

**VusionGroup**

A ROADMAP  
FOR POSITIVE  
COMMERCE

ESG Executive  
Summary **2023**



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## Note regarding this Executive Summary

This document is an executive summary of VusionGroup's Extra-Financial Performance Declaration, or ESG Report, published in our 2023 Universal Registration Document (URD). Our 2023 URD is available on the Investors page at [www.vusion.com](http://www.vusion.com). Reference is made throughout this executive summary to relevant sections in that more extensive document.



# Introduction

## Message from our Chairman and Chief Executive Officer

### Dear Stakeholders,

I am pleased to share VusionGroup's first executive summary of our ESG report. As drivers of the digital transformation of the physical retail sector, we are firmly engaged in the promotion of sustainable solutions for our customers. We are committed to a future in which the well-being of people and nature are aligned, and both are thriving.

The roll-out of our innovative solutions continued to accelerate, driving forward the digital transformation of physical retail, and helping our customers to modernize their stores. The adoption and implementation of digital solutions is enabling retailers to grow their local and low-carbon e-commerce businesses, reduce food waste, optimize inventory management on shelves and throughout their supply chains, promote responsible consumption through better consumer information at points of sale, and enhance the professional experience of their associates through a focus on more value-added responsibilities.

During 2023, we continued to move forward on our climate strategy by reducing our carbon intensity 13% during the year and formalizing the objectives of our carbon emissions reduction plan to 2030, in line with the Paris Climate Agreement. We launched our revolutionary EdgeSense™ solution, with — among

other game-changing attributes — a significant energy efficiency advantage over current electronic shelf label (ESL) technologies. And we continued to make progress on our Second Life circularity initiative, recycling almost two million ESLs during the year.

The strength of VusionGroup lies in the creativity and diversity of our more than 900 employees, representing 51 nationalities. Leveraging our company's 32 years of experience, know-how and insight into the needs of physical stores, our colleagues continued to invent, design, market and sell groundbreaking digital solutions for our customers. We are convinced that motivation is the main driver of performance, leading us to continue to promote an exciting, engaging, and fulfilling work environment. In 2023, we took our commitment to employee engagement one step further by extending our performance share plan to all employees.



*The strength of VusionGroup lies in the creativity and diversity of our more than 900 employees, representing 51 nationalities."*



We continue to work toward gender parity across VusionGoup, including in managerial positions. Beyond the fundamental argument of equality, the gender parity objective is a lever for further enhancing VusionGroup's performance through the creative and innovative thinking that diversity fosters.

On the governance front, we strengthened, in 2024, our Board of Directors with the addition of two new independent non-executive directors, for a 60% independent Board (vs. 50% in 2023). We also created a Strategy and ESG Committee of the Board, enhancing the oversight of those two critical areas for our development.

We cannot, however, ignore the reality in which we operate. The global retail sector is in a difficult period. Retail is the world's largest economic sector, generating an estimated 20% of global GDP and accounting for 15% of all jobs. But the retail industry is under acute pressure, facing wage and cost inflation, a decrease in consumption, and significant disruption driven by the dynamic growth of e-commerce. The health of the retail industry is inextricably linked to economic growth and the well-being of communities. VusionGroup's offer of digital tools for retail, with their capacity to modernize stores and drive operating efficiencies and improvements, and to enhance revenue growth through consumer engagement at

the shelf, provide powerful solutions for the ongoing relevance and centrality of physical stores within an evolving model.

Our **Technologies for Positive Commerce**, which you will read about in this report, provide a powerful answer to many of the challenges faced by the global retail sector today.

I look forward to engaging with you further on these topics over the course of the year ahead.

**Thierry Gadou**

Chairman and Chief Executive Officer

# Our Company

## Overview

Founded in 1992, VusionGroup has grown and evolved to become the global leader in ESL and Internet of Things (IoT) solutions for commerce, spearheading and driving the digital transformation of the physical retail sector.

VusionGroup invents, designs, and sells technologies to digitalize the retail sector. We produce ESLs and a suite of digital solutions for physical retail environments that increase operating efficiency and enhance consumer engagement.


Through our digital solutions, we aim to provide retailers with tools that help them address the critical challenges facing the retail sector such as higher costs, decreasing consumption, eroding margins, expanding online platforms, and growing sustainability issues. We offer solutions that enable seamless collaboration across the value chain, enhance the shopper experience, contribute to job satisfaction, unlock economic value, and tangibly reduce waste and carbon emissions.

The transformation powered by VusionGroup delivers positive economic, social, and environmental impact and creates shared value for consumers, retailers, manufacturers, food growers, workers, communities and the planet.

By leveraging IoT and Data technologies, we empower retailers to reimagine their physical stores into efficient, intelligent, connected, and data-driven assets.

## VusionGroup at a Glance

 **Founded in 1992**

 **18**  
Subsidiaries and worldwide sales offices

 **850**  
Employees

 **350**  
Customers

 **400M+**  
Smart Labels installed

 **40K**  
Stores

 **Present in 60**  
countries

 **2023 Sales €802M**

 **33%+**  
Sales Growth  
5-Year CAGR  
2018-2023

# Our Purpose: Positive Commerce

## What is Positive Commerce?

Positive commerce seeks to enable the harmonious co-existence and synergies of physical stores with other retail channels, such as e-commerce, leading to a more sustainable and socially sound retail model. VusionGroup contributes to positive commerce by supporting physical stores with intelligent, connected and long-lasting ecosystems to enable sustainable retail business models.

VusionGroup's solutions are:

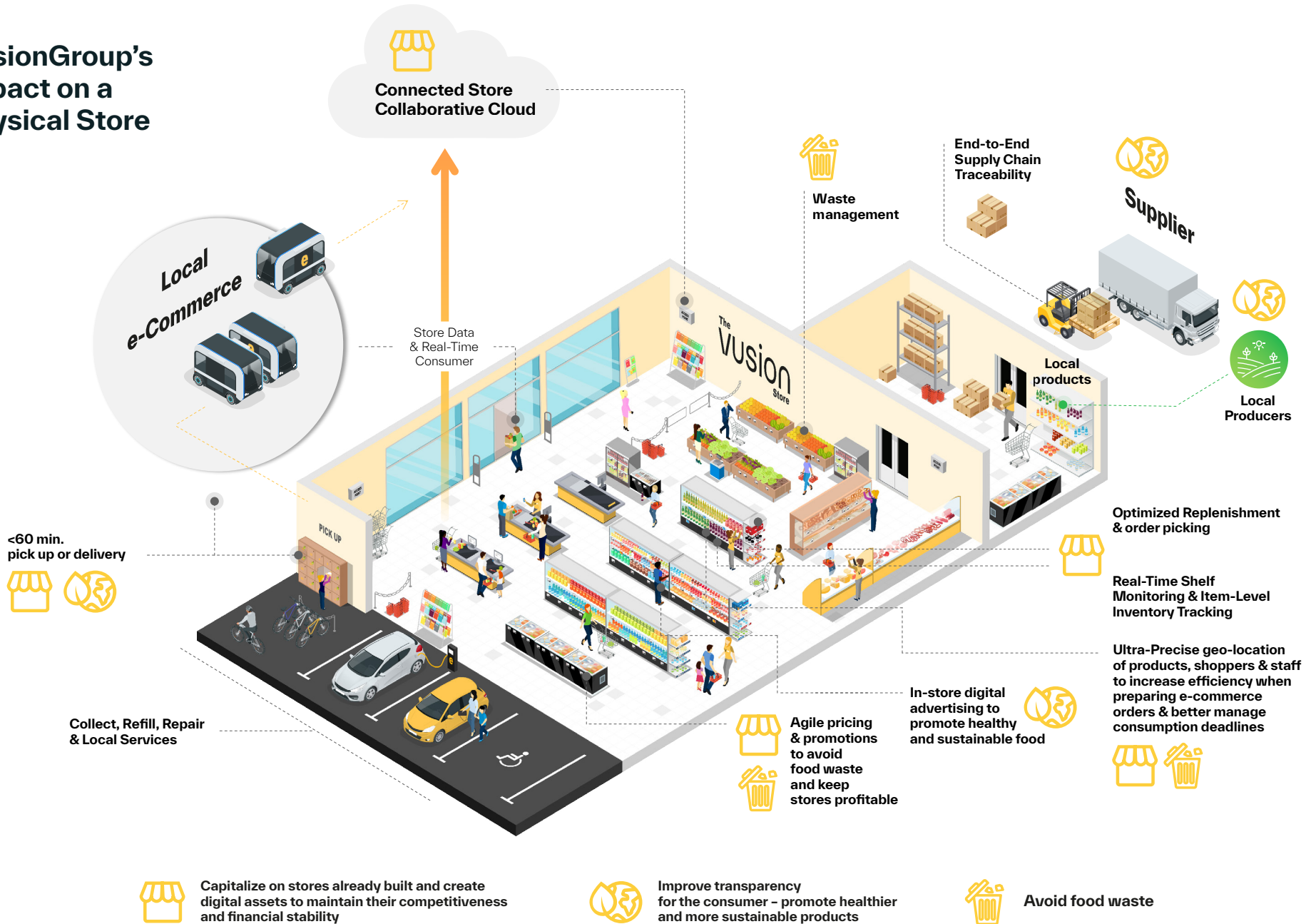
- **People-centered** - We imagine, design and deliver solutions that provide a better commerce experience for customers and store associates through versatile, efficient technologies that contribute to more fulfilling retail jobs. VusionGroup's solutions enable employees to move away from cumbersome, repetitive and low-value-added tasks to focus on more fulfilling customer service and merchandising activities that have a higher incidence on sales
- **Sustainable** - Our low carbon commerce technologies leverage better data, IoT and automation solutions that improve efficiency and inventory management in physical stores while reducing waste and decreasing Greenhouse Gas (GHG) emissions

### TECHNOLOGIES FOR POSITIVE COMMERCE

VusionGroup's purpose is to invent IoT and digital technologies that create a positive impact on society by enabling sustainable and people-centered commerce.



# VusionGroup's Impact on a Physical Store



# Our Approach to ESG

Our ESG strategy aims to meet the needs of all VusionGroup stakeholders and to contribute constructively to the health and well-being of the retail sector and the human and nature-based resources on which it relies. We have identified the risks, challenges and opportunities most relevant to physical retail through internal reviews and discussions, expert third-party advisory services, and feedback from our customers.

VusionGroup’s ESG philosophy is centered on creating shared value along our value chain and throughout our ecosystems. We base our approach on three pillars:

## Creating Shared Value



### A Roadmap for Positive Retail

- Develop ultra-low carbon IoT devices and solutions
- Contribute to the retail sector’s achievement of net zero targets
- Protect jobs, communities, and consumers by enabling better and more sustainable stores



### A Great Place to Work

- Provide jobs and career paths that motivate employees and that afford them professional satisfaction
- Promote well-being of our employees
- Promote a sense of belonging and inclusivity



### Long-Term Stakeholder Value

- Ensure the highest governance standards, adopting accepted best practices
- Mitigate climate change risk in our operations
- Ensure a sustainable supply chain
- Provide transparent reporting to and communication with stakeholders

Our business model and product offer lead to value creation for all of our stakeholders.

We are guided by a set of core values as we drive our corporate purpose.

## Integration of VusionGroup’s ESG Priorities and Corporate Values

ESG Priorities	Corporate Values
<b>Make the physical store a digital asset</b>	 
<b>Address Climate change:</b> contributing to the decarbonization of our operations and across the value chain	
<b>Create positive impact:</b> jobs, consumer protection, communities	
<b>Be a great place to work:</b> inclusive environment, diversity, safety, professional opportunity, and development	
Highest standards of <b>business ethics and governance</b>	

- Innovative
- Customer Centric
- Integrity
- Positive Impact
- Entrepreneurial Spirit
- Humanism
- Global/International Ambition



# Supporting Initiatives

## We support



**WOMEN'S EMPOWERMENT PRINCIPLES**

Established by UN Women and the UN Global Compact Office



## Memberships



## Commitments



<p><b>3</b> GOOD HEALTH AND WELL-BEING</p>	<p><b>5</b> GENDER EQUALITY</p>
<p><b>7</b> AFFORDABLE AND CLEAN ENERGY</p>	<p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p>
<p><b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p><b>11</b> SUSTAINABLE CITIES AND COMMUNITIES</p>
<p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p><b>13</b> CLIMATE ACTION</p>

















## Our certifications

<p>intertek</p>	<p>intertek</p>
<p>intertek</p>	<p>intertek</p>
<p>014</p>	

## Our ratings

<p>PLATINUM <i>from the</i> 2023 ecovadis Sustainability Rating</p>	<p>Rated <b>Platinum</b> 2024 by cybervadis</p>	<p>969/1000 MATURE</p>
<p><b>CDP</b> DISCLOSURE INSIGHT ACTION</p>	<p>Our CDP score <b>B</b></p>	

## Our Main Goals

Topic or Goal	Indicator	SDGs	2023 Performance	Change vs. Previous Year	2027 Ambition
<b>Carbon Intensity (Scope 3)</b>	mT CO <sub>2</sub> e per €millions of variable cost margin	 	661	-13%	<b>-47.5%</b>
<b>Innovation to decarbonize our solutions</b>	Number of relevant patents filed	 	712	+32%	<b>1,000</b>
<b>Contribution to decarbonizing the retail sector</b>	Avoided emissions	  	<ul style="list-style-type: none"> <li>Active member of Net Zero initiative</li> <li>Quantification of avoided emissions through all our use cases is being established</li> </ul>	N/A	<b>Assessment in progress</b>
<b>Compensation Policy</b>	# of employees participating in long-term incentive plans	 	33%	+3 pts	<b>100%</b>
<b>Employee Satisfaction</b>	eNPS		H1: 37 H2: 40	H1: +12 pts H2: +4 pts	<b>50</b>
<b>Gender Diversity</b>	Percentage of women female managers		28%	+1 pt	<b>35%</b>
<b>Audit of the supply chain</b>	Internally audited suppliers as percentage of industrial purchases covered	 	97%	97%	<b>100%</b>
<b>Industrial Supplier Code of Conduct</b>	Signature rate as percentage of covered industrial purchases	 	98%	98%	<b>100%</b>
<b>External Ratings</b>	Ecovadis and CDP		Ecovadis: Platinum CDP: B	Ecovadis: Platinum CDP: C	<b>Ecovadis: Platinum Upper quartile for other rating agencies (CDP, ISS, MSCI, etc.)</b>

## Value Creation for our Stakeholders

### Employees

- A work environment that promotes value creation and prioritizes employee well-being and equal opportunity
- Beginning in 2024 all employees participate in the company's long-term incentive plan through share ownership

### Retailers and CPG Companies

- Enhanced revenue growth through the reduction of stock-outs, AI-driven category management, and real-time consumer engagement at the shelf
- Optimized operating efficiency of physical stores, driving higher margins

### Consumers, Communities and Society

- Pricing accuracy and easily available product information in stores
- Enhanced sustainability of physical retail outlets, enabling the maintenance of social ties and connections between people in commercial settings



