

# I. AMPLIFON'S CONSOLIDATED NON-FINANCIAL STATEMENT

Amplifon's Consolidated Non-Financial Statement ("NFS" hereinafter) represents the Company's compliance with the Italian Legislative decree no. 254/2016 regarding the disclosure of non-financial information. Since 2017, companies that fall within the scope of the decree have been required to disclose information on environmental, social, active and passive anti-corruption and employee matters, as well as respect for human rights, also considering the impacts of their products, services, business relationships and, where necessary, of their supply chain. This Consolidated Non-Financial Statement, which also constitutes the Sustainability Report of the Company, provides an opportunity to inform stakeholders on the progress made by Amplifon in its four areas of commitment in terms of sustainability. In addition to this, the Sustainability Report also aims to support the Company in the following areas:

- identifying opportunities and consolidating intangible assets to create long-term value;
- managing risks impacting present and future performance;
- enhancing the multi-stakeholder reputational capital;
- being able to make better informed decisions;
- engaging with socially responsible investors.

This Statement is structured to reflect Amplifon's four areas of commitment in terms of sustainability formalized in 2018 in the Company's Sustainability Policy: Product & Service Stewardship, People Empowerment, Community Impact, Ethical Behavior. Each non-financial topic identified as relevant by means of the materiality analysis has been matched with a specific area of action, so as to facilitate stakeholders' understanding of the progress made by Amplifon in each of the four areas, through the reading of the management model, the risks and results achieved with respect to each relevant subject, in compliance with the requirements of Italian Legislative decree no. 254/2016.

The Sustainability Policy has therefore allowed the enhancement of activities already in place within the Company and which are closely linked to the core business, matching them to each area of commitment. This exercise not only facilitates external communication, but also allows the Company to increase its awareness of sustainability matters, laying the basis for the future definition of a sustainability plan with medium- and long-term objectives in line with its business strategy, which Amplifon began working on in 2019. In fact, the Company has started an internal analysis process. This has resulted in the involvement of several Corporate functions for the identification and consequent assessment of activities consistent with the business strategy, for the practical implementation of the Policy by setting sustainability goals to which the Company can measure up.

