



(Translation from the Italian original which remains the definitive version)

JAKALA'S SUSTAINABILITY WAY

2022 Sustainability report



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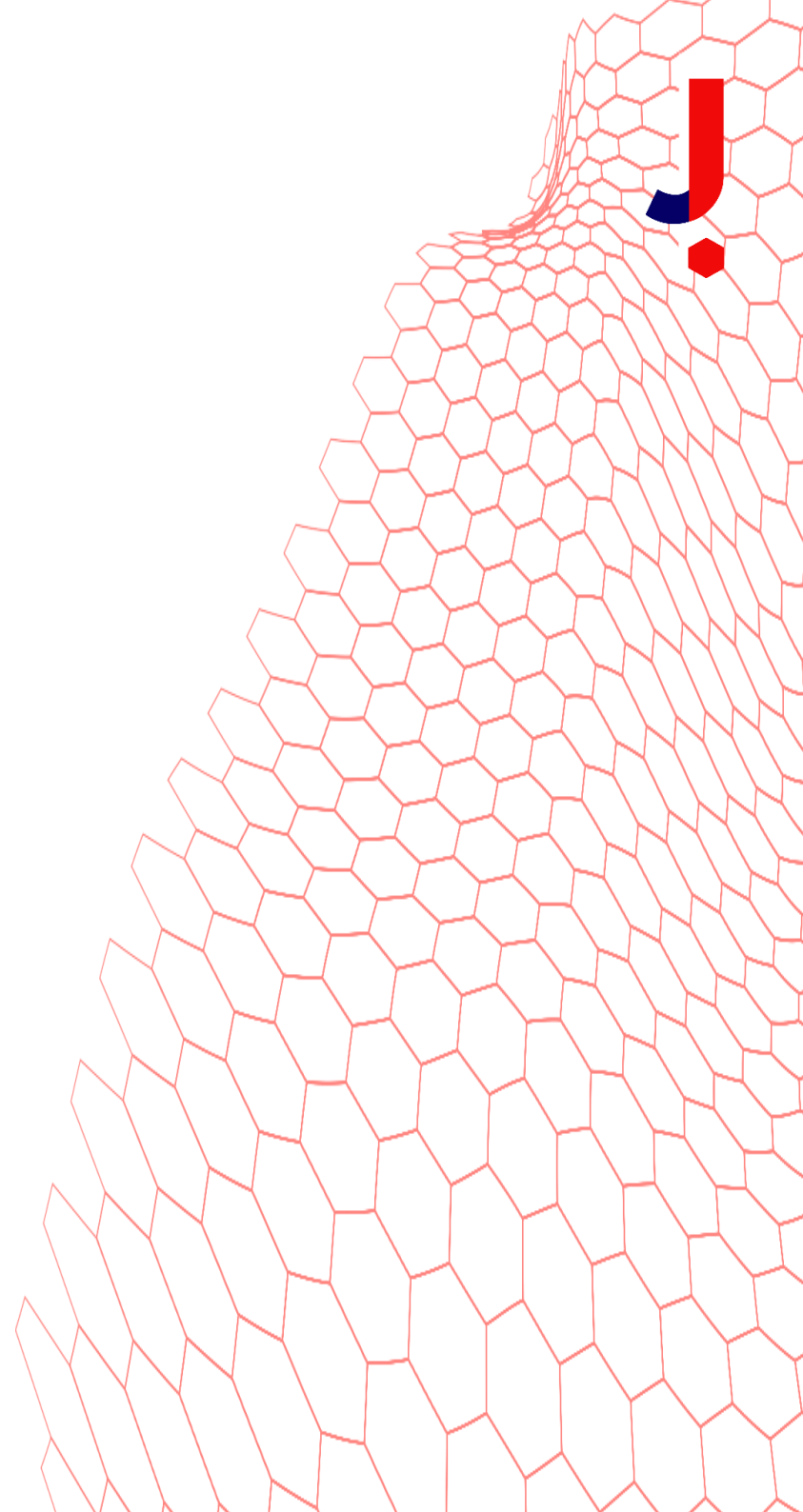
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Letter to the stakeholders

Dear stakeholders,

In this new year, we would firstly like to express our gratitude for your constant support. Together we have tackled a series of challenges and seized numerous opportunities that have reaped benefits for JAKALA and its local communities.

2022 wraps up a three-year period packed with positive events, starting with JAKALA S.p.A. becoming a benefit company. In addition, we drew up our inaugural long-term ESG plan to strengthen our social responsibility, we were awarded the EcoVadis Gold Medal, and we monitored our impact via BIA scoring, further proof of how the JAKALA Group sets goals that turn into real action.

The JAKALA Group plays an active role in fostering a culture of sustainability and will continue to do so. It uses the Ten Principles of the UN Global Compact and the SDGs set in 2015 as a solid base on which to build its foundations.

Proud of how far we have come and now looking to the future, we have set even more challenging goals, starting from this Sustainability report which will be subject to external assurance for the first time.

Matteo de Brabant
Founder & Chairman

We will also continue to put our people centre stage. Not mere business components, but individuals with needs, values and desires.

During the year, we upgraded our human resources policies and continued to implement a system of training and professional development for Jakalers to give them the skills and know-how needed to adapt to future challenges.

The culture of sustainability also travels down the supply chain. JAKALA selects suppliers that share the group's values and deploy sustainable production practices.

The group is also committed to really reducing emissions. Initially it will focus on the two sources linked to logistics and commuting, and then expand to the ambitious goal of reducing emissions along the entire value chain.

None of these achievements would have been possible without your ongoing support and engagement, so we hope you will continue to work with us to create a lasting positive impact.

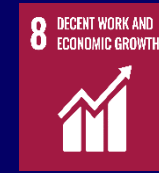
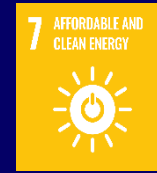
Together we can make a difference.
Together to get there!

Stefano Pedron
Chief Executive Officer



The JAKALA Group is going to do its bit in reaching the Sustainable Development Goals: in setting its commitments as a benefit company, the group has aligned its actions with the SDGs most tied to its core business and strategic lines of action.

TOGETHER TO GET THERE



#WeareJAKALA

This Sustainability report is both the beginning and the end of a journey for JAKALA in testifying its dedication to the immense world of sustainability.

Much was achieved these past three years. The parent, JAKALA S.p.A., became a benefit company, the group drew up its first long-term ESG plan, it was awarded the EcoVadis Gold Medal and became B Corp certified after its B Impact Assessment, along with many other developments. JAKALA is also embarking on a new path of sustainability. Starting with the external assurance of this report, then taking on the challenge of complying with the new regulations revolutionising how we communicate, and then concluding (for now) by setting our goals for the coming years with regard to human resources, climate change and quality provided to customers, etc..

Natural capital

- **50** tonCO₂eq/person (-38% vs. 2021)*
- **208** tonCO₂eq/€million (-28% vs. 2021)*
- **8%+** energy saved
- ISO 14064-1 certification for JAKALA S.p.A. SB
- **85%+** group offices ISO 14001:2015 certified**

Manufacturing capital

- **€32+** million in products purchased with at least 90% sustainable material
- **1.5+** million items purchased following responsible and sustainable policies***
- **80%+** group companies ISO 9001:2015 certified****

Financial capital

- **€445** million economic value generated (46%+ vs. 2021)
- **€404** million economic value distributed (40%+ vs. 2021)
- **€219** thousand in donations to the community


Intellectual capital

- **60,800** hours of training at the JAKALA Group
- **31** hours of training per capita
- **85%+** group offices ISO 27001:2013 certified**
- **€4** million for R&D

Human capital

- **1,807** people in JAKALA
- **36** average age
- **36.91%+** people in JAKALA
- **55%+** female workers
- **85%+** group offices ISO 45001:2018 certified**

Relational capital

- **34** group companies in 16 countries
- **2,151** active suppliers
- ISO 37001-2016 certification for JAKALA S.p.A. SB
- Legality rating 

*Market based.

**Calculated on the number of employees at JAKALA S.p.A. SB

***BCI Better Cotton Initiative.

****Calculated on the number of employees at the JAKALA Group

#01 BETTER, TOGETHER.

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23 years of JAKALA / Ongoing growth

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JAKALA behaviour / Group values

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JAKALA'S sustainability way

Contribution to the SDGs



12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

12.8: By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature.



The group in numbers

16 Countries	58 Offices	1,807 Group employees
€434,250 * Turnover	€162,808 * Gross profit margin	€52,969 * Gross operating profit
€145,854 * International (Foreign Revenues)	€11,292 * Profit for the year	€13,343 * Investments

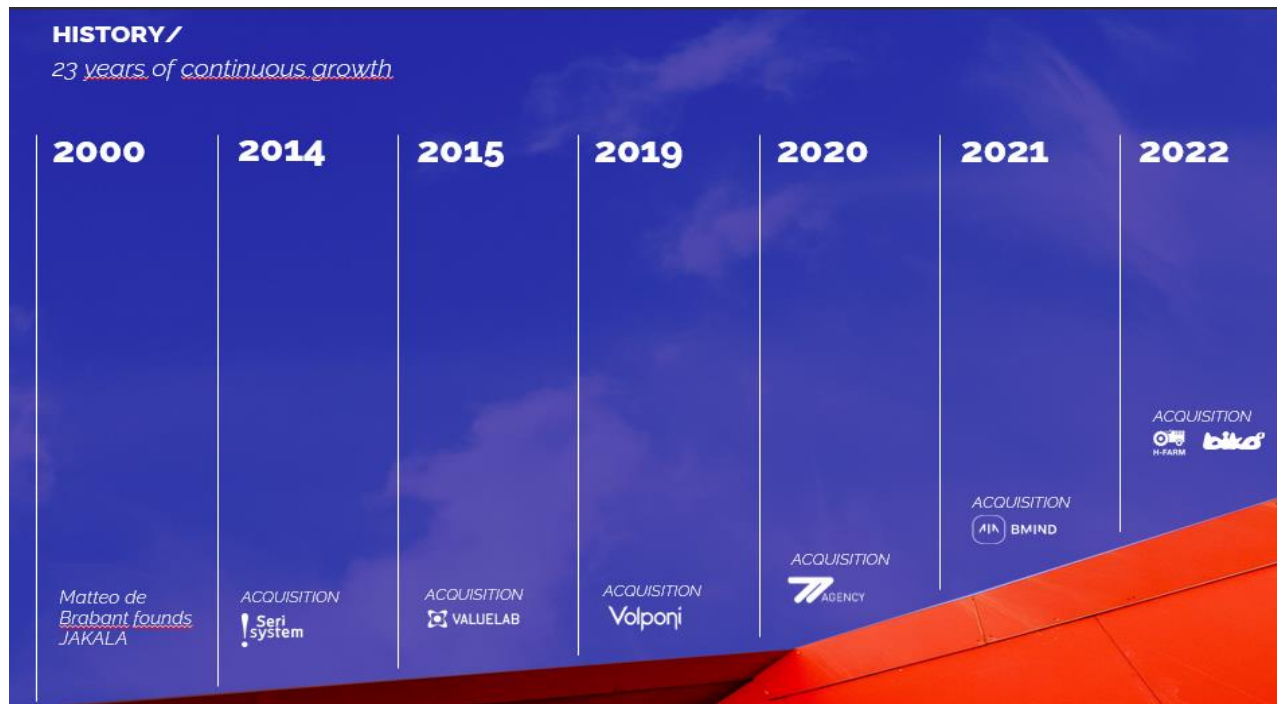
**In thousands of Euros.*

23 YEARS OF JAKALA / Ongoing growth

Founded by Matteo de Brabant in 2000, JAKALA has travelled a path of surprising development and innovation to become a leading player on the global market. This success was possible thanks to the group's winning formula, based on a balanced mix of putting people to the fore, a strategic vision formed through data analysis, a renewed and integrated range of services and unwavering focus on generating tangible and measurable goals.

In 2021, the private investment fund Ardian acquired a majority interest in JAKALA, thus accelerating its growth trajectory. The group now operates in over 30 countries all around the world and employs more than 1,800 people.

JAKALA's pay-off: an integrated ecosystem of diverse talents and innovative corporate solutions, blended together to create value for companies, people and society. Working side-by-side with its customers, JAKALA strives to discover new opportunities, strengthen the decision-making process and allow sustainable growth, thus generating a positive impact for all of its stakeholders.

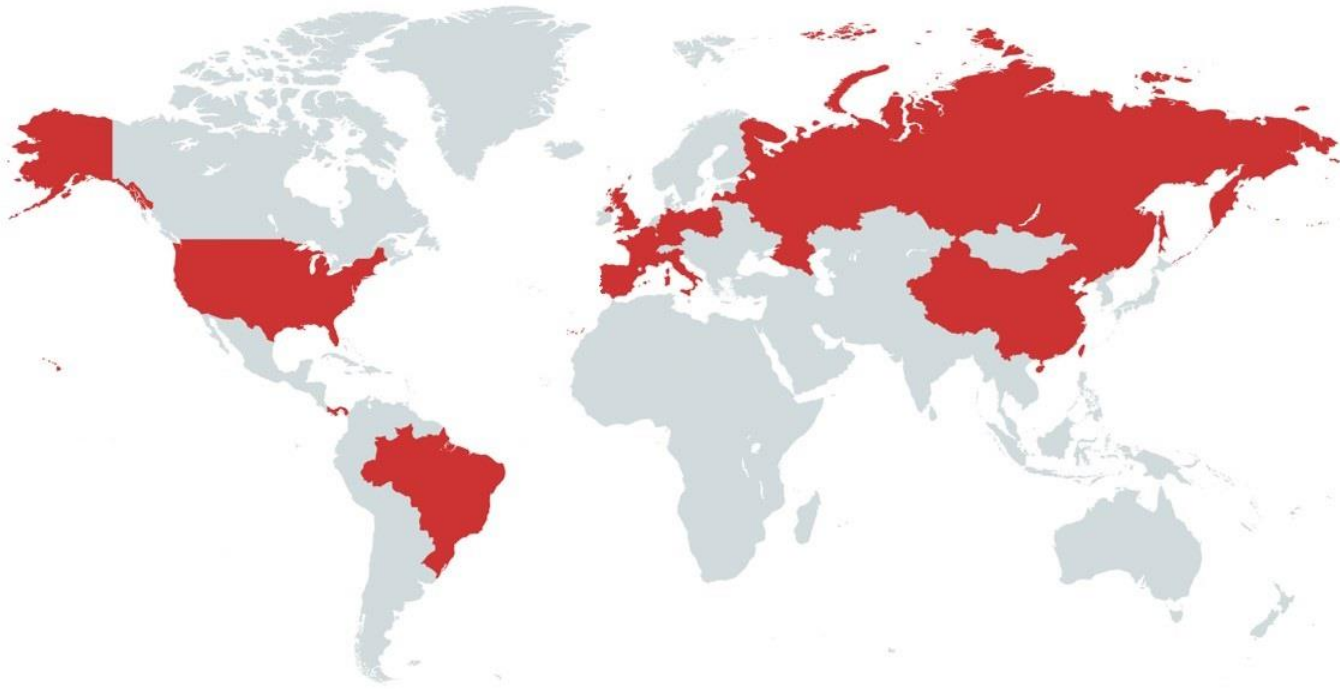


“As individuals, we are strong, but as a team, we grow stronger, together.”

Born in Italy, grown up in the world: the latest figures for 2022 show roughly 33.59% of turnover generated abroad. Our stated intention is to overturn the current Italy/abroad ratio within the next three years.

The JAKALA Group at 31 December 2022 comprises 34 companies located in 16 different countries, controlled by JAKALA S.p.A. SB, headquartered in Italy, that manages and coordinates the group at global level. The individual companies in each country operate as separate and independent entities within their own jurisdiction.

JAKALA IN THE WORLD



#Growth

JAKALA
Group
34 companies,
16 countries.

Italy, Spain, Germany, Poland, Portugal (branch), Luxembourg, Latvia, France, Russia, Great Britain, Switzerland, Brazil, USA, China, Taiwan and Hong Kong.



Since 2019, JAKALA S.p.A. SB's headquarters have been located in the prestigious Palazzo Mellerio facing onto Piazza Velasca, in Corso di Porta Romana 15, Milan. The "MellerioVelasca - MeVe" design project reconceptualised the building's spaces to adapt them to modern functional needs, reinterpreting its historical features. Through architecture, the building interprets the history of JAKALA, a group created from difference cultures and experiences.

JAKALA S.p.A. SB's presence spread throughout Italy to reach a dozen operating units, also increasing its locations in southern Italy with coworking spaces in Rende, Naples and Bari.

2022 was a year of many changes. Not only did the JAKALA Group expand in Italy, but also further entrenched its presence in Spain, France and the Far East.

Specifically, JAKALA entered into a strategic partnership with the H-FARM Group and acquired the H-FARM Consultancy business unit, comprising the Innovation (Maize S.r.l. and its subsidiary Maize Talent S.r.l.), Digital Marketing (HDM S.r.l.) and Enabling Solutions (HES S.r.l.) divisions, aimed at enhancing its portfolio of innovative solutions.

JAKALA also acquired a 23% non-controlling interest in the French company Clever Age, to continue to grow in Europe and broaden its e-commerce services ecosystem.

As mentioned earlier, after the acquisition of B-Mind in 2021, JAKALA also further boosted its standing on the Spanish market with the acquisition of the entire share capital of

Biko 2006 S.L., a first-class developer of digital interfaces.

In the Far East, the JAKALA Group established a new legal entity in Taiwan – JAKALA Marketing Technology Co. Ltd. – to complete the organisational structure of the Loyalty & Engagement division set up in 2021, relaunching a new challenge for 2022: strengthen the group's footprint in Advisory & Martech. So, JAKALA Shanghai Consultancy Co. Ltd. was founded in October 2022 to offer consultancy and digital marketing services, along with a marketplace platform and touchpoint with geopositioning tools.

#Internationalisation

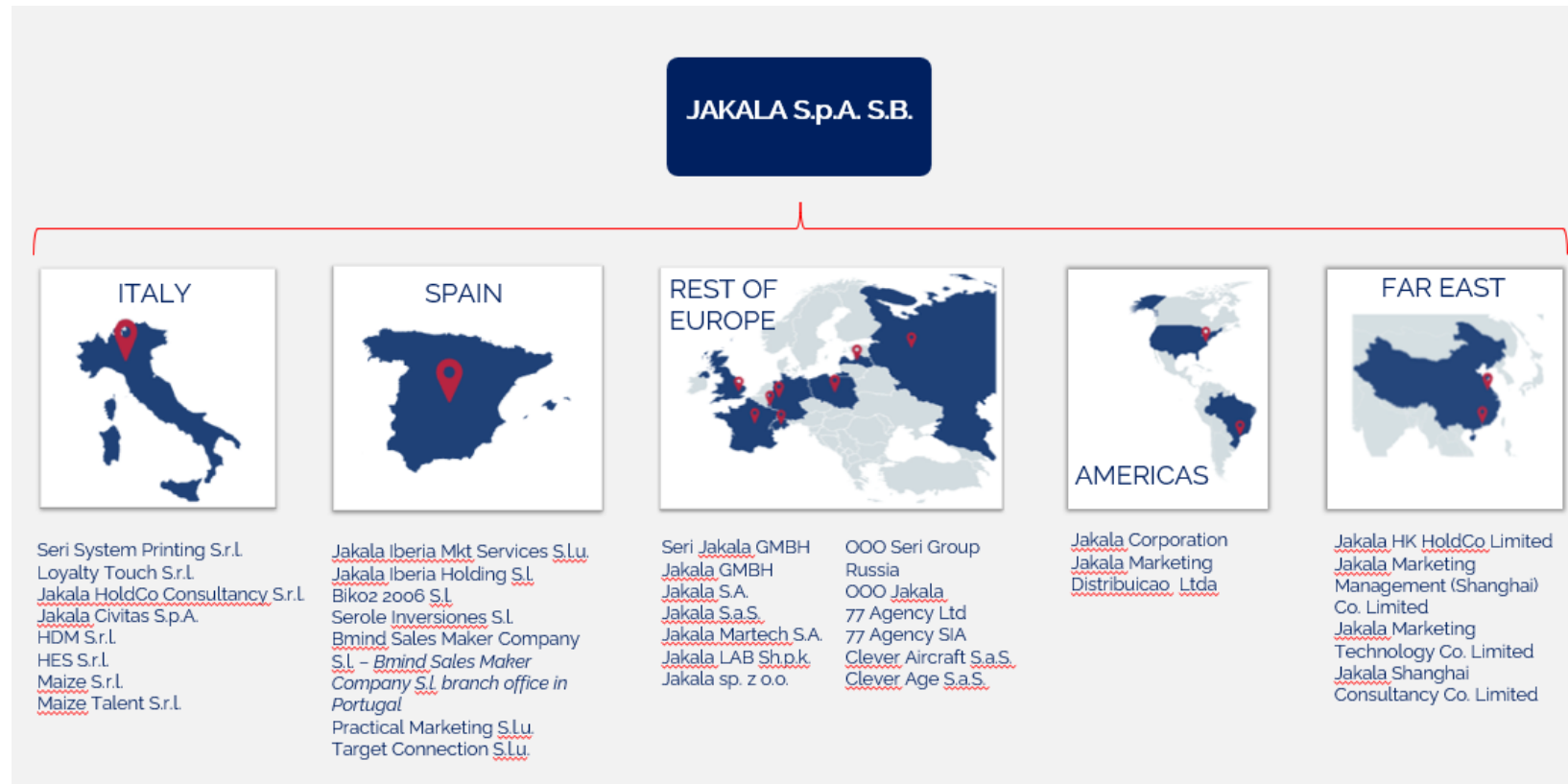
JAKALA has embedded its presence in Europe and the Far East.



Scan the QR code to discover the Milan headquarters!

Finally, JAKALA set up a newco, JAKALA Civitas S.p.A., in 2022 to enter the domestic local and central public administration market and avail of the new opportunities (ranging from the National Recovery and Resilience Plan to EU funds and innovation and digitalisation projects), leveraging its experience in the tech (including data management and analysis) and digital business consultancy sectors.

JAKALA GROUP STRUCTURE AT 31 DECEMBER 2022



JAKALA BEHAVIOUR / Group values

The JAKALA Group is an integrated ecosystem of diverse talents and innovative corporate solutions, blended together to create value for companies, people and society.

JAKALA's goal has always been to obtain tangible and measurable results, using a data-based approach supported by a winning formula of strategy, innovation, technological transformation, engagement and activation. This is JAKALA's work maxim, for which all Jakalers strive to develop unique and effective solutions customised to each customer.

The JAKALA Group makes a daily commitment to generate positive and long-lasting change in the sectors and communities where it provides its services through innovation and value creation, all in a more sustainable and inclusive work environment.

#TOGETHER TO GET THERE

This is the spirit that drives the JAKALA Group and all its people, its distinguishing feature.



EMBRACE DATA

JAKALA has always been data-oriented: this approach has allowed it to gain access to huge quantities of information over time which, in turn, helps it make assessments and forecasts and then make the best decisions for its customers. A winning formula that combines quality data, professional expertise and creativity to develop business intuitions that generate real improvements for customers.



MAKE IT COUNT

JAKALA is focused on what matters: its goal is to create tangible and measurable value in everything it does. All Jakalers work with enthusiasm, perseverance, innovation and initiative. We work hard to create a positive impact and long-lasting results, turning problems into solutions and talk into action.



GROW TOGETHER

Jakalers are tough and, as a team, they grow and become even stronger together. Long-term partnerships are cultivated with customers, sharing successes and their ongoing development. Employee well-being is a top priority at JAKALA, actively supporting their needs and developing their personal and professional profiles.



DELIVER OUR BEST

Non-stop commitment and determination are the engines of the group's success. JAKALA embraces integrity and openness in everything it does. Passion is the backbone of its approach: it drives all of its people to constantly excel and inspire joy along the way.



JAKALA'S sustainability way

JAKALA's strategies are guided by the decision to achieve a sustainable business model that can sustain the group's economic growth without neglecting the fundamental requirements of a dual-purpose company: integration of economic and financial objectives with social and environmental aspects pursued by sharing the value generated (economic sustainability), personal growth (social sustainability) and respect for the ecosystem (environmental sustainability).

Becoming a benefit company is further evidence of JAKALA's solid commitment to sustainable innovation. Sustainability must be an integral part of everyday work, the right way to guarantee a future for the company, the people who collaborate with the group every day, and the planet.

Based on this assumption, the model chosen by JAKALA is to turn its visions into real projects, visible and measurable actions, moments of success and satisfaction for all stakeholders.

The parent's decision to become a benefit company (and hence a legal form to acknowledge and protect the group's principles and values over the long term) in 2021 represents a milestone in its journey of sustainable growth and a strong statement of its intention to achieve its social purposes.

This commitment only becomes real if JAKALA brings benefit to all stakeholders: suppliers, by managing a sustainable supply chain that respects human rights and the environment; customers, by proposing solutions to create value over the long term; consultants, by providing for their well-being and opportunities for personal growth; the environment around us, by developing materials, products and processes with diminishing impact; and the community, by becoming a point of reference for local needs.



**“Benefit company”
discover the definition
with Jakalers:
scan the QR code!**

#Dual-purpose

Integrating economic and financial objectives with social and environmental aspects.



#02 JAKALA CORPORATE GOVERNANCE

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Governance of the JAKALA Group

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Risks faced by the JAKALA Group

Environmental risks
Cybersecurity and data protection
Talent attraction and retention
Sustainable supply chain

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JAKALA's tax policy

Contribution to the SDGs



5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life.

16.4: By 2030, significantly reduce illicit financial and arms flows, strengthen recovery and return of stolen assets, and combat all forms of organized crime.

16.7: Ensure responsive, inclusive, participatory and representative decision-making at all levels.

16.10: Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements.

A handwritten signature in white ink, appearing to be 'Paul', is located at the bottom center of the page.



Governance of the JAKALA Group

JAKALA's governance structure is ensured by implementing national and international best practices, clearly defining information flows between company bodies, as well as efficiently defining the internal control and risk management system.

JAKALA S.p.A. SB's current corporate governance model complies with the traditional management and control model as per article 2380-bis and following articles of the Italian Civil Code.

The model comprises two boards appointed by the shareholders: the board of directors, with extensive ordinary and extraordinary powers for the management of the company, and the board of statutory auditors, which supervises management and compliance with the law and the company by-laws.

The **board of directors** is exclusively in charge of the administrative and strategic management of the company in order to achieve its business object. It carries out its remit directly and collectively and also delegates some of its duties to the chairman and the CEO within the limits set by the law and the by-laws.

Other managers have single and/or joint powers of signature depending on the type and amount of the transaction, following a system of delegations and proxies according to actual responsibilities, in order to make company processes more efficient and effective.

JAKALA S.p.A. SB'S CORPORATE GOVERNANCE MODEL



BOARD OF DIRECTORS

The board of directors was appointed by the shareholders on 6 May 2021 for a three-year term that ends with the approval of the financial statements as at and for the year ending 31 December 2023.

Members: nine directors including the chairman and one woman. The average age is 45. In the second half of 2022, two directors were removed from office for just cause and two new members were appointed for the same term as the current board. Information is available on JAKALA's website: www.jakala.com, in the "About Us/Sustainability" section.

Meetings: nine meetings with minutes taken and 72% attendance.

Independence: there are no independent board members under the Code of Corporate Governance.

Executive: Chairman and CEO, allocated managerial delegations.

Significant positions: the directors do not hold any significant positions that would compromise their work at JAKALA.

Expertise: all directors have significant experience in economic, social, environmental and risk issues, each with their own specific area of speciality. The chairman and CEO possess over 20 years' experience in the reference sector.

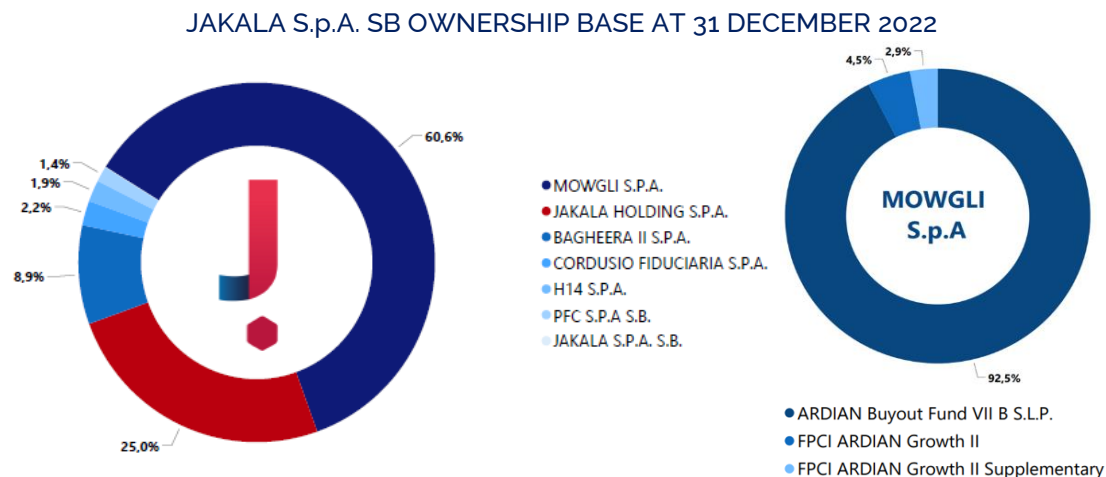
The board of directors plays a key role in defining the group's policies and sustainability strategies, identifying joint annual and long-term objectives for the business divisions and subsidiaries and checking the relevant results, which are then presented to the shareholders.

An **audit, risks and sustainability committee** was set up within the board of directors. It makes proposals and acts as advisor on ESG and other issues in compliance with the recommendations of the code of conduct endorsed by Borsa Italiana S.p.A.'s committee for the corporate governance of listed companies. JAKALA S.p.A. SB adheres to such recommendations on a voluntary basis and is not obliged to comply with its indications.

The **shareholders** pass resolutions at their meetings. They are in charge of legally-required resolutions - such as resolving on the financial statements, appointing and removing directors, the chairman, statutory auditors and deciding their fees - with the exception of resolutions on specific issues set out in the by-laws which are assigned to the board of directors. In accordance with the by-laws, the members of the board of directors are appointed by the shareholders of JAKALA S.p.A. SB as follows: five members are appointed by the majority of the holders of "A" class shares; three are appointed by the majority of holders of "B" class shares, and the remainder are appointed according to the majorities set by law.

The **Chairman of the Board of Directors**, and founder of JAKALA, has been assigned a central role by the board of directors in organising and defining company strategies together with the CEO. Both have been granted extensive powers to define key agreements and projects for the JAKALA Group and also act as company representatives.

The **board of statutory auditors** supervises compliance with the law and the company by-laws, correct management practices and, specifically,



the adequacy of the company's organisational, administrative and accounting structure. It attends the meetings of the audit, risks and sustainability committee and manages the exchange of information with the independent auditors, the supervisory body and the internal audit and risk management unit.

The **independent auditors** are appointed by the shareholders upon the proposal of the board of statutory auditors. They carry out their activities independently. They audit the financial statements and check the correct keeping of the accounting records and the accurate presentation of operations in the accounts.

JAKALA S.p.A. SB has also adopted an organisational, management and control model as per Legislative decree no. 231/2001, which will be discussed in more detail later on. The company has a **supervisory body**, a collective body appointed by the board of directors, with three members (two professionals with legal expertise and one internal member in charge of risk management). This body is in charge of supervising the adequacy of and compliance with such organisational, management and control model and its underlying principles.

STRATEGIC COMMITTEE and STAKEHOLDERS

Company goals are achieved by engaging stakeholders in dialogue and keeping them informed. The guidelines of the code of corporate governance entrusts the board of directors with the task of appropriately fostering dialogue with shareholders and other important stakeholders (article 1, principle IV).

Knowing that relations with shareholders and other stakeholders are an integral part of responsible and sustainable business management and are crucial in creating medium/long-term value, JAKALA has focused on transparency for many years in order to strength dialogue with and engagement of stakeholders.

In order to pursue such goals, some years ago JAKALA S.p.A. SB set up a **strategic committee** appointed by the board of directors so that shareholders, directors, employees and consultants can get together to define how the company can be managed properly. The term of the strategic committee ended with the approval of the financial statements at 31 December 2021. Called upon to renew it, the board of directors decided on a new "active" structure, appointing individuals with specific roles at the company. Under this new structure, the strategic committee is made up of managers of the "C-Suites", i.e., the chief heads of company units who report directly to the CEO. These hold the highest level of managerial responsibility within the company as they are also directly in charge of the performance of the divisions they head. The committee's mission remains the same, i.e., acting as advisor and making proposals to the board of directors without the power to make resolutions. The committee meets once a month.

Finally, JAKALA has various **operating committees** with roles ranging from selecting offers (**retail offering committee**), division-specific matters (**loyalty & engagement committee** and **advisory & martech committee**) and business continuity in services and technological

infrastructure (**business continuity steering committee** and **security & compliance committee**).

Though essential for JAKALA's various business activities, the members of these additional committees are not directly selected by the board of directors, for which the component are identified according to their own corporate role.

#Relations

Stakeholder relations is an integral part of responsible and sustainable business management.

The parent manages and coordinates its Italian and foreign subsidiaries, providing assistance in corporate governance management.

The corporate governance model and the organisational model - together a set of planning, management and control rules and methods necessary to run the company - adopted by the various subsidiaries are defined in accordance with locally applicable regulations, functional to business strategies and based on assessments made by management in terms of risks and opportunities.

While taking into consideration the unique characteristics of each country, the generally adopted corporate governance model

establishes a collective body with a local majority that is coordinated centrally, with operating powers granted to one or more directors and/or proxies, along with a network of local partners that support the individual legal entities in managing compliance issues. From both a business and sustainability viewpoint, this organisational structure helps build a relationship of transparent trust between the companies, the market and the stakeholders, according to the specific traits of the country involved. Indeed, it guarantees a wide degree of autonomy for the subsidiaries as they are better placed to grasp the feelings and needs of the local stakeholders, while maintaining a group vision and strategic direction.

MEMBERS OF THE GOVERNANCE BODIES OF SUBSIDIARIES AT 31 DECEMBER 2022



At 31 December 2022, there are a total of 50 members of the governance bodies of the Italian and foreign subsidiaries of the JAKALA Group. The total number is expressed in absolute terms as some members have more than one role within the group. Eleven of these are independent, taking into consideration their relations with the various JAKALA companies.

Sustainability is the linchpin of the JAKALA Group's organisational structure and corporate governance. Indeed, the role of the **B Team** remains unchanged. This comprises the chairman and two members of the audit, risks and sustainability committee, along with the global chief people officer, the corporate communications manager and the chief of staff.

Another member of the B Team is the **impact officer**. Formalised in 2021 and appointed by the board of directors following the decision to become a benefit company, this figure is in charge of pursuing the common good.

The B Team acts as advisor and makes proposals. It identifies and reports areas and projects of social and environmental interest. This team is fully dedicated to sustainability. It helps reach the desired goals and also maintain them over time.

It acts with an independent and impartial outlook to promote sustainability activities, monitor their impacts, define priority actions for reaching set goals and how to reinforce status achieved, contribute to developing new sustainability projects, checking that communication is in line with the objectives and the by-laws.

