



Sustainability Report 2021

**Consolidated Non
Financial Statement**

Drawn up pursuant to Legislative
Decree no. 254/2016

 **amplifon**



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WE SUPPORT



To strengthen the contribution to the **United Nations 2030 Agenda for Sustainable Development**, since December 2021 Amplifon takes part to **United Nations Global Compact** by adhering to and complying with its Ten Principles

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Sustainability Report 2021

 **amplifon**

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MESSAGE TO THE READERS

Dear Readers,

The year just ended was yet another important year for Amplifon, in which our excellent business performance were supported by the consolidation of our strategic plan and the launch of new initiatives under the scope of our sustainability strategy.

“

Strengthening our leadership globally, offering a unique and unmatched customer proposition, creating an increasingly talented organization: these are the pillars of our strategy.

In 2021 we further strengthened our leadership thanks to strong organic growth and targeted acquisitions. With over 300 stores purchased in 2021, our distribution network reached more than 9,200 points of sale in 25 Countries, making hearing care even more accessible and facilitating overcoming physical barriers for an even greater number of people. In order to increase understanding and accessibility to hearing care, our awareness-raising campaigns on the importance of hearing well-being have reached over 170 million people, and the free hearing tests offered in our stores allowed our customers to save around 200 million euros.

Our customer proposition was further enhanced by the launch of the Amplifon Product Experience in four new countries which, reaching a penetration rate of almost 90%, continues to promote increasingly innovative hearing solutions. In order to revolutionize the entire audiological experience, we launched Ampli-care, an entire digital ecosystem built around the customer able to offer hyper-personalized solutions and ongoing support by our hearing care professionals, including remotely. We established the Amplifon Chair in Customer Science, together with the Bocconi University of Milan, which will allow us to gain further customer insights through artificial intelligence.

We continued to invest in our people and in our Organization to strive for long-term sustainable growth. Our increasing focus on innovation led to the creation of Amplifon X, our new business unit totally dedicated to the development of highly innovative digital solutions. Ampli-care is in fact the first example of Amplifon X's work. We dedicated ourselves even more to internal engagement, to the growth and development of our talents, with a vast range of learning and professional development opportunities, and launched the Amplifon Records Graduate Program to attract and develop young professionals with a strong international



approach. As confirmation of the effectiveness of our HR strategy, we received the 2022 Top Employer certification for EMEA as well as specifically for Italy, France, Germany, Spain, and Portugal.

Lastly, all the above objectives were achieved whilst supporting the local communities in which we operate, promoting social inclusion through our Foundations, making new generations aware of prevention and hearing well-being, as well as behaving responsibly towards everyone and the environment throughout the entire value chain.

“

Nowadays, in the light of socio-economic developments in the context in which we operate, a business strategy should contemplate responding to global challenges also in terms of sustainability.

Playing an active role in building an increasingly sustainable future means, above all for companies operating on a global scale, collaboration. To generate change that will stand over time, public and private organizations must join forces and

SUSAN CAROL HOLLAND

Chairperson

play on the same team, sharing a vision and striving for common goals. For this reason, we decided to sign up to the United Nations Global Compact, the largest global strategic pact with over 15,000 companies, committing ourselves to comply with the Ten Principles on human rights, labor rights, environmental protection, and anti-corruption. We are sure that our support for this initiative, together with the alignment of the goals of our Sustainability Plan “Listening Ahead” to the United Nations Sustainable Development Goals, will allow us to make a tangible contribution to the major social and environmental challenges of our times.

“

We are happy to present, in our Sustainability Report 2021, the goals achieved and the new initiatives introduced in our areas of commitment, aware that it is only thanks to the active involvement of our stakeholders and the passion of our people that we are able to contribute to an increasingly inclusive and sustainable future.

ENRICO VITA

Chief Executive Officer



READING GUIDE

For seventy years, we have been improving people's lives by offering them unique experiences and highly customized hearing care products and services. We value the talent of our people, support the communities in which we operate, and raise awareness among new generations of the value of hearing well-being, always in compliance with the highest ethical and moral standards towards all stakeholders and the environment.

All these commitments are fundamental drivers for us at Amplifon, which have always guided our way of doing business and which find space in this Sustainability Report.

Now in its sixth edition, this Report is a direct expression of the organic path towards sustainability we have undertaken in line with our strategic and organizational characteristics, and for the past five years it also constitutes our Consolidated Non-Financial Statement pursuant to Legislative Decree no. 254/2016 which implements Directive 2014/95/EU regarding the disclosure of non-financial information and diversity by large companies.

With this Report every year we take the opportunity to communicate to all our stakeholders the activities carried out and the progress achieved with respect to the four areas of commitment formalized in our Sustainability Policy **(Product & Service Stewardship, People Empowerment, Community Impact, Ethical Behavior)** as well as to measure our performance, identify potential risks, current and future, make better decisions, and enhance our stakeholder engagement.

Every year we also try to identify new opportunities for long-term value creation. In 2020, we defined our first **Sustainability Plan "Listening Ahead"** with goals consistent with our business strategy and with the United Nations 2030 Agenda for Sustainable Development. From a perspective of continuous enhancement, in 2021 we further strengthened our contribution and our



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**OUR AREAS OF
COMMITMENT
AND OUR
SUSTAINABILITY
PLAN**



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**OUR FIRST
ACTIONS IN
SUSTAINABLE
FINANCE**

commitment to sustainable development, both through Sustainable Finance operations with the signing of two sustainability-linked credit facilities related to some of the goals of the Sustainability Plan, and adhering to the **United Nations Global Compact (UN Global Compact)**. Indeed, this Report also represents the first *Communication on Progress* (COP) concerning the progress achieved in the application of the Ten Principles promoted by the UN Global Compact.

To facilitate the understanding of the progress made, this Report's structure reflects the four areas of Amplifon's sustainability commitment, which are in turn divided into specific sustainability topics identified as material, both for Amplifon's activities and for our stakeholders.

OUR STAKEHOLDERS

We operate in a dynamic international context, in which the involvement of stakeholders - based on the values of honesty, transparency, and open dialogue - is essential in pursuing our goal of generating shared economic and social value.

For this reason, we periodically promote an internal exercise aimed at identifying all our interlocutors and stakeholders, aware of the fundamental role they play in our growth path, and conscious that understanding their needs allows us to pursue our goals in a more responsible and effective way. Based on the type of relationship they entertain with Amplifon and in accordance with the criteria of dependence and influence, among the main stakeholders, there is the community of people with hearing loss, our employees, shareholders and capital providers, suppliers (especially hearing aid manufacturers), and the distribution network made up of franchisees and agents.

By constantly enhancing the active involvement of our stakeholders, from a perspective of mutual learning and sharing, over the years we have continuously promoted **numerous listening and interaction activities** to develop more sustainable growth strategies, to improve both decision-making processes and the offering of products and services. Furthermore, also in 2021, in order to offer a description of Amplifon's commitment to sustainability that is as clear and transparent as possible, we updated our materiality analysis with the direct involvement of a sample of our main stakeholders as to intercept their needs and priorities, also by using an innovative approach.

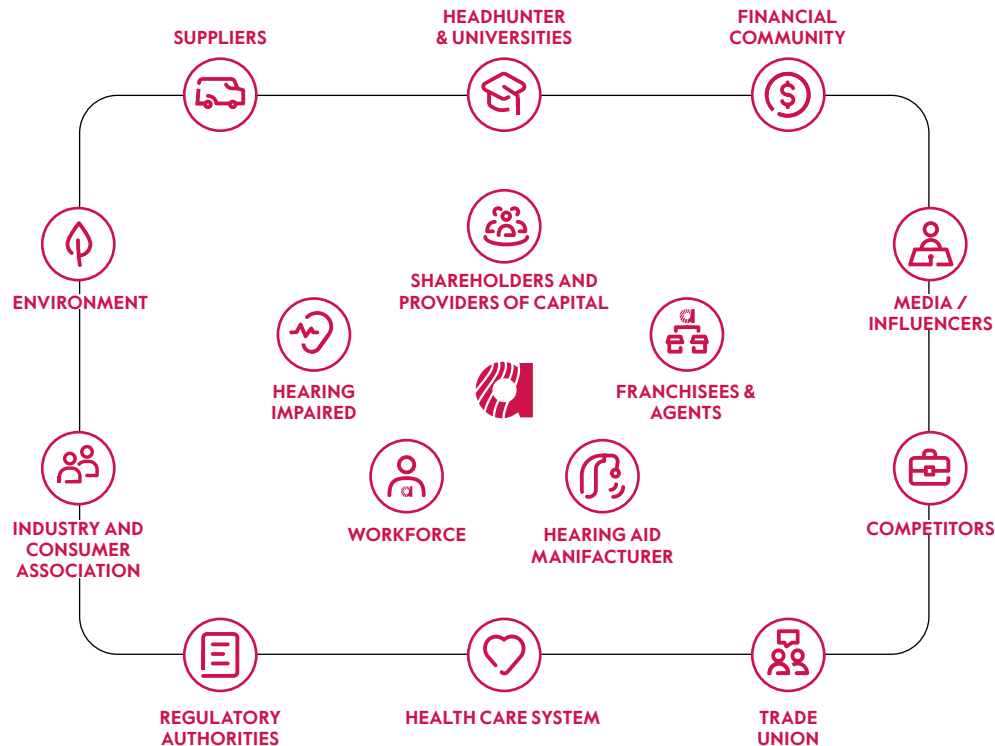


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**CONTENT INDEX
OF THE TEN
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UNITED NATIONS
GLOBAL COMPACT**



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**MAIN
STAKEHOLDER
ENGAGEMENT
ACTIVITIES**

MAIN STAKEHOLDERS OF AMPLIFON



MATERIALITY ANALYSIS

The materiality analysis represents the pivotal process underlying the drafting of the Sustainability Report, and aims to identify and evaluate, among the various economic, environmental, and social topics, those which have the greatest relevance for the organization and, at the same time, can influence the decisions of the main stakeholders.

We carried out this process based on the principles of materiality, stakeholder inclusion, completeness of data, and operational context also in 2021, seizing the opportunity to share sustainability-related priorities internally and give voice to our external stakeholders.

In addition, this year we decided to go one step further by introducing, for the first time, the concept of **"double materiality"**, namely, valuing at the same time both Amplifon's contribution to individual economic, environmental, and social topics significant for the market, environment, and people (ESG materiality), as well as to what extent these global topics and macro-trends can impact the Company's financial performance and its ability to create value (financial materiality). To support the use of this dual perspective, we used a **dynamic approach** looking at the current trends and drivers of our sector and the ESG world, aware of the fact that non-material topics could become such in the near future.

**DOUBLE
MATERIALITY
CONDUCTED
IN 2021**

For this reason, we totally revisited the universe of the sustainability topics that could potentially be relevant to Amplifon. Through an analysis of the macro-trends and drivers dealt with in the main documents and reports of non-government organizations and policy makers, on the most important sustainability topics for the healthcare sector, and from what emerged from a benchmarking analysis of the best practices for the sector, we identified **20 sustainability topics** to be evaluated. Compared with last year, several topics were confirmed, others were merged, and many were revised to align the topics as far as possible to the current context in which we operate, as well as to the goals of our Sustainability Plan “Listening Ahead”. This exercise was also conducted through specific induction sessions with the direct involvement of Top Management and main corporate functions during which we promoted an internal discussion on Amplifon’s sustainability strategy and the main opportunities and areas into which to invest more for future, including, for example, fighting climate change and the related risks and opportunities.

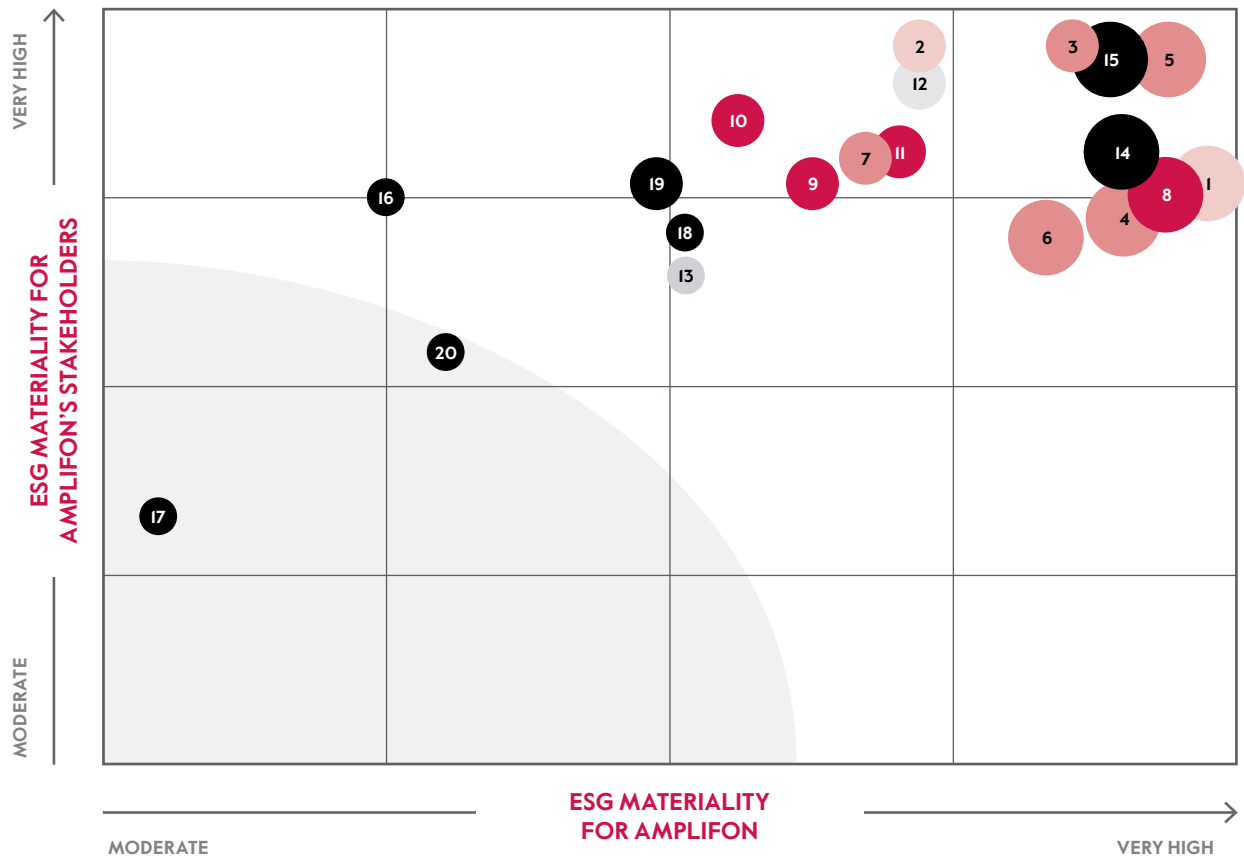
The 20 topics were therefore evaluated and prioritized by both internal and external stakeholders, in order to receive feedback, suggestions, and expectations, as well as by Amplifon’s Top Management who adopted the dual perspective of double materiality. Following the stakeholder engagement activities promoted in recent years, which saw various categories of stakeholders involved through online surveys and, in 2020, virtual focus groups, this year we decided to take a step forward and enhance the active participation of our external stakeholders by simultaneously involving them in a **multi-stakeholder workshop**, to which a sample of institutional investors and hearing device suppliers took part, together with representatives of sector associations, consumer associations, and communities. Alongside this, internally we involved a representative sample of employees from the main countries in which we operate (both back-office and field force) through an online survey. In both cases, all our stakeholders had the opportunity to share their evaluations regarding the ESG and financial materiality of sustainability topics and, above all, their perception of our sustainability strategy and reporting.

The relevance of each topic was subsequently assessed from Amplifon's point of view, through a final workshop with Top Management, during which the topics were evaluated from the dual perspective (ESG and financial materiality) and Amplifon's opportunities in the field of sustainability along the entire value chain were also discussed. Through these analyses, we were able to select the **18 sustainability topics considered material by both Amplifon and our stakeholders in accordance with the double materiality principle**, in order to represent them in our 2021 materiality matrix. The materiality matrix was subsequently validated by the Risk, Control and Sustainability Committee and the Board of Directors in December 2021.



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**AMPLIFON'S
SUSTAINABILITY
TOPICS UNIVERSE**

MATERIALITY MATRIX 2021



AMPLIFON BUSINESS

1 Long-term resilience and profitability

2 Sustainability strategic approach and governance

PRODUCT & SERVICE STEWARDSHIP

- 3 Availability and accessibility to hearing care
- 4 Innovation, digitalization and personalization of the customer experience
- 5 Quality, reliability and safety of products and services
- 6 Cybersecurity and data privacy
- 7 Responsible marketing and sales practices

COMMUNITY IMPACT

- 12 Awareness-raising and education on hearing well-being
- 13 Supporting the local communities

PEOPLE EMPOWERMENT

- 8 Attraction and development of key resources
- 9 Employees' health and safety
- 10 Diversity, equity and inclusion
- 11 People's welfare and engagement

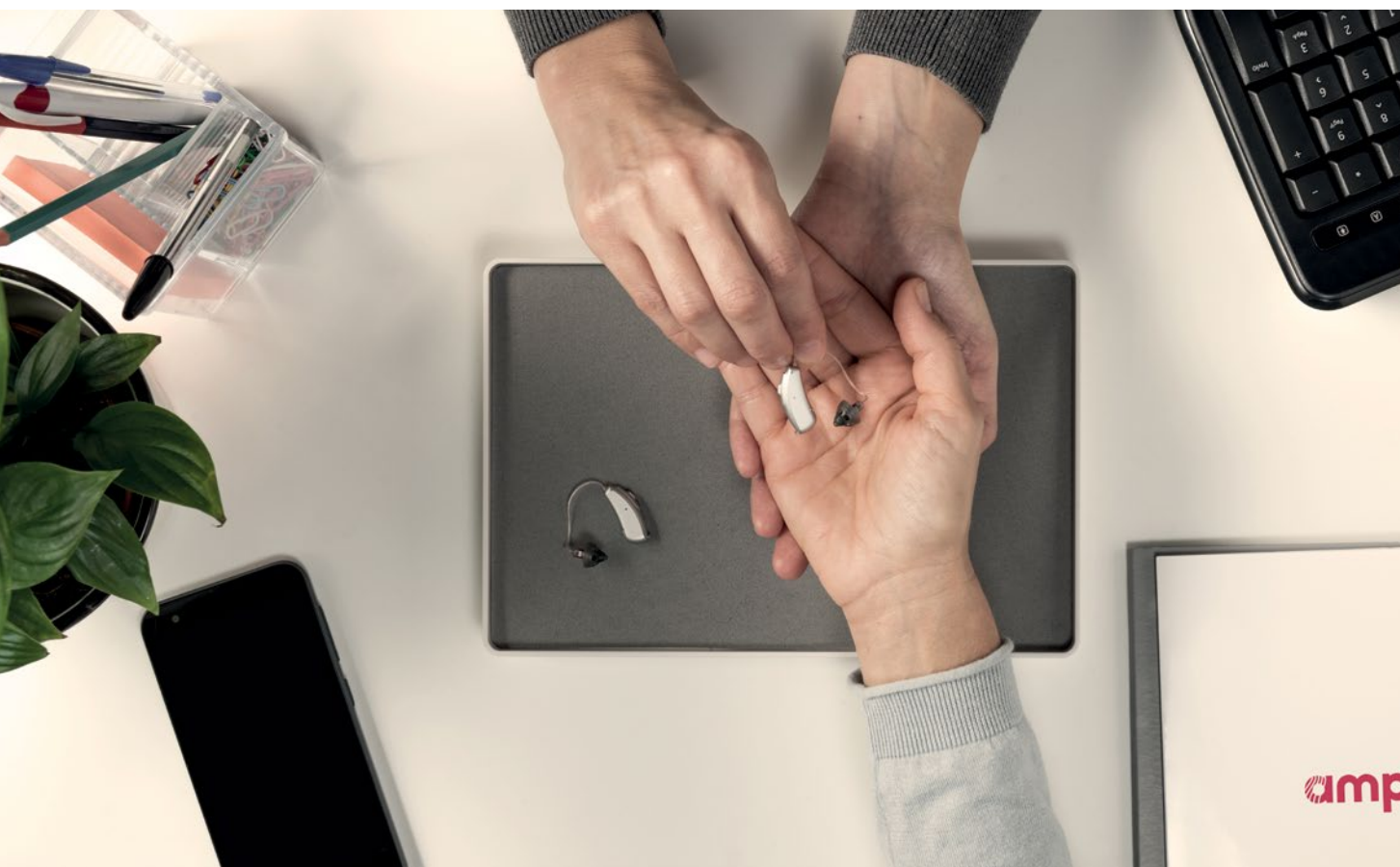
ETHICAL BEHAVIOR

- 14 Regulatory framework
- 15 Ethical and responsible business conduct
- 16 Waste management and circular economy
- 17 Water management*
- 18 Energy efficiency and climate action
- 19 Responsible management of the supply chain
- 20 Logistics and distribution process optimization*

* Non-material topics.

Also in 2021, the importance of the topics mainly connected with the business, namely “Long-term resilience and profitability”¹, “Innovation, digitalization and personalization of the customer experience” and “Regulatory framework”, remained high and unchanged. In addition, among the most significant topics from the ESG materiality perspective were confirmed “Availability of and accessibility to hearing care”, “Quality, reliability and safety of products and services” and “Ethical and responsible business conduct” (which, since this year, also includes topics related to anti-corruption and fiscal transparency), all vital elements in guaranteeing the integrity of our corporate practices in everyone’s interest. In addition, the other major topics in terms of financial materiality also include the “Attraction and development of key resources”, a vital element to guarantee the sustainability of the business, and “Cybersecurity and data privacy”.

Topics such as “Awareness-raising and education on hearing well-being”, which reflects our role in increasing awareness on the importance of prevention, as well as “People’s welfare and engagement” and “Diversity, equity, and inclusion”, also in the light of the emergency situations resulting from Covid-19, gained greater importance in the 2021 analysis. Lastly, all social and environmental aspects relating to the “Responsible management of the supply chain” (from this year consolidated in a single topic), and the topic of “Energy efficiency and climate action” (in spite of the limited environmental impact of Amplifon’s activities on climate) were considered material and sparked a growing interest from our internal and external stakeholders, also in the light of our progressive commitment to an increasingly efficient and responsible business and supply chain management.



1 - The “Long-term resilience and profitability” topic, being a mostly a business and economic topic, is addressed in part in this document in section “Resilience and economic value generated”, and further information is available in the [2021 Annual Report](#).

**WE ARE LOOKING
ENTHUSIASTICALLY TOWARDS A
FUTURE IN WHICH SUSTAINABILITY
IS INCREASINGLY INTEGRATED IN
OUR BUSINESS STRATEGY**

2021 HIGHLIGHTS

€1,948.1 million in revenues

>11% market share

25 Countries and 5 continents

>9,200 points of sale

~18,600 employees and collaborators

CHAPTER 01

AMPLIFON: LISTENING AHEAD



 **amplifon**



I.1 THE MARKET IN WHICH WE OPERATE

We live in a world in which hearing care is essential for anyone who wants to be connected to the world and enjoy a full, satisfying life. To achieve this we are much more than a hearing device retailer, we are a hearing care provider in a fragmented, but fast-growing market.

Currently, more than 1.5 billion people have some degree of hearing loss which, although affecting seniors more often, actually affects all age ranges. Among these, at least 430 million people live with hearing loss that requires rehabilitation, and it is estimated that with the increasing longevity of population this number will reach nearly 700 million by 2050. Furthermore, **untreated hearing loss today represents a global annual cost of approximately 1 trillion US dollars**, linked to health sector spending, lost productivity, and related social costs².

The hearing care global retail market is estimated at approximately €16.5 billion in 2021 and, although still fragmented, it is constantly being consolidated and presents positive medium and long-term growth prospects driven by the increase in the world population and the adoption rate of hearing devices. The United Nations estimates that the world's population will reach 9.7 billion people by 2050, resulting in a considerable increase in the number of seniors who could develop hearing loss³.

The adoption rate, i.e., the ratio of those who use a hearing device to those with some level of hearing loss, in high-income countries is around 37% and is even higher in the segment of population with a profound hearing loss, while in emerging economies it is still very low (5-10%)⁴. Adoption rate depends also on the regulatory framework and the reimbursement system: empirical data

~19%

OF THE WORLD
POPULATION HAS
SOME DEGREE OF
HEARING LOSS,
AND 6% NEEDS
REHABILITATING
INTERVENTIONS

~22%

THE PERCENTAGE
OF OVER-SIXTIES
IN THE GLOBAL
POPULATION
ESTIMATE FOR
2050 (CURRENTLY
IT IS 12.3%)

2 - Source: "World report on hearing", World Health Organization 2021.

3 - Source: United Nations website and United Nations Population Fund website.

4 - Source: World Health Organization, EuroTrak, MarkeTrak, 2018 Amplifon data in the markets where Amplifon operates.

shows that it is higher (even if it does not exceed 60%) in countries where national health systems offer hearing aids free of charge to everyone, even if the final use rate and customer satisfaction are low. Instead, in “competitive” models, which provide for a partial reimbursement to those entitled due to their level of hearing loss but leave people the option to top-up out of their own pockets, the adoption rate is slightly lower, but the effective use of the devices and satisfaction rates are much higher⁵. This happens thanks to the high level of customization of the hearing devices, the professionalism of the hearing care professionals, and the more effective and innovative after-sales services offered, which guarantee greater benefits and a higher quality of 360° hearing care to the final user.

~37%

THE ADOPTION OF
HEARING DEVICES
IN DEVELOPED
MARKETS

THE MAIN DRIVERS

There are many external factors that favor the increase in the adoption of hearing devices and project the hearing care sector towards a more inclusive and technologically-advanced future.

LIFE EXPECTANCY

By 2050, the increase in life expectancy will double the number of over 65s, and in the next 4 years, for the first time in history, this number will be higher than the number of children under the age of 5.

ACTIVE LIFESTYLE

People today have a much longer and better life expectancy than in previous generations. The so-called “active agers” represent a new generation who want to live life actively.

TECHNOLOGY

Miniaturization, connectivity and rechargeability contribute to the consumerization of hearing devices. Thus, more and more people decide to take care of their hearing.

DIGITALIZATION

The spread of smartphones and tablets is increasing rapidly also among seniors, giving us the opportunity to offer value-added, customized, and interconnected services through new touchpoints.

Thanks to a winning business model, we at Amplifon occupy a privileged position to anticipate these trends and guide their evolution. For this reason, we continually invest in positive communication that questions stereotypes about old age and hearing solutions, showing a new generation of seniors who are always up-to-date and look to the future with optimism. By placing hearing as a key enabler of an active lifestyle, we contribute to overcoming the barriers related to ageing, thereby supporting accessibility to hearing care.

5 - Source: “Getting our numbers right on Hearing Loss, Hearing Care and Hearing Aid Use in Europe”, joint AEA, EFHOH, and EHIMA report, Mark Laureyns, Lidia Best, Nikolai Bisgaard and Soren Hougaard, September 2016.



1.2 OUR IDENTITY AND CORPORATE CULTURE

We are world leaders in hearing solutions and services for skill, ability of customization, and attention to the customer. We rely on a network of over 9,200 points of sale and on the professionalism and passion of approximately 18,600 employees and collaborators in 25 Countries in 5 continents.

OUR PURPOSE

We empower people to rediscover all the emotions of sound.

It is the reason we exist and do our job. It is what motivates and guides us every day, making us constantly look for innovations, challenges, and opportunities to improve our Company and people's lives.

OUR MISSION

We transform the way hearing healthcare is perceived and delivered worldwide, making it a natural choice for people to seek the superior care and expertise of our hearing care professionals.

We strive to understand the unique needs of every customer, delivering the very best solutions and an outstanding experience.

We attract, develop and empower the most talented people, who share our ambition to change the lives of millions of people across the world.

Our mission summarizes what we aim to achieve, together, in the years to come. It represents our ambition to change the hearing care sector through innovation and attention to customer needs, thanks to the commitment of our people.

OUR VALUES

Our values are the principles that guide the way we act. Every day in our work, they unite us and make us unique.



CUSTOMER DEVOTION

We serve our customers' best interests with passion and seek to surprise them by always going the extra mile.

PERSONAL IMPACT

We empower our people to think freely, perform and succeed, working together to make a lasting difference.



EVERYDAY EXCELLENCE

We take accountability for setting and delivering the highest standards of quality, and never give up

FORWARD THINKING

We listen to the world around us and embrace every challenge with the ambition to learn, grow and innovate with speed and agility.



ACTING RESPONSIBLY

We do well by doing good, working with integrity, and showing respect to everyone, every time.

STRENGTHS

Leveraging our global positioning and 70 years of experience, we continually renew our value proposition to be ever closer to the evolving lifestyles of our customers.

STRONG COMPETENCIES

Our approximately 9,500 hearing care professionals carry out hundreds of thousands of hearing tests per year and are updated regularly through specific training activities. They combine innovation, scientific knowledge, and a highly customized approach within the exclusive Amplifon 360 protocol to ensure an excellent customer experience.

UNMATCHED BRANDS

Our portfolio of strong and well-known brands allows us to drive a cultural change in the industry by redefining the way customers relate to their hearing well-being. Gathered under the Amplifon brand, all our brands invite you to enjoy unique experiences.

INNOVATION

Amplifon X, our new business unit fully dedicated to the development of highly-innovative digital solutions, highlights our attitude of always looking at the future and pushing ourselves further. Thanks to data mining, Amplifon's proprietary ecosystem of omni-channel and omni-person customer-orientated solutions allows us to develop high value-added services to differentiate the customer journey further.

GLOBAL DIMENSION

Our global distribution network, interconnected thanks to our systems and databases, allows us to always be close to the customer, share excellence among our hearing care professionals in different countries, and diversify exposure to different markets.

EMPLOYER OF CHOICE

We are employers-of-choice thanks to our distinctive and winning corporate culture, the constant investment in our talents, the promotion of professional development, and the recognition of people's achievements, including through assignments within global projects.

SCIENTIFIC LEADERSHIP

The Amplifon Center of Research and Studies (CRS) is a specialized partner for the medical-scientific community and a leader in the fields of audiology and ENT (otorhinolaryngology) since 1971. Its prestige derives from the involvement of recognized national and international experts whose innovative contribution is fundamental for the continuous theoretical-practical development of the medical profession.

OUR GLOBAL PRESENCE

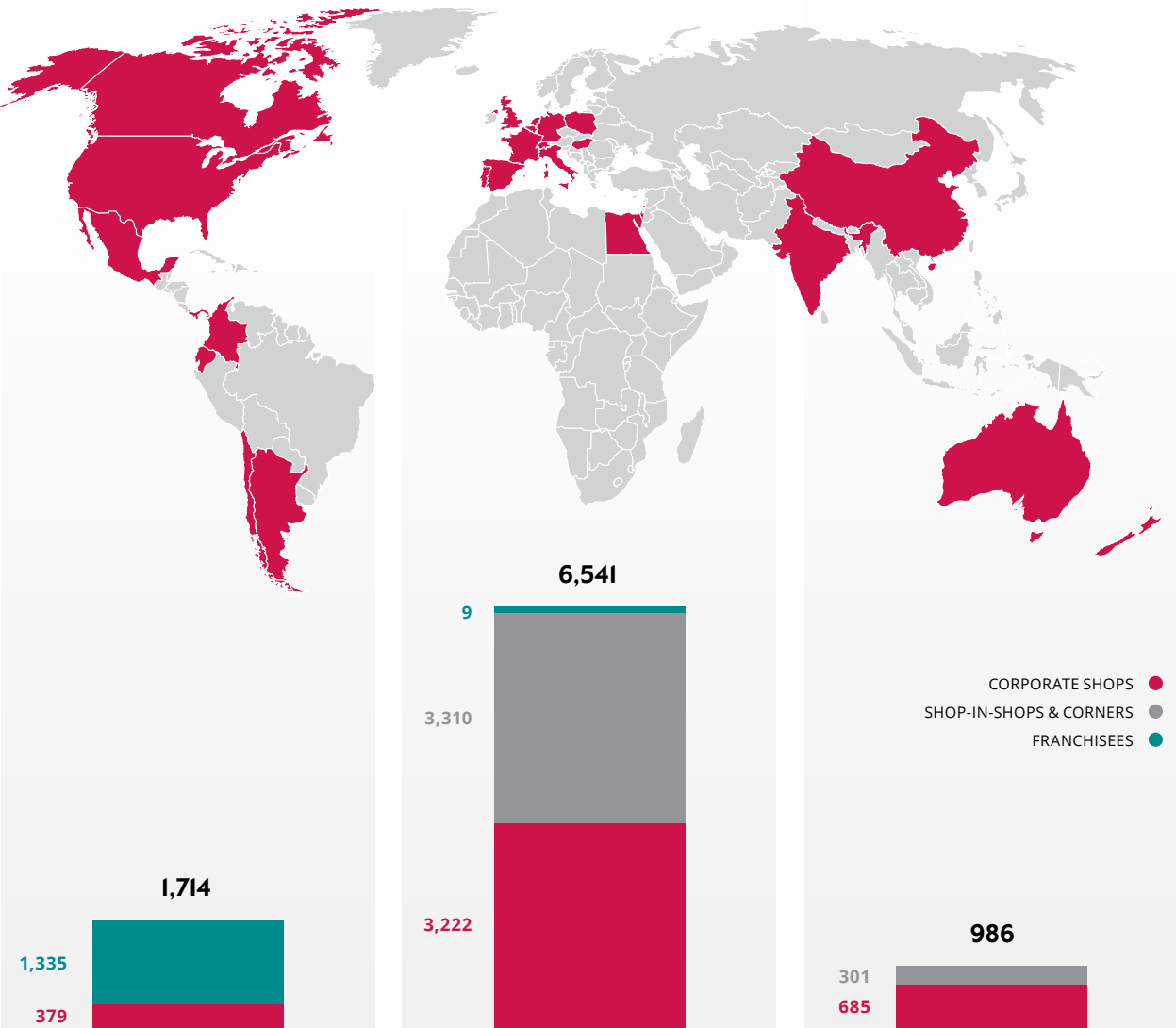
We are the world leader in terms of volumes, turnover, widespread distribution network and geographical presence. We operate in three geographic areas (EMEA, Americas, APAC) on five continents, generally ranking as the first or second player in the main markets in which we operate.

25
Countries
AND 5
CONTINENTS

AMERICAS

EMEA

APAC



amplifon Miracle-Ear

amplifon GAES

amplifon 安拜声

amplifon GAES

Beter Horen minisom

BAYAUDIO DILWORTH HEARING

MEDTECHNICA ORTHOPHONE amplifon

BAYAUDIO attune



1.3 STRATEGY AND BUSINESS MODEL

Every day we invest in tomorrow's trends to improve the quality of life of millions of people. Innovation has always taken center stage in our business strategy, which has clear targeted objectives and is based on three fundamental pillars.



**FIND OUT MORE
OUR STRATEGY**

LEADERSHIP AND GROWTH AT GLOBAL SCALE

We are consolidating our leadership thanks to strong organic growth and targeted acquisitions, further strengthening our position in the markets where we are the leader and becoming the leader in the few markets where we are not already so. We will focus on the United States, the largest market worldwide. We will consolidate our leadership in the EMEA region and in Australia, while in China we will continue to grow organically around the hubs of Beijing, Zhejiang and Shanghai as well as through acquisitions and joint ventures with local partners in unexplored areas of the country.

UNIQUE AND UNMATCHABLE CUSTOMER PROPOSITION

We have redefined the product experience with families of hearing devices and digital tools built around people to connect hearing care professionals and customers. Now, our customer proposition will be further enriched by leveraging three distinct assets of ours: the undisputed leading brands in the industry; a superior customer knowledge deriving from the unmatched quantity and quality of data we possess and use to build the finest customer insights and best serve them through a 360° model; and an innovative customer experience, in which digital technologies play a key role in enriching customer experience and improving protocols both in our stores and outside, from the first contact to after-sales service.

EFFECTIVE AND TALENTED ORGANIZATION

To support the implementation of our strategy and be even more competitive every day, we continue to invest in the growth of our people, both in-store and back-office, and in a distinctive corporate culture that we intend to develop to the fullest. The aim is to create an increasingly efficient organization and improve the expertise of our people, attracting and developing the best talents, and also leveraging a globally-integrated IT structure.

To support this strategy, in 2021 we continued with the expansion of our distribution network, both through bolt-on acquisitions mainly in Germany, France and the United States (excluding Elite network affiliates following the decision to exit the wholesale business in the United States in line with the strategy aimed at offering the best experience directly to final consumers), and also thanks to targeted acquisitions. Specifically:

- In July 2021 we announced the **second joint venture with a local partner in China**, complementing our presence in the Beijing area with 45 additional points of sale located in Zhejiang, Fujian, Henan, and Jiangxi and thereby creating a total network of 115 shops in the country.
- In July 2021 we announced the **acquisition of Bay Audio** (later completed on October 1st), the leading independent operator in the Australian market with over 100 shops located in premium shopping centers with a large footfall on the east coast of the country, thereby allowing us to strengthen our position in the key Australian market.



FORWARD THINKING VALUE IAT - ONE AMPLIFON TRANSFORMATION

Since 2018, we have been committed to a major global program - One Amplifon Transformation - to standardize the operating model of all the countries in which we operate with respect to finance, procurement, and human capital management processes. Such program is based on three pillars: Simplify, Innovate and Harmonize.

1AT aims to simplify the way people work, harmonize operational processes, and optimize decision-making processes through a single integrated global cloud platform: from many operating models to a single global transversal model, able to make work more efficient and allow everyone to focus on higher added value activities, by automating the more routine ones. In 2019 we activated the first module for the human resources management, harmonizing the Performance and Talent Management process and offering innovative, digital support

to HR and reporting processes, in line with market best practices. In 2020, we activated the Finance and Procurement modules, carrying out the roll-out of 1AT in Italy, the United Kingdom and Australia, and releasing the new centralized supply chain management for direct purchases in the Netherlands, United Kingdom and Australia, currently managed through our new cloud-based ERP system.

In 2021 we rolled-out 1AT in Spain, split-up Amplifon S.p.A. from the legal entity Amplifon Italia, and added Spain, New Zealand and the United States (Miracle Ear) to the new centralized direct purchase management model. In 2022 we will finalize the roll-out of the Finance and Procurement modules in Germany, Switzerland, the United States, and Belgium as well as continue with the centralization of direct purchasing to include Italy, France, Germany, Switzerland, and Belgium.

BUSINESS MODELS

To always guarantee the total success of our hearing solutions, we adopt different business models according to the different characteristics of the single markets in which we operate, through a consultative and collaborative approach in which technology, listening and service always make the difference.

BUSINESS-TO-CONSUMER

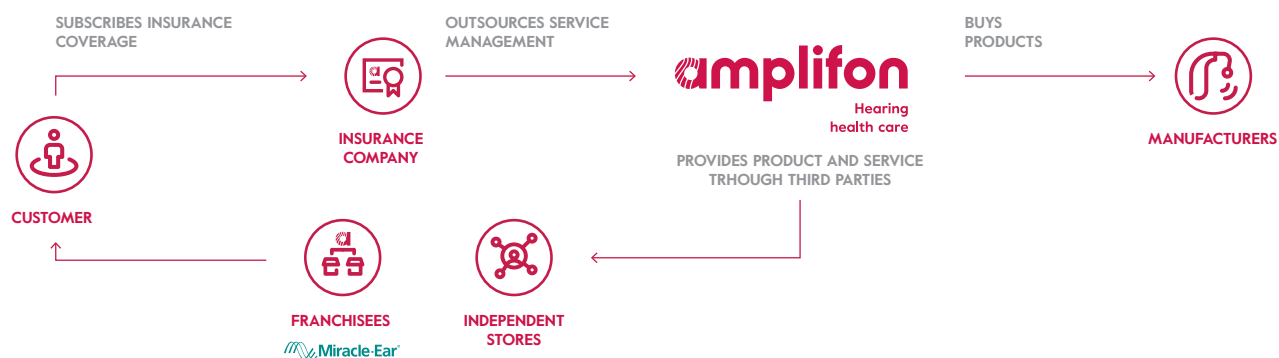
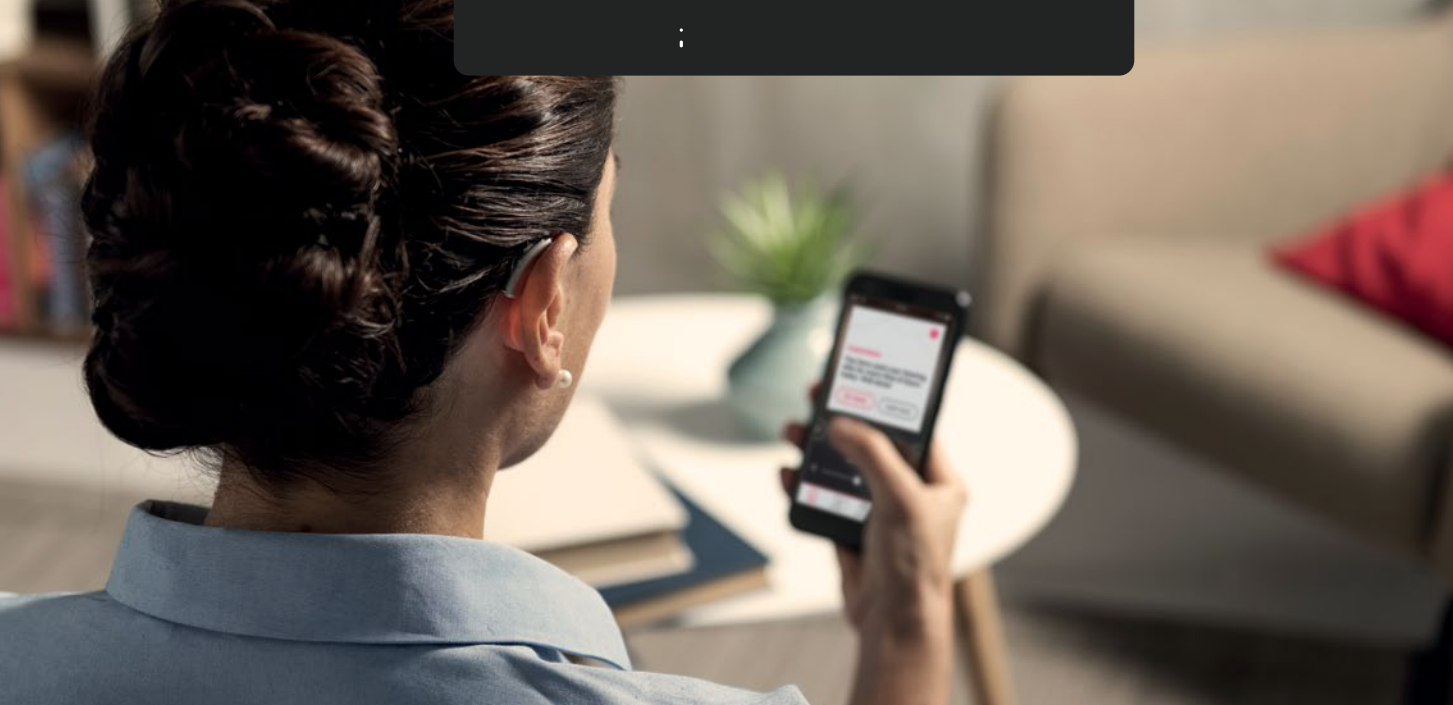
In EMEA, APAC, Canada, Latin America, and partly also in the United States (through over 200 Miracle-Ear branded points of sale) we use a B2C business model, addressing our customers directly through direct points of sale consisting of either corporate shops or shop-in-shops and corners. While corporate shops are direct points of sale managed by Amplifon personnel or by non-employee personnel working on behalf of Amplifon, shop-in-shops and corners are spaces managed directly by Amplifon, but located at third-party premises (i.e., pharmacies, opticians, and outpatients' practices) with the regular presence of an Amplifon hearing care professional, very common in rural areas with low population density.

FRANCHISING

In the United States, Miracle-Ear operates mainly through a franchised distribution network with over 1,300 points of sale that carry out their activities according to our strategic lines. As a franchisor, Miracle-Ear offers them its exclusive products, the Miracle-Ear brand, as well as marketing tools, training, and other value-added services.

MANAGED CARE

Amplifon Hearing Health Care (AHHC) offers high-quality hearing services and solutions to those supported by insurance companies in the United States, leveraging a network of points of sale composed of Miracle-Ear franchised stores and independent third-party stores, through which it is possible to access hearing products and services and personalized support from a team of patient care advocates.





1.4 SOLID CORPORATE GOVERNANCE

Our way of managing our business activities goes beyond mere compliance: we are conscious that a good governance structure is a vital element for achieving our long-term strategic goals, in line with internal control activities and good corporate conduct principles.