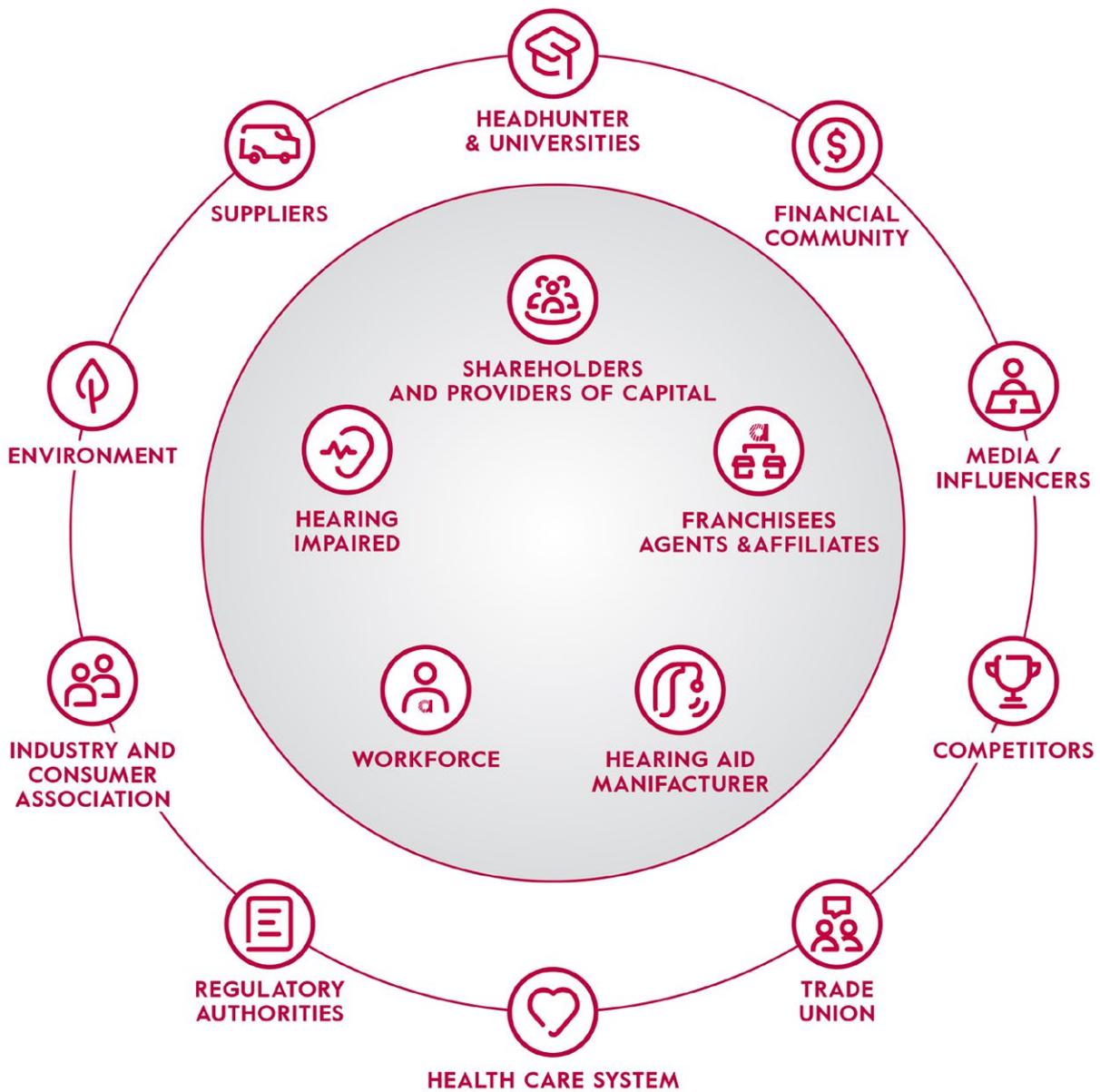
## I.1 STAKEHOLDER ENGAGEMENT

Amplifon operates in a dynamic international business environment, not only in terms of market trends but also in terms of expectations of its wide spectrum of stakeholders. Engagement with the Company's various stakeholders, which is based on the values of honesty, transparency and open dialogue, enables Amplifon to pursue its objective of creating economic value for the Company and social value for its stakeholders. Amplifon constantly pays attention to the community where

it operates, considers long-term, global trends and listens to its stakeholders' requests as they are fundamental activities for any Company with a sustainability-oriented approach.

Every two years the top management is involved in a workshop to understand how the changes occurred in the two-year period may have affected the stakeholder framework. Workshop participants are therefore called to classify the Company's stakeholders according to their dependency and influence on Amplifon, creating a new stakeholder map. The map below, updated in 2018, reconfirmed that the members of the hearing-impaired community in the broadest sense are the most important stakeholders for Amplifon, along with Company workforce, shareholders and providers of capital, suppliers (with specific reference to hearing aid manufacturers) and the distribution network comprising franchisees, agents and affiliates.

**AMPLIFON'S MAIN STAKEHOLDERS**



## › MAIN ENGAGEMENT ACTIVITIES

Amplifon constantly seeks the active involvement of its stakeholders with a view to pursuing mutual learning, sharing and joint value generation. The table below shows the main engagement activities carried out in 2019. The activities are explained according to engagement channels used, possible concerns raised and related Amplifon responses. In addition to these activities, in 2018, Amplifon started involving some stakeholders in a sustainability survey, aimed at integrating their expectations with regards to Amplifon in this area (for more details, please refer to the “Materiality Analysis” section).

Stakeholder	Type of engagement activity
Hearing impaired	Quantitative and qualitative market researches (focus groups, one-to-one, online and phone interviews), usability tests, customer satisfaction survey
Employees	Annual alignment of key managers during the One Amplifon event, annual global functional meetings, feedback sharing during performance development review, Global Engagement Survey, area meetings and store visits, internal communication plan concerning strategy, targets, results, as well as update on global projects and initiatives
Franchisees, agents and affiliates <sup>1</sup>	Focus group, Global Engagement Survey, annual summit
Shareholders, investors and financial community	Results conference calls, participation in roadshows and industry conferences through one-to-one and group meetings with institutional investors, analysts and investors’ company visits, feedback sharing with ESG rating agencies
Hearing aid manufacturers <sup>2</sup>	Business review, discussion during the definition of terms and conditions of new contracts, partnerships
Suppliers <sup>2</sup>	One-to-one meetings, site visits, participation to speaking opportunities hosted by the suppliers, partnerships
Regulatory authorities	Dialogue with institutions and participation to working groups, periodic consultation and joint projects
Industry and consumer associations	Focus groups, seminars, conferences, public presentations and joint projects
Healthcare system	Surveys, meetings with healthcare agencies (EU, WHO)
Headhunters and universities	Collaboration in research projects, university events, internship offers
Media/influencers	Press releases, conference calls, social media, media conference, interviews, participation to speaking opportunities

1. Engagement with franchisees, agents (such as “autogestori” in Italy and Spain) and affiliates takes place at local level only due to the business peculiarities in each country

