillages** (17 in Italy and 2 in Spain) where customers can view the products displayed and take them away immediately.

The average exhibition area is over 1,800 square metres with a wide range of products ready for delivery. Esprivillages are sales outlets run by qualified sales staff, able to help customers manage their businesses.

Orders can be made on the Esprinet website or through the **Esprinet Mobile app** and picked up at the nearest Esprivillage point, thus making Esprinet a local distributor.

Proximity and attention to the customer have made it possible for Esprivillages to become a **service centre and meeting point**.

In Esprivillages it is possible to meet vendors during training or dedicated events to forge collaborative relationships. With this in mind, during 2018 the **Upgrade Business Tour** was held in the 17 Esprinet Esprivillages located in Italy, a tour of training events 'close to the customer' with the aim of providing training to professionals in the sector in specific areas like financial services, Cloud, Hospitality, Video surveillance.

To optimise the availability of products in the Esprivillages, a **tool (known as the "smart shelf") that optimises the replenishment on the shelves** allows for dynamic management of stocks, enabling a reduction of road transportations from the central warehouses to the sales outlets.

In addition, to ensure the immediate availability of goods, the Group provides to its customers **direct delivery** of the purchased products to end users' address, with the option of customising the delivery.



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Close to customers

The attention to different types of customers and the continuous innovation of services led Esprinet to create **V-Valley** in 2011, a wholly owned subsidiary of Esprinet. V-Valley is a value-added distributor of complex IT products, services and solutions. At V-Valley Dealers, VARs, Software Houses and System Integrators find expertise, flexibility and dedicated resources as well as exceptional range of products (Servers, Storage, Networking & Security, VoIP & Unified Communications, Middleware, Automatic Identification and Video Surveillance and a wide range of services).

The customer is supported at every stage of the sales process by an integrated team of Brand Managers, Business Developers and System Engineers who guarantee an effective, efficient and personalised service.

To be close to the needs of the retail world, Esprinet manages **OkRetail**, a tool that, thanks to a partnership with Category Management, Trade Marketing and Value Logistic entities, offers numerous services that proactively suggest the best solutions for business within the market of reference.

A number of other services are also available to meet the customer's needs, in particular **Esprint**, a printer rental and 'copy cost' programme that implements an all-inclusive formula that includes installation, assistance, automatic shipment and recovery of consumables, as well as the collection of the equipment at the end of the contract.

Other benefits include after-sales services, workshop and on-site installations, repair of out-of-warranty products, data recovery and the procurement of spare parts for out-of-date or obsolete products.



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Close to customers

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.

By using Zerozerotoner, the generator of the waste is transferred from the user to the service provider, **totally relieving the customer of the role of 'waste producer'** and any legal obligation or liability arising therefrom.

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 which includes services enabling access to those tools which essentially **offer flexible payment models** through agreements on favourable terms with the main lease/operating lease and loan companies operating 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 outlet possibilities on the market for small and medium-sized customers, Esprinet offers the **Marketplace Connector** service, which is aimed at making their products visible on the main 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 2018 obtained this certification were Esprinet S.p.A., V-Valley S.r.l., Celly S.p.A., Esprinet Iberica S.L.U.

Zerozerotoner collection of consumables and recovery of raw materials



Marketplace connector makes SME products more visible



Quality Management System ISO 9001 Certification

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Close to suppliers

The Esprinet Group intends to establish business relationships with its vendors and 'business partners' based upon **transparency, propriety and business ethics**. The development of transparent and lasting relationships with vendors, attention to quality, safety and respect of 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, Esprinet has defined a **Supplier 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, as regards a sustainable management of the supply chain of the Esprinet Group (www.esprinet.com investor area).

3,223 suppliers* active in 2018 vs
2,614 in 2017



3,601 billion the value generated* to suppliers
of **products and services** in 2018



* The data do not include Vinzeo Technologies S.A.U. and up until 31/10/18 Mosaico S.r.l.

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4

ESPRINET & THE ENVIRONMENT

Environmental Culture

Esprinet's commitment to the environment

Environmental impacts

The integrated supply chain

Energy consumption and greenhouse gas emissions

Transport emissions

The Group supply 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*** and from 2018 a part also in Esprinet Iberica.

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



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Esprinet's commitment to the environment

In 2018, the Esprinet Group continued its commitment to increasing environmental awareness at all stages of the value creation chain it operates in.

As a demonstration of this, at the Cavenago A logistics hub **ICO-F1000** equipment has been installed (pictured on the right) for a **more economical use of energy**. In fact, with the same energy supplied, it allows reducing consumption through the exploitation of harmonic waves.

Initially it was decided to use this equipment only at Cavenago A, identified as being of primary importance as it is Esprinet's most energy-intensive structure.

In 2019 **new LED lighting fixtures** will be installed in this plant.

In order to improve the monitoring of its consumption, collect data on energy costs and on the main variables, as well as to identify opportunities for efficiency (in terms of plant engineering and/or management), in 2019 Esprinet will start an **energy management** project starting from the Cavenago A logistics site.

In addition to the above, during the assessment of its suppliers, Esprinet does not carry out specific audits on environmental issues. However, during the selection phase, all new suppliers are asked if they have environmental management systems in compliance with the ISO 14001 standard.



ICO-F1000 equipment installed in the Cavenago A logistics hub



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Environmental impacts

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



energy consumption of the headquarters, warehouses and Esprivillages, which are calculated and monitored with respect to electricity, natural gas and fuels used (diesel and gasoline);



raw materials used for product packaging, the performance of which is described for each of the types used by the Group in the dedicated section below;



waste generated in administrative offices and warehouses, which is managed by the Group using different operating methods, partly for disposal and partly for recovery.



emissions of CO₂, NO_x, PM_{2.5} and CO relating to the different sections of the supply chain, where the transport of products from the warehouses of suppliers to those of Esprinet and from the warehouses of Esprinet to the Esprivillages and to the homes of its customers or their customers is of great importance for the specific business areas.



The integrated supply chain



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Energy consumption and greenhouse gas emissions

The total energy consumption of the Esprinet Group increased by 6.2% from 2017 to 2018.

Consumption therefore increased less in percentage terms than the Group's revenues, demonstrating **Esprinet's attention to costs and the relative externalities of its energy requirements.**

The following pages include individual analyses of the different energy sources used (electricity, natural gas, diesel, petrol) and their respective CO₂ emissions, calculated as specified in the Methodological Note of this document.

Energy consumption (GJ)

	2018	2017	2016
 Electricity*	25,854	24,896	21,688
 Natural gas	5,579	4,171	2,420
 Diesel	12,294	12,149	7,622
 Petrol	154	114	0
Total	43,881 GJ	41,330 GJ	31,730 GJ

*The electricity consumption for 2016 and 2017 were recalculated to reflect a better quality of the data and information available at a Group level. It should also be noted that the figures for the three-year period do not include the energy consumption relating to the Data Processing Centre (CED), as it is an outsourced service.

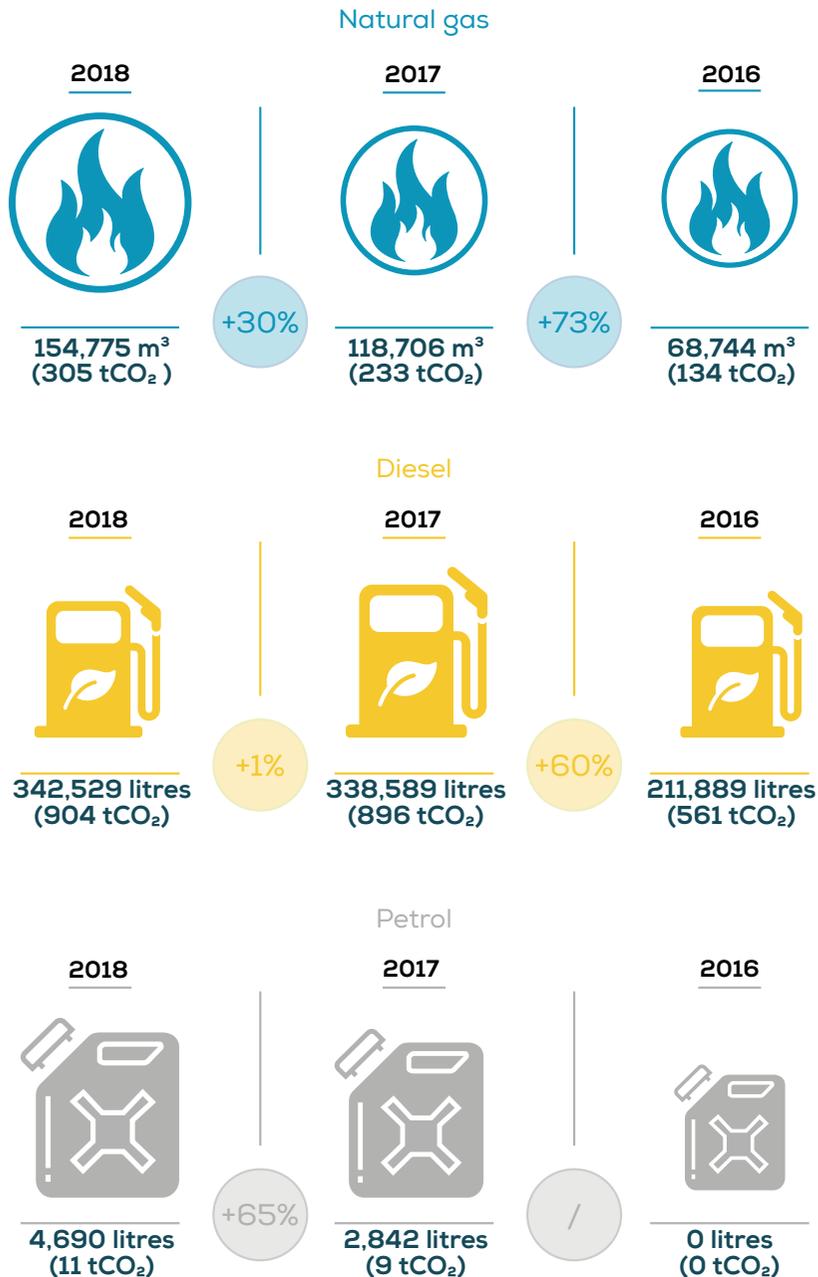


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Energy consumption and greenhouse gas emissions - Scope 1



Together with electricity (the consumption of which will be discussed in the next section), natural gas, diesel and gasoline are three different energy sources used by the Group in its facilities.

Natural gas has been used exclusively in Italy for boilers in heating systems and in the Esprivillage in Brescia since 2018.

In the three-year period under analysis, the consumption of natural gas increased due to different aspects. First, between 2016 and 2017 there was an increase of 73% due to colder temperatures, resulting in greater use of boilers. In 2018 the use of natural gas increased by 30% compared to the previous year due to the **8,000 square metre extension of the warehouse in Cavenago**.

The Group also uses fuel for the operation of certain generators, for the fire prevention facilities and for the company's fleet of vehicles.

Both diesel and petrol are used, the latter in much smaller quantities. With regard to diesel, there was a 60% increase from 2016 to 2017 and a **1% reduction** in the following year due to the reduction in the company's fleet.

Petrol is used only in the Italian companies of the Group, from 2017. There was a 65% increase between 2017 and 2018.

F-Gas losses of the Group's office air conditioners and Esprivillages also contributed to the Scope 1 CO₂ emissions. These losses led to an emissions of 108 tCO₂eq in 2018, an increase over the previous year (16 tCO₂eq). These data refer to Esprinet S.p.A. (which includes V-Valley, EDLSan, Celly and Nilox) and Esprinet Iberica S.L.U.

For each of the following energy sources, the **direct emissions of CO₂ (scope 1)** were calculated according to the methods described in the Methodological Note.

From the sum of the emissions resulting from the use of natural gas, diesel, gasoline and the losses of refrigerant gases (F-Gas), the Group produced a total of 695 tCO₂ in 2016, 1,154 tCO₂ in 2017 and 1,328 tCO₂ in 2018.