Amplifon is listed on the Euronext Milan market of the Italian Stock Exchange since 2001 and part of STAR segment since 2008. Since December 2018 Amplifon is part of the FTSE MIB Index and, since June 24th, 2019, it is also part of the Stoxx Europe 600 index. Finally, it was included on the MSCI Global Standard index in November 2020 and, since October 2021, it has also been included in the **new MIB ESG** index launched by Euronext and Borsa Italiana (Italian Stock Exchange), dedicated to the 40 Italian blue-chip companies that implement the best sustainability practices. As a listed company, Amplifon Corporate Governance structure is aligned with national and international best practices and complies with the principles indicated in the Italian Stock Exchange Corporate Governance Code promoted by the Corporate Governance Committee to which we have adhered since the first version in 2001, falling into line promptly with subsequent updates⁶.

Within this governance model, the Shareholders' Meeting constitutes the deliberative body that expresses the will of shareholders and is convened in ordinary session at least once a year. The Board of Directors (BoD), which holds all the powers of administration as well as ordinary and extraordinary management of the Company, is currently made up of nine members, of which two thirds are independent and there is a single executive director, the Chief Executive Officer. Furthermore, the BoD is characterized by an adequate mix of specialist profiles and skills: it includes business figures, managers from



**GO TO PAGE
OUR ENTRY IN THE
MIB ESG INDEX**



**FIND OUT MORE
CURRICULUM VITAE
OF THE MEMBERS
OF THE BOARD OF
DIRECTORS**

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**OF BOD MEMBERS
ARE FEMALE**

6 - The composition of Amplifon's governance bodies is shown in the Appendix in the "Performance Indicators" section. More information on Corporate Governance, as well as on the composition and activities of the Committees in 2021 and on the Remuneration Policy are available in the [Report on Corporate Governance and Ownership Structure at December 31st, 2021](#) and in the [Remuneration Report 2022](#).

other sectors, financial profiles, and independent professionals. At December 31st, 2021, it was made up of **33% women**, and since 2011 the average age of directors has dropped significantly, from 72 years of age to the current 62, with a maximum age of 73 and a minimum of 53.

The Board of Directors, directly or through its delegated bodies, regularly reports to the Board of Statutory Auditors, as a supervisory and control body, on its work and on any transactions conducted by the Company and its subsidiaries that have a significant impact on margins, assets and liabilities, or the financial situation. Within the current Board of Statutory Auditors made up of five auditors (three standing and two alternate), three members (two of which are standing) are female. In addition, the Board of Directors has set up three internal committees: the **Risk, Control, and Sustainability Committee (RCSC)**, made up of four non-executive directors, of which three are independent and half of which are female; the Remuneration and Appointments Committee, made up of four directors, of which three are independent and two are female; and the Related-Party Transactions Committee, made up of three independent directors.

Finally, the Supervisory Board, set up pursuant to Legislative Decree no. 231/2001, monitors and supervises the adequacy and application of the Model 231 of Amplifon S.p.A.⁷, in relation to the corporate structure and its effective ability to prevent the committing of offenses. The Supervisory Board verifies the completeness and updating of the Model annually and on the occasion of substantial changes to activities or to the relevant legislation, besides monitoring compliance by all recipients.

SUSTAINABILITY GOVERNANCE

The BoD approves the Sustainability Report, checking that it has been prepared and published in compliance with the provisions of Legislative Decree 254/16, the Sustainability Policy (which formalizes the four areas of commitment for the Group), as well as the ESG strategic guidelines (including the Sustainability Plan and those relating to the fight against climate change), **thereby constantly supervising the Group's sustainability in all areas**. Supporting the BoD, the Control, Risks and Sustainability Committee supervises the issues of internal control and risk management, including those relating to ESG areas related to business activities and interactions with stakeholders, at the same time monitoring the adequacy and appropriateness of the internal control system.

In 2021, in order to reinforce the awareness of the ESG-related topics and risks, the BoD and the CRSC received regular updates with regard to the various sustainability initiatives promoted by the Group as well as the main ESG trends, including those relating to the mitigation of and adaptation to climate change. From time to time these governance bodies are presented with the activities carried out for sustainability reporting (i.e., regarding the materiality analysis), new projects, and the main achievements relating to the Sustainability Plan's goals, as well as communication and engagement activities, including those with the financial community, ESG ratings agencies, and all stakeholders.

7 - Note that, in line with the parent company Amplifon S.p.A. and with reference to the corporate spin-off which took place in 2021, the subsidiary Amplifon Italia S.p.A. has its own Model 231 pursuant to Legislative Decree 231/01 as well as its own Supervisory Body.

62 y.o.

IS THE AVERAGE
AGE OF THE BO
MEMBERS



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COMPOSITION OF
THE GOVERNANCE
BODIES



GO TO PAGE
MODEL 231



GO TO PAGE
2021 MATERIALITY
ANALYSIS

As part of the materiality analysis conducted in 2021, validated by the CRSC and later by the BoD, Top Management was involved in specific induction sessions aimed at sharing the main ESG trends, as well as assessing their relevance for the Organization, including those related to energy efficiency and climate action. In addition, when the new Enterprise Risk Management (ERM) model was implemented, all material ESG topics, including those relating to environmental aspects and climate change, were evaluated by the Top Management in terms of potential risks and opportunities, as well as management systems. Such evaluation was then presented to both the CRSC and the BoD.

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

Aware of the constantly evolving economic and commercial context in which we operate, we pay the utmost attention to risk management, through internal processes in line with the most advanced managerial systems.

In line with the recommendations of the Italian Stock Exchange Corporate Governance Code, our Internal Control and Risk Management System establishes the set of rules, procedures and organizational structures aimed at ensuring sound management of the Company through an adequate management of the main risks, also in order to identify and fully exploit any potential opportunities as well as contribute to the sustainable success of the Company. It is aimed, not only at guaranteeing compliance with laws, regulations, and internal procedures, but also at protecting corporate assets, the effectiveness and efficiency of operations, as well as the reliability of financial and non-financial information. The risk management process adopted by Amplifon, which guarantees business management is consistent with its mission as well as strategic, operational and compliance objectives, is carried out twice a year in order to identify and evaluate the events that could impact the achievement of objectives and, through continuous monitoring, the risk response measures.

A review of the risk management process was conducted in 2021, with the development and adoption of an **Enterprise Risk Management (ERM)** model in line with best international practices and the recommendations of the Corporate Governance Code. Through a structured, systematic risk assessment, monitoring and reporting process, ERM makes it possible to identify the potential risks from the Group's perspective, manage the main risks effectively, as well as guarantee adequate information for stakeholders. This activity is conducted periodically by the Group Internal Audit & Risk Management function which, with the involvement of Group Top Management, the heads of the three geographical areas, the country General Managers, and the respective local management teams, collect information for a full understanding of the underlying dynamics and potential impacts, and promotes response and mitigation actions. The risk map that emerges from this process is periodically presented to the CRSC and the BoD⁸.



FIND OUT MORE
INTERNAL
CONTROL AND RISK
MANAGEMENT
SYSTEM



FIND OUT MORE
RISK MANAGEMENT

8 - Further information relating to the Internal Control and Risk Management System, as well as the main risks identified, are available in the Report on Corporate Governance and Ownership Structure at December 31st, 2021. ("Internal Control and Risk Management System" Section) and in the Report on Operations as at December 31st, 2021 within the 2021 Annual Report ("Risk Management" section).

ASSESSMENT OF THE MAIN ESG RISKS

From 2019 our ERM process has formally included the identification and assessments of the main risks related to sustainability topics. Through the updating of this process and related policy, in 2021, **the Group further reinforced its oversight of these types of risks**, also thanks to the updating and annual revisions of the Risk Universe, namely the full catalog of potential Group risks established to guarantee that previously identified risks, plus any new risk factors (for example those relating to ESG topics, emerging risks, new trends, etc.) are considered in the process. Starting with the Risk Universe, the main applicable or potentially relevant risks for the Group in short and medium term are assessed in terms of impact and likelihood of happening, therefore in terms of residual risk. Through specific meetings with the main Risk Owners their significance is assessed including in the light of mitigation actions and activities aimed at reducing their possible negative impacts.

Through the adoption of the new ERM process and taking into consideration the sustainability topics identified as material in the 2021 materiality analysis, with the involvement of the Risk Owners, we identified the potential risks related to Amplifon's business operations and throughout the value chain, as well as the main measures implemented in response to such risks. This process allowed us to provide a complete overview to stakeholders on our **potential ESG risks and management systems**, including those attributable to our main material topics as well as the aspects expressly referred to in Legislative Decree 254/2016.



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MAIN RISKS
RELATED TO
SUSTAINABILITY
TOPICS



CLIMATE CHANGE-RELATED RISKS IN ACCORDANCE WITH THE TCFD RECOMMENDATIONS

As a global organization we intend to support the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to guarantee full and transparent disclosure of the main climate-related risks and opportunities. For this reason, in addition to the existing processes for identifying and assessing risks, and in order to guarantee maximum transparency with regard to our strategy for the adaptation to and mitigation of climate change, in 2021 we conducted a preliminary analysis of our business model to identify the main areas potentially impacted by the effects of climate change, both in terms of risk (physical and transition) and in terms of opportunities. Based on the value chain model developed by Michael Porter, we have identified the potential climate-related risks within our primary and secondary activities, as well as possible opportunities, to be included in the

Group's Risk Universe and then submitted to our Top Management and the Risk Owners for assessment. These evaluations were facilitated, under the scope of the 2021 ERM process, by the Group Internal Audit & Risk Management function and with the support of the IR & Sustainability function. Through this preliminary exercise we intend to gradually integrate our sustainability strategy with the increasing attention placed on the effects of climate change, as well as on the risks and opportunities related to this, also in the light of the growing interest of our stakeholders and policy makers in this issue.



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CONTENT INDEX OF THE TCFD
RECOMMENDATIONS



1.5 RESILIENCE AND ECONOMIC VALUE GENERATED

Through our work we generate shared economic value, thus contributing to improve the socio-economic context in which we operate. This is possible thanks to close relationships with our stakeholders and careful management of financial, productive, intellectual, human, social, and relational assets.

Generating shared economic value implies two closely related dimensions: the value created for the organization itself and the value distributed to shareholders and other stakeholders in various forms. This provides a basic indication of how Amplifon generates value thanks to correct entrepreneurial management, thus making it possible to understand the economic impacts of the Company during the year, both in terms of value distributed to stakeholders and retained by the Organization.

Through its business activities, **Amplifon creates value for the stakeholders** directly affected by its economic results (shareholders, employees, Public Administration, communities) and for anyone who has commercial relations with Amplifon (suppliers, providers of capital). The economic value generated by the Company, net of the value distributed to stakeholders, instead represents the retained economic value, consisting mainly of the share of the Group net profit not distributed to shareholders for the purpose of financing future investments.

In 2021, from the economic value generated by Amplifon (approx. €1,957 million), around 17.6% (approx. €343 million) was retained, while around 82.4% (approx. €1,614 million) was distributed as follows:

- **reclassified operating costs for suppliers** of around €833 million, which includes the costs of raw materials, consumables and goods, commissions on sales, rent for the shops and other service costs;

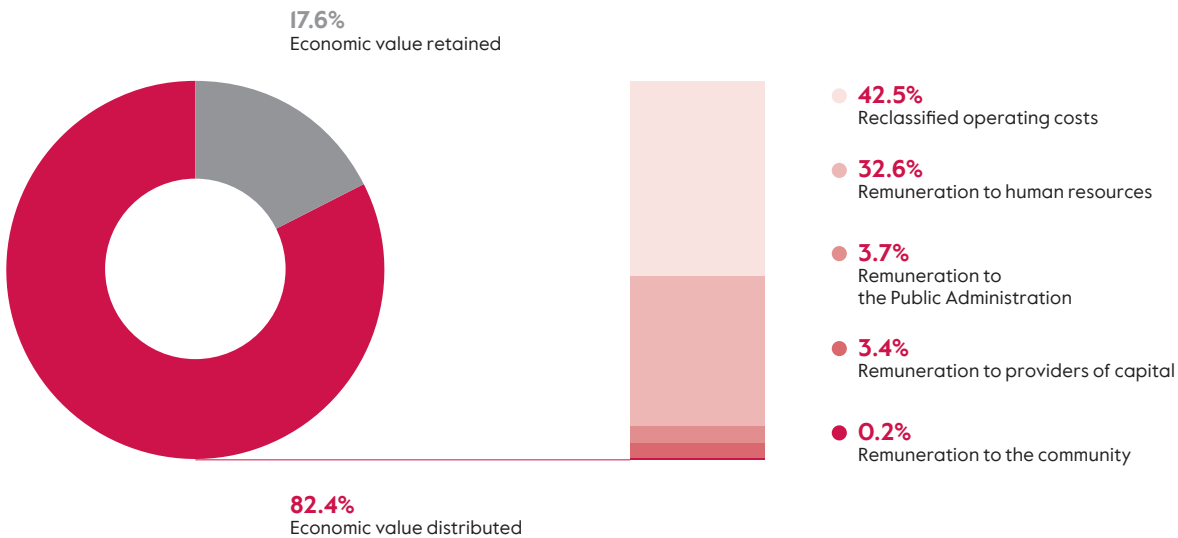
~1,957

€ MILLION

**ECONOMIC
VALUE GENERATED
IN 2021**

- **remuneration and benefits to employees** of approx. €639 million;
- **remuneration to providers of capital** of approx. €65.7 million, of which around €49.3 million corresponds to the dividends distributed to shareholders;
- **payments to the Public Administration**, consisting mainly of income taxes, of approx. €72.5 million;
- **community investments** of around €3.8 million, consisting mainly of membership of associations, charitable donations, sponsorships, and other business-related activities in favor of local communities.

DISTRIBUTION OF ECONOMIC VALUE GENERATED IN 2021



OUR RESILIENCE FOLLOWING THE COVID-19 EMERGENCY

Even throughout 2021, a year with much less and more localized restrictive measures compared to 2020, our priority continued to be safeguarding the health of our people and guaranteeing ongoing support and service to all our customers.

SAFETY AND SUPPORT TO OUR PEOPLE

The rigorous operating protocol developed in 2020 aimed at guaranteeing maximum safety for store staff and customers continued to be implemented in line with all national and international recommendations for preventing the transmission of Covid-19, including the use of personal protective equipment, visits mainly by appointment, telephone "triage" to ascertain customers' health conditions, social distancing measures, and hygiene procedures. In the offices, specific safety and tracking measures were adopted to allow employees to return to the office by alternating smart working and on-site



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THE PROTOCOL
FOR GUARANTEEING
HEALTH AND SAFETY

presence. Numerous activities aimed at strengthening internal engagement and communication were also promoted, thereby helping anyone to work well either in the office or remotely.



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WELL-BEING
AND INTERNAL
ENGAGEMENT

ALWAYS CLOSE TO OUR CUSTOMERS

Excluding specific local and temporary restrictions, in 2021 our stores were always essentially open and operative, offering our customers the service they needed. In 2021 too, our hearing care professionals offered telephone and home service to our most vulnerable customers, also continuing to sell batteries online. In addition, the numerous Amplifon App functionalities allowed our customers to take advantage of customized services and suggestions to maximize the benefit of our hearing care also remotely. In this way we guaranteed a high-quality service to those in need, both in-store and elsewhere, while optimizing our operating efficiency and productivity.



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PRODUCT
AND SERVICE
ACCESSIBILITY

UPDATE ON THE ECONOMIC AND FINANCIAL IMPACT OF THE PANDEMIC

In 2021 the authorities in the various countries in which the Group operates implemented restrictive measures or lockdowns, however not as long-lasting and less stringent than those implemented in 2020, also thanks to the progress of vaccination campaigns. Specifically, restrictive measures were adopted in some European countries mainly in the first quarter, and in Australia and New Zealand in the second half of the year. In 2021 the Group therefore suffered significantly less from the effects of the pandemic, as shown by the excellent economic-financial results achieved by the Group, also thanks to the effectiveness of the initiatives undertaken since the start of the Covid-19 emergency in 2020. In 2021 the Group benefited to a very limited extent from the contributions and concessions from various government authorities and, in contrast, continued to incur expenses directly related to the emergency (i.e., the cost of personal protective equipment)⁹.

CONTRIBUTION TO COMMUNITIES

Conscious of the importance of social inclusion, especially in times of emergency, we continued to support the numerous projects that the Amplifon Foundation, the Miracle Ear Foundation, and the GAES Solidaria Foundation continued to promote in 2021 to support the communities, with a special focus on population groups in greatest difficulty suffering the most from the effects of the pandemic.



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THE COMMITMENT
OF OUR
FOUNDATIONS

9 - More updates on the impact of the Covid-19 pandemic on the economic-financial performance, as well as the grants received from government authorities and other public bodies to deal with the impacts of the pandemic can be found in the [2021 Annual Report](#) and in the 2021 Group Consolidated Financial Statements.





1.6 OUR COMMITMENT TO A SUSTAINABLE BUSINESS

Listening and responding to the expectations of our customers, our people, the communities, and the context in which we operate, while safeguarding the ability of future generations to satisfy their needs in the long term: for us at Amplifon, this means being committed to developing an increasingly sustainable business every day.

Since 2018 our Sustainability Policy formally states our commitment to sustainability and to our stakeholders, enhancing existing activities and guiding the definition of new initiatives. After its approval by the Board of Directors, in 2019 the Policy was published and communicated to all Group employees, so that anyone can follow its guiding principles to carry out their daily activities responsibly. Perfectly in line with our values, the Policy defines **our four sustainability commitment areas** through which Amplifon contributes to improving the quality of life of millions of people.



**FIND OUT MORE
SUSTAINABILITY
POLICY**

AREAS OF COMMITMENT

PRODUCT & SERVICE STEWARDSHIP

Aware of the central role we play in the hearing care sector, we offer the highest quality services and solutions to customers, ensuring effectiveness, personalization, and safety, proposing an outstanding customer experience that meets everyone's needs.

PEOPLE EMPOWERMENT

We believe our people are the most important asset to offer hearing solutions and services with high added value, and for this we are determined to attract, develop, and retain the best talents, as well as to ensure a safe, inclusive, and innovative work environment.

OUR SUSTAINABILITY PLAN “LISTENING AHEAD”

In 2020 we implemented our areas of commitment in practical terms by launching our first Sustainability Plan, which includes objectives for the three-year period 2021-2023 in line with the Group's strategic plan and related to the variable remuneration of our Top Management.

In order to highlight the contribution of our business activities to global priorities, all our objectives were established in line with the main Sustainable Development Goals (SDGs), defined by the United Nations under the scope of the 2030 Agenda for Sustainable Development. In addition, the objectives of the Plan were defined looking at the global ESG mega trends, as well as in line with the requirements of the main reporting frameworks for sustainability topics, including those of the TCFD.



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OUR
CONTRIBUTION
TO THE SDGs AND
TO THE UNITED
NATIONS GLOBAL
COMPACT

LISTENING AHEAD

The Sustainability Plan is made up of a **modular framework so that it can be potentially integrated and enriched with new initiatives consistently with the development of our strategy and the context in which we operate**. After being examined and validated by the governance bodies, the Plan was periodically subject to internal induction activities, specific update moments and the progress achieved was regularly presented. Throughout 2021, with the active involvement of the functions concerned, we launched specific action plans dedicated to monitoring the KPIs and performance of individual initiatives with respect to the pre-established targets, thereby providing a regular update to Top Management and the governance bodies.

COMMUNITY IMPACT

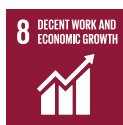
In light of the high social impact of our products and services, we are committed to promoting social inclusion and raising awareness related to hearing well-being, with the aim of reducing the serious consequences of hearing loss and maximizing the benefits of early intervention.

ETHICAL BEHAVIOR

In order to operate responsibly along the value chain towards everyone and the environment, we are strongly committed to conducting our activities in compliance with regulations and the highest ethical and moral standards, actively preventing any type of unethical practice.

PRODUCT & SERVICE STEWARDSHIP

We aim to raise awareness and accessibility of hearing care by providing innovative experiences and listening to the needs of our customers.



- **3.8:** Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all
- **8.2:** Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors

| Goal | Target | KPI | Baseline | 2021 | Reference |
|---|--|--|---------------------|--------------|---|
| Promote awareness of the importance of hearing, breaking down barriers and stigma | Raise awareness about hearing care among more than 160 million people over the age of 55 every year until 2023 through TV campaigns and telemarketing | Number of people over the age of 55 reached by awareness-raising campaigns per year (millions of people) | 151 million (2020) | 177 million | We fight all kinds of stigma |
| Facilitate access to hearing care and improve the lives of as many people as possible | Offer free hearing tests, generating a total saving of more than €700 million for customers and prospects in the three-year period 2021-2023 | Annual financial saving for customers and prospects ¹⁰ (€ millions) | €142 million (2020) | €200 million | Product and service accessibility |
| Promote increasingly innovative, engaging, and digital solutions | Achieve at least 85% global penetration of the Amplifon Product Experience (APE) in the addressable market of the various countries by 2023 ¹¹ | APE penetration rate (in terms of units sold) in the addressable markets (%) | 79% (2020) | 89% | Amplifon Product Experience |

PEOPLE EMPOWERMENT

We aim to attract, develop, and retain the best talents to ensure the sustainability of the business, promoting diversity among our people.



- **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
- **8.2:** Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors
- **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

| Goal | Target | KPI | Baseline | 2021 | Reference |
|---|--|--|------------|------|--|
| Strengthen the leadership and functional skills of all employees globally | Provide at least 3 days on average of training per year per capita for both back-office staff and the global field force (excluding specific plans), with unlimited access to the e-learning training platform until 2023 | Average number of training days per person per year – back-office (days/year) | 1.6 (2020) | 3.0 | Nurturing talent |
| | | Average number of training days per person per year – field force ¹² (days/year) | 2.8 (2020) | 3.6 | |
| Ensure a solid succession pipeline for key roles | Ensure that at least 40% of the back-office population and at least 25% of the field force population are assessed as talents & high performers to access the succession pipeline by 2023 | Percentage of talents & high performers per year in the back-office population (%) | 36% (2020) | 36% | Career development |
| | | Percentage of talents & high performers per year in the field force population (%) ¹³ | NA (2020) | NA | |
| Ensure a healthy and inclusive winning workplace driven by communication and engagement | Ensure a participation rate of at least 85% in the global engagement survey, with at least 90% of respondents stating that they feel engaged (rating >=3) until 2023 ¹⁴ | Global engagement survey participation rate (%) | 81% (2019) | 80% | Well-being and internal engagement |
| | | Percentage of respondents giving a rating >=3 on a scale from 1 to 5 (%) | 92% (2019) | 88% | |
| Promote equal opportunities at all levels of the organization | Maintain an appropriate level of gender representation in the global back-office population (always above 50%) and the global leadership population (always above 25%) until 2023 | Percentage of female employees in the global back-office population (%) | 57% (2020) | 55% | Diversity, inclusion and equal opportunities |
| | | Percentage of female employees in the global leadership population (%) | 27% (2020) | 30% | |

10 - The financial saving is estimated on the basis of the average cost of the hearing tests offered free of charge to customers in the majority of countries.

11 - The addressable markets are those in which the sale of APE products is applicable.

12 - Including the non-employee field force personnel (external hearing care professionals) with the exception of franchisees.

COMMUNITY IMPACT

We aim to promote social inclusion and to spread greater awareness about hearing-loss prevention, hearing well-being, responsible listening, and the impact of noise pollution.



- **3.8:** Achieve universal health coverage, including financial risk protection, access to quality essential healthcare services and access to safe, effective, quality, and affordable essential medicines and vaccines for all
- **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

| Goal | Target | KPI | Baseline | 2021 | Reference |
|--|---|---|---------------------|------------------|--|
| Support the activities of the Group Foundations to spread the "sound of inclusion" | Contribute to the ramp-up of the Amplifon Foundation with approximately €3 million by 2023 | Amplifon's financial contribution to the Amplifon Foundation (€ millions) | €0.7 million (2020) | €1.3 million | The role of the Foundations |
| Promote awareness about responsible listening among the younger generation | Extend the "Listen Responsibly" program to new countries and involve a total of at least 40,000 students and 1,600 schools by 2023 | Number of students involved (total no. of students) | 20,000 (2020) | 24,500 (2020-21) | "Listen Responsibly" Program |
| | | Number of schools involved (total no. of schools) | 800 (2020) | 1,000 (2020-21) | |
| Increase awareness about the importance of hearing well-being and the impacts of noise pollution among communities | Map at least 20,000 noise measurements from 6,000 people through the noise tracker of the "Listen Responsibly" app by 2023 | Number of mapped noise measurements (total no. of measurements) | 4,000 (2020) | 9,000 (2020-21) | "Listen Responsibly" App |
| | | Number of users of the "Listen Responsibly" app (total no. of users) | 2,700 (2020) | 5,700 (2020-21) | |

ETHICAL BEHAVIOR

We aim to encourage responsible and sustainable practices along the value chain and take action to reduce the environmental impact of our business.



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

| Goal | Target | KPI | Baseline | 2021 | Reference |
|---|--|--|--|--------------------------|---|
| Integrate sustainability criteria into the responsible management of the supply chain | Define a global supplier evaluation framework based on ESG risks by 2021, and implement this framework in a pilot country by 2023 ¹³ | Definition and pilot implementation of the supplier ESG global evaluation framework | NA (2020) | Framework defined | Procurement and supply chain management |
| Increase the use of renewable energy to limit the environmental impact of the business activities | Increase the use of certified renewable electricity to at least 70% of the electricity consumption of offices and direct shops by 2023, avoiding the related CO _{2e} emissions | Share of electricity purchased and certified as coming from renewable sources compared with the total electricity consumption for offices and direct shops (%) ¹⁶ | 28% (2020) | 30% | Caring for the environment |
| | | Quantity of CO _{2e} avoided, Scope 2 – Location-based approach (LB) and Market-based approach (MB) - (tons of CO _{2e}) | 2,893 (2020 - LB) 3,763 (2020 - MB) | 2,984 (LB) 4,397 (MB) | |
| Promote the use of rechargeable hearing aids to reduce the use and disposal of batteries | Increase the penetration and use of rechargeable hearing aids avoiding the use of more than 200 million batteries by 2023 | Total number of batteries "saved" ¹⁷ (millions of batteries) | 74 million (2018-20) | 131 million (2018-21) | Circularity and waste management |

- 13 - The field force personnel evaluation system (with reference to hearing care professionals only and excluding Area Managers who are already included in the back-office personnel evaluation process) is in the process of being implemented.
- 14 - The performances related to the global engagement survey, which is carried out every two years, were influenced by the large quantity of acquisitions of stores and new companies that took place in 2021, with the integration process still underway. Insofar as it is slightly lower than the previous version (80% compared with 81%), the participation rate remains essentially in line with the benchmark target, while the percentage of respondents that expressed a positive opinion on the Company reached the established target (90%) on a like-for-like basis compared with 2019.
- 15 - Compared with the first release of the Sustainability Plan, which only involved the definition of the framework by 2021, this target was integrated with a pilot implementation of the framework to be concluded by 2023.
- 16 - The increase in the share of electricity purchased and certified as coming from renewable sources is affected by the contracts already in place with local suppliers. However, note that from 2020 to 2021 this share increased from 23% to 38% for the offices, involving new countries including Italy, Portugal and the United Kingdom.
- 17 - The quantity of saved batteries is estimated on the basis of the number of rechargeable devices sold and in circulation, the average quantity of batteries used annually by a non-rechargeable device, and an average device's life of 5 years.

OUR CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS AND TO THE UN GLOBAL COMPACT



Since their adoption in September 2015, the Sustainable Development Goals (SDGs) have been one of the main international benchmarks for sustainable development, guiding public and private organizations in their efforts to contribute to global and shared goals to be achieved by 2030. In line with the path traced by our Sustainability Plan, we have identified the main SDGs to which we can make the greatest contribution thanks to our activities and our goals along the value chain¹⁸: **3** (Good Health and Well-Being), **5** (Gender Equality), **7** (Affordable and Clean Energy), **8** (Decent Work and Economic Growth), **10** (Reduced Inequality), **12** (Responsible Consumption and Production), **17** (Partnerships for the goals).



**FIND OUT MORE
SUSTAINABLE
DEVELOPMENT
GOALS**

AMPLIFON'S CONTRIBUTION TO THE MAIN SDGs ALONG THE VALUE CHAIN



18 - The linking of Amplifon's activities and the goals of the Sustainability Plan with the SDGs has been based on the main international guidelines that address the SDGs in terms of "business action" and relate them to the reporting standards most widely used for non-financial reporting, including: Linking the SDGs and the GRI Standards (GRI, 2020); Business Reporting on the SDGs, an analysis of the Goals and Targets (GRI and UN Global Compact, 2017); *Business Reporting on the SDGs, integrating the SDGs into Corporate Reporting: A Practical Guide* (GRI and UN Global Compact, 2017).

In the **Procurement & Supply Chain** phase, we intend to collaborate more and more with all suppliers, particularly the hearing aid manufacturers, to ensure a responsible supply chain management, including according to environmental and social sustainability criteria (SDG 12.6).

In the **Product & Service Development** phase, we are investing more and more in research, innovation, and highly personalized services (SDG 8.2), in a constant effort to increase hearing care accessibility (SDG 3.8). To support this, we foster the engagement, growth, and professional development of our talents (SDG 8.5) by providing them with an inclusive and safe workplace (SDG 5.5). In addition, we are committed to reducing the environmental impact of our activities by increasing the use of renewable energy (SDG 7.2) and by promoting the use of rechargeable devices to limit the use of disposable batteries (SDG 12.5).

In the **Hearing Care Provisioning** phase, we intend to maximize the positive impact of our activities in terms of fighting stigma and increasing hearing loss prevention, awareness about the importance of hearing well-being (SDG 3.8) as well as the quality of the service offered (SDG 8.2), protecting and training field-force population (SDG 5.5 and SDG 8.5), and improving store energy efficiency (SDG 7.2), all further strengthened by our primary goal of promoting social inclusion (SDG 10.2).

Lastly, we intend to reinforce the dialogue and ongoing collaboration with all stakeholders and other economic players along the **entire value chain** with a view to consolidating the multi-stakeholder partnership and contributing to the global and shared efforts for the 2030 Agenda for Sustainable Development (SDG 17). Also for this reason, in December 2021, **Amplifon signed up to the United Nations Global Compact** and takes part in the initiatives of the respective Italian network with the aim of promoting an increasingly responsible business capable of meeting global challenges through compliance with, adherence to and promotion of the fundamental Ten Principles involving human and labor rights, environmental protection and anti-corruption.



[FIND OUT MORE](#)

[UN GLOBAL
COMPACT](#)



[GO TO PAGE](#)

[CONTENT INDEX OF
THE TEN PRINCIPLES
OF THE UNITED
NATIONS GLOBAL
COMPACT](#)

WE SUPPORT



HUMAN RIGHTS



LABOUR



ENVIRONMENT



ANTI-CORRUPTION



PERSONAL IMPACT VALUE

INTERNAL ENGAGEMENT ON SUSTAINABILITY TOPICS

Conscious of the importance of internal engagement for the effectiveness of a sustainability strategy, in 2021 we intensified moments of sharing, awareness-raising and update on the main sustainability topics addressed at the entire Company population.

Our Sustainability Plan was defined and developed with the direct involvement of various corporate functions, as well as approved by Top Management and then validated by the Risk, Control, and Sustainability Committee and the Board of Directors, and special moments were dedicated to updating them on the gradual achievement of its goals. The Plan gave rise to new initiatives that required collaboration of different teams and functions in global projects, some of which also involving the active contribution of individual countries. In 2021 the Town Halls of the major countries

arranged specific moments for sharing our sustainability strategy and, thanks to the internal newsletter "*Good Morning Amplifon*" the entire Company population was informed, weekly, on the main macro trends and news concerning sustainability. In addition, during the updating of the 2021 materiality analysis, besides the Top Management, all the main corporate functions involved in our sustainability strategy were engaged in induction activities on the main important topics for Amplifon, while a representative sample of the Company population of several countries was involved in a specific survey on Amplifon's social, environmental and economic priorities. Lastly, the internal global engagement survey "*Your Voice*" made it possible to collect more feedback on various important social, personal and employment topics in Amplifon.



OUR ENTRY IN THE MIB ESG INDEX

On October 18th, 2021, **Amplifon** was included in the new **MIB ESG** index launched by Euronext and Borsa Italiana, the first index dedicated to the 40 Italian blue-chips that implement the best environmental, social and governance (ESG) practices. The index combines economic performance KPIs with ESG evaluations in line with the UN Global Compact principles, and its composition is based on the analysis of the ESG criteria by Vigeo Eiris (V.E.), a Moody's ESG Solutions company that evaluates the performance of the 60 most liquid Italian issuers.

In the light of the increasing demand for

sustainable investment instruments by institutional and private investors and the market as a whole, the inclusion of Amplifon in the index is further confirmation of our commitment to pursuing long-term sustainable growth, thereby contributing to the move towards a global sustainable and responsible financial system.



FIND OUT MORE
THE MIB ESG INDEX



EURONEXT



BORSA ITALIANA

MAIN RECOGNITIONS

In February 2022 **Amplifon was included by S&P in the Global Sustainability Yearbook 2022**, which includes the ranking of the 716 top performers from over 7,500 companies evaluated by the 2021 Corporate Sustainability Assessment (CSA). Within our reference industry (*Health Care Providers & Services*), out of the 126 companies evaluated only 13 were included in the Sustainability Yearbook as the best performing in terms of sustainability: further evidence of the important path we have undertaken to develop an increasingly sustainable business.

Following the positive evaluation of the workplace, the training offer and the career paths available to employees, at the end of 2021 **Amplifon received the EMEA 2022 Top Employer certification** from the Top Employer Institute, both for the entire European region and for Italy, France, Germany, Spain and Portugal. This recognition is a further step forward along the transformation route already underway in Amplifon's development into a real Winning Workplace.

Amplifon was recognized as the **best company in Europe within the "Medical Technologies & Services" sector** in the 2021 edition of this prestigious classification "All-Europe Executive Team" of Institutional Investor, an independent and trusted source for research and rankings in international finance. Amplifon also took first place in the "Best IR Program" and "Best Investor/Analyst Event" categories, confirming the appreciation by the international community for the dialogue and trusted relationship that the Group establishes with the financial market and all stakeholders.

The Italian Association of Investor Relations (AIR), at the Italian Investor Relations Awards held in July 2021, awarded Amplifon **first place in the "Best IR in Services and Communication for a Small/Mid Cap company"** category, recognizing the excellence of the Company in terms of business and market knowledge, reactivity and ability to respond, credibility and quality of events within the Italian market.

In December 2021 Amplifon was announced the **winner of the X edition of the Assochange** prize, awarded by the homonymous association of businesses and institutions that presents itself as meeting place for comparing and disseminating knowledge about Change Management. The prize is an important recognition of the important digital transformation process launched globally by Amplifon, in line with its business strategy and supported by a rich, structured Change Management plan.

Through the **conferring of the label ESG Identity – IGI COMPANY 2021**, in June 2021 Amplifon was in 32nd position out of the 80 companies evaluated under the scope of the Integrated Governance Index, the index of the Studi ETicaNews office which depicts the degree of integration of ESG factors in corporate governance.

Sustainability Yearbook
Member 2022
S&P Global



**Institutional
Investor**



ASSOCHANGE



Amplifon “**Ci Sentiamo Dopo – Listen Responsibly**” project was included in **Sodalitas Call for Future**, the Sodalitas Foundation campaign aimed at businesses committed to implementing projects for a sustainable future in accordance with the United Nations 2030 Agenda.



In 2021 Amplifon received **numerous awards from third-party entities** which recognize our commitment to the topics of sustainability and customer service, including:

- Inclusion in the 2022 classification of "The companies most mindful of the climate", by Corriere della Sera together with Statista, which gathers the 100 Italian companies most mindful of the climate by measuring the ratio between the reduction in CO₂ emissions and revenues for the period 2018-2020.
- Inclusion in the 200 winners of Green Star – The most sustainable companies 2021, a survey into corporate green policies in Italy promoted by the German institution ITQF and La Repubblica Affari&Finanza.
- Inclusion in the 2021 Sustainability Leader, following the research conducted by Statista and Il Sole 24 Ore which examined 1,500 companies identifying the 150 which distinguished themselves through their corporate choices aimed at sustainability.
- Coming in the top 3 finalists of the 2021 Reporting Oscars for the “Non-Financial Statement” Special Prize, an annual event that rewards the most virtuous companies in ESG reporting, promoted by FERPI with Borsa Italiana and the Bocconi University.
- Winning the 2022 Industry Top-rated Badge prize awarded by the Corporate Solutions Sustainalytics team, which evaluated more than 14,000 companies from 42 sectors based on their ESG risk rating.
- Every year Reader’s Digest Association conducts a survey among more than 14,000 people to determine the most reliable brands (Trusted Brands) in different product categories. In 2021 Amplifon was recognized as the “most trusted brand” by Swiss consumers in the “hearing systems” category. In Portugal, our Minisom brand received the same recognition for the “hearing centers” category. Alongside this, Amplifon’s “Priorité Audition” campaign was nominated as the best awareness-raising campaign for hearing care in the category “Campagne et prévention” - I Prix Pleine Vie.

CORRIERE DELLA SERA

statista

ISTITUTO QUALITÀ TEDESCO ITQF

A&F
la Repubblica

Il Sole **24 ORE**

2021
Oscar di Bilancio
57ª EDIZIONE

SUSTAINALYTICS
a Morningstar company

MAIN ESG RATINGS

Also in 2021 **MSCI**, whose ESG Ratings aim to measure the resilience of companies in relation to ESG risks and trends, confirmed an AA ESG rating for Amplifon, on a scale that goes from CCC to AAA, with higher-than-average scores in all key evaluation areas for our reference sector.

MSCI

In 2021 **Vigeo Eiris** increased Amplifon's ESG Overall Score from 36 to 43 on a scale of 0-100, rating our ESG performance as higher than the sector average in all three ESG pillars, in 9th position out of 47 in the reference sector (Health Care Equipment & Services).



Sustainalytics ESG Risk Rating evaluates companies based on their exposure to the main ESG risks. Thanks to limited exposure to these types of risks, as well as the correct management of residual and potential risks, Amplifon was assessed with an ESG Risk Rating of 14.4/100 (Low risk).



The **FTSE4Good** Index Series are share indices launched by the FTSE Group which measure companies' ESG performance. In 2021 Amplifon achieved an ESG Rating of 2.3 (on a scale of 0-5), in line with the Health Care Industry average (2.2), performing better than the sector average in the social and governance areas.



The **ISS ESG** Corporate Rating provides investors with an overall evaluation of companies' ESG performance and opportunities. In 2021 Amplifon's rating improved from D+ to C- (on a scale that goes from D- to A+), while the transparency level went from average to high.



Standard Ethics, which evaluates companies' commitment in relation to international directives and guidelines (i.e., UN, OECD, EU), evaluated Amplifon with an E+ Standard Ethics Rating, on a scale that ranges from F to EEE.



SUSTAINABLE FINANCE: WE SIGNED THE FIRST TWO SUSTAINABILITY-LINKED CREDIT FACILITIES

In 2021 we took another step forward in the **gradual integration of our financial and sustainability strategies**, signing the first two credit facilities linked to several sustainability goals.

On September 30th, 2021, we signed a new 5-year sustainability-linked revolving credit facility with Intesa Sanpaolo (IMI Corporate & Investment Banking Division) for a total of 100 million euros. This credit line is linked to several indicators of Amplifon's Sustainability Plan and is part of the plan to refinance and expand the Company's existing revolving credit facilities, allowing both

further diversification of funding sources and extension of Amplifon's debt maturity.

Later, on December 29th, 2021, we finalized the refinancing of the facility agreement for the GAES acquisition for a total of 210 million euros with a pool of banks composed of Unicredit, Mediobanca and BNPP-BNL. The new 5-year facility includes indicators of our Sustainability Plan, the achievement of which will activate a margin adjustment mechanism, from a perspective of increasing the synergies between financial performance and ESG goals.



WE ARE REVOLUTIONING THE AUDIOLOGICAL EXPERIENCE WITH DIGITAL SERVICES AND TECHNOLOGIES BUILT AROUND PEOPLE

OUR GOALS

- Promote awareness of the importance of hearing, breaking down barriers and stigma
- Facilitate access to hearing care and improve the lives of as many people as possible
- Promote increasingly innovative, engaging, and digital solutions

CHAPTER 02

PRODUCT & SERVICE STEWARDSHIP





2.1 INNOVATION AND TECHNOLOGY FOR EXTRAORDINARY EXPERIENCES

Thanks to increasingly advanced skills and technologies, we aim to revolutionize the hearing care sector by offering a complete, engaging, and customized value proposition, comprising product, service and experience that is strengthened over time thanks to the daily relationship between hearing care professionals and customers.

THE AMPLIFON PRODUCT EXPERIENCE

The Amplifon Product Experience (APE), which includes the Amplifon Product Line and the Amplifon multichannel ecosystem, is an **integrated system that places people at the center of the path that synergically combines service and product** to redefine the entire customer journey. It is a cutting-edge system that uses digital technologies and big data to collect and analyze information on the use of hearing devices, feedback, and consumer needs, to offer a unique, customized, and distinctive experience. Data, in fact, is the heart of Amplifon, which has undergone a deep transformation aimed at collecting and using the data of millions of consumers around the world to offer the best experience through real time CRM, the Amplifon App, and the multichannel ecosystem which accompanies consumers throughout their entire journey.

After the successful launches in Italy, France, Germany, the Netherlands, United States, Australia, and United Kingdom between 2018 and 2020, the APE roll-out continued in 2021 reaching four new markets (Belgium, Portugal, New Zealand, and Spain) and a penetration rate of approximately 89% of sales on the private and paid-up market, for a total of **11 countries**. Specifically, in the core Spanish market, a new **eco-friendly packaging was launched for the Amplifon Product Line** alongside the APE, which is made of 100% recyclable paper (the new Cube All-in-One), which will gradually be launched in new countries in 2022 and 2023.

~89%

APE PENETRATION
RATE ACHIEVED
IN 2021 FOR
COUNTRIES WITHIN
THE SCOPE



GO TO PAGE
NEW ECO-FRIENDLY
PACKAGING
FOR AMPLIFON
PRODUCTS

AMPLIFON-BRANDED PRODUCTS

The Amplifon Product Line - APL continues to be the backbone of the Amplifon technological innovation program. Thanks to the constant product renewal with the introduction of the most recent and advanced innovations, we have enriched our four product families, each responding to specific needs of customers and developed together with all the major global manufacturers of hearing devices. The ability to adapt to every lifestyle, the rechargeability of the ampli-energy product family, as well as connectivity and aesthetics are the Amplifon Product Line characteristics that customers appreciate the most.



**FIND OUT MORE
THE AMPLIFON
PRODUCT LINE**

AMPLI-EASY

The devices of the ampli-easy family are powerful, practical, easy to use and affordable. For everyday life, having a giggle with friends, walking in the park, or watching a good film.



AMPLI-MINI

The ampli-mini are extremely discreet and almost invisible thanks to miniaturized technology. Perfect for those who seek a discreet solution and want to feel elegant without compromising on comfort.



AMPLI-CONNECT

The ampli-connect product family connects directly to your TV, smartphone, and sound system. They automatically recognize the environment, and the microphones point towards the direction of the sound. They also connect to the Amplifon app via Bluetooth.

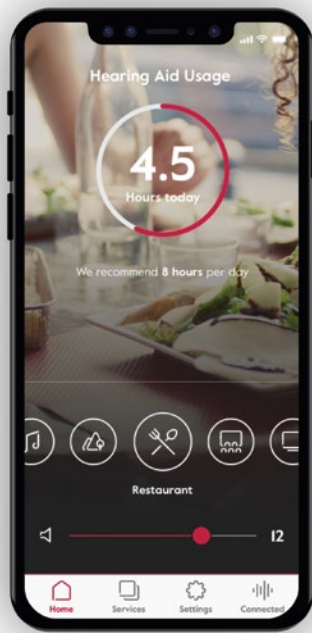


AMPLI-ENERGY

The ampli-energy devices are a perfect combination of practicality and style. No more changing batteries, the devices can be recharged using a charger and have up to 30 hours of battery life. They also connect to the Amplifon app via Bluetooth.



AMPLIFON MULTICHANNEL ECOSYSTEM



The Amplifon multichannel ecosystem, the second element of the APE backbone, redefines the Amplifon experience along the entire customer journey (therefore not only in-store), offering rapid access to different high added value services, with the aim of increasing customer satisfaction. The **Amplifon App**, which constitutes its first touchpoint, makes it possible to control and manage the numerous functionalities of hearing devices in real time directly from a smartphone, exploiting the potential of the hearing solution to the fullest and improving the overall experience. Through the Amplifon App customers can control the volume, change and customize the programs, get to know the hearing device usage statistics in real time and much more.



[FIND OUT MORE](#)

**THE
FUNCTIONALITIES
OF THE AMPLIFON
APP**

In addition, the Companion, an exclusive Amplifon App functionality that analyzes usage data in real time through a proprietary algorithm based on artificial intelligence, provides the customer with constant advice on how to use the hearing device, as well as suggestions about changing the batteries and the most suitable program for the surrounding sound environment. In this way we support customers in maximizing the efficiency of their hearing solution with constant, customized advice, every day and in every situation.

