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ESG Report

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4.1 A Word from the Chairman

Technology for Positive Retail

Thierry GADOU

Chairman & CEO
VusionGroup

2023 was the year of significant progress in our ESG policy[1]. We continued to reduce our carbon intensity and formalized the objectives of our carbon emissions reduction trajectory by 2030, in line with the Paris Agreement, and in respect of the SBTi[2] international methodological reference framework. Our R&D strategy[3] continues to focus on the objectives of our Positive Retail roadmap, with solutions that help our customers to develop local, fast, and low-carbon e-commerce through the modernization of their stores, reduce food waste, and optimize inventory monitoring, promote responsible consumption through better consumer information at points of sale, contribute to local jobs with higher added value and to the anchoring of digital technology in the regions through the modernization of physical retail.

We are aware that the real strength of our Group lies in our nearly 850 employees of 40 nationalities and are convinced that motivation is the first driver of performance. As such, we have continued to foster an exciting, motivating, and fulfilling work environment. We have taken our commitment to employee shareholding even further by extending our performance share plan to all categories of employees.

And we are continuing to work towards our goal of gender parity in our workforce (33%) and within managerial positions (28%), but despite our determination, we are still too far away from our goals. Actions to help VusionGroup become a gender-balanced company are underway: 34% of new hires are women and 49% of managers under the age of 35 are women. Beyond the fundamental argument of equity, this objective of parity is also one of the current and future levers for improving the Company's performance.

The progress of all these human capital development policies is measured in practice by the increase in 2023 in the satisfaction indices of our employees and our high level of talent retention, including in the R&D workforce which is generally very coveted and therefore at risk and which represent 30% of the VusionGroup's employees.

(1) ESG: environmental, Social, Governance
(2) SBTi: Science Based Targets initiative
(3) R&D: Research & development

Our shared purpose

VusionGroup invents IoT and digital technologies that create a positive impact on society by enabling sustainable and human-centered commerce.

Enabling the new world of unified sustainable retail

We are convinced that digitizing physical retail can contribute to sustainability in the world.

Retail is the leading private sector employer (15% of jobs) and the leading economic sector in the world (~20% of global GDP[4]). It is associated with major societal and environmental issues: employment, waste, health, food safety, responsible consumption, CO_2 emissions[5] (product mix and origins, logistics, packaging, warehouse construction, energy, last mile...) as well as social well-being in cities and communities.

It is, however, a sector under economic pressure, as physical retail (over 80% of total retail) is challenged by rapidly shifting consumer behavior towards different sales channels, particularly digital (e-commerce), increasing labor costs, unfavorable tax policies (*vs*. e-commerce), eroding margins and market capitalization, hindering the reinvestment needed to transform physical stores.

The social and environmental risks of the current retail evolution are multiple:

- strong and continuous growth (15 to 20%/year) in e-commerce which can lead to a market share of 40% at the detriment of physical stores[6] - this is already the case in China;
- the current acceleration of the "warehouse" (direct-to-consumer delivery from the warehouse) e-commerce model may continue to weaken brick & mortar retailers, cause more store closures around the world and lead to major negative repercussions on employment, communities, social well-being, equality of access to essential goods and the marketing of local products;
- in terms of carbon impact, this development model will lead to the accelerated construction of millions of m^2 of automated warehouses. This massive construction of new infrastructure could lead to the emission of several million tons of CO_2 over the next 5-10 years.
- therefore, the current evolution of retail carry substantial environmental and social risks that, surprisingly, are not at the heart of current discussions on sustainable development and appear as a "blind spot" in the debate.

A more sustainable and responsible retail development model exists

Millions of physical stores (20 million) already exist, putting essential consumer goods within easy reach of consumers every day. Digitalization could revitalize these "stranded" assets and turn physical stores into very efficient omnichannel ("phygital" i.e. physical and digital) and local e-commerce tools, offering a low carbon, high quality service to all customers thanks to in-store order preparation (express local delivery or quick click & collect pick-up).

With our technology (Cloud, IoT, image recognition, AI[7], big data), many visionary retailers are pioneering this unified model, towards more sustainable and positive retail development in terms of service quality, local employment and social links.

A convergence scenario such as the "physical e-commerce" scenario would have multiple positive impacts:

- contributing to the Paris Agreement through "physical e-commerce" with a lower carbon impact;
- protecting jobs and communities by stemming the tide of store closures;
- protecting the environment by avoiding the creation of e-commerce order picking centers and the procession of carbon emissions caused by the artificialization of the soil and the robotic equipment necessary for their operation;
- fostering lower carbon and positive local-for-local production and consumption patterns;
- enabling better collaboration between manufacturers and retailers through the availability and sharing of real-time in-store inventory data;
- harnessing the potential of on-shelf marketing and digital communication to create new sources of revenue for retailers, ensuring the long-term sustainability of physical stores while reducing the paper consumption linked to the massive production of coupons and catalogs.

Time is of the essence: any delay in the digital transformation of physical retail increases the likelihood of environmental and social risks associated with the *status quo* and current developments.

(4) GDP: Gross domestic product
(5) CO_2: carbon dioxide
(6) E-Commerce Poised to Capture 41% of Global Retail Sales by 2027 — Up from Just 18% in 2017. https://www.bcg.com/press/31october2023-ecommerce-global-retail-sales
(7) AI: Artificial intelligence

Continuation of the Positive Commerce Research Program, a worldwide study

Accelerating such a positive development of retail requires many decision makers (public & tax policy makers, investors, analysts, CEOs of the CPG-retail[8] ecosystems, etc.) to become aware and convinced about the opportunity of creating positive shared value by revitalizing physical stores through technology.

Research and knowledge is currently missing around the stakes, risks and opportunities related to retail's future development. The subject requires more visibility and knowledge-building efforts.

This is why, as part our roadmap for Positive Commerce launched in 2019 under the supervision of our ESG governing bodies, we have decided to launch a series of projects addressing the role of digitization in the revitalization of retail and its potential positive societal and environmental impact.

We have mobilized a number of major corporations with which to partner and contribute to this research (Qualcomm, Microsoft, McKinsey) and have become a partner of the World Economic Forum's Future of Consumption Platform in order to share and promote progress and conclusions.

The objectives of the research program are:

- raise global awareness on the importance of Retail in terms of the environmental and social impact;
- analyze the various possible future retail development scenarios with regard to their respective social and environmental impacts;
- positively influence economic and political decision-makers to build a more sustainable business in the coming years: VusionGroup participation in the CGF Sustainability Summit in Copenhagen and Davos 2023.

VusionGroup also took part in COP28[9] in Dubai in 2023. By highlighting the VusionGroup x HowGood partnership (developed in section 4.4.1), transparency for the consumer was in the spotlight.

Vusion x HowGood x Majid Al Futtaim partnership during COP28

3 badges tested on 2,500 Vusion labels deployed

We were delighted to showcase our partnership with HowGood and Majid Al Futtaim during COP28, providing new information on product sustainability to Carrefour consumers. We want to offer our unique value proposition to more customers using our VusionCloud solution, as our goal is to create a positive impact on society while promoting sustainable and people-centric retail."

Roy Horgan
SEVP Strategy, Marketing & Communications

(8) CPG: consumer packaged goods
(9) COP: Conference of the Parties

Extra-financial performance, ESG: achievements in 2023

2023 has been a very active year in advancing our ESG strategy. All achievements are detailed in the table below:

		Report section
ENVIRONMENT	• Launch of EdgeSense, our range of low-carbon solutions; • Obtaining an EcoVadis Platinum rating (for the second consecutive year) with a score of 90/100 on the environmental component; • Obtaining a B rating from the Carbon Disclosure Project (CDP), which demonstrates an advanced maturity in terms of environmental strategy; • ISO 14001 certification of our environmental management system in 2023 with validity until 2026; • Use of the Science-Based Targets initiative (SBTi) to measure our progress in reducing carbon intensity in particular. In 2023 we signed SBTi's letter of commitment and began to develop the plan to reduce our carbon footprint. These reduction targets in absolute terms for Scopes 1 and 2 and in intensity for Scope 3, will be submitted to SBTi in 2024 for validation; • Continuing our "Second Life" program including the eco-design and repairability of our products and the extension of the geographical coverage of our sorting and recycling centers; • Defining several use cases of our solutions with some of our customers in order to assess avoided emissions and/or a reduction in food waste and/or better information for consumers, for example; • Active member of the "Net Zero Initiative" working group, led by Carbone 4, bringing together major digital players to work towards a carbon-neutral economy;	4.3 and 4.4.1
SOCIETAL	• Audit of our supply chain in terms of ethics, raw material purchasing ("conflict minerals"), and occupational safety; • Renewal validated for the third year of our commitment to the United Nations Global Compact; • Achievement of the EcoVadis Platinum medal for the second consecutive year after receiving a silver medal in 2020, a gold medal in 2021, and a platinum medal in 2022 - we were placed among the "top 1%" of companies audited by EcoVadis, with a score of 80/100 in social and societal matters; • First philanthropic actions;	4.2.4 and 4.5
SOCIAL	• Continuation of the diversity program and signature of the Diversity Charter; • Implementation of benefits to facilitate parenting internationally (flexibility at work, additional days of leave, extended and paid leave, etc.); • Significant progress on our employee satisfaction survey (E-NPS);	4.5.3

GOVERNANCE	• Our Board of Directors currently includes 50% women and 50% independent directors;
	• Creation of a third Board Committee: Strategy and ESG Committee;
	• Formalization of our governance policies (the text of which is available on our website www.vusion.com):
	  • Development of the policy prohibiting the financing of political parties and advocacy groups;
	  • Renewing the commitment of our suppliers and employees to our Codes of Ethics and Conduct;
	  • Monitoring of declarations of potential conflicts of interest and whistleblowing;
	• Participation in COP28 (Conference of the Parties) to promote more informed consumption.
		4.2.4 and 4.5

4.2 Market and challenges

GRI Code	Topic	SDG	Topic
2-6	Activities, value chain and other business relationships		Sustainable cities and communities

The Retail Sector: An economic model in transition

Physical retail is the world's largest economic sector. It is critically important to the vitality of our societies, our cities, and our lives. However, it is a sector under pressure: inflation, rising energy and personnel costs, stagnant consumption, price wars, online competition, declining market capitalization, changes in the behavior of consumers who aspire to greater transparency and quality, etc.

Conversely, e-commerce is experiencing dynamic growth - a CAGR (compound annual growth rate) estimated at 20% worldwide over the last seven years - and is virtually the only source of growth for global retail sales. Despite this growth in e-commerce and the pressure it exerts, physical retail still carries the bulk of transactions (80%). But the line between physical and digital is becoming blurred. The largest global retailers are thus pushing forward with their strategies towards a homogeneous omnichannel model. Retailers are striving to offer consumers the best of both worlds: the agility of e-commerce and the expression of the five senses of the store. There are now multiple purchasing paths: online ordering, home delivery from the store, drive, click & collect, traditional purchases at the point of sale, etc.

To support these profound changes and the associated challenges (transparency, uniformity, and synchronization of information available on all channels), it is necessary to integrate certain technologies and contribute to improving efficiency, profitability, and sustainability and the overall consumer experience.

It is within this context that VusionGroup invents and produces solutions for retailers, thus stimulating their digital transformation in response to their problems.

4.2.1 Our Business Model

GRI Code	Topic	SDG	Topic
2-6	Activities, value chain and other business relationships		Sustainable cities and communities
2-29	Approach to stakeholder engagement		

VusionGroup is the partner of retailers in the use of digital technologies in stores: the Group has developed a complete digital IoT platform that allows retailers to connect and digitize their points of sale, automate low value-added processes, better understand, inform, and serve customers, produce quality information to optimize shelf life at all times, avoid disruptions and waste, and create an omnichannel service that builds loyalty and is adapted to new consumer expectations.

Commerce is a retail business, where performance comes from the ability to have quality information in-store at all times to act with precision, to automate all tasks that can be automated and thus maximize the added value of each employee serving customers who no longer want to choose between in-store consumption (80% of transactions, 20% of global GDP) and the convenience and practicality of the Internet. Today, retailers must offer the best of both worlds, digital and physical, combined in a unified service. This convergence is at the heart of the digital transformation of retail. Revitalized by digital technology, physical points of sale are entering a new era by becoming:

a. ultra-efficient assets thanks to operational data, the automation of low value-added processes and the focus of personnel on customer service and perfect shelf-keeping;

b. connected and interactive environments able to better identify, know, serve and communicate with customers.

Our business model shown on the next double page describes the assets and the know-how that we produce and exploit in order to offer solutions for physical retail, whose impact is humanly and societally positive.

"VusionGroup has set itself the mission of transforming our business model by focusing on long-term challenges: well beyond simple compliance, the company is constantly examining its contribution to its sector and its stakeholders, fully aware that financial, social, societal, and environmental performance go hand in hand. The stability and good health of the ecosystem as a whole will allow not just a few incremental changes but the profound change required to meet the objectives of the various time horizons to which the Group, its customers, its suppliers and its partners must respond."

Pascale Dubreuil
EVP ESG

VusionGroup's business model

Our purpose: we invent IoT solutions which by enabling

Macroeconomic context and market trends

• Physical retail is the largest private employer in the world, but it is currently under significant economic and social pressure.

Resources: Retail digitalization facilitators

Employees

- 847 employees, including 30% in R&D
- Diversity of workforce
- 28% female managers
- High level of commitment from senior executives

Expertise

- 32 years of leadership in the digitization of retail
- State-of-the-art technology
- Eco-design and recyclability of solutions (ESL)
- Long experience in innovation

Intellectual property

- 700+ active patents
- 137 active patent families
- Low-energy IoT is a research priority for the Group

Solid partnerships with high added value

- Manufacturing: strategic partnership with BOE, E Ink, Qualcomm, Jabil
- Technology platforms: global leaders (Microsoft Azure, Cisco Meraki, etc.)
- Sustainable development: Carbone 4, HowGood, Smartway

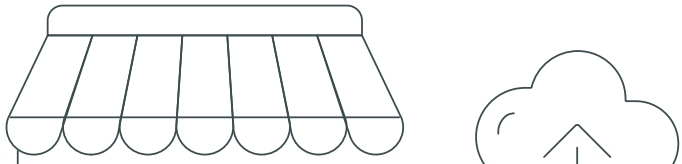
International presence

- Global leader - 18 entities worldwide
- Main markets in Europe, the Middle East, and North America

How we create value: by contributing to the

Working for positive retail: the Vusion platform, at the heart of our innovation

Protect the environment and local employment by making the digital transformation of retail profitable, low carbon and sustainable



- **SESimagotag:** low-carbon connected IoT devices
- **VusionCloud:** IoT platform
- **Captana:** AI/computer vision
- **Engage:** In-Store Retail Media
- **Memory:** analysis and modeling tool
- **PDidigital:** connected IoT devices for industry

Strategic priorities for

- **Positive impact** and quantifiable contribution to low-carbon and socially beneficial retail
- **Growth and Leadership:** continue to be the world leader in ESL and the digitization of physical retail
- **Customer-centric culture,** delivering exceptional value through VusionGroup's digitized operations that boost the profitability of physical retail

create a positive impact on society sustainable and human-centered retail

- The digitization of retail - transforming physical stores into digital assets - will enable sustainable growth in step with societal evolution

sustainability of physical retail through digitization

Knowledge

- **More than 32 years** of international experience in the design of electronic and digital solutions for physical retail
- An extensive international presence able to meet the needs of global retailers in all their markets
- A personalized offer that adapts to the requirements of each market
- An in-depth understanding of digital tools, from their creation to their use, to improve in-store operational efficiency
- An ability to engage consumers in real time thanks to their *insights* in store

Procurement

- Leverage our partnerships to create a strategic and competitive supply chain
- Risk mitigation through the reliability and diversification of our supply chain
- Adoption of best governance practices to promote ethical and sustainable supply chains

implement the Vusion 27 plan

G1	C1	VAS	TOP	ESG
Growth & Leadership	Customer-centric action	Software & Value-Added Services	Operational performance	Positive impact

(1) Compound annual growth rate
(2) Considering Vusion HF vs. EdgeSense 120cm - 7 V300 Series Tags vs. 7 ES Tags per rail. Lifetime expectancy of 7 years, no battery replacement, no second life

Value created by the digitization of physical retail

Employees

Work environment and culture promoting value creation while ensuring employee well-being and equal opportunities

- 33% of employees participate in the long-term incentive program based on participation in the company's capital
- ENPS employees = 40 in H2 2023

Retailers and companies in the CPG sector

- Increased revenue through reduction of stock-outs, optimization of Category Management and increased consumer engagement
- Increased operational efficiency of physical stores, resulting in higher operating margins
- Increase in NPS (66 in 2023 vs. 55 in 2022)

Consumers, communities, and society

- Easily available and accurate pricing and product information (400 million smart labels in stores)
- Engagement with stores and companies in the mass market sector
- Maintain social ties and connections between people
- Tools to reduce food waste (1 metric ton of emissions avoided per month with Flash Evo at Kavanagh's)

Suppliers

- Responsible and sustainable supply chain (98.2% of industrial purchases covered by our code of conduct)
- Transparency (exploitation of conflict minerals, human rights, etc.)
- Long-standing suppliers and multi-year contracts

Shareholders

- TCAC(1) of revenue over 10 years up by 30%
- Share price assessment **over three years:** 213% (end of 2020 to end of 2023)

Planet

- Decarbonization of physical retail
- Avoided emissions through “local” e-commerce and in-store order preparation, limiting the construction of new warehouses
- Low-carbon solutions: Cloud, Infraless, EdgeSense (-48% CO^2e)(2)
- Circularity: “2nd Life ESL ” program (1.9 million labels recycled in 2023).

4.2.2 ESG strategy: the roadmap for positive retail

The solutions developed by VusionGroup help retailers transform their physical stores into true digital assets that are highly automated, data-driven and connected in real time to brands and consumers. The customer experience is greatly improved, sticking points are avoided and the store regains its key role in society. This transformation towards positive retail cannot be achieved without social and environmental objectives, as discussed below.

GRI Code	Topic
2-16	Communication of critical concerns
2-22	Statement on sustainable development strategy

SDG	Topic
11 SUSTAINABLE CITIES AND COMMUNITIES	Sustainable cities and communities

For a digital transformation toward more human-centered retail

The store serving people and society

The growth in online sales is such that it is estimated that e-commerce could account for more than 40% of total sales in the retail sector by 2027, according to the Boston Consulting Group[10], compared to 20% today. This scenario would require the construction of millions of m^2 of distribution warehouses, with a significant increase in CO_2 emissions.

However, there is another solution: physical stores represent the ideal local logistics network to serve this growth while being the best response in terms of impact on the environment, employment, and society. There are 20 million stores worldwide, i.e. one store for every 400 inhabitants. VusionGroup's objective is to preserve the existence of these stores because:

- they do not require any new construction of highly carbon-emitting warehouses;
- they represent 15% of jobs on the planet: retail is the largest private employer in the world. By supporting physical stores, each person's role is also preserved;
- they often represent the hub of cities and are essential for maintaining strong social ties. They may even represent a place for identity construction[11];
- they are by far the most efficient distribution channel in terms of conversion and traffic;
- they offer a real sensory experience that will never be equaled by e-commerce;
- they make it possible to avoid the systematic and intensive use of online sales deliveries, particularly in urban areas, which result in a substantial increase in the number of delivery vehicles, their related emissions and road congestion[12].

However, their preservation will only be made possible by digitizing the point of sale to increase profitability and sustainability, and enable them to evolve with society.

We need to capitalize on both the proximity and the advantages of the physical point of sale as well as the acquisition of internet-related services thanks to technologies (localization of products, pick-to-light, continuous monitoring of inventories, etc.). We also need to respond to the new behaviors of consumers, who no longer want their online or offline experience to be interrupted.

This digitization of the point of sale has a positive impact on in-store staff. For example, technology and digital solutions reduce the drudgery of tasks, reduce stress, and offer the opportunity to focus on more rewarding tasks. Friction points can be mitigated or even eliminated through better customer service.

By digitizing points of sale, retailers also give their teams access to cutting-edge technologies such as artificial intelligence, Computer Vision and very large-scale data analysis. For a store, being up to date in terms of innovation will offer its employees continuous training on new technologies, which are popular today.

It is in the retail sector, among other places, that great stories are born: social mobility is often valued, there are many potential positions and great career developments are possible.

Contribution to the decarbonization of retail

Decarbonizing our solutions

Our IoT technology has always been eco-designed. Our labels are designed to be repaired, disassembled, and recycled. Everything we put on the market is also energy efficient: we are constantly striving to reduce our energy consumption and redesign our IoT solutions so that they can, eventually, run without a battery.

(10) e-Commerce Poised to Capture 41% of Global Retail Sales by 2027 — Up from Just 18% in 2017. https://www.bcg.com/press/31october2023-ecommerce-global-retail-sales.
(11) https://www.ecommercemag.fr/Thematique/retail-1220/Breves/magasin-est-lieu-construction-identitaire-Vincent-Chabault-351678.htm
(12) https://www3.weforum.org/docs/WEF_Future_of_the_last_mile_ecosystem.pdf

Based on the carbon footprint of a store equipped with old traditional labels (CO_2 equivalent calculated according to the GHG Protocol[13]), the infographic below symbolizes current and future decarbonization steps, such as:

- Serverless switching in stores, i.e. in the "Cloud";
- Technological partnerships enabling us to integrate our radio frequencies into "access points" already present in stores for other uses (e.g., internet), thus eliminating the need for cabling and additional access points;
- The growth of our "second life ESL" program to extend the life of our labels to promote a circular economy.
- More sustainable "new generation" labels thanks to the elimination or reduction of the number of batteries included in each of our ESLs, the use of more sustainable materials such as recycled plastic rails, etc.

Contributing to the decarbonization of retail through our solutions

The solutions we provide to our customers can contribute to reducing their carbon footprint through several levers:

- Local e-commerce: we are digitizing the physical store to create micro-distribution/shipping centers and thus avoid the construction of order preparation warehouses.
- Better inventory management and supplier traceability: the data created and acquired through the use of our solutions contribute to better forecasting of demand (less last-minute supplies, less food waste, etc.).
- Paperless retail: the gradual discontinuation of receipts, paper advertising at the point of sale, and catalog promotions. Our various solutions make it possible to convey just as much information to the consumer without the need for print-outs and the use of ink, paper, and printers.
- Greater transparency for the consumer: ESLs also enable the retailer to better inform customers and support more responsible consumption.
- Reduction of food waste: better shelf management optimizes inventory forecasts and sales, and directly reduces food waste. It is now possible to adjust prices, promotions, or product placement when they reach the end of their life.

Quantifying our initiatives

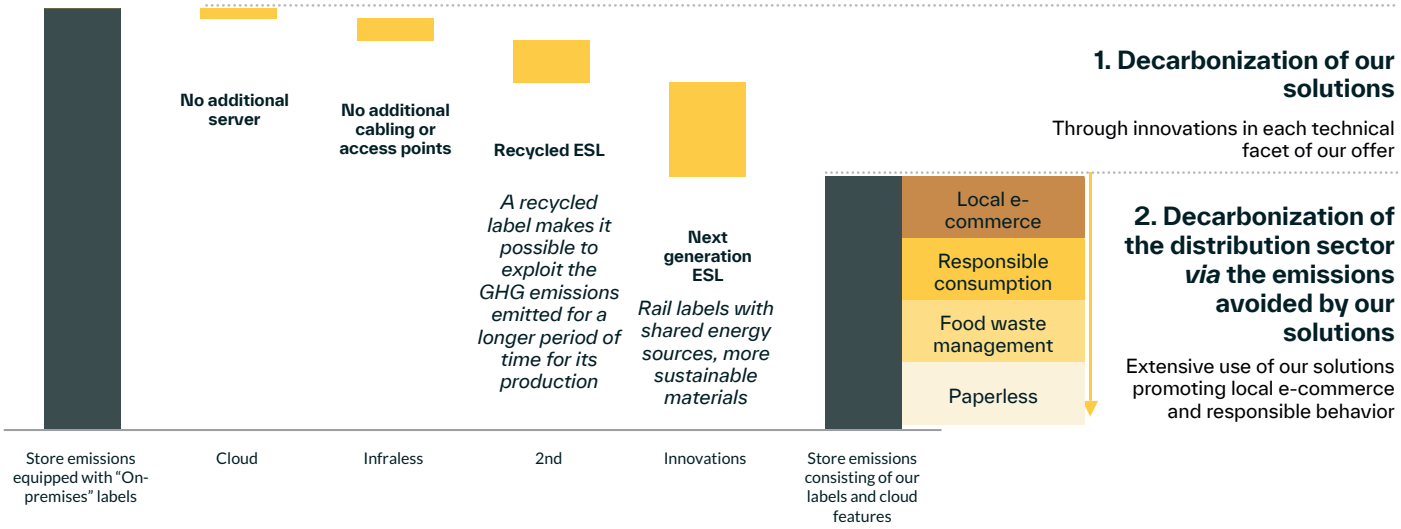
Our decarbonization ambitions must be quantified. To do this, in 2022, we developed a comprehensive modeling of our GHG (greenhouse gas) emissions, to then define our carbon intensity objectives to contribute to the achievement of the objectives of the Paris Agreement (objectives developed in section 4.3.1.2).

Regarding the measurement of avoided emissions allowed by our solutions, we are still working on their modeling in order to build a reliable and indisputable methodology before any publication.

For more details, see "Climate Strategy: decarbonizing our solutions" in section 4.3 as well as the avoided emissions scenarios for our customers in section 4.4.1.

The infographic below symbolizes the decarbonization trajectory and levers identified at this stage, for our entire range of solutions:

Positive retail: an essential contributor to the decarbonization of retail to achieve the ambitions set by the Paris Agreement



[13] GHG Protocol: Greenhouse Gas Protocol

4.2.3 Challenges and ambitions

Materiality analysis

GRI Code	Topic	SDG	Topic
3-1	Process to determine material topics		Gender equality, Decent work and economic growth, Industry, innovation, and infrastructure, Sustainable cities and communities, Responsible consumption and production
3-2	List of material topics		
3-3	Management of material topics		

Each year, the Group carries out an analysis of the materiality of the risks it incurs, taking into account the associated remediation plans, as described in section 2 Risk factors and uncertainties of this report.

Among these risks, an analysis of the risks related to climate change and the Group's social and environmental responsibility was carried out:

it was further developed by VusionGroup's ESG team, who adapted it according to material topics chosen from the GRI[14] 2021 standards, and identified 17 significant topics that are at the core of our social, societal, and environmental impacts.

This risk assessment is the result of research and comparative analyses carried out:

a) either in the retail sector or in the digital sector, through ever-increasing exchanges with our customers and partners, during commercial negotiations, participation in calls for tenders and customer satisfaction surveys;

b) with our employees during employee satisfaction surveys and half-yearly management reviews;

c) with rating agencies, in particular ISS and EcoVadis, whose comparative databases by sector make it possible to analyze the materiality of ESG issues in digital and retail ecosystems;

d) our investors, during interviews and roadshows for investors and financial analysts.

Head office experts (HR, legal, finance) were also involved to confirm the content of the main risks and opportunities identified.

Finally, this analysis was presented to the various ESG governance bodies, including the Strategy and ESG Committee.

This materiality analysis must be supplemented by a dual materiality analysis in 2024 in order to comply with the CSRD (Corporate Sustainability Reporting Directive) regulation.

[14] GRI: Global Reporting Initiative (https://www.globalreporting.org/)

The key aspects and the most significant topics in relation to ESG are listed below with an asterisk (*):

Topic	# key objective in 4.2.3	Action plan / report section	Aspects	GRI Standard
Environment	**1**	Innovation in favor of the decarbonization of our solutions	Emissions*	305
	2	Reducing our carbon intensity		
	4	Contribution to the decarbonization of Retail		
	1	Innovation in favor of the decarbonization of our solutions	Waste*	306
	3	Circular economy: a “second life” for labels	Materials	301
Societal	**5**	Audit of our supply chain	Supplier Environmental Assessment*	308
	6	Supplier Code of Conduct	Supplier Social assessment*	414
Social		*see section 4.5.3*	Occupational Health and Safety	403
		see section 4.5.3	Training and Education	404
	9	Diversity policy for women	Diversity and Equal Opportunities*	405
			Non-discrimination	406
Governance	**10**	Promoting the Group’s ethical values among employees	Anti-Corruption*	205
			Anti-competitive Behavior*	206
		see section 4.4.1	Customer Health and Safety	416
		see section 4.4.1	Marketing and Labeling	417
	10	Promoting the Group’s ethical values among employees	Customer Privacy	418
		see sections 4.5.3 and 4.3.5	Economic Performance	201
	1	Innovation in favor of the decarbonization of our solutions	Indirect Economic Impacts	203
	4	Contribution to the decarbonization of Retail		

Our challenges

Our ESG strategy, included in our Positive Retail roadmap, aims to meet the needs of all of the Group's stakeholders and contribute constructively to the environmental and social issues at the heart of the retail sector. The risks and challenges below have been identified as key to creating long-term sustainable value for the Company's clients, society at large, partners, suppliers, employees, investors, and the environment.