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Energy consumption and greenhouse gas emissions - Scope 2

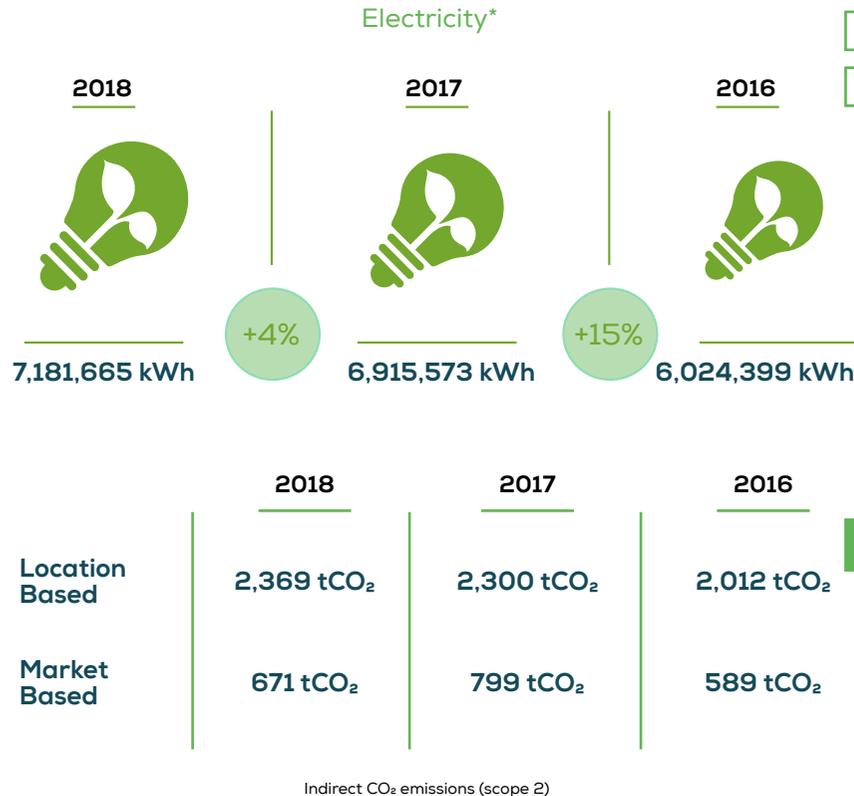
Electricity is one of the most widely used energy sources in all the Group's facilities (offices, Esprivilleges, warehouses). During the three-year period under review, there was a steady increase in electricity consumption, motivated by the expansion of the logistics centre in Cavenago (MB) and the increase in Group turnover following an increase in volumes moved.

For the calculation of **indirect CO2 emissions (scope 2)** attributable to the production of electricity, both methods required by the GRI Standards were followed.

On the one hand, CO2 emissions have been calculated using the **Location-Based** approach so that the total amount of electricity consumed, regardless of the source of energy, is subject to an average emission coefficient based on gross national production. According to this methodology, the CO2 emitted for the Group's electricity requirements increased by 14.8% from 2016 to 2017 and by 3.8% from 2017 to 2018.

The calculation of CO2 emissions according to the Market-Based approach, on the other hand, differentiates between the actual origin of the electricity used, thus calculating these emissions only for electricity from non-renewable sources.

From the comparison of the results obtained by the two calculation methods, it is clear that Esprinet is effectively committed to **reducing environmental impacts** by consistently favouring the use of electricity from **renewable sources**. In fact, the emissions calculated according to the Market-Based approach are significantly lower than the Location-Based calculations for the entire three-year period under analysis.



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*As shown on page 32, the electricity consumption for 2016 and 2017 were recalculated to reflect a better quality of the data and information available at a Group level. It should also be noted that the figures for the three-year period do not include the energy consumption relating to the Data Processing Centre (CED), as it is an outsourced service. Scope 2 CO2 emissions (indirect energy emissions) therefore reflect the above approach

Transport emissions

Esprinet's activities are part of the complex supply chain described above and include two distinct types of transport: **direct deliveries** are those that provide for the transport of goods from the Group's warehouses to customers without any intermediate steps; **indirect deliveries**, on the other hand, once the goods have been collected from the Esprinet warehouses, see an intermediate stop at the logistics centres of the carriers where the goods are reorganised into new deliveries for customers.

Direct deliveries

Direct deliveries in km* in Italy are mainly made by truck and are growing consistently, in line with the increase in turnover.

The exponential growth of transport by vans (less than 3.5 tons) is due to a specific project that provides for deliveries departing directly from Esprivillage. This project improves the quality and timing of the service, **reducing atmospheric emissions**. Together with what has been noted, almost all of Apple's product management also takes place in this way, a business that expanded rapidly in 2018.

	2018	2017	2016
 Km	4,142,633	3,109,370	2,105,699
 tCO ₂	2,339	2,014	1,226
 tNO _x	8.10	6.78	4.12
 tCO	0.41	0.33	0.21
 tPM _{2.5}	0.06	0.06	0.03

* The km travelled for direct deliveries and related greenhouse gas emissions were recalculated for 2016 and 2017 following a refinement of the calculation methodology, which allowed a better estimate of the values for different types of vehicles used



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Transport emissions

Indirect deliveries

Indirect deliveries from the Group's warehouses to customers were substantially in line with the previous year due to the continuity of corporate strategies.

The Group works with the main transport multinationals with which it has long-term **consolidated relationships**.

These operators are able to manage the huge amount of goods handled during the year in the markets in Italy, Spain and Portugal in the sector of business-to-business technology distribution.

In the case of unavailable primary travel data, prudent assumptions were made that led to the choice of the most damaging environmental performance for the Group.

	2018	2017	2016
 Km	2,613,383	2,466,458	2,082,807
 tCO ₂	1,947	1,942	1,767
 tNO _x	6.87	6.49	5.48
 tCO	0.32	0.30	0.25
 tPM _{2.5}	0.07	0.07	0.06

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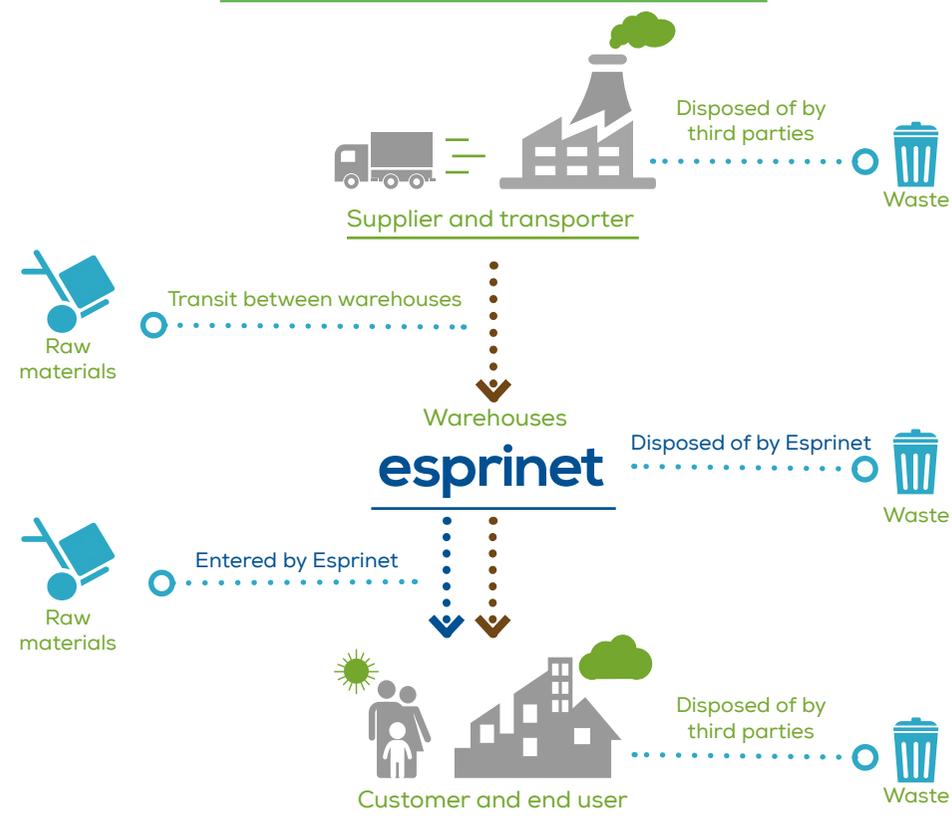
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The Group supply chain

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 their disposal, since they will be managed by the customer. 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

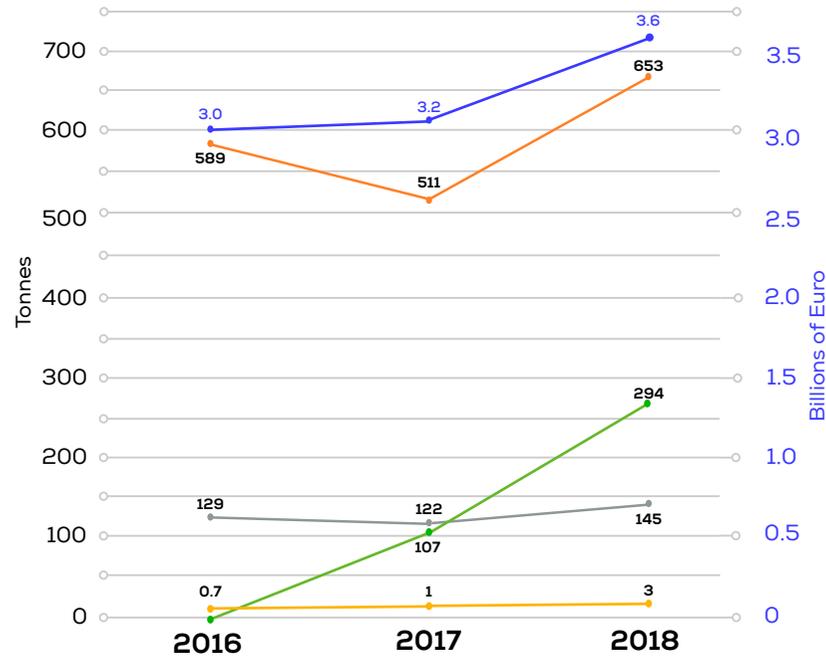
The raw materials contributed by the Esprinet Group to the supply chain consist primarily of **paper, cardboard, plastic, wood and iron spikes** used for packaging products.

In conjunction with the growth in turnover, there was a 48% increase in raw materials as a result of the increase in volumes driven by the business.

As far as Esprinet S.p.A. is concerned, the **enlargement of the warehouse** and the related activities required a greater purchase of raw materials.

With regard to Esprinet Iberica and Vinzeo, there was an increase in purchases of pallets and cardboard for the year 2018, in particular as a result of the increase in warehouse activities.

In addition, the trend in pallet purchases is due to increased demand for the preparation of packaging for large customers and increased demand for large-format TVs.