This all represents an enormous potential in terms of information. Thanks to the Amplifon App, which in 2021 increased its penetration¹⁹ by around four percentage points compared with the previous year, we are able to have access to a very large amount of data on the use of hearing devices by customers and to use it to create an increasingly customized experience. An advanced data mining system, that uses data collected both from the virtual experience and in the store, allows us to build a map of behaviors and purchasing choices, able to guide our offer in the direction determined by the customers, making the experience more and more customized and engaging. The natural evolution of all this will be a real e-health platform that will connect the hearing care professionals to customers in order to carry out virtual visits and remote fine-tuning of the hearing devices.

~19%

**PENETRATION RATE
OF THE AMPLIFON
APP IN 2021 FOR
COUNTRIES WITHIN
THE SCOPE**

¹⁹ - The Amplifon App penetration rate is defined as the ratio between the number of users currently using the Amplifon App and the number of compatible hearing solutions sold for countries within the scope.

THE AMPLIFON 360 PROTOCOL

As a hearing care provider, listening to our customers and understanding their needs is vital to ensure the hearing solutions we offer meet their specific requirements and needs.

The success of a hearing solution depends, above all, on the ability of our hearing care professionals to carry out hearing tests, choose the most suitable device from the most advanced technologies available and correctly fit them. In addition to being highly qualified, our hearing care professionals build relationships with customers through talking and listening, supporting people on their journey to a full hearing experience through a data-driven approach. On the basis of this we created and developed the Amplifon 360 store protocol²⁰, an innovative journey for evaluating people's hearing which, through pioneering tools and user-friendly technologies, increases customers' involvement in the process of evaluating their hearing profile, improving the analysis of their needs, and individual lifestyles.

This protocol is illustrated to the customer, step by step, with the support of an IT front-office system with a video interface which allows the customer to understand their hearing requirements, the results of the different tests carried out and the possible benefits of the various hearing solutions. By means of Amplifon 360, and leveraging solid technical know-how and considerable communication skills, our hearing care professionals make sure people are totally confident with the proposed solution and can proceed with the purchase.

As testimony to its benefits, in 2019 the Amplifon 360 protocol was approved by SIAF (the Italian society of audiology and phoniatrics), in addition to obtaining an Italian patent certifying its uniqueness and innovation, demonstrating its importance in the development of audiology.

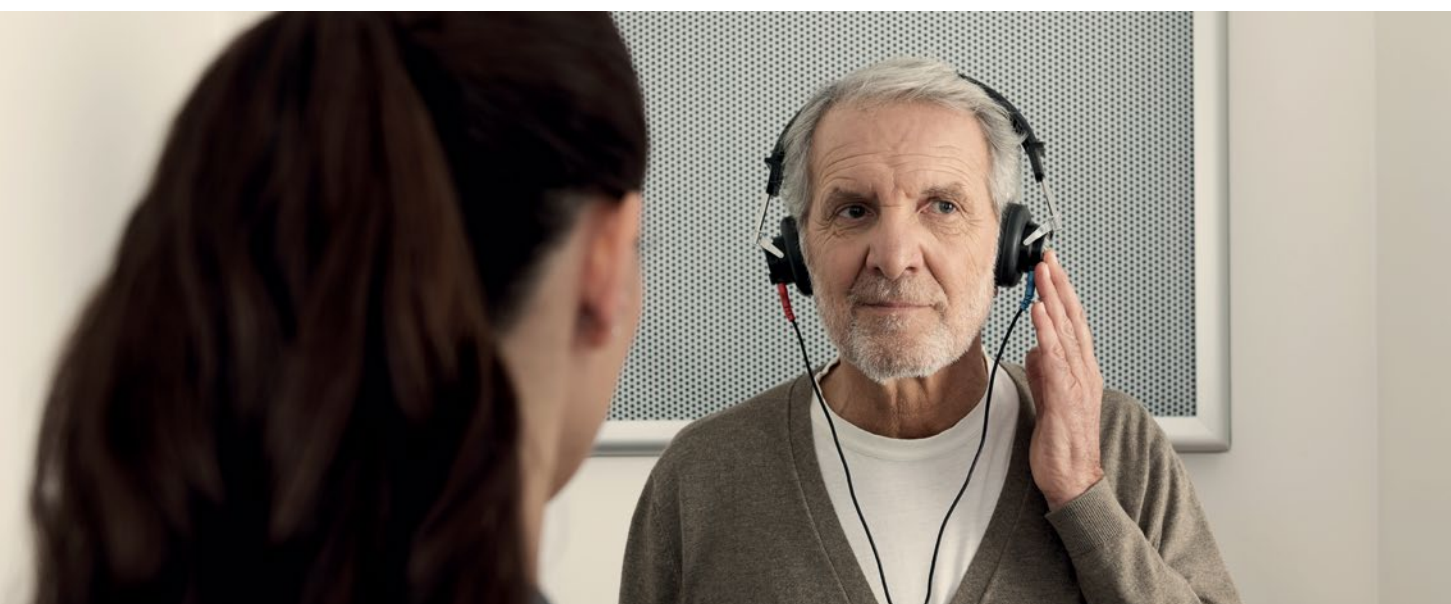


FIND OUT MORE

**THE AMPLIFON 360
PROTOCOL PHASES**

**AMPLIFON 360
PROTOCOL**

**APPROVED BY
SIAF (THE ITALIAN
SOCIETY OF
AUDIOLOGY AND
PHONIATRICS)**



20 - Protocol 360 is present in most of the countries in which Amplifon operates.



AMPLI-CARE

After redefining the entire product experience through the Amplifon Product Experience, in 2021 we presented Ampli-care, our new platform capable of offering a revolutionary, highly-customized audiological experience, both during visits in our stores and elsewhere, at every stage of the customer journey.

Ampli-care will allow us to give our customers a unique, innovative and engaging experience every day, in order to best support them in the most professional way to meet their every need. Through the three pillars on which Ampli-care is based, we include customers and caregivers in a smooth, uninterrupted journey at all touchpoints.

IMMERSIVE EXPERIENCE

Our stores, which are the key touchpoint within the customer journey, will be equipped with Otopads, iOS-based instruments to evaluate hearing capacity using a new proprietary technology developed internally. This new technology will enable us to offer even more interactive and engaging touch-based experiences, conducting sophisticated audiological tests as well as identifying customers' needs in full. Lastly, the use of Otopads will also enable future out-of-store visits and follow-up activities.

HYPERPERSONALIZED SOLUTIONS

Ampli-care will also enhance the expertise and empathy of our hearing care professionals, supporting them in identifying the best solution for each customer through a proprietary solution called “solution builder engine”, powered by artificial intelligence. This technology, given the audiological profile and personal information collected during the visit, will allow to identify and suggest the most appropriate product, service offering and fitting to each single customer.

ALWAYS-CONNECTED SUPPORT

Our hearing care professionals will always be connected through a remote monitoring and assistance system to detect product usage trends and specific customer needs remotely. In this way we will be able to support them even when they are not physically in-store through video-calls and remote fine-tuning systems to carrying outfitting adjustments remotely. In addition, both caregivers and ENTs, crucial figures in the hearing solution adoption process, will play a more active role. Caregivers will have a dedicated profile in the Amplifon App to coach and support their dear ones, while ENTs will receive their patients’ audiological and hearing aid usage data.

The implementation of Ampli-care, launched in the fourth quarter of 2022 with reference to the new in-store audiometric systems in certain selected countries, will continue in future years with reference to the main markets in which we operate.



FORWARD THINKING VALUE AMPLIFON X

In order to support the acceleration of the customer experience innovation strategy with Ampli-care, at the beginning of 2022 we created Amplifon X, a new business unit entirely dedicated to the development of highly-innovative solutions.

Amplifon X came about from the development of further strong synergies between Otopad (a company acquired in 2019) and the digital area of the Group, creating end-to-end and accountability from software design phase until the actual development of digital products and solutions to the internal development of software. Ampli-care is the first product entirely developed by Amplifon X and includes, among many

other functionalities and innovations, the new Amplifon 360 protocol for stores, Otopad, the evolution of audiological tests on iPads, and all the innovations relating to the Amplifon App to offer new solutions and interaction methods between hearing care professionals and customers, further improving in-store and remote service in particular. Amplifon X, which already has a combined team of more than 50 people and takes advantage of valuable partnerships with world-renowned academic institutions, will enable us to define new standards of audiological experience, consolidating the Company's important competitive advantage and creating a unique experience for our customers and hearing care professionals.

CUSTOMER SATISFACTION

As described in our Sustainability Policy, we always do our best to ensure and increase customer satisfaction by listening to their needs and stimulating technological development.

A superior customer experience and constant attention to customer satisfaction are some of the founding pillars of our business model. Thanks to constant investment in the selection and training of our hearing care professionals, as well as in the implementation of increasingly advanced marketing and customer relationship management (CRM) systems, we offer our customers a wide range of cutting-edge solutions, a high level of expertise, and a unique and distinctive experience.

To better understand customers' expectations and offer them an even more satisfactory level of service, we are committed to developing a program for collecting and managing customer feedback. In this program, tools were and continue to be developed to measure and monitor customer expectations and satisfaction, with standardized methods applied by the main Countries in which we operate. The surveys are conducted using different contact channels (including call centers, emails, and SMS), and allow checking the level of satisfaction with the experience offered to customers in the main moments of their relationship with Amplifon: the hearing test and the trial, the purchase phase, the follow-up phase, the decision not to proceed with the purchase, and the entire after care phase.

In 2021 we redesigned the entire process, based on the **Net Promoter Score (NPS)**, the parameter most used to measure customer satisfaction for products and services. Customers evaluate their overall experience, awarding a score on a scale of 0 to 10 on the point of sale, services and product, by replying to the question *"to what extent would you recommend Amplifon to friends and family?"*. The final NPS value is calculated as the difference between the so-called promoters (who awarded a score of 9 or 10) and the so-called detractors (who gave a score of 6 or less). Compared with what happened in previous years, the new process was completely reviewed in terms of automation, measuring methods, and frequency. This new process is part of a roll-out plan that already involved several countries such as Italy, France, the Netherlands, Portugal, and Australia in 2021 and will be extended to new ones in 2022. The objective is to get more feedback from our customers and develop action plans aimed at filling any gaps identified as well as further improving the customer journey.

NPS

**NEW CUSTOMER
SATISFACTION
MEASUREMENT
PROCESS DESIGNED
AND LAUNCHED
IN 2021**



FORWARD THINKING VALUE

BOCCONI UNIVERSITY AND AMPLIFON TO INNOVATE THE CUSTOMER EXPERIENCE WITH ARTIFICIAL INTELLIGENCE

At the beginning of 2021, Amplifon and the Bocconi University signed an agreement to establish the Amplifon Chair in Customer Science, created through our collaboration with the university with the aim of better understanding customers as well as their buying and loyalty drivers using the most advanced computer science and artificial intelligence instruments. The chair research program intends to develop a better customer insight by exploring audio analytics, namely the instruments capable of identifying and correlating through customers' responses the non-verbal characteristics of a call center operator's behavior, such as the rate of speech, tone as well as the use of sighs and pauses. These instruments will allow us to understand how the customer will respond to different corporate actions, and therefore define the marketing activities capable of creating

greater value for the business, and also for the consumer.

The chair was inaugurated in the academic year 2021-2022 and foresees an intensive research program as well as initiatives that will involve students in educational challenges that will put them in direct contact with our business within a long-term collaboration framework, a testament of the Group's commitment and focus on the younger generations and their education.



[FIND OUT MORE](#)

**AMPLIFON CHAIR
IN CUSTOMER SCIENCE**





2.2 PRODUCT AND SERVICE ACCESSIBILITY

We endeavor to make hearing care always accessible and available, facilitating overcoming the obstacles that prevent people from seeking expert advice to improve their hearing well-being, and multiplying our global and digital presence.

We invest in the expansion of our global distribution network, which allows us to **always be close to those with hearing loss, allowing everyone, even people with reduced mobility, to easily access quality hearing care service.** In 2021 we acquired 330 stores, bringing the total distribution network to 9,241 points of sale. We expanded our presence in China, reaching a total of 115 points of sale in a market that represents a considerable opportunity, given its high growth profile. In addition, the acquisition of Bay Audio in Australia added over 100 points of sale in the key Australian market. Finally, we carried out the so-called piecemeal acquisitions mainly in countries such as France, Germany, and United States as well as selected new openings in the so-called white spots. Furthermore, we always try to reach people with hearing loss even in rural areas or with a low population density, through store-in-stores and corners, i.e., spaces managed directly by Amplifon but located in third-party premises such as pharmacies, opticians, and medical practices. In the main Countries where we operate, we also carry out home visits for customers with reduced mobility who cannot physically go to the store.

We strongly believe in the importance of the in-store experience: the windows and the interior of the stores are designed to reduce as much as possible the elements of anxiety typically associated with medical experiences, aiming to put customers at ease, thus with a positive impact on accessibility. In this regard, Amplifon has launched a project to analyze the in-store experience from the customer's point of view and draw insights from the areas with which the customer interacts the most to improve our stores. In addition, in order

330

STORES

ACQUIRED IN 2021

115

POINTS OF SALE

IN TOTAL

REACHED IN CHINA

+100

ADDITIONAL STORES

IN AUSTRALIA

COURTESY OF BAY
AUDIO

to facilitate accessibility to hearing care and improve the lives of as many people as possible, **we offer free hearing tests in our stores which means a considerable economic saving** for customers and prospects.

On the other hand, digital communication channels are becoming increasingly important for Amplifon, which constantly seeks to engage with customers, as well as the so-called influencers, i.e., friends and family members of those with hearing loss. Amplifon and its other brands are now present on various digital channels: web, social media and mobile. To support our digital marketing strategy, we adopted a new cloud platform that allows connecting online and offline experience, through this, it is possible to manage interactions among websites, apps, emails, SMS, call centers, and in-store interactions in an integrated way.

Just as Amplifon's consumer sites allow customers and potential customers to easily take advantage of services such as the store locator, the online hearing test, the Amplifon App also offers a series of high value-added services that allow to easily access and benefit of a new hearing experience. In addition to controlling hearing devices in real time, some of the services directly accessible from one's smartphone are "find the closest store", booking an in-store appointment, and the Companion. All of this allows us to support our customers including remotely, **thereby increasing the user-friendliness and accessibility of our services**, also thanks to video tutorials in the Amplifon App for solving small problems, rapid intuitive navigation routes and usage statistics for hearing devices. Moreover, with reference to compatible hearing aids, it is now possible to reduce the interference of wind and noise as well as update the firmware of the devices without having to go to the store.

~200

€ MILLION

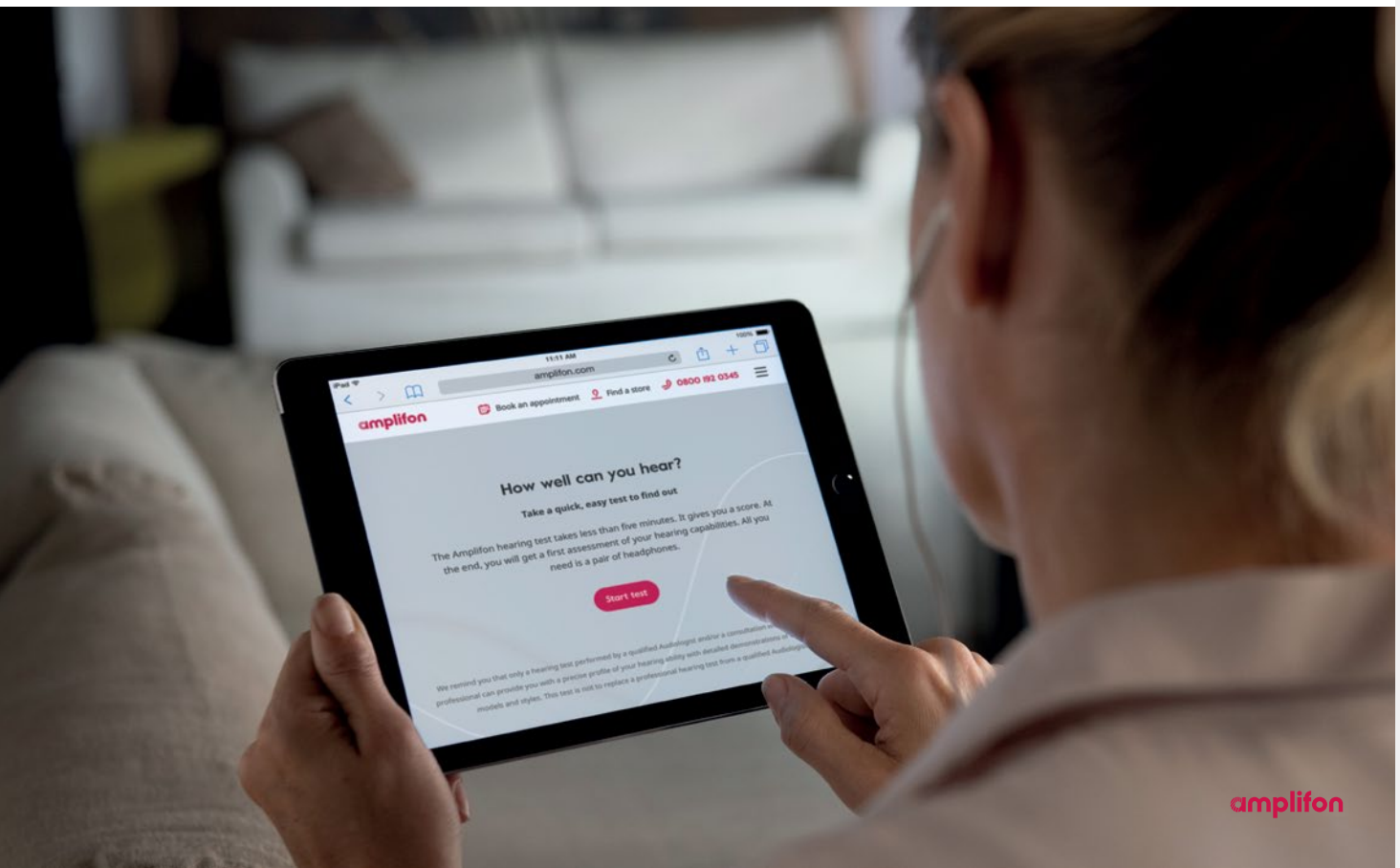
THE ECONOMIC
SAVING
GENERATED IN 2021
THANKS TO FREE
HEARING TESTS



GO TO PAGE
OUR HEARING
CARE
AWARENESS-
RAISING
CAMPAIGNS



FIND OUT MORE
A DATA-DRIVEN
APPROACH FOR
INCREASINGLY
DIGITAL AND
ENGAGING





2.3 QUALITY AND SAFETY FOR CUSTOMERS

We guarantee customer safety to prevent any harm to our consumers, from the fitting phase to the daily use of hearing aids, in full compliance with legal provisions.

Through Industry Associations, Amplifon's Regulatory Affairs Function is in contact with lawmakers, health agencies, and professional scientific bodies for the purpose of supporting customer safety and ensuring access to high-quality audiological services. The procedures in place in the various countries guarantee the monitoring of the topics related to product quality and customer safety in accordance with applicable regulations. Since 2019, Amplifon is also part of the EHIMA (European Hearing Instrument Manufacturers Association), an association that monitors and promotes uniform European-level regulations associated with the production of hearing aids to guarantee their update in line with commercial and industrial developments.

**AMPLIFON
JOINED THE
EHIMA
IN 2019**

PRODUCT SAFETY

All manufacturers guarantee their hearing aids are produced in compliance with all applicable directives and laws of the countries where the products are distributed. They are also responsible for the numerous tests hearing aids undergo as medical devices, in order to guarantee user safety. In addition, for each product category we provide a specific manual for using the device safely, and labels with clear and accurate information related to safety are applied to the packaging.

If there are any doubts or concerns regarding the safety of the devices, or the products related to them, we request suppliers to carry out further analyses, even commissioning product safety assessments as well as other technological or production aspects to third party laboratories. If, following these analyses, it is not possible to guarantee total product safety, the supplier

is immediately asked to adopt the appropriate provisions which can give rise to a possible product recall as foreseen by the regulations.

Amplifon adopted the necessary procedures to comply with the **New Medical Device Regulation (EU) 2017/745 (MDR)** which since its entry into force on May 26th, 2021 regulates the obligations for the various players operating in the medical devices sector, after having repealed Directive 93/42/EEC (MDD). For Amplifon, classified as a distributor, the Regulations do not have a major impact other than guaranteeing product traceability and that storage and transport are compliant with the conditions established by the manufacturers. The requested procedures concern relevant activities such as complaint handling, labeling, product recall, and data management. A contact person has been appointed in each European country where we operate to guarantee compliance with these procedures and the conditions determined with manufacturers through Quality Agreements, who will be responsible for supervising the related activities. In 2021, monitoring activities related to the procedures introduced in the various European countries were launched.

SERVICE SAFETY

In order to guarantee customer safety in terms of service, we employ highly qualified hearing care professionals and invest substantially in their training. All machinery and equipment used is subject to planned maintenance protocols with timing and methods defined by the manufacturers. Furthermore, we have insurance policies in place to cover the few rare accidents which may occur.

The Amplifon App, developed internally and distributed in EU Countries as a medical device, has obtained the CE mark, and the same app branded Miracle-Ear has obtained the approval of the FDA (Food and Drug Administration) to be launched in the US in 2019. In order to obtain the CE mark, Amplifon had to adapt its Quality Management System and meet the ISO 13485:2016 requirements, by adopting a series of operational procedures, some of which are aimed at preventing and managing accidents, including:

- **“Standard Operating Procedure for Advisory Notice and Recall”**, to provide instructions on the use and recall of a medical device;
- **“Standard Operating Procedure for Customer Feedback and Complaint Handling”**, for the management of feedback and complaints related to digital services;
- **“Standard Operating Procedure for Vigilance and Incident Reporting”**, to assess whether malfunctioning of medical devices needs to be reported to the Competent Authority;
- **“Standard Operating Procedure for Corrective Action and Preventive Action Management”**, to manage the actions aimed at solving a problem and preventing it from recurring in the future.

Processes and suppliers involved in the development of the Amplifon App were subjected to an audit by a third party, which confirmed compliance with ISO 13485:2016. The certifying body also conducts annual audits. Finally, whenever a new version of the Amplifon App is released, it is subjected to a risk assessment to evaluate the potential risks for the health and safety of users associated with the use of the App.

MEDICAL DEVICES REGULATION (EU) 2017/745 (MDR)

WE HAVE ALREADY
ADOPTED THE
NECESSARY
PROCEDURES FOR
COMPLIANCE

MONITORING ACTIVE IN EUROPEAN COUNTRIES

CE MARK OBTAINED BY THE AMPLIFON APP FOR EUROPE

FDA APPROVAL OBTAINED BY THE AMPLIFON APP FOR THE UNITED STATES

QUALITY MANAGEMENT SYSTEM UPDATED IN ACCORDANCE WITH THE REQUIREMENTS OF ISO



2.4 CYBERSECURITY AND DATA PRIVACY

Protecting the data that we own or possess is more than a priority for us: it is an essential condition for deserving the trust people place in us every day, as well as offering our customers more innovative services and the most advanced solutions.

It is also in the light of the growing importance people attribute to their privacy, that we continually invest in IT security to protect the huge amount of personal and the so-called “sensitive data” related to customers (particularly, sanitary data) at disposal of the Group. We implemented, both at headquarters and in our stores, a set of management tools to meet the requirements foreseen by national legislation regarding the personal data protection in all the countries where we operate. In order to ensure full and correct implementation, these instruments are subject first of all to a check by the Corporate Legal Department, through an annual reporting plan (second level checks) and then to verification by the Internal Audit plan (third level checks). For the implementation, the Corporate Legal Department provides the necessary support to the whole Group in the event of changes in the regulations, as indeed was the case in 2017 with the introduction of the new EU Regulation 2016/679 (General Data Protection Regulation - GDPR), in relation to which we reached total compliance through specific technical and organizational measures.

In 2021, the **Corporate Guidelines on privacy** applicable at EMEA level were updated, including the procedures useful for satisfying the GDPR requirements and those of local laws on data protection. Alongside this, an ongoing reporting and meeting program was implemented, through which the DPOs (Data Protection Officers) and local privacy managers at country level inform and update the Company on their activities, allowing the latter to carry out effective monitoring, as well as to share and manage global or local privacy problems, thereby creating useful synergies and lessons learned for

**GDPR
TOTAL
CONFORMITY**

**ONETRUST
PRIVACY
MANAGEMENT
TOOL
IMPLEMENTED
IN 2021**

the various Country Managers. Still in the area of privacy, in 2021 the One Trust Privacy Management solution program was implemented in EMEA and the US. This is a global top-notch tool for managing privacy compliance. This system actually allows the creation of an adaptable and integrated ecosystem for managing privacy issues, which mitigates the typical management difficulties faced by large multi-national groups operating worldwide. Beyond our activities, we also have specific procedures for managing third parties that handle personal data under the ownership of Amplifon. We only involve parties that provide enough guarantees on the technical and organizational measures implemented for respecting the GDPR requirements and safeguarding the rights of those involved, also by appointing a supplier data handler (DPA) and applying specific guidelines on third-party security requirements.

When designing the digital services offered by Amplifon, such as, for example, the multichannel ecosystem, the first requisite taken into consideration is always data privacy and security (**privacy and security by design**). With reference to the Amplifon App, consent for data processing for marketing and profiling purposes was updated in conformity with regulations and users can revoke their consent at any time. In general, in all countries Amplifon provides its customers, leads, and prospects with privacy information in line with the requirements of GDPR Articles 13 and 14 or in conformity with applicable legislation. For the launch of the Amplifon App in the United States, where the legislation on personal data protection is different, Amplifon was supported by professional consultants in the industry so that the App complied with the provisions of the *Health Insurance Portability and Accountability Act*. Always in accordance with the privacy by design criteria, in 2021 the Legal and IT functions provided an important support to the implementation of the Ampli-care program. Indeed, Ampli-care is the new audiological experience management platform built around the consumer, where the quantity and quality of the personal data we handle is proportionate to the local privacy and cybersecurity requirements and best practices.

At a governance level, we created a **dedicated cybersecurity team** which introduced specific processes to allow rapid adaptation to a constantly evolving scenario of cyber threats. The internal committee, created in 2020, was maintained and further strengthened in 2021. It supervises and manages all cybersecurity-related issues, and includes the IT and Legal Departments (including the Chief Information Officer and the Chief Legal Officer), the Group Internal Audit and Risk Management Officer, as well as representatives from the HR and Finance functions who act as the security champions for their respective functions. Managerial indicators for cyber risk assessment are periodically presented to this committee, various issues strategic are examined in depth and any serious incidents and lessons learned are presented. Every quarter the committee also organizes a special meeting with the Chief Executive Officer on the topic, as well as regular presentations to the Board of Directors, to share the main issues relating to performance, processes, and cybersecurity strategy. Privacy and cybersecurity policies are also included in the Group's Enterprise Risk Management, in order to identify and minimize any risks relating to data losses and cyber-attacks.

~2,400

TOTAL HOURS

TRAINING ON
PRIVACY AND GDPR
PROVIDED IN 2021
TO MORE THAN
2,100 EMPLOYEES

THE
CYBERSECURITY
COMMITTEE
WAS FURTHER
STRENGTHENED IN
2021



GO TO PAGE
INTERNAL
CONTROL AND RISK
MANAGEMENT
SYSTEM

Thanks for the solid internal corporate culture, our employees and collaborators understand the importance of issues related to privacy and cybersecurity as well as the associated risks and are periodically involved in various **security awareness** activities (i.e., inductions, security pills, phishing simulations) in order to make them aware of how to manage any anomalies. Specific training is provided to all employees to enhance their awareness of risks and cyber threats as well as foster secure behavior throughout the organization, in a continuous learning process. There is a documented framework with specific policies which regulate, among other things, issues such as *threat & vulnerability management, information security incident management, responsible use of IT*, etc., available to all collaborators to guarantee maximum security levels and protection of confidential data. In addition, all our hearing care professionals and staff working in the stores are trained and prepared to always manage sensitive customer data very carefully which, in conformity with Amplifon's Code of Ethics, cannot be disclosed or used for purposes other than those established.

In 2021 additional concrete initiatives were implemented to reduce cybersecurity risks, with a particular focus on the security of networks, services and endpoint equipment, improvement of monitoring and detection activities as well as increasing the awareness of all collaborators. With regard to the processes aimed at preventing any IT system interruptions and defending cyber-attacks, security measures were implemented aimed at both "increasing the cost" of a potential attack and reducing the remediation time in the various infrastructure layers (devices, applications, network, users) with specific security checks. Investments in the ICT architecture continued and in *security protection/detection/response* against new IT security threats, thereby contributing to Amplifon's digital transformation. The main cloud solutions and applications for data management guarantee high performance and, at the same time, the maximum-security levels available on the market. A major provider of IT security services deals in real time with security-related threats, 24 hours a day, every day of the year. If there is an alert, a team of experts intervenes to prevent attack or intrusion attempts, activating specific procedures to prevent the loss or theft of sensitive data concerning the Group or customers. The protection of the corporate network was further strengthened thanks to the introduction of advanced threat-control instruments which exploit artificial intelligence technologies. Vulnerability assessment and penetration testing activities were also carried out, as well as the encryption of disks to protect them from possible data theft in case corporate devices are stolen or mislaid. Lastly, we launched a process in 2021 that will lead to obtaining ISO27001 (Corporate) certification and HiTrust in the light of the **SOC2 certification already valid in the United States**.

~8,700

TOTAL HOURS

TRAINING HOURS
ON CYBERSECURITY
PROVIDED IN 2021
TO OVER 7,800
EMPLOYEES

ISO27001 &
HITRUST

THE
CERTIFICATIONS
WE WILL OBTAIN



WE INVEST IN TALENT AND INCLUSION SO THAT EVERYONE CAN GROW AND EXPRESS THEIR POTENTIAL TO THE FULLEST

OUR GOALS

- Strengthen the leadership and functional skills of all employees globally
- Ensure a solid succession pipeline for key roles
- Ensure a healthy and inclusive winning workplace driven by communication and engagement
- Promote equal opportunities at all levels of the organization

CHAPTER 03

PEOPLE EMPOWERMENT



 **amplifon**



3.1 PEOPLE ARE AT THE BASIS OF OUR SUCCESS

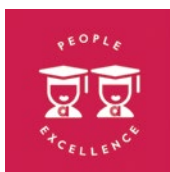
We firmly believe our people, whatever role they have in the organization, represent the most important asset for our success.

The rapid growth of our Group and the will to further reinforce our leadership in the global hearing care market have encouraged us to define a global HR Strategy capable of managing the challenges of an increasingly complex and dynamic scenario, as well as contributing effectively towards the achievement of business objectives by leveraging the professionalism and talent of all our people.

THE THREE PILLARS OF OUR HR STRATEGY



**Highly effective and competent organization
that contributes to the achievement of excellent
business results**



**Solid talent pipeline to overcome present and
future business challenges**



**Unique and distinctive corporate culture
as a winning trait in the market**

Various important activities with a strong global impact in the context of each pillar of the HR Strategy continued in 2021:

HIGH-PERFORMING ORGANIZATION PILLAR

the alignment of the back-office with the organizational blueprint designed in 2018 was carried out, in particular for the Marketing, Finance, and HR functions. The growing focus on innovation brought about the creation, at the beginning of 2022, of Amplifon X, a new business unit entirely dedicated to the development of digital solutions that already counts on a combined team of more than 50 people.



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**AMPLIFON
PEOPLE**

AMPLIFON X

PEOPLE EXCELLENCE

the adoption of the Leadership Model, the system capable of modelling human resources management processes consisting of six key leadership skills, continued at all organizational levels. Different HR processes such as the Performance Development Review and Talent Assessment were consolidated and the global mapping of the corporate population's skills and talents was completed, as well as the individual development plans. In 2021, like every year, we updated the Top Management succession plan, which takes into consideration appointments, readiness time, any development actions, and career moves.



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**NURTURING
TALENT**

**PERFORMANCE
DEVELOPMENT
REVIEW**

WINNING CULTURE

we continued to strengthen the strong Group identity as "One Company". Employees were constantly involved in communication, engagement, and change management activities to support the transformation and growth of the business. Activities to support the positioning of Amplifon as employer of choice through the new Employer Value Proposition continued as well, as did internal communication activities to facilitate the sharing of information through the implementation of our Global Internal Communication Framework.



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**EMPLOYEE VALUE
PROPOSITION**

**GLOBAL INTERNAL
COMMUNICATION
FRAMEWORK**



PERSONAL IMPACT VALUE

WE ARE "TOP EMPLOYERS 2022" ACCORDING TO THE TOP EMPLOYERS INSTITUTE

At the end of 2021 **Amplifon received the "Top Employer EMEA 2022"** certification by the Top Employers Institute program which, in 2022, certified and classified more than 1,800 "Top Employer" companies in 123 countries. Amplifon was certified Top Employer 2022 for the whole of Europe, and specifically in Italy, France, Germany, Spain, and Portugal.

Top Employer certification was obtained following the positive evaluation of the HR strategies and best practices and their implementation contributing to the well-being of people, improvement of the work environment, education provided and career

paths available to employees. The recognition is awarded to companies that reach and satisfy the high standards required by the HR Best Practices Survey which covers 6 macro-areas of the Employee Life Cycle, including People Strategy, Work Environment, Talent Acquisition, Learning, Well-being, Diversity & Inclusion.

Top Employer 2022 certification allows Amplifon to stand out and present itself as an excellent employer and confirms the importance of the ongoing investment by the Company in our main asset - our people - supporting the Group's global growth.



AMPLIFON PEOPLE

As specified in our Sustainability Policy, attracting, developing, and retaining the best talents, and ensuring an inclusive and safe working environment is of paramount importance for the sustainable growth of our Group.

The Group HR organization is structured to be consistent with our HR Strategy. The Corporate Centers of Excellence (CoE) have the task of developing strategies, processes, policies, and tools based on avant-garde practices, providing end-to-end solutions that meet the various corporate needs. HR Business Partners (HRBP) collaborate with the Company's managers to guide business results through dedicated initiatives, ensuring deployment of HR processes and tools in the organization. More specifically, the regional/local HRBPs are directly responsible for the resources within a specific region/country, regardless of their function, whilst the functional HRBPs guide the HR agenda by department, ensuring consistency especially in talent management, organization design, and functional skills. The Centers of Excellence and HRBPs interact constantly to guarantee the best support to the business and the alignment with business targets at all organizational, functional, and geographic levels. Finally, People Services are dedicated to the employee experience and the perfect execution of all employee services.

As at December 31st, 2021, Amplifon workforce comprised 18,605 people (employees and non-payroll collaborators), **up by more than 6% compared with 2020 and approx. 9% compared with the pre-pandemic levels of 2019**. Of these, 12,587 are direct employees of Amplifon, also up by almost 12% compared with 2020 and by more than 14% compared with 2019. These include the field force, meaning the sales force that operates in the shops spread throughout the territory (around 80% of employees), and back-office personnel, employed mainly in the Marketing, IT, Finance, HR, Procurement & Supply Chain, Legal, and Communication departments (around 20% of employees). Within the total workforce, which includes more than 6,000 non-payroll collaborators, **hearing care professionals represent the most numerous professional category**, accounting for approx. 51%, of which 5,884 on payroll and 3,586 not on payroll hearing care professionals.

18,605

2021 WORKFORCE
(+6% VS 2020)

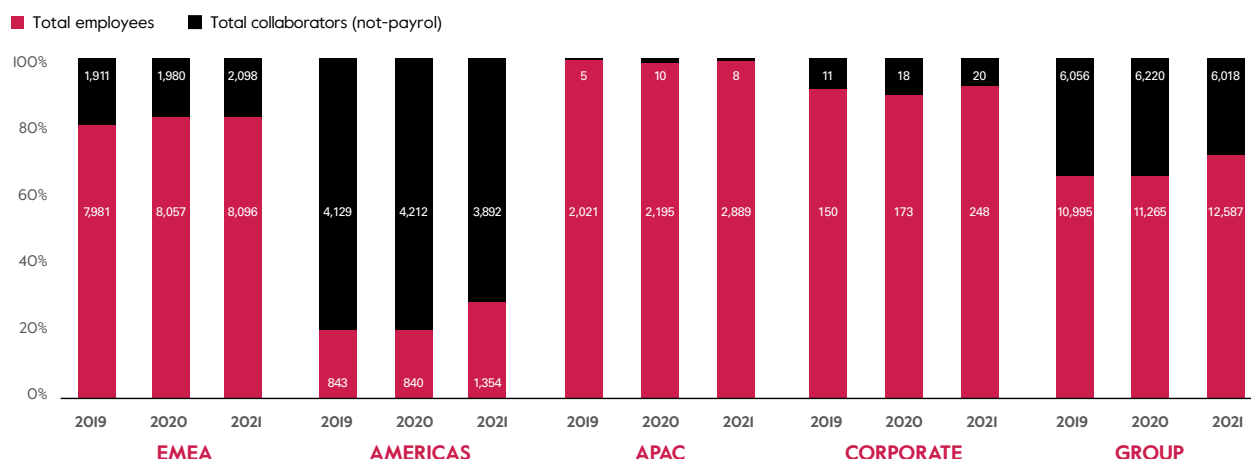
12,587

EMPLOYEES
(+12% VS 2020)

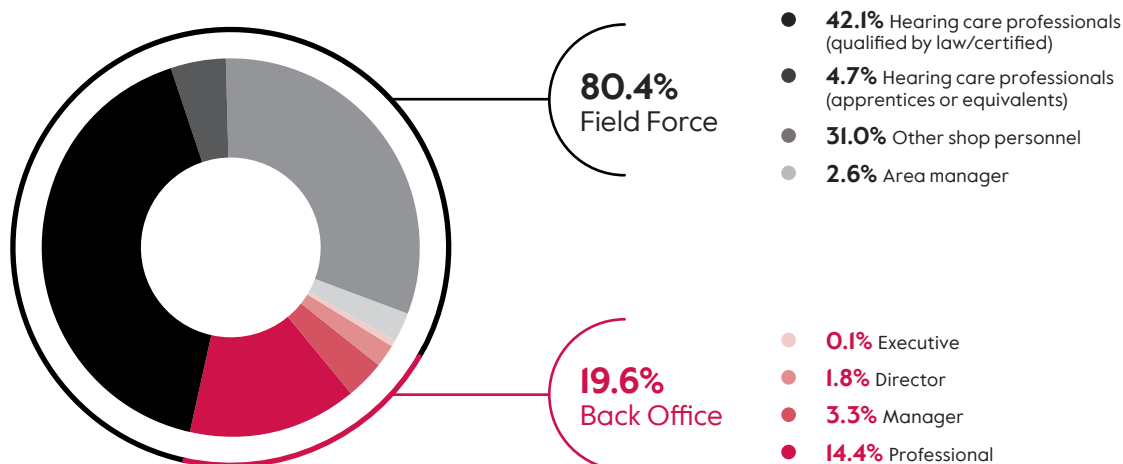
9,470

HEARING CARE
PROFESSIONALS
IN TOTAL
(+4% VS 2020)

WORKFORCE BY REGION



EMPLOYEES BY PROFESSIONAL CATEGORY (2020)



DIVERSITY, INCLUSION AND EQUAL OPPORTUNITIES

As set out in the Group's Code of Ethics and Sustainability Policy, **in Amplifon, diversity and inclusion are an opportunity for enrichment and innovation** vital to ensure business activities are carried out in a solid, sustainable way. A diverse corporate population is the key for building an organization capable of adapting to the development of the surrounding environment and achieving a better performance. For this reason, our management training paths (e.g., Be Manager) include specific sections on how to develop the unique characteristics of everyone and how to create an environment open to comparing and sharing different opinions and experiences, using globally-recognized instruments and methodologies (for example the Clifton Strengths Assessment).

The Group is therefore committed to promoting the principle of equal opportunities in all aspects of the working relationship:

- **RECRUITMENT:** we always make sure we evaluate a range of diverse candidates in terms of gender and age, and guarantee they are selected purely on the basis of their leadership, business and technical skills, conducting a clear, transparent recruitment process based on evidence and free from any discriminatory parameters. Those responsible for recruiting personnel are trained to promote a bias-free selection process and all material relating to recruitment (e.g., the job description) must never mention personal characteristics or preferences in accordance with the principle of non-discrimination. There are special training courses on these processes for anyone involved in the recruitment processes (Hiring Manager training).

- **TRAINING:** we promote training and development programs that strive to connect different experiences, backgrounds, functions, and countries, so that everyone can constantly expand their horizons, thereby promoting the full professional development of each employee based on merit criteria only. Through the dedicated (digital and non-digital) training programs, available to all employees, we promote specific contents to value diversity, encourage bias-free behavior, communicate effectively in relation to the different cultures present in the Group, foster inter-generational working and teams composed of different nationalities (e.g., managing across cultures training).
- **PERFORMANCE EVALUATION AND COMPENSATION:** the individual performance evaluation is based on targets and behavior evaluated on a globally-shared scale, without any difference in terms of geography or gender. Moreover, the core principles of equality that underpin our remuneration policy guarantee full ethical correctness and integrity in the performance & compensation review. During the definition of the annual individual targets, we encourage co-workers and managers to reflect on each person's strengths and personal talents, so that the process is conducted in a bias-free manner, as it is during the Talent Review process.

+3,800

TOTAL HOURS
OF TRAINING
ON DIVERSITY
& INCLUSION
PROVIDED IN 2021
TO OVER 1,900
EMPLOYEES

+90

NATIONALITIES
REPRESENTED IN
OUR CORPORATE
POPULATION



PERSONAL IMPACT VALUE

AMPLIFON SIGNS UP THE UNITED NATIONS' WOMEN'S EMPOWERMENT PRINCIPLES

In the beginning of 2022 **Amplifon signed up to the Women's Empowerment Principles (WEPs)** set up by UN Women and UN Global Compact, namely a set of Principles that guide organizations in promoting gender equality and women's empowerment in the workplace, the market and the community. In line with the international labor and human rights standards, the WEPs are based on the recognition of the role and the responsibility of companies for gender equality and women's empowerment. In line with our Sustainability Plan "Listening Ahead", we contribute to the UN SDG 5 (gender equality) promoting diversity among our people

and attracting, developing, and retaining the best talents. In fact, we work together to foster a truly inclusive, safe, and productive workplace for all our fellow employees. This is not only good for us individually but also for the sustainability, innovation, and productivity of our company.



FIND OUT MORE

WOMEN'S EMPOWERMENT PRINCIPLES

In line with the principles expressed by the UN Global Compact and our Code of Ethics, the Group does not exercise or allows any discriminatory behavior on employment, whether based on political and trade-union opinions, religion, race, nationality, age, gender, sexual orientation, health, disability, or any other intimate human characteristic. The Group demands that there is no harassment in internal and external work relationships, including the creation of a work environment with an intimidating, hostile or isolating climate and the creation of barriers to individual professional growth for reasons that are not related to professional competence.

~210

EMPLOYEES
BELONGING
TO PROTECTED
CATEGORIES OR
WITH DISABILITIES

All employees are guaranteed equal opportunities and fair working conditions. As confirmation of this, more than 72% of employees as of December 31st, 2021, is represented by women, a slight increase compared with 2020. **Women are consistently present throughout the organization:** in the field-force population, women represent almost 77% and, in the back-office population this figure is around 55%, while women make up about 30% of key role in the global leadership population.

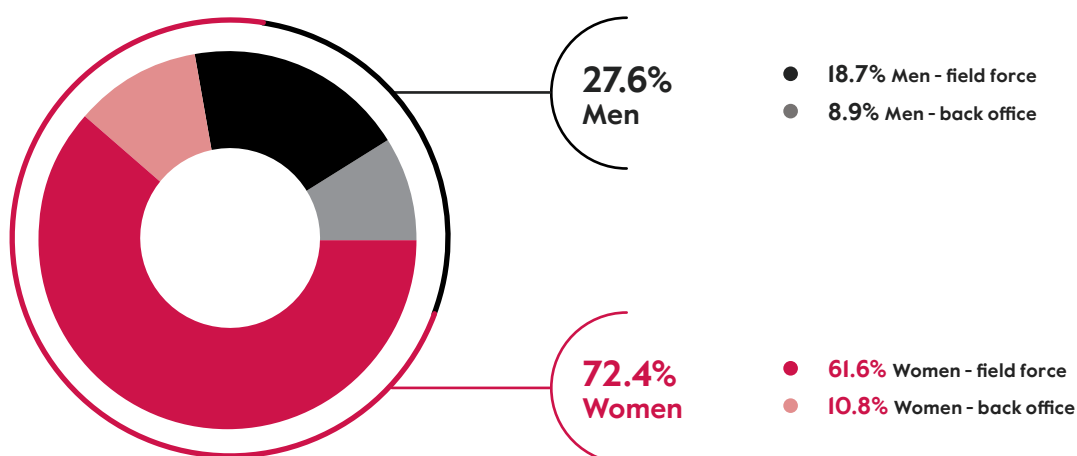
In addition to being well distributed in terms of nationality and gender, **Amplifon workforce is also varied in terms of age:** more than half of employees (more than 57%) are aged between 30 and 50, while the under 30 and over 50 represent respectively 22% and 21% of the total. In addition to being the most represented in the field force population (around 56%), the 30-50 age group is also well represented in the back-office population (more than 63%): in particular, more than 80% of Directors and Managers are aged between 30 and 50, as well as more than 57% of Professionals.