The main social, societal and environmental challenges and opportunities have been identified through internal reviews and discussions, independent expert advice and comments from our clients.

The Group's **climate strategy** is clearly in line with priority objectives, as we are committed to producing a business model scenario compatible with limiting global warming to +1.5°C on average compared to the preindustrial era, and to developing low-carbon IoT devices, thus contributing to the reduction of carbon emissions in the physical retail sector.

Our main indicators and ambitions in this area are, respectively:

- the carbon intensity of our solutions, calculated for the first time in 2022. In 2023, we introduced a new carbon intensity calculation using the methodology recommended by the Science-based Targets Initiative;
- the innovation dedicated to the decarbonization of our solutions and trade. We monitor the number of patents filed per year;
- the number of recycled labels, an emblematic indicator of eco-design and the creation of an internal reparability process for our products.
- contributing to the decarbonization of retail, in particular by calculating the avoided emissions made possible through the use of our solutions.

Sections 4.3 and 4.4 of this report develop each of these points.

Given the importance of our industrial supply chain and the attention paid to ethical principles, as the one practiced by our subcontractors (to the working conditions and health and safety of the employees, as well as the conditions of supply, particularly in terms of minerals), we prioritize compliance with ethical standards by our suppliers: this is checked through ESG audits carried out on site or through documentary audits. Thus, indicators chosen in this **societal area** are:

- ratio of purchases subject to ESG audit (scope of purchases audited);
- signature rate of our Supplier Code of Conduct.

Customer satisfaction (NPS) and the economic stability of our customers remain relevant indicators in measuring our societal contribution, but are now recurring indicators, resulting from action plans already in place. We have therefore chosen to retain only 12 indicators below reflecting current progress plans that will be managed until 2027.

With regards to **social matters,** being a great place to work for our teams is an ongoing priority and continues to be measured by the eNPS, an employee satisfaction survey conducted twice a year. Two other indicators reflect the importance given to two major topics: the proportion of female managers in a technology company, on the one hand, and the measurement of employee shareholding growth through the allocation of employee performance shares, on the other:

- proportion of employees benefiting from performance share plans;
- eNPS (employee satisfaction indicator);
- proportion of female managers.

Lastly, in terms of **governance,** the Group strives to encourage the adherence of its employees and suppliers to its ethical values, through signature campaigns renewed each year, and ensures the proper performance of its ESG strategy by requesting an external assessment annually.

- Code of Ethics signature
- Diversity on the Board of Directors
- External ratings

Please note that the **KPIs reported below are rounded figures** of our performance so that they are easier to read - please refer to each section to get the detailed KPIs.

Non-financial issues	#	Action plan	Indicator	Contribution to the SDGs	2023 performance	2022 performance	2021 performance	2027 ambition	Report section
Environment									
Climate	1	Innovation in favor of the decarbonization of our solutions	Number of patents filed		712	538	465	1,000	4.3.2
	2	Reducing our carbon intensity	Scope 3: Kg CO_2/€'000 value added		661 -13.4%	763 ref year	Start of carbon footprint calculations	400 -47.5%	4.3.1
	3	Circular economy: a "second life" for labels	Number of labels recycled		1.9 million	1.6 million	2.5 million	15 million	4.3.1
	4	Contribution to the decarbonization of retail	Avoided emissions		• Active member of the Net Zero Initiative • First calculations relating to the fight against food waste	Developing the plan	NA	Clear and reliable vision	4.3.1
Social and societal									
Societal	5	Audit of our supply chain	Audited suppliers (internal audit) expressed as a % industrial purchases covered		97.2%	97.3%	Action plan	100 %	4.5.2
	6	Industrial Supplier Code of Conduct	Signature rate expressed as a % of covered industrial purchases		98.2%	98.3%	Action plan	100 %	4.5.2
Employee development and working conditions	7	Remuneration policy	Employees participating in LT compensation plans		33%	30%	30%	100% of employees eligible for the plan	4.5.3
	8	Employee satisfaction	eNPS		H1 : 37 H2: 40	H1 : 25 H2: 36	H1 : N/A H2: 4	50	4.5.3
Diversity	9	Diversity policy for women	Proportion of female managers		28%	27%	24%	35%	4.5.3

Non-financial issues	#	Action plan	Indicator	Contribution to the SDGs	2023 performance	2022 performance	2021 performance	2027 ambition	Report section
Governance									
	10	Promoting the Group's ethical values among employees	Code of ethics signatures	12, 13	91%	95%	Action plan	> 95%	4.5.3
Governance	11	Composition of the Board of Directors	% women, % independent directors,	11, 5	50% women, 50% independent directors,	50% women, 50% independent directors,	33% independent directors,	50% women, 50% independent directors,	3.2.1
	12	External ratings	EcoVadis and CDP rating	12	Platinum, B	Platinum C	Gold	EcoVadis Platinum and "upper quartile" ratings for ESG assessment companies (ISS, CDP, etc.)	4.2.2

VusionGroup is firmly committed to advancing the United Nations Sustainable Development Goals (SDGs) by 2030.

SDG 3: Good health and well-being

Our solutions can contribute to the health and well-being of consumers by giving them access to essential information about the products in the shelf. Informed choices can lead to healthier decisions, including when it comes to diet, allergy and product ingredients.

SDG 5: Gender equality

We advance gender equality in the workplace through our "D&I" (Diversity & Inclusion) program and by promoting these values within our Group and to our business partners and suppliers through our Code of Ethics and our Supplier Code of Conduct.

SDG 8: Decent work and economic growth

We support Decent Work through our "be a great place to work" program to foster an inclusive and diverse workplace and encourage career development and opportunities. We also contribute to this through our compensation policy, employee benefits and long-term incentives.

We drive sustainable economic growth by increasing the relevance and dynamism of stores through digitalization, which benefits the entire economy and society, enabling physical retail to maintain its role as a leading employer globally and by stimulating related employment.

In addition, we carry out formalized supply chain audits, using a questionnaire with a section dedicated to ESG supplemented with on-site observations.

SDG 7: Affordable and clean energy and SDG 9: Industry, Innovation, and infrastructure

During the design, development and delivery of our products and services, we ensure low-carbon innovation (eco-design helping to minimize the environmental impact of energy consumption, patents filed) and contribute to the decarbonization of the retail sector thanks to use cases observed at our customers' sites.

SDG 11: Sustainable cities and communities

Making the physical store a sustainable digital asset by incorporating VusionGroup's solutions, a guarantee of on-shelf efficiency, and thus preserving the economic health of the store and, therefore, jobs. In addition, the Group's solutions provide better information for the end consumer.

SDG 12: Responsible consumption and production

Our product design ensures the possibility of giving a new life to IoTs whose first use has lasted several years. Thus, by initiating a circular economy through refurbishment and recycling steps, it is possible to extend the lifespan by several years.

SDG 13: Climate action

VusionGroup signed the Science-Based Targets initiative (SBTi) letter of commitment in 2023 and is committed to reducing its emissions, in terms of absolute value and intensity, in accordance with the Paris Agreement.

Recognition of our commitment

KPI	GRI Code	Topic	SDG	Topic
External ratings (e.g., CDP, EcoVadis)	2-28	Membership of associations	12	Responsible consumption and production

External assessments: ESG policy (EcoVadis), CDP[15] Supplier Engagement Rating (SER)

VusionGroup monitors the evolution of its overall ESG performance *via* an annual external assessment, carried out by EcoVadis, one of the world's most trusted providers of business sustainability ratings. VusionGroup was awarded the platinum medal in 2022 and 2023:

This platinum medal is based on EcoVadis' assessment of our actions and policies, together with our sustainable purchasing policy, in four areas:

- labor law and human rights;
- environmental considerations in the supply chain;
- social issues such as diversity, racism, non-discrimination, and equity;
- business ethics.

We received excellent ratings for our Labor & Human Rights policies and actions, and our initiatives and approach to Ethics.

For the second consecutive year, VusionGroup received a "B: Management" rating from CDP on its commitment to suppliers on climate change. This B score places VusionGroup above the global (C), European (B-) and industry (B-) averages.

Assessments and certifications: environment (CDP and ISO[16] 14001)

We now track and report all applicable Scope 1, 2 and 3 GHG emissions in our response to the CDP. Since 2022, VusionGroup has been participating in the Carbon Disclosure Project (CDP) through the climate change questionnaire. The Company was recognized for its progress on climate change with a score of "B", which places us in the "Management level" category. This category concerns companies that have taken into account the environmental impacts of their activities and that ensure good environmental management. VusionGroup plans to continue to report on its annual progress in reducing carbon emissions through its TCFD[17] report and the CDP climate change questionnaire.

In early 2023, the Group also received ISO 14001 certification. This standard provides a framework for controlling the environmental impacts generated and intends to lead to a continuous improvement of its environmental performance. It is a framework that includes personnel awareness, the handling of external requests and, to a lesser extent, voluntary external communication.

(15) CDP: Carbon Disclosure Project (https://www.cdp.net/en)
(16) ISO: International Organization for Standardization (https://www.iso.org/fr/home.html)
(17) TCFD: Task Force on Climate-Related Financial Disclosures

Assessments and certifications: information system (ISO 27001 & Cybervadis)

In early 2023, the Group also obtained ISO 27001 certification. This standard defines the requirements for the implementation of an information security management system. This management system lists the security measures, within a defined scope, in order to guarantee the protection of the organization's assets. The objective is to protect functions and information from any loss, theft or alteration, and IT systems from any intrusion or IT disaster.

VusionGroup monitors its cybersecurity performance thanks to Cybervadis. The company received a score of 969/1000, corresponding to a Platinum level of achievement. The objective of the assessment is to obtain a clear overview of the Company's cybersecurity performance in four key areas: identify, protect, detect, and react. The Company also obtained the platinum medal.

4.2.4 Values and governance

Group ESG governance

Our ESG strategy is fully in line with the core values that guide our mission: to use our technological solutions to drive the digital transformation of physical retail. The description of these values is available on our website at www.vusion.com.

Strong integration of our ESG values and priorities

					ESG Priorities
Positive retail	Innovative	Entrepreneurial spirit	Customer centric	Global/ International ambition	**Make the physical store a digital asset**
Environment					**Address Climate change**: contributing to the decarbonization of our operations and across the value chain
Social	Positive impact		Humanism		**Create positive impact:** jobs, consumer protection, communities **Be a good place to work**: inclusive environment, diversity, safety, professional opportunity, and development
Governance			Integrity		Highest standard of **business ethics**

We are guided by a set of core values as we drive our mission: to use our technology solutions to drive the digital transformation of physical retail.

INNOVATION: it is part of our DNA. It opens up the range of possibilities offered by new technologies and makes it possible to meet our ambition: to revolutionize physical retail. An indicator relating to the number of patents filed has become a permanent indicator of our ESG objectives (Section 4.2.3)

ENTREPRENEURIAL SPIRIT: this value is a great strength for a fast-growing international company. The group's dynamism is deeply permeated by its entrepreneurial culture: autonomy and accountability stem from our historical experience of start-ups and entrepreneurs.

CUSTOMER FIRST: the company was created by a food distributor, this is the foundation on which we build. Our mission and ambition is to put retailers on a path to performance, profitability, and sustainability. Only a high level of customer satisfaction, from management to in-store employees, allows us to assess our success, and this criterion has become a permanent indicator of our ESG objectives (Section 4.2.3).

HUMANIST, GLOBAL, AND INTERNATIONAL AMBITION: our position in the global market is made possible by our ambition for excellence. We want to be recognized as the market leader in the digital transformation of physical retail. Our organization is agile, horizontal, and global. Our geographic expansion strategy has resulted in the mobility or recruitment of local sales teams, which are based as close to our customers as possible, to their physical stores and decision-making centers. We are particularly mindful of the range of backgrounds of our teams and of the expression of the cultures to which each individual belongs. Several indicators relating to attention to diversity and the working environment are measured in sections 4.2.3 and 4.5.

COMMITMENT TO A POSITIVE IMPACT: The digitalization of stores provides obvious advantages for retailers and brands. Driving the dynamism of stores through digitalization also benefits the broader economy and overall society by enabling physical retail to retain its role as one of the planet's leading suppliers of jobs, and stimulating related employment. The digitalization of physical stores gives rise to greater traceability, facilitates food safety, and helps promote the journey toward more sustainable agriculture. Digitalization also drives consumer satisfaction, contributes to maintaining and improving the quality of life in cities (where stores are a crucial component of the urban landscape), and reduces waste thanks to optimized inventory management. Several criteria relating to these positive impacts are included in our key objectives in Section 4.2.3.

INTEGRITY: the Group conducts its activities according to the strictest integrity and ethical standards (fight against corruption, forced labor, intellectual property infringement, etc.), as reflected in our Code of Ethics, which provides the framework for working together, interacting with customers, reaching out to shareholders, collaborating with our business partners, and creating value for all our stakeholders. The criterion for signing the Code of Ethics and the Supplier Code of Conduct has become a permanent indicator of our ESG objectives (Section 4.2.3)

ESG governance

GRI Code	Topic	SDG	Topic
2-12	Role of the highest governance body in overseeing the management of impacts		Responsible consumption and production
2-13	Delegation of responsibility for managing impacts		
2-14	Role of the highest governance body in sustainability reporting		
2-25	Processes to remediate negative impacts		

* Strategy and ESG Committee since December 13, 2023.

The governance of our ESG strategy is summarized below, but it is also based on the recommendations of the TCFD (Task Force on Climate-Related Financial Disclosure) in section 4.3.5 which, although very focused on climate and environmental issues, remains a good way to reflect corporate governance in terms of ESG, particularly in the description of the first "governance" table.

Respect the guidelines of the OECD[1] and the United Nations

The Group's commitment to ethical and sustainable growth is based on the fundamental value of respect for human rights and fundamental freedoms.

VusionGroup has been a signatory of the United Nations Global Compact since 2021 and is committed to respecting its 10 fundamental principles. The Group also recognizes the OECD (Organisation for Economic Co-operation and Development) Guidelines for multinational enterprises and the UN Guidelines on businesses and human rights. It strives to ensure that the fundamental conventions of the International Labor Organization (ILO) are applied globally and in particular those on respect for freedom of association and the right to collective bargaining, the elimination of discrimination in employment and occupation, the elimination of forced or compulsory labor, and the effective abolition of child labor.

These principles inspire the internal reference documents:

- the Code of Ethics;
- the Group's purchasing policy;
- the human rights policy;
- the anti-discrimination and harassment policy;
- the commitment to the values of the United Nations' International Labor Organization;
- the occupational health and safety statement;
- the labor rights policy;
- the diversity and inclusion policy.

Keen to strengthen its ambition to build better and positive physical retail, the Group is committed to respecting the 10 universally accepted principles of the UN Global Compact in the areas of human rights, labor standards, the environment, and climate, as well as the fight against corruption, and expects its industrial suppliers to do the same. (For more information, see Section 4.5.2 "A sustainable supply chain").

Ethical conduct of business and the fight against tax evasion

GRI Code	Topic	SDG	Topic
2-15	Conflicts of interest		
2-23	Policy commitments		
2-27	Compliance with laws and regulations		
205-1	Operations assessed for risks related to corruption	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Responsible consumption and production
205-2	Communication and training about anti-corruption policies and procedures		
205-3	Confirmed incidents of corruption and actions taken		
206	Anti-competitive behavior		

Overall, the VusionGroup operates in geographic areas where ethics in business practices are applied. The Group's revenue can be presented by geographical area and classified according to the 2023 corruption index, published by Transparency International and available on the website: https://www.transparency.org/en/cpi/2023

Revenue by geographic area (before IFRS 15 adjustment)	**2023**		2022	
Corruption index between*	**M€**	**%**	**M€**	**%**
• 12 and 39 and/or geographical area not analyzed	5.3	0.7%	3.1	0.5%
• 40 to 60	222.1	27.7%	92	14.8%
• 60 to 90	574.6	71.6%	525.7	84.7%
TOTAL	**802**	**100.0%**	**620.8**	**100.0%**

Corruption indexes between 12 and 39 reflect a generally very corrupt business practice and indexes close to 100 are qualified as very ethical.

VusionGroup manages its activity in strict compliance with international regulations relating to corruption, in particular by complying with the Sapin II anti-corruption law in France (FCPA[2] international equivalents, UK Bribery Act, etc.). The guiding principles for the company and its employees were set out in the Code of Business Conduct (or Code of Ethics) rolled out in 2021. The purpose of the Code of Ethics is to set out the Group's legal and ethical standards as well as fair and honest practices. The VusionGroup Code aims to ensure that all employees - regardless of their position or level of responsibility - know, understand, and act according to the highest ethical standards in all aspects of their work.

(1) OECD: Organization for Economic Co-operation and Development (https://www.oecd.org/en/)
(2) FCPA: Foreign Corrupt Practices Act

It covers in particular:

- compliance with anti-corruption and anti-money laundering laws and laws governing international trade; adherence to the fundamental principle of fair competition;
- respect for human rights, anti-discrimination, gender equality and diversity; compliance with health, safety, and security conditions; the prohibition of any type of harassment;
- matters of confidentiality of information and insider trading.

This Code is regularly reviewed in the light of:

- the analysis of our existing compliance system;
- the new corruption risk map resulting from a new interview campaign conducted with all the Company's departments at the end of 2023 and early 2024.

This analysis is therefore constantly reviewed as the Group grows and expands.

This Code of Ethics is supplemented by several policies that highlight and explain several aspects of ethical behavior:

- the sustainable sourcing and purchasing policy;
- Supplier Code of Conduct:
- conflict minerals settlement policy;
- environmental policy;
- the anti-discrimination and harassment policy, the commitment to the values of the United Nations International Labor Organization, the occupational health and safety statement, the policy on respecting employees' human rights, the policy on respecting labor rights, the policy on diversity and inclusion, all described in the "Human rights" paragraph above;
- the policy of prohibiting the financing of political parties and advocacy groups; and
- the conflict of interest procedure,

All of these policies are available on our website at www.vusion.com.

Code of Ethics: dissemination and adherence by stakeholders

In order to promote internal compliance with these values and policies, the Group relies in particular on:

- its e-learning training to understand the rules of ethics; teams are trained on ethical business conduct, including on various topics such as money laundering, fair competition, conflicts of interest, passive and active bribery, backhanders and facilitation payments, gifts and invitations, charitable works and sponsorship, as well as the whistleblowing procedure. This training is mandatory for all new hires and is part of the onboarding process;
- its whistleblowing procedure; described below;
- the conflict of interest procedure, (also available on the internal "ServiceNow" platform).

These tools allow everyone to demonstrate and put into practice a good level of judgment in situations where this proves necessary.

In addition, whistleblowing allows everyone to feel comfortable reporting any behavior or issue that appears to conflict with the Code or the Group's policies (see "Focus on the whistleblowing procedure").

The Group has set itself a clear objective: to ensure that each employee signs the Company's Code of Ethics, so that the fundamental values and principles are widely shared and understood. Signature campaigns are renewed each year during the first quarter and during on-boarding for newcomers.

	2023	2022
Code of ethics signature rate	91%*	95%

* Signature campaigns do not yet include recent acquisitions

In terms of external interaction with its partners and suppliers, the group carries out, as part of its sustainable purchasing policy, a detailed assessment of compliance with these main principles among its tier-one suppliers **(see Section 4.5.2).**

Focus on the whistle-blowing procedure

Alert system

Since 2021, a single whistleblowing system has been deployed within the Group, available in French and English for our employees, but also for customers, suppliers, and service providers via a generic email address with two recipients (one senior HR manager and one senior ESG/ Legal Department manager).

The system set up on the internal platform guarantees the principle of confidentiality of reports.

This system makes it possible to collect reports on the existence of behaviors or situations contrary to applicable laws, internal regulations, and the Group's values and principles set out in the Code of Ethics. It also makes it possible to report a behavior or practice anonymously. As indicated in the Code of Ethics and the Whistleblowing procedure, reports can also be sent through traditional reporting channels: the Personnel Department, the legal function, a manager.

All reports are consolidated according to GDPR[3] provisions and are communicated automatically every month to the two managers receiving emails sent to the generic address.

In 2023, two reports were received.

	2023	2022	2021
Number of reports received	2[1]	0	2[1]

[1] Alerts with no internal purpose: this is a report of attempted poaching by competing companies.

[3] GDPR: General Data Protection Regulation

Fight against tax evasion

GRI Code	Topic	SDG	Topic
207-1	Approach to tax		Responsible consumption and production
207-2	Tax governance, control, and risk management		
207-3	Stakeholder engagement and management of concerns related to tax		

In line with ethical business conduct, VusionGroup believes that a consistent and responsible approach to taxation is fundamental to ethical business conduct.

Tax evasion consists of taking steps to deliberately reduce tax payments. Tax evasion takes different forms such as the absence of declaration or the declaration of reduced income and/or results and can be based on sophisticated arrangements, particularly cross-border.

In order to achieve this ambition of ethical business conduct and the fight against tax evasion and in the face of the challenges of an increasingly complex and constantly changing economic and regulatory environment, VusionGroup is committed to:

- adopting ethical tax practices by avoiding any form of aggressive tax planning, abusive tax optimization or artificial tax arrangements aimed at evading taxes;
- not facilitating tax evasion;
- respecting the strictest ethical standards;
- ensuring compliance with applicable laws and tax practices in the countries where the Group operates.

The Group is subject to complex and changing tax legislation in the various countries in which it operates. Due to its international activity, it is subject to transfer pricing rules, which can be particularly complex and are subject to different interpretations. Tax monitoring is carried out, in particular as part of joint initiatives taken at the international or Community level (OECD, G20, European Union).

In particular, incorporation continues within French tax legislation:

i. the principles established by the OECD[4] transfer pricing, tax base erosion and profit shifting (BEPS);

ii. the multilateral convention for the implementation of measures relating to tax treaties to prevent BEPS dated June 7, 2017;

iii. the rules provided for by the Council Directive of July 12, 2016 establishing rules against tax evasion practices directly affecting the functioning of the internal market (the Anti-Tax Avoidance Directive, or ATAD); and

iv. provisions provided for in the proposed directive aimed at establishing a common consolidated corporate tax base (CCCTB), which could increase the tax burden on the Group.

Thus, the Group treats all tax matters concerning it with integrity and transparency and manages tax matters by not resorting to tax evasion and by not creating structures devoid of economic or commercial substance, particularly in countries considered to be tax havens. All operations and transactions performed are based on an economic reality and VusionGroup does not seek to avoid tax through structures provided for this purpose. VusionGroup pays taxes in countries where the business activities generate profits and where value is created, ensuring that the distribution of the profit (loss) within the Group is consistent with the added value created in each jurisdiction. Through its tax policy, the Group wishes to ensure the security of its operations while seeking tax management in compliance with national, European, and international tax standards, laws, and regulations and by applying the OECD principles to transactions carried out within the Group.

The Group also applies these principles to its relations with third parties and will, in particular, refuse any unusual contractual arrangements intended to allow tax evasion by a third party.

[4] OECD: Organization for Economic Co-operation and Development (https://www.oecd.org/en/)

Legal compliance status

VusionGroup did not experience a compliance incident in 2023:

Legal compliance status

Incidents of violations involving rights of indigenous peoples (GRI 411-1)	0
Incidents of non-compliance concerning the health and safety impacts of products and services (GRI 416-2)	0
Incidents of non-compliance concerning product and service information and labeling (GRI 417-2)	0
Incidents of non-compliance concerning marketing communications (GRI 417-3)	0
Substantiated complaints concerning breaches of customer privacy and losses of customer data (GRI 418-1)	0
Incidents of non-compliance with water permits, regulations, or standards	0
Receipt of significant fines for violation of regulations relating to the provision or use of products or services	0
Receipt of fines for environmental damage, or any related litigation	0
Receipt of significant fines or non-monetary sanctions for violation of the law	0
Disputes involving anti-competitive, anti-trust, or monopoly behavior	0

In 2023, the Vusion Group did not experience any of the aforementioned incidents.

Interacting with our stakeholders

Stakeholders dialogue

GRI Code	Topic	SDG	Topic
2-29	Approach to stakeholder engagement		Sustainable cities and communities
203-2	Significant indirect economic impacts		

VusionGroup maintains a regular dialog with its stakeholders using various means of communication and interaction to ensure transparency in its social and societal responsibility initiatives and to meet market and investor expectations. VusionGroup stakeholders are identified as external and internal groups and individuals such as customers, employees, investors, business partners and suppliers, as well as communities and public authorities.

VusionGroup communicates on a regular basis with its many stakeholders *via* numerous methods:

Stakeholders	Expectations	Means of dialog
Customers	• Innovative digital solutions enabling increased value creation by optimizing their operational, economic, and environmental performance • Ethics • Quality of service • Operational excellence • Cybersecurity	• Trade shows and exhibitions • Satisfaction survey [NPS questionnaire] • After-sales service • Customer support • Website • Contractualization support
Partner-distributors	• Collaboration • Long-term relationships • Fair compensation	• Partnership agreements • Business review • Training • Commercial prospecting • Technical and marketing support • Code of conduct
Employees	• Training and development • Change in the best possible environment • Occupational health and safety • Well-being at work (fulfillment and achievement of ambitions) and fair compensation • Ethics • Equity and equal opportunities, diversity, and inclusion • Societal values	• Intranet • Message from the Chairman • Management meetings • Works councils • Health and safety committees • Half-yearly management review process and satisfaction questionnaire [eNPS] • Code of Ethics • Whistleblowing system • Schools and universities
Suppliers	• Occupational health and safety • Balanced economic transaction • Long-term relationships	• Calls for tenders • ESG assessment questionnaires • Safety questionnaires • Regular audits • Supplier Code of Conduct • Whistleblowing system
Investors	• Financial performance (value creation and profitability) • ESG commitment • Clarity, transparency, governance	• Video conferences • Investor interviews • Roadshows • General Meeting • Website and "investors@vusion.com" address • Assessments (ratings) • Universal registration document
Supervisory authorities/ Regulator	• Ethics • Respect for and compliance with laws and regulations • Respect for the environment and safety	• Regular contact with the AMF and tax authorities • Regular statements of formalities; responses to surveys and audits
Communities, society, and the planet	• Positive socioeconomic influence, creating jobs, smart and sustainable solutions • Value creation • Reducing our environmental impact and helping customers and suppliers do the same • Risk reduction • Environmental protection • Human Rights and Ethics • Consumer protection • GDPR	• Website and publications • Group policies • Assessments (ratings) • Recycling process • Launch of partnerships (fight against food waste)

Listening, dialog and integration of all its stakeholders fuel the Group's social responsibility strategy. This regular dialog makes it possible to better understand the changes and challenges, which in turn makes it possible to prioritize them and integrate them into the Group's societal responsibility approach. Stakeholder mapping is regularly reassessed.

Measuring customer satisfaction: VUSION's Net Promoter Score

KPI	GRI Code	Topic	SDG	Topic
NPS	203-2	Significant indirect economic impacts	11	Sustainable cities and communities

At the end of 2020, we launched our "Customer First" program, anchored in our belief that high levels of customer satisfaction and loyalty lead to consumers becoming our greatest champions, recommending us to other potential customers. Thus, the Group is dedicated to fostering a positive experience at every key stage of the customer journey in order to set this virtuous cycle in motion.

The indicator we used is the *Net Promoter Score* (NPS). It is a widely used tool for measuring customer loyalty and satisfaction. It involves asking customers how likely they are to recommend a product or service to others, on a scale of 0-10. Our customer satisfaction survey is deployed worldwide. It is linked to our customer relationship management system and our Power BI analysis tool.

The NPS helps us to measure how customers perceive our service, and how well our business is doing.

With an overall NPS slightly higher than 65 (vs 55 in 2022), VusionGroup is in the upper range of the SaaS and software sector and remains on a clear path toward improvement. This positive NPS has been achieved by adopting a truly customer-centric approach. Since a single negative experience is all it takes to turn a potential Promoter into a Detractor, we have learned to pay careful attention to each customer interaction.

The reasons for customer dissatisfaction change every six months. For each reason, an action plan has been put in place by VusionGroup. However, some issues arise due to the particular context of the electronic components industry every year. The increase in the volume of customers also tends to disrupt delivery times and product availability. All dissatisfied customers are contacted by telephone to ensure that the proposed actions are effective in resolving issues and avoiding their recurrence in the future. The action plans drawn up with stakeholders (customers, partners, etc.) have enabled VusionGroup to increase the NPS result each year.

NPS	**2023**	2022	2021
	65.88	55.31	49.47

The values in this table relate to the value acquired at the end of the year during the NPS H2 campaign of the respective year.