*The value we create for our employees and customers is reflected in our Employee Net Promoter Score (eNPS) of 35 in H1 2024, and the Net Promoter Score (NPS) of 67 received from our customers in H1 2024, an 11-point increase from our 2022 NPS of 55."*



### Planet

- Low-carbon solutions: Cloud, Infraless, EdgeSense™ Tools to decarbonize physical retail
- Helping to avoid emissions through “local” e-commerce and in-store order preparation, limiting the construction of additional warehouses and related infrastructure
- Circularity through “Second Life ESL” program, with 1.9 million labels recycled in 2023
- Tools to reduce food waste

### Shareholders

- 10-year top-line CAGR of 30%+
- Three-year accumulated shareholder return of 213% (year-end 2020 to year-end 2023)

### Suppliers

- Responsible and sustainable supply chains, with 98%+ of industrial procurement partners adhering to our code of conduct
- Transparency and assurance regarding conflict minerals, human rights, and other ethical issues
- Long-standing relationships with key suppliers, and multi-year contracts

# Environment: A Roadmap for Positive Commerce

## 2023 Highlights

- VusionGroup has **set up a clear 2030 carbon intensity reduction target**, to be met through innovative solutions
- VusionGroup is positioned as a key contributor for decarbonizing retail through several use cases so that the retail sector **achieves net zero ambitions via avoided emissions**
- We have been awarded a **90/100 score in the EcoVadis environment assessment**
- **We are ISO 14001 certified and have achieved a B score from the CDP, underscoring the progress made on VusionGroup's environmental management maturity**, but not yet reflecting the impact of additional measures taken during 2023, such as the addition of a carbon intensity metric

### In this section:

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*VusionGroup's mission is to transform our business model by focusing on long-term challenges: well beyond simple compliance, we constantly examine our contribution to our sector and stakeholders, with full awareness that financial, social, societal and environmental performance go hand-in-hand."*

**Pascale Dubreuil**  
Chief Sustainability Officer



# Our Climate Strategy

## Our Ambition

We are committed to pursuing a path toward net zero carbon emissions, in line with the Paris Climate Agreement’s goal of limiting global warming to 1.5°C.

The first step we took in establishing our climate strategy was to measure the carbon footprint and intensity of our own operations and our value chain. In 2022, we undertook a full measurement of our carbon footprint for the first time, across Scopes 1, 2 and 3, and including the lifecycle of our products. This serves as the baseline for our multi-year action plans.

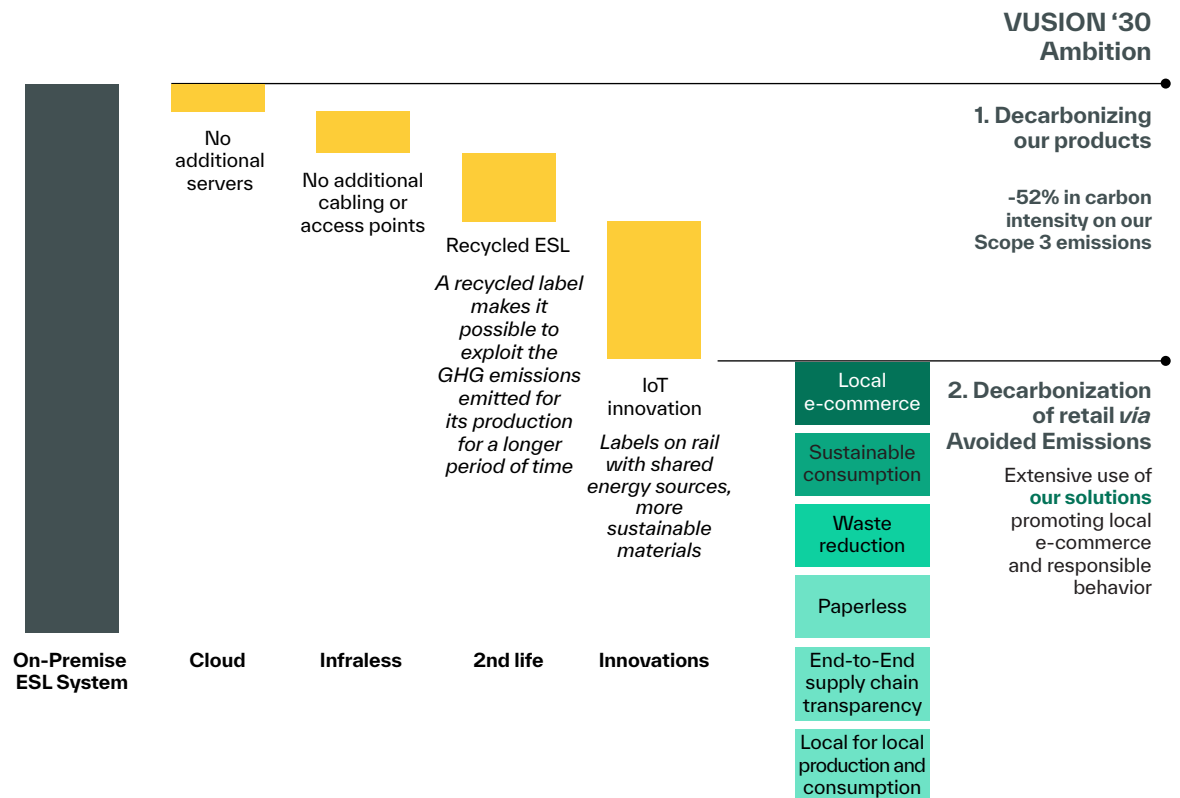
## Our Strategy

Our strategy to address climate change aims to lower our carbon emissions – Scopes 1, 2 and 3 – throughout our value chain, and contribute to the decarbonization of retail. It encompasses **four objectives**:

- 1 To **produce innovative products** and technologies that prioritize **low carbon solutions**
- 2 To **reduce the carbon intensity** of our production, processes, logistics and overall business model
- 3 To **promote a circular economy** through the refurbishment and recycling of ESLs at the end of their useful life
- 4 To help retail achieve **net zero ambitions via avoided emissions**

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

## Building our Net Zero contribution plan



# Indicators









The primary indicators we use to measure our progress toward this ambition are:

- The carbon intensity of our solutions, using a methodology recommended by the Science Based Target initiative (SBTi) that measures the GHG emissions required to produce one million euros of adjusted gross profit (variable cost margin)
- The portion of VusionGroup’s innovation aimed at decarbonizing our solutions, measured through the number of relevant patents filed during the year
- The contribution to a circular economy made by the ecodesign and internal refurbishing process of our products, measured by the number of labels we recycle each year, and
- The contribution we make to the decarbonization of the retail sector, measured by the calculation of the avoided emissions enabled through the use of our products

## 2023 Highlights

- We launched **EdgeSense™**, our new range of low carbon solutions
- We made progress on our **Second Life program** through the ecodesign and reparability of our products, and we expanded the geographic coverage of our sorting and recycling centers
- We continued our active membership in the **Net Zero Initiative** working group, led by Carbone 4 – a leading French climate strategy advisor – bringing together tech sector companies to work toward a carbon-neutral future

### Our Climate Strategy Indicators and 2023 Performance

Topic or Goal	Indicator	SDGs	2023 Performance	Change vs. Previous Year	2027 Ambition
<b>Carbon Intensity (Scope 3)</b>	mT CO <sub>2</sub> e per €millions of variable cost margin	 	661	-13%	<b>-47.5%</b>
<b>Innovation to decarbonize our solutions</b>	Number of relevant patents filed	 	712	+32%	<b>1,000</b>
<b>Circular economy through the “second life” of ESLs</b>	Number of labels recycled		1.9 million	+19%	<b>15 million</b>
<b>Contribution to decarbonizing the retail sector</b>	Avoided emissions	  	<ul style="list-style-type: none"> <li>• Active member of Net Zero initiative</li> <li>• The methodology to quantify avoided emissions through all our use cases is being established.</li> </ul>	N/A	<b>Assessment in progress</b>