It is important to note how each member of the B Team is tasked with helping to achieve the goals set out in the impact plan, according to their individual skills and area, and also with creating "**ambassadors**" who can raise awareness of social and environmental issues in their individual areas, proposing possible sustainability actions in line with group strategies.



**B Corp and
benefit
company:
let's clarify.
Scan the QR
code!**



#Ambassadors

The contribution of Jakalers is key: their ideas engender projects on social relations, inclusion and sustainability.

As mentioned earlier, set up on 18 December 202, the **audit, risks and sustainability committee** supports the board of directors' assessments and decisions about the internal control and risk management system, along with the approval of financial and non-financial reports, including the Sustainability report, by carrying out preliminary checks, making proposals and acting as advisor.

Specifically, the board of directors decided that setting up this specific committee would be the best solution for precise and timely reporting on the group's activities and relevant results while also directly steering processes to maximise positive impacts.

The committee, together with the CEO, holds quarterly meetings with the internal unit in charge of sustainability activities and, in turn, reports to the board of directors every quarter.

In addition, the committee revises the ESG masterplan (the long-term plan) every year, which is also circulated to the key internal stakeholders.

The board of directors requests monthly updates (during meetings of the strategic committee) on specific human resources issues, for instance the rate of turnover, deemed particularly significant in terms of speed of analysis and action to reduce risks, so that prompt analyses can be carried out.

Company reporting is currently being re-examined and revisited version will be rolled out in 2023 with suitable space reserved for sustainability reporting in order to standardise the exchange of information and make it available to other internal stakeholders beyond the board of directors.

AUDIT, RISKS AND SUSTAINABILITY COMMITTEE

Function: supervise processes, analyse actions and activities in order to oversee the company's commitment to sustainable development along the value chain for all stakeholders. Coordinate and supervise its activities to achieve the goals set out in the ESG masterplan.

Members: three non-executive directors - none independent considering the current board of directors - with term of office until the approval of the financial statements at 31 December 2023. The committee underwent changes in 2022 following the changes to the board of directors (one of the directors removed from office was also a member of the committee). On 25 November 2022, the board appointed another non-executive director to the committee.

Chair: elected internally by the committee. The youngest member of the board of directors, a non-executive and non-independent director, was appointed.

Expertise: all members of the committee have suitable expertise in the sectors where JAKALA operates, needed to assess the relevant risks, along with broad accounting and finance knowledge and experience.

Activities: four meetings, of which three with minutes, with the board of statutory auditors and chief audit & risk officer in attendance. The attendance rate is 53.57% and the average length of meetings is approximately one hour and six minutes.

Stakeholder relations

Stakeholder relations is the bedrock of JAKALA's business: establishing and maintaining steady, enduring dialogue is vital for creating shared long-term value.

Over time, JAKALA has built solid relationships with its stakeholders, based on dialogue, engagement, transparency and mutual trust. The goal is to listen to expectations and priorities, understand their points of view and needs and detect possible areas of intervention in terms of risks and opportunities.

Dialogue with stakeholders is a time for coming together and discussing. The feedback reinforces the group's accountability to the various stakeholders in the different social areas where it operates.

Employees

Suppliers

Institutions

Shareholders



Community

Customers

JAKALA pays special attention to all those stakeholders who are (even potentially) exposed to greater risk or belong to vulnerable groups. These categories include all workers, both employees and consultants, as well the supply chain, when there is a higher risk due to location or specific sector type.

JAKALA and its people have built a solid network of relations through various initiatives and using different methods, such as meetings, company events, workshops, partnerships and training.

STAKEHOLDERS	Main initiatives of dialogue and engagement	Frequency
Shareholders	Shareholders' meeting	Bimonthly
	Periodic reporting	Monthly
	Ongoing direct dialogue	-
	Company website	-
	Meetings on the sustainability journey	Quarterly
Employees	Internal surveys	Quarterly
	Ongoing dialogue with HR management	-
	Performance management process	Annual
	Internal newsletters on events and sustainability	Monthly
	Training on leadership skills based on HR rank	Annual
	Corporate section of the intranet	-
	On-boarding and integration of new hires	Monthly
Customers	Management and attendance of events aimed at analysing technology trends and sustainability	Monthly
	Ongoing dialogue on business updates	-
	Customer service	Day-by-day
	Sales force as a channel for listening, mediating and communicating	Day-by-day
	Defining customised projects	Day-by-day
	Market research, surveys, focus groups	Day-by-day

Suppliers, business partners	Cooperating and working with the procurement division and the quality management unit to develop new products, audits and measurement processes	Day-by-day
	Company meetings, trade fairs, industry events and on-site visits	Biweekly
	Defining and sharing quality standards	Day-by-day
	Dedicated meetings and monitoring sustainability performance	Weekly
Institutions	Interviews with senior management	Occasionally
	Events and partnerships with public bodies	Twice a month
	Participating in events and partnerships with associations	Monthly
	Events, workshops and partnerships with universities and research institutions	Monthly
Community	Expert support to social initiatives	Monthly
	Partnerships with non-profit bodies	Monthly
	Events with sports associations/committees	Every four months

The group does not have roles in the governance bodies of any associations nor does it participate in projects or committees, or provide substantial funding beyond ordinary membership fees.

Risks faced by the JAKALA Group

JAKALA's internal control and risk management system is a set of rules, procedures and organisational structures that enable the company to be run in line with set objectives, through a suitable process of identifying, assessing, controlling and monitoring the main risks. These duties are carried out by the board of directors, also via the audit, risks and sustainability committee, and with the support of the internal risk management unit.

In view of the group's business model, risks are classified according to specific categories (external, operational, financial and strategic) and emerging risks are periodically mapped.

External risks

- Competition
- Regulatory / Legislative
- New technologies
- Consumer spending habits
- Natural events
- Political and macroeconomic situation

Operational risks

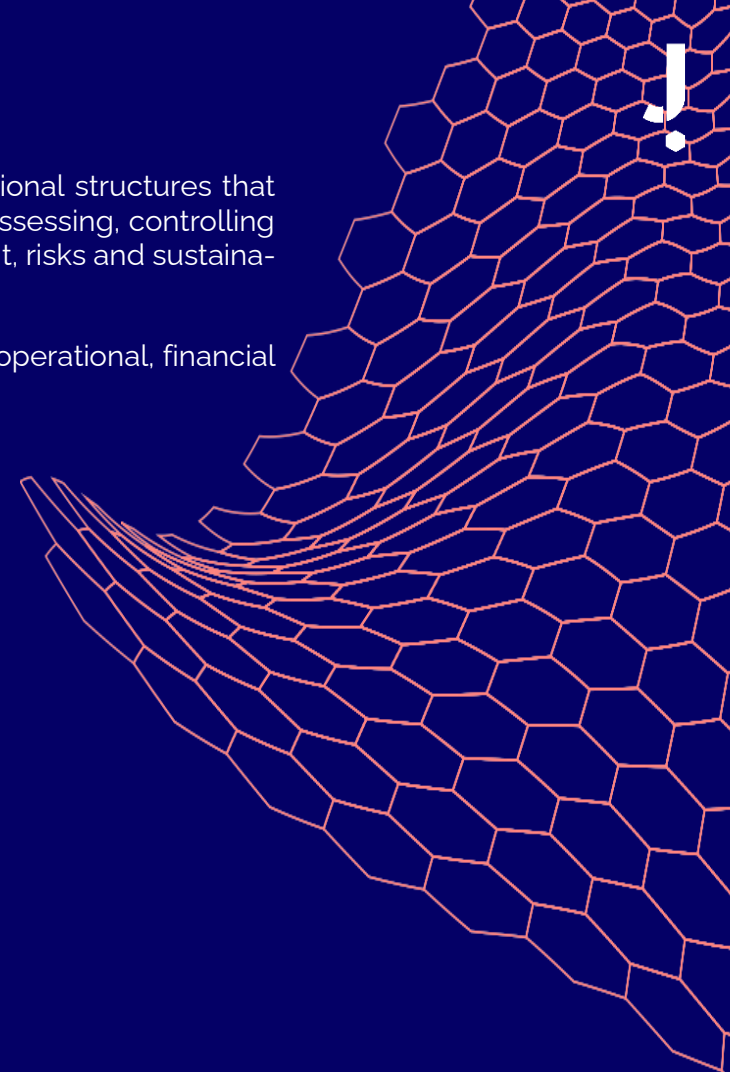
- Human resources
- Health and safety
- Legal
- Intellectual property
- Environmental
- Supply chain
- Processes and procedures
- Product
- Internal illegal acts
- External illegal acts
- Continuity
- Reporting / Compliance
- Cyber / Data protection

Financial risks

- Interest rate
- Currency
- Credit
- Liquidity
- Natural events
- Political and macroeconomic situation

Strategic risks

- Strategy definition
- Strategy implementation
- Reputation & CSR



#EnterpriseRiskManagement

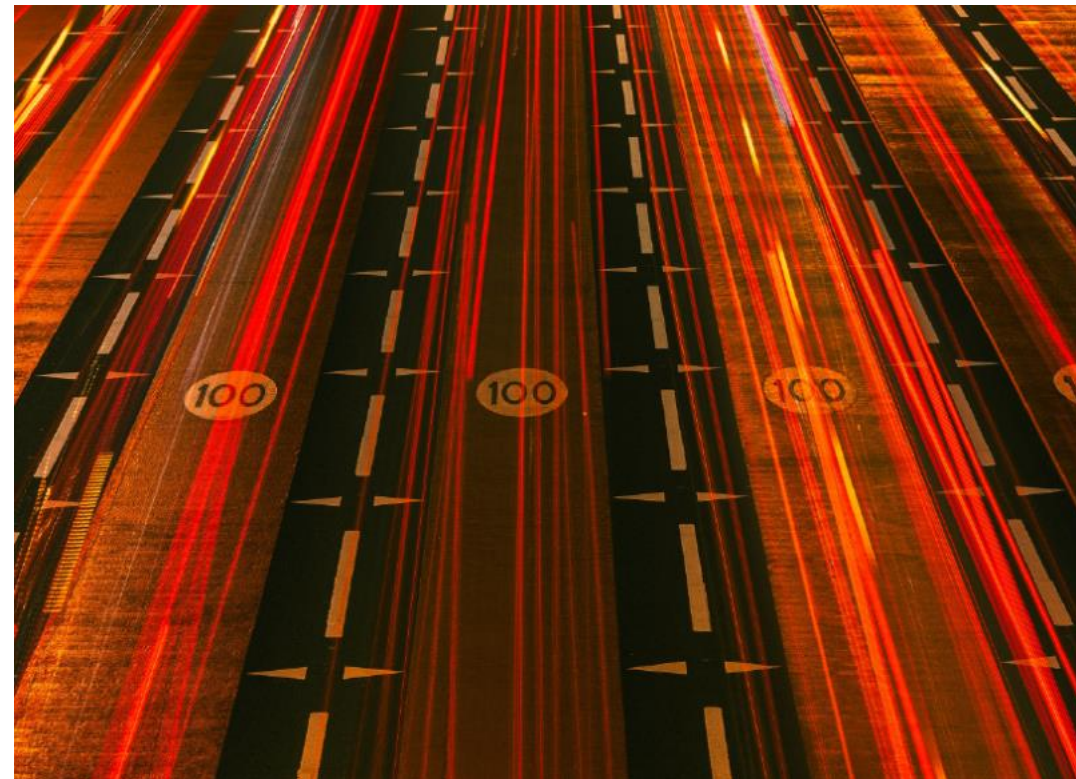
In 2022, JAKALA optimised its existing ERM model to align it to the group's strategic plan and sector best practice.

The risks are defined for the entire JAKALA Group and all structures involved in management and monitoring processes. Adopting a shared framework simplifies mapping and organic representation, thus helping to identify the risks that impact group processes and those of the organisational unit roles involved in managing them.

In 2022, the group optimised its existing **enterprise risk management (ERM)** model and related methodology in order to, inter alia, define a plan for its development in line with sector best practices and the group's strategic plan. This involved:

- reassessment of the economic impact by introducing procedures to assess risks of reputational damage and criminal proceedings;
- simplification of the probability scale;
- revisiting the risk map using the above classification;
- reassessment of the model's effectiveness.

The group used the materiality analysis (detailed later on and to which reference should be made for further and more comprehensive details) to investigate the nature and level of risk in line with its strategic goals, including in this assessment all risks that could be significant with regard to medium/long-term sustainability.



Environmental risks

The group is particularly diligent about environmental aspects and related risks in its own activities and those of its partners, as indirect impacts are the most significant.

In general, the group defines rules, processes and control activities to manage all environmental risks, including those originating from its suppliers, by adopting a code of ethics and a supplier code of conduct. Compliance with the rules set out in these codes is checked via audits carried out with the support of third-party specialists.

Moreover, the group takes action to minimise direct environmental impacts by adopting an environmental policy, implementing an environmental management system, and defining actions to reduce energy consumption. By involving employees and consultants and raising their awareness, it also strives to cut paper and toner usage and incentivise recycling of waste.

Five of JAKALA S.p.A. SB's facilities are ISO 14001:2018 certified, covering 85% of its total employees. The environmental management systems of JAKALA Civitas S.p.A. and Seri System Printing S.r.l. are also certified.

That said, the group has rolled out a process to assess the possible effects of climate change and energy transition on its business depending on various trends. Acute physical risks mainly refer to short or long-term unavailability of facilities and/or outsourcing infrastructure (including suppliers), including restoration costs, inconvenience for customers, etc..

Chronic climate change brings about exposure to different risks, for instance, higher energy consumption due to hotter summers, partially offset by lower heating costs due to milder winters.

The impact of energy transition also presents various scenarios, most likely requiring investments in sustainability (e.g., the world of transport), creating strategic variables for the group's growth in the medium term.



At the same time, there are risks tied to changes in the regulatory and legislative framework, making buildings more energy efficient, managing mobility, reputation, etc.

The profiled risks have potential effects on the group's business, regarding both revenue (transition and physical risks could impact demand for products and services) and costs (countering and mitigating risks could impact the cost structure).

In light of this general situation, the group has put in place risk management and mitigation actions, accepting the financial impact of the higher costs involved.

To combat physical risk, JAKALA roll out maintenance interventions on buildings and took out ad hoc insurance policies. Operating continuity is guaranteed by equipping the vast majority of employees and consultants with laptops that have protected access to work data and by fitting data centres with heating and cooling systems. In this case, the financial impact is higher maintenance costs and rising air conditioning costs.

With regard to energy transition, the group implemented a system to monitor energy consumption and active emissions, setting targets for the percentage of purchases of electricity generated by renewable sources and starting to gradually modernise the company car fleet by incentivising employees to choose more eco-friendly vehicles. The financial impact is the higher costs for energy-efficient cars.

Lastly, the group has also considered the reputational risk deriving from climate events with impacts on customers and suppliers. As well as managing the related risks in the ERM (as detailed earlier), the group submits itself to periodic ESG assessments by approved reliable third-party bodies and has regular communication plans with its main stakeholders.

Cybersecurity and data protection

The Institute of Risk Management defines **cyber risk** as any risk of financial loss, disruption or damage to the reputation of an organisation deriving from some sort of failure to its information technology systems from unintentional events (for example, server shutdown) or intentional events (for example, theft of sensitive data).

Cyber attacks are a threat to all sectors, with a systematic impact on all aspects of society, from politics to the economy and geopolitics, with the government, military, armed forces and intelligence agencies, healthcare, research and education and online services in first place.

While the technologies of this economic phase bring enormous economic and social benefits to a large majority of the global population (more than 50% of the world's population now has access to the internet and around two thirds have a mobile device - World Economic Forum data), and there is still ample room for the next wave of technologies (precision medicine, self-driving vehicles, etc.), the unintended consequences of this huge potential - and its related risks - are an ongoing danger for companies.

#CyberRisk

JAKALA has long-running prevention and protection procedures for its systems to guarantee privacy, integrity and availability of information.



Cyber risk has many forms:

- **unintentional events:** these include all those actions caused unintentionally by the user, such as incompatibility of hardware parts, failures or unforeseen events, which can compromise the security of the computer system;
- **intentional events:** these include those actions performed by users who are not authorised to process data or use services;
- **malicious attacks:** these attacks through the internet or other connections are performed by users that use specific software to enter a system, thus gaining access to a device to manage resources and data even though they do not have the authorisations required to carry out such transactions.

Given the damage that cyber attacks can cause, JAKALA has already identified prevention and protection measures such as passive security (or physical security) and active security (or logistics security). It has introduced technical and organisational procedures to secure its IT assets and ensure:

- **confidentiality:** secure and monitored access to data and processes to guarantee that only authorised users can read the information;
- **integrity:** the completeness and legibility of the information;
- **availability:** access to the data at the established time and place.

Talent attraction and retention

Heightened interest among companies regarding employee engagement policies - corporate strategies aimed at creating an inclusive and stimulating work environment - is driven by their growing awareness of the financial damage caused by losing talents. This damage not only includes the cost of dealing with employee turnover, but also the effects on productivity and customer satisfaction, with risks of repercussions also on the corporate environment.

Recent studies show that millennials change jobs more quickly when presented with new offers. Given that the job market recorded higher mobility of resources after the pandemic, the ability to attract and retain talent has become a factor of success for companies.

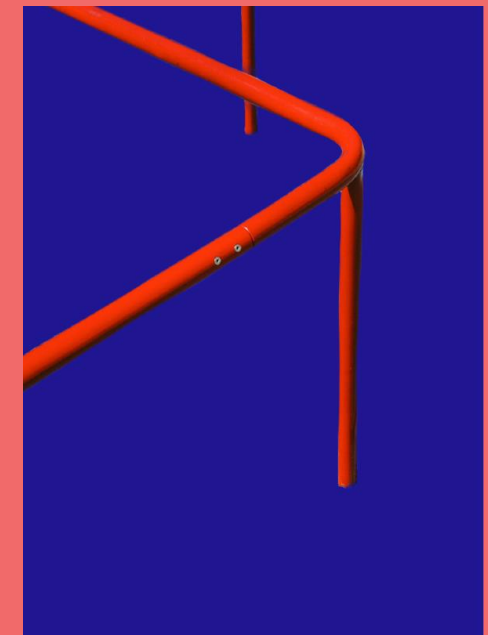
Without addressing the actions implemented by JAKALA (detailed in the section on human resources), we would just like to highlight the group's ongoing focus and monitoring of this matter which it holds in utmost importance for its path of sustainable growth and long-lasting value creation.

Sustainable supply chain

JAKALA has made great progress in introducing considerations about environmental impact, respecting human rights, and quality production along its supply chain, from raw materials selection, production and warehousing to delivery and all intermediate transport. Its clear aim is to minimise the environmental damage caused by factors such as energy usage, water consumption and waste production, while having a positive impact on people and the community in and around their activities.

JAKALA has added environmental and social goals to its traditional concerns, such as production reliability, financial terms and delivery efficiency. This means tackling global issues like climate change, water security, deforestation, human rights, equal work practices and corruption by, for example, prioritising renewable energy, recycling products or materials, and fostering greater social responsibility among suppliers.

JAKALA's procurement chain is responsible for most of its environmental impact. By their nature, supply processes often involve energy-intensive production and transport, while goods are produced and transported all over the world.



Aware of the risks inherent in its procurement processes, which could temporarily jeopardise operating continuity (e.g., due to extreme weather events or shortages of raw materials), JAKALA has dedicated a lot of attention to the issue, benefiting the interests of the company and its stakeholders, the community and the environment in general.

We must not forget the additional benefits in terms of: customer relations, with consumers increasingly concerned about how products are made; investor relations, with investors aware of the reputational risks tied to non-sustainable practices in the supply chain; compliance with international regulations, with certain countries introducing specific regulations on procurement flow transparency; as well as, last but not least, company culture, with the younger generations seeking added purpose in their work.

JAKALA's tax policy

Though the group does not have an explicit tax strategy, tax management serves the group's business and sustainable development by putting the focus on tax compliance which, as a result, mitigates the risk of unethical or illegal behaviour. The group's tax policy follows the guidelines and code of conduct regarding the correct application of tax legislation in Italy and abroad. JAKALA is aware of how much tax revenue contributes to the collective well-being in the jurisdictions where it operates and is certain that the correct implementation of applicable tax legislation is crucial for both the group and its stakeholders.

The tax policy draws inspiration from the principles set out in the code of ethics, an integral part of the organisational, management and control model as per Legislative decree no. 231/2001. The code of ethics establishes the behavioural standards applicable to all group employees to ensure that the risk of non-compliance is constantly monitored and managed, with particular focus on the risk of incurring administrative or criminal sanctions, significant financial losses, as well as reputational damage caused by violations of tax legislation.

The board of directors has a key role in steering and managing the company and group according to values of honesty, integrity and lawfulness. The group's decisions on tax policies are guided by the desire to meet the needs of the real economy rather than by tax considerations. Localisation choices originate from the group's vow to best serve its customers. In all jurisdictions where the group operates, it guarantees compliance with tax rules set out in treaties, laws and regulations, as well as the payment of taxes of all kind.



At operational level, the set of safeguards and organisational procedures in place, with the allocation of roles and responsibilities, ensures that the correct data are filed in the tax returns, taxes are paid and communications are made to the tax authorities. Local teams in the different countries are in charge of managing compliance, tax planning and tax monitoring at local level.

Structures that carry out tax-sensitive activities work closely together (both at parent and local level), conforming with the following fundamental principles:

- complying with all laws and regulations and fulfilling all tax filing obligations in all countries where they operate;
- ensuring full tax compliance for each group division, focused on respecting economic, social, civic and environmental responsibility;
- applying OECD principles in transnational relations with JAKALA group companies and third parties;
- complying with tax regulations in relations with customers and suppliers;
- correctly applying treaties against double taxation in transactions involving the group;
- eschewing tax havens, tax structures lacking in valid economic or low tax jurisdictions to obtain undue tax advantages or structures aimed at tax evasion.

To safeguard against tax risk, the relevant departments ensure that the group has adopted an adequate internal control system, in line with the parent's risk policy and ruling legislation, via specific controls, which also - and above all - cover processes relevant for tax purposes, in close collaboration with the company control units (internal audit).

Identifying the tax risks linked with the group's business and protecting against them is carried out as follows:

- taking part in the approval process for new projects and exceptional business/transactions, suggesting, where necessary, specific actions to mitigate tax risks;
- analysing and checking the correct tax management of extraordinary transactions and company restructuring;
- setting guidelines for local requirements regarding transfer pricing documentation and supervising the drafting of necessary documentation;
- supporting and advising group bodies and central and local structures on all tax-related matters regarding business and transactions in place.

In the context of behaviour aimed at mitigating tax risks, both the parent and local subsidiaries use third-party consultants when faced with particularly sensitive, complex or confounding issues. Such consultants provide guidance on compliance with legislative provisions, ongoing updates and control over tax matters, and assistance with direct and indirect tax returns. The board of directors is promptly informed of significant and complex tax matters and any disputes. The tax returns are also assessed, checked and signed by the independent auditors.

#03 RESPONSABILITY, ETHICS AND TRANSPARENCY

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Cyber-resilience and data protection
The value of data and "new" disciplines

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ESG masterplan

Contribution to the SDGs



12.2: By 2030, achieve the sustainable management and efficient use of natural resources.

12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

12.8: By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature.

16.4: By 2030, significantly reduce illicit financial and arms flows, strengthen recovery and return of stolen assets, and combat all forms of organized crime.

16.7: Ensure responsive, inclusive, participatory and representative decision-making at all levels.

16.10: Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements.



A handwritten signature in blue ink, appearing to be 'P. M.', located at the bottom right of the page.

JAKALA's commitment to responsible business management

The global economic and social situation is changing rapidly due to a series of factors, ranging from the pandemic to technological progress.

There is increased focus on the local area and community and the parameters used by investors and consumers to assess companies embrace more and more non-economic factors.

Over time, JAKALA has realised that it too can make a considerable contribution to this "revolution" under way, by establishing a path of growth, improvement and engagement of stakeholders that will engender a change in mindset within the group first and foremost.

The actual inclusion of ESG issues within the organisation needs to be accompanied by often radical changes to company processes and long-running practices, as a step that augments and enriches the business.

To boost the commitment within the group and ensure that sustainability is fully integrated into company strategy, JAKALA chose to draw up this Sustainability report internally by the sustainability, IP, corporate affairs and internal audit unit. As a result, there was constant dialogue with stakeholders, full of inspiration, innovation and reflections that stimulated interest and guided the group towards more challenging objectives.

The group is committed to responsible business management that considers all parties involved, including customers, employees, suppliers and the local community. JAKALA undertakes to guarantee utmost attention to product quality, reducing its environmental impact and nurturing human resources. Collaborating with suppliers and sharing know-how with the community are key elements in the group's responsible approach. JAKALA undertakes every day to create long-term value for all parties involved.

The group's actions are driven by its eagerness to work alongside its partners to guide them towards mindful choices and embark together on a path of responsibility and engagement... **TOGETHER TO GET THERE!**

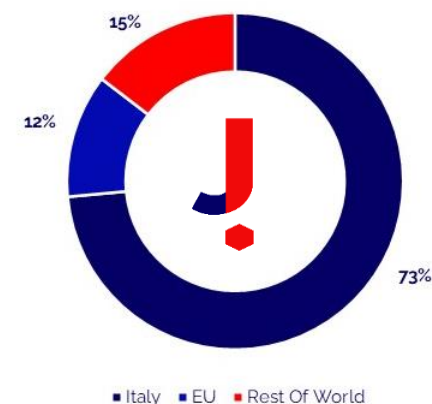


Generating and distributing added value

Economic value generated and distributed represents a company's ability to create wealth through its business and distribute it among its stakeholders, measuring the impact on its community and throughout the entire value chain (GRI 201-1).

The JAKALA Group generated economic value of approximately €445 million in 2022, up 48% on 2021. Italy is still the main country where value is created, counting for roughly 74% of the total, while 12% relates to the European Union and 14% to the rest of the world.

Economic value generated by the group



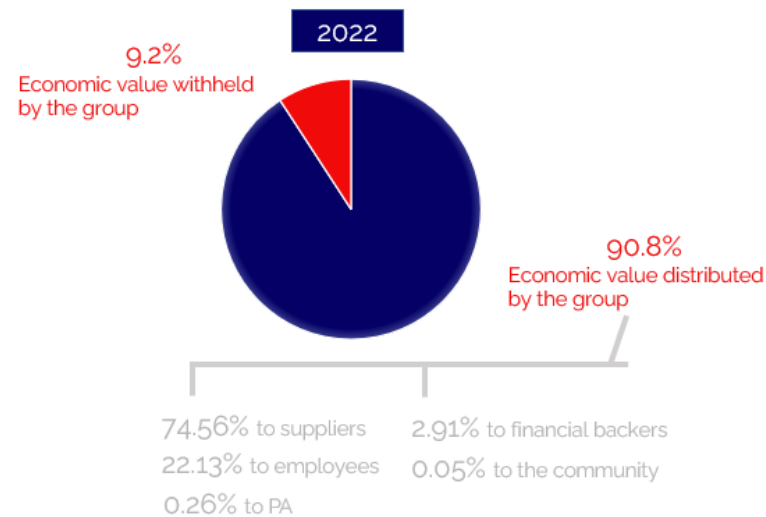
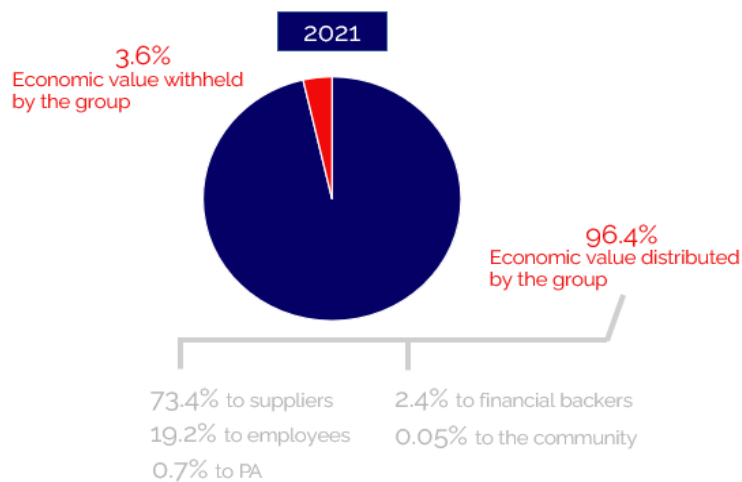
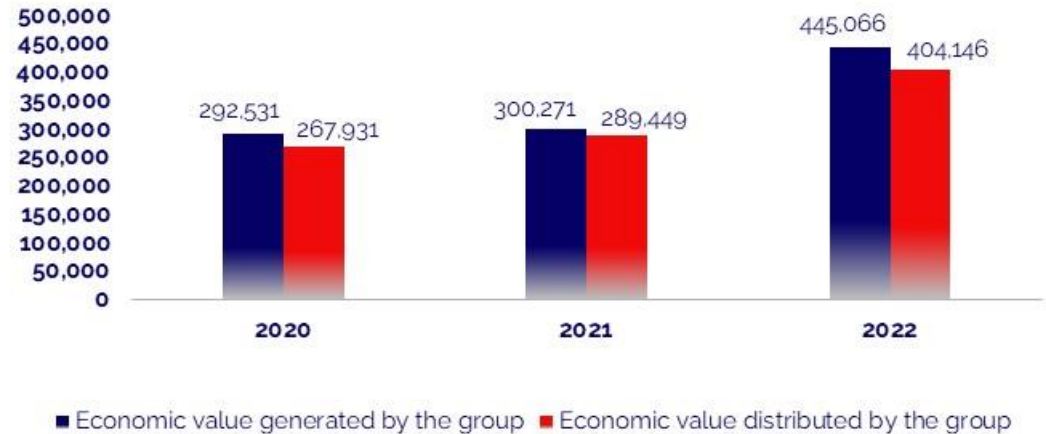
Direct economic value generated and distributed (€'000)	2022	2021	2020
Economic value generated by the group	445,066	300,271	292,531
Revenue	434,250	296,043	296,356
Other income	3,070	3,489	3,76
Financial income	4,043	1,257	1,433
Impairment of financial assets	-	-	-
Loss allowance	4	(77)	(116)
Exchange differences	3,698	(441)	(8,902)
Economic value distributed by the group	404,146	289,449	267,931
Economic value distributed to suppliers	301,311	221,99	217,427
Economic value distributed to partners	89,442	57,725	45,602
Economic value distributed to financial backers	11,744	7,269	1,82
Economic value distributed to shareholders	389	81	67
Economic value distributed to public administration	1,040	2,236	2,967
Economic value distributed to the community	219	148	48
Economic value withheld by the group	40,919	10,822	24.6
Amortisation and depreciation	29,291	18,465	19,16
Provisions	718	2	2
Reserves	10,911	(8)	5,438

The group distributed economic value of over €404 million in 2022, up 40% from €289 million in 2021. Italy is again the main country of distribution (79%), compared to 10% in the European Union and 11% in the rest of the world.

The breakdown of economic value distributed to stakeholders remained more or less unchanged, with suppliers naturally retaining the main role (around 75% of the total). However, economic value distributed to consultants jumped 55% from €58 million in 2021 to over €89 million in 2022.

Reference should be made to the directors' report and the notes to the consolidated financial statements for further details on financial matters.

Direct economic value generated and distributed (€'000)



Note to the graphs. The suppliers figure encompasses suppliers of both goods and services. Economic value distributed to public administration also includes deferred taxes.

Materiality analysis

In accordance with the revised Global Reporting Initiative (**GRI**) Standard, JAKALA performed a materiality analysis to update its material topics and investigate their materiality.

The materiality process is used as a starting point for developing sustainability reporting that is as transparent, clear, effective and targeted as possible regarding the most significant topics for the group or that can influence stakeholders' expectations (GRI 3-1 a.i).

The group followed a four-step process to identify material topics in light of the revisions to GRI 3-1, as follows:

- Understand the organization's context.
- Identify actual and potential impacts.
- Assess the significance of the impacts.

- Prioritize the most significant impacts for reporting.

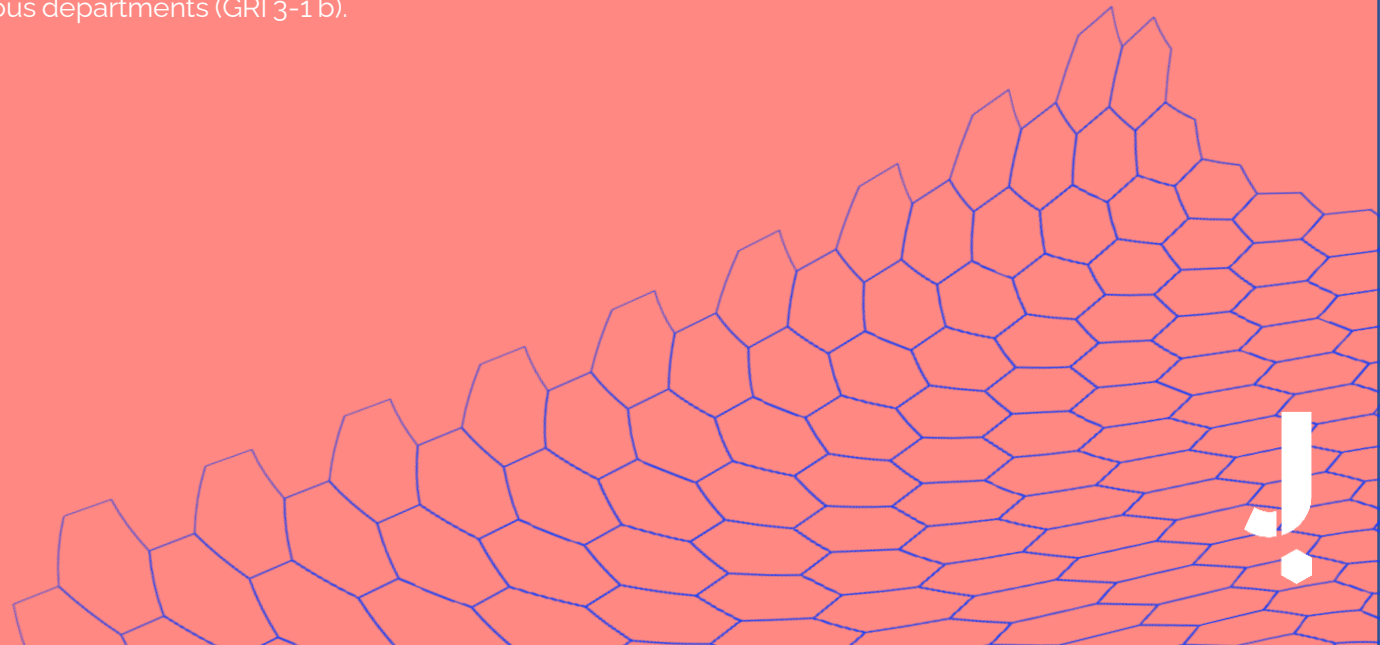
It analysed company documents (organisational model as per Legislative decree no. 231/2001, code of ethics, supplier code of conduct, company policies, etc.) and leading publications on the subject (World Economic Forum, Risk and Focus 2022 ECIIA, AXA Future Risks Report, Allianz D&O Risks 2022 and more). Then it performed a benchmark analysis on companies operating in sectors adjacent to JAKALA's business.