Stakeholders' concerns/expectations	Amplifon's response
<ul style="list-style-type: none"> <li>Enhancing customer experience in each touchpoint with Amplifon, both virtual and physical</li> <li>Better understanding of the features of the products, assessment and purchase process in order to get the maximum benefit</li> <li>Reducing social stigma associated with hearing loss and providing a clear explanation of the consequences linked to untreated hearing loss</li> <li>Helping influencers in supporting friends and relatives with hearing loss</li> </ul>	<ul style="list-style-type: none"> <li>Introduction of improvements in terms of usability and accessibility of the Amplifon App</li> <li>Development of a new communication approach aiming at fighting the stigma associated with hearing loss</li> <li>Planning a set of improvement actions in terms of customer experience (products, services, physical and digital touchpoints, etc.)</li> </ul>
<ul style="list-style-type: none"> <li>Ensuring One Employee Experience at Group level</li> <li>Strengthening research of resources in key areas such as marketing, digital, CRM and retail</li> <li>Career development</li> <li>Recognition</li> <li>Quality of work, in terms of process simplification and harmonization</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of the People Management program You@Amplifon – the Employee Lifecycle for the back office</li> <li>Strengthening of the global attraction strategy</li> <li>Enhancement of the training offer for Talent Development</li> <li>Ongoing migration of HR, Finance and Procurement processes on a single integrated cloud platform</li> <li>Continuous improvement of Intranet functionality and roll-out in the main Countries</li> </ul>
<ul style="list-style-type: none"> <li>Quality of work</li> <li>Professional training and development</li> </ul>	<ul style="list-style-type: none"> <li>Continuous improvement of the training offer</li> <li>Recognition program</li> </ul>
<ul style="list-style-type: none"> <li>Transparency of financial information</li> <li>Business performance</li> <li>Possible impacts of regulatory changes on the achievements of strategic goals</li> <li>Ongoing update on the events occurred during the year (GAES, Amplifon Product Experience)</li> <li>Integration of sustainability into business strategy</li> </ul>	<ul style="list-style-type: none"> <li>Dedicated information about latest events during results presentation/conf calls with investors</li> <li>Launch of the new corporate website, enriched in terms of content and more easily accessible</li> <li>Preliminary analyses on the implementation of a sustainability plan</li> </ul>
<ul style="list-style-type: none"> <li>Market, industry and technological trends</li> <li>Possible impacts of regulatory changes</li> <li>Development process of Amplifon ecosystem</li> </ul>	<ul style="list-style-type: none"> <li>Sharing of insights about market and customers</li> <li>Sharing of insights about the development of Amplifon ecosystem</li> </ul>
<ul style="list-style-type: none"> <li>Future development of the business</li> <li>Adoption of new technologies</li> </ul>	<ul style="list-style-type: none"> <li>Sharing and comparison of mutual interests as well as business and customer insights</li> <li>Joint projects (es. Amplifon App)</li> </ul>
<ul style="list-style-type: none"> <li>Need to improve the quality, sustainability of the system and accessibility of hearing aids</li> </ul>	<ul style="list-style-type: none"> <li>Development of joint actions in collaboration with consumer and industry associations</li> <li>Sharing of information on industry specific matters</li> </ul>
<ul style="list-style-type: none"> <li>Raising awareness of hearing care</li> <li>Increasing customer satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>Collaboration in research projects</li> <li>Development of joint projects</li> <li>Entry into EHIMA (European Hearing Instrument Manufacturers Association)</li> </ul>
<ul style="list-style-type: none"> <li>Need to improve accessibility to hearing care</li> <li>Raising awareness of hearing care</li> </ul>	<ul style="list-style-type: none"> <li>Participation to awareness campaigns (e.g. participation to the development of WHO Safe Listening Standards)</li> <li>Awareness activities for ENTs</li> </ul>
<ul style="list-style-type: none"> <li>Ensuring that research activities are evidence-based</li> <li>Bring young people closer to the labor market with concrete activities</li> </ul>	<ul style="list-style-type: none"> <li>Joint participation to research projects</li> <li>Scholarships funding</li> <li>Global partnerships with student association such as AIESEC</li> <li>Partnerships with universities such as: Università Luigi Bocconi, Politecnico di Milano, Mip- Politecnico di Milano School of Management, LUISS Guido Carli, Università Cattolica</li> </ul>
<ul style="list-style-type: none"> <li>Up-to-date information on business development</li> <li>New technologies for customers and employees</li> <li>Amplifon's social role and awareness of young people on hearing care</li> </ul>	<ul style="list-style-type: none"> <li>Involvement of top management in <i>speaking opportunities</i> and interviews</li> <li>Top <i>management positioning</i> on social media</li> <li>Participation in highly visible events such as the Firenze Rocks and Salone della CSR e dell'innovazione sociale</li> </ul>

2. Engagement with hearing aids manufacturers and major suppliers takes place mainly at corporate level as the relationship with them is managed by the Procurement function.