# Decarbonizing Retail: Use Cases



**Enabling Local & Low-Carbon E-Commerce**



**Reducing Food Waste**



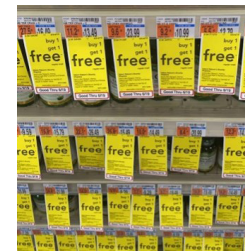
**Influencing Responsible Consumption at the Shelf**



**Fostering Local for Local Production & Consumption**



**Enabling End-to-End Supply Chain Transparency**



**Paperless Commerce**

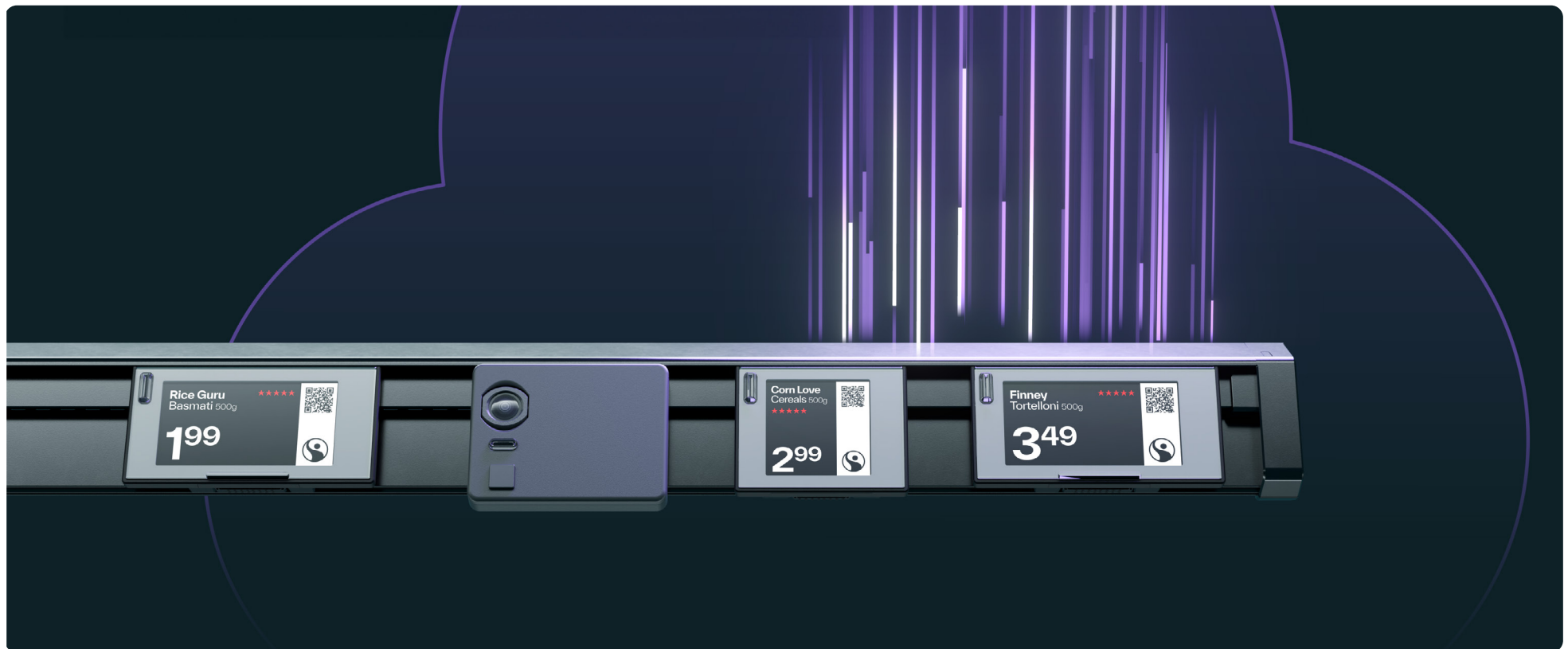
## Decarbonizing our Solutions

Research & Development is in VusionGroup's DNA and forms an essential part of our strategy. We continuously invest in innovation to improve the carbon emission profile of our products and to expand our offer of more energy efficient solutions. VusionGroup's market leadership in our industry attests to the value created for retailers by our increasingly decarbonized solutions, with several of our innovations winning awards over the years.

We decarbonize our solutions through Ecodesign, a focus on energy and resource efficiency and technologically-driven approaches to fostering a circular economy.

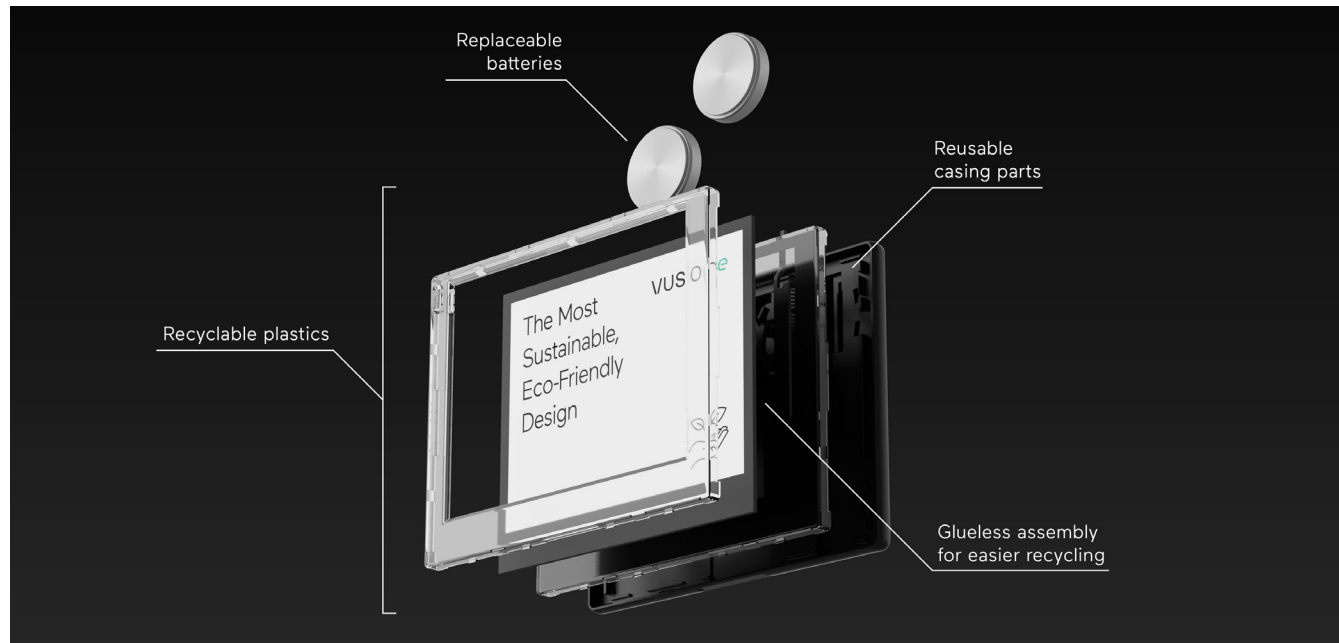
### CONTRIBUTING TO DECARBONIZATION AND CHEMICAL SAFETY MANAGEMENT THROUGH EDGESENSE™

Transitioning to the EdgeSense™ system, which incorporates a battery in the rail rather than in each individual ESL, implies a significant reduction in the number of lithium batteries used, and a decrease in the related issues of chemical safety and water management. One EdgeSense™ rail holds six ESLs on average, effectively reducing the number of batteries required by a significant factor.