Supported initiatives and organizations

GRI standard	GRI Code	Topic	SDG	Topic
General information	2-28	Membership of associations	11	Sustainable cities and communities

All relations between VusionGroup and political parties and their representatives are guided by the highest principles of transparency and ethics. The Group does not make political contributions (neither in cash nor in kind), carry out lobbying activities or other activities beyond the above-mentioned associative objectives and it does not authorize the reimbursement of private political contributions. Any political commitment or contribution made by Group employees is considered to be personal and entirely voluntary and is in no way supported by VusionGroup.

We support

Memberships

VusionGroup supports several organizations and associations and participates in several round tables and international discussion forums:

- UN Global Compact: VusionGroup is committed to taking into account the 10 key principles to building a more sustainable society in its internal actions and processes. The principles that are particularly applicable to the Company are human rights, labor law, discrimination, environmental protection, and corruption. This commitment is perfectly aligned with the multiple facets of our Positive Retail program;
- VusionGroup has signed the Diversity Charter. Created in 2004, it is a commitment document that can be signed by any employer who wishes to act in favor of diversity and thus go beyond the legal and regulatory anti-discrimination framework. Through this agreement, VusionGroup is committed to promoting diversity. The charter encourages all economic players to adopt practices that promote equality and social justice;

- VusionGroup is a member of the "Women's Empowerment Principles" to promote gender equality and empower women in the workplace, market, and community;
- In addition to responding to its annual campaign, VusionGroup financially supports the Carbon Disclosure Project (CDP) as an "enhanced" supporter.

Economic circle

We have joined the Consumer Goods Forum: the only organization that brings together retailers and manufacturers of consumer goods. Through its global reach, executive leadership, and focus on collaboration between retailers and manufacturers, the Consumer Goods Forum is driving positive change and helping to address the main challenges facing the sector: environmental and social sustainability, health, food safety, and product data accuracy.

In addition, we are a member of the World Economic Forum's Future of Consumption Platform to advance, share, and promote our knowledge of trade developments. The Forum brings together the main political, economic, cultural, and other leaders of society to define global, regional, and sectoral agendas.

VusionGroup is also part of Perifem, which strives to involve all players in the retail sector in order to create a more responsible business ecosystem.

By getting involved in the aforementioned associations, the Group is committed to supporting major causes for the Company and the industry in which it operates, as well as to ESG-related issues.

Cultural foundations & sponsorship

GRI Code	Topic	SDG	Topic
203-1	Infrastructure investments and services supported		Sustainable cities and communities

This year, we are once again supporting the Women Initiative Foundation to promote women in business and the economy in general.

Driven by the desire to act as a corporate citizen, and in line with its passion for innovation, VusionGroup is gradually developing a cultural sponsorship policy, choosing music and the Verbier Festival as the focus of its first sponsorship. In 2023, the Company donated €95,000 to the Verbier Festival's public utility foundation, *via* the Fondation de France.

This choice of music is linked firstly to the universal character of the language that music constitutes. For a company as international and multicultural as VusionGroup, a universal language such as music represents a symbol of our corporate culture. On the other hand, at the managerial level, the orchestra is a magnificent representation of the human organization that makes a company, each playing their own instrument but the ensemble playing a common score in harmony, with a common language that goes beyond cultures and nationalities. As such, it is a powerful metaphor for the global company. This is why music was the first choice for sponsorship.

The Verbier Music Festival is one of the most important international festivals due to the importance of its academy and its role in training musicians, together with Aspen (United States), Tangelwood (United States), Lubeck (Germany) and the Pacific Music Festival. (Japan). The greatest masters perform there each year, and throughout the festival, it is these professional concert performers who are the academy's teachers, making it a privileged place of transmission. For 30 years, around 3,000 musicians of all nationalities have passed through the academy (including many French musicians such as Renaud Capuçon). The alumni of the Verbier Festival Academy now play in the largest orchestras in the world, proof of the major academic and educational importance of the festival. The Academy trains soloists and chamber and orchestral musicians (in three orchestras of different age groups). The festival is also developing a cultural mediation policy to promote classical music among new audiences, as well as international partnerships.

Other 2024/25 cultural sponsorship policy projects:

VusionGroup is working on sponsorship projects and cultural partnerships in the city of Nanterre (where the Group's headquarters is located), in particular with the Théâtre des Amandiers de Nanterre. It is looking at organizing philosophy conferences and other projects with the Works Council.

Net Zero Initiative for IT

VusionGroup joined the Net Zero Initiative for IT (NZI4IT) study group in June 2023, which was organized by Carbone 4 to understand the role of digital solutions in the global carbon neutrality effort.

Carbone 4 supports companies in the transformation of organizations towards decarbonization and adaptation to climate change. As a link between scientific excellence and the economic world, they help their customers understand the emerging world. The Net Zero Initiative is the very first framework for collective carbon neutrality on a global scale. Led by Carbone 4 since 2018, NZI4IT aims to empower companies to transform their activities towards a net zero economy.

The objectives of this research program are:

1) establish a high-level working group of companies, academics, institutions, and experts in the field of IT and climate change mitigation;
2) investigate several topics related to the general question of the role of IT in the global carbon neutrality effort, in particular the issue of carbon avoidance and elimination;
3) publish the results of each work area, producing guidelines and tools that will help all stakeholders understand the role of IT in achieving the global carbon neutrality goal.

VusionGroup will use these studies to implement a reliable and relevant methodology for avoided emissions in 2024.

4.3 Climate strategy: decarbonizing our solutions

VusionGroup has renewed its pledge to the UN Global Compact and confirmed its climate pledge in line with the Paris Agreement, by committing:

- to produce a business model scenario compatible with limiting global warming to less than 1.5°C;
- to work to reduce its carbon intensity, thus contributing to the reduction of CO_2 emissions in the distribution sector;
- to commit in 2024 to the certification of these objectives by the SBTi, which will attest to their alignment with the objective of the Paris Agreement;
- to refine its customers' use cases, to avoid additional carbon emissions.

We have developed several programs in order to address these priorities with concrete solutions as outlined below. We believe that the measurement and scope of our accomplishments are captured in the following reporting standards and KPIs:

The Group obtained ISO 14001 certification in 2022: ISO 14001 certification is the reference tool for taking into account environmental issues, improving environmental performance and its monitoring, and thus contributing to the Sustainable Development Goals (SDGs) of the UN.

4.3.1 Scope 1, 2, and 3 carbon footprint and carbon intensity

Carbon footprint

KPI	GRI Code	Topic	SDG	Topic
Scope 1, 2, and 3 carbon audit and the carbon intensity of our solutions	305	Emissions		Climate Action
	302	Energy		Industry, innovation and infrastructure

Understanding our carbon footprint is the first key step in any decisive action to reduce it. This is why in 2020 we launched a series of ambitious projects to model our carbon footprint comprehensively (Scopes 1, 2 and 3). We are taking responsibility for emissions across the entire value chain, including at the level of our support functions, as well as across the whole life cycle of the product, from the supply of materials to production, including the use, transport and recovery of materials at the end of their life. We completed our carbon audit in 2022 with a view to establishing a solid and strong base from which to draw up a multi-year action plan.

As a reminder, the GHG Emissions Protocol[1] defines the method for calculating carbon emissions and the scopes to be considered:

Scope 1 emissions are those greenhouse gases resulting from fuel combustion from sources we own or operate – like vehicles or natural gas for heating.

Scope 2 emissions refer to those resulting from use of electricity.

Renewable energy generates minimal Scope 2 emissions, whereas burning coal, oil, or natural gas to produce electricity releases carbon dioxide and other greenhouse gases into the atmosphere.

Scope 3 emissions correspond to all other indirect emissions that occur in a company's value chain, including upstream and downstream activities: more specifically, the life cycle analysis of all products marketed by the Group, from mining to industrial assembly, from the packaging and transport necessary for each of these stages to the

[1] GHG Protocol: Greenhouse Gas Protocol (https://ghgprotocol.org/)

emissions caused by the use by customers and the end of life of these products. Scope 3 also includes carbon emissions from the goods used (offices, warehouses), servers, emissions related to employee travel both through business trips and for home-work journeys, and finally, purchases of goods and services.

The VusionGroup's carbon footprint is detailed below (values are rounded): unsurprisingly in our technology business sector, the life cycle of our products represents the major part of this footprint.

Ton eq. CO_2	**2023**	2022 revised *	2022
Scope 1	645	682	562
Scope 2	449	427	418
Scope 3	135,871	100,321	121,200
TOTAL	**136,965**	**101,430**	**122,180**

* The 2022 carbon assessment was refined in 2023 with a higher degree of certainty, in particular in terms of reconciliation of categories 3.1, 3.4, 3.11, and 3.12 with the consolidated revenue for the fiscal year and the corresponding number of IoTs sold. For Scope 1, the reporting work on consumption and the number of vehicles in the company fleet was also reviewed and made more reliable. VusionGroup measures the carbon footprint of its activities, that of its employees, and its energy consumption on scopes 1, 2, and 3 according to the general framework proposed by the GHG Protocol. Carbon accounting, common to all Group companies, is based on international standards: GHG Protocol, International Energy Agency, ISO 14064-1-2016.

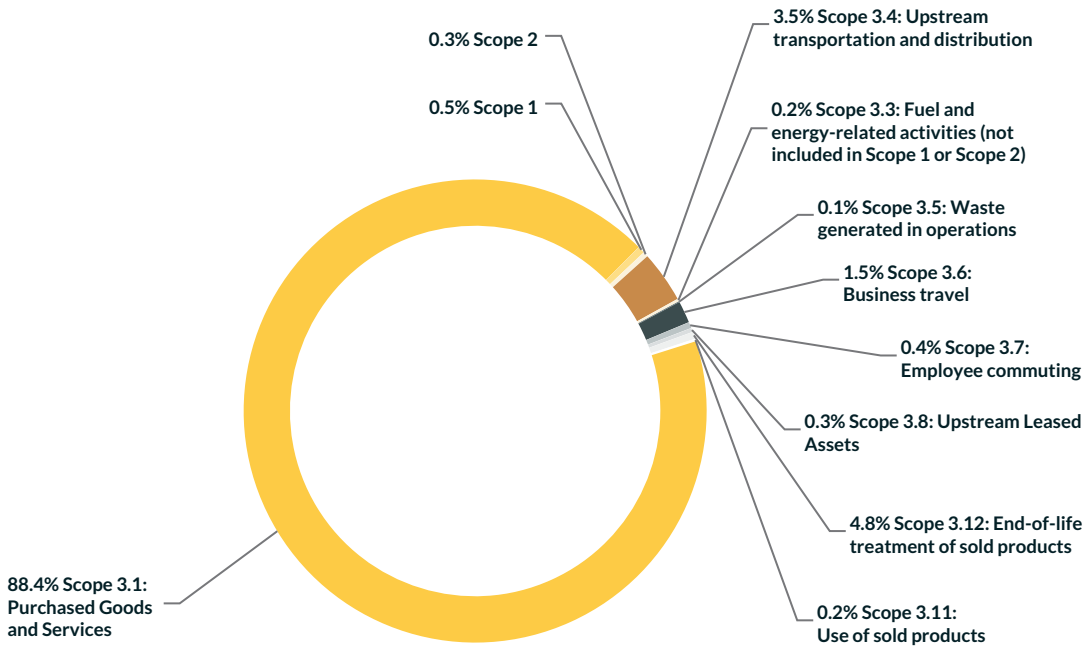
The data for all Group subsidiaries are consolidated to produce the statement: we aggregate the greenhouse gas emissions by corresponding item for each of our offices and subsidiaries around the world. More information can be found in the methodological note in Section 4.7 (indicator 2).

The change between the two fiscal years 2022 revised and 2023 is mainly due to:

- scope 3: revenue growth (+30%), resulting in the corresponding increase in products and services purchased, upstream transport of goods and distribution, use of products sold, end-of-life of products sold;
- scopes 2 and 3: increase in headcount (+39%) under the combined effect of internal and external growth (entry into the consolidation scope of Belive and Memory):
- a slight increase in business travel, commuting, waste generated, upstream leased assets consisting of the Group's vehicle fleet;
- leasing of new offices, particularly in the United States (increase in scope 2: indirect emissions related to electricity consumption);
- scope 1: reduction in gas consumption in our main warehouse, as a result of several cost-saving measures taken in 2023;

The carbon footprint of the core business (i.e., the production of IoTs) is significantly marked by the contribution of the raw materials necessary for the manufacture of the various electronic components (about 88%), such as the PCB (Printed Circuit Board) which is predominant.

Electronic components have a significant impact on climate change because they require a large number of steps between mining, mineral processing, metallurgy, heavy chemicals, fine chemicals, which consume energy and water.



Scope 1 and 2 and Scope 3 reduction ambitions

KPI	GRI Code	Topic	SDG	Topic
Measures taken to promote scope 3	305	Emissions		Climate Action

In 2022, the Company established a carbon intensity indicator to measure the carbon efficiency gains of its business model and all initiatives undertaken throughout the value chain. Although the carbon reduction ambition is expressed in terms of created added value, the CSRD[(2)] requires the establishment of this ratio on revenue:

	2023	2022 restated	2022
Scope 1, 2, and 3 carbon footprint and carbon intensity	136,965	101,430	122,180
Adjusted revenue* (€ M)	806	621	621
Carbon intensity (T eq. CO_2/ M€ of revenue)	170	163	197

* Adjusted financial data is defined in section 5 of this 2023 URD.

This carbon intensity shows a slight increase between 2022 and 2023, (+4%) due to the larger size of the labels in 2023 within the product mix. VusionGroup has defined the desired trajectory of its carbon intensity calculated on revenue and is continuing to work towards a target reduction of -40% by 2027. The introduction of the new EdgeSense range is a major lever for progress, the effect of which will be measured from 2024.

In 2023, VusionGroup also committed to the Science-Based Targets Initiative and will submit its objectives for validation in 2024.

This decision introduces a new methodology for calculating carbon intensity (based on a value-added indicator or variable cost margin and no longer on revenue) as well as a new trajectory of at least -51.6% by 2030.

	2023	2022 restated	2022
Scope 3 carbon footprint only (metric tons of eq. CO_2)	135,871	100,321	121,200
Value added [Adjusted Variable Cost Margin] (€ M)	206	131	131
Carbon intensity (T eq. CO_2/€ M of margin)	661	763	922

* Adjusted financial data is defined in section 5 of this 2023 URD.

After increasing the degree of certainty of the calculations relating to the 2022 carbon footprint (see 4.3.1), the first performance of the progress made in the 2022 reference year can be measured: -13.4% reduction in carbon intensity.

As a reminder, the Science-Based Targets initiative is a joint project between the Carbon Disclosure Project (CDP), the United Nations Global Compact, the We Mean Business Coalition, the World Resource Institute (WRI) and the World Wildlife Fund (WWF).

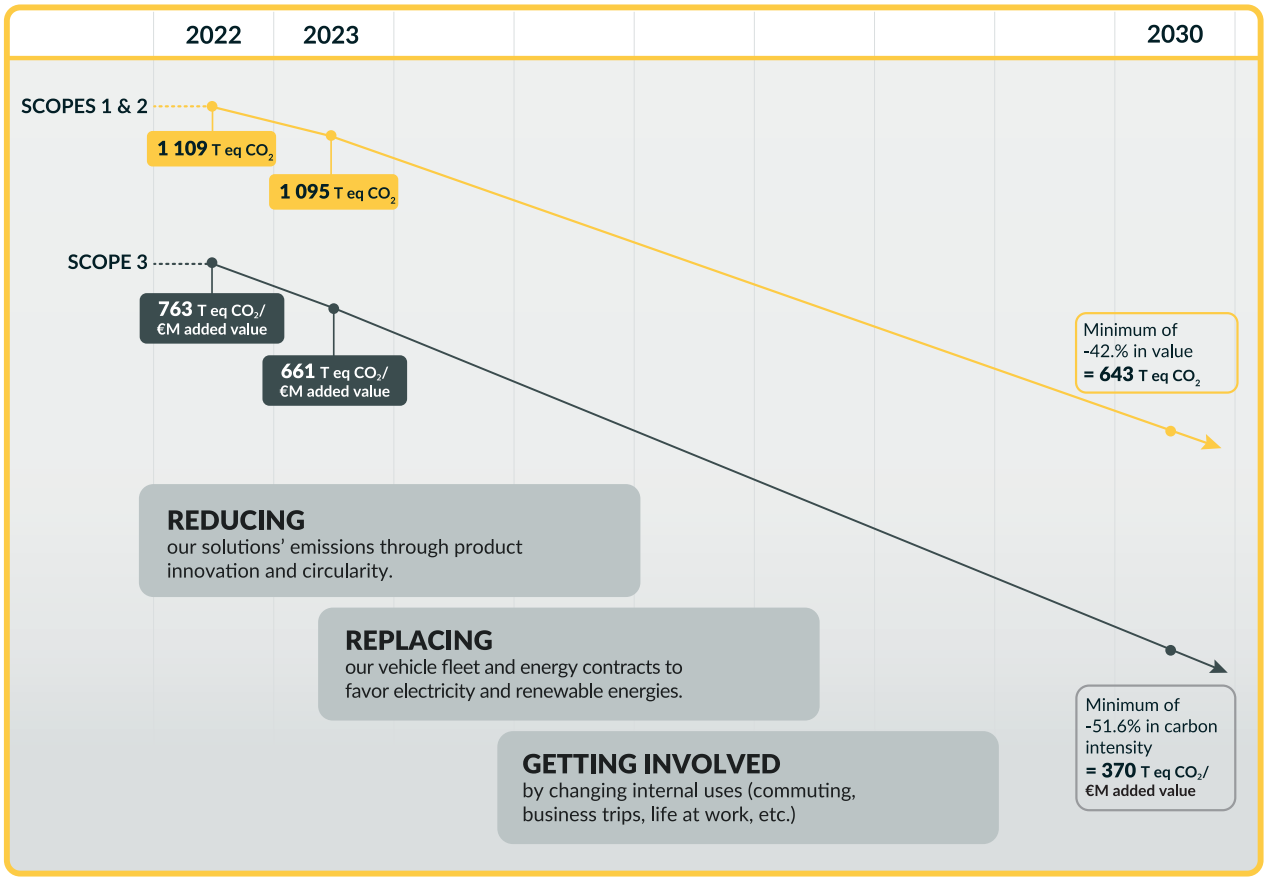
It offers a label and recognition to companies that define an ambitious plan to reduce their carbon footprint and thus contribute to compliance with the Paris Agreement.

In addition to the intensity objective in its Scope 3, the SBTi requires companies to commit to reducing their Scope 1 and 2 in absolute terms by a minimum of -42%.

(2) Corporate Sustainability Reporting Directive

Commit to contributing to the achievement of the objectives of the Paris Agreement

« Objectives to submit for approval in 2024 »



Carbon offsetting

VusionGroup remains committed to its environmental responsibility obligation, choosing not to use carbon offsetting as part of its sustainability strategy.

At this stage of our organizational development, we are focusing on reducing emissions through proactive and direct actions on our Scope 1, 2, and 3 GHG[3] emissions. This approach demonstrates our commitment to making tangible contributions to the mitigation of our carbon footprint, without using carbon credits counted as emission reductions. This approach is the one required by the Science-Based Targets Initiative (SBTi).

By renouncing the use of carbon offsetting, VusionGroup is being proactive in addressing its impact on the environment rather than relying on external measures to offset its emissions.

This approach is aligned with our principles of transparency and social responsibility. We have a long-term vision consisting of sustainable business practices and sustainable innovation, as we actively seek solutions to minimize our environmental footprint.

By choosing the path of proactive environmental responsibility and prioritizing direct emission reduction strategies, VusionGroup is positioning itself as a leader in a more virtuous future.

(3) Greenhouse gases

4.3.2 Decarbonizing our offering

KPI	GRI Code	Topic	SDG	Topic
Number of patents contributing to the SDGs	305	Emissions	12	Responsible consumption and production

VusionGroup implements the reduction of its greenhouse gas emissions at several stages of the life cycle: during the design, delivery, use and end-of-life phase.

Research and Development is an essential part of the Company's strategy. VusionGroup continuously invests to remain the market leader thanks to an innovative and low-emission offer compared to its competitors.

In 2023, 712 patents were active on +137 different families.

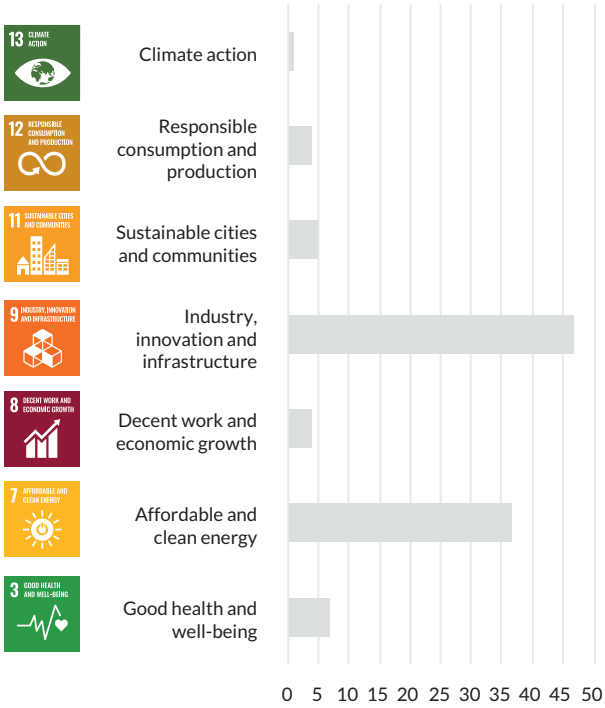
VusionGroup patent families contributing to the SDGs[1]

Our intellectual property protection team analyzed the number of VusionGroup patent families that contribute to the 17 Sustainable Development Goals. Out of 137 patent families, 56 (representing 41% of our patent families) contribute to the following SDGs:

SDG 3: Good health and well-being (see section 4.5)

SDG 7: Affordable and clean energy (see section 4.3)

SDG 8: Decent work and economic growth (see section 4.5)



SDG 9: Industry, innovation, and infrastructure (see section 4.3)

SDG 11: Sustainable cities and communities (see section 4.5)

SDG 12: Responsible consumption and production (see section 4.4)

SDG 13: Climate action (see section 4.3)

Most of our patents contribute to SDGs 9 and 12, with 47 and 37 patent families, respectively. Please note that several patent families contribute to more than one SDG.

Our DNA: low-carbon solutions from the design phase

"The development of sustainable products is in our DNA. VusionGroup has always designed low-carbon products, both in terms of their eco-design and their use. Our latest innovation, EdgeSense, is a perfect illustration of our commitment: rail labels pooling a single energy and control source and emitting -30% to -50%[2] of CO_2 equivalent compared to traditional ranges, while offering our most innovative digital functionalities."

Andreas Rössl
Chief Technical Officer

(1) SDGs: Sustainable Development Goals (https://sdgs.un.org/fr/goals)
(2) The GHG emissions of an equivalent number of EdgeSense rail labels and traditional labels are compared here.

Ultra-low consumption IoT

KPI	GRI Code	Topic	SDG	Topic
Life cycle analysis	301	Materials		Industry, innovation and infrastructure
	302	Energy		Climate Action
	305	Emissions		
Number of patents dedicated to low-carbon IoT	305	Emissions		Responsible consumption and production
	302	Energy		Affordable and clean energy

The Group has unparalleled expertise in color e-Paper (electronic paper), a display technology that we use. It mimics the look of paper and consumes minimal energy. The electronic ink-based displays (EPD) use the same ink as the traditional printing industry. They consist of tiny capsules filled with particles loaded with ink. After applying the correct electrical charge, an EPD creates high-resolution images with the same level of contrast and readability as a printed medium. Once the text and images are visible, the EPD no longer needs energy to maintain the display (bi-stable technology). Our DTP (direct thermal printable) labels use a dual-transistor pixel, a patented process that demonstrates additional expertise in low-energy displays.

Our R&D works continuously on reducing this low power consumption and on redesigns to ultimately make these ESLs battery-less.

Providing a cloud-based solution to our customers

VusionGroup created the VUSION Cloud Retail IoT platform to help retailers accelerate their digital transition and transform their physical stores into true digital, automated, and data-driven environments connected to consumers and suppliers.

Both Cloud computing and sustainability are emerging as transformative trends. Cloud computing is defined as large-scale online shared IT infrastructures. It is revolutionizing the way in which IT services are provided and managed in companies. Cloud computing makes it possible to collect, store and analyze huge quantities of data, reduce the total costs of ownership of IT, and increase business agility. These new trends also enable us to reduce our environmental impact: since 2018, we have begun to reduce our infrastructure and on-premise IT resources in favor of cloud-based and serverless solutions. With 81.8 million Cloud-connected ESLs in 2023 compared with 50 million in 2022 and 31 million in 2021, we have built the first global physical retail IoT platform. The VUSION platform is hosted on Microsoft's Azure cloud, which has committed to powering 100 percent of its data centers with renewable electricity by 2025 (Microsoft_Cloud_Carbon_Study_2018, updated 2020).

Our Cloud solution is based on four key factors.

	Factor and benefits	Technology
1	**Dynamic provisioning of resources:** optimization of active servers enables energy savings of up to 47%.	Based on latest technologies to provide capacity on-demand; able to activate resources when they are needed, independent of server capacity. New servers and computing resources are automatically activated when there is a peak in demand. Capacity resources are disabled when "idle threshold" is reached.
2	**Multi-tenancy:** allows many users in one building to utilize less power overall than the same number of users each using their own infrastructure	SaaS delivery architecture that enables all clients to access the same software on one or a set of linked servers. By combining demand patterns across many organizations, the peaks and troughs of computer resource requirements flatten out, reducing the need for additional infrastructure.
3	**Server utilization:** increasing resource utilization rates (from current low levels of 10 to 20%) to significantly improve energy efficiency	Applications based on serverless architectures so that computing power, storage, networks and security are distributed among the available services; the virtual distribution of software ensures that various applications run "separately" on a physical host, leading to greater data center efficiency. Eco-designed friendly software that uses more energy-efficient algorithms, reducing execution time, memory utilization and unnecessary features, and optimizing the volume of generated data.
4	**Partnership with Microsoft Azure**	Very clear and ambitious goals for the environmental footprint of data centers.

Pooling of infrastructures

VusionGroup has forged partnerships with the main manufacturers of Wi-Fi technology to simplify its solutions and avoid any proprietary or additional infrastructure for connecting its IoTs. Our IoT communication protocols are now integrated into Wi-Fi access points. As a result, next-generation highspeed Wi-Fi deployments ensure the convergence of all back office and store connectivity needs. Stores' investments in equipment and services are considerably reduced and their return on investment is amplified while significantly limiting the carbon footprint of the solution (saving on a dedicated infrastructure).

Today, the Group has a powerful technological ecosystem and international alliances with all the major global manufacturers, such as Cisco Meraki, Aruba, Huawei, Lancom, Mist Juniper, Extreme Networks, Fortinet, etc.

Improvements made to packaging and logistics

VusionGroup is committed to the climate while gaining competitiveness over the long term by reducing the carbon impact of its supply chain. Our initiatives focus on the recyclability of all our packaging consumables as well as the development of upstream and downstream rail transport, supporting our road transport service providers in the renewal of their vehicle fleet in favor of vehicles that comply with the strictest standards, and researching innovative solutions to optimize flows and limit CO_2, particularly over the last mile."

Grégoire Albaut
Head of Logistic Group

KPI	GRI Code	Topic	SDG	Topic
Packaging improvements	301	Materials		Responsible consumption and production
Inbound logistics carbon footprint	305	Emissions		Climate Action

We have leveraged the efficiency of our supply chain to decrease the volume of packaging used in the shipment of our products. Close cooperation with one of our industrial partners in Southeast Asia has resulted in packaging optimization, including a reduction in the boxes' volume, the removal of protective plastic sheets from the label screens and, the use of recyclable material for all of the final packaging of electronic devices. In addition to reducing the weight and volume of packaging, this has significantly improved shipping container filling rates and the number of shipments. It has also led to an increase in the load density of pallets, and a reduction of the carbon impact per ESL transported.

The initiative began in 2021. The 2023 audit in kilograms, for journeys from production facilities to warehouses only, for our three best-selling ESL SKUs is presented in the table below:

Report for the 3 best-selling SKUs	PE bag reduction (kg)	Cardboard reduction (kg)
TOTAL	**56,338**	**212,152**

To take things even further, VusionGroup has also set itself the target of using 100% recyclable consumables for all packaging. As the cardboard is already recyclable, the issue is the adhesive tapes and the label holder containing the shipping details. VusionGroup switched to recyclable label holders during 2023. The roll-out of recyclable adhesive tapes is planned for 2024.

Regarding inbound freight from our EMSs (Electronic Manufacturing Services: industrial partners for the assembly of our electronic equipment) in Asia, we have continued to monitor the logistics mix between air freight, road transport, maritime cargo and train transport, so as to favor these last two modes of transport. From October 2023, goods transportation by rail became possible in China, which was not the case previously. The train is by far the least polluting mode of transport, so it will become our main focus in 2024.