+72%
FEMALE EMPLOYEES
IN 2021

~30%
WOMEN IN
THE GLOBAL
LEADERSHIP
POPULATION

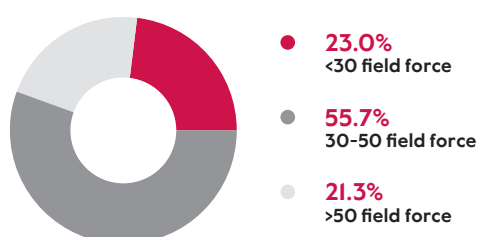
+57%
OF EMPLOYEES
BETWEEN 30 AND
50 YEARS OF AGE

EMPLOYEES BY GENDER AND POPULATION TYPE (2021)

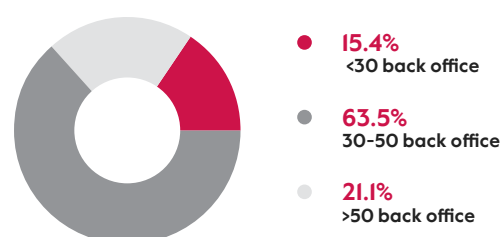


EMPLOYEES BY AGE GROUP AND POPULATION TYPE (2021)

FIELD FORCE



BACK OFFICE



WAGE PARITY

In Amplifon we believe strongly in the importance of wage parity for men and women at all levels, and we ensure all employees receive remuneration consistent with market standards and internal practices in order to guarantee a suitable level of both external competitiveness and internal equality. As proof of this, from 2021 we carried out an initial monitoring of the **gender pay gap**, taking into consideration different organizational clusters²¹ to evaluate the organizational complexity of individual roles.

This analysis neutralizes the effects of differences in role complexity, in accordance with the United Nations principle of "equal pay for equal work" and allows precision and objectiveness in the evaluation of the evidence. The analyses conducted demonstrated that, within the Group, there is no difference in pay due to gender, thereby excluding any distinction in the pay ratio, and that **the ratio between the base average salary (fixed remuneration) between women and men in 2021 is very balanced for both very senior roles and the rest of the corporate population²²**. Amplifon's Remuneration Policy is actually based on the capacity of recognizing the most appropriate remuneration depending on the organizational position, the individual performance, the skills and the complexity of the role. Any pay difference between Amplifon's people is exclusively attributable to the above-mentioned factors, without being in any way conditioned by other elements such as age, gender, culture, etc. and will, in any event, be subject to specific neutralization plans following the salary review process.



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**REMUNERATION
POLICY**

GPG (GENDER PAY GAP)

RATIO OF THE AVERAGE FIXED REMUNERATION WOMEN/MEN

■ WOMEN (FIXED REMUNERATION)
■ MEN (FIXED REMUNERATION)



WELL-BEING AND INTERNAL ENGAGEMENT

In line with the UN Global Compact principles, the Universal Declaration of Human Rights, and in compliance with the International Labor Organization Conventions on Fundamental Human Rights, Amplifon is committed to **complying with the fundamental human rights and labor rights in all**

~41%

**OF EMPLOYEES
HAVE CONTRACTS
COVERED BY
COLLECTIVE
BARGAINING
AGREEMENTS**

21 - Six organizational clusters were identified for the purpose of analyzing the gender pay gap: Top Management (composed of the Executives and General Managers of the major countries); Directors (excluding the General Managers included in the first cluster); Managers; Hearing Care Professionals; Client Advisors & other store personnel.

22 - In order to guarantee high-quality data, the analyses conducted involved 58% of employees, excluding part-time staff, interns and apprentices, staff on fixed-term contracts and some of the workforce in minor countries.

the countries in which we operate, both in business activities and under the scope of relations with third parties, renouncing all forms of exploitative forced labor and child labor. In order to guarantee the well-being of all employees, trade-union relations are always positive and constructive and differ based on local regulations. Amplifon establishes contractual conditions directly with employees in all Group countries, in line with local best practices and, where present, collective employment contracts or the equivalent are applied²³.

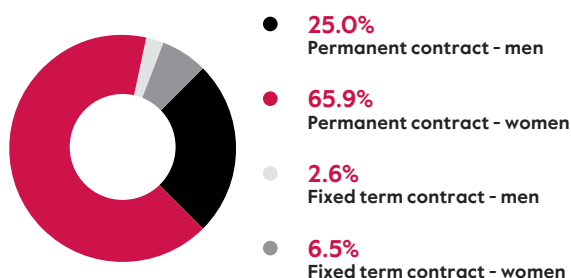
As testimony to the commitment to ensuring and strengthening employment stability and to investing in human capital over the long term, in 2021 almost 91% of employees had a permanent contract, and the possibility of part-time employment is offered to satisfy employees' personal needs. In line with 2020, also in 2021 around 27% of employees benefit of this type of employment.

~91%
OF EMPLOYEES
HAVE A PERMANENT
CONTRACT

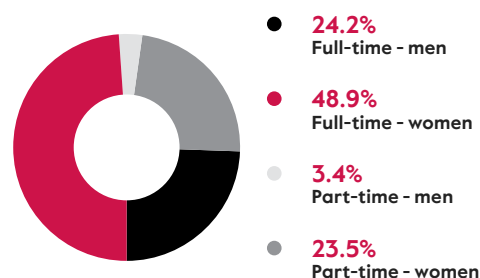
~27%
OF EMPLOYEES
ENJOY A TYPE
OF PART-TIME
EMPLOYMENT

EMPLOYEES BY TYPE OF EMPLOYMENT CONTRACT, TYPE OF EMPLOYMENT AND GENDER (2021)

TYPE OF CONTRACT



TYPE OF EMPLOYMENT



BENEFITS

We guarantee flexible working hours for all our employees and a customized package of benefits depending on regulatory requirements and market best practices in each of the countries in which we operate. Each year the employee benefits offered are improved with the goal of being in line with local and international compliance requirements, positioning Amplifon as a fair employer for our people and, at the same time, ensuring employee benefits are considered a key lever for increasing the capacity to attract and retain talent under the scope of the Company's Total Reward Strategy.

The employee benefits offered are aimed at peoples' needs and motivations, identifying a series of lines of action that make it possible to create solutions tailor-made to individuals' needs. Our program of differentiated initiatives/ services dedicated to the well-being of Amplifon staff is aimed at contributing

23 - All employees in France, Spain, Italy, Belgium, and the Netherlands have collective employment contracts or equivalent. These also partly apply to employees in Australia (where local legislation requires collective employment contracts or equivalent to apply only to call center staff) and in Argentina.

to the Company's social responsibility and creating lasting sustainable value for employees, their families and the area in which they live. Our benefit programs actually have the aim of achieving the following goals:

- Being mindful of people's well-being and the particular needs of every generation within the Group, valuing diversity.
- Having a tangible impact on the productivity, motivation, and satisfaction of our people, creating a strong sense of belonging towards Amplifon.
- Bringing efficiency and innovation to the management of economic resources, maximizing employee's perceived value.

By way of example, note the flexible benefit program offered to employees of Amplifon S.p.A and Amplifon Italia, in which each resource receives a number of points to be used for the purchase of goods and services of their choice, from an extensive, varied basket (education, entertainment, personal services, etc.). By accessing a digital tool, people can take advantage of differentiated services according to their personal needs. In fact, the program includes:

- parenting support (payments for expenses incurred for children education, nurseries, infant schools, primary and secondary schools, degree courses, masters, creative hubs, recreational centers, etc.);
- self-care and time management (gym, traveling, events, personal development, etc.);
- caregivers support (reimbursement of expenses incurred for services provided by community health workers to elderly and care-dependent people, care workers, care services in hospital or at rehabilitation centers, etc.);
- employees and family health (reimbursement for expenses incurred for specialist medical visits, medicines and homeopathic products, buying or hiring medical devices, etc.).

In North America, on the other hand, we offer all employees on permanent contracts for at least 20 hours per week an Employee Benefits Policy which includes health insurance, additional cover for dental, eye, and otolaryngological care, a flexible spending account to cover additional people care expenses, life insurance, cover for transport costs for getting to the workplace, supplementary pension plan, and psychological counseling service.

To complement the recently promoted initiatives, the Group has also introduced global health insurance for our ex-pat employees which includes a benefit plan created for this population group. The policy guarantees an adequate level of health care cover for ex-pats and their families throughout the time they are abroad in all countries of the world.



YOUR VOICE: AMPLIFON ENGAGEMENT SURVEY

We strongly believe in the importance of regularly evaluating the engagement of our people and listening to their opinions on the workplace. This is why every two years we conduct a global internal engagement survey called “**Your Voice**”. Following the results, global, local, and functional action plans are designed and implemented with the aim of improving the experience of all employees. Since the 2019 edition, we have been conducting the survey through a global platform (Glint, part of LinkedIn) through which a multilingual version is sent to all employees at the same time.

The 2021 edition of “Your Voice” reached around 93% of the corporate population (all employees excluding the recent new hires in China and Australia) and included 32 questions, with an 80% response rate and over 22,000 comments collected which supported the understanding of the results, later shared at all levels of the organization. The participation rate was in line with the benchmark target from the global provider, also taking into consideration the large number of stores acquired in the months prior

to the survey which, as the integration process was still in progress, meant the response rate was physiologically lower. 88% of Group employees expressed a positive opinion on the Company: even if in this case too, this indicator was affected by the numerous acquisitions made both in terms of stores and business units. In effect, on a like-for-like basis, compared with the 2019 edition, in 2021 a target of 90% was reached.

In 2021 the interviewees showed a strong bond with Amplifon’s purpose, stating that they felt responsible for their work and understood their contribution to the success of the business. In addition, the participants pointed out the importance of innovation for the products and services offered by Amplifon, confirming the centrality of the customer offering in the daily life of Amplifon. After the 2021 edition, 2022 will be dedicated to the development and execution of the action plans that will be implemented until 2023, also in view of the new survey planned for November 2023.



GLOBAL INTERNAL COMMUNICATION FRAMEWORK

In Amplifon, a regular, prompt, and complete internal communication is functional in creating a working environment in which people can develop their talents and always feel involved. Our **Global Internal Communication Framework** was developed exactly for such purpose and activates the right routines as well as guarantees the enabling platforms are continuously developed and implemented to ensure effective communication cascading at all levels of the organization.

Once a year, all Amplifon Leaders meet at **One Amplifon**, our Global Leadership Conference. Furthermore, every quarter, they meet virtually in so-called **Leadership Touchpoints** to share

Company updates and key projects, which are in turn shared in cascade throughout the Organization in so-called **Town Hall Meetings** during which other local initiatives and routines specifically addressed to the field force are also presented. Moreover, within the Organization all the functions implement global and local vertical routines, including global functional conferences aimed at promoting the alignment of strategy and providing an update on key projects.

The Company Intranet, which merges global and local content, guides communications in a top-down fashion towards all employees and is constantly updated to integrate new content and respond to emerging needs.



A photograph of a man and a woman in a modern office setting. The man, wearing a light blue shirt, is standing and smiling while holding a smartphone. The woman, with long brown hair and wearing a grey sweater, is seated at a wooden table, looking towards him. On the table are a white mug, a water bottle, and some papers. In the background, there is a large screen displaying a presentation.

3.2 TALENT ATTRACTION AND DEVELOPMENT

EMPLOYER OF CHOICE

Attracting people who believe in our values, in innovation and excellence, and who are stimulated by the possibility of working in a dynamic international context is for us a key objective.

As part of both the People Excellence and Winning Culture pillars of our HR Strategy, we elaborated a differentiated attraction and acquisition strategy for two key groups: hearing care professionals and customer relations managers on the one hand, and professionals and managers on the other, with the objective of ensuring a solid pipeline of talent to support the future growth of the Group. For this reason, the strategy is defined at corporate level and then implemented sequentially at local level to ensure a unique candidate experience in all the Countries where Amplifon operates.

EMPLOYEE VALUE PROPOSITION

True to our Employee Value Proposition (EVP), in 2021 we continued to work to attract talent. The EVP describes the essence of Amplifon as an employer and serves to make the Amplifon world and culture known to potential candidates, with the aim of attracting and recruiting the best talents capable of embracing the Company's values. The employer brand-line "Make More Possible" affirms how it is possible in Amplifon to "achieve more" for the growth of the business and for one's own personal and professional development. The Group rewards ambition, collaboration spirit, and dedication with more hours of training, more opportunities to be part of international teams, and more dynamic career paths. It is a direct and courageous call to action that aims to describe the impact our employees have in improving the lives of others through their work, in line with our corporate purpose.



TALENT ATTRACTION STRATEGY

Due to the pandemic crisis, in 2021 the talent attraction strategy was conducted mainly through digital channels. Career days, webinars, workshops, project work, shadowing and mentorship programs were the main activities that involved approximately 7,000 students and fresh graduates. All these activities had a single common denominator: to increase awareness about Amplifon and its opportunities, but above all to help the younger generations in their professional and personal growth, knowing that companies like Amplifon have an important role to play in training the leaders of tomorrow.

2021 also saw the consolidation of the partnerships with CEMS and with Junior Enterprises Italy. CEMS is an international network of 34 exclusive business schools and 68 multinational companies and NGOs that jointly offer a Master's in Management, with the objective of training responsible leaders focused on topics of sustainability, and which currently has a network of more than 18,000 students and alumni of 108 different nationalities. Junior Enterprises Italy is a non-profit association, present in 25 Italian universities with a network of more than 2,200 students, which offers its members the possibility of meeting the challenge of projects to be carried out jointly with partner companies. Moreover, the productive partnerships with AIESEC, the largest student association in the world with more than 100,000 students from more than 2,400 universities, and with the Luigi Bocconi University of Milan, the LUISS Guido Carli University of Rome, the Business School of the MIP Polytechnic of Milan, and other relevant universities present in the countries where we operate were also confirmed, among these are HEC Paris (France), ESADE (Spain), University of Cologne (Germany), and University of Rotterdam (the Netherlands). Finally, to have a proactive approach also on external talents, in 2021 a cooperation with some renowned executive search companies for targeted selections in the Marketing, IT, Retail Excellence, and General Management areas was established for some specific projects.

In 2021 Amplifon and the Bocconi University signed an agreement for the establishment of the **Amplifon Chair in Customer Science**, a chair created for understanding customers, their purchase and loyalty drivers through the most advanced computer science and artificial intelligence instruments. The activities include an intensive research program and initiatives involving the students in educational challenges that put them in direct contact with corporate situations.

~7,000

STUDENTS AND
NEW GRADUATES
INVOLVED
IN TALENT
ATTRACTION
ACTIVITIES IN 2021

CEMS
JUNIOR
ENTERPRISE
ITALY
PARTNERSHIP
CONSOLIDATED
IN 2021



GO TO PAGE

AMPLIFON CHAIR
IN CUSTOMER
SCIENCE



AMPLIFON RECORDS GRADUATE PROGRAM

The first edition of the Amplifon Records Graduate Program was launched in 2021. It is a program designed to attract and accelerate the development of young professionals with a strong international edge. The program, which lasts 18 months, includes 3 rotations, with the first two in the Milan HQ and the third in one of the Group's 25 countries. During the program, participants will be called upon to work in a group on a Corporate Social Responsibility project, which will then be implemented at local level in one of the Group countries.



EARNED & OWNED MEDIA

Owned media is an increasingly important tool to make ourselves known and present our corporate values, and it has a synergic role to the one offered by traditional and digital media. The social-health context has accelerated further the development of our communication dedicated to Employer Branding activities, which devoted itself to the development of content expressly designed for owned media (our main social network media pages and our Group websites) which were fundamental for conveying the Company's and the sector's attractiveness, and for maintaining an active dialog with candidates. With the precise goal of being a reference point for our community, we have shared extremely diverse contents, leveraging the active involvement of our Top Management and the entire organization. During the year, also thanks to our global Social Leadership Program, we achieved a substantial increase in our reference KPIs on social platforms.

Our Career website, which by the end of 2021 had fulfilled for two years its new role as the global hub dedicated to career opportunities in Amplifon, ended the year registering a 68% increase in visitors and a 28% increase in visited pages compared to 2020, confirming its crucial role in creating a unique and compelling candidate experience worldwide and to affirm Amplifon as the employer of choice.

+17%

OF THE FOLLOWER
BASE OF OUR
SOCIAL MEDIA
COMPARED WITH
2020

+55%

VIEWS OF OUR
SOCIAL MEDIA
POSTS COMPARED
WITH 2020

68

INTERVIEWS
AND SPEAKING
OPPORTUNITIES
FOR OUR TOP
MANAGEMENT

+68%

VISITORS TO
THE CAREER SITE
COMPARED WITH
2020



OUR GLOBAL ONBOARDING PROGRAM

The sixth edition of the Amplifon Global Onboarding (DaGO) program took place in 2021, in digital form. The program is built around various times that allow us to get to know the Group functions, meeting with the CEO first line and learning about the development and training opportunities the Group offers. The 2021 edition, which took place at two different times (Atlantic and Pacific) to embrace the different time zones, involved 126 back-office employees over the year.



NURTURING TALENT

We dedicate a lot of time and resources to training programs for a vast range of learning and professional development opportunities, so that everyone can fulfill their full potential.

Amplifon offers training and development programs to all its employees, at a regional and national level, as well as at a global level. A wide and differentiated offer enables us to respond to local needs and requirements, while allowing our workforce to benefit from best practices that are shared around our global network. Classroom and online courses offered to field force and back-office personnel, complemented with individual coaching and mentoring sessions, focus on professional and business skills, as well as behavioral and leadership skills.

AMPLI ACADEMY

On the basis of Amplifon's Leadership Model, the strengthening of the Ampli Academy continues for all back-office staff. Ampli Academy is a platform that comprises our development and training offer and was designed to be activated for all of Amplifon's staff, also clustered on the basis of specific needs of staff segments or countries. In 2021, through the introduction of a Learning Experience platform, the offering was enriched and reached **more than 20,000 courses and programs that all employees can access.**

Ampli Academy aims to develop two distinct areas of competencies: the first one is more focused on functional pathways, or rather functional skills, while the second one is focused on behavioral & leadership competencies, in order to develop soft skills. Considering the growing importance of inter-functional and interpersonal skills, the latter is based on four themes designed with the perspective of developing skills that will be required in the future:

- **AWARENESS:** it is fundamental to create moments when we share the vision of our Company, Amplifon's structures, corporate culture, values, and changes. This is because independently of one's position in the organization, all employees make decisions every day and the better their understanding of the organization and its objectives is, the more their decisions will be in line with it;
- **DIGITAL EMPOWERMENT:** we believe that technology is an opportunity to make repetitive but necessary activities more efficient, allowing people to focus on activities where creativity, ingenuity, and non-linear thinking allow them to achieve the maximum positive impact;
- **CONNECT:** for Amplifon diversity is not a slogan but an opportunity to analyze situations and projects from different points of view, ensuring solid and sustainable execution. For this reason, programs that include mentoring or change management aim at connecting different experiences, backgrounds, functions, and Countries, so that everyone can constantly expand their horizons and comfort zones;
- **LEAD:** to be a "High-Performing Organization" it is fundamental that people managers and people leaders operate as facilitators to enable the full potential of their teams. For this reason, Amplifon has structured various growth programs to cover different levels of management and leadership among its people.

**AMPLI
ACADEMY
WAS LAUNCHED
IN 2020**

~18,000

**TOTAL HOURS
OF TRAINING
ON DIGITAL
TRANSFORMATION
TOPICS PROVIDED
IN 2021 TO MORE
THAN 9,600
EMPLOYEES**



EVERYDAY EXCELLENCE VALUE DIGITAL CITIZENS AND DIGITAL LAB

Following the Digital Readiness Assessment of 2020, a program was established in 2021 for improving the digital skills and expertise of Amplifon collaborators. In each of the four quarters of 2021, we focused on a specific area covering the topics of "Cybersecurity", "Digital Mindset", "Digital Workplace" and "Digital Transformation". Each area brought training and e-learning opportunities, but also global meeting

moments and workshops on specific subjects. There was also the opportunity for those more closely related to these topics of taking part in Digital Labs, which made it possible to better understand the impact digitalization is having on our lives, getting ideas and insights for experimenting with new solutions and concepts in our work environments.

In 2021, we invested in more than 340,000 hours of training for employees, with a total of more than 30 hours per person per year, considering both the back-office population and the field force. If we consider all workforce, both employees and workforce not on the payroll, the total hours of training delivered in 2021 amounted to about 367,000. In particular, the entire network of hearing care professionals (both employees and workforce not on the payroll belonging to the network of “autogestori”) is constantly trained and updated on the most innovative protocols and instruments: in 2021 they received a total of more than 210,000 hours of training, with an average of almost 33 hours each.

+340,000

**HOURS OF
TRAINING FOR
EMPLOYEES**

+210,000

**HOURS OF
TRAINING FOR
HEARING CARE
PROFESSIONALS**

LEADERSHIP DEVELOPMENT PROGRAMS

We invest in the professional development of talented individuals who show growth potential and the ability to cover positions of international responsibility, offering them a wide range of targeted training programs based on their position, their seniority, and their individual aspirations.

In 2021 the existing Leadership Program was extended, revising both its content and format. This was not only to ensure consistency with the Group’s transformation process, but also with the HR processes, the Leadership Model and the Amplifon Employee Experience. LEAD the Future, LEAD the Way, BE Manager, BE Leader and RIDE the Change took place together with leading educational institutions.

- **LEAD THE FUTURE**

is a program for Country General Managers and the CEO first line managers, with the objective of consolidating a shared vision and leadership style among the Group’s key figures.

- **LEAD THE WAY**

on the other hand, targets country leadership teams and Corporate Directors with the scope of promoting strategic, cultural, and leadership alignment.

- **BE LEADER**

has the objective of accelerating the development of managers who will go on to take a people’s leader role in the near future.

- **BE MANAGER**

was designed to create a shared path for Amplifon’s managerial population, not only to support the development of managerial skills, but to create a shared culture and strengthen the High-Performing Team, helping managers with the development of their teams.

- **RIDE THE CHANGE**

is dedicated to young, talent employees in the back-office and aims to strengthen the culture of change and innovation through digital skills.



PERSONAL IMPACT VALUE RIDE THE CHANGE

The third edition of RIDE the Change, which is still underway, counted on the participation of 21 young employees from 8 different countries. At the end of 2021, the participants embarked on a training path that covered digital topics, from collaboration among remote teams to digital reputation and influencing, all thanks to a gamification platform, followed by the development of proposals for introducing innovative solutions in various Amplifon business contexts.

In the second phase, highly diversified teams were involved in a laboratory session working on real business cases sponsored by the General Manager of Otohub (digital company part of the

Group), with the objective of generating new ideas to strengthen Amplifon's leadership in the hearing care sector. The third phase, planned for the first half of 2022, will be a laboratory session based on what was experienced in 2021, the year in which digital collaboration was taken to its extreme, to create an experience that blends the "physical" and "digital" parts, thus consolidating the changes that will remain in the future.





3.3 CAREER DEVELOPMENT AND RECOGNITION

We value the contribution of every one of our people based on a culture of constant feedback and place great value on recognizing and celebrating the achievement of results and successes.

CAREER DEVELOPMENT

The experience offered by Amplifon must be unique for all resources. For this reason, in line with the people management program, various internal “**You@Amplifon**” meetings were organized to discuss, update, and share information, thus training and supporting employees to face the various phases of their career path, from their arrival at Amplifon to growth, including objectives, results, recognition, and goal valuation. You@Amplifon makes it easier for employees to play an active role in building their development and career path. The goal is to support everyone on their journey toward growth and success, based on the characteristics and ambitions of each person. Strongly believing in global internal mobility as a driver of personal and professional growth, in order to facilitate relocation inside the Group, Amplifon has also implemented a competitive **Global Mobility Policy**.

GOAL
GUIDE ALL
EMPLOYEES
TOWARDS GROWTH

Amplifon’s continuous success depends on its employees’ ability to maintain the highest standards of performance in their roles, in line with corporate objectives. Effective bidirectional communication with employees is fundamental to create a culture centered on the identification of clear individual objectives and a process of continuous performance management. Therefore, we encourage regular meetings during the year between employees and their managers to ensure **anytime & continuous feedback** capable of supporting the right orientation and recognition. In this way, we allow everyone to have their performance evaluated with transparent criteria regarding the achievement of their own objectives.

PERFORMANCE DEVELOPMENT REVIEW

Like every year, the Performance Development Review (PDR) for the Group's back-office and field force personnel was carried out in 2021 to evaluate individual performances and incentivize the adoption of behaviors consistent with the Group's Leadership Model in accordance with its six dimensions: Strategic Thinking, Driving Success, Outstanding Execution, Building Relationships, People Champion, Pioneering Change.

The process is driven by a policy established at Group level. Finally, to accompany employees in their comprehension of the process and the tools available for their development, training sessions are regularly organized for all the interested employees with the objective, on the one hand to provide Directors and Managers with a clear understanding of their role in the professional growth of their human resources and, on the other hand to provide Professionals with a strong awareness of the role they can perform in their development and growth in Amplifon.

The training sessions related to the Leadership Model continue regularly to support the employee development process, while dedicated communication campaigns and collective meetings (You@Amplifon) take place just before each key moment of the process. The sessions organized in 2021 were focused, among other topics, on the definition of objectives, the recognition system, and the management of feedback in the assessment phase.

At Group level, approximately 87% of employees was included in the performance review process in 2021, representing more than 88% of women and more than 83% of men. This is an extremely satisfactory number, as it leaves out only those employees who cannot be included in the process due to special circumstances (for example, those on long maternity/paternity leave or leave of absence, and those with work/study contracts that provide for different assessment mechanisms, such as apprentice hearing care professionals in some Countries).

REMUNERATION POLICY

We believe in the concept of performance-based remuneration and we are committed to recognizing the most brilliant contributions both in terms of economic results and customer service. For this reason, our Remuneration Policy, in addition to being based on principles of global consistency in order to promote a One Company culture, is attractive, transparent and linear. Made of short and long-term fixed and variable components, it is aimed at motivating people to reach their goals, being challenging yet at the same time reachable, and is disclosed in a clear manner.

In order to bring the interests of Top Management into line with the primary objective of creating value in the medium-long-term, the Remuneration Policy is defined in line with our business strategy, our governance model, and the guidelines of the Italian Stock Exchange Corporate Governance Code. Based on the different elements that constitute the pillars of the policy, the Remuneration and Appointments Committee annually evaluates the quality of its contents, assisting the Board of Directors with its definition, leading to its approval by the Shareholders' Meeting later on.

~60

ONLINE TRAINING
SESSIONS RELATED
TO THE LEADERSHIP
MODEL

~1,500

EMPLOYEES
INVOLVED
IN TRAINING
RELATING TO
THE LEADERSHIP
MODEL IN 2021

~87%

OF EMPLOYEES
RECEIVED A
PERFORMANCE
REVIEW

~36%

OF BACK-OFFICE
EMPLOYEES WERE
EVALUATED AS
TALENTS AND
HIGH-PERFORMERS



FIND OUT MORE
REMUNERATION
POLICY

In 2020, Amplifon acquired further levers through which it **guarantees the alignment of the Remuneration Policy with our sustainability** strategy by applying the main objectives of the Sustainability Plan to the performance evaluation system (PDR) and short-term variable incentive scheme (MBO) designed for Top Management (Chief Executive Officer/General Manager and Directors with Strategic Responsibility).

With particular reference to the MBO incentivizing mechanism, a multiplier/demultiplier, which ranges from 0% to 120%, is applied to the bonus resulting from the Group's three economic-financial KPIs that make up the Scorecard (EBITDA, Net Sales and Free Cash Flow), based on the achievement of the individual objectives related to the Performance Development Review (PDR). Individual objectives are measured through specific KPIs related to one's function and **at least one of them is tied to the targets of our Sustainability Plan**. Such objectives are included for the Chief Executive Officer/General Manager, as well as for other Directors with Strategic Responsibility in the PDR, in order to evaluate individual performance on these topics.

As confirmation of Amplifon's increasing focus on sustainability topics, in 2021 we also initiated an in-depth analysis on the definition of a new rewarding remuneration tool intended, in the first instance, for the Chief Executive Officer/General Manager, and designed to create a strong bond with the value creation for shareholders and all our stakeholders. This remuneration component is aimed to guarantee, at the same time, both safeguarding topics related to sustainability, and the value creation the medium-long-term and foster greater alignment between the interest of management and those of shareholders. This aim is actually guaranteed by the possibility of the Chief Executive Officer/General Manager of co-investing part of the MBO in Amplifon shares, allowing the latter to take advantage of the Group's expected success in the three-year period through a matching system²⁴.

SHORT-TERM VARIABLE REMUNERATION (MBO) AND OTHER SHORT-TERM INCENTIVE SYSTEMS

Under the scope of our Remuneration Policy, we defined a short-term incentive scheme, designed to direct the behavior of the staff involved at achieving challenging annual results, while recognizing individual contribution. The beneficiaries of our short-term incentive scheme (MBO) are many (there were around 220 beneficiaries in 2021, with reference to the Leadership Team alone), as the Group wishes to value people and recognize their contribution to the Company's results.

In every country in which the Group operates, there are also short-term incentives for the population who are not part of the Leadership Team, aimed at rewarding individual/collective contributions in achieving objectives, as well as sales incentives for the population working in the stores and sales structure, aimed at driving performance and incentivizing reaching challenging commercial targets.



GO TO PAGE
OUR
SUSTAINABILITY
PLAN

~220

BENEFICIARIES
OF THE MBO PLAN
IN 2021

²⁴ - Further details are available in the [Remuneration Report 2022](#).

LONG-TERM VARIABLE REMUNERATION (AMPLIFON STOCK GRANT PLAN) AND OTHER LONG-TERM INCENTIVE SYSTEMS

Furthermore, our Remuneration Policy foresees a long-term incentive system based on the allocation of shares aimed at aligning the interests of management with those of shareholders, as well as rewarding human capital. In 2019 Amplifon introduced the new incentive system (Stock Grant Plan 2019-2025), which foresees two categories of beneficiaries:

- The beneficiaries of the **Long-Term Incentive Plan (LTI)** are managers who hold key Group positions at global, regional, and local levels, identified by virtue of the band of the position they cover within the organization, according to Amplifon's banding system. During 2021, 93 people benefitting from the LTI plan (in 2020 there were 74).
- The beneficiaries of the **Amplifon Extraordinary Award Plan (AEA)** include employees who are selected and identified from year to year according to criteria based on retention, promotability, and extraordinary recognition. During the year, 71 people benefitting from the AEA plan (in 2020 there were 56).

164

BENEFICIARIES
OF THE 2019-2025
STOCK GRANT
PLAN IN 2021



EVERYDAY EXCELLENCE VALUE CHARLES HOLLAND AWARD

We recognize the best individual and team performances. Every year, in each country in which we operate, we award a prize to around 50 best stores that stand out by helping our customers and best meeting their needs, inspired by our values. The Charles Holland Award is the most important recognition of excellence in our network. Established in 2011, the award is named after the founder of Amplifon. Hundreds of points of sale have won this prestigious award since its introduction.



EVERYDAY EXCELLENCE VALUE AMPLIFON LEADERSHIP AWARDS

At the end of each year, the Company's Top Management hand out the Amplifon Leadership Awards, which reward and recognize the best company projects and results for the year associated with each of Amplifon's five values. The "Acting Responsibly" Special Award for 2021 was given for the first time symbolically

to all Amplifon employees who, adhering to the Amplifon Foundation initiatives, made it possible to implement a concrete plan of action dedicated to the communities in which we operate, specifically for seniors at risk of marginalization.



3.4 EMPLOYEES' HEALTH AND SAFETY

As foreseen in our Sustainability Policy, we are committed to maintaining a safe workplace for all our workforce and we consider health and safety at work to be a fundamental component of the general well-being of our employees.

Our Code of Ethics guides all Amplifon employees in maintaining a sound, healthy, and safe workplace, also by taking part in the process of risk prevention to protect their own, their colleagues', and third-parties' health and safety. Because our business involves **a low risk of injury at work** and considering the tools and procedures implemented to comply with local and regional regulations, to date Amplifon has not deemed it necessary to establish formal global policies and management models in relation to health and safety. Nonetheless, in many Countries specific organizational models have been set up in response to the provisions of national safety regulations or standards.

With the support of external specialists, if necessary, the country HR functions adopt local processes to identify and classify employees' health and safety risks which provide for the identification of potential risks for individuals and their relative preventive actions. All employees and their representatives are involved in the health and safety risk assessment process, and periodically the people in charge of such aspects prepare detailed reports regarding the measures undertaken in relation to the prevention and protection service, including occupational medicine activities. The identified risks are mainly related to activities conducted in stores and offices, including secondary activities such as maintenance, and they relate to, by way of example, ergonomic aspects, handling of tools, falls/slips, electrical hazard risk, fire, work-related stress. In the event of accidents at work, depending on the severity of the event, investigations are conducted with a view to identifying the cause for the purpose of adopting suitable precautions to prevent such risk situations in the future.

In addition to monitoring work-related injuries and health problems, **training on health and safety at work**, as by applicable local legislation is always guaranteed for all employees. The content of such training includes a description of the risks in the workplace, specific safety procedures, knowledge of national regulations, and the roles and responsibilities as defined within the Organization. Finally, in some countries, special conventions are offered granting access to private specialized medical services, as well as personal health promotion programs (such as flu vaccination campaigns, initiatives related to the dissemination of anti-smoking information, advice on correct nutrition) and additional insurance cover directly included in the employment contract or made available on demand at special rates.

In 2021, 139 work-related injuries were recorded, the majority relating to very minor incidents, such as, for example, minor falls resulting from slipping or superficial cuts with office materials which, in many cases, did not give rise to sickness days. The total accident frequency rate was 7.72, while the high-consequence accident frequency rate was 0, as there were no accidents in this category. In addition, 11 cases of occupational illnesses were recorded, mainly due to work-related stress.



ACTING RESPONSIBLY VALUE

OUR OPERATING PROTOCOL FOR GUARANTEEING SAFETY IN ALL OUR STORES AND OFFICES

Since 2020 we have increased our focus on people's health and safety by defining a specific global protocol for regulating measures for fighting the spread of Covid-19, with the collaboration of top experts in the fields of virology, microbiology, and otolaryngology as well as a specific local protocol for every country including the global guidelines with any additional requirements by local legislation. Our shops always stayed open in 2021 as well, and the rigorous operating protocol guaranteed compliance with all the recommendations of the main national and international health institutions for preventing the transmission of the virus, thereby protecting all people, with a particular focus on the over 70s population, which represents a significant part of our

customers and needs audiological assistance more often.

This commitment and focus have not involved only our stores: the shift system for office staff has continued, allowing anyone to combine smart working with working in the office while complying with social distancing, both at their desks and in communal areas, all equipped with hand sanitizer. Site access methods have been totally reorganized: there are thermal scanners at all entrances to measure body temperature and for validating the necessary entry requirements (e.g., green passes). All site employees have also been given a kit composed of certified masks (to be changed twice a day and then properly disposed of) and personal hand sanitizing gel.

WE RAISE AWARENESS ON THE IMPORTANCE OF PREVENTION AND HEARING WELL-BEING AND PROMOTE SOCIAL INCLUSION WITHIN COMMUNITIES

OUR GOALS

Support the activities of the Group Foundations to spread the “sound of inclusion”

Promote awareness about responsible listening among the younger generation

Increase awareness about the importance of hearing well-being and the impacts of noise pollution among communities

CHAPTER 04

COMMUNITY IMPACT



 **amplifon**



4.1 OUR CONTRIBUTION TO THE COMMUNITY

We are engaged in awareness-raising, prevention, and educational activities to contribute to community well-being and to generate a positive and sustainable social impact over time.

Our awareness of the important role we play in society gave rise to “**We Care**”, the Amplifon program that brings together the social impact initiatives for the communities we promote and support in the countries where the Group operates. Since 2019 “We Care” has had the objective of reinforcing our ability to create long-term shared value by supporting and highlighting many listening and inclusion activities, a distinctive element of our Purpose, and encouraging sustainable behavior for the benefit of future generations²⁵. Thanks to the many initiatives implemented to support the local communities where we operate, we intend to promote education and raise awareness of the importance of hearing well-being, encouraging prevention, and fighting all forms of stigma through the active participation of the younger generations.



SOCIAL INITIATIVES FOR THE COMMUNITY

Over the years we have undertaken several initiatives, some recurrent and others more sporadic, for the benefit of the local communities within the scope of the “We Care” program. Even though to date such initiatives have not been driven by a specific Group-wide policy, the Sustainability Policy approved in 2018 formalizes Amplifon’s commitment in this context, which is also reinforced by the Company’s contribution to the Group Foundations for conducting their social inclusion activities.

Among the more significant recurring initiatives there is the collaboration of Amplifon France with *Les Enfants Sourds du Cambodge*, a non-profit association that takes care of Asian children affected by hearing disorders, to whom we

25 - The main environmental-responsibility activities promoted in recent years are presented in section 5.4 “Caring for the environment” of this document.

donate hearing aids, hearing care services, and training for local personnel, annually funding the purchase of audiological equipment for the children most in need. In 2021, as well as directly supporting the activities of the association, we also involved our customers in our stores and through our social channels, giving the opportunity to make charitable donations to the association, which Amplifon (France) then doubled. Among the more sporadic initiatives, there are several instances of cooperation with local associations and non-governmental organizations through which we contribute towards facilitating access to hearing care (for example, via the donation of hearing equipment and batteries), performing free hearing tests, or raising funds in conjunction with other associations.



WOW INTERNSHIP

The WOW internship is an exclusive educational and professional internship which gives the opportunity to students of audioprosthesis techniques in 14 Italian universities of having a training experience by shadowing our hearing care professionals. In 2021, more than 150 students took part in this scheme at one of our points of sale in Italy. Throughout the

program, the interns are supervised, not only by their tutors, but also by the Area Managers, to maximize visibility and inclusion at the end of the program. Experience, professionalism and involvement are the essential ingredients of the pathway to daily excellence which, thanks to this internship, we offer to the communities in which we operate.



4.2 PREVENTION AND AWARENESS

We have always been committed to transforming the way hearing care is perceived, in order to reduce the serious consequences deriving from hearing loss and maximize the individual and social benefits of prevention.

On average people who experience hearing loss delay consulting a specialist for seven years, notwithstanding the risk of very negative repercussions on their quality of life. For this reason, we play a fundamental role in spreading information and tools that enable people to identify and manage a potential hearing loss in a timely manner, overcoming the stigma that even today is often associated with a physiological condition that is usually associated with old age.

OUR COMMITMENT TO RESPONSIBLE LISTENING

Our prevention and awareness-raising activities on the importance of hearing well-being are aimed at all age groups and, through targeted campaigns and initiatives, are increasingly focused on younger generations. Indeed, World Health Organization estimates indicate that today over 1 billion young people are at risk of avoidable hearing loss, and that **60% of hearing loss in childhood is due to preventable causes**²⁶. In this context, the continuous use of personal hearing devices such as earphones for listening to excessively loud music, as well as frequent exposure to high volume sounds at concerts, discos, bars, and sporting events should not be underestimated. For this reason, it is fundamental to disseminate knowledge about the link between hearing and inclusion and to promote awareness about the importance of responsible listening, to allow people to live their lives to the full, while continuing to be active members of their communities.

+1 billion
YOUNG PEOPLE AT
RISK OF AVOIDABLE
HEARING LOSS

26 - Source: «[World Report on Hearing](#)», World Health Organization, 2021.

The little-known link between exposure to excessive noise and the risk of causing hearing damage or premature hearing loss is at the center of our “**Listen Responsibly**” program, until now promoted in Italy through the “*Ci Sentiamo Dopo* [We’ll Talk Later] – Listen Responsibly” project and, starting from 2021, also in Spain with the “Oyeah – Listen Responsibly” project, which is aimed at raising awareness about responsible listening among the younger generation.



After the launch of the project at Firenze Rocks in 2019, the project was promoted in more than 1,000 Italian secondary schools (and soon also in Spanish schools) thanks to an engaging multidisciplinary educational path that has turned about 24,500 students into genuine ambassadors of a new culture of sound. Workshops with experts from various fields and a gamification kit enabled the students to embark on the discovery of sounds from the past and the future.

In 2021, the project continued thanks to the new content posted on the cisentiamodopo.it portal dedicated to supporting teachers in distance learning activities, including an entire section dedicated to “The Professions” of the world of sound. In addition, 17 virtual workshops and educational labs were created with the participation of more than 1,350 students and prominent speakers such as Amplifon hearing care professionals, some members of the medical community, and external guests such as conductors, sound designers, and inclusion experts. Thanks to various tools in the educational toolkit, the “*Ci Sentiamo Dopo*” project lends itself to being a model that can be exported in the coming years to other countries where we operate.

The educational path also included an activity called citizen journalism: thanks to the “Listen Responsibly” App, students were involved as pioneers of a new discipline, acoustic ecology, and were sent out to record the noise levels of the environment using the app’s noise tracker which was developed by Otohub, the start-up that was acquired by Amplifon in 2019, to create an **interactive map of cities’ soundscapes** using gamification mechanisms. To date the App, which is available free of charge on all the main digital stores, has registered more than 5,700 users for a total of over 9,000 readings of noise levels. After the launch of the noise tracker in January 2020, on the occasion of the “Soundscape Ecology Elements” event, organized by the Triennale di Milano (Italy), the App also reached Spain in April 2021, on the International Noise Awareness Day, and was also launched in France in January 2022.

In 2021, for the first time Amplifon was a partner at the Bookcity Milano event, one of the largest literary exhibitions in Italy, which organizes meetings, readings, shows, and workshops every year in Milan about new reading practices. The show took place in November 2021 and its schedule of events included workshops on the “*Ci Sentiamo Dopo* – Listen Responsibly” project,

+1,000

SCHOOLS
INVOLVED

~24,500

STUDENTS
ENLISTED



FIND OUT MORE

CI SENTIAMO DOPO
PORTAL

+5,700

USERS OF
THE LISTEN
RESPONSIBLY APP

+9,000

NOISE
MEASUREMENTS
RECORDED

dedicated to students. The initiative was also part of *Sodalitas Call for Future*, the Sodalitas Foundation program that involves businesses committed to creating a sustainable future in accordance with the United Nations 2030 Agenda and young people, citizens of the world of tomorrow. The Amplifon project comes under the scope of the *Call for People initiatives*, because it contributes to reaching Sustainable Development Goals 3 "Health and Well-being" and 11 "Sustainable Cities and Communities".

Raising awareness among young people about hearing care is also carried out on social networks, where we have developed an effective dedicated communication strategy to disseminate prevention tips and "information pills". We also exploit social network pages to activate dedicated awareness-raising campaigns and highlight the messages of the World Health Organization on problems related to hearing disorders and untreated hearing loss on the occasion of World Hearing Day which is held every year in March.



FIND OUT MORE

**THE CASE HISTORY
"CI SENTIAMO
DOPO - LISTEN
RESPONSIBLY"
FOR SODALITAS**



FORWARD THINKING VALUE THE PURSUIT OF ACOUSTIC OASES IN ITALIAN CITIES

Amplifon launched a challenge to the young people of the AIESEC youth organization: a Noise Escape Challenge. It involves a real "hunt" for acoustic oases in which to have a pleasant, safe hearing experience by using the noise tracker of the "Listen Responsibly" App to find them. The initiative confirms Amplifon's commitment to prevention and increasing awareness in new generations of the damage noise pollution can cause to hearing.

Fifteen Italian cities were involved, with 65 young members of AIESEC who - in the period from July 16th to 19th, 2021 - launched the search

for acoustic oases. Once the data tracked after the 54 measurements the participants took was processed, Parco del Valentino in Turin was ranked in first place for acoustic oases, with an average measurement of 35 dB.



FIND OUT MORE

NOISE ESCAPE CHALLENGE

WE FIGHT ALL KINDS OF STIGMA

We have always been committed to contributing to overcoming prejudice and psychological obstacles preventing people with hearing loss from rediscovering the pleasure of hearing.

Misinformation, psychological obstacles, and stigma still represent a significant barrier to the treatment of hearing disorders even today. All of this is reflected in a considerable discrepancy in the use of hearing devices: the World Health Organization estimates that out of those who could benefit from using a hearing device globally, only 17% of them actually use one²⁷.

~17%

**OF THOSE WHO
NEED A HEARING
DEVICE ACTUALLY
USE ONE**



FIND OUT MORE

**HOW DOES
HEARING WORK?**

27 - Source: «[World Report on Hearing](#)», World Health Organization, 2021.

In Amplifon, we try and respond to this challenge by strategically planning our awareness-raising campaigns, also aimed at so-called influencers, namely families and friends of people with a hearing loss. Recognizing, interpreting, and understanding when loved ones show the first signs of hearing loss can help you communicate better with them and seek help to improve their interaction with the world around them. In 2021 alone **our awareness-raising campaigns on the importance of hearing care reached around 177 million people**, and our websites have dedicated sections that provide influencers with information on how to identify friends or family who could have hearing difficulties.