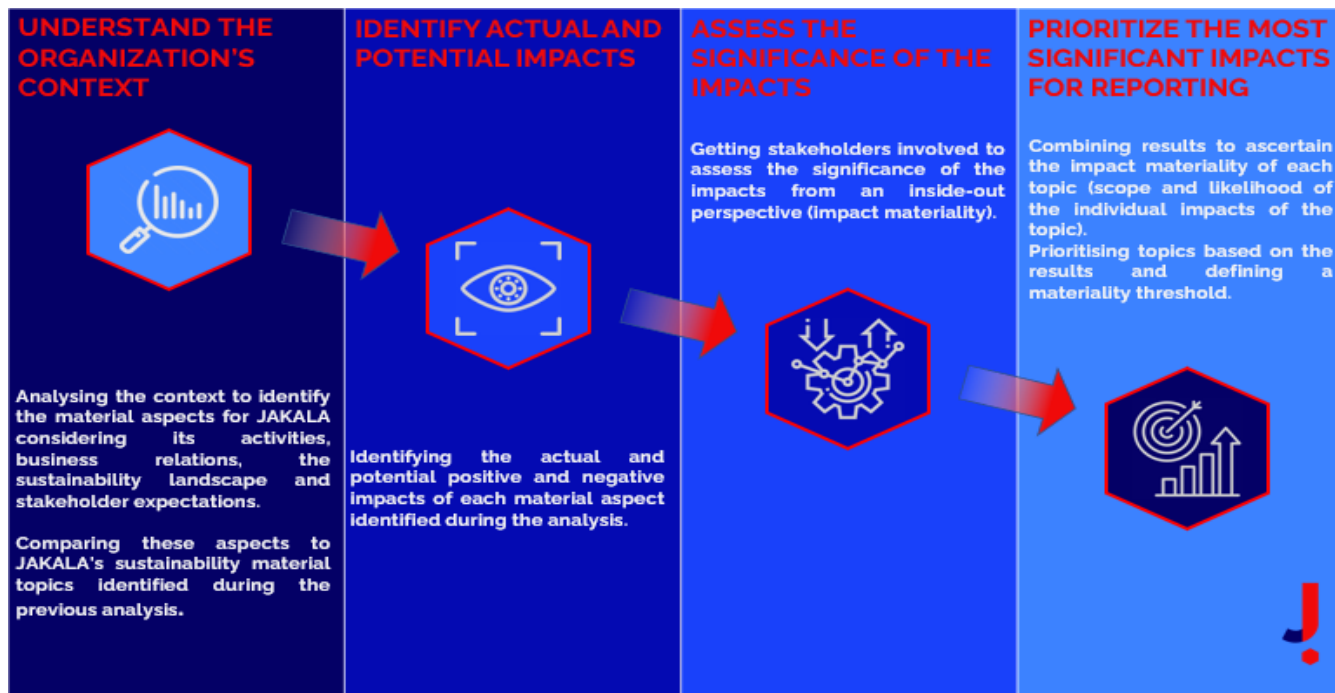
In order to identify the most significant issues for stakeholders, in addition to the above activities, the group sent a survey to a significant percentage of stakeholders to gather their assessment of negative and positive impacts. At the same time, a sample of senior managers were interviewed to get a broad overview of the viewpoint of the various departments (GRI 3-1 b).

The following stakeholders were involved in the process: employees, financial community, local communities and community-based organisations, suppliers, business partners and contractors, customers and consumers, shareholders, associations and organisations, and senior management.

In measuring and prioritising impacts, the group chose an assessment scale that analyses each impact by significance and likelihood, based on scale, scope and irremediable character. A value (on a scale of 1 to 4) encompassing both significance and likelihood was attributed to each impact (GRI 3-1 a.ii).

Using the results of the assessment process, a materiality threshold was defined to pinpoint which material topics are most important for stakeholders and thus must be reported.





In light of the new analysis method used this reporting period, as mentioned earlier, the materiality matrix is no longer used. Instead the topics are arranged on the basis of a scale of values in terms of likelihood, scope, scale and irremediable character (the latter only for negative impacts).

However, comparing it with the prior year analysis, the material topics now considered to be under the threshold due to low stakeholder interest were mostly also the same in 2021. The sole exception was "solutions for sustainable applications" which received strong interest in 2021 (GRI 3-2 and GRI 3-3).

VALUE	SCALE	DESCRIPTION	
4	Significant and Potential Impact	There's a moderate/high probability of JAKALA generating the corresponding impact considering the adopted activities and presidia. This impact could generate significant and ongoing consequences.	<p>Significance Criteria Assessment</p> <p>Scope Scope is related to negative impacts severity or conversely to benefits brought by positive impacts to the environment, people and society.</p> <p>Scale It refers to the impact diffusion</p> <p>Endlessness (negative impacts only) Endlessness refers to the necessary complexity to remedy a negative impact consequence</p>
3	Unlikely and Significant Impact	JAKALA does not generate the impact / there's a low probability of JAKALA generating this kind of impact considering the adopted activities and presidia. Conversely, if generated, the impact could produce significant and ongoing consequences.	
2	Likely and less significant impact	There's a moderate/high probability of JAKALA generating this kind of impact considering the adopted activities and presidia. However, the consequences would be void / restricted and temporary.	
1	Unlikely and less significant impact	JAKALA does not generate the impact / there's a low probability of JAKALA generating the impact considering the adopted activities and presidia. Impact consequences are void / restricted and temporary.	



Topic category



Corporate
Governance
and Compliance



People



Products



Environment

Material topics and impacts

1. Cybersecurity & Data Protection (JG6)
2. Brand Reputation (JG1)
3. Business Ethics & Integrity (JG1)
4. Compensation and duties of management team members (JG3)
5. Governance & Transparency (JG1)

1. Attracting and Retaining Talents (JG2)
2. Welfare and Work-Life Balance (JG9)
3. Training and Development HR (JG2)
4. Diversity and equal opportunities (JG4)
5. Occupational Health & Safety (JG3)

1. Customer centricity (JG8)
2. Innovation and Tech Development (JG7-JG10)
3. Know-How Protection (JG6)
4. Sustainable Supply chain (JG4-JG5)
5. Quality Assurance and Safety (JG6)

1. Carbon neutral mobility (JG3-JG7)
2. Energy efficiency (JG3-JG7)
3. Climate action (JG7)

Positive impacts

- Ensuring maximum security of data and information, protecting all stakeholders.
- Creating value for partners and the community and protecting shareholders' investments.
- Fostering long-term partnerships, nurturing growth and reducing the cost of seeking new relations.
- Speeding up the process of achieving objectives of common good for
- Implementing and maintaining a culture of health and safety and improve the well-being of everyone.
- Boosting service quality with expert and well-organised teams.
- Improving work-life balance, offering opportunities for professional growth that adapts to family needs.
- Nurturing human resources, breaking down barriers
- Involving customers in designing services to create long-term value.
- Providing innovative and sustainable solutions to improve the entire value chain.
- Creating long-term value, a guarantee of quality and compliance.
- Reducing the environmental impact of products and increasing their safety.
- Improving work conditions and opportunities for growth along the supply chain.
- Reducing polluting emissions, by using solutions with lower environmental impacts.
- Reducing greenhouse gas emissions (carbon neutrality), helping fight climate change.
- Stepping up the energy transition by raising awareness among customers and consumers.

Topic category

Corporate Governance
and Compliance

People

Products

Environment

Positive impacts

- stakeholders by sharing long-term strategies.
- Sharing long-term goals and strategies at global level to accelerate and create benefits for employees, business partners and investors.
- and prejudices, embracing a culture of inclusion and diversity to achieve success.
- Providing continuous refresher courses for employees to satisfy customers by offering innovative, top-quality services.

Negative impacts

- Risk of losing and distributing sensitive data/information outside the organisation, due to vulnerabilities in internal systems.
- Financial losses for partners due to unethical practices in managing relations.
- Higher costs for business partners due to interruptions to business continuity.
- Higher risks in the workplace, violations of binding regulations and human rights.
- Increased work stress due to resources not being adequately trained.
- Lower quality of work life due to stress and lack of support.
- The lack of diversity and equal opportunities in the workplace leads to higher social costs and lower value creation.
- Higher costs due to lack of understanding of customer needs in the services developed.
- Offering obsolete solutions to partners with resulting higher environmental impact.
- Exposing business partners to possible disputes regarding use of assets by third parties.
- Lack of consumer protection, exposing them to product risks and higher environmental impact.
- Environmental damage due to using non-renewable energy.
- Increasing the company's carbon footprint.
- Releasing products with higher environmental impact onto the market.

Topic category

Corporate Governance
and Compliance

People

Products

Environment

Negative impacts

- Focusing on maximum benefit by exploiting local resources (human/environmental).
- Risk of slowing down advancement towards SDGs, with repercussions for stakeholders due to non-compliance with globally-recognised targets.
- Insufficient employee training and low skill transfer capabilities lead to ineptitude in services provided and failure to meet customer requests.
- Negative social and environmental effects on the community.

Actions

- Reinforcing safeguards for IT/privacy security, facilitating data transparency and traceability.
- Developing control procedures to ensure and foster transparent relationships of trust and cooperation among stakeholders.
- Building the image of the brand as sustainable.
- Aligning management's financial growth to reach objectives of common good. Joining associations such as UN Global Compact, Carbon Disclosure Project, Science Based Targets.
- Ensuring the health, safety and psychophysical well-being of people and workers via training courses and targeted initiatives.
- Developing a work environment that attracts talents and figures of excellence.
- Fostering work-life balance through welfare plans.
- Guaranteeing an inclusive work environment based on respect and the value of rights and basic freedoms, shunning any discriminatory behaviour.
- Fostering personal and professional growth among employees by developing and spreading know-how and technical skills.
- Constantly and directly involving customers to develop long-standing relationships of trust and increase their level of satisfaction.
- Investing in product and process R&D to ensure a constant level of innovation, with particular focus on ESG criteria.
- Protecting company solutions with regard to ESG criteria.
- Ensuring product quality throughout their lifecycle, respecting the environment and the people of the surrounding communities.
- Improving the supply chain to protect environmental and social sustainability and regarding lawfulness and transparency.
- Reducing the use of electricity with additional commitment to use renewable sources.
- Reducing greenhouse gas emissions along the transport chain. Raising awareness among customers and consumers of environmental policies by using sustainable products and services.

The above actions are reflected in the goals set out in the group's approved long-term plan for 2022-2025, which is subject to annual checks, controls and reviews, in collaboration with internal stakeholders (in this case, employees and shareholders).

To date, the group has not changed its goals and targets, but the new path undertaken recently may require amendments to the timeline for achieving some of them. In this case, transparency of internal reporting is the solution adopted to integrate the necessary implementations into the processes and operating policies (GRI 3-3, e) and f).

The actions are regularly analysed by the audit, risks and sustainability committee (which includes directors representing the major shareholders) and occasionally, depending on the general interest in the individual actions, during meetings between directors, managers and shareholders.



- ⇒ Information security policy
- ⇒ Anti-corruption policy
- ⇒ Organisational model 231/2001
- ⇒ Group code of ethics
- ⇒ Human rights policy
- ⇒ Modern Slavery Act
- ⇒ Whistleblowing policy
- ⇒ Company asset and internet use policy
- ⇒ Privacy model (manual and procedures)
- ⇒ Quality, environmental and health and safety policy

- ⇒ Quality, environmental and health and safety policy
- ⇒ Total reward policy
- ⇒ Talent on-boarding
- ⇒ Performance review process
- ⇒ Salary review process
- ⇒ Company training policies (lunch&learn, J Fluent, J Academy etc.)
- ⇒ Martech Academy
- ⇒ Safe and eco-friendly driving policy



POLICY

ECOSYSTEM

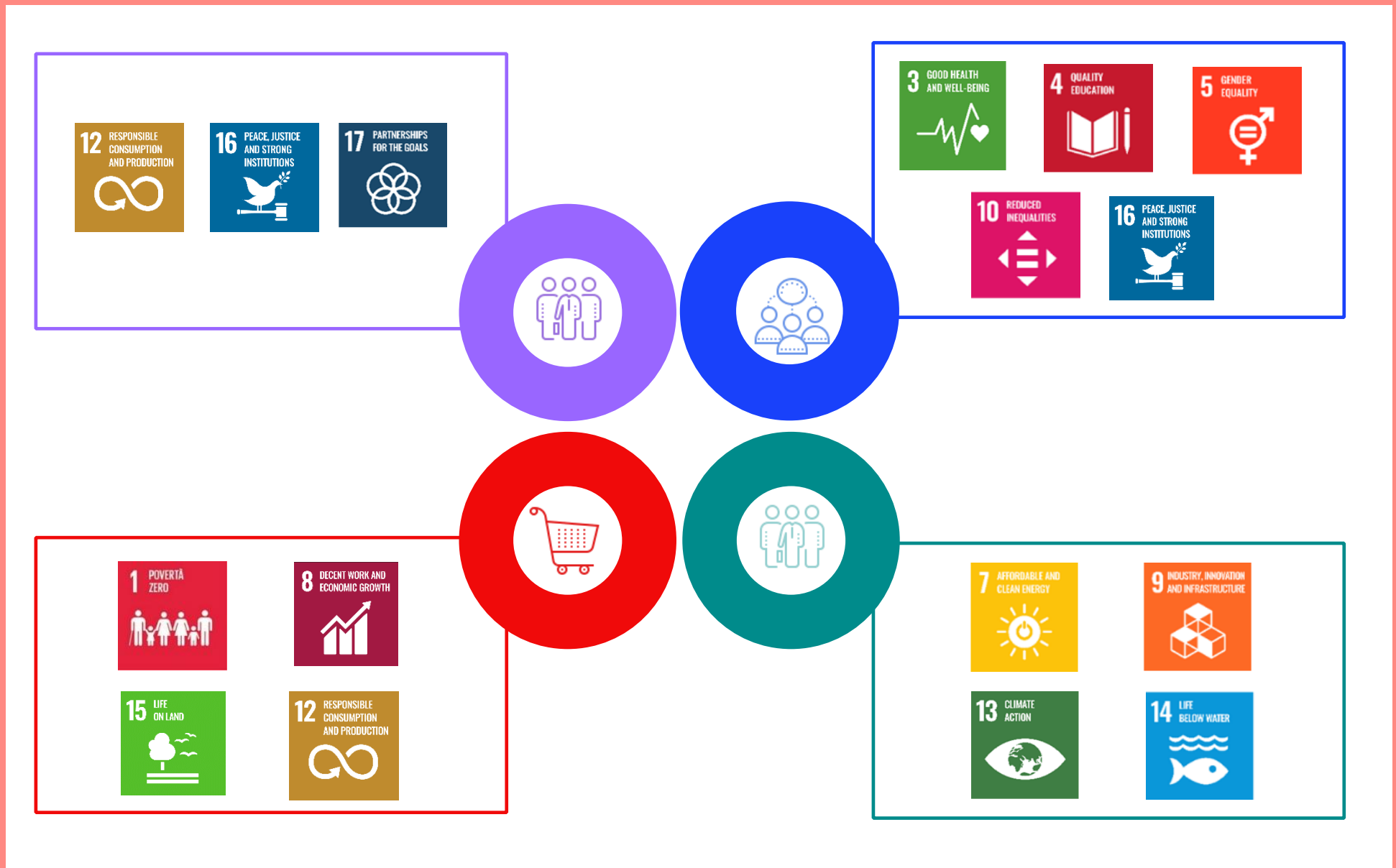


- ⇒ Quality, environmental and health and safety policy
- ⇒ Supplier code of conduct
- ⇒ Sustainability marketing strategy
- ⇒ Anti-corruption policy
- ⇒ Organisational model 231/2001
- ⇒ Group code of ethics
- ⇒ Human rights policy
- ⇒ Modern Slavery Act
- ⇒ LCA thinking

- ⇒ Quality, environmental and health and safety policy
- ⇒ Safe and eco-friendly driving policy
- ⇒ 14064 GHG carbon footprint
- ⇒ LCA thinking
- ⇒ Offsetting and fighting climate change
- ⇒ Learning live moments



Comparison between material topics and SDGs



Ethics governance

During 2020 the Parent Company set up a whistleblowing system, adopting a specific procedure to carefully manage and quickly ascertain any unlawful behaviour that has been flagged in accordance with the law regulations and internal procedures, adopt suitable measures and, at the same time, guarantee anonymity to the whistleblower.

The reporting of specific situations in violation of the code of ethics, either by employees or third parties, is taken very seriously by JAKALA. Any employee who, in good faith, flags irregular behaviour or suspected or confirmed violations of the code of ethics is protected by JAKALA against any form of retaliation, discrimination or penalisation. However, this is without prejudice to legal obligations and the safeguard of the rights of the individual company, the group or people accused mistakenly and/or in bad faith.

Serole Group, the Spanish-based Group has a web-based whistleblower channel in SaaS format, which complies with all the current requirements under Spanish law regarding the protection of whistleblowers data protection and data security.

The allegations and queries received via the system are handled by a specific compliance committee which replies and follows up on any reports. Biko 2006 S.L. is gradually being implemented into the Serole Group's compliance system.

Just one report was received via the whistleblowing system throughout the group in 2022, regarding the company B-Mind in Spain. After an in-depth investigation, it was not deemed relevant (GRI 2-16).

The many duties assigned to the sustainability, IP, corporate affairs and internal audit unit include drafting top-level policies and assisting the various units in preparing standards for responsible corporate conduct.

Over time, the unit has become a reference point for all employees and/or consultants, a source of advice on how to implement responsible corporate conduct policies in general.

However, each department remains responsible for drafting and applying the policies and standards relevant to them.

The unit is also in charge of liaising with the audit, risks and sustainability committee about the application of internal procedures and policies and any issues that may arise.

The JAKALA Group did not detect any incidents of discrimination or irregular situations in 2022.

#Whistleblowing
JAKALA set up a whistleblowing system in 2020 to protect all of its stakeholders.

As mentioned earlier in the section on corporate governance, JAKALA S.p.A. SB has adopted an **organisational, management and control model** as per Legislative decree no. 231/2001. The model is a set of principles and rules of conduct, operating procedures and disciplinary code, aimed at preventing unlawful acts and guaranteeing ethical behaviour by those who operate on behalf of the company, in line with the principles of lawfulness, integrity and transparency. The model was updated in 2021 (approved by the board of directors in January 2022) to include the crimes included in the meantime by legislation, including tax crimes, smuggling and amendments regarding money laundering and self-laundering (GRI 2-26).

The company has set up a **supervisory body** in charge of supervising the adequacy of and compliance with the organisational, management and control model and its underlying principles. It holds a top position within the company structure, reporting directly to the board of directors, in order to ensure autonomy from any kind of potential interference.

Specific reports can be made to the supervisory body to safeguard the company's integrity, regarding unlawful conduct - relevant and based on specific and congruous facts - or violations of the company's organisational, management and control model that come to light in the performance of duties. In order to simplify the flow of reports and information to the supervisory body, the company will set up dedicated channels and specifically an email address ().

The **code of ethics** is an integral and fundamental part of the organisational, management and control model. It sets out the values that the company recognises, shares and fosters, knowing that conduct inspired by the principles of diligence, probity and fairness is a key driving force of economic and social development. The company's employees and consultants are asked to act with honesty, passion and integrity and build relationships with stakeholders based on mutual trust so that growth is guided by the principle of shared value.

The code of ethics draws on the main legislation and regulations (including Legislative decree no. 231/2001) regarding corporate social responsibility, corporate governance, human rights and the environment. Its key principles are found in company policies, such as the quality, environmental and health and safety policy, the anti-corruption policy, the supplier code of conduct and the human rights policy, and the various tax, financial, human resources management and company asset protection procedures.

In this regard, the code of ethics and company policies are the pillars of JAKALA's corporate governance system. They regulate the decisions of the group and its employees and their way of interacting with stakeholders.

In order to ensure that the principles are applied consistently across all countries, a **JAKALA group code of ethics** was also approved. This makes the document applicable to all group companies, even outside the jurisdiction of the Italian Legislative decree no. 231/2001.

ETHICS AND SUPPLIERS

The Group's attention and caring to ethical, social and environmental aspects along the supply chain begins from the supplier selection process and continues through the systematic awareness-raising and monitoring activity. Knowledge, traceability, sharing of best practices and verification are core aspects not only to limit risk situations but also, and above all, to generate culture and support responsible and suitable business development, for the benefit of the entire supply chain. Inside this context, the signatories of a supply or service contract are required to read and comply with the contents of Ethical Code, which outlines the principles and guidelines that inspire the activities and guide the behavior and actions of all the Stakeholders. In order to address the work of its partners even more precisely, JAKALA has adopted a Supplier Code of Conduct, which illustrates the Group's expectation in relation to the main areas of a responsible way of working and contains the requirements that suppliers must comply with in order to establish or maintain a relationship with Jakala Group. By signing the Codes, suppliers undertake not only to directly comply with these principles but also to enforce them with their subcontractors. The violation of the principles established in the Code of Ethics constitutes a breach of contract, with the right, by Jakala depending on the severity, to terminate the existing contract. The aspects monitoring performed on the supply chain related to corruption risks is also carried out through ESG platform, which allows an annual review of the ESG rating according to four pillars: Environmental, Labour and Human Rights, Sustainable Procurement and Ethics, which also includes the risk of corruption. It should be noted that starting from 2021 began the monitoring of Human Rights profiles or impact assessments through and ESG Platform for the supply chain. During 2022, 140 suppliers were monitored. For more details see the chapter "#6 Partners, products and services".

JAKALA S.p.A. SB has an **anti-bribery management system**, based on ISO 37001:2016, developed in 2021 and based on a risk assessment carried out in coordination with the assessment to update the organisational model.

This system has analysed the company processes, the countries where the group operates (directly and through the supply chain), the perceived corruption rate, etc., identifying the areas at theoretical risk of corruption and the internal controls that should be put in place to continuously monitor risks of corruption.

The parent's anti-bribery management system was ISO 37001 certified in 2022, as was the system of the subsidiary JAKALA Civitas S.p.A. Bribery is a key issue in the public sector where the latter operates. ISO 37001 sets out requirements for a management system designed to help an organisation to prevent, detect and respond to bribery and comply with anti-bribery laws and voluntary commitments applicable to its activities.

Under its anti-bribery management system, JAKALA S.p.A. SB implements a series of processes and procedures to ensure that international anti-bribery standards are effectively applied (GRI 2-15).

With particular reference to conflict of interest, the parent requires the following documents to be signed by all individuals appointed to the board of directors:

- Statement accepting the role of director and that the requirements are met.
- Statement as per article 80 of Legislative decree no. 50/2016.
- Statement of pending charges and criminal records.
- Statement of cohabiting adult family members.

A conflict of interest questionnaire is submitted annually on the platform to continuously monitor the situation and

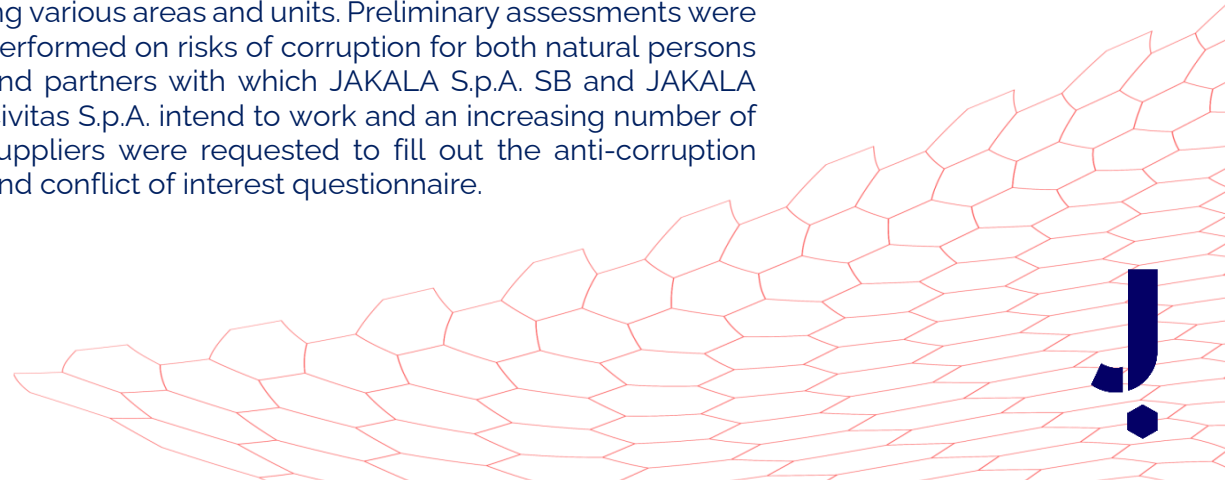
detect any changes that could influence situations of potential conflict of interest regarding directors and managers.

If a conflict of interest is detected, the parent activates the "conflict of interest management" procedure, which is part of its integrated management system. This procedure regulates how to communicate the conflict of interest to stakeholders, specifically including conflicts involving the board of directors, intersecting investments with suppliers and other stakeholders, controlling shareholders and related parties, along with transactions and outstanding balances with the latter.

The questionnaire is sent to the parent's directors, managers, consultants and key individuals (system administrators, AEO system managers), for a total of 96 individuals, and members of the boards of directors of the subsidiaries, for a total of 29 individuals.

JAKALA carried out internal control activities in 2022. Representing an effective audit system, their purpose is to periodically monitor that preventative measures to fight corruption and ensure transparency are implemented and to lay the groundwork for an overhaul of the group's entire anti-corruption system with a view to ongoing improvement.

The group's processes are highly automated and digitalised. This is a key measure of prevention that simplifies actions and makes them more accessible and transparent, as well as ensuring traceability, verifiability and impartiality (GRI 205-1). A series of internal controls were carried out on a sample of the parent's key processes covering various areas and units. Preliminary assessments were performed on risks of corruption for both natural persons and partners with which JAKALA S.p.A. SB and JAKALA Civitas S.p.A. intend to work and an increasing number of suppliers were requested to fill out the anti-corruption and conflict of interest questionnaire.



In 2022, JAKALA did not detect any incidents of corruption, either attempted or committed, and/or which led to employees being dismissed or disciplined for corruption. There were no incidents of corruption leading to contracts with business partners being terminated or not renewed due to violations related to corruption. Nor were there any new or ongoing public legal cases regarding corruption brought against JAKALA or its employees (GRI 205-3).

In 2022, the group was not involved in any significant instances of non-compliance with laws or regulations (including those regarding social and economic matters), for which fines and/or non-monetary sanctions were incurred, legal disputes regarding anti-trust or monopoly practices (GRI 2-27). Three lawsuits for anti-competitive behaviour (GRI 206-1) were commenced in previous years and are still pending.

For JAKALA, significant cases of non-compliance affect normal business operations and/or have a considerable impact from an economic point of view and/or have a value or impact that can influence or change circumstances or prospects.

CORRUPTION RISK ANALYSIS

The JAKALA Group confirms the following areas were theoretically exposed to corruption risk again in 2022:

- Relations with representatives of public bodies.
- Relations with suppliers, professionals and consultants.
- Relations with agents and brokers.
- Relations with business partners for joint ventures and managers.
- Managing donations, sponsorships, entertainment costs and gifts.
- Managing human resources.

#Ethics&Transparency

JAKALA fosters responsible business practices among all stakeholders via engagement and awareness raising.

In 2022, the group rolled out training courses for employees, especially those in charge of areas at greater risk of corruption, and key individuals to teach them about the base principles of the ISO 37001 standard and anti-corruption matters. The main targets were C-line employees, i.e., those who work directly under the CEO, followed by all junior managers, managers and employees at greater risk of corruption due to their role.

The main topics were the anti-corruption policy, the code of ethics, the conflict of interest policy, whistleblowing and anti-bribery management system procedures.

The training was provided via an online course run by third-party experts.

Furthermore, online training is regularly provided to all employees to ensure full understanding and develop virtuous

behaviour in line with the code of ethics.

In 2022, almost all JAKALA S.p.A. SB personnel received training on the organisational model as per Legislative decree no. 231/2001 via a course available on the company e-learning platform. Indeed, 1,269 people had completed the course at 31 December 2022 out of 1,470 invited, so roughly 87%. This percentage is consistent in light of the ongoing growth of the parent's workforce.

JAKALA S.p.A. SB has also created an on-boarding module for all new hires - also including a member of the

supervisory board - to raise their awareness of the topics covered by Legislative decree no. 231/2001 right from the offset even before they complete the online course on the organisational model.

At the end of the last quarter of the current reporting period, training program on ESG issues including anti-corruption and human rights was initiated through an online platform directed to all the Parent Company and its Italian subsidiaries employees. At the end of the year, 26% of the people involved had already completed the courses, whose delivery will continue in 2023.

It is important that the group quantify the actual engagement of all employees, not just the total number of hours. 1,199 employees were involved in courses on human rights policies or procedures pertinent to the business.

Lastly, JAKALA Civitas S.p.A. provided specific training on human rights and ESG topics, with almost its entire workforce taking part (GRI 205-2).

In 2022, all members of the boards of directors of JAKALA S.p.A. SB and JAKALA Civitas S.p.A. were informed about anti-corruption policies and procedures and received training thereon.

All employees of the same two companies received communications regarding anti-corruption policies and procedures, via newsletters, the company website and on-boarding training

#ESGEcosystem

JAKALA has created an ESG ecosystem with practices and policies spread throughout its entire value chain.

The group refers to its commitments as a member of the UN GLOBAL COMPACT (as detailed in section 7, "Collaboration, engagement and action") and describes its commitments to responsible business conduct herebelow (GRI 2-23).

These commitments include respecting human rights. JAKALA has published its own **anti-slavery policy** for full transparency on its approach to managing human rights issues. Specifically, the document describes the measures adopted to ensure the absence of any form of modern slavery, forced labour or human trafficking within the group or throughout its supply chain, as per the UK law "Modern Slavery Act 2015 – Section 54".

The group also undertakes to:

- guarantee suitably healthy and hygienic working conditions and safeguard the health and safety of workers by adopting top health and safety standards in all its operations;
- develop human capital by promoting training that cultivates the professional and cultural growth of its employees and individuals involved in the group's business;
- promote freedom of association and collective bargaining and actively work to combat any form of abuse or discrimination against individuals involved in organising or representing workers;
- combat all forms of child labour and not engage individuals under the minimum age set by law;
- reject any kind of forced or compulsory labour in all its forms and pay remuneration to workers that meets their basic needs and those of their direct dependants;
- treat all individuals that work with JAKALA with dignity to maintain a work environment free from any kind of physical, verbal or psychological harassment;
- provide structured support to initiatives and projects carried out locally to spread cultural values and nurture the right to education of young people, e.g., granting scholarships, organising training courses, etc.;
- respect the right to privacy and personal data protection of all individuals involved in the group's business, specifically with regard to customers and in full compliance with relevant legislation.

RESPONSIBLE BUSINESS POLICIES

- Code of ethics and group code of ethics;
- Supplier code of conduct;
- Anti-slavery policy;
- Anti-corruption policy;
- Human rights policy;
- Whistleblowing policy;
- Information security policy;
- Quality, environmental and health and safety policy.

The **human rights policy** (GRI 2-24), approved by the parent's board of directors in 2021, sets out the principles laid down by national and international legislation and the standards of leading international organisations, such as:

- The Universal Declaration of Human Rights and subsequent international conventions on civil and political rights and on economic, social and cultural rights.
- The UN's Convention on the Political Rights of Women, Convention on the Elimination of All Forms of Racial Discrimination, Convention on the Rights of the Child and Convention on the Rights of Persons with Disabilities.
- The Declaration on Fundamental Principles and Rights at Work and the eight fundamental conventions of the International Labour Organization (ILO).
- The 2030 Agenda for Sustainable Development adopted on 25 September 2015 by the General Assembly of the United Nations and the 17 Sustainable Development Goals (SDGs).
- The UN's Guiding Principles on Business and Human Rights of 2011 on managing the risk of negative effects on human rights linked to business operations.
- The UK's Modern Slavery Act of 2015.
- The ISO 26001 international standard on corporate social responsibility (CSR).
- The Conflict Minerals Regulation promoting responsible sourcing of minerals from high-risk or conflict-affects areas.
- The Corporate Due Diligence and Corporate Accountability Legislative Report issued by the European Parliament in March 2021.

All of JAKALA's policies comprising its responsible business and development framework are available on its website (in the "Sustainability" section, <https://www.jakala.com/sustainability>) so that all of its partners are aware of and accept them. As discussed in more detail in the section "#6 Partners, products and services", it is standard practice that all of JAKALA S.p.A. SB's supply contracts include a clause where partners accept the responsible business policies, which include human rights policies and apply to all group companies (GRI 2-23 e).

All of the policies found in the aforementioned section of JAKALA's website have been approved by the parent's board of directors, i.e., the highest level of approval.

Furthermore, the board of directors of JAKALA S.p.A. SB has decided to entrust the audit, risks and sustainability committee with approving the periodic updates to protocols, policies, manuals and, in general, documents regarding management systems, already approved previously by the board of directors, for modifications to align with legislative, procedural or organisational amendments.

The goal is to facilitate and simplify the work assigned to the parent's board, notwithstanding the committee's option to submit such documentation to the attention of the board of directors wherever deemed necessary.

Cyber-resilience and data protection

JAKALA views data as a key asset that the entire group works hard to protect and enhance.

All data security actions taken in 2022 and scheduled for 2023 serve the group's risk protection strategy which focuses heavily on third-party rights, contractual and legislative compliance, allocating adequate internal responsibilities and training personnel.

Prior to such actions, a joint plan was drawn up in 2021 between the chief information security officer (CISO) and the sustainability, IP, corporate affairs and internal audit unit to introduce controls and checks aimed at monitoring the conditions of firewalls, implementing specific improvement plans for procedures, processes and technical equipment.

This led to ISO 27001 certification along with Cloud Security System Alliance – CSA STAR LEVEL 1 certification in 2021, with inclusion in the CSA STAR Registry. After becoming ISO 27001 certified, JAKALA S.p.A. SB began a process to upgrade its information security management system, as the ISO is not merely an information security standard but also covers physical security and organisational layout in addition to logical security. Any kind of information, processed with any type of support (including hard copy), must be made secure using integral technological, operational, procedural, human and environmental aspects.

According to the 2023 CLUSIT report (the Italian association for information security), there was a 168% surge in cyberattacks between 2021 and 2022, especially in Italy. Most of these attacks (93%) refer to cybercrime, aimed at gaining profit. JAKALA is a prime target given its business type, value, quantity, nature of data processed, importance of customers, overall exposure in terms of visibility and services provided.

Able to tackle this growing risk of cyberattacks (aimed at stealing information or jeopardising the ability to provide services) is a key factor in guaranteeing operating continuity. As a result, it is necessary to minimise the factors of risk, while simultaneously reducing the impact with rapid responses and processes aimed at containing damage and keeping services up and running.

Cyber-resilience is a vital stepping stone in building a strong relationship of trust with customers.

ISO/IEC 27001:2017

Quality and security are not only pertinent to the group's products and services. Their relevance in the current data management climate is indisputable. Safety and ethical use are once again the keystones of JAKALA's approach here. While big data may have become a resource, the group is aware of its responsibilities given the significant impacts that inept data management can have on the company and, above all, the third parties involved as individuals that trust in a correct and secure processing of their personal data.

In addition to its ISO 27001-certified information security management system, the group implements strict procedures in this regard, e.g., ethical conduct by data scientists in gathering and analysing data, compliance with privacy legislation and responsible project management.