Our partner is a leader in the Eurasian transport market and is very committed to its multimodal mix. Air transport is only used in the case of an emergency or necessity (commercial prerogatives, temperatures that are too extreme on the China-Europe route over defined periods of time).

We optimize delivery routes as much as possible in order to reduce our logistics footprint as soon as possible.

This mix of transport methods is taken into account in the carbon footprint calculations detailed in section 4.3.1.

4.3.3 Decarbonizing our solutions: Circular economy

KPI	GRI Code	Topic	SDG	Topic
Number of labels recycled and reporting of waste issued	301	Materials	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Responsible consumption and production
	302	Energy		
	305	Emissions	13 CLIMATE ACTION	Climate Action
	306	Waste		

Eco-design, recycling, and reuse of shelf labels

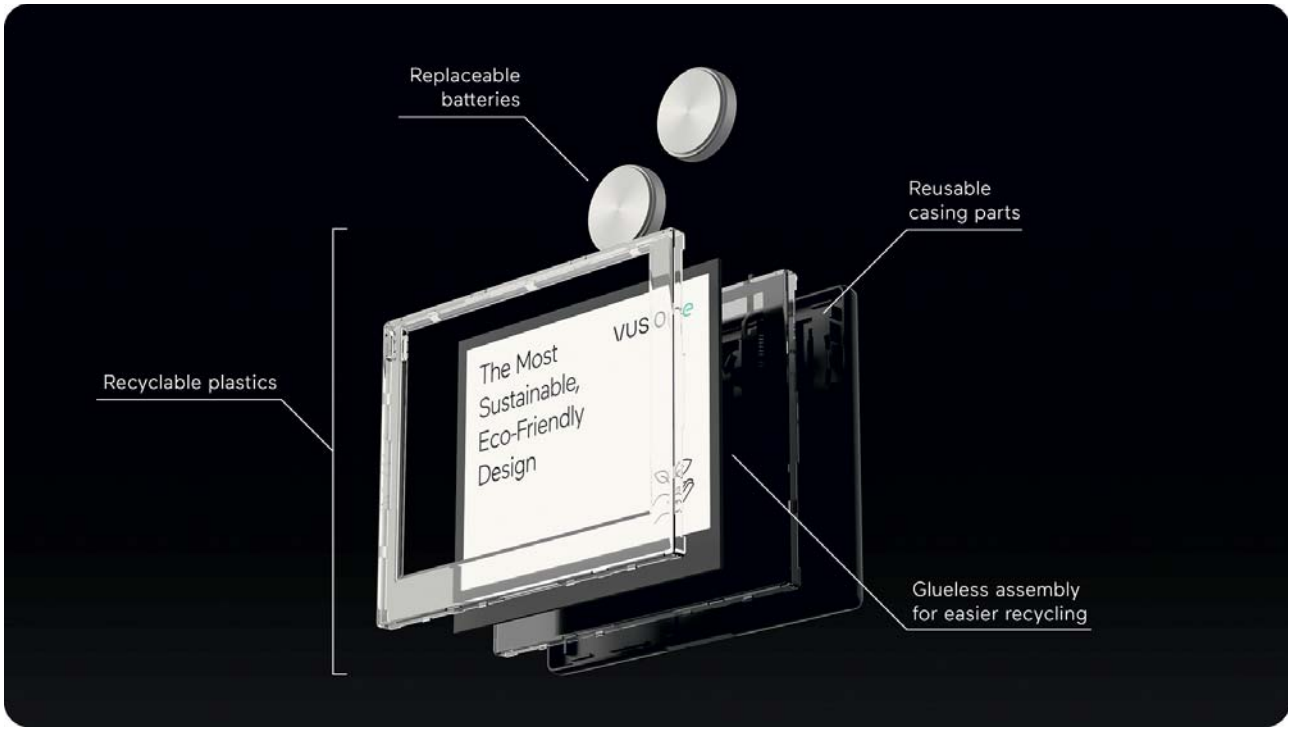
Eco-design has been at the heart of VusionGroup's expertise since its creation. In 2016, the Group launched a flagship program aimed at leveraging the circular economy throughout the label's life cycle, from its design to the supply chain, including its refurbishment and recycling. The energy transition of the sector will not take place without good circularity of resources.

The Group has a clear objective: to make the label a product that generates little waste and has a minimal carbon footprint. The labels are designed so that they can be repaired, refurbished (ease of disassembly, availability of spare parts, price of spare parts and associated services), and then recycled.

Thanks to better energy management, the increased use of recyclable materials, and improvements made to the production, refurbishment, and recycling processes, VusionGroup is focusing on innovations that emit less emissions, both during the design phase and the operating phase.

> ***Extending the life of technical and electronic devices, refurbishing our products, optimizing waste management, etc., all these elements are key to achieving a circular economy, without which the sector's energy transition will not take place. Our Second Life ESL program is now a strategic pillar in our business plan and will be expanded in the coming years."***

Pierre Demoures
SEVP & COO (Global Sales and Customer Services)



Second Life ESL

When a customer replaces an old generation label with a new one, we collect the old labels and determine whether they should be refurbished, recycled, or destroyed.

The retiring generation of ESLs to be reused or recycled is carefully inspected and sorted with the aim of recovering the components that can be reused, and to carry out the necessary repairs to supply a specific channel with "second life" labels.

Our internal recycling flow centralizes the reverse logistics for used ESLs at two major partner sites of Ingram Micro Lifecycle (one in France and one in Poland). Ingram Micro Lifecycle maintains third-party certifications for the compliance of its management programs, including ISO 14001, ISO 9001, ISO 45001, and others such as TAPA. FSR. In addition, Ingram Micro Lifecycle's sites focus on the retirement of electronic assets to ensure data security, regulatory compliance, and environmental and social responsibility through R2, e-Stewards and others certifications. Ingram Micro Lifecyle has been awarded the EcoVadis Platinum medal for four consecutive years.

The refurbishment of labels is a crucial component of the Group's decarbonization strategy. When a label is refurbished, its lifespan is doubled.

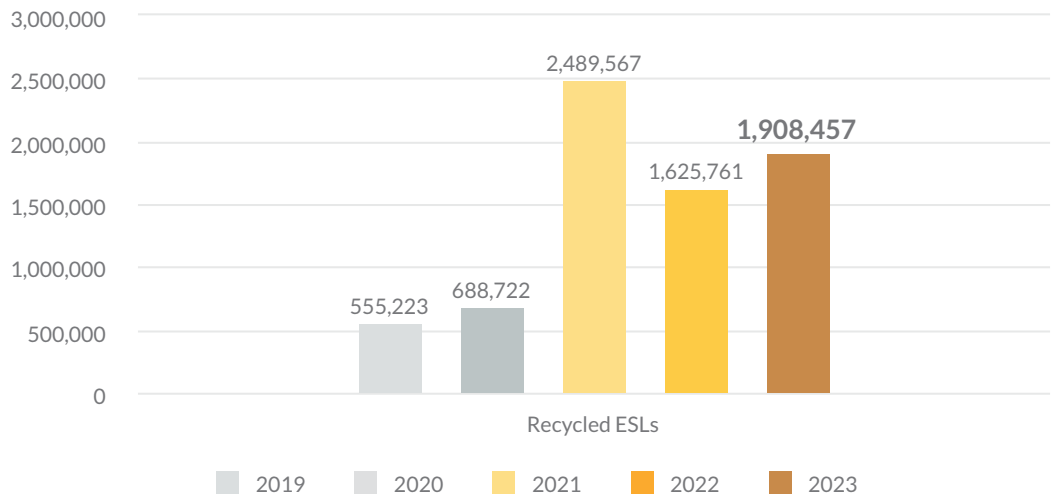
The numbers speak for themselves: a refurbished label emits 40% of greenhouse gas emissions[1] and requires 47% fewer resources compared to a non-refurbished label[2].

VusionGroup is therefore making this program a priority.

Our target of recycling 15 million labels per year by 2027 is based on the following renewal forecasts:

To date, this ESL Second Life process has primarily involved our customers in Europe, which is home to most of our mature markets. In the coming years, customers located in Asia and North America will begin the switch to new generation ESLs, thus triggering the same type of reverse logistics flows. We will endeavor to organize these flows in Europe and North America, as close as possible to the markets, so as to avoid too much transport-intensive return logistics.

Note: Recycling statistics vary according to our customers' projects and their schedules. We are therefore dependent on our customers' decisions to dispose of their fleet of old-generation labels.



From 2024, VusionGroup will launch a pilot phase of a new and more laborious industrial recycling process requiring a return to the factory for the recovery of components needed to produce the new labels.

Electronic waste management

The European Union has enacted several directives in order to address the distinct environmental challenges related to e-waste, batteries and packaging waste. The overarching objectives of these guidelines are to reduce the generation of electronic waste, promote product recycling, ensure the proper handling and treatment of hazardous materials, and set targets for waste collection.

Each European country has implemented its own compliance system to effectively manage electronic waste, batteries, and packaging components. By diligently fulfilling its reporting obligations and making payments to these compliance systems, VusionGroup actively contributes to environmental protection efforts throughout the EU. This commitment underlines our responsible business practices and our role in supporting the broader sustainability objectives defined by national compliance initiatives.

(1) The total emissions of a refurbished label include those produced for its first life, plus the emissions required for its refurbishment.
(2) Life cycle analysis carried out in 2021 by an environmental engineering firm.

For our readers who are not familiar with this European regulatory system: European rules require a prior funding future destruction of end-of-life products. These systems are based on the principle of extended producer responsibility, according to which producers, i.e. those responsible for marketing certain products, can be made responsible for financing or organizing the prevention and the management of waste from these end-of-life products. Taking the example of this European system of financing electronic waste, batteries, and packaging according to the weight of the latter placed on the market during the fiscal year, the table below summarizes the quantities placed on the market in Europe and North America, during the 2023 fiscal year:

Marketed weight (in kg)	Type of waste	**2023**	2022
IoT electronic waste WEEE	hazardous waste	4,604,938	3,872,821
Cells and batteries		1,190,118	966,287
Packaging	non-hazardous waste	895,971	765,455

The Group's information systems enable the reporting of these quantities for a scope representing 93% of the Group's revenue in 2022 and 95.5% in 2023.

4.3.4 Decarbonizing our organization

Optimizing employee travel and incentives to reduce carbon footprint

KPI	GRI Code	Topic	SDG	Topic
Measures taken to protect the scope 1 environment	305	Emissions		Climate Action

The mobility of our employees is one of the emission factors within the Group, including company cars, home-work commuting and business travel. To meet this challenge, VusionGroup has implemented strategies for each of these items:

1) Company cars: for several years, we have favored hybrid or electric engines over internal combustion engines when renewing our vehicle fleet. This transition should result in a predominantly electric fleet by 2030.

The details of this breakdown are given below. We can already see the increased number of vehicles equipped with hybrid or electric engines.

	2023			2022 revised*			2021	
Number of vehicles by engine type	**Electric engines**	**Hybrid engines**	**Combustion engines**	Electric engines	Hybrid engines	Combustion engines	Hybrid or electric engines	Combustion engines
In %	8%	24%	68%	6%	18%	76%	22%	78%

* the vehicle count in 2022 has a better degree of reliability.

This strategy is aligned with our Scope 1 emissions reduction targets.

2) Emissions generated by commuting: our efforts also include a two-day-a-week teleworking policy for the majority of our employees, which avoids recurring daily commutes (see section 4.5.3). In addition, office premises are chosen based on their accessibility by public transport, in order to enhance recruitment and reduce the carbon audit of employees' home-workplace travel. The Group has also set up a "sustainable mobility package" to offer a mileage allowance to employees traveling to work by bicycle or scooter.

In addition, we have invested in video-conferencing equipment for the meeting rooms. These investments promote efficient and inclusive meetings and also minimize employee travel emissions.

3) Business travel: we will use a travel agency covering the entire Group in 2024. This will help us optimize reporting and define clear and consistent guidelines across all countries.

Business waste

VusionGroup recognizes the importance of waste management. In each of the Company's premises around the world (offices and warehouses), everyday household waste is the most important to manage. When processing this waste, the Group complies with the laws and regulations in force in each country and the company's environmental policy. It is collected by local waste management teams and sorted according to the system specific to the country in question.

This waste management policy also applies to technical equipment (computers, peripherals, etc.) that are no longer needed within VusionGroup. Our strict policy prohibits the disposal of any type of equipment through dumpsters, dumpsites, or landfills. It requires for this equipment to be collected by qualified manufacturers under contract for disposal: we use the service provider Ingram Micro for all VusionGroup IT equipment.

To reduce waste production, VusionGroup has set up awareness-raising campaigns in its premises: for example, "Reduce, Reuse, Recycle" posters. The Group also distributes equipment including a reusable cup, a tote bag, and a water bottle to each employee.

The Group has also set itself the goal of totally eliminating the use of plastic bottles at events or customer meetings held at the premises.

Water and energy consumption at our corporate offices: the impact on our carbon audit is not deemed significant

The amount of water used by VusionGroup comes mainly from its premises (offices and warehouses). None are located in a protected area. As a result, the Group does not use water from restricted or protected areas, or watersheds. Municipal water is the only water source used. The majority of water consumption is for domestic use by employees.

We have no significant environmental impact on water sources or the watershed ecosystem, and we have not abstracted water from areas under water stress. The domestic gray water generated is treated by discharging it directly into the systems in accordance with the law.

VusionGroup recognizes that water is a limited and invaluable vital resource and adheres to Sustainable Development Goal 6 "Ensure the availability and sustainable management of water and sanitation for all". In response to this, we are working to ensure that water is used sparingly in our offices around the world. Indeed, VusionGroup takes measures to reduce water consumption by educating and engaging its employees on best practices through internal communication programs.

4.3.5 TCFD (Task Force on Climate-Related Financial Disclosures) reporting

For the purpose of presenting its climate strategy in accordance with international recommendations, VusionGroup has presented its strategy below, along with its risk management and its ambitions in terms of climate strategy according to the TCFD format (the governance having been detailed in section 4.2.3).

Recommended information	References	Brief description
Governance		
Describe the organization's governance in relation to ESG and climate risks and opportunities.		
Monitoring of climate-related risks and opportunities by the Board	Section 3 and section 4.2.4 of this report	• The Group's climate strategy was presented and discussed in 2023 with the ESG, Nomination and Remuneration Committee and in 2024 with the Strategy and ESG Committee following the Board's decision in December 2023 to appoint a new specific committee to oversee the Group's climate strategy. • VusionGroup's International Advisory Board - composed of industry and financial leaders from the private sector and senior managers of European public sector entities - also reviews the Company's climate strategy and objectives. • The Chairman and CEO oversees the implementation of the climate-related action plans through monthly meetings with the main contributors.
Management's role in assessing and managing climate-related risks and opportunities	Section 4.2.4 of this report	• Thought leadership: VusionGroup management actively participates in the global dialog (World Economic Forum, Davos Forum, COP28, etc.) on the digital transformation of the retail sector and how it contributes to the decarbonization of the segment as a whole. • The VusionGroup's management is committed to building a business model in line with the Paris Agreement in order to limit global warming to a level below 1.5°C, and in compliance with the United Nations guidelines. On the strength of this commitment, the Group's strategy is to implement its "Positive retail" roadmap: 1) decarbonize its solutions, 2) calculate the avoided emissions of its customers through use cases of its solutions. • The Group's management assesses the risks and opportunities related to climate change by: 1) reviewing the carbon emissions of its own activities; 2) taking into account customer use cases (assessment of the positive impact of the Group's solutions on its customers' carbon footprints) and 3) assessing the potential impact of climate-related risks on its assets, business and value chain. • The objectives and activities of the contributing departments are established with the ESG department, which oversees the Company's ESG efforts, including the climate strategy. It is in the area of innovation and eco-design of low-carbon products, steered and developed by R&D, that the Company makes the most positive contribution to climate issues. • An action plan covering the objectives related to climate change, as defined above, has been developed in collaboration with the R&D department, after-sales service, logistics, and ESG (carbon footprint calculation campaigns, life cycle analysis prior to any product launch, ESL recovery and recycling campaigns, carbon intensity measurements). Opportunities are carefully assessed by the marketing and sales departments based on customer use cases, and the Group offers solutions to reduce their greenhouse gas emissions in stores. A personalized offer is submitted after the identification of each opportunity.

Recommended information	References	Brief description		
Strategy				
Describe the actual and potential impacts of climate-related risks and opportunities on the organization's business, strategy, and financial planning when this information is significant.				
Climate-related risks and opportunities identified by the organization in the short, medium, and long term		**Risks**		
			Transition risks	**Physical risks**
	Section 2 of this report	**Short-term**	**Reputation** • All VusionGroup stakeholders expect action on climate change. Not responding to these expectations constitutes a risk factor that could affect the Group's reputation.	**Group sites** • An analysis of climate risks, in addition to an analysis of natural disasters, was carried out in early 2024 in order to understand the Group's exposure and identify risk management actions.
		Medium-term	**Financial** • As we transition towards a more sustainable economy, one major challenge relates to potential new regulations enforcing a global or regional carbon pricing system which would have direct financial consequences on all companies.	**Supply** • If the global ecological transition does not happen quickly enough, rising temperatures, droughts, and climate disasters (particularly floods) could have a direct impact on our upstream supply and industrial assembly chain.
		Long-term	**Financial** • If our supply chain is affected in terms of its organization and costs, a price increase should be considered	**Supply and energy** • If the global ecological transition does not happen apace, rising temperatures and water scarcity could have a direct impact on our upstream supply chain as well as the energy supply for our data centers.
	Section 4.2 of this report	**Opportunities** • "Positive retail" project: managing the digital transformation of the retail sector The Group has developed a complete digital IoT platform that allows retailers to connect and digitize their points of sale, automate low value-added processes, better understand, inform and serve customers, and produce quality information to optimize at shelf life at all times, avoid disruptions and waste, and create an omnichannel service that builds loyalty and is adapted to new consumer expectations. The Group's development of cutting-edge solutions responds to the strong customer demand for these technologies, as evidenced by the organization's continued double-digit growth. VusionGroup's "Positive retail" strategy aims to amplify the Group's leading role as a provider of solutions for the decarbonization of the physical retail sector. • The "employer brand" associated with sustainable development Companies that take a fundamental and ambitious approach to tackling climate change are received positively by millennials and younger job seekers, putting VusionGroup at an advantage in terms of talent recruitment and retention. • Increased visibility on capital markets As part of their allocation policy, some investment portfolios favor companies that provide decarbonization solutions for industry and services. VusionGroup's contribution to the decarbonization of physical retail should allow it to benefit from this growing pool of investors. "Positive retail" project: driving the digital transformation of the retail sector.		

Recommended information	References	Brief description
Impact of climate-related risks and opportunities on the organization's activities, strategy, and financial planning	Section 4.3 of this report	**Risk-related investments and expenses** Capital expenditure (Capex): Financial planning ensures that sufficient capital is allocated to R&D to advance low-carbon IoT research and development projects. The business plans include a "carbon intensity" component in order to guarantee a product and service mix that makes a positive contribution to the environment. A recent example of sustainable investment in the field of innovation, the EdgeSense project (VusionGroup's new shelf digitization system), required an investment of €22 million in 2022 and €37 million in 2023. EdgeSense is a more resource-efficient and energy-efficient way to deploy electronic labels (ESL). Rather than using several individual electronic labels (ESLs) containing their own battery, a "smart" rail centralizes and supplies the energy and data necessary to six or seven "passive" ESLs placed on the rail. This new proprietary system was initially designed at the request of a major US retail customer. Operating costs/expenses: • Workforce To develop the ESG strategy, the Group has set up a dedicated team of three people. • Consultancy fees for ESG and climate-related topics Our annual budget includes consultancy fees for ESG and climate-related topics. These services are provided by recognized specialists and cover activities such as life cycle analysis, carbon footprint measurement, avoided emissions modeling, review and audit of our indicators and reporting documents. • Audit expenses European environmental regulations have resulted in consulting and auditing expenses to ensure compliance with the Taxonomy. • Eco-contribution costs (marketing-related expenses) An eco-contribution tax is imposed in several European countries as a prerequisite for the eventual destruction of VusionGroup IoT devices at the end of their life, in accordance with industry standards, and the safe recycling of the lithium batteries used in our ESLs. **Opportunities:** • Business development opportunities Thanks to its range of low-carbon products and services, the Group has won numerous contracts and calls for tenders. A clear climate strategy is welcomed and increasingly requested by existing and potential customers. • Financing opportunities The Group's climate strategy played a role in the refinancing of part of our debt in 2023. The conditions of certain new loans include the achievement of objectives related to the climate strategy such as: 1) the reduction of absolute greenhouse gas emissions of Scopes 1 and 2; 2) Scope 3 intensity reduction as measured in relation to the Company's added value and 3) the number of ESLs recycled for resale or a 2nd life (one of the main components of VusionGroup's circularity strategy).

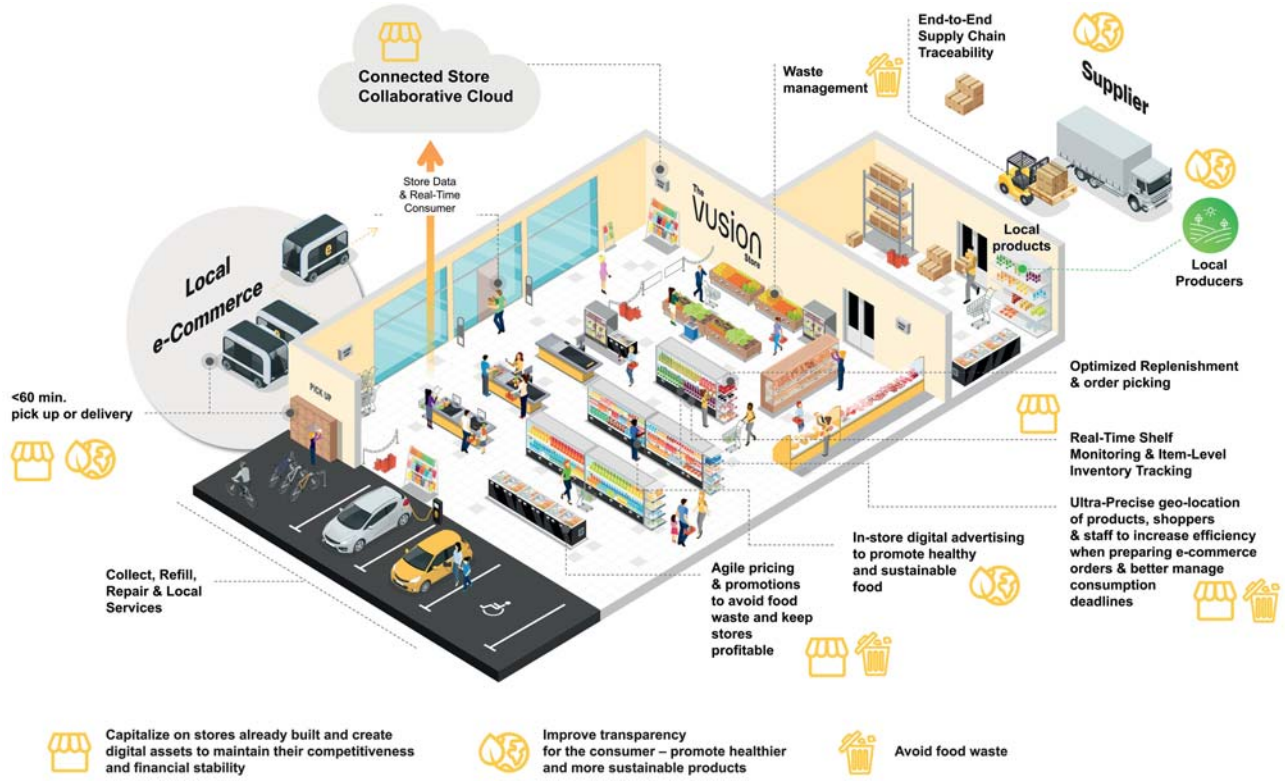
Recommended information	References	Brief description
Describe the resilience of the organization's strategy, taking into account different climate-related scenarios, including a scenario of 2 degrees Celsius or less	Section 2.1 of this report	The analysis of the resilience of the business model and its adaptation to the impacts of climate change will be a key element in addressing the risk related to extreme climate events and other climate-related events. The Group has carried out a climate risk assessment at its main sites and a few major subcontracting sites. To better understand the Group's ability to withstand certain climate scenarios, a study was carried out in 2023 and 2024 to assess climate-related risks and provide guidance on risk management. The study focused on physical risks and climate disasters within the following framework: **Risk assessment** • Mapping of climate risk exposures for operations, using risk modeling based on IPCC scenarios. • Assessment of the resilience of operations. • Assessment of potential effects on the business plan. **Risk management** • Identification of priority actions. • Development of the Group's adaptation strategy. • Change management within operational departments VusionGroup has therefore tested the resilience of its activity to the impacts of climate change in order to: • understand its exposure to climate risk for a panel of 20 sites (supplier sites or main Group sites), using the analysis of climate scenarios; one which models a warming scenario of 1.5°C, the second scenario relates to a warming of between 2 and 3 ° C, and the third, warming greater than 4°C. • the conclusions of this study make it possible to target by subcontracting site, storage, research center offices, etc. the risk management actions to be initiated and in interaction with our suppliers affected. Very clear statistics on the risks caused by heat, the risk of fire, the risk of drought, the risk of massive rainfall, cyclones, floods, submersion, are available to the Group so that it can implement risk prevention and mitigation actions in the coming years. In addition, the Group: • finalized a business continuity plan and will prepare quantified business restoration scenarios in 2024 and 2025. • also finalized an initial inventory and formalized the procedures for restarting and maintaining the digital management tools and databases required by VusionGroup's customers, which are essential to the resilience of our organization. Data storage management and Cloud service providers are in place to ensure the proper functioning of digital management tools. In 2022, the Group obtained ISO 27001 certification for these systems.

Recommended information	References	Brief description
Risk management		
Indicate how the organization identifies, assesses, and manages climate-related risks		
Organizational processes for identifying and assessing climate-related risks	Section 2.1 and section 4.2.3.1 of this report	The Group uses the following identification method: 1) a top-down analysis conducted by a team of managers, focused on the assessment of strategic risks; and 2) a bottom-up analysis carried out by the Company's managers who identify low, medium or high-level risks within their respective areas of responsibility (section 2.1). Similarly, the ESG risk materiality study was carried out (Section 4.2.3.1). In addition, a study on the climate risks incurred by the key sites in our value chain was conducted in 2023 and finalized in early 2024. The risk assessment was carried out according to three plausible climate scenarios: • a scenario below 2°C (1.5°C scenario); • a 2-3°C scenario; and • a scenario of a 4°C rise in temperatures. These are in line with the IPCC representative concentration and the RCP2.6 (SSP1), RCP4.5 (SSP2), and RCP8.5 (SSP5) shared socio-economic trajectories (RCP).
Organizational processes for managing climate-related risks		**Potential supply chain disruption** due to climate-related risks and/or related regulatory changes. To address this risk, the Company: 1) had its environmental management system audited and obtained ISO 14001 certification in 2022 and 2) audited most of its suppliers *via* the "EcoVadis Responsible Procurement Program," which ensures compliance with international environmental standards. **Risks related to more extreme and frequent disasters and natural events.** The measures taken aim to ensure the continuity of operations in the field of services (Cloud platform) and production (IoT devices) (section 4.3). This includes the measures necessary to obtain ISO 27001 certification on information security systems and a multi-site sourcing strategy for components and manufacturing (see discussion on geographical diversification). Most of our employees are located in geographical areas that are not impacted by extreme weather events. Consequently, their safety is not at risk. Supporting the business lines in the change process began with training on global warming, provided to all our employees in 2021, followed by strong awareness-raising actions over the last three years. The work of our teams has evolved to respond to client climate requirements, current and future regulations, questions from insurance companies, ESG rating agency questionnaires completed by the Group for self-assessment purposes and an R&D approach focused on carbon impact. **Climate-related risks associated with geographic concentration.** VusionGroup has diversified the geographic distribution of its outsourced manufacturing footprint, which was historically concentrated on the Asian continent, in part to mitigate the climate-related risks associated with geographic concentration. In 2023, the Group planned for the commissioning of an ESL production and assembly site in Chihuahua, Mexico. In addition to mitigating the geographical risk, the new production site enables the Group to reduce the carbon impact of its logistics, with operations much closer to the North American market (the United States should be the main contributor to VusionGroup's growth over the next five years).
Integration of the identification, assessment, and management of climate-related risks into the organization's overall risk management		The Group's ESG Director is also the General Secretary and is responsible for risk identification, the Group's insurance program, and issues related to the Group's governance. Therefore, the identification of climate-related risks and the management and integration of climate-related issues into the Company's governance, strategy and objectives fall within her remit. She works closely with the Company's operational and administrative teams to assess risks and establish relevant objectives for each department to address these risks. In addition, the study of the risks caused by global warming and natural disasters (see above) was carried out in the last months of the 2023 fiscal year and the beginning of 2024.