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

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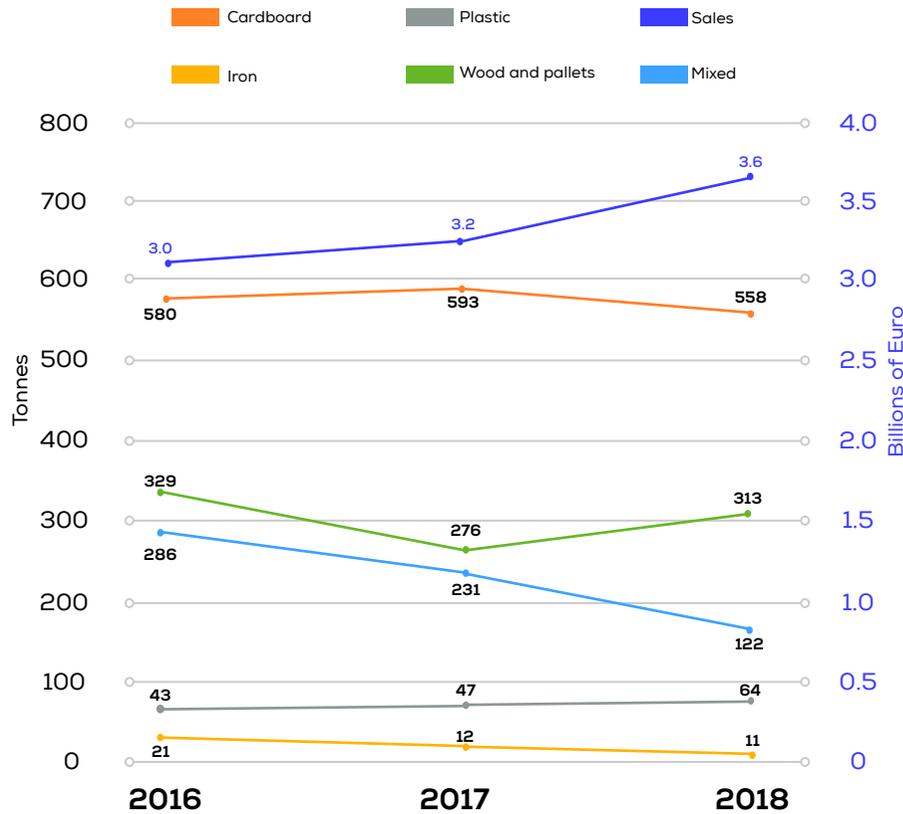
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Waste

The waste that the Esprinet Group must dispose of derives mostly from the packaging used to transport products from the manufacturing site to the warehouses of the Group and mainly consists of paper, cardboard, plastic, wooden pallets and iron.

Total waste showed a **7% reduction compared to 2017**, in contrast to the trend in turnover, which continued to increase: this phenomenon is mainly due to the centralisation of the activities of Mosaico S.r.l. and EDSlan S.r.l. at the Cavenago hub.



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

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

Types of waste

	2018	2017	2016
WEEE	3.0	15.1	4.2
Toners	0.5	0.8	0.4
Batteries	0.1	0.2	0.1
Neon	0.1	0.2	0.1

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, 8% in 2017 and 10% in 2018 of the total WEEE).

Type of waste treatment

	2018	2017	2016
Disposal	0	231	286
Recovered	1,072	945	978

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 Ecopilas and Ecoasimelec consortia, while Esprinet Portugal joined the Erp, Ecophilas and Ponto Verde consortia.

Joining these consortia allows a **proper management of waste** that respects the environment and current legislation.

Esprinet S.p.A. and Celly S.p.A. use the supplier Gamma Recuperi for waste collection and disposal services.

In addition, for over 3 years at the logistics hubs of Cambiago and Cavenago there are 2 presses for plastic packaging, 3 compactors for cardboard and 2 compactors for mixed waste to minimise the footprint.

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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 Group objectives. The Esprinet Group's HR management and development model mainly aims to motivate and valorise all employees by enhancing their skills and according to its business development strategy.

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 OHSAS 18001 certification for Esprinet S.p.A. and Esprinet Iberica S.L.U. in the field of occupational health and safety protection;

○ training targeted and adequate to management needs;

○ selection of the best resources coming from the main national schools and universities, combined with constant attention to internal mobility;

○ a compensation system based on principles of selectivity and meritocracy linked to the achievement of individual objectives;

○ introduction in 2017 of the smart working project in pilot mode, extending it in 2018 to all the businesses of Esprinet S.p.A..

89%

Employees hired with an open-ended contract

Female representation

55%



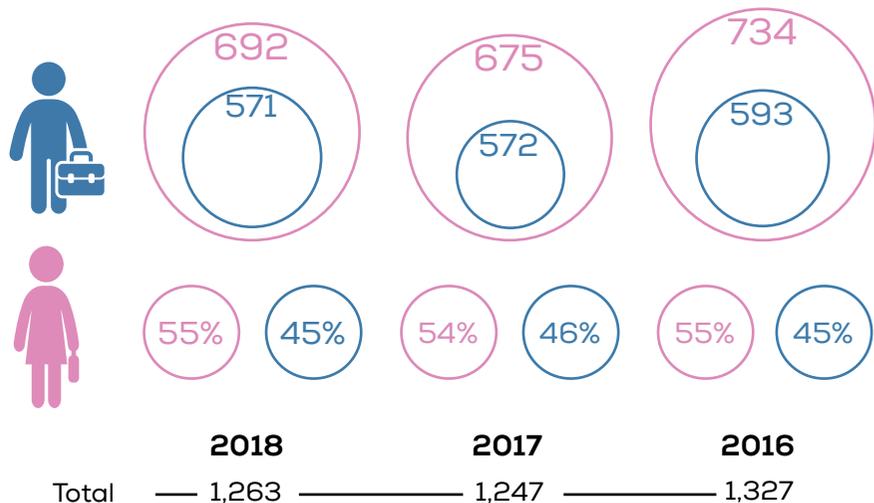
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Key numbers

Employees broken down by gender



Compared to 31 December 2017, the number of Group employees at the end of 2018 increased by 16.

With regard to the breakdown by gender, the table below shows a consistent prevalence of female employees within the Group: 55% at 31 December 2018.

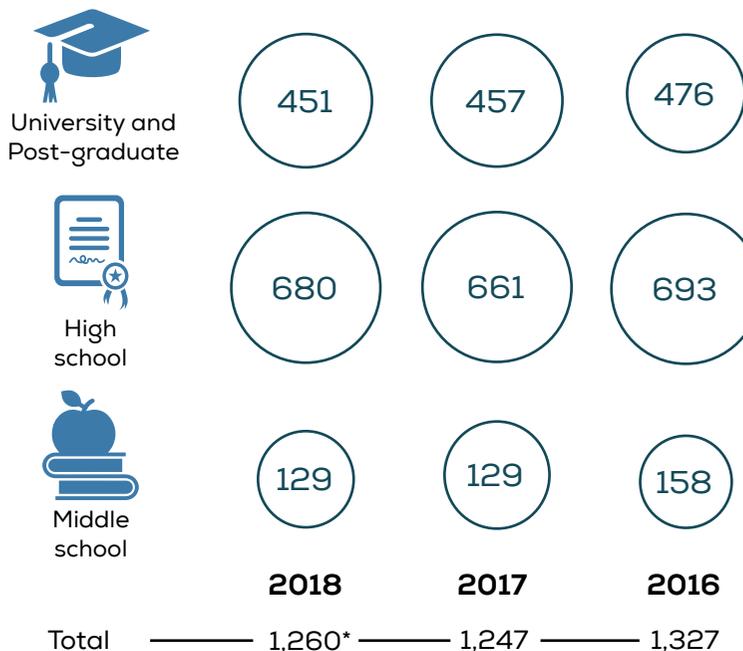
In line with the previous year, limited in the analysis to the Italian Subgroup, the percentage of female employment remains almost unchanged, at around 51.7% (409 out of 791 people).

As far as the Iberian Peninsula (Spain and Portugal) is concerned, female employment continues to be significantly prevalent (283 out of a total of 471 or 60%), with a very slight percentage decrease compared to the figure recorded at 31/12/2017 (61%).

*Celly Pacific Limited data n.a.

Employees broken down by level of education

At the end of the year the percentage of college graduates for all employees of the Group was equal to 36%, while the percentage of high school graduates was 54%.



Employees with university degree

36%

60%

Female employees in the Iberian Peninsula

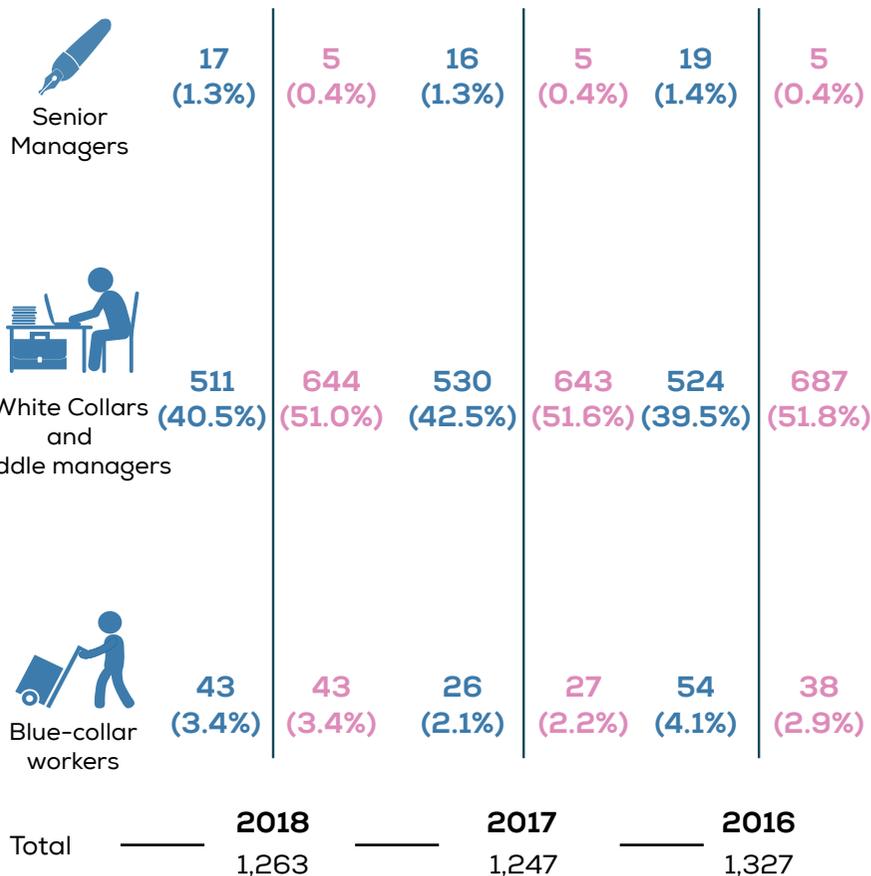
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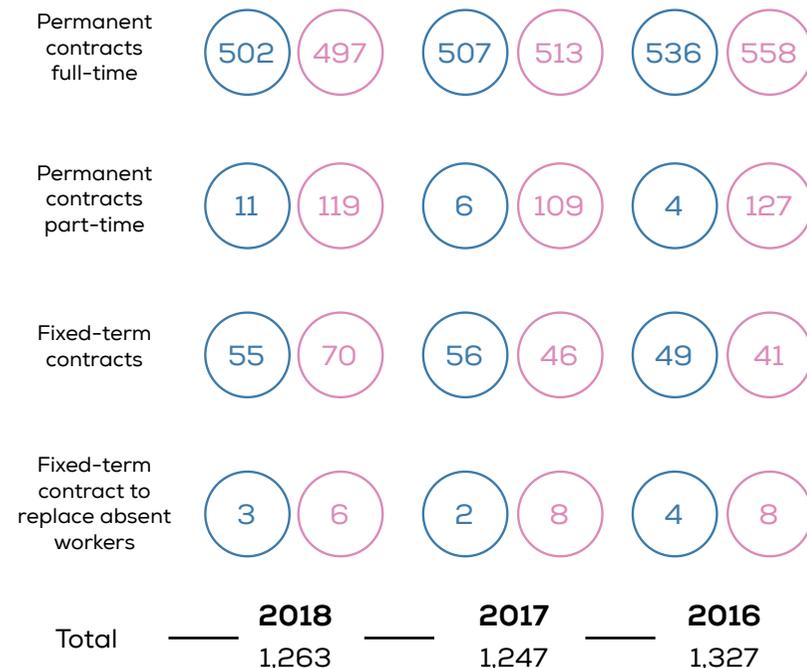
Employees broken down by professional category and gender



As at 31 December 2018, the Esprinet Group had 1,263 employees, of which the majority (equal to 1,155) fall within the professional category of white-collar workers and middle managers (511 men and 644 women).

Employees broken down by contract and gender

The high prevalence of **permanent contracts (89% of the total)** highlights the desire of the Group to create a lasting relationship with its own. Among permanent employees, the percentage working full time was 88% in 2018, 90% in 2017 and 89% in 2016. All Group employees with fixed-term contracts are full-time.