There are countless attack vectors and techniques - malware, social engineering, denial of service, vulnerability, misconfiguration, exposed web services - just as there are numerous outcomes. So, defending is a complex issue and requires interdisciplinary aspects, not solely tied to IT in the strict sense.

Accordingly, starting from 2022, JAKALA significantly stepped up its investments into all aspects related to security. First of all, governance over all IT tools - PCs, mobile and IoT devices, servers - was reinforced by rolling out a **SIEM** tool that gathers, analyses and links all events that could potentially be significant in terms of security. Any technical or behavioural irregularities detected are flagged for assessment so that response plans can be swiftly put into action. The SIEM tool currently analyses roughly 20 million events per day generated by over 2,500 connected devices.

The number of devices managed is rising. The aim is to reach almost complete coverage by the end of 2023.

The status of systems and services is checked periodically by third-party audits that check for any vulnerabilities on services exposed either internally or (especially) externally. If vulnerabilities or possible attack vectors are detected, this triggers risk assessment procedures that lay the bases for remediation plans.

The solutions adopted are also assessed and designed with the support of dedicated individuals at JAKALA's main cloud service providers.

Another key aspect regards the user authentication and authorisation systems and procedures. Access to almost all company tools (servers, PCs, e-mail and laptops) is via SSO or in any case through a unified user database controlled centrally. JAKALA's services and business are part of an ecosystem that also comprises customers, partners and suppliers, with multiple integrations. As a result, these must also be taken into account for a thorough assessment of security. JAKALA hires third-party cybersecurity rating specialists to evaluate the security of the companies it interacts with, in order to assess related risks and avoid introducing possible points of weakness.

One of the main attack vectors is social engineering, aided by improper and careless user behaviour. Therefore, technological aspects cannot be the sole focus. As the human factor lies at the core, some of the attention and investments are focused on creating a culture of security. This is achieved by raising awareness, starting from the on-boarding of new hires and through targeted training courses for the various company departments.

#CyberSecurity

JAKALA analyses roughly **20 million events** per day, generated **by over 2,500 connected devices**.

Cyber threat analysis is another tool used to reveal possible elements of cybersecurity risk. JAKALA commissioned an initial proof of concept to see if publicly available information (open-source intelligence - OSINT) shows any signs of possible threat and/or weak points which could be exploited for unauthorised access and/or actions aimed at damaging the company's reputation.

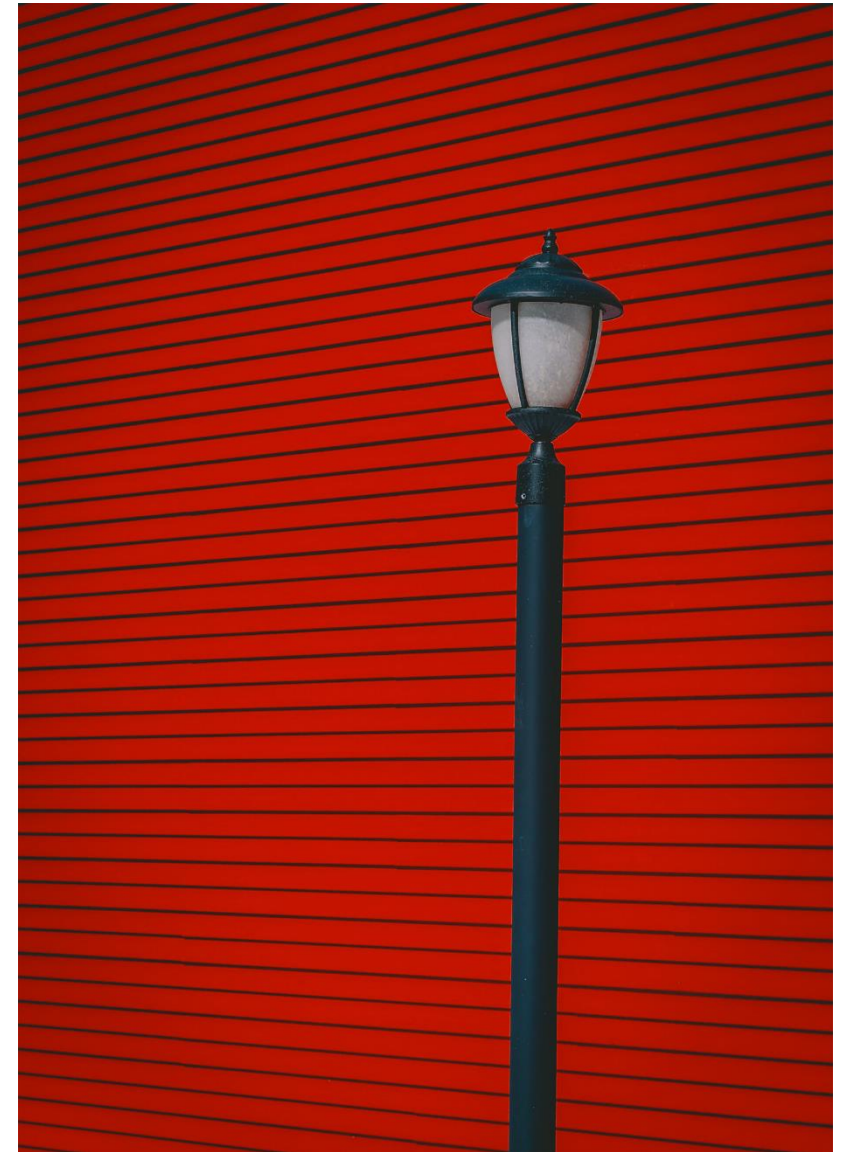
The continuity of both direct (service and product delivery) and indirect (company processes supporting business operations) processes must be guaranteed to ensure operating continuity.

The first step of the business continuity plan is a business impact analysis (BIA). Performed in 2022, this mapped company processes, calculating the level of criticality, time restrictions (recovery time objective and recovery point objective), links with other processes, human and technological factors. This analysis evaluated the more problematic aspects of the processes. With the most critical ones identified, a continuity plan was drafted to define remediation actions for forecast fault scenarios.

JAKALA has actions planned for 2023 to formalise a new business continuity framework. These include updating the governance model, preparation work for defining a disaster recovery plan (DRP) and personnel training.

From a strictly privacy point of view, there were no substantiated complaints concerning breaches of customer privacy and/or cases/complaints from the data protection authority, whereas, only in 2021, there was a leak, theft or loss of customer data indirectly involving JAKALA S.p.A. SB (GRI 418-1)

In 2022, there were 436 replies to requests to exercise the right to privacy by customers sent to the group's customer care desk, almost half those in 2021 (793) and just above 2020 (304). There were 14 replies to requests to exercise the right to privacy sent by group customers directly to the data protection officer in 2022, compared to 26 in 2021 and 19 in 2020.



#CyberThreatAnalysis

OSINT and dark web assessment techniques to detect threats.

The value of data and “new” disciplines

JAKALA has always been data-driven. Thanks to its singular approach, it has access to huge quantities of information which, in turn, helps it make assessments, forecasts and decisions and steer its customers - at times public bodies - towards making the best decisions for consumers and the public.

With its integrated ecosystem of diverse talents and innovative corporate solutions, blended together to create value for companies, people and society, the group works in close contact with its customers to strengthen their decision-making process, thus allowing sustainable growth and generating a positive impact on their business.

Combining quality data, professional intuition and creativity to develop business solutions that generate real and significant improvements for customers, and thus for the community.

With new group companies adding the vital asset of artificial intelligence, JAKALA has launched a process to draw up a data management manifesto. In addition to security and privacy, this will also take into account other factors such as inclusion, transparency, accountability, engagement and the environment.

The group is being guided by the main EU directives, which are founded on the Treaties of the European Union, the Charter of Fundamental Rights of the European Union and international human rights law. The starting point and cornerstone is that humans must be front and centre and the “new” technologies must serve the common good to improve well-being and guarantee freedom.

There are inalienable rights and guidelines that must be respected when using systems such as artificial intelligence. These include technical viability and security, reliability of algorithms and software developed, inclusion of all human skills and abilities, with the end purpose of ensuring accessibility to all, traceability and responsibility, to minimise any negative impacts and the use of these tools to sustain positive environmental changes and pursue sustainable development goals.

If used correctly, innovation can firstly boost people's potential with technology, unlocking new skills and opportunities that humans and machines can access together. Secondly, it can offer opportunities to expand and reinforce the workforce with tools and platforms.



ESG masterplan

JAKALA presented its updated 2022-2025 strategic plan (a brief summary is set out below) to its shareholders, highlighting for each area the real aspects at the centre of the group's strategy. It showed the results attained and analysed the actions and improvement work needed to complete the plan and achieve all of the ESG KPIs set by the group. Here is a brief summary.



Strong Ethics & Traspparency
Mission & Committment
Civic Engagement & Donations



Financial Security
Health, Well-being & Safety
Professional Development
Involvement & Satisfaction
Diversity, Equity & Inclusion



Improve the Impact
Ecodeign Strategy
Life Cycle Assessment



Environment KPI of Products
CO2 Monitoring and Compensation

#04 People

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JAKALA's people: to be a JAKALER

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Nurturing difference

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Talent management

Turnover
New talent

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Supporting growth

Developing skills
Caring for people

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Health and safety at JAKALA

Contribution to the SDGs



3.4: By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being.

4.7: By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development.

5.1: End all forms of discrimination against women and girls everywhere.

5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life.

5.c: Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels.

8.3: Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.

8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

10.2: By 2030, empower and promote the social, economic and political inclusion of all irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.

10.3: Ensure equal opportunity and reduce inequalities of outcome, including through eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and actions in this regard.



JAKALA's people: to be a JAKALER

"The JAKALA Group seeks out the best talent and invests in their professional growth and cultivates their well-being."

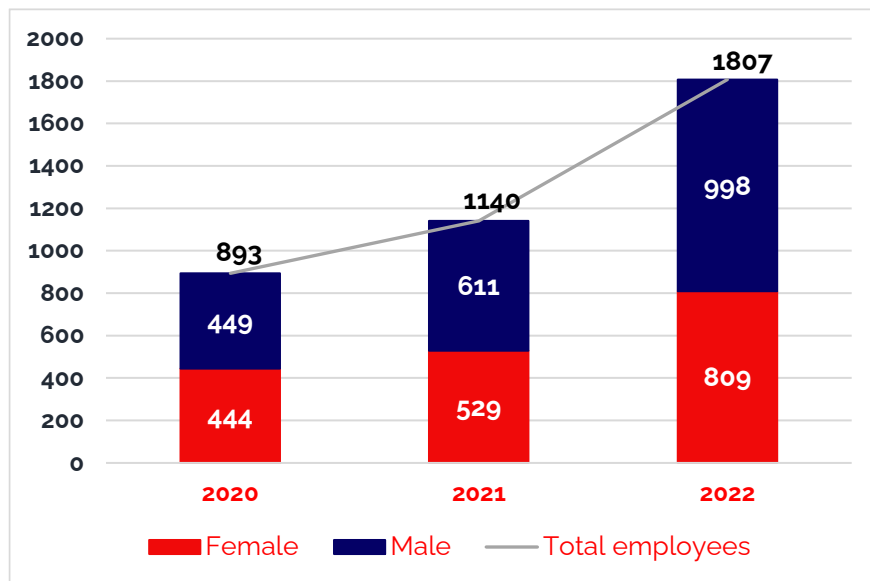
The network of people in the world of JAKALA are a vital step in reaching the group's goals and success in a rapidly changing landscape. Now more than ever, an organisation must be motivated, flexible, organised and ready to take on present and future challenges.

So, JAKALA strives to nurture its people, develop their professional skills, engage them in feedback with transparent management, fostering an active and pro-active role.

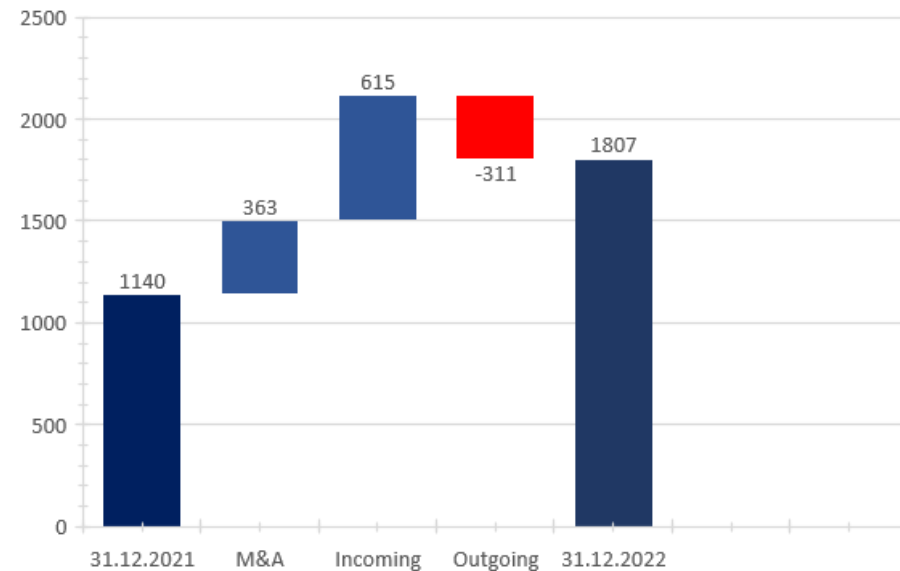
Stimulating talent and training diverse professional skills that help develop new business and create an inclusion work environment, where diversity and variety are protected and fostered, are cornerstones of JAKALA's approach.

The path of growth and enthusiasm for integrating new know-how and skills has led to a gradual increase in the group's workforce. At 31 December 2022, the JAKALA Group has 1,807 employees, leaping up 36.91% on 2021, with 363 new workers acquired via extraordinary transactions and 615 new hires.

NUMBER OF EMPLOYEES BY GENDER



MOVEMENTS IN 2022



Italy still claims the largest number of employees (1.434; 80% of human resources), followed by Spain (297; over 16%) and the UK (1.5%).

The largest concentration of employees is in the between 30 and 50 age group, counting for 64.55% of the group's workforce.

Testament to JAKALA S.p.A. SB's commitment to giving job opportunities to the young, the parent is a young company with an average age of 35.

The employment offered by JAKALA is stable and continuous. Indeed, over 88% of employees have an open-ended contract, including trainees once their traineeship comes to an end (162 trainees at JAKALA S.p.A. SB at 31 December 2022).

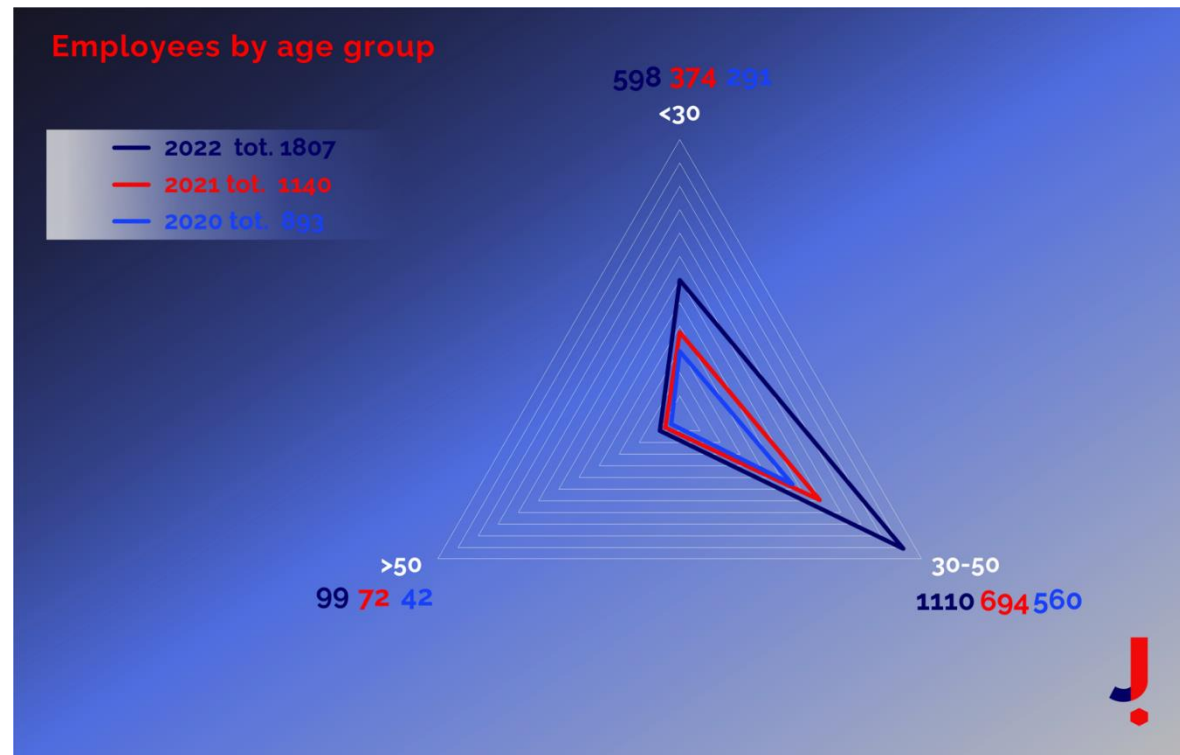
JAKALA S.p.A. SB strives to meet its employees halfway when it comes to work-life balance, allowing part-time work where needed. At 31 December 2022, there are 27 employees working part-time, of which 25 were women and two were men.

Lastly, at 31 December 2022, the parent has 16 workers with contracts for continuative and coordinated services.

Reference should be made to the attached tables, "Technical annexes", for further details.

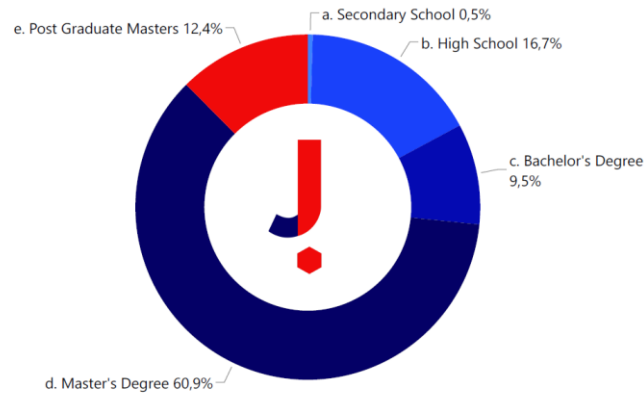
#Workplace

JAKALA offers a safe, merit-based and stimulating work environment where diversity is nurtured and everyone is given the opportunity to best express their skills, potential, talent and uniqueness.



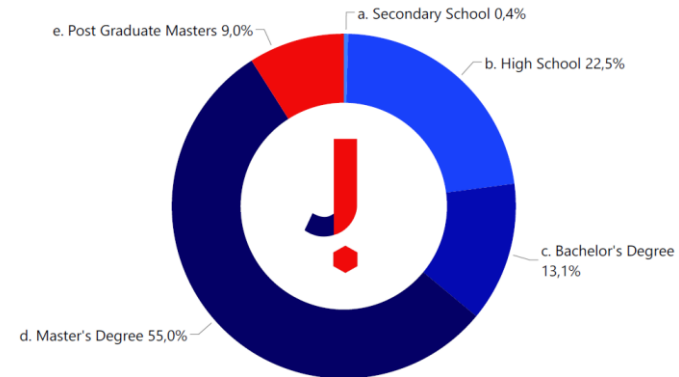
JAKALA is interested in qualified and specialised personnel. Most of the parent's employees have medium/high level education (bachelors or masters degree). See the graphs below.

Men



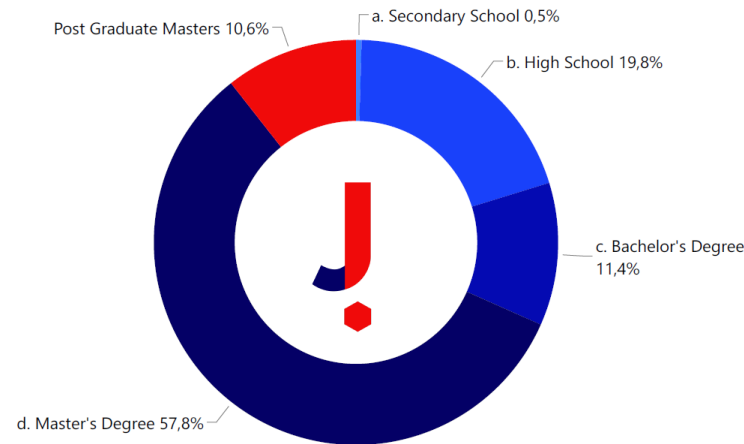
Category ● a. Secondary School ● b. High School ● c. Bachelor's Degree ● d. Master's Degree ● e. Post Graduate Masters

Women



Category ● a. Secondary School ● b. High School ● c. Bachelor's Degree ● d. Master's Degree ● e. Post Graduate Masters

JAKALA Group



Category ● a. Secondary School ● b. High School ● c. Bachelor's Degree ● d. Master's Degree ● e. Post Graduate Masters

*Note to the graphs:
In 2022 it was possible to identify the degree of 1,368 Group employees (out of 1,807 people). The data shown in the graphs express in % the degree of Jakala Group employees and have been calculated based on available data for 2022.*

Nurturing difference

"Gender equality refers to equality between women and men with respect to their rights, treatment, responsibilities, opportunities, and economic and social achievements. Gender equality is achieved when men and women have the same rights, responsibilities and opportunities across all sections of society and when the different interests, needs and priorities of men and women are equally valued."

Source: European Foundation for the Improvement of Living and Working Conditions.

Gender equality can be measured through many aspects: the job market and the possibility to achieve work-life balance; holding "decision-making" roles at the helm of companies or senior management positions at organisations; up to the most serious types of violence against women, at home and in the workplace.

Gender equality also implies eradicating stereotypes that relegate women to clichés, restricting them to certain economic sectors, discriminating against them in fixing pay and depriving the entire community from all the expertise women could bring to the game but which is instead not fully nurtured.

In the Italian job market, the employment of women is associated with work-life balance.

The employment rate in Italy shows how a woman's presence on the job market falls off as she has more children because the duty of raising children is traditionally delegated to women.

In Italy, the employment rate (25-64 years) for parents increases from 80.6% with one child to 83% with three or more children for fathers, while it drops from 56.7% to 43.7% for mothers¹.

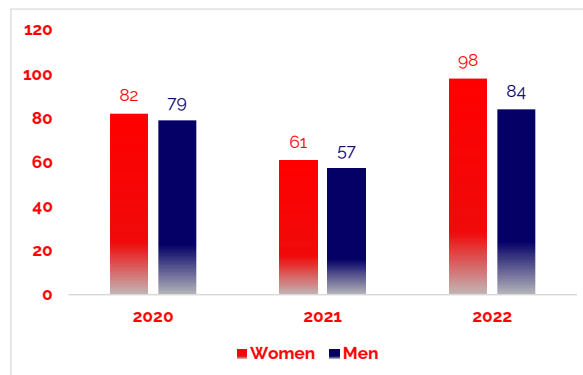
¹ Assolombarda (association of companies), Study Centre ALERT, "Gender equality: work, businesswomen, training courses".



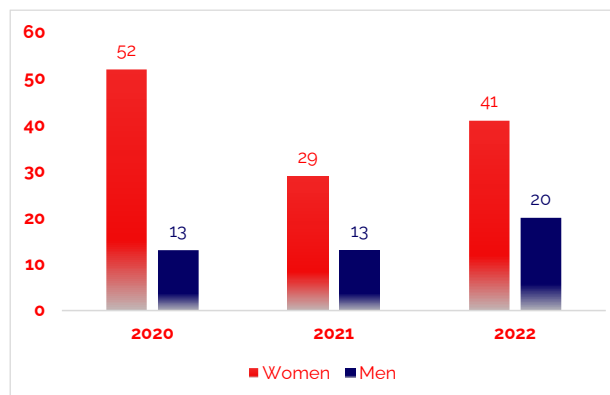
In order to help keep parents working at the group, JAKALA grants parental leave to all employees. In 2022, 182 of the parent's employees had the right to parental leave, 84 men and 98 women. Figures regarding employees returning to work after parental leave and still employed at the group twelve months later show that 41 female employees and 20 male employees left the group.

Beyond the above, there is an indisputable pay gap. According to an analysis performed by Assolombarda in partnership with IRS (Italian social research institute) - Women and work in Lombardy: research by Assolombardia in partnership with IRS, 2021 - of the net monthly pay data included in the Istat (Italian national institute of statistics) labour force survey, there is a consistent gap between the net monthly pay of men and women of 19%. A leading cause is the fact that women tend to be employed mostly in sectors and jobs with below average pay levels, such as personal care services and social services, and are under-represented in sectors and roles typically characterised by higher salaries, such as financial services and ICT. Women also tend to be less represented in senior management positions (so-called glass ceiling) and often work part-time, as caring and family responsibilities often default to women. Lastly, there is a residual factor of direct discrimination, where a woman is paid less than a male co-worker with the same job, duties and qualifications.

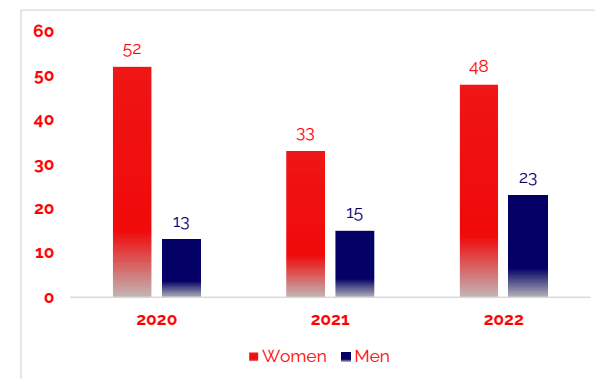
RIGHT TO PARENTAL LEAVE



EMPLOYEES WORKING AFTER 12 MONTHS



USE OF PARENTAL LEAVE

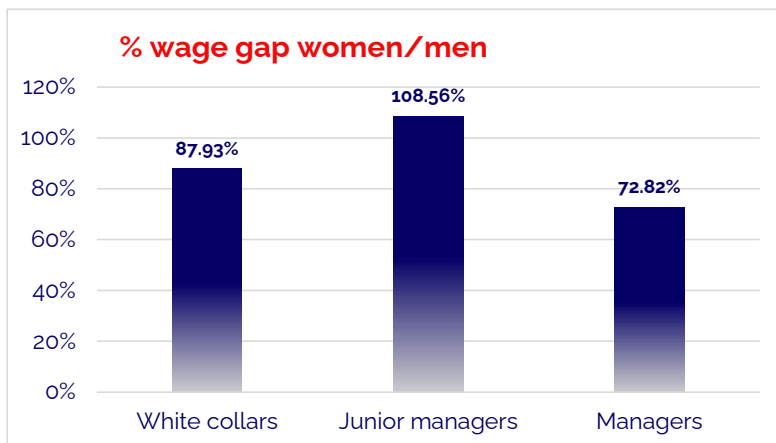
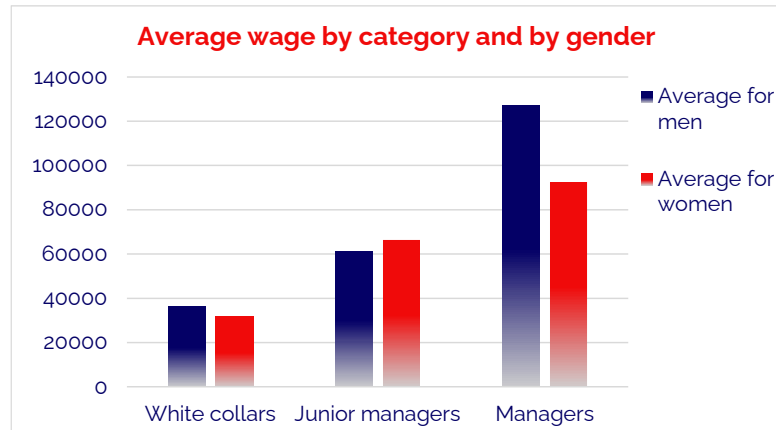


Note to the graphs: the figures refer to employees of JAKALA S.p.A. SB at 31 December 2022.



JAKALA rolled out the JARVIS project in 2022. This service aims to improve the work-life balance of Jakalers, as well as offering growth opportunities to disadvantaged youths. Through the "La Bottega di quartiere" initiative of Associazione Amici di Edoardo - which helps NEET (not in education, employment, or training) young people - the parent's employees have an extra resource available for help with daily tasks, such as shopping, delivering and picking up documents, managing payments and running errands.

At the JAKALA Group, the largest discrepancy between the remuneration (annual gross pay) received by men and women is at management level. This is partly attributable to the different seniority of men and women within the category. However, among junior managers, the average pay received by women is roughly 9% higher than their male counterparts.



Note to the graphs: the figures refer to 1,702 employees out of 1,807 total employees of the JAKALA Group.

#BWONDER

Women for Women: JAKALA supporting companies led by women

Again in 2022, JAKALA took part in the B-Wonder project run by B-Heroes to overcome the gender business gap and spread the culture of female leadership.

A team of JAKALA's women professionals made their expertise in customer experience, content strategy and social & ADV available to support businesswomen under the accelerator and mentorship programme.

One of the goals of the group's sustainability plan is to help dismantle prejudice against women and businesswomen and provide start-ups with tools to give them an extra boost towards the future of their company, which simultaneously evolves the world where we all work.



Gender equality is not merely an issue of competitiveness for companies, but also efficiency. As economist Marianne Bertrand puts it: *"In a world where talent is distributed equally among women and men, an economy that does not fully tap into the leadership skills offered by women is necessarily inefficient"*.

At European level, 33% of managers are women; in Italy this drops to 28% (Eurostat, 2019). However, it must be noted that even in more virtuous countries female managers never reach 50%. The highest rates are seen in Latvia (46%), Poland (43%), Sweden and Slovenia (both 40%).

For some years now, JAKALA has begun a process to raise the number of women within its organisational pyramid.

At 31 December 2022, the entire managerial population is 31.6% female, while 18.8% of senior management is made up of women.

The job market is closely tied to human capital training. There is a long-standing polarisation of gender in education in Italy.

From high school level to higher education (graduate and post-graduate), young women tend to be concentrated in specific disciplinary areas.

Let's take university undergraduates as an example. Over 50% of registered students are female (56.5% in the 2021-2022 academic year in Italy). However, women are under-represented in STEM subjects, at just 37% in Italy.

This is naturally reflected in the concentration of male and female workers in specific sectors.

Gender stereotypes influence the choices of young people and, as a result, their choice of profession.

The 2018 PISA test (a global test that compares the performance of 15-year-olds) examined the career expectations of Italy's top performing 15-year-olds, i.e., those with the highest performance levels.

The analysis showed that only 0.3% of Italian girls expected to work in ICT-related professions, compared to 7% of boys. This gap was also evident in science or engineering professions (6.2% of girls against 13.1% of boys).

These expectations carry over into education, and subsequently job, choices.



Disparity in the world of employment not only leads to reduced opportunities for individuals, but also creates inefficiency at top level for the entire company. The collective does not get the full advantage of available potential and this impacts everyone, regardless of their job, sector or specific situation.

Gender divide is not alone in afflicting the collective. Diversity and inclusion are under the spotlight nowadays, within the world of work and beyond.

What do we mean by diversity? Diversity means understanding, accepting and nurturing differences among individuals, beyond gender, such as age, sexual orientation, ethnic background, socio-economic background, religion, personality and disability, just to name a few.

Among these, disability is the reduced ability to interact with the social-cultural-physical environment and, as a result, is a condition that anyone can experience during their lifetime. Persons with disabilities have the right to work on an equal basis and in an open, inclusive and accessible work environment.

Indeed, having a job is essential to allow them to be independent while engaging with other people.

In this regard, JAKALA undertakes to provide work environments, work stations and digital and technological solutions fit to meet people's needs, whether they have disabilities or not. A large-scale effort to making a work environment accessible and safe not only boosts inclusion but also improves work conditions in general - in terms of safety and prevention - for all employees regardless of their abilities.

In Italy, the employment of people with disabilities is safeguarded by dedicated legislation that specifically regulates it in order to guarantee equal opportunities regarding hiring, integration and working life within organisations.

JAKALA S.p.A. SB complies with Italian laws on "disability hiring quotas" and strives to promote the integration of persons with varying levels of disability into its work environment, also through specific partnership agreements with institutions that manage targeted work placement.

Number of employees with disabilities at JAKALA S.p.A. SB

2021	2022
21	22



#SuperLeague Playmore!

JAKALA took part in the SuperLeague initiative organised by Playmore to promote social cohesion and inclusion of people with disabilities. The multi-sport tournament was held from 9 to 16 June 2022 between mixed teams of JAKALERS and players from various social projects, turning diversity into value.

For more details, see the 2022 Impact report, #J Goal 4 – Equality & inclusion.

Scan the QR code to see the top moments!



Talent management

Turnover

According to the US Bureau of Labor Statistics., the number of US workers who quit their jobs grew in 2021 in a trend known as "The Great Resignation"

This was particularly acute in sectors such as professional and corporate services, manufacturing and retail.

At global level, in September 2022, McKinsey reported that approximately 40% of workers were planning to leave their jobs in the coming months.

Affected by brain drain as well mass resignations, Italy too saw an approximate 33% increase in resignations on 2021 (source: INPS Observatory on job insecurity).

Further pieces of the puzzle on employment conditions in Italy emerged from Ministry of Employment data: in nine months of 2022 almost 1.7 million workers left their jobs for another posting.

In addition, a study by the HR Innovation Practice Observatory of the School of Management of Milan Polytechnic University in May 2022 found that the turnover rate had risen 73% for companies in the past year, with 45% of employees having changed jobs in the past year or planning to change in the coming 18 months.

These numbers are even higher for young people (18-30 year-olds), for specific sectors (ICT, services and finance) and for certain profiles (digital professions).



An Assolombarda study on 2021 published in 2022 shows an average turnover rate of 23.9%, up 5.6 percentage points from 18.3% in 2020.

The highest turnover rate is seen in small companies and services, while the rate for a company similar to JAKALA in size and sector is probably over 25%.

Everyone knows that a high employee turnover rate brings with it financial costs and organisational burdens.

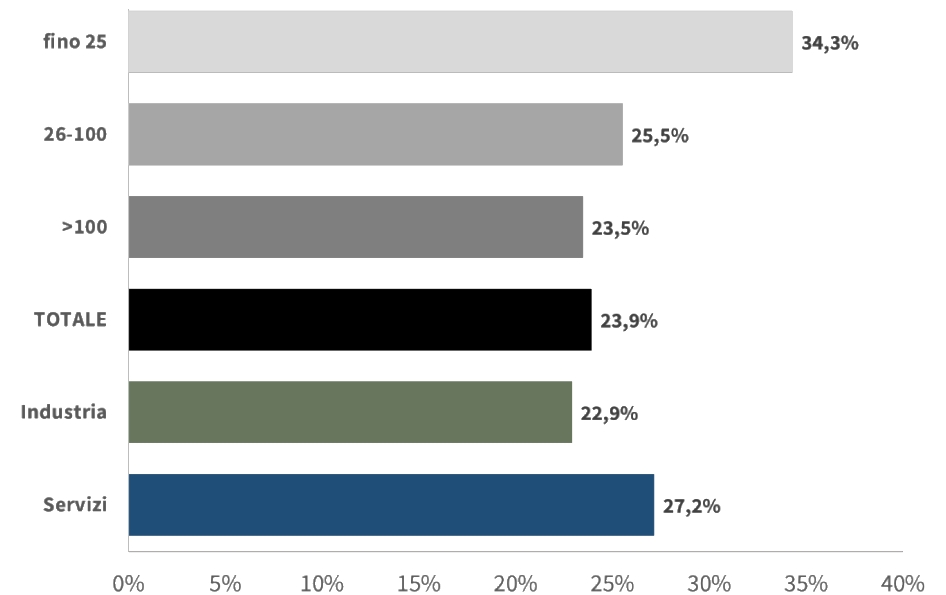
Exactly how much does it cost to replace an employee?