Recommended information	References	Brief description
Indicators and objectives		
Describe the indicators and objectives used to assess and manage climate-related risks and opportunities when this information is significant.		
Processes for identifying and assessing climate-related risks	Section 4.3 of this report	To address climate risk, the Group began an analysis of acute and chronic risks on a panel of around twenty sites, both subcontracting and Group establishments: this analysis made it possible to identify the institutions with more or less long-term risks and to pursue a risk management strategy taking into account statistical changes induced by warming temperatures. What's more, to address climate risk, the Group measures its carbon emissions in order to identify priority levers for improvement or change. The main indicators in this respect are: • Number of patents filed relating to low-energy consumption • Life cycle analysis of any new product (before launch) • Carbon intensity (kg of CO_2/€'000 of added value) • Circularity: number of labels recycled • ESG rating: Carbon Disclosure Project (B rating) - EcoVadis Environmental Pillar (90/100)
Communicate Scopes 1, 2 and - where applicable - 3 greenhouse gas emissions and the associated risks		• Scope 1: 645 tons CO_2-eq • Scope 2: 449 tons CO_2-eq • Scope 3: 135,871 CO_2-eq
Describe the objectives used by the organization to manage climate-related risks and opportunities and performance against objectives		VusionGroup intends to reduce its own carbon emissions and offer innovative solutions to its customers to help them reduce or optimize their carbon footprint. Its targets are discussed above in the indicators section. The Group's 2024 climate targets include: • Quantify avoided emissions scenarios • Obtain carbon footprint and carbon intensity certifications

4.4 Our climate strategy: decarbonization with our customers

Making the physical store a digital asset



4.4.1 Decarbonization at our customers' premises: avoided emissions

Avoided emissions: definition and application

KPI	GRI Code	Topic	SDG	Topic
Calculation of avoided emissions	305-3	Other indirect (scope3) GHG emissions	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Industry, innovation & infrastructure

Avoided emissions measure an organization's contribution to the decarbonization of an economy outside its scope of activity. The avoided emissions are estimated based on a counterfactual reference scenario that reflects the most likely situation that would have occurred in the absence of the low-carbon solution. A solution avoids emissions if it allows a reduction compared to the baseline situation.

The quality of an estimate of avoided emissions is therefore based on the attention paid to the assumptions used.

VusionGroup believes that its solutions contribute in several ways to the decarbonization of the retail sector. In order to demonstrate the major effect of this use case on our customers, in 2024 the Group will undertake an in-depth analysis and modeling of this calculation of avoided emissions.

However, several concrete examples can already be cited, all directly enabled by the use of VusionGroup solutions:

- more connected, profitable. and attractive physical stores, and therefore capitalization on existing infrastructures and a physical channel with many advantages;
- facilitating the preparation of e-commerce orders and therefore fewer dedicated warehouses needing to be built;
- fight against food waste;
- better transparency for the consumer, in particular on ESG ratings that could benefit the customer and potentially generate new and more virtuous consumption habits.

Physical retail: the need to capitalize on existing stores

An essential asset in our societies

Over the past decade, physical retail has had to contend with the impact of the growing e-commerce trend, as well as an evolving omnichannel model put in place by the world's largest retailers. A seamless omnichannel model cannot be achieved without the digitalization of stores and the connection of physical retail to other distribution channels. Ensuring the relevance and ongoing development of physical retail is also crucial to the well-being of urban landscapes as we know them, as stores provide a number of social benefits that would be difficult to replace.

KPI	GRI Code	Topic	SDG	Topic
Committing to Positive retail, our technology and solutions	203-2	Significant indirect economic impacts	9	Industry, innovation and infrastructure
Committing to Positive retail, our technology and solutions	203-2	Significant indirect economic impacts	8	Decent work and economic growth

Physical stores are a precious common good that needs to be protected.

For retailers, stores are core assets.

For brands, stores are by far the largest distribution channel, with the highest qualified traffic and conversion rates.

For consumers, stores represent immediate access to products and a five-sense shopping experience.

Stores also play a crucial role in the social well-being of our world.

For society, in the broadest sense, stores represent one-sixth of all jobs globally and are the social hubs and beating hearts of our cities.

For the planet, stores are physical assets that have already been built and so do not represent any additional artificialization.

Local e-commerce: avoid the construction of order preparation warehouses

The growth in online sales is such that the Boston Retail Consulting Group[(1)] estimates that e-commerce could account for more than 40% of total sales in the retail sector by 2027, compared to around 20% today. This scenario would require the construction of millions of m^2 of distribution warehouses, with a significant increase in CO_2 emissions.

We can help avoid this increase in CO_2 emissions since physical stores constitute an ideal local logistics network to serve this growth.

The Group relies on the storage and distribution infrastructure already available in existing stores and is developing a technological offering that reduces the need to build new warehouses.

Keeping physical stores profitable and attractive

KPI	GRI Code	Topic	SDG	Topic
Number of connected stores	203-2	Significant indirect economic impacts	9	Industry, innovation and infrastructure
Number of connected stores and number of connected labels	203-2	Significant indirect economic impacts	12	Responsible consumption and production

Because stores are vital assets for the proper functioning of a society (employment, cohesion, social ties, etc.), VusionGroup is convinced that it is essential to breathe new life them.

Bringing together physical and e-commerce is at the heart of the omnichannel model, and is a crucial step in the transition of retail. This convergence enables consumers to have the shopping flexibility they seek. At the same time, physical stores are revitalized by digital tools. These should enable the automation of low-value-added processes, the optimization of inventory management, better transparency for the consumer, and the reduction of food waste and trash. These improvements all contribute to reducing the carbon intensity of the sector.

Thanks to VusionGroup solutions (IoT platform, ESLs, Captana photos, memory platform, etc.), retailers can easily monitor, in real time and in a granular manner, key performance indicators that ensure the proper functioning of the store. VusionGroup solutions are solution-oriented and enable concrete and rapid actions to be taken. The store improves its profitability, as many sticking points as

(1) E-Commerce Poised to Capture 41% of Global Retail Sales by 2027 — Up from Just 18% in 2017. https://www.bcg.com/press/31october2023-ecommerce-global-retail-sales

possible are eliminated and the customer experience is improved.

The VUSION Retail IoT Cloud platform is designed to become the open, holistic platform that transforms store digitalization into collaboration. To date, 81 million online labels are connected to our VUSION Retail IoT platform and thus offer the benefits of rigorous reference control.

	December 31, 2023	December 31, 2022	December 31, 2021
Number of stores connected to the Cloud	**17,171**	10,398	7,022
Number of connected labels	**81,825,808**	**50,002,301**	**31,017,610**

Such gains lead to improved store management, with more time for in-store staff to focus on high-value-added tasks, notably providing better customer service. Please also refer to section 4.3.2 of this report.

Reducing food waste

Product disposal and food waste are significant issues in the retail sector. Stores are faced with the need to rid their stores of products that are unfit for consumption, past their expiration dates, or not wanted by their customers, hurting profitability and the environment.

Of the 5 billion metric tons of food produced each year, 40% is wasted. Retailers are responsible for 20% of this waste as they are forced to throw products away, particularly if they are unfit for consumption or have expired[(2)]. The VUSION Retail IoT platform allows retailers to closely monitor these products, prices, and expiration dates. By combining this solution with artificial intelligence (directly from VusionGroup solutions or those of its partners), it is now possible to adjust the prices, promotions, or placement of these products when they reach their end of life. The platform allows retailers to closely monitor the evolution of a shelf and precisely identify products with a high breakage rate. Corrective actions are then developed, leading to the launch of targeted campaigns to reduce this rate.

KPI	GRI Code	Topic	SDG	Topic
Fight against food waste	203-2	Significant indirect economic impacts	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Responsible consumption and production

The Smartway x Vusion partnership
Smartway Detection Flash Evo: the blinking LED on our Vusion labels used with Smartway's Smart Detection tool makes it easier to locate products on the shelf

In 2021, VusionGroup announced a partnership with Smartway, a start-up that offers retailers an artificial intelligence (AI)-powered solution to control food waste while also improving their profitability. Together, we have developed Smartdetection Flash Evo, a unique solution for detecting products with short expiry dates in stores. This solution eliminates the need to check products individually and spend hours in the aisle to identify and remove soon-to-be-expired products. The solution works *via* flashing labels, signaling soon-to-be expired products. In less than 4 minutes, more than 500 products can be checked and discounted.

In the Kavanagh's pilot store in London, the VusionGroup functionality:

- increased efficiency (+8 hours saved for each employee in charge of tracking expiration dates);
- prevented more than one ton of emissions per month in the store.

In 2021, this solution received multiple awards such as the LSA and Perifem prizes for sustainability.

(2) Source : https://www.wwf.fr/sites/default/files/doc-2022-05/20220523_Rapport_Europe-d%C3%A9vore-la-plan%C3%A8te_WWFFrance.pdf

In 2024, the Group is committed to modeling this avoided emissions scenario: according to the United Nations, 8% of greenhouse gas emissions worldwide are linked to food waste across all networks.

ADEME[3] specifies that this waste represents an unnecessary withdrawal of natural resources, such as arable land and water, and greenhouse gas emissions that could be avoided. It is also waste that could be avoided and, therefore, would not have to be processed and would not incur the related management costs.

All stages of the food chain, including production, processing, distribution, and consumption, contribute to food loss and waste.

VusionGroup wishes to contribute, in its own way, to reducing these figures. The Company believes that its solution, by allowing for an automated and rapid adjustment of prices, limits food waste and thus avoids emissions. At constant demand, reducing waste makes it possible to reduce production, and therefore emissions. Demonstrating the existence of avoided emissions presumes that the Group's solution, when combined with a dedicated application, makes it possible to limit waste and by how much.

Providing transparency to consumers

KPI	GRI Code	Topic	SDG	Topic
Greater transparency for the consumer	203-2	Significant indirect economic impacts	3 GOOD HEALTH AND WELL-BEING	Good health and well-being
			12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Responsible consumption and production

Consumer choice is essential for real change to take place in society.

Several pieces of information are necessary to make an informed product choice: in addition to the price, we need to know the freshness, quality, origin, allergens, composition, resources required for production, emissions (...). This is why regulations have introduced new marketing standards concerning labeling: origin, nutri-score, carbon score, etc. All these regulations aim to better inform consumers in their choices in terms of quality, health, and the environment.

As the amount of mandatory information to display increases, ESLs become the perfect answer to help enable fast, productive, and effective updates, to ensure the information shown to the customer is always accurate and compliant with regulations. ESLs are themselves additional expression surfaces and also make it possible to redirect the customer (NFC, QR code, etc.).

Greater transparency for the consumer will lead to a reduction in emissions through:

- A seasonal, more local, more plant-based food diet which, therefore, emits less CO_2 equivalent;
- Pressure on distributors, who will adapt their ranges to include products adapted to new consumer expectations;
- Pressure on manufacturers, who will change their manufacturing processes/the composition of their products.

Vusion label expression areas leveraged from the HowGood database

To better inform consumers and direct their choice toward more sustainable products

In 2023, VusionGroup announced a partnership with HowGood, a company that has created a database listing the social and environmental attributes of more than two million everyday consumer products. Badges are used to highlight the most environmentally friendly products ("Carbon," "Water smart," etc.), the best composed ("Clean label," "Minimally processed," etc.) and even those providing the most protection for producers ("Fair labor," etc.). Thanks to this partnership, VusionGroup will be able to solidify its commitment to greater transparency for the consumer and offer retailers a simple and integrated solution.

(3) ADEME: Agence de la transition écologique [The French Agency for Ecological Transition]

4.4.2 European taxonomy

Context and consistency

The publication of European Regulation 2020/852 of June 18, 2020 [1] (the "Taxonomy" regulation) aims to define a common framework for analyzing the economic activities of companies in order to define those that can be considered "sustainable" within the meaning of the Taxonomy. As part of the European Green Deal, the objective is to direct financial flows toward these types of assets in order to achieve the objective of carbon neutrality by 2050. In this respect, for the 2023 fiscal year, companies must publish the share of their revenue, capital expenditure and operating expenses:

- Eligible and aligned with the first two objectives of mitigation and adaptation to climate change
- Eligible for the four new objectives detailed below

The appendices to the publication of June 18, 2020, define the list of activities covered by the Taxonomy regulation. For each activity, a definition is given to meet the eligibility criteria of the activity as well as a list of technical criteria to be respected in order to justify the alignment.

For the 2023 fiscal year, all of the following texts were taken into account when carrying out our analyses:

- The Climate Delegated Regulation of June 4, 2021, and its appendices on climate change mitigation and adaptation[2];
- Amendments to Objectives 1 and 2 amending Delegated Regulation (EU) No. 2021/2139[3] [4];
- The publication of the last four objectives *via* the Commission's Delegated Regulation (EU) of June 27, 2023, supplementing Delegated Regulation (EU) 2020/2139 [5];
- All FAQs published by the European Commission.

Explanation of the European Green Taxonomy

For the 2023 fiscal year, the Group analyzed its activities according to the eligibility and alignment criteria of the first two climate objectives of the Taxonomy as well as the eligibility criteria for the four environmental objectives.

- climate change mitigation (CCM);
- climate change adaptation (CCA);
- sustainable use and protection of aquatic and marine resources (WTR);
- the transition to a circular economy (CE);
- pollution prevention and control (PPE);
- the protection and restoration of biodiversity and ecosystems (BIO).

The Group must then present the share of its revenue, capital expenditure ("Capex"), and its operating expenses ("Opex"), associated with eligible and aligned economic activities, where applicable, associated technical criteria as defined by the Taxonomy. An economic activity is eligible when it is explicitly described in the list included at this stage in the annexes of the Regulation and it is likely to contribute substantially to one of the six environmental objectives.

An eligible activity then becomes aligned when it meets all the technical screening criteria, consisting of specific conditions and the performance thresholds necessary to demonstrate a substantial contribution to one of the six environmental objectives, without significantly harming the other environmental objectives and in accordance with minimum safeguards related to human rights, corruption, taxation, and competition law.

(1) https://eur-lex.europa.eu/legal-content/FR/TXT/PDF/?uri=CELEX:32020R0852&from=EN
(2) https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=PI_COM:C (2021)2800&from=EN
(3) https://eur-lex.europa.eu/resource.html?uri=cellar:aeb97864-150e-11ee-806b-01aa75ed71a1.0022.02/DOC_2&format=PDF
(4) https://eur-lex.europa.eu/resource.html?uri=cellar:aeb97864-150e-11ee-806b-01aa75ed71a1.0022.02/DOC_3&format=PDF
(5) Commission Delegated Regulation (EU) 2023/2486 of June 27, 2023, supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council with the criteria for technical examination to determine the conditions under which an economic activity can be considered as contributing substantially to the sustainable use and protection of aquatic and marine resources, the transition to a circular economy, the prevention and reduction of pollution, or the protection and restoration of biodiversity and ecosystems, and if this economic activity does not cause significant harm to any of the other environmental objectives, and amending Commission Delegated Regulation (EU) 2021/2178 as regards the information to be published specifically for these economic activities (europa.eu)

DEFINITION

Eligible activities become aligned if they meet the following technical criteria:

1 SUBSTANTIAL CONTRIBUTION (SC)

The activities comply with the technical screening criteria set for each environmental objective.

2 DO NO SIGNIFICANT HARM (DNSH)

The activities do not have a material impact on any of the other five environmental objectives.

3 MINIMUM SAFEGUARDS (MS)

Activities are carried out in accordance with the International Charter of Human Rights and the principles set by the OECD, the UN, or the ILO, in particular on corruption, taxation, and competition law.

Building on its environmental, social, and societal commitments, VusionGroup closely monitors the work of the European Commission to analyze activities in order to direct the investments of public and private players toward projects contributing to the transition to a sustainable and low-carbon economy.

To meet these obligations, VusionGroup has set up a working group composed mainly of members of the ESG and Management Control unit, supported by a specialized firm since the 2022 fiscal year. This organization will be renewed for the 2024 fiscal year.

Assessment and methodologies

Qualification of the business model's eligibility for Taxonomy

Determination of activities eligible for taxonomy

The analysis of our eligible activities was carried out on all six objectives of the Taxonomy regulation. For the 2023 fiscal year, the following activities are considered eligible:

Name of the activity	Objective	Group activities	Section of the ESG report concerned
6.5 Transportation by motorcycle, private car, and light commercial vehicle	Objective 1: Climate change mitigation Objective 2: Climate change adaptation	Long-term vehicle leasing	4.3
7.7 Acquisition and ownership of buildings	Objective 1: Climate change mitigation Objective 2: Climate change adaptation	Property purchase or lease	4.3

VusionGroup has retained the same approach as last year to value its capital expenditure under individual measures to lead to reductions in greenhouse gas emissions. The capital expenditure used corresponds to the right-of-use expenditure calculated in accordance with IFRS 16, mainly associated with the leases of buildings and vehicles.

In 2023, we did not report eligibility for the following activities. The aim is to continue our work in order to include it in our future publications:

Name of the activity	Objective	Group activities	Section of the DPEF concerned
8.2 Data-driven solutions for greenhouse gas emission reductions:	Objective 1: Climate change mitigation Objective 2: Climate change adaptation	Use of VUSION technology to centralize online order preparation directly in stores, avoiding the construction of a building dedicated to e-commerce activity. Better management of inventory and consumption deadlines, elements of the emission value chain (Captana camera). Greater transparency for the consumer thanks to the expression areas of ESLs. Optimization of servers to save energy. Centralization of servers of several companies in the same place. Microsoft Azure partnership with the aim of powering servers with 100% renewable electricity by 2025	The avoided emissions induced by our solutions associated with activity 8.2 are subject to calculations that are in the process of being made more reliable by VusionGroup. In order to demonstrate that our solutions make a substantial contribution to objectives 1 and 2, we prefer to benefit from an additional year to validate the entire approach
5.1. Repairs, refurbishment, and remanufacturing (Circular Economy)	Objective 4: Transition to a circular economy	Repackaging and recycling of Vusion labels.	All of our "Second Life" offer, attached to activities 5.1 and 5.4, is being implemented gradually and has not yet generated sufficient revenue to justify work on its eligibility.
5.4. Sale of second-hand goods (Circular Economy)	Objective 4: Transition to a circular economy	Sale of recycled Vusion labels.	

Approach to identifying financial indicators (revenue, capital expenditure, and operating expenditure)

The financial information used is taken from the Group's information systems (investment monitoring and consolidated financial statements) at the annual account closing date. They were the subject of a joint analysis and control by the consolidation and management control teams in order to ensure consistency with the consolidated revenue and the Capex presented in the Notes to the consolidated financial statements.

1. Revenues

Definition[6]: The proportion of economic activities eligible for the Taxonomy in the total revenue was calculated as the share of revenue from products and services associated with the economic activities eligible for the Taxonomy (numerator) divided by the revenue (denominator), in each case for the fiscal year from January 1, 2023 to December 31, 2023. The denominator of the indicator relating to the revenue is based on consolidated revenue.

2. Capital expenditure (Capex)

Definition[7]: The CAPEX indicator is defined as the Capex eligible for Taxonomy (numerator) divided by the total Capex (denominator). Total Capex consists of acquisitions of property, plant, and equipment and intangible assets (excluding goodwill) during the financial year, before depreciation and amortization and excluding changes in fair value.

3. Operating Costs (Opex)

Definition[8]: the operating expenses used by the Group in application of the provisions of the Taxonomy, as planned for 2023, were restricted to the following categories:

a) research and development expenses, including, in particular, the associated personnel costs, restated for tax credits received over the period;

b) short-term leases;

c) maintenance, upkeep, and repair costs for industrial processes and buildings, including the associated personnel costs.

(6) For more details on the accounting principles applied to consolidated revenue, see Section 6.1.2. Note II.1.18 of the financial statements included in the 2023 Universal Registration Document. Reconciliation: Consolidated revenue can be reconciled with the financial statements, see Section 6.1.2. Note 15 and Section 6.1.1. Note 1.2 in the 2023 Universal Registration Document.

(7) It includes, in particular, assets related to right-of-use assets (IFRS 16). For more details on the accounting principles applicable to Capex, see Section 6.1.2. Note II.1.2. of the financial statements included in the 2023 Universal Registration Document. Reconciliation: Total capital expenditure may be reconciled with the financial statements, see Notes 1 and 2, Section 6.1.2 of the financial statements included in the 2023 Universal Registration Document. They correspond to the total of the types of movements (acquisition and production costs).

(8) These categories constitute the numerator of the ratio of operating expenses in relation to the Group's total Opex (see Notes 17 and 18 Section 6.1.2 to the consolidated statements).

Methodology for evaluating activities with regard to technical screening criteria (DNSH and MS)

In order to assess the current level of alignment of the activities identified as eligible, the Group carried out a verification of the compliance with the generic technical screening criteria (GNHS) of these activities and the minimum safeguards.

Generic GNHSs listed in Appendix A relating to climate change adaptation:

As part of the Group's operational risk management, several risks have been identified as described in section 2.1 of this Universal Registration Document, as well as in section 4.3.5 of the DPEF, relating to physical climate risks. This analysis was carried out in collaboration with our insurance broker according to the RCP scenario methodology proposed by the IPCC[8].

This analysis was initiated in 2023 and covers all the buildings owned or leased by the Group, as well as the production plants of VusionGroup's subcontractors.

Compliance with Minimum Safeguards

In accordance with the guiding principles of the minimum safeguards described in Article 4 of the Taxonomy Regulation, we conducted an analysis of compliance with these criteria across the entire Group.

We conducted the work based on the clarifications provided by the Sustainable Finance Platform and the "Final Report on Minimum Safeguards" document[9]. Four themes are highlighted by the report and must be covered by the minimum safeguards: (I) human rights (including labor and consumer rights), (II) corruption, (III) taxation, and (IV) competition law.

Compliance with the minimum safeguards was analyzed with regard to the criteria proposed in this report in order to ensure that the Group is not the source of violations of rights and regulations related to these four topics.

We have conducted the review of minimum safeguards centrally via workshops conducted with the departments concerned.

- **Human rights:** VusionGroup is committed to respecting and promoting recognized human rights and fundamental freedoms in all its activities (see Section 4.2.4).
- **Anti-corruption and competitive practices (competition law):** the Group has implemented anti-corruption procedures (see section 4.2.4). In addition, the Group's Code of Ethics promotes a culture of integrity throughout the Company, as well as responsible business practices in compliance with the laws on competitive practices (see section 4.2.4). This code is supplemented by the Supplier Code of Conduct to ensure that social concerns are properly taken into account throughout the supply chain. The Group has also introduced procedures to ensure compliance with the Sapin II law on the fight against corruption (see section 4.2.4).
- **Taxation:** The Company considers tax governance and compliance to be important monitoring elements: appropriate tax issue management processes are in place (see section 4.2.4).

Results

Revenues

For the 2023 fiscal year, the Group carried out its analyses including all the activities covered by the annexes of the Taxonomy Regulation, relating to the six objectives as well as the amendments to objectives 1 and 2.

As the Group's activities representing a significant portion of revenue are not yet described by the regulations, the conclusions of our analysis are identical to those of last year. We must in fact model the avoided emissions induced by our solutions before being able to claim the eligibility of these activities. The Group's activities described by the regulations do not yet generate a significant share of revenue. As a result, we do not have any revenue eligible for Taxonomy.

In 2024, we plan to continue our efforts in order to publish a percentage of revenue eligible and aligned with the Taxonomy for the next fiscal year (see Outlook section). At the same time, the Group will continue to adapt its methodology and analyses as regulations evolve.

Share of revenue from eligible economic activities and/or aligned with the taxonomy by environmental objective — Information for the year 2023

	Share of revenue/Total revenue	
	Aligned with taxonomy by objective	Eligible for taxonomy by objective
CCM	0%	0%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Capex related to individual measures:

The eligibility analysis focused on all six objectives of the Taxonomy regulation. Under the multi-objective, an analysis of the eligibility of activities 6.5 and 7.7 was carried out on both the climate change mitigation and adaptation objectives.

For the 2023 fiscal year, as we did not have sufficient information to define the eligibility of our activities for the adaptation to climate change objective, the Group decided to maintain a cautious approach and to report only on the eligibility for the climate change mitigation objective.

Eligible investments as defined by the Taxonomy Regulation amounted to €5.8 million in 2023 (relating to long-term leases of buildings and vehicles), compared to an investment total (as defined by the taxonomy regulation) of €92.9 million, i.e. a Capex eligibility ratio of 6.2%.

[8] The "Representative Concentration Pathway" scenarios are scenarios of radiative forcing up to the 2100 horizon, established by the IPCC: Intergovernmental Panel on Climate Change.
[9] https://finance.ec.europa.eu/system/files/2022-10/221011-sustainable-finance-platform-finance-report-minimum-safeguards_en.pdf

VusionGroup has not yet put in place sufficient reporting to assess the alignment of these eligible investments with the European Taxonomy. We have not yet released the necessary resources to implement this reporting, given the insignificance of the CapEx identified this year.

Share of CapEx from eligible economic activities and/or aligned with the taxonomy by environmental objective - Information for the year 2023

	Share of CapEx/Total CapEx	
	Aligned with taxonomy by objective	Eligible for taxonomy by objective
CCM	0%	6.2%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Opex related to individual measures:

Due to the absence of eligible revenue to date, operating expenses related to activities contributing to revenue could not be classified as eligible. As a result, the various actions implemented to reduce the carbon footprint of the Group's digital solutions were not taken into account in the performance indicators relating to operating expenses.

For the 2023 fiscal year, we have decided to maintain the same methodology as for the 2022 fiscal year and to use the Opex exemption regime provided for by the Taxonomy regulation. This year, the % of eligible Opex amounted to 6.8%.

Share of OPEX from eligible economic activities and/or aligned with the taxonomy by environmental objective - Information for the year 2023

	Share of Opex/Total of Opex	
	Aligned with taxonomy by objective	Eligible for taxonomy by objective
CCM	0%	0%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

The Group will continue to adapt its methodology and eligibility analysis as the Taxonomy is implemented and as regulations, listed activities, and technical screening criteria evolve (see Outlook section).

Outlook

Environmental effects are fully integrated into the Group's strategic thinking, both in terms of R&D efforts dedicated to reducing the carbon footprint of solutions offered to its customers and in terms of thinking about the virtuous uses of its solutions within distribution networks.

The Group is committed to continuing its efforts to consider the eligibility and alignment of certain activities during the 2024 fiscal year. This involves defining and implementing an action plan to transform the reporting processes and maintaining the Group's ambitions in terms of its ESG strategy (see Outlook section):

a. Activity 6.5 (CCM & CCA): we plan to integrate the requirements of the technical criteria into our dealer information collection process. The objective is to work on collecting this information to carry out the analysis of the alignment criteria on the vehicles available in our catalog as a first step (see section 4.3);

b. Activity 7.7 (CCM & CCA): in the first instance, we plan to collect the information to justify the alignment of our European buildings with this activity. At the same time, we will begin to identify local benchmarks that can be used to align our investments in buildings outside the EU (see section 4.3);

c. Activity 8.2 (CCM): we plan to continue developing our tools to identify avoided carbon emissions through the use of our cloud solutions and Vusion labels (see section 4.4.1);

d. Activity 5.1 (EC) & 5.4 (EC): continue developing our program to refurbish our labels *via* the Second Life program with the objective, in years to come, of publishing a share of revenue in line with these two objectives (see section 4.3.3);

e. Adapt our analyses according to the requirements of the sustainability report in preparation for its application in the 2024 fiscal year.