# How VusionGroup Decarbonizes its Solutions



## WASTE AND CIRCULAR ECONOMY

### Investing in Second Life

- Refurbished 1.9 million ESLs in 2023
- Refurbished ESLs are found to be 47% less resource-intensive and emit 40% less GHG than a new ESL

### Properly handling our waste

Handling waste according to product range and country of operation, with a range of possible processes such as:

- Organizing used ESL's take back flows from customers for recycling purposes, or
- Subscribing to European specific and regulated take back flows for discarding electronic wastes as well as battery wastes

### Improving our packaging

- Using recyclable material for single-use packaging
- Reducing use of PE bags

### Investing in new initiatives

- Using recycled plastic in our fixings
- Using plastic waste in our manufacturing

## ECODESIGN

### Investing in R&D

- 712 active patents in ESL technology, locationing, no-battery devices, and store safety

### Designing eco-friendly solutions

- Minimizing energy consumption
- Designing ESLs with replaceable batteries and parts

## BATTERY-LESS, INFRALESS, SERVERLESS, BLUETOOTH

### Reinventing the EdgeSense™

- Resulting from 10 years of R&D development
- Providing the world's first battery-less displays that emit 48% less CO<sub>2</sub>e than similar solutions with traditional batteries
- Powers up displays and sensors from one single source
  - one battery drives up to 25 displays
  - one chip per rail (rather than per ESL)

### Designing low energy consumption IoT

- Infraless: reducing the need for cabling, hardware and power consumption across store chains

- Ultra Low Power Radio Frequency (RF) through new connectivity solutions
- Bluetooth Low Energy: the leading next generation protocol for connected devices and sensors
- Sober Protocol: minimizing unnecessary radio traffic
- Cloud: reducing energy requirements and eliminating on-premise data centers

### Battery management to extend product lifespan

- Optimized battery management through VUSION Cloud platform
- Battery replacement services

# Decarbonizing our Organization

## Our Carbon Footprint

We measured our carbon footprint for the first time in 2022 to establish a baseline for a GHG emission reduction plan. Our GHG emissions measurement has established that 99.2% of our carbon footprint came from Scope 3 emissions.

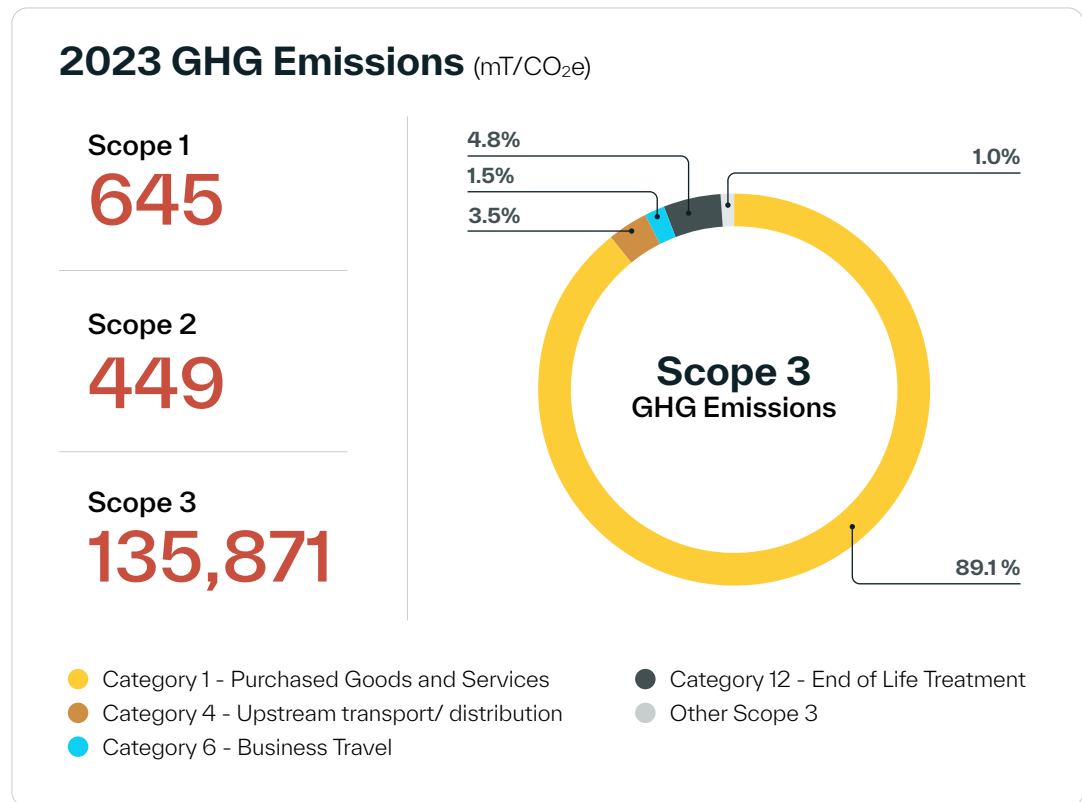
### Our 2023 Carbon Footprint

Almost 93% of our GHG emissions are generated in the upstream portion of our value chain, mostly through purchased goods and services. Upstream and downstream transportation and distribution – from our suppliers and to our customers – account for 3.5% of our emissions. In the downstream portion of our value chain, the end-of-life treatment we give our products through refurbishing or recycling accounts for 5% of our GHG emissions.

We have opted for a factory-less production model. VusionGroup invents and designs products and IoT solutions whose intellectual property rights are protected by patents. We sub-contract the production of our IoT devices to specialized Electronic Manufacturing Services (EMS) with which we have long-standing partnerships.

We take responsibility for emissions across our entire value chain, from the supply of materials to production, throughout the lifecycle of our products, including the use, transport and recovery of materials at the end of their life.

In addition to our carbon intensity target (-51.6% on our Scope 3 emissions per thousand of euros in added value by 2030 compared to a 2022 base year), VusionGroup has set an additional target: to reduce our Scope 1 and 2 emissions a minimum of -42% in absolute terms by 2030 compared to a 2022 base year.



➔ For more on this topic, please see our disclosure in chapter 4.3.1 of the [VusionGroup 2023 Universal Registration Document](#).

## Initiatives to Decarbonize our Operations

The largest contributor to the carbon footprint of our own organization and business activities, reflected in our Scope 1 and 2 GHG emissions, and in Category 6 of our Scope 3 emissions, is the physical mobility of our employees. This includes commuting to work, the use of company cars and business travel. We have implemented strategies to reduce the impact of these items.

- **Company cars:** We are transitioning our fleet toward hybrid or electric vehicles (EVs), and away from combustion engine cars. This transition should lead to a predominantly EV fleet by 2030
- **Business travel:** The meeting rooms throughout our offices worldwide are equipped with video-conferencing equipment to promote efficient and inclusive meetings and to minimize employee business travel



# Social: A Great Place to Work

## 2023 Highlights

- **VusionGroup’s Employee Net Promoter Score (eNPS) increased to 40 in the second half of 2023**, from 36 in the same period a year earlier
- Out of the 28% women managers in total, we maintained the percentage of women managers under the age of 35 to 49%, **nearing gender parity in this part of our management team**
- We **enhanced the parent-specific benefits across the company**, positively impacting work-life balance for a large proportion of our employees

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*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



## A Great Place to Work

Our company is at the vanguard of technological innovation with products and solutions that drive forward the digital transformation of the physical retail sector. The double-digit growth we have experienced over the past several years, and that we expect to continue to generate through the end of the decade as we address unmet demand for our solutions, has resulted in significant recruitment and career progression for our employees.