In addition, during the three-year period covered by this Report, the Esprinet Group worked with a number of **external agents**: in 2016 there were 84 at Esprinet S.p.A., Celly S.p.A. and EDSlan S.r.l. and 4 at Vinzeo Technologies S.A.U. and Tape S.L.U.; at the end of 2017 there were 76 agents at Esprinet S.p.A., Celly S.p.A., EDSlan S.r.l. and Mosaico S.r.l. and 4 at Vinzeo Technologies S.A.U. and Tape S.L.U.; at the end of 2018 there were 67 at Esprinet S.p.A., Celly S.p.A. and 1 in Vinzeo Technologies S.A.U.

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Employees broken down by geographical area

	Contract type	2018	2017	2016
 Italy	Permanent	723	745	782
	Fixed term	60	62	41
	Fixed-term contract to replace absent workers	5	6	8
 Spain	Permanent	394	382	431
	Fixed term	65	40	46
	Fixed-term contract to replace absent workers	4	4	4
 Portugal	Permanent	8	8	5
	Fixed term	0	0	3
	Fixed-term contract to replace absent workers	0	0	0

In 2018 the Group's employees were 62.4% in Italy, 36.7% in Spain and 0.6% in Portugal.

Employees of the subsidiaries Celly Pacific Limited and Nilox Deutschland GmbH (0.3%) operating outside Italy** were excluded from the breakdown 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 2016-2018 three-year period, no case of discrimination was brought to the attention of the Company.

788 *Group employees in Italy*

Employees broken down by age

As at 31 December 2018, 36% of the Group's population was aged between 31 and 40, decreasing compared to 2017, while 37% of employees were aged between 41 and 50 with respect to the same age range in 2017 (35%).

In 2018, the largest age bracket (41-50 years) can be broken down by professional classification as follows: 3% senior managers, 94% white-collar workers and middle managers and 3% blue-collar workers.

< 30	190 15%	176 14%	196 15%
< 31 - 40 >	449 36%	495 40%	584 44%
< 41 - 50 >	468 37%	441 35%	421 32%
> 51	156 12%	135 11%	126 9%
Total	2018 1,263	2017 1,247	2016 1,327

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

** For this reason, 7 employees were not considered in 2016, 3 in 2017 and 4 in 2018. These omissions fully explain the difference in total employees reported for other classifications

*** For the subsidiary Celly Pacific Limited data n.a.

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Number of persons hired

2018 2017 2016



Number of terminations

2018 2017 2016



Gender



	2018	2017	2016
Male	111	109	96
Female	109	69	127

	2018	2017	2016
Male	110	95	122
Female	95	123	86

Age range

< 30

	2018	2017	2016
< 30	101	74	81

	2018	2017	2016
< 30	56	68	43

< 31 - 40 >

	2018	2017	2016
< 31 - 40 >	71	51	84

	2018	2017	2016
< 31 - 40 >	87	95	50

< 41 - 50 >

	2018	2017	2016
< 41 - 50 >	37	28	90

	2018	2017	2016
< 41 - 50 >	43	55	39

> 51

	2018	2017	2016
> 51	11	12	43

	2018	2017	2016
> 51	19	27	12

Geographic area



Italy

	2018	2017	2016
Italy	104	91	219

	2018	2017	2016
Italy	126	113	86



Spain

	2018	2017	2016
Spain	112	74	73

	2018	2017	2016
Spain	76	129	55



Port.

	2018	2017	2016
Port.	0	0	2

	2018	2017	2016
Port.	0	0	1



Other

	2018	2017	2016
Other	4	0	4

	2018	2017	2016
Other	3	3	2



Compared to 31 December 2017, the number of employees of Esprinet S.p.A. increased by 60 at the end of 2018 (from 682 to 742), due to the rental and subsequent merger (with effect from 01/11/2018) into Esprinet S.p.A. of the subsidiaries Edslan S.r.l. and Mosaico S.r.l..

There were no significant changes in the number of employees for Celly (Celly S.p.A., Celly Nordic OY and Celly Pacific Limited).

The average number of employees for Esprinet S.p.A. at 31/12/2018 increased by 31 compared to the previous year, reaching 711 from 680, again as a result of the extraordinary operations mentioned above. While, if we consider the Italian Subgroup, the average number of employees decreased by 23 (from 826 to 803), in consideration of the synergies that were created in the process of integrating the companies.

The Esprinet Iberica group increased its headcount by 37 employees compared to the previous year, due to the **addition of 34 employees** to Esprinet Iberica S.L.U. and 7 to V-Valley Iberian S.L.U. and the decrease of 3 from Vinzeo Technologies S.A.U. and 1 from TAPE S.L.U.

Esprinet Portugal Lda did not experience any changes in the workforce compared to 31 December 2017.

The increase in the workforce is mainly due to the growth in the number of employees in the logistics area, in particular the warehouse (33 more than at 31 December 2017), necessary to manage the greater volume of the group's activities in the Iberian Peninsula.

The increase of 7 employees at V-Valley Iberian S.L.U. is essentially due to the creation of a new **Enterprise Security Division** focused on the Cybersecurity business – which is part of the Group's development strategies in high margin business areas – which has allowed a significant growth of the business managed by the company compared to the year 2017.

The average number of employees for all companies in the Iberian Peninsula at 31/12/2018 decreased by 9 compared to 31/12/2017, a situation generated mainly by the reduction in the workforce in 2017 (with a decrease of 55 employees) as a result of restructuring that allowed a rationalisation and containment of operating costs, improving the group's competitiveness against growing competitive pressures.



In Italy, in 2018, **recruiting** continued to be **intense**, with more than 100 searches for all the structures of Italian companies. In the sales departments, the trend continued of hiring mainly specialised people with greater seniority compared to more junior profiles.

During 2018, **Employer Branding** activities continued, as well as the consolidation of relations with local universities, with meetings between Esprinet representatives and students. In addition to long-standing collaborations with Bocconi University and the Catholic University, **new collaborations** were initiated with Bicocca University and the University of Bergamo and with the master's programmes of Sole 24 ore and Talent Garden. Together with the latter, Esprinet was a **sponsor of the master in "Digital Marketing"**, hiring a participant for an internship at the company.

Four field projects have also been launched, focusing on business topics that are important for the various structures involved (HR, Marketing Dept. and Channel Marketing Dept.).

During the year, 18 recent graduates participated in internships in Esprinet and Celly. Excluding the eight ongoing internships as at 31 December 2018 and the three interns who resigned during the training period, 87.5% continued their career in the company with a work contract.

The search for experienced professionals has taken place through several internal and external recruitment channels. Eight employees – up compared to 2017 – were able to change roles in the company thanks to the **Job Posting** tool, which promotes **internal mobility** and facilitates job and inter-functional growth.

Link up! – an internal referral system that provides financial recognition if a referred person is hired – has also been confirmed as a valid search channel.

The collaboration with specialised Research and Selection Companies for the search of senior professionals and people with specific technical skills also continued in 2018.

In addition to classic recruiting channels, 2018 was also dedicated to the investment in two important projects for the configuration of a **careers page** on our institutional website and **ATS** for the collection of applications, which will be activated during 2019.

In Spain, recruiting in 2018 continued to be very intense, mainly due to the hiring of people for the logistics area, following the increase in the Group's volume of business and the high turnover recorded in this area.

On the other hand, the search and selection continued for professionals with previous work experience and specific skills for highly specialised business areas, like the Value area of both V-Valley Iberian and Vinzeo Technologies or for the opening of new business lines, as well as people to replace temporarily absent workers.

The recruitment of young graduates to be recruited through internships also continues to develop, to ensure a pipeline of talented people to draw on to cover any new positions. The recruitment of young graduates continues to be 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 total number of terminations by the total number of employees at year-end.



	2018	2017	2016
Total terminations	205	245	144
Total employees	1,263	1,247	1,327
Outgoing turnover rate	16.2%	19.6%	10.9%

By gender



The outgoing turnover rate was 16.2% at the end of 2018 compared to 19.6% in 2017, with a prevalence of men.

The age group most involved is < 30 years old and the geographical area mainly affected (excluding the 'Other**' category) concerns Spain.

In Spain, 50% of terminations were concentrated in the < 30 years bracket and were due to staff turnover in the Group's warehouse. This area is also subject to seasonality, furthermore due to the demanding type of work the staff changes rapidly.

Warehouse personnel belong to a low age bracket compared to the rest of the company population with less seniority and a greater propensity to leave for other job opportunities.

By age group

< 30



< 31 - 40 >



< 41 - 50 >



> 51



By region*

Italy	16.0%	14.1%	10.3%
Spain	16.4%	29.1%	11.1%
Portugal	0.0%	50.0%	27.3%
Other**	75%	100.0%	33.3%

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16.2%

Outgoing turnover rate 2018

Age range most involved

<30

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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) and Nilox Deutschland GmbH

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.

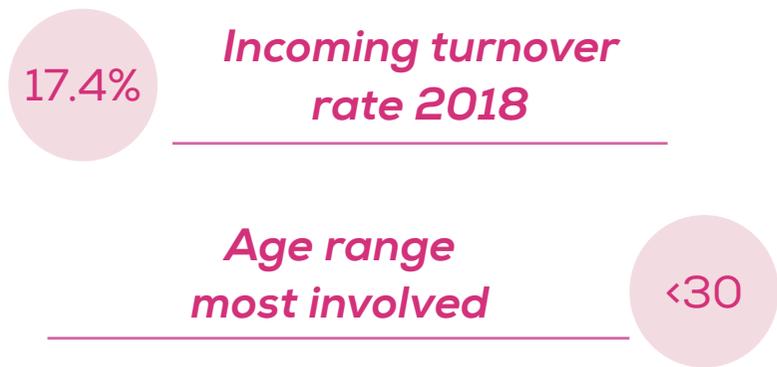


	2018	2017	2016
Total hires	<u>220</u>	<u>165</u>	<u>298</u>
Total employees	<u>1,263</u>	<u>1,247</u>	<u>1,327</u>
Incoming turnover rate	17.4%	13.2%	22.5%

By gender



The incoming turnover rate was 17.4% at the end of 2018 compared to 13.2% in 2017, with a prevalence of men. The age group most involved is < 30 years old and the geographical area mainly affected concerns Spain.

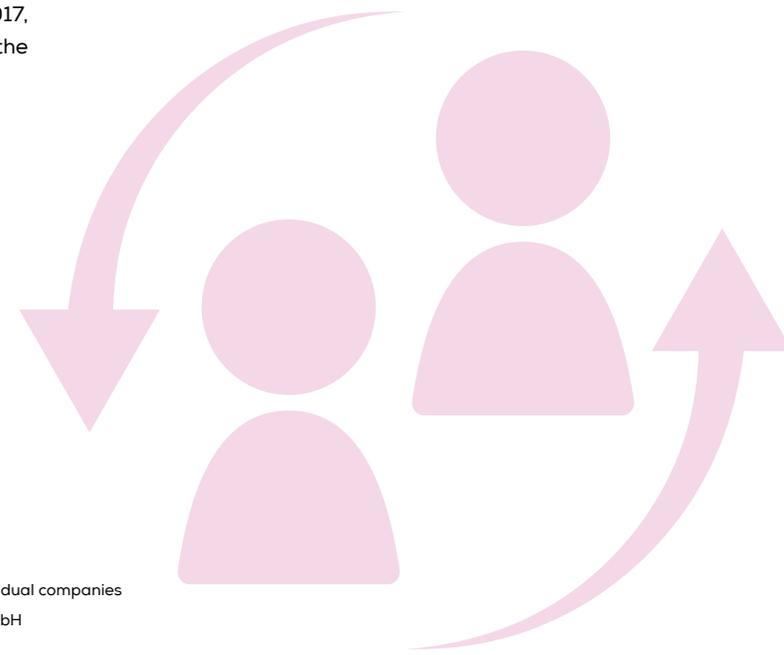


By age group

By age group	2018	2017	2016
< 30	53.2%	42.0%	41.3%
<31 - 40>	15.8%	10.3%	14.4%
<41 - 50>	7.9%	6.3%	21.4%
> 51	7.1%	8.9%	34.1%
By region*			
Italy	13.2%	11.2%	26.3%
Spain	24.2%	17.4%	15.3%
Portugal	0.0%	0.0%	18.2%
Other**	100%	0.0%	66.7%