Revenues		2023		Substantial contribution criteria						Criteria for do no significant harm (DNSH)									
Economic activities (1)	Code(s) (a) (2)	Absolute revenue (3)	Share of revenue (4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Share of revenue aligned with the Taxonomy (A.1.) or eligible for Taxonomy (A.2.), Year N-1 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
		(€m)	%		Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (aligned with the Taxonomy)																			
Revenue from environmentally sustainable activities (aligned with the Taxonomy) (A.1)		0	**0%**	0	0	0	0	0	0	**O**	**O**	**O**	**O**	**O**	**O**	**O**	0%		
Of which enabling		0	**0%**	0	0	0	0	0	0	O	O	O	O	O	O	O	0%	E	
Of which transitory		0	**0%**	0						O	O	O	O	O	O	O	0%		T
A.2 Activities eligible for the Taxonomy but not environmentally sustainable (not aligned with the Taxonomy (g)																			
Revenue from activities eligible for the Taxonomy but not environmentally sustainable (not aligned) (A.2.)		0	**0%**	0	0	0	0	0	0								0%		
A. Revenue from activities not eligible for the Taxonomy (A.1. + A.2.		0	**0%**	0	0	0	0	0	0								0%		
B. Activities not eligible for the Taxonomy																			
Revenue from activities not eligible for the Taxonomy		802	100%																
TOTAL (A + B)		**802**	**100%**																

Capex		2023		Substantial contribution criteria						Criteria for do no significant harm (DNSH)									
Economic activities (1)	Code(s) (a) (2)	CapEx (3)	Share of CapEx (4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Share of CapEx aligned with the Taxonomy (A.1.) or eligible (A.2.) for the Taxonomy, year N-1 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
		(€m)	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (aligned with the Taxonomy)																			
Environmentally sustainable CapEx (aligned with the Taxonomy) (A.1)	NA	0	**0.0%**	0	0	0	0	0	0	**O**	**O**	**O**	**O**	**O**	**O**	**O**	0%		
Of which enabling		0	**0.0%**	0	0	0	0	0	0	O	O	O	O	O	O	O	0%	E	
Of which transitory		0	**0.0%**	0						O	O	O	O	O	O	O	0%		T
A.2 Activities eligible for the Taxonomy but not environmentally sustainable (not aligned with the Taxonomy (g)																			
7.7 Acquisition and ownership of buildings	**CCM** & CCA	5.0	**5.4%**	EL	EL	N/EL	N/EL	N/EL	N/EL										
6.5 Transport by motorcycles, passenger cars, and light commercial vehicles	**CCM** & CCA	0.8	**0.8%**	EL	EL	N/EL	N/EL	N/EL	N/EL										
Capex eligible for the Taxonomy but not environmentally sustainable (not aligned) (A.2)		5.8	**6.2%**	5.8	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**								4.6%		
A. Capex of activities eligible for the Taxonomy (A.1 + A.2)		5.8	**6.2%**	5.8	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**								4.6%		
B. Activities not eligible for the Taxonomy																			
Capex not eligible for the Taxonomy (B)		87.1	**93.8%**																
TOTAL (A + B)		**92.9**	**100.0%**																

Opex		2023		Substantial contribution criteria						Criteria for do no significant harm (DNSH - Do No Significant Harm)									
Economic activities (1)	Code(s) (a) (2)	OpEx (3)	Share of OpEx (4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Share of OpEx aligned with the Taxonomy (A.1.) or eligible for the Taxonomy (A.2.), Year N-1 (18)	Category (enabling activity) (20)	Category (transitional activity) (21)
		(€m)	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (aligned with the Taxonomy)																			
Environmentally sustainable OpEx (aligned with the Taxonomy) (A.1)		0	**0%**	0	0	0	0	0	0	**O**	**O**	**O**	**O**	**O**	**O**	**O**	0%		
Of which enabling		0	**0%**	0	0	0	0	0	0	O	O	O	O	O	O	O	0%	E	
Of which transitory		0	**0%**	0						O	O	O	O	O	O	O	0%		*T*
A.2 Activities eligible for the Taxonomy but not environmentally sustainable (not aligned with the Taxonomy)																			
Opex activities eligible for the Taxonomy but not environmentally sustainable (not aligned with the Taxonomy) (A.2.)		0	**0%**	0	0	0	0	0	0								0%		
A. Opex of activities eligible for the Taxonomy (A.1 + A.2)		0	**0%**	0	0	0	0	0	0								0%		
B. Activities not eligible for the Taxonomy																			
Opex not eligible for Taxonomy (B)*		121.2	100%																
TOTAL (A + B)		**121.2**	**100%**																

*Only Opex targeted by the Taxonomy of which 3.3 million euros in non-capitalized R&D costs

	Nuclear energy activities	
1	The Company carries out, finances, or is exposed to research, development, demonstration, and deployment of innovative facilities for the production of electricity from nuclear processes with a minimum of waste from the fuel cycle.	NO
2	The Company carries out, finances, or is exposed to the construction and safe operation of new nuclear facilities for the production of electricity or industrial heat, in particular for district heating purposes or for the purpose of industrial processes such as hydrogen production, including their safety upgrades, using the best available technologies.	NO
3	The Company carries out, finances, or is exposed to the safe operation of existing nuclear facilities for the production of electricity or industrial heat, in particular for district heating purposes or for the purpose of industrial processes such as hydrogen production from nuclear energy, including their safety upgrades.	NO
	Fossil gas activities	
4	The Company carries out, finances, or is exposed to the construction or operation of facilities for the production of electricity from gaseous fossil fuels.	NO
5	The Company carries out, finances, or is exposed to the construction, refurbishment, and operation of combined heating/cooling and electricity from gaseous fossil fuel production facilities.	NO
6	The Company carries out, finances, or is exposed to the construction, refurbishment, or operation of heat production facilities that produce heat/cold from gaseous fossil fuels.	NO

4.5 Social and societal ambitions

The company's purpose is to invent technologies that create a positive impact on society by enabling sustainable and people-centric retail.

The main social and societal objectives of VusionGroup can be broken down as follows:

- To generate widespread positive social impact through our technological innovation and solutions
- To ensure that our supply chain is sustainable
- To contribute to keeping physical stores open and attractive: central living spaces for the vitality of cities;
- To be a good place to work for our employees

4.5.1 Guarantee the safety of its products and solutions

KPI	GRI Code	Topic	SDG	Topic
Compliance with RoHS and REACH standards	416	Customer health and safety		Good health and well-being
	417	Marketing and labeling		Responsible consumption and production

In accordance with its environmental policy, VusionGroup's products comply with the European REACH regulation[1], the European RoHS directive[2] and WEEE[3], in all the countries in which we operate, with the aim of reducing and restricting substances that are potentially harmful to humans and the environment.

The EU RoHS directive stipulates that electrical and electronic products sold on the EU market must not contain lead, cadmium, mercury, hexavalent chromium, polybrominated diphenyls (PBBs), polybrominated diphenyl ethers (PBDEs), and other controlled substances (including DEHP/BBP/DBP/ DIBP phthalates).

The EU RoHS directive therefore aims to limit the impact and exposure of consumers and the environment to specific hazardous substances. It also reduces occupational exposure when products or equipment are manufactured, recycled, or sent for final disposal.

Under the EU REACH regulation, all chemicals manufactured in the EU or imported into the EU market must be registered before the specified number of years when the annual volume used exceeds 1 metric ton.

VusionGroup ensures that all its products fully comply with all these requirements. In 2023, we did not record any product recalls relating to potential safety issues:

	2023
Number of products recalled for safety reasons	0
Value of financial losses associated with legal proceedings regarding product safety issues	€0

Also, when customers return ESLs to us (for refurbishment, for example), we send them an information leaflet to warn them of the precautions to take to avoid any risk due to the lithium battery.

(1) REACH: Registration, Evaluation, Authorization, and Restriction of Chemicals
(2) RoHS: The Restriction of Hazardous Substances Directive 2002/95/EC (RoHS 1), short for Directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment
(3) WEEE: Waste Electrical and Electronic Equipment

4.5.2 A sustainable supply chain

KPI	GRI Code	Topic	SDG	Topic
EcoVadis rating	205	Anti-Corruption	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Responsible consumption and production
	308	Supplier environmental assessment		
	414	Supplier social assessment	13 CLIMATE ACTION	Climate Action

VusionGroup values transparency, ethical business practices, and integrity within its supply chain. The working conditions of the staff employed by our suppliers as well as the traceability of raw materials are closely monitored by the entire company. In 2023, our industrial subcontractors were audited through an ESG questionnaire and on-site visits."

Christian Weissensteiner
EVP Global Manufacturing Operations & Sourcing - Co-CEO Vusion

A clear policy

The Group relies on strong ethical principles and standards in the conduct of its activities. In particular, the Group has published its Responsible and Sustainable Purchasing Policy. This defines the Group's main guidelines and commitments in terms of responsible purchasing, covering environmental, human rights, and ethical issues. This document is available online at www.vusion.com.

It is based on the Group's values and its international commitments through the ILO's[1] fundamental conventions, the United Nations Global Compact, and the OECD[2] Guidelines.

This purchasing policy is supplemented and enhanced by several fundamental reference documents of the Purchasing Department, which are:

- our supplier Code of Conduct, which was the subject of a signature campaign led by the strategic purchasing department, with a signature rate covering 98.2% of our industrial purchases (see audit results below);
- our policy on sourcing to ban sourcing from conflict zones;
- our policy on compliance with ROHS and REACH certifications.
  - anti-corruption and sustainable purchasing clauses in contracts with our industrial suppliers, specifying:
  - comply with the VusionGroup Code of Conduct and all applicable international and local anti-corruption laws and standards (Foreign Corrupt Practices Act of 1977 and the UK Bribery Act of 2010);
  - the prohibition of offers of compensation or benefits in kind that constitute or could constitute a bribe or an attempted bribe with a view to obtaining the performance of a contract in return;
  - comply with the 10 principles of the United Nations Global Compact (www.unglobalcompact.org/ what-is-gc/mission/principles);
  - maintain, for the duration of the contract, an ESG rating issued by recognized international organizations such as ISS (B+), MSCI (B +), Sustainalytics, or EcoVadis (>50) and, if necessary, to improve the rating within an agreed period;
  - comply with all laws, regulations, and requirements relating to the prohibition or restriction of hazardous substances as well as to identify and manage hazardous chemicals and other materials included in the products, in particular those listed as hazardous substances in the REACH regulation to ensure their safe use, recycling or reuse, and their safe disposal;
  - supply electrical and electronic equipment that complies with all relevant European Union legislation, including RoHS and REACH, regardless of the country where the product will be used, including non-European countries;
  - that their policies and procedures must be aligned with the OECD due diligence guidelines for responsible supply chains of minerals from conflict-affected or high-risk areas. This means that VusionGroup's suppliers must refrain from using any ore from conflict-affected or high-risk areas.

(1) ILO: International Labor Organization
(2) OECD: Organization for Economic Co-operation and Development

Assessing the whole supply chain

We don't own the production plants that manufacture our products. We have opted for a factory-free production model, outsourcing our production processes to External Manufacturing Services (EMSs). Our main assembly partners have long-established programs in ESG[3] and environmental initiatives. They follow global reporting standards for sustainability and are all certified to ISO International Standards that provide guidance on environmentally and socially-responsible behavior for organizations. The scope of their environmental management systems extends far beyond what is typically found in an ISO 14001:2015 system, and includes such elements as product environmental compliance and e-waste management. We subcontract the manufacturing of IoTs to specialized service providers (EMS-Electronics Manufacturing Services), while retaining the design and intellectual property rights of our products. Most of our EMS partners are located in mainland China or Southeast Asia, or more recently in Central America (Mexico).

The Group assesses quality and ESG issues within its supply chain through three types of audits:

1) supplier self-assessment questionnaire to be completed by potential suppliers: in order to identify any major breach of the Group's social and environmental requirements, a self-assessment questionnaire was designed by the Product Quality Department and the Group's purchasing teams and is systematically submitted to current and potential suppliers.

This questionnaire, composed of 19 questions, includes topics such as quality management policy, environment, labor and human rights, ethics, and sustainable procurement.

The results are assessed by VusionGroup's quality team, which systematically shares the results of the self-assessment questionnaire and the corrective actions with these suppliers as part of its improvement process. In the event of lower-than-expected performance, the supplier is required to implement the identified corrective actions and improve its overall performance with a progress strategy before being able to become a VusionGroup supplier. The implementation of the defined corrective action is closely monitored until its completion, and in the event of unsatisfactory performance, the Group reserves the right not to enter into a business relationship with this supplier.

2) an internal audit of our suppliers, managed by the Group's product quality teams, during regular on-site visits to our subcontractors and suppliers. These audits are formalized using a questionnaire adapted to each category of supplier according to its sector of activity, including a section dedicated to ESG, and are supplemented by findings made on site. This questionnaire includes topics such as the quality management policy, the environment, labor and human rights, ethics, and sustainable procurement.

This audit consists of an on-site visit to ensure the quality and compliance with the principles of the purchasing policy and the Supplier Code of Conduct. The Group has created an "evaluation of its suppliers" which covers, among other things, the application of human rights, the imperatives of health, safety, respect for the environment, and the traceability of minerals (not coming from countries in conflict).

In the event of unsatisfactory performance, the supplier is required to implement the corrective actions identified during the audit and to improve its overall performance with a progress strategy within an agreed timeframe. The implementation of mutually agreed corrective actions is closely monitored by the Group.

In exceptional circumstances, this audit may be conducted remotely. The monitoring tables below show the proportion of audits that took place on site and remotely in 2023.

3) The Group has entrusted a third party (the ESG rating company EcoVadis) with the performance of ESG audits. They measure the performance of VusionGroup's main suppliers on 21 ESG criteria grouped into four themes:

Environment, Labor & Human Rights, Ethics, and Responsible Procurement.

The EcoVadis rating model is specifically designed to measure and benchmark sustainability management systems *via* an online platform, using a questionnaire adapted to size, industry and location of the supplier, rigorous verification of inputs *via* a team of analysts and proprietary tools, and a multi-channel approach to verifying the reliability of evidence.

EcoVadis Ratings are then used to engage suppliers in benchmarking, monitoring and improving their sustainability performance.

VusionGroup also accepts ratings from international companies such as ISS ESG, MSCI, and Sustainalytics.

Suppliers below the target must implement a plan to improve their ESG performance. This is monitored by the Purchasing teams. The successful completion of an action plan is systematically validated by a reassessment. Results deemed structurally insufficient or a lack of commitment to sustainable development issues may lead the Purchasing Department to review its contractual relationship with the supplier or even to terminate it. This decision is subject to a collegial reflection which takes into account the consequences of such a decision.

2023 monitoring

During 2023, all audits carried out focused on industrial suppliers of electronic components and merchandise, and external manufacturing services (EMSs) assembling our finished products (labels).

[3] Corporate social responsibility

Reporting and conflict minerals policy

Particular attention is paid to the supply of minerals from conflict zones (tin, tungsten, tantalum, and gold): the Group's purchasing policy stipulates that suppliers and subcontractors must comply with applicable laws and regulations regarding the sourcing of these minerals. It requires them to establish a policy enabling them to reasonably ensure that the purchase of these minerals is not used to finance, directly or indirectly, armed groups whose activities contravene human rights. They must also, as may be required by law, exercise due diligence in the choice of the source and the traceability of the minerals and, consequently, require the same diligence on the part of their suppliers.

Reports on conflict minerals are required from our suppliers and are an integral part of our audits, supplier self-assessment questionnaires or the EcoVadis questionnaire. When no reporting on conflict minerals is available, corrective actions are defined and the supplier is required to implement them with a progress approach. The implementation of mutually agreed corrective actions is closely monitored by the Group.

2023 indicator reporting:

All potential suppliers must complete our self-assessment questionnaire to proceed to the next stage of qualification.

In addition, VusionGroup's Quality team carries out audits (on site or remotely) with its suppliers:

- Tier 1 (direct purchases);
- Tier 2 (indirect purchases);
- and as a finalization of the qualification process.

In total in 2023, 19 audits were carried out, including three remotely[4] and 16 on site. Of these 19 audits, six were carried out with our direct suppliers, eight with our indirect suppliers, and five on-site audits for potential suppliers, of which three were qualified as shown in the table below:

Audit of the industrial supply chain of VusionGroup and signature of the supplier code of conduct

Type of industrial supplier	**Number of suppliers/ % of industrial purchases covered**	**Audits carried out by VusionGroup in number of suppliers/ % of industrial purchases**		EcoVadis assessment out of 100	**Signature of the Code of Conduct in number of suppliers/% of industrial purchases covered**
		On-site	remote		
Potential	5	5 (3 qualified)	0		
Direct	6	5 (qualified)	1 (qualified)	6	6
	97.18%	94.76%	2.42%	100% with satisfactory score:> 50	97.18%
Indirect	8	6 (qualified)	2 (qualified)		
Other direct suppliers	15	0	0	15	11
	2.15%			80% with satisfactory score: > 50	1.02%
% of industrial purchases covered	99.33%	97.18%			98.20%

To supplement these audits conducted by the Quality team on our 15 smallest suppliers (representing 2.15% of our direct industrial purchases), VusionGroup uses the basis of the documentary audits of the ESG rating company EcoVadis.

Highlights of the audits carried out by VusionGroup:

Among our audited direct and indirect suppliers, 100%:

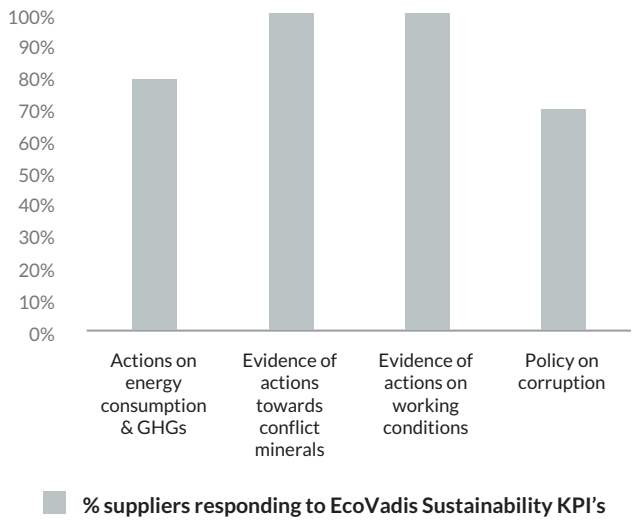
- have an environmental policy that is measured through qualitative commitments and quantitative objectives;
- take measures in relation to water management;
- are certified by an environmental management system (ISO14001 or other);
- have implemented a sustainable purchasing policy;
- integrate social or environmental factors into their supply chain;
- adhere to labor and human rights policy;
- have defined key performance indicators regarding labor and human rights;
- comply with local laws and ILO requirements in terms of working hours and paid leave;

(4) Three audits were carried out between the end of 2022 and the beginning of 2023 in China with our direct and indirect suppliers due to the Covid-19 situation

- pay candidate recruitment fees;
- are certified according to ISO45001/OHSAS 18001;
- have a Code of Conduct on fraud, money laundering, corruption, conflicts of interest, anti-competitive practices, and information security ;
- have a defined information security action plan;
- have ISO9001 certification.

Across all the suppliers assessed by EcoVadis, the main performances observed in the areas of Environment, Social & Human Rights, Ethics, and Responsible Purchasing audited were:

EcoVadis audit Scorecard analysis



4.5.3 A good working environment

The Diversity & Inclusion program illustrates the Group's ambitions: to create an equal, diverse, and committed community over the long term. The eNPS satisfaction survey was very encouraging, and the feedback was particularly positive. To break the glass ceiling, VusionGroup strengthened its international parenting policy in 2023. Men are all entitled to one month of paternity leave so that they can be involved in the birth of their child. For women, adjustments are made throughout their pregnancy, and their return to work is facilitated. We guarantee equal treatment before, during, and after their pregnancy. Parents are allocated four additional days of paid leave per year to deal with unforeseen circumstances. Lastly, a hybrid work system ensures maximum flexibility. At VusionGroup, we are very proud to operate in a particularly multicultural, gender-balanced, and multigenerational context, a source of innovation and professional fulfillment."

Marianne Noel
SEVP Group Human Resources

Fostering a highly motivating and inclusive workplace

Our people are characterized by their committed and innovative mindset. Each makes a strong contribution to achieving excellence and creating long-term value for physical retail and society as a whole. They are driven by a strong motivation to design innovative products, solutions and services to improve physical retail.

Long-term and stable workforce, in constant growth-driven renewal

Our management team is very stable. Thierry GADOU has been the Chairman and Chief Executive Officer for eleven years. The average tenure of Executive Committee members is 10 years.

We are also particularly proud to have built an international Group that keeps its employees for the long term. In fact, 49% of the workforce at year-end 2012 were still with us on December 31, 2023. These employees were part of the very first generation of electronic labeling in the world and are able to pass on the legacy of a pioneering company in our field. Since then, they have adapted to the context of strong growth, internationalization, and innovations around our solution. The company has been able to support them in these transformation challenges to retain them over the long term.

The average age of our employees, which stabilized at 36 at the end of 2023 (as in the last two years), testifies to the Company's ability to integrate new managers and younger employees while retaining its employees over time. We have a well-balanced, multi-generational team, stable senior management, and a talent pool equipped with new skills to be trained in the latest technologies.

Our global and diverse community

GRI Code	Topic	SDG	Topic
202	Market presence		Sustainable cities and communities
401	Employment		
405	Diversity and equal Opportunity		
406	Non-discrimination		

In light of our global market and robust growth, we have implemented an agile, horizontal, and internationally-oriented organization. Our geographic expansion strategy has resulted in the mobility or recruitment of local sales teams, which are based as close to our customers as possible, to their physical stores and decision-making centers.

We are committed to offering our employees equal opportunities for recognition and career development, irrespective of national origin, gender or beliefs, and we follow all applicable regulations and agreements. Employees are hired solely on the basis of their education, professional experience, their potential and ability to adapt, as well as their motivation to join us.

At year-end 2023, the Group had 847 employees across the world, spanning different cultures, languages, genders, ages, and levels of expertise. They work together across the globe, providing our Group with one of our most significant strengths: diversity.

Our diversity enables innovative thinking and original ideas, generating added value for customer solutions.

We are particularly mindful of the range of backgrounds of our teams and of the expression of the cultures to which each individual belongs. We promote the diversity of our collective cultures and of every individual. Our employees (of which 47% are located in France) represent 51 different nationalities and speak 25 different languages, the most prevalent being English, French, German, Mandarin Chinese, Spanish, and Italian.

The workforce increased by 39% between 2022 and 2023 following the organic growth of the Group's activity and the additions to the scope of the two acquisitions (Memory and Belive.ai) that year.

Workforce by contract type	**December 31, 2023**	**% of the workforce**	December 31, 2022	% of the workforce
Permanent	802	95%	570	94%
Fixed-term contracts	45	5%	38	6%
Including apprenticeship	*36*		*33*	
TOTAL	**847**	**100%**	**608**	**100%**

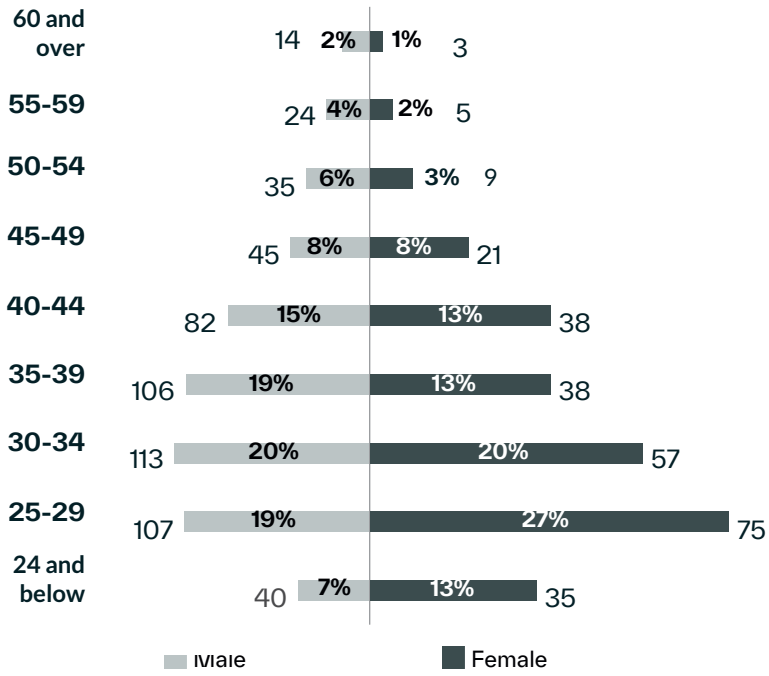
Employee turnover	**December 31, 2023**	December 31, 2022
Recruitment	**381**	**206**
of which permanent	*332*	*169*
of which fixed-term contracts	*49*	*37*
Departures from the organization	**142**	**151**
of which resignations	*50*	*46*
of which dismissals and terminations with severance packages	*29*	*19*
of which scope effect (exit of BOE Digital Technology Ltd), end of fixed term contract (e.g., apprenticeships), end of probationary period	*63*	*86*

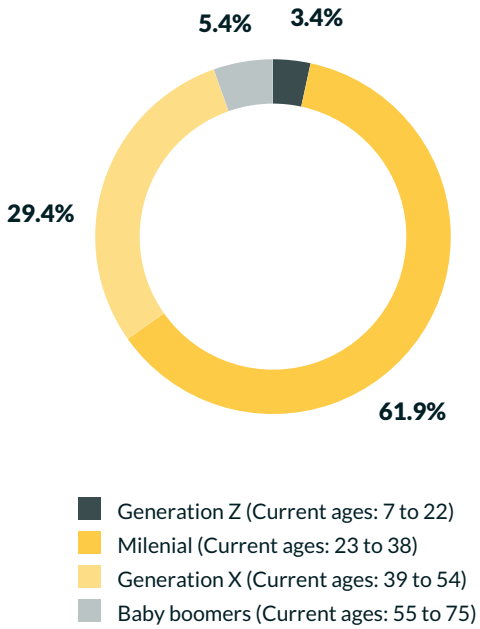
Average tenure	**December 31, 2023**	December 31, 2022
Female	3	3
Male	4	5
TOTAL	**4**	**4**

Average age of the workforce	**December 31, 2023**	December 31, 2022
Female	34	34
Male	37	38
TOTAL	**36**	**36**

2023 age pyramid

"13 % of women, i.e. 35 employees, are 24 and below".





A goal of leadership parity

KPI	GRI Code	Topic	SDG	Topic
% of women among new hires	401	Employment	5 GENDER EQUALITY	Gender equality
Workforce by gender - mentoring program	405	Diversity and equal opportunity		
% of women in top management	405	Diversity and equal opportunity		
% of women among new hires	406	Anti-discrimination		

As a global Group encompassing diverse communities, we are committed to providing equal opportunities to every woman and man employed in the Company, wherever they live or work. Despite this intention, under-representation of women in the overall technology sector remains an issue to be addressed. Not only does technology need more female representation, we are also convinced that diversity in management teams leads to better business performance. Therefore, our objective is to significantly improve the representation of women in management positions.

VusionGroup strives to promote equal opportunities and gender equality at all stages of career development. The Company has made strides in improving the gender balance, with women as a percentage of the workforce increasing from 23% in 2016 to 33% in 2023.

The Company also increased the proportion of female managers, from 22% in 2020 to 27% in 2022 and 28% in 2023.

To achieve better gender representation, the Group initiated an internal program aimed at expanding the representation of women in managerial roles by:

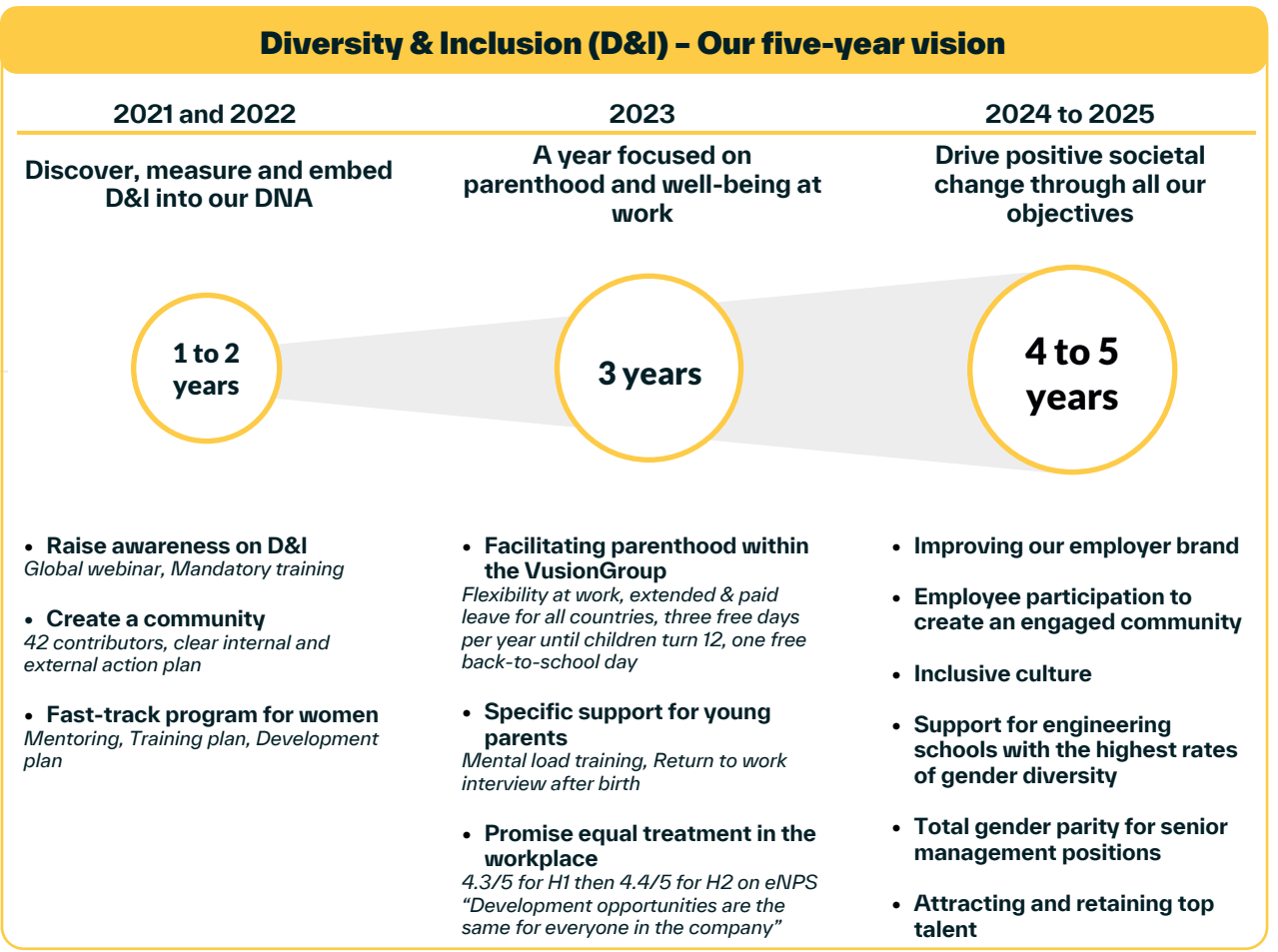
- identifying women who have the potential, in the short to medium-term, to access roles that are in the Company's top 10% most senior positions; and
- implementing a mentorship program with Executive Committee members and *via* individual development plans, whereby women are encouraged to make connections with senior management members as mentors who can help to guide them toward the skills that they will require to be able to assume leadership positions in the future.