~177 mln

PEOPLE REACHED BY
OUR AWARENESS-
RAISING CAMPAIGNS
IN 2021



ACTING RESPONSIBLY VALUE

THE SUBTLE POWER OF LANGUAGE AT THE CENTER OF AN EXPERIMENTAL STUDY ON OUR RELATIONSHIP WITH HEARING

In 2020, thanks to Amplifon's Center for Research and Studies, we set up an experimental research project to investigate the role of language in the evolution of stereotypes with respect to sensorineural hearing loss and the accessibility of solutions for treating hearing problems: "Words, as commonly heard". The study involved the analysis of neurophysiological parameters related to exposure to different words and was conducted together with the Department of Social Psychology of the Catholic University of Milan and a multidisciplinary team of linguists and psychologists coordinated by the start-up Diversity & Inclusion Speaking. The objective of the project was to create a platform to take an in-depth look into the problem to understand how a more informed use of language could help deal with a hearing condition which is

destined to increase by 55% in Italy over the next 30 years and end up involving 11 million people. At the event, organized together with the Catholic University, the results of the first two phases of the research were presented. The first focused on the analysis of the terms used most often by the media to refer to symptoms, solutions and people with a hearing loss, the second concentrated on the importance of doctor-patient language in influencing attitudes with regard to hearing loss and hearing devices.



FIND OUT MORE

WORDS, AS COMMONLY HEARD



ACTING RESPONSIBLY VALUE

WE SIGNED THE "PAROLE O_STILI" (HOSTILE WORDS) MANIFESTO FOR PROMOTING INCLUSIVE COMMUNICATION

In 2021 Amplifon officially signed the Parole O_Stili's manifesto for non-hostile communication: a tangible sign of Amplifon's focus on a more informed use of language and promotion of social inclusion. The objective is to disseminate the principles of inclusive communication, countering hate in the network, and fighting the stigma related to hearing loss.

Through this initiative, as well as actively supporting the commitment of Parole O_Stili for educating and training the citizens of tomorrow, we have created an innovative active listening teaching kit for the schools that have signed up

to the "Ci Sentiamo Dopo - Listen Responsibly" project.

In addition to this, in order to give immediate substance to the signing of the Manifesto, Amplifon also adopted a Netiquette through its global social media channels, inspired by the principles expressed by non-hostile, inclusive communication.



FIND OUT MORE

THE PAROLE O_STILI MANIFESTO



4.3 THE ROLE OF THE FOUNDATIONS FOR SOCIAL INCLUSION

We make knowledge and best practices available to contribute to the invaluable work the Amplifon Foundation, together with the Miracle-Ear Foundation and GAES Solidaria Foundation, carry out for the community spreading the sound of social inclusion and allowing the most vulnerable communities to access hearing care.

AMPLIFON FOUNDATION

The Amplifon Foundation was established in Italy at the beginning of 2020 on the Group's seventieth anniversary with the goal of allowing those who live in disadvantaged conditions full human and social achievement and with a special focus on marginalized seniors or at risk of marginalization.



The operational strategy of the Foundation was built around Amplifon's values and designed to exploit the skills and experience of the Group, the know-how of Amplifon's Center for Research and Studies and the work of the other Foundations that operate respectively in the US and Spain.

Through new and innovative means, the Foundation promotes an inclusive culture to fight marginalization and to support active participation of disadvantaged people in social, cultural, and professional life. In its first two years, obviously affected by the pandemic, the Foundation developed a series of projects to fight the emergency and isolation, specifically aimed at senior generations. Projects were created aimed at promoting inter-generational awareness, active participation, and inclusion of seniors, combining the best energies, ideas, and professional expertise, both in the public and the private world, with the goal of restoring the role and wealth of life experience and knowledge of our grandparents to center stage.



**FIND OUT MORE
THE OBJECTIVES
AND ACTIVITIES
OF THE AMPLIFON
FOUNDATION**

The journey of the Amplifon Foundation continues to evolve thanks to the contribution of all stakeholders and the growing network of institutions, non-profit organizations, specialist and voluntary operators who, every day, provide an incentive for always doing better and finding innovative solutions for promoting an increasingly inclusive society.

FROM ECCOMI! TO CIAO!

In November 2020, through the EccoMI! Project extremely high-quality innovative audio and video conferencing systems were installed in Milan senior care homes to facilitate and enable greater proximity of the residents to their families. Promoted in partnership with Cisco, Durante, the network of UNEBA care homes, and the Municipality of Milan, the project has enabled 2,100 residents to continue to communicate with their loved ones in total safety.

Although revealing the existence of a strong digital divide in the accommodation facilities for seniors, this initial phase has also demonstrated the power of technology as a vehicle for social and relational inclusion. In effect, the equipment made available was used not only to connect families that remained apart during isolation, but also to restore volunteer activities, socializing opportunities, specialist visits, and court hearings, prayer and reading activities, getting seniors to feel actively involved again in the life of their communities. If, on the one side, seniors let themselves get involved with and are enthusiastic about the contents that technology delivers, and therefore with technology itself, on the other side, they have regained vitality and consequently emotional and cognitive well-being.

The challenge taken up by the Foundation was to continue this process of digital connection and increase the community involvement aspect, going from the provision of 24" video-connection screens to the provision of 75"/85" oversized screens to improve connection and entertainment opportunities for seniors. The **Ciao!** Project came about from this experience, with the goal of providing seniors, not only with effective video-conferencing systems, but also a rich schedule of cultural and entertainment options. Eight concerts by LaFil, the Milan Philharmonic, were promoted, more than 30 Silver Yoga lessons with MondoYoga, and seven theater engagements with the Gino Franzi Theater Company. Alongside this, there were also contents developed by the beneficiary structure networks (such as praying activities and daily newspaper readings) to enrich even more the program on offer. In this way, the care homes involved in the project take on the role of community and social platform capable of reinforcing a message of valuing seniors through specific communication projects, such as, for example, "Stories across generations".



~100

CARE HOMES
INVOLVED IN THE
CIAO! PROJECT

+7,000

SENIORS
REACHED

+70

AMPLIFON
EMPLOYEES
INVOLVED



ACTING RESPONSIBLY VALUE

RACCONTI TRA GENERAZIONI (STORIES ACROSS GENERATIONS)

"Racconti tra generazioni" (Stories across generations) is the Amplifon Foundation project that gives voice to seniors residing in the care homes involved in the Ciao! Project, who talk and offer their point of view on society through interviews conducted using the video-conferencing systems installed, having the opportunity to tell their stories while rediscovering the value of memory. In this way, we become conscious of the enormous wealth

of experience our grandparents have inside of them and in the stories they tell.



FIND OUT MORE

THE COLLECTION OF ALL THE INTERVIEWS IS AVAILABLE ON THE AMPLIFON FOUNDATION'S [YOUTUBE CHANNEL](#), AS WELL AS ON [LINKEDIN](#) AND [FACEBOOK](#).



ACTING RESPONSIBLY VALUE

CIAO! C'E' UN REGALO PER TE (CIAO! THERE'S A GIFT FOR YOU)

At Christmas 2021, the Amplifon Foundation asked several residents of care homes in Milan involved in the Ciao! Project what they wanted for Christmas. More than 140 answers were collected, all fulfilled thanks to the people from Amplifon and our partners in the project. The gifts were delivered directly to the care homes by volunteers (including over 70 Amplifon employees), thereby giving everyone an opportunity to meet and share experiences, tales, and life stories.



“

Placing Italian care homes at the center of inter-generational dialog again means recognizing that the residents of these communities are a valuable resource, with a wealth of human sensitivity and a social reference to take care of. Technology is a vital instrument for helping us to achieve this aim.

Susan Carol Holland, Chairperson of the Amplifon Foundation

VIVA GLI ANZIANI (LONG LIVE THE ELDERLY)

In 2021 the Foundation also supported the “Viva gli Anziani” (“Long Live the Elderly”) program, developed by the Community of Sant’Egidio, to guarantee support and assistance to seniors in Italian cities facing loneliness and isolation, focusing on home care. Since its inception in 2004, the program has reached more than 14,000 seniors over eighty and, just in Rome, over 23,000 people have been involved in the informal help network. In Milan, the first similar project was developed in the Corvetto district courtesy of the Amplifon Foundation and involved 120 people who benefitted from continuous phone monitoring as well as face-to-face support when needed (medical visits, purchase of food, etc.).

The Amplifon Foundation involved around 30 Amplifon employees in a volunteering program to support seniors and keep them company via telephone conversations which, as well as providing support and comfort, are useful for monitoring the well-being of the seniors taking part in the initiative. Also, thanks to face-to-face moments, whenever possible, bonds were created, friendships established and there were opportunities to exchange small gifts at Easter and Christmas.

“

Through “Viva gli Anziani!” and the support of the Community of Sant’Egidio we want to promote an ongoing exchange between the younger generations and seniors. The dialog between these two worlds represents a vital source of enrichment in our society, to rediscover, protect, and value forever.

Maria Cristina Ferradini, Managing Director of the Amplifon Foundation

OBIETTIVO3

Given the importance of social inclusion in its mission, the Amplifon Foundation supported Obiettivo3 in 2021, the initiative devised by Alex Zanardi to involve disabled athletes and introduce them to sport. In its first three years, Obiettivo3 recruited and supported more than 70 athletes, who find a point of reference in their colleagues for cultivating their passion for sport.

IO SONO – FESTIVAL DELL’UMANO

In September 2021, the city of Milan hosted the “Festival dell’Umano”, an event that allowed more than 600 people (including students, professionals, and businesses) to converse, reflect, and compare the role of people in society. The festival brought to the fore of the discussion inter-generationality and active aging, understood as the possibility of a person's development regardless of age, through a continuous exchange between generations. In the meeting between the mission of “Io Sono” and the vision of the Amplifon Foundation there is a unity of purpose which places people at the center, specifically a focus and openness to the future as the first form of acceptance of others and therefore inclusion.

People close to the Amplifon Foundation took part in the festival, which put forward issues that are close to the heart of all the Foundation's stakeholders to draw concrete plans of action from. In addition, the possibility of interacting and working with authorities and celebrities allows the Foundation to raise its profile and be more effective in terms of the impact of its activities.

COLLABORATION WITH AMPLIFON'S PEOPLE

In 2021 the people who work at Amplifon took part in a decisive way in the implementation of the projects promoted by the Foundation, both actively contributing to the mission and taking part in two fund raising campaigns. The first, activated at the beginning of the year, made it possible to buy 5 video-conferencing systems for care homes involved in the Ciao! project (some of which were recommended by Amplifon people), while the second enabled the donation of the 5x1000 tax to the Foundation to support institutional activities²⁸.

It was particularly important in the Christmas period, with over 70 Amplifon employees buying Christmas presents for care home residents under the scope of the "Ciao! there's a gift for you" initiative, some of whom participated actively in delivering gifts or in fun activities at the homes. To say thank you, as well as to announce the launch of a partnership with the Geronimo Stilton Foundation, the Foundation gave the "Small Book of Kindness" to children within the Amplifon family, reminding everyone that "a kinder world is a better world", in the hope that this vision of the world will go on with people in their daily lives. Lastly, in December 2021, the Amplifon Foundation held its first Christmas dinner: an evening of generosity and commitment that allowed all stakeholders to get better acquainted with the activities of the Foundation.

THE FOUNDATION AND EXTERNAL RELATIONS

Making its activities, and, above all, its values and mission known is a key activity for the Amplifon Foundation, which seeks to measure its impact also by ensuring a certain communication outreach. In 2021 the Foundation made investments to consolidate its presence on social media channels, increasing its interactions on LinkedIn and creating a Facebook page, and a YouTube channel. The social media pages of the Foundation have grown exponentially, and this continues to increase. In addition, a quarterly newsletter provides news on the Foundation and its progress.



**FIND OUT MORE
TO SUPPORT
THE AMPLIFON
FOUNDATION
PROJECTS**

28 - The 5x1000 is the share of the IRPEF tax (Italian income tax) that the Italian state shares among non-profit sector organizations that carry out activities of social interest.

MIRACLE-EAR FOUNDATION

The **Miracle-Ear Children's Foundation** was established in 1990 with the objective of empowering and improving the quality of life of poor children affected by hearing loss in North America, offering them the possibility to hear again.



In 2013 it was renamed Miracle-Ear Foundation with the aim of extending its scope to include other age groups, and today the Foundation provides hearing aids, follow-up, and educational resources to people affected by hearing loss who are unable to access care due to lack of financial resources. The various Miracle-Ear social programs are sustained both by direct stores as well as by the franchisees belonging to the Miracle-Ear network.

GIFT OF SOUND™

is the Miracle-Ear Foundation's main program, through which hearing aids are donated and services, assistance and follow-up are provided to individuals and families in need at no cost to the recipients. In 2021 the Foundation provided hearing services to more than 2,500 children and adults who met the program criteria, donating almost 5,000 hearing aids and the relative after-care assistance services, with the direct involvement in the Miracle-Ear stores. Since the program was first launched 30 years ago, the Miracle-Ear Foundation has provided approximately 34,000 hearing aids to nearly 18,000 people.



FIND OUT MORE
TESTIMONY OF
THE GIFT OF SOUND
PROJECT

HEAR AGAIN™

Through the **Hear Again™** program, Miracle-Ear customers can bring their old no longer used hearing aids to donate them to the Foundation to be subsequently reconditioned, also in order to support the Gift of Sound program and thus help to consolidate the relationship between donors and beneficiaries of the Miracle-Ear family. In 2021 alone, the Foundation reconditioned and donated approximately 500 hearing aids.

+5,000
HEARING AIDS
DONATED IN 2021

~500
HEARING AIDS
RECONDITIONED
IN 2021

ONE DAY WITHOUT SOUND™

The **One Day Without Sound™** awareness campaign, a cornerstone of the foundation's prevention program, endeavors to make people understand what it means to live with hearing loss, a condition that creates great difficulties both at school and at work, asking participants to try to live a day without sounds by wearing two small earplugs, to directly experience the condition of hearing loss. In 2021 around 20,000 hearing dampers were distributed by Miracle-Ear stores to numerous participants who committed to experience one day without hearing.

~20,000
HEARING DAMPERS
DISTRIBUTED
IN 2021

MIRACLE MISSIONS

Still in 2021, the Foundation, in conjunction with the Miracle Ear network franchisees, identified three needy communities in the United States as recipients of specific hearing aid deliveries (**Miracle Missions**). The missions were carried out between September and November 2021 over a total of 5 days, with more than 200 people who gave approximately 450 hearing aids to the needy, also guaranteeing all the care services needed throughout their useful life.



GAES SOLIDARIA FOUNDATION

Established in 1996 and consolidated as a foundation in 2018, GAES Solidaria is a project that brings together employees, managers, consultants, and customers with a common objective: to fill the life of whoever needs it most with sounds, music, communication, and happiness.



The mission of GAES Solidaria is to provide people with hearing loss without financial resources with the opportunity to develop their linguistic and communication skills through the development of local and international hearing projects. The Foundation extends the original lines of action of GAES Solidaria through awards granted to the medical community that promotes research related to hearing care. Additionally, it is a means of raising public awareness of the importance of hearing health care as a fundamental element of well-being. More than 650 employees voluntarily donate 1 euro from their monthly salary towards a solidarity project, and GAES doubles the amount raised. Thanks to this initiative, from 2008 to 2021, 35 projects become a reality with more than Euro 185,000 donated.

Furthermore, GAES employees contribute and provide their skills by volunteering for specific initiatives. For example, some projects provide for carrying out hearing tests for children and adults in less developed areas of the world such as India, Morocco, Burundi, Cape Verde, and Mozambique. The Foundation's leading international projects are "Speech Therapy" and "Oídos del Tíbet", both of which in India.

SPEECH THERAPY & OÍDOS DEL TÍBET

“Speech Therapy” is a project conducted in collaboration with the Vicente Ferrer Foundation in Anantapur (India). It is managed by a multidisciplinary team that helps children of the Bukaraya Samudram school with hearing problems to use oral language with the help of hearing aids. Currently, 40 children are involved. On the other hand, **“Oídos del Tíbet”** is a project carried out together with the Casa del Tibet Foundation of Dharamsala (India) where hearing care professionals carry out hearing tests and provide new hearing aids to the local population.



In 2021 the Foundation also worked on various medical research projects. Specifically, a donation was made to the Sant Joan de Déu Hospital (Barcelona) to promote research into otolaryngology and neurology, and partnerships were established with the Clarós Foundation and the Contigo Foundation. Lastly, the Foundation also supported the Dream Nepal non-profit to guarantee access to school and a safe home for the children of women serving a custodial sentence, who will thereby have the opportunity of growing up and enjoying their childhood.



[FIND OUT MORE](#)

**“OÍDOS DEL TÍBET”
PROJECT**

**“SPEECH THERAPY”
PROJECT**



4.4 AMPLIFON CENTER FOR RESEARCH AND STUDIES

Thanks to the research and training activities sponsored by the Amplifon Center for Research and Studies (CRS), we contribute to the dissemination of information on hearing health based on clinical evidence, spreading a culture of progress and innovation in the fields of Audiology and Otology within the medical-scientific community.

The Amplifon Center for Research and Studies was founded by Algernon Charles Holland in 1971 to consolidate company investments and resources towards development, research, and training in Audiology and Otology. The objective of the CRS, founded in Italy and now active also in Spain and France, has always been to contribute to the development and sharing of scientific knowledge in collaboration with national and foreign universities, as well as scientific societies. Since its inception, in Italy alone it has organized more than 700 courses and science conventions, as well as supported scientific publications and scholarships.

TRAINING ACTIVITIES

Training courses represent an important opportunity to examine topics related to hearing well-being, audiological services, and prevention in greater depth. Thanks to the CRS support, every year the most current topics related to audiology and ENT are discussed and analyzed in depth in national and international courses with the intervention of world-renowned speakers. From 2020, due to the Covid-19 health emergency, the CRS focused on digital communication sponsoring the development of the online publication **ORL. news**, the first training and updating portal for ENT doctors and healthcare professionals. To date, the site has developed a real digital community that numbers more than 3,500 specialists, and over 60 clinical professionals from all over Italy have been involved. The publications are examined by an



FIND OUT MORE

**AMPLIFON CENTER
FOR RESEARCH AND
STUDIES**

+700

**SCIENTIFIC
COURSES AND
CONFERENCES
ORGANIZED**

**orl.
news**



FIND OUT MORE

**VISIT THE PORTAL
ORL.NEWS**

editorial committee that guarantees the quality of the proposed contributions. Specifically, the members of the board are six young specialists who have distinguished themselves for their scientific research in ENT: almost all of them have been awarded CRS scholarships.

In 2021, the CRS set its main goals as a multi-disciplinary approach among specialist doctors, the training and updating of doctors and health professionals, launching a new remote updating format: the **CRSLab**. The event was organized through regional round tables, which involved specialists in otolaryngology, audiology and phoniatrics, geriatrics and neurology. As far as professional development is concerned, ENT news periodically proposed new FAD (remote-learning) courses for doctors, regularly accredited CME, including advanced courses in tele-medicine and otoradiological imaging. In 2021, in partnership with Italian specialization schools, the CRS supported the first edition of "Basic Science in Audiology", an educational offering dedicated to doctors specializing in otolaryngology, audiology and phoniatrics. Real university lectures, which were part of the specialization training of young doctors, were offered through the project. In 2021, 295 doctors in their 2nd and 3rd years of ENT and Audiology specialization were involved, with 3 scholarships awarded at the SIAF Congress (Italian Society of Audiology and Phoniatrics) in November in Turin.



AMPLIFON'S CENTER FOR RESEARCH AND STUDIES CELEBRATES 50 YEARS

On the occasion of the 50th Anniversary of the CRS, in May 2021 a special event was held which, with the involvement of medical specialists, made it possible to relive several fundamental stages of the CRS and take a look at future research and projects (the event was called: CRS For a Healthier Future). National and local opinion leaders took part in round tables on the history of the CRS, the progress of tele-medicine, the Covid-19 pandemic, and other innovations in the field of otolaryngology, audiology and phoniatrics.

The CRS has always stood out through its values of innovation and proximity to professionals in the field of otolaryngology, this tradition has continued through this event, dealing with various issues related to quality of life and progress in a clinical setting. This important anniversary was also the occasion of the inauguration of the CRS Ear Award, dedicated to the initiatives of 5 doctors who stood out through their social and professional commitment, later awarded at the plenary session of the SIAF Congress in November

2021 and involved in high-visibility projects with our media partners. In addition, The Best Researcher of The Year 2021 competition, dedicated to ENT doctors, hearing care professionals, and phoniatrics under 40 was launched to support young researchers in the industry. The winner, who received the prize later at the University Association of ENT Specialists (AUORL) in December 2021, will become a member of the Editorial Board of ORL.news for 2022.



[FIND OUT MORE](#)

THE 50TH ANNIVERSARY OF THE CRS



CONGRESSES AND SCHOLARSHIPS

In 2021, the CRS attended major congresses in the field of otolaryngology, audiology and phoniatrics. The most important of these was the National Congress of the Italian Society of Otolaryngology and Head and Neck Surgery (SIO) which was held virtually this year. Amplifon held a dedicated symposium here, presenting the "Health Technology Assessment" project conducted by the Bocconi University together with Amplifon. Thanks to this research, a model to estimate the cost effectiveness of the use of hearing aids for the National Health System was created, establishing that the value generated by the use of hearing aids for the system exceeds the initial outlay incurred by the patient.

These results were presented, in a dedicated talk, to the National Congress of the Italian Society of Audiology and Phoniatrics (SIAF), in which Amplifon and the CRS attended not only the presentations and symposiums dedicated to digital development in a clinical setting, but also the plenary session of the event. Twelve scholarships from the SIAF, funded by the Amplifon Center for Research and Studies, were handed over on this occasion.

The last major event in 2021 was the AUORL Academy, where 36 doctors in their 3rd and 4th year of specialization selected by a scientific committee of the Association of ENT Specialists (AUORL) presented their work to the university professors of otolaryngology, and audiology-phoniatrics. The 8 most-deserving also received a scholarship provided by the Amplifon CRS.


**SCHOLARSHIPS
PROVIDED IN 2021**

EDITORIAL ACTIVITY

To support the training of specialists, the Amplifon CRS offers access to one of the best-stocked private libraries in the field of audiology and otolaryngology, which includes some of the most eminent international publications in the industry. Since 2020, this library has been expanded to include publications that can be consulted digitally on the Orl.news website and it is constantly growing.

In 2021 there was two major publications. The first was the book by Umberto Ambrosetti and Eleonora Carravieri entitled *"Il silenzio è d'oro? Un viaggio tra i silenzi e il mondo dei suoni"* (Is silence golden? A Journey between silence and the world of sound) which, produced through the contribution of various external authors, deals with the issue of silence from various aspects: the world of deafness, sound, music, and art. The second is the book "Otoscopia" (Otoscopy) by Giovanni Ralli which, published with the support of CRS, is a practical and highly educational guide to the practice of otoscopy for industry specialists.

Lastly, the CRS continued this year with the quarterly publication of the CRS Scientific Journal which, produced in English and shared with all Group countries, was also published in Italian in the section Publications of Orl.news. This was made possible thanks to collaboration with an international panel of Amplifon specialists, who regularly analyze the latest scientific papers to prepare short reports and critical reviews of the industry literature.


**FIND OUT MORE
ORL NEWS
PUBLICATIONS**

HEARING LOSS-COGNITION RESEARCH

Nowadays, there is various evidence on the link between hearing loss and cognitive decline, especially in seniors. Taking into consideration the global trend of the increase in the average age of population, and that more 65% of the population over 65 years old suffers a certain degree of hearing loss, early detection becomes a variable, fundamental factor for limiting the negative impact hearing loss can have on the quality of life and cognitive state of patients. It is precisely for this reason it is increasingly vital to characterize the effect of the use of hearing aids on cognitive functions in a sample of patients with presbycusis: this is the exact purpose of the study on which experts including audiology doctors, psychologists, hearing care professionals, and neurologists worked for 6 months. The research, which will continue in 2022, is aimed at analyzing the effects of hearing aids, not only on physiological cognitive decline, but also on depression and hearing disability perceived by patients.



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WE ALWAYS OPERATE RESPONSIBLY THROUGHOUT THE VALUE CHAIN WORKING WITH ALL STAKEHOLDERS AND RESPECTING THE ENVIRONMENT

OUR GOALS

- Integrate sustainability criteria into the responsible management of the supply chain
- Increase the use of renewable energy to limit the environmental impact of our business activities
- Promote the use rechargeable hearing aids to reduce the use and disposal of batteries

CHAPTER 05

ETHICAL BEHAVIOR



amplifon



5.1 MONITORING THE REGULATORY CONTEXT

We monitor the regulatory context in an efficient manner to guarantee our operations are fully compliant with regulations at all times and in a transparent manner.

To react promptly to potential regulatory changes in a medical sector where regulations differ from country to country, we have established for a number of years a Regulatory Affairs function, at Corporate level and also at local level, in the main countries in which we operate. Our Regulatory Affairs function ensures continuous monitoring of regulatory changes and their potential impact, centrally defines responsibilities regarding the management of current or potential topics, develops action plans (implemented with the support of local resources), and coordinates interaction with institutions by actively participating in international debates, associations, and conferences with particular interest in three main areas: hearing aids, licensed professionals, and terms of reimbursement.

HEARING AIDS

Hearing aids are considered medical devices in all the markets we operate, as they are aimed at compensating for a disability, and therefore are always compliant with the various national and international regulations that set product standards as well as establish packaging and labeling requirements.

EU COUNTRIES

On May 25th, 2017 the new Medical Device Regulation (EU) 2017/745 (MDR) came into force, superseding Directive 93/42/CEE (MDD), and maintained the classification of hearing aids as “class IIa low to medium risk devices”. To be sold on the EU market a hearing aid needs to bear the EC (European Community) marking that confirms the product meets the essential requirements of all EU

directives related to medical devices. The Regulation further strengthens the concept of considering hearing aids as medical devices, distinguishing them from personal sound amplification products (PSAPs), which do not allow compensation for hearing loss.

USA

Hearing aids, regulated by the Food and Drug Administration (FDA), are classified as Class 1 or 2 Medical Devices depending on whether or not they are wireless. They can be introduced into the market without the so-called pre-market approval (PMA) by virtue of an exemption as provided for by the 510 (k) approval process. The FDA requires that, prior to making a purchase, the consumer receives information about hearing aids from licensed hearing care professionals who are allowed to distribute them. In addition, in 2017, the “Over-the-Counter Hearing Aid Act”, annexed to a law on medical devices (the Medical Device User Fee Amendments) and included in the FDA Reauthorization Act, left the responsibility for defining and regulating this new category of hearing aids to the FDA within three years. This regulation involves the introduction of a separate category of hearing devices allowed to be sold over-the-counter (OTC) for adults with mild to moderate hearing loss, without the intervention of a qualified professional. In October 2021, the FDA published a regulatory proposal aimed at governing the operating methods for the introduction of this category of products, with special reference to the performance and technical specifications of these devices, their labeling and classification, as well as protection policies (refunds and returns) for the consumer. The proposed regulations were later the subject of a public consultation period of three months by various stakeholders, which will be followed by the publication of the final regulations not expected to effectively come into force before the second half of 2022. With reference to the regulations, there was a significant shift in the FDA proposal on performance and technical specifications (output limit and lack of gain limit) compared to the recommendations of the consensus paper prepared in 2018 by the main professional associations (American Academy of Audiology (AAA), Academy of Doctor of Audiology (ADA), American Speech-Language Hearing Association (ASHA) and International Hearing Society (IHS)) aimed at guaranteeing a suitable balance between safety standards, product effectiveness, and access to hearing care - in line with Amplifon's position. The performance and technical specifications currently proposed actually risk having repercussions on the health of consumers, causing possible excessive sound amplification effects and related hearing damage. Lastly, the FDA regulatory proposal, in addition to regulating the sale of OTC devices, also proposed to treat all other hearing equipment as prescription hearing aids, namely needing a prescription from a doctor, audiologist or another authorized hearing specialist, recognizing the importance of the role that professionals play in helping consumers access safe, effective hearing solutions, capable of adapting the hearing device to the needs of individuals, adjusting them over time based on hearing loss and providing other important care and maintenance services.

AUSTRALIA

The Therapeutic Goods Administration (TGA) is the competent authority for hearing aids, which are considered medical devices and therefore required to be registered in the Australian Register of Therapeutic Goods (ARTG) database before they can be introduced onto the Australian market.

LICENSED PROFESSIONALS

The use of hearing aids requires the support of a licensed professional to perform a thorough hearing assessment, as well as the selection, personalization, fitting, and sale of the device.

This is why we always adopt the standards in force in the various countries, as well as the new ISO / TC43 / WG10 "hearing aid and fitting management" standard currently at the proposal stage, maximizing the effectiveness of the hearing care professionals' work, whose profession is regulated differently in various countries.

EU COUNTRIES

The European Directive concerning medical devices requires that only licensed professionals in compliance with applicable national laws can select, fit, sell, and verify the effectiveness of hearing solutions. The hearing care professional profession is regulated in almost all EU countries, and the regulations in force in the several states require different academic and other study qualifications to be able to practice the profession, attributing various responsibilities to licensed professionals. In 2018, the Board of Health Technicians in Medical Radiology and Technical, Rehabilitation, and Prevention Professions was established in Italy, providing for the creation of the Register of Hearing Care Technicians in order to affirm and enhance the professionalism of hearing care professionals and protect customers' safety.

USA

The FDA requires hearing aids to be distributed only by licensed individuals, such as audiologists or hearing aid dispensers. For adults, a medical prescription to establish the cause of hearing loss is not required, while minors must undergo a medical examination before the purchase of a hearing aid. In addition, as indicated previously, the introduction of a new category of over-the-counter devices for adults with a mild to moderate hearing loss without the intervention of a hearing care professional is under way and the FDA is defining the operating methods for its introduction and implementation is expected to be in the second half of 2022.

AUSTRALIA

In order to obtain accreditation from the Office of Hearing Services (the office responsible for managing and administering the Australian Government's program for audiological services), hearing care professionals and audiometrists must be members of an accredited Australian professional association. Hearing care professionals have a university-level qualification (Master's in Clinical Audiology), while audiometrists attend courses at TAFE (Technical And Further Education) institutes. As regards the private market, there are no specific regulatory provisions regarding hearing care professionals. However, in Australia, Amplifon only avails itself of the services of hearing care professionals or audiometrists who are registered with an Australian professional association.

REIMBURSEMENT CONDITIONS

The conditions for reimbursing hearing aids and associated services vary according to the national health service from country to country. Among the various reimbursement conditions there are: (i) national health services that offer free hearing aids to everybody (such as in the UK); (ii) national health services that reimburse the cost of a hearing aid in full or in part to people who are eligible due to a given level of hearing loss (such as in France and Italy); (iii) national health services that do not provide for any reimbursement (such as in Spain and the US, except for minors under 16 years old and members of the Veterans Association, respectively).

In all countries, we promote efficient reimbursement systems and participate in the debate with healthcare companies and regulators to seek the right balance between free access to hearing care on the one hand, and the economic sustainability of health systems on the other. Many high-income countries have reimbursement systems that differ greatly: the most effective ones, capable of reconciling a high adoption rate with a high satisfaction rate together with the effective use of hearing aids, are those that favor the customer's freedom of choice (thus triggering positive dynamic competition among operators), leaving the option for the consumer to integrate the reimbursement to access higher-range products and services than those guaranteed by the basic reimbursement, adequate as they may be.

The most recent and significant regulatory evolution regarding reimbursement conditions concerned France, where an agreement for reforming the reimbursement system in the optical, dental, and hearing care sectors was announced in 2018, to be gradually implemented in 2019 and 2020 and becoming fully operational on January 1st, 2021. The new system, known as “*reste à charge zéro*”, envisages the offer of fully reimbursed hearing solutions by social assistance and by supplementary health insurance (so-called “*mutuelles*”) starting from 2021, while before the reform the majority of the French population did not have access to fully reimbursed products and services. The new regulation divides hearing aids into two categories: Class I, which includes devices fully covered by reimbursement systems, and Class II, which includes hearing solutions purchased at any price freely by the consumer by means of a “top-up” mechanism on the reimbursed portion. The reform has also established the minimum hearing loss threshold for reimbursement eligibility (30 dB), the timing to claim for reimbursement and guarantee (four years), and the requirement of a prescription by an ENT specialist for the initial purchase only, while the renewal can be made by a general practitioner as well. These provisions have significantly facilitated access to hearing care, while confirming customers’ freedom of choice and the importance of the role played by hearing care professionals, as shown by the significant increase in volumes recorded in the French market in 2021.

In addition, still on the subject of reimbursement conditions, note that while currently in the United States only certain services and not hearing devices are reimbursed, the reimbursement of hearing solutions is being evaluated by Medicare-Part B (public health system for beneficiaries over 65). Initial draft legislation was presented to the chamber in November 2021.



5.2 BUSINESS ETHICS AND FIGHT AGAINST CORRUPTION

Given the key role we play in the hearing care sector, our way of doing business is permeated by respect for the highest ethical principles, standards of integrity, and values that are articulated in a coherent model of policies and tools to promote a culture of transparency.

All Amplifon activities are carried out in compliance with the laws and regulations in force, in a framework of fair competition and respect for customer needs and the legitimate interests of employees, shareholders, commercial and financial partners, as well as the communities in which it operates. Towards this end, a coherent corporate culture plays a fundamental role in correctly addressing everyone's behavior and ensuring any situations that have not already been regulated are dealt with in a collective and transparent manner.

OUR CODE OF ETHICS

We are committed to promoting a corporate culture based on honesty, integrity, fairness, and good faith, as well as, of course, respecting applicable laws in each country or context where we operate.

In this regard, in 2021 the Group's Code of Ethics was updated, which involved revising the ethical principles and rules of behavior contained therein, as well as substantially extending the subject areas dealt with, in line with sector best practices. These activities allowed us to further align the contents of our Group Code of Ethics with the values expressed in our corporate culture, formalizing the values, principles, and rules of behavior underpinning our daily actions.



FIND OUT MORE

**THE CODE OF
ETHICS OF THE
AMPLIFON GROUP**

In addition to being an integral part of the Model 231 pursuant to Legislative Decree no. 231/2001, the Code of Ethics establishes the fundamental principles of conduct with respect to:

- **behavior policies in business**, including conflicts of interest, confidentiality of information, privacy protection, responsibility in work activities, compliance with money laundering legislation, protection of intellectual property, the fight against corrupt practices (both direct or via third parties), illegal favors, collusive behavior and procuring advantages;
- **the management of human resources**, including the fight against any form of discrimination, rejecting exploitation of child labor, safeguarding the principle of equal opportunities for all in all aspects of the working relationship, preserving a healthy, safe work environment, protecting the environment, the fight against any form of a harassment in the workplace and responsibility for assets;
- **clarity and completeness of accounting records**, through the adoption of high standards of financial planning and control, and coherent and adequate accounting systems;
- **sustainability**, with special reference to the creation of shared long-term sustainable value, the generation of positive, sustainable social impact, awareness of the importance of respecting the environment;
- **relations with external stakeholders**, in particular with reference to relations with suppliers, public officials and public institutions, customers, the media as well as the financial community, also regulating the management of any gifts and gratuities.

The principles and provisions of the Group's Code of Ethics are applicable to all Amplifon employees and those of companies belonging to the Group, as well as all third parties acting on behalf of the Group. Furthermore, we strive to ensure that the principles of the Code are shared by agents, consultants, suppliers, business partners, and any other person with whom we conduct ongoing business relations. We do not establish or conduct business relations with anyone who refuses to respect the principles of the Code. Violation of the rules of the Code could constitute a breach of contractual obligations, with legal consequences, and may therefore lead to the possible termination of the contract or tenure with third parties and possible claims for damages, or the imposing of disciplinary sanctions against employees, in compliance with the law and provisions of collective bargaining agreements and company rules, where applicable.

As in the past, the Code of Ethics is applicable to and distributed in all countries in which the Group operates, so that all subsidiaries and associated stores are familiar with and respect its contents. In this regard, each Group company is bound to adopt the contents of the Code, guaranteeing its dissemination locally and to implement all the necessary conditions for its effective enforcement, involving the necessary people. In addition, a **training course on "Business & Ethics"** was delivered in 2021, broken down into four distinct modules, the first of which was dedicated to the Group's Code of Ethics and, specifically, the values, ethical principles and behavior rules underpinning our daily actions.

+11,300

TOTAL HOURS
OF TRAINING
ON "BUSINESS &
ETHICS" PROVIDED
IN 2021 TO OVER
4,600 EMPLOYEES

The completion of this course, which also includes contents on the Anti-corruption policy, the Whistleblowing system and Model 231, is mandatory and will also be required of all employees when they are hired.

Amplifon S.p.A.'s Internal Audit department checks that the principles in the Code of Ethics are correctly implemented through the regular audits set out in its plan. Making use of dedicated reporting systems (Whistleblowing systems), the Group strongly recommends and encourages the reporting of actual or suspected violations of our Code of Ethics, ensuring the confidentiality of the reports received pursuant to applicable law, as well as protecting the whistleblower from any acts of retaliation or discrimination afterwards. No reports were received in 2021 regarding any violation of the Code of Ethics by employees or suppliers.



OUR TAX STRATEGY

Amplifon's tax strategy is approved by the Board of Directors and is periodically reviewed with the help and collaboration of the tax function. The document, based on the principles outlined in the Group's Code of Ethics, defines the objectives relating to tax variables and establishes the guidelines for their practical implementation in Italy and abroad, aware of the importance of the contribution to the tax revenue of the jurisdictions in which the Group operates and in the belief that the correct implementation of tax rules is essential for both the Group and its stakeholders.

Amplifon acts with integrity and honesty, adopting behavior aimed at formal and essential compliance with all tax laws, regulations, and procedures applicable nationally, internationally and supra-nationally in the countries in which it operates, maintaining a cooperative, transparent relationship with tax authorities. In this regard, the Group collaborates with the competent authorities to provide the necessary information for checking the tax obligations have been correctly complied with and adopts behavior aimed at guaranteeing the suitability

of transfer prices applied in inter-group transactions, with the aim of allocating the revenue generated in the countries in which the Group operates, in compliance with the laws and in line with OECD guidelines. Based on this approach and these principles, in order to ensure that each decision is consistent with its tax strategy, Amplifon adopted its own tax risk internal management and control system (Tax Control Framework), in line with the OECD guidelines, as implemented by the Italian financial administration.

Amplifon also ensures the Group's tax function has adequate organizational resources (human, material and financial) as well as technological solutions to guarantee the execution of its functions²⁹.



FIND OUT MORE

AMPLIFON'S TAX STRATEGY

29 - For details of income taxes, please refer to the Consolidated financial statements and notes for the period January 1st - December 31st, 2021 "Explanatory notes" - "Income taxes for the period" section) in the 2021 Annual Report.



SHAREHOLDERS ENGAGEMENT POLICY

In Amplifon dialog with the financial market has always been an essential, defining element for the business. For this reason, in 2021 the Board of Directors approved an Investor Relations & Shareholder engagement policy aimed at formalizing the methods for managing the constant and ongoing relationship with the Company's shareholders, potential investors and main stakeholders, through active listening and dialog based on the principles of correctness and transparency. This policy describes the relationship between the Company and the financial market under the scope of corporate

functions and also regulates engagement activities to promote dialog between the Company and shareholders, defining the subjects, regulating the procedures and identifying those responsible for engagement activities and other parties potentially involved.



[FIND OUT MORE](#)

[INVESTOR RELATIONS & SHAREHOLDERS
ENGAGEMENT POLICY](#)

WHISTLEBLOWING SYSTEM

In line with our commitment to complying with the highest standards of behavior endorsed in our Code of Ethics, from 2020 a process was introduced for managing Whistleblowing in the Group which, launched in Italy at the end of 2020 and then in the United States, Canada, Australia and Germany in 2021 and in Spain and France at the beginning of 2022, will gradually be adopted in all Group countries with a view to harmonizing conditions with local ones³⁰. Through this process, in order to guarantee a safe, compliant and protected workplace, a set of rules and communication methods was defined to report, in complete confidentiality, any violation, reasonable suspicion of a violation or behavior that does not conform to the Code of Ethics, Anti-corruption policy and internal procedures (such as, for example, Model 231), as well as the laws and regulations applicable to each Group company.

In 2020 Amplifon adopted the Group Whistleblowing Policy, later updated to include regulatory amendments and organizational changes, in line with reference best practices. The Whistleblowing Policy, the latest release of which was approved by Amplifon S.p.A.'s Board of Directors in July 2021, defines what types of unlawful behavior that may come to the attention of the employees of Amplifon or third parties can be reported, as well as the reporting methods.

The Policy provides for the creation of a **Whistleblowing Committee** composed of the heads of HR, Legal Affairs, and the Group Internal Audit & Risk Management function, which will have the task of receiving, analyzing, and if needed investigating and proposing disciplinary measures in relation to reports received. The Policy also defines the three channels through which reports can be implemented: in addition to ordinary mail and a specific



[GO TO PAGE](#)

[FIGHT AGAINST
CORRUPTION AND
MODEL 231](#)



³⁰ - Note that even before 202 there was already a local whistleblowing system in some countries if required by local legislation. Specifically, a whistleblowing system was adopted in Italy in accordance with the provisions of the Organizational, Management and Control Model pursuant to Legislative Decree 231/2001 of Amplifon S.p.A.

dedicated e-mail address, a digital platform called E-Whistle was developed and constitutes a simple, secure, and confidential manner to handle reports and manage further confidential exchanges of information between the whistleblower and the Committee for in-depth analysis in full compliance with the requirements laid down by regulations. In compliance with the general principles of confidentiality, non-retaliation, and the possibility of anonymity, the Policy and the reporting channels guarantee that every report is treated confidentially, that the whistleblower's identity is protected, and that a non-retaliation policy is applied to anyone who files a report in good faith.

In line with the progressive implementation of the Policy and its related reporting channels in the various countries, a **specific online training program**, which is mandatory for all company management and staff, was organized with the aim of informing and forming all Amplifon employees and workforce in general on how to behave in the event they become aware of illegal behavior. While we expect all employees and workforce to maintain the high standards contemplated in our Code of Ethics, we encourage anybody who becomes aware of non-compliant behavior to report it, to give us the opportunity to address problems in their initial phase, reducing the risk of potential damage to the business and to our reputation.

+5,700

HOURS OF
TRAINING
SPECIFICALLY
ON THE
WHISTLEBLOWING
POLICY PROVIDED
IN 2021 TO MORE
THAN 2,000
EMPLOYEES

COMPETITIVE BEHAVIOR AND RESPONSIBLE MARKETING

In light of the peculiarities of the sector in which we operate, characterized by competition between several national and international companies, including specialty and non-specialty operators (for example pharmacies and optical chains), as well as online stores, our commercial policy is based on respect of all the rules in place to safeguard fair competition. For this reason, we constantly monitor market evolution and address our investments towards the differentiation of the service offered and new acquisitions, always in the context of an ethical approach to competition. Towards this end, the Legal Affairs function has the task of ensuring that Amplifon's competitive behavior complies with ethical principles and applicable laws.

Given the type of service and product we provide, full transparency towards customers is also a fundamental aspect of our business ethics. As described in the Code of Ethics, it is therefore a primary objective of Amplifon to observe all the procedures for the correct management of customer relations, to provide accurate and comprehensive information about our products and services, as well as to state the truth in our advertising or in communications of any kind.

Responsible and reliable communication towards customers is fundamental to prevent any risk of non-compliance with existing regulatory provisions, as well as any reputational damage. In order to promote responsible marketing and sales practices, ensuring transparent, reliable interactions with customers and stakeholders, Amplifon has **global guidelines** which mean that any marketing material, from television campaigns to brochures, must be checked by a lawyer in order to ensure compliance with local legislation related to the promotion of medical devices and advertising communications.

In any case, the Code of Ethics provides that all employees and consultants who have direct contact with customers must provide complete and accurate information on products and services, and also explain clearly the content of the advertising or other campaigns as to enable customers to make informed decisions. To make this easier, we always seek to build networks of creative partners that are as much as possible in synergy with one another at regional level in order to align marketing, advertising, and communication strategies, thus maximizing the effectiveness and efficiency of our brand awareness while maintaining our ability to grasp and address local peculiarities.

FIGHT AGAINST CORRUPTION

As provided in our Sustainability Policy and our Code of Ethics, we are strongly committed to conducting our activities in a correct and honest manner around the world, in compliance with applicable laws and regulations in the various countries where we operate. We have zero-tolerance regarding corrupt practices, illegal favors, collusive behavior, and the procurement of advantages.

In order to prohibit the practice of active or passive corruption in favor of anyone, Amplifon provides specific rules for its prevention, as well as for the management of corruption risk that may arise from corporate transactions. Towards this end, in 2017 the Board of Directors of Amplifon S.p.A. approved the Group **Anti-Corruption Policy**, to guarantee the ethical conduct of daily activities, protecting value creation and those fundamental values on which Amplifon's activities are based. All directors and employees of the Group, as well as suppliers, consultants, and anyone who acts on our behalf are required to act in compliance with the values, standards, and principles set by such Policy as well as the laws that govern corruption in the various Countries.