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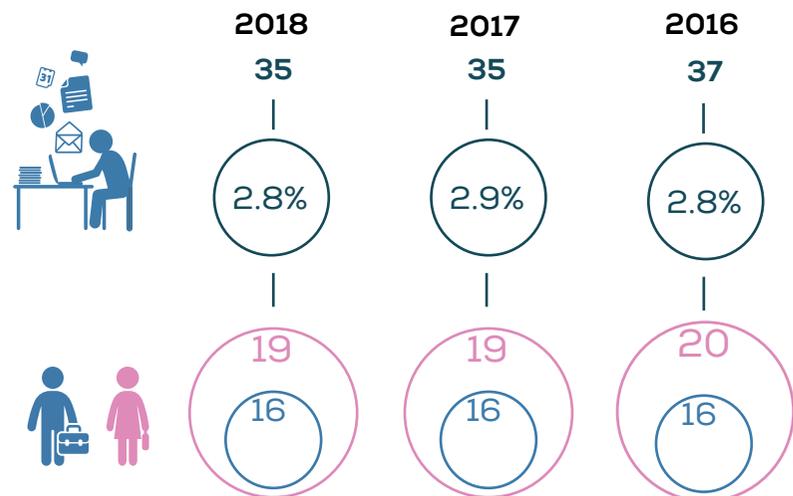
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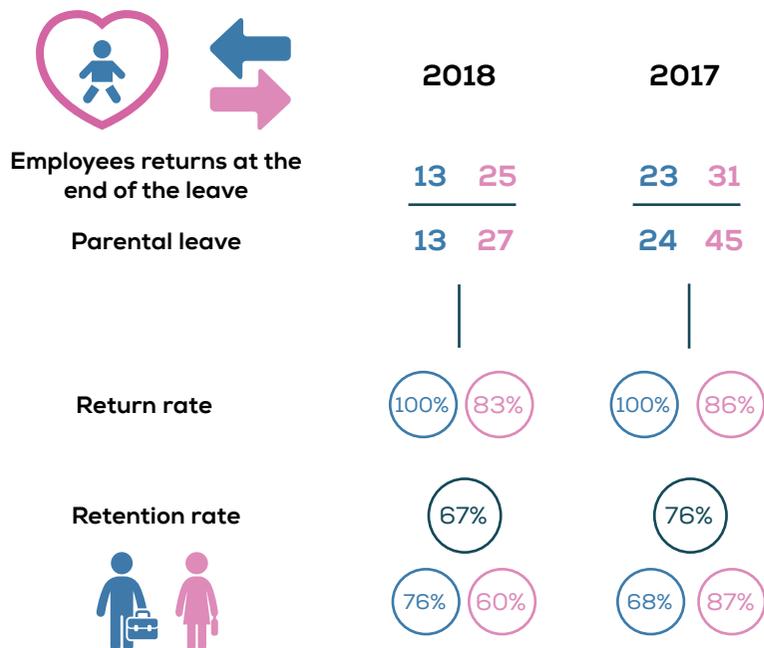
* Subdivision carried out starting from the geographical location of the operational headquarters of the individual companies

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Protected categories



Maternity and paternity leave



For Esprinet S.p.A., following the extraordinary operations concerning Edslan S.r.l. and Mosaico S.r.l., the agreement for the **hiring of 3 disabled people on the Vimercate site** was redefined with the Province of Monza and Brianza. For the Province of Milan, a person was hired in excess of the legal obligation to compensate for the lack of a person in the Province of Rome. For Celly S.p.A. there were no shortages.

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.

As far as Esprinet Iberica is concerned, also in 2018, the company complied with the employment objectives set out in the legislation on the compulsory placement of disabled personnel and, for the first time, alternative institutions were also used in the event of failure to hire disabled personnel, establishing **collaboration contracts with two entities dedicated to the hiring** of disabled people, Stylepack S.L. and Ilunion S.L.

These companies have been entrusted with the management of certain activities in the Supply Chain area, which they develop through the contribution of workers with disabilities. The extension of the use of this alternative to Vinzeo Technologies to cover its share of the number of disabled personnel hired is currently being considered.

In 2018 the female Return rate was 83%, while the male rate was 100%. The methodology for calculating parental leave and related rates has been updated compared to the method used last year. Therefore the data for 2017 have been recalculated. Only persons who took leave in the year of reference are taken into account in the calculation of parental leave. Note also that all employees are entitled to parental leave.

The Return rate was calculated by dividing the number of returns in the year of reference by the total number of people who should have returned during the year in question.

The **Retention rate** was calculated by dividing the number of employees still in the company at 31 December of the following year with respect to their return from maternity/paternity leave by the total number of people who had returned from their leave in the previous year (the employees of Vinzeo Technologies S.A.U. and V-Valley Iberian S.L.U. were not considered here).

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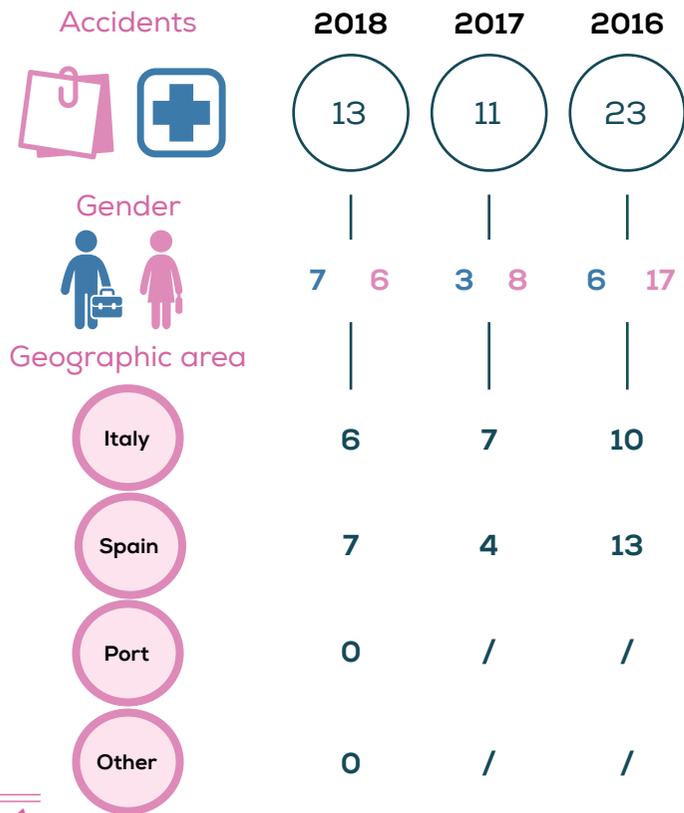
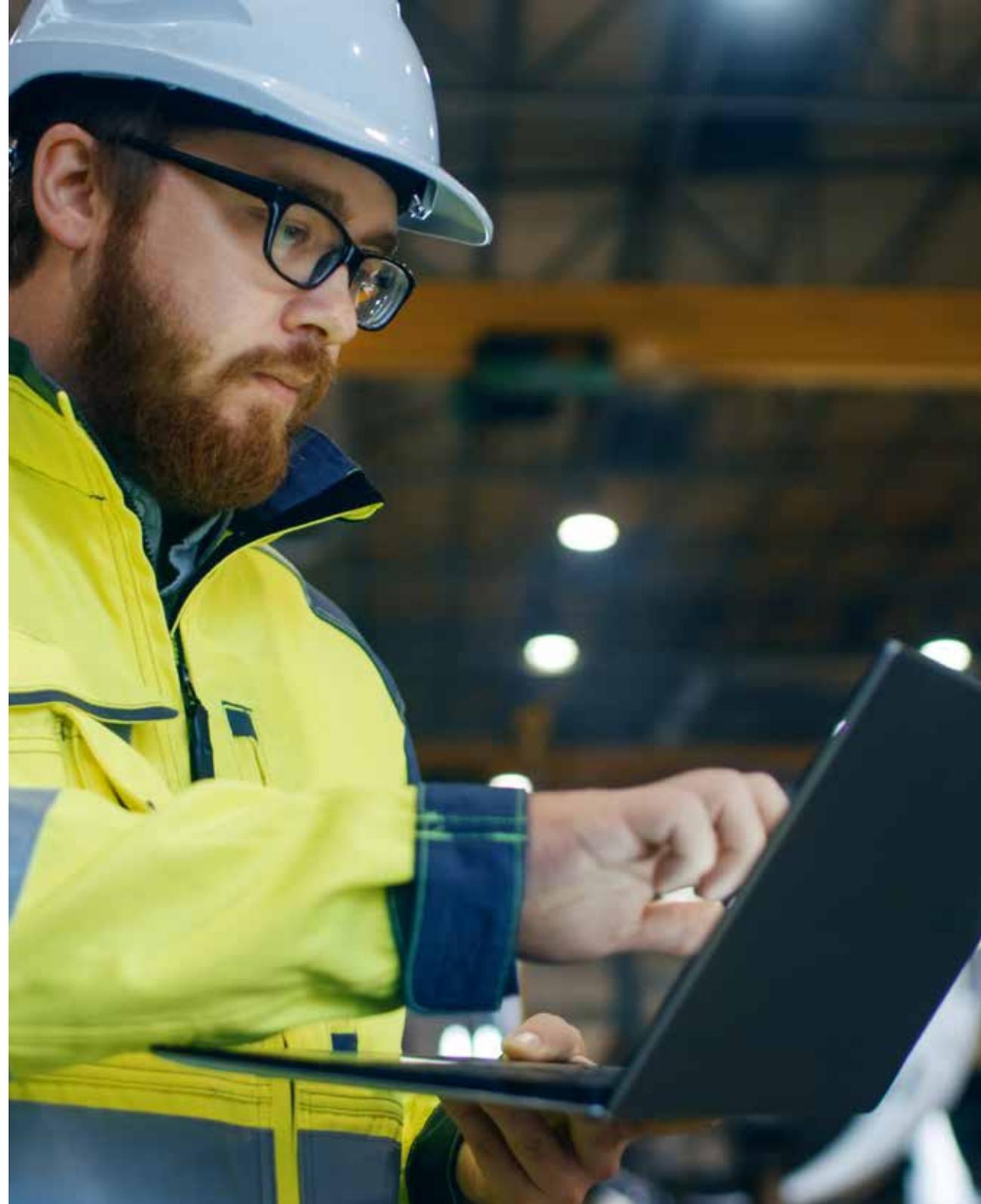
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Safety in the workplace

In 2018, there were 13 accidents involving Group employees, 7 of which were during their commutes.

In Italy, the only accident (not while commuting) recorded was due to the movement of goods, while in Spain they were due to falling and an injury caused by a product.

In Spain in 2018 there were 8 accidents without leave, i.e. that did not affect the hours of absence because the doctor, despite the accident, declared the person able to continue work. Of the 8 accidents specified, 2 were while commuting. There were also 7 accidents with leave, 2 of which while commuting. In any case, **the accident rate is still low** compared to the industry average. The company carried out a study that has shown that the main cause of accidents is excessive physical effort or impact with objects. To mitigate the cause of excessive physical effort the company has increased the **physiotherapy** started in 2017 and has initiated a health plan called **Muevete** where the company pays for employees' gym memberships. Safe driving courses have been organised to reduce the number of accidents while commuting to and from work, with the aim of making workers aware of the importance of this aspect.



Injury rates

	2018		2017		2016	
Frequency indices*	6.3		5.2		12.2	
Gender						
	7.1	5.6	3.0	7.1	6.8	16.8
Geographic area						
Italy	4.6		5.2		8.1	
Spain	9.7		5.2		20.4	
Portugal	/		/		/	
Other***	/		/		/	
Severity indices**	0.13		0.05		0.23	
Gender						
	0.17	0.10	0.03	0.07	0.14	0.31
Geographic area						
Italy	0.06		0.05		0.12	
Spain	0.26		0.05		0.46	
Portugal	/		/		/	
Other***	/		/		/	
Fatalities	0		0		0	

In carrying out its activities, the Esprinet Group collaborates with two cooperatives, one in Italy and one in Spain, hosting their staffs inside its warehouses.