	December 31, 2023 %	December 31, 2023 - Value	December 31, 2022 %	December 31, 2022 Value	December 31, 2021 %	December 31, 2021 - Value
Proportion of women in the workforce	33%	281	34%	205	33%	180
Technical roles held by women	19%	82	17%	50	15%	40
Proportion of women recruited	34%	130	41%	85	37%	72
Female managers (managing at least one person)	28%	79	27%	42	24%	33
Female managers under 35 years old	49%	25	49%	18	40%	12
Among senior executives (GMB members), women represent [1]	19 %	6	22%	6	17%	4

(1) GMB = Global Management Board - see section 3 of this report for more details.

These figures show clear progress in the representation of women in senior positions as well as technical roles. In addition, parity is almost reached among managers under the age of 35, which is a particularly encouraging sign for the future trajectory.

Diversity & Inclusion (D&I) – Our five-year vision



Professional Equality Index - France only

The Professional Equality Index was designed to promote gender pay equity within companies. It makes it possible to transparently measure gender pay gaps and highlight any progress made.

	2023	Maximum indicator score (2023 calculation)	2022	2021	Maximum indicator score (2022/2021 calculation)
1 - Pay gap	38	40	35	34	40
2 - Difference in individual increase rates (in % or equivalent number of employees)	20	20	35	35	35
3 - Difference in promotion rate (in %)	15	15	NA	NA	NA
4 - Percentage of employees who benefited from a raise in the year following their return from maternity leave	15	15	15	0	15
5 - Number of employees of the under-represented gender among the 10 highest-paid employees	5	10	5	5	10
TOTAL	**93/100**	**100**	**90/100**	**74/100**	**100**

Our workforce increased significantly in 2023 and we no longer use the same calculation methodology. We are including a new indicator, "Promotion rate gap," which we did not monitor in previous years. The score of 93/100 in 2023 is very satisfactory, and we will do everything we can to continue this progress.

Commitment to social and professional integration of people with disabilities

VusionGroup is committed to the social and professional integration of adults with disabilities.

Parts of the second life ESL repair process are sub-contracted to organizations specialized in the social and professional integration of adults with disabilities. The ESAT of Éragny (an organization that places people with disabilities in appropriate work environments, in the Val-d'Oise department of France) has supported our ESG refurbishment efforts since the 2000s.

In addition, the Group directly employs six people with disabilities worldwide.

Talent management

We believe that motivation is the first driver of performance, and that all our employees can achieve strong results if they are motivated, trained, rewarded, filled with a sense of long-term belonging and convinced that their work is important, meaningful and positive. The breadth of the positions we offer, our rapid growth in a global context and a very strong culture of innovation enable us to offer our employees a number of career paths as well as swift and fulfilling personal development.

Our proactive recruitment policy targets talent from the best schools and with an international orientation. Therefore, we benefit from a generational balance, multiple expertise and experience, and a strong ability to train and integrate new recruits.

Training

KPI	GRI Code	Topic	SDG	Topic
Training and carbon footprint training	404	Training and Education		Decent work and economic growth

We are committed to providing our employees with ongoing training. As we operate in a particularly innovative sector, we aim to ensure that all of our employees have the necessary skill sets to grow within the Company and the industry, and so that they can fully develop their abilities and expertise.

We are encouraging a more flexible learning culture where our associates can access upskilling classes *via* our e-learning platform, anywhere and at anytime. We have also increased our investment to offer a wider selection of content. Our aim is to combine a proactive training policy with a very broad training offer in which employees can choose the online training courses that are relevant to their career and skills according to the time they have available and their personal motivation.

Additionally, during our bi-annual performance reviews,

managers and employees look to identify training opportunities in keeping with our people's needs and the Company's challenges.

The table below details the training expenses over the last three years, excluding the two acquisitions of Memory and Belive.ai. It should be noted that the pandemic has changed behavior and that e-learning is increasingly popular with employees who are more tech-savvy.

This is why the Company has stepped up its efforts and invested in new e-learning licenses with LinkedIn Learning to complement the 360 learning platform used for internal e-learning courses.

Year	Training budget	Number of face-to-face training hours	Number of e-learning training hours	Number of face-to-face training hours per employee	Number of e-learning training hours per employee
2023	€189,067	3,250	2,317	11.9	4.6
2022	€146,633	5,128	1,547	22.2	3.1
2021	€107,461	2,903	1,437	19.75	3.5

The training budget has increased considerably to enable employees to follow more technical and expensive face-to-face training courses, while expanding our e-learning training offer, which is particularly suited to younger generations and the geographical spread of our teams around the world.

Lastly, a blended in-person and e-learning training course is systematically offered to new employees joining the Group.

Training on climate change and ESG

In addition to these training hours, a common global training session on carbon emissions was provided in the second half of 2021 to the entire staff by the consulting company performing the independent Group-wide carbon footprint This training program was organized to:

- raise awareness about climate change and its consequences, risks and opportunities;
- improve the company's employees' understanding of the environmental footprint of their activities, products and actions, with a view to reduce the carbon footprint related to our operations;
- integrate climate considerations into risk management policy (reputation, transition or physical risks).

More generally, these training sessions aimed at thinking about how energy and climate issues will become an essential element in the strategies of all economic players, and to anticipate changes that are likely to occur through regulation, taxation or market forces. Getting ahead of future disruptions will enable the Company to plan ahead, to be resilient in the context of transition, and thus ensure the economic sustainability of its operations.

Since 2023, we have also had access to the EcoVadis Academy platform which is composed of several training modules on the environment, responsible purchasing, human rights, ethics, etc. These training courses (32 hours in 2023) are attended by certain employees when their business scope can have a real impact on the Group's ESG ambitions.

VusionGroup will also lead internal "Climate Fresk" workshops, in order to engage employees on current environmental issues and, more broadly, to understand planetary limits. We will combine these workshops with a "Climate Change" e-learning module.

Remuneration policy

In accordance with the commitments enshrined in the principles set out in the labor rights policy, the Human Resources Department ensures that each employee receives sufficient compensation to achieve a decent standard of living, as stated in the United Nations' Universal Declaration of Human Rights. We compensate our employees fairly and competitively in accordance with the industry and the labor markets of each of our countries. We are committed to providing a fair and decent wage and strive to ensure full compliance with applicable laws regarding wages, hours of work, overtime, and benefits.

We pay particular attention to social protection and offer quality health and retirement coverage to all our employees, as well as to their families and dependents, which is usually well above local regulations and consistent with the high social standards in France.

95% of employees have a permanent employment contract and are recruited locally, thus contributing to the employability and economic development of each of the countries where we operate.

The rapid growth trajectory in VusionGroup sales and financial performance since 2012 is directly linked to the level of commitment and expertise of our teams. It is thus essential that their variable compensation reflect their contributions to the Group's growth and success.

The Company's overall compensation policy is strongly focused on performance, entrepreneurship, and individual responsibility: variable compensation is subject to the achievement of specific and measurable objectives at 80%, the remaining 20% is based on the Group's performance.

The objectives are set in a transparent manner and formally accepted every six months by the employee, before being evaluated at the end of the half-year period through a Human Resources Information System (HRIS), which allows the Group's objectives to be defined at each managerial level and in accordance with professional duties.

Value sharing

KPI	GRI Code	Topic	SDG	Topic
Employees participating in LT compensation plans	201	Economic performance		Decent work and economic growth
	401	Employment		Sustainable cities and communities

In addition to certain local regulations, which govern profit-sharing plans for employees, the Group has voluntarily granted performance shares or performance shares and stock options to key contributors to the Company's performance on several occasions since it was listed:

- National plans:
  - a new third agreement for the 2023 to 2025 period was signed by VusionGroup SA in 2023. It provides for an even larger potential incentive bonus allocation compared to previous periods.
- VusionGroup Italy has also benefited from an incentive agreement since 2016;
- Specific RSU (Restricted Stock Unit) plans have been implemented in the US entity;
- Global stock incentives:
  - following several performance share plans, performance shares are distributed each year to employees. The scheme, in place since 2020, is based on the VUSION strategic plan. Distributed more and more widely to key people, it concerns a significant portion of our workforce (about 33% in 2023 and 30% in 2022), who are likely to receive performance shares of the Company's stock if specific performance criteria are met. These plans make motivation the primary driver of the Company's performance and have become key leverage tools for attracting and retaining the most talented employees, and for involving them in our entrepreneurial culture.

In addition, the plans motivate the beneficiaries on essential value creation targets such as Growth, Sustainability (through profitability and cash management) and Stock Price.

Section 7 of the Universal Registration Document provides detailed information on the performance share plans.

Considering the success of this policy, both in terms of attractiveness, performance, and retention, the Group's objective in 2024 is to include 100% of eligible employees in the long-term incentive plan.

This incentive plan will be aimed at all employees on permanent contracts, employed by the company for at least six months, and demonstrating performance in line with or above expectations.

Dialogue with employees

Regular management appraisals

KPI	GRI Code	Topic	SDG	Topic
Managerial dialogue: rate of completion	401	Employment		Decent work and economic growth
	404	Training and Education		

The Group conducts biannual individual appraisals. The appraisal interviews evaluate employee performance and set individual objectives, consistent with the Company's strategy.

In order to standardize practices across the Group and ensure a consistent and fair application of the appraisal policy, we use our "Foederis" tool, a digital platform that creates a paperless biannual performance interview process. This tool is particularly relevant in light of the Group's rapidly-expanding geographic footprint.

Each employee and each manager must follow this process according to a consistent method and in coordination with the human resources department: alignment of objectives, identification of training needs, assessment of performance and skills, career management and mobility.

100% of the Group's employees are subject to a performance review and managerial discussion.

Employee satisfaction survey

KPI	GRI Code	Topic	SDG	Topic
eNPS (Employee Net Promoter Score)	401	Employment		Decent work and economic growth

Twice a year, we conduct an employee satisfaction survey, outsourced via the Supermood platform to ensure anonymity.

a. measure employee experience based on the Net Promoter Score concept;

b. develop and conduct targeted employee surveys that assess perceptions of specific issues;

c. collect comments and suggestions to build action plans for continuous improvement of employee satisfaction;

d. track results and progress over time and benchmark the results with comparable companies.

The results of our Employee Net Promoter Score (eNPS) survey were very positive. The participation rate was 87% in the first of the year and 84% in the second half of the year. Overall, on a scale from -100 to +100, the result obtained in the second half of 2023 was 40. This score has been constantly increasing since 2021 during the first post-pandemic survey, which resulted in a score of 4.

The best score of 4.4/5 in response to the question "are the opportunities for development the same for everyone?" was recorded in the first half of 2023. This score is representative of an inclusive and reassuring environment for all VusionGroup employees, regardless of gender, ethnic origin, religion, or sexual orientation.

	2023		2022	
Survey statements	**H2**	**H1**	H2	H1
I trust the leaders of my company	4.3	4.4	4.3	4.3
I see myself working here in three years	4.1	4.1	4.1	4
I understand and can identify with the company's values	4.3	4.2	4.2	4.1
I'm satisfied with my workspace	4.3	4.2	4.2	4.1
I am able to contribute to the implementation of the strategy	4.2	4.1	4	4.1
I strongly feel that I belong in my company	4.2	4.1	4.1	4
Development opportunities are the same for everyone (regardless of gender, ethnic origin, religion, sexual orientation, etc.).	4.3	4.4	4.3	4.3
Global eNPS score	**40**	**37**	**36**	**25**

Based on the responses to the question "Would you recommend your company as a great place to work?" 51% of employees are considered "ambassadors". In other words, on a scale of 0 to 10, 51% of employees gave a score of 9 or 10.

The ongoing improvement in the score semester after semester is the result of concrete action plans to improve satisfaction in countries or teams for which the scores are more mixed (actions in favor of diversity, major investments to improve the working environment, IT equipment, internal communication, decompartmentalization of certain teams, etc.).

How the ENPS survey works:

The feedback of employees can vary from 0 to 10:

- Scores from 0 to 6: Detractors, dissatisfied employees who do not recommend the organization);
- Scores 7 to 8: Passives, employees who are fairly satisfied but not really passionate about their profession or job;
- Scores from 9 to 10: Promoters, the most satisfied, happy, and motivated employees.

To calculate the eNPS score and thus assess employee satisfaction, it is necessary to calculate the percentage of Promoters and the percentage of Detractors among all the responses. Exclude passives and perform the following calculation:

eNPS =% Promoters -% Detractors

Theoretically, an eNPS score can range from +100 (all employees are fully satisfied and recommend the employer) to -100 (all employees are dissatisfied and are considered detractors).

In reality, an Employee Net Promoter Score:

- Greater than 0 is acceptable;
- Between 10 and 30 is good;
- Greater than 30 is excellent.

The score obtained at VusionGroup has been excellent since the second half of 2022.

The In The Memory entity did not respond to the questionnaire in 2023 because a similar survey had already been conducted internally.

The eNPS questionnaire was therefore conducted within VusionGroup with 773 employees. The scope of employees surveyed includes all types of contracts including interns, fixed-term, and VIE (international business volunteer program).

Right to assembly and collective bargaining

KPI	GRI Code	Topic	SDG	Topic
Collective Bargaining, Health and Safety	401	Employment		Decent work and economic growth
	407	Freedom of association and collective bargaining		

VusionGroup recognizes and considers freedom of association and collective bargaining as fundamental rights of its employees: this recognition is formalized in its Labor Rights Policy (available on our website). The Company is also a signatory of the Global Compact. VusionGroup undertakes to comply with the various local regulations and laws in each of the countries where it operates. The Group respects the individual right of its employees to form, join or not join, to participate or leave freely, trade unions or any other body of their choice to assert and/or defend their interests as well as to bargain collectively to support and/or defend their mutual interests without fear of retaliation (intimidation, discrimination or harassment in any form, loss of salary or dismissal).

VusionGroup also recognizes the importance of dialog with freely appointed employee representatives, employee representative bodies (such as economic social committees), and organizations (such as trade unions), and supports social dialog.

Finally, at VusionGroup, we comply with all requirements aimed at establishing and maintaining fruitful and mutually beneficial relationships within joint bodies.

Any behavior that does not comply with these rights must be reported. The whistleblowing system is available to all on our employee platform in English and French.

Social dialogue is managed by the Human Resources Department, chaired by the Head of the establishment, and coordinated locally in collaboration with employee representatives according to the regulations in each country.

With nearly 50% of the workforce located in France, VusionGroup SA's Social Economic Committee sets the tone for social dialogue.

Several company agreements have been negotiated and signed with employee representatives (where this body exists in the subsidiary concerned), then applied worldwide to ensure consistency of practices.

Some programs have been developed together:

- Agreements on the organization of working hours;
- Teleworking agreement;
- Code of Ethics;
- IT Charter;
- Right to disconnect;
- Diversity and Inclusion Program.

Social dialogue is conducted constructively. Thus, the mandatory annual negotiations have always led to an agreement.

In the same way, during the Covid-19 pandemic, we limited the impact on the business thanks to our proven practice of social dialogue, such as the negotiations on part-time work that was implemented in many European countries, as well as in Canada. The safety protocols implemented locally were all developed in consultation despite the need to act very quickly.

Providing a healthy and safe working environment

KPI	GRI Code	Topic	SDG	Topic
Work/life balance: eNPS, teleworking agreements, collective bargainings	401	Employment		Decent work and economic growth
	403	Occupational health and safety		
	407	Freedom of association and collective bargaining		

Work-life balance

Since 2020, a teleworking agreement has been in place to allow employees to work from home two days a week. These agreements are rolled out in all the countries in which we operate and are widely used, except in certain departments where their work cannot be carried out remotely.

Thus, more than 70% of employees are covered by a teleworking agreement. This policy meets a dual objective of performance and improvement of the quality of life of employees, by promoting a better balance between professional and private life, by limiting the constraints related to travel, by contributing to sustainable development by reducing the number of car trips while ensuring social ties are maintained.

We ensure that this new way of working takes place in a secure environment. Remote connection is provided by VPN platforms and is authorized for employees who have read the IT Charter and our Code of Business Conduct. This approach is supplemented by employee support systems in order to preserve balance and quality of life, particularly in terms of connection time and health monitoring.

We recognize the importance and benefits of being an agile organization, both in relation to productivity and caring for our employees. For us, flexible schedules that meet the needs of the organization while catering to each individual's personal circumstances provide the best model.

In order to foster productive teamwork, we have invested in the development of coworking areas intended to offer all of our employees a ground to foster social interactions, knowledge sharing, reflection and creativity. These new connected spaces are friendly, airy, bright, flexible. and agile enough to allow the organization of internal and external events in the future, and the installation of a new, more spacious and modern showroom to showcase our products and innovations.

We are making these investments around the world so that all our employees can benefit from offices that are easily accessible and well-served by public transport, met state-of-the-art standards for office design and well-being at work. The Group's headquarters moved to a "High Environmental Quality" (HQE) building in 2014 with best-in-class standards regarding comfort, lighting, ergonomics, social spaces and other facilities. In 2019, the R&D center and headquarters in Austria were transferred to a brand-new building in Fernitz, south of Graz. With space in abundance, it includes a restaurant, a training room for sports, a climbing wall, and leisure areas.

In 2023, the Taiwan office was completely refurbished to the Group's high standards. The Dallas office in the United States has moved to new and ultra-modern premises. The Belive team from Amiens in France moved close to the station and the interior fittings were carried out in the same spirit. In Mexico City, the team has also recently relocated to benefit from the same working conditions and many other offices such as in Chicago, Milan, and Japan have been extended to facilitate growth and modern, connected, and spacious facilities.

The Group uses these collaborative spaces to organize and promote numerous social events to foster an interactive environment and effective internal communication. For example, a CEO update is organized at the French headquarters every six weeks and broadcast live around the world in all collaborative spaces in order to share the Group's strategy and transformation programs and provide an opportunity for a social gathering at the office.

Kids Days are organized every year in our main offices in France, Austria, and Taiwan. These events are particularly enjoyed by children and parents, but also all employees who are invited to help organize this very special day for all.

In terms of sports activities, the Group's Human Resources Department promotes local initiatives such as the provision of a gym for employees in Austria and the organization of yoga or pilates classes at the headquarters in Nanterre.

Ensuring team cohesion is essential in supporting and maintaining strong growth. Within a dynamic and stimulating work environment, it is important to establish an innovative and collective spirit enabling the Company to successfully face the challenges it has set for itself.

In addition, VusionGroup opts for the most favorable benefits for its employees in each of its subsidiaries. In addition to the application of the legislation in force in terms of social protection, the best social standards are put in place, in particular with regard to health and retirement coverage. Very often, French practices are applied to the entire group. For example, parental leave policies are consistent between France and the other subsidiaries.

Finally, VusionGroup recognizes the importance of the link between the nation and the army and supports the commitment of reservist employees (or another equivalent system in foreign countries). As such, the Group offers flexibility in the time to be devoted to these reserve missions.

Health and safety

The Group has formalized its health and safety policy, which is available online.

KPI	GRI Code	Topic	SDG	Topic
Collective Bargaining, Health and Safety	401	Employment		Decent work and economic growth
	403	Occupational health and safety		
	407	Freedom of association and collective bargaining		

The Group directly employs 847 people worldwide and also sometimes uses temporary employment agencies and subcontractors. The Group's employees work in very diverse environments and thus face different constraints and risks depending on whether their working environment is industrial or tertiary, nomadic or sedentary.

For example, in the context of logistics activities and the installation of in-store solutions, both personnel and subcontractors may be exposed to risks:

- related to the equipment and organization of sites (mechanical and electrical risks, risks related to the ergonomics of facilities, forklifts and lifting machines).

In addition, personnel, particularly in the service sector, nomadic or commercial, are exposed to:

- risks related to business travel (accident or health risks);
- psychosocial risks, in particular since the increase in teleworking.

These risks can have consequences on the health and well-being of personnel and subcontractors. They are subject to appropriate detailed prevention and mitigation measures (in particular checks of personal protective equipment for our installation teams as well as for our logistics teams).

For the sake of personal safety, an external audit was carried out in 2022 and 2023, a prevention plan was implemented in 2023, and an occupational risk matrix was developed:

In 2023, VusionGroup carried out an assessment of the risks related to the various activities carried out by its employees in order to determine their impact. This analysis was carried out in consultation with the publications of the International Labor Organization's (ILO) International Hazard Datasheets on Occupations (HDO).

The matrix describing the occupational risks identified is presented below:

Type of risk	Ergonomic risks	Physical risks	Psychological risks
probability	high	moderate	moderate
severity	medium	medium/high	medium/high
level of risk	medium/high	medium/high	medium/high

Although employees in the service sector are generally less exposed to the risk of workplace accidents, concerns include musculoskeletal disorders due to poor posture, slips, bacterial infections, and psychological stress.

In order to mitigate the high and medium risks identified in the matrix and improve occupational safety, we have implemented countermeasures. Occupational health and safety best practices have been established and include the monitoring of occupational health and safety indicators:

Contingency plan	• on-site training of staff in emergency situations (fire prevention) • clear emergency exit signage and unobstructed route • conducting evacuation and fire drills • regular checks of fire alarms and extinguishers • implementing a designated and trained emergency team • providing first aid kits and other first aid equipment
Prevention of musculoskeletal disorders	• medical visits focused on the prevention of ergonomic risks • providing ergonomic workstations
Protection of mental health	• online access to mental health modules through our e-learning platform, • developing a comprehensive prevention policy covering work organization and working conditions • offering flexible working hours options through teleworking agreements to promote a healthy work-life balance • IT Disconnection Charter to ensure a healthy balance by establishing guidelines for IT disconnection.

These measures reflect our commitment to ensuring the well-being and safety of our employees in all areas of their work.

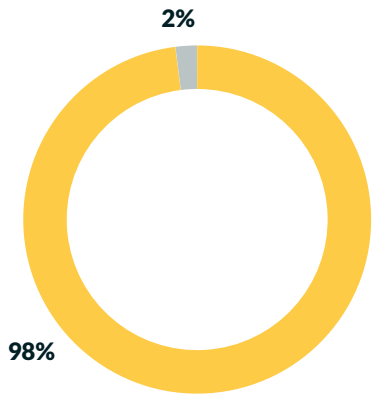
The HR contacts of each subsidiary are also the health and safety representatives: each country is responsible for coordinating the health and safety of employees, in accordance with the regulations and the local level of risk.

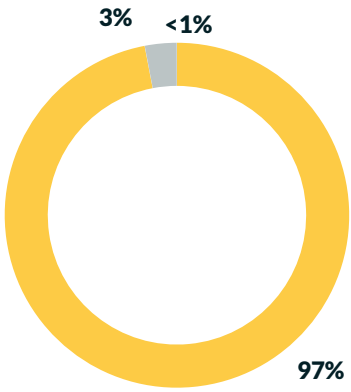
International reporting is centralized, summarizing Group-wide days of absences, divided into three categories:

- sick leave
- accidents on the way to/from work
- workplace accidents

Out of a total of 4,564 days of downtime worldwide out of a possible 228,200 working days, i.e., 2%, the vast majority of downtime was the result of short-term sick leave.