The provisions and guidelines contained in the Policy are inspired by our corporate culture and by the behavioral principles stated in our Code of Ethics, which have been developed by analyzing the activities that can potentially expose Amplifon to corruption risk. They promote the highest standards in all commercial relationships, the conduct of activities according to the principles of loyalty, correctness, transparency, honesty, and integrity, and well as provide specific rules to prevent, identify, and manage the risk of corruption. Following its approval, the Policy was formally communicated in 2017 and training was provided to all the General Managers and selected key managers from the various subsidiaries in each of the three regions through dedicated sessions.

In 2021, the Anti-Corruption Policy was updated to include additional general principles and specific rules of behavior and control, based on reference international standards and best practices. In addition, a short version of the policy was drafted containing the Group's reference principles, to be shared with the third parties involved through publication on the Amplifon corporate website.



FIND OUT MORE

**AMPLIFON GROUP
ANTI-CORRUPTION
POLICY**

The Group Internal Audit & Risk Management function is tasked with facilitating the dissemination of the Anti-Corruption Policy and compliance with it. At a local level, **training and awareness activities on anti-corruption** are developed in line with Group guidelines and taking into account the specific requirements of individual countries. In addition, from 2020, several compliance audits were conducted in the countries in which the Group operates in order to verify the level of implementation of the safeguards set out in the policy ("Readiness Assessment") and the local actions to guarantee its full and correct application. Awareness activities concerning anti-corruption, as well as support in mapping corruption risks and implementing the safeguards set out on the policy, were also carried out for some recently acquired companies. Lastly, the whistleblowing channels also guarantee more efficient monitoring of any deviant or non-compliant behavior with regard to the Anti-Corruption Policy and other rules and regulations in this area.

+5,200

HOURS OF
TRAINING
SPECIFICALLY ON
ANTI-CORRUPTION
AND MODEL 231
PROVIDED IN 2021
TO MORE THAN
1,800 EMPLOYEES

MODEL 231

In addition to the Anti-Corruption Policy and the Code of Ethics, which apply to all the companies of the Group, Amplifon S.p.A. arranged the adoption of an **Organizational, Management and Control Model pursuant to Legislative Decree no. 231/2001 (Model 231)** as provided by the relative applicable law in force in Italy in relation to administrative liability of companies. Model 231 was prepared based on the guidelines of Confindustria (General Confederation of Italian Industry) and of other more specific trade associations, considering the sector in which Amplifon operates (Confindustria Medical Devices). The implementation of Model 231, also through the intervention of the Supervisory Board which monitors its correct functioning and takes care of its updating, favors business activities in accordance with principles of fairness and transparency, as well as avoids risk situations, with a dual objective: preventing the commission of the offenses set out in the Decree and protecting the image of the company and the work of all employees and associates.

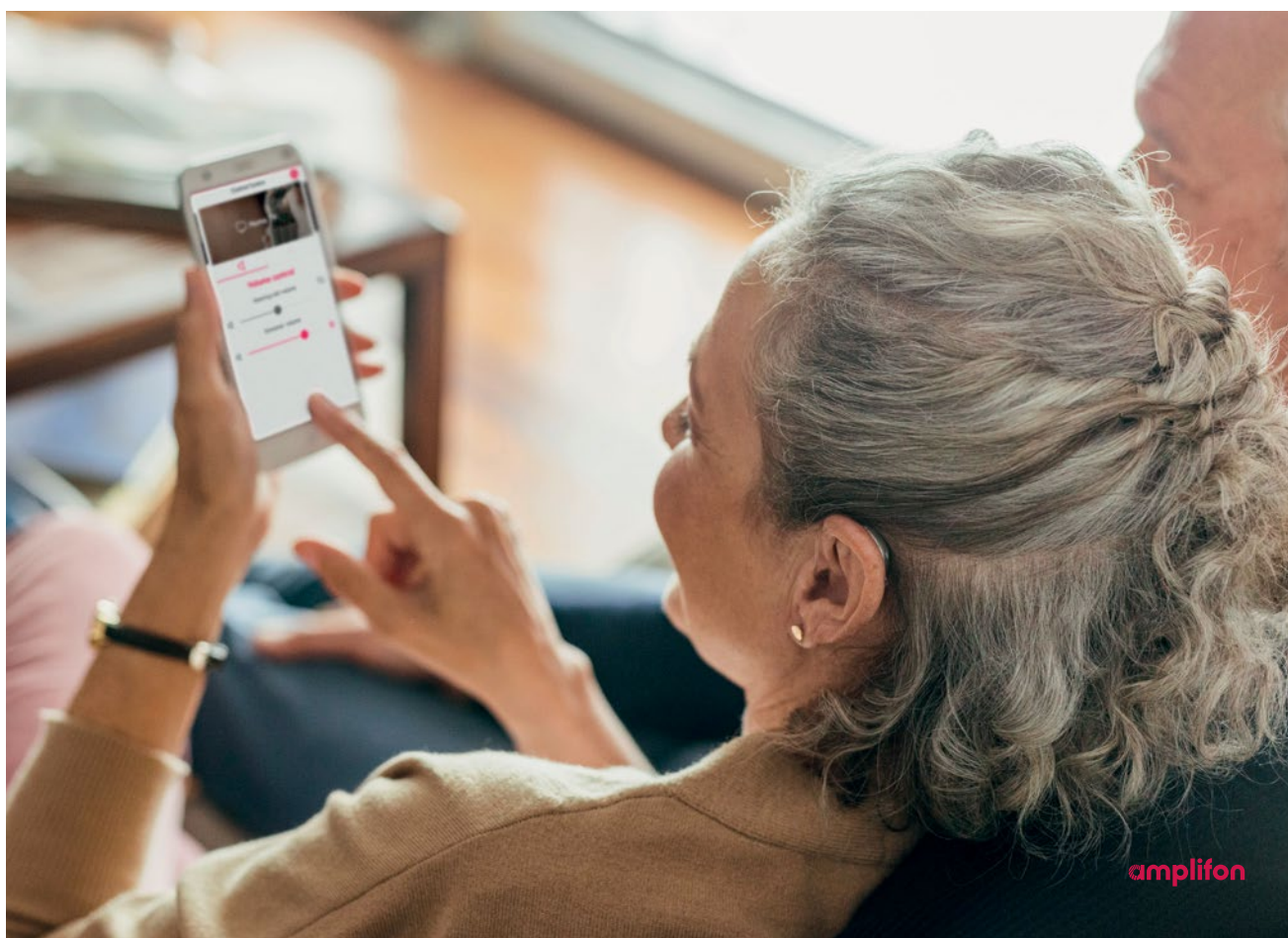


FIND OUT MORE
MODEL 231 AND
THE SUPERVISORY
BODY

Amplifon S.p.A.'s Model 231 is composed of a general part and the specific part. The general section contains the guiding principles for conducting corporate transactions, illustrates the contents of the decree, defines the methods for the establishment and operation of the Supervisory Body and describes the sanctions system and training of personnel. The specific section, on the other hand, illustrates the control protocols for corporate activities deemed "sensitive" as set by Legislative Decree 231/2001 and describes the behavior and measures to reduce the risk of committing offenses pursuant to the decree.

The Code of Ethics constitutes the very foundation of Model 231: the two documents form a set of internal rules aimed at spreading a culture based on ethics and corporate transparency. In addition to the Group process of managing whistleblowing, in line with reference regulations, Amplifon S.p.A. has two institutional channels of communication for reaching the Supervisory Body (an email address and a dedicated freephone number) to report significant violations pursuant to Legislative Decree 231/2001.

Model 231 is, by definition, dynamic: the need for updating to comply with regulatory and organizational developments is checked periodically, in line with sector best practices and standards. Specifically, following the redefinition of Amplifon S.p.A.'s corporate structure, which took place in the first half of 2021 and involved the separation of operating activities for Italy from the strategic planning and strategic coordination activities carried out by the Parent Company, the Amplifon S.p.A. Model for Italy, containing only the sections applicable to the corporate entity were extrapolated from the Model 231 previously in force (and the related annexes). This model was approved by Amplifon's Board of Directors on April 29th, 2021. Later on, from a development perspective and in line with reference best practices, Amplifon S.p.A.'s 231 management system was revised, involving the updating of the risk-offense mapping in the light of the recent legislative amendments on predicate offenses, as well as the revision of Model 231 from a procedural perspective. The new version of Model 231 was approved by the Board of Directors at the meeting of July 29th, 2021. Generally speaking, Amplifon Group subsidiaries, where applicable, adopt compliance programs in conformity with local regulations which include corporate administrative liability (e.g., Legislative Decree 231/01 in Italy, Ley Organica in Spain, etc.).





5.3 PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

Responsible procurement and supply chain management is essential to guarantee compliance with the highest ethical standards along the value chain. For this reason, we are progressively integrating specific sustainability criteria in the selection and qualification of our suppliers, while at the same time guaranteeing the highest level of quality of products and services, as well as competitiveness of proposals.

In Amplifon procurement (direct and indirect purchases) and supply chain management is carried out and coordinated at various levels of the organization, from global to regional functions as well as country ones. All activities are aligned and coordinated by the guidelines and governance exercised centrally. National management teams are responsible for the local implementation of global guidelines, in both tactical and operational terms, as well as for defining and implementing other specific aspects limited to a given market or business unit.

DIRECT PROCUREMENT

Purchasing of hearing aids and related products and services (hearing devices and accessories, service and spare parts for hearing aids, batteries, ear molds, other products).

INDIRECT PROCUREMENT

Purchasing of products and services that are not directly linked with hearing aids (marketing and advertising, rental fees, IT, facility management, consultancy, general expenses, logistics services).

SUPPLY CHAIN

Management of logistics and storage phases (definition of the logistics-distribution model, transport to and from suppliers and stores, warehouse, and storage services, planning and management of inventories, definition of store operations relating to the management of materials).

QUALIFICATION AND STANDARDS OF BEHAVIOR

During the qualification phase, all suppliers acknowledge and sign Amplifon's Code of Ethics, in order to be involved in tender and procurement dealings or providing goods and services. As expressed in the above-mentioned code, and in line with the UN Global Compact principles and international conventions, Amplifon rejects suppliers which admit, in violation of the principles of the freedom and dignity of people and fundamental human rights, to the exploitation of forced and child labor, as well as any form of personal discrimination. In support of the foregoing, starting from 2019 all suppliers of hearing aids whose contract is subject to renegotiation are required to recognize and comply with the principles set forth in Amplifon's Sustainability Policy.

In addition, at the start of 2022 a **new Supplier Code of Conduct** was defined and adopted, which describes the principles and standards of conduct required of all of Amplifon's suppliers and business partners to conduct business ethically and responsibly, as well as for full compliance with national and international legislation³¹. The Code will be gradually integrated into the qualification process so that any supplier, either new or with an existing commercial relationship with Amplifon, signs up to and proactively implements the principles and standards relating to business ethics, compliance, anti-corruption, human rights and workers' rights, diversity and inclusion, health, safety, the environment, etc. To further strengthen cooperation along the entire value chain, in addition to integrating these principles and standards in their activities, suppliers are required to pass them on to their workforce and their suppliers, ensuring they are complied with, as well as making sure that their sub-contractors or any third parties working on their behalf operate in full compliance with these principles. For this reason, Amplifon reserves the right, by means of specific contractual clauses, to check the good conduct of suppliers asking for any supporting documentation or other information that demonstrates compliance with the Code of Ethics and the Supplier Code of Conduct, as well as conducting special audits on these themes. The violation of these rules, principles and minimum standards of behavior may constitute a breach of contractual obligations with full legal consequences.

The implementation of the Supplier Code of Conduct is the first components of the **new global framework for the evaluation of suppliers** which, as set out in our Sustainability Plan, was defined in 2021 in order to evaluate all Amplifon suppliers in relation to the main ESG risks. Based on the reference product category and geography of the administrative, production and distribution sites of suppliers, this framework allows to classify every supplier in a specific ESG risk class (low, medium, high) based on universally-recognized metrics and indicators inherent in the main ethical, social and environmental topics.



**FIND OUT MORE
SUPPLIER CODE
OF CONDUCT**

31 - The Amplifon Supplier Code of Conduct was approved by the Board of Directors of Amplifon S.p.A. On March 3rd, 2022, and is available to all stakeholders on the Amplifon corporate website.

There are specific actions to implement for each risk class to get to know the supplier and/or mitigate the residual risks, including for example:

- the suppliers completing a questionnaire, which clarifies certain important aspects;
- including the supplier in an ESG evaluation/rating process;
- conducting an ad hoc audit carried out by a third party with a focus on ESG topics.

By 2023 this framework will be implemented in at least one country in which the Group operates as a pilot project. The results of this pilot will then be subject to further evaluation and fine-tuning to revise and improve it and produce an implementation plan for other Group countries in future years.

HEARING AID MANUFACTURERS

As a global leader, we only have relationships with the best manufacturers of hearing aids to ensure the safety and quality of the products we sell, as well as to support to our customers throughout the expected lifespan of the products in all the Countries in which we operate. By communicating with the managers of the various countries and markets, the Procurement & Supply Chain function is also able to select the most suitable suppliers, products, and technologies for the various markets.

Since the evolution of the technologies used in the design of hearing aids is an important factor in defining the ways of interacting with customers, the relation with hearing aid manufacturers plays a crucial role for our business. Indeed, we are engaged in monitoring suppliers' roadmaps so that technological innovation always allows us to maintain and further improve the already excellent level of experience offered to our customers. We also closely monitor the introduction and withdrawal phases of the different models to ensure that we can offer customer support throughout the product life cycle. Likewise, we share the knowledge and experience gained over years of presence on the market with manufacturers and collaborate with them to improve customers' overall hearing and use experience, providing useful guidelines for the development of future products.



INDIRECT GOODS AND SERVICES PURCHASING PROCESS

In 2021, we continued to implement a new single, harmonized model for the management of indirect purchases, purchase orders and contracts. Such model will be progressively adopted by all the countries of the Group and is based on the most recently developed in cloud-based ERP technologies, in order to provide all Amplifon people with the same purchasing experience, wherever they are

and for whatever the type of merchandise and/or service they need to cater. At the same time, thanks to this harmonization, we will be able to constantly monitor indirect procurement and therefore assess with minimal effort our spending profile in the best possible way without delay, seizing all the opportunities for improvement and optimization we may identify.

SUPPLY CHAIN

Hearing aids and associated accessories distribution logistics vary in the different regions in which we operate. While in the United States it is operated directly by the suppliers to the members of Miracle-Ear, in EMEA, APAC and Canada the procurement process requires that, once the hearing profile and the customer's needs have been established, the store forwards a purchase request for the identified product to the local function responsible for procurement which, at a centralized level for each country, manages the order by initiating a stock transfer operation from a warehouse or by sending an order to a supplier, who will provide for sending the product directly to the central warehouse of the country or to the store. In the event that the identified product consists of an in-the-ear hearing aid or if it is necessary to use a custom-made ear plug, a silicone impression of the ear canal is taken and, once solidified, it is sent to the manufacturer who subsequently delivers the in-the-ear hearing aid directly to the store. In LATAM, following the completion of the first integration phase based on existing processes and instruments, a further step will be taken to implement the new process currently being rolled-out in EMEA and APAC.

Within the supply chain organization, Amplifon has the responsibility of stores and local warehouses stock planning, collecting and fulfilling store needs by arranging transport from warehouses to points of sale and vice versa, as well as receiving and managing local warehouses stocks. Moreover, Amplifon manages the transport of unsold products at the end of trial periods from points of sale to warehouses, the demand planning for hearing aid suppliers on a forecast basis, and the review of supply flows with a view to harmonizing, modernizing, and digitizing operational and administrative processes. Finally, in equally important product repair phase, we pay close attention to execution timescales to guarantee hearing aids are returned to customers as soon as possible.

The transport of all products, whether new, repaired or to be returned is carried out entirely by specialized external logistics companies selected by Amplifon or by the direct suppliers, depending on who is responsible for organizing the transport (usually the sending party). Together with the manufacturers, we are committed to optimizing logistics with the aim of reducing the related energy consumption, CO₂ emissions, and related costs. For this reason, some manufacturers have regional centers for the digital scanning of customers' ear impression, thus eliminating the need to transport the impressions to the production plants.

Furthermore, in 2021, the strengthening of the central and local supply chain function continued with the aim of ensuring the most advanced planning, storage, and distribution solutions for the sales network. This investment confirms the ambition to review the distribution logistics model, demand and stock planning, warehouse operations and transport logistics. Leveraging end-to-end integration with upstream suppliers and downstream points of sale, we intend to make the distribution chain more efficient, thanks to the introduction of new planning methodologies, new technologies for topping up store stocks automatically, and strong digitalization of processes.



5.4 CARING FOR THE ENVIRONMENT

As mentioned in our Code of Ethics and Sustainability Policy, we are committed to protecting the environment through specific initiatives, to monitoring the environmental footprint of our activities, both for the headquarters and the distribution network.

Even though our business model is based on retail activities and offering hearing care services, thus not including any industrial or production activities, at Amplifon we are sensitive and attentive to environmental topics and the challenges posed by climate change. We are aware that in order to effectively implement a forward-looking responsible business strategy, it is necessary to assess one's environmental impact and ensure maximum respect for the planet and future generations. For this reason, the very nature of our way of doing business aims at reducing the environmental impact of our activities to a minimum, increasingly favoring streamlining and dematerialization processes of the business, always in full compliance with applicable environmental regulations in force.

This commitment has also been implemented since 2019 through specific local initiatives to promote environmental responsibility under the "We Care" program. Among the initiatives promoted in recent years by Amplifon headquarters in various countries, also in order to raise awareness among employees on these topics, there are some pilot projects for increasing separate waste collection for recycling and reducing waste production, while other initiatives aim at promoting the reduction of food waste, single-use plastics and the responsible use of printers. For example, since 2019 at our Headquarters in Milan (Italy) a Food Giving activity has been promoted, with the support of the local NGO "Banco Alimentare" (Food Bank), with the aim to recover surplus food from the Company canteen and redistribute it to people in need. Over the years, local facility teams responsible for environmental topics have also implemented energy consumption optimization actions, such as for example on the occasion of the refurbishment of the central headquarters in Milan (Italy) or the progressive replacement of conventional lights in direct stores with LED lights.

ENERGY AND CLIMATE

In 2021, we continued to monitor the main environmental performance indicators of the headquarters and direct shops, with the aim of giving our stakeholders as complete a vision as possible. In 2021 our offices and direct stores in Italy, Germany, the Netherlands and partly in Australia, the United Kingdom, Portugal, and Switzerland, were supplied with electricity certified as coming from renewable sources by obtaining guarantees of origin, thereby allowing the saving of around 4,400 tons of CO_{2e} (calculated with the Market-based approach). Thanks to the Sustainability Plan, this practice will also be extended to other countries in coming years, thereby contributing to saving an increasing amount of CO_{2e}.

Even in 2021 heating, air-conditioning, and lighting in our offices and stores still accounted for the largest share of the Group's energy consumption. During the year, approximately 30 GWh of electricity were consumed, broken down into consumption for direct stores (approximately 25 GWh, of which 28% came from renewable sources) and headquarters (approximately 5 GWh, of which 38% came from renewable sources). Other energy consumption was due to heating offices and stores, mainly relating to the consumption of natural gas and, to a lesser extent, fuel oil and district heating, as well as the consumption of fuels related to the company car fleet.

In spite of the fact that in 2021, in the light of the recovery of full business activity compared with the emergency periods of the previous year, a total increase in energy consumption of approx. 16% compared with 2020 was recorded (around 196 TJ compared with 168 TJ in 2020), there is an approx. **4% decrease in total consumption compared to the 2019 pre-pandemic level** (205 TJ) and, above all, a positive trend in terms of energy intensity. In effect, in 2021 **the ratio between total energy consumption and revenues was around 10.0%, a substantial decrease compared with 2020 (10.8%) and 2019 (11.8%).**

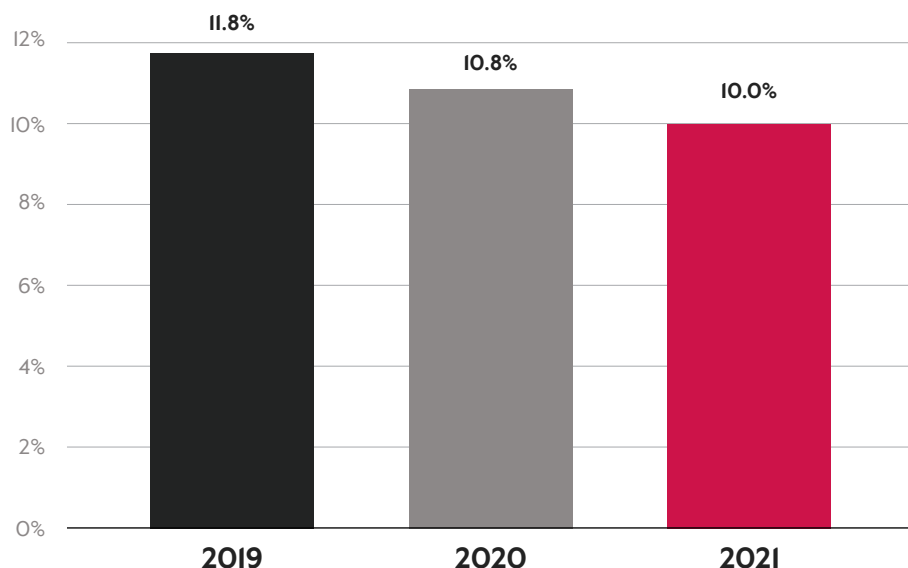
~30%
OF PURCHASED
ELECTRICITY
COMES FROM
RENEWABLE
SOURCES

~4,400
TONS OF CO_{2e}
AVOIDED BY
PURCHASING
ELECTRICITY
FROM RENEWABLE
SOURCES

-4%
ENERGY
CONSUMPTION
COMPARED TO
PRE-PANDEMIC
LEVEL

ENERGY INTENSITY

TOTAL ENERGY CONSUMPTION COMPARED WITH REVENUES (GJ/K€)



In line with what emerged from the materiality analysis and with the requests implied by the TCFD recommendations, we periodically monitor the environmental impact of our activities in terms of direct and indirect greenhouse gas emissions in accordance with universally-recognized specific metrics for the correct management of impacts on climate change. In addition to monitoring energy consumption, these also include the calculation of emissions caused directly by the Group's activities (Scope 1), namely resulting from energy consumption for heating the offices and direct stores, the fuel consumption by the Company car fleet and the refrigerant gas used by the air conditioning systems, as well as indirect emissions from the consumption of electricity and thermal energy bought from outside (Scope 2)³², as well as indirect emissions due to Company travel by employees (Scope 3, with special reference to category 3.6 of the GHG Protocol).

Specifically, in 2021 direct greenhouse gas emissions (Scope 1) stood at around 5.2 thousand tons of CO_{2e}, indirect emissions (Scope 2) at around 8.4 thousand tons of CO_{2e} (calculated in accordance with the Location-based approach, while in accordance with the Market-based approach these are around 6.6 thousand tons of CO_{2e}), while emissions related to business travel (Scope 3) stood at around 1.8 thousand tons of CO_{2e}.

GREENHOUSE GAS EMISSIONS IN 2021 (TON CO_{2e})



CIRCULARITY AND WASTE MANAGEMENT

Despite the low impact of our business activities in terms of resources consumption, we continued to ensure proper management of the waste produced in our business activities in order to assess possible reduction strategies, and since 2021 we have also been monitoring our water consumption. The quantity of waste produced by our headquarters, mainly paper, plastic, electrical equipment, and printer toner, which in 2021 amounted to approximately 301 tons (down by 2% compared with 2020), of which around 94% referred to non-hazardous waste and around 32% was reused or sent for

-2%
OF WASTE
PRODUCED IN 2021
COMPARED
TO 2020

32 - As required by GRI Sustainability Reporting Standards, there are two different approaches for calculating Scope 2 indirect emissions. "Location-based" and "Market-based". The "Location-based" approach involves the use of average emission factors relating to specific nationally-produced electricity energy mixes. The "Market-based" approach involves the separation of electricity and thermal energy acquired from renewable sources and certified with guarantees of origin, as well as the issue of a national residual mix, where available, as an emission factor. The emission factors used and the related sources are described in the [Note on methodology](#).

recovery. Total water consumption, relating to civil use only in direct offices and stores, was estimated at around 266 thousand cubic meters for 2021³³.

Looking at the entire value chain, our business also offers us many opportunities in terms of reduction of waste connected to the use of our products. **Thanks to the sale and use of rechargeable hearing aids, from 2018 to 2021 we contributed to saving approx. 131 million batteries that would otherwise have been used by customers**, of which almost 57 million saved as a result of the rechargeable devices sold in 2021 alone³⁴. As formalized in our Sustainability Plan, these positive impacts will become more and more substantial due to the increasingly widespread use of rechargeable solutions among our customers. Among the measures to promote circular economy, in addition to the initiatives launched in the headquarters, it should also be noted that some countries, including the Netherlands, are gradually providing shops with collection points for the batteries used by customers in their non-rechargeable hearing aids to ensure they are properly recycled.

~131 mln

**BATTERIES SAVED
THROUGH THE SALE
OF RECHARGEABLE
HEARING AIDS**



ACTING RESPONSIBLY VALUE

THE NEW ECO-FRIENDLY PACKAGING FOR AMPLIFON PRODUCTS

In 2021 we designed and launched in Spain (at the same time as the roll-out of APE) the new Cube All-in-One which contains all Amplifon-brand products, with a view to eco-sustainability. The packaging is made of 100% recyclable paper, which reduces the percentage of plastic components to a minimum to ensure the smooth operation of the product during its useful life. Given the limited presence of secondary materials, the Cube is totally recyclable and, in spite of being

designed to be long-lasting in our customer's houses, it can be disposed of with paper waste. In addition, in accordance with the applicable legislation on environmental labeling, the packaging is marked with the recycling symbol and code, indicating how the entire packaging should be disposed of. The launch of the new eco-sustainable packaging will continue throughout 2022 and 2023, gradually involving almost all the countries in which Amplifon is present.

33 - The quantity of water consumed in the offices and stores for civil use was estimated based on the water consumption of the HQ and reproporioned over the total number of employees.

34 - The quantity of saved batteries is estimated on the basis of the number of rechargeable devices sold and in circulation, the average quantity of batteries used annually by a non-rechargeable device, and an average device's life of 5 years.

ANNEX

 amplifon

AMPLIFON'S SUSTAINABILITY TOPICS UNIVERSE

The table below illustrates the universe of 20 economic, environmental and social topics evaluated during Amplifon's 2021 materiality analysis. For every pillar or area of engagement, the sustainability topics subject to evaluation were listed, their materiality (evaluated in accordance with the double materiality principle, both by Top Management and internal and external stakeholders), as well as a description of the main contents of each topic.

| Pillar / Area of commitment | Topic | Materiality |
|--|---|-------------|
| Amplifon business | Long-term resilience and profitability | ■ |
| | Sustainability strategic approach and governance | ■ |
| Product & Service Stewardship | Availability and accessibility to hearing care | ■ |
| | Innovation, digitalization and personalization of the customer experience | ■ |
| | Quality, reliability and safety of products and services | ■ |
| | Cybersecurity and data privacy | ■ |
| | Responsible marketing and sales practices | ■ |
| People Empowerment | Attraction and development of key resources | ■ |
| | Employees' health and safety | ■ |
| | Diversity, equity and inclusion | ■ |
| | People's welfare and engagement | ■ |
| Community Impact | Awareness-raising and education on hearing well-being | ■ |
| | Supporting the local communities | ■ |
| Ethical Behavior | Regulatory framework | ■ |
| | Ethical and responsible business conduct | ■ |
| | Waste management and circular economy | ■ |
| | Water management | |
| | Energy efficiency and climate action | ■ |
| | Responsible management of the supply chain | ■ |
| | Logistics and distribution process optimization | |

| Description |
|--|
| Generate shared economic value and strengthen global leadership by ensuring long-term sustainable economic growth, through responsible and forward-looking management of financial, physical, intellectual, human, social, and relational assets |
| Integrate sustainability principles and areas of commitment into the Group's strategy, governance, and risk management, by promoting business initiatives in line with the Sustainability Plan's goals and with the market and regulatory sustainability trends |
| Facilitate hearing care accessibility and availability by investing in the expansion of a global distribution network and in the provision of innovative services to help to overcome social and physical barriers due to disabling hearing impairment |
| Invest in technology and increasingly innovative, engaging and digital hearing solutions and services, enhancing and personalizing the customer experience in the stores and outside, from the first contact to the after-sale |
| Guarantee the highest standards of quality while ensuring adequate reliability and safety of products and services offered to customers, leveraging the expertise of hearing care professionals, in full compliance with applicable regulations |
| Adopt practices and policies aimed at safeguarding IT security and protecting the personal and sensitive data provided by customers and all stakeholders, in line with the evolution of regulations and considering the increasing digitalization of the services offered |
| Promote responsible marketing and sales practices, ensuring transparent and reliable interactions with customers and stakeholders |
| To be an employer of choice and invest in excellence by attracting and developing the best talents, enhancing their potential, and encouraging their professional development, through training and leadership development programs and assignments within global projects |
| Adopt policies, practices and management systems aimed at ensuring a healthy and safe workplace for people involved in company activities, through ad hoc training plans and prevention activities in the field of health and safety |
| Ensure an inclusive working environment for all people, guarantee equal opportunities for all and protect diversity and minorities by fighting all forms of discrimination and moral or psychological harassment based on any characteristic of the human person |
| Guarantee the best working conditions, workers' rights, and people's well-being, in order to promote an engaging and stimulating working environment through internal communication, involvement activities and fair relationships with trade unions |
| Raise awareness and consciousness about the importance of hearing well-being and responsible listening, encouraging the prevention of noise pollution and fighting the stigma, while transforming the perception of hearing care and maximizing its individual and social benefits |
| Support the territories through local development initiatives and philanthropic activities aimed at involving communities, with particular reference to the most vulnerable ones, by providing knowledge and resources in order to generate a long-lasting sustainable social impact |
| Monitor the regulatory framework in order to ensure business operations to be fully compliant with national and international regulations on technical aspects of hearing aids, sales and distribution of hearing aids to the public (i.e., training and qualification of licensed professionals) and terms of reimbursement |
| Conduct business activities in accordance with the highest ethical and moral standards, actively opposing any kind of unethical, corruptive and anti-competitive practice and operating with honesty and integrity in all areas, including tax strategy |
| Manage the waste collection and disposal responsibly, adopting circular economy practices for the valorization of waste as a resource and the recovery of materials, as well as seizing opportunities in terms of waste reduction (e.g., through the promotion of rechargeable hearing aids) |
| Manage water resources efficiently within business operations by adopting policies and best practices that promote responsible water usage within offices and shops to limit water consumption |
| Promote energy efficiency initiatives and encourage the use of renewable energy in business activities, as well as implementing strategies to reduce greenhouse gas emissions to reduce the environmental impact and promote climate change mitigation and adaptation |
| Integrate sustainability criteria (e.g., protection of human rights, working conditions, environmental practices) into supply chain management, through procurement processes that enable the traceability of supplies, and suppliers' assessment and selection |
| Increase the efficiency of the logistics-distribution model, from demand and stock planning to warehouse operations and transport logistics, with a view to optimizing the distribution chain and reducing energy consumption, emissions and costs |

MAIN STAKEHOLDER ENGAGEMENT ACTIVITIES

The table below shows the main stakeholder engagement activities carried out in 2021. The activities are explained according to engagement channels used, any concerns raised, and Amplifon's response.

| Stakeholder | Type of engagement activity |
|---|--|
| Hearing impaired | Quantitative and qualitative market research (focus groups, one-to-one, telephone and online interviews), usability tests, customer satisfaction surveys and customer experience feedback surveys (paper questionnaire, call center, e-mail, SMS) |
| Employees | Internal feedback sharing programs (One Amplifon, Leadership Touchpoint, Town hall, global functional conferences), Global Engagement Survey, "Your Voice", anytime and continuous feedback in individual performance reviews, area meetings and store visits, Global Internal Communication Framework, updates on global projects and initiatives, Good Morning Amplifon, in-house newsletter, induction activities |
| Franchisees and agents ³⁵ | Focus groups, Global Engagement Surveys, annual summits |
| Shareholders, investors and financial community | Conference calls on results, participation in roadshows and industry conferences through one-to-one and group meetings with institutional investors (both equity and debt), company visits by analysts and investors, sharing of feedback with rating agencies (both credit and ESG) and sustainability-conscious investors |
| Hearing aid manufacturers ³⁶ | Business review meetings, discussion during the definition of terms and conditions for new contracts, partnerships |
| Suppliers ³⁶ | One-to-one meetings, site visits, participation in speaking opportunities organized by suppliers, partnerships |
| Regulatory authorities | Dialog with institutions and participation in working groups, periodic consultations, and joint projects |
| Industry and consumer associations | Focus groups, seminars, conferences, public presentations, and joint projects |
| Health care system | Surveys, meetings with health agencies (EU, WHO) |
| Headhunters and universities | Collaboration in research projects, university events, offers of internships and partnerships with universities |
| Media/ influencers | Press releases, conference calls, social media, media conferences, interviews, participation in speaking opportunities |

35 - Engagement with franchisees and agents (such as "autogestori" [self-managers] in Italy and Spain) takes place only at local level due to the specific features of the business in each country.

In addition to these activities, as explained in the [Reading guide](#), since 2018 we have been engaging with certain categories of stakeholders for the prioritization of our material topics, in order to integrate their expectations with regard to Amplifon in this area (for more details, please refer to the “Materiality Analysis” section).

| Topics/concerns raised by stakeholders | Amplifon's response |
|--|---|
| <ul style="list-style-type: none"> Enhancing customer experience at each touchpoint with Amplifon, both physical and virtual Obtaining a better understanding of products features and of the hearing solution selection process to reap the maximum benefit Reducing the social stigma associated with hearing loss and providing a clear explanation of the consequences of untreated hearing loss Helping influencers in supporting friends and relatives with hearing difficulties | <ul style="list-style-type: none"> Continuous improvements to the Amplifon App in terms of usability and accessibility Development of a new communication approach aimed at fighting stigma Planning a set of improvement actions in terms of customer experience (products, services, physical and digital touchpoints) |
| <ul style="list-style-type: none"> Ensuring a One Employee Experience at Group level Strengthening recruiting in key areas such as marketing, digital, CRM, and retail Internal feedback Professional growth and skills development Recognition and reward Quality of work, in terms of process simplification and harmonization | <ul style="list-style-type: none"> Implementation of the You@Amplifon people management program Strengthening of the global attraction and retention strategy and Employee Value Proposition Digital Amplifon Global Onboarding program (DAGO) Enhancement of the training offer for Talent Development and implementation of Ampli Academy Leadership Development programs New Performance Development Review process Migration of HR processes on a single integrated cloud platform Continuous improvement of Intranet functionality and roll-out in the main countries Internal survey for updating the materiality analysis |
| <ul style="list-style-type: none"> Quality of work Professional training and development | <ul style="list-style-type: none"> Continuous improvement of the training offer Recognition and rewards program |
| <ul style="list-style-type: none"> Transparency of financial information Business performance Possible impacts of regulatory changes on the achievement of strategic goals Continuous updates on key strategic events (e.g., acquisitions, Amplifon Product Experience) Progressive integration of sustainability into the business strategy | <ul style="list-style-type: none"> Updates about the latest events in presentations to investors and during conference calls on results and in the so-called Capital Markets Day Progressive improvement of the corporate website, including more information on sustainability Setting of sustainability goals and targets |
| <ul style="list-style-type: none"> Market, industry, and technological trends Possible impacts of regulatory changes Amplifon multichannel eco-system development process | <ul style="list-style-type: none"> Sharing of insights about market and customers Sharing of insights about the Amplifon multichannel ecosystem development |
| <ul style="list-style-type: none"> Future development of the business Adoption of new technologies | <ul style="list-style-type: none"> Sharing of mutual interests, as well as information about commercial activities and customers Joint projects (e.g., Amplifon App) |
| <ul style="list-style-type: none"> Promotion of quality, sustainability, and accessibility of hearing solutions in the industry | <ul style="list-style-type: none"> Development of joint actions in collaboration with consumer and industry associations Sharing of information on industry-specific issues |
| <ul style="list-style-type: none"> Raising awareness about hearing care Increasing customer satisfaction | <ul style="list-style-type: none"> Collaboration in research projects Development of joint actions Entry into EHIMA (European Hearing Instrument Manufacturers Association) |
| <ul style="list-style-type: none"> Need to improve accessibility of hearing solutions Raising awareness about hearing care | <ul style="list-style-type: none"> Participation in awareness-raising campaigns Awareness-raising activities aimed at ENT professionals |
| <ul style="list-style-type: none"> Ensuring recruitment is based on clinical evidence Bringing young people closer to the world of work with concrete activities | <ul style="list-style-type: none"> Joint participation in research projects Funding of scholarships Global partnerships with student associations and universities |
| <ul style="list-style-type: none"> Up-to-date information on the business and business performance New technologies for customers and employees Amplifon's social role and raising of awareness among young people on hearing care | <ul style="list-style-type: none"> Involvement of Top Management in speaking opportunities and interviews Top Management positioning on social media Participation in events (e.g., CSR & Social Innovation Fair) Promotion of the “Ci Sentiamo Dopo” app for noise measurements |

36 - Engagement with hearing aid manufacturers and major suppliers takes place mainly at Corporate level, as the relationship with these stakeholders is managed through the Procurement & Supply Chain function.

MAIN RISKS RELATED TO SUSTAINABILITY TOPICS

To provide full information for stakeholders, the table below summarizes the potential risks identified by Amplifon throughout the value chain, as well as the main management methods, with reference to the main material sustainability topics³⁷, including those attributable to the aspects expressly referred to in

POTENTIAL RISKS ASSOCIATED WITH MATERIAL ESG TOPICS FOR AMPLIFON (1/2)

| Material Issue | Potential risk | Description of the risk |
|---|--|--|
| Long-term resilience and profitability | Potential strategic and financial risks related to the performance of the company in relation to the economic and global context and to the uncertainties resulting from the effects of Covid-19 | The evolution of the global context with regard to the main macro-trends, with a special focus on the spread of Covid-19 and the related restrictive measures adopted by individual countries, could lead to a reduction in footfall at the points of sale and consequently in revenues and profitability |
| Sustainability strategic approach and governance | Potential strategic and non-conformity risks related to regulatory development on sustainability topics | Possible regulatory pressures on the reporting of sustainability commitment requirements on several specific topics (e.g., environmental) could lead to difficulties in alignment with sector laws, regulations, and best practices, as well as in achieving the sustainability goals, with possible effects on compliance and reputation |
| Availability and accessibility to hearing care | Potential financial risks related to the difficulties of customers in accessing and enjoying hearing care products and services on account of physical, social and digital barriers | The possible difficulty for older people in getting to points of sale, as well as the stigmatization of hearing care, could have an impact on the penetration of the products and services offered by Amplifon, thereby restricting availability and accessibility to hearing care |
| Innovation, digitalization and personalization of the customer experience | Potential strategic risks and loss of competitiveness related to the capacity to offer innovative, digital, technologically-advanced services for customers, as well as customized to meet specific needs | Possible limitations in technological development, as well as in digitalization and customization of services offered, could have an impact on competitiveness, reducing the market share and customer satisfaction |
| Quality, reliability and safety of products and services | Potential non-conformity risks of products and services offered in terms of quality and reliability or in safety measures for customers | The possible non-conformity with specific rules on quality and product labeling, quality standards of the Amplifon App or the possible incorrect use of hearing devices by customers, could lead to possible risks for the health and safety of customers, financial penalties, and reputational damage |
| Cybersecurity and data privacy | Potential operating and non-conformity risks related to possible breaches in cybersecurity and data privacy systems with consequent losses of customer information and personal data | Non-conformity with legal requirements of cybersecurity and data privacy, as well as the continuous digitalization of services offered and work methods, could lead to IT system breaches, the theft and/or loss of sensitive data with consequent operational damage and interruptions to business continuity, as well as possible financial (financial penalties) and reputational impacts |
| Responsible marketing and sales practices | Potential reputational risks related to imprecise and/or not fully transparent information to customers, both in marketing campaigns and relating to the instructions given by store staff | Communication to customers and potential customers that is not completely effective, clear, transparent, and reliable could lead to impacts in terms of reputation, credibility, and confidence |
| Attraction and development of key resources | Potential operating risks relating to the difficulties of identifying, attracting, retaining, and training qualified talents and key figures in points of sale, in the back-office and senior management roles, to run an effective business | The rapid growth of the reference industry constitutes a challenge to attracting and retaining talents and key figures. The lack of specific technical expertise in personnel both in stores and back-office staff, could lead to inefficiencies in the Group's operations and in guaranteeing the pipeline of talents necessary for supporting business objectives. In addition, taking into consideration the growth of the business managerial figures may not be available to cope with the succession plans for key roles |

37 - Note that more details on the major risks identified in the 2021 ERM process (inherent to the "Long-term resilience and profitability", "Innovation, digitalization and customization of the customer experience", "Cybersecurity and data privacy", "Attracting and nurturing key resources" and Regulatory framework" topics) because they are more closely connected to Amplifon's business, and are described in the Report on Operations as at December 31st, 2021 of the 2021 Annual Report ("Risk Management" section).

Legislative Decree 254/2016. In addition, with special reference to the “Energy efficiency and climate action” topic, there is a second table entirely dedicated to a special focus on the main risks and opportunities related to climate change identified based on the TCFD recommendations. Note that, in the light of Amplifon’s operations and activities in response to the existing risk, from the analyses no material exposures to these types of ESG risks emerged.

Response to the risk/Management methods³⁸

- Benefits resulting from the actions implemented from 2020 on cost reduction, maximizing the cash generation and strengthening the financial structure
 - The establishment and ongoing updating of specific regulation protocols for fighting the spread of Covid-19 consistent with the regulatory provisions and constantly update in relation to the development of the pandemic
-
- Supervisory activities for issues related to sustainability by the Control, Risks and Sustainability Committee
 - Activities coordinating and implementing sustainability-related projects by a dedicated team (IR & Sustainability)
 - Continuous alignment between the IR & Sustainability team, all corporate functions, as well as the regions and countries, with regard to the reporting of sustainability, regulatory requirement and any projects
 - Internal induction activities dedicated to the Top Management and corporate functions involved in sustainability reporting
 - Continuous monitoring of the reaching of the Sustainability Plan goals and sharing with the Executive Leadership Team
-
- Offering of examinations, hearing tests and trials free of charge
 - Investments in the expansion of the network
 - Awareness-raising campaigns on the importance of hearing care to overcome stigma
 - Introduction of digital products and services, technologically advanced and capable of interacting at any time with customers through the Amplifon App
 - Intensification of services offered remotely
-
- Introduction of digital products and services, technologically advanced and capable of interacting at any time with customers through the Amplifon App
 - Intensification of services offered remotely
 - Specific training activities for hearing care professionals on products and services offered and on interaction with customers
-
- Close cooperation with hearing aid manufacturers
 - Training of hearing care professionals on the correct use of products and the Amplifon App
 - Monitoring of regulatory changes
 - Conformity to local and regional laws and regulations relating to health and safety
 - ISO certification and the introduction of procedures for adaptation to the new Medical Devices Regulation (EU) 2017/745
-
- Conformity with the general Regulation on data protection (General Data Protection Regulation, GDPR) in the EU countries in which Amplifon operates and to local rules in other geographical areas
 - Establishment of an internal cybersecurity committee
 - Investments in cybersecurity and IT security systems (e.g., multi-factor authentication, anti-phishing systems, blocking access to suspect internet sites, network protection)
 - Strengthening the protection of the corporate network through control instruments with artificial intelligence
 - Training and awareness-raising activities
-
- Training hearing care professions on the correct use of products and the Amplifon App
 - Global guidelines for revising and approving marketing contents
 - Amplifon 360 protocol for providing all major customers with information and insight during the customer journey
 - Support for research in order to disseminate information based on clinical evidence
-
- Intensification of employer branding initiatives, partnerships with universities, internships, recruitment and talent attraction activities
 - Upgrading of the training programs and platforms (Ampli Academy) and continuous investment in the training of hearing care professionals
 - Introduction of talent mapping processes for the development of succession plans
 - Expansion of the Leadership Program for professional development
 - Implementation of the Performance Development Review (PDR)
 - Recognition and investment in top performers and talents

38 - In addition to what has been reported, note that since 2018 Amplifon’s Sustainability Policy constitutes a preliminary response in terms of commitment and the management of all material topics related risks.