Numerous studies on the matter, taking into account various components, estimate the cost for a company to be between 50% and 250% of the gross annual pay, depending on the position, level and seniority of the employee.

Reducing the gap, on average the cost lies between 50% and 75% of annual pay, with peaks of 100%-150% for technical figures, in light of the obvious higher costs of hiring, recruitment and training.

TURNOVER RATE BY SIZE AND SECTOR 2021

Source: Assolombarda Study Centre, report no. 06/2002 "Human resources figures". *



THE COSTS OF TURNOVER

- **Hiring costs:** the direct costs of hiring a new employee, including advertising, interviews, selection and hiring.
- **Integration costs:** the cost of hiring a new person, including training and management time.
- **Lost productivity:** a new employee can take from one to two years to reach the productivity level of an existing employee, with resulting indirect costs for the organisation.
- **Loss of employee engagement and impact on moral:** the other employees who see a high level of turnover in their team tend to lose motivation and productivity.
- **Customer service and errors:** new employees need more time to complete their work and are often less able to resolve problems.
- **Training costs:** in a two or three-year span, a company probably invests the equivalent of between 10% and 20% of an employee's pay in training.
- **Loss of know-how:** when highly-qualified or senior employees leave an organisation, there is a loss of company know-how or a combination of expertise and experience of the company.

[*Translation: fino-under; Totale-Total; Industria-Industry; Servizi-Services.]

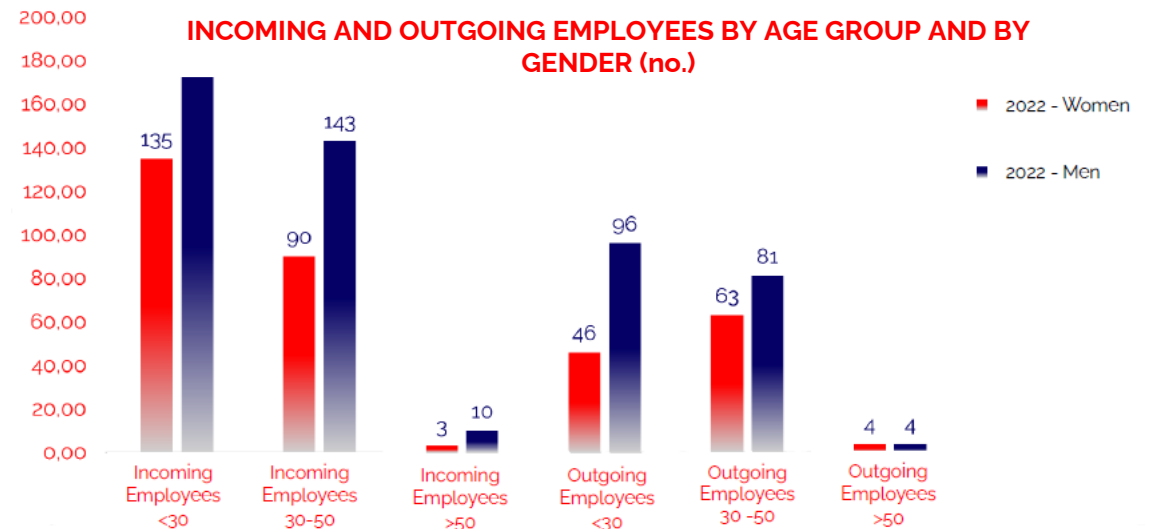
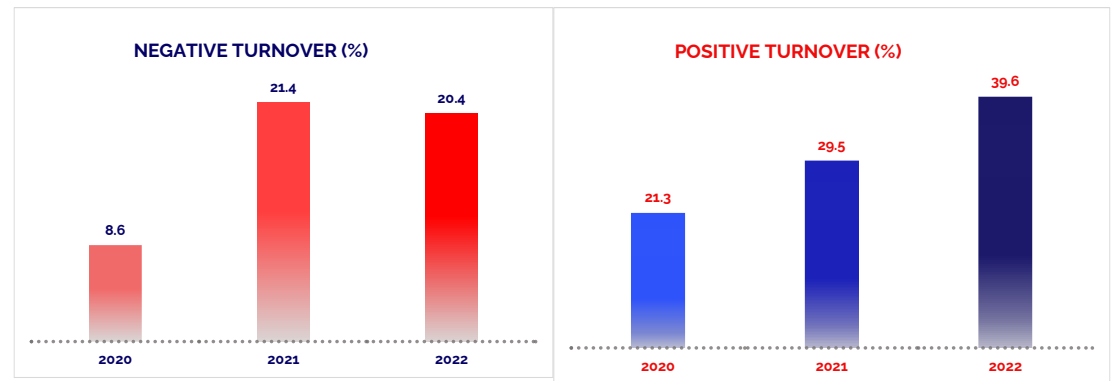
In its enterprise risk management, JAKALA has always given top priority to human resources risks, flagging excessive turnover as one of the most devastating risks for its performance capacity.

Every month, the company analyses its turnover rate, broken down by service line, HR rank, gender and seniority, periodically identifying the three main reasons for leaving the group via direct interviews with outgoing employees. The group's negative turnover in 2022 is down slightly on 2021, from 21.4% to 20.4% (-5% approximately).

The highest rate was recorded by the Advisory & Martech division, while the lowest turnover was in general management and staff departments.

Turnover is seen most among the 30-50 year-old age group with medium seniority level, employees who were very often trained directly by JAKALA.

Turnover causes JAKALA to lose resources, even top performers, thus squandering value generated by developing human resources. This is brought home by the fact that outgoing employees frequently identify skills development via training and direct experience on projects as a positive factor of their JAKALA experience.



#JakalaERM

In its enterprise risk management, JAKALA gives top priority to human resources risks, including excessive turnover.

Notes to the graphs: the figures refer to employees of the JAKALA Group at 31 December 2022, excluding HDM S.r.l. HES S.r.l., Maize S.r.l., Maize Talent S.r.l. and Biko 2006 S.L.

New talent

In June 2022, the Italian Union of Chambers of Commerce reported that, according to its statistics, 39% of Italian companies (compared to 30% in 2021) struggle to recruit human resources that match the requested profiles, mostly due to the lack of candidates for the relevant profiles.

The most difficult positions to fill are specialists in mathematical sciences, IT and science with the gap between offer and demand exceeding 55%.

This means there is great demand on the Italian job market, but, at the same time, a huge shortage of digital skills. One fifth of job vacancies refer to digital professions and almost all organisations (96%) struggle to attract and develop the necessary skills to tackle the digital transformation.

This is the landscape for JAKALA. With over 600 new hires at the group, its recruitment process starts from ties with universities, followed by hiring, and then ends with projects to nurture employees and help them grow (discussed in greater detail later on).

The top goal of this process is seeking out talent through initiatives and by creating work opportunities that help young people express their potential to the maximum as soon as they join the group.

A key role is played by JAKALA's well-established partnerships with vocational schools, universities and business schools. The group provides work experience programmes for students and new graduates, develops projects, takes part in work groups and arranges visits to operating facilities.

Employer branding activities are an excellent opportunity to spread the word about JAKALA and its ongoing development, boost its attraction to candidates and come into contact with a high number of talents.

The institutions involved include Università Cattolica, Bocconi, Bicocca, Università di Parma, LUISS, Università degli Studi Mediterranea di Reggio Calabria and Università della Calabria, along with Milano Fashion Institute and Istituto di Arte Applicata e Design and, for the first time in 2022, Università La Sapienza di Roma.



#62 INTERSHIPS

at JAKALA S.p.A. SB at 31 December 2022, 29 filled by men and 33 by women.

#120 RESOURCES

on internships hired in 2022.

EMPLOYER BRANDING KPI2022

33 events in 2022

- 15 career days
- 8 tailor-made events
- 10 career orientation activi-

20% analysts hired

This is the percentage of analysts hired via employer branding activities in 2022.

18 business ambassadors

The number of business ambassador that support JAKALA in its employer branding activities.

Software engineering, engineering management, statistics, data science communication design, digital communication design, product design, interior design, transportation design, textile & fashion design and social innovation design are the skills requested.

Career days, career fairs, professional days, one-to-one meetings, tailor-made events, career orientation activities and open days at JAKALA are some of the various occasions where candidates and company meet.

The hiring process seeks out profiles from various backgrounds and education to guarantee a high-performance, complementary, diverse and inclusive workforce where each person fulfils the right role within an organisation that ensures equal opportunities for all.

An international work environment, opportunities to work on stimulating projects where diversity is valued

and everyone is given the opportunity to express their skills and potential, together with the group's huge commitment to sustainable development, are all key elements that make JAKALA's employer branding and culture attractive to talents, especially amongst the younger generation.

The group's appeal was corroborated by the considerable number of candidatures put forward in 2022. Specifically, thousands of CVs were received via the company portal during the year, affirming the trend of past years.

The group also fosters job rotation and international mobility, also through its internal job posting system.

The tools provided by the company allow employees to apply for any openings that might better suit their profile, level of experience and aspirations.

Supporting growth

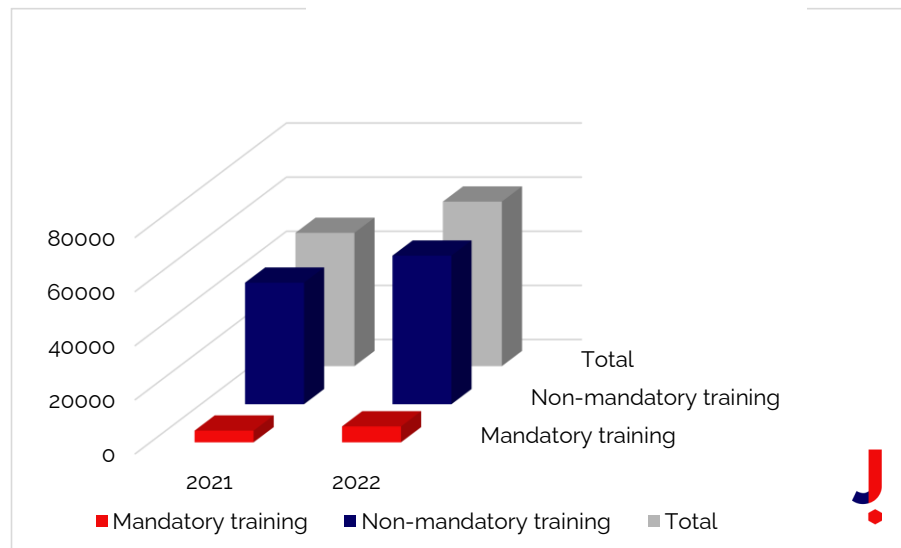
Developing skills

Training plays a key role in the employee assessment process. It is a fundamental tool for developing and strengthening individual skills, helping to upgrade expertise when needed to further the ongoing evolution of the business and, lastly, spreading the group's values and strategy, supporting its growth and cultural and organisational development.

Developing skills and sharing know-how is a strategic asset for JAKALA. Indeed, promoting the discovery of and nurturing people's talent and potential is a top priority.

Moreover, training is an opportunity to get together and share knowledge and experience, as well as growth and development. For this reason, some of JAKALA's training is provided in hybrid mode, with in-person days at company offices mixed with online training (via virtual classrooms and webinars).

HOURS OF TRAINING AT JAKALA



The pillars of JAKALA's training model

#1 Experience management

Personnel and professional growth are mainly achieved through daily experiences, through:

- Shadowing
- Mentorship
- New and challenging tasks
- Possible job rotation plans

#2 Coaching conversations

Coaching conversations shift the focus to providing feedback and professional advice, actively listening and asking questions to help people gain greater awareness in order to free their potential and overcome challenges.

#3 Learning

Training and/or certification courses can be arranged based on:

- company / division strategy
- project requirements
- development goals

#4 Continuous feedback

It is vital to pro-actively provide/request and formalise open, prompt and frequent feedback throughout the year, as set out in the well-established performance review process.

JAcademy is the home of professional development at JAKALA. It offers tailor-made training designed to develop all-around skills to maximise personal, relational and role competence, well-being and engagement of employees within their team.

JAKALA provides broad, well-structured and diverse training based on role, level of responsibility and nature of tasks and projects. It ranges from technical training for acquiring and upgrading specific skills to courses designed to entrench leadership skills, role competence and interpersonal skills, in line with group values.

As is its custom, great focus is placed on specialist technical training, to meet the needs of the professionals employed at JAKALA.

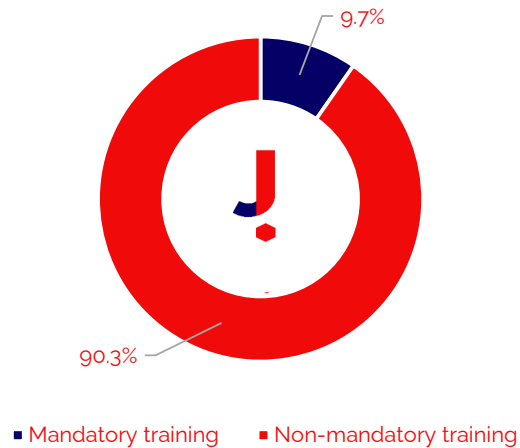
The goal is to expand and align the expertise of each unit to new requirements and acquire and improve the key professional skills in the modern corporate landscape.

Training on Office tools makes up a substantial amount of courses offered. Excel and PowerPoint were the focus in 2022 with the aim of bringing people to a suitable level of autonomy and competence to match their job. This project involved around a hundred employees from the back office units and the Loyalty & Engagement and back office divisions.

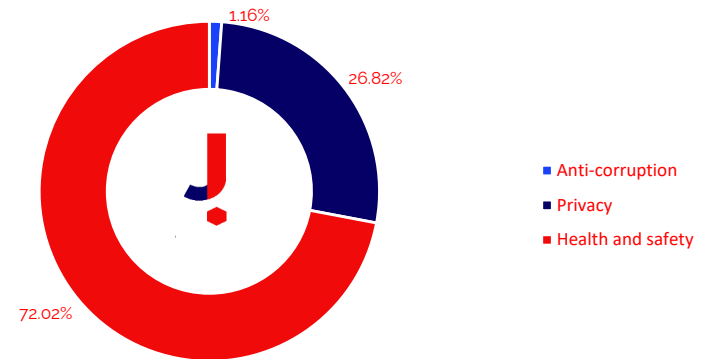
Group employees in Italy take part in mandatory training, such as health and safety, the group code of ethics and personal data protection.

In addition, JAKALA promotes training programmes aimed at boosting a culture of ethics and sustainability. Indeed, a new training course on ESG topics was held in December 2022 and will continue in 2023.

TRAINING AT JAKALA S.p.A. SB



% HOURS OF MANDATORY TRAINING AT JAKALA S.p.A. SB



The JFluent program has also been upgraded. JAKALA makes this language e-learning platform available to all Jakalers, regardless of their HR rank. Thanks to JFluent, all group employees have the chance to learn 12 different languages with constantly new, tailor-made content. Not just learning, but also gamification with JFluent: 2022 saw the launch of "JFluent rewards you" an in-house competition that rewards the best users every quarter. Over 2,600 hours of learning were provided via the platform in 2022.

New Jakalers are a precious resource and it is vital for JAKALA to immediately make them feel part of the group, right from their first day at work. To this end, starting from 2021, JAKALA began an on-boarding training process that gives new hires a close look at the organisation, providing them with the information they need for daily life at the company, such as general services, assistance and benefits.

The on-boarding training is not merely a moment of welcome. It is a real process for integrating new employees into JAKALA, helping to spread the corporate culture,

integration, the sense of belonging to the group and creating positive relations with co-workers. The process is broken down into various phases and is run by the HR division with utmost dedication. There is one full on-boarding day at the Milan office to meet unit managers and explore the headquarters. A dedicated welcome kit is handed out containing useful information for getting around the company independently. There are also specific training courses and a direct reference person is assigned to look after day-by-day integration. In addition, one-on-one meetings are provided one to six months in to make sure the integration process is going smoothly. During the full on-boarding day, new employees also have the opportunity to discover JAKALA's approach to the world of sustainability during a talk by the impact manager. For more details, see the 2022 Impact report, #J Goal 2 – Professional and personal development. This process is not just important for the new employee joining the group, it is also vital for the company and its aim to protect and safeguard its investment of finding new talent in terms of retention. Indeed, JAKALA provided over 700 on-boarding training in 2022.

WELCOME TO THE JUNGLE!
On-boarding in JAKALA: scan the QR code to find out about the full-day!



IMPARA LE LINGUE GIOCANDO

Si apre la nuova edizione 2022 [JFluent ti Premia](#).

I punteggi ripartiranno da zero e saranno premiate le nuove persone più attive sulla piattaforma!

#60,800 hours of training provided at JAKALA in 2022

#5,884 hours of mandatory training

#54,916 hours of non-mandatory training

#31 hours of training per person

#744 Euro invested on average per person on training

**The figures include people on work experience and the investment includes both the cost of the resources and of the external trainer.*

#MartechCaffè

A series of stimulating informal conversations with top-class leaders and key players in the world of MarTech.

In addition to JAcademy, the group provides a sizeable catalogue of online training within its welfare system.

In 2022, the catalogue was expanded with training run by SDA Bocconi on data analysis, Python, financial statements and accounting, and more besides. The programmes are available on demand, 24 hours a day, 7 days a week, accessible from any work station and any digital device.

The training is full of videos and interactive animations, case studies and interviews with managers and entrepreneurs. Upon completion of the courses, a certificate of attendance is issued by SDA Bocconi.

At JAKALA, training and sharing know-how is a top priority. The training offered is constantly updated to help employees' talent and potential flourish. In this spirit, JAKALA set up the Martech Caffè in 2022, a series of informal conversations, an invaluable moment of training for JAKALA's people with prominent leaders from the world of MarTech. The sector's top professionals have contributed to inspire Jakalers with their personal and professional story.

Lastly, in December 2022, the HR division launched a new and important project called "**The Jungle Book**", a digital platform that allows each Jakaler create their own personal and skill profile in a fun and easy way.

The goal is to gather useful information that will help the HR team create growth paths in line with the needs of JAKALA's people, involve them in projects most suited to their expertise, grow and best express the value of each resource.

Once this initial data gathering phase has been completed, the project will continue in 2023 with interdisciplinary initiatives planned for the entire JAKALA workforce.

#PEOPLE #BUSINESS

**LA CARICA DEL CAFFÈ,
L'ENERGIA DEL MARTECH**

Discover the highlights of the first Martech Caffè talks: scan the QR code!

All 2022 Martech Caffè talks are available on JAKALA's YouTube channel.



Economic growth

The JAKALA Group's remuneration system is set up to attract, motivate and retain people with the professional skills required for forecast business growth. This is based on principles of equality, equal opportunities, merit and competitiveness on the market.

Setting remuneration takes specific criteria into consideration. These include comparison with the external market and internal equality, the nature of the role and the responsibilities assigned, as well as the individual skills of the person, always viewed in a fully objective manner, in order to avoid any kind of discrimination.

The starting salaries the group offers to men and women alike are equal to or higher than the minimum pay as per law or collective labour agreements in the relevant countries. Likewise for post-employment benefits and pensions, the group also applies the conditions provided under local regulations.

Almost 80% of group employees are under Italian contracts, mostly for the tertiary, distribution and services sector. As already mentioned, companies operating in foreign countries are also obliged to pay their employees salaries and fees in compliance with all the locally applicable laws and regulations. They are obliged to refer to all laws and regulations regarding work hours, minimum breaks and rest periods and guarantee workers' rights in a peaceful manner and as per the law.

55% of the parent's employees receive remuneration split into fixed and variable portions, normally short-term (management by objective, "MBO") and partially long-term (long term incentives).

The MBO system is triggered when targets based on annual results are reached. These are mostly quantitative, i.e., the group's financial results, along with some qualitative targets of a strategic and operating nature, including those linked to sustainability ratings.

The JAKALA Group's long term incentive system comprises a stock option plan and preferences shares issued to managers (carried interest).

These systems tie incentives for managers and key personnel to the group's actual results. They steer employees towards strategies aimed at achieving medium/long-term sustainable results, align the interests of beneficiaries to those of shareholders and investors and develop policies focused on attracting and retaining talented professionals.

The JAKALA Group also has a **salary review** process managed centrally by the parent's HR development & reward team that involves all subsidiaries and divisions once a year. Specifically, the eligibility criteria are: start date (hired by 30 September), positive individual performance (based in the J performance review process detailed later on) and at least three months worked during the year.

Based on these criteria, each unit manager selects the worthy individuals, working within their budget for salary increases. The increases start from 1 July of each year.

59% of JAKALA S.p.A. SB's employees - equal to **613** Jakalers - received benefits provided under company policies, such as welfare bonus, sales commissions and MBO.

Identifying the best talents and ensuring their loyalty to JAKALA is a crucial matter. JAKALA uses its **J performance review process** to nurture and develop employees by annually measuring the skills applied to reach the assigned goals. This measures just how suited individuals are to their role and determines possible training and development paths.

These reviews assess the values that every employee must advocate and promote: integrity, passion, alignment with the company culture, the ability to establish relations based on trust, a global vision, excellent results, innovation and nurturing talent.

Aimed at improving company performance, the review system has a medium/long-term outlook. As a result, it is a key process for managing and developing individuals, defining succession plans and fostering loyalty among the best talents, and laying the groundwork for the salary review process as it can guarantee equality, equal opportunities, merit and competitiveness on the market.

1,109 employees of the JAKALA Group - 584 men and 525 women - took part in the performance review process in 2022*.

Gender	2022*		2021**	
	Reviewed	Not reviewed	Reviewed	Not reviewed
Male	90.12%	9.88%	44%	7.70%
Female	91.94%	8.06%	40.30%	8%
Total	90, 98%	11.22%	84.3%	15.7%

*Scope: JAKALA Group, the figures refer to 1,219 employees excluding HDM S.r.l., HES S.r.l., Maize S.r.l., Maize Talent S.r.l., the Serole Group and Biko 2006 S.L. The figures at 31 December 2022 are available by gender and not by position.

**Excluding the Serole Group at 31 December 2021.

The phases of the J performance re-

Goal setting

In this phase, each counsellor sits down with their counsees to set business and development goals for the coming year. The counselee then uploads the goals to the digital platform where they are approved by the counsellor.

Check-in

The counselee and counsellor meet regularly and promptly to monitor performance. The minutes of the check-in meetings can be saved on the digital platform. The counselee can also use these check-ins to ask for feedback.

Feedback

In agreement with and/or upon the suggestion of the counsellor, the counselee requests feedback from colleagues whose HR rank is at least equal to and/or higher than their own and with whom they have worked on tasks and projects for a significant

Self-assessment

The counselee assesses their own performance (what and how) in the past year, also taking into consideration the check-ins and feedback received over the previous months.

Review

The counsellor reviews the performance of their counsees in reaching the goals set at the beginning of the year and adhering to JAKALA's values.

Viewing

After an individual performance review meeting, the reviews formalised by the counsellor in the digital platform can be viewed by the counsees.

Caring for people

After taking off in 2020 and continuing in 2021, remote working continued consistently in 2022 at all group facilities, gradually mutating from an emergency measure into a routine organisational mode, ensuring business continuity in a landscape still blighted by uncertainty and difficulties.

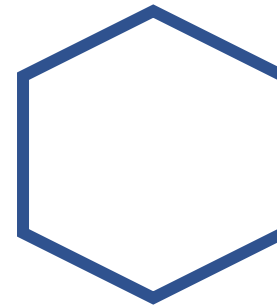
At the Milan headquarters, over 900 employees have the option of working from home, for a total of more than 74,466 days worked remotely. In addition to saving hours spent commuting, employees have more time available to dedicate to their hobbies and/or families.

Considering a person's well-being to be a prime value, JAKALA upgraded its corporate welfare plan, **UpLife**, again in 2022. The parent's employees benefit from a corporate welfare plan through which JAKALA develops numerous initiatives to foster work/life/family balance, nurture employees' physical and mental health and offer innovative tools for managing their work.

Every employee covered by the plan can use the dedicated web platform to freely choose the options that best meet their individual or family needs. Thanks to the broad range of corporate rates available, they can also purchase products and services at reduced prices using the credit on top of pay granted by the parent.

JAKALA S.p.A. SB also has a company car policy which sets out the parameters for assigning company cars based on an employee's position and division.

In 2022, 174 people enjoyed the benefit of a company car. For more details, see section "#05 The planet, climate and biodiversity".



Caring for people can be seen in the smallest acts. So, no opportunities are missed to thank Jakalers and their contribution, dedication and passion, or simply to celebrate events such as birthdays or company anniversaries!

JAKALA gives out gift cards of varying amounts to be used on its Very Price e-commerce platform to mark such occasions. This e-commerce platform is always available to the parent's employees and offers products and services at reduced prices.

In addition, Jakalers can take advantage of special discounts and promotions on various types of products and services - from travel to technology, fashion and leisure - that are easy to access via the dedicated digital platform. The corporate rates are constantly updated and are advertised internally via monthly newsletters.

TOTAL REWARD

Un nuovo modo per augurarvi un buon anniversario lavorativo!

Per alcuni di voi si sta avvicinando una data da ricordare, il giorno del vostro anniversario in azienda! Abbiamo deciso di festeggiare con voi questo importante traguardo ogni 5 anni. Dal 1° Gennaio 2022 nel giorno del vostro 5°, 10°, 15° etc. anno insieme a noi, Jakala ha deciso di regalare un voucher da spendere sulla nostra piattaforma VeryPrice, una piccola sorpresa per il tempo, l'impegno e la dedizione mostrati in tutti questi anni.

Da Jakala un immenso grazie a tutti voi!



Health and safety at JAKALA

All over the world millions of workers are exposed to a myriad of risks in the workplace, from biological, chemical and physical hazards to psychosocial and ergonomic risks.

In addition to these risk factors, there are new trends impacting the world of work and, as a result, also health and safety in the workplace. Examples are the Covid-19 pandemic and its huge repercussions for health and safety or the effects of climate change and extreme weather events on all aspects of life, including the workplace.

In this landscape, the mental health of workers must not be overlooked. It is a known fact that unhealthy, unsafe or stressful work environments weigh on people's psychological well-being.

Accordingly, safety in the workplace is important for many aspects, but the most significant is employee health. JAKALA pays utmost attention to the health of all Jakalers, promoting a policy of workplace safety awareness and training and making sure that the health and safety system is properly managed.

As a minimum requirement, the group complies with local and international regulations on worker health and safety at all facilities.

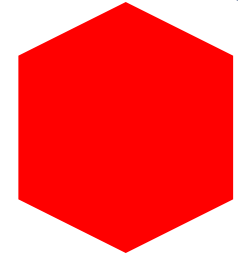
Many years ago, JAKALA S.p.A. SB implemented a quality management system based on the international

standard ISO 9001:2015. Since 2021, this system was integrated to meet the requirements of ISO 45001:2018 Occupational health and safety management systems. This standard sets out a framework of requirements and good practices to protect workers, making workplaces safer, reducing risks in the work environment and, more generally, improving the health and well-being of human resources.

In addition to the psychophysical well-being of workers, the system helps the group ensure top-level and proactive performance in terms of overall reduction of lengthy absences due to work-related injuries.

In 2021, a third-party body certified the occupational health and safety management system at the Milan headquarters along with two facilities in Nichelino (Turin) and one in Montecassiano (Macerata). In 2022, the certification was also granted to the facility in Rende (Cosenza) and the two group companies JAKALA Civitas S.p.A. and Seri System Printing S.r.l., the only facility that performs direct production (digital printing).

The target set in 2021 was not only reached but even exceeded with the certification of two more group companies. The challenge has been renewed for 2023: extend the system to at least one more JAKALA facility, in addition to maintaining and constantly upgrading the systems at the certified facilities.



At 31 December 2022, the scope of certified occupational health and safety management systems covers over half of JAKALA group employees (54.47% vs. 98.83% in 2021). The percentage is lower in 2022 due to the rapid growth of the group's workforce during the year.

Though all group facilities comply with local health and safety regulations, JAKALA has set a clear strategy to extend its occupational health and safety management system as a complementary tool for protecting the health of its people. The goal is to gradually extend the system to the various group facilities, in relation to the number of resources, the context and the type of operations.

Overall, JAKALA group employees do not perform activities that expose them to particular health and safety risks, also thanks to training provided and management systems implemented. The group's employees as a whole are classified as "office workers" from a regulatory point of view. This means employees who carry out their work using computers and other office equipment. The sole exception is the aforementioned Seri System Printing S.r.l. whose workforce includes professionals belonging to the "digital printing operators" category.

As further proof of the low health and safety risk in the group's sector, JAKALA S.p.A. SB recorded an insignificant number of work-related injuries, specifically five - one less than the previous year. Mostly commuting injuries, none entailed serious consequences causing more than six months absence.

Even though the 2022 injury rate was just 2.52%, JAKALA adopted a specific "**Safe and eco-friendly driving policy**" to raise awareness among its employees and partners about using maximum attention and diligence when driving company and private cars. The end goal is to encourage personnel to drive in a way that reduces the chance of road accidents (the main cause of work-related injuries at the group). The policy also contains some advice on how to reduce fuel consumption and CO2 emissions. For more details, see section "#5 The planet, climate and biodiversity".

There are no other significant work-related hazards that pose a risk of ill health.

#SafetyOnTheRoad

JAKALA S.p.A. SB promotes road safety through its safe and eco-friendly driving policy.

#JCARE

Providing psychological support.

On 10 October 2022, to mark World Mental Health Day, JAKALA highlighted the importance of a person's **psychological well-being** and the need to provide **support through tangible actions**, including in the world of work.

JAKALA S.p.A. SB in partnership with **Fondazione Guzzetti** launched its **JCare service**. This provides every employee with a package of 10 free sessions to be used as part of psychological programme for individuals or couples.

JAKALA S.p.A. SB has assigned specific safety roles and responsibilities, e.g., the workplace health and safety officer, the prevention and protection service manager, the company doctor (who also carries out medical check-ups) and work safety managers, in addition to fire safety officers and emergency officers in accordance with the law. In 2022, JAKALA S.p.A. SB's workplace health and safety officer appointed two safety managers as per Legislative decree no. 81/08, as subsequently integrated and amended, in addition to managers in charge at the Italian facilities.

Given the specific nature of health and safety legislation and its continuous updating, JAKALA S.p.A. SB uses a third-party specialist in the area and has appointed a health, safety & environment manager ("**HSE manager**"), a third-party professional who supports the parent in reaching its HSE management objectives. With their support and in partnership with the internal audit unit, health and safety inspections are carried out at all Italian facilities every year, in addition to the audits on the occupational health and safety management system.

As mentioned earlier, employees at the Italian facilities receive specific health and safety training in accordance with the relevant legislation. Specifically, JAKALA S.p.A. SB provided 4,228 hours of training in 2022.

The fire safety officers, emergency officers, work safety managers and the prevention and protection service manager receive specific training provided by legislation and relevant amendments.

JAKALA updates the risk assessment document at all Italian facilities pursuant to Legislative decree no. 81/2008 with the aid of qualified third-party consultants.

The asbestos risk was reassessed at some of the parent's facilities in Nichelino in 2022. As in previous years, the potential dispersion fibres from products containing asbestos was not deemed critical.

ASSESSING THERMAL COMFORT

JAKALA S.p.A. SB assessed thermal comfort at the Milan, Nichelino and Montecassiano facilities in 2022 with the assistance of third-party consultants in accordance with UNI EN ISO 7730:2006 regulations and the ASHRAE 62:200 standard for acceptable indoor air quality.

The results of these checks confirmed that the company facilities and, specifically, the micro-climate are comfortable and in line with the parameters set out in the relevant regulatory standards.

Regular safety meetings are held at the parent (as per article 35 of Legislative decree no. 81/2008) with company representatives, the company doctor, prevention and protection service managers and workers representatives in attendance. The purpose is to share analyses and results of risk assessments, injury trends, training and inspections carried out by the internal audit unit and the HSE manager.

In addition, emergency drills are performed annually at the various facilities in order to familiarise employees with the procedures to be followed in case of emergency.

In any case, in addition to company meetings, the workers can report any critical concerns to the work safety managers and prevention and protection service managers or the HR division, managers in charge and safety managers. The HR division provides workers with contact details for any requests for information, support or assistance.

The “**JPeople**” newsletter and “**HR Monthly Newsletter**” were issued monthly again in 2022, providing information and updates on the world of HR.

A health and safety committee was set up exclusively at JAKALA Civitas S.p.A. as it is SA8000 certified and thus requires one under such international standard. This committee helps assess risks in order to detect real and potential risks to health and safety in the workplace.



#05 THE PLANT, CLIMATE AND BIODIVERSITY

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Regenerative economy

Contribution to the SDGs



7.2: By 2030, increase substantially the share of renewable energy in the global energy mix.

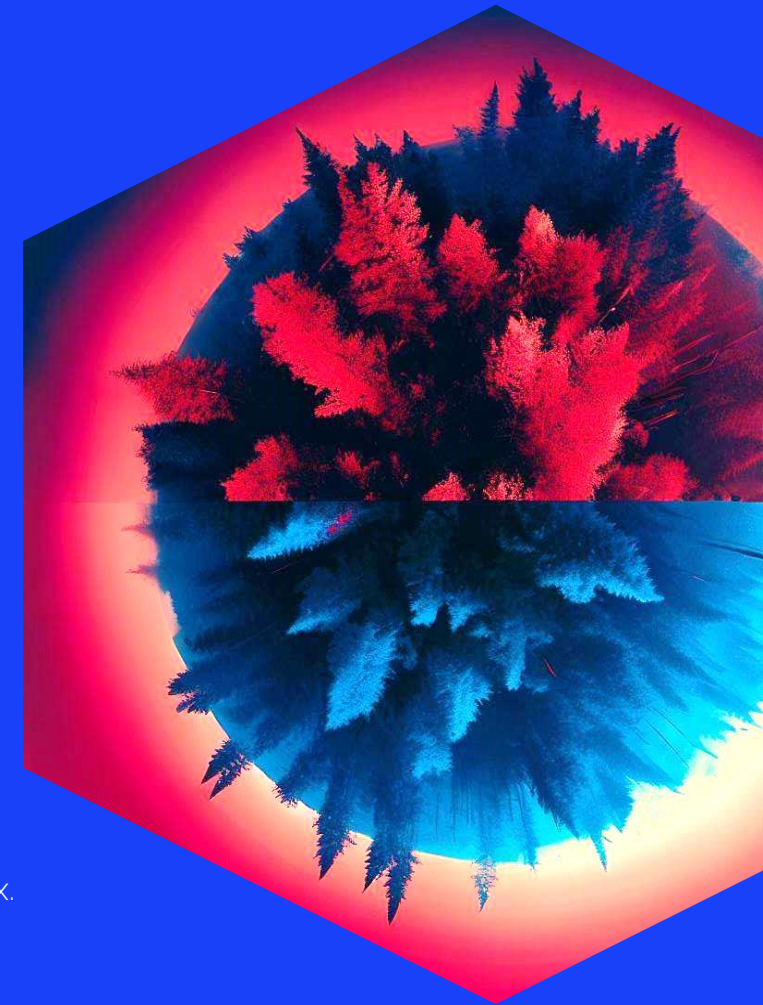
7.3: By 2030, double the global rate of improvement in energy efficiency.