In Italy Esprinet collaborates with **Prometeo soc.coop.**, which belongs to the Logitech consortium. As regards accidents to external companies in the logistics hubs, on a quarterly basis the cooperative sends a copy of the accident register to the Quality, Environment and Safety Management System Manager, who records the events and archives the evidence.

During 2018, an average of 161 employees of the cooperative were employed (105 men and 56 women), recording 2 accidents (one of which while commuting). The frequency index for these employees of the cooperative is therefore 7.5, while the severity index is 0.16.

An accident occurred in Italy to a subcontractor during the work carried out at the logistics hub of Cavenago while painting.

In Spain, a collaboration with **Euroiberica** has been active for several years in the only logistics hub currently in operation for the management of some services of reordering the warehouse and preparing cartons. In 2018 an average of 7 employees were employed, 6 in 2017 and 6 in 2016.

This cooperative recorded only one accident in 2017 and none in 2018.

6.3 Accident frequency index in 2018

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* 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) and Nilox Deutschland GmbH

Training

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

In 2018 the Esprinet Group provided **18,621 hours** of training to its employees (excluding directors and staff on internships), up compared to the previous year (18,430). The total training hours in Italy were 13,286, and 5,336 in the Iberian Peninsula. The increase in training hours is mainly due to language courses, Smart Working courses extended to additional facilities and courses on privacy, health and safety of workers and Legislative Decree 231.

Of the total training hours in the Group in 2018, 2,408 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, the 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 in the warehouse etc. It is done by the cooperative itself and supervised by internal Esprinet staff.



18,621 hours of **training** provided in 2018

Of which **2,408** hours regarding:

"Health and safety related courses" "Courses related to privacy" "Corporate responsibility as per Legislative Decree 231/01"



Number of employees trained on anti-corruption

	2018	2017	2016
Total	66	545	82
Gender			
Male	34	226	43
Female	32	319	39
Professional classification			
Senior Managers	0	3	1
White-collar workers and Middle managers	66	452	80
Blue-collar workers	0	90	1
Geographic area			
Italy	19	88	82
Spain	23	457	/
Portugal	24	/	/
Other	0	/	/

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Hours of training per employee

In Italy, in 2018 a new course on Performance Management was included in the programme dedicated to "starters" in order to share the peculiarities of the assessment process with new recruits from the moment they are hired.

During 2018, new classes were tested using both internal speakers and external trainers, to assess the expansion of the catalogue and to meet new training needs. Specifically:

- the **Energy to You and Your Sales** course, an empowerment project dedicated to the Sales area aimed at improving customer relations issues.

- great attention was also paid to the **Smart Working** project in 2018, which was extended to other areas of the company and confirmed at the end of the pilot programme, which began in 2017. In light of the project's scope and the positive feedback received, 247 hours were dedicated to home-based work training.

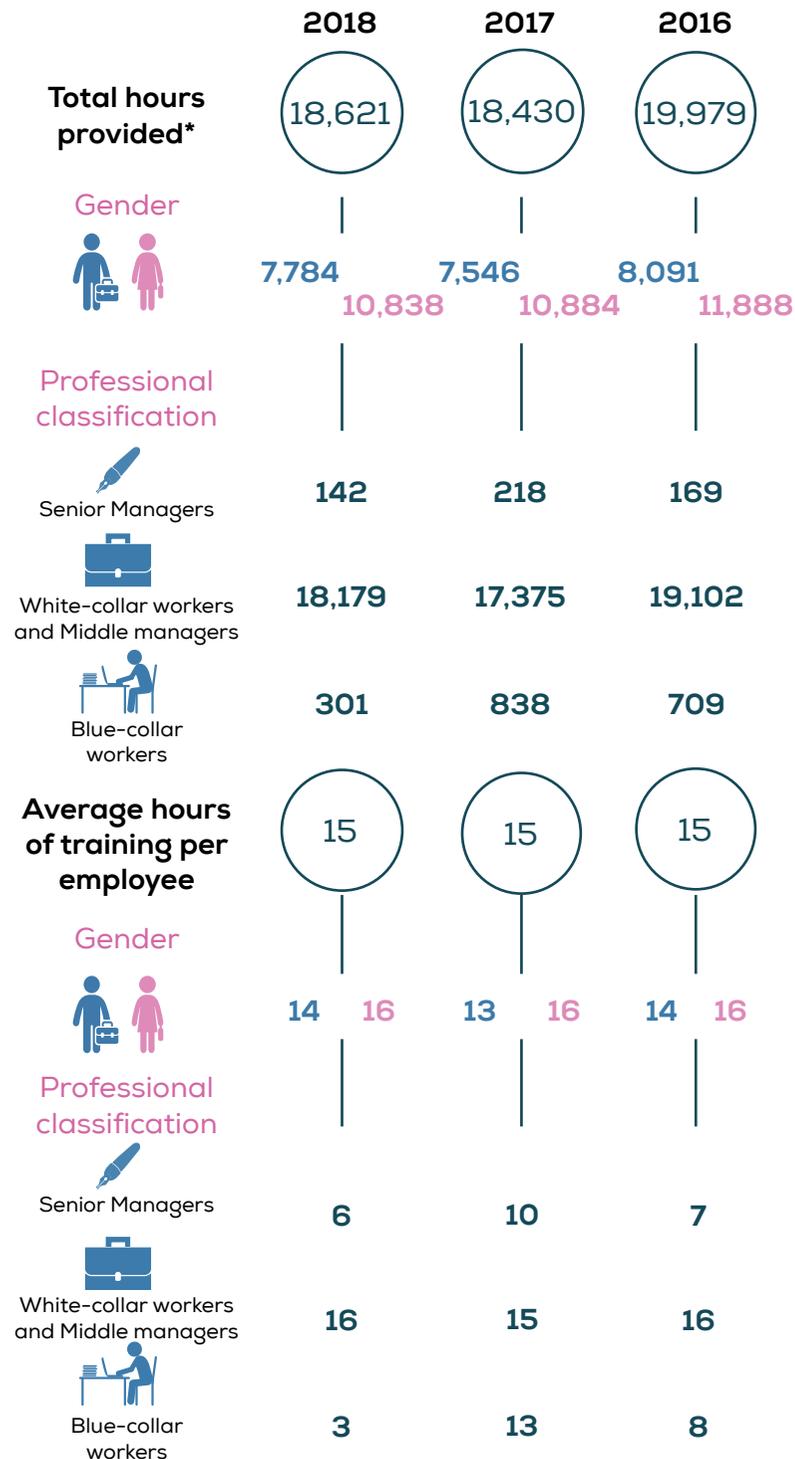
In addition, in the wake of the project training related to the topic of trust continued, the Trust course involving more than 365 hours in the classroom.

- The course on use of the **CRM**, which involved 228 colleagues in the classroom for a total of 684 hours, was an important new element in supporting the company structures involved.

Esprinet Iberica contributes in large part to the total number of training hours provided through the preparation of an annual training plan divided into various areas of expertise, where language training and risk prevention at work represent the majority of the courses provided.

The training on **prevention and health and safety**, which **grew by 3%** compared to last year, is one of the pillars of training in Spain for the decision to invest in the creation of the Health Company, so training is carried out aimed at increasing the level of well-being of workers with workshops on mindfulness, healthy nutrition, postural correction, etc.

As in previous years, a significant part of the training provided was carried out through the use of funded training by the Fundación Tripartita. Concretely, in 2018 68% 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

The final launch of the smart working project was confirmed in January 2018 in light of the excellent results of the six-month pilot programme launched in 2017, which represented a major organisational change for Esprinet S.p.A. and Celly S.p.A.. Smart Working, which was also extended to new facilities during the year, allows employees to work off-site for one full day a week.

The company offers the chance to participate in Smart Working to people with compatible roles and who have received positive performance assessments, providing them with the technological tools necessary for working remotely.

In 2018, **450 employees** took part in the initiative, i.e. 95% of the people eligible by role and by performance.

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.

For the company, Smart Working has led to a reduction in CO₂ emissions and an optimisation of parking space with a higher number of employees.

Trust, responsibility and a focus on results are the key principles underlying Smart Working in Esprinet, concepts that are understood and internalised by both employees and managers.



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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 performance rating system is extended to all Celly and Esprinet employees in the company on 31 December of the assessment year, who have worked for the company for at least 6 months.

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 process of performance evaluation concludes with a joint meeting between managers and employees during which actions are agreed upon for the development of strengths and the improvement of any critical issues that emerged. The process described above is critical to defining structured training programmes and to promoting and enhancing human resources.

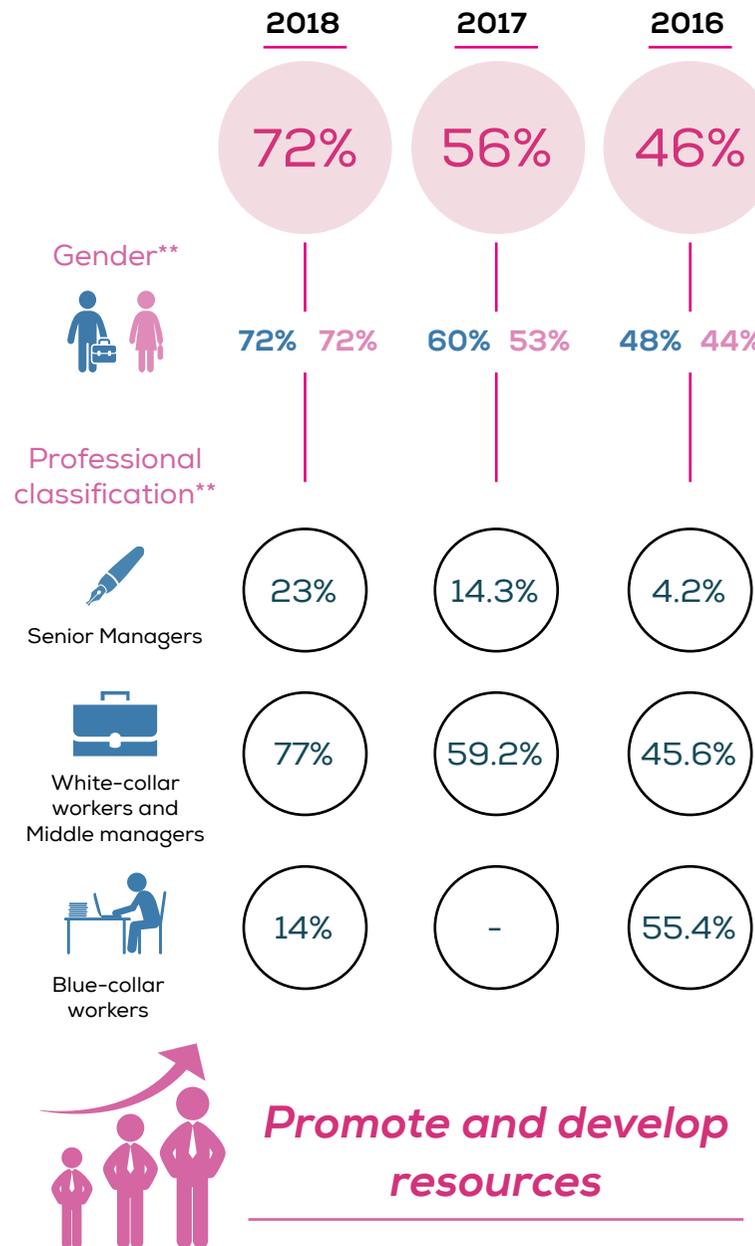
The performance assessment process was an important moment for the group, where managers had the opportunity to discuss and share the assessments of their employees for the year 2017 with the Human Resources department.

In the first half of 2018, 33 calibration meetings were organised in Italy. The project involved 664 employees of Esprinet S.p.A. and Celly S.p.A.