People are at the heart of all we do. To remain at the forefront of our industry we must ensure that we are able to attract and retain top talent, offering our employees a rewarding career path and an overall satisfying professional experience.

### Our ambition is to be a great place to work.

#### Our Strategy

We seek to create a highly engaging and inclusive workplace that enables our employees to achieve excellence and create long-term value. The priorities of our social strategy include:

- **Keeping our employees for the long-term**, providing stability and ensuring continuity
- **Diversity**, for its positive impact on creative thinking and its contribution to innovation
- **A performance share program**, to enable employees across our organization to participate in the rewards of our collective value creation
- Providing **training** to our employees to ensure that their skills keep pace with the fast-paced innovation in the tech sector, and
- **Measuring employee satisfaction** annually through a survey that leads to an **Employee Net Promoter Score (ENPS)**

#### Indicators

The main indicators we track to measure our progress toward our social goals are:

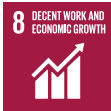

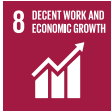

- The number of employees participating in long-term incentive plans
- Employee satisfaction, and
- Proportion of female managers in our workforce

#### 2023 Highlights

- Continued progress on our diversity program, including signing of our Diversity Charter
- Increased our training budget by 29% and the number of employee e-learning hours by 50%
- Expanded the performance share program to encompass 33% of our employees, moving to 100% of our employees in 2024



### A Great Place to Work Indicators and 2023 Performance

Topic or Goal	Indicator	SDGs	2023 Performance	Change vs. Previous Year	2027 Ambition
<b>Compensation Policy</b>	# of employees participating in long-term incentive plans	 	33%	+3 pts	<b>100%</b>
<b>Employee Satisfaction</b>	eNPS		H1: 37 H2: 40	H1: +12 pts H2: +4 pts	<b>50</b>
<b>Gender Diversity</b>	Percentage of women female managers		28%	+1 pt	<b>35%</b>

# Inclusion and Parity

We are committed to offering our employees equal opportunity for career development and recognition, irrespective of national origin, gender or beliefs. We follow all applicable regulations and agreements. We hire employees solely based on their ability to carry out the duties and responsibilities of the position for which they are being considered, their adaptability and motivation to join us. Our employees represent 51 nationalities and 25 different native languages, the most prevalent of which are English, French, German, Mandarin Chinese, Spanish, and Italian.

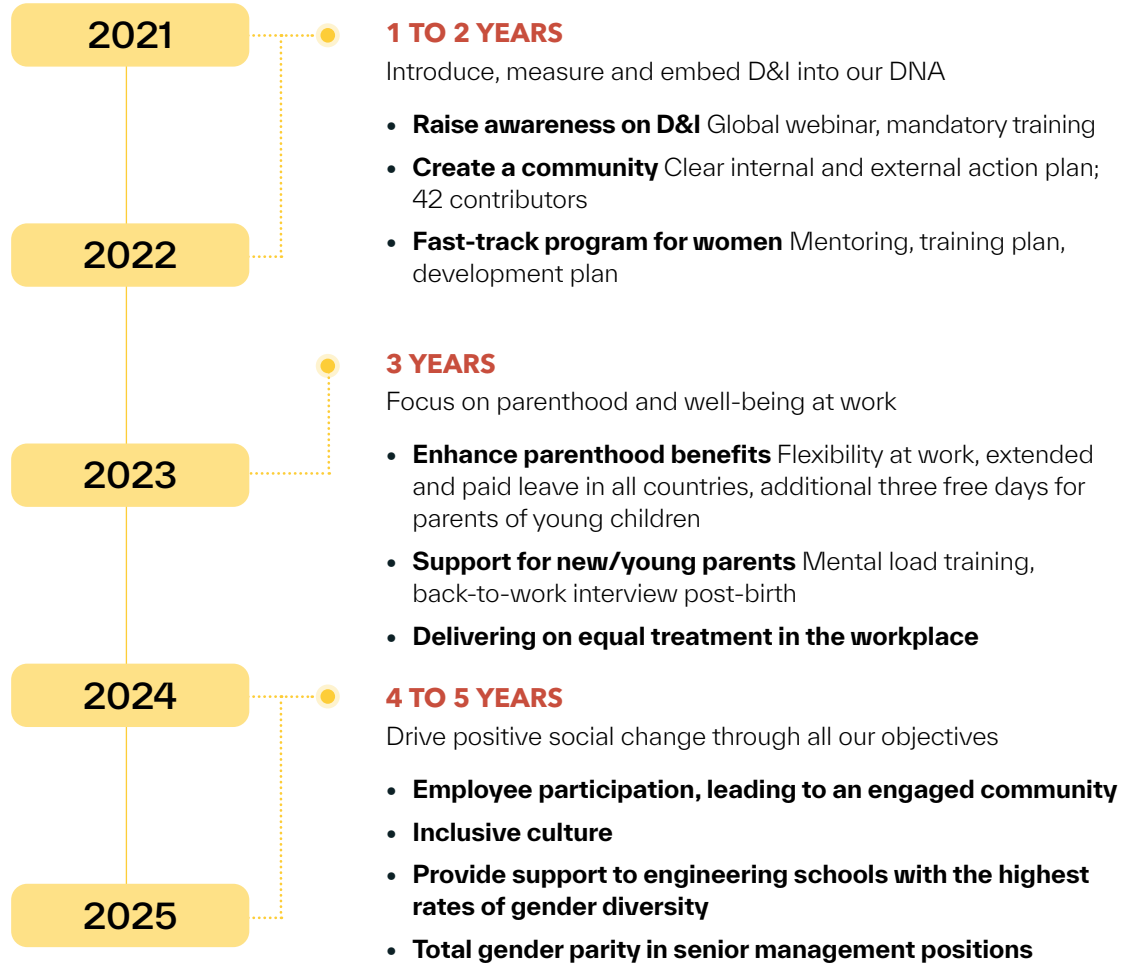
We believe that the diversity of our workforce enables original ideas and creative thinking, leading to innovation and value creation for our customers. We encourage the diversity of our collective cultures and of every individual.

## Working toward gender parity at VusionGroup

The underrepresentation of women in the technology sector extends to VusionGroup. At year-end 2023, a third of our employees were women. Issues of equality and equal opportunity aside, we are convinced that diversity in management teams leads to superior business performance. We aim to significantly increase the proportion of women at our company, particularly in management positions. We are encouraged to see that our mentoring and other programs are yielding results, as we are close to achieving gender parity among managers under the age of 35.

In 2021, we outlined and launched a five-year vision for diversity and inclusion.

### Diversity and Inclusion (D&I) – Five-Year Journey



## Talent Management

We believe that motivation and engagement drive performance. All our employees can achieve strong results if they are motivated, trained, rewarded, have a sense of belonging, and believe their work is meaningful and positive. Our rapid and ongoing growth across several geographies and our culture of innovation enable us to offer our employees a range of career paths and professional development.

VusionGroup has a proactive recruitment policy that targets top talent in all of our markets. We benefit from the presence of employees from all age groups, with a wealth of experience and expertise, and the ability to integrate and train new recruits.



## Training

We provide our employees with ongoing training to ensure their skills development keeps pace with the continuous and fast-paced innovation within the technology sector and at VusionGroup. We ensure that our training offer covers a broad range of subjects and content.

VusionGroup promotes a flexible learning culture in which our employees can access upskilling classes via an e-learning platform, anywhere and at their convenience. We encourage employees to select online courses that are relevant to their jobs, career paths and possible skill gaps. Some training activities are selected during employee bi-annual performance reviews.