9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, all countries taking action in accordance with their respective capabilities.

12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse.

13.2: Integrate climate change measures into national policies, strategies, and planning.

13.3: Improve education, awareness raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning.



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The planet as a shared resource

Respecting the environment is a key factor for the group's sustainability and competitive edge. JAKALA sees the planet as a resource belonging to all people, to be protected and defended, as a duty to future generations.

Tangible proof of JAKALA's respect is its compliance with environmental regulations. In addition, the group undertakes to act responsibly to protect the environment, rejecting behaviour that might cause damage and promoting responsible management of energy resources and raw materials.

This section of the report outlines JAKALA's commitment to its decarbonisation journey. In line with the company by-laws, it strives to develop and sell products with a lower environmental impact to benefit the entire community.

In order to build awareness and boost its impact upstream, JAKALA introduced a supplier code of conduct in 2021. Suppliers are asked to commit to optimising their use of natural resources, reduce harmful and greenhouse gas emissions.

#ReductionTarget

JAKALA drew up a decarbonisation strategy in 2022 that aims to reach **zero Scope 1 and 2 emissions** and cut **Scope 3 emissions** by at least **20% by 2025**.

ENVIRONMENTAL MANAGEMENT SYSTEM ISO 14001:2015

The environmental management system enables companies to manage their environmental process in line with their policy to:

- **protect the environment;**
- **prevent pollution;**
- **reduce consumption of energy and resources.**

54% of the group's facilities are certified (calculated on the basis of the total number of employees at 31 December 2022).

There was no instances of non-compliance with environmental laws and/or regulations in 2022.

GREENHOUSE GAS (GHG) INVENTORY ISO 14064-1

The first step in implementing a proper, feasible strategy to reduce a **company's climate impact** is **measuring** the carbon footprint of its operations, calculated using internationally-recognised **technoscientific criteria and standards** in order to reach an **objective** result that can be **repeated** consistently over time.

JAKALA S.p.A. SB certified its 2021 emissions in 2022 and is currently calculating and certifying its 2022 emissions.

Energy consumption and renewable sources

In general, JAKALA's energy consumption chiefly refers to energy used for heating and electricity purchased from the grid for both offices and warehouses.

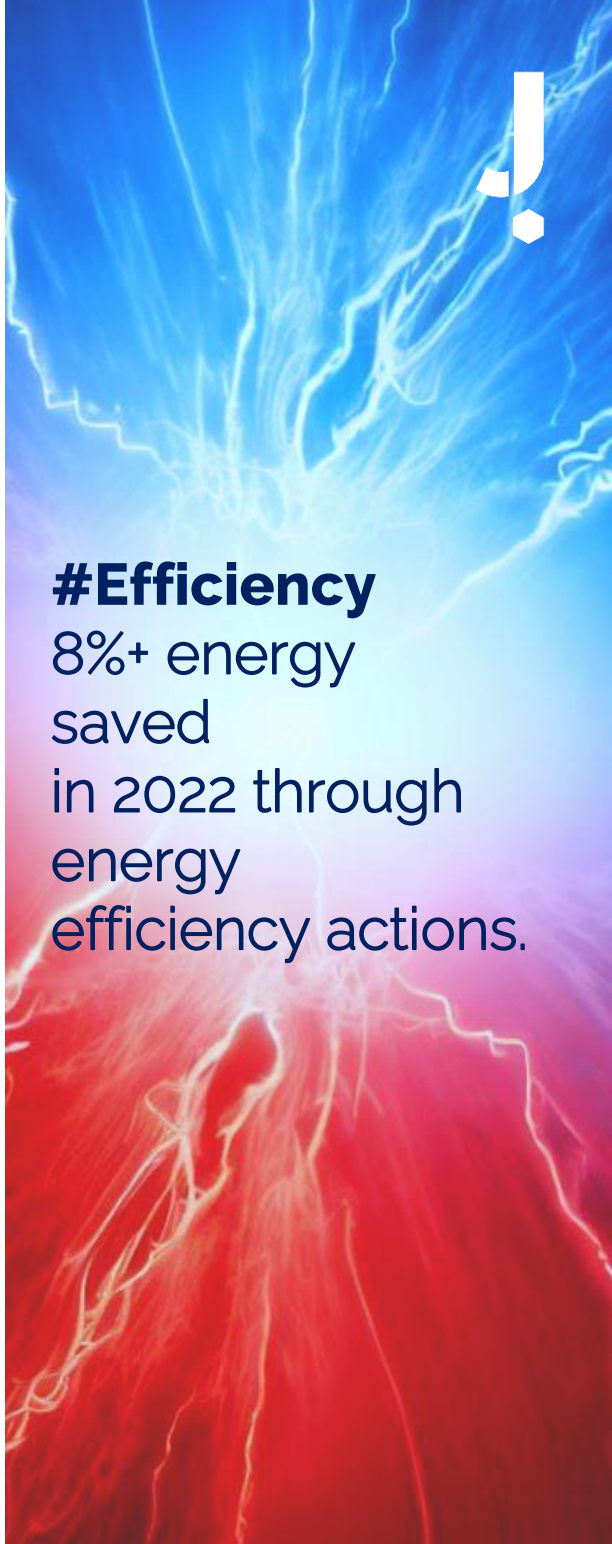
Total energy consumption fell in 2022 to roughly 11,257 GJ. This improvement on 2021 figures is thanks to actions promoted by JAKALA S.p.A. SB to cut energy consumption, for instance replacing an oil boiler used to heat the Nichelino facility with an electric heat pump system, closing a building in Montecassiano by allowing workers to work remotely and generally consuming less natural gas.

Furthermore, these results are even more impressive considering the larger reporting scope in 2022 with the inclusion of the Serole Group in Spain. The JAKALA Group does not generate its own energy.

Total energy consumed*	m.u.	2022	2021	2020
Total energy consumed within the organisation	kWh	3,126,941	3,165,505	2,544,671
Total energy consumed within the organisation in MJ	MJ	11,256,988	11,395,817	9,160,815

*Consumption was calculated directly at the Rende, Milan, Nichelino, Carignano, Rome, Montecassiano and Madrid facilities. The conversion rate used was 1 kWh = 3.6 MJ. The Madrid facility is not included in the 2021 figures.

ENERGY INTENSITY RATIO		
2022	2021	2020
11,257 GJ	11,396 GJ	9,161 GJ
7.83 GJ/people	12.26 GJ/people	10.26 GJ/people
25.9 GJ/€million	45.41 GJ/€million	30.9 GJ/€million



#Efficiency
8%+ energy saved in 2022 through energy efficiency actions.

Electricity*	m.u.	2022	2021	2020
Purchase of electricity from mixed sources	kWh	55,030	106,012	1,053,969
Purchase of electricity from mixed sources: of which received	kWh	55,030	106,012	1,053,969
Purchase of electricity from renewable sources	kWh	1,124,956	1,036,379	NA
Total electricity purchased and generated	kWh	1,179,986	1,142,391	1,053,969
Purchase of electricity from mixed sources in MJ	MJ	198,106	381,644	NA
Total electricity purchased from renewable sources in MJ	MJ	4,049,842	3,730,964	NA
Total electricity purchased and generated in MJ	MJ	4,247,948	4,112,608	3,794,288
Renewable energy as a percentage of total electricity consumed	%	95	91	NA

*2022 consumption was calculated directly at the Rende, Milan, Nichelino, Carignano, Rome, Montecassiano and Madrid facilities. The Madrid facility is not included in the 2021 figures. Conversion factor between kWh and MJ is 3,6MJ/kWh The renewable portion was calculated directly from the contracts applied.

Heating*	m.u.	2022	2021	2020
Diesel consumed for heating	kWh	127,129	377,430	280,600
Natural gas consumed for heating	kWh	440,579	460,826**	241,870
LPG consumed for heating	kWh	94,434	129,367	94,862
Total energy consumed for heating	kWh	662,142	967,623	617,332
Total energy consumed for heating in MJ	MJ	2,383,711	3,483,441	2,222,394

*Consumption was calculated directly at the Rende, Milan, Nichelino, Carignano, Rome and Montecassiano facilities. Some facilities use electric heat pump systems and consumption is included in the table on electricity. The conversion rates used are those calculated by DEFRA 2022 and are 9.78 for diesel, 9.96 for natural gas and 6.78 for LPG.

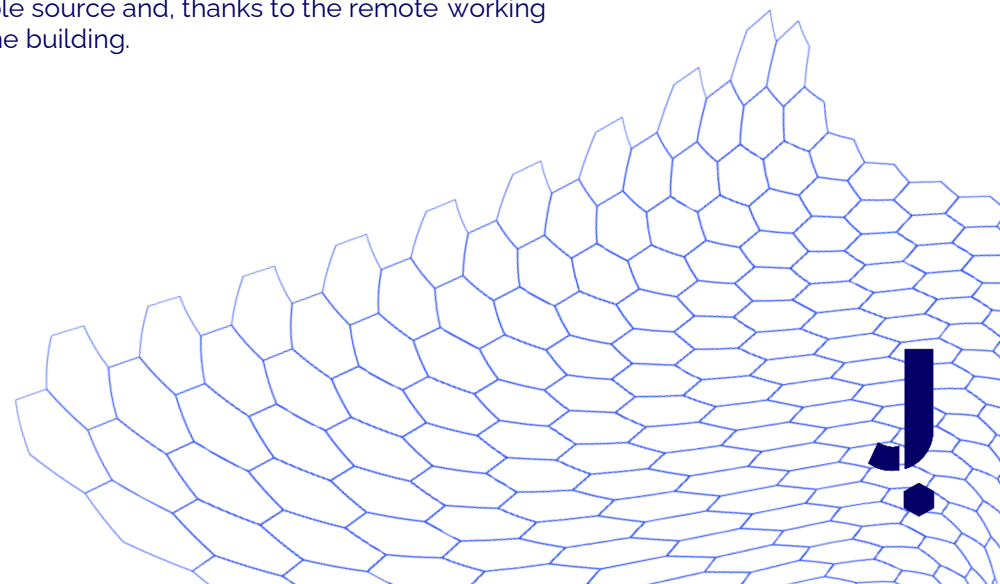
**The 2021 figure used in the 2021 Sustainability report has been adjusted.

Vehicles*	m.u.	2022	2021	2020
Consumption of unleaded petrol for vehicles	l	24,775.61	6,837.45	7,175.00
Consumption of diesel for vehicles	l	106,137.89	99,258.65	80,736.00
Consumption of ethanol for vehicles	kWh	2,077.79	-	-
Consumption of LPG for vehicles	l	-	-	-
Electricity for vehicles	kWh	2,077.79	-	-
Energy from unleaded petrol for vehicles	kWh	223,534.71	62,904.54	66,010.00
Energy from diesel for vehicles	kWh	1,059,200.74	992,586.50	807,360.00
Energy from LPG for vehicles	kWh	-	-	-
Total energy for vehicles	kWh	1,284,813.24	1,055,491.04	873,370.00
Total energy for vehicles in MJ	MJ	4,625,327.63	3,799,767.74	3,144,132.00

*The figures for real fuel consumption in litres are taken from fuel invoices. The conversion rates used are those calculated by DEFRA 2022 and are 9.98 for diesel and 9.02 for petrol.

Reduction of energy consumption*	m.u.	2022
Reduction of energy consumption achieved through efficiency actions	MJ	912,744.40

*In 2022, an oil boiler was replaced by a heat pump system fuelled by a certified renewable source and, thanks to the remote working policy, the work spaces at the Montecassiano were optimised to the point of using just one building.



Reducing emissions to help the climate

In line with international reporting on GHG emissions reporting, using 2021 as the year of reference when JAKALA S.p.A. SB's emissions were certified under the ISO 14064-1 standard, the emissions of the parent and the Serole Group were broken down and analysed as follows: direct emissions (**Scope 1**), indirect energy emissions (**Scope 2**) and other indirect emissions (**Scope 3**), these latter calculated by directly collecting data and using the <https://quantis-suite.com/Scope-3-Evaluator/calculator>.

The main direct emissions are carbon dioxide (CO₂) produced by burning fossil fuels for operating activities (heating at company facilities and fuel for the company car fleet).

Scope

1



EMISSIONS FROM DIRECT CONSUMPTION (heating, fuel, etc.)

487.32 tonCO₂eq
vs 556.16 (2021)
-12%

2



EMISSIONS FROM ELECTRICITY CONSUMPTION *

25.12 tonCO₂eq
vs 48.40 (2021)
-48%

3



INDIRECT UPSTREAM AND DOWNSTREAM EMISSIONS (transport, travel, capital expenditure, end of life of sold goods, etc.)

91,012 tonCO₂eq
vs 82,139 (2021)
+11%



CO₂eq SAVINGS

1,291 tonCO₂eq

50*
tonCO₂eq/people
vs 89 (2021)
-43.9 %

208*
tonCO₂eq/€million
vs 330 (2021)
-37%

90,234*
tonCO₂eq
Scope1+2+3-CO₂eq savings

*Market based.



Indirect emissions (SCOPE 2) *	m.u.	2022	2021
Italy LB	tCO ₂ eq	289.42	NA
Italy MB	tCO ₂ eq	0.47	48.40
Spain LB	tCO ₂ eq	21.37	NA
Spain MB	tCO ₂ eq	24.65	NA
Total location based	tCO ₂ eq	310.79	NA
Total market based	tCO ₂ eq	25.12	48.40

*Gas including CO₂, CH₄, N₂O transformed into CO₂eq using the MIX AIB 2021 residual conversion rate.



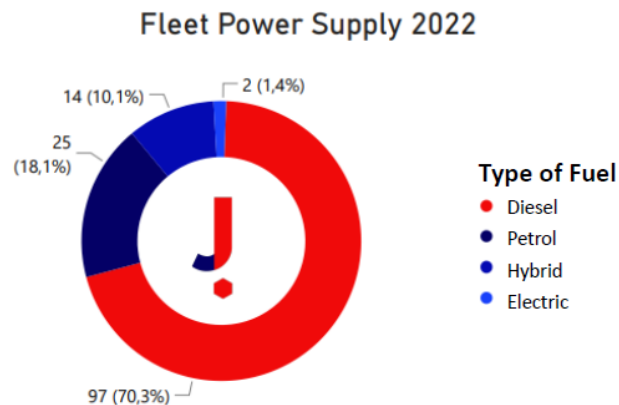
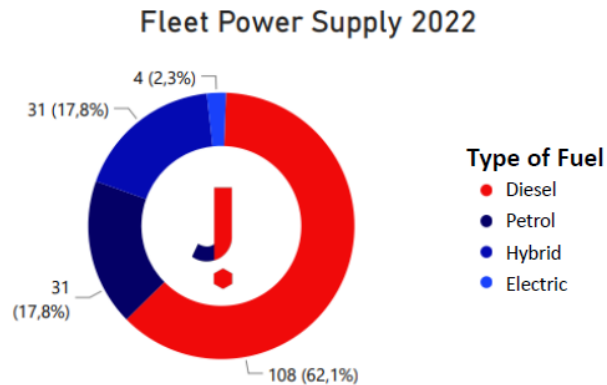
“Together to get a better world.”

Carbon neutral mobility

As part of its decarbonisation strategy, JAKALA took action to reduce the emissions of the company car fleet, striving for a more sustainable mobility.

In addition to adding electric cars to the car list for all HR ranks assigned a company car, the parent installed charging stations at its Nichelino and Montecassiano facilities to incentivise employees to choose electric or hybrid cars. The charging stations were placed at facilities where there was no such service in the vicinity of the company buildings and are also powered by electricity from certified renewable sources.

JAKALA aims to boost its sustainable mobility quota in 2023 with its new car policy. The graph below shows the evolution of JAKALA S.p.A. SB's car fleet.



Number of Vehicles 2022	Number of Vehicles 2021	Number of Vehicles 2020
174	138	143

Average CO2 g/Km per Vehicle - 2022	Average CO2 g/Km per Vehicle - 2021	Average CO2 g/Km per Vehicle - 2020
132,00	125,18	128,80

Average Gas NOx g/Km*1000 - 2022	Average Gas NOx g/Km*1000 - 2021	Average Gas NOx g/Km*1000 - 2020
29,95	38,37	48,82

Note to the graph.: CO2 g/Km consumption data have been obtained from the portal: www.automobilista.it. The figure does not consider the lower consumption generated by hibryd engines but records only those related to combustion engine impact. Estimating an average saving of 15% for hybrid cars (source: www.motori.en), the figure would drop to 128,45 CO2 g/Km.

JAKALA's safe and eco-friendly driving policy was distributed among the Italian group companies in early 2023. People's safety must always be front and centre and promoting safe driving not only reduces the risk of road accidents - and thus work-related injuries - but also helps improve air quality with minimal effort.

As well as raising road safety awareness among Jakalers and group partners, this policy also includes some useful driving tips that help reduce CO2 emissions. These include accelerating gradually, maintaining the vehicle properly and opting for car sharing for commutes.

The Spanish Serole Group has rolled out an additional initiative to promote more sustainable commutes thanks to its partnership with BUSUP. Under this agreement, Jakalers in Madrid can use a shuttle bus to and from the new office, thus improving their daily commute and reducing the overall quantity of CO2 emissions.

The Spanish subsidiaries received the Viridis Mundi Award for companies committed to environmental sustainability due to their participation in this project.

It is impossible to miss the fact that a large amount of the environmental impact of mobility derives from goods transport.

JAKALA is strongly committed to reducing the impact of goods transport by signing agreements with eco-conscious logistics operators that respect the planet in their business and aspire to reduce their emissions while offsetting the rest.

Specifically, JAKALA S.p.A. SB began this strategy at the end of 2022 contracting vetted suppliers that issue CO2 neutral mobility certificates for some transport operations.

This action led to the positive results with a reduction of roughly 52 TonCO2eq.



#CO2eqMobility

8% of JAKALA's emissions are attributable to mobility, with over 90% deriving from goods transport. JAKALA is focusing heavily on finding more sustainable solutions.

Biodiversity

Biodiversity can be defined as the variety of life forms on Earth, regarding species, ecosystems and habitats. This variety does not refer solely to living beings, but also includes diversity in terms of quantity, distribution and interaction between the different components of the system.

Why is biodiversity important? Biodiversity contributes to the productivity of ecosystems in different ways. It helps nourish vegetation and animals, increases the availability of raw materials for producing energy and goods (e.g., wood, fibres for fabrics) and combats natural disasters and drought.

In other words, the loss of biodiversity has negative impacts not only on natural ecosystems but also on the economy and society to the extent that food and energy resources are depleted.

So, society must respect biodiversity and promote actions to protect this balance.

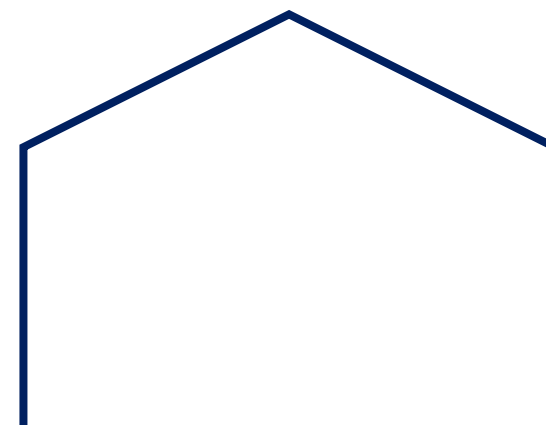
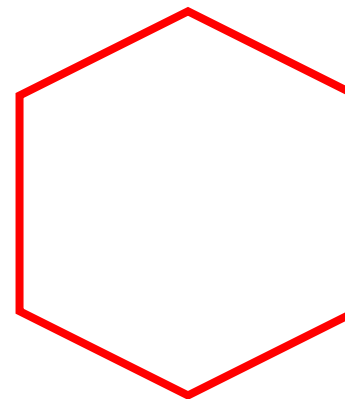
For companies this means choosing suppliers that do not use endangered species in procuring raw materials, adopting sustainable farming methods that do not jeopardise natural habitats, creating green areas at their production sites to foster the repopulation of flora and fauna, and assessing the impact of their operations on the environment and the biodiversity of the surrounding ecosystems.

In fact, the European Parliament is currently working on drawing up a directive regarding corporate due diligence on sustainability.

With a close eye on these developments, JAKALA monitored the operations of the entire group in 2022, taking into account facilities located in areas particularly relevant for biodiversity conservation such as those included in the international Natura 2000 network, UNESCO World Heritage Sites and Key Biodiversity Areas.

The results of the analysis showed that operations at JAKALA's facilities do not negatively impact the aforementioned sensitive areas, despite the fact that some Italian facilities - Nichelino, Rome, Roncade and Bari - are located less than one kilometre from key areas.

Specifically, the Rome, Roncade and Bari facilities are used solely for office work, while the Nichelino facilities also engage in warehousing and distribution. As a result, the latter will be subject to more in-depth investigation and analysis in 2023.

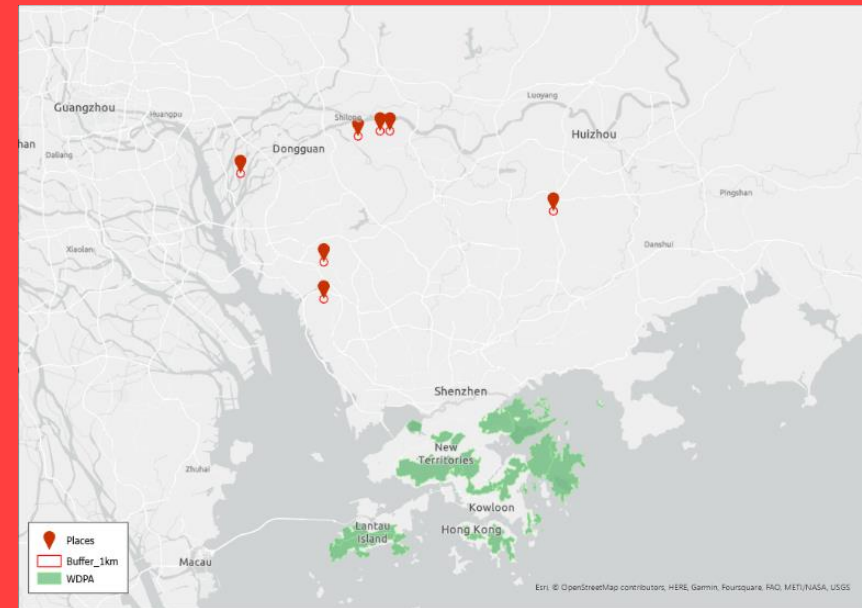




#LocationIntelligence

Using geoanalytics, JAKALA was able to smoothly map its operating facilities and 31 supplier production facilities.

As part of risk management controls and checks, JAKALA monitored 31 production facilities owned by its suppliers using the World Database on Protected Areas (WDPA) as reference. The most comprehensive global database of marine and terrestrial protected areas, the WDPA is updated every month and is considered one of the top biodiversity databases at global level, used by scientists, companies, governments, international secretariats and other parties to support planning, political decisions and land management. The results confirmed that no third-party production sites were located within one kilometre of sensitive areas.



Examples of location intelligence analyses.

Projects to help the planet

Not just reducing but also offsetting CO2 emissions: JAKALA S.p.A. SB signed a partnership with Green Future Project (“GFP”) in 2022 to support projects to reduce its carbon footprint and thus have a positive impact on the planet and local communities.

Through GFP, **JAKALA offset 610.6 tonCO2 emissions**, by investing in climate-positive projects:

- **RENEWABLE ENERGY PROJECT**
contributing to the generation of green energy at Tamil Nadu Wind Farm. Not only will it reduce the demand for fossil fuel, it will also create green jobs for the local community.
- **CONSERVATION PROJECTS**
 - combating deforestation in the peat swamp forests in Central Kalimantan, Indonesia caused by their conversion oil palm plantations thus creating a buffer zone to protect a national park high in biodiversity;
 - planting 1,655 mangroves in Vilamatsa, a coastal area of Madagascar, to boost marine and terrestrial biodiversity.

The projects are certified by Green Future Project which guarantees transparency and traceability for the carbon credit system, thus adding socio-environmental value for business partners, manufacturers and consumers.

#OffsettingCO2

In 2002, JAKALA invested in climate-positive projects, saving over 1,200 ton CO2eq and playing a part in planting 1,655 mangroves.



In addition, under the WWF Italy Oasis project, JAKALA helped protect over 88,000 m2 of the Macchiagrande Oasis in Rome, offsetting air pollution caused by commuting and business trips for an equivalent of approximately 630 tons of CO2 emissions. The WWF Oases are an example of how protecting natural areas and saving them from neglect can create benefits for biodiversity, the local area and humanity as they provide crucial services for the ecosystem, such as the capture and storage of CO2.

Regenerative economy

Fostering environmentally responsible behaviour is incentivised both externally and internally through various initiatives. Specifically, all Italian facilities have microfiltered water dispensers to reduce the consumption of bottled water in order to help eliminate single-use products and reduce pollution. Sorted waste collection is also encouraged.

Waste code	Type	m.u.	2022	2021	2020
20.03.07	Bulky waste	kg	0	404	3,040
17.04.05	Scrap iron	kg	0	2,950	0
16.03.06	Organic waste not containing hazardous substances	kg	190	7,350	0
14.06.03	Other solvents and solvent mixtures	kg	190	0	0
16.02.16	Components removed from discarded equipment	kg	0	0	26
15.01.06	Mixed packaging	kg	90,140	55,200	143,160
15.01.01	Paper and cardboard packaging	kg	45,260	49,570	65,920
08.03.18	Waste printing toner	kg	110	0	48
08.03.12	Waste ink containing hazardous substances	kg	289.5	0	0
17.02.01	Wood	kg	920	0	0
20.01.11	Textiles	kg	60	0	0
02.03.04	Materials unsuitable for consumption or processing	kg	100	0	0
Total waste		kg	137,260	115,474	222,936

WATER WITHDRAWAL

Water resources are mostly consumed for civil use and fire prevention and are sourced from the water mains. In order to conserve water resources, most of the group's offices and facilities have implemented water saving methods, mainly installing taps and drains to reduce water consumption.

#06 PARTNERS, PRODUCTS AND SERVICES

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Contribution to the SDGs



1.a: Ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation to provide adequate and predictable means for developing countries, in particular LDCs, to implement programs and policies to end poverty in all its dimensions.

8.7: Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.

8.8: Protect labor rights and promote safe and secure working environments of all workers, including migrant workers, particularly women migrants, and those in precarious employment.

12.4: By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.

12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse.

12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

12.b: Develop and implement tools to monitor sustainable development impacts for sustainable tourism which creates jobs, promotes local culture and products.

15.1: By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.

15.2: By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.

JAKALA's partners

The JAKALA Group is aware that relations with partners must unquestionably be founded on trust and credibility. These requirements cannot exclude a strong focus on health and safety and respecting human rights and workers rights along with the environment.

As a result, adopting a responsible procurement and resource management policy is indispensable. In addition to the intrinsic value generated by product and service quality, it should also consider the origin and processing and production processes applied.

Accordingly, JAKALA does not merely look at the economic advantage when choosing its suppliers, it also considers their commitment to environmental and social sustainability issues, basing its selection on specific requirements. For example, suppliers must have sustainable product certification or meet social requirements under ISO, SMETA, FAMA or BSCI or must pass social audits directly requested by JAKALA or its customers.

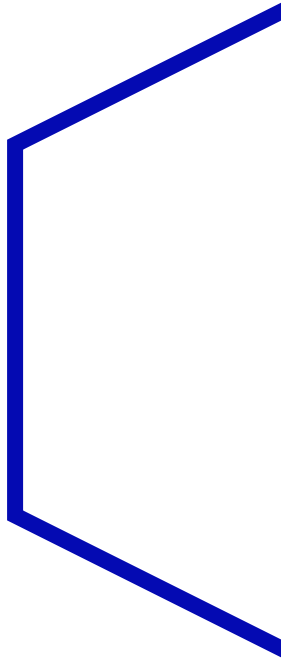
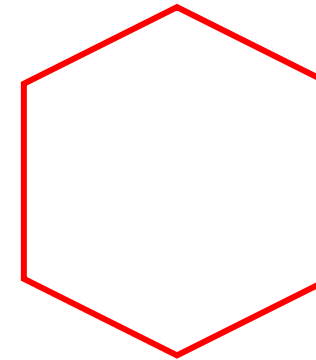
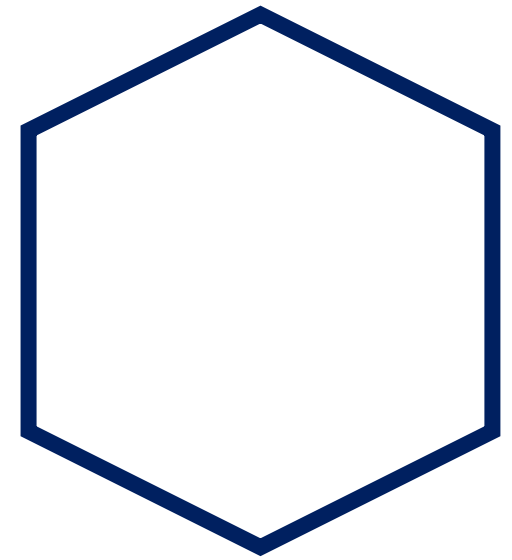
The group had roughly 2,151 active suppliers in 2022 and, where possible, favoured partners located near its main facilities. This not only gives JAKALA logistical advantages, thus reducing the environmental impact of transporting goods, but also makes a real contribution to generating income and creating job opportunities among the local communities, an unquestionable factor of social value.

Moreover, it is important to underline how JAKALA is strongly focused on not creating situations of dependency with its suppliers to avoid any potential interruptions in supply, thus mitigating risks to its business.

The suppliers on the JAKALA Group's value chain are divided into four macro-categories: solutions, products, licences and services.

#TrustCredibility

At JAKALA relations with partners play a vital role in building an ethical and transparent business



Sustainability: a keyword for a responsible choice

To prevent JAKALA's huge efforts going to waste, the entire supply chain must be supported through structured active involvement. The goal needs to be attaining excellence, not only in the products/services provided, but also, and above all, in implementing a strategy that aspires to a sustainable supply chain that respects workers rights and protects the environment.

To implement this action plan, the sustainability, IP, corporate affairs and internal audit unit works to support the purchasing departments on all social and environmental issues regarding the supply chain, both at the time of vetting and during the subsequent awareness and monitoring campaigns.

Regardless of whether they are under contract or not, each chosen supplier is asked to read and respect the code of ethics, the organisational, management and control model as per Legislative decree no. 231/2001 and the supplier code of conduct, which set out the principles and guidelines that inspire the company's operations and guide the conduct and actions of everyone that works with JAKALA.

In subscribing to the codes, the supplier's commitment is not limited to their own behaviour, they also undertake to make sure their subcontractors also respect the principles set out therein.

The importance of the code of ethics and supplier code of conduct for JAKALA is also proven by the fact that a

violation of the rules set out therein implies serious breach of contract, giving JAKALA the right to immediately terminate the contract, depending on the severity involved.

However, a responsible policy cannot function solely by punishing breaches of ethical or sustainable principles. Conscious of this fact, JAKALA supports its supply chain on a path of ongoing improvement, also through remedial actions where necessary.

To sum up, the JAKALA Group is cognizant of the importance of the positive environmental and social impacts of its business. It knows that its ethical and environment commitment cannot function without close collaboration with its supply chain, both at the time of vetting and during their relationship. It is also aware that no commitment can be made without strict adherence to local and international regulations.

With this in mind, JAKALA S.p.A. SB continues its journey with its authorisation as AEO-F (full) - Authorised Economic Operator - (under the Union Customs Code), a qualification issued to companies deemed reliable in terms of safety along the global supply chain.

The authorisation certifies compliance with customs and tax regulations, no record of serious criminal offences relating to their economic activity, appropriate record keeping standards and adequate standards of competence and safety.

#Impacts

A roadmap to reduce negative impacts and boost positive impacts.



SUPPLIERS OF SOLUTIONS

They supply technologies that develop strategic and innovative solutions aimed at creating new competitive advantages.



SUPPLIERS OF PRODUCTS

They possess the technical know-how that JAKALA relies on to make its end products. The goal is to release appealing products onto the market, that are studied to the finest detail, from concept, design and material selection to the final prototype and meet the level of quality expected by the customer.



SUPPLIERS OF LICENCES

JAKALA's partners are generally globally-renowned brands. The first step is a careful selection of brands, followed by establishing long-lasting relations and maximising investments in product development.

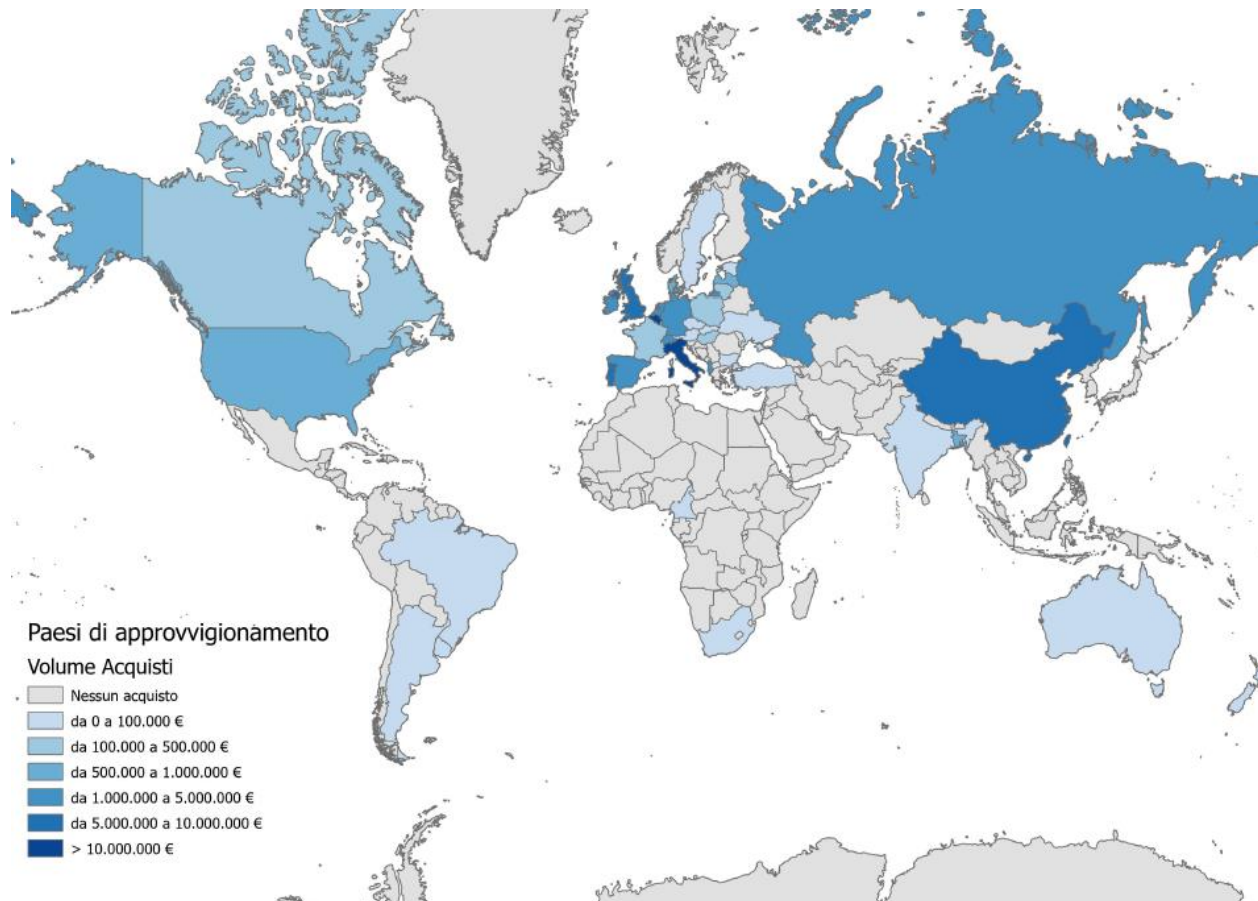


SUPPLIERS OF SERVICES

They support JAKALA in all outsourced processes and are generally located near the company. The main vetting factor is the quality of the service provided, followed by ethical, social and environmental aspects.