POTENTIAL RISKS ASSOCIATED WITH MATERIAL ESG TOPICS FOR AMPLIFON (2/2)

| Material Issue | Potential risk | Description of the risk |
|---|--|---|
| Employees' health and safety | Potential non-conformity and operating risks related to failure to comply with health and safety regulations for store employees and back-office staff | Non-conformity with health and safety regulations on workplace conditions (including in relation to the spread of Covid-19) could lead to financial penalties |
| Diversity, equity and inclusion | Potential non-conformity and reputational risks related to possible cases of discrimination for several categories of employees in the workplace, psychological violence and/or unequal treatment | Any discriminatory actions or moral or psychological violence in the workplace, or difficulties in guaranteeing equal opportunities for all and protecting diversity and minorities in certain countries, could lead to possible non-conformity and financial penalties, reputational damage and loss of confidence |
| People's welfare and engagement | Potential operating and reputational risks relating to the loss of talents through low retention and limited well-being and internal engagement activities, as well as potential risks of non-conformity to laws and regulations on correct working conditions | The possible incomplete effectiveness by the organization to cope with a changing situation, to listen and respond to the needs of employees in terms of internal well-being, as well as guaranteeing compliance with adequate working conditions for all, could lead to cases of non-conformity, reputational damage and loss of talents |
| Awareness-raising and education on hearing well-being | Potential reputational risks related to incomplete effectiveness of the awareness and communication programs (hearing care awareness-raising, education and prevention campaigns) as a result of stigmatization and social barriers | Awareness and communication programs that are not completely effective, credible, and engaging for potential customers and care givers, could lead to losses in credibility and confidence, reputational damage and an impact on the penetration of products and services offered by Amplifon |
| Supporting the local communities | Potential reputational risks related to a not fully effective dissemination of expertise and resources for local communities | Inadequate support for local communities through the development of resources and the dissemination of expertise could result in less benefit for the community in terms of social impact, and missed opportunity for Amplifon |
| Regulatory framework | Potential regulatory risks depending on the development of the regulatory framework in the reference markets in which the Company operates | A change in regulations (e.g., in reimbursement conditions, accessibility to the national health service, the role of ENT specialists and hearing care professions, the requirements for the sale of hearing equipment and related services) could have a direct effect on the market and therefore the performance of the Group |
| Ethical and responsible business conduct | Potential non-conformity and reputational risks related to cases of corruption, unfair competition or unethical business practices | The possible failure by employees to comply with legislation, the possibility that staff commit unlawful acts, corruption (in either the public or private sphere) or violate internal regulations, internal procedures or the Code of Ethics, could lead to financial penalties and bans or reputational damage |
| Waste management and circular economy | Potential risks of non-conformity with laws and regulations on the correct management of waste | Possible failure to comply with applicable regulations on the correct disposal, treatment, reuse and reduction of waste, also including those connected with the use of hearing devices, can lead to financial penalties |
| Energy efficiency and climate action ⁴⁰ | Potential operating, financial, non-conformity and reputational risks related to Group energy consumption and commitment in terms of the fight against climate change | Energy efficiency and emission reduction strategies that are not fully effective could lead not only to reputational damage, but also to increased operating costs and a greater environmental impact |
| Responsible management of the supply chain | Potential operating, financial, non-conformity and reputational risks relating to failure to comply with minimum standards of ethical conduct along the supply chain | Standard and minimum requirements control strategies for suppliers that are not fully effective could lead to cases on non-conformity with issues such as human rights, adequate working conditions and environmental standards, with consequent interruptions to business relations, sanctions and reputational damage |

38 - In addition to what has been reported, note that since 2018 Amplifon's Sustainability Policy constitutes a preliminary response in terms of commitment and the management of all material topics related risks.

Response to the risk/Management methods³⁸

- Conformity with local and regional regulations on the health and safety of employees through the establishment of internal committees, the identification of managers for this area and the implementation of local procedures
 - The establishment and ongoing updating of specific regulation protocols for the measures for fighting the spread of Covid-19 consistent with the regulatory provisions and constantly update in relation to the development of the pandemic
-
- Code of Ethics and corporate culture programs
 - Sustainability Policy
 - Training, communication, and internal engagement activities
 - Launch of the 2021 edition of the Global Engagement Survey "Your Voice"
 - Membership of the UN Global Compact
-
- Code of Ethics and corporate culture programs
 - Sustainability Policy
 - Training, communication, and internal engagement activities
 - Launch of the 2021 edition of the Global Engagement Survey "Your Voice"
 - Membership of the UN Global Compact
 - Smart-working program
 - Package of flexible benefits
 - Short and long-term incentive schemes
-
- Implementation of a Global Press Book and country and corporate editorial meetings through the Weekly & Monthly Newsroom mechanism
 - Global guidelines for revising and approving marketing contents
 - Investments in an integrated multi-channel and communication strategy approach
 - Awareness-raising and education activities for the new generations in the "Listen Responsibly" program
 - Support for research in order to disseminate information based on clinical evidence
-
- Launch of the "We Care" program and consequent improvement of the internal and external reporting and communication relating to local social initiatives
 - Support of the Amplifon Foundation, Miracle-Ear Foundation and GAES Solidaria Foundation
 - Specific local activities supporting local communities through ad hoc projects responding to individual needs (e.g., sponsorships, charitable donations, etc.)
-
- Establishment of the Regulatory Affairs function
 - Continuous monitoring of regulatory changes and their evolution
 - Development and coordination of local action plans relating to any regulatory changes
 - Active participation in discussions, industry associations and institutions
-
- Adoption of Model 231 in Italy and related supervisory, maintenance and updating activities
 - Group Anti-corruption Policy
 - Group Whistleblowing Policy and related reporting channels (being adopted by countries)
 - Code of Ethics and corporate culture programs
 - Sustainability Policy
 - Training and communication activities
 - Communication crisis management manual
 - Implementation of the Supplier Code of Conduct
-
- Training delivered to local representatives on the reporting of environmental data
 - Adoption of the Sustainability Plan
 - Studying the measures and initiatives for reducing waste in offices and stores (e.g., through separate collection)
 - Progressive sale of rechargeable hearing devices to reduce the number of batteries
 - Membership of the UN Global Compact
-
- Training delivered to local representatives on the reporting of environmental data³⁹
 - Adoption of the Sustainability Plan
 - Studying the measures and initiatives for energy efficiency in offices and stores (e.g., using LED lighting)
 - Progressive purchase of electricity from renewable sources certified by origin guarantees for offices and direct stores
 - Membership of the UN Global Compact
-
- Acceptance of the Code of Ethics by suppliers through specific contractual clauses
 - Subscription of the Sustainability Policy by direct suppliers
 - Implementation of the Supplier Code of Conduct
 - Definition of a new global framework for the evaluation of suppliers based on the main ESG risks
 - Membership of the UN Global Compact
-

39 - These initiatives, although not representing a real response to the risk in question, should be considered as preparatory for the implementation of the initiatives already identified as the responses to the risk that have not yet been implemented. The actual Sustainability Policy represents an initial formalization of the areas of engagement to oversee.

40 - Note that more details on the main climate change related risks, identified through an Amplifon business model analysis based on the TCFD recommendations can be found in the second dedicated table and in the dedicated Annex "[Content Index of the TCFD recommendations](#)".

POTENTIAL CLIMATE CHANGE-RELATED RISKS AND OPPORTUNITIES

In order to identify the main climate-related risks presented in the table below, a preliminary analysis of the scenarios related to the effects of climate change which may potentially have an impact on the Group was conducted. According to various international sources (e.g., the International Energy Agency), a steep increase in the price of raw materials is predicted in the future (with reference to fossil fuels) and, as a result, electricity prices, as well as the strengthening of national and international regulations on energy efficiency and the mitigation of climate change. Taking Amplifon's business model into consideration, as long as no significant exposures to the risks associated with climate change are identified, the Company is committed to keep its oversight of these issues constant, continuing to monitor climate-related risks.

| Potential risk related to climate change | Description of the risk | Type of risk in accordance with the TCFD recommendations |
|---|---|--|
| Potential risk of an increase in operating costs caused by the increase in energy procurement costs and the supply of raw materials, also as a result of emerging rules for the promotion of renewable resources | The increase in the cost of energy (also due to the effects of climate change and the transition of the market towards the use of renewable sources) and the growing requirements of energy efficiency (both under the scope of commercial operations and in the supply and distribution chains) could lead to a rise in operating costs the effect of which could also be due to a possible delay in the definition of renewable energy purchasing strategies and policies, energy efficiency and Group energy consumption control | Transition - Market |
| Potential risk of non-conformity with regulations relating to mitigation and adaptation to climate change | A possible non-specific strategy for mitigating Amplifon's impact on climate change, with the lack of specific goals for reducing carbon emissions, could lead to cases of non-conformity with regulations, as well as potential financial sanctions and reputational damage | Transition - Policy |
| Potential market and reputational risks due to the increase in sector competitiveness in terms of technological innovation, as well as the growing awareness of customers, relating to minimizing the impacts on the climate of products and services offered | A market strategy not fully capable of integrating environmental and climate topics in the innovative products and services offered to customers (e.g., carbon-neutral products, sustainable packaging, sustainable layout of stores, etc.) could cause a loss in competitiveness in the sector, as well as reputational damage | Transition - Reputational Transition - Technological |
| Potential risk of interruption of the procurement and distribution chain caused, for example, by natural disasters due to the effects of climate change, which could compromise the regular supply to stores | Procurement methods that are not fully diversified could lead to an interruption in the supply and distribution chain due to exceptional, destructive natural events (e.g., water bombs) which, in addition to representing an additional cost, could comprise the regular sales of products | Physical - Acute Physical - Chronic |

41 - These initiatives, although not representing a real response to the risk in question, should be considered as preparatory for the implementation of the initiatives already identified as the responses to the risk that have not yet been implemented. The actual Sustainability Policy represents an initial formalization of the areas of engagement to oversee.

| Response to the risk/management methods | Potential opportunities |
|---|--|
| <ul style="list-style-type: none"> • Training delivered to local representatives on the reporting of environmental data⁴¹ • Studying the measures and initiatives for energy efficiency in offices and stores • Progressive purchase of electricity from renewable sources certified by origin guarantees for offices and direct stores | <ul style="list-style-type: none"> • Opportunities for minimizing energy consumption, emissions, and costs, with a consequent reduction in environmental impacts, through the optimization of procurement methods, stock the management and logistics-distribution process • Opportunities for using innovative, low emission solutions for logistics, with the consequent potential reduction of future costs following emerging regulatory requirements • Opportunities for promoting good environmental and behavioral practices with regard to suppliers • Activating management paths for the end of the life of the product (reuse/recovery), with a consequent potential reduction in future costs and/or delivery of incentives following emerging regulatory requirements |
| <ul style="list-style-type: none"> • Training and internal engagement activities • Induction sessions with Top Management and the main corporate functions • Monitoring sector and market macro-trends and regulatory development on climate change • Preparation of an annual Non-Financial Statement • First reporting exercise in line with the TCFD recommendations • Sustainability Plan | <ul style="list-style-type: none"> • Opportunities for defining long-term strategies and goals in the fight against climate change • Opportunities for attracting new types of funding (green-social funding) |

In light of the Amplifon business model, this type of risk, although considered within the Risk Universe, is not currently considered to be applicable thanks to the ongoing technological innovation and collaboration with the major global manufacturers of hearing devices

In light of the Amplifon business model, this type of risk, although considered within the Risk Universe, is not currently considered to be applicable thanks to the diversification of the procurement methods and logistics-distribution process

PERFORMANCE INDICATORS

CORPORATE GOVERNANCE

COMPOSITION OF THE BOARD OF DIRECTORS⁴² AS AT DECEMBER 31ST, 2021

| Role | Name | Executive | Independent ⁴³ | C.C.R.S. ⁴⁴ | C.R.N. ⁴⁵ | Gender | Nationality | Year of birth | Year of first appointment | Attendance rate |
|-------------|--|-----------|---------------------------|------------------------|----------------------|--------|-------------|---------------|---------------------------|-----------------|
| Chairperson | Susan Carol Holland | | | • | • | F | Italian | 1956 | 2001 | 100% |
| CEO | Enrico Vita | • | | | | M | Italian | 1969 | 2015 | 100% |
| Director | Andrea Casalini | | • | | • | M | Italian | 1962 | 2016 | 100% |
| Director | Alessandro Cortesi⁴⁶ | | • | • | | M | Italian | 1962 | 2016 | 100% |
| Director | Maurizio Costa | | • | | • | M | Italian | 1948 | 2007 | 83,3% |
| Director | Laura Donnini | | • | • | | F | Italian | 1963 | 2016 | 100% |
| Director | Maria Patrizia Grieco | | • | | • | F | Italian | 1952 | 2016 | 100% |
| Director | Lorenzo Pozza | | • | • | | M | Italian | 1966 | 2016 | 100% |
| Director | Giovanni Tamburi | | | | | M | Italian | 1954 | 2013 | 100% |

COMPOSITION OF THE BOARD OF STATUTORY AUDITORS⁴⁷ AS AT DECEMBER 31ST, 2021

| Role | Name |
|-------------------|---------------------------------------|
| Chairperson | Raffaella Pagani⁴⁸ |
| Standing auditor | Patrizia Arienti |
| Standing auditor | Dario Righetti |
| Alternate auditor | Alessandro Grange⁴⁸ |
| Alternate auditor | Maria Venturini |

42 - The current Board of Directors was appointed by the Shareholders' Meeting held on April 17th, 2019 and will remain in office until the approval of the financial statements as at December 31st, 2021. In 2021, the Board of Directors met six times, with an attendance rate of 98.3%.

43 - Directors who declare that they qualify as independent as defined under current law and in the Corporate Governance Code of Italian Stock Exchange.

44 - C.C.R.S.: Members of the Risk, Control and Sustainability Committee. In 2021, the Risks, Control and Sustainability Committee met five times with an attendance rate of 95%.

45 - C.R.N.: Members of the Remuneration and Appointments Committee.

46 - Director appointed from the minority list.

47 - The current Board of Statutory Auditors was appointed at the Shareholders' Meeting held on April 23rd, 2021 and will remain in office until the approval of the financial statements as at December 31st, 2023.

48 - Members of the control body from the minority list.

MEMBERS OF THE RISK, CONTROL AND SUSTAINABILITY COMMITTEE AS AT DECEMBER 31ST, 2021

| Role | Name | Attendance rate |
|-------------|----------------------------|-----------------|
| Chairperson | Lorenzo Pozza | 100% |
| Member | Susan Carol Holland | 100% |
| Member | Alessandro Cortesi | 80% |
| Member | Laura Donnini | 100% |

MEMBERS OF THE REMUNERATION AND APPOINTMENTS COMMITTEE AS AT DECEMBER 31ST, 2021

| Role | Name | Attendance rate |
|-------------|------------------------------|-----------------|
| Chairperson | Maurizio Costa | 100% |
| Member | Susan Carol Holland | 100% |
| Member | Andrea Casalini | 100% |
| Member | Maria Patrizia Grieco | 75% |

MEMBERS OF THE RELATED-PARTY TRANSACTIONS COMMITTEE AS AT DECEMBER 31ST, 2021

| Role | Name |
|-------------|---------------------------|
| Chairperson | Andrea Casalini |
| Member | Laura Donnini |
| Member | Alessandro Cortesi |

COMPOSITION OF THE SUPERVISORY BOARD AS AT DECEMBER 31ST, 2021

| Role | Name |
|-------------|---|
| Chairperson | Lorenzo Pozza |
| Member | Laura Donnini |
| Member | Laura Ferrara (Group Internal Audit & Risk Management Officer from February 1 st , 2021) |

LEAD INDEPENDENT DIRECTOR

Lorenzo Pozza

EXECUTIVE RESPONSIBLE FOR FINANCIAL REPORTING

Gabriele Galli

SECRETARY OF THE BOARD OF DIRECTORS

Federico Dal Poz (appointed on February 1st, 2021)

EXTERNAL AUDITORS

KPMG S.p.A.

ECONOMIC DISCLOSURES

ECONOMIC VALUE GENERATED AND DISTRIBUTED⁴⁹

| Direct economic value generated and distributed (thousands of euros) | 2019 | 2020 | 2021 |
|--|------------------|------------------|------------------|
| Economic value generated by the company | 1,737,751 | 1,572,836 | 1,957,396 |
| Revenues ⁵⁰ | 1,737,751 | 1,572,836 | 1,957,396 |
| Economic value distributed by the company | 1,455,249 | 1,262,977 | 1,613,835 |
| Operating costs | 792,026 | 697,828 | 832,793 |
| To employees (wages and benefits) | 562,996 | 493,493 | 639,033 |
| To providers of capital | 45,070 | 17,335 | 65,687 |
| - of which dividends | 30,939 | - | 49,356 |
| - of which interest paid to providers of capital | 14,131 | 17,335 | 16,331 |
| To the Public Administration | 53,564 | 52,728 | 72,460 |
| - of which current income taxes | 47,332 | 47,386 | 63,437 |
| - of which other corporate taxes and penalties | 6,233 | 5,342 | 9,023 |
| To the community | 1,593 | 1,593 | 3,862 |
| - of which membership of associations | - | - | 1,400 |
| - of which charitable donations | - | - | 2,045 |
| - of which community sponsorships | - | - | 227 |
| - of which expenses for other business-related activities in favor of the community (e.g., events, universities, etc.) | - | - | 190 |
| Economic value retained by the Company | 282,502 | 309,859 | 343,561 |

49 - It should be noted that the figures for 2019, 2020 and 2021 presented in the table "Economic value generated and distributed" are prepared in accordance with the IFRS 16 accounting standard. In addition, in line with what is reported in the Consolidated Financial Statements as of December 31st, 2021, the 2021 figures for the "Economic value generated and distributed" refer to the income statement in which the Elite business is classified as a discontinued operation.

50 - Revenues differ from the value reported in the Consolidated Financial Statements because they refer to revenues from sales and services plus other income.

DISTRIBUTION NETWORK BY COUNTRY AS AT DECEMBER 31ST, 2021

| Country | Brand | Corporate shops | Shop-in-shops & corners | Franchisees |
|-----------------------|------------------------------|-----------------|----------------------------|--------------|
| Italy | Amplifon | 737 | 2.840 | - |
| France | Amplifon | 589 | 115 | - |
| Spain | GAES | 560 | 131 | 1 |
| Germany | Amplifon | 571 | - | - |
| The Netherlands | Beter Horen | 163 | 50 | - |
| UK | Amplifon | 105 | 36 | - |
| Switzerland | Amplifon | 100 | - | - |
| Belgium | Amplifon | 89 | 38 | 8 |
| Hungary | Amplifon | 77 | - | - |
| Portugal | Minisom | 66 | 100 | - |
| Poland | Amplifon | 77 | - | - |
| Egypt | Amplifon | 30 | - | - |
| Israel | Medtechnica Orthophone | 58 | - | - |
| EMEA | | 3,222 | 3,310 | 9 |
| USA | Miracle-Ear | 206 | - | 1,325 |
| Canada | Amplifon | 73 | - | - |
| Argentina | GAES | 24 | - | 4 |
| Chile | GAES | 32 | - | - |
| Colombia | GAES | 11 | - | 2 |
| Ecuador | GAES | 19 | - | 4 |
| Mexico | GAES | 12 | - | - |
| Panama | GAES | 2 | - | - |
| AMERICAS | | 379 | - | 1,335 |
| Australia | Amplifon, Attune e Bay Audio | 376 | 130 | - |
| Nuova Zelanda | Bay Audiology & Dilworth | 116 | 23 | - |
| India | Amplifon | 78 | 148 | - |
| China | Amplifon | 115 | - | - |
| APAC | | 685 | 301 | - |
| Amplifon Group | | 4,286 | 3,611 | 1,344 |

SOCIAL DISCLOSURES

EMPLOYEES⁵¹ BY PROFESSIONAL CATEGORY AND GEOGRAPHICAL AREA AS AT DECEMBER 31ST

| | EMEA ⁵² | | | AMERICAS | | | APAC | | | CORPORATE | | | GROUP | | |
|---|--------------------|--------------|--------------|------------|------------|--------------|--------------|--------------|--------------|------------|------------|------------|---------------|---------------|---------------|
| Group Total (no. of employees) | 2019 | 2020 | 2021 | 2019 | 2020 | 2021 | 2019 | 2020 | 2021 | 2019 | 2020 | 2021 | 2019 | 2020 | 2021 |
| Hearing care professionals (qualified by law/certified) | 3,746 | 3,726 | 3,759 | 234 | 246 | 386 | 822 | 932 | 1,150 | 0 | 0 | 0 | 4,802 | 4,904 | 5,295 |
| Hearing care professionals (apprentices or equivalent) | 480 | 421 | 421 | 9 | 17 | 129 | 0 | 10 | 39 | 0 | 0 | 0 | 489 | 448 | 589 |
| Client advisors and other shop personnel | 2,336 | 2,423 | 2,506 | 275 | 216 | 350 | 636 | 670 | 1,052 | 0 | 0 | 0 | 3,247 | 3,309 | 3,908 |
| Area managers | 219 | 249 | 219 | 20 | 18 | 27 | 46 | 42 | 78 | 0 | 0 | 0 | 285 | 309 | 324 |
| Total field force | 6,781 | 6,819 | 6,905 | 538 | 497 | 892 | 1,504 | 1,654 | 2,319 | 0 | 0 | 0 | 8,823 | 8,970 | 10,116 |
| Executives | 0 | 0 | 0 | 1 | 1 | 1 | 1 | 1 | 1 | 10 | 10 | 11 | 12 | 12 | 13 |
| Directors | 71 | 78 | 78 | 20 | 12 | 48 | 28 | 31 | 58 | 32 | 33 | 45 | 151 | 154 | 229 |
| Managers | 204 | 202 | 208 | 67 | 48 | 47 | 51 | 55 | 66 | 59 | 68 | 90 | 381 | 373 | 411 |
| Professionals | 925 | 958 | 905 | 217 | 282 | 366 | 437 | 454 | 445 | 49 | 62 | 102 | 1,628 | 1,756 | 1,818 |
| Total back-office | 1,200 | 1,238 | 1,191 | 305 | 343 | 462 | 517 | 541 | 570 | 150 | 173 | 248 | 2,172 | 2,295 | 2,471 |
| Total employees | 7,981 | 8,057 | 8,096 | 843 | 840 | 1,354 | 2,021 | 2,195 | 2,889 | 150 | 173 | 248 | 10,995 | 11,265 | 12,587 |

EMPLOYEES BY PROFESSIONAL CATEGORY AND GENDER AS AT DECEMBER 31ST

| | 2019 | | 2020 | | 2021 | |
|------------------------|------------------|---------------|------------------|---------------|------------------|---------------|
| Group Total | No. of employees | % | No. of employees | % | No. of employees | % |
| Total men | 3,141 | 28.6% | 3,166 | 28.1% | 3,469 | 27.6% |
| Total women | 7,854 | 71.4% | 8,099 | 71.9% | 9,118 | 72.4% |
| Total employees | 10,995 | 100.0% | 11,265 | 100.0% | 12,587 | 100.0% |

51 - The figures for employees as at December 31st, 2020 and December 31st, 2021 include the employees of the company Otohuh s.r.l. (Italy), in contrast to the 2019 figures, where this company was excluded from the reporting scope. In addition, note that the employee data as at December 31st, 2021 includes employees of Bay Audio Pty Ltd (Australia) even if this company, which became part of the Group in October 2021 is formally excluded from the 2021 reporting scope and is not included in the other performance indicators on health and safety, training and performance evaluation.

52 - Note that back-office employees responsible for centralized management pertaining to the EMEA area are included in Corporate.

| | 2019 | | 2020 | | 2021 | |
|---|------------------|--------------|------------------|--------------|------------------|--------------|
| Field force | No. of employees | % | No. of employees | % | No. of employees | % |
| Total field force | 8,823 | 80.2% | 8,970 | 79.6% | 10,116 | 80.4% |
| Men | 2,217 | 20.2% | 2,177 | 19.3% | 2,357 | 18.7% |
| Women | 6,606 | 60.1% | 6,793 | 60.3% | 7,759 | 61.7% |
| Hearing care professionals (qualified by law/certified) | 4,802 | 43.7% | 4,904 | 43.5% | 5,295 | 42.1% |
| Men | 1,557 | 14.2% | 1,542 | 13.7% | 1,638 | 13.0% |
| Women | 3,245 | 29.5% | 3,362 | 29.8% | 3,657 | 29.1% |
| Hearing care professionals (apprentices or equivalent) | 489 | 4.4% | 448 | 4.0% | 589 | 4.7% |
| Men | 182 | 1.7% | 174 | 1.5% | 211 | 1.7% |
| Women | 307 | 2.8% | 274 | 2.4% | 378 | 3.0% |
| Client advisors and other shop personnel | 3,247 | 29.5% | 3,309 | 29.4% | 3,908 | 31.0% |
| Men | 293 | 2.7% | 253 | 2.2% | 314 | 2.5% |
| Women | 2,954 | 26.9% | 3,056 | 27.1% | 3,594 | 28.5% |
| Area managers | 285 | 2.6% | 309 | 2.7% | 324 | 2.6% |
| Men | 185 | 1.7% | 208 | 1.8% | 194 | 1.6% |
| Women | 100 | 0.9% | 101 | 0.9% | 130 | 1.0% |

| | 2019 | | 2020 | | 2021 | |
|---------------------------|------------------|--------------|------------------|--------------|------------------|--------------|
| Back office | No. of employees | % | No. of employees | % | No. of employees | % |
| Totale back office | 2,172 | 19.8% | 2,295 | 20.4% | 2,471 | 19.6% |
| Men | 924 | 8.4% | 989 | 8.8% | 1,112 | 8.8% |
| Donne | 1,248 | 11.4% | 1,306 | 11.6% | 1,359 | 10.8% |
| Executives | 12 | 0.1% | 12 | 0.1% | 13 | 0.1% |
| Men | 11 | 0.1% | 10 | 0.1% | 11 | 0.1% |
| Women | 1 | 0.0% | 2 | 0.0% | 2 | 0.0% |
| Directors | 151 | 1.4% | 154 | 1.4% | 229 | 1.8% |
| Men | 107 | 1.0% | 106 | 0.9% | 153 | 1.2% |
| Women | 44 | 0.4% | 48 | 0.4% | 76 | 0.6% |
| Managers | 381 | 3.5% | 373 | 3.3% | 411 | 3.3% |
| Men | 196 | 1.8% | 210 | 1.9% | 229 | 1.8% |
| Women | 185 | 1.7% | 163 | 1.4% | 182 | 1.5% |
| Professionals | 1,628 | 14.8% | 1,756 | 15.6% | 1,818 | 14.4% |
| Men | 610 | 5.5% | 663 | 5.9% | 719 | 5.7% |
| Women | 1,018 | 9.3% | 1,093 | 9.7% | 1,099 | 8.7% |

EMPLOYEES BY PROFESSIONAL CATEGORY AND AGE GROUP AS AT DECEMBER 31ST

| | 2019 | | 2020 | | 2021 | |
|------------------------|------------------|---------------|------------------|---------------|------------------|---------------|
| Group Total | No. of employees | % | No. of employees | % | No. of employees | % |
| Total <30 | 2,532 | 23.0% | 2,400 | 21.3% | 2,707 | 21.5% |
| Total 30-50 | 6,088 | 55.4% | 6,466 | 57.4% | 7,208 | 57.3% |
| Total >50 | 2,375 | 21.6% | 2,399 | 21.3% | 2,672 | 21.2% |
| Total employees | 10,995 | 100.0% | 11,265 | 100.0% | 12,587 | 100.0% |

| | 2019 | | 2020 | | 2021 | |
|---|------------------|--------------|------------------|--------------|------------------|--------------|
| Field force | No. of employees | % | No. of employees | % | No. of employees | % |
| Total field force | 8,823 | 80.2% | 8,970 | 79.6% | 10,116 | 80.4% |
| <30 | 2,170 | 19.7% | 2,037 | 18.1% | 2,327 | 18.5% |
| 30-50 | 4,782 | 43.5% | 5,045 | 44.8% | 5,639 | 44.8% |
| >50 | 1,871 | 17.0% | 1,888 | 16.8% | 2,150 | 17.1% |
| Hearing care professionals (qualified by law/certified) | 4,802 | 43.7% | 4,904 | 43.5% | 5,295 | 42.1% |
| <30 | 1,341 | 12.2% | 1,263 | 11.2% | 1,347 | 10.7% |
| 30-50 | 2,710 | 24.6% | 2,873 | 25.5% | 3,106 | 24.7% |
| >50 | 751 | 6.8% | 768 | 6.8% | 842 | 6.7% |
| Hearing care professionals (apprentices or equivalent) | 489 | 4.4% | 448 | 4.0% | 589 | 4.7% |
| <30 | 342 | 3.1% | 301 | 2.7% | 335 | 2.7% |
| 30-50 | 127 | 1.2% | 133 | 1.2% | 199 | 1.6% |
| >50 | 20 | 0.2% | 14 | 0.1% | 55 | 0.4% |
| Client advisors and other shop personnel | 3,247 | 29.5% | 3,309 | 29.4% | 3,908 | 31.0% |
| <30 | 479 | 4.4% | 464 | 4.1% | 632 | 5.0% |
| 30-50 | 1,728 | 15.7% | 1,812 | 16.1% | 2,090 | 16.6% |
| >50 | 1,040 | 9.5% | 1,033 | 9.2% | 1,186 | 9.4% |
| Area managers | 285 | 2.6% | 309 | 2.7% | 324 | 2.5% |
| <30 | 8 | 0.1% | 9 | 0.1% | 13 | 0.1% |
| 30-50 | 217 | 2.0% | 227 | 2.0% | 244 | 1.9% |
| >50 | 60 | 0.5% | 73 | 0.6% | 67 | 0.5% |

| 2019 | | | 2020 | | | 2021 | | |
|--------------------------|------------------|--------------|------------------|--------------|--|------------------|--------------|--|
| Back-office | No. of employees | % | No. of employees | % | | No. of employees | % | |
| Total back-office | 2,172 | 19.8% | 2,295 | 20.4% | | 2,471 | 19.6% | |
| <30 | 362 | 3.3% | 363 | 3.2% | | 380 | 3.0% | |
| 30-50 | 1,306 | 11.9% | 1,421 | 12.6% | | 1,569 | 12.5% | |
| >50 | 504 | 4.6% | 511 | 4.5% | | 522 | 4.1% | |
| Executives | 12 | 0.1% | 12 | 0.1% | | 13 | 0.1% | |
| <30 | 0 | 0.0% | 0 | 0.0% | | 0 | 0.0% | |
| 30-50 | 10 | 0.1% | 8 | 0.1% | | 8 | 0.1% | |
| >50 | 2 | 0.0% | 4 | 0.0% | | 5 | 0.0% | |
| Directors | 151 | 1.4% | 154 | 1.4% | | 229 | 1.8% | |
| <30 | 0 | 0.0% | 0 | 0.0% | | 2 | 0.0% | |
| 30-50 | 120 | 1.1% | 125 | 1.1% | | 183 | 1.5% | |
| >50 | 31 | 0.3% | 29 | 0.3% | | 44 | 0.3% | |
| Managers | 381 | 3.5% | 373 | 3.3% | | 411 | 3.3% | |
| <30 | 12 | 0.1% | 11 | 0.1% | | 9 | 0.1% | |
| 30-50 | 291 | 2.6% | 301 | 2.7% | | 337 | 2.7% | |
| >50 | 78 | 0.7% | 61 | 0.5% | | 65 | 0.5% | |
| Professionals | 1,628 | 14.8% | 1,756 | 15.6% | | 1,818 | 14.4% | |
| <30 | 350 | 3.2% | 352 | 3.1% | | 369 | 2.9% | |
| 30-50 | 885 | 8.0% | 987 | 8.8% | | 1,041 | 8.3% | |
| >50 | 393 | 3.6% | 417 | 3.7% | | 408 | 3.2% | |

EMPLOYEES BY TYPE OF EMPLOYMENT CONTRACT, GENDER, AND GEOGRAPHICAL AREA AS AT DECEMBER 31ST

| | EMEA | | | AMERICA | | | APAC | | | CORPORATE | | | GROUP | | |
|--------------------------------|--------------|--------------|--------------|------------|------------|--------------|--------------|--------------|--------------|------------|------------|------------|---------------|---------------|---------------|
| Group Total (no. of employees) | 2019 | 2020 | 2021 | 2019 | 2020 | 2021 | 2019 | 2020 | 2021 | 2019 | 2020 | 2021 | 2019 | 2020 | 2021 |
| Permanent contract | 7,018 | 7,073 | 7,111 | 841 | 839 | 1,354 | 1,878 | 2,007 | 2,722 | 149 | 173 | 247 | 9,886 | 10,092 | 11,434 |
| Men | 1,947 | 1,955 | 1,937 | 228 | 233 | 375 | 534 | 560 | 678 | 89 | 107 | 151 | 2,798 | 2,855 | 3,141 |
| Women | 5,071 | 5,118 | 5,174 | 613 | 606 | 979 | 1,344 | 1,447 | 2,044 | 60 | 66 | 96 | 7,088 | 7,237 | 8,293 |
| Fixed term contract | 963 | 984 | 985 | 2 | 1 | 0 | 143 | 188 | 167 | 1 | 0 | 1 | 1,109 | 1,173 | 1,153 |
| Men | 328 | 302 | 302 | 2 | 0 | 0 | 13 | 9 | 26 | 0 | 0 | 0 | 343 | 311 | 328 |
| Women | 635 | 682 | 683 | 0 | 1 | 0 | 130 | 179 | 141 | 1 | 0 | 1 | 766 | 862 | 825 |
| Total employees | 7,981 | 8,057 | 8,096 | 843 | 840 | 1,354 | 2,021 | 2,195 | 2,889 | 150 | 173 | 248 | 10,995 | 11,265 | 12,587 |

EMPLOYEES BY TYPE OF EMPLOYMENT AND GENDER AS AT DECEMBER 31ST

| Group Total (no. of employees) | 2019 | 2020 | 2021 |
|--------------------------------|---------------|---------------|---------------|
| Full-time | 7,782 | 8,224 | 9,197 |
| Men | 2,726 | 2,816 | 3,043 |
| Women | 5,056 | 5,408 | 6,154 |
| Part-time | 3,213 | 3,041 | 3,390 |
| Men | 415 | 350 | 426 |
| Women | 2,798 | 2,691 | 2,964 |
| Total employees | 10,995 | 11,265 | 12,587 |

WORK-RELATED INJURY RATES⁵³

| Group Total | 2019 | 2020 | 2021 |
|--|------------|------------|------------|
| Number of fatalities due to accidents at work | 0 | 0 | 0 |
| Number of high-consequence work-related injuries | 1 | 0 | 0 |
| Total number of recordable work-related injuries | 103 | 76 | 139 |
| Total worked hours | 16,795,749 | 15,762,658 | 18,011,703 |
| Rate of high-consequence work-related injuries | 0.06 | 0 | 0 |
| Rate of total recordable work-related injuries | 6.13 | 4.82 | 7.72 |
| Number of cases of occupational illnesses recorded | 7 | 4 | 11 |

53 - The figures relating to work-related injury rates in 2020 include the 11 employees of the company Otohub s.r.l. (Italy), in contrast to the 2019 and 2019 figures, where this company was excluded from the reporting scope. More details on how injury rates are calculated can be found in the [Note on Methodology](#).

TOTAL HOURS OF TRAINING AND HOURS PRO CAPITA DELIVERED TO EMPLOYEES BY PROFESSIONAL CATEGORY AND GENDER⁵⁴

| Group Total | 2019 | | 2020 | | 2021 | |
|---|----------------------|------------------------|----------------------|------------------------|------------------------------------|--------------------------------------|
| | Total training hours | Average training hours | Total training hours | Average training hours | Total training hours (Group Total) | Average training hours (Group Total) |
| Hearing care professionals (qualified by law/certified) | 156,919 | 32.7 | 104,288 | 21.3 | 156,427 | 32.6 |
| Hearing care professionals (apprentices or equivalent) | 42,962 | 87.9 | 50,438 | 112.6 | 34,480 | 78.7 |
| Client advisors and other shop personnel | 78,392 | 24.1 | 57,711 | 17.4 | 82,748 | 24.8 |
| Area managers | 6,480 | 22.7 | 5,690 | 18.4 | 16,787 | 28.9 |
| Total field force | 284,753 | 32.3 | 218,127 | 24.3 | 290,441 | 31.8 |
| Executives | 195 | 16.3 | 28 | 2.3 | 287 | 19.1 |
| Directors | 2,547 | 16.9 | 1,481 | 9.7 | 4,300 | 25.4 |
| Managers | 7,293 | 19.1 | 5,314 | 14.3 | 13,070 | 36.4 |
| Professionals | 27,914 | 17.1 | 22,736 | 13.0 | 32,503 | 21.3 |
| Total back-office | 37,948 | 17.5 | 29,559 | 12.9 | 50,160 | 24.2 |
| Total employees | 322,701 | 29.3 | 247,686 | 22.0 | 340,601 | 30.4 |
| Men | 94,937 | 30.2 | 68,588 | 21.7 | 104,754 | 32.6 |
| Women | 227,764 | 29.0 | 179,098 | 22.1 | 235,847 | 29.5 |

PERCENTAGE OF EMPLOYEES RECEIVING A PERFORMANCE REVIEW BY PROFESSIONAL CATEGORY AND GENDER⁵⁵

| Group Total | 2019 | | 2020 | | 2021 | |
|---|------------------|--------------|------------------|--------------|------------------|--------------|
| | No. of employees | % | No. of employees | % | No. of employees | % |
| Hearing care professionals (qualified by law/certified) | 3,272 | 68.1% | 4,252 | 86.7% | 4,634 | 88.8% |
| Hearing care professionals (apprentices or equivalent) | 231 | 47.2% | 236 | 52.7% | 357 | 63.9% |
| Client advisors and other shop personnel | 2,493 | 76.8% | 3,016 | 91.1% | 3,119 | 88.2% |
| Area managers | 271 | 95.1% | 274 | 88.7% | 271 | 87.4% |
| Total field force | 6,267 | 71.0% | 7,778 | 86.7% | 8,381 | 87.1% |
| Executives | 11 | 91.7% | 12 | 100.0% | 13 | 100.0% |
| Directors | 124 | 82.1% | 136 | 89.5% | 191 | 86.8% |
| Managers | 321 | 84.3% | 321 | 86.3% | 353 | 86.7% |
| Professionals | 1,304 | 80.1% | 1,303 | 74.5% | 1,517 | 85.9% |
| Total back-office | 1,760 | 81.0% | 1,772 | 77.6% | 2,074 | 86.2% |
| Total employees | 8,027 | 73.0% | 9,550 | 84.9% | 10,455 | 86.9% |
| Men | 2,492 | 79.3% | 2,557 | 81.0% | 2,797 | 83.4% |
| Women | 5,535 | 70.5% | 6,993 | 86.4% | 7,658 | 88.3% |

54 - The figures relating to training do not include the 11 employees of the company Otohub s.r.l. (Italy), Audibel s.r.l. (Italy) and Bay Audio Pty Ltd (Australia), as well as Amplifon Middle East SAE (Egypt), Medtechnica Ortophone Ltd (Israel), Attune Hearing Pty Ltd (Australia) and the companies operating in China, as the related integration process is still in progress.

55 - The performance review is carried out based on the results achieved in the previous year, and consequently the related figures are reported in the reporting period of this Non-financial Statement. The figures relating to performance reviews do not include the 11 employees of the company Otohub s.r.l. (Italy).

ENVIRONMENTAL DISCLOSURES⁵⁶

ENERGY CONSUMPTION WITHIN THE ORGANIZATION

| | | HEADQUARTERS | | | DIRECT STORES | | | GROUP | | |
|---|-----------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Energy consumptions by type | u.m. | 2019 | 2020 | 2021 | 2019 | 2020 | 2021 | 2019 | 2020 | 2021 |
| Direct energy consumption from non-renewable sources | GJ | 68,123 | 46,969 | 63,558 | 18,884 | 21,095 | 19,492 | 87,008 | 68,064 | 83,050 |
| Natural gas | GJ | 4,052 | 4,843 | 6,376 | 17,757 | 19,898 | 18,844 | 21,809 | 24,741 | 25,220 |
| | m³ | 108,532 | 122,204 | 160,543 | 475,653 | 502,094 | 474,485 | 584,185 | 624,298 | 635,028 |
| Fuel oil | GJ | 120 | 109 | 63 | 1,127 | 1,197 | 648 | 1,247 | 1,306 | 711 |
| | Litri | 3,236 | 2,928 | 1,687 | 30,399 | 32,294 | 17,487 | 33,635 | 35,222 | 19,174 |
| Diesel (car fleet - HQs only) | GJ | 43,948 | 25,981 | 37,479 | - | - | - | 43,948 | 25,981 | 37,479 |
| | Litri | 1,147,960 | 678,672 | 974,979 | - | - | - | 1,147,960 | 678,672 | 974,979 |
| Petrol (car fleet - HQs only) | GJ | 20,004 | 16,036 | 19,640 | - | - | - | 20,004 | 16,036 | 19,640 |
| | Litri | 578,435 | 464,208 | 563,302 | - | - | - | 578,435 | 464,208 | 563,302 |
| Indirect energy consumption | GJ | 24,617 | 20,302 | 22,804 | 93,010 | 80,024 | 89,658 | 117,627 | 100,326 | 112,462 |
| Electricity purchased from renewable sources | GJ | 7,370 | 3,713 | 6,722 | 37,114 | 22,985 | 25,155 | 44,484 | 26,698 | 31,877 |
| | MWh-e | 2,047 | 1,031 | 1,867 | 10,310 | 6,385 | 6,987 | 12,357 | 7,416 | 8,855 |
| Electricity purchased from non-renewable sources | GJ | 12,040 | 12,697 | 10,949 | 55,846 | 56,963 | 64,308 | 67,886 | 69,660 | 75,257 |
| | MWh-e | 3,344 | 3,527 | 3,041 | 15,513 | 15,823 | 17,863 | 18,857 | 19,350 | 20,904 |
| District heating | GJ | 5,207 | 3,892 | 5,037 | 50 | 76 | 195 | 5,257 | 3,968 | 5,232 |
| | MWh-t | 1,446 | 1,081 | 1,399 | 14 | 21 | 54 | 1,460 | 1,102 | 1,453 |
| Electricity (car fleet - HQs only) ⁵⁷ | GJ | - | - | 96 | - | - | - | - | - | 96 |
| | MWh-e | - | - | 27 | - | - | - | - | - | 27 |
| Total energy consumption | GJ | 92,740 | 67,271 | 83,362 | 111,894 | 101,119 | 109,150 | 204,635 | 168,390 | 195,512 |

GREENHOUSE GAS EMISSIONS

| Direct emissions – Scope I (tons of CO _{2e}) | 2019 | 2020 | 2021 |
|--|--------------|--------------|--------------|
| From fuels used for the car fleet | 4,736 | 2,839 | 3,741 |
| From fuels used for heating in headquarters | 229 | 255 | 329 |
| From fuels used for heating in direct stores | 1,043 | 1,098 | 1,006 |
| From refrigerant gases used for cooling systems in headquarters and stores | 271 | 143 | 155 |
| Total | 6,279 | 4,335 | 5,231 |

56 - More details about the calculation methods, any estimates and the conversion and emission factors used can be found in the [Note on methodology](#).

57 - It should be noted that the total energy consumption for the year 2021 also includes the electricity consumption of the company car fleet and that, following an improvement in the data collection process, such consumption was also reconstructed for the years 2019 and 2020, respectively 1.4 MWh-e (5 GJ) and 17.3 MWh-e (62 GJ).

| Indirect emissions – Scope 2 (tons of CO _{2e}) | 2019 | 2020 | 2021 |
|---|---------------|--------------|--------------|
| From electricity purchased for headquarters (Location-based) | 2,063 | 1,634 | 1,512 |
| From electricity purchased for headquarters (Market-based) | 1,732 | 1,577 | 1,165 |
| From electricity purchased for direct stores (Location-based) | 8,550 | 7,065 | 6,596 |
| From electricity purchased for direct stores (Market-based) | 4,983 | 4,863 | 5,162 |
| From electricity purchased for the car fleet (Location-based) | - | - | 11 |
| From electricity purchased for the car fleet (Market-based) | - | - | 13 |
| From district heating for headquarters | 255 | 187 | 243 |
| From district heating for direct stores | 2 | 4 | 30 |
| Total (Location-based) | 10,870 | 8,890 | 8,392 |
| Total (Market-based) | 6,972 | 6,631 | 6,613 |

| Other indirect emissions – Scope 3 (tons of CO _{2e}) | 2019 | 2020 | 2021 |
|--|--------------|------------|--------------|
| From business travel by airplane ⁵⁸ | 4,624 | 925 | 1,588 |
| From business travel by train | 115 | 50 | 121 |
| From business travel by car (rental) | 131 | 19 | 124 |
| Total | 4,871 | 994 | 1,833 |

WASTE GENERATED AND DISPOSED WITHIN THE HEADQUARTERS⁵⁹

| Waste generated by category (kilograms) | 2019 | 2020 | 2021 |
|---|----------------|----------------|----------------|
| Hazardous waste | 43,146 | 20,350 | 19,147 |
| Electrical and electronic equipment | | 14,617 | 18,964 |
| Printer toner | | 103 | 56 |
| Other waste | | 5,630 | 127 |
| of which reused or recovered (%) | | | 60% |
| Non-hazardous waste | 333,301 | 288,333 | 282,270 |
| Paper | | 140,849 | 121,966 |
| Plastic | | 20,445 | 16,209 |
| Organic fraction | | 13,599 | 26,089 |
| Electrical and electronic equipment | | 1,858 | 4,425 |
| Printer toner | | 890 | 2,631 |
| Other waste | | 110,692 | 110,950 |
| of which reused or recovered (%) | | | 30% |
| Total | 376,447 | 308,683 | 301,417 |
| of which reused or recovered (%) | | | 32% |

58 - Since 2019, emissions caused by air travel have been monitored by distinguishing between the different classes of flights, i.e. between Economy, Premium Economy, Business and First Class, for which different emission factors have been applied.