VusionGroup has invested in new e-learning licenses with LinkedIn Learning to complement the 360Learning platform we use for internal e-learning courses. A blended in-person and e-learning training course is offered to all new employees upon joining the company.

## Sustainability Training

In 2023, we provided 32 hours of sustainability training to employees whose jobs have a concrete impact on VusionGroup's ESG targets. We carry out this training through the EcoVadis Academy platform, which encompasses training modules on the environment, responsible procurement, human rights and ethics, among other topics.



## Well-Being at Work

VusionGroup actively promotes work-life balance and well-being at work through various strategies. Since 2020, we have a telework agreement in place that covers 70% of our employees across all our offices, excluding those whose jobs cannot be accomplished remotely. We have found that the best model combines flexible schedules that meet the needs of the organization while accommodating the needs of our employees.

In 2023, we focused on benefits for our employees who are parents with the goal of enhancing their work-life balance. These benefits include a stipulated number of extra days off, flexible working arrangements, and paid leave.

Other policies and activities we have in place to foster a motivating work environment include attractive coworking areas, access to sports and exercise facilities and proximity to public transport.

- ➔ For more on employee satisfaction, please see page 173 of the [VusionGroup 2023 Universal Registration Document](#).
- ➔ For more on employee compensation, please see page 171 of the [VusionGroup 2023 Universal Registration Document](#).

## Our Employee Satisfaction Survey

VusionGroup conducts an employee satisfaction survey twice a year, carried out by an independent third-party. We seek to measure the employee experience at our company, assess employee perception of specific issues, collect information and viewpoints to leverage for continuous improvement, and track results over time to measure improvement. The survey results in an employee net promoter score (eNPS). Our surveys enjoy high employee participation rates – 87% in the second half of 2023 and 84% in the first half of the year.

## Employee participation in VusionGroup's value creation

VusionGroup has established a performance share – or stock option – plan, available since 2020. In 2024 the program was extended to all employees. The plan is aligned to VusionGroup's strategic plan, and performance shares are granted based on the achievement of pre-established business targets.

We believe that our performance share plan is also aligned with our conviction that motivation and engagement are the primary drivers of VusionGroup's success. Performance shares have become a key element in attracting and retaining the most talented employees, engaging them in our entrepreneurial culture, and rewarding them for the value they help to create.

In the second half of 2023 VusionGroup received an **eNPS score of 40**, on a scale in which any score over 30 is considered excellent. In the latest results of our survey, our employees found our corporate environment to be inclusive and sustaining, irrespective of gender, ethnic origin, religion or sexual orientation.

# Governance: Long-Term Stakeholder Value

## 2023 Highlights

- Suppliers representing **98.2%** of VusionGroup's industrial purchases **signed our Supplier Code of Conduct**
- VusionGroup is a **UN Global Compact signatory** for third year in a row
- **Establishment of the Strategy and ESG Committee of the Board of Directors**

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“

*I am delighted to contribute actively to the governance and growth of a unique company, at the heart of the digitalization of physical commerce, as a member of the Board of Directors and as the Strategy and ESG Committee Chair.”*

#### **Peter Brabeck-Letmathe**

Lead (independent) Non-Executive Director,  
VusionGroup

Chairman Emeritus, Former Chairman and CEO,  
Nestlé Group

Vice-Chairman of the Board of Trustees,  
World Economic Forum



# Our Governance Strategy

## Practicing the highest standards of governance

VusionGroup's governance, strategy, risks and business performance are overseen by our Board of Directors, made up of recognized leaders from the international business world and public sector.

Throughout our business, we prioritize responsible and ethical behavior in all facets of our work and across all our geographies. We outline and describe in detail what this means in our **Code of Ethics**.

We establish and oversee health and safety programs for our employees, ensuring a safe work environment for all. We also design our products and solutions with safety as one of the criteria of our innovation. Our concern for health, safety and business ethics extends to our supply chain, and is described in detail in our Supplier Code of Conduct.

We submit reports to and solicit the oversight of rating agencies and certifying organizations to provide an external third-party view and validation of our practices. In this regard, we are encouraged by the validations we have received from organizations such as EcoVadis, CDP, and the International Organization for Standardization (ISO). Notably, we received the EcoVadis platinum medal for the second consecutive year and placed among the top 1% of companies audited.

### Indicators

- Code of Ethics and Supplier Code of Conduct signature rates
- Board of Directors gender diversity
- External sustainability ratings
- Ratio of purchases subject to ESG audit

### Highlights

- Achieved gender parity on the Board of Directors (50% women, 50% men) and 50% of Board member independence
- Renewed the commitment of our employees and suppliers to our Code of Ethics and Code of Conduct
- Audited supply chain for ethics, raw material purchasing (conflict minerals) and occupational safety
- Monitored declarations of potential conflicts of interest and whistleblowing










#### Our certifications



#### Our ratings



## Our Governance Strategy Indicators and 2023 Performance

Topic or Goal	Indicator	SDGs	2023 Performance	2022 Performance	2027 Ambition
<b>Promotion of our ethics and values among employees</b>	Percentage of employees signing Code of Ethics	 	91%	95%	<b>&gt;95%</b>
<b>Gender Diversity and Independence of Board</b>	Percentage of women on the Board Percentage of independent directors	 	50% women Directors 50% independent Directors	50% women Directors 50% independent Directors	<b>50% women Directors</b> <b>50% independent Directors</b>
<b>Audit of the supply chain</b>	Internally audited suppliers as percentage of industrial purchases covered	 	97%	97%	<b>100%</b>
<b>Industrial Supplier Code of Conduct</b>	Signature rate as percentage of covered industrial purchases	 	98%	98%	<b>100%</b>
<b>External Ratings</b>	Ecovadis and CDP		Ecovadis: Platinum CDP: B	Ecovadis: Platinum CDP: C	<b>Ecovadis: Platinum</b> <b>Upper quartile for other rating agencies (CDP, ISS, MSCI, etc.)</b>

# Governance and Ethics

## Board of Directors

VusionGroup's highest governance body is our Board of Directors, comprised of highly experienced leaders from the international business and public sectors. Several of our non-executive Directors have held the seniormost roles in world-leading consumer goods companies, with expertise developed over decades in retail and brand management. All Board members bring experience and skills that contribute actively and tangibly to the oversight and strategy-setting of our company.

Our Board has mandated three committees: an Audit Committee, a Nomination and Remuneration Committee, and a Strategy and ESG committee.

The Board, and in particular the Audit Committee, oversee the risk identification and mitigation processes at VusionGroup.

## ESG Oversight

Our ESG program and activities, which are defined and directed by our Chief Sustainability Officer, are overseen at the Board level by the Strategy and ESG Committee. Moreover, we assess and validate the performance of our ESG strategy by engaging in an external audit annually.

## Code of Ethics

VusionGroup works methodically to ensure the adherence to our ethical standards. We conduct training sessions on the Code and hold annual signature campaigns for our Code of Ethics and Supplier Code of Conduct. Our Code of Ethics applies to members of VusionGroup's supervisory bodies, managers and employees, temporary workers, consultants and third-party contributors, distribution partners, suppliers, customers, and institutions with which we do business. We expect everyone at the company to apply the Code, along with its procedures and related policies.

The Code addresses compliance with anti-bribery laws and regulations, anti-money laundering laws, and international trade rules. It outlines VusionGroup's policies regarding human rights, anti-discrimination, gender equality, diversity, health and safety, harassment, and well-being in the workplace. It also addresses and defines our commitment to transparency.

Lastly, it provides instructions for speaking up and whistleblowing and assurance of non-retaliation.