As mentioned frequently, the group operates on a global level, procuring supplies in areas where local tradition guarantees technical know-how and production capacity, also taking into account the level of complexity involved.

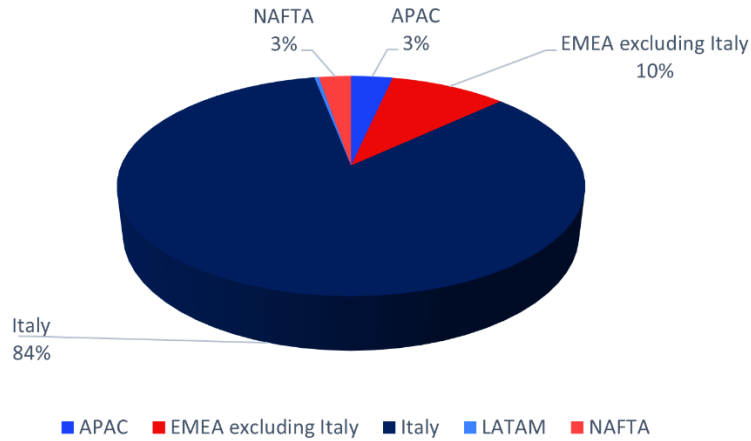
The group's business model requires the continuous search and selection of partners or potential suppliers. With a view to ongoing development, partners located in the vicinity of the group's facilities are given priority. The map below shows the main countries where supplies are procured (the darker the colour, the higher volumes of purchases).



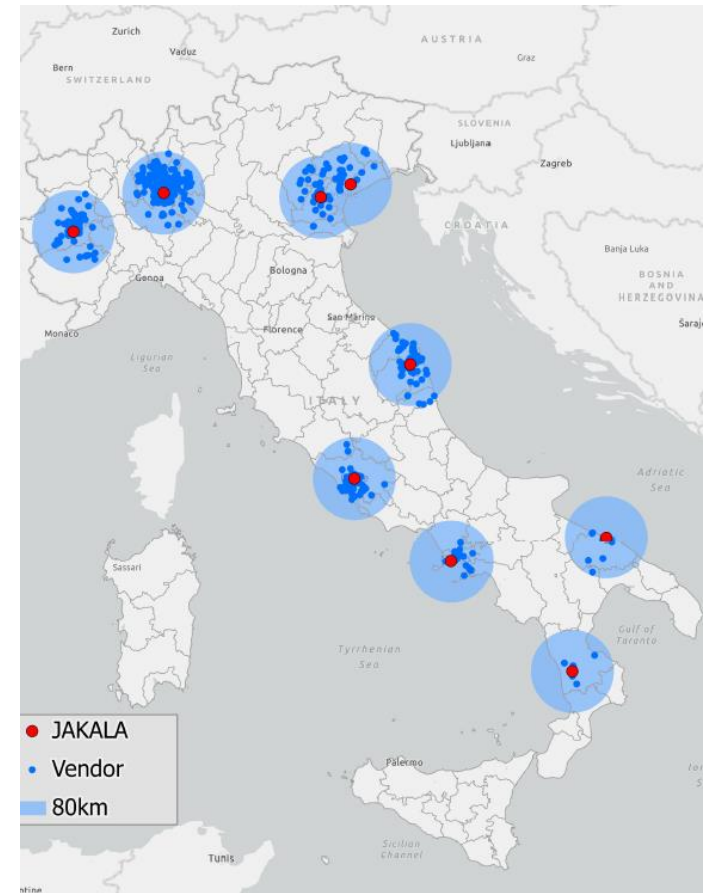
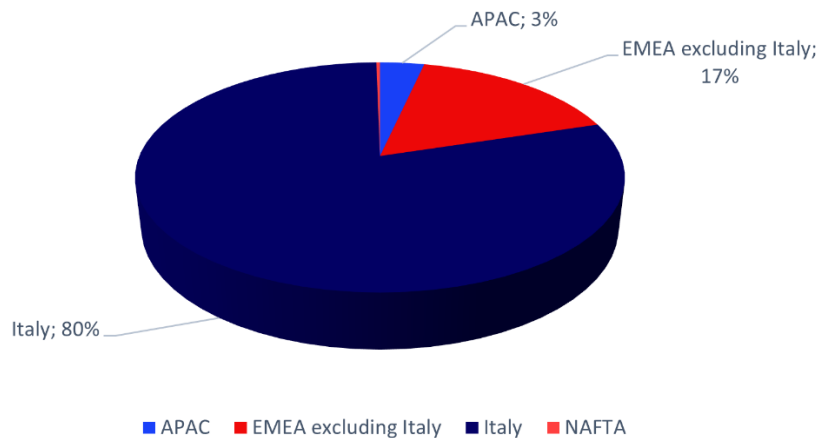
More than 60% of JAKALA S.p.A. SB's purchases are made within 80 km of its facilities (GRI 204-1). The significant operating facilities are those based in Italy (see the map opposite). Most purchases (nearly 80%) are made in Italy, proving JAKALA's commitment to its country, to its own identity and to the production industry which is the beating heart of the Italian economy.

JAKALA spreads out its spending, thus avoiding any situations of dependency with its suppliers which could expose the business to risk.

Suppliers by geographical area



Purchased value by geographical area



Monitoring the supply chain

Under JAKALA's standard, new suppliers are approved subject to their acceptance of the code of ethics and supplier code of conduct and completion of a specific sustainability questionnaire. In 2022, JAKALA continued and developed an external system for monitoring supplier sustainability performance using the EcoVadis platform.

EcoVadis sends customised questionnaires to suppliers based on specific indicators, such as the number of employees, country of origin and commodity sector. The suppliers then fill in the questionnaires, backing their replies with supporting documentation. Based on the replies, the suppliers are assigned a general score for their business performance along with a specific score for sustainability issues.

The number of suppliers invited to take part in the assessment on the platform was expanded in 2022, adding Seri Sistem Printing S.r.l.'s suppliers to those of JAKALA S.p.A. SB.

The medium/long-term (three-year) objective is to cover 75% of the group's leading suppliers in terms of spending. Strategic and recurring suppliers are always asked to submit for EcoVadis assessment and a "plus" is added to their score.

New suppliers, on the other hand, are encouraged to register on the platform to be assessed. The assessment is then repeated at varying frequency depending on the score received.

#Responsible&Verified

Conscious that quality cannot be separated from responsibility and sustainability.

CODE OF CONDUCT

Approved in 2021, the supplier code of conduct integrates and entrenches responsible management principles along the supply chain.

The code takes its inspiration from the Universal Declaration of Human Rights and the ILO Conventions. It illustrates the group's expectations regarding the main areas of responsible procurement and disciplines work and human rights, the environment and corporate ethics.

The aim of the project is for all suppliers and subcontractors to adopt the code, also through awareness campaigns regarding its principles.

Anyone who has a business relationship with the JAKALA Group must adhere to the code of conduct. The supplier code of conduct, along with JAKALA's code of ethics, is available on the website in different languages to make it easy to understand and support suppliers in putting its requirements into effect in their operations. The codes explain JAKALA'S expectations regarding safe working conditions, workers rights and the environment, providing operating solutions and practical examples.

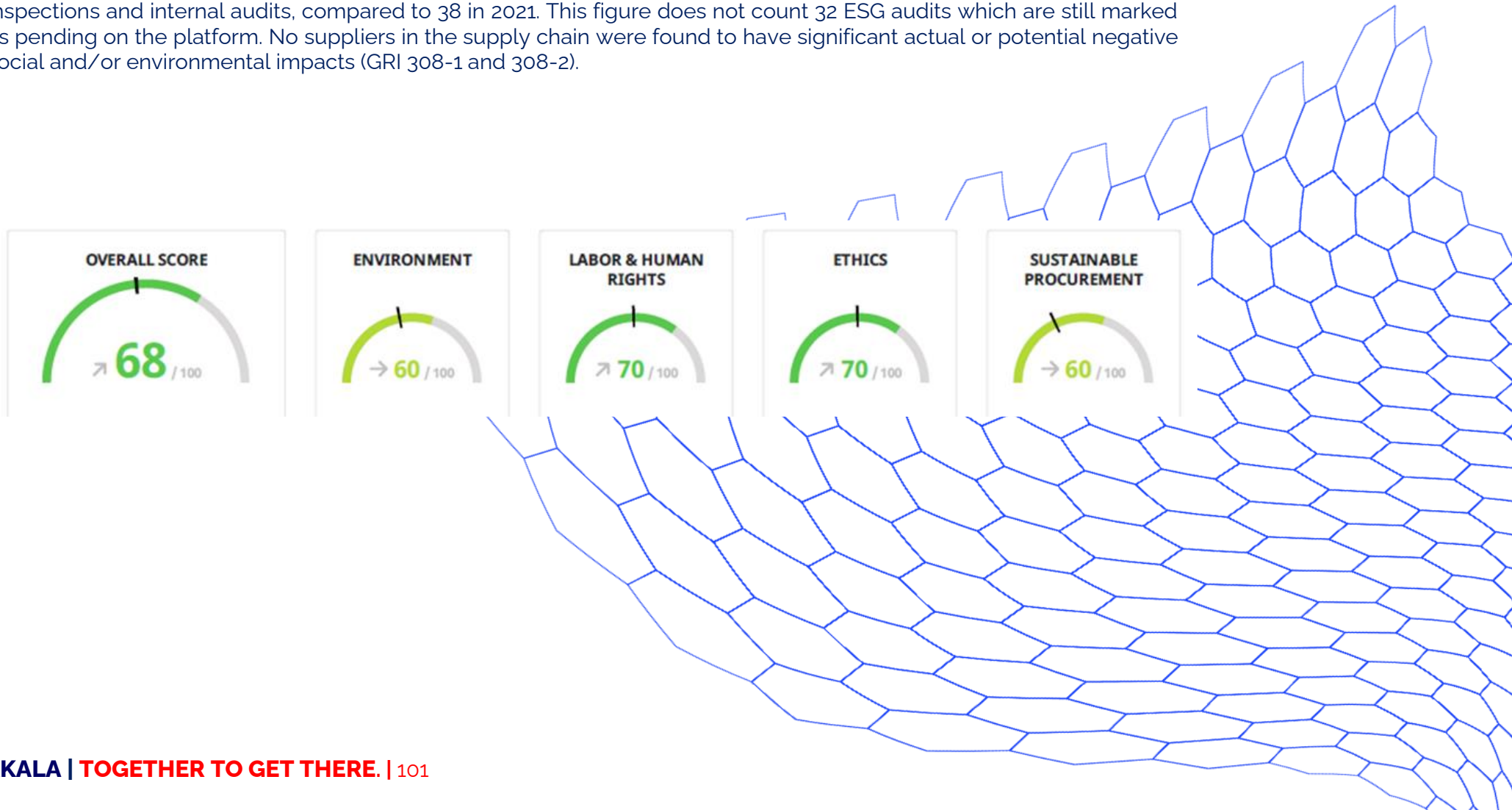
Using the EcoVadis platform, JAKALA S.p.A. SB can assess the areas of risk in the supply chain and figure out how to best work with its suppliers to pursue ongoing improvement, increasing its level of awareness and setting KPIs that help attain global goals.

JAKALA S.p.A. SB was awarded the EcoVadis gold medal in 2022 with a score of 68/100. Of the four pillars underpinning the assessment by the EcoVadis experts, the sections on Labour & Human Rights and Ethics were decisive for the final score, further confirmation of the JAKALA Group's immense commitment to these issues.



As mentioned earlier, supply chain monitoring does not stop when suppliers are selected. It continues through the years via systematic checks of compliance with company policies in order to improve the supply chain's level of sustainability. Moreover, hand-in-hand with developments in internal control procedures, JAKALA also took in account respect for ESG issues in 2022.

JAKALA performed audits of social and/or environmental impacts on 175 suppliers in 2022, including both third-party inspections and internal audits, compared to 38 in 2021. This figure does not count 32 ESG audits which are still marked as pending on the platform. No suppliers in the supply chain were found to have significant actual or potential negative social and/or environmental impacts (GRI 308-1 and 308-2).



All audits by JAKALA S.p.A. SB and/or third parties engaged by the company also examine social and environmental aspects, with varying levels of investigation and analyses depending on the partner, local area and transaction.

The audit procedures begin immediately during the supplier selection stage. The supplier is asked to submit information and documents helpful for assessing their commitment in the aforementioned areas. Internal specialists and/or qualified third parties carry out visits and preliminary checks on such aspects, on behalf of the company, before the partnership agreement is drawn up.

Ensuring fairness and transparency in assessing the offers received from different suppliers, the group favours suppliers and products that adopt valid standards of behaviour on issues such as, for instance, respecting human rights - with particular focus on forced labour and child labour -, occupational health and safety and workers' health and safety, and compliance with the requested environmental requirements, while it assesses all offers equally.

The group's emphasis on monitoring the sustainability performance of its suppliers is also evidenced by the training courses on sustainability issues it provides to procurement division personnel. In 2022, approximately 40 employees in Italy and France took part in technical training on how to use the platform and workshops on sustainable purchasing. Lastly, the group's approach for all suppliers in the Far East warrants special attention. Having a local team on-site in Shanghai allows the group to directly run checks for that region, seeking out possible partners on an ongoing basis (checking basic requirements) and then continuing with quality control procedures during dealings with the supplier (pre-production inspections, during-production inspections and pre-shipment inspections).

There are various channels open for dialogue: collaborating and cooperating with the procurement division and the quality management department in developing new products, audits and assessments, company meetings, trade fairs and industry events.

#SustainablePurchasing

1.5+ million items purchased according to responsible and sustainable policies.²



² BCI Better Cotton Initiative

Raw materials & packaging

#Recycle&Regenerate

The group gets involved in initiatives that mostly promote using second generation raw materials that have been recycled or regenerated or organic materials.

During the year, the group continued its work on improving packaging by focusing on reducing plastic, using recycled or organic raw materials and streamlining packaging solutions. All actions were taken to also maximise the recycling and recovery potential of individual materials.

The group also adapted materials used in logistics to meet the best standards in order to optimise packaging while maintaining the quality of products and services. These changes aim to increase the use of recyclable or even partially recycled materials.

Thanks to its long-time collaboration with its partners, JAKALA S.p.A. SB is adopting the latest available

solutions available that can reduce its carbon footprint. Specifically, it has stepped up measures to replace or decrease plastic packaging in favour of Kraft paper (e.g., high resistance packing tape), recycled plastic (100% recycled pluriball and polybag) or plastic with lower micron thickness.

A total of 403 tonnes of packaging in FSC® certified paper was used. This means 1,600 tonnes of wood (more than 1,400 mature spruce) from forests managed in compliance with strict environmental, social and economic requirements (calculate using c.environmentalpaper.org).

€32+ million

**Products purchased with
at least 90%
sustainable material***

**Figure calculated using standard costs.*

Recycled Claim Standard (RCS) certification

The RCS intends to enhance the use of recycled materials to promote a production and sustainable consumption model that aims to reduce the consumption of resources (virgin raw materials, water and energy). The RCS provides a third party verified environmental statement which proves the content of recycled materials of the products (both intermediate and finished). All products that are made up of at least 5% pre-consumer and post-consumer recycled materials can be RCS certified. As for the GRS, the facilities certified under this standard are the Milan and Montecassiano facilities and one Nichelino facility.

Forest Stewardship Council® (FSC®) certification

One of the facilities in Nichelino received Forest Stewardship Council® (FSC®) certification again in 2021. This is valid until 2026, so in 2022 it was still certified that the raw material used in producing advertising material, adhesive labels, paper/cardboard packaging, wrapping and packaging paper, toys made from (FSC®) mixed paper and (FSC®) recycled paper comes from forests managed according to strict environmental, social and economic standards, ensuring the maximum protection of environmental resources and the rights of the local populations.

Global Recycling Standard (GRS) certification

Product certification aimed at enhancing items made with recycled materials in compliance with specific environmental and social criteria regarding the stages of: (i) recycling the materials; (ii) the manufacturing processes used for recycled materials in making interim products (e.g., yarn and fabric) or finished goods for consumers.

Certified companies must also guarantee that they operate in full compliance with national regulations regarding workers' health and safety and occupational health and safety, ensuring freedom of association and collective bargaining, as well as suitable pay and working hours. In addition to defining very restrictive environmental, social and ethics criteria that must be applied throughout the production chain, the GRS guarantees that:

- products contain at least 20% recycled materials (pre-consumer and post-consumer);
- traceability is maintained throughout the entire production process;
- chemical products used in processing fabrics meet set requirements, verified through specific assessment and subject to toxicology and ecotoxicology tests.

To date, the certified facilities are the Milan and Montecassiano facilities and one Nichelino facility.

Codeword: Improvement!

Improvement is an aspiration that JAKALA brings into play every day, in every decision.

But improvement is nothing if it does not involve the quality and safety of products and services. The group focuses especially on the quality of materials, user safety, ethics and legislative compliance.

Products and services are designed and made under JAKALA's coordination. It requires its partners to comply with applicable local and international regulations and the performance requirements agreed with the customer, which in some cases can be even stricter than regulatory parameters.

Procedures to test and certify the safety of materials and products in collaboration with third-party qualified laboratories are constantly used to focus on physical characteristics and chemical and compliance requirements.

The group decided to centralise the labelling process in order to ensure greater safety and transparency for consumers (GRI 417-1). It is managed centrally by the parent's procurement & sourcing office which coordinates with all group subsidiaries to make sure that the regulatory requirements of each country are met.

Under the aforementioned procedure applied to all products made directly by the JAKALA Group, labels must indicate the source of the product or service components, contents and, where necessary, any reference to substances that could have an environmental and/or social impact.

It is also mandatory to include instructions on how to use the products or services safely and how to dispose of the packaging correctly.

Lastly, it is mandatory to indicate that the percentage of significant products or service categories processed or assessed in compliance with the aforementioned information and labelling procedures is 100%.

With regard to services, on the other hand, the process leading up to their supply plays a vital role. JAKALA sees adopting standard operating processes as essential to

implementing actions of ongoing improvement. The processes steer the operating strategy, notwithstanding the fact that each project is built in close collaboration with JAKALA's customers.

Through its ISO 9001:2015 certified quality management system, insurance policies, code of ethics rules, company policies and full and scrupulous compliance with anti-trust and market regulator rules, the group ensures suitable quality and compliance standards in its services/products based on predefined levels and regular monitoring of perceived quality.

In 2022, there were no incidents of non-compliance concerning the health and safety impacts of products and services for which the group had to recall products (GRI 416-2).

Nor were there any incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and/or labelling (GRI 417-2).

With regard to marketing communications and projects carried out, there were no incidents of non-compliance concerning false advertising, misinformation or misleading information to the market. The group recognises that managing communications with stakeholders (including customers and consumers) is a key factor in its growth. It aims to use fair, clear, transparent and responsible practices in its business and dealings with customers (GRI 417-3).

#HumanRights

An awareness campaign guided by specific regulations, checks, certifications and visibility in the location where production actually takes place.

The group is getting ready for a new challenge. Alongside its customers and partners, it intends to raise consumer awareness of the negative impacts that their habits or lifestyles can have on the environment, steering them towards ethical consumption that cares for the planet. JAKALA has supported various customers in this sphere, designing with them devices to reward consumers for eco-friendly behaviour.

JAKALA respects and acts as messenger to its stakeholders regarding the principles set out in national and international regulations and the standards devised by leading global organisations, such as the Declaration on Fundamental Principles and Rights at Work and the eight fundamental conventions of the International Labour Organization (ILO), the UK's Modern Slavery Act of 2015, the Universal Declaration of Human Rights and subsequent international conventions on civil and political rights and on

economic, social and cultural rights, along with the UN's Convention on the Political Rights of Women, Convention on the Elimination of All Forms of Racial Discrimination, Convention on the Rights of the Child and Convention on the Rights of Persons with Disabilities.

It regularly monitors its suppliers to assess their treatment of human rights. It has not identified any operations and/or suppliers at significant risk for incidents of forced or compulsory labour, child labour and/or young workers exposed to dangerous workers, also in terms of type of operation, supplier, countries or geographic areas with operations and suppliers considered at risk.

The parent assesses the health and safety impacts of 100% of the products it produces directly through audits and certifications (GRI 416-1). With regard to services, given their nature, JAKALA is evaluating the best method for assessing their impacts and to implement analyses functional to the business.

In 2022, there were no incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of product and services.

ISO 9001:2015

The parent and the French, German and Russian subsidiaries comply with ISO 9001:2015 requirements for specific scopes of application defined by the International Accreditation Forum (IAF), the worldwide association of accreditation bodies involved in conformity assessment in the fields of management systems and other similar programmes. This certification guarantees compliance with one of the cornerstones of an international control and risk management system, i.e., traceability of data and information, and is based on process management, prioritising full customer satisfaction and improving the efficiency and effectiveness of results. One of JAKALA's main objectives is building an integrated system that acts as a preventative device establishing risk-based thinking. In addition, the subsidiary Seri System Printing S.r.l. is ISO 9001:2015 certified for silk-screen printing on various supports.

Offering sustainability to customers



The group actively fosters a culture of maximum product and service quality and safety through continual collaboration with its partners in finding the best materials, technologies and solutions for full economic, social and environmental sustainability.

It is very conscientious about protecting the environment, informing customers and consumers about environmental issues and policies through projects that use eco-sustainable products and services and by eliminating waste throughout the entire chain.

JAKALA attentively and competently supports its customers in promoting values and behaviours focused on social responsibility, sustainability and environmental protection by designing, developing and implementing new business models and customer and consumer campaigns and through corporate welfare.

For instance, it created loyalty programmes where customers collect points by taking part in quizzes and can benefit from sustainability tips. They can also win sustainable advantages and rewards through eco-friendly behaviour or can make donations.

In addition to SGD-oriented missions, customers have access to an entire section of the catalogue dedicated to sustainability, with digital and physical rewards, often made with eco-sustainable materials and procedures.

JAKALA engages customers with mechanisms that stimulate a health and sustainable lifestyle, entire loyalty programmes created around the issue of sustainability that incentivise sustainable behaviour among customers, boost consumer engagement and promote activities with sustainable values and stimulate conscientious use of means and tools that have positive impacts on the environment and the community.

JAKALA can act as a touchstone for customers on the global market thanks to its talent in guaranteeing a high-value product and service portfolio blending identity, experience, solid partnerships and incredible versatility in creating projects for companies of all regions, size and sector. This is possible because the company works side-by-side with customers in defining their strategies, uniting technologies, data analyses and content, all the elements needed for making decisions that generate tangible and sustainable value over time. Thanks to its growth, the group has gradually built up skills to integrate its product and service capacity - throughout the management of the digital experience - forming solid relationships with exceptional partners that can support its development.

Just as important to JAKALA's business model are the social risks that could impact customers, for instance product safety or respecting the intellectual property of third parties. To safeguard the health and safety of customers and end consumers, the group requires its suppliers to operate in compliance with international legislation applicable to the specific commodity involved and constantly submits products to meticulous checks of their physical and mechanical characteristics. The group also uses third-party specialised laboratories for such checks. The processes are included under the ISO 9001:2015 certified quality management system.

In order to best protect the group, its customers and the brands it works with, JAKALA has implemented a series of management tools: internal departments specialised in intellectual property and brand protection, detailed procedures, recruitment and awareness campaigns for suppliers, and collaborations with the customs authorities.

Product and service quality and safety lie at the heart of JAKALA's commitment. The group focuses especially on the quality of materials, user safety, ethics and legislative compliance. JAKALA is constantly engaged in an ongoing, constant path of upgrading the group's technical skills to ensure constant vigilance throughout the design & analysis, engineering & development, pre-production and delivery phases, also for activities carried out at partners' facilities.

This approach focuses on quality in carrying out upstream processes which helps reduce the risk of non-compliance of products and services.

Products and services are designed and made under JAKALA's coordination. It requires its partners to comply with applicable local and international regulations and the performance requirements agreed with the customer, which in some cases can be even stricter than regulatory parameters.

Procedures to test and certify the safety of materials and products in collaboration with third-party qualified laboratories are constantly used to focus on physical characteristics and chemical and compliance requirements.

With regard to services, the process leading up to their supply plays a vital role. While projects are built in close collaboration with its customers, JAKALA sees adopting standard operating processes as preliminary to implementing actions of ongoing improvement. The processes steer the operating strategy.

Through its ISO 9001:2015 certified quality management system, insurance policies, code of ethics rules, company policies and full and scrupulous compliance with anti-trust and market regulator rules, the group ensures suitable quality and compliance standards in its services/products based on predefined levels and regular monitoring of perceived quality.

#BrandProtection

Identifying and enhancing intellectual property is one of the group's strategic tools.

JAKALA's commitment also includes research and development of state-of-the-art technological solutions and tools. In past years, this enabled the group company Maize to create a digital personal assistant in the digital health field, helping users find scientifically based answers to questions on their specific conditions.

Thanks to artificial intelligence of natural language processing, with the consultancy and scientific support of specialists, the chatbot analysed questions from an emotional standpoint and tried to answer appropriately, without obviously replacing doctors.

It was a tool that could provide a suitable first response, that learned and upgraded itself over time on the basis of the different requests from users, explaining issues - even scientific topics - in a simple and direct manner and supporting users in their day-to-day handling of their conditions.

Notable advances were made at product level. The Life Cycle Thinking stimulated JAKALA to consider important design and procurement factors. Studying the impacts of its production, analysing the product's life-cycle and receiving suggestions for improvement were crucial in inspiring the group to set even more ambitious goals.

#DigitalInnovation

Innovation is strategic for creating company value and securing long-term sustainability.



Innovation and integration

In order to enhance investments related to the use of information and other assets it develops, the group has procedures to mitigate the risks associated with intellectual property managed inside the organisation such as:

- **identification of the intellectual property;**
- **protection;**
- **formalisation of know-how.**

The management of risks associated with intellectual property requires a coordinated and integrated system of activities including both a new cultural approach focused on research and development and the sharing of knowledge within the organisation in order to secure these intangible assets which are an important part of its value.

The group has a dedicated team which is in charge of filing trademarks, software, designs and/or patents deemed significant by it and its stakeholders. The team also performs prior art searches when developing new projects and performs all the activities necessary to protect and secure these assets.

Protecting intellectual property has become a crucial factor in fostering innovation. As a result, studying and safeguarding the group's assets has been expanded to software and databases. By integrating different types of know-how, collaborating with interdepartmental teams and pro-actively exchanging ideas, the group's strategic "products" - vital for business development - are now protected.

A prime example of this is the VoiceMath project designed for the Università di Torino in partnership with the Polin laboratory.

This was founded on the idea that managing scientific content is still an unresolved problem despite the high degree of assistive and adaptive technology developed. Aiming to break down barriers to scientific studies faced by people with physical, hearing or visual disabilities or specific learning disorders, a system was created using the latest voice and image recognition techniques to help people with disabilities or learning disorders access scientific content.



#Research& Development

JAKALA S.p.A. SB has invested approximately €4 million into research and development.

#07 COLLABORATION, ENGAGEMENT AND ACTION

page 112
UN Global Compact

page 113
...towards a sustainable future

Contribution to the SDGs



1.5: By 2030, build the resilience of the poor and those in vulnerable situations, and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters.

10.2: By 2030, empower and promote the social, economic and political inclusion of all irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.

10.3: Ensure equal opportunity and reduce inequalities of outcome, including through eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and actions in this regard.

10.4: Adopt policies especially fiscal, wage, and social protection policies and progressively achieve greater equality.

16.7: Ensure responsive, inclusive, participatory and representative decision-making at all levels.

16 b: Promote and enforce non-discriminatory laws and policies for sustainable development.



UN Global Compact

Corporate sustainability starts with a company's value system and a principles-based approach to doing business. This means operating in ways that, at a minimum, meet fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption.

Responsible businesses enact the same values and principles wherever they have a presence, and know that good practices in one area do not offset harm in another. By incorporating the Ten Principles of the UN Global Compact into strategies, policies and procedures, and establishing a culture of integrity, companies are not only upholding their basic responsibilities to people and planet, but also setting the stage for long-term success.

The Ten Principles of the United Nations Global Compact are derived from: the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

Further details on how JAKALA measures its impact, the connection between the purposes of the common good and the SDGs and the Ten Principles of the United Nations Global Compact are provided in the 2022 Impact report section #05 Impact profile: BIA and SDGAM.

#CommunitySupport
JAKALA became a signatory of the UNGC in December 2021.

WE SUPPORT



JAKALA
TOGETHER TO GET THERE

THE TEN PRINCIPLES

Human rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour;

Principle 6: the elimination of all forms of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

...towards a sustainable future

JAKALA is strongly engaged with the community. Not only is the community a strategic ally for long-term sustainability, but it also offers a chance to share skills and knowledge in order to generate shared value and ensure a positive impact on the local area.

This section details the projects and initiatives organised by JAKALA in 2022 to foster socio-economic development in the local area and encourage social inclusion and professional training.

JAKALA contributes to the community in many ways: through its know-how, through charitable donations or gifts in-kind, with company goods and services provided free to non-profit organisations, or through Jakalers offering their skills and resources.

The newco JAKALA Civitas S.p.A. established by JAKALA S.p.A. SB in 2022 focuses its core business to the service of public administration with a vast portfolio of services and solutions for citizens.

Thanks to JAKALA's MarTech approach, the customer experience principles are applied to a singular citizen & patient experience: consumers, citizens and patients are indeed the same subject, with the same needs, characteristics and behaviours.

The JAKALA Civitas portfolio is founded on solid know-how and new technologies that make processes linked to providing services to the community as efficient as possible, thus helping improve the social fabric. In this sense, JAKALA Civitas's innovative nature is a unique factor that is highly beneficial to the community.

#DonationsCommunity

JAKALA donated roughly €220,000 to the community in 2022.

Impact Business Model
JAKALA Civitas
UPLIFE
Partnership

Citizenship

Donations
together for a cause

A prime example of sharing skills with the community: JAKALA contributed to interpreting and illustrating the impact inflation is having in Rome and Milan by sharing its data and analytical resources.

In 2022, inflation in Italy reached levels not seen for over three decades. The inflationary impact was uneven, weighing 9.2% on less well-off households which was 1.6 percentage points more than on the highest income decile.

In general, inflation and the cost of living hit the weakest population brackets, putting greater pressure on the south, the islands and the outskirts of the main cities.

So, JAKALA set up a special observatory on inflation, tracking its impact on over 400,000 sections of the population.

The observatory integrates the JWHO non-nominative database (JAKALA-owned micro-regional data for a total of over 40 million profiles) and ISTAT inflation data.

Other business model impacts include the UPLIFE welfare platform which makes it easy for companies to provide flexible benefits to employees, thus helping improve their lives and offering greater flexibility and choice in benefit packages. This model has a positive impact on employee productivity and satisfaction in the workplace. Furthermore, it fosters sustainability and respect for the environment by offering alternative and sustainable transport options.

Within the loyalty & engagement programmes, JAKALA focuses on the community by cultivating socially and environmentally conscious behaviour. For instance, it uses recycled materials in its physical rewards and gives customers the opportunity to make donations when they engage in responsible buying.

#Welfare

JAKALA contributes to rewarding human value through its welfare platform.

JAKALA
DATA DRIVEN PERFORMANCE

I trend di una Milano che cambia: I dati JAKALA

...oranti e caffè...

JAKALA
DATA DRIVEN PERFORMANCE

“
Grazie all'analisi dei dati JAKALA, territori, amministrazioni pubbliche, imprese, hanno a disposizione informazioni strategiche per soddisfare i nuovi bisogni di cittadini e consumatori. ”

Stefano **BRIGAGLIA**
Location Intelligence
Principal **JAKALA**

#SmallActs

JAKALA donated over 1,250 products to charitable organisations in 2022.

In addition to donations, some organisations also collect contributions and support through gifts in-kind. For instance, the Milan-based organisation "A CASA LONTANI DA CASA" offers free accommodation to families who have to travel to receive medical treatment. JAKALA decided to support this organisation during cancer prevention month in February 2022 by donating over 200 toys and stuffed animals for young cancer patients staying at all of the association's lodgings.

Another initiative: JAKALA donated tickets for a tour of the islands of Venice to the Casa Famiglia San Pio X home for mothers and children. Two families staying at the Mestre home took part, with the mothers, children and teachers going on the tour for a day of fun.

Other gifts in-kind were donated to the Ronald McDonald House Charities: a place to call home for families with hospitalised children who are being treated at nearby hospitals and medical facilities.



**Scan the QR code
to find out about the initiative!**



#CommunityDayAVIS

61 people took part in the AVIS days organised at the Milan and Nichelino facilities



Scan the QR code to find out about the initiative!

The other JAKALA group companies are also directly active in their communities.

Specifically, the Spanish subsidiary B MIND joined the Aztivate project to build a paediatric clinic in Turkana, in northern Kenya, ensuring children's right to health and working to provide access to the primary needs of food and education. Also, JAKALA Iberia adhered to the BICICLETASSINFORNTERAS.ORG project that was set up by some employees of its partner Salesforce Iberia who decided to turn their cycling into a solidarity challenge. Following the move to the new offices in Madrid at the end of 2022, the computers and hardware that were in good condition and fit for reuse were donated to the cultural organisation Kalle for its ReutilizaK project.

The Madrid offices also set up a partnership with FILANTRÓPICO, an organisation that supplies coffee cultivated using optimised processes and without capsules. The Jakalers have the benefit of free coffee every day that is also sustainable!



JAKALA participated in the 20th edition of the Milan Relay Marathon (Milan, 3 April 2022) to support the Make-A-Wish charity which raises funds to grant the wishes of children with serious medical conditions. Jakalers also ran the Rimi-Riga marathon in aid of the Movement for Movement charity in Riga. This fund-raising project launched in 2020 traditionally aims to help children with physical disabilities in collaboration with Riga's paediatric hospital. As an exception in 2022, the registration fees for the most popular distance (6km) were fully donated to victims of the war in Ukraine.