59 - The figures relating to waste generated do not include the headquarters of Germany and Poland, as this data could not be obtained. The breakdown of waste by category is available only from 2020 onwards.

NOTE ON METHODOLOGY

This Sustainability Report (the “Report”) constitutes Amplifon’s Consolidated Non-Financial Statement (the “Non-Financial Statement”) drawn up in accordance with Articles 3 and 4 of Legislative Decree no. 254 of December 31, 2016 (“L.D. 254/2016” or the “Decree”) and subsequent amendments or additions thereto in implementation of Directive 2014/95/EU. The Group made up of Amplifon S.p.A. (the “Parent Company”) and its subsidiaries (collectively “Amplifon”, “Group” or “Company”) falls within the scope of application of the Decree, and therefore this document sets out the main policies applied by the company, the management models, the main activities carried out and the results achieved by the Group during 2021 in relation to the topics expressly cited by the Decree (environmental, social, employee matters, active and passive anti-corruption and respect for human rights), as well as the main identified risks related to the above-mentioned topics.

The content of the Report was prepared on the basis of the results of the materiality analysis carried out in 2021 and validated by the Risk, Control and Sustainability Committee and the Board of Directors in December 2021, which made it possible to identify the main ESG aspects considered to be material both for the Group and for its stakeholders. The definition of the content of the Report and the related indicators was based on the principles of materiality, stakeholder inclusion, completeness of data and the sustainability context of the Group. With regard to the quality of the reported information and indicators, the principles of accuracy, balance, clarity, comparability, reliability and timeliness were followed. Each material topic is related to a specific area of sustainability commitment defined by the Group’s Sustainability Policy, in order to facilitate the understanding of the progress made by Amplifon in each of the four areas of commitment.

With regard to the topics expressly referred to by Legislative Decree 254/2016, and in relation to the results of the materiality analysis, note that:

- The aspects relating to respect for human rights are addressed by the Group in the ethical and responsible management of relations with its employees, collaborators and suppliers, in accordance with the principles and values set out in the Code of Ethics and the Group’s Sustainability Policy and in full compliance with the Universal Declaration of Human Rights and the International Labor Organization Conventions on fundamental human rights, as well as in line with the UN Global Compact Principles;
- Taking into consideration the specific business model and lack of any type of production activity, Amplifon’s activities do not involve significant water consumption, therefore the “Water management” topic is not material. However, with a view to transparency for stakeholders, this Report includes an estimate of the Group water consumption based on the water consumption of the HQ and reportioned according to the number of employees;
- The “Waste management and circular economy” topic is dealt with in terms of the Group’s commitment to the reduction of waste and their reuse, also reporting the quantity of waste produced by the head offices, even if this is hardly significant in the light of the Amplifon business model;
- The aspects relating to the “Energy efficiency and climate action” topic are applied by Amplifon in the Group’s efforts for greater energy efficiency in our business activities, as well as reporting the main greenhouse gas emissions produced by the Group. Also note that Amplifon, as it emerged from the analyses conducted during the first reporting exercise in accordance with the recommendation of the Task Force on Climate-related Financial Disclosures (TCFD) and taking into consideration our activities and business model, does not have any significant exposure to environmental risks, specifically climate change related;
- The aspect of taxes, from this year included in the subject “Ethical and responsible business conduct”, is dealt with by providing a qualitative description of Amplifon’s tax strategy.

The 2021 Non-Financial Statement has been prepared according to the “GRI Sustainability Reporting Standards” published in 2016 by the Global Reporting Initiative (GRI), based on the “in accordance

– core” option. It should also be noted that as regards GRI Standards 403 (Occupational Health and Safety) and 306 (Waste), Amplifon has adopted the most up-to-date versions issued in 2018 and 2020 respectively. Annexed to this document is the table of GRI Standards which serves as an aid to navigation ([GRI Content Index](#)).

Consistent with one of the two options provided for by Article 5 of the Decree, this Non-Financial Statement constitutes a separate report. However, as mentioned in the text of this document through specific notes, more details about some policies, management models and main identified risks are also included in the Report on Operations as at December 31st, 2021 of the [2021 Annual Report](#), in the [Report on Corporate Governance and Ownership Structure at December 31st, 2021](#), and in the [Remuneration Report 2022](#).

The Non-Financial Statement is published annually. The Non-Financial Statement is also available on the Group's [corporate website](#), in the Sustainability section.

UN GLOBAL COMPACT

Following the signing of the United Nations Global Compact in December 2021, this Sustainability Report also represents the initial Communication on Progress (COP) concerning the activities carried out and the progress achieved by Amplifon with regard to the compliance, application and promotion of the Global Compact Ten Principles relating to respecting human and workers' rights, safeguarding the environment and the fight against corruption. The annex to the document contains a correlation table between the contents of this Report and the UN Global Compact Ten Principles ([Content index of the Ten Principles of the United Nations Global Compact](#)).

EUROPEAN TAXONOMY

Regulation (EU) 2020/852 of the European Parliament and Council (“The Regulation on EU Taxonomy”), proposed under the scope of the action plan of the European Commission for financing sustainable growth (going back to March 2018) has the goal of redirecting capital flows to boost sustainable and inclusive growth. This Regulation provides businesses and investors with uniform criteria for the classification of economic assets as “eco-sustainable”, namely capable of substantially contributing to the environmental goals of the EU pursuant to Article 9 of the Regulation. Article 8 requires businesses subject to the Directive on the communication of non-financial information to disclose how and to what extent their activities are associated with eco-sustainable economic activities, specifically indicating the percentage of the turnover, capital expenditure and operating costs associated with the activities covered by EU Taxonomy, namely “eligible” in accordance with the conditions of eco-sustainability of economic activities⁶⁰ indicated by the Commission and “aligned” with the technical screening criteria established by same.

In accordance with Article 8 of the Regulation and related delegated acts, in 2021 Amplifon undertook a preliminary evaluation exercise concerning the eligibility and alignment of its own business activities with EU Taxonomy. Based on the conditions of the Regulation, the technical screening criteria established by the Commission and the sectors included in the Annexes of the delegated act relating to the first two goals of the EU Taxonomy (mitigation of climate change and adaptation to climate change), and taking Amplifon's business model into consideration, note that for 2021 no materially-relevant business activities emerged that could be deemed “eligible” in relation to the conditions of the Regulation relating to the first two goals. In spite of this, Amplifon is committed to actively monitor future developments in this area with special reference to the delegated acts and related technical screening criteria which will be published for the other four goals.

60 - The eco-sustainable conditions of economic activities include: 1) contributing in a substantial way to achieving one or more of the six environmental goals pursuant to Article 9 of the Regulation; 2) not causing significant damage to any of the objectives in conformity with Article 17 of same; 3) being conducted in compliance with the minimum safeguarding social guarantees set out in Article 18; 4) conforming with the technical screening criteria established by the Commission through delegated acts.

REPORTING SCOPE

To the extent necessary to ensure an understanding of the company's activity, performance and results, as well as its impacts in relation to the main non-financial topics, this document describes the sustainability initiatives and the main results in terms of performance achieved during the financial year 2021 (reporting period: from January 1st, 2021 to December 31st, 2021). If available, for comparative purposes and in order to allow an assessment of the performance trends for the Group's activities, the data for the previous two financial years are also given in the "[Performance indicators](#)" section of the Annex. Where relevant, information is also included about initiatives undertaken in previous years but applicable in 2021, as well as events of particular interest for 2022 already known at the date of completion of this Non-Financial Statement.

The reporting scope for economic and non-financial information is the same as for the Consolidated Financial Statements, and therefore covers the companies belonging to the Amplifon Group as at December 31st, 2021 consolidated using the line-by-line method within the Group's 2021 Consolidated Financial Statements. However, while this provides a true understanding of the Group's activities, it should be noted that:

- Amplifon Cell (Malta), Amplifon South America Holding LTDA (Brazil), Amplifon Rete (Italy), Otohub Australasia Pty Ltd (Australia) and Otohub Unit Trust (Australia) are not included in the reporting scope inasmuch as they are either companies in the process of liquidation, or non-operational companies, or companies with no associated employees or facilities such as offices or points of sale;
- The new company Bay Audio Pty Ltd (Australia) is not included in the 2021 reporting scope because it joined the scope of consolidation in October 2021. However, in order to provide information that is as complete as possible, the Group total headcount information in this document includes the employees of the above-mentioned company as at December 31st, 2021;
- In keeping with previous reporting periods, the scope of information and data related to environmental aspects (energy consumption, greenhouse gas emissions, waste disposal, water) only includes sites, offices and those stores that are directly operated by the Group, excluding stores that are not directly operated by Amplifon. Furthermore, Amplifon Middle East SAE (Egypt), a company which, due to its dimensions does not have an effect on a general understanding of Amplifon's environmental impact is not included in the scope of environmental data for 2021.

In conformity with the reporting standard used and in accordance with the provision of Legislative Decree 254/16, these and any other minor scope limitations are expressly indicated in the document, in correspondence with the numerical tables and the [GRI Content index](#). The ownership structure has not undergone significant changes in the reporting period. With regard to the scope, note that:

- On April 12th, 2021, the project for redefining the company structure approved by the Board of Directors on March 3rd, 2021 was implemented. It involved the separation of the business unit for operating activities for Italy (Amplifon Italia S.r.l.) as a company whose share capital is entirely owned by Amplifon S.p.A.;
- In the fourth quarter of 2021, the effective liquidation of Elite Hearing Network, Inc. in the United States took place, in line with the Group's customer-centric strategy aimed at offering the best customer proposition directly to the final customer.

For any further information regarding changes in the Group's scope and ownership structure during the year, please refer to the Report on Operations as at December 31st of the [2021 Annual Report](#) and the [Report on Corporate Governance and Ownership Structure at December 31st, 2021](#).

REPORTING PROCESS AND CALCULATION CRITERIA

The definition of the content of the 2021 Non-Financial Statement involved all the key Company functions, who worked in close collaboration and under the coordination of the Investor Relations & Sustainability team.

The performance indicators were selected on the basis of the materiality analysis and gathered according to a process of data and information collection, aggregation and communication at Group level, tracked in a specific non-financial reporting Manual aimed at standardizing the process of non-financial data collection and validation.

To obtain a true representation of performance and ensure the reliability of the data, the use of estimates has been limited as far as possible. Where present, these are based on the best available methodologies and suitably highlighted.

With regard to the calculation criteria:

- For the environmental data, conservative estimates have been used where data is not available. In particular, with regard to consumption by direct stores, where data was not available at the time of the completion of the document, the consumption has been estimated based on the average consumption of other stores in the same country, weighted, where possible, in proportion to the surface areas of the stores concerned;
- Data on electricity from renewable sources includes self-produced energy from renewable sources, if any, and the energy purchased from the grid and certified as coming from renewable sources according to the instruments envisaged by the different regulatory frameworks;
- Emissions have been calculated in terms of CO₂ equivalent using the following emission factors:
 - Direct (Scope I) emissions: for emissions connected with heating, air-conditioning refrigerant gases and the company's car fleet, the emission factors taken from the UK Department for Environment, Food & Rural Affairs (Defra) database have been used for 2019, 2020 and 2021;
 - Indirect (Scope II) emissions: for electricity purchased from the national grid, the emission factors related to the different countries in which Amplifon operates were used for the Location-based approach, particularly those developed by Terna ("Terna international comparisons") with reference to the 2017 and 2018 data, and by the International Energy Agency (IEA) for 2021. With regards to the Market-based approach, the Residual Mix factors published by the Association of Issuing Bodies in 2018 and 2019 have been used for European countries, while the factors published by the Center for Resource Solutions ("Green-e Energy Residual Mix Emissions Rates" and related updates for 2018, 2019 and 2020), by the International Energy Agency (IEA) and by the Institute for Global Environmental Strategies (IGES), in the latest version available, have been used for the other countries. Finally, for the calculation of emissions related to district heating, the emission factor developed by Defra for natural gas production has been used;
 - Indirect (Scope III) emissions: for emissions connected with business travel by air, train and car rental (Category 3.6 of the GHG Protocol), the emission factors taken from the Defra databases have been used for 2019, 2020 and 2021.
- For the calculation of the total weight of hazardous waste, the legislative frameworks of the individual countries have been taken into consideration. Non-hazardous waste is typically waste deriving from office activities carried out at headquarters.
- The indices relating to health and safety, i.e., the injury rates of total recordable work-related injuries and high-consequence work-related injuries, refer to employees only and have been calculated in accordance with the provisions of the GRI Sustainability Reporting Standards, namely as a ratio between the number of injuries and the hours worked, using a multiplier of 1,000,000.

APPROVAL AND ASSURANCE

This Statement was presented for review and evaluation by the Risk, Control and Sustainability Committee on February 24th, 2022 and subsequently approved by the Board of Directors of Amplifon S.p.A. on March 3rd, 2022.

This Statement has been subjected to a limited assurance engagement, in accordance with the criteria indicated by ISAE 3000 (Revised), by KPMG S.p.A., which in a separate report makes a declaration regarding the conformity of the information provided pursuant to Article 3, paragraph 10 of Legislative Decree no. 254/2016. The audit was conducted in accordance with the procedures outlined in the "External Auditors' Report" annexed to this document.

CONTACTS

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GRI CONTENT INDEX

The following table shows a reconciliation between Amplifon's material topics, the GRI Standards reported on in this document and the areas referred to in Legislative Decree no. 254/2016. Also reported are the entities capable of producing an impact with respect to each topic, both internal and external to the Group (material topic boundary), as well as any boundary limitations in the reporting of topics, without compromising the representativeness of the disclosure with respect to what is required by Legislative Decree no. 254/2016.

| Material topics | GRI Standards | Scopes of Legislative Decree 254/2016 |
|---|--|--|
| Long-term resilience and profitability | GRI 201 Economic performance (2016) | - |
| Sustainability strategic approach and governance | - | - |
| Availability and accessibility to hearing care | - | Social aspects |
| Innovation, digitalization and personalization of the customer experience | - | - |
| Quality, reliability and safety of products and services | GRI 416 Customer health and safety (2016) | Social aspects |
| Cybersecurity and data privacy | GRI 418 Customer privacy (2016) | Social aspects |
| Responsible marketing and sales practices | GRI 417 Marketing and labeling (2016) | Social aspects |
| Attraction and development of key resources | GRI 404 Training and education (2016) | Personnel management |
| Employees' health and safety | GRI 403 Occupational health and safety (2018) | Personnel management |
| Diversity, equity and inclusion | GRI 405 Diversity and equal opportunities (2016) | Personnel management and respecting human rights |
| People's welfare and engagement | GRI 401 Employment (2016) | Personnel management |
| Awareness-raising and education on hearing well-being | - | Social aspects |
| Supporting the local communities | - | Social aspects |
| Regulatory framework | GRI 415 Public Policy (2016) | |
| | GRI 419 Socioeconomic compliance (2016) | |
| Ethical and responsible business conduct | GRI 205 Anti-corruption (2016) | Fight against corruption |
| | GRI 206 Anti-competitive behavior (2016) | Social aspects |
| | GRI 307 Environmental compliance (2016) | Environmental aspects |
| Waste management and circular economy | GRI 306 Waste (2020) | Environmental aspects |
| Energy efficiency and climate action | GRI 302 Energy (2016) | Environmental aspects |
| | | |
| | GRI 305 Emissions (2016) | Environmental aspects |
| Responsible management of the supply chain | | Environmental and social aspects and respecting human rights |

| SCOPE OF MATERIAL TOPICS | | SCOPE LIMITATIONS | |
|--------------------------|--|--|---|
| Internal | External | Internal | External ⁶¹ |
| Group | - | Bay Audio Pty Ltd (Australia) excluded from reporting | - |
| Group | - | - | - |
| Group | - | - | - |
| Group | - | - | - |
| Group | Manufacturers of hearing equipment; franchisees; corporate shops on commission | - | Partial cover for manufacturers |
| Group | - | - | - |
| Group | Manufacturers of hearing equipment; franchisees; corporate shops on commission | - | Partial cover for manufacturers |
| Group | Franchisee; corporate shops on commission | Otohub s.r.l. (Italy), Audibel s.r.l. (Italy) and Bay Audio Pty Ltd (Australia) excluded from the reporting | No cover for the franchisees |
| Group | Franchisee; corporate shops on commission | Bay Audio Pty Ltd (Australia) excluded from reporting | No cover for partners not employed |
| Group | Franchisee; corporate shops on commission | - | No cover for the franchisees |
| Group | Franchisee; corporate shops on commission | - | No cover for the franchisees |
| Group | - | - | - |
| Group | - | - | - |
| Group | | | |
| Group | | | |
| Group | - | - | - |
| Group | - | - | - |
| Group | - | - | - |
| Group | Manufacturers of hearing equipment; franchisees; corporate shops on commission | Corporate shops excluded from the reporting: Amplifon Middle East SAE (Egypt), Bay Audio Pty Ltd (Australia), Amplifon Deutschland GmbH (Germany) and Amplifon Poland Sp. z o.o. (Polonia) excluded from the reporting | No cover for manufacturers of equipment and stores not directly managed by Amplifon |
| Group | Manufacturers of hearing equipment; franchisees; corporate shops on commission | Amplifon Middle East SAE (Egypt) and Bay Audio Pty Ltd (Australia) excluded from the reporting | No cover for manufacturers of equipment and stores not directly managed by Amplifon |
| Group | Manufacturers of hearing equipment; franchisees; corporate shops on commission | Amplifon Middle East SAE (Egypt) and Bay Audio Pty Ltd (Australia) excluded from the reporting | No cover for manufacturers of equipment and stores not directly managed by Amplifon |
| Group | Hearing equipment manufacturers | | |

61 - The reporting limitations on material topics in relation to the external scope are due to access limitations to third-party information.

In accordance with the “GRI Sustainability Reporting Standards” based on the “in accordance – Core” option, the following table shows the GRI Standards reported in this document and the related Disclosures. Each Disclosure is provided with a reference to the section of the Report where it can be found, or to other publicly available sources that can be referred to.

GRI 102: GENERAL DISCLOSURES

| Disclosure | Description | Reference | Notes and/or omissions |
|-------------------------------|--|--|------------------------|
| Organizational profile | | | |
| 102-1 | Name of the organization | p. 154 | |
| 102-2 | Activities, brands, products and services | p. 20-23; 44-49 | |
| 102-3 | Location of headquarters | p. 154 | |
| 102-4 | Location of operations | p. 19; 141 | |
| 102-5 | Ownership and legal form | p.24, p.7 of the Report on Corporate Governance and Ownership Structure at December 31, 2021 | |
| 102-6 | Markets served | p. 19; 22,23; 141 | |
| 102-7 | Scale of the organization | p. 12; 19; 28,29; 140,141 | |
| 102-8 | Information on employees and other workers | p. 64-69; 142-146 | |
| 102-9 | Supply chain | p. 118-121 | |
| 102-10 | Significant changes to the organization and its supply chain | p. 21; 152 | |
| 102-11 | Precautionary Principle or approach | p. 26,27; 132-137 | |
| 102-12 | External initiatives | p. 36,37; 66 | |
| 102-13 | Membership of associations | Amplifon is a member of several national industry associations, such as HIA (Hearing Industry Association) in the USA, HCIA (Hearing Care Industry Association) in Australia, and NHCA (National Hearing Conservation Association) and SYNEA (Syndicat National des Entreprises de l'Audition) in Europe. Since 2019, Amplifon has also been a member of EHIMA (European Hearing Instrument Manufacturers Association) | |
| Strategy | | | |
| 102-14 | Statement from senior decision-maker | p. 4,5 | |
| Ethics and integrity | | | |
| 102-16 | Values, principles, standards and norms of behavior | p. 16,17; 32,33; 110,111; 119 | |
| Governance | | | |
| 102-18 | Governance structure | p. 24,25; 138-140 | |
| Stakeholder engagement | | | |
| 102-40 | List of stakeholder groups | p. 7,8 | |
| 102-41 | Collective bargaining agreements | p. 68 | |
| 102-42 | Identifying and selecting stakeholders | p. 7,8 | |
| 102-43 | Approach to stakeholder engagement | p. 7-9; 130,131 | |
| 102-44 | Key topics and concerns raised | p. 7,8,11; 130,131 | |

| Disclosure | Description | Reference | Notes and/or omissions |
|---------------------------|--|--------------------------|------------------------|
| Reporting practice | | | |
| 102-45 | Entities included in the consolidated financial statements | p. 152 | |
| 102-46 | Defining report content and topic Boundaries | p. 8,9; 151,152; 156,157 | |
| 102-47 | List of material topics | p. 10; 128,129 | |
| 102-48 | Restatement of information | p. 9,10; 128,129 | |
| 102-49 | Changes in reporting | p. 9,10; 128,129 | |
| 102-50 | Reporting period | p. 152 | |
| 102-51 | Date of most recent report | | March 2021 |
| 102-52 | Reporting cycle | p. 151 | |
| 102-53 | Contact point for questions regarding the report | p. 154 | |
| 102-54 | Claims of reporting in accordance with the GRI Standards | p. 150,151 | |
| 102-55 | GRI content index | p. 156-164 | |
| 102-56 | External assurance | p. 167-171 | |

GRI 200: ECONOMIC DISCLOSURES

| Disclosure | Description | Reference | Notes and/or omissions |
|--|---|--|------------------------|
| Economic performance | | | |
| GRI 103: Management Approach (2016) | | | |
| 103-1 | Explanation of the material topic and its Boundary | p. 8-11; 128,129; 150; 156,157 | |
| 103-2 | The management approach and its components | p. 29,30 | |
| 103-3 | Evaluation of the management approach | p. 29,30 | |
| GRI 201: Economic performance (2016) | | | |
| 201-1 | Direct economic value generated and distributed | p. 29,30; 140 | |
| Anti-corruption | | | |
| GRI 103: Management Approach (2016) | | | |
| 103-1 | Explanation of the material topic and its Boundary | p. 8-11; 128,129; 150; 156,157 | |
| 103-2 | The management approach and its components | p. 115-117 | |
| 103-3 | Evaluation of the management approach | p. 115-117 | |
| GRI 205: Anti-corruption (2016) | | | |
| 205-3 | Confirmed incidents of corruption and actions taken | In the three-year period 2019-2021, no corruption cases occurred, testifying to the effectiveness of the prevention systems in place and the solid corporate culture | |
| Anti-competitive behavior | | | |
| GRI 103: Management Approach (2016) | | | |
| 103-1 | Explanation of the material topic and its Boundary | p. 8-11; 128,129; 150; 156,157 | |
| 103-2 | The management approach and its components | p. 114,115 | |
| 103-3 | Evaluation of the management approach | p. 114,115 | |
| GRI 206: Anti-competitive Behavior (2016) | | | |
| 206-1 | Legal actions for anti-competitive behavior, antitrust and monopoly practices | In the three-year period 2019-2021, the Company was not involved in any significant legal proceedings in relation to unfair competition, testifying to the solid company culture that demonstrates the company's respect for the market in which it operates | |

GRI 300: ENVIRONMENTAL DISCLOSURES

| Disclosure | Description | Reference | Notes and/or omissions |
|---|--|--|------------------------|
| Energy | | | |
| GRI 103: Management Approach (2016) | | | |
| 103-1 | Explanation of the material topic and its Boundary | p. 8-11; 128,129; 150; 156,157 | |
| 103-2 | The management approach and its components | p. 122,123 | |
| 103-3 | Evaluation of the management approach | p. 122,123 | |
| GRI 302: Energy (2016) | | | |
| 302-1 | Energy consumption within the organization | p. 122,123; 148 | |
| Emissions | | | |
| GRI 103: Management Approach (2016) | | | |
| 103-1 | Explanation of the material topic and its Boundary | p. 8-11; 128,129; 150; 156,157 | |
| 103-2 | The management approach and its components | p. 124; 148,149 | |
| 103-3 | Evaluation of the management approach | p. 124; 148,149 | |
| GRI 305: Emissioni (2016) | | | |
| 305-1 | Direct (Scope 1) GHG emissions | p. 124; 148,149 | |
| 305-2 | Indirect (Scope 2) GHG emissions | p. 124; 148,149 | |
| 305-3 | Other indirect (Scope 3) GHG emissions | p. 124; 148,149 | |
| Waste | | | |
| GRI 103: Management Approach (2016) | | | |
| 103-1 | Explanation of the material topic and its Boundary | p. 8-11; 128,129; 150; 156,157 | |
| 103-2 | The management approach and its components | p. 124, 125 | |
| 103-3 | Evaluation of the management approach | p. 124, 125 | |
| GRI 306: Management Approach (2020) | | | |
| 306-1 | Waste generation and significant waste-related impacts | p. 124, 125 | |
| 306-2 | Management of significant waste-related impacts | p. 124, 125 | |
| GRI 306: Waste (2020) | | | |
| 306-3 | Waste generated | p. 124; 149 | |
| Environmental compliance | | | |
| GRI 103: Management Approach (2016) | | | |
| 103-1 | Explanation of the material topic and its Boundary | p. 8-11; 128,129; 150; 156,157 | |
| 103-2 | The management approach and its components | p. 111; 122 | |
| 103-3 | Evaluation of the management approach | p. 111; 122 | |
| GRI 307: Environmental Compliance (2016) | | | |
| 307-1 | Non-compliance with environmental laws and regulations | In the three-year period 2019-2021, no significant penalties in relation to non-compliance with the provisions of environmental laws and regulations were recorded | |

GRI 400 SOCIAL DISCLOSURES

| Disclosure | Description | Reference | Notes and/or omissions |
|---|---|--------------------------------|--|
| Employment | | | |
| GRI 103: Management Approach (2016) | | | |
| 103-1 | Explanation of the material topic and its Boundary | p. 8-11; 128,129; 150; 156,157 | |
| 103-2 | The management approach and its components | p. 64; 68-70; 78-81 | |
| 103-3 | Evaluation of the management approach | p. 64; 68-70; 78-81 | |
| GRI 401: Employment (2016) | | | |
| 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | p. 69,70 | |
| Occupational health and safety | | | |
| GRI 103: Management Approach (2016) | | | |
| 103-1 | Explanation of the material topic and its Boundary | p. 8-11; 128,129; 150; 156,157 | |
| 103-2 | The management approach and its components | p. 82, 83 | |
| 103-3 | Evaluation of the management approach | p. 82, 83 | |
| GRI 403: Management Approach (2018) | | | |
| 403-1 | Occupational health and safety management system | p. 8-11; 128,129; 150; 156,157 | |
| 403-2 | Hazard identification, risk assessment, and incident investigation | p. 82, 83 | |
| 403-3 | Occupational health services | | Given the limited extent of the risks to which Amplifon's employees are exposed in terms of health and safety, the company does not consider this Disclosure to be applicable. These aspects are managed in accordance with the provisions of the legislative systems of the countries in which the Group operates |
| 403-4 | Worker participation, consultation, and communication on occupational health and safety | | Given the limited extent of the risks to which Amplifon's employees are exposed in terms of health and safety, the company does not consider this Disclosure to be applicable. These aspects are managed in accordance with the provisions of the legislative systems of the countries in which the Group operates |
| 403-5 | Worker training on occupational health and safety | p. 82, 83 | |
| 403-6 | Promotion of worker health | p. 82, 83 | |
| 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | | Given the limited extent of the impacts in terms of health and safety linked to Amplifon's business relationships, the Company does not consider this Disclosure to be applicable. These aspects are managed in accordance with the provisions of the legislative systems of the countries in which the Group operates |
| GRI 403: Occupational Health and Safety (2018) | | | |
| 403-9 | Work-related injuries | p. 146 | No information is available about workforce not on payroll |
| 403-10 | Work-related ill health | p. 146 | No information is available about workforce not on payroll |

| Disclosure | Description | Reference | Notes and/or omissions |
|---|--|--|---|
| Training and education | | | |
| GRI 103: Management Approach (2016) | | | |
| 103-1 | Explanation of the material topic and its Boundary | p. 8-11; 128,129; 150; 156,157 | |
| 103-2 | The management approach and its components | p. 74-77 | |
| 103-3 | Evaluation of the management approach | p. 74-77 | |
| GRI 404: Training and Education (2016) | | | |
| 404-1 | Average hours of training per year per employee | p. 76; 147 | |
| 404-2 | Programs for upgrading employee skills and transition assistance programs | p. 76; 78,79 | |
| 404-3 | Percentage of employees receiving regular performance and career development reviews | p. 76; 78,79; 147 | |
| Diversity and equal opportunity | | | |
| GRI 103: Management Approach (2016) | | | |
| 103-1 | Explanation of the material topic and its Boundary | p. 8-11; 128,129; 150; 156,157 | |
| 103-2 | The management approach and its components | p. 65-68 | |
| 103-3 | Evaluation of the management approach | p. 65-68 | |
| GRI 405: Diversity and Equal Opportunity (2016) | | | |
| 405-1 | Diversity of governance bodies and employees | p. 24,25; 65-67; 138; 142-145 | The indicator was calculated considering 58% of employees, excluding part-time staff, interns and apprentices, staff on fixed-term contracts and some of the workforce in minor countries. The figures reported do not consider the additional sums paid to employees such as cash bonuses or share incentive schemes, benefits, extraordinary or any additional compensation to the basic wage |
| 405-2 | Ratio of basic salary and remuneration of women to men | p. 68 | |
| Public policy | | | |
| GRI 103: Management Approach (2016) | | | |
| 103-1 | Explanation of the material topic and its Boundary | p. 8-11; 128,129; 150; 156,157 | |
| 103-2 | The management approach and its components | p. 106-112 | |
| 103-3 | Evaluation of the management approach | p. 106-112 | |
| GRI 415: Public Policy (2016) | | | |
| 415-1 | Political contributions | In the three-year period 2018-2021, Amplifon did not make any contributions to individual lawmakers, parties or committees. It should be also noted that in the same period, Amplifon (USA) entered into a contract with advocacy firms in the United States to support the principles of safety, effectiveness and availability in policies on hearing care in the country, and that these activities have been fully disclosed in compliance with the US Lobbying Disclosure Act. Specifically, in 2021 Amplifon (USA) spent around €238,000 on these activities | |

| Disclosure | Description | Reference | Notes and/or omissions |
|--|---|---|------------------------|
| Customer health and safety | | | |
| GRI 103: Management Approach (2016) | | | |
| 103-1 | Explanation of the material topic and its Boundary | p. 8-11; 128,129; 150; 156,157 | |
| 103-2 | The management approach and its components | p. 54,55; 106-108; 120 | |
| 103-3 | Evaluation of the management approach | p. 54,55; 106-108; 120 | |
| GRI 416: Customer Health and Safety (2016) | | | |
| 416-2 | Incidents of non-compliance concerning the health and safety impacts of products and services | In the three-year period 2019-2021, no incidents of product recall or of non-compliance with the regulations in force or with the voluntary codes adopted with regard to the safety of the products and services offered were recorded. There were also no cases of customer complaints relating to malfunctions of the Amplifon App that might put the user's health at risk | |
| Marketing and labeling | | | |
| GRI 103: Management Approach (2016) | | | |
| 103-1 | Explanation of the material topic and its Boundary | p. 8-11; 128,129; 150; 156,157 | |
| 103-2 | The management approach and its components | p. 54,55; 106-108; 114,115 | |
| 103-3 | Evaluation of the management approach | p. 54,55; 106-108; 114,115 | |
| GRI 417: Marketing and Labeling (2016) | | | |
| 417-1 | Requirements for product and service information and labeling | p. 54,55; 106-108; 114,115; 120 | |
| 417-2 | Incidents of non-compliance concerning product and service information and labeling | In the three-year period 2019-2021, no significant reports concerning product and service information and labeling were received | |
| 417-3 | Incidents of non-compliance concerning marketing communications | In the three-year period 2019-2021, no significant reports concerning commercial and marketing communications were received | |
| Customer privacy | | | |
| GRI 103: Management Approach (2016) | | | |
| 103-1 | Explanation of the material topic and its Boundary | p. 8-11; 128,129; 150; 156,157 | |
| 103-2 | The management approach and its components | p. 56-58 | |
| 103-3 | Evaluation of the management approach | p. 56-58 | |
| GRI 418: Customer Privacy (2016) | | | |
| 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | In the three-year period 2019-2021, systems were implemented for data protection and cybersecurity to ensure an adequate level of data protection. In 2021 there were no serious cases of violation of customer's privacy by control bodies and outside organizations | |
| Socioeconomic compliance | | | |
| GRI 103: Management Approach (2016) | | | |
| 103-1 | Explanation of the material topic and its Boundary | p. 8-11; 128,129; 150; 156,157 | |
| 103-2 | The management approach and its components | p. 110-117 | |
| 103-3 | Evaluation of the management approach | p. 110-117 | |
| GRI 419: Socioeconomic Compliance (2016) | | | |
| 419-1 | Non-compliance with laws and regulations in the social and economic area | In the three-year period 2019-2021, no significant sanctions for non-compliance with laws and regulations in the social and economic area were recorded | |

Amplifon material topics not covered by specific GRI Standards

| Disclosure | Description | Reference | Notes and/or omissions |
|--|--|--------------------------------|------------------------|
| Sustainability strategic approach and governance | | | |
| GRI 103: Management Approach (2016) | | | |
| 103-1 | Explanation of the material topic and its Boundary | p. 8-11; 128,129; 150; 156,157 | |
| 103-2 | The management approach and its components | p. 25,26; 32-38 | |
| 103-3 | Evaluation of the management approach | p. 25,26; 32-38 | |
| Availability and accessibility to hearing care | | | |
| GRI 103: Management Approach (2016) | | | |
| 103-1 | Explanation of the material topic and its Boundary | p. 8-11; 128,129; 150; 156,157 | |
| 103-2 | The management approach and its components | p. 52,53 | |
| 103-3 | Evaluation of the management approach | p. 52,53 | |
| Innovation, digitalization and personalization of the customer experience | | | |
| GRI 103: Management Approach (2016) | | | |
| 103-1 | Explanation of the material topic and its Boundary | p. 8-11; 128,129; 150; 156,157 | |
| 103-2 | The management approach and its components | p. 44-51 | |
| 103-3 | Evaluation of the management approach | p. 44-51 | |
| Awareness-raising and education on hearing well-being | | | |
| GRI 103: Management Approach (2016) | | | |
| 103-1 | Explanation of the material topic and its Boundary | p. 8-11; 128,129; 150; 156,157 | |
| 103-2 | The management approach and its components | p. 88-91 | |
| 103-3 | Evaluation of the management approach | p. 88-91 | |
| Supporting the local communities | | | |
| GRI 103: Management Approach (2016) | | | |
| 103-1 | Explanation of the material topic and its Boundary | p. 8-11; 128,129; 150; 156,157 | |
| 103-2 | The management approach and its components | p. 86,87; 92-99 | |
| 103-3 | Evaluation of the management approach | p. 86,87; 92-99 | |
| Responsible management of the supply chain | | | |
| GRI 103: Management Approach (2016) | | | |
| 103-1 | Explanation of the material topic and its Boundary | p. 8-11; 128,129; 150; 156,157 | |
| 103-2 | The management approach and its components | p. 118-121 | |
| 103-3 | Evaluation of the management approach | p. 118-121 | |

CONTENT INDEX OF THE TCFD RECOMMENDATIONS

The mitigation of and adaptation to climate change and the transition towards a low carbon emissions economy are the topics currently at the top of the global agenda. In this context, as leaders of the hearing care sector, we are committed to promote the management of our business activities in an increasingly sustainable manner in order to reduce the environmental impacts along the entire value chain.

In the light of the growing importance of topics relating to the fight against climate change, in 2021 and at the same time as the Enterprise Risk Management process, we promoted an initial reporting exercise in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to guarantee a full, transparent disclosure of climate-related risks and opportunities.





In this regard, we have integrated and extended the evaluation of the main existing ESG risks in the ERM system, at the same time guaranteeing a preliminary alignment with the recommendations of the TCFD concerning climate change related risks and opportunities, which will be gradually explored and developed in coming years. Based on the results of the evaluations of the main ESG risks carried out in 2021, and taking into consideration the Group's business model and activities, no material exposure to climate-related risks was identified. We will, however, continue to be monitored and evaluated annually in accordance with the Group's risk assessment process.

The table below summarizes the main areas and recommendations of the TCFD as well as the reference to the sections of this Report in which the required contents in terms of reporting are explained.

| TCFD Recommendations | Reference |
|---|--|
| Subject area: Governance | |
| Disclose the organization's governance around climate-related risks and opportunities | <ul style="list-style-type: none"> • Materiality analysis • Sustainability governance • Internal control and risk management system |
| Subject area: Strategy | |
| Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning | <ul style="list-style-type: none"> • Internal control and risk management system • Assessment of the main ESG risks • Our commitment to a sustainable business • Main risks related to sustainability topics |
| Subject area: Risk management | |
| Disclose how the organization identifies, assesses, and manages climate-related risks | <ul style="list-style-type: none"> • Internal audit and risk management system • Assessment of the main ESG risks • Our commitment to a sustainable business • Note on methodology |
| Subject area: Metrics and targets | |
| Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities | <ul style="list-style-type: none"> • Our commitment to a sustainable business • Caring for the environment • Performance indicators • Note on methodology |

CONTENT INDEX OF THE TEN PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT

As a member of the UN Global Compact, this Sustainability Report represents Amplifon's first Communication on Progress (COP) on the implementation of the Ten Principles of the UNGC. Therefore, with a view to transparency and sharing with all stakeholders, the table below illustrates, for each principle, in which part of the document the main activities and management methods, as well as the GRI Standards reported are described.

| Area | Principle | Reference | GRI Standards |
|---|--|--|--|
| Human Rights | | | |
|  HUMAN RIGHTS | 1. Businesses should support and respect the protection of internationally proclaimed human rights | <ul style="list-style-type: none"> • Well-being and internal engagement • Business ethics and fight against corruption • Procurement and Supply Chain management • Note on methodology | <ul style="list-style-type: none"> • GRI 102-16 Values, principles, standards and rules of behavior • GRI 102-41 Collective bargaining agreements |
| | 2. Businesses should make sure that they are not complicit in human rights abuses | | |
| Employment | | | |
|  LABOUR | 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining | <ul style="list-style-type: none"> • Diversity, inclusion and equal opportunity | <ul style="list-style-type: none"> • GRI 102-16 Values, principles, standards and rules of behavior |
| | 4. Business should uphold the elimination of all forms of forced and compulsory labor | <ul style="list-style-type: none"> • Well-being and internal engagement • Business ethics and fight against corruption | <ul style="list-style-type: none"> • GRI 102-41 Collective bargaining agreements |
| | 5. Businesses should uphold the effective abolition of child labor | <ul style="list-style-type: none"> • Procurement and Supply Chain management | <ul style="list-style-type: none"> • GRI 401 Employment (2016) |
| | 6. Businesses should uphold the elimination of discrimination in respect of employment and occupation | | <ul style="list-style-type: none"> • GRI 405 Diversity and equal opportunity (2016) |
| Environment | | | |
|  ENVIRONMENT | 7. Businesses should support a precautionary approach to environmental challenges | <ul style="list-style-type: none"> • Assessment of the main ESG risks | <ul style="list-style-type: none"> • GRI 102-16 Values, principles, standards and rules of behavior |
| | 8. Businesses should undertake initiatives to promote greater environmental responsibility | <ul style="list-style-type: none"> • Caring for the environment • Main risks related to sustainability topics • Note on methodology • Content Index of the TCFD recommendations | <ul style="list-style-type: none"> • GRI 302 Energy (2016) • GRI 305 Emissions (2016) • GRI 306 Waste (2020) • GRI 307 Environmental compliance (2016) |
| | 9. Businesses should encourage the development and diffusion of environmentally friendly technologies | | |
| Anti-corruption | | | |
|  ANTI-CORRUPTION | 10. Businesses should work against corruption in all its forms, including extortion and bribery | <ul style="list-style-type: none"> • Business ethics and fight against corruption | <ul style="list-style-type: none"> • GRI 102-16 Values, principles, standards and rules of behavior • GRI 205 Anti-corruption (2016) |

COMMUNICATION ON PROGRESS



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EXTERNAL AUDITOR’S REPORT





KPMG S.p.A.
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(Translation from the Italian original which remains the definitive version)

Independent auditors' report on the consolidated non-financial statement pursuant to article 3.10 of Legislative decree no. 254 of 30 December 2016 and article 5 of the Consob Regulation adopted with Resolution no. 20267 of 18 January 2018

*To the board of directors of
Amplifon S.p.A.*

Pursuant to article 3.10 of Legislative decree no. 254 of 30 December 2016 (the "decree") and article 5 of the Consob (the Italian Commission for listed companies and the stock exchange) Regulation adopted with Resolution no. 20267 of 18 January 2018, we have been engaged to perform a limited assurance engagement on the 2021 consolidated non-financial statement of the Amplifon Group (the "group") prepared in accordance with article 4 of the decree and approved by the board of directors on 3 March 2022 (the "NFS").

Our procedures did not cover the information set out in the "Note of methodology - European taxonomy" section of the NFS required by article 8 of Regulation (EU) 852 of 18 June 2020.

Responsibilities of the directors and board of statutory auditors ("Collegio Sindacale") of Amplifon S.p.A. (the "parent") for the NFS

The directors are responsible for the preparation of an NFS in accordance with articles 3 and 4 of the decree and the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative (the "GRI Standards"), which they have identified as the reporting standards.

The directors are also responsible, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of an NFS that is free from material misstatement, whether due to fraud or error.

Moreover, the directors are responsible for the identification of the content of the NFS, considering the aspects indicated in article 3.1 of the decree and the group's business and characteristics, to the extent necessary to enable an understanding of the group's business, performance, results and the impacts it generates.

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The directors' responsibility also includes the design of an internal model for the management and organisation of the group's activities, as well as, with reference to the aspects identified and disclosed in the NFS, the group's policies and the identification and management of the risks generated or borne.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, compliance with the decree's provisions.

Auditors' independence and quality control

We are independent in compliance with the independence and all other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards, the IESBA Code) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Our company applies International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains a system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditors' responsibility

Our responsibility is to express a conclusion, based on the procedures performed, about the compliance of the NFS with the requirements of the decree and 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 NFS 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 NFS 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 NFS, documental analyses, recalculations and other evidence gathering procedures, as appropriate.

Specifically, we carried out the following procedures:

1. Analysing the material aspects based on the group's business and characteristics disclosed in the NFS, in order to assess the reasonableness of the identification process adopted on the basis of the provisions of article 3 of the decree and taking into account the reporting standards applied.
2. Analysing and assessing the identification criteria for the reporting scope, in order to check their compliance with the decree.

3. Comparing the financial disclosures presented in the NFS with those included in the group's consolidated financial statements.
4. Gaining an understanding of the following:
 - the group's business management and organisational model, with reference to the management of the aspects set out in article 3 of the decree;
 - the entity's policies in connection with the aspects set out in article 3 of the decree, the achieved results and the related key performance indicators;
 - the main risks generated or borne in connection with the aspects set out in article 3 of the decree.

Moreover, we checked the above against the disclosures presented in the NFS and carried out the procedures described in point 5.a).

5. Understanding the processes underlying the generation, recording and management of the significant qualitative and quantitative information disclosed in the NFS.

Specifically, we held interviews and discussions with the parent's management personnel. We also performed selected 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 NFS.

Furthermore, with respect to significant information, considering the group's business and characteristics:

- at group level,
 - a) we held interviews and obtained supporting documentation to check the qualitative information presented in the NFS and, specifically, the business model, the policies applied and main risks for consistency with available evidence,
 - b) we carried out analytical and limited procedures to check, on a sample basis, the correct aggregation of data in the quantitative information;
- we held discussions with the management of the parent, Amplifon Italia S.p.A., Amplifon Iberica S.A. (Spain) and Amplifon France SAS (France), which we have selected on the basis of their business, contribution to the key performance indicators at consolidated level and location, to obtain documentary evidence supporting the correct application of the procedures and methods used to calculate the indicators.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2021 consolidated non-financial statement of the Amplifon Group has not been prepared, in all material respects, in accordance with the requirements of articles 3 and 4 of the decree and the GRI Standards.



Amplifon Group
Independent auditors' report
31 December 2021

Our conclusion does not extend to the information set out in the “Note of methodology - European taxonomy” section of the NFS required by article 8 of Regulation (EU) 852 of 18 June 2020.

Milan, 14 March 2022

KPMG S.p.A.

(signed on the original)

Claudio Mariani
Director of Audit

Editorial Project Coordination
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