As in previous years, the performance assessment process was also the best opportunity for each manager to request training courses, which were then communicated to the Human Resources Department to **define the relative training plan**.

For future years, the intention is to expand the assessment system to include all Group employees: this objective is evident from the constant increase in the percentage of employees evaluated over the three-year period in question.

Employees rated on performance*



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* The employees of the entire Group were taken into account in this index.

** The values noted for the employees divided by gender and professional classification represent the percentages relative to the respective categories



6

ESPRINET & ACTIVITIES

Social responsibility
Our initiatives



Social responsibility

Corporate social responsibility is an important component in the Group and precisely for this reason once again in 2018 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.



63,980* euros the value of donations and sponsorships in 2018



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* Of which approximately € 6,428 corresponds to donations and sponsorships from customers and employees of Esprinet, indirectly conveyed by the Group.

Corporate Volunteering - Esprinet4others

Corporate Volunteering, understood as a project where the company encourages, supports and organises the active and concrete participation of its personnel in the life of the local community and in **support of certain non-profit organisations** during working hours, is emblematic of the virtuous path that the company and its employees can take together for the community.

In 2018, the first pilot phase of the project was launched, extended to all Group companies based in Italy, **involving 10 local associations, 148 employees** (20% of those contacted), for a total of **28 days** in just three months. The associations involved came from the social, health, cultural and environmental spheres.

The organisational process was participatory in nature, with the direct involvement of employees through surveys in order to identify the areas of greatest interest. Subsequently, through operational focus groups, volunteer days were identified and organised.

This way the employees themselves became project leaders and project ambassadors, working together to come up with the name **Esprinet4others**.



Numerous studies have analysed the **benefits** that Corporate Volunteering brings both internally to the company and to the external community: Esprinet has indeed experienced the many positive aspects of this project and will therefore continue to offer this experience to its employees in the coming years.

Esprinet4others has achieved such success that it is already in the planning phase for 2019, with a project extension from **quarterly to semi-annually**. The company's objective is to bring the project also to the Group companies based in Spain.

**28 days
organised**



**148 employees
involved**

**collaboration with 10
associations**



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Corporate Volunteering - comments of employees and associations

“

A real opportunity for team building

Convinced of having made the right choice and pleased to have been an ambassador. I'd had this kind of experience before, but yesterday's experience was different. It taught me new things.

Very positive experience, I'll try to continue!

I wanted to try an experience of this kind, but volunteering on your own is much more difficult: it requires courses, availability of fixed hours and days. But this was much easier and I found the doors wide open even to continue volunteering!

For sure in the new year I will still participate in volunteer activities because it was something magical

Physically tiring but it was absolutely worth the effort, mentally very rewarding, a day different from the others that in my opinion was well worth it



Creda Onlus

Thanks to all of you, to your commitment and energy that you have given us



Casa di Emma

Your support is helping us to build a better world together



Casa San Giuseppe

Your volunteers have made our guests' day different



Pane Quotidiano

Fundamental support in the management of activities



Vita da Cani

A help we would always like

”

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Green Project

The **Green Project** was launched as part of Esprinet's sustainability activities, a first effort aimed at helping customers make an informed business choice that brings value in the long term.

The Green Project aims to **increase visibility of the "green" characteristics** of the items in Esprinet's online catalogue.

Thanks also to the comparison with qualified external interlocutors, a first step was taken towards a **comparison** between products within the same product category on the basis of **'energy efficiency' indices**. 20% of the products found to be more environmentally friendly are now marked with a **green leaf**, visible in the product sheets.

For now this analysis was carried out for **televisions** and **printers**, with the intention of extending the project to other categories of goods by introducing other aspects related to the concept of "green" to the comparative parameters (recycling of materials, sustainability of the supply chain, carbon footprint, noise, etc.).

For televisions, the calculation is based on the formula underlying the Energy Efficiency Index (EEI), which determines the energy class of the product. This indicator has been recalculated starting from the data in the catalogue product sheets. The greener televisions were then identified, marking them with the green leaf, within the TV types (including TV Monitors) and Hotel TVs. The added value of this ranking compared to the information provided by the energy class is the greatest differentiation: it should be considered that, from an internal analysis it has been verified that about 60% of the products in the catalogue belong to energy class 'A'.

For printers, in order to ensure full comparability of products, the variable used for the calculation is the 'energy consumption per printed page', using different parameters depending on the type.

The project aims to direct the customer to use the environmental variable to be more competitive in the market so as **to make sustainability a differentiating lever for business**.



Sostenibilità Esprinet
prodotti green

Scopri le caratteristiche **"green"** dei prodotti presenti nel nostro catalogo

scopri di più >



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Maria Letizia Verga Committee

For years the Esprinet Group has worked with 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 2018, 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 euros.

This year the donation supported **#ladolceforzachecombatte**, a project benefiting mothers of the Maria Letizia Verga Committee who represent the heart of the therapeutic alliance between research, care and assistance. To date, thanks to the Committee's activities, about 80% of children are able to heal.

To further **strengthen the collaboration** with the Maria Letizia Verga Committee, and with the desire to communicate the importance of the initiatives to all our stakeholders, the Group also **donated** part of the funds usually allocated for Christmas gifts to suppliers and customers **to charity**. The initiative was shared and explained to the various stakeholders through the sending of **Christmas cards**.

Finally, the Group organised two solidarity banquets for employees during the Easter and Christmas periods to promote fundraising for the association.



#LADOLCEFORZACHECOMBATTE
Insieme, per guarire un bambino in più.



UNISCITI A NOI SOSTIENI UN NUOVO PROGETTO DI RICERCA E CURA

LA DOLCE FORZA DI CHI DEVE VINCERE A TUTTI I COSTI
La leucemia dei bambini è un nemico che al Centro Maria Letizia Verga si affronta insieme, unendo medici, ricercatori e famiglie in una alleanza terapeutica che fa sì che oggi oltre l'80% dei bambini guarisca.

Unisciti alle mamme del Comitato Maria Letizia Verga nella **lotta contro la leucemia**, sostieni un progetto di ricerca
#ladolceforzachecombatte #perguarireunbambinoinpiù

€ 1 | € 5 | € 10 | € 25 | € 50

[Inserisci Donazione](#)



"Noi di Esprinet contribuiremo raddoppiando la tua donazione"
Per raddoppiare l'impatto del vostro contributo faremo a nostra volta donazioni pari alle vostre per i primi 5.000 € raccolti.

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Ambrosiana Library

In partnership with SEELABS Soluzioni e Servizi srl, the Esprinet Group has created an innovative **Multimedia Guide** to enrich the **visitor experience** at the Ambrosiana Gallery.

The Ambrosiana Gallery was established in April 1618, when Cardinal Federico Borromeo donated his collection of paintings, statues and drawings to the Ambrosiana Library, which he himself founded in 1607.

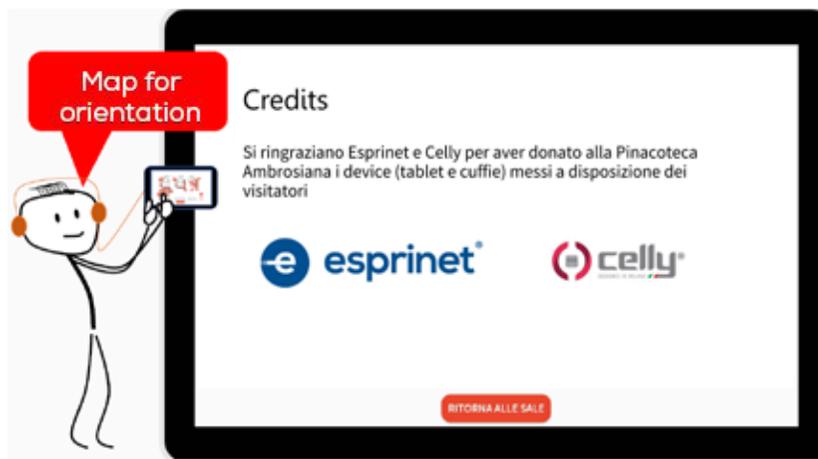
Inside the Gallery – divided into 24 rooms – visitors can admire some of the most **extraordinary masterpieces** of all time, like Leonardo's Musician, Caravaggio's Basket of Fruit, Raphael's Preparatory cartoon for the School of Athens, Titian's Adoration of the Magi, Botticelli's Madonna and Child with Three Angels and Jan Brueghel's splendid Vases of Flowers.

All this will be enjoyed with a personalised experience thanks to the multimedia insights available directly on tablets customised for the visit.

To develop the project, Esprinet has also involved **colleagues from Celly S.p.A.** for the **preparation of the hardware** necessary for the work's success.



Creation of an innovative Multimedia Guide to enrich the visitor experience



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Donation of products to the Sicomoro Foundation



Esprinet participated in the project "Second Chance School - Coding and Robotics" by providing technical materials.

The initiative provides for **annual schooling** (October 2018-2019) to earn a **middle school certificate** and is aimed at pupils enrolled in middle schools in the area and highlighted by them.

The main objective, besides successfully obtaining a middle school diploma without any 'facilitations', **catching up on education through the recovery of self-esteem** and the belief of 'being capable of and motivated to learn'.

Operational since 2001 in the area of Milan, Monza and more recently Lodi, the project is now a **consolidated reality for the fight against leaving school early**.



FONDAZIONE SICOMORO
per l'Istruzione ONLUS

Other donations of Celly and Nilox products

During 2018, donations were made of the Group's branded products in support of **Emma's House** and **L'Impronta** for the respective fundraising raffles and for the **Monza Park Festival** held in October.



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Blood donation

Also in 2018, **2 blood donations were organised** outside the Vimercate headquarters with a special bloodmobile, an activity which also involved the nearby companies SAP and Nokia.

The company sought to convey the message that everyone can make an **extraordinary gesture of generosity**, not only for those in need of blood transfusions, but also for those who donate it.

In fact, aware of the value of the donation, **Avis Milan** thanks its **donors** by giving them the opportunity to perform **cardiological and pneumological tests** at its headquarters, controls that are part of the Prevention and Early Diagnosis Programme.

In 2018 employees donated blood **twice at the headquarters in Zaragoza**, in collaboration with the association 'Donantes de Sagre Aragon'.



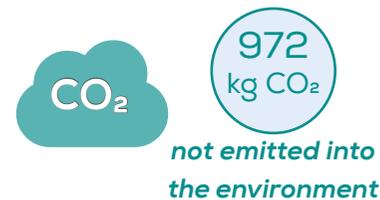
Collaboration with Humana



During 2018, the long-standing collaboration with **Humana people to people** continued, organising **two collections of clothes** at the Vimercate headquarters.

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.

Once again this year, excellent results were achieved in terms of **community support** and **reduction of environmental impacts**.



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Partnership with Humanitas University



Believing strongly in new talent and research, the Group has also contributed to funding a scholarship for training in research.

Funding of a scholarship

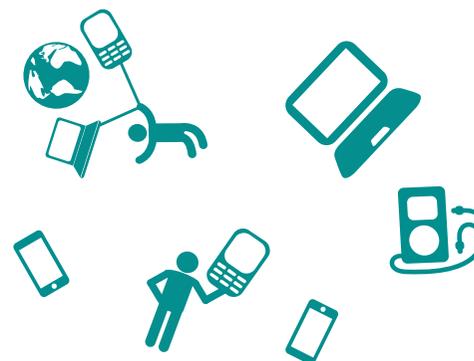


Partnership with IEO

In 2018 a partnership was established between the Esprinet Group and IEO (European Institute of Oncology) in order to sell some Celly brand products in the stores located at the IEO headquarters at a fixed price.

The proceeds from the shops went to support the IEO Foundation and, in the light of the success of the recently established partnership, the intention is to continue the collaboration in the coming years.

Revenue from shops in support of the IEO Foundation



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Collaboration with La Casa di Emma

In 2018 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.

The Group expanded its knowledge of this reality through the experience of corporate volunteering and has helped to support it by donating part of the funds usually allocated for Christmas gifts, thus facilitating engagement with employees, vendors and customers.