### CODE OF ETHICS TRAINING

Our **Code of Ethics** is designed to ensure that each staff member understands and acts with the highest ethical standards in every aspect of our work. Everyone at VusionGroup must apply the Code along with the procedures and related policies when interacting with all stakeholders. We train employees and managers through our e-learning module regarding ethical conduct of business, including a range of topics such as money laundering, fair competition, conflict of interest, anti-corruption, anti-bribery, gifts and hospitality, charity and patronage as well as the whistleblowing procedures.

- ➔ For more information on our Board of Directors, please see chapter 3 of **VusionGroup's 2023 Universal Registration Document**.
- ➔ For a full listing of VusionGroup's policies, please visit our **Governance Documents** in the Investor's Website.

## Safety at Work

VusionGroup has a fables model of production. We do not manufacture our products, but rather outsource production to long-term manufacturing partners – External Manufacturing Services, or EMS – located in China, Vietnam and northern Mexico. Therefore, we do not measure or engage in safety practices at production facilities, although these issues are included in our responsible supply chain management audits and initiatives.

At our locations around the globe, including offices and warehouses, our employees are exposed to different levels and types of safety risks, depending on their work environment. We take into account the different health and safety exposures of each of these settings to establish systems and procedures to minimize the likelihood of accidents or injuries at work.

In 2023, we conducted a safety audit across the company. We used the analysis from the audit exercise to develop an occupational risk matrix and prevention plan. We also carried out an assessment of the risks related to the various activities in which our employees engage, in consultation with the International Labor Organization’s (ILO) International Hazard Datasheets on Occupations (HDO).

The safety of our employees is the first priority of VusionGroup. We are very proud of our safety indicators in 2023:

**2.73%**

**Work-related accident frequency rate**

**0.1%**

**Work-related accident severity rate**

**0.47%**

**Accidents per employee**

➔ For more on employee health and safety please see pages 174 – 177 of the [VusionGroup 2023 Universal Registration Document](#).

## Safety of Products and Solutions

VusionGroup’s products comply with:

- the European Commission’s Registration, Evaluation, Authorization and Restriction of Chemicals (**REACH**) regulation, whose aim is to provide a high level of protection of human health and the environment from the use of chemicals
- the European Restriction of Hazardous Substances in Electrical and Electronic Equipment (**RoHS**) directive, which provides rules for protecting the environment and public health from such substances, and
- the European Union’s Waste from Electrical and Electronic Equipment (**WEEE**) rules for contributing to a circular economy

VusionGroup ensures that its products comply fully with regulatory requirements. In 2023, we did not record any product recalls relating to potential safety issues or non-compliance.

Additionally, when we collect ESLs from our customers for refurbishment or recycling, we provide them information on necessary precautions to avoid any risks from lithium batteries.



## Sustainable Supply Chain

VusionGroup has clear written policies for the company's supply chain, articulated in our **Supplier Code of Conduct**. The document outlines the responsibilities of VusionGroup's suppliers, including compliance with the UN Global Compact, Human Rights and other local laws. It defines our expectations regarding the workplace and working environment, including our stance against child labor, forced labor and modern slavery, and discrimination and harassment. It also includes our requirements for health and safety, freedom of association and collective bargaining, legal contracts, working hours, and wages and benefits. The document includes sections on mitigating environmental impact, social responsibility and sustainability, bribery and corruption, conflicts of interest, competition law, data privacy, protection of intellectual property, and collaboration with audits. It also includes a link to VusionGroup's whistleblower policy.

Our main assembly partners have long-established environmental initiatives and ESG programs. They adhere to global reporting standards and certifications. The scope of their environmental management systems exceeds what is specified in the ISO 14001:2015 system and includes product environmental compliance and e-waste management.



*VusionGroup values transparency, ethical business practices, and integrity throughout its supply chain. We monitor very closely the working conditions of the staff employed by our suppliers and the traceability of raw materials used. In 2023, our industrial subcontractors were audited through an ESG questionnaire and on-site visits."*

**Christian Weissensteiner**

EVP Global Manufacturing Operations  
and Sourcing

# Upholding ethics throughout our value chain



## REGULATORY COMPLIANCE

- Anti-corruption charter included in all our contracts
- ROHS and REACH certifications to respect



## ADHERENCE TO HUMAN RIGHTS & ETHICS

- Supplier code of conduct signed by our suppliers (covering **98.2%** of industrial purchases)
- Sustainable procurement and purchasing policy
- Conflict minerals policy



## HEALTHY WORKING CONDITIONS

- On-site audits



**19** audits were conducted in 2023 (16 on-site)

ESG questionnaire performed by **EcoVadis**



Auto-evaluation questionnaire for potential new suppliers



# Cybersecurity and Data Privacy

Cybersecurity is a highly critical risk for VusionGroup. The contribution of our Information Technology (IT) department to internal control is indispensable and evolves with the emergence of new technologies and cyber threats. This contribution encompasses the governance of information systems, data security, business continuity and the integrity of IT systems.

To address and mitigate **cybersecurity risk** we have implemented a series of organizational, operational and technical measures to protect the security of our information systems:

- Regular audits and intrusion tests by the IT Department to assess the maturity of our network security, and the systems and applications necessary for the continuity of our business
- Implementation of an information security management system (ISMS) enabling the continuous implementation of an action plan adapted to the risks identified and aligned with the guidelines of ISO 27001 certification (obtained in early 2023) 
- Investment in a suite of analysis and security tools that guarantee the security of our systems and data. In conjunction with our internal control and security policy, these organizational, functional, technical and legal security measures are checked on a regular basis
- Ongoing cybersecurity awareness and IT hygiene for employees, and
- We obtained the Platinum rating from CyberVadis 

We manage our **data security risk** through:

- Establishment of classification rules and strict procedures for defining and allocating access to data, ensuring their confidentiality (principle of least privilege)
- Using leading Cloud-hosting solutions to ensure a high level of availability
- Regular back-ups on various media, and
- Training IT and R&D stakeholders and all employees in development rules and best practices to ensure that solutions comply with the “Privacy by Design” and “Security by Design” rules

➔ For more on this topic, please see chapters 2.1.2.1 and 2.2.2.4.1 in the **VusionGroup 2023 Universal Registration Document**.



## About this Report

Our ESG reporting is guided by frameworks such as the Global Reporting Initiative (GRI) Standards, the UN Social Development Goals (UNSDGs), the Task Force on Climate-Related Financial Disclosures (TCFD) and the Climate Disclosure Project (CDP). We also comply with the reporting requirements of the EU Taxonomy and French Code of Commerce for Sustainable Activities. Our full ESG report also includes a discussion of the scope and methodology employed for our KPIs, and contains a report from an independent third-party auditor on the validation of our data.

This ESG Executive Summary does not cover all the information about our business, and inclusion of information herein is not an indication that the subject or information is material to VusionGroup's business or operating results. Statements other than statements of historical or current facts, including statements and images about our ESG targets, goals, aspirations, commitments and programs, and other business plans, initiatives, and objectives are forward-looking statements and are based on VusionGroup management's current assumptions and expectations. Our actual future results, including the achievement of our targets, goals or commitments, could differ materially from our projected results as the result of a variety of factors, including but not limited to changes in circumstances, assumptions not being realized, or other risks, uncertainties, and factors, many of which are outside our control. Such risks, uncertainties and factors include the risk factors discussed in chapter 2 of our 2023 Universal Registration Document.

- ➔ For more information on how we use these frameworks in our reporting, and for more detailed information for each, please see chapter 4 of **VusionGroup's 2023 Universal Registration Document**.



# VusionGroup

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If you have any questions regarding the  
Sustainability Report, please contact the  
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