Work-related accidents





Working days without work stoppage
Days of work stoppage

Illness
Commuting accidents
Work-related accidents

	Number of employees
Number of deaths	0
% of fatalities resulting from work-related accidents	0
Number of serious work-related accidents	0
Number of days not worked due to serious accidents at work	0
% of serious work-related accidents	0
Number of work-related accidents	4
Number of days not worked following a work-related accident	142
% of work-related accidents	2.73%
Number of cases of work-related health problems	0

The above data covers all VusionGroup regions.
Commuting accidents are not included.
Definition of indicators:

- Percentage of work-related fatalities: number of work-related fatalities/number of hours worked
- Serious work-related accidents: work-related accidents that prevented employees from returning to a state of health enjoyed prior to the injury for more than six months.
- Percentage of serious work-related accidents: number of serious work-related accidents (excluding fatalities)/number of hours worked
- Number of work-related accidents: excluding fatalities and serious accidents
- Percentage of work-related accidents: number of work-related accidents/number of hours worked
- Number of illnesses directly related to the work environment: must be approved by a medical institution
- Work-related accident frequency rate: ratio between the total number of workplace accidents resulting in death or total incapacity for at least one day and the number of hours of exposure to the risk, multiplied by 1,000,000
- Work-related accident severity rate: ratio between the number of calendar days actually lost due to work-related accidents (in the workplace) and the number of hours of exposure to risk, multiplied by 1,000

Work-related accident frequency rate : **2.73%**
Work-related accident severity rate: **0.1%**

Accidents per employee: **0.47%**

4.6 Principal Adverse Impacts & standard GRI tables

Main negative impacts (PAI: *Principle Adverse Impact indicators)*

Topics	PAI	Information for VusionGroup
GHG emissions (GHG)	1. GHG emissions	Section 4.3.1 "Scope 1, 2, and 3 carbon footprint and carbon intensity"
	2. Carbon footprint	
	3. Intensity of greenhouse gas emissions of invested companies	N/A
	4. Exposure to companies operating in the fossil fuel sector	No exposure to the fossil fuel sector
	5. Share of non-renewable energy consumption and production	Section 4.3.1 "Scope 1, 2, and 3 carbon footprint and carbon intensity"
	6. Energy consumption intensity by sector with a high climate impact	N/A
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	N/A
Water	8. Water consumption	Section 4.3.4 "Water and energy consumption at our corporate offices: the impact on our carbon audit is not deemed significant"
Waste	9. Hazardous waste ratio	Section 4.3.3 “Decarbonizing our solutions”: Circular economy
Social and employee issues	10. Violation of the principles of the United Nations Compact and the main guidelines of the Organization for Economic Co-operation and Development (OECD) for Multinational Enterprises	No violation
	11. Lack of processes and mechanisms to monitor compliance with the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises	Section 4.2.4 “Group ESG Governance”
	12. Unadjusted gender pay gap	Section 4.5.2 “A goal of leadership parity”: 93/100 for professional gender equality index in France
	13. Gender diversity on the Board of Directors	Section 3.2 “The Board of Directors”: 50% women on the Board of Directors at December 31, 2023
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, and biological weapons)	No exposure

GRI Content Index

Declaration of use	VusionGroup has disclosed the information cited in this index of the content of the GRI standard for the period 1/1/2023 - 12/31/2023 with reference to the GRI standards
GRI 1 used	GRI 1: Foundation 2021
Applicable Industry Standard(s)	No applicable industry standard(s)

VusionGroup (2023 Fiscal year)			
GRI standard	**Information element**		**Response/Comments/Location**
		General information	
GRI 2: General information 2021	2-1	Organization details	Section 7 “The Company, its capital, and shareholders and in particular Section 7.9 "Legal information” and Section 1“Introduction and presentation of the Group’s activities" 2023 URD
	2-2	Entities included in the organization's sustainability reporting	Section 4.3.1 “Scope 1, 2, and 3 carbon footprint and carbon intensity” and Section 4.7 “Scope and methodology” 2023 URD
	2-3	Reporting period, frequency, and contact point	Section 4.7 “Scope and methodology” 2023 URD
	2-4	Restatements of information	Section 4.3.1 “Scope 1, 2, and 3 carbon footprint and carbon intensity” and Section 4.7 “Scope and methodology” 2023 URD
	2-5	External assurance	Section 4.8 "Report from the independent third party” 2023 URD
	2-6	Activities, value chain, and other business relationships	Section 4.2 “Market and challenges”: Section 4.2.1 “Our business model” and Section 4.5.2 “A sustainable supply chain” 2023 URD
	2-7	Employees	Section 4.5.3 “Sustainable and stable headcount in constant renewal” 2023 URD
	2-8	Workers who are not employed	N/A
	2-9	Governance structure and composition	Section 3.1 “Management bodies” and 3.2 “The Board of Directors” 2023 URD
	2-10	Nomination and selection of members of the highest governance body	Section 3.1 “Management bodies” and 3.2 “The Board of Directors” 2023 URD
	2-11	Chair of the highest governance body	Section 3.1 “Management bodies” 2023 URD
	2-12	Role of the highest governance body in overseeing the management of impacts	Section 3.2 “The Board of Directors” and Section 4.2.4 “Values and governance” 2023 URD
	2-13	Delegation of responsibility for managing impacts	Section 4.2.4 “Group ESG governance” 2023 URD
	2-14	Role of the highest governance body in sustainability reporting	Section 4.2.4 “Values and governance” 2023 URD
	2-15	Conflict of interest	Section 4.2.4 “Values and governance” 2023 URD
	2-16	Communication of critical concerns	Section 4.2.3 “Materiality analysis” and Section 4.2.4 “ESG governance” 2023 URD
	2-17	Collective knowledge of the highest governance body	Section 4.2.4 “Values and governance” 2023 URD
	2-18	Evaluation of the performance of the highest governance body	Section 3.2.2 “Responsibilities and work of the Board of Directors” and Section 4.2.4 “Values and governance” 2023 URD
	2-19	Remuneration policies	Section 3.3 “Compensation and benefits of corporate officers” 2023 URD
	2-20	Process to determine remuneration	Section 3.2.3.3 “Membership and responsibilities of the Nomination and Remuneration Committee” and Section 3.3 “Compensation and benefits of corporate officers” 2023 URD
	2-21	Annual total compensation ratio	Section 3.3.2.1 "Information relating to compensation for 2023 paid to executive and non-executive corporate officers in respect of their term" 2023 URD
	2-22	Statement on sustainable development strategy	Section 4: “Message from the Chairman”, Sections 4.2.2 "ESG Strategy" and 4.2.4 “Values and governance,” and Section 3.2.3.1 “Membership and responsibilities of the Strategy and ESG Committee” 2023 URD

VusionGroup (2023 Fiscal year)			
GRI standard	**Information element**		**Response/Comments/Location**
GRI 2: General information 2021 (continued)	2-23	Political commitments	Section 4.2.4 “Group ESG governance” 2023 URD
	2-24	Embedding policy commitments	N/A
	2-25	Processes to remediate negative impacts	Section 4.2.4 “Group ESG governance” 2023 URD
	2-26	Mechanisms for seeking advice and raising concerns	Section 4.2.4 “Values and governance”, Section 4.5.3 “Regular managerial assessments”, Section 4.5.3 “Employee satisfaction survey”, and Section 4.5.3 “Right to assembly and collective bargaining” 2023 URD
	2-27	Compliance with laws and regulations	Section 4.2.4 “Values and governance” 2023 URD
	2-28	Membership associations	Section 4.2.3 “Recognition of our commitment” 2023 URD
	2-29	Approach to stakeholder engagement	Section 4.2.1 “Our business model” and 4.2.4 “Interacting with our stakeholders” 2023 URD
	2-30	Collective bargaining agreements	Section 4.5.3 "Right to assembly and collective bargaining" 2023 URD
Relevant topics			
GRI 3: Relevant topics 2021	3-1	Process to determine material topics	Section 4.2.3. “Materiality analysis” and Section 4.3.5 “TCFD reporting” 2023 URD
	3-2	List of material topics	Section 4.2.3 “Materiality analysis”, 4.2.4 “Interacting with our stakeholders” 2023 URD
	3-3	Management of material topics	Section 4 “ESG Report” 2023 URD
GRI 201: Economic performance 2016	201-1	Direct economic value generated and distributed	Section 5 “Comments on the fiscal year” and Section 6 “Financial statements” and Section 4.5.3 “Value sharing” 2023 URD
	201-2	Financial implications and other risks and opportunities due to climate change	Section 4.3.5 “TCFD reporting (Task Force on Climate-related Financial Disclosures)” 2023 URD
	201-3	Defined benefit plan obligations and other retirement plans	N/A
	201-4	Financial assistance received from government	Section 5 “Comments on the fiscal year” and Section 6 “Financial statements” 2023 URD
GRI 202: Market presence 2016	202-1	Ratios of standard entry level wage by gender compared to the local minimum wage	N/A
	202-2	Proportion of senior managers hired from the local community	Section 4.5.3 “Our global and diverse community” and Section 4.5.3 “A gender parity objective within the management team” 2023 URD
GRI 203: Indirect economic impacts	203-1	Infrastructure investments and services supported	Section 4.2.4 “Interacting with our stakeholders” 2023 URD
	203-2	Significant indirect economic impacts	Section 4.2.1 “Our business model”, 4.2.2 “ESG strategy: the roadmap for positive retail”, 4.4.1 “Decarbonizing our customers” of the 2023 URD
GRI 204: Purchasing practices 2016	204-1	Proportion of spending on local suppliers	N/A
GRI 205: Anti-corruption 2016	205-1	Operations assessed in terms of risk related to corruption	Section 4.2.4 “Values and Governance” 2023 URD
	205-2	Communication and training about anti-corruption policies and procedures	Section 4.2.4 “Values and Governance” 2023 URD
	205-3	Confirmed incidents of corruption and actions taken	Section 4.2.4 “Values and governance” 2023 URD
GRI 206: Anti-competitive behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	Section 4.2.4 “Values and governance” 2023 URD

VusionGroup (2023 Fiscal year)			
GRI standard	**Information element**		**Response/Comments/Location**
GRI 207: Taxation 2019	207-1	Approach to tax	Section 4.2.4 “Values and Governance” 2023 URD
	207-2	Tax governance, control, and risk management	Section 2.2 “Insurance program and internal control” 2023 URD
	207-3	Stakeholder engagement and management of concerns related to tax	Section 2.2 “Insurance program and internal control” 2023 URD
	207-4	Country-by-country reporting	Confidentiality constraint
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Section 4.3.3 “Electronic waste management” 2023 URD
	301-2	Recycled input materials used	Section 4.3.3 “Decarbonizing our solutions: circular economy” 2023 URD
	301-3	Reclaimed products and their packaging materials	Section 4.3.2 “Improvements made to packaging and logistics” 2023 URD
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Section 4.3.1 "Scope 1,2, and 3 carbon audit and carbon intensity" 2023 URD
	302-2	Energy consumption outside of the organization	N/A
	302-3	Energy intensity	N/A
	302-4	Reduction of energy consumption	N/A
	302-5	Reduction in energy requirements of products and services	Section 4.3.2 “Decarbonizing our offering” and Section 4.3.3 “Decarbonizing our solutions: circular economy” 2023 URD
GRI 303: Water and effluent 2018	303-1	Interactions with water as a shared resource	N/A
	303-2	Management of water discharge-related impacts	N/A
	303-3	Water withdrawal	N/A
	303-4	Water discharge	N/A
	303-5	Water consumption	N/A
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	N/A
	304-2	Significant impacts of activities, products, and services on biodiversity	N/A
	304-3	Habitats protected or restored	N/A
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	N/A

VusionGroup (2023 Fiscal year)			
GRI standard	**Information element**		**Response/Comments/Location**
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Section 4.3.1 "Scope 1,2, and 3 carbon audit and carbon intensity" 2023 URD
	305-2	Indirect (Scope 2) GHG emissions	Section 4.3.1 "Carbon footprint scopes 1, 2, and 3 and carbon intensity" and 4.3.2 "Decarbonizing our offering" 2023 URD
	305-3	Other indirect (Scope 3) GHG emissions	Section 4.4 "Our climate strategy: decarbonizing our customers' sites" 2023 URD
	305-4	GHG emissions intensity	Section 4.3.1 "Scope 1,2, and 3 carbon audit and carbon intensity" 2023 URD
	305-5	Reduction of GHG emissions	Section 4.3.1 "Carbon reduction ambitions", 4.3.2 "Decarbonizing our offering" and 4.3.3 "Decarbonizing our solutions: Circular economy" 2023 URD
	305-6	Emissions of ozone-depleting substances (ODS)	N/A
	305-7	Emissions of nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	N/A
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Section 4.3.3 "2nd life ESL" and 4.3.3 "Electronic waste management" 2023 URD
	306-2	Management of significant waste-related impacts	Section 4.3.3 "2nd life ESL" and 4.3.3 "Electronic waste management" 2023 URD
	306-3	Waste generated	Section 4.3.3 "2nd life ESL" and 4.3.3 "Electronic waste management" 2023 URD
	306-4	Waste diverted from disposal	Section 4.3.3 "2nd life ESL" and 4.3.3 "Electronic waste management" 2023 URD
	306-5	Waste directed disposal	Section 4.3.3 "2nd life ESL" and 4.3.3 "Electronic waste management" 2023 URD
GRI 308: Environmental assessment of suppliers 2016	308-1	New suppliers that were screened using environmental criteria	Section 4.5.2 "A sustainable supply chain" 2023 URD
	308-2	Negative environmental impacts in the supply chain and actions taken	Section 4.5.2 "A sustainable supply chain" 2023 URD
GRI 401: Employment 2016	401-1	New employees hires and employee turnover	Section 4.5.3 "Our global and diverse community" 2023 URD
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Section 4.5.3 "Remuneration policy" and 4.5.3 "Value sharing" 2023 URD
	401-3	Parental leave	Section 4.5.3 "A gender parity objective within the management team" 2023 URD
GRI 402: Labor/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	Section 4.5 3 "A good working environment" 2023 URD

VusionGroup (2023 Fiscal year)			
GRI standard	**Information element**		**Response/Comments/Location**
GRI 403: Occupational health and safety 2018	403-1	Occupational health and safety management system	Section 4.5.3 “Health and safety” 2023 URD
	403-2	Hazard identification, risk assessment, and incident investigation	Section 4.5.3 “Health and safety” 2023 URD
	403-3	Occupational health services	Section 4.5.3 “Health and safety” 2023 URD
	403-4	Worker participation, consultation and communication on occupational health and safety	Section 4.5.3 “Health and safety” 2023 URD
	403-5	Worker training on occupational health and safety	Section 4.5.3 “Health and safety” 2023 URD
	403-6	Promotion of worker health	Section 4.5.3 “Health and safety” 2023 URD
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Section 4.5.3 “Health and safety” 2023 URD
	403-8	Workers covered by an occupational health and safety management system	Section 4.5.3 “Health and safety” 2023 URD
	403-9	Work-related injuries	Section 4.5.3 “Health and safety” 2023 URD
	403-10	Work-related ill health	Section 4.5.3 “Health and safety” 2023 URD
GRI 404: Training and education 2016	404-1	Average hours of training per year per employee	Section 4.5.3 “Talent management” 2023 URD
	404-2	Programs for upgrading employee skills and transition assistance programs	Section 4.5.3 “Talent management” 2023 URD
	404-3	Percentage of employees receiving regular performance and career development reviews	Section 4.5.3 “Regular management appraisals” 2023 URD
GRI 405: Diversity and equal opportunities 2016	405-1	Diversity of governance bodies and employees	Section 4.5.3 “Our global and diverse community” and Section 4.5.3 “A gender parity objective within the management team” 2023 URD
	405-2	Ratio of basic salary and remuneration of women to men	Section 4.5.3 “A gender parity objective within the management team” 2023 URD
GRI 406: Fight against discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Section 4.5.3 “Fostering a highly motivating and inclusive workplace”, Section 4.5.2.3 “Our global and diverse community”, and Section 4.5.3 “A goal of gender parity within the management team” 2023 URD
GRI 407: Freedom of association and collective bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Section 4.5.3 "Right to assembly and collective bargaining" 2023 URD
GRI 408: Child labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	Section 4.2.4 “Values and governance” 2023 URD
GRI 409: Forced or compulsory labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Section 4.2.4 “Values and governance” 2023 URD
GRI 410: Safety practices 2016	410-1	Security personnel trained in human rights policies or procedures	N/A
GRI 411: Rights of indigenous peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	Section 4.2.4 “Group ESG governance” 2023 URD

VusionGroup (2023 Fiscal year)			
GRI standard	**Information element**		**Response/Comments/Location**
GRI 413: Local communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Section 4.5.3 “A great place to work” 2023 URD
	413-2	Operations with significant actual and potential negative impacts on local communities	N/A
GRI 414: Social assessment of suppliers 2016	414-1	New suppliers that were screened using social criteria	Section 4.5.2 “A sustainable supply chain” 2023 URD
	414-2	Negative social impacts on the supply chain and actions taken	Section 4.5.2 “A sustainable supply chain” 2023 URD
GRI 415: Public policies 2016	415-1	Political contributions	Section 4.2.4. “Interacting with our stakeholders” 2023 URD
GRI 416: Consumer health and safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	0% - Our R&D department continually strives to ensure that our products have no impact on health and safety, Section 4.5.1 "Guaranteeing the safety of products and solutions" 2023 URD
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Section 4.2.4 “Values and governance” 2023 URD
GRI 417: Marketing and labeling 2016	417-1	Requirements for product and service information and labeling	Section 4.5.1 “Guaranteeing the safety of products and solutions” 2023 URD
	417-2	Incidents of non-compliance concerning product and service information and labeling	Section 4.2.4 “Values and governance” 2023 URD
	417-3	Incidents of non-compliance concerning marketing communications	Section 4.2.4 “Values and governance” 2023 URD
GRI 418: Customer data confidentiality 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Section 4.2.4 “Values and governance” 2023 URD

4.7 Scope and methodology

4.7.1 Methodological note on non-financial reporting

VusionGroup approach to non-financial reporting aims to address the obligations stipulated in Articles R. 225-105, R. 225-105-1, and L. 225-102-1 of the French Commercial Code.

4.7.2 Reporting period and frequency

The data gathered covers the period from January 1 to December 31, 2023. No distinctions were made between the data. The data is reported on an annual basis. Certain indicators do not include historical data because monitoring for these indicators started in 2023.

4.7.3 Scope

The purpose of the non-financial reporting scope is to be representative of VusionGroup's operations.

It is defined in accordance with the following rules:

- only companies fully consolidated in the financial statements are included in the non-financial reporting scope;
- entities consolidated or created during a given year (Y) will be included in the following year (Y+1) in order to implement a gradual consolidation approach;
- entities divested during a given year are excluded from the reporting scope for that year;
- Group management updates the reporting scope for a given year on December 31 of that same year;
- the non-financial reporting scope for the 2023 fiscal year comprises all of the Group's consolidated entities for all of the indicators mentioned.

The specificities associated with scope limitations regarding certain indicators are detailed below:

Policy choices and results and non-financial performance indicators

The policy choices and results and the non-financial performance indicators presented in the statement of non-financial performance are made with regard to the main social and environmental risks associated with the Company's operations.

Due to the nature of VusionGroup's operations, the following information listed in the second paragraph, section III of Article L. 225-102-1 of the French Commercial Code is not considered relevant: the fight against food insecurity, a responsible, sustainable, and fair food chain, and respect for animal welfare.

However, the same nutrition score that applies to food products meant for humans could be applied to pet food and thus may contribute to animal welfare.

Risk policies covering product composition and consumer health as well as food safety, and sustainable food supply chain are being rolled out by the Group, and will be presented in more detail in the coming years.

4.7.4 Consolidation and internal control

Data is gathered centrally or from each entity included in the non-financial reporting scope from the following sources: extractions from information systems, Excel monitoring files, invoices, etc. Qualitative information is gathered centrally by Group management. The data is controlled and approved by the Group's operational departments.

4.7.5 External controls

In accordance with the provisions of Article R. 225-105-2 of the French Commercial Code, VusionGroup appointed one of its Statutory Auditors to be the independent third party responsible for verifying the statement of non-financial performance as of the 2022 fiscal year. The reasoned opinion on the compliance of the statement of non-financial performance, as well as on the accuracy of the information, is presented on the last page of this Non-Financial Performance Report (NFPR).

4.7.6 Methodological specificities and limitations

The indicator numbers correspond to the numbering of the challenges and ambitions table in section 4.2.4. When the indicators have not been included in this table, the section of the report in which they are cited is mentioned:

Indicator 1: Number of active patents

All patents filed by the Group's entities are managed centrally within the R&D Department in order to manage and monitor any patent filings and potential defenses. This indicator includes all patents filed and granted, as they illustrate VusionGroup's continuous innovation efforts.

Indicator 2: Carbon intensity

The carbon intensity was obtained until this year only as follows: the simple division of the Group's total carbon footprint (Scopes 1, 2, and 3) by the Group's consolidated revenue, before IFRS 15 restatement.

In 2023, we integrated a new methodology, to comply with that required by the SBTi (Science-Based Targets Initiative). The Group's carbon intensity will be calculated as follows: Group's Scope 3 carbon footprint only, divided by the Group's variable cost margin before IFRS 15 restatement (as defined in section 5.1).

The two methods co-exist and are each used according to the use case.

When the carbon intensity is limited to Scope 3 (example according to the SBTi), the Scope 1 and 2 emissions generated by VusionGroup will also be subject to reduction targets, but in absolute terms and no longer in intensity.

GHG emissions

Emissions relate to scopes 1, 2, and 3 according to the regulatory methodology for the preparation of greenhouse gas emissions assessments for the year 2023.

VusionGroup measures the carbon footprint of its activities, that of its employees, and its energy consumption on Scopes 1, 2, and 3 according to the general framework proposed by the *GHG Protocol*[1]. Carbon accounting, common to all Group companies, is based on international standards:

GHG Protocol, International Energy Agency, ISO 14064–1–2016.

The data for all Group subsidiaries are consolidated to produce the statement: we aggregate the greenhouse gas emissions by corresponding item for each of our offices and subsidiaries around the world.

To compare these different greenhouse gases, which do not have the same warming potential, they are converted into "CO_2 equivalent." CO_2 is thus considered as the reference gas. The "Global Warming Potentials" are determined by the IPCC[2] and calculated over 100 years. Thanks to the CO_2 equivalent, greenhouse gases are comparable and cumulative, which makes it easier to analyze company activity data.

Scope 1: consideration of emissions from LPG (butane, propane), natural gas, domestic fuel oil or diesel, heavy fuel oil and kerosene for stationary and mobile sources as well as emissions related to refrigerant leaks. The inclusion of vehicles used by the entire Group scope is ensured by monitoring IFRS 16 restatements, making it possible to inventory the fleet of vehicles under a long-term lease, as well as their respective engines.

Purchases of natural gas to heat our warehouses were also recorded.

Scope 2: consideration of emissions from purchases of electricity, steam, heating and cooling. Electricity emission factors only take into account combustion. Emissions expressed for Scope 2 using the location-based method (corresponding to CO_2 emissions calculated using "country emission" factors from ADEME for the years 2018-2020 and from the IEA (International Energy Agency) for the year 2021) calculated on the basis of standard emission factors per country of location, per square meter occupied, and per headcount present.

Scope 3 Manufacture and use of products sold: the life cycle analysis of the Group's products (ESLs) was entrusted to RDC Environment[3], which carried out a detailed analysis of the components listed in the industrial nomenclature of our IoTs (screen, printed circuit, plastic frame, etc.) from mining to transportation to the assembly plant, taking into account the energy required at each industrial stage, from packaging and transport at each stage to the finished product and its storage. Rails and fasteners are included in this analysis.

The use of these ESLs by customers (server consumption, for example) as well as the end-of-life of the product were also taken into account (destruction by approved organizations), as well as its possible refurbishment ("second life ESL" program) for a comprehensive view of the life cycle, assessed according to the GHG Protocol.

A portion (9.1% of revenue) of the products and services marketed by the Group, consisting mainly of IoT ranges in end of marketing cycle, has not been subject to a life cycle analysis.

Scope 3 Freight: the scope selected mainly concerns internal freight and upstream and downstream freight (to our European warehouses). The calculation method used is that of emission factor per km travelled, which make it possible to associate CO_2 emissions with the distance travelled according to the mode of transport (road, air, rail).

Scope 3 Assets used: assets used by the entire Group are taken into account by monitoring IFRS 16 restatements, making it possible to inventory offices and warehouses under long-term leases, as well as their respective surface areas.

Scope 3 Business travel: emissions related to business travel within the Group are taken into account thanks to the centralized travel agency reporting. The Group plans to have only one travel agency for more homogeneous information reporting.

(1) GHG Protocol: Greenhouse Gas Protocol (https://ghgprotocol.org/)
(2) Intergovernmental Panel on Climate Change
(3) RDC Environment is a company of experts and solutions in sustainable development

Scope 3 Commuting: emissions related to commuting were estimated by taking an average of https://www.moneybarn.com/co2-commutes/. Emissions from commuting represent an estimate and not an exact calculation due to the availability of data, to be associated with the various assumptions. The level of uncertainty remains significant for this item.

Scope 3 Purchases of goods and services: the emissions caused by the Group's purchases of goods and services have been estimated using monetary emission factors that combine CO_2 emissions with the value of purchases made for different types of goods or services. The scope includes all of the Group's consolidated entities.

Indicator 3: *Second life ESL* (recycling of labels)

Second Life ESL or recycled labels: the calculation of the indicator is based on the quantity of labels that has been in use for more than six years and that has been recycled within our European centers. The data is for Europe only and excludes entities located in Asia and North and South America: the entities included in the "recycling of labels" indicator account for €642 million of the Group's annual revenue (i.e. 80% of the consolidated revenue).

Entities from Asia or North and South America account for €160 million of the Group's annual revenue: these entities would not significantly distort the indicator since the labels installed across these regions are, generally speaking, recent and have been in use for less than six years.

Indicator 4: Avoided emissions

This indicator will be the subject of a methodology in the 2024 report.

Indicators 5 and 6: Audit of our supply chain and signature of the Supplier Code of Conduct

The department in charge of the Group's industrial supply manages the quality audit and ESG audit of suppliers by selecting the most significant suppliers based on purchases for the current fiscal year (information provided by the accounts departments).

On this basis, internal or outsourced audits (EcoVadis questionnaire) are carried out on the most significant suppliers and make it possible to calculate the number of suppliers and therefore the procurement portfolios that have been audited and/or have signed the Supplier Code of Conduct.

Human resources indicators:

Indicators 7, 9, 10

All of the indicators describing the age pyramid, gender ratios, training hour and managerial interview ratios are based on digitized reports compiled by the HR department, whose scope covers all of the Group's entities, without exception.

The long-term remuneration policy indicator is also based on an analysis covering all of the Group's consolidated entities, without exception.

Training indicator accounts for each and every training provided to employees (including trainees and "VIE") whether or not they are still in the headcount by year-end. However, the accounting of training hours does not take into account all entities: the new acquisitions in 2023 had already planned their annual training schedule for 2023 and are therefore not recognized (Memory and Belive.ai representing 15% of the workforce) but will be included in 2024.

This is also the case for the Code of Ethics signature indicator. This comes from this code's distribution platform, coupled with the DocuSign software, enabling the real-time measurement of the return rate: only employees already integrated into internal software receive this request. Memory and Belive.ai have not yet had the opportunity to sign it.

Indicator 8: eNPS

Employees Net Promoter Score: feedback from employees may vary from 0 (Not at all likely) and 10 (Very likely). Based on their answer, the respondents are divided into four categories: ambassadors (above 8.5), passives (6.5 to 8.49), non-ambassadors (2.5 to 6.49), and detractors (0 to 2.49).

The eNPS score is then calculated using the following formula: eNPS = % of ambassadors - (% of non-ambassadors + % of detractors).

NPS scores range from a minimum of -100 (if every team-member is a non-ambassador or a detractor) to a maximum of 100 (if every team-member is a promoter). Employees who rate the company between 9 and 10/10 are promoters; between 7 and 8 are passive; and between 1 and 6 are detractors.

The scope of employees surveyed includes all types of contracts including interns, fixed-term contracts, and VIE (international business volunteer program), with the exception of the Memory entity, which already had a similar survey at the time of the launch of the campaign. (The exclusion represents 8.74% of the workforce, 74 out of 847).

The eNPS survey is carried out twice a year (in H1 and H2) and the two results have been published since 2024 compared to the previous year when an average of the two results was published.

Indicator 11: Composition of the Board of

Directors

This indicator reflects the statistics provided in the corporate Governance report and in particular section 3.2.1. This information complies with French regulations as well as the recommendations of the French Financial Markets Authority *(AMF - Autorité des Marchés Financiers)* and the AFEP-MEDEF Code.

Indicator 12: External ratings

All of the external ratings to which the Group is subject (EcoVadis, ISS, CDP) require for the scope of investigation to be a Group scope.

In the case of ISS-type external assessments, they are based on public information and, in particular, the information and indicators published in this report.

In the case of the EcoVadis assessment, which is based on a documentary audit, the requirement is the same: a document that is valid only for the parent entity will not be recognized as valid for the Group.

4.7.7 Other indicators

NPS indicator: customer satisfaction (section 4.5.1)

Customers Net Promoter Score: the calculation of this indicator is based on feedback from the Group's clients (scope includes worldwide customers, except China). The NPS indicator assesses the extent to which clients recommend a company.

Clients who rate a supplier between 9 and 10/10 are promoters; between 7 and 8 are passive; and between 1 and 6 are detractors.

The NPS is calculated using the difference between the percentage of promoters and the percentage of detractors.

Indicator: Packaging savings (section 4.3.2.2)

The calculation of optimized pallet loads *via* packaging optimization is the result of a close cooperation with one of our industrial partners in Southeast Asia.

This cooperation resulted in a reduction in the number of boxes, removing the protective plastic sheets from the label screens and using recyclable material only for the final packaging of electronic devices. These results are then applied to the ESL's quantities actually transiting through the upstream logistics since July 2021.

Eventually, in addition to reducing the weight and volume of packaging, this has significantly improved shipping container filling rates and the number of shipments.

Indicator: Employees' carbon footprint (section 4.3.2)

Statistics on the type of engine used in the Group's vehicle fleet were compiled for all Group entities, based on the file of the Finance/Consolidation Department managing all leases subject to an IFRS 16 restatement.

The makes and models of the leased vehicles made it possible to identify the type of combustion engine (hybrid or electric).

Ethical business conduct and anti-corruption indicator (section 4.2.3)

The Group's consolidated revenue is published under a new analytical axis determined by the intersection of the distribution of the geographical areas where the Group invoiced its customers during the fiscal year, and the ranking of the latter in terms of corruption according to the 2022 corruption index, published by Transparency International available on the website: https://www.transparency.org/en/cpi/2022

Point of contact: EVP ESG Legal

The point of contact for questions regarding reporting or information provided in this sustainability report is Ms. Pascale Dubreuil, EVP ESG Legal of VusionGroup.

4.8 Report from the independent third party

Report of one of the Statutory Auditors, appointed as independent third party, on the verification of the consolidated non-financial statement

This is a free English translation of the Statutory Auditor's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Year ended December 31st 2023

To the annual general meeting,

In our capacity as Statutory Auditor of your company (hereinafter the "Entity") appointed as independent third party, and accredited by the French Accreditation Committee (COFRAC) under number 3-1884[1], we have undertaken a limited assurance engagement on the historical information (observed or extrapolated) in the consolidated non-financial statement, prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), for the year ended January 31st, 2023 (hereinafter, the "Information" and the "Statement" respectively), presented in the Group's management report pursuant to the legal and regulatory provisions of Articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code *(code de commerce).*

Conclusion

Based on the procedures we performed as described under the "Nature and scope of procedures" paragraph and the evidence we obtained, nothing has come to our attention that causes us to believe that the consolidate non-financial statement is not prepared in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Preparation of the non-financial performance statement

The absence of a commonly used generally accepted reporting framework or of a significant body of established practices on which to draw to evaluate and measure the Information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.

Consequently, the Information needs to be read and understood together with the Guidelines, summarized in the Statement and available on the Entity's website or on request from its headquarters.

Responsibility of the entity

Management of the entity is responsible for:

- selecting or establishing suitable criteria for preparing the Information,
- preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators, and the information set out in Article 8 of Regulation (EU) 2020/852 (Green Taxonomy),
- preparing the Statement by applying the entity's "Guidelines" as referred above, and
- designing, implementing, and maintaining internal control over information relevant to the preparation of the Information that is free from material misstatement, whether due to fraud or error.

The Statement has been prepared by the Board of Directors.

Responsibility of the Statutory Auditor, appointed as independent third party

Based on our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- The compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code,
- The fairness of the historical information (observed or extrapolated) provided pursuant to part 3 of sections I and II of Article R. 225-105 of the French Commercial Code, i.e., the outcomes of policies, including key performance indicators, and measures relating to the main risks.

[1] Accreditation Cofrac Inspection, number 3-1884, scope available at www.cofrac.fr