Another popular sporting event was the Superleague multi-sport tournament organised by Playmore, as mentioned earlier in the section on nurturing difference. Funds were also raised among partners to support the populations afflicted by the war. JAKALA fully supported the cause by doubling the amount generously offered by Jakalers. A further charity initiative was organised with the donations of goods from the warehouses in Nichelino: over 700 blankets and sheets and 350 stuffed animals for Ukrainian children, to give some warmth and smiles to those most in need, based on the idea that small acts engender big changes!

**#SportFor
Inclusion**
Sports events
organised in
2022 to pro-
mote JA-
KALA's val-
ues.



There were numerous initiatives to raise awareness of environmental issues. As reported in the 2022 Impact report, Legambiente day saw volunteers from HDM and JAKALA putting all their energy to work to clean up litter at the Martesana Park in Milan.

Some of the participants carried out "Park Litter" monitoring, thus helping Legambiente study the cleanliness of Italian green areas, while the remaining volunteers picked up litter all around the park. Overall, 30 kg of litter was gathered up, including 2 kg in cigarette ends.



#TEDxMilano#TEDx#jointhecountdown #TEDcountdown

COUNTDOWN is a global initiative to champion and accelerate solutions to the climate crisis, turning ideas into action.

The ongoing health and economic crises are reminding us of an important fact: we are all part of the same fragile system, dependent on nature and one another.

The goal of COUNTDOWN is to build a better future by cutting greenhouse gas emissions in half by 2030 for a world that is safer, cleaner and fairer for everyone. As a supportive sponsor of TEDxMilano, all employees were given the opportunity to follow the event on livestream.

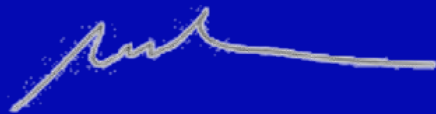
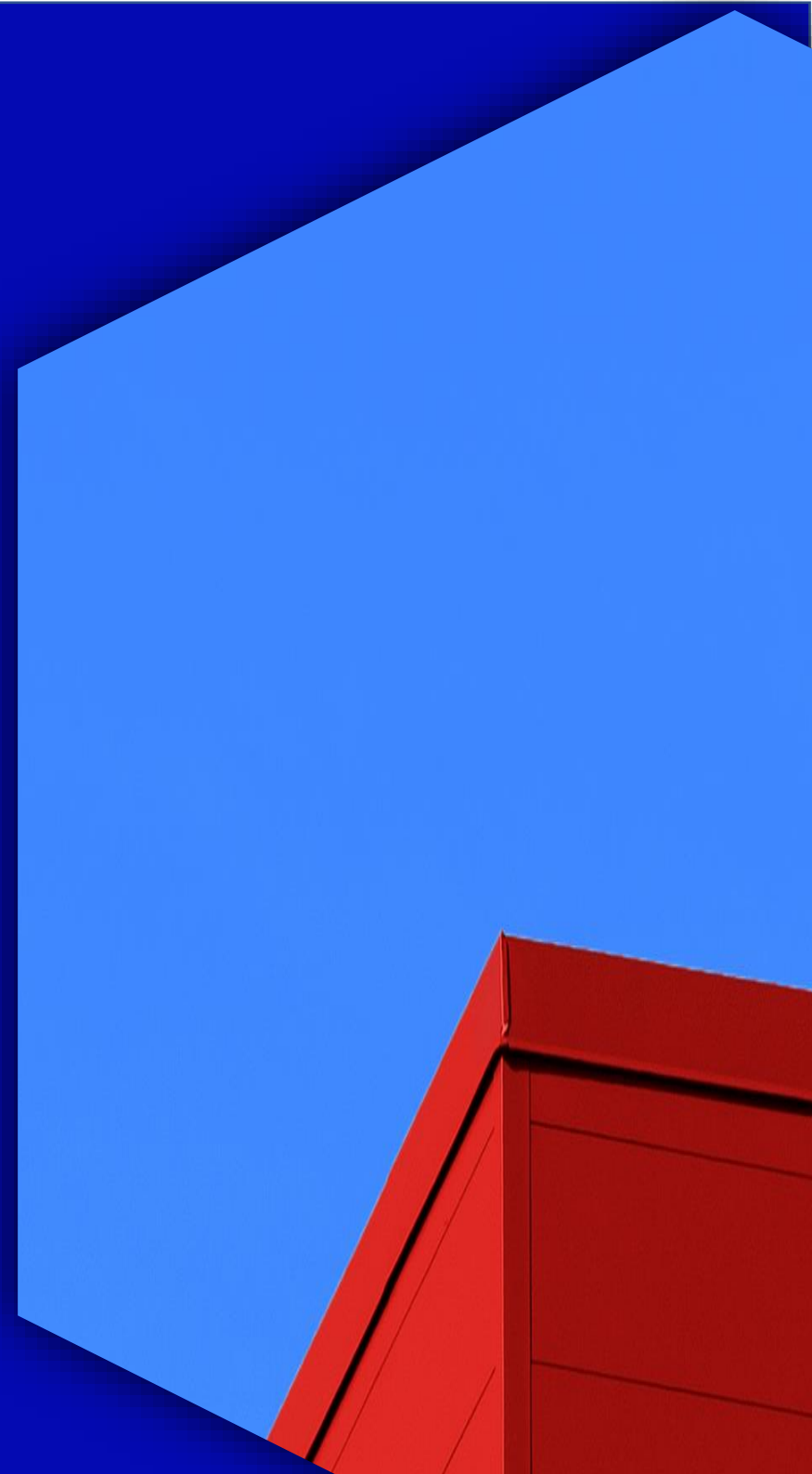
#08 Appendix

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Technical annexes

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A handwritten signature in white ink, consisting of a stylized, cursive name followed by a horizontal line.

Technical annexes

#04 People

GRI 2-7 Employees. Scope: JAKALA GROUP.

Total number of employees by gender and by region	m.u.	2022		2022 Total	2021		2021 Total	2020		2020 Total
		Women	Men		Women	Men		Women	Men	
Total permanent employees	no.	809	998	1,807	533	607	1,140	444	449	893
Temporary employees	no.	7	2	9	5	4	9	4	2	6
Overall total		816	1,000	1,816	538	611	1,149	448	451	899

Total number of employees by contract type and by gender	m.u.	2022			2021		2020	
		Women	Men	Total	Women	Men	Women	Men
Number of employees (head count/FTE)	no.	809	998	1,807	533	607	444	449
Number of full-time employees (head count/FTE)	no.	778	993	1,771	506	604	416	446
Number of part-time employees (head count/FTE)	no.	31	5	36	27	3	28	3
Number of non-guaranteed hours employees (head count/FTE)	no.	0	0	0	0	0	0	0
Number of temporary employees (head count/FTE)	no.	87	113	200	68	94	0	0
Number of full-time temporary employees (head count/FTE)	no.	85	112	197	58	80	0	0
Number of part-time temporary employees (head count/FTE)	no.	2	1	3	10	14	0	0
Number of permanent employees (head count/FTE)	no.	722	885	1,607	472	527	444	449
Number of full-time permanent employees (head count/FTE)	no.	693	881	1,574	448	526	416	446
Number of part-time permanent employees (head count/FTE)	no.	29	4	33	24	1	28	3

Total number of employees by contract type and by region	m.u.	2022			2021		2020	
		Italy	Other	Total	Italy	Other	Italy	Other
Number of full-time employees (head count/FTE)	no.	1,400	372	1,772	912	196	792	70
Number of part-time employees (head count/FTE)	no.	34	1	35	29	1	31	0
Number of employees (head count/FTE)	no.	1,434	373	1,807	941	197	823	70
Number of full-time permanent employees (head count/FTE)	no.	1,226	348	1,574	776	196	792	70
Number of part-time permanent employees (head count/FTE)	no.	32	1	33	24	1	31	0
Number of permanent employees (head count/FTE)	no.	1,258	349	1,607	800	197	823	70
Number of full-time temporary employees (head count/FTE)	no.	174	23	197	138	0	0	0
Number of part-time temporary employees (head count/FTE)	no.	2	1	3	3	2	792	70
Number of temporary employees (head count/FTE)	no.	176	24	200	141	2	792	70
Number of non-guaranteed hours employees (head count/FTE)	no.	0	0	0	0	0	0	0

GRI 2-21 Annual total compensation ratio. Scope: JAKALA S.p.A. SB

2022 - Annual total compensation for 2022 for the organisation's highest-paid individual: €220,000.20
Median annual total compensation for all employees (excluding the highest-paid individual): €41,449.71
Ratio of annual total compensation: €220,000.20 / €41,449.71 = 5.31

2021 - Annual total compensation for 2021 for the organisation's highest-paid individual: €210,000.00
Median annual total compensation for all employees (excluding the highest-paid individual): €39,219.38
Ratio of annual total compensation: €210,000 / €39,219.38 = 5.354

RATIO 2022/2021

Percentage increase in the annual total compensation for the organisation's highest-paid individual = 220,000.2 / 210,000 = 4.76%

Median percentage increase in annual total compensation = €41,449.71 / €39,219.38 = 5.69%

GRI 202-1 Ratios of standard entry level wage by gender compared to local minimum wage. Scope: JAKALA S.p.A., SB, JAKALA Civitas S.p.A. and Seri System Printing S.r.l.

Level	Average wage		Minimum wage	Ratio of average wage/min. wage	
	Men	Women		Men	Women
MANAGERS	€116,250.03	€163,333.38	€54,460.00	2.13	3.00
JUNIOR MANAGERS	€59,316.73	€1,473.71	€37,937.92	1.56	1.62
WHITE-COLLAR LEVEL 1	€42,867.99	€41,720.02	€31,603.76	1.36	1.32
WHITE-COLLAR LEVEL 2	€35,448.81	€33,968.80	€28,297.80	1.25	1.20
WHITE-COLLAR LEVEL 3	€29,193.85	€29,055.64	€25,217.94	1.16	1.15
WHITE-COLLAR LEVEL 4	€25,049.14	€24,943.35	€22,769.62	1.10	1.10
WHITE-COLLAR LEVEL 5	€22,392.72	€22,159.38	€21,256.78	1.05	1.04

GRI 401-1 New employee hires and employee turnover. Scope: JAKALA Group, excluding HDM S.r.l., HES S.r.l., Maize S.r.l. and Maize Talent S.r.l.

Incoming and outgoing employees during the year by gender	m.u.	2022			2021			2020		
		Women	Men	Tot.	Women	Men	Tot.	Women	Men	Tot.
Incoming employees	no.	228	343	571	125	174	299	87	104	191
Outgoing employees	no.	113	181	294	89	115	204	18	59	77
Overall total		115	162	277	36	59	95	69	45	114

Incoming and outgoing employees during the year by age group and by gender	m.u.	2022		2021		2020	
		Women	Men	Women	Men	Women	Men
Incoming employees <30	no.	135	190	67	93	45	54
Incoming employees 30-50	no.	90	143	53	77	41	49
Incoming employees >50	no.	3	10	5	4	1	1
Outgoing employees <30	no.	46	96	48	39	7	21
Outgoing employees 30-50	no.	63	81	38	71	10	33
Outgoing employees >50	no.	4	4	3	5	1	5

Turnover rate by gender	m.u.	2022			2021			2020		
		Women	Men	Tot.	Women	Men	Tot.	Women	Men	Tot.
Incoming employees	no.	228	343	571	125	174	299	94	96	190
Outgoing employees	no.	113	181	294	89	115	204	18	59	77
Positive turnover rate	%	34.70	43.69	39.60	25.56	33.21	29.52	21.17	21.38	21.28
Negative turnover rate	%	17.20	23.06	20.39	18.20	21.95	21.40	4.05	13.14	8.62

Turnover rate by age group	m.u.	2022				2021				2020			
		<30	30-50	>50	Tot.	<30	30-50	>50	Tot.	<30	30-50	>50	Tot.
Incoming employees	no.	269	285	17	571	160	130	9	299	99	90	2	190
Positive turnover rate	%	64.20	30.45	19.54	39.60	51.12	20.54	13.43	29.52	34.02	16.07	4.76	21.28
Outgoing employees	no.	105	178	11	294	87	109	8	204	28	43	6	77
Negative turnover rate	%	25.06	19.02	12.64	20.39	27.80	17.22	11.94	21.40	9.62	7.68	14.29	8.62

GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees.

Scope: JAKALA S.p.A. SB

Benefits provided to full-time employees that are not provided to temporary or part-time employees	2022	2021	2020
Life insurance	No	No	No
Health care	Yes	Yes	Yes
Disability and invalidity coverage	Yes	Yes	Yes
Parental leave	Yes	Yes	Yes
Retirement provision	Yes	Yes	Yes
Stock ownership	Yes	Yes	No
Others			

*The "Shareholding" benefit is provided in favor of some managers and partners of the JAKALA Group, while "Healthcare" provides different coverage due to HR Rank.

401-3 Parental leave. Scope: JAKALA S.p.A. SB

Total number of employees that returned to work in the reporting period after parental leave ended		2022	2021	2020
	m.u.	Total	Total	Total
Men	no.	23	13	13
Women	no.	43	29	52
Overall total	no.	66	42	65

Return to work rate of employees that took parental leave		2022	2021	2020
	m.u.	Total	Total	Total
Men	%	100	86.67	100
Women	%	89.58	87.88	100
Overall total	%	92.96	87.50	100

Retention rates of employees that took parental leave		2022	2021	2020
	m.u.	Total	Total	Total
Men	%	86.96	86.67	100
Women	%	85.42	87.88	100
Overall total	%	85.92	87.50	100

GRI 403-5 Worker training on occupational health and safety. Scope: JAKALA S.p.A. SB and Seri System Printing S.r.l.

Worker training on occupational health and safety		2022
	m.u.	
Hours of training on occupational health and safety	h	4,234.82
Total hours of training	h	54,036.35
Percentage of hours of training on occupational health and safety	%	7.84

GRI 403-9 Work-related injuries. Scope: JAKALA S.p.A. SB

Rate of injuries	m.u.	2022	2020	2021
Number of injuries (excluding commuting incidents)	no.	1.00	0.00	0.00
Severity rate (lost days per thousand of hours worked)	d/h	0.00	0.00	0.00
Frequency rate (no. of injuries/total hours worked/1,000,000)	no./h	0.00	0.00	0.00
Average duration of injuries in days	d	3.00	0.00	0.00
Loss of productivity rate (hours lost due to injury per every thousand of hours worked)	h	0.02	0.00	0.00
Injuries x 100 workers	%	0.01	0.00	0.00

404-1 Average hours of training per year per employee. Scope: JAKALA Group.

Total hours of training provided to employees	m.u.	2022		2021		2020		2020 Total		
		Women	Men	2022 Total	Women	Men	2021 Total		Women	Men
Managers		228.90	1,151.40	1,380.30	199.00	658.00	857.00	296.00	239.00	535.00
Junior managers		2,939.80	5,756.45	8,696.25	2,572.00	4,031.00	6,603.00	1,130.50	1,326.00	2,456.50
White collars		17,754.63	28,395.00	46,149.63	12,470.00	14,202.00	26,672.00	4,710.75	6,133.75	10,844.50
Overall total		20,923.33	35,302.85	56,226.18	15,241.00	18,891.00	34,132.00	6,137.25	7,698.75	13,836.00

Average hours of training provided to employees	m.u.	2022		2021		2020	
		Women	Men	Women	Men	Women	Men
Managers	h/n	14.31	16.69	39.80	28.61	59.20	10.39
Junior managers	h/n	26.25	27.68	39.57	38.39	17.39	12.63
White collars	h/n	26.07	39.38	26.93	29.65	12.60	19.11

Hours of training provided by type of training	2022			
	m.u.	Women	Men	Total
Anti-corruption	h	33.40	35.20	68.60
Privacy	h	749.40	829.40	1,578.80
Health and safety	h	1,960.43	2,320.52	4,280.95
Overall total		2,743.23	3,185.12	5,928.35

In 2022, training was provided via the e-learning platform to all employees of the parent and the Italian subsidiaries on ESG topics, including environmental and human rights. 26% had completed the course at year end. The training will continue in 2023 and will be reported for that year.

405-1 Diversity of governance bodies and employees. Scope: JAKALA Group.

Number of employees by category and by gender	2022			
	m.u.	Women	Men	Tot.
Managers	no.	18	67	85
Junior managers	no.	118	202	320
White collars	no.	673	729	1,402
Overall total		809	998	1,807

Percentage of employees by category and by gender	2022			
	m.u.	Women	Men	Tot.
Managers	%	2.22	6.71	4.70
Junior managers	%	14.59	20.24	17.71
White collars	%	83.19	73.05	77.59

Managers by age group and by gender	2022			
	m.u.	Women	Men	Tot.
Over 50 years old	no.	7	19	26
30-50 years old	no.	11	47	58
Under 30 years old	no.	0	1	1
Overall total		18	67	85

Percentage of managers by age group and by gender	2022			
	m.u.	Women	Men	Tot.
Over 50 years old	%	38.89	28.36	30.59
30-50 years old	%	61.11	70.15	68.24
Under 30 years old	%	0	1.49	1.18

Junior managers by age group and by gender	2022			
	m.u.	Women	Men	Tot.
Over 50 years old	no.	7	18	25
30-50 years old	no.	110	182	292
Under 30 years old	no.	1	2	3
Overall total		118	202	320

Percentage of junior managers by age group and by gender	2022			
	m.u.	Women	Men	Tot.
Over 50 years old	%	5.93	8.91	7.81
30-50 years old	%	93.22	90.10	91.25
Under 30 years old	%	0.85	0.99	0.64

White collars by age group and by gender	2022			
	m.u.	Women	Men	Tot.
Over 50 years old	no.	50	60	110
30-50 years old	no.	379	376	755
Under 30 years old	no.	244	293	537
Overall total		673	729	1,402

Percentage of white collars by age group and by gender	2022			
	m.u.	Women	Men	Tot.
Over 50 years old	%	7.43	8.23	7.85
30-50 years old	%	56.32	51.58	53.85
Under 30 years old	%	36.26	40.19	38.30

#05 The planet, climate and biodiversity

GRI 305-1 Direct (Scope 1) GHG emissions

Direct (Scope 1) GHG emissions	m.u.	2022	2021	2020
Emissions from electrical generators	tCO ₂ eq	0.00	0.00	0.00
CO ₂ emissions from vehicles - unleaded petrol	tCO ₂ eq	53.56	15.00	16.00
CO ₂ emissions from vehicles - ethanol	tCO ₂ eq	0.00	0.00	0.00
CO ₂ emissions from vehicles - diesel	tCO ₂ eq	271.48	265.00	216.00
CO ₂ emissions from vehicles - electric vehicles	tCO ₂ eq	0.95	0.00	0.00
CO ₂ emissions from diesel for heating	tCO ₂ eq	49.28	101.00	75.00
CO ₂ emissions from LPG for heating	tCO ₂ eq	21.09	29.00	22.00
CO ₂ emissions from natural gas for heating	tCO ₂ eq	89.12	145.00	49.00
CO ₂ emissions from trigeneration	tCO ₂ eq	0.00	0.00	0.00
Direct (Scope 1) GHG emissions	tCO ₂ eq	485.48	555.00	378.00
Total CO₂ emissions from vehicles	tCO ₂ eq	325.99	280.00	232.00
Total CO₂ emissions from heating	tCO ₂ eq	159.49	275.00	146.00

Biogenic CO ₂ emissions	m.u.	2022	2021	2020
Biogenic CO ₂ emissions	tCO ₂ eq	1.84	1.16	ND

GRI 305-5 Reduction of GHG emissions

Reduction and offsetting of GHG emissions	m.u.	2022
Offsetting of CO ₂ in tonnes of CO ₂ equivalent	tCO ₂ eq	1,291.00
Reduction of CO ₂ emissions in tonnes of CO ₂ equivalent - Scope 1	tCO ₂ eq	68.84
Reduction of CO ₂ emissions in tonnes of CO ₂ equivalent - Scope 2	tCO ₂ eq	23,28
Reduction of CO ₂ emissions in tonnes of CO ₂ equivalent - Scope 3	tCO ₂ eq	-8,873.00

Methodological note

This third edition of the JAKALA Group's Sustainability report (the "**Report**") has been prepared for the dual purpose of reporting the activities of a year full of innovation and helping to clearly and unequivocally illustrate the degree of shared value created with a long-term view facilitated by a transparent and responsible business model that guarantees the interests of all stakeholders.

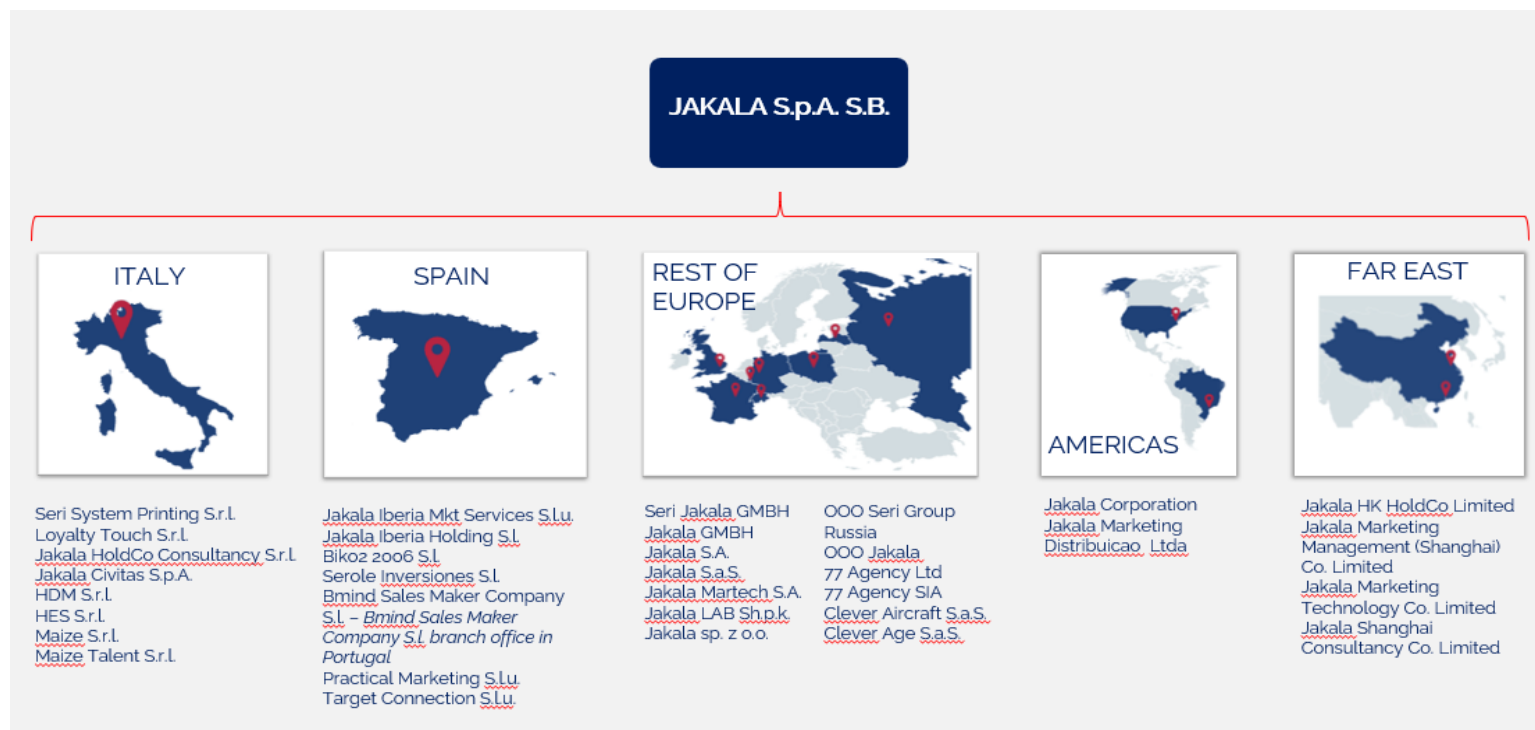
The Report provides an overview of the most significant impacts on the environment, on people - including human rights - and on the market and how these impacts are managed, in order to measure the group's contribution to sustainable development.

The 2022 Sustainability report, approved by the parent's board of directors on 26 May 2023, has been prepared in accordance with the Global Reporting Initiative Sustainability Reporting Standards defined by the Global Reporting Initiative (**GRI**). The GRI Content Index is set out below for the convenience of the readers.

The 2030 Agenda for Sustainable Development, summed up in the 17 Sustainable Development Goals (**SDGs**), inspired and steered the group's work and the reference SDGs are indicated in the various sections of the Report. Compliance with such reporting standards is on a voluntary basis.

The reporting scope includes all group companies, as shown below.

JAKALA GROUP STRUCTURE AT 31 DECEMBER 2022



In the Report, the term parent and/or company refers to JAKALA S.p.A. SB, based in Italy, with registered office in Milan and local operating units in Nichelino (Turin), Montecassiano (Macerata), Rome, Roncade (Treviso) and Rende (Cosenza). The JAKALA Group (the “group” and/or “JAKALA”) refers to JAKALA S.p.A. SB and all companies directly and indirectly controlled by the latter, all over the world, and fully consolidated at 31 December 2022, as per the consolidated financial statements at such date.

Any limitations to such scope are indicated in the Report. In addition, the GRI Content Index sets out the reasons behind any omissions for each indicator.

This Report does not consider data related to foreign operating units deemed not material (in relation to the overall total of the group) with regard to environment impacts, as a percentage of total turnover, employees and, above all, type of operations, as they are companies that mostly engage in commercial activities. Companies are included in the reporting and disclosure scope from the date control is acquired (GRI 2-2).

The reporting period is from 1 January to 31 December 2022.

The information contained in the Report was chosen through an impact-based materiality analysis, i.e., identifying, assessing and prioritising the actual and potential positive and negative impacts generated by the group in the relevant context.

The Report was drawn up by the sustainability, IP, corporate affairs and internal audit unit with the involvement of all company departments in charge of the relevant areas. As part of a process to improve sustainability reporting, these departments provided data and information through a dedicated software platform in order to ensure traceability of data.

The information contained in the Report was compared with the previous two years where indicated. The differences in the reporting methodology compared to previous sustainability reports are the result of steps to develop and improve the methods adopted.

Furthermore, also in an effort to perfect sustainability reporting, the use of estimates was reduced to a minimum in order to ensure reliability of data. In cases where they were necessary, estimates have been suitably marked and based on the best methods available.

In terms of internal control, the materiality analysis was examined by the audit, risks and sustainability committee on 20 January 2023 and the Report was presented to and approved by the board of directors at their meeting held on 26 May 2023. The Report will subsequently be published on the company website to make it available to all stakeholders in a transparent manner.

In terms of external control, the Report was submitted to a limited assurance engagement in accordance with the Global Reporting Initiative Sustainability Reporting Standards defined by the GRI – Global Reporting Initiative, by KPMG S.p.A., the parent’s independent auditors. They expressed their opinion on the Report in their “Independent auditors’ report on the sustainability report” attached to this Report (GRI 2-5).

Additional information on the content of this document can be requested by sending an e-mail to: sustainability@jakala.com.

Thank you for your time and we hope you found this report useful.

JAKALA GROUP

GRI Content Index

GRI Standard	Disclosure	Page	Note/Omissions
GRI 2: General disclosures 2021			
2-1	Organizational details	8,9	
2-2	Entities included in the organization's sustainability reporting	130	
2-3	Reporting period, frequency and contact point	130	
2-4	Restatements of information	84	
2-5	External assurance	130	
2-6	Activities, value chain and other business relationships	9,29,95,97,107	
2-7	Employees	120,121	Scope: JAKALA Group
2-8	Workers who are not employees	57,67	
2-9	Governance structure and composition	15,95,107	
2-10	Nomination and selection of the highest governance body	16,17,20	
2-11	Chair of the highest governance body	16	
2-12	Role of the highest governance body in overseeing the management of impacts	20	
2-13	Delegation of responsibility for managing impacts	17,19	
2-14	Role of the highest governance body in sustainability reporting	20	
2-15	Conflicts of interest	45	
2-16	Communication of critical concerns	43	
2-17	Collective knowledge of the highest governance body	15	
2-18	Evaluation of the performance of the highest governance body		NOT APPLICABLE – The company is not subject to any obligation of performance evaluation.
2-19	Remuneration policies	73	
2-20	Process to determine remuneration	73,74	
2-21	Annual total compensation ratio	121	Scope: JAKALA S.p.A. SB
2-22	Statement on sustainable development strategy	3	
2-23	Policy commitments	48,49	
2-24	Embedding policy commitments	49	

GRI Standard	Disclosure	Page	Note/Omissions
GRI 2: General disclosures 2021			
2-25	Processes to remediate negative impacts	39,40,43,105,106,108	
2-26	Mechanisms for seeking advice and raising concerns	44	
2-27	Compliance with laws and regulations	46	
2-28	Membership associations	23	
2-29	Approach to stakeholder engagement	21,22,23	
2-30	Collective bargaining agreements	73	
GRI 3: Material topics 2021			
3-1	Process to determine material topics	36	
3-2	List of material topics	37	
3-3	Management of material topics	37,41	
GRI 201: Economic performance 2016			
201-1	Direct economic value generated and distributed	34	
201-2	Financial implications and other risks and opportunities due to climate change	26	
GRI 202: Market presence 2016			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	122	Scope: JAKALA S.p.A. SB, JAKALA Civitas S.p.A. and Seri System Printing S.r.l.
GRI 204: Procurement practices 2016			
204-1	Proportion of spending on local suppliers	99	
GRI 205: Anti-corruption 2016			
205-1	Operations assessed for risks related to corruption	45	
205-2	Communication and training about anti-corruption policies and procedures	47	
205-3	Confirmed incidents of corruption and actions taken	46	
GRI 206: Anti-competitive behavior 2016			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	46	
GRI 207: Tax 2019			
207-1	Approach to tax	30	
207-2	Tax governance, control, and risk management	30	

GRI Standard	Disclosure	Page	Note/Omissions
GRI 302: Energy 2016			
302-1	Energy consumption within the organization	83,85	Calculated directly at the Milan, Nichelino, Carignano, Rome, Rende, Montecassiano and Madrid facilities.
302-3	Energy intensity	83	
302-4	Reduction of energy consumption	85	
GRI 303: Water and effluents 2018			
303-1	Interactions with water as a shared resource	93	
303-2	Management of water discharge-related impacts	93	
303-5	Water consumption		
GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	128	Calculated at the Milan, Nichelino, Carignano, Rome, Rende, Montecassiano and Madrid facilities
305-2	Energy indirect (Scope 2) GHG emissions	87	
305-4	GHG emissions intensity	86	
305-5	Reduction of GHG emissions	128	
GRI 306: Waste 2020			
306-1	Waste generation and significant waste-related impacts	93	Calculated at the Milan, Nichelino, Carignano, Rome, Rende and Montecassiano facilities.
306-2	Management of significant waste-related impacts	93	
306-3	Waste generated	93	
GRI 307: Environmental compliance 2016			
307-1	Non-compliance with environmental laws and regulations	82	
GRI 308: Supplier environmental assessment 2016			
308-1	New suppliers that were screened using environmental criteria	101	
308-2	Negative environmental impacts in the supply chain and actions taken	101	
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	66,122,123	Scope: JAKALA Group, excluding HDM S.r.l., HES S.r.l., Maize S.r.l. and Maize Talent S.r.l.

GRI Standard	Disclosure	Page	Note/Omissions
GRI 401: Employment 2016			
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	123	Scope: JAKALA S.p.A. SB
401-3	Parental leave	60,124	Scope: JAKALA S.p.A. SB
GRI 403: Occupational health and safety 2018			
403-1	Occupational health and safety management system	77	
403-2	Hazard identification, risk assessment, and incident investigation	79	
403-3	Occupational health services	79	
403-4	Worker participation, consultation, and communication on occupational health and safety	79,80	
403-5	Worker training on occupational health and safety	79,124	Scope: JAKALA S.p.A. SB and Seri System Printing S.r.l.
403-6	Promotion of worker health	79	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	78	
403-8	Workers covered by an occupational health and safety management system	78	
403-9	Work-related injuries	78,125	Scope: JAKALA S.p.A. SB
403-10	Work-related ill health	78	
GRI 404: Training and education 2016			
404-1	Average hours of training per year per employee	125,126	Scope: JAKALA Group
404-2	Programs for upgrading employee skills and transition assistance programs	70	
404-3	Percentage of employees receiving regular performance and career development review	74	INFORMATION NOT COMPLETE. The figures refer to 1,219 employees. Excluding HDM S.r.l., HES S.r.l., Maize S.r.l., Maize Talent S.r.l., the Serole Group and Biko 2006 S.L. The figures are available by gender and not by position.

GRI Standard	Disclosure	Page	Note/Omissions
GRI 405: Diversity and equal opportunity 2016			
405-1	Diversity of governance bodies and employees	18,126	Scope: JAKALA Group
405-2	Ratio of basic salary and remuneration of women to men	61	
GRI 406: Non-discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken	43	
GRI 414: Supplier social assessment 2016			
414-1	New suppliers that were screened using social criteria	101	
GRI 416: Customer health and safety 2016			
416-1	Assessment of the health and safety impacts of product and service categories	106	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	105	
GRI 417: Marketing and labeling 2016			
417-1	Requirements for product and service information and labeling	105	
417-2	Incidents of non-compliance concerning product and service information and labeling	105	
417-3	Incidents of non-compliance concerning marketing communications	105	
GRI 418: Customer Privacy 2016			
418-1	Substantial complaints concerning breaches of customer privacy and losses of customer data	52	





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Jakala S.p.A. Società Benefit

Sustainability report as at and for the year ended
31 December 2022

(with independent auditors' report thereon)

KPMG S.p.A.

30 June 2023



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

Independent auditors' report on the Sustainability report

To the board of directors of Jakala S.p.A. Società Benefit

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

Directors' responsibility for the sustainability report

The directors of Jakala S.p.A. Società Benefit (the "parent") are responsible for the preparation of a sustainability report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative (the "GRI Standards"), as described in the "Methodological note" section of the sustainability report.

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

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

Auditors' independence and quality control

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

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



Jakala S.p.A. Società Benefit
Independent auditors' report
31 December 2022

Auditors' responsibility

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

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

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

Specifically, we performed the following procedures:

- 1 analysing the reporting of material aspects process, specifically how the reference environment is analysed and understood, how the actual and potential impacts are identified, assessed and prioritised and how the process outcome is validated internally;
- 2 comparing the financial disclosures presented in the sustainability report with those included in the group's consolidated financial statements;
- 3 understanding the processes underlying the generation, recording and management of the significant qualitative and quantitative information disclosed in the sustainability report.

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

Furthermore, with respect to significant information, considering the group's business and characteristics:

- at parent and subsidiaries level:
 - a) we held interviews and obtained supporting documentation to check the qualitative information presented in the sustainability report;
 - b) we carried out analytical and limited procedures to check, on a sample basis, the correct aggregation of data in the quantitative information;
- We visited, including remotely, Jakala S.p.A. Società Benefit (Nichelino site), which we have selected on the basis of its business, contribution to the key performance indicators at consolidated level and location, to meet its management and obtain documentary evidence, on a sample basis, supporting the correct application of the procedures and methods used to calculate the indicators.



Jakala S.p.A. Società Benefit
Independent auditors' report
31 December 2022

Conclusion

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

Other matters

The 2021 and 2020 comparative figures presented in the sustainability report have not been examined.

Turin, 30 June 2023

KPMG S.p.A.

(signed on the original)

Riccardo Donadeo
Director of Audit