Solidarity Corners

During 2018, 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 already mentioned in the previous pages, corners were hosted for:

-  **LILT** - Italian League Against Cancer of Milan
-  **CIAI** - Italian Centre for Children's Aid
-  **ADMO** - Bone Marrow Donor Association.
-  **Giunco Project**, which aims to contribute to greater participation of women in the working world in Peru.
-  **Fata Onlus**, engaged in the hosting and care of abused children.



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Meetings, awareness and culture

In order to raise awareness and create a culture of social issues, **several meetings** were held for Group employees.

In Italy, a meeting on **paediatric prevention** was organised by Dr. Momcilo Jancovick, haematologist at the San Gerardo Hospital in Monza. In addition, a meeting entitled '**How does our brain choose to do good?**' was organised by ADMO, Association of Bone Marrow Donors, a body that plays a key role in raising awareness, providing interested parties with all the necessary clarifications on bone marrow donation and following the potential donor throughout the process.

In Spain, at the Esprinet Iberica headquarters, a collaboration was established with **Stylepack S.L.** and **Ilunion S.L.**, companies that deal with the employment of **people with disabilities**, which has allowed about **14 people** to enter the working world. The Group organised six meetings on road safety in Spain with **Asleme**, an association specialising in the prevention of road accidents.

The '**Muévete**' project was also launched at the Zaragoza site in Spain, with the aim of improving the health of employees by providing a fee for gym membership, a nutritionist and a personal trainer.

In addition, during the company's Christmas dinner, a fundraiser was organised to benefit '**la Gota de Leche**', a project of nutritional support for children of families in difficulty, promoted by Hermandad del Refugio, a private charity.

Finally, in Spain support was offered to **Aspanoa**, an association that helps parents of children with cancer, and **Carrera Unoentrecienmil**, a Spanish NGO involved in research into childhood leukaemia.



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Work-study programme

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

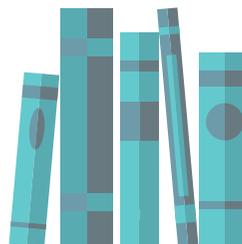
In 2018 Esprinet met the needs of schools, hosting 41 students for a total of 5,814 hours.

The project involved both Italian and Spanish offices in 2018, 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 1,244 hours.

In parallel, in Spain, 17 students were hosted at the Esprinet Iberica S.L.U. site for a total of 1,690 hours and 8 students at the Vinzeo S.A.U. site for a total of 2,880 hours.

involved in both the Italian and Spanish offices



41 students for a total of 5,814 hours of work

Presentation at UCSC



Esprinet intervened at the Catholic University of the Sacred Heart in Milan to tell students about its vision of sustainability in the company.

During the meeting, Esprinet explained how it interpreted sustainability by integrating social and environmental issues into its business in order to create shared value in the long term.

The interaction with the students gave rise to an interesting discussion, showing that the topic is extremely current and the concept of sustainability is increasingly widespread.

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OTHER INFORMATION-DNF

Models, policies and risks
Group certifications



Models, policies and risks

For each topic required by Legislative Decree no. 254 (of 30 December 2016) and subsequent additions, details are given below 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 'About us', 'Governance' section – 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. have been certified under this standard).

These are enumerated in the document 'Esprinet Group Company Policy', which notes: 'With regard to environmental aspects..., Management periodically checks the results achieved with respect to the objectives set, which are 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 Group companies are also committed to minimising the consumption of natural resources (electricity, gas, water) and the production of waste, encouraging its recovery, where possible'.

Together with this, all the companies (except V-Valley Iberian S.L.U., which implements the principles all the same) 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 constant focus on improving all company processes.

The Group has also drafted a Code of Ethics (for more details see the section 'Mission & Values' in the chapter 'About us' in 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 research into 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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* 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 the Esprinet Group:

- incorrect disposal of waste: the waste that the Esprinet Group must dispose of 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 Esprivilleges and customers;
- waste of energy resources: energy consumption of the offices, warehouses and Esprivilleges.

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.

Risk management

The management of environmental risks for Esprinet S.p.A. and Esprinet Iberica S.L.U. is done through the implementation of all the requirements related to ISO14001 certification and the relative execution of internal and third-party audits.

There are also dedicated procedures for managing environmental risks, the principles of which are taken as a reference and applied by all Group companies. Periodic risk assessments are also carried out, which for the above certified companies correspond to the preparation of environmental analyses and the annual updating of a higher-level assessment based on the application of the risk management framework known as Enterprise Risk Management (ERM). A more detailed analysis is also being developed for these companies through a project called the Performance Compliance Model, which aims to map company processes to achieve integrated compliance.

In addition, to protect against environmental risks, when entering into a contract the Group's suppliers are required to comply with the environmental protection standards in force in the country they operate in.

As for employees, they are required to comply with the Group's Code of Ethics, which can be viewed on the investor.esprinet.com website.

Finally, there is constant monitoring of the aspects referred to in this section by the SBs of the various Group companies (with the exception of V-Valley Iberian, which is monitored all the same). It should also be noted that employees of Group companies are trained with respect to the 231 Model.

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 77 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. have been certified under this standard). These are enumerated in the document 'Esprinet Group Company Policy', which notes: 'With regard to environmental aspects...of workplace health and safety, Management periodically checks the results achieved with respect to the objectives set, which are updated for their progressive improvement'.

Even though these policies are formalised only for Esprinet S.p.A. and Esprinet Iberica S.L.U., the above principles are essentially applied 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 labour carried out 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.

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Primary risks generated or suffered

With regard to personnel matters, the Group carries out a risk assessment (formalised in the RAD - Risk Assessment Documents), 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 Esprivilages 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 existing contracts 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 do not under any circumstances reach high levels of criticality. Nevertheless, the risks listed above are adequately managed by the Group.

Risk management

As regards Esprinet S.p.A. and Esprinet Iberica S.L.U., the company uses a risk management framework known as Enterprise Risk Management (ERM), which is updated on an annual basis, allowing for the correct identification, measurement, monitoring and management of risks.

Moreover, for the same companies, a more detailed analysis is being developed through a project called the Performance Compliance Model that aims to map business processes from a perspective of integrated compliance.

With regard to the risk management referred to in this section, specific procedures exist and are applied to regulate the most critical areas. The most critical areas are the human resources department and the division dedicated to the management of tenders and contracts. The human resources department is considered critical as it is responsible for the process of managing people and is required to comply with all the obligations of the specific regulations in force.

The division dedicated to the management of tenders and contracts is critical because it operates in a context in which the Group assumes the role of client and is therefore subject to the obligation of joint and several liability towards contractors and subcontractors.

In addition, internal audits are carried out and there is constant monitoring of the aspects referred to therein by the respective SBs. As far as V-Valley Iberian S.L.U. is concerned, it is monitored thanks to the adoption of the same principles and procedures envisaged by the parent company, thus ensuring uniformity of management with regard to these aspects.

It also provides for the acceptance of the code of ethics by employees during hiring and the supplier code of conduct by suppliers when drafting contracts. The qualification of suppliers together with training on the 231 Model (for employees) allow for the careful management of risk.

Supplier qualification follows a specific procedure that provides for the filling in of designated forms, which also includes the reputational form, and the signing of MOD03005 which certifies, among other things, that the company has not been convicted of 231 Model crimes, indirectly referring to the issue of corruption with the PA and/or between private individuals, health and safety at work and/or use of undocumented labour, and compliance with tax, social security and insurance contributions for its workers as per local legislation.

Since the Group has adopted an integrated management model, the aspects related to OHSAS18001 certification essentially refer to the information provided in the previous paragraphs on environmental issues.

Performance and result indicators

The Group has identified the main impacts pertaining to personnel and human rights and monitors them through the indicators reported in this document and listed in the tables on pages 77 and following.

- 1 - Introduction
- 2 - About us
- 3 - Esprinet & the vvmarket
- 4 - Esprinet & the environment
- 5 - Esprinet & people
- 6 - Esprinet & activities

- 7 - Other information - DNF
 - Models, policies and risks
 - Group certifications

Social issues 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 V-Valley Iberian S.L.U., which in any case implements the 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.

As regards the supply chain, in the code of conduct signed by suppliers: 'The Group prohibits any form of corruption, including towards private individuals. 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 Código 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 (even indirectly through Temporary Company Groups).

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.

Risk management

Risk management is carried out through the monitoring of the aspects referred to in the previous paragraphs by the Supervisory Bodies of the individual companies (with the exception of V-Valley Iberian, which is monitored all the same) and through the acceptance of the Code of Ethics by employees at the time of hiring and the supplier code of conduct when signing contracts with suppliers, as well as through the qualification of the suppliers mentioned above.

Company employees are also trained in the 231 Model. Finally, with regard to participation in public tenders, Esprinet S.p.A. is subject to the "Procedure for the acquisition/management of tenders".

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 77 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 of the 231 Model.

These policies and procedures are communicated to all business partners. During the qualification phase all suppliers must sign the 'MOD03005 declaration of responsibility' with which they declares to have read the rules and principles contained in the Code of Ethics.

The Code of Ethics, together with the respective 231 Models/Manual de Prevención de Delitos Código Penal, has been shared with all employees of Esprinet S.p.A., Gruppo Celly, 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.

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:

- Maurizio Rota, Chairman
- 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 entities - trade associations - the public). 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 proprietary 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 websites of the Group companies;
- management and protection of the data of the Group's stakeholders in accordance with current privacy legislation.

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

Risk management

Risk management is carried out for Esprinet S.p.A. and Esprinet Iberica S.L.U. through the application of a risk management framework known as Enterprise Risk Management (ERM), which is updated annually.

Moreover, for the same companies, a more detailed analysis is being developed through a project called the Performance Compliance Model that aims to map business processes from a perspective of integrated compliance.

Specific procedures also exist and are applied with regard to the issues referred to in this paragraph (e.g. products sold under its own brand and otherwise and in the area of privacy), on the basis of which internal audits are carried out, especially with regard to suppliers of products that the Group sells under its own brand, including any third parties. Furthermore, the risk is managed through the stipulation of specific distribution contracts with the producers of electronic/consumer IT products, which are required to accept the Group's supplier code of conduct (or have their own code of conduct that is aligned with that of the Group). Finally, there is constant monitoring of the above aspects by the Supervisory Bodies of the individual Group Companies (with the exception of V-Valley Iberian*). The employees of the companies are trained with respect to the 231 Model.

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 77 and following.

Group certifications

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

	Quality (ISO 9001)	Environment (ISO 14001)	Workplace safety (OH SAS 18001)
Esprinet S.p.A.			
V-Valley S.r.l.			
Celly S.p.A.			
Esprinet Iberica S.L.U.			

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 - Models, policies and risks
 - Group certifications

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

Conclusions

Simplicity, sharing and clarity. These are the cornerstones of our **2018 Sustainability Report**. We would like to thank everyone who has contributed to the preparation of this document, 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 Omar Cufari and Lorenzo Togni, two high school students who Esprinet hosted as part of the Work-Study initiative.

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GRI Content Index

In Accordance - Core Option

This report has been prepared in accordance with the GRI "core option".

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Omissions

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Omissions

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Omissions

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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 n. 20267 of 18th January 2018

(Translation from the original Italian text)

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

We have been appointed to perform 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 20267/2018, 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 2018 in accordance with article 4 of the Decree approved by the Board of Directors on 1st April 2019 (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 "Global Reporting Initiative Sustainability Reporting Standards", defined in 2016 by GRI - Global Reporting Initiative (hereinafter "GRI Standards"), identified by them as 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 not 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.

EY S.p.A.
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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 Standards. 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 principle 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 matters 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 matters indicated in the article 3 of the Decree;
 - o policies adopted by the Group related to the matters indicated in the 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 regard 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 with the personnel of Esprinet Iberica S.L.U. 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 Zaragoza (Spain) of Esprinet Iberica S.L.U., 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 2018 has not been prepared, in all material aspects, in accordance with the requirements of articles 3 and 4 of the Decree and the GRI Standards.

Other Information

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

Milano, 16th April 